

ABOUT THIS REPORT

The Integrated Annual Report is our primary communication with stakeholders. While the report is primarily aimed at shareholders, potential investors and other providers of capital, financial information in the report is balanced with non-financial information to allow all stakeholders including employees, host communities, customers, suppliers, the governments of the countries we operate in and regulators to better understand our business.

Our integrated approach to reporting aims to present a holistic view of the Company and therefore reports on the material issues that most affect the sustainability of our business and provides all stakeholders with the information necessary to properly assess our Company's strategic intent, performance, prospects and value.

SCOPE OF THE REPORT

The 2016 Integrated Annual Report covers the period from 1 July 2015 to 30 June 2016. It provides an overview of and discusses the performance of our operations and projects located in South Africa, Zambia and Malaysia. Our sustainability objectives and performance are reported only for those operations where ARM has direct or joint management and do not include the ARM Coal, Sakura and Harmony operations.

The 2016 Integrated Annual Report is supplemented by the comprehensive and detailed Sustainability Report, the Mineral Resources and Mineral Reserves Report and the separate Company Annual Financial Statements all of which may be found on our website www.arm.co.za. Printed copies of the Sustainability Report are available on request from the Investor Relations Department. Refer to the inside back cover of this report for the department's contact details.

REPORTING PRINCIPLES AND FRAMEWORKS

Our Integrated Annual Report is guided by the Integrated Reporting <IR> Framework of the International Integrated Reporting Council (IIRC). Guiding principles of this framework include:

Consistency and comparability:

Year-on-year comparisons for both financial and non-financial information are included throughout the report. On pages 30 to 31 a summary of key financial statistics is included for the preceding 10 years while page 70 includes key sustainability statistics for the preceding five years.

Strategic focus and future orientation:

A summary of the F2016 performance against our strategic objectives is included on pages 8 to 9 and includes a summary of our outlook for each strategic pillar.

Materiality:

Our most material matters and how they relate to our strategy are discussed on pages 10 to 13.

Stakeholder relationships:

Our key stakeholders, how we engage with them and their key issues raised are detailed on pages 32 to 33.

Reliability and completeness:

The Board expresses an opinion that the 2016 Integrated Annual Report addresses all material matters and presents fairly the Company's integrated performance.

Connectivity of information:

Cross references are included throughout the Integrated Annual Report and to the detailed Sustainability Report and Mineral Resources and Mineral Reserves Report.

We have responded to the relevant statutory frameworks in preparing this report. These include but are not limited to, the Companies Act 71 of 2008 (as amended), the King Report on Corporate Governance for South Africa 2009 and the King Code of Governance Principles (collectively, King III), the JSE Listings Requirements, as well as all legislation, regulations and codes of practice applicable to the South African mining sector and the countries in which we operate.

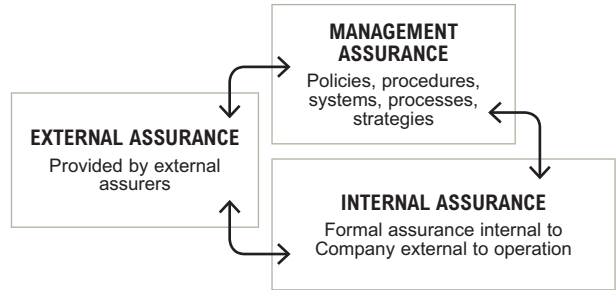
A comprehensive checklist detailing our application of the King III principles is included on our website. The Corporate Governance section of the report included on pages 156 to 205 discusses our approach to governance, risk management, and stakeholder engagement.

The financial information included in this report and the separate Company Annual Financial Statements has been prepared according to International Financial Reporting Standards (IFRS). The unqualified opinion of the independent auditors on the financial information may be found on page 211. The presentation of the consolidated and separate annual financial statements from F2013 onwards has been affected by the adoption of IFRS 11 which covers accounting for joint arrangements and became effective for ARM on 1 July 2013. This change in accounting policy had a significant impact on the presentation of the consolidated annual financial statements and as a result comparison to the annual consolidated financial information prior to F2013 will be distorted.

COMBINED ASSURANCE

A selection of material non-financial disclosures included in the report has been assured by an external assurance provider to ensure reliability of the disclosures published. The assurance statement may be found in our detailed Sustainability Report.

COMBINED ASSURANCE MODEL



ARM's Combined Assurance Model defines what constitutes appropriate assurance relative to the three lines of defence. A Combined Assurance Report identifies potential gaps and duplication in assurance, and provides input into strengthening the control environment. The inter-relationship between ARM's ERM processes, internal audit initiatives, external audit activities and various management assurance interventions by specialists/subject matter experts further reinforces comprehensive management assurance processes and reporting.

BOARD APPROVAL

The Board acknowledges its responsibility to ensure the integrity of the Integrated Annual Report. In the Board's opinion, the 2016 Integrated Annual Report addresses all material matters and presents fairly the Company's integrated performance. The Board approved the financial and non-financial information contained in this report on 12 October 2016.

Patrice Motsepe
Executive Chairman

Mike Schmidt
Chief Executive Officer



Two Rivers Mine chairlift

WE APPRECIATE YOUR FEEDBACK

In the interest of continuous improvement and fulfilling the information and engagement needs of our stakeholders, we welcome any feedback on the content and format of our reports. Please direct any feedback to the Investor Relations Department. Refer to the inside back cover of this report for contact details.