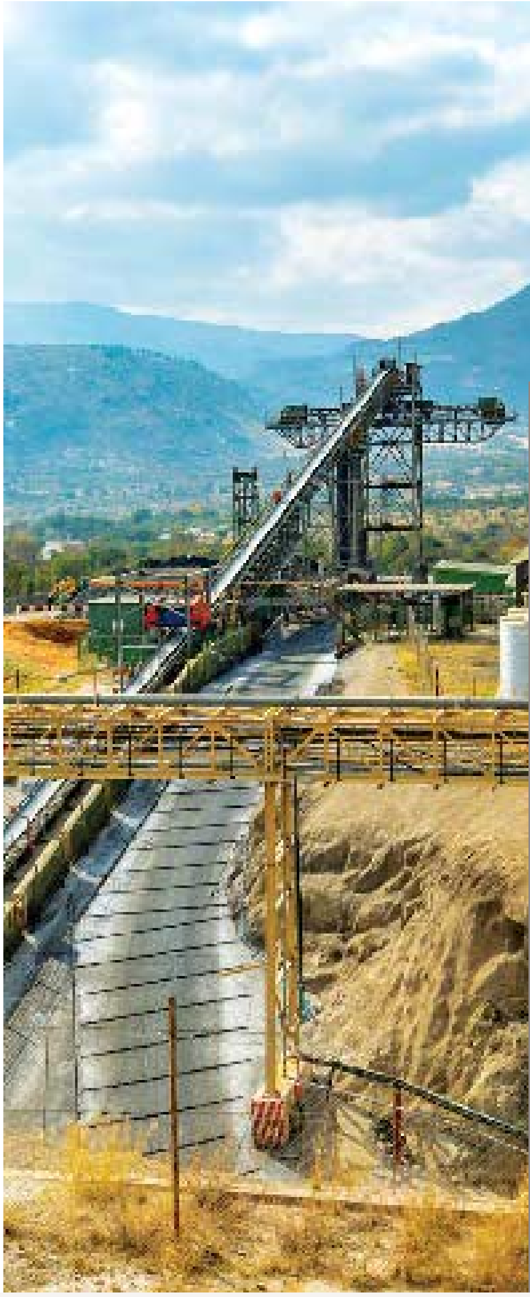
African Rainbow Minerals

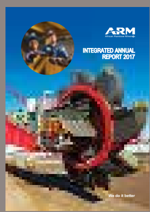
ANNUAL FINANCIAL STATEMENTS 2017

We do it better



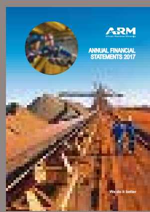
OUR SUITE OF REPORTS
and additional material are available at **www.arm.co.za**

Integrated Annual Report



The Integrated Annual Report presents a holistic view of ARM and discusses the Company's operational, financial and sustainability performance as well as its governance structures and operating context. The report focuses on the Company's material matters and strategy.

Annual Financial Statements

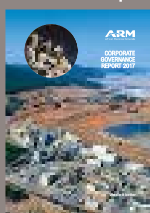


The Annual Financial Statements present the audited financial statements which have been prepared in accordance with the International Financial Reporting Standards (IFRS).

Sustainability Report

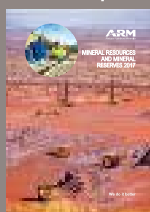
The Sustainability Report provides detailed information about our sustainable development performance and how economic, social and environmental impacts are managed. The report addresses those sustainability issues that are material to ARM and its stakeholders.

Corporate Governance Report



This report summarises our commitment to the highest standards of corporate governance and how our governance structures and systems support our values and the way in which we conduct our business.

Mineral Resources and Mineral Reserves Report



The Mineral Resources and Mineral Reserves Report is prepared in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC 2016).

King IV Application Register

The King IV application register summarises the King IV principles implemented and the progress made towards achieving the practices and, ultimately, the governance outcomes envisaged.

CONTENTS

All monetary values in this report are stated in South African Rand unless otherwise stated. Rounding of figures may result in computational discrepancies on management and operational review tabulations.

REFERENCES

- IAR — INTEGRATED ANNUAL REPORT 2017
- AFS — ANNUAL FINANCIAL STATEMENTS
- R&R — MINERAL RESOURCES AND MINERAL RESERVES REPORT
- SR — SUSTAINABILITY REPORT 2017
- CGR — CORPORATE GOVERNANCE REPORT
- www.arm.co.za

DIRECTORS' RESPONSIBILITY

DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The Company's Directors are responsible for the overall coordination of the preparation and fair presentation to shareholders of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act 71 of 2008, as amended. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The going concern basis has been used to prepare the consolidated and separate financial statements and the Directors are satisfied that the Group and the Company have access to adequate resources to continue as a going concern for the ensuing year.

The Directors are also responsible for the Group's system of internal controls. These are designed to provide reasonable, but not absolute assurance against material misstatement or loss.

The Audit and Risk Committee has confirmed that effective systems of internal control and risk management are being maintained. There were no breakdowns in the functioning of the internal financial control systems during the year, which had a material impact on the Group and Company annual financial statements. A description of the Audit and Risk Committee's functions is included in these financial statements on pages 2 to 4.

The Board considers that in preparing the financial statements the most appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgements and estimates in accordance with IFRS. The Directors are satisfied that the annual financial statements of the Group and Company fairly present the results of the operations and the cash flows thereof for the year ended 30 June 2017, and the financial position at 30 June 2017. The Directors are also satisfied that the additional information included in the Integrated Annual Report 2017 is accurate and consistent with the financial statements in this report.

The responsibility of the external auditor, Ernst & Young Inc., is to express an independent opinion on the fair presentation of the annual financial statements based on their audit of the Group and the Company. The Audit and Risk Committee has satisfied itself that the external auditor was independent.

The consolidated and separate annual financial statements on pages 1 to 115 were approved by the Board and are signed on its behalf by:

Patrice Motsepe
Executive Chairman

Mike Schmidt
Chief Executive Officer

Johannesburg

10 October 2017

CERTIFICATE OF THE COMPANY SECRETARY

In my capacity as Company Secretary, I hereby confirm, to the best of my knowledge and belief, that in terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, for the year ended 30 June 2017, the Company has lodged with the Commissioner of the Companies and Intellectual Property Commission all such returns and notices which are required for a public company in terms of this Act, and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.

Alyson D'Oyley
Company Secretary

Johannesburg

10 October 2017

REPORT OF THE AUDIT AND RISK COMMITTEE

This report is provided by the Audit and Risk Committee appointed in respect of the F2017 financial year of ARM in compliance with Section 94 of the Companies Act 71 of 2008, as amended (the Companies Act).

IAR Information on the membership and composition of the Audit and Risk Committee, its Terms of Reference and its procedures is described in the Corporate Governance Report on pages 74 to 84 of the Integrated Annual Report.

EXECUTION OF FUNCTIONS OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee has executed its duties and responsibilities during the financial year in accordance with its Terms of Reference as they relate to ARM's accounting, internal auditing, internal control, risk and financial reporting practices.

During the year:

In respect of the external auditor and the external audit, the Audit and Risk Committee, *inter alia:*

> recommended to shareholders that Ernst & Young Inc. be re-appointed as the external auditor and that Mr L I N Tomlinson be re-appointed as the designated auditor;

> ensured that the appointment of the external auditor complied with the Companies Act and all applicable legal and regulatory requirements for the appointment of the external auditor. The Audit and Risk Committee confirmed that the external auditor and designated auditor are accredited by the JSE;

> approved the external audit plan and the budgeted audit fees payable to the external auditor;

> confirmed that it is satisfied that the external auditor is independent of the Company and Group and considered the following in its determination:
   – reviewed and evaluated the effectiveness of the external auditor and its independence;
   – obtained and accepted an annual written statement from the auditor that its independence was not impaired;
   – determined the nature and extent of all non-audit services provided by the external auditor;
   – pre-approved all permissible non-audit services provided by the external auditor in terms of its Policy on the Approval of Audit Services and the Pre-approval of Non-Audit Services; and
   – considered the tenure of the external audit firm, Ernst & Young Inc., and its predecessor firms, which have been the auditor of African Rainbow Minerals Limited for 44 years. It was noted that in 2004, Ernst & Young Inc. continued as the auditor of the African Rainbow Minerals Limited group, which was created following a range of indivisible transactions involving certain interests of Anglovaal Mining Limited, African Rainbow Minerals & Exploration Investments (Pty) Ltd and Harmony Gold Mining Company Limited. Ernst & Young Inc. has been the auditor of the Group for 13 of the 44 years;

> considered mandatory auditor rotation; and

> evaluated the quality of the external audit.

In respect of the financial statements, the Audit and Risk Committee, *inter alia:*

> confirmed the going concern status of the Company as the basis of preparation of the interim, provisional and annual financial statements;

> examined and reviewed the interim, provisional and annual financial statements, as well as all financial information disclosed to the public prior to submission and approval by the Board;

> ensured that the annual financial statements fairly present the financial position of the Group as at the end of the financial year and the results of operations and cash flows for the financial year of the Group, in accordance with International Financial Reporting Standards and the requirements of the Companies Act;

> considered accounting treatments, significant unusual transactions and accounting judgements;

> considered the appropriateness of the accounting policies adopted and changes thereto;

> reviewed the Independent Auditor's Report;

> in terms of the letter from the JSE Limited on the Proactive Monitoring Process dated 13 February 2017, considered the JSE's report entitled "Reporting Back on Proactive Monitoring of Financial Statements of 2016";

> considered any problems identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements;

> considered management's recommendation to the Board on the dividend paid to shareholders; and

> met separately with management, the external auditor and the internal auditor.

In respect of key audit matters, the Audit and Risk Committee considered the treatment of the sale of Dwarsrivier, the sale of Lubambe Mine, impairment of various assets, and the silicosis and tuberculosis class action provision as more fully set out on pages 5 to 7.

In respect of internal control and internal audit, the Audit and Risk Committee, *inter alia:*

> reviewed and approved the annual internal audit plan and evaluated the independence, effectiveness and performance of the internal auditor, and found the internal auditor to be effective;

> reviewed significant issues raised by the internal audit process and the adequacy of corrective action in response to significant internal audit findings;

> considered the reports of the internal auditor on the Group's systems of internal control, including financial controls, business risk management and maintaining effective internal control systems, and the internal auditor's written assessment of governance, risk management and control processes.

> has considered the effectiveness of the systems of internal financial controls of the Group taking into consideration reports by management and the above-mentioned reports by the internal auditor thereon and have also considered the reports by the external auditor on the annual financial statements; and

- based on the above, concluded that nothing had come to its attention that would suggest that the internal financial controls were not effective for the year ended 30 June 2017. In addition, the Audit and Risk Committee has considered the accounting practices and the annual financial statements of the Group and consider these to be fair and reasonable.

In respect of risk management, the Audit and Risk Committee, in its oversight role of the Management Risk and Compliance Committee *inter alia*:

- reviewed the Enterprise Risk Management Framework setting out ARM's policies and processes on risk assessment and risk management and implementation thereof throughout the Group;
- ensured that the Group has applied a Combined Assurance Model in support of a coordinated approach to all assurance activities;
- reviewed the communication of risks to stakeholders in the Integrated Annual Report; and
- considered and reviewed the findings and recommendations of the Management Risk and Compliance Committee.

In respect of legal and regulatory requirements to the extent that they may have an impact on the financial statements, the Audit and Risk Committee, *inter alia:*

- reviewed with management and, to the extent deemed necessary, internal and/or external counsel, legal matters that could have a material impact on the Group;
- discharged those statutory obligations of an audit committee as prescribed by Section 94 of the Companies Act;
- monitored complaints received via ARM's whistleblowers' hotline, including complaints or concerns regarding accounting matters, internal audit, internal accounting controls, contents of the financial statements, potential violations of the law and questionable accounting or auditing matters; and
- considered reports provided by management and the internal auditor regarding compliance with legal and regulatory requirements.

The Audit and Risk Committee also considered the experience, expertise and effectiveness of the Financial Director and the finance function and concluded that these were appropriate.

QUALIFICATIONS OF AUDIT AND RISK COMMITTEE MEMBERS[1, 2]

TOM BOARDMAN 67

BCom, CA(SA)

Independent Non-executive Director

Chairman of the Audit and Risk Committee

Member of the Non-executive Directors' Committee and the Remuneration Committee

Appointed to the Board in 2011.

Committee Member since February 2011.

FRANK ABBOTT 62

BCom, CA(SA), MBL

Independent Non-executive Director

Member of the Audit and Risk Committee, the Investment Committee, the Non-executive Directors' Committee and the Remuneration Committee

Appointed to the Board in 2004.

Committee Member since December 2015.

DR MANANA BAKANE-TUOANE 69

BA (Economics and Statistics), MA (Econ), PhD (Econ)

Independent Non-executive Director

Chairman of the Remuneration Committee and a Member of the Audit and Risk Committee, the Nomination Committee, the Non-executive Directors' Committee and the Social and Ethics Committee

Appointed to the Board in 2004.

Committee Member since July 2008.

ANTON BOTHA 64

BCom (Marketing), BProc, BCom (Hons), SEP (Stanford)

Independent Non-executive Director

Member of the Audit and Risk Committee, the Investment Committee, the Non-executive Directors' Committee and the Remuneration Committee

Appointed to the Board in 2009.

Committee Member since June 2010.

ALEX MADITSI 55

BProc, LLB, H Dip Co Law, LLM

Lead Independent Non-executive Director

Chairman of the Nomination Committee and of the Non-executive Directors' Committee, and a Member of the Audit and Risk Committee, the Investment Committee, the Remuneration Committee and the Social and Ethics Committee

Appointed to the Board in 2004

Committee Member since July 2004.

DR REJOICE SIMELANE 65

BA (Economics and Accounting), MA, PhD (Econ), LLB (UNISA)

Independent Non-executive Director

Chairman of the Social and Ethics Committee and a Member of the Audit and Risk Committee, the Nomination Committee and the Non-executive Directors' Committee

Appointed to the Board in 2004.

Committee Member since July 2004.

1 *The curricula vitae of the Audit and Risk Committee members may be found on pages 132 to 133 of the Notice of Annual General Meeting in the 2017 Integrated Annual Report.*

2 *All of the current members of the Audit and Risk Committee are Independent Non-executive Directors.*

REPORT OF THE AUDIT AND RISK COMMITTEE continued

INDEPENDENCE OF EXTERNAL AUDITOR

The Audit and Risk Committee is satisfied that Ernst & Young Inc. is independent of ARM. The conclusion was arrived at, *inter alia*, after taking into account the factors set out on page 2 together with those below:

> representations made by Ernst & Young Inc. to the Audit and Risk Committee;
> the external auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefits from the Group;
> the external auditor's independence was not impaired by any consultancy, advisory or other work undertaken by the auditor; and
> the external auditor's independence was not prejudiced as a result of any previous appointment as auditor.

RECOMMENDATION

Following our review of the consolidated and separate annual financial statements for the year ended 30 June 2017, we are of the opinion that, in all material respects, they comply with the relevant provisions of the Companies Act and International Financial Reporting Standards as issued by the International Accounting Standards Board, and fairly present the consolidated results of operations, cash flows, and the financial position of ARM. On this basis, the Audit and Risk Committee recommended the consolidated and separate annual financial statements of ARM as set out in the 2017 Annual Financial Statements to the Board for approval. The Board subsequently approved the 2017 Annual Financial Statements, which will be open for discussion at the forthcoming Annual General Meeting.

On behalf of the Audit and Risk Committee

T A Boardman
Chairman of the Audit and Risk Committee

10 October 2017

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AFRICAN RAINBOW MINERALS LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of African Rainbow Minerals Limited and its subsidiaries (the Group) set out on pages 20 to 106 which comprise the consolidated and separate statements of financial position as at 30 June 2017, and the consolidated and separate income statements, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, notes to the consolidated and separate financial statements, including a summary of significant accounting policies and the directors' remuneration (in the Directors' report) on pages 11 to 17.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of African Rainbow Minerals Limited and the Group as at 30 June 2017, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)*, the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (IESBA code)* and other independence requirements applicable to performing audits of African Rainbow Minerals Limited. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code, IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of African Rainbow Minerals Limited. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Impairment of property, plant and equipment (Consolidated and separate financial statements). The Group assesses at the end of each reporting period whether there are any indications that property, plant and equipment may be impaired. If any such indications exists, the Group estimates its recoverable amounts of those assets.	Our audit procedures involved, amongst others, the following: > Evaluated the cash generating unit's ('CGU') identification in terms of International Financial Reporting Standards ('IFRS') and determined its alignment with our knowledge of the business and internal reporting structure; > Evaluated management's analysis and conclusion on impairment indicators as defined by IFRS;

INDEPENDENT AUDITOR'S REPORT continued

Key Audit Matter	How the matter was addressed in the audit
The carrying value of the Group's portfolio of assets has been impacted by sustained volatility in commodity prices, exchange rates and production difficulties at some operations. The key area of judgement relates to the Group's assessment of future cash flows for each cash generating unit ('CGU'), which is used to assess the recoverable amount of property, plant and equipment. The future cash flows use forward looking estimates which are inherently difficult to determine with precision and there is a level of judgement applied in determining other key inputs. The most critical judgements include estimates of future: > commodity prices; > foreign exchange rates; > inflation rates; > operating costs; > capital expenditures; > production; and > discount rates. During the current year Group recorded impairments of R2 243 million (before tax and minorities) and impairment reversals of R180 million (before tax) against property, plant and equipment ('PPE'). The disclosure associated with asset impairment is set out in the consolidated and separate financial statements in Note 38 *Property, plant and equipment – impairments.*	> Engaged, as part of our team, valuation specialists to assist us with our assessment, including comparisons against external market data, of: – reasonability of the discount rate; – key assumptions such as future commodity prices, inflation rates and foreign exchange rates; and – appropriateness of the valuation methodology used. > Analysed sensitivities such as the impact on headroom if commodity price, inflation rates, exchange rates or discount rate changes; > Agreed operating and future capital expenditure and reserve and resource-life data to latest approved plans and budgets; > Assessed the historical accuracy of management's forecasts, particularly on costs, capital expenditure, and production achievements and compared current performance to forecasts. We evaluated future assumptions around production, resultant revenue, capital expenditure and cost forecasts. > Evaluated the competency and objectivity of experts who produced the reserve statements utilised within the models by considering their professional qualifications and experience; and > Evaluated the adequacy of financial statement disclosures regarding assumptions applied and impairments recognised.
Corporate transactions (Consolidated and separate financial statements) The timing, legal form, parties involved and salient features relating to corporate transactions will determine the specific accounting and disclosure requirements in terms of IFRS. As disclosed in Note 13 *Assets held for sale*, Note 38 *Property, plant and equipment – impairments* and Note 37 *Dwarsrivier Chrome Mine disposal* the Group entered into two corporate transactions relating to copper and chrome operations during the current financial year. **Copper operations – Lubambe Copper Mine (LCM)** Management classified LCM as held-for-sale and as a discontinued operation in terms of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Certain aspects of the presentation and valuation of this transaction involve judgement and estimates, including the > Determination of foreign currency translation reserve directly relating to entities that are sold as part of the transaction; > Selling price adjustments required by the sales contract; > Cost to sell requires estimates of all costs required to fulfil conditions precedent and execution of contract.	Our audit procedures involved, amongst others, the following: > Reviewed all contracts relating to these transactions; > Agreed the gross selling price and adjustments to signed contracts and management calculations; > Evaluated the reasonability of selling price adjustment calculations; > Evaluated reasonability of cost to sell as determined by management; > Engaged, as part of our team, valuation specialists to assist us with our assessment of the fair value of DCM, including comparisons against external market data, of: – reasonability of the discount rate; – key assumptions such as future commodity prices, inflation rates and foreign exchange rates; and – appropriateness of the valuation methodology used. > Analysed sensitivities such as the impact on headroom if commodity price, inflation rates, exchange rates or discount rate changes; > Recalculated impairments and impairment reversals; > Engaged, as part of our team, tax specialist to assist us in evaluating tax principles applied to these transactions; > Agreed all material cash flows to bank statements; and

Key Audit Matter	How the matter was addressed in the audit
Chrome operations – Dwarsrivier Chrome Mine (DCM) (Consolidated and separate financial statements) The disposal of ARM's indirect interest in DCM, through Assmang Proprietary Limited, required management's judgement and the use of external experts for the valuation including: > The determination of the capital gains tax base cost of mining rights sold; and > Fair value of dividends received is determined by future cash flows that use forward looking estimates which are inherently difficult to determine with precision (refer to *Impairment of property, plant and equipment* KAM for the critical judgements in this estimation).	> Evaluated the adequacy of financial statement disclosures regarding these transactions.
Silicosis and tuberculosis class action provision (Consolidated and separate financial statements) ARM is part of the Gold Working Group ('GWG') that is currently in negotiations with affected stakeholders in the silicosis and tuberculosis class action. ARM's share of a possible settlement of the class action and related costs resulted in the Group recognising a provision of R330 million (discounted) as detailed in Note 18 *Long-term provision*. The calculation of the provision is complex and requires judgement and estimation. It also rests on the outcome of ongoing negotiations and possible conclusion of a settlement agreement. The determination of the provision is further influenced by actuarial assumptions, expected timing of cash flows and associated discount rates.	Our audit procedures involved, amongst others, the following: > Obtained confirmation of the class action from the lawyers involved in the case; > Engaged, as part of our team, actuaries who performed the following procedures in relation to the possible settlement of the class action: – evaluated the reasonability of processes followed in calculating GWG's total estimated liability; – evaluated the reasonability of methodology used to determine ARM's share of GWG's total estimated liability; – evaluated the reasonability checks of model provided by management's actuary; and – evaluated qualifications and experience of management's actuary; > Evaluated the reasonability of management's determination of timing of cash flows and the discount rate used; and > Evaluated the adequacy of financial statement disclosures regarding this provision.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa and the Integrated Annual Report, which we obtained prior to the date of this report. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT continued

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

> Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

> Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

> Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

> Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

> Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

> Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in the Government Gazette Number 39475 dated 4 December 2015, and subsequent guidance, we report that Ernst & Young Inc., and its predecessor firms, have been the auditor of African Rainbow Minerals Limited for 44 years.

In 2004, Ernst & Young Inc. continued as the auditor of the African Rainbow Minerals Limited Group, which was created following a range of indivisible transactions involving certain interests of Anglovaal Mining Limited, African Rainbow Minerals & Exploration Investments (Pty) Ltd and Harmony Gold Mining Company Limited. Ernst & Young Inc. has been the auditor of the Group for 13 years.

Ernst & Young Inc.
Director – Lance Ian Neame Tomlinson
Registered Auditor
Chartered Accountant (SA)

10 October 2017

EY
102 Rivonia Road
Sandton
2146

DIRECTORS' REPORT

The Directors have pleasure in presenting their report on African Rainbow Minerals Limited (ARM or the Company) for the year ended 30 June 2017.

NATURE OF BUSINESS

ARM is a diversified South African mining company with excellent long-life, low unit cost operations in key commodities. ARM, its subsidiaries, joint arrangements (which include joint ventures and joint operations) and associates explore, develop, operate and hold interests in the mining and minerals industry. The current operational focus is on precious metals, base metals, ferrous metals and alloys, which include platinum group metals, nickel, copper, coal, iron ore, manganese ore, chrome ore, ferro manganese and silica manganese. ARM also has an investment in Harmony Gold Mining Company Limited.

ARM's partners at the various South African operations are Anglo American Platinum Limited, Assore Limited, Impala Platinum Holdings Limited, Norilsk Nickel Africa Proprietary Limited and Glencore Operations South Africa Proprietary Limited.

ARM's assets in the rest of Africa are held in a 50:50 incorporated joint operation with Vale S.A. On 15 August 2017, ARM announced that ARM and Vale International S.A., a wholly owned subsidiary of Vale S.A., had concluded an agreement for the disposal of ARM and Vale's 80% indirect interest in Lubambe Mine located in Zambia, which is held in equal shares. Zambian Consolidated Copper Mines Investment Holdings plc, a state-controlled company, owns 20% of the Lubambe Mine. The completion of the sale is subject to various conditions precedent.

HOLDING COMPANY

The Company's largest shareholder is African Rainbow Minerals & Exploration Investments (Pty) Ltd (ARMI), holding 40.21% of the issued ordinary share capital of the Company as at 30 June 2017. The sole shareholder of ARMI is Ubuntu-Ubuntu Commercial Enterprises (Pty) Ltd, the shares of which are held by trusts all of which, except The Motsepe Foundation, own those shares for the benefit of Mr P T Motsepe and his immediate family. The Motsepe Foundation applies the benefits emanating from its indirect shareholding in ARM for philanthropic purposes.

In addition, at 30 June 2017, 0.51% of the issued share capital of ARM was held by Botho-Botho Commercial Enterprises (Pty) Ltd, all the shares of which are beneficially owned by trusts which trusts, with the exception of The Motsepe Foundation, hold those shares for the benefit of Mr Motsepe and his immediate family.

ARM is one of the largest black-controlled mineral resource companies in South Africa. ARM is committed to the spirit and objectives of the Mineral and Petroleum Resources Development Act 28 of 2002, and the Broad-Based Socio-Economic Charter for the South African Mining Industry (the Mining Charter). To this end and for the benefit of Historically Disadvantaged South Africans (HDSAs), the Company created the ARM Broad-Based Economic Empowerment Trust (ARM BBEE Trust). The beneficiaries of the ARM BBEE Trust include seven regional upliftment trusts, a women's upliftment trust, union representatives, a church group and community leaders. The ARM BBEE Trust owns 15 897 412 ARM shares (30 June 2016: 15 897 412 ARM shares) which is equivalent to 7.27% of the ARM issued share capital at 30 June 2017.

REVIEW OF OPERATIONS

IAR

The reader is referred to reviews by the Executive Chairman, the Chief Executive Officer, the Chief Financial Officer and the reviews of operations, which report on the Group's activities and results for the year ended 30 June 2017, on pages 6 to 13; 29 to 66 and 102 to 124 of the Integrated Annual Report.

CORPORATE GOVERNANCE

The Board is committed to high standards of corporate governance. These standards are evident throughout the Company's systems of internal controls, practices, policies and procedures. They provide the framework for innovation while ensuring the sustainability of the business. The Board continuously reviews governance matters and control systems to ensure that these are in line with international best practices. In 2017, the Company introduced the principles of King IV.

For details of how the Company applies the King IV principles, see the King IV application register on ARM's website: **www.arm.co.za**

FINANCIAL RESULTS

IAR

The consolidated annual financial statements and accounting policies appear on pages 20 to 106 of this report.

The results for the year ended 30 June 2017 have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of those standards as adopted by the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the South African Companies Act 71 of 2008, as amended, and the Listings Requirements of the JSE Limited. The consolidated annual financial statements fairly present the state of affairs of the Group and Company and adequate accounting records have been maintained.

BORROWINGS AND CASH

Total borrowings at 30 June 2017 amounted to R2.76 billion (F2016: R5.56 billion). The decrease in borrowings is largely due to the decrease in the amount owing on the ARM Corporate facility of R1 400 million at 30 June 2016. There are no interest-bearing borrowings at ARM Ferrous. Cash and cash equivalents increased by R172 million to R1.5 billion as at 30 June 2017. As a result, ARM is in a net debt position of R1.27 billion (F2016: net debt position of R4.24 billion).

AFS

ARM's borrowings are fully described in notes 16, 21 and 39 to the financial statements.

There are no borrowing power provisions in ARM's Memorandum of Incorporation.

GOING CONCERN

To make a determination as to whether the Group is considered to be a going concern, the Directors have considered facts and assumptions, including the Group's cash flow forecasts for the period to 30 June 2018. The Board believes that the Group has adequate resources to continue business in the foreseeable future. For this reason, the Group continues to adopt the going concern basis in preparing its financial statements.

DIRECTORS' REPORT continued

TAXATION

The latest tax assessment for the Company relates to the financial year ended 30 June 2016. All tax submissions up to and including those for the financial year ended 30 June 2016 have been submitted.

SUBSIDIARIES, JOINT ARRANGEMENTS, ASSOCIATES AND INVESTMENTS

AFS The Company's direct and indirect interests in its principal subsidiaries, joint arrangements (which include joint ventures and joint operations), associates and investments are reflected in separate schedules presented on pages 104 to 106.

DIVIDEND

The eleventh annual gross dividend of 650 cents per share declared on 7 September 2017 in respect of the year ended 30 June 2017 (F2016: 225 cents per share) amounted to a distribution of approximately R1 422 million. In accordance with the requirements of Section 4 of the Companies Act 71 of 2008, as amended, the Board determined that the solvency and liquidity requirements prescribed therein were met for the payment of the dividend.

The dividend was subject to Dividends Withholding Tax. In accordance 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 Withholding Tax (Dividends Tax) rate is 20%;
> the gross local dividend amount was 650.00000 cents per ordinary share for shareholders exempt from the Dividends Tax;
> the net local dividend amount was 520.00000 cents per ordinary share for shareholders liable to pay the Dividends Tax;
> as at the date of the dividend declaration, ARM had 218 702 457 ordinary shares in issue; and
> ARM's income tax reference number is 9030/018/60/1.

CAPITAL EXPENDITURE

Capital expenditure for F2017 amounted to R1 022 million (F2016: R930 million).

IAR Full details are set out in the Operational reviews on pages 29 to 66 of the Integrated Annual Report.

EVENTS AFTER THE REPORTING DATE

Subsequent to the end of the reporting period, and further to the announcement dated 15 August 2017. ARM has disposed of its indirect interest in the Lubambe Mine which includes the equity holding in Lubambe Mine as well as loans to Lubambe Mine. The completion of the sale is subject to various regulatory conditions precedent.

AFS See note 13 of the Annual Financial Statements (Assets held for sale).

Two Rivers received consent during August 2017: (i) to transfer the Tamboti rights to it; and (ii) to have its mining right amended accordingly. The amended mining right is expected to be issued to Two Rivers imminently, at which point ARM's interest in Two Rivers will increase to 54%.

AFS See the Directorate below and note 46 of the Annual Financial Statements for additional events after the reporting date.

SHARE CAPITAL

The share capital of the Company, both authorised and issued, is set out in note 14 to the annual financial statements.

A wholly-owned subsidiary of ARM, Opilac (Pty) Ltd, owns 12 717 328 ARM shares following a share repurchase from the ARM BBEE Trust in F2016 as set out in notes 15, 32 and 36.

SHAREHOLDER ANALYSIS

A comprehensive analysis of shareholders together with a list of shareholders beneficially holding, directly or indirectly, in excess of 5% of the ordinary shares of the Company at 30 June 2017, is set out in the shareholder analysis on pages 114 and 115.

DIRECTORATE

Movements in the directorate since the previous report are noted below.

Mr J P Möller was appointed as an Independent Non-executive Director of the Company with effect from 1 January 2017. With effect from 10 October 2017, Messrs D C Noko and J C Steenkamp were appointed as an Independent Non-executive Director and a Non-executive Director, respectively. As Messrs Noko, Möller and Steenkamp were appointed between Annual General Meetings, these Directors are available to stand for election at the forthcoming Annual General Meeting.

The Memorandum of Incorporation provides for one-third of the previously elected Non-executive Directors to retire by rotation. The Non-executive Directors affected by this requirement are Messrs J A Chissano and Z B Swanepoel and Dr R V Simelane, each of whom is available to stand for re-election at the forthcoming Annual General Meeting.

Mr M Arnold, the Financial Director, will retire from the Company with effect from 10 December 2017, but will become a Non-executive Director. Ms A M Mukhuba has been appointed as the Financial Director of the Company with effect from 11 December 2017 and will stand for election by shareholders of the Company at the Company's Annual General Meeting in 2018.

At the date of this report, the Directors of the Company were:

Executive Directors: P T Motsepe (Executive Chairman), M P Schmidt (Chief Executive Officer), M Arnold, H L Mkatshana and A J Wilkens.

Independent Non-executive Directors: A K Maditsi (Lead Independent Non-executive Director), F Abbott, Dr M M M Bakane-Tuoane, T A Boardman, A D Botha, J A Chissano, W M Gule, J P Möller, D C Noko, Dr R V Simelane and Z B Swanepoel.

Non-executive Director: J C Steenkamp.

IAR Summarised *curricula vitae* of the Directors may be found on pages 132 to 133 of the 2017 Integrated Annual Report and more detailed *curricula vitae* are included in the Corporate Governance Report on the Company's website: **www.arm.co.za**

INTERESTS OF DIRECTORS

The direct and indirect beneficial and non-beneficial interests of the Directors of the Company in the issued share capital of the Company were as follows:

	30 June 2017[3]				30 June 2016			
	Direct		Indirect		Direct		Indirect	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial	Beneficial	Non-beneficial	Beneficial	Non-beneficial
P T Motsepe	–	–	89 043 236	–	84 651[1]	–	88 862 749	–
M Arnold	57 901	–	–	–	36 782	–	–	–
A D Botha	–	–	22 450	–	–	–	22 450	–
M P Schmidt	138 088[2]	–	–	–	–	–	66 548	–
R V Simelane, Dr	1 350	–	–	–	1 350	–	–	–
H L Mkatshana	33 458	–	–	–	15 969	–	–	–
A J Wilkens	–	–	469 947	–	–	–	408 532	–
	230 797	–	89 535 633	–	138 752	–	89 360 279	–

1 *These shares were transferred to African Rainbow Minerals & Exploration Investments (Pty) Ltd during F2017.*
2 *During F2017, 64 165 shares held in the Ialend – Mike Schmidt Family Trust were transferred to Mr Schmidt.*
3 *None of the above-mentioned Directors acquired a direct or indirect beneficial or non-beneficial interest in the issued share capital of the Company between 30 June 2017 and the date of this report. Mr J C Steenkamp was appointed to the Board on 10 October 2017 at which time he directly and beneficially held 146 091 shares.*

DIRECTORS' REMUNERATION: EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS (AUDITED)

The remuneration of Executive Directors consists of base salaries, benefits, short-term (annual cash) incentives, and long-term (share-based) incentives. Executive Directors do not receive Directors' fees.

EMOLUMENTS PAID TO EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

All figures in R000	Salary F2017	Pension scheme contributions F2017	Allowances F2017	Total gross annual package F2017[2]	Accrued bonus F2017[3]	Total F2017	Total gross annual package F2016[2]	Accrued bonus F2016[3]	Total F2016
Executive Directors									
P T Motsepe	9 181	–	2	9 183	–	9 183	8 560	–	8 560
M P Schmidt	6 741	456	153	7 350	6 022	13 372	7 067	3 851	10 918
M Arnold	4 917	405	120	5 442	5 350	10 793	5 233	2 566	7 799
H L Mkatshana	3 409	310	75	3 794	2 401	6 195	3 648	1 788	5 436
A J Wilkens	7 101	–	130	7 231	6 962	14 193	6 957	3 339	10 296
Total for Executive Directors	31 349	1 171	480	33 000	20 735	53 735	31 465	11 544	43 009
Prescribed Officers[1]									
A Joubert	3 786	420	173	4 379	4 478	8 857	4 173	2 063	6 236
J C Steenkamp	5 766	575	739	7 080	6 962	14 042	6 809	3 369	10 178
F A Uys	3 387	339	68	3 794	2 560	6 354	3 648	1 739	5 387
Total for Prescribed Officers	12 939	1 334	980	15 253	14 000	29 253	14 630	7 171	21 801
Total for Executive Directors and Prescribed Officers	44 288	2 505	1 460	48 253	34 735	82 988	46 095	18 715	64 810

1 *Prescribed Officers of the Company were determined in terms of Section 66(10) of the Companies Act 71 of 2008, as amended, and as further described in Section 38 of the Regulations thereto. Their remuneration is disclosed in terms of the Companies Act, Section 30(4)(a).*
2 *Total gross annual package before bonus.*
3 *See pages 88 and 89 of the Summarised Remuneration Report included in the 2017 Integrated Annual Report for additional information about cash bonuses payable in respect of F2017.*

DIRECTORS' REPORT continued

The Company enters into employment agreements with Executive Directors and senior executives on a total cost-to-company basis. Executive Directors and senior executives structure their total salary packages to allow for pension contributions, medical aid contributions, travel allowances and other benefits in accordance with their individual requirements.

As discussed in greater detail in Part II of the Summarised Remuneration Report on pages 86 to 92 of the Integrated Annual Report, prior to the Board, upon the recommendation of the Remuneration Committee, approving accrued bonuses for senior executives for F2017, the Executive Chairman deferred 100% of his F2017 bonus and two other Executive Directors deferred a portion of their bonuses.

Performance against bonus targets for F2017 were as follows:

(i) Profitability targets (on a profit before interest and tax basis) were exceeded for ARM Ferrous, ARM Coal and ARM Copper whereas ARM Platinum did not achieve its profitability targets.

(ii) The Company performed well on the cost element with below plan costs at all operations except for Nkomati, Two Rivers and Goedgevonden.

(iii) The safety modifier target was achieved at all operations, with a maximum safety modifier of 10% for ARM Ferrous, ARM Platinum and ARM Copper; a safety modifier above 6% at ARM Coal; and a safety modifier of 9.2% for the ARM Group.

PERFORMANCE SHARES

Conditional awards of full value ARM shares are made to eligible participants pursuant to The African Rainbow Minerals Limited 2008 Share Plan (the Share Plan).

Performance shares are settled after three or four years, subject to the Company's achievement of prescribed performance criteria over this period.

AFS Refer to Part II of the Summarised Remuneration Report of the Integrated Annual Report on page 89 for additional information about the performance criteria and to pages 15 to 16 of this report for the vesting dates.

The total number of performance shares awarded in November and December 2016, and May 2017 was 1 907 006. During the year under review, 344 626 performance shares vested and were settled, including 43 028 performance shares, held by employees who retired, were retrenched or deceased during the year; and 125 467 performance shares were forfeited. The total number of performance shares as at 30 June 2017 was 4 499 333.

Between 30 June 2017 and the date of this report, 64 534 performance shares were settled and 43 005 forfeited.

The number of performance shares awarded to Executive Directors and Prescribed Officers is summarised below.

PERFORMANCE SHARES

	Executive Directors				
	P T Motsepe	M Arnold	H L Mkatshana	M P Schmidt	A J Wilkens
	Number of shares				
Opening balance as at 1 July 2016	404 302	174 437	110 593	310 914	222 111
Performance shares awarded					
14 November 2016[1]	47 218	–	–	–	–
9 December 2016	244 653	120 270	66 762	193 452	124 630
Performance shares settled[2]	(49 357)	(12 846)	(11 625)	(40 077)	(31 761)
Closing balance as at 30 June 2017[3]	**646 816**	**281 861**	**165 730**	**464 289**	**314 980**

1 *Performance shares awarded in terms of the Company's waived bonus method.*
2 *Based on the annual performance criteria assessment by an independent third party, the targeted (1x) number of performance shares were settled. Refer to Part II of the Summarised Remuneration Report on page 89 of the Integrated Annual Report for additional information.*
3 *No performance shares were awarded or settled between 30 June 2017 and the date of this report.*

	Prescribed Officers		
	A Joubert	J C Steenkamp[3]	F A Uys
	Number of shares		
Opening balance as at 1 July 2016	145 336	206 105	104 731
Performance shares awarded 9 December 2016	76 300	124 630	66 762
Performance shares settled[1]	(19 388)	(17 567)	(17 028)
Closing balance as at 30 June 2017[2]	**202 248**	**313 168**	**154 465**

1 *Based on the annual performance criteria assessment by an independent third party, the targeted (1x) number of performance shares were settled. Refer to Part II of the Summarised Remuneration Report of the Integrated Annual Report on page 89 for additional information.*
2 *No performance shares were awarded between 30 June 2017 and the date of this report and 36 314 performance shares were settled and 10 263 performance shares were forfeited between 30 June 2017 and the date of this report.*
3 *Mr J C Steenkamp retired from the Company on 30 June 2017 and was appointed to the Board as a Non-executive Director on 10 October 2017.*

BONUS SHARES

Pursuant to the Share Plan, eligible participants receive grants of full value ARM shares that match, according to a specified ratio, a portion of the annual cash incentive accruing to them. Bonus shares are only settled to participants after three or four years, as the case may be, conditional on continued employment.

The total number of bonus shares granted in November 2016 was 57 584. During the year under review, 282 944 bonus shares vested and were settled, including 28 255 bonus shares held by employees who retired, were retrenched or deceased during the year, and 4 431 bonus shares were forfeited. The total number of bonus shares as at 30 June 2017 was 843 415.

Between 30 June 2017 and the date of this report, 38 885 bonus shares were settled and 1 775 were forfeited. The number of bonus shares granted to Executive Directors and Prescribed Officers is summarised below.

BONUS SHARES

	Executive Directors				
	P T Motsepe	M Arnold	H L Mkatshana	M P Schmidt	A J Wilkens
	Number of shares				
Opening balance as at 1 July 2016	193 604	65 637	46 097	128 505	117 074
Bonus shares granted 14 November 2016[1]	47 218	–	–	–	–
Bonus shares settled	(44 750)	(7 656)	(5 864)	(30 846)	(27 822)
Closing balance as at 30 June 2017[2]	**196 072**	**57 981**	**40 233**	**97 659**	**89 252**

1 *Bonus shares granted in terms of the Company's waived bonus method.*
2 *No bonus shares were granted or settled between 30 June 2017 and the date of this report.*

	Prescribed Officers		
	A Joubert	J C Steenkamp[2]	F A Uys
	Number of shares		
Opening balance as at 1 July 2016	83 073	101 664	34 899
Bonus shares settled	(16 265)	(14 224)	–
Closing balance as at 30 June 2017[1]	**66 808**	**87 440**	**34 899**

1 *No bonus shares were granted or settled between 30 June 2017 and the date of this report and 26 482 performance shares were settled between 30 June 2017 and the date of this report.*
2 *Mr J C Steenkamp retired from the Company on 30 June 2017 and was appointed to the Board as a Non-executive Director on 10 October 2017.*

DIRECTORS' REPORT continued

SHARE OPTION SCHEME

Schedules of share option awards accruing to Executive Directors and Prescribed Officers and the transactions that occurred during the year to 30 June 2017 are set out below.

SCHEDULE OF SHARE OPTION AWARDS

	Executive Directors					
	P T Motsepe		M Arnold		H L Mkatshana	
	No of options	Avg price R	No of options	Avg price R	No of options	Avg price R
Opening balance as at 1 July 2016	89 358	164.25	51 973	169.11	22 874	183.62
Options exercised	(1 549)	96.20	(617)	96.20	–	
Options cancelled[1]	(14 519)	96.20	(5 780)	96.20	–	
Closing balance as at 30 June 2017	**73 290**	**179.17**	**45 576**	**179.34**	**22 874**	**183.62**
Grant date of options						
15 October 2009	10 707	155.20	5 316	155.20	–	–
15 October 2010	–	–	6 287	178.49	–	–
9 November 2011	19 396	182.67	9 959	182.67	–	–
3 April 2012	–	–	–	–	6 861	182.19
15 October 2012	22 964	168.37	12 769	168.37	8 167	168.37
29 October 2013	20 223	200.75	11 245	200.75	7 846	200.75

1 *Share options cancelled using the net settlement process.*

	Executive Directors			
	M P Schmidt		A J Wilkens	
	No of options	Avg price R	No of options	Avg price R
Opening balance as at 1 July 2016	64 940	172.49	95 716	161.63
Options exercised	(617)	96.20	(1 832)	96.20
Options cancelled[1]	(5 780)	96.20	(17 179)	96.20
Closing balance as at 30 June 2017	**58 543**	**180.83**	**76 705**	**177.84**
Grant date of options				
15 October 2009	4 262	155.20	12 668	155.20
15 October 2010	4 863	178.49	12 072	178.49
9 November 2011	15 328	182.67	19 124	182.67
15 October 2012	18 127	168.37	17 463	168.37
29 October 2013	15 963	200.75	15 378	200.75

1 *Share options cancelled using the net settlement process.*

	Prescribed Officers					
	A Joubert		J C Steenkamp[2]		F A Uys	
	No of options	Avg price R	No of options	Avg price R	No of options	Avg price R
Opening balance as at 1 July 2016	38 069	178.91	77 158	166.22	16 702	184.34
Options exercised	–		(1 157)	96.20	–	
Options lapsed/forfeited[1]	–		(10 849)	96.20	–	
Closing balance as at 30 June 2017	**38 069**	**178.91**	**65 152**	**179.13**	**16 702**	**184.34**
Grant date of options						
15 October 2009	5 103	155.20	8 000	155.20	–	–
15 October 2010	4 863	178.49	9 408	178.49	–	–
9 November 2011	7 997	182.67	14 903	182.67	–	–
15 October 2012	10 691	168.37	17 463	168.37	8 464	168.37
29 October 2013	9 415	200.75	15 378	200.75	8 238	200.75

1 Share options cancelled using the net settlement process.
2 Mr J C Steenkamp retired from the Company on 30 June 2017 and was appointed to the Board as a Non-executive Director on 10 October 2017.

VESTING DATES

Performance shares

Annual Allocations

Performance shares conditionally awarded to participants other than senior executives after 1 November 2011: Performance shares vest and are settled after a performance period of three years, subject to the achievement of predetermined performance criteria.

Performance shares conditionally awarded to senior executives after 1 November 2011 and before 1 November 2014: Performance shares vest and are settled after a performance period of four years, subject to the achievement of predetermined performance criteria.

Performance shares conditionally awarded to senior executives after 1 November 2014: Performance shares vest and are settled after a performance period of three years, subject to the achievement of predetermined performance criteria. For performance shares awarded after 5 December 2014, retirement does not accelerate the vesting period.

Deferred Bonus/Co-Investment Scheme

Matching performance shares conditionally awarded in terms of the Deferred Bonus/Co-investment Scheme vest and are settled after a performance period of three years, subject to the achievement of predetermined performance criteria.

Waived Bonus Method (F2015 and F2016)

Matching performance shares conditionally awarded in terms of the Waived Bonus Method vest and are settled after a performance period of three years, subject to the achievement of predetermined performance criteria.

SCHEDULE OF PERFORMANCE SHARE VESTING DATES

	Number of shares
Performance shares outstanding at 30 June 2017	**4 499 333**
Vested on	
22 May 2017	7 985
Vesting on	
30 October 2017	179 668
18 November 2017	460 110
22 November 2017	56 997
25 April 2018	14 489
15 October 2018	820 989
26 November 2018	1 036 695
19 May 2019	30 354
15 November 2019	57 584
10 December 2019	1 795 729
16 May 2020	38 733

Bonus shares

Annual Allocations

Bonus shares granted to participants other than senior executives after 1 November 2011: Bonus shares vest and are settled after three years, subject to continued employment.

Bonus shares granted to senior executives after 1 November 2011 and before 1 November 2014: Bonus shares vest and are settled after four years, subject to continued employment.

Bonus shares granted to senior executives after 1 November 2014: Bonus shares vest and are settled after three years, subject to continued employment. For bonus shares granted after 5 December 2014, retirement does not accelerate the vesting period. Annual allocations are no longer made.

DIRECTORS' REPORT continued

Deferred Bonus/Co-Investment Scheme

Bonus shares granted in terms of the Deferred Bonus/Co-Investment Scheme vest and are settled after three years.

Waived Bonus Method (F2015 and F2016)

Bonus shares granted in terms of the Waived Bonus Method vest and are settled after three years.

SCHEDULE OF BONUS SHARE VESTING DATES

	Number of shares
Bonus shares outstanding at 30 June 2017	**843 415**
Vesting on	
30 October 2017	136 446
18 November 2017	198 865
22 November 2017	60 351
26 November 2018	390 169
15 November 2019	57 584

Share options

Options granted after 1 December 2008: No options may be exercised prior to the third anniversary of the issue date relative to such options.

Options granted to senior executives between 1 November 2011 and 30 June 2014: No options may be exercised prior to the fourth anniversary of the issue date relative to such options.

Options may not be exercised later than the eighth anniversary of the issue date, after which such options lapse.

SCHEDULE OF OPTION VESTING DATES

	Number of options	Average issue price per option
Options outstanding at 30 June 2017	**1 068 757**	**R180.82**
Vested		
16 October 2012	92 198	R155.20
27 April 2013	4 808	R195.60
16 October 2013	130 329	R178.49
2 April 2014	6 857	R223.00
10 November 2014	105 034	R182.67
3 April 2015	11 951	R182.19
16 October 2015	141 909	R168.37
10 November 2015	121 787	R182.67
3 April 2016	6 861	R182.19
27 April 2016	4 615	R181.00
16 October 2016	156 847	R168.37
30 October 2016	133 785	R200.75
22 May 2017[1]	10 661	R191.14
Vesting on		
30 October 2017	141 115	R200.75

1 Share options granted to management other than senior executives.

SHARE INCENTIVE MOVEMENTS

	Share options		Performance shares[1]		Bonus shares[1]	
	F2017	F2016	**F2017**	F2016	**F2017**	F2016
Opening balance as at 1 July 2016	**1 268 254**	1 736 232	**3 062 420**	2 312 550	**1 073 206**	933 066
Exercised	**(51 764)**	–	**–**	–	**–**	–
Settled	**–**	–	**(344 626)**	(299 694)	**(282 944)**	(232 017)
Granted/awarded	**–**	–	**1 907 006**	1 150 506	**57 584**	390 169
Forfeited/cancelled/lapsed	**(147 733)**	(467 978)	**(125 467)**	(100 942)	**(4 431)**	(18 012)
Closing balance as at 30 June 2017	**1 068 757**	1 268 254	**4 499 333**	3 062 420	**843 415**	1 073 206
Subsequent to year-end:						
Exercised/settled	**–**	–	**(64 534)**	(32 648)	**(38 885)**	(26 693)
Forfeited/cancelled/lapsed	**(14 276)**	(42 717)	**(43 005)**	(67 500)	**(1 775)**	(3 642)
Balance as at the date of this report	**1 054 481**	1 225 537	**4 391 794**	2 962 272	**802 755**	1 042 871

1 Conditional.

DIRECTORS' REMUNERATION: NON-EXECUTIVE DIRECTORS (AUDITED)

The remuneration of Non-executive Directors consists of Directors' fees. Board and Committee retainers and attendance fees are paid quarterly and in arrears.

The table below sets out the emoluments paid to Non-executive Directors during the years ended 30 June 2017 and 30 June 2016.

All figures in R000	Board and Committee fees[3]	Value added tax at 14%[4]	Other[5]	Total F2017	Total F2016
Non-executive Directors[1]					
F Abbott	888	10	–	**898**	740
Dr M M M Bakane-Tuoane	1 207	10	–	**1 217**	1 108
T A Boardman	1 266	6	–	**1 272**	1 298
A D Botha	888	10	–	**898**	916
J A Chissano	546	10	604	**1 160**	1 071
W M Gule	477	–	170	**647**	582
A K Maditsi	1 410	16	–	**1 426**	1 232
J P Möller[2]	236	6	–	**242**	–
Dr R V Simelane	1 141	10	–	**1 151**	1 044
Z B Swanepoel	591	11	–	**602**	578
Total for Non-executive Directors[6]	8 650	89	774	**9 513**	8 569

1 *Payments for the reimbursement of out-of-pocket expenses have been excluded.*
2 *Mr J P Möller was appointed 1 January 2017.*
3 *Fees paid or payable.*
4 *Value added tax applicable to Non-Executive Directors' fees between 1 June 2017 and 30 June 2017.*
5 *Fees in terms of service contracts. See Part II of the Summarised Remuneration Report in the Integrated Annual Report on page 92 for more information.*
6 *Messrs D C Noko and J C Steenkamp were appointed to the Board after the reporting period, with effect from 10 October 2017.*

EXTERNAL AUDITOR

Ernst & Young Inc. (EY) continued in office as the external auditor for the Company. At the Annual General Meeting, shareholder approval will be sought for the re-appointment of EY as ARM's external auditor and the re-appointment of Mr L I N Tomlinson as the designated individual registered auditor for the 2018 financial year.

COMPANY SECRETARY

Ms A N D'Oyley is the Company Secretary of ARM. Her business and postal addresses appear on the inside back cover of this report. Additional information regarding the office of the Company Secretary during the year are set out on page 83 of the 2017 Integrated Annual Report.

LISTINGS

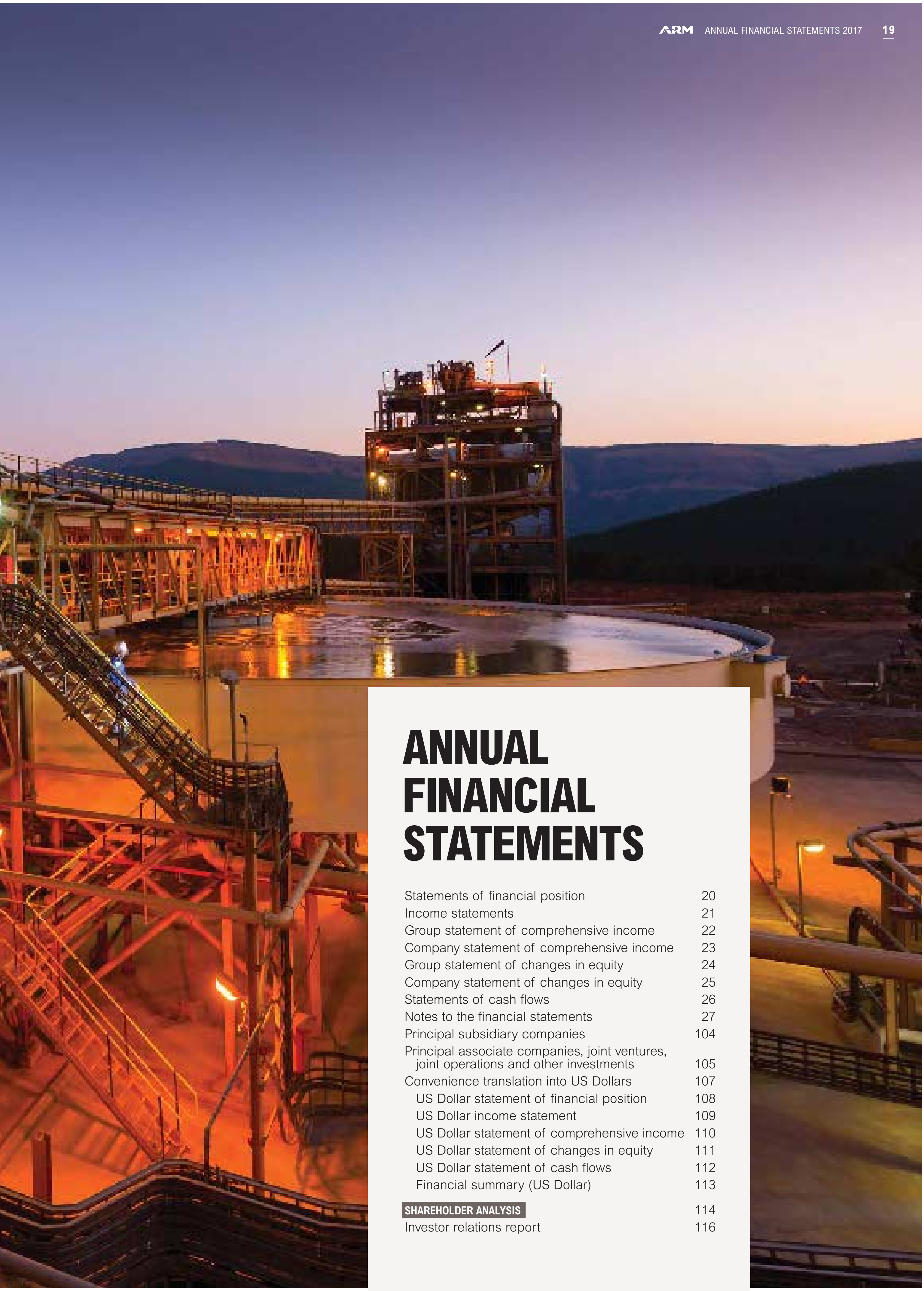
The Company's shares are listed on the JSE Limited (JSE) under General Mining under the JSE share code: ARI. A sponsored Level 1 American Depositary Receipt (ADR) programme is also available to investors for over-the-counter or private transactions under the ticker symbol AFRBY.

STRATE (SHARE TRANSACTIONS TOTALLY ELECTRONIC)

The Company's shares were dematerialised on 5 November 2001. Should shareholders wish to trade certificated ARM (previously Avmin) shares on the JSE they are urged to deposit them with a CSDP (Central Securities Depository Participant) or qualifying stockbroker, as soon as possible. Trading in the Company's shares on the JSE is only possible if they exist in electronic format in the Strate environment. If members have any queries, they should contact the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, whose details are reflected on the inside back cover of this report.

CONVENIENCE TRANSLATIONS INTO UNITED STATES DOLLARS

To assist users of this report, translations of convenience into United States Dollars are provided for in these Annual Financial Statements. These translations are based upon average rates of exchange for income statement and cash flow statement items and at those rates prevailing at year-end for statement of financial position items. These statements are found on pages 107 to 113.



ANNUAL FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

at 30 June 2017

		Group		Company	
	Notes	F2017 Rm	F2016 Rm	F2017 Rm	F2016 Rm
ASSETS					
Non-current assets					
Property, plant and equipment	3	**7 801**	10 966	**3 145**	3 929
Intangible assets	4	**130**	137	**130**	137
Deferred tax assets	17	**656**	151	**590**	151
Loans and long-term receivables	5	**34**	40	**799**	805
Investment in associate	7	**1 334**	1 153	**841**	841
Investment in joint venture	8	**14 860**	14 623	**259**	259
Other investments	9	**1 573**	3 521	**5 856**	8 101
		26 388	30 591	**11 620**	14 223
Current assets					
Inventories	10	**663**	759	**358**	250
Trade and other receivables	11	**2 096**	2 453	**453**	637
Taxation	35	**6**	4	**5**	–
Financial assets	6	**–**	1	**–**	–
Cash and cash equivalents	12	**1 488**	1 316	**416**	307
		4 253	4 533	**1 232**	1 194
Assets held for sale	13	**1 605**	3	**266**	3
Total assets		**32 246**	35 127	**13 118**	15 420
EQUITY AND LIABILITIES					
Capital and reserves					
Ordinary share capital	14	**11**	11	**11**	11
Share premium	14	**4 279**	4 217	**4 279**	4 217
Treasury shares	15	**(2 405)**	(2 405)	**–**	–
Other reserves		**1 326**	3 395	**1 746**	3 118
Other reserves discontinuing operation	13	**730**	–	**–**	–
Retained earnings		**19 556**	18 601	**3 554**	3 091
Equity attributable to equity holders of ARM		**23 497**	23 819	**9 590**	10 437
Non-controlling interest		**543**	762	**–**	–
Total equity		**24 040**	24 581	**9 590**	10 437
Non-current liabilities					
Long-term borrowings	16	**2 002**	4 171	**1 446**	2 846
Deferred tax liabilities	17	**1 297**	2 014	**328**	710
Long-term provisions	18	**1 166**	665	**696**	335
		4 465	6 850	**2 470**	3 891
Current liabilities					
Trade and other payables	19	**1 307**	1 787	**296**	485
Short-term provisions	20	**393**	355	**209**	134
Taxation	35	**112**	174	**32**	37
Overdrafts and short-term borrowings – interest-bearing	21	**757**	1 380	**267**	182
– non-interest-bearing	21	**–**	–	**254**	254
		2 569	3 696	**1 058**	1 092
Liabilities directly associated with assets held for sale	13	**1 172**	–	**–**	–
Total equity and liabilities		**32 246**	35 127	**13 118**	15 420

INCOME STATEMENTS

for the year ended 30 June 2017

	Notes	Group F2017 Rm	Group Re-presented* F2016 Rm	Company F2017 Rm	Company F2016 Rm
CONTINUING OPERATIONS					
Revenue	24	**9 019**	9 019	**6 953**	5 241
Sales	24	**8 158**	8 164	**2 907**	3 042
Cost of sales	25	**(6 951)**	(7 353)	**(2 706)**	(3 208)
Gross profit		**1 207**	811	**201**	(166)
Other operating income	26	**757**	1 140	**651**	1 021
Other operating expenses	27	**(1 750)**	(1 298)	**(1 478)**	(933)
Profit/(loss) from operations before special items		**214**	653	**(626)**	(78)
Income from investments	28	**238**	160	**3 518**	1 630
Finance costs	29	**(423)**	(313)	**(221)**	(204)
Profit/(loss) from associate	7	**181**	(210)	**–**	–
Income from joint venture**	8	**3 265**	1 301	**–**	–
Profit before taxation and special items		**3 475**	1 591	**2 671**	1 348
Special items before tax	30	**(2 322)**	(106)	**(1 987)**	(2 433)
Profit/(loss) before taxation from continuing operations		**1 153**	1 485	**684**	(1 085)
Taxation	31	**409**	10	**270**	231
Profit/(loss) for the year from continuing operations		**1 562**	1 495	**954**	(854)
DISCONTINUING OPERATION					
Loss after tax for the year from discontinuing operations	13	**(130)**	(2 252)	**–**	–
Profit/(loss) for the year		**1 432**	(757)	**954**	(854)
Attributable to:					
Equity holders of ARM					
Profit for the year from continuing operations		**1 431**	1 199	**954**	(854)
Loss for the year from discontinuing operation		**(59)**	(1 764)	**–**	–
Basic earnings/(loss) for the year		**1 372**	(565)	**954**	(854)
Non-controlling interest					
Profit for the year from continuing operations		**131**	296	**–**	–
Loss for the year from discontinuing operation		**(71)**	(488)	**–**	–
		60	(192)	**–**	–
Profit/(loss) for the year		**1 432**	(757)	**954**	(854)
Earnings per share	32				
Basic earnings/(loss) per share (cents)		**723**	(265)		
Basic earnings from continuing operations per share (cents)		**754**	563		
Basic loss from discontinuing operation per share (cents)		**(31)**	(828)		
Diluted basic earnings/(loss) per share (cents)		**703**	(262)		
Diluted basic earnings from continuing operations per share (cents)		**733**	556		
Diluted basic loss from discontinuing operation per share (cents)		**(30)**	(818)		

* *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

** *Impairment included in income from joint venture of R470 million before tax of R27 million (F2016: R202 million before tax of R56 million).*

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2017

	Notes	Available-for-sale reserve Rm	Other Rm	Retained earnings Rm	Total share-holders of ARM Rm	Non-controlling interest Rm	Total Rm
For the year ended 30 June 2016 Re-presented*							
Profit for the year to 30 June 2016 from continuing operations		–	–	1 199	1 199	296	1 495
Loss for the year to 30 June 2016 from discontinuing operation		–	–	(1 764)	(1 764)	(488)	(2 252)
Loss for the year to 30 June 2016		–	–	(565)	(565)	(192)	(757)
Other comprehensive income that may be reclassified to the income statement in subsequent periods							
Revaluation of listed investment**	9	2 347	–	–	2 347	–	2 347
Deferred tax on above		(448)	–	–	(448)	–	(448)
Deferred tax rate change		35	–	–	35	–	35
Net impact of revaluation of listed investment		1 934	–	–	1 934	–	1 934
Foreign currency translation reserve movement		–	188	–	188	–	188
Foreign currency translation reserve movement discontinuing operation		–	(87)	–	(87)	–	(87)
Total other comprehensive income		1 934	101	–	2 035	–	2 035
Total comprehensive income/(loss) for the year		1 934	101	(565)	1 470	(192)	1 278
For the year ended 30 June 2017							
Profit for the year to 30 June 2017 from continuing operations		**–**	**–**	**1 431**	**1 431**	**131**	**1 562**
Loss for the year to 30 June 2017 from discontinuing operation		**–**	**–**	**(59)**	**(59)**	**(71)**	**(130)**
Profit for the year to 30 June 2017		**–**	**–**	**1 372**	**1 372**	**60**	**1 432**
Other comprehensive income that may be reclassified to the income statement in subsequent periods							
Revaluation of listed investment**	9	**(1 959)**	**–**	**–**	**(1 959)**	**–**	**(1 959)**
Deferred tax on above		**439**	**–**	**–**	**439**	**–**	**439**
Net impact of revaluation of listed investment		**(1 520)**	**–**	**–**	**(1 520)**	**–**	**(1 520)**
Foreign currency translation reserve movement		**–**	**(365)**	**–**	**(365)**	**–**	**(365)**
Foreign currency translation reserve movement discontinuing operation		**–**	**403**	**–**	**403**	**–**	**403**
Total other comprehensive (loss)/income		**(1 520)**	**38**	**–**	**(1 482)**	**–**	**(1 482)**
Total comprehensive (loss)/income for the year		**(1 520)**	**38**	**1 372**	**(110)**	**60**	**(50)**

* *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

** *Share price of Harmony decreased from R52.47 per share at 30 June 2016 to R21.68 at 30 June 2017 and increased from R15.59 at 30 June 2015 to R52.47 per share at 30 June 2016. The investment in Harmony is based on level 1 fair value hierarchy level.*

COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2017

	Notes	Available-for-sale reserve Rm	Other Rm	Retained earnings Rm	Total Rm
For the year ended 30 June 2016					
Loss for the year to 30 June 2016		–	–	(854)	(854)
Other comprehensive income/(loss) that may be reclassified to the income statement in subsequent periods					
Revaluation of listed investment*	9	2 347	–	–	2 347
Deferred tax on above		(448)	–	–	(448)
Deferred tax rate change		35	–	–	35
Net impact of revaluation of listed investment		1 934	–	–	1 934
Total other comprehensive income		1 934	–	–	1 934
Total comprehensive income/(loss) for the year		1 934	–	(854)	1 080
For the year ended 30 June 2017					
Profit for the year to 30 June 2017		**–**	**–**	**954**	**954**
Other comprehensive income/(loss) that may be reclassified to the income statement in subsequent periods					
Revaluation of listed investment*	9	**(1 959)**	**–**	**–**	**(1 959)**
Deferred tax on above		**439**	**–**	**–**	**439**
Net impact of revaluation of listed investment		**(1 520)**	**–**	**–**	**(1 520)**
Foreign currency translation reserve movement			**5**		**5**
Total other comprehensive (loss)/income		**(1 520)**	**5**	**–**	**(1 515)**
Total comprehensive (loss)/income for the year		**(1 520)**	**5**	**954**	**(561)**

* *Share price of Harmony decreased from R52.47 per share at June 2016 to R21.68 at 30 June 2017 and increased from R15.59 at 30 June 2015 to R52.47 per share at 30 June 2016. The investment in Harmony is based on level 1 fair value hierarchy level.*

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

	Notes	Share capital and premium Rm	Treasury shares Rm	Available-for-sale reserve Rm	Other* Rm	Retained earnings Rm	Total share-holders of ARM Rm	Non-controlling interest Rm	Total Rm
Balance at 30 June 2015		4 194	–	–	1 212	20 113	25 519	1 386	26 905
Total comprehensive income/ (loss) for the year		–	–	1 934	101	(565)	1 470	(192)	1 278
Loss for the year to 30 June 2016		–	–	–	–	(565)	(565)	(192)	(757)
Other comprehensive income		–	–	1 934	101	–	2 035	–	2 035
Bonus and performance shares issued to employees	14	34	–	–	(34)	–	–	–	–
Changes due to insurance restructuring – net of tax**		–	–	–	–	(195)	(195)	–	(195)
Dividend paid	32	–	–	–	–	(761)	(761)	–	(761)
Dividend paid to Impala Platinum		–	–	–	–	–	–	(370)	(370)
Restructuring of ARM BBEE Trust	15	–	(2 405)	–	–	–	(2 405)	(62)	(2 467)
Share-based payments expense		–	–	–	191	–	191	–	191
Transfer		–	–	–	(9)	9	–	–	–
Balance at 30 June 2016		**4 228**	**(2 405)**	**1 934**	**1 461**	**18 601**	**23 819**	**762**	**24 581**
Total comprehensive (loss)/ income for the year		**–**	**–**	**(1 520)**	**38**	**1 372**	**(110)**	**60**	**(50)**
Profit for the year to 30 June 2017		**–**	**–**	**–**	**–**	**1 372**	**1 372**	**60**	**1 432**
Other comprehensive (loss)/ income		**–**	**–**	**(1 520)**	**38**	**–**	**(1 482)**	**–**	**(1 482)**
Bonus and performance shares issued to employees	14	**62**	**–**	**–**	**(58)**	**–**	**4**	**–**	**4**
Dividend paid***	32	**–**	**–**	**–**	**–**	**(426)**	**(426)**	**–**	**(426)**
Dividend paid to Impala Platinum		**–**	**–**	**–**	**–**	**–**	**–**	**(279)**	**(279)**
Share-based payments expense		**–**	**–**	**–**	**201**	**–**	**201**	**–**	**201**
Dividend reserve reversed in ARM BBEE Trust		**–**	**–**	**–**	**–**	**9**	**9**	**–**	**9**
Balance at 30 June 2017		**4 290**	**(2 405)**	**414**	**1 642**	**19 556**	**23 497**	**543**	**24 040**

* *Other reserves consist of the following:*

	F2017 Rm	F2016 Rm	F2015 Rm
Dilution in Two Rivers	**(26)**	(26)	(26)
Foreign currency translation on loans discontinuing operation	**61**	61	61
Foreign currency translation reserve – Assmang	**(121)**	103	–
Foreign currency translation reserve – other entities	**28**	164	77
Foreign currency translation reserve – discontinuing operation	**669**	266	355
General reserve	**28**	28	28
Insurance contingency	**–**	5	14
Premium paid on purchase of non-controlling interest	**(14)**	(14)	(14)
Share-based payments expense	**1 017**	874	717
Total	**1 642**	1 461	1 212

** *Reversal of the inter-company elimination as a result of insurance restructuring.*

*** *The dividend paid is less than in Company due to the elimination of dividends relating to treasury shares (refer note 15 and 32).*

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

	Notes	Share capital and premium Rm	Available-for-sale reserve Rm	Other* Rm	Retained earnings Rm	Total Rm
Balance at 30 June 2015		4 194	–	1 027	4 706	9 927
Loss for the year to 30 June 2016		–	–	–	(854)	(854)
Other comprehensive income		–	1 934	–	–	1 934
Total comprehensive income/(loss) for the year		–	1 934	–	(854)	1 080
Bonus and performance shares issued to employees	14	34	–	(34)	–	–
Dividend paid	32	–	–	–	(761)	(761)
Share-based payments expense		–	–	191	–	191
Balance at 30 June 2016		**4 228**	**1 934**	**1 184**	**3 091**	**10 437**
Profit for the year to 30 June 2017		**–**	**–**	**–**	**954**	**954**
Other comprehensive income		**–**	**(1 520)**	**5**	**–**	**(1 515)**
Total comprehensive income/(loss) for the year		**–**	**(1 520)**	**5**	**954**	**(561)**
Bonus and performance shares issued to employees	14	**62**	**–**	**(58)**	**–**	**4**
Dividend paid	32	**–**	**–**	**–**	**(491)**	**(491)**
Share-based payments expense		**–**	**–**	**201**	**–**	**201**
Balance at 30 June 2017		**4 290**	**414**	**1 332**	**3 554**	**9 590**

* *Other reserves consist of the following:*

	F2017 Rm	*F2016 Rm*	*F2015 Rm*
General reserve	***35***	*35*	*35*
Foreign currency translation	***324***	*319*	*319*
Share-based payments expense	***973***	*830*	*673*
Total	***1 332***	*1 184*	*1 027*

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2017

	Notes	Group F2017 Rm	Group F2016 Rm	Company F2017 Rm	Company F2016 Rm
CASH FLOW FROM OPERATING ACTIVITIES					
Cash receipts from customers		**9 779**	9 671	**3 744**	3 927
Cash paid to suppliers and employees		**(8 168)**	(8 446)	**(3 202)**	(3 602)
Cash generated from operations	34	**1 611**	1 225	**542**	325
Interest received		**122**	111	**50**	43
Interest paid		**(247)**	(163)	**(93)**	(50)
Dividends received from subsidiaries		**–**	–	**316**	479
Dividends received from joint venture	8	**2 488**	875	**2 488**	875
Dividend paid to non-controlling interest – Impala Platinum		**(279)**	(370)	**–**	–
Dividend paid to shareholders*	32	**(426)**	(761)	**(491)**	(761)
Taxation paid	35	**(401)**	(308)	**(123)**	(49)
Net cash inflow from operating activities		**2 868**	609	**2 689**	862
CASH FLOW FROM INVESTING ACTIVITIES					
Additions to property, plant and equipment to maintain operations		**(949)**	(804)	**(546)**	(441)
Additions to property, plant and equipment to expand operations		**–**	(48)	**–**	(31)
Dividends received from investments		**64**	1	**64**	1
Proceeds on disposal of property, plant and equipment		**7**	36	**4**	4
Proceeds on disposal of investment	37	**238**	8	**238**	–
Investment in RBCT		**(6)**	(10)	**(6)**	(10)
ARM BBEE Trust cash consolidated following trust restructuring			10	**–**	–
Loans and receivables received/(raised)		**6**	8	**(919)**	(1 003)
Loan to ARM BBEE Trust		**–**	–	**–**	(800)
Net cash outflow from investing activities		**(640)**	(799)	**(1 165)**	(2 280)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds on exercise of share options		**4**	–	**4**	–
Long-term borrowings raised		**–**	1 463	**–**	1 463
Long-term borrowings repaid		**(1 475)**	(881)	**(1 460)**	(71)
Repurchase of ARM shares	15	**–**	(651)	**–**	(651)
Short-term borrowings (repaid)/raised		**(394)**	(489)	**57**	(19)
Net cash (outflow)/inflow from financing activities		**(1 865)**	(558)	**(1 399)**	722
Net increase/(decrease) in cash and cash equivalents		**363**	(748)	**125**	(696)
Cash and cash equivalents at beginning of year		**667**	1 445	**260**	956
Foreign currency translation on cash balance		**1**	(30)	**–**	–
Cash and cash equivalents at end of year	12	**1 031**	667	**385**	260
Cash generated from operations per share (cents)	32	**849**	575		

* *The dividend paid in F2017 Group is less than in Company due to elimination of dividends relating to treasury shares (refer note 15 and 32).*

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

1. ACCOUNTING POLICIES

Statement of compliance

The Group and Company financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, requirements of the South African Companies Act 71 of 2008 and the Listing Requirements of the JSE Limited.

Impact of new standards

The Group has adopted the following standards and interpretations issued by IASB that became effective on or after 1 July 2016.

Standard	Subject	Effective date
IFRS 5	Non current Asset Held for Sale and discontinued operations (Annual improvement project)	1 January 2016
IFRS 7	Financial Instruments – Disclosures (Annual improvement project)	1 January 2016
IFRS 10	Consolidated Financial Statements (Amendment)	1 January 2016
IFRS 11	Accounting for Acquisitions of Interest in Joint Operations (Amendment)	1 January 2016
IFRS 12	Disclosure of Interest in Other Entities (Amendment)	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2016
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and amortisation (Amendment)	1 January 2016
IAS 1	Disclosure Initiative (Amendment)	1 January 2016
IAS 19	Employee Benefits (Annual improvement project)	1 January 2016
IAS 27	Separated Financial Statement – Equity method (Amendment)	1 January 2016
IAS 28	Investment in Associates and Joint Ventures (Amendment)	1 January 2016
IAS 34	Interim Financial Reporting (Annual improvement project)	1 January 2016

The adoption of these standards and amendments had no significant effect on financial statements.

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

Basis of preparation

The Group and Company financial statements for the year have been prepared under the supervision of the financial director, Mr M Arnold CA(SA). The principal accounting policies as set out below are consistent in all material aspects with those applied in the previous years, except for the above-mentioned new and revised standards, and comply with IFRS.

The Group and Company financial statements have been prepared on the historical cost basis, except for certain financial instruments that are carried at fair value.

The financial statements are presented in South African Rand and all values are rounded to the nearest million (Rm) unless otherwise indicated.

The Company financial statements are included with the Group financial statements, last year it was issued separately from the Group.

Basis of consolidation

The consolidated financial statements comprise the financial statements of African Rainbow Minerals Limited and its subsidiaries, joint operations, joint ventures and associates at 30 June each year.

Inter-company transactions and balances

Consolidation principles relating to the elimination of inter-company transactions and balances and adjustments for unrealised inter-company profits are applied in all intra-group dealings, for all transactions with subsidiaries, joint operations, associated companies or joint ventures.

Subsidiary companies

Subsidiary companies are investments in entities in which the Company has control over the financial and operating decisions of the entity. Subsidiaries are consolidated in full from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated.

Non-controlling interest represents the portion of the income statement and equity not held by the Group and is presented separately in the income statement and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

Losses of subsidiaries are attributed to the non-controlling interest, even if that results in a deficit balance. Before 1 January 2009, losses in subsidiaries were carried by the Group only.

Investments in subsidiaries in the Company financial statements are accounted for at cost less impairment.

Joint operations

Joint operations are a type of joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. The Group accounts for joint operations, its assets, liabilities, income, expenses and cash flows and/or share thereof.

Unincorporated joint operations are recognised in the financial statements on the same basis as above.

Investment in associate and joint ventures

An associate is an investment in an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

Joint ventures are a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

At Group level, investments in associates and joint ventures are accounted for using the equity method of accounting. Investments in the associates and joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures, less any impairment in value. The income statement reflects the Group's share of the post-acquisition profit after tax of the associate or joint ventures. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment losses. Investments in associates or joint ventures in the Company financial statements are accounted for at cost less impairment.

Trusts

When control of a trust exists or a change results in control, from that date the trust is consolidated.

Business combinations

The acquisition method of accounting is used to account for the acquisition of subsidiaries, joint operations, joint ventures and associates by the Group. The cost of an acquisition is measured as the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed in the income statement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Non-controlling interest is measured at each business combination at either the proportionate share of the identifiable net assets or at fair value.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Goodwill is tested for impairment on an annual basis. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

When an acquisition is achieved in stages and control is achieved, the fair values of all the identifiable assets and liabilities are recognised. The difference between the previous equity held interest value and the current fair value for the same equity is recognised in the income statement.

When there is a change in the interest of a subsidiary that does not result in the loss of control, the difference between the fair value of the consideration transferred and the change in non-controlling interest is recognised directly in the statement of changes in equity.

Current taxation

The charge for current tax is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible using tax rates that have been enacted or substantively enacted at the reporting date, that are applicable to the taxable income. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, or in other comprehensive income, in which case the tax amounts are recognised directly in equity or in other comprehensive income.

Deferred taxation

A deferred tax asset is the amount of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits.

A deferred tax asset is only recognised to the extent that it is probable that taxable profits will be available, against which deductible temporary differences can be utilised.

Three-year business plans, the first year of which is approved by the Board and the content of the next two years being noted, are used to determine whether deferred tax assets will be utilised from taxable income in the future. These plans use many assumptions and estimates and will be adjusted every year as more information becomes available.

A deferred tax liability is the amount of income taxes payable in future periods in respect of taxable temporary differences.

Temporary differences are differences between the carrying amount of an asset or liability and its tax base. The tax base of an asset is the amount that is deductible for tax purposes if the economic benefits from the asset are taxable or the carrying amount of the asset if the economic benefits are not taxable. The tax base of a liability is the carrying amount of the liability less the amount deductible in respect of that liability in future periods. The tax base of revenue received in advance is the carrying amount less any amount of the revenue that will not be taxed in future periods.

Deferred tax is recognised for all temporary differences, unless specifically exempt, at the tax rates that have been enacted or substantively enacted at the reporting date and is not discounted.

Deferred tax arising on investments in subsidiaries, associates, joint operations, and joint ventures is recognised except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT except for (a) where the VAT incurred on a purchase of an asset or service cannot be recovered from the taxation authorities; and (b) receivables and payables that are stated with the VAT included. The net amount of VAT recoverable or payable is included under receivables or payables in the statement of financial position.

Provisions

Provisions are recognised when the following conditions have been met:

> a present legal or constructive obligation to transfer economic benefits as a result of past events exists; and
> a reasonable estimate of the obligation can be made.

A present obligation is considered to exist when there is no realistic alternative but to make the transfer of economic benefits. The amount recognised as a provision is the best estimate at the reporting date of the expenditure required to settle the obligation. Only expenditure related to the purpose for which the provision is raised is charged against the provision. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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Insurance contract technical provisions

For insurance contracts, judgements and estimates have to be made for both the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported at the reporting date. It can take a significant period of time before the ultimate claims cost can be established with certainty and for some types of policies, insurance contract technical provisions form the majority of the liability in the statement of financial position.

Due to the nature of the claims arising under the insurance contracts, the use of past claims development to project future claims development and hence ultimate claims costs, is considered not to be a suitable method for the setting of insurance contract technical provisions. Instead, the directors assess the level of unexpired risk reserve ("URR"); adverse development reserve ("ADR"); and incurred but not reported reserve ("IBNR") held for each underwriting year at every year end based on the claims information available at that time. Accordingly, as such assessment is based upon the use of judgements, best estimates and assumptions, there is inherent risk that such assessment will be significantly different from the actual outcome.

The estimation of URR, ADR and IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where more information about the claim event is generally available. Some IBNR claims may not become apparent to the insured until many years after the event which gave rise to the claims has occurred.

The use of judgements, estimates and assumptions is also employed in the assessment of the adequacy for provisions for unearned premiums i.e. in determining whether the pattern of insurance service provided by the insurance contracts requires the earning of premium on a basis other than time apportionment.

Premiums written

Premiums written comprise premiums due on contracts entered into during the financial year, regardless of whether such amounts may relate in whole or part to a later financial year, exclusive of taxes levied on premiums. Other underwriting income and expenses, comprising commissions, brokerage, fronting fees and outward reinsurance premiums are accounted for in the same accounting year as the premiums for the related direct insurance.

Claims paid

Claims paid include all payments made in respect of the year with associated claim settlement expenses, net of any salvage or subrogation recoveries.

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Insurance contract technical provisions

Insurance contract technical provisions comprise provisions for unearned premium ("UPR"); and reserves for claims outstanding ("OLR"), unexpired risk, adverse development and claims incurred but not reported.

Provisions for unearned premiums, deferred other underwriting income and prepaid underwriting expenses

Unearned premiums, deferred other underwriting income and prepaid underwriting expenses represent the proportion of premiums written, other underwriting income and underwriting expenses which is estimated to be earned in future financial years, computed separately for each insurance contract using the daily pro rata method. For certain policies, the daily pro rata method may not be appropriate and in such circumstances the earning pattern will be adjusted to more accurately reflect the pattern of insurance service provided by the underlying insurance contracts.

Claims outstanding, unexpired risk reserves and adverse development reserves

Claims outstanding and adverse development reserves comprise of provisions for the estimated cost of settling all claims reported but not paid at the reporting date.

Claims outstanding comprise provisions for the estimated cost of settling all claims incurred up to, but not paid at, the balance sheet date together with the relevant claims settlement expenses based on information provided by insureds, fronting insurers, and loss adjusters.

The adverse development reserves provide for the expected deterioration of claims reported.

The unexpired risk reserves bring the value of claims incurred during an unexpired policy period up to the expected loss level for the policy.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures.

However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

Incurred but not reported reserve

The incurred but not reported reserve is based on the estimated ultimate cost of all claims incurred but not reported at the reporting date. Delays can be experienced in the discovery, notification and settlement of certain types of claims that may arise under the insurance contracts written, therefore the ultimate cost of these claims cannot be known at the reporting date.

Reinsurers' share of insurance contract technical provisions

Provisions for unearned reinsurance premiums

The provision for unearned reinsurance premiums represents the proportion of outward reinsurance premiums which is estimated to be earned in future financial years, computed separately for each reinsurance contract using the daily pro rata method. For certain policies, the daily pro rata method may not be appropriate, and in such circumstances, the earning pattern will be adjusted to more accurately reflect the pattern of reinsurance service provided by the underlying reinsurance contracts.

Reinsurance recoveries

Provisions for claims are calculated gross of any reinsurance recoveries. A separate estimate is made for the amounts recoverable from reinsurers based upon the gross claims provisions and/or settled claims that are associated with the reinsurer's policies and are calculated in accordance with the related reinsurance contract.

Environmental rehabilitation obligations

The estimated cost of rehabilitation, comprising liabilities for decommissioning and restoration, is based on current legal requirements and existing technology, and is reassessed annually. Cost estimates are not reduced by the potential proceeds from the sale of assets.

Decommissioning

The present value of estimated decommissioning obligations, being the cost to dismantle all structures and rehabilitate the land on which it is located that arose through establishing the mine, is included in long-term provisions. The unwinding of the obligation is included in the income statement under finance cost. The initial related decommissioning asset is recognised in property, plant and equipment.

The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Restoration

The present value of the estimated cost of restoration, being the cost to correct damage caused by ongoing mining operations, is included in long-term provisions.

This estimate is revised annually and any movement is expensed in the income statement. Expenditure on ongoing rehabilitation is charged to the income statement under cost of sales as incurred.

Environmental Rehabilitation Trust Funds

Annual payments are made to rehabilitation trust funds in accordance with statutory requirements. The investment in the trust funds is carried at cost in the Company financial statements. These funds are consolidated as ARM Group companies are the sole contributors to the funds and exercise full control through the respective boards of trustees. The balances are included under restricted cash.

Treasury shares

Own equity instruments that are reacquired are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss in the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium.

Financial instruments

Financial instruments recognised in the statement of financial position include cash and cash equivalents, investments, trade and other receivables, trade and other payables and long- and short-term borrowings.

The recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Group does not apply hedge accounting.

Financial assets

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through the income statement.

Financial assets at fair value through the income statement are measured at fair value with gains and losses being recognised in the income statement.

Held-to-maturity investments are measured at amortised cost less any impairment losses recognised to reflect irrecoverable amounts.

Loans and receivables are measured at amortised cost less impairment losses or reversals which are recognised in the income statement.

Available-for-sale financial assets are measured at fair value with gains and losses being recognised directly in comprehensive income. Impairment losses are recognised in the income statement.

Any impairment reversals on debt instruments classified as available-for-sale are recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement. Increases in their fair value after impairment are recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence as a result of one or more events that have occurred after the initial recognition, that a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

If there is an indication that an impairment exists, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the income statement.

Available-for-sale financial assets

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or group of investments is impaired.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised in comprehensive income.

Financial liabilities

Financial liabilities at fair value through the income statement are measured at fair value with gains and losses being recognised in the income statement.

Financial liabilities at amortised cost are initially measured at fair value and subsequently at amortised cost using the effective interest method.

Derivative instruments

Derivatives, including embedded derivatives, are initially and subsequently measured at fair value. Fair value adjustments are recognised in the income statement. Forward exchange contracts are valued at the reporting date using the forward rate available at the reporting date for the remaining maturity period of the forward contract. Any gain or loss from valuing the contract against the contracted rate is recognised in the income statement. A corresponding forward exchange asset or liability is recognised. On settlement of a forward exchange contract, any gain or loss is recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

Cash that is subject to legal or contractual restrictions on use is included in cash, but indicated as restricted.

Investments

Investments, other than investments in subsidiaries, associates, joint operations and joint ventures, are considered to be available-for-sale financial assets and are subsequently carried at fair value. Increases and decreases in fair values of available-for-sale investments are reflected in the available-for-sale reserve. On disposal of an investment, the balance in the revaluation reserve is recognised in the income statement. Where active markets exist, fair values are determined with reference to the stock exchange quoted selling prices at the close of business on the reporting date.

Where there are no active markets, fair value is determined using valuation techniques like recent similar transactions, reference to similar transactions, discounted cash flow and option pricing models. Where a reliable fair value cannot be determined, investments are carried at cost. All regular purchases and sales of financial assets are recognised on the trade date, i.e. the date the Group commits to purchasing the asset.

Receivables

Trade receivables, which generally have 30 – 90 day terms, are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate.

Receivables are financial assets classified as loans and receivables. Some receivables are classified at fair value through the income statement. These are receivables where the amount that will be received in the future is dependent on the commodities or concentrate content, and/or the price at the date of settlement. An impairment is recognised when there is evidence that an entity will not be able to collect all amounts due according to the original terms of the receivables. The impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rates. The amount of the impairment is charged to the income statement.

Payables

Trade and other payables are not interest-bearing and are initially recorded at fair value and subsequently at amortised cost and classified as financial liabilities at amortised cost.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method and classified as financial liabilities at amortised cost. Amortised cost is calculated by taking into account any issue cost and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised, as well as through the amortisation process.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

> the rights to receive cash flows from the asset have expired;

> the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement; or

> the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the income statement.

Offsetting of financial instruments

If a legally enforceable right exists to set off recognised amounts of financial assets and liabilities and the Group intends to settle on a net basis or to realise the asset and settle the liability simultaneously, all related financial effects are netted.

Intangible assets

Intangible assets acquired are reflected at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment where there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Amortisation is based on units of production or units of export sales. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Investment property

Investment properties are carried at cost and depreciated on a straight-line basis over their estimated useful lives to an estimated residual value. Where the residual value exceeds the carrying amount, amortisation is continued at a zero charge until its residual value subsequently decreases to an amount below the carrying amount. Where the building has changed from owner occupied to investment property in order to earn rentals and for capital appreciation, the cost deemed is the carrying amount if applicable. An impairment is taken in the income statement when the recoverable amount is less than the carrying amount.

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Property, plant and equipment

Property, plant and equipment other than land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

Costs of evaluation of a smelter prior to approval to develop are capitalised, provided that there is a high degree of confidence that the project will be deemed commercially viable. Costs incurred with commissioning the new asset, in the period before it is capable of operating in the manner intended by management, are capitalised. Development costs incurred after the commencement of production are capitalised to the extent that they are expected to give rise to future economic benefit.

Land and buildings

Land and buildings are carried at cost. Land is only depreciated where the form is changed so that it affects its value. Land is then depreciated on a straight-line method over the mining activity to a maximum of 25 years to its estimated residual value. Buildings are depreciated on a straight-line basis over their estimated useful lives to an estimated residual value, if such value is significant. The annual depreciation rates used vary between 2% and 5%. New acquisitions and additions to existing land and buildings are reflected at cost.

Mine development and decommissioning

Costs to develop new ore bodies, to define further mineralisation in existing ore bodies and to expand the capacity of a mine or its current production, site preparation and pre-production stripping costs, as well as the decommissioning thereof, are capitalised when it is probable that the future economic benefits will flow to the entity and it can be measured reliably. Development expenditure is net of proceeds from the sale of ore extracted during the development phase. Capitalised development costs are classified under mine development and decommissioning assets and are recognised at cost. Development costs to maintain production are expensed as incurred.

Mine development and decommissioning assets are depreciated using the units-of-production method based on estimated proven and probable ore reserves from which future economic benefits will be realised, resulting in these assets being carried at cost less depreciation and any impairment losses. Proven and probable ore reserves reflect estimated quantities of economically recoverable reserves which can be recovered in future from known mineral deposits. These reserves are reassessed annually. The maximum period of amortisation using this method is 25 years.

Production stripping costs

The capitalisation of pre-production stripping costs as part of mine development and decommissioning assets ceases when the mine is commissioned and ready for production.

Subsequent stripping activities that are undertaken during the production phase of a surface mine may create two benefits, being either the production of inventory or improved access to the ore to be mined in the future.

Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where production stripping costs are incurred and where the benefit is the creation of mining flexibility and improved access to ore to be mined in the future, the costs are recognised as a non-current asset, referred to as a “stripping activity asset”, if:

- future economic benefits (being improved access to the ore body) are probable;
- the component of the ore body for which access will be improved can be accurately identified; and
- the costs associated with the improved access can be reliably measured.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset included under mine development and decommissioning asset. If all the criteria are not met, the production stripping costs are charged to the income statement as operating costs.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset. If the costs of the stripping activity asset and the inventory produced are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset.

The stripping activity asset is subsequently depreciated over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Based on proven and probable reserves, the units-of-production method is used to determine the expected useful life of the identified component of the ore body that became more accessible. As a result, the stripping activity asset is carried at cost less depreciation and any impairment losses.

Mineral rights

Mineral rights that are being depleted are depreciated over their estimated useful lives using the units-of-production method based on proven and probable ore reserves. The maximum rate of depletion of any mineral right is 25 years.

Plant and machinery

Mining plant and machinery is depreciated on the units-of-production method over the lesser of its estimated useful life based on estimated proven and probable ore reserves.

Non-mining plant and machinery is depreciated over its useful life. The maximum life of any single item as used in the depreciation calculation is 25 years.

When plant and equipment comprises major components with different useful lives, these components are accounted for as separate items, provided these meet the definition of property, plant and equipment. Expenditure incurred to replace or modify a significant component of a plant is capitalised and any remaining book value of the component replaced is written off in the income statement.

Mine properties

Mine properties (including houses and administration blocks) are depreciated on the straight-line basis over their expected useful lives, to estimated residual values. The residual value is the amount currently expected to be obtained for the asset after deducting estimated costs of the disposal, if the asset was already at the end of its useful life.

Furniture, equipment and vehicles

Furniture, equipment and vehicles are depreciated on a straight-line basis over their expected useful lives, to estimated residual values.

Finance leases

Finance leases are depreciated on a straight-line basis over their expected useful lives or the lease term, if less, to estimated residual values.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

> the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
> its intention to complete and its ability to use or sell the asset;
> how the asset will generate future economic benefits;
> the availability of resources to complete the asset;
> the ability to measure reliably the expenditure during development; and
> the ability to use the intangible asset generated.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales.

During the period of development, the asset is tested for impairment annually.

Depreciation rates

Depreciation rates that are based on units-of-production take into account proven and probable ore reserves. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as technological innovation, asset life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value.

The annual depreciation rates generally used in the Group are:

> furniture and equipment 10% to 33%;
> mine properties 4% to 7%;
> motor vehicles 20%;
> mine development assets, plant and machinery, mineral rights and land over 10 to 25 years;
> investment properties 2%; and
> intangible assets over life of mine to a maximum of over 25 years.

Exploration expenditure

All exploration expenditures are expensed until they result in projects that are evaluated as being technically and commercially feasible and a future economic benefit is highly probable. In evaluating if expenditures meet these criteria to be capitalised, the Group utilises several different sources of information and also differentiates projects by levels of risks, including:

> degree of certainty over the mineralisation of the ore body;
> commercial risks, including but not limited to country risk; and
> prior exploration knowledge available about the target ore body.

Exploration expenditure on Greenfields sites, being those where the Group does not have any mineral deposits which are already being mined or developed, is expensed as incurred until a bankable feasibility study has been completed, after which the expenditure is capitalised.

Exploration expenditure on Brownfields sites, being those adjacent to any mineral deposits which are already being mined or developed, is only expensed as incurred until the Group has obtained sufficient information from all

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available sources to ameliorate the project risk areas identified above and which indicates by means of a prefeasibility study that future economic benefits are highly probable.

Exploration expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised.

Activities in relation to evaluating the technical feasibility and commercial viability of mineral resources are treated as forming part of exploration expenditures.

Costs related to property acquisitions and mineral and surface rights are capitalised.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale (under current assets) if the carrying amount of these assets will be recovered principally through a sale transaction rather than through continued use. This condition will only be regarded as met if the sale transaction is highly probable and the asset (or disposal group) is available-for-sale in its present condition. For the sale to be highly probable, management must be committed to the plan to sell the asset and the transaction should be expected to qualify for recognition as a complete sale within 12 months of the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amounts and their fair values less costs to sell and are not depreciated.

Impairment of non-financial assets

The carrying value of assets is reviewed at each statement of financial position date to assess whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset or cash-generating unit is estimated. The recoverable amount is the higher of fair value less cost of disposal or value in use. Value in use is determined by an estimated future cash flow discounted at a pre-tax discount rate.

Where the carrying value exceeds the estimated recoverable amount, such assets are written down to their recoverable amount and the difference is expensed in the income statement. If the circumstances leading to the impairment no longer exist, the appropriate portion of the impairment loss previously recognised is written back. Intangible assets with an indefinite life are tested annually for impairment.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset that requires a substantial period of time to be prepared for its intended use, are capitalised. Capitalisation of borrowing costs as part of the cost of a qualifying asset commences when:

- expenditures for the asset are being incurred;
- borrowing costs are being incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in process.

Capitalisation is suspended when the active development is interrupted and ceases when the activities necessary to prepare the asset for its use are complete.

Other borrowing costs are charged to finance costs in the income statement as incurred.

Inventories

Inventories are valued at the lower of cost and net realisable value with due allowances being made for obsolete and slow moving items. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined using the following basis:

- Consumables and maintenance spares are valued at weighted average cost.
- Ore stockpiles are valued at weighted average cost.
- Finished products are valued at weighted average cost.
- Houses are valued at their individual cost.
- Work-in-progress is valued at weighted average cost, including an appropriate portion of direct overhead costs.
- Unallocated overhead costs due to below normal capacity are expensed as short workings.
- Raw materials are valued at weighted average cost.
- By-products are valued at weighted average cost.

Inventories are classified as current when it is reasonable to expect them to be sold within their normal cycle, which could be the next financial year. If not, they are classified as non-current.

Foreign currency translations

The Group and Company financial statements are presented in South African Rand, which is the Company's functional currency.

Foreign entities

Financial statements of all entities that have a functional currency different from the presentation currency of their parent entity are translated into the presentation currency using the exchange rates applicable at the reporting date, as follows:

- Assets and liabilities at rates of exchange ruling at the reporting date.
- Income and expenditure at the average rate of exchange for the year, except where the date of income or expense for significant transactions can be identified, in which case the income or expense is translated at the rate of exchange ruling at the date of the flow.

- Cash flow items at the average rate of exchange for the year, except where the date of cash flow for significant transactions can be identified, in which case the cash flows are translated at the rate of exchange ruling at the date of the cash flow.
- Fair value adjustments of the foreign entity are translated at the rate prevailing on date of valuation.
- Goodwill is considered to relate to the reporting entity and is translated at the closing rate.
- Differences arising on translation are classified as equity until the investment is disposed of when it is recognised in the income statement.

Foreign currency transactions and balances

Transactions in foreign currencies are converted to the functional currency at the rate of exchange ruling at the date that the transaction is recorded.

Foreign denominated monetary assets and liabilities (including those linked to a forward exchange contract) are stated in the functional currency using the exchange rate ruling at the reporting date, with the resulting exchange differences being recognised in the income statement.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to control the asset.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are expensed directly against the income statement.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Employee benefits

The Group operates two defined contribution pension schemes, both of which require contributions to be made to separately administered funds. The Group has also agreed to provide certain additional post-employment healthcare benefits to senior employees. These benefits are unfunded. The cost of providing benefits under the plans is determined separately for each plan using the projected unit credit actuarial valuation method.

Other long-term benefits

The Group provides certain long-term incentive schemes to attract, retain, motivate and reward eligible senior employees. The cost of providing these incentives is determined by actuaries using the projected unit credit method. Actuarial gains and losses are recognised as an income or expense when incurred. The past service costs are recognised as an expense on a straight-line basis over the period until the benefits vest.

Share-based payments

The Company issues equity-settled share-based instruments to certain employees. Equity-settled share-based payments are measured at the fair value of the instruments at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period on a straight-line basis, based on management's estimate, which is considered annually, of shares that are expected to vest.

Fair value is measured using an option pricing model. The fair values used in the model have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Equity-settled options expense is recognised over the expected vesting period.

Broad-based Black Economic Empowerment (BBBEE) transactions

When entering into BBBEE share-based transactions any excess of the fair value of the shares over the consideration received is recognised as an expense in that period.

Revenue recognition

Revenue, which includes by-products, is recognised when the risks and rewards of ownership have been transferred and when it is probable that the economic benefits associated with a transaction flow to the Group and the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the amount received or receivable net of VAT, cash discounts and rebates.

Dividend income

Dividends are accounted for on the last day of registration for listed investments and when declared in respect of unlisted investments.

Mining products

Revenue from the sale of mining and related products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

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In some cases, where the terms of the executed sales agreement allow for an adjustment to the selling price based on a survey of the goods by the customer, recognition of the sales revenue is based on the most recently determined estimate of product specification.

Sales on FOB (free on board) and CIF (cost insurance freight) are recognised on the date of loading.

In the case of certain commodities the final selling price is determined a number of months after the concentrate is delivered. Revenue is measured at the best estimate of future prices and adjusted subsequently in revenue.

Rental income

Rental income on investment properties is accounted for on a straight-line basis over the term of the operating lease.

Interest

Interest is recognised on a time proportion basis that takes account of the effective yield on the asset and an appropriate accrual is made at each accounting reference date.

Cost of sales

All costs directly related to the producing of products are included in cost of sales. Costs that cannot be directly linked are included separately or under other operating expenses. When inventories are sold, the carrying amount is recognised in cost of sales. Any write-down, losses or reversals of previous write-downs or losses are recognised in cost of sales.

Early settlement discounts and rebates

These are deducted from revenue and cost of inventories when applicable.

Reinsurance

Premiums are disclosed on a gross basis in other operating income. Claims are presented on a gross basis in receivables and payables. The Group cedes insurance risk in the normal course of business for the majority of its business.

Segment reporting

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from other operations, whose operating results are regularly reviewed by the entity's chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance.

A geographical segment is a group of products and services within a particular economic environment that is subject to risks and returns that are different from segments operating in other economic environments.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable the obligation will be required to be settled, or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities.

Significant accounting judgements and estimates

The preparation of the financial statements requires management to make certain estimates. The principles used are the same as in previous years. When estimates are compared to actual and variances occur, the estimates are adjusted accordingly. Adjustments to estimates are a normal occurrence in light of the significant judgements and estimates involved. Factors influencing changes in the above include, amongst others, revisions to estimated reserves, resources and life of operations, developments in technology, regulatory requirements and environmental management strategies, changes in estimated costs of anticipated activities, inflation rates, foreign exchange rates and movements in interest rates affecting the discount rate applied. For assumptions on certain specific estimates used, refer to individual notes. In particular, information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements are described below.

Capitalised stripping costs

Waste removal costs (stripping costs) are incurred during the development and production phases at surface mining operations. Furthermore, during the production phase, stripping costs are incurred in the production of inventory as well as in the creation of future benefits by improving access and mining flexibility in respect of the ore to be mined, the latter being referred to as a "stripping activity asset". Judgement is required to distinguish between these two activities at each of the surface operations.

The ore bodies need to be identified in its various separately identifiable components for each of its surface mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Judgement is required to identify and define these components, and also to determine the expected volumes (tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments may vary between mines because the assessments are undertaken for each individual mine and are based on a combination of information available in the mine plans, specific characteristics of the ore body, the milestones relating to major capital investment decisions, and the type of minerals being mined.

Judgement is also required to identify a suitable production measure that can be applied in the calculation and allocation of production stripping costs between inventory and the stripping activity asset. The ratio of expected volume (tonnes) of waste to be stripped for an expected volume (tonnes) of ore to be mined for a specific component of the ore body, compared to the current period ratio of actual volume (tonnes) of waste to the volume (tonnes) of ore is considered to determine the most suitable production measure.

These judgements and estimates are used to calculate and allocate the production stripping costs to inventory and/or the stripping activity asset(s). Furthermore, judgements and estimates are also used to apply the units-of-production method in determining the depreciable lives of the stripping activity asset.

Mine rehabilitation provisions

Mine rehabilitation provisions are assessed annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the statement of financial position by adjusting the rehabilitation asset and liability. If, for mature mines, the revised mine assets net of rehabilitation provisions exceed the carrying value, that portion of the increase is charged directly to expense. For closed sites, changes to estimated costs are recognised immediately in the income statement.

Other resources and reserves estimates

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the mining properties. Ore reserves and mineral resource estimates are based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and require complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgements made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, goodwill, provision for rehabilitation, recognition of deferred tax assets, and depreciation and amortisation charges.

Units-of-production depreciation

Estimated recoverable reserves are used in determining the depreciation and/or amortisation of mine-specific assets. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. Numerous units-of-production depreciation methodologies are available to choose from; the Group adopts a run-of-the-mine tonnes of ore produced methodology for mining costs and an ounces/pounds of metal produced methodology for post-mining costs. Changes are accounted for prospectively.

Impairment of assets

Each cash-generating unit is assessed annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future approved expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted by an appropriate discount rate, taking into account factors, including weighted average cost of capital and applicable risk factors, to determine the net present value.

Asset useful lives and residual values

These are assessed annually and may differ from previous years as many estimates and assumptions are used to determine the values. Estimates and assumptions are updated to improve the judgements made.

Share-based payments

Estimation of the fair value of share-based payments requires determining the most appropriate model, inputs such as the expected life of the option, volatility and dividend yields.

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for the year ended 30 June 2017

Definitions

Cash and cash equivalents

Cash and cash equivalents include cash on hand and call deposits, as well as short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. For cash flow purposes, overdrafts are deducted from cash and cash equivalents that are on the statement of financial position.

Cash restricted for use

Cash which is subject to restrictions on its use is stated separately at the carrying value in the notes.

Active market

This is normally a stock exchange where the public can purchase and sell shares on a regular basis and prices are determined by the market conditions.

Basic earnings per share

Basic earnings divided by the weighted average number of shares in issue.

Headline earnings per share

Headline earnings comprise earnings for the year, adjusted for profits/losses as a remeasurement in accordance with the requirements of Circular 2 of 2015 issued by the SAICA. Adjustments against earnings take account of attributable taxation and non-controlling interests. The adjusted earnings figure is divided by the weighted average number of shares in issue to arrive at headline earnings per share.

Amortised cost

This is calculated using the effective interest method less any provision for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Fair value

Where an active market is available, it is used to represent fair value. Where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's-length market transactions with reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis; or other valuation models.

Effective interest method

This method determines the rate that discounts the estimated future cash flow payments or receipts through the expected life of the financial liability or financial asset to the net carrying amount of the financial liability or asset.

Diluted earnings per share

Diluted earnings per share is arrived at by dividing earnings (as used in calculating basic earnings per share) by the weighted average number of ordinary shares, adjusted for any financial instruments or other contracts that may entitle the holder thereof to ordinary shares. Diluted headline earnings per share are calculated on the same basis as diluted earnings per share.

Cash generated from operations per share

Cash generated from operations divided by the weighted average number of shares in issue during the year.

Special items

These are items that are of a capital nature and not part of the operating activities and that qualify for adjustment to the calculation of headline earnings.

EBITDA before special items, income from associates and joint venture

This comprises basic earnings, to which is added back non-controlling interest, taxation, special items, income from associate, income from joint venture, finance cost, income from investments, amortisation and depreciation.

New standards

The following new standards and/or amendments have been issued but are only applicable for future periods.

Standard	Subject	Effective date
IAS 7	Disclosure initiative – Amendments to IAS 7	1 January 2017
IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12	1 January 2017
IAS 28	Investment in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice AIP*	1 January 2018
IFRS 1	First-time Adoption of International Financial Reporting Standards – Deletion of short-term exemptions for first-time adopters AIP*	1 January 2018
IFRS 2	Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2	1 January 2018
IFRS 4 and IFRS 9	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – Amendments to IFRS 4	1 January 2018
IFRS 9	Financial Instruments	1 January 2018
IFRS 12	Disclosure of Interests in Other Entities – Clarification of the scope of the disclosure requirements in IFRS 12 AIP*	1 January 2017
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019
IFRS 17	Insurance Contracts	1 January 2021
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019

* *AIP: Annual Improvement Project.*

New accounting standards, amendments issued to accounting standards, and interpretations which are relevant to ARM, but not yet effective on 30 June 2017, have not been adopted.

The Group does not intend early adopting any of the above amendments, standards or interpretations.

ARM continuously evaluates the impact of these standards and amendments, the most prominent being IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases. In summary, the following are the current expectations in relation to IFRS 9, IFRS 15 and IFRS 16.

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

IFRS 9 Financial Instruments

ARM has decided not to adopt IFRS 9 until it becomes mandatory for annual periods beginning on or after 1 January 2018 (i.e. for the financial year beginning 1 July 2018 for ARM).

The actual impact of adopting IFRS 9 on the financial statements is not currently known and cannot be reliably estimated as the impact will be dependent on the financial instruments that ARM holds and economic conditions prevailing at that time as well as accounting elections and judgements which ARM make in the future. The new standard may require ARM to revise its accounting processes and internal controls related to reporting financial instruments and these possible changes have not yet been ascertained. ARM has embarked on the process of determining the impact that the new impairment model, on the basis of expected credit losses, will have on the impairment provisions. As part of this process ARM will finalise the impairment methodologies that it will apply under IFRS 9. Disclosure requirements and changes in presentation are expected to change the nature and and extent of ARM's disclosures about its financial instruments, particularly in the year of the adoption of the new standard. ARM is in the process of identifying changes to systems and controls which may be necessary to capture the required data.

IFRS 15 Revenue from Contracts with Customers

The standard is effective for annual periods beginning on or after 1 January 2018 (i.e. for the financial year beginning 1 July 2018 for ARM). ARM has developed a detailed project plan for the implementation of IFRS 15 and in line with this plan is in the process of:

> identifying all significant contracts with customers, in the various entities in the Group, in line with the IFRS 15 five-step model;
> evaluating the different sale contracts in place with its customers, which vary per entity and commodity – there are various contracts with complex terms including consignment sales, various shipping terms and provisional pricing;
> engaging it's various partners on their interpretation of the various contracts;
> evaluating practical expedients to be used;
> evaluating the changes required to controls, IT systems and processes relating to revenue; and
> evaluating whether a full retrospective or a modified retrospective transition will be adopted – this will be determined once the impact of the various contracts are ascertained.

The new standard may well have an impact on revenue recognised arising from any or all of these contracts. The impact has not yet been ascertained but this is expected to be done in the first half of the 2018 financial year.

IFRS 16 Leases

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted provided that IFRS 15 is adopted at or before the date of initial application of IFRS 16. ARM continues with the initial assessment of the potential impact of this standard on the financial statements but has not yet reached a conclusion if this standard will be early adopted with the implementation of IFRS 15. ARM must still make a decision on the transition method to be applied as well as the practical expedients to be used, if elected.

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, ARM Copper and ARM Corporate. ARM Strategic Services and Exploration, Corporate and other and Gold are included in ARM Corporate.

	Continuing operations							Dis-continuing operation
Attributable	ARM Platinum Rm	ARM Ferrous* Rm	ARM Coal Rm	ARM Corporate Rm	Total Rm	IFRS Adjustment** Rm	Total per IFRS financial statements Rm	ARM Copper Rm
2.1 Year to 30 June 2017								
Sales	**7 247**	**13 140**	**911**	**–**	**21 298**	**(13 140)**	**8 158**	**600**
Cost of sales	**(6 097)**	**(7 405)**	**(866)**	**40**	**(14 328)**	**7 377**	**(6 951)**	**(601)**
Other operating income	**78**	**35**	**37**	**595**	**745**	**12**	**757**	**4**
Other operating expenses	**(276)**	**(1 214)**	**(4)**	**(1 470)**	**(2 964)**	**1 214**	**(1 750)**	**(238)**
Segment result	**952**	**4 556**	**78**	**(835)**	**4 751**	**(4 537)**	**214**	**(235)**
Income from investments	**30**	**537**	**–**	**208**	**775**	**(537)**	**238**	**–**
Finance cost	**(70)**	**(48)**	**(215)**	**(138)**	**(471)**	**48**	**(423)**	**(19)**
Finance cost ZCCM: Shareholders' loan Vale/ARM joint operation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(56)**
Finance cost ARM: Shareholders' loan Vale/ARM joint operation***	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Profit from associate	**–**	**–**	**181**	**–**	**181**	**–**	**181**	**–**
Income from joint venture****	**–**	**(23)**	**–**	**–**	**(23)**	**3 288**	**3 265**	**–**
Special items before tax	**(2 243)**	**(471)**	**–**	**(79)**	**(2 793)**	**471**	**(2 322)**	**180**
Taxation	**376**	**(1 272)**	**38**	**–**	**(858)**	**1 267**	**409**	**–**
(Loss)/profit after tax	**(955)**	**3 279**	**82**	**(844)**	**1 562**	**–**	**1 562**	**(130)**
Non-controlling interest	**(140)**	**–**	**–**	**9**	**(131)**	**–**	**(131)**	**71**
Consolidation adjustment	**–**	**(14)**	**–**	**14**	**–**	**–**	**–**	**–**
Contribution to basic earnings	**(1 095)**	**3 265**	**82**	**(821)**	**1 431**	**–**	**1 431**	**(59)**
Contribution to headline earnings	**350**	**3 709**	**82**	**(742)**	**3 399**	**–**	**3 399**	**(203)**
Other information								
Segment assets, including investment in associate	**8 234**	**19 249**	**3 785**	**3 763**	**35 031**	**(4 389)**	**30 642**	**1 604**
Investment in associate			**1 334**		**1 334**		**1 334**	
Investment in joint venture						**14 860**	**14 860**	
Segment liabilities	**1 819**	**1 617**	**1 848**	**1 958**	**7 242**	**(1 617)**	**5 625**	**1 172**
Unallocated liabilities (tax and deferred tax)					**4 181**	**(2 772)**	**1 409**	
Consolidated total liabilities					**11 423**	**(4 389)**	**7 034**	
Cash inflow/(outflow) generated from operations	**1 419**	**4 933**	**222**	**54**	**6 628**	**(4 933)**	**1 695**	**(84)**
Cash inflow/(outflow) from operating activities	**868**	**4 396**	**222**	**(555)**	**4 931**	**(1 908)**	**3 023**	**(155)**
Cash (outflow)/inflow from investing activities	**(727)**	**(1 142)**	**(181)**	**300**	**(1 750)**	**1 142**	**(608)**	**(32)**
Cash outflow from financing activities	**(15)**	**–**	**(40)**	**(1 806)**	**(1 861)**	**–**	**(1 861)**	**(4)**
Capital expenditure	**783**	**1 361**	**196**	**2**	**2 342**	**(1 361)**	**981**	**41**
Amortisation and depreciation	**546**	**913**	**159**	**3**	**1 621**	**(913)**	**708**	**107**
(Impairment)/reversal before tax	**(2 243)**	**(470)**	**–**	**–**	**(2 713)**	**470**	**(2 243)**	**180**
EBITDA	**1 498**	**5 469**	**237**	**(832)**	**6 372**	**(5 450)**	**922**	**(128)**

There were no significant inter-company sales.

* *Refer to ARM Ferrous segment note 2.3 and note 8 for more detail.*

** *Includes IFRS 11 – Joint Arrangements – adjustments related to ARM Ferrous.*

*** *Inter-company interest of R219 million receivable by ARM Corporate and accrued by ARM Copper not presented in terms of IFRS 5.*

**** *Impairment included in income from joint venture R470 million before tax of R27 million.*

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for the year ended 30 June 2017

Attributable	ARM Platinum Rm	ARM Ferrous* Rm	ARM Coal Rm	ARM Corporate Rm	Total Rm	IFRS Adjustment** Rm	Total per IFRS financial statements Rm	ARM Copper Rm
	Continuing operations							Discontinuing operation
2. PRIMARY SEGMENTAL INFORMATION continued								
2.1 Year to 30 June 2016 (Re-presented)***								
Sales	7 367	10 327	797	–	18 491	(10 327)	8 164	581
Cost of sales	(6 563)	(7 870)	(798)	37	(15 194)	7 841	(7 353)	(794)
Other operating income	33	164	70	970	1 237	(97)	1 140	8
Other operating expenses	(426)	(770)	(3)	(869)	(2 068)	770	(1 298)	(229)
Segment result	411	1 851	66	138	2 466	(1 813)	653	(434)
Income from investments	32	208	–	128	368	(208)	160	–
Finance cost****	(48)	(31)	(188)	(77)	(344)	31	(313)	(26)
Finance cost ZCCM: Shareholders' loan Vale/ARM joint operation	–	–	–	–	–	–	–	(36)
Finance cost ARM: Shareholders' loan Vale/ARM joint operation****	–	–	–	–	–	–	–	–
Loss from associate	–	–	(210)	–	(210)	–	(210)	–
Income from joint venture*****	–	(9)	–	–	(9)	1 310	1 301	–
Special items before tax	(125)	(194)	–	19	(300)	194	(106)	(1 754)
Taxation	(85)	(497)	35	71	(476)	486	10	(2)
Profit/(loss) after tax	185	1 328	(297)	279	1 495	–	1 495	(2 252)
Non-controlling interest	(285)	–	–	(11)	(296)	–	(296)	488
Consolidation adjustment	–	(27)	–	27	–	–	–	–
Contribution to basic earnings	(100)	1 301	(297)	295	1 199	–	1 199	(1 764)
Contribution to headline earnings	(10)	1 441	(297)	278	1 412	–	1 412	(361)

* *Refer to ARM Ferrous segment note 2.3 and note 8 for more detail.*
** *Includes IFRS 11 – Joint Arrangements – adjustments related to ARM Ferrous.*
*** *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*
**** *Inter-company interest of R194 million receivable by ARM Corporate and accrued by ARM Copper re-presented in terms of IFRS 5.*
******Impairment included in income from joint venture R202 million before tax of R56 million.*

2. PRIMARY SEGMENTAL INFORMATION continued

2.1 Year to 30 June 2016 (Re-presented)*** continued

Attributable	Continuing operations				Dis-continuing operation			
	ARM Platinum Rm	ARM Ferrous* Rm	ARM Coal Rm	ARM Corporate Rm	ARM Copper Rm	Total Rm	IFRS Adjustment** Rm	Total per IFRS financial statements Rm
Other information								
Segment assets, including investment in associate	10 059	18 897	3 553	5 199	1 692	39 400	(4 273)	35 127
Investment in associate			1 153			1 153	–	1 153
Investment in joint venture							14 623	14 623
Segment liabilities	2 075	1 653	1 778	3 240	1 265	10 011	(1 653)	8 358
Unallocated liabilities (tax and deferred tax)						4 773	(2 585)	2 188
Consolidated total liabilities						14 784	(4 238)	10 546
Cash inflow/(outflow) generated from operations	947	2 927	241	168	(131)	4 152	(2 927)	1 225
Cash inflow/(outflow) from operating activities	331	2 588	236	(1 303)	(155)	1 697	(1 088)	609
Cash (outflow)/inflow from investing activities	(553)	(1 796)	(226)	45	(65)	(2 595)	1 796	(799)
Cash outflow from financing activities	(68)	–	–	(467)	(23)	(558)	–	(558)
Capital expenditure	667	1 422	185	3	75	2 352	(1 422)	930
Amortisation and depreciation	614	966	143	5	204	1 932	(966)	966
Impairment before tax	(122)	(202)	–	–	(1 755)	(2 079)	202	(1 877)
EBITDA	1 025	2 817	209	143	(230)	3 964	(2 779)	1 185

There were no significant inter-company sales.

* *Refer to ARM Ferrous segment note 2.3 and note 8 for more details.*

** *Includes IFRS 11 – Joint Arrangements – adjustments related to ARM Ferrous.*

*** *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2017

The ARM Platinum segment is analysed further into Nkomati Nickel Mine, Two Rivers Platinum Mine and ARM Mining Consortium (which includes Modikwa Platinum Mine).

2. PRIMARY SEGMENTAL INFORMATION continued

2.2 Year to 30 June 2017

Attributable	Nkomati Rm	Two Rivers Rm	Modikwa Rm	Platinum Total Rm
External sales	1 995	3 996	1 256	7 247
Cost of sales	(1 840)	(2 899)	(1 358)	(6 097)
Other operating income	45	16	17	78
Other operating expenses	(80)	(168)	(28)	(276)
Segment result	120	945	(113)	952
Income from investments	6	14	10	30
Finance cost	(15)	(48)	(7)	(70)
Special items before tax	(988)	–	(1 255)	(2 243)
Taxation	257	(275)	394	376
(Loss)/profit after tax	(620)	636	(971)	(955)
Non-controlling interest	–	(311)	171	(140)
Contribution to basic earnings	(620)	325	(800)	(1 095)
Contribution to headline earnings	91	325	(66)	350
Other information				
Segment and consolidated assets	1 840	4 215	2 179	8 234
Segment liabilities	397	1 113	309	1 819
Unallocated liabilities (tax and deferred tax)				845
Consolidated total liabilities				2 664
Cash inflow/(outflow) generated from operations	284	1 244	(109)	1 419
Cash inflow/(outflow) from operating activities	283	684	(99)	868
Cash outflow from investing activities	(359)	(240)	(128)	(727)
Cash inflow/(outflow) from financing activities	42	(57)	–	(15)
Capital expenditure	359	293	131	783
Amortisation and depreciation	189	268	89	546
Impairment before tax	(988)	–	(1 255)	(2 243)
EBITDA	309	1 213	(24)	1 498

2. PRIMARY SEGMENTAL INFORMATION continued

2.2 Year to 30 June 2016

Attributable	Nkomati Rm	Two Rivers Rm	Modikwa Rm	Platinum Total Rm
External sales	2 245	3 917	1 205	7 367
Cost of sales	(2 410)	(2 830)	(1 323)	(6 563)
Other operating income	4	16	13	33
Other operating expenses	(171)	(211)	(44)	(426)
Segment result	(332)	892	(149)	411
Income from investments	10	14	8	32
Finance cost	(13)	(31)	(4)	(48)
Special items before tax	(119)	–	(6)	(125)
Taxation	124	(254)	45	(85)
(Loss)/profit after tax	(330)	621	(106)	185
Non-controlling interest	–	(303)	18	(285)
Contribution to basic earnings	(330)	318	(88)	(100)
Contribution to headline earnings	(244)	318	(84)	(10)
Other information				
Segment and consolidated assets	2 734	4 090	3 235	10 059
Segment liabilities	683	1 016	376	2 075
Unallocated liabilities (tax and deferred tax)				1 326
Consolidated total liabilities				3 401
Cash (outflow)/inflow generated from operations	(6)	1 109	(156)	947
Cash (outflow)/inflow from operating activities	(1)	482	(150)	331
Cash outflow from investing activities	(241)	(175)	(137)	(553)
Cash outflow from financing activities	(17)	(51)	–	(68)
Capital expenditure	244	282	141	667
Amortisation and depreciation	227	279	108	614
Impairment before tax	(122)	–	–	(122)
EBITDA	(105)	1 171	(41)	1 025

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

2. PRIMARY SEGMENTAL INFORMATION continued

2.3 Pro forma analysis of the ARM Ferrous segment on a 100% basis

	Iron ore Division Rm	Manganese Division Rm	Chrome Division Rm	Continuing operation ARM Ferrous Total Rml	Discon-tinued* operation Chrome Division Rm	ARM Ferrous Total Rm	ARM share Rm	IFRS Adjust ment** Rm	Total per IFRS financial state-ments Rm
Year to 30 June 2017									
Sales	15 853	10 219	208	26 280	–	26 280	13 140	(13 140)	–
Other operating income	495	130	–	625	–	625	35	(35)	–
Other operating expense	(1 900)	(1 056)	(24)	(2 980)	(4)	(2 984)	(1 214)	1 214	–
Operating profit	5 762	3 361	(9)	9 114	(4)	9 110	4 556	(4 556)	–
Contribution to earnings	4 373	2 182	(7)	6 548	10	6 558	3 279	(14)	3 265
Contribution to headline earnings	4 373	2 322	(7)	6 688	756	7 444	3 723	(14)	3 709
Other information									
Consolidated total assets	25 571	13 519	554	39 644	–	39 644	19 249	(4 389)	14 860
Consolidated total liabilities	5 931	2 754	414	9 099	–	9 099	1 617	(1 617)	–
Capital expenditure	1 169	1 648	–	2 817	–	2 817	1 361	(1 361)	–
Amortisation and depreciation	1 417	465	–	1 882	–	1 882	913	(913)	–
Cash inflow from operating activities***	1 188	2 627	–	3 815	–	3 815	4 396	(4 396)	–
Cash outflow from investing activities	(964)	(1 320)	–	(2 284)	–	(2 284)	(1 142)	1 142	–
EBITDA	7 179	3 826	(9)	10 996	(4)	10 992	5 469	(5 469)	
Additional information for ARM Ferrous at 100%									
Non-current assets									
Property, plant and equipment						21 704		(21 704)	–
Investment in joint venture						2 527		(2 527)	–
Other non-current assets						843		(843)	–
Current assets									
Inventories						3 648		(3 648)	–
Trade and other receivables						4 317		(4 317)	–
Financial assets						276		(276)	–
Cash and cash equivalents						6 330		(6 330)	–
Non-current liabilities									
Other non-current liabilities						6 479		(6 479)	–
Current liabilities									
Trade and other payables						1 584		(1 584)	–
Short-term provisions						643		(643)	–
Taxation						392		(392)	–

Refer note 2.1 and note 8 for more detail on the ARM Ferrous segment.

* *This relates to the Dwarsrivier operation.*

** *Includes consolidation and IFRS 11 – Joint Arrangements – adjustments.*

*** *Dividend paid amounting to R2.5 billion included in cash flows from operating activities.*

2. PRIMARY SEGMENTAL INFORMATION continued

2.3 Pro forma analysis of the ARM Ferrous segment on a 100% basis continued

	Iron ore Division Rm	Manganese Division Rm	Chrome Division Rm	Continuing operation ARM Ferrous Total Rm	Discontinued* operation Chrome Division Rm	ARM Ferrous Total Rm	ARM share Rm	IFRS Adjustment** Rm	Total per IFRS financial statements Rm
Year to 30 June 2016									
Sales	12 110	6 651	166	18 927	1 727	20 654	10 327	(10 327)	–
Other operating income	501	242	34	777	6	783	164	(164)	–
Other operating expense	(1 196)	(571)	(9)	(1 776)	(218)	(1 994)	(770)	770	–
Operating profit	2 961	581	11	3 553	149	3 702	1 851	(1 851)	–
Contribution to earnings	2 440	104	8	2 552	103	2 655	1 328	(27)	1 301
Contribution to headline earnings	2 429	396	8	2 833	103	2 936	1 468	(27)	1 441
Other information									–
Consolidated total assets	25 982	11 251	301	37 534	1 367	38 901	18 897	(4 274)	14 623
Consolidated total liabilities	5 853	2 153	223	8 229	631	8 860	1 653	(1 653)	–
Capital expenditure	901	1 928	–	2 829	149	2 978	1 422	(1 422)	–
Amortisation and depreciation	1 517	472	–	1 989	–	1 989	966	(966)	–
Cash inflow from operating activities***	2 110	1 181	–	3 291	134	3 425	2 588	(2 588)	–
Cash outflow from investing activities	(934)	(2 509)	–	(3 443)	(150)	(3 593)	(1 796)	1 796	–
EBITDA	4 478	1 053	11	5 542	149	5 691	2 817	(2 817)	–
Additional information for ARM Ferrous at 100%									
Non-current assets									
Property, plant and equipment						20 982		(20 982)	–
Investment in joint venture						3 036		(3 036)	–
Other non-current assets						901		(901)	–
Current assets									
Inventories						3 713		(3 713)	–
Trade and other receivables						3 558		(3 558)	–
Financial assets						72		(72)	–
Cash and cash equivalents						4 798		(4 798)	–
Asset held for sale						1 842		(1 842)	–
Non-current liabilities									
Other non-current liabilities						5 997		(5 997)	–
Current liabilities									
Trade and other payables						1 321		(1 321)	–
Short-term provisions						698		(698)	–
Taxation						213		(213)	–
Liabilities directly associated with asset held for sale						630		(630)	–

Refer note 2.1 and note 8 for more detail on the ARM Ferrous segment.

* *This relates to the Dwarsrivier operation.*

** *Includes consolidation and IFRS 11 – Joint Arrangements – adjustments.*

*** *Dividend paid amounting to R1.75 billion included in cash flows from operating activities.*

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

2. PRIMARY SEGMENTAL INFORMATION continued

2.4 Additional information

ARM Corporate as presented in the table on pages 44 and 45 is analysed further into Corporate and other, ARM Exploration and Gold segments.

	ARM Exploration Rm	Corporate and other* Rm	Gold Rm	Total ARM Corporate Rm
Year to 30 June 2017				
Cost of sales	–	40		40
Other operating income	–	595		595
Other operating expenses	(28)	(1 442)		(1 470)
Segment result	(28)	(807)		(835)
Income from investments	–	144	64	208
Finance costs**	–	(138)		(138)
Special items before tax	–	(79)		(79)
(Loss)/profit after tax	(28)	(880)	64	(844)
Non-controlling interest	–	9		9
Consolidation adjustments	–	14		14
Contribution to basic earnings	(28)	(857)	64	(821)
Contribution to headline earnings	(28)	(778)	64	(742)
Other information				
Segment and consolidated assets	–	2 383	1 380	3 763
Segment liabilities	–	1 958		1 958
Cash outflow from operating activities	(28)	(527)		(555)
Cash inflow from investing activities	–	236	64	300
Cash outflow from financing activities	–	(1 806)		(1 806)
Capital expenditure	–	2		2
Amortisation and depreciation	–	3		3
EBITDA	(28)	(804)		(832)

* *Corporate, other companies and consolidation adjustments.*

** *Inter-company interest of R219 million receivable by ARM Corporate and accrued by ARM Copper presented in terms of IFRS 5.*

2. PRIMARY SEGMENTAL INFORMATION continued

2.4 Additional information continued

	ARM Exploration Rm	Corporate and other* Rm	Gold Rm	Total ARM Corporate Rm
Year to 30 June 2016				
Cost of sales	–	37		37
Other operating income	–	970		970
Other operating expenses	(23)	(846)		(869)
Segment result	(23)	161		138
Income from investments	–	128		128
Finance costs**	–	(77)		(77)
Special items before tax	–	19		19
Taxation	–	71		71
(Loss)/profit after tax	(23)	302		279
Non-controlling interest	–	(11)		(11)
Consolidation adjustment	–	27		27
Contribution to basic earnings	(23)	318		295
Contribution to headline earnings	(23)	301		278
Other information				
Segment and consolidated assets	–	1 860	3 339	5 199
Segment liabilities	–	3 240		3 240
Cash outflow from operating activities	(23)	(1 280)		(1 303)
Cash inflow from investing activities	–	45		45
Cash outflow from financing activities	–	(467)		(467)
Capital expenditure	–	3		3
Amortisation and depreciation	–	5		5
EBITDA	(23)	166		143

* *Corporate, other companies and consolidation adjustments.*

** *Intercompany interest of R194 million receivable by ARM Corporate and accrued by ARM Copper re-presented in terms of IFRS 5.*

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

	F2017 Rm	F2016 Re-presented* Rm
2. PRIMARY SEGMENTAL INFORMATION continued		
2.5 Geographical segments		
The Group operates principally in South Africa, however, the Vale/ARM joint operation operates principally in Zambia and Sakura operates in Malaysia.		
Assets by geographical area in which the assets are located are as follows:		
– South Africa	**24 780**	28 255
– Europe	**352**	1 184
– Americas	**189**	114
– Far and Middle East	**5 321**	3 817
– Zambia	**1 425**	1 610
– Other	**179**	147
	32 246	35 127
Sales by geographical area:		
– South Africa	**5 720**	5 334
– Europe	**1 957**	2 158
– Far and Middle East	**414**	580
– Other	**67**	92
	8 158	8 164
Sales to major customers:		
The only segment that is affected by the requirement to show this analysis is the platinum segment and the breakdown is as follows:		
Rustenburg Platinum Mines Limited (related party)	**1 256**	1 205
Impala Platinum Limited (related party)	**3 996**	3 917
Capital expenditure		
– South Africa	**981**	855
– Rest of Africa	**41**	75
	1 022	930

* *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

3. PROPERTY, PLANT AND EQUIPMENT

	Mine development and decom-missioning assets Rm	Plant and machinery Rm	Land and buildings Rm	Mineral rights Rm	Mine properties Rm	Furniture equipment and vehicles Rm	Finance leases Rm	Total Property, plant and equipment Rm
GROUP								
Cost								
Balance at 30 June 2015	7 963	5 916	365	2 685	369	884	388	18 570
Additions	560	231	25	–	–	88	26	930
Assets held for sale (refer note 13)	–	(9)	–	–	–	–	(7)	(16)
Change in estimates*	–	–	16	–	–	–	–	16
Derecognition	–	–	–	–	–	–	(8)	(8)
Disposals	(6)	(26)	–	–	–	(37)	(11)	(80)
Reclassifications	(456)	413	97	(95)	–	32	9	–
Foreign currency translation movement	459	355	16	33	–	11	13	887
Balance at 30 June 2016	**8 520**	**6 880**	**519**	**2 623**	**369**	**978**	**410**	**20 299**
Additions	**760**	**151**	**2**	**–**	**–**	**48**	**57**	**1 018**
Change in estimates*	**(28)**	**11**	**244**	**–**	**–**	**7**	**–**	**234**
Derecognition	**(5)**	**(3)**	**–**	**–**	**–**	**–**	**(7)**	**(15)**
Disposals	**–**	**(5)**	**–**	**–**	**–**	**(23)**	**(26)**	**(54)**
Assets held for sale (refer note 13)	**(2 306)**	**(1 983)**	**(94)**	**(171)**	**–**	**(58)**	**(72)**	**(4 684)**
Reclassifications	**(6)**	**15**	**–**	**–**	**–**	**(9)**	**–**	**–**
Foreign currency translation movement	**(288)**	**(247)**	**(12)**	**(21)**	**–**	**(8)**	**(9)**	**(585)**
Balance at 30 June 2017	**6 647**	**4 819**	**659**	**2 431**	**369**	**935**	**353**	**16 213**
Accumulated amortisation, depreciation and impairment								
Balance at 30 June 2015	3 489	1 641	119	351	2	509	241	6 352
Assets held for sale (refer note 13)	–	(9)	–	–	–	–	(4)	(13)
Charge for the year	280	433	23	54	1	124	39	954
Disposals	–	(21)	–	–	–	(40)	(11)	(72)
Impairment (refer note 38)	836	892	47	50	–	20	32	1 877
Reclassifications	(48)	9	17	–	–	10	12	–
Foreign currency translation movement	180	48	(1)	3	–	5	–	235
Balance at 30 June 2016	**4 737**	**2 993**	**205**	**458**	**3**	**628**	**309**	**9 333**
Derecognition	**–**	**(3)**	**–**	**–**	**–**	**–**	**(6)**	**(9)**
Charge for the year	**272**	**316**	**31**	**49**	**1**	**89**	**46**	**804**
Change in estimates*	**–**	**(20)**	**–**	**–**	**–**	**–**	**–**	**(20)**
Disposals	**–**	**(3)**	**–**	**–**	**–**	**(22)**	**(24)**	**(49)**
Impairment (refer note 38)	**1 201**	**115**	**–**	**927**	**–**	**–**	**–**	**2 243**
Reversal impairment (refer note 38)	**–**	**(180)**	**–**	**–**	**–**	**–**	**–**	**(180)**
Assets held for sale (refer note 13)	**(1 872)**	**(1 245)**	**(46)**	**(20)**	**–**	**(55)**	**(54)**	**(3 292)**
Reclassifications	**(271)**	**271**	**–**	**–**	**–**	**–**	**–**	**–**
Foreign currency translation movement	**(234)**	**(163)**	**(5)**	**(2)**	**–**	**(7)**	**(7)**	**(418)**
Balance at 30 June 2017	**3 833**	**2 081**	**185**	**1 412**	**4**	**633**	**264**	**8 412**
Carrying value at 30 June 2016	3 783	3 887	314	2 165	366	350	101	10 966
Carrying value at 30 June 2017	**2 814**	**2 738**	**474**	**1 019**	**365**	**302**	**89**	**7 801**

* *Change in estimates relates to the fair value adjustment made on the variable consideration payable by Two Rivers to Dwarsrivier (refer note 18).*

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

3. PROPERTY, PLANT AND EQUIPMENT continued

Borrowing costs

No borrowing costs were capitalised for the year to 30 June 2017 (F2016: nil).

Capital work-in-progress

The pre-stripping cost asset included under mine development and decommissioning assets amounts to R118 million (F2016: R491 million).

Pledged assets

The carrying value of assets pledged as security for loans amounts to R3.9 billion (F2016: R3.6 billion). Refer to note 16 for security granted in respect of loans to Two Rivers and ARM Coal. The carrying value of plant and machinery held under finance leases at year end was R89 million (F2016: R101 million including Lubambe).

Included in assets reclassified as held for sale (F2016: pledged assets above) are hire purchase agreement assets that are pledged as security amounting to R17 million (F2016: R26 million). Leased assets are pledged as security for the related finance lease.

Exploration and evaluation assets

These assets are included in reclassification of asset held for sale (F2016 under mine development and decommissioning assets) and amount to R253 million (F2016: R282 million).

Registers containing details of mineral and mining rights and land and buildings are available for inspection during business hours at the registered addresses of the respective Company or associated entities by members or their duly authorised agents.

Carry value of nil assets

At year end there was R188 million (F2016: R178 million) of assets that were fully depreciated still in use.

3. PROPERTY, PLANT AND EQUIPMENT continued

	Mine development and decom-missioning assets Rm	Plant and machinery Rm	Land and buildings Rm	Mineral rights Rm	Furniture equipment and vehicles Rm	Finance leases Rm	Total Property, plant and equipment Rm
COMPANY							
Cost							
Balance at 30 June 2015	2 972	1 975	103	669	235	82	6 036
Additions	270	140	13	–	9	–	432
Assets held for sale (refer note 13)	–	(9)	–	–	–	(7)	(16)
Disposals	–	(6)	–	–	–	–	(6)
Derecognition	–	–	–	–	–	(8)	(8)
Reclassifications	(264)	244	86	(95)	27	2	–
Balance at 30 June 2016	**2 978**	**2 344**	**202**	**574**	**271**	**69**	**6 438**
Additions	**425**	**124**	**2**	**–**	**2**	**–**	**553**
Derecognition	**(5)**	**(3)**	**–**	**–**	**–**	**(7)**	**(15)**
Disposals	**–**	**(4)**	**–**	**–**	**(1)**	**–**	**(5)**
Reclassifications	**(6)**	**15**	**–**	**–**	**(9)**	**–**	**–**
Balance at 30 June 2017	**3 392**	**2 476**	**204**	**574**	**263**	**62**	**6 971**
Accumulated amortisation, depreciation and impairment							
Balance at 30 June 2015	1 019	801	16	93	97	16	2 042
Assets held for sale (refer note 13)	–	(9)	–	–	–	(4)	(13)
Charge for the year	154	160	8	14	17	10	363
Disposals	–	(1)	–	–	(4)	–	(5)
Impairment (refer note 38)	–	64	8	50	–	–	122
Reclassifications	(50)	9	17	–	10	14	–
Balance at 30 June 2016	**1 123**	**1 024**	**49**	**157**	**120**	**36**	**2 509**
Charge for the year	**126**	**171**	**10**	**15**	**11**	**7**	**340**
Disposals	**–**	**(3)**	**–**	**–**	**(1)**	**–**	**(4)**
Derecognition	**–**	**(3)**	**–**	**–**	**–**	**(4)**	**(7)**
Impairment (refer note 38)	**983**	**5**	**–**	**–**	**–**	**–**	**988**
Balance at 30 June 2017	**2 232**	**1 194**	**59**	**172**	**130**	**39**	**3 826**
Carrying value at 30 June 2016	1 855	1 320	153	417	151	33	3 929
Carrying value at 30 June 2017	**1 160**	**1 282**	**145**	**402**	**133**	**23**	**3 145**

Borrowing costs

No borrowing costs were capitalised for the year to 30 June 2017 (F2016: nil).

Capital work-in-progress

The pre-stripping cost asset included under mine development and decommissioning assets amounts to R118 million (F2016: R491 million).

Pledged assets

The carrying value of assets pledged as security for loans amounts to R3.8 billion (F2016: R3.6 billion). Refer to note 16 for security granted in respect of loans to ARM Coal. The carrying value of plant and machinery held under finance leases at year end was R23 million (F2016: R33 million).

Registers containing details of mineral and mining rights and land and buildings are available for inspection during business hours at the registered addresses of the respective Company or associated entities by members or their duly authorised agents.

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

	Group			Company
	Total Rm	Other Rm	RBCT entitlement Rm	RBCT entitlement Rm
4. INTANGIBLE ASSETS				
Cost				
Balance at 30 June 2015	**221**	1	220	220
Additions	**–**	–	–	–
Balance at 30 June 2016	**221**	1	220	220
Additions	**4**	–	4	4
Balance 30 June 2017	**225**	**1**	**224**	**224**
Accumulated amortisation				
Balance at 30 June 2015	**72**	1	71	71
Charge for the year	**12**	–	12	12
Balance at 30 June 2016	**84**	1	83	83
Charge for the year	**11**	–	11	11
Balance at 30 June 2017	**95**	**1**	**94**	**94**
Carrying value at 30 June 2016	**137**	**–**	**137**	**137**
Carrying value at 30 June 2017	**130**	**–**	**130**	**130**

Finite life intangible assets which are amortised comprise of: (i) the RBCT entitlement held by the Goedgevonden joint operation of R130 million (F2016: R137 million) and (ii) nil (F2016: nil) relating to patents, trademarks and software.

There are no indefinite life intangible assets. The export rights relating to the investment in RBCT are amortised on a units of export sales method. The remaining amortisation period of the RBCT entitlement is limited to 18 years (F2016: 19 years).

	Group		Company	
	F2017 Rm	F2016 Rm	F2017 Rm	F2016 Rm
5. LOANS AND LONG-TERM RECEIVABLES				
Long-term receivables	**34**	40	**799**	805
Total	**34**	40	**799**	805
Long-term receivables held are as follows:				
ARM Platinum (Modikwa)	**17**	17	**–**	–
ARM Coal	**17**	23	**17**	23
Glencore South Africa			**383**	383
Loan to PCB from ARM			**399**	399
	34	40	**799**	805

ARM Platinum (Modikwa) is a loan due by the communities (non-controlling interest) around the Modikwa Mine and will be repaid as and when a dividend is declared from ARM Mining Consortium.

The ARM Coal loan relates to a loan to RBCT for the construction of the phase V expansion of RBCT.

The Glencore loan represents balances between GOSA and ARM Coal.

The PCB loan is the original investment loan from ARM.

	Group F2017 Rm	Group F2016 Rm	Company F2017 Rm	Company F2016 Rm
6. FINANCIAL ASSETS				
Arranger's fee	**–**	1	**–**	–
Total	**–**	1	**–**	–

7. INVESTMENT IN ASSOCIATE

	Group		Company	
	F2017 Rm	F2016 Rm	**F2017 Rm**	F2016 Rm
Through ARM's 51% investment in ARM Coal, the Group holds an effective 10.2% investment in the existing coal operations (PCB) of GOSA.				
Opening balance	**1 049**	1 155	**409**	409
Original investment (10.2%)	**400**	400	**400**	400
Additional investment (ATCOM and ATC collieries)	**9**	9	**9**	9
Additional investment	**784**	784	**–**	–
Accumulated loss	**(144)**	(38)	**–**	–
Profit/(loss) for the current year	**91**	(106)		
Closing balance	**1 140**	1 049	**409**	409
ARM invested directly in 10% of the existing coal operations (PCB) of GOSA on 1 September 2007.				
Opening balance	**242**	346	**432**	432
Original investment	**400**	400	**400**	400
Additional investment (ATCOM and ATC collieries)	**32**	32	**32**	32
Accumulated loss	**(190)**	(86)	**–**	–
Profit/(loss) for the current year	**90**	(104)	**–**	–
Closing balance	**332**	242	**432**	432
Less: dividend received prior years	**(138)**	(138)	**–**	–
Total investment	**1 334**	1 153	**841**	841
Total profit/(loss) for the year	**181**	(210)		
PCB at 100%				
Sales	**12 518**	9 554		
Statement of financial position				
Non-current assets	**29 026**	29 239		
Current assets	**2 639**	2 807		
Total assets	**31 665**	32 046		
Less:				
Non-current liabilities	**24 366**	25 532		
Current liabilities	**697**	804		
Net assets	**6 602**	5 710		

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2017

	Group F2017 Rm	Group F2016 Rm	Company F2017 Rm	Company F2016 Rm
8. INVESTMENT IN JOINT VENTURE				
The investment relates to ARM Ferrous and consists of Assmang as a joint venture which includes iron ore, manganese and chrome operations.				
Opening balance	**14 623**	14 094	**259**	259
Income for the period	**3 265**	1 301	**–**	–
Income for the period	**3 279**	1 328	**–**	–
Consolidation adjustment	**(14)**	(27)	**–**	–
Foreign currency translation reserve	**(224)**	103	**–**	–
Less: – cash dividend received for the period	**(2 488)**	(875)	**–**	–
– *in specie* dividend received for the period (refer note 37)	**(316)**	–	**–**	–
Closing balance	**14 860**	14 623	**259**	259
Refer to note 2.1 and 2.3 for more detail on the ARM Ferrous segment.				
9. OTHER INVESTMENTS				
Listed investment*				
Opening balance	**3 339**	992	**3 339**	992
Available-for-sale reserve in other comprehensive income	**(1 959)**	2 347	**(1 959)**	2 347
Total – listed investment classified as available-for-sale	**1 380**	3 339	**1 380**	3 339
Market value of listed investment	**1 380**	3 339	**1 380**	3 339
Other investments				
Guardrisk	**24**	19	**24**	19
RBCT	**168**	162	**168**	162
Loans (refer page 106)**			**917**	818
Preference shares	**1**	1	**–**	–
Subsidiaries companies unlisted				
Cost of investments in subsidiaries (refer page 104)	**–**	–	**1 671**	2 369
Loans owing by subsidiaries (refer page 104)**	**–**	–	**1 696**	1 394
Total subsidiaries	**–**	–	**3 367**	3 763
Joint operations				
Loans Vale/ARM joint venture			**2 388**	2 314
Provision for impairment			**(2 314)**	(2 314)
Impairment reversal			**179**	–
Sub-total			**253**	–
Impairment reversal – TEAL Minerals (Barbados)			**12**	–
Total			**265**	–
Transferred to asset held for sale (refer note 13)			**(265)**	–
Net			**–**	–
Total unlisted investments	**193**	182	**4 476**	4 762
Total carrying amount investments	**1 573**	3 521	**5 856**	8 101

* *Harmony Gold 63 632 922 shares at R21.68 per share at 30 June 2017 (30 June 2016: R52.47 per share).*

** *These loans are interest-free with no fixed terms of repayment except for:*

(i) The loan to Venture Building Trust of R20 million (F2016: R23 million) bears interest at 2% below the prime bank overdraft rate, which is currently 10.5% (F2016: 10.5%) pa.

(ii) ARM BBEE Trust of R917 million (F2016: R818 million) which currently bears interest at LIBOR plus 4.25% (F2016: LIBOR plus 4.25%)

(iii) In F2016 Vale/ARM joint operation reflected a loan of R2 314 million which bears interest at Libor plus 5%.

(iv) Tamboti bears interest at three month JIBAR plus 7% (F2016: JIBAR plus 7%). This loan was capitalised at 30 June 2016.

9. OTHER INVESTMENTS continued

Investments in unquoted equity instruments are measured at cost. Their market value cannot be measured reliably due to the significant uncertainties which exist in estimating parameters such as exchange rates, commodity prices and general market conditions.

The market value of the listed investment is determined by reference to the market share price at 30 June 2017 and 30 June 2016. ARM Treasury Investments Proprietary Limited (previously Kingfisher Insurance Company Limited) holds R1 million (F2016: R1 million) preference shares in various financial institutions.

Certain listed shares have been pledged as security for the ARM corporate loan which at 30 June 2017 was nil (F2016: R1 400 million) (refer note 16). The book value of the pledged shares amounts to R954 million (F2016: R2 309 million).

A report on investments appears on pages 104 to 106.

	Group		Company	
	F2017 Rm	F2016 Rm	**F2017 Rm**	F2016 Rm
10. INVENTORIES				
Consumable stores	**445**	427	**176**	150
Finished goods	**154**	94	**115**	53
Ore stockpiles	**133**	205	**6**	14
Work-in-progress	**61**	33	**61**	33
Assets held for sale (refer note 13)	**(130)**			
	663	759	**358**	250

Stockpile quantities are determined using assumptions such as densities and grades which are based on studies, historical data and industry norms.

Value of inventories carried at net realisable value is nil (F2016: nil).

Refer to note 25 for the expense of inventory written down or up and the amount of inventories expensed during the year.

Inventories to the value of R83 million (F2016: R53 million) have been pledged as security for loans in ARM Coal (refer note 16).

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2017

	Group		Company	
	F2017 Rm	F2016 Rm	F2017 Rm	F2016 Rm
11. TRADE AND OTHER RECEIVABLES				
Other receivables	**332**	320	**154**	105
Related parties (refer note 45)	**1 645**	2 015	**174**	463
Trade receivables	**198**	118	**125**	69
Assets held for sale (refer note 13)	**(79)**			
	2 096	2 453	**453**	637
Trade and other receivables are non-interest-bearing and are generally on 30 – 90 day payment terms.				
The carrying amount of trade and other receivables approximate their fair value.				
Payment terms which vary from the norm are:				
– PGM's which are paid approximately four months after delivery				
– 20% of nickel delivered which is paid approximately five months after delivery				
Debtors analysis				
Outstanding on normal cycle terms	**2 093**	2 396	**450**	581
Outstanding longer than 30 days outside normal cycle	**1**	2	**1**	1
Outstanding longer than 60 days outside normal cycle	**2**	22	**2**	22
Outstanding longer than 90 days outside normal cycle	**–**	24	**–**	24
Outstanding longer than +120 days outside normal cycle*	**–**	9	**–**	9
Less: provisions for impairments	**–**	–	**–**	–
Total	**2 096**	2 453	**453**	637

* *No provision has been raised in F2017 on debtors outstanding longer than 120 days (F2016: nil) as the balance is considered recoverable. Total provision at year end amounted to nil (F2016: nil).*

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	F2017 Rm	F2016 Rm	**F2017 Rm**	F2016 Rm
Cash at bank and on deposit	**392**	252	**234**	130
Restricted cash:*				
– Rehabilitation trust funds (refer note 23)	**166**	157	**131**	126
– Other	**933**	907	**51**	51
Assets held for sale (refer note 13)	**(3)**			
Cash and cash equivalents per statement of financial position	**1 488**	1 316	**416**	307
Less: overdrafts (refer note 21)	**(292)**	(649)	**(31)**	(47)
Less: overdraft relating to assets held for sale (refer note 13)	**(168)**	–	**–**	–
Add: Assets held for sale – cash (refer note 13)	**3**	–	**–**	–
Cash and cash equivalents per statement of cash flows	**1 031**	667	**385**	260
The cash is held as follows per statement of financial position:				
– African Rainbow Minerals Limited	**233**	129	**233**	129
– ARM BBEE Trust	**2**	2	**–**	–
– ARM Finance Company SA	**7**	12	**–**	–
– ARM Coal Proprietary Limited	**–**	1	**–**	1
– ARM Platinum Proprietary Limited	**82**	32	**–**	–
– ARM Treasury Investments Proprietary Limited	**36**	35	**–**	–
– Two Rivers Platinum Proprietary Limited	**10**	12	**–**	–
– TEAL Minerals (Barbados) Incorporated**	**1**	–	**–**	–
– TEAL Exploration and Mining (B) Incorporated**	**13**	–	**–**	–
– TEAL Exploration and Mining Incorporated**	**1**	–	**–**	–
– Vale/ARM joint operation (discontinuing operation)	**–**	27	**–**	–
– Venture Building Trust Proprietary Limited	**4**	2	**–**	–
– Restricted cash*	**1 099**	1 064	**183**	177
	1 488	1 316	**416**	307

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

* *Restricted cash includes:*
- *The ARM Trust of R20 million (F2016: R20 million) and cash held by Mannequin Insurance PCC Limited (Cell AVL 18) amounting to R745 million (F2016: R722 million) in terms of an insurance contract.*
- *Guarantees issued by ARM Coal to DMR amounting to R63 million (F2016: R61 million).*
- *Guarantees issued by Tamboti to DMR amounting to R2 million (F2016: R2 million).*
- *Guarantees issued by Two Rivers to DMR, Eskom and BP Oil amounting to R89 million (F2016: R84 million).*
- *Guarantees issued by Nkomati to DMR and Eskom amounting to R73 million (F2016: R67 million).*
- *Guarantees issued by Modikwa to DMR and Eskom amounting to R81 million (F2016: R78 million).*

** *Entities remaining after the proposed Vale/ARM discontinuing operation.*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2017

13. ASSETS HELD FOR SALE

13.1 A sale agreement was entered into to sell the Lubambe operation in Zambia. The effective date for classification as at asset held for sale was 9 June 2017. The assets and liabilities and certain reserves on 30 June 2017 to be disposed of are as follows:

	Group F2017 Rm	Group F2016 Rm	Company F2017 Rm	Company F2016 Rm
Property, plant and equipment (refer note 3)	**1 392**			
Inventories (refer note 10)	**130**			
Trade and other receivables (refer note 11)	**79**			
Long-term loans (refer note 9)	**–**		**265**	
Cash and cash equivalents (refer note 12)	**3**			
Assets held for sale	**1 604**		**265**	
Other reserves	**730**			
Long-term borrowings (refer note 16)	**656**			
Long-term provisions (refer note 18)	**85**			
Trade and other payables (refer note 19)	**215**			
Short-term provisions (refer note 20)	**33**			
Overdrafts and short-term borrowings (refer note 12 and 21)	**183**			
Liabilities directly associated with assets held for sale	**1 172**			
Cash outflow from operating activities	**(155)**			
Cash outflow from investing activities	**(32)**			
Cash outflow from financing activities	**(4)**			
The income statement effect is as follows:				
Sales	**600**	581		
Cost of sales	**(601)**	(794)		
Other operating income	**4**	8		
Other operating expenses	**(238)**	(229)		
Segment result	**(235)**	(434)		
Finance cost	**(19)**	(26)		
Finance cost ZCCM: Shareholders' loan Vale/ARM joint operation	**(56)**	(36)		
Special items before tax* (refer note 30)	**180**	(1 754)		
Taxation	**–**	(2)		
Loss after tax	**(130)**	(2 252)		
Non-controlling interest	**71**	488		
Contribution to basic earnings	**(59)**	(1 764)		
Contribution to headline earnings	**(203)**	(361)		
Basic loss from discontinuing operation per share (cents)	**(31)**	(828)		
Diluted basic loss from discontinuing operation per share (cents)	**(30)**	(818)		

* *An impairment reversal of R180 million was recorded by determining the recoverable amount using the fair value less cost to sell (F2016: Asset impairment of R1 755 million and a profit on sale of assets R1 million).*

	Group		Company	
	F2017 Rm	F2016 Rm	F2017 Rm	F2016 Rm
13. ASSETS HELD FOR SALE continued				
13.2 Nkomati				
The underground operations at Nkomati were impaired following the decision to cease operations in this area (refer note 3 and 30). This resulted in certain assets being reflected as held for sale.	**1**	3	**1**	3
Total asset held for sale	**1 605**	3	**266**	3
14. SHARE CAPITAL AND SHARE PREMIUM				
Share capital				
Authorised				
500 000 000 (F2016: 500 000 000)	**25**	25	**25**	25
	25	25	**25**	25
Issued				
Opening balance	**11**	11	**11**	11
680 598 (F2016: 530 447) additional shares issued*	**–**	–	**–**	–
218 702 457 (F2016: 218 021 859; F2015: 217 491 412)	**11**	11	**11**	11
Share premium	**4 279**	4 217	**4 279**	4 217
– Balance at beginning of year	**4 217**	4 183	**4 217**	4 183
– Premium on bonus and performance shares issued to employees	**62**	34	**62**	34
Total issued share capital and share premium	**4 290**	4 228	**4 290**	4 228
* *The movement in issued shares was less than R1 million.*				
15. TREASURY SHARES				
The restructuring of the ARM BBEE Trust resulted in ARM effectively controling 28 614 740 ARM shares (refer note 32 and 36).				
The carrying value of these treasury shares are as follows:				
– 12 717 328 shares at R51.19 bought from the ARM BBEE Trust by Opilac Proprietary Limited	**651**	651		
– 15 897 412 shares at R110.31 held in the ARM BBEE Trust	**1 754**	1 754		
	2 405	2 405	**–**	–

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

	Group		Company	
	F2017 Rm	F2016 Rm	**F2017 Rm**	F2016 Rm
16. LONG-TERM BORROWINGS				
Secured				
Two Rivers – mine housing project – loan facility This loan is repayable in bi-annual instalments which commenced on 9 July 2008, and a final instalment due at 30 September 2017. The interest rate was linked to the prime overdraft rate until completion of the project, and is now linked to JIBAR. At year end the rate was 7.34% (F2016: 7.36%). The loan is secured by a mortgage bond over the property and a cession of insurances.	**8**	25	**–**	–
ARM Corporate – loan facility This loan facility is for an amount of R2 250 million and is repayable in August 2018. The interest rate has a JIBAR base with an additional margin between 3.35% and 3.65% depending on utilisation of facility. At 30 June 2017 nil million was drawn against this facility (F2016: R1 400 million). The interest rate was 10.75% at 30 June 2017 (F2016: 10.75%). This loan has been secured by a pledge of shares (refer note 9).	**–**	1 400	**–**	1 400
ARM Finance Company SA – loan facility This loan facility was for US$80 million for funding towards the development of the Lubambe Copper Mine. The interest rate is LIBOR plus 3.65% with repayments commencing from December 2014 in quarterly instalments with a final repayment in September 2017. At year end an amount of US$6 million was still outstanding (F2016: US$35 million). ARM Company has guaranteed this loan. As at 30 June 2017 the interest rate was 4.95% (F2016: 4.3%).	**78**	514	**–**	–
ARM BBEE Trust – loan facility – Harmony Gold This is a loan of R200 million from Harmony Gold with an interest rate of JIBAR plus 4.25% and is repayable before 31 December 2022. The interest rate at 30 June 2017 was 11.59% (F2016: 11.61%).	**229**	204	**–**	–
ARM BBEE Trust – loan facility – Nedbank This is a loan of R301 million from Nedbank with an interest rate of JIBAR plus 4.07% and is repayable before 31 December 2019. The interest rate at 30 June 2017 was 11.41% (F2016: 11.43%).	**299**	297	**–**	–
Vale/ARM joint operation – hire purchase Hire purchase over property, plant and equipment with a book value of R17 million (F2016: R26 million) bears interest between 7% and 8% (F2016: 7% to 8%) and is payable in varying monthly and quarterly instalments over a maximum period of 36 months which commenced in September 2013 and a final payment is due in August 2018. This is transferred to assets held for sale (refer note 13).	**15**	33	**–**	–

16. LONG-TERM BORROWINGS continued

	Group		Company	
	F2017 Rm	F2016 Rm	**F2017 Rm**	F2016 Rm
Vale/ARM joint operation – loan facility (partner loan) This loan is from ZCCM – IH and relates to their 20% contribution to the funding of Lubambe Copper Mine. The loan forms part of the inter-company loan agreements which each of the shareholders have with Lubambe Copper Mine. The funding bears interest at a six-month LIBOR rate plus 5%. The LIBOR rates for the period under review varied between 0.65% to 1.32% (F2016: 0.28% to 0.69%). As at 30 June 2017 the interest rate was 6.32% (F2016: 5.65%). The loan is currently repayable in 12 equal quarterly instalments each year on 31 March, 30 June, 30 September and 31 December commencing 30 December 2016, with final settlement on 30 September 2019. This is transferred to assets held for sale (refer note 13).	**656**	696	**–**	–
Nkomati – leases Finance leases over property, plant and equipment with a book value of R23 million (F2016: R33 million) bear interest at prime plus 2% (F2016: prime plus 2%) and are payable in varying monthly instalments over a maximum period of 60 months which commenced in April 2015 and a final payment due in March 2020 (refer note 41). As at 30 June 2017 the interest rate was 12.5% (F2016: 12.5%).	**20**	35	**20**	35
Two Rivers – leases Finance leases over property, plant and equipment with a book value of R64 million (F2016: R42 million) bear interest at prime less 1.5%. As at 30 June 2017 the interest rate was 9% (F2016: 9%). Instalments are payable in varying monthly instalments over a maximum period of 60 months (refer note 41).	**57**	38	**–**	–
ARM Coal – partner loan – loan facility The following loans are with GOSA and relate to the acquisition and development of the GGV Thermal Coal Mine:				
ARM Coal – GGV acquisition loan (partner loan) The loan is repayable over 20 years from ARM Coal's share of positive cash flows generated by the Goedgevonden coal operation with final repayment in 2026. Interest is charged at prime bank overdraft rate. As at 30 June 2017 the interest rate was 10.5% (F2016: 10.5%).	**290**	309	**290**	309
ARM Coal – GGV project facility phase 1 loan (partner loan) The phase 1 project facility bears interest at prime bank overdraft rate after the interest holiday expired on 30 September 2014 and is repayable by August 2024 from ARM Coal's share of positive cash flows generated by the Goedgevonden coal operation. As at 30 June 2017 the interest rate was 10.5% (F2016: 10.5%).	**987**	893	**987**	893
ARM Coal – GGV project facility phase 2 loan (partner loan) The phase 2 project facility bears interest at prime bank overdraft rate and is repayable by June 2024 from ARM Coal's share of positive cash flows generated by the Goedgevonden coal operation. As at 30 June 2017 the interest rate was 10.5% (F2016: 10.5%).	**251**	227	**251**	227

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

16. LONG-TERM BORROWINGS continued

These are secured by:

- a cession in favour of GOSA creating a first ranking security interest over ARM Coal's participating interest in the Goedgevonden joint operation;
- a cession in favour of GOSA creating a first ranking security interest over all the preference shares in GOSA held by ARM Coal;
- a cession in favour of GOSA creating a first ranking security interest over ARM Coal's right, title and interest in and to the joint venture account;
- mortgage bonds to be registered by ARM Coal in favour of GOSA over all immovable property of ARM Coal; and
- notarial bonds to be registered by ARM Coal in favour of GOSA over all movable assets owned by ARM Coal (refer note 10).

	Group F2017 Rm	Group F2016 Rm	Company F2017 Rm	Company F2016 Rm
Unsecured				
GOSA	**–**	22	**–**	22
The amounts reflected represents balances owing on inter-company loan accounts between GOSA and ARM Coal other than on the long-term loans reflected above.				
ARM Coal – RBCT phase V (partner loan)	**77**	95	**77**	95
This loan is with GOSA and bears interest at the prime bank overdraft rate plus 0.5% and is repayable by October 2020 from ARM Coal's share of positive cash flows generated by the Goedgevonden coal operation.				
As at 30 June 2017 the interest rate was 11% (F2016: 11%).				
	2 967	4 788	**1 625**	2 981
Less: repayable within one year included in short-term borrowings (refer note 21)*	**(309)**	(617)	**(179)**	(135)
Total long-term borrowings	**2 658**	4 171	**1 446**	2 846
Long-term borrowings directly associated with the assets held for sale (refer note 13)	**(656)**	–	**–**	–
Total borrowings	**2 002**	4 171	**1 446**	2 846
Held as follows:				
– ARM Corporate	**–**	1 400	**–**	1 400
– ARM BBEE Trust – Harmony	**229**	204	**–**	–
– ARM BBEE Trust – Nedbank Limited	**299**	297	**–**	–
– ARM Coal Proprietary Limited – GGV acquisition loan (partner loan)	**118**	275	**118**	275
– ARM Coal Proprietary Limited – GGV project facility phase 1 (partner loan)	**987**	835	**987**	835
– ARM Coal Proprietary Limited – GGV project facility phase 2 (partner loan)	**251**	210	**251**	210
– GOSA	**–**	22	**–**	22
– ARM Coal Proprietary Limited – RBCT phase V (partner loan)	**77**	81	**77**	81
– ARM Finance Company SA	**–**	88	**–**	–
– Nkomati	**13**	23	**13**	23
– Two Rivers Platinum Proprietary Limited	**28**	24	**–**	–
– Vale/ARM joint operation	**–****	16	**–**	–
– Vale/ARM joint operation – ZCCM – IH (partner loan)	**–****	696	**–**	–
	2 002	4 171	**1 446**	2 846

The carrying amount of the long-term borrowings approximate their fair value.

* F2017 R15 million liability held for sale included in the R309 million.
** Transferred to assets held for sale (refer note 13).

Group	Total borrowings F2017 Rm	Discounted cash flows F2018 Rm	Repayments schedule – undiscounted cash flows F2018 Rm	F2019 Rm	F2020 Rm	F2021 Rm	F2022 – onwards Rm	Total Rm
16. LONG-TERM BORROWINGS continued								
Secured loans								
ARM BBEE Trust – loan facility – Harmony Gold	**229**	–	–	–	–	–	396	396
ARM BBEE Trust – loan facility – Nedbank	**299**	–	–	368	–	–	–	368
ARM Coal – GGV acquisition loan (partner loan)	**290**	172	200	131	–	–	–	331
ARM Coal – GGV project facility phase 1 loan (partner loan)	**987**	–	–	5	–	54	1 560	1 619
ARM Coal – GGV project facility phase 2 loan (partner loan)	**251**	–	–	13	7	83	296	399
ARM Finance Company SA – loan facility	**78**	78	78	–	–	–	–	78
Nkomati – leases	**20**	7	7	8	8	–	–	23
Two Rivers – leases	**57**	29	30	30	3	–	–	63
Vale/ARM joint operation – hire purchase	**15**	15	15	–	–	–	–	15
Two Rivers – mine housing project – loan facility	**8**	8	8	–	–	–	–	8
Vale/ARM joint operation – loan facility (partner loan)	**656**	–	–	–	–	–	–	–
Total secured loans	**2 890**	309	338	555	18	137	2 252	3 300
Unsecured loans								
ARM Coal – RBCT phase V (partner loan)	**77**	–	–	7	14	93	–	114
Total unsecured loans	**77**	–	–	7	14	93	–	114
Total borrowings at 30 June 2017	**2 967**	309	338	562	32	230	2 252	3 414

Undiscounted cash flows	F2017 Rm	F2018 Rm	F2019 Rm	F2020 Rm	F2021 – onwards Rm	Total Rm
Total borrowings at 30 June 2016	**644**	2 024	558	1 157	2 645	7 028

NOTES TO THE FINANCIAL STATEMENTS continued
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Company	Total borrowings F2017 Rm	Discounted cash flows F2018 Rm	Repayments schedule – undiscounted cash flows F2018 Rm	F2019 Rm	F2020 Rm	F2021 Rm	F2022 – onwards Rm	Total Rm
16. LONG-TERM BORROWINGS continued								
Secured loans								
ARM Coal – GGV acquisition loan (partner loan)	**290**	172	200	131	–	–	–	331
ARM Coal – GGV project facility phase 1 loan (partner loan)	**987**	–	–	5	–	54	1 560	1 619
ARM Coal – GGV project facility phase 2 loan (partner loan)	**251**	–	–	13	7	83	296	399
Nkomati – leases	**20**	7	7	8	8	–	–	23
Total secured loans	**1 548**	179	207	157	15	137	1 856	2 372
Unsecured loans								
ARM Coal – RBCT phase V (partner loan)	**77**	–	–	7	14	93	–	114
Total unsecured loans	**77**	–	–	7	14	93	–	114
Total borrowings at 30 June 2017	**1 625**	179	207	164	29	230	1 856	2 486

Undiscounted cash flows	F2017 Rm	F2018 Rm	F2019 Rm	F2020 Rm	F2021 – onwards Rm	Total Rm
Total borrowings at 30 June 2016	**139**	1 693	340	523	2 028	4 723

17. DEFERRED TAXATION

	Group		Company	
	F2017 Rm	F2016 Rm	**F2017 Rm**	F2016 Rm
Deferred tax assets				
Deferred capital loss tax movements on listed investment	**590**	151	**590**	151
Assessed loss in Modikwa mine	**66**	–	**–**	–
Deferred tax assets – recognised in other comprehensive income	**656**	151	**590**	151
Deferred tax liabilities				
Property, plant and equipment	**1 294**	1 863	**596**	882
Intangible assets	**36**	38	**36**	38
Inventories	**30**	53	**–**	–
Deferred capital gains tax movements on listed investment – ARM BBEE Trust	**424**	424	**–**	–
Unrealised related party foreign currency translation movement	**131**	207	**131**	207
Deferred tax liabilities	**1 915**	2 585	**763**	1 127
Loan impairment	**(274)**	(285)	**(274)**	(285)
Provisions	**(323)**	(265)	**(140)**	(111)
Post-retirement healthcare provisions	**(21)**	(21)	**(21)**	(21)
Deferred tax assets	**(618)**	(571)	**(435)**	(417)
Net deferred tax liabilities	**1 297**	2 014	**328**	710
Reconciliation of opening and closing balance				
Opening deferred tax liabilities	**2 014**	1 970	**710**	979
Opening deferred tax assets	**(151)**	(565)	**(151)**	(564)
Net deferred tax liabilities opening balance	**1 863**	1 405	**559**	415
Temporary differences from:	**(1 222)**	458	**(821)**	144
Loan impairment	**11**	(285)	**11**	(285)
Inventories	**(23)**	(1)	**–**	–
Intangible assets	**(2)**	(4)	**(2)**	(4)
Property, plant and equipment	**(569)**	(176)	**(286)**	(92)
Provisions	**(124)**	(11)	**(29)**	14
Revaluation of investment – ARM BBEE Trust (refer note 36)	**–**	424	**–**	–
Revaluation of investment – directly in other comprehensive income	**(439)**	413	**(439)**	413
Unrealised related party foreign currency translation movement	**(76)**	98	**(76)**	98
Total deferred tax	**641**	1 863	**(262)**	559
Deferred tax liabilities	**1 297**	2 014	**328**	710
Deferred tax assets	**(656)**	(151)	**(590)**	(151)

Deferred tax liability balances are shown net of deferred tax assets where a legal right of offset exists at settlement.

Deferred tax assets are raised only when they can be utilised against future taxable profits after taking possible future uncertainties into account. Future taxable profits are estimated based on approved business plans which include various estimates and assumptions regarding economic growth, interest, inflation, metal prices, exchange rates, taxation rates and competitive forces.

NOTES TO THE FINANCIAL STATEMENTS continued
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	Group		Company	
	F2017 Rm	F2016 Rm	**F2017 Rm**	F2016 Rm
18. LONG-TERM PROVISION				
Environmental rehabilitation obligation				
Provision for decommissioning				
Balance at beginning of year	**291**	304	**186**	222
Asset held for sale (refer note 13)	**(45)**			
Provision for the year	**14**	(27)	**10**	(37)
Work completed	**–**	(4)	**–**	(4)
Unwinding discount rate	**13**	10	**6**	5
Foreign currency translation movements	**–**	8	**–**	–
Balance at end of year	**273**	291	**202**	186
Provision for restoration				
Balance at beginning of year	**134**	119	**74**	75
Asset held for sale (refer note 13)	**(36)**			
Provision for the year	**9**	(2)	**10**	(10)
Unwinding of discount rate	**9**	11	**6**	9
Foreign currency translation movements	**–**	6	**–**	–
Balance at end of year	**116**	134	**90**	74
Total environmental rehabilitation obligation	**389**	425	**292**	260

The net present value of current rehabilitation liabilities is based on discount rates taking into consideration long bond yield rates of between 7.5% and 11% (F2016: approximately 9.1%), inflation rates of approximately 6% and 8.5% (F2016: approximately 7% and 9%) and life of mines of between 3 and 25 years (F2016: 3 and 25 years). The South African Reserve Bank long-term inflation target of between 3% and 6% (F2016: 3% and 6%). The US Dollar denominated entity discount rate was 3.25% (F2016: 3.3%) and inflation of 2% (F2016: 2.1%) was used. For F2017 it is a liability held for sale. Refer to note 23 for amounts held in trust funds.

These provisions are based upon estimates of cash flows which are expected to occur at the end of life of mines.

These assumptions have inherent uncertainties as they are derived from future estimates of mining and financial parameters, such as commodity prices, exchange rates and inflation.

	Group		Company	
	F2017 Rm	F2016 Rm	**F2017 Rm**	F2016 Rm
Post-retirement healthcare benefits				
Balance at beginning of year	**75**	82	**75**	82
Benefits paid	**(6)**	(8)	**(6)**	(8)
Interest cost	**5**	5	**5**	5
Provision for the year (reversal)	**–**	(4)	**–**	(4)
Balance at end of year (refer note 43)	**74**	75	**74**	75
Silicosis and tuberculosis class action provision*				
Provision for the year	**330**	–	**330**	–
Balance at end of year	**330**	–	**330**	–

* *In November 2014, a gold mining industry working group was formed to address issues relating to the compensation and medical care for occupational lung diseases in the gold mining industry in South Africa. The working group comprises ARM, Harmony Gold Mining Company Limited, Anglo American South Africa Limited, AngloGold Ashanti Limited, Gold Fields Limited and Sibanye Gold Limited (collectively "the Working Group").*

The Working Group engaged different stakeholders including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. These engagements have sought a comprehensive solution to address legacy compensation issues and future legal frameworks that are fair to past and current employees and enable companies to continue to be sustainable over the long term.

As a consequence of the progress of negotiations between the Working Group and affected stakeholders, the Company is now in a position to reliably estimate, within an acceptable range, the Company's share of a possible settlement of the class action claims and related costs. As a result, ARM has recorded a provision of R330 million at 30 June 2017 (discounted) in the results for the year ended 30 June 2017. The nominal amount of the provision is R417 million.

The Working Group continues to defend the legal proceedings filed against them and are appealing the ruling which has been set for hearing from 19 to 23 March 2018. Notwithstanding the provision raised, the companies do not believe that they are liable in respect of the claims brought. They do, however, believe that they should work together to seek a solution to this South African mining industry legacy issue. The negotiations with the claimants' lawyers are confidential and the working group companies are accordingly not able to provide any details of the negotiations.

The provision was determined following a complex calculation which required management and actuarial judgements and estimations. An 8% discount rate was used to present value this provision. Due to legal privilege and the sensitivity of ongoing negotiations, management is unable to disclose other assumptions used to estimate the provision.

	Group		Company	
	F2017 Rm	F2016 Rm	F2017 Rm	F2016 Rm
18. LONG-TERM PROVISION continued				
Other long-term provisions**				
Balance at beginning of year	**165**	151	**–**	17
Assets held for sale (refer note 13)	**(4)**			
Change in estimate of variable purchase price for mine properties	**241**	19	**–**	–
Payments made during the year	**(78)**	(2)	**–**	–
Provision for the year	**(16)**	15	**–**	–
Variable purchase price in respect of Dwarsrivier reversed	**66**	–	**–**	–
Transfer to short-term provisions (refer note 20)	**(1)**	(19)	**–**	(17)
Foreign currency translation movements	**–**	1	**–**	–
Balance at end of year	**373**	165	**–**	–
Total long-term provisions at end of year	**1 166**	665	**696**	335

*** Other long-term provisions include:*
- *long-term incentive schemes aimed at attracting, retaining and rewarding eligible senior employees and*
- *variable consideration payable by Two Rivers to Dwarsrivier due to Dwarsrivier's inability to mine the chrome ore as a result of Two Rivers having a tailings dam on part of the mining area of Dwarsrivier.*

	Group		Company	
	F2017 Rm	F2016 Rm	F2017 Rm	F2016 Rm
19. TRADE AND OTHER PAYABLES				
Trade payables	**464**	496	**234**	247
Related parties (refer note 45)	**2**	136	**2**	136
Other*	**1 056**	1 155	**60**	102
Assets held for sale (refer note 13)	**(215)**			
Total trade and other payables	**1 307**	1 787	**296**	485
** Included is insurance captive sell R671 million (F2016: R700 million).*				
Trade and other payables are generally non-interest-bearing and are typically on 30 – 90 day payment terms.				
20. SHORT-TERM PROVISIONS				
Bonus provision				
Balance at beginning of year	**238**	206	**90**	80
Assets held for sale (refer note 13)	**(24)**			
Provision for the year	**293**	259	**163**	129
Payments made during the year	**(228)**	(249)	**(93)**	(136)
Transfer from long-term provision (refer note 18)	**1**	19	**–**	17
Foreign currency translation movements	**(1)**	3	**–**	–
Balance at end of year	**279**	238	**160**	90
Leave pay provision				
Balance at beginning of year	**116**	116	**42**	44
Assets held for sale (refer note 13)	**(9)**			
Provision for the year	**20**	18	**12**	11
Payments made during the year and leave taken	**(12)**	(20)	**(7)**	(13)
Foreign currency translation movements	**(1)**	3	**–**	–
Balance at end of year	**114**	117	**47**	42
Other provisions				
Balance at beginning of year	**–**	–	**2**	1
Provision for the year	**–**	–	**–**	1
Payments made during the year	**–**	–	**–**	–
Balance at end of year	**–**	–	**2**	2
Total short-term provisions	**393**	355	**209**	134

The bonus provision is based on the policy as approved by each operation.

The leave pay provision is calculated based on total pensionable salary packages multiplied by the leave days due at year end.

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

21. OVERDRAFTS AND SHORT-TERM BORROWINGS

	Group F2017 Rm	Group F2016 Rm	Company F2017 Rm	Company F2016 Rm
Current portion of long-term borrowings (refer note 16)	**309**	617	**179**	135
Loans from subsidiaries – non – interest bearing (refer page 104)	**–**	–	**254**	254
Overdrafts (refer note 12)	**292**	649	**31**	47
Short-term borrowings	**171**	114	**57**	–
Liability held for sale – included in the R309 million above	**(15)**			
	757	1 380	**521**	436
Overdrafts and short-term borrowings are held as follows:				
– African Rainbow Minerals Limited	**–**	3	**–**	3
– ARM Mining Consortium Limited	**–**	29	**–**	–
– Anglo American Platinum Limited (partner loan) (refer note 45)	**114**	114	**–**	–
– ARM Coal Proprietary Limited (partner loan) (refer note 45)	**172**	123	**172**	123
– ARM Finance Company SA	**78**	426	**–**	–
– Nkomati	**75**	36	**75**	36
– Two Rivers Platinum Proprietary Limited	**298**	393	**–**	–
– Vale/ARM joint venture*	**–**	236	**–**	–
– Other	**20**	20	**20**	20
– Loans from subsidiaries	**–**	–	**254**	254
	757	1 380	**521**	436
Overdrafts are held as follows:				
– African Rainbow Minerals Limited	**–**	3	**–**	3
– ARM Mining Consortium Limited	**–**	29	**–**	–
– Nkomati	**11**	24	**11**	24
– Two Rivers Platinum Proprietary Limited	**261**	354	**–**	–
– Vale/ARM joint operation*	**–**	219	**–**	–
– Other	**20**	20	**20**	20
	292	649	**31**	47
Unutilised short-term borrowing and overdraft facilities:				
– African Rainbow Minerals Limited	**500**	497	**500**	497
– ARM Mining Consortium Limited	**100**	71		
– Nkomati	**37**	24	**37**	24
– Two Rivers Platinum Proprietary Limited	**239**	146		
	876	738	**537**	521

All of the above overdraft facilities are reviewed annually.

Overdrafts accrue interest at floating rates. Short-term borrowings accrue interest at market-related rates. Loans from dormant subsidiaries are interest-free and are payable on demand.

* *Transferred to Assets Held for Sale (refer note 13).*

22. JOINT OPERATIONS

The share of the following joint operations has been incorporated into the Group results:

- 50% share in the Nkomati Mine;
- 51% share in ARM Coal Proprietary Limited (consolidated);
- 50% share in Modikwa joint operation which is held as an 83% subsidiary through ARM Mining Consortium and is consolidated as a subsidiary;
- 50% share in the Vale/ARM joint operations for F2016 for statement of financial position and cash flow only as the income statement has been restated (refer note 13).

The company results include the share of the following joint operations:

- 50% share in the Nkomati Mine;
- 51% share in ARM Coal Proprietary Limited;
- 34% share in TEAL Minerals (Barbados) Incorporated joint operation

The share of joint operations in the financial statements are:

	Group		Company	
	F2017 Rm	Re-presented* F2016 Rm	F2017 Rm	F2016 Rm
Income statement				
Sales	**4 163**	4 247	**2 907**	3 042
Cost of sales	**(4 064)**	(4 531)	**(2 706)**	(3 208)
Other operating income	**98**	87	**82**	74
Other operating expenses	**(112)**	(218)	**(84)**	(184)
Income from investments	**15**	18	**6**	16
Finance costs	**(236)**	(399)	**(229)**	(201)
Loss from associate	**181**	(210)	**–**	–
Special items	**(2 243)**	(125)	**(988)**	(119)
Loss before tax	**(2 198)**	(1 131)	**(1 012)**	(580)
Taxation	**689**	204	**294**	159
Loss for the year after taxation	**(1 509)**	(927)	**(718)**	(421)
Non-controlling interest	**171**	18	**–**	–
Attributable to equity holders of ARM	**(1 338)**	(909)	**(718)**	(421)
Statement of financial position				
Non-current assets	**5 944**	7 766	**4 458**	5 133
Current assets	**1 525**	1 512	**831**	911
Non-current liabilities (interest-bearing)	**1 446**	1 445	**1 446**	1 446
Non-current liabilities (non-interest-bearing)	**850**	1 442	**812**	1 062
Current liabilities (non-interest-bearing)	**560**	630	**288**	335
Current liabilities (interest-bearing)	**246**	188	**247**	162
Statement of cash flows				
Net cash inflow/(outflow) from operating activities	**406**	(69)	**505**	233
Net cash outflow from investing activities	**(668)**	(670)	**(541)**	(467)
Net cash inflow/(outflow) from financing activities	**2**	(40)	**2**	(12)

* *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

	Group		Company	
	F2017 Rm	F2016 Rm	**F2017 Rm**	F2016 Rm
23. ENVIRONMENTAL REHABILITATION TRUST FUNDS				
Balance at beginning of year	**157**	137	**126**	108
Contributions	**–**	13	**–**	13
Interest earned (refer note 28)	**9**	7	**5**	5
Total (included in cash and cash equivalents) (refer note 12)	**166**	157	**131**	126
Total environmental rehabilitation obligations (refer note 18)	**389**	425	**292**	260
Less: amounts in trust funds (see above)	**(166)**	(157)	**(131)**	(126)
Unfunded portion of liability	**223**	268	**161**	134
Part of the unfunded portion of the liability is secured by guarantees in favour of the Department of Mineral Resources as required of R134 million (F2016: R114 million) (refer note 40)				

	Group		Company	
	F2017 Rm	Re-presented* F2016 Rm	**F2017 Rm**	F2016 Rm
24. SALES				
Sales – mining and related products	**8 158**	8 164	**2 907**	3 042
Made up as follows:				
Local sales	**5 720**	5 321	**468**	199
Export sales	**2 438**	2 843	**2 439**	2 843
	8 158	8 164	**2 907**	3 042
Revenue	**9 019**	9 019	**6 953**	5 241
Sales – mining and related products	**8 158**	8 164	**2 907**	3 042
Dividends received (refer note 28)	**64**	1	**3 184**	1 355
Fees received (refer note 26)	**519**	569	**528**	569
Interest received (refer note 28)	**174**	159	**334**	275
Insurance income received (refer note 26)	**79**	104	**–**	–
Property rental income	**16**	10	**–**	–
Royalty received	**9**	12	**–**	–

* *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

	Group		Company	
	F2017 Rm	Re-presented* F2016 Rm	F2017 Rm	F2016 Rm
25. COST OF SALES				
Amortisation and depreciation	**699**	750	**347**	367
Consultants, contractors and other	**223**	225	**16**	16
Electricity	**437**	413	**150**	147
Inventories written down	**–**	1	**–**	1
Provisions – long-term	**(18)**	18	**–**	(4)
– short-term	**131**	189	**24**	57
Raw materials, consumables used and change in inventories	**2 636**	2 982	**1 452**	1 899
Railage and road transportation	**258**	339	**183**	219
Staff costs	**1 993**	1 965	**283**	358
– salaries and wages	**1 781**	1 694	**271**	342
– pension – defined contribution	**139**	177	**12**	16
– medical aid	**73**	94	**–**	–
Other costs	**592**	471	**251**	148
	6 951	7 353	**2 706**	3 208
26. OTHER OPERATING INCOME				
Commission received	**5**	10	**5**	9
Fees received	**519**	569	**528**	569
Insurance income received	**79**	104	**–**	–
Realised foreign exchange gains	**–**	3	**–**	3
Rental income from investment property	**–**	7	**–**	–
Royalties received	**9**	12	**–**	–
Unrealised foreign exchange gains	**44**	347	**44**	347
Other	**101**	88	**74**	93
	757	1 140	**651**	1 021

* *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2017

	Group		Company	
	F2017 Rm	Re-presented* F2016 Rm	F2017 Rm	F2016 Rm
27. OTHER OPERATING EXPENSES				
Audit remuneration – audit fees	**14**	14	**9**	9
– other services	**1**	–	**–**	–
Consulting fees	**46**	52	**46**	52
Depreciation	**5**	8	**5**	8
Direct operating expenses of investment property	**–**	2	**–**	–
Distribution cost	**–**	111	**–**	111
Exploration**	**28**	23	**28**	23
Impairment of loans	**–**	–	**–**	6
Insurance	**71**	121	**12**	15
Mineral royalty tax	**159**	201	**11**	10
Provisions – long-term	**340**	(10)	**340**	(10)
– short-term	**151**	84	**151**	84
Realised foreign exchange loss	**16**	20	**16**	19
Rent paid	**4**	5	**11**	11
Secretarial and financial services	**3**	3	**3**	3
Share-based payments expensed	**201**	191	**201**	191
Staff cost	**235**	239	**233**	239
– long service rewards	**4**	–	**4**	–
– pension – defined contribution	**8**	8	**8**	8
– salaries and wages	**217**	221	**217**	221
– training	**6**	10	**4**	10
Unrealised foreign exchange loss	**269**	1	**269**	1
Other	**207**	233	**143**	161
	1 750	1 298	**1 478**	933
28. INCOME FROM INVESTMENTS				
Dividend income – listed	**64**	–	**64**	–
– unlisted	**–**	1	**3 120**	1 355
Interest received – subsidiaries companies and other investments (refer note 45)	**–**	–	**234**	179
– environmental trust funds (refer note 23)	**9**	7	**5**	5
– short-term bank deposits and other	**165**	152	**95**	91
	238	160	**3 518**	1 630

* *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

** *In addition, attributable exploration expenditure amounting to R14 million (F2016: R12 million) is included in income from joint venture.*

	Group		Company	
	F2017 Rm	Re-presented* F2016 Rm	F2017 Rm	F2016 Rm
29. FINANCE COSTS				
Interest on finance leases	**12**	12	**3**	4
Gross interest paid: long- and short-term borrowings and overdrafts	**389**	280	**207**	186
Unwinding of discount rate	**22**	21	**11**	14
	423	313	**221**	204
30. SPECIAL ITEMS				
Profit on sale of property, plant and equipment	**–**	12	**–**	3
Profit on sale of subsidiary	**–**	4	**–**	–
Reversal of impairment of investment – Yukon	**–**	–	**18**	–
Reversal of impairment of loan – asset held for sale	**–**	–	**12**	–
Reversal/(impairment) of loans – Vale/ARM joint operation	**–**	–	**179**	(2 314)
Impairment loss of investment – ARM Finance Company	**–**	–	**(1 129)**	–
Impairment loss of property, plant and equipment – Modikwa	**(1 255)**	–	**–**	–
Impairment loss of property, plant and equipment – Nkomati	**(988)**	(122)	**(988)**	(122)
Loss on disposal of investment (refer note 37)	**(79)**	–	**(79)**	–
Special items per income statement before taxation effect	**(2 322)**	(106)	**(1 987)**	(2 433)
Impairment on property, plant and equipment accounted for directly in joint venture – Assmang	**(470)**	(202)	**–**	–
Impairment reversal/(loss) on property, plant and equipment – Lubambe (discontinuing operation)	**180**	(1 755)	**–**	–
Profit on sale of property, plant and equipment – Lubambe (discontinuing operation)	**–**	1	**–**	–
(Loss)/profit on sale of property, plant and equipment accounted for directly in joint venture – Assmang	**(1)**	8	**–**	–
Special items before taxation effect	**(2 613)**	(2 054)	**(1 987)**	(2 433)
Taxation accounted for in joint venture – impairment loss at Assmang	**27**	56	**–**	–
Taxation accounted for in joint venture – profit on sale at Assmang	**–**	(2)	**–**	–
Taxation – impairment loss of Modikwa assets	**365**	–	**–**	–
Taxation – impairment loss of Nkomati assets	**277**	33	**277**	–
Taxation on other special items	**–**	–	**–**	319
Special items after taxation effect	**(1 944)**	(1 967)	**(1 710)**	(2 114)
Non-controlling interest – impairment (reversal)/loss of assets at Lubambe (discontinuing operation)	**(36)**	351	**–**	–
Non-controlling interest – impairment loss of assets at Modikwa	**156**	–	**–**	–
Total	**(1 824)**	(1 616)	**(1 710)**	(2 114)

* *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2017

	Group		Company	
	F2017 Rm	Re-presented* F2016 Rm	F2017 Rm	F2016 Rm
31. TAXATION				
South African normal taxation:				
– current year	**324**	290	**82**	38
– mining	**212**	243	**–**	–
– non-mining	**112**	47	**82**	38
– prior year	**8**	1	**(6)**	–
Dividends tax	**5**	–	**–**	–
Foreign tax discontinuing operation		(2)		
Foreign tax	**–**	4	**–**	–
Withholding tax	**37**	–	**37**	–
Total current taxation	**374**	293	**113**	38
Deferred taxation	**(783)**	(303)	**(383)**	(269)
Total taxation per income statement	**(409)**	(10)	**(270)**	(231)
Attributable to:				
Profit before special items	**233**	23	**7**	88
Special items (refer note 30)	**(642)**	(33)	**(277)**	(319)
	(409)	(10)	**(270)**	(231)
Amounts recognised directly in other comprehensive income or equity:				
Unrealised gain on available-for-sale financial asset	**(439)**	413	**(439)**	413
Deferred capital gains tax on listed investment at acquisition – ARM BBEE Trust (refer note 36)	**–**	424	**–**	–
Deferred tax on insurance restructuring (equity)	**–**	(76)	**–**	–
Total movement in deferred tax	**(1 222)**	458	**(822)**	144
South African mining tax is calculated based on taxable income less capital expenditure.				
Where there is insufficient taxable income to offset capital expenditure, the remaining balance is carried forward as unredeemed capital expenditure.				

* *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

31. TAXATION continued

	F2017 %	Re-presented* F2016 %	F2017 %	F2016 %
Reconciliation of rate of taxation:				
Standard rate of Company taxation	**28**	28	**28**	28
Adjusted for:				
Loan impairment	**–**	(19)	**2**	26
Disallowed expenditure**	**24**	7	**64**	(66)
Exempt income***	**(2)**	3	**(130)**	33
Prior year over provision	**(1)**	–	**(3)**	–
Share of associate and joint venture income after tax	**(84)**	(20)	**–**	–
Effective rate of taxation	**(35)**	(1)	**(39)**	21

	%	%	%	%
Reconciliation of rate of taxation before special items				
Standard rate of Company taxation				
Adjusted for:	**28**	28	**28**	28
Loan impairment	**–**	(18)	**–**	–
Disallowed expenditure	**7**	8	**6**	5
Exempt income	**–**	2	**(34)**	(26)
Share of associate and joint venture income after tax	**(28)**	(19)	**–**	–
Effective rate of taxation	**7**	1	**–**	7

	Rm	Rm	Rm	Rm
Profit before taxation and special items per income statement	**3 475**	1 591	**2 671**	1 348
Taxation per income statement	**(409)**	(10)	**(270)**	(231)
Taxation on special items (refer note 30)	**642**	33	**277**	319
Tax – excluding tax on special items	**233**	23	**7**	88

	%	%	%	%
Percentage on above	**7**	1	**–**	7

	Rm	Rm	Rm	Rm
Estimated assessed losses available for reduction of future taxable income	**169**	4 780	**17**	19
No deferred tax asset has been raised on the estimated assessed losses of R4 992 million (F2016: R4 780 million) in the Vale/ARM joint operation.				
Unredeemed capital expenditure available for reduction of future mining income****	**2 410**	4 676	**1 029**	791

* Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).
** This is mostly silicosis provision and unrealised forex in Group. In Company, it also includes impairment of investments.
*** In Company this is all the dividends received.
**** Deferred tax has been raised on these estimated tax benefits other than for the Vale/ARM joint operation.

The unredeemed capital expenditure in the Vale/ARM joint operation is R2 711 million (F2016: R2 672 million).

The latest tax assessment for the Company relates to the year ended June 2015.

All returns up to and including June 2016 have been submitted.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2017

	Group	
	F2017	Re-presented* F2016
32. CALCULATIONS PER SHARE		
The calculation of basic earnings per share is based on basic earnings of R1 372 million (F2016: R565 million basic loss) and a weighted average of 189 768 thousand (F2016: 212 990 thousand) shares in issue during the year.		
The calculation of headline earnings per share is based on headline earnings of R3 196 million (F2016: R1 051 million) and a weighted average of 189 768 thousand (F2016: 212 990 thousand) shares in issue during the year.		
The calculation of diluted basic earnings per share is based on basic earnings of R1 372 million (F2016: R565 million basic loss) with no reconciling items to derive at diluted earnings and a weighted average of 195 112 thousand (F2016: 215 825 thousand) shares in issue during the year calculated as follows:		
Weighted average number of shares used in calculating basic earnings per share (thousands)	**189 768**	212 990
Potential ordinary shares due to long-term share incentives granted (thousands)	**5 344**	2 835
Weighted average number of shares used in calculating diluted earnings per share (thousands)	**195 112**	215 825
The calculation of diluted headline earnings per share is based on headline earnings of R3 196 million (F2016: R1 051 million) with no reconciling items to derive at diluted headline earnings and a weighted average of 195 112 thousand (F2016: 215 825 thousand) shares.		
The calculation of net asset value per share is based on net assets of R23 497 million (F2016: R23 819 million) and the number of shares at year end of 218 702 thousand (F2016: 218 022 thousand) shares.		
The calculation of cash generated from operations per share (cents) is based on cash generated from operations of R1 611 million (F2016: R1 225 million) and the weighted average number of shares in issue of 189 768 thousand (F2016: 212 990 thousand).		
Headline earnings (R million)	**3 196**	1 051
Headline earnings from continuing operations (R million)	**3 399**	1 412
Headline loss from discontinuing operation (R million)	**(203)**	(361)
Headline earnings per share (cents)	**1 684**	494
Headline earnings per share from continuing operations (cents)	**1 791**	663
Headline loss per share from discontinuing operation (cents)	**(107)**	(169)
Basic earnings/(loss) per share (cents)	**723**	(265)
Basic earnings from continuing operations per share (cents)	**754**	563
Basic loss from discontinuing operation per share (cents)	**(31)**	(828)
Diluted headline earnings per share (cents)	**1 638**	487
Diluted headline earnings per share from continuing operations (cents)	**1 742**	654
Diluted headline loss per share from discontinuing operation (cents)	**(104)**	(167)
Diluted basic earnings/(loss) per share (cents)	**703**	(262)
Diluted basic earnings from continuing operations per share (cents)	**733**	556
Diluted basic loss from discontinuing operation per share (cents)	**(30)**	(818)
Number of shares in issue at end of year (thousands)	**218 702**	218 022
Weighted average number of shares in issue (thousands)	**189 768**	212 990
Weighted average number of shares used in calculating diluted earnings per share (thousands)	**195 112**	215 825
Net asset value per share (cents)	**10 744**	10 925
EBITDA (R million)	**794**	1 185
EBITDA from continuing operations (R million)	**922**	1 415
Dividend declared after year-end (cents per share)	**650**	225

* *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

32. CALCULATIONS PER SHARE continued

ARM BBEE Trust restructuring effect on weighted and diluted average number of shares

Following the restructuring of the ARM BBEE Trust, the ARM BBEE Trust is consolidated into the ARM consolidated financial results, as ARM controls the Trust for reporting purposes.

The consolidation of the ARM BBEE Trust results in ARM shares bought back by Opilac, a wholly-owned subsidiary of ARM, and the remaining shares owned by the Trust, reducing the number of shares used in the calculation of headline, basic and diluted earnings per share.

The treasury shares are excluded, effectively from 22 April 2016, in the weighted average and diluted average number of shares (refer note 15).

The number of shares in issue are, however, not affected.

Dividend per share

After the year end a dividend of 650 cents per share (F2017: 225 cents per share; F2016: 350 cents per share) was declared and paid which amounted to R1 422 million (F2017: R491 million, F2016: R761 million). This dividend was declared on 6 September 2017 (F2016: 8 September 2016; F2015: 4 September 2015), before approval of the financial statements but was not recognised as a distribution to owners during the period to June 2017.

33. HEADLINE EARNINGS

	Group	
	F2017 Rm	F2016 Rm
Basic earnings/(loss) attributable to equity holders of ARM	**1 372**	(565)
– (Reversal)/impairment loss on property, plant and equipment – Lubambe	**(180)**	1 755
– Impairment loss on property, plant and equipment – Modikwa	**1 255**	–
– Impairment loss on property, plant and equipment – Nkomati	**988**	122
– Impairments loss of property, plant and equipment in joint venture – Assmang	**470**	202
– Profit on sale of subsidiary	**–**	(4)
– Loss/(profit) on sale of property, plant and equipment in joint venture – Assmang	**1**	(8)
– Profit on sale of property, plant and equipment Lubambe – (discontinuing operation)	**–**	(1)
– Profit on disposal of property, plant and equipment	**–**	(12)
– Loss on disposal of investment	**79**	–
	3 985	1 489
– Taxation accounted for in joint venture – impairment at Assmang	**(27)**	(54)
– Taxation – impairment loss of Modikwa assets	**(365)**	–
– Taxation – impairment loss of Nkomati assets	**(277)**	(33)
	3 316	1 402
Non-controlling interest – impairment reversal/(loss) of assets at Lubambe (discontinuing operation)	**36**	(351)
Non-controlling interest – impairment loss of assets at Modikwa	**(156)**	–
Headline earnings	**3 196**	1 051

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for the year ended 30 June 2017

	Group		Company	
	F2017 Rm	Re-presented* F2016 Rm	F2017 Rm	F2016 Rm
34. RECONCILIATION OF NET PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS				
Profit from operations before special items from continuing operations	**214**	653	**(626)**	(78)
Loss from operations before special items from discontinuing operations	**(235)**	(434)		
(Loss)/profit from operations before special items	**(21)**	219	**(626)**	(78)
Profit/(loss) from associate	**181**	(210)	**–**	–
Income from joint venture	**3 265**	1 301	**–**	–
Special items from continuing operations (refer note 30)	**(2 322)**	(106)	**(1 987)**	(2 433)
Special items from discontinuing operation (refer note 30)	**180**	(1 755)	**–**	–
(Loss)/profit from operations after special items	**1 283**	(551)	**(2 613)**	(2 511)
Adjusted for:	**602**	1 856	**3 282**	2 786
– Amortisation and depreciation of property, plant and equipment and intangible assets	**815**	966	**352**	375
– Non-cash relating to sale of Dwarsrivier	**17**	–	**–**	–
– Income from joint venture	**(3 265)**	(1 301)	**–**	–
– Inventory written off	**–**	1	**–**	–
– Impairment loss of investment	**–**	–	**1 129**	–
– Impairment loss of property, plant and equipment	**2 243**	122	**988**	122
– Impairment (reversal)/loss	**(180)**	1 755	**–**	–
– Impairment loss of other loans	**–**	–	**–**	6
– Investment impairment reversal	**–**	–	**(18)**	–
– (Profit)/loss from associate	**(181)**	210	**–**	–
– Loss on sale of investment	**79**	–	**79**	–
– (Profit)/loss on disposal of property, plant and equipment	**–**	(12)	**–**	(3)
– Loan impairment (reversal)/loss	**–**	–	**(191)**	2 314
– Movement in long- and short-term provisions	**638**	285	**515**	127
– Profit on disposal of subsidiary	**–**	(4)	**–**	–
– Share-based payments expense	**201**	191	**201**	191
– Unrealised foreign exchange losses/(gains)	**235**	(354)	**227**	(346)
– Other non-cash flow items	**–**	(3)	**–**	–
Cash from operations before working capital changes	**1 885**	1 305	**669**	275
Movement in inventories	**(51)**	118	**(109)**	57
Movement in payables and provisions	**(530)**	(338)	**(248)**	(218)
Movement in receivables	**307**	140	**230**	211
Cash generated from operations	**1 611**	1 225	**542**	325

* *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

	Group		Company	
	F2017 Rm	Re-presented* F2016 Rm	F2017 Rm	F2016 Rm
35. TAXATION PAID				
Balance at beginning of year	**170**	93	**37**	48
South African taxation	**337**	293	**113**	38
Current tax (refer note 31) per income statement	**374**	293	**150**	38
Withholding tax	**(37)**	–	**(37)**	–
ARM BBEE Trust – opening balance (refer note 36)	**–**	93	**–**	–
Other	**–**	(1)	**–**	–
Balance at year end	**(106)**	(170)	**(27)**	(37)
Tax payable at year end	**(112)**	(174)	**(32)**	(37)
Tax receivable at year end	**6**	4	**5**	–
Taxation paid	**401**	308	**123**	49

* *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

36. RESTRUCTURING OF ARM BBEE TRUST

Following the restructuring of the ARM BBEE Trust, the ARM BBEE Trust is consolidated into the ARM consolidated financial results, as ARM controls the Trust for reporting purposes.

The consolidation of the ARM BBEE Trust results in ARM shares bought back by Opilac, a wholly-owned subsidiary of ARM, and the remaining shares owned by the Trust, reducing the number of shares used in the calculation of headline, basic and diluted earnings per share. The number of shares in issue are however not affected.

The treasury shares are excluded, effectively from 22 April 2016, in the weighted average and diluted average number of shares (refer note 15).

The statement of financial position of the ARM BBEE Trust at the date that control was obtained, after the sale of the 12 717 328 shares, was as follows:

	Group	Company
	F2016 Rm	F2016 Rm
Investment	1 754	–
Cash	10	–
Assets	1 764	–
Other reserves	870	–
Retained earnings	(932)	–
Loan ARM	800	800
Loan Harmony	200	–
Loan Nedbank	300	–
Deferred tax	424	–
Payables	9	–
Taxation	93	–
Equity and liabilities	1 764	800
Opilac		
12 717 328 ARM shares bought from the Trust	–	651

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for the year ended 30 June 2017

37. DWARSRIVIER CHROME MINE DISPOSAL

For accounting purposes, the disposal of the Dwarsrivier Chrome Mine was effective on 1 July 2016. The accounting result for ARM of this disposal was as follows:

> The attributable equity profit realised in Assmang amounted to R5 million, which includes an impairment of R373 million before tax (tax nil). Subsequent to 31 December 2016 a reduction of R49 million in the attributable impairment raised at 31 December 2016 for the disposal of the Dwarsrivier Chrome Mine was recorded;

> Attributable contribution to headline earnings amounting to R378 million;

> Cash dividend received from Assmang amounting to R238 million and an *in specie* dividend of R316 million;

> Proceeds of R238 million received from Assore by ARM on the sale of its investment in Dwarsrivier Chrome Mine resulting in a loss amounting to R79 million before tax (tax: nil).

38. PROPERTY, PLANT AND EQUIPMENT – IMPAIRMENTS

Nkomati Nickel Mine

At 31 December 2016, an impairment loss of the Nkomati Nickel Mine cash generating-unit was recognised, largely as a result of:

> a revision of the mine plan with a resultant lower metal output profile;

> a significant decline from the prior year forecast long-term price of nickel; and

> a further strengthening of the R/US$ exchange rate.

ARM's attributable share of the impairment charge amounted to R988 million before tax and R711 million after tax (refer note 30).

The recoverable amount of the cash-generating unit was determined based on a value in use calculation performed in terms of IFRS.

A pre-tax discount rate of 20.72% was used for the impairment calculation, together with the following metal prices and exchange rate assumptions:

	2H F2017 Nominal	F2018 Nominal	F2019 Nominal	F2020 Nominal	Long-term Real
Nickel – US$/tonne	**11 053**	11 561	12 606	14 029	16 475
Platinum – US$/ounce	**986**	1 073	1 171	1 247	1 270
Palladium – US$/ounce	**712**	751	805	825	790
Gold – US$/ounce	**1 221**	1 260	1 295	1 307	1 194
Copper – US$/tonne	**5 356**	5 362	5 555	5 803	5 975
Cobalt – US$/lb	**14.00**	13.89	13.51	13.58	11.86
Chrome concentrate – US$/tonne	**235**	180	160	165	175
Exchange rate – R/US$	**13.84**	14.24	14.22	14.30	14.00

	Group		Company	
	F2017 Rm	F2016 Rm	F2017 Rm	F2016 Rm
The assets related to the underground operations at Nkomati (included in the ARM Platinum segment) were impaired following the decision to cease operations in this area (refer note 30).	**–**	122	**–**	–

At 30 June 2017 there were no further impairments.

38. PROPERTY, PLANT AND EQUIPMENT – IMPAIRMENTS continued

Modikwa Platinum Mine

At 31 December 2016, an impairment loss of the Modikwa Platinum Mine cash-generating unit attributable to ARM, was recognised largely as a result of:

> lower forecast PGM output over the short to medium term;
> higher forecast unit cost of production;
> a reduction in the forecast long-term platinum price; and
> a further strengthening of the R/US$ exchange rate.

ARM's attributable share of the impairment amounted to R1 255 million before tax, R890 million after tax and R734 million after non-controlling interest and tax. (refer note 30).

The recoverable amount of the cash-generating unit was determined based on a value in use calculation performed in terms of IFRS.

A pre-tax discount rate of 18.72% was used for the impairment calculation, together with the following metal prices and exchange rate assumptions:

	2H F2017 Nominal	F2018 Nominal	F2019 Nominal	F2020 Nominal	Long-term Real
Platinum – US$/ounce	**986**	1 073	1 171	1 247	1 270
Palladium – US$/ounce	**712**	751	805	825	790
Rhodium – US$/ounce	**845**	800	800	850	850
Gold – US$/ounce	**1 221**	1 260	1 295	1 307	1 194
Iridium – US$/ounce	**500**	500	500	500	500
Ruthenium – US$/ounce	**40**	40	50	50	55
Nickel – US$/tonne	**11 053**	11 561	12 606	14 029	16 475
Copper – US$/tonne	**5 356**	5 362	5 555	5 803	5 975
Cobalt – US$/lb	**14.00**	13.89	13.51	13.58	11.86
Exchange rate – R/US$	**13.84**	14.24	14.22	14.30	14.00

At 30 June 2017 there were no further impairments.

Lubambe Copper Mine

At 31 December 2015 an impairment of Lubambe Copper Mine (included in the ARM Copper segment) assets was recognised largely as a result of:

> a decline in the forecast of the short to medium term copper price;
> a revision to the mine plan; and
> an increase in the discount rate used in the valuation of the mine.

ARM's attributable share of the impairment amounted to R1 404 million. (R1 755 million less R351 million non-controlling interest) (refer note 30). For the impairment calculation a pre-tax discount rate of 24.43% and the following real copper prices were used.

	2H F2017	F2018	F2019	F2020	Long-term
US$/tonne	**4 569**	4 615	4 939	5 427	6 369

The recoverable amount to determine the impairments was calculated using a combination of a value in use and a fair value less cost to sell model.

At year end there was an impairment reversal following the classification of Lubambe as an asset held for sale (refer note 13 and 30).

The amount was determined using a fair value less cost to sell method.

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

38. PROPERTY, PLANT AND EQUIPMENT – IMPAIRMENTS continued

Summary		Impairment Rm	Taxation Rm	Non-controlling interest Rm	Net Rm	Group F2017 Rm	Group F2016 Rm	Company F2017 Rm	Company F2016 Rm
Modikwa	F2017	1 255	365	156	734	**1 255**	–	**–**	–
Nkomati	F2017	988	277	–	711	**988**	122	**988**	122
	F2016	122	33	–	89				
Lubambe	F2017	(180)	–	(36)	(144)	**(180)**	1 755	**–**	–
copper mine	F2016	1 755	–	351	1 404				
Total pre-tax and non-controlling interest						**2 063**	1 877	**988**	122

39. FINANCIAL INSTRUMENTS AND RISK MANGEMENT

The Group is exposed to certain financial risks in the normal course of its operations. To manage these risks, a treasury risk management committee monitors transactions involving financial instruments.

The Group does not acquire, hold or issue derivative instruments for trading purposes.

The following risks are managed through the policies adopted below:

Currency risk

The commodity market is predominantly priced in US Dollars which exposes the Group's cash flows to foreign exchange currency risks (refer sensitivity analysis).

In addition, there is currency risk on long lead time capital items which may be denominated in US Dollars, Euros or other currencies.

Derivative instruments which may be considered to hedge the position of the Group against these risks include forward sale and purchase contracts as well as forward exchange contracts.

The use of these derivative instruments is considered when appropriate for long lead time capital items.

F2016 includes a VALE/ARM joint venture that is this year treated as an asset held for sale.

Below is a summary of amounts included in the statement of financial position denominated in a foreign currency.

	Group Foreign currency amount	Group Year-end exchange rate R/US$	Company Foreign currency amount	Company Year-end exchange rate R/US$
Financial assets				
Foreign currency denominated items included in receivables:				
30 June 2017	US$50 million	13.05	US$13 million	13.05
30 June 2016	US$63 million	14.68	US$27 million	14.68
Foreign currency denominated items included in cash and cash equivalents:				
30 June 2017	US$2 million	13.05	US$ nil	13.05
30 June 2016	US$3 million	14.68	US$ nil	14.68
Financial liabilities				
Foreign currency denominated items included in payables:				
30 June 2017	US$ nil	13.05	US$ nil	13.05
30 June 2016	US$14 million	14.68	US$ nil	14.68
Foreign currency denominated items included in long-term borrowings:				
30 June 2017	US$ nil	13.05	US$ nil	13.05
30 June 2016	US$77 million	14.68	US$ nil	14.68
Foreign currency denominated items included in overdrafts and short-term borrowings:				
30 June 2017	US$6 million	13.05	US$ nil	13.05
30 June 2016	US$22 million	14.68	US$ nil	14.68

39. FINANCIAL INSTRUMENTS AND RISK MANGEMENT continued

Liquidity risk management

The Group's executives meet regularly to review long- and mid-term plans as well as short-term forecasts of cash flow.

Funding requirements are met by arranging banking facilities and/or structuring finance as applicable. All funding and related structures are approved by the Board of Directors.

The table below summarises the maturity profile of the Group's financial liabilities at 30 June 2017 and 30 June 2016 based on discounted cash flows.

For undiscounted amounts, refer note 16.

Trade and other payables and overdrafts and short-term borrowings are, due to their nature, the same for discounted and undiscounted cash flows.

	Group F2017				Company F2017			
	Within one year	2 – 4 years	Over 5 years	Total	Within one year	2 – 4 years	Over 5 years	Total
Long-term borrowings (refer notes 16 and 21)*	**309**	**959**	**1 043**	**2 311**	**179**	**632**	**814**	**1 625**
Trade and other payables (refer note 19)	**1 307**	**–**	**–**	**1 307**	**296**	**–**	**–**	**296**
Overdrafts and short-term borrowings (refer note 21)	**448**	**–**	**–**	**448**	**342**	**–**	**–**	**342**
Total	**2 064**	**959**	**1 043**	**4 066**	**817**	**632**	**814**	**2 263**

* *F2017 R15 million liability held for sale included in the R309 million (refer note 16 and 21).*

	Group F2016				Company F2016			
	Within one year	2 – 4 years	Over 5 years	Total	Within one year	2 – 4 years	Over 5 years	Total
Long-term borrowings (refer notes 16 and 21)	617	2 537	1 634	4 788	135	2 117	729	2 981
Trade and other payables (refer note 19)	1 787	–	–	1 787	485	–	–	485
Overdrafts and short-term borrowings (refer note 21)	763	–	–	763	301	–	–	301
Total	3 167	2 537	1 634	7 338	921	2 117	729	3 767

	Group		Company	
	F2017 Rm	F2016 Rm	F2017 Rm	F2016 Rm
Overdrafts and short-term borrowings (including short-term portion of long-term borrowings) are held as follows:				
– ABSA Bank Limited	**220**	249	**12**	31
– Interest-free loans – subsidiaries	**–**	–	**254**	254
– Nedbank Limited	**90**	204	**–**	–
– Partner loans short-term	**114**	114	**–**	–
– Partner loans (included in R309 million, F2016: R617 million)	**172**	123	**172**	123
– Standard Finance (Isle of Man) Limited	**78**	426	**–**	–
– Other	**83**	264	**83**	28
	757	1 380	**521**	436

NOTES TO THE FINANCIAL STATEMENTS continued
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39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Credit risk

Credit risk arises from possible defaults on payments by business partners or bank counterparties. The Group minimises credit risk by evaluating counterparties before concluding transactions in order to ensure the creditworthiness of such counterparties.

The maximum exposure for trade receivables is the carrying amounts disclosed in note 11.

Major trade receivables include Impala Platinum: R1 003 million (F2016: R1 096 million); Rustenburg Platinum Mines: R468 million (F2016: R456 million); and Norilsk Nickel: R174 million (F2016: R393 million).

Cash is only deposited with institutions which have exceptional credit ratings with the amounts distributed appropriately among these institutions to minimise credit risk through diversification. The maximum exposure is the carrying values as per note 12.

The available-for-sale financial asset (which is the Harmony investment) exposure is the carrying value of this asset as per note 9.

	Group		Company	
	F2017 Rm	F2016 Rm	**F2017 Rm**	F2016 Rm
Cash and cash equivalents are held at the following financial institutions:				
– ABSA Bank Limited	**311**	203	**50**	1
– Barclays Private Clients International	**159**	115	**–**	–
– Investec Limited	**8**	11	**–**	4
– FirstRand Limited	**73**	101	**66**	94
– Lloyds Bank Plc	**200**	202	**–**	–
– Nedbank Limited	**141**	12	**139**	–
– Rand Merchant Bank	**27**	27	**27**	27
– Royal Bank of Scotland International Limited	**208**	210	**–**	–
– Standard Chartered	**178**	195	**–**	–
– The Standard Bank of South Africa Limited	**123**	164	**104**	150
– Other	**60**	76	**30**	31
	1 488	1 316	**416**	307

Treasury risk management

The treasury function is outsourced to Andisa Capital Proprietary Limited (Andisa), specialists in the management of third party treasury operations.

Together with ARM financial executives, Andisa coordinates the short-term cash requirements in the South African domestic money market.

A Treasury Committee, consisting of senior managers in the Company including the Financial Director and representatives from Andisa, meet on a regular basis to analyse currency and interest rate exposures as well as future funding requirements within the Group.

The Committee reviews the treasury operation's dealings to ensure compliance with Group policies and counterparty exposure limits.

Commodity price risk

Commodity price risk arises from the possible adverse effect of fluctuations in commodity prices on current and future earnings.

Most of these prices are US Dollar based and are internationally determined in the open market. From these base prices, contracts are negotiated. ARM does not actively hedge future commodity revenues of the commodities that it produces against price fluctuations.

The Nkomati, Two Rivers and Modikwa operations recognise revenue at the month end during which delivery of concentrate has occurred, at the closing spot price for the contained metal. There is a risk that the spot price does not realise when the metal price fixes on out-turn at the refinery. Management is of the opinion that this method of revenue recognition is the most appropriate as opposed to using forward prices as an estimate. The risk is that where there are significant changes in metal prices after a reporting period end, the next reporting period is impacted. The value of accounts receivable for these three entities included in trade and other receivables (refer note 11) amounts to R1 645 million (F2016: R1 945 million). Refer to the sensitivity calculations on page 96.

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt obligations (refer to sensitivity analysis).

The Group manages its interest cost using a mix of fixed and variable rates.

Fluctuations in interest rates give rise to interest rate risks through the impact these fluctuations have on the value of short-term cash investments and financing activities.

Fixed interest rate loans carry a fair value risk due to change in market rates.

Cash is managed to ensure that surplus funds are invested in a manner to achieve maximum returns while minimising risks.

The table quantifies the interest rate risk.

		Group		
Financial assets		Book value at year-end Rm	Maturity date*	Effective interest rate
Year ended 30 June 2017				
Cash – financial institutions	US$2 million	**20**	**Overnight**	**0 – 2%**
– financial institutions		**759**	**call deposit**	**0 – 8%**
– fixed		**709**	**July 2017**	**4 – 9%**
		1 488		
Year ended 30 June 2016				
Cash – financial institutions	US$3 million	38	Overnight	0 – 2%
– financial institutions		579	call deposit	0 – 8%
– fixed		699	July 2016	4 – 9%
		1 316		

	Company		
Financial assets	Book value at year-end Rm	Maturity date*	Effective interest rate
Year ended 30 June 2017			
Cash – financial institutions	**416**	**Call deposits**	**5 – 9 %**
	416		
Year ended 30 June 2016			
Cash – financial institutions	307	Call deposits	5 – 9 %
	307		

* *This relates to the financial year.*

NOTES TO THE FINANCIAL STATEMENTS continued
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39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Interest rate risk continued

	Group		
Financial liabilities	Book value at year-end Rm	Maturity date*	Effective interest rate
Year ended 30 June 2017			
Long-term borrowings			
ARM BBEE Trust – loan facility – Harmony Gold	**229**	**2023**	**JIBAR plus 4.25%**
ARM BBEE Trust – loan facility – Nedbank	**299**	**2020**	**JIBAR plus 4.07%**
Vale/ARM joint operation – hire purchase**	**15**	**2019**	**Between 7% and 8%**
Two Rivers – leases	**57**	**2017**	**Prime less 1.5%**
Nkomati – leases	**20**	**2020**	**Prime plus 2%**
Two Rivers – mine housing project – loan facility	**8**	**2018**	**7.34% linked to JIBAR**
ARM Finance Company SA – loan facility	**78**	**2018**	**LIBOR plus 3.65%**
Vale/ARM joint operation – loan facility (partner loan)**	**656**	**2018**	**LIBOR plus 5%**
ARM Coal – RBCT phase V (partner loan)	**77**	**2021**	**Prime plus 0.5%**
ARM Coal – GGV acquisition loan (partner loan)	**290**	**2026**	**Prime**
ARM Coal – GGV project facility phase 1 loan (partner loan)	**987**	**2025**	**Interest-free until October 2014 thereafter prime**
ARM Coal – GGV project facility phase 2 loan (partner loan)	**251**	**2024**	**Prime**
	2 967		
Less: transferred to short-term borrowings**	**(309)**		
Total	**2 658**		
Less: long-term borrowing classified as liability held for sale	**(656)**		
	2 002		

This relates to the financial year.
** *This is transferred to asset held for sale. R15 million included in the R309 million.*

SUMMARY OF VARIABLE AND FIXED RATES

	Total	Transfer to short term	Long-term
Year ended 30 June 2017			
Variable rates	**2 311**	**309**	**2 002**
Fixed rates	**–**	**–**	**–**
Total	**2 311**	**309**	**2 002**

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Interest rate risk continued

	Group		
	Book value at year-end Rm	Maturity date*	Effective interest rate
Year ended 30 June 2016			
Long-term borrowings			
African Rainbow Minerals – loan facility	1 400	2019	JIBAR plus 3.35% to 3.65%
ARM BBEE Trust – loan facility – Harmony Gold	204	2022	JIBAR plus 4.25%
ARM BBEE Trust – loan facility – Nedbank	297	2019	JIBAR plus 4.07%
Vale/ARM joint operation – hire purchase	33	2019	Between 7% and 8%
Two Rivers – leases	38	2017	Prime less 1.5%
Nkomati – leases	35	2020	Prime plus 2%
Two Rivers – mine housing project – loan facility	25	2018	7.358% linked to JIBAR
ARM Finance Company SA – loan facility	514	2018	LIBOR plus 3.65%
Vale/ARM joint operation – loan facility (partner loan)	696	2018	LIBOR plus 5%
ARM Coal – RBCT phase V (partner loan)	95	2021	Prime plus 0.5%
ARM Coal – GGV acquisition loan (partner loan)	309	2026	Prime
ARM Coal – GOSA	22		Nil
ARM Coal – GGV project facility phase 1 loan (partner loan)	893	2025	Interest-free until October 2014 thereafter prime
ARM Coal – GGV project facility phase 2 loan (partner loan)	227	2024	Prime
	4 788		
Less: transferred to short-term borrowings	(617)		
Total	4 171		

* *This relates to the financial year.*

SUMMARY OF VARIABLE AND FIXED RATES

	Total	Transfer to short term	Long-term
Year ended 30 June 2016			
Variable rates	4 788	617	4 171
Fixed rates	–	–	–
Total	4 788	617	4 171

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2017

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Interest rate risk continued

SHORT-TERM FINANCIAL LIABILITIES

	Group			
	Book value at year-end Rm	**Repricing date**	**Maturity date***	**Effective interest rate**
Year ended 30 June 2017				
– Financial institutions	**486**	**30/06/2017**	**30/06/2017**	**Variable rate between 2% and 11%**
– Anglo American Platinum (partner loan)	**114**			**No interest**
– ARM Coal (partner loan)	**172**			**Variable rate between 0% and prime plus 0.5%**
Total	**772**			
Less transferred to liability held for sale	**(15)**			
Total	**757**			

* This relates to the financial year.

	Total	Transfer to short-term	Long-term	Effective interest rate
Year ended 30 June 2016				
– Financial institutions	1 143	30/06/2016	30/06/2016	Variable rate between 2% and 11%
– Anglo American Platinum (partner loan)	114			No interest
– ARM Coal (partner loan)	123			Variable rate between 0% and prime plus 0.5%
Total	1 380			

	Company		
	Book value at year-end Rm	**Maturity date***	**Effective interest rate**
Year ended 30 June 2017			
Long-term borrowings			
Nkomati – leases	**20**	**2020**	**Prime plus 2%**
ARM Coal – RBCT phase V (partner loan)	**77**	**2021**	**Prime plus 0.5%**
ARM Coal – GGV acquisition loan (partner loan)	**290**	**2026**	**Prime**
ARM Coal – GGV project facility phase 1 loan (partner loan)	**987**	**2025**	**Interest free until October 2014 thereafter prime**
ARM Coal – GGV project facility phase 2 loan (partner loan)	**251**	**2024**	**Prime**
	1 625		
Less: transferred to short-term borrowings	**(179)**		
Total	**1 446**		

* This relates to the financial year.

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Interest rate risk continued

SUMMARY OF VARIABLE AND FIXED RATES

	Company		
	Total	**Transfer to short-term**	**Long-term**
Variable rates	**1 625**	**179**	**1 446**
Fixed rates	**–**	**–**	**–**
Total	**1 625**	**179**	**1 446**

	Company		
	Book value at year-end Rm	Maturity date*	Effective interest rate
Year ended 30 June 2016			
Long-term borrowings			
African Rainbow Minerals – loan facility	1 400	2019	JIBAR plus 3.35% to 3.65%
Nkomati – leases	35	2020	Prime plus 2%
ARM Coal – RBCT phase V (partner loan)	95	2021	Prime plus 0.5%
ARM Coal – GGV acquisition loan (partner loan)	309	2026	Prime
ARM Coal – GGV acquisition loan (partner loan)	22		Nil
ARM Coal – GGV project facility phase 1 loan (partner loan)	893	2025	Interest free until October 2014 thereafter prime
ARM Coal – GGV project facility phase 2 loan (partner loan)	227	2024	Prime
	2 981		
Less: transferred to short-term borrowings	(135)		
Total	2 846		

* *This relates to the financial year.*

SUMMARY OF VARIABLE AND FIXED RATES

	Total	Transfer to short-term	Long-term
Variable rates	2 981	135	2 846
Fixed rates	–	–	–
Total	2 981	135	2 846

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Interest rate risk continued

	Company			
	Book value at year-end Rm	Repricing date	Maturity date*	Effective interest rate
Short-term financial liabilities				
Year ended 30 June 2017				
– Financial institutions	**95**	**30/06/2017**	**30/06/2017**	**10.25%**
– ARM Coal (partner loan)	**172**			**Variable rate between 0% and prime plus 0.5%**
– Loans from subsidiaries	**254**			**No interest**
Total	**521**			

* *This relates to the financial year.*

	Total	Transfer to short term	Long-term	Effective interest rate
Year ended 30 June 2016				
Short-term financial liabilities				
– Financial institutions	59	30/06/2016	30/06/2016	10.25%
– ARM Coal (partner loan)	123			Variable rate between 0% and prime plus 0.5%
– Loans from subsidiaries	254			No interest
Total	436			

Fair value risk

The carrying amounts of trade receivables, cash and cash equivalents and trade and other payables approximate fair value because of the short-term duration of these instruments.

Fair value hierarchy

The Group uses the following hierarchy for determining the level of confidence in the valuation technique used

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 – A technique where all inputs that have an impact on the value are observable, either directly or indirectly

Level 3 – A technique where all inputs that have an impact on the value are not observable

FINANCIAL INSTRUMENTS BY CATEGORIES

	Group F2017				
Category	Fair value hierarchy level	At fair value through profit and loss Rm	Available-for-sale financial asset Rm	Total book value Rm	Total fair value Rm
Investments – Listed (refer note 9)	**1**	**1**	**1 380**	**1 381**	**1 381**
Investments – Guardrisk (refer note 9)	**2**	**24**	**–**	**24**	**24**
Trade receivables*	**2**	**1 645**	**–**	**1 645**	**1 645**

* *For inputs used refer note 39, sensitivity.*

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Fair value risk continued

Category	Group F2016 Fair value hierarchy level	At fair value through profit and loss Rm	Available-for-sale financial asset Rm	Total book value Rm	Total fair value Rm
Investments – listed (refer note 9)	1	1	3 339	3 340	3 340
Investments – Guardrisk (refer note 9)	2	19	–	19	19
Trade receivables*	2	1 945	–	1 945	1 945

* *For inputs used refer note 39, sensitivity.*

Category	Company F2017 Fair value hierarchy level	At fair value through profit and loss Rm	Available-for-sale financial asset Rm	Total book value Rm	Total fair value Rm
Investments – Listed (refer note 9)	**1**	**–**	**1 380**	**1 380**	**1 380**
Investments – Guardrisk (refer note 9)	**2**	**24**	**–**	**24**	**24**
Trade receivables*	**2**	**174**	**–**	**174**	**174**

Category	Company F2016 Fair value hierarchy level	At fair value through profit and loss Rm	Available-for-sale financial asset Rm	Total book value Rm	Total fair value Rm
Investments – listed (refer note 9)	1	–	3 339	3 339	3 339
Investments – Guardrisk (refer note 9)	2	19	–	19	19
Trade receivables*	2	393	–	393	393

* *For inputs used refer note 39, sensitivity.*

Acquisition risk

Acquisition risk is the risk that acquisitions do not realise expected returns. This risk is mitigated by ensuring that all major investments are reviewed by the ARM Investment Committee after being proposed by management.

Capital risk management

The management and maintenance of capital in ARM is a central focus of the Board and senior management.

The ability to continue as a going concern and to safeguard assets while optimally funding capital expenditure is continually monitored.

Capital is mainly monitored on the basis of the net gearing ratio while giving due consideration to life of mine plans and business plans.

Capital structure is maintained and improved by ensuring an appropriate level of borrowings, adjusting dividends and reviewing returns from operations. ARM does not have a fixed policy on gearing but targets a net gearing threshold of 30% for external funding.

Total capital is defined as total equity on the statement of financial position plus debt.

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT continued

Sensitivity

The sensitivity calculations are performed on the variances in prices, exchange rates and interest rate changes.

The assumptions are calculated individually while keeping all other variables constant.

The effect is calculated only on the financial instruments as at year end.

It is relevant to note that the trade receivable balance above of R1 645 million (F2016: R1 945 million) was valued using the following parameters: (i) Rand/US Dollar exchange rate of R13.05 (F2016: R14.68); (ii) platinum price of $985/oz (F2016: $1 025/oz); (iii) palladium price of $749/oz (F2016: $598/oz); (iv) rhodium of $833/oz (F2016: $650/oz); (v) a nickel price of $10 100/tonne (F2016: $9 420/tonne); and (vi) copper price of $5 482/tonne (F2016: $4 851 tonne).

The sensitivity was applied to profit or loss before taxation and non-controlling interest. There is no other impact on equity.

	Group		Company	
	F2017 Rm	F2016 Rm	**F2017 Rm**	F2016 Rm
The increase in profit before tax if:				
The Rand/US Dollar exchange rate weakens by R1	**110**	107	**6**	12
The price of copper increases by 10%	**8**	7	**N/A**	N/A
The price of nickel increases by 10%	**16**	40	**16**	40
The price of PGM increases by 10%	**132**	135	**N/A**	N/A
The interest rate increases by 1%	**(22)**	(45)	**(13)**	(27)
The decrease in profit before tax if:				
The Rand/US Dollar exchange rate strengthens by R1	**(110)**	(107)	**(6)**	(12)
The price of copper decreases by 10%	**(8)**	(7)	**N/A**	N/A
The price of nickel decreases by 10%	**(16)**	(40)	**(16)**	(40)
The price of PGM decreases by 10%	**(132)**	(135)	**N/A**	N/A
The interest rate decreases by 1%	**22**	45	**13**	27

The interest rate change impact is calculated on the net financial instruments at reporting date and does not take into account any repayments of long- or short-term borrowings.

The prices of all other commodities are contractually fixed and are thus not impacted by price fluctuations after the reporting date.

In addition to the sensitivity above, a R1 increase or decrease in the Rand/US Dollar exchange rate will increase or decrease profit by R183 million (F2016: R158 million) as a result of the revaluation of the US Dollar denominated loan that ARM has with Lubambe. This is treated as an asset held for sale asset at 30 June 2017.

40. COMMITMENTS AND CONTINGENT LIABILITIES

	Group		Company	
	F2017 Rm	F2016 Rm	F2017 Rm	F2016 Rm
Commitments				
Commitments in respect of capital expenditure:				
Approved by directors				
– contracted for	**134**	118	**74**	6
– not contracted for	**3**	67	**3**	67
Total commitments	**137**	185	**77**	73
Commitments allocated as follows:				
ARM Mining Consortium Limited	**60**	59	**–**	–
ARM Coal Proprietary Limited	**36**	1	**36**	1
Nkomati	**41**	73	**41**	72
Two Rivers Platinum Proprietary Limited	**–**	52	**–**	–
	137	185	**77**	73

It is anticipated that this expenditure, which mainly relates to mine development and plant and equipment, will be financed from operating cash flows and by utilising available cash and borrowing resources.

Refer to note 18, silicosis provision, for an update on the previously reported contingent liability.

Disputes

ARM Mining Consortium has made an application against the Department of Mineral Resources (DMR) and third-party respondents requesting the court to order the DMR to reassess applications for certain prospecting rights bought by Rustenburg Platinum Mines, ARM Mining Consortium's joint venture partner that had been earlier rejected. The pleadings are not yet closed and no trial date has as yet been allocated.

Guarantees

A back-to-back guarantee to Assore Limited (Assore) in respect of ARM's share of the guarantees was issued to bankers by Assore to secure a short-term export finance agreement facility of R180 million (F2016: R180 million) by Assmang. Short-term export finance loans negotiated in terms of the above facility in the ordinary course of business at 30 June 2017 were nil (F2016: nil).

Guarantees to the DMR for rehabilitation provision amounting to R134 million (F2016: R114 million). Guarantees to Eskom amounting to R42 million (F2016: R42 million).

ARM provided support in F2015 to the ARM Broad-Based Economic Empowerment Trust (ARM BBEE Trust) in the form of guarantees to support the financial covenants of the ARM BBEE Trust's bank loan. Since F2015 additional guarantees amounting to R300 million were issued by ARM in this regard. The guarantees in favour of the ARM BBEE Trust have been cancelled after the restructuring of the Trust that was concluded as announced on 22 April 2016 (refer note 15, 32 and 36).

Assmang has issued a guarantee to the Sarawak Energy Board amounting to $100 million. Sponsor indemnities amounting to $45.46 million has been received by Assmang in respect of this guarantee. The net effect for Assmang is therefore $54.54 million. ARM's 50 percent interest in Assmang would equate to R356 million ($27.27 million).

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

41. LEASES

Finance leases (refer note 16)	Group				Company			
	F2017 Rm		F2016 Rm		F2017 Rm		F2016 Rm	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	**37**	**36**	58	51	**7**	**7**	16	13
After one year but not more than five years	**49**	**41**	61	55	**16**	**13**	26	22
Total minimum lease payments	**86**	**77**	119	106	**23**	**20**	42	35
Less: amounts representing finance charges	**(9)**		(13)		**(3)**		(7)	
Present value of minimum lease payments	**77**	**77**	106	106	**20**	**20**	35	35

In Group in F2016 Vale/ARM joint venture was included. In F2017 the amount of R15 million was tranferred to assets held for sale and is not included above.

	Group	
	F2017	F2016
Operating leases – Group as lessee		
This is in respect of office building rentals paid		
Straight-lined and cash flows		
Within one year	**3**	3
After one year but not more than five years	**5**	3
Total	**8**	6

42. RETIREMENT PLANS

The Group facilitates pension plans and provident funds substantially covering all employees. These are composed of defined contribution pension plans, which are governed by the Pension Funds Act, 1956, and defined contribution provident funds administered by employee organisations within the industries in which members are employed.

The benefits provided by the defined contribution plans are determined by accumulated contributions and returns on investment.

Members contribute between 5.0% and 7.5% and employers contribute between 6.2% and 18.12% of pensionable salaries to the funds. Members' contribution for the current year amounts to R147 million (F2016: R185 million).

43. POST-RETIREMENT HEALTH CARE BENEFITS

The Group has obligations to fund a portion of certain pensioners' and retiring employees' medical aid contributions based on the cost of benefits in terms of a defined benefits plan. The anticipated liabilities arising from these obligations have been actuarially determined using the projected unit credit method and a corresponding liability has been raised.

	Group		Company	
	F2017 Rm	F2016 Rm	**F2017 Rm**	F2016 Rm
The post-retirement healthcare benefits are provided for in the following entity:				
African Rainbow Minerals Limited	**74**	75	**74**	75
	74	75	**74**	75

The liability is assessed at three-yearly intervals by an independent actuary. The assumptions used for African Rainbow Minerals Limited are as follows:

- A real discount rate of 1.8% per annum (F2016: 1.8% per annum).
- An increase in healthcare costs at a rate of between 7% and 9% per annum (F2016: 7% to 9% per annum).
- A 1% change in the net discount rate used is estimated to have an impact of plus 8.3% or less 7.3% (F2016: plus 8.3% or less 7.3%) on the liability.
- The average expected working lifetime of eligible members was six years (F2016: six years) at the date of the valuation in 2016.

The provisions raised in respect of post-retirement healthcare benefits amounted to R74 million (F2016: R75 million) at the end of the year. For movements, refer note 18.

The liabilities raised based on present values of the post-retirement benefit, have been recognised in full.

An actuarial valuation is carried out in respect of this liability at three-yearly intervals. No new employees receive this benefit and the liability is relatively stable. The last actuarial valuation was carried out in F2016 and the next one will be in F2019.

At retirement, members are given the option to have an actuarially determined amount paid into their pension fund to cover the expected cost of the post-retirement health cover. Alternatively, the Group will continue to fund a portion of the retiring employee's medical aid contributions.

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

44. SHARE-BASED PAYMENT PLANS

Equity-settled plan

The Company uses plans to attract, retain, motivate and reward eligible employees who are able to influence the performance of ARM on a basis which aligns their interest with those of the Company's shareholders.

Share options

Between F2008 and F2014 annual allocations of share options were made on a much reduced scale due to the adoption of the Share Plan. No share options have been allocated since the end of F2014 (refer remuneration report).

The Company granted share options to certain employees under the share incentive scheme. The exercise price of the options was equal to the market price of the shares on the date of the grant. Before July 2008, the options start to vest one year after the grant date in three equal tranches over three years, and from 1 July 2008 the options vest after three years. Both schemes were subject to continued employment.

The contract life of each option is eight years from the grant date.

	F2017 Share options	F2016 Share options	F2017 Average price	F2016 Average price
Outstanding at beginning of year	**1 268 254**	1 736 232	**17 336**	16 796
Forfeited/cancelled/lapsed	**(147 733)**	(467 978)	**14 636**	15 273
Exercised during the year	**(51 764)**	–	**–**	–
Outstanding at end of year	**1 068 757**	1 268 254	**18 083**	17 336
Exercisable at end of year	**783 196**	796 675		
Range of strike prices of options exercised (cents)			**9 620**	5 to 7 399
Range of strike prices of outstanding options (cents)			**15 520 to 22 300**	9 620 to 22 300

Bonus shares

Bonus shares are conditional rights to shares that were allocated annually, which allocations were determined according to a specified ratio of the annual cash incentive accruing to senior executives. Bonus shares vest and are settled between three and four years, subject to continued employment. Other than bonus shares awarded in terms of the bonus share/co-investment scheme method and the waived bonus method, no bonus shares have been awarded since 2015.

If a senior executive leaves due to a fault termination (e.g. resignation or dismissal), all unvested awards are forfeited. If a senior executive leaves due to a no-fault termination (e.g. retirement), all bonus shares awarded prior to December 2014 are settled in full (refer remuneration report).

Deferred bonus/co-investment scheme

The deferred bonus/co-investment scheme was implemented to closely align the interests of shareholders and senior executives by rewarding superior performance and by encouraging senior executives to build up a shareholding in the Company, as well as to enhance the retention characteristics of the current reward of senior executives. The Company is of the view that the deferral of a portion of immediate cash bonuses demonstrates a heightened commitment to performance and shareholder alignment, and promotes the retention of key employees and enhances the performance and shareholder alignment characteristics of the Share Plan.

Senior executives are offered the opportunity, before the end of March each year, to elect that a portion of any cash bonus calculated at the end of the performance year be deferred and converted into an equivalent value of deferred bonus shares.

To encourage senior executives to take up the deferral(s), the deferred bonus shares are matched with the equivalent number of performance shares. The remainder of the deferred cash bonus, after any deferral, will accrue to senior executives and be paid out in cash.

Scheme to F2016: Senior executives could defer 25%, 33% or a maximum of 50%.

Scheme with effect from F2017: Senior executives may defer 25%, 33%, 50%, 75% or 100% (refer remuneration report).

44. SHARE-BASED PAYMENT PLANS continued

Waived bonus method

The waived bonus method was implemented to closely align the interests of shareholders and senior executives by rewarding superior performance and by encouraging senior executives to build up a shareholding in the Company, and to enhance the retention characteristics of the current reward of senior executives.

In advance of the F2016 bonus being quantified or declared, and before any such bonus accrued, the Executive Chairman elected to waive and receive delivery of 100% of the value of any cash bonus which might accrue to him in respect of the F2016 performance year, on a pre-tax basis, in the form of 100% of the value of the waived F2016 bonus in bonus shares and the matching equivalent number of performance shares (refer remuneration report).

	F2017 Bonus shares	F2016 Bonus shares
Outstanding at beginning of year	**1 073 206**	933 066
Granted during the year	**57 584**	390 169
Forfeited/cancelled/lapsed	**(4 431)**	(18 012)
Shares vested	**(282 944)**	(232 017)
Outstanding at end of year	**843 415**	1 073 206

Performance shares method

Performance shares are conditional rights to shares which are typically awarded on an annual basis in order to reduce the risk of unanticipated outcomes arising out of share price volatility and cyclical factors. Performance shares vest and are settled between three and four years, subject to the achievement of predetermined performance criteria.

With effect from May 2015, Total Shareholder Return (TSR) in terms of the RESI 10 was used to determine the number of performance shares which vest. The JSE Limited Resources 10 Index (RESI 10) ceased to exist with effect from December 2015. Therefore, the Board, upon the recommendation of the Remuneration Committee, agreed that with effect from December 2015, the TSR in terms of the top 10 companies in the JSE Mining Resources Sector Index be used to determine the number of performance shares which vest and the 20-day volume weighted average price (VWAP) would be used to determine the price.

	F2017 Performance shares	F2016 Performance shares
Outstanding at beginning of year	**3 062 420**	2 312 550
Awarded during the year	**1 907 006**	1 150 506
Forfeited/cancelled/lapsed	**(125 467)**	(100 942)
Shares vested	**(344 626)**	(299 694)
Outstanding at end of year	**4 499 333**	3 062 420

The fair value of shares granted in these plans are estimated as at the date of the grant using an independent valuator that used the Cox-Ross-Rubinstein binomial tree model taking into account the terms and conditions upon which the performance shares were granted. The following table lists the range of inputs to the models used on the grant date for the years ended 30 June 2016 and 30 June 2015.

	F2017	F2016
Dividend yield (%)*	**N/A**	N/A
Expected volatility (%)	**51.16**	54.69
Risk-free interest rate (%)	**7.42**	7.41
Expected life of performance shares (years)	**1 – 8**	1 – 8
Weighted average share price (cents)	**9 554**	6 975

* *No options granted anymore.*

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

	F2017	F2016
The effect on the income statement was a charge of (R million)	**201**	191

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2017

45. RELATED PARTY TRANSACTIONS

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 relate to fees, insurances, dividends, rentals and interest and are regarded as intra-group transactions and eliminated on consolidation.

A report on investments in subsidiaries, associated companies, joint ventures and joint operations, that indicates the relationship and degree of control exercised by the Company and balances owed by entities, appears on pages 104 to 106.

For sales to related parties, refer note 2.5.

	Group		Company	
	F2017 Rm	F2016 Rm	**F2017 Rm**	F2016 Rm
Amounts accounted in the income statement relating to transactions with related parties				
Joint venture				
Assmang Proprietary Limited				
– Provision of services	**513**	536	**513**	536
– Dividends received	**2 804**	875	**2 804**	875
Other				
ARMBBEE TRUST – interest	**–**	–	**99**	18
Vale/ARM – interest*	**–**	–	**133**	115
Subsidiaries				
ARM Treasury Investments Proprietary Limited (previously Kingfisher Insurance Co Limited) – dividend received	**–**	–	**–**	95
Opilac Proprietary Limited – dividend received	**–**	–	**25**	–
Tamboti Platinum Proprietary Limited – interest	**–**	–	**–**	44
Two Rivers Platinum Proprietary Limited	**–**	–	**–**	
– Dividend received	**–**	–	**291**	385
– Provision of services	**–**	–	**3**	3
Venture Building Trust Proprietary Limited – interest received	**–**	–	**2**	2
Amounts outstanding at year-end (owing to)/receivable by ARM on current account				
Joint venture				
Assmang – debtor	**93**	70	**93**	70
Joint operations				
Anglo American Platinum – debtor	**468**	456	**–**	–
Norilsk Nickel – creditor	**(2)**	(136)	**(2)**	(136)
Norilsk Nickel – debtor	**174**	393	**174**	393
Anglo American Platinum – short-term borrowing	**(114)**	(114)	**–**	–
Vale/ARM joint operation – ZCCM – long-term borrowing*	**656**	(696)	**–**	–
Vale/ARM joint operation – long-term loan ARM*	**–**	–	**179**	–
Vale/ARM joint operation – long-term loan TEAL Minerals (Barbados)*	**–**	–	**12**	–
Glencore Operations SA – long-term borrowing	**(1 433)**	(1 423)	**(1 433)**	(1 423)
Glencore Operations SA – short-term borrowing	**(172)**	(123)	**(172)**	(123)
Subsidiary				
Impala Platinum – debtor	**1 003**	1 096	**–**	–
Impala Platinum dividend paid	**279**	310	**–**	–

* *This is being treated as an asset held for sale in F2017.*

Key management personnel
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity and comprise members of the Board of directors and senior management (refer to the Directors' report).

	Group F2017 Rm	Group F2016 Rm
Senior management compensation		
Salary	**10**	11
Accrued bonuses	**9**	4
Pension scheme contributions	**1**	1
Reimbursive allowances	**1**	1
Total	**21**	17

45. RELATED PARTY TRANSACTIONS continued

Share options	Number of options	Average price cents	Average gross selling price cents
Held on 1 July 2015	133 735	16 815	
Lapsed during the year	(33 086)	15 404	
Staff movements	(11 747)	18 944	
Held on 1 July 2016	**88 902**	**17 059**	
Excercised/lapsed during the year	**(9 862)**	**9 620**	**10 851**
Held on 30 June 2017	**79 040**	**17 987**	

Bonus and performance shares	Number of bonus shares	Number of performance shares
Held on 1 July 2015	88 814	207 747
Granted/awarded during the year	5 178	22 239
Settled during the year	(16 952)	(18 952)
Staff movements	(14 887)	(34 561)
Held on 30 June 2016	**62 153**	**176 473**
Granted/awarded during the year	**6 709**	**136 475**
Settled during the year	**(20 560)**	**(23 933)**
Held on 30 June 2017	**48 302**	**289 015**

Details relating to directors emoluments and prescribed officers, share options and shareholdings in the Company are disclosed in the Directors' report.

Shareholders

The principal shareholders of the Company are detailed in the Shareholder Analysis report.

ARM's executive chairman, Patrice Motsepe, is involved through shareholdings and/or directorships in various other companies and trusts. The Company rents office space from one of the entities as disclosed below. Mr Motsepe's director's emoluments, share options, bonus shares, performance shares and shareholding in the Company are disclosed in the Directors' report.

	F2017 Rm	F2016 Rm
Rental paid for offices at 29 Impala Road, Chislehurston, Sandton	**2**	1

This rental is similar to rentals paid to third parties in the same area for similar buildings.

46. EVENTS AFTER THE REPORTING DATE

Two Rivers received consent during August 2017 (i) to transfer the Tamboti rights to it and (ii) to have its mining right amended accordingly. The amended mining right is expected to be issued to Two Rivers imminently at which point ARM's interest in Two Rivers will increase to 54%.

Since the year end ARM received a dividend of R1 billion from Assmang. Guarantees to Transnet Freight Rail in relation to the Coal operations amounting to R36 million were issued (F2016: nil).

Please refer to events after reporting date included on page 10 of the Director's report.

47. MAJOR SHAREHOLDERS, AND SHAREHOLDER SPREAD

Please refer to major shareholders at 30 June 2017 on page 115 of the Investor Relations report and shareholder spread at 30 June 2017 on page 114 the Investor Relations report.

PRINCIPAL SUBSIDIARY COMPANIES

for the year ended 30 June 2017

		Issued capital amount Rm		Direct interest in capital %		Book value of the Company's interests: Shares Rm		Book value of the Company's interests: Indebtedness by/(to) Rm	
Name	Class	F2017	F2016	F2017	F2016	F2017	F2016	F2017	F2016
African Rainbow Minerals Platinum Proprietary Limited	Ord	–	–	100	100	257	257	1 670	1 362
Sub-total						82	798	–	–
ARM Finance Company SA	Ord	–	–	100	100	1 211	798	–	–
Provision ARM Finance Company SA						(1 129)			
Anglovaal Air Proprietary Limited	Ord	–	–	100	100	89	89	(212)	(212)
Atscot Proprietary Limited	Ord	1	1	100	100	10	10	(23)	(23)
Avmin Limited	Ord	–	–	100	100	–	–	(17)	(17)
Bitcon's Investments Proprietary Limited	Ord	–	–	100	100	2	2	(2)	(2)
Jesdene Limited	Ord	–	–	100	100	–	–	6	6
ARM Treasury Investments Proprietary Limited (previously Kingfisher Insurance Co Limited)	Ord	–	–	100	100	35	35	–	–
Mannequin Insurance PCC Limited (Cell AVL18)*	Ord	4	4	100	100	4	4	–	–
Opilac Proprietary Limited**	Ord	–	–	100	100	651	651	–	3
Two Rivers Platinum Proprietary Limited	Ord	257	257	51	51	55	55	–	–
Tamboti Platinum Proprietary Limited	Ord	–	–	100	100	467	467	–	–
TEAL Minerals (Barbados) Incorporated – investment reversed						18	–	–	–
Venture Building Trust Proprietary Limited	Ord	–	–	100	100	1	1	20	23
Total value of unlisted investment in subsidiaries* **						1 671	2 369		
Amounts owing to subsidiaries								(254)	(254)
Amounts owing by subsidiaries								1 696	1 394

Notes

Ord – Ordinary shares

All these balances eliminate at Group level

Unless otherwise stated, all companies are incorporated and carry on their principal operations in South Africa. Interests are shown to the extent that this information is considered material. A schedule with details of all other subsidiaries is available from the registered office.

* *Incorporated in Guernsey and has a March year-end. Reviewed June figures are consolidated.*

** *February year end June figures are consolidated.*

*** *The indirect subsidiary investment in TEAL Minerals is included as part of joint operations.*

PRINCIPAL ASSOCIATE COMPANIES, JOINT VENTURES, JOINT OPERATIONS AND OTHER INVESTMENTS

for the year ended 30 June 2017

	Group					
	Number of shares held		Effective percentage holding		Value of investment Rm	
Name of company	F2017	F2016	F2017	F2016	F2017	F2016
Associated companies						
Unlisted						
Glencore Operations South Africa Proprietary Limited*						
Non-convertible participating preference shares	**384**	384	**20.2**	20.2	**1 334**	1 153
Investment in other companies						
Listed						
Harmony Gold Mining Company Limited						
Ordinary shares	**63 632 922**	63 632 922	**14.5**	14.6	**1 380**	3 339
Unlisted						
Business Partners Limited	**323 177**	323 177	**0.2**	0.2	**–**	–
Guardrisk Insurance Company Limited Cell no 00298	**1**	1	**100.0**	100.0	**24**	19
Joint operations and partnerships						
ARM Coal Proprietary Limited (including Goedgevonden)	**51**	51	**51**	51	**–**	–
Modikwa joint operation*	**–**	–	**41.5**	41.5	**–**	–
Nkomati joint operation**	**–**	–	**50**	50	**–**	–
Vale/ARM joint operation***			**40**	40	**–**	–
Joint venture						
Assmang Proprietary Limited (including Cato Ridge Alloys joint venture and Sakura Ferro Alloys Sdn Bhd joint venture)	**–**	–	**50**	50	**–**	–
Trust						
ARM BBEE Trust**** (obtained control, refer note 15 and 36)	**–**	–	**–**	–	**–**	–

* *December year end. Audited June figures are consolidated.*

** *Eliminates on a company level, as Nkomati joint operation is an unincorporated joint operation.*

*** *ARM owns 16% indirectly and 34% directly in TEAL Minerals (Barbados) Incorporated (amount above is after non-controlling interest).*

**** *ARM Limited obtained control of the ARM BBEE Trust during F2016 as a result of restructuring of the trust (February year end June figures are consolidated).*

PRINCIPAL ASSOCIATE COMPANIES, JOINT VENTURES, JOINT OPERATIONS AND OTHER INVESTMENTS continued

for the year ended 30 June 2017

	Company					
	Number of shares held		Value of investment Rm		Indebtedness by Rm	
Name of company	F2017	F2016	F2017	F2016	F2017	F2016
Associated companies						
Unlisted						
Glencore Operations South Africa Proprietary Limited*						
Non-convertible participating preference shares	**384**	384	**432**	432	**1 177**	1 063
Investment in other companies						
Listed						
Harmony Gold Mining Company Limited						
Ordinary shares	**63 632 922**	63 632 922	**1 380**	3 339	**–**	–
Unlisted						
Business Partners Limited	**323 177**	323 177	**–**	–	**–**	–
Guardrisk Insurance Company Limited Cell no 00298	**1**	1	**24**	19	**–**	–
Joint operations and partnerships						
ARM Coal Proprietary Limited (including Goedgevonden)	**51**	51	**409**	409	**–**	–
Modikwa joint operation*	**–**	–	**–**	–	**–**	–
Nkomati joint operation**	**–**	–	**–**	–	**246**	196
Vale/ARM joint operation***	**–**	–	**–**	–	**–**	–
– investment held directly by ARM	**1 154**	1 154				
Sub-total (refer note 9)					**265**	–
– investment held indirectly by ARM (subsidiary)	**528**	528			**2 388**	2 314
Provision					**(2 314)**	(2 314)
Reversal of provision – asset held for sale					**179**	–
TEAL Minerals (Barbados) Incorporated reversal of provision – asset held for sale					**12**	–
Joint venture						
Assmang Proprietary Limited (including Cato Ridge Alloys joint venture and Sakura Ferro Alloys Sdn Bhd joint venture)	**1 774 103**	1 774 103	**259**	259	**–**	–
Trust						
ARM BBEE Trust**** (obtained control, refer note 15 and 36)					**917**	818

* *December year end. Audited June figures are consolidated.*

** *Eliminates on a company level, as Nkomati joint operation is an unincorporated joint operation.*

*** *ARM owns 16% indirectly and 34% directly in TEAL Minerals (Barbados) Incorporated (amount above is after non-controlling interest).*

**** *ARM Limited obtained control of the ARM BBEE Trust during F2016 as a result of restructuring of the trust (February year end June figures are consolidated).*

CONVENIENCE TRANSLATION INTO US DOLLARS

For the benefit of international investors, the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and the statement of cash flows of the Group presented in South African Rand and set out on pages 20 to 26, have been translated into United States Dollars and are presented on this page and pages 108 to 113. This information is only supplementary and is not required by any accounting standard and does not represent US GAAP.

The statement of financial position is translated at the rate of exchange ruling at the close of business at 30 June each year and the income statements and statement of cash flows are translated at the average exchange rates for the years reported, except for the opening and closing cash balances of cash flows which are translated at the rate ruling at the close of business at 30 June each year.

The statement of comprehensive income is translated at the average rate of the years reported.

The statement of changes in equity is translated at the rate ruling at the close of business at 30 June each year.

The following exchange rates were used:

	F2017 R/US$	F2016 R/US$
Closing rate	**R13.05**	R14.68
Average rate	**R13.60**	R14.51

The US Dollar denominated statement of financial position, income statements, statement of comprehensive income, statement of changes in equity and statements of cash flows should be read in conjunction with the accounting policies of the Group as set out on pages 27 to 42 and with the notes to the financial statements on pages 43 to 103.

US DOLLAR STATEMENT OF FINANCIAL POSITION

at 30 June 2017

CONVENIENCE TRANSLATION

	Note	Group F2017 US$m	Group F2016 US$m
ASSETS			
Non-current assets			
Property, plant and equipment	3	**598**	747
Intangible assets	4	**10**	9
Deferred tax assets	17	**50**	10
Loans and long-term receivables	5	**3**	3
Investment in associate	7	**102**	79
Investment in joint venture	8	**1 139**	996
Other investments	9	**121**	240
		2 023	2 084
Current assets			
Inventories	10	**51**	52
Trade and other receivables	11	**161**	167
Cash and cash equivalents	12	**114**	90
		326	309
Assets held for sale	13	**123**	–
Total assets		**2 472**	2 393
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital	14	**1**	1
Share premium	14	**328**	287
Treasury shares	15	**(184)**	(164)
Other reserves		**102**	231
Other reserves discontinuing operation	13	**56**	–
Retained earnings		**1 499**	1 267
Equity attributable to equity holders of ARM		**1 802**	1 622
Non-controlling interest		**42**	52
Total equity		**1 844**	1 674
Non-current liabilities			
Long-term borrowings	16	**153**	284
Deferred tax liabilities	17	**99**	137
Long-term provisions	18	**89**	45
		341	466
Current liabilities			
Trade and other payables	19	**100**	123
Short-term provisions	20	**30**	24
Taxation	35	**9**	12
Overdrafts and short-term borrowings	21	**58**	94
		197	253
Liabilities directly associated with assets held for sale	13	**90**	–
Total equity and liabilities		**2 472**	2 393

US DOLLAR INCOME STATEMENT

for the year ended 30 June 2017

CONVENIENCE TRANSLATION

	Note	Group F2017 US$m	Group Re-presented* F2016 US$m
Continuing operations			
Revenue	24	**663**	622
Sales	24	**600**	563
Cost of sales	25	**(511)**	(507)
Gross profit		**89**	56
Other operating income	26	**56**	79
Other operating expenses	27	**(129)**	(89)
Profit from operations before special items		**16**	46
Income from investments	28	**18**	11
Finance costs	29	**(31)**	(22)
(Profit)/loss from associate	7	**13**	(14)
Income from joint venture	8	**240**	90
Profit before taxation and special items		**256**	111
Special items	30	**(171)**	(7)
Profit before taxation		**85**	104
Taxation	31	**30**	1
Profit for the year from continuing operations		**115**	105
Discontinuing operation			
Loss after tax for the year from discontinuing operation	13	**(10)**	(155)
Profit/(loss) for the year		**105**	(50)
Attributable to:			
Equity holders of ARM			
Profit for the year from continuing operations		**105**	85
Loss for the year from discontinuing operation		**(4)**	(122)
Basic earnings/(loss) for the year		**101**	(37)
Non-controlling interest			
Profit for the year from continuing operations		**10**	20
Loss for the year from discontinuing operation		**(6)**	(33)
		4	(13)
Earnings per share			
Basic earnings/(loss) per share (cents)	32	**53**	(18)
Basic earnings from continuing operations per share (cents)		**55**	39
Basic loss from discontinuing operation per share (cents)		**(2)**	(57)
Diluted basic earnings/(loss) per share (cents)		**52**	(18)
Diluted basic earnings from continuing operations per share (cents)		**54**	38
Diluted basic loss from discontinuing operation per share (cents)		**(2)**	(56)

* *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

US DOLLAR STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2017

CONVENIENCE TRANSLATION

		Group					
	Notes	Available-for-sale reserve US$m	Other US$m	Retained earnings US$m	Share-holders of ARM US$m	Non-controlling interest US$m	Total US$m
For the year ended 30 June 2016 Re-presented*							
Profit for the year to 30 June 2016 from continuing operations		–	–	85	85	20	105
Loss for the year to 30 June 2016 from discontinuing operations		–	–	(122)	(122)	(33)	(155)
Loss for the year to 30 June 2016		–	–	(37)	(37)	(13)	(50)
Other comprehensive income/(loss) that may be reclassified to the income statement in subsequent periods							
Net impact of revaluation of listed investment		133	–	–	133	–	133
Revaluation of listed investment	9	162	–	–	162	–	162
Deferred tax on above		(31)	–	–	(31)	–	(31)
Deferred tax rate change		2	–	–	2	–	2
Foreign currency translation reserve movement discontinuing operation		–	7	–	7	–	7
Total other comprehensive income		133	7	–	140	–	140
Total comprehensive income/(loss) for the year		133	7	(37)	103	(13)	90
For the year ended 30 June 2017							
Profit for the year to 30 June 2017 from continuing operations		**–**	**–**	**105**	**105**	**10**	**115**
Loss for the year to 30 June 2017 from discontinuing operation		**–**	**–**	**(4)**	**(4)**	**(6)**	**(10)**
Profit for the year to 30 June 2017		**–**	**–**	**101**	**101**	**4**	**105**
Other comprehensive income/(loss) that may be reclassified to the income statement in subsequent periods							
Net impact of revaluation of listed investment		**(112)**	**–**	**–**	**(112)**	**–**	**(112)**
Revaluation of listed investment	9	**(144)**	**–**	**–**	**(144)**	**–**	**(144)**
Deferred tax on above		**32**	**–**	**–**	**32**	**–**	**32**
Foreign currency translation reserve movement		**–**	**(27)**	**–**	**(27)**	**–**	**(27)**
Foreign currency translation reserve movement discontinuing operation		**–**	**30**	**–**	**30**	**–**	**30**
Total other comprehensive income		**(112)**	**3**	**–**	**(109)**	**–**	**(109)**
Total comprehensive (loss)/income for the year		**(112)**	**3**	**101**	**(8)**	**4**	**(4)**

* *Re-presented as a result of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

US DOLLAR STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

CONVENIENCE TRANSLATION

		Group							
	Notes	Share capital and premium US$m	Treasury shares US$m	Available-for-sale reserve US$m	Other US$m	Retained Profit US$m	Share-holders of ARM US$m	Non-controlling interest US$m	Total US$m
Balance at 30 June 2015		345	–	–	100	1 654	2 099	114	2 213
		–	–	133	7	(37)	103	(13)	90
Loss for the year to 30 June 2016		–	–	–	–	(37)	(37)	(13)	(50)
Other comprehensive income		–	–	133	7	–	140	–	140
Bonus and performance shares issued to employees		2	–	–	(2)	–	–	–	–
Changes due to insurance restructuring – net of tax	14	–	–	–	–	(13)	(13)	–	(13)
Dividend paid	32	–	–	–	–	(52)	(52)	–	(52)
Dividend paid to Impala Platinum		–	–	–	–	–	–	(25)	(25)
Restructuring of ARM BBEE Trust	15	–	(166)	–	–	–	(166)	(4)	(170)
Share-based payments expense		–	–	–	13	–	13	–	13
Transfer		–	–	–	(1)	1	–	–	–
Translation adjustment		(59)	2	(2)	(17)	(286)	(362)	(20)	(382)
Balance at 30 June 2016		**288**	**(164)**	**131**	**100**	**1 267**	**1 622**	**52**	**1 674**
		–	**–**	**(112)**	**3**	**101**	**(8)**	**4**	**(4)**
Profit for the year to 30 June 2017		**–**	**–**		**–**	**101**	**101**	**4**	**105**
Other comprehensive (loss)/income		**–**	**–**	**(112)**	**3**		**(109)**	**–**	**(109)**
Bonus and performance shares issued to employees	14	**5**	**–**	**–**	**(5)**	**–**	**–**	**–**	**–**
Dividend paid	32	**–**	**–**	**–**	**–**	**(31)**	**(31)**	**–**	**(31)**
Dividend paid to Impala Platinum		**–**	**–**	**–**	**–**	**–**	**–**	**(21)**	**(21)**
Share-based payments expense		**–**	**–**	**–**	**15**	**–**	**15**	**–**	**15**
Dividend reserve reversed in ARM BBEE Trust		**–**	**–**	**–**	**–**	**1**	**1**	**–**	**1**
Translation adjustment		**36**	**(20)**	**12**	**14**	**161**	**203**	**7**	**210**
Balance at 30 June 2017		**329**	**(184)**	**31**	**127**	**1 499**	**1 802**	**42**	**1 844**

US DOLLAR STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

CONVENIENCE TRANSLATION

	Note	Group	
		F2017 US$m	F2016 US$m
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		**719**	667
Cash paid to suppliers and employees		**(601)**	(582)
Cash generated from operations	34	**118**	85
Translation adjustment		**7**	(26)
Interest received		**9**	8
Interest paid		**(18)**	(11)
Dividends received from joint venture	8	**183**	60
Dividend paid to non-controlling interest – Impala Platinum		**(21)**	(25)
Dividend paid to shareholders	32	**(31)**	(52)
Taxation paid	35	**(30)**	(21)
Net cash inflow from operating activities		**217**	18
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment to maintain operations		**(70)**	(55)
Additions to property, plant and equipment to expand operations		**–**	(3)
Dividends received from investments		**5**	–
Proceeds on disposal of property, plant and equipment		**1**	2
Proceeds on disposal of investment	37	**17**	1
Investment in RBCT		**–**	(1)
ARM BBEE Trust cash consolidated following trust restructuring		**–**	1
Loans and receivables received		**–**	1
Net cash outflow from investing activities		**(47)**	(54)
CASH FLOW FROM FINANCING ACTIVITIES			
Long-term borrowings raised		**–**	101
Long-term borrowings repaid		**(108)**	(61)
Repurchase of ARM shares	15	**–**	(45)
Short-term borrowings repaid		**(29)**	(34)
Net cash outflow from financing activities		**(137)**	(39)
Net increase/(decrease) in cash and cash equivalents		**33**	(75)
Cash and cash equivalents at beginning of year		**46**	121
Cash and cash equivalents at end of year	12	**79**	46
Cash generated from operations per share (US cents)	32	**62**	40

FINANCIAL SUMMARY (US DOLLAR)

for the year ended 30 June 2017

	Group										
	F2017 US$m	Re-presented* F2016 US$m	F2015 US$m	F2014 US$m	F2013 US$m	F2012 US$m	F2011 US$m	F2010 US$m	F2009 US$m	F2008 US$m	F2007 US$m
Income statement											
Sales	**600**	563	809	966	831	2 256	2 131	1 452	1 118	1 725	854
Headline earnings	**235**	72	152	397	423	444	483	226	257	550	168
Basic (loss)/earnings per share (US cents)	**53**	(18)	5	147	86	207	226	113	150	292	81
Headline earnings per share (US cents)	**124**	34	70	183	197	208	227	106	121	261	81
Dividend declared after year-end per share (US cents)	**48**	15	29	56	51	58	67	26	23	51	n/a
Statement of financial position											
Total assets	**2 472**	2 393	2 901	3 430	3 407	4 327	4 791	3 682	3 304	3 178	2 576
Cash and cash equivalents	**114**	90	186	202	198	437	543	396	455	340	150
Shareholders' equity	**1 844**	1 674	2 213	2 652	2 563	2 990	3 280	2 416	2 171	2 002	1 587
Statement of cash flows											
Cash generated from operations	**118**	85	219	200	177	768	857	451	739	709	352
Net cash outflow from investing activities	**(47)**	(54)	(174)	(118)	(195)	(525)	(484)	(306)	(346)	(330)	(374)
Net cash (outflow)/inflow from financing activities	**(137)**	(39)	(26)	(73)	54	22	(85)	(96)	(19)	(24)	217
JSE Limited performance											
Ordinary shares (US cents)											
– high	**933**	790	1 773	2 316	2 367	2 561	3 376	2 714	3 217	4 205	1 917
– low	**493**	238	710	1 380	1 574	2 046	2 092	1 542	842	1 414	739
– year end	**644**	627	680	1 759	1 508	2 035	2 788	2 099	1 683	3 576	1 747

* *Re-presented as a result of IFRS5 – Non-current Assets Held for Sale and Discontinued Operations accounting for Lubambe (refer note 13).*

SHAREHOLDER ANALYSIS

as at 30 June 2017

SHARES HELD

	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	3 347	73.35	843 884	0.39
1 001 – 10 000 shares	727	15.93	2 498 182	1.14
10 001 – 100 000 shares	355	7.78	11 901 661	5.44
100 001 – 1 000 000 shares	112	2.46	34 389 158	15.72
1 000 001 shares and above	22	0.48	169 069 572	77.31
Total	**4 563**	**100.00**	**218 702 457**	**100.00**

DISTRIBUTION OF SHAREHOLDERS

	Excluding treasury shares		Including treasury shares	
	Number of shares held	%	Number of shares held	%
Black Economic Empowerment	104 940 648	50.95	104 940 648	47.98
Unit Trusts	39 929 597	19.38	39 929 597	18.26
Pension funds	30 852 831	14.98	30 852 831	14.11
Other Managed Funds	7 051 967	3.42	7 051 967	3.22
Own shares*	–	–	12 717 328	5.81
Trading Positions	6 710 280	3.26	6 710 280	3.07
Sovereign Wealth	6 310 034	3.06	6 310 034	2.89
Insurance Companies	5 657 942	2.75	5 657 942	2.59
Private Investors	2 428 050	1.18	2 428 050	1.11
Exchange – Traded Funds	1 030 189	0.50	1 030 189	0.47
Custodians	295 152	0.14	295 152	0.13
Hedge Funds	208 506	0.10	208 506	0.10
Charities	165 501	0.08	165 501	0.08
Delivery By Value (Collateral)	128 782	0.06	128 782	0.06
Medical Aid Schemes	118 701	0.06	118 701	0.05
University	118 530	0.06	118 530	0.05
American Depository Receipts	38 419	0.02	38 419	0.02
Total	**205 985 129**	**100.00**	**218 702 457**	**100.00**

* *Own shares refers to treasury shares held by the 100% ARM owned subsidiary Opilac Proprietary Limited.*

INVESTMENT MANAGEMENT INTEREST MORE THAN 3% (INCLUDING OWN SHARES)

	Number of shares held	%
African Rainbow Minerals & Exploration Investments	87 930 904	40.21
ARM Broad-Based Economic Empowerment Trust	15 897 412	7.27
Opilac Proprietary Limited (own shares)*	12 717 328	5.81
Kagiso Asset Management	12 289 076	5.62
PIC	10 523 355	4.81
Allan Gray Investment Council	10 239 791	4.68
Investec Asset Management	9 966 905	4.56
Fairtree Capital	7 625 154	3.49
Total	**167 189 925**	**76.45**

* *Opilac Proprietary Limited is a 100% held subsidiary of ARM.*

SHAREHOLDER ANALYSIS continued

BENEFICIAL SHAREHOLDINGS MORE THAN 3% (INCLUDING OWN SHARES)

	Number of shares held	%
African Rainbow Minerals & Exploration Investments	87 930 904	40.21
ARM Broad-Based Economic Empowerment Trust	15 897 412	7.27
Government Employees Pension Fund (PIC)	13 535 044	6.19
Opilac Proprietary Limited (own shares)*	12 717 328	5.81
Total	**130 080 688**	**59.48**

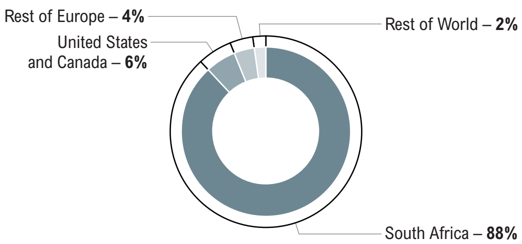
* *Opilac Proprietary Limited is a 100% held subsidiary of ARM.*

PUBLIC/NON-PUBLIC SHAREHOLDERS

	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders*	10	0.22	118 381 170	54.13
Public shareholders	4 553	99.78	100 321 287	45.87
Total	**4 563**	**100.00**	**218 702 457**	**100.00**

* *Non-public shareholders consist of Directors (whose interests are set out in the table on page 11 of the Annual Financial Statements, the ARM Broad-Based Economic Empowerment Trust, Opilac Proprietary Limited, African Rainbow Minerals & Exploration Investments (Pty) Ltd (ARMI) and Botho-Botho Commercial Enterprises (Pty) Ltd (BBCE). The shares of ARMI and BBCE are held indirectly by trusts, all of which, with the exception of The Motsepe Foundation, hold those shares for the benefit of Mr Motsepe and his immediate family.*

GEOGRAPHIC SPLIT OF BENEFICIAL SHAREHOLDERS



TOP 20 SHAREHOLDERS

	Number of shares held	% holding of shares in issue
African Rainbow Minerals & Exploration Investments	87 930 904	40.21
ARM Broad Based-Economic Empowerment Trust	15 897 412	7.27
Opilac Proprietary Limited*	12 717 328	5.81
Kagiso Asset Management	12 289 076	5.62
PIC	10 523 355	4.81
Allan Gray Investment Council	10 239 791	4.68
Investec Asset Management	9 966 905	4.56
Fairtree Capital Pty Ltd	7 625 154	3.49
RMB Morgan Stanley	5 211 145	2.38
Dimensional Fund Advisors	4 606 660	2.11
Momentum Investments	3 559 794	1.63
The Vanguard Group Inc	3 375 901	1.54
Sanlam Investment Management	2 972 900	1.36
STANLIB Asset Management	2 301 447	1.05
Abax Investments	2 295 476	1.05
BlackRock Inc	1 575 471	0.72
Old Mutual Plc	1 550 786	0.71
Schroders Plc	1 505 779	0.69
Argon Asset Management	1 319 430	0.60
Botho-Botho Commercial Enterprises	1 112 332	0.51

* *Opilac Proprietary Limited is a 100% held subsidiary of ARM.*

INVESTOR RELATIONS REPORT

as at 30 June 2017

ARM's primary listing is on the JSE Limited. The Company also has a sponsored Level 1 American Depositary Receipt (ADR) programme under the ticker symbol AFRBY which is available to investors for over-the-counter or private transactions.

SHARE INFORMATION

TICKER CODE	ARI
SECTOR	General Mining
NATURE OF BUSINESS	ARM is a diversified mining and minerals company with assets in ferrous metals, platinum group metals, thermal coal, nickel and copper. ARM holds an interest in the gold mining sector through its 14.5% shareholding in Harmony.
ISSUED SHARE CAPITAL AT 30 JUNE 2017	218 702 457 shares
MARKET CAPITALISATION AT 30 JUNE 2017	R18.4 billion
	US$1.4 billion
CLOSING SHARE PRICE AT 30 JUNE 2017	R84.31
12-MONTH HIGH (1 JULY 2016 – 30 JUNE 2017)	R126.90
12-MONTH LOW (1 JULY 2016 – 30 JUNE 2017)	R67.26
AVERAGE VOLUME TRADED FOR THE 12 MONTHS	855 019 shares per day

SHAREHOLDERS' DIARY

ANNUAL GENERAL MEETING	Friday, 1 December 2017
FINANCIAL YEAR END	June 2018
INTEGRATED ANNUAL REPORT ISSUED	Beginning of November 2017
INTERIM RESULTS ANNOUNCEMENT	March 2018
PROVISIONAL RESULTS ANNOUNCEMENT	September 2018

SHARE LIQUIDITY

Number of shares traded on the JSE Limited during F2017

Month	Volumes
July 2016	12 189 216
August 2016	11 979 963
September 2016	23 324 380
October 2016	21 421 011
November 2016	20 561 484
December 2016	10 821 665
January 2017	16 478 101
February 2017	15 709 525
March 2017	26 432 458
April 2017	21 377 077
May 2017	13 479 333
June 2017	19 125 615
Total	212 899 828

Source: JSE Limited.

CONTACT DETAILS

African Rainbow Minerals Limited

Registration number: 1933/004580/06
Incorporated in the Republic of South Africa
JSE share code: ARI
ADR ticker symbol: AFRBY
ISIN: ZAE000054045

Registered and Corporate Office

ARM House
29 Impala Road
Chislehurston
Sandton
2196

PO Box 786136, Sandton, 2146

Telephone: +27 11 779 1300
Fax: +27 11 779 1312
E-mail: ir.admin@arm.co.za
Website: **www.arm.co.za**

Company Secretary

Alyson D'Oyley, BCom, LLB, LLM
Telephone: +27 11 779 1300
Fax: +27 11 779 1312
E-mail: alyson.doyley@arm.co.za

Business Development

Stompie Shiels
Executive: Business Development
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E-mail: stompie.shiels@arm.co.za

Investor Relations

Jongisa Magagula
Corporate Development and Head of Investor Relations
Telephone: +27 11 779 1507
Fax: +27 11 779 1312
E-mail: jongisa.magagula@arm.co.za

Auditors

External auditor: Ernst & Young Inc.
Internal auditor: KPMG

Bankers

ABSA Bank Limited
FirstRand Bank Limited
The Standard Bank of South Africa Limited
Nedbank Limited

Sponsors

Deutsche Securities (SA) Proprietary Limited

Transfer Secretaries

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

PO Box 61051, Marshalltown, 2107

Telephone: +27 11 370 5000
Fax: +27 11 688 5222
E-mail: web.queries@computershare.co.za
Website: www.computershare.co.za

Directors

P T Motsepe (Executive Chairman)
M P Schmidt (Chief Executive Officer)
F Abbott*
M Arnold
Dr M M M Bakane-Tuoane*
T A Boardman*
A D Botha*
J A Chissano (Mozambican)*
W M Gule*
A K Maditsi*
H L Mkatshana
J P Möller*
D C Noko*
Dr R V Simelane*
J C Steenkamp**
Z B Swanepoel*
A J Wilkens

* *Independent Non-executive*
** *Non-executive*

FORWARD LOOKING STATEMENTS

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 HIV & 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.

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African Rainbow Minerals

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