

Mineral Resources and Reserves summary

The summaries below reflect the Measured and Indicated Resources and the corresponding Proved and Probable Reserves for each mine or project. The complete Mineral Resources and Reserves report is located on the group's website under "Annual reports" in the "Investor centre". The Mineral Resources are inclusive of those modified to produce Mineral Reserves.

Joint-venture entity – Assmang, as at 30 June 2017

	Mineral Resources								Mineral Reserves				
	Measured		Indicated		Measured and Indicated		Proved		Probable		Proved and Probable		
	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	
Iron Ore													
Beeshoek Mine													
All pits	94,50	64,09	9,62	63,81	104,12	64,07	39,88	64,79	3,85	63,95	43,73	64,71	
Stockpiles									4,97	55,49	4,97	55,49	
Khumani Mine													
Bruce	135,89	62,40	91,51	63,22	227,40	62,73	104,63	61,05	80,31	61,96	184,94	61,45	
King	344,47	62,59	47,14	61,18	391,61	62,42	257,17	62,63	9,39	62,85	266,56	62,64	
Stockpiles									3,90	55,22	3,90	55,22	

	Mineral Resources								Mineral Reserves				
	Measured		Indicated		Measured and Indicated		Proved		Probable		Proved and Probable		
	Mt	Mn%	Mt	Mn%	Mt	Mn%	Mt	Mn%	Mt	Mn%	Mt	Mn%	
Manganese													
Nchwaning Mine													
Seam 1	73,22	44,60	62,40	41,80	135,62	43,30	29,00	45,30	47,20	46,40	76,20	46,00	
Seam 2	108,90	42,50	89,83	42,10	198,73	42,30	66,40	42,70	37,40	43,20	103,80	42,90	
Black Rock (Koppie Area)													
Seam 1	9,03	40,30	34,57	40,70	43,60	40,60							
Seam 2	8,23	37,40	18,58	39,20	26,81	38,60							
Gloria Mine													
Seam 1	63,90	37,40	93,83	37,70	157,73	37,60	43,20	37,30	75,00	37,60	118,20	37,50	
Seam 2			34,81	28,40	34,81	28,40							

Subsidiary companies, as at 30 June 2017

	Mineral Resources					Mineral Reserves		
	Mineral	Measured Mt	Indicated Mt	Inferred Mt	Total Resource	Proved Mt	Probable Mt	Total Reserve
Dwarsrivier Chrome Mine [^]								
Steelpoort Chromitite Seam	Chromite	29,30	45,80	31,00	106,10	16,20	32,10	48,30
Rustenburg Minerals (LG6 [#])	Chromite	3,60	1,70	9,80	15,10	0,00	0,00	0,00
Zeerust Chrome (LG1, 2 and 3 [#])	Chromite	0,30	1,10	6,60	8,00	0,00	0,00	0,00
Wonderstone	Pyrophyllite	7,70	9,90	107,20	124,80	7,40	9,40	16,80

[#] The chromite grades of individual seams are included in the complete Mineral Resources and Reserves report.

[^] With effect from 1 July 2016, Assore acquired 100% ownership of Dwarsrivier Chrome Mine (refer note 35.1 to the consolidated annual financial statements)

Joint-venture entity – Assmang, as at 30 June 2016

	Mineral Resources								Mineral Reserves				
	Measured		Indicated		Measured and Indicated		Proved		Probable		Proved and Probable		
	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	
Iron Ore													
Beeshoek Mine													
All pits	98,08	64,09	9,63	63,81	107,71	64,06	42,94	64,74	3,85	63,95	46,79	64,67	
Stockpiles									6,06	55,15	6,06	55,15	
Khumani Mine													
Bruce	110,74	64,47	81,97	64,42	192,71	64,45	83,94	64,44	73,96	64,47	157,90	64,46	
King	284,04	64,24	94,39	64,16	378,43	64,22	259,02	64,32	9,09	65,19	268,11	64,35	
Stockpiles									4,45	60,00	4,45	60,00	

	Mineral Resources								Mineral Reserves				
	Measured		Indicated		Measured and Indicated		Proved		Probable		Proved and Probable		
	Mt	Mn%	Mt	Mn%	Mt	Mn%	Mt	Mn%	Mt	Mn%	Mt	Mn%	
Manganese													
Nchwaning Mine													
Seam 1	57,78	45,20	72,11	41,70	129,89	43,30	44,10	45,20	52,90	41,80	97,00	43,30	
Seam 2	65,01	42,60	114,77	42,20	179,78	42,30	47,80	41,60	76,20	41,50	124,00	41,50	
Black Rock (Koppie Area)													
Seam 1	9,03	40,30	34,57	40,70	43,60	40,60							
Seam 2	8,23	37,40	18,58	39,20	26,81	38,60							
Gloria Mine													
Seam 1	51,40	37,50	97,85	37,30	149,25	37,40	42,60	36,30	79,60	36,00	122,20	36,10	
Seam 2			32,04	28,30	32,04	28,30							

	Mineral Resources						Mineral Reserves						
	Measured		Indicated		Measured and Indicated		Proved		Probable		Proved and Probable		
	Mt	Cr ₂ O ₃ %	Mt	Cr ₂ O ₃ %	Mt	Cr ₂ O ₃ %	Mt	Cr ₂ O ₃ %	Mt	Cr ₂ O ₃ %	Mt	Cr ₂ O ₃ %	
Chromite													
Dwarsrivier Mine													
Steelpoort Chromitite Seam	28,38	37,56	40,66	38,41	69,04	38,06	18,01	32,81	30,33	33,23	48,34	33,07	

Subsidiary companies, as at 30 June 2016

	Mineral Resources					Mineral Reserves		
	Mineral	Measured Mt	Indicated Mt	Inferred Mt	Total Resource	Proved Mt	Probable Mt	Total Reserve
Rustenburg Minerals (LG6#)	Chromite	3,60	1,70	9,80	15,10	0,00	0,00	0,00
Zeerust Chrome (LG1, 2 and 3#)	Chromite	0,30	1,10	6,60	8,00	0,00	0,00	0,00
Wonderstone	Pyrophyllite	3,60	9,90	107,2	120,70	3,40	9,40	12,80

The chromite grades of individual seams are included in the complete Mineral Resources and Reserves report.

Chairman's statement

- Market recovery for all products
- Record sales volumes of iron and chrome ores
- Record earnings levels, exceeding R5 billion



- Dwaarsrivier generated cash in excess of R1 billion
- Full year dividend at record level, R14 per share

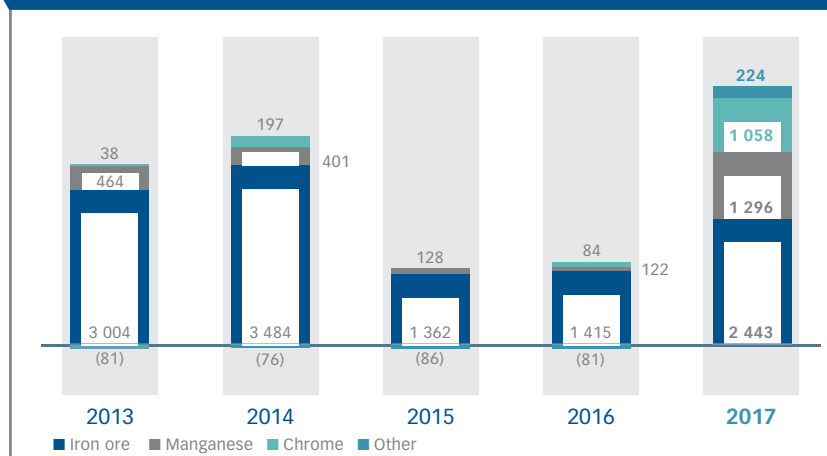
The year under review

Markets for the group's products for the past financial year were much stronger than initially anticipated due to improved levels of world economic growth. This led to increased demand for crude and stainless steel, which had a positive effect on demand and prices for steel-making commodities. Average prices for iron ore were 37% higher than during the previous financial year, while prices for manganese and chrome ores were approximately double those of 2016.

Improved production levels, in conjunction with increased export capacity utilisation, enabled the group to sell record volumes of iron and chrome ores, up by 2% and 12%, respectively on the previous year. This is the third consecutive year in which record sales volumes for iron and chrome ores have been achieved.

In comparison to the previous year, the volatility in the rand/US dollar exchange rate was reduced, with the rand trading at stronger levels. The rand traded at an average of R/US\$13,71 in the reporting period, which was 5% stronger than the average in 2016. This had the effect of partly countering the increased prices for the group's products. The group achieved record levels of headline and attributable earnings for 2017, with the make-up of these profits over the two halves of the financial year being more balanced than the same components in 2016. Attributable earnings amounted to R5,0 billion, compared to R1,5 billion in 2016, with R2,2 billion and R2,8 billion being earned in the first and second halves, respectively. The contributions to attributable earnings by the group's commodities over the past five years are illustrated as set out alongside:

Attributable earnings by commodity (R million)



Market conditions

The markets into which the group sells its products recovered during the year and were generally stronger in comparison to 2016. The growth in the production of crude steel in China, which manufactures more than half of all crude steel produced globally, drove commodity prices higher during the year. Prices for iron ore (62% iron content, "fines" grade, delivered in China) were 37% higher than last year, at an average index price of US\$70 per tonne, while the premium for "lumpy" grade material was US\$7,38 per tonne, marginally lower than the level for 2016. Increased environmental controls in China and efficiency objectives at Chinese steel mills, however, resulted in a notable increase in this premium towards the end of 2017. Higher levels of crude steel production also resulted in a marked improvement in manganese ore prices, with the average index price for 44% grade manganese content material,

delivered in China, doubling to US\$5,77 per dry metric tonne unit ("dmtu"), from US\$2,89 in 2016. Ferromanganese prices also rallied on the back of the increase in ore prices and robust demand in North America and Europe.

Stainless steel showed remarkable growth in the 2016 calendar year, with production growing by 8% when compared to the 2015 calendar year. The resulting demand for chrome ore in China, in conjunction with consolidation of supply in South Africa, led to a supply deficit for chrome ore. Accordingly, average prices for 44% chrome content material, delivered in China, were much higher than those for 2016, at US\$300 per tonne (2016: US\$150 per tonne).

Expansion and capital expenditure

The acquisition of Dwarsrivier Chrome Mine (Dwarsrivier), the final phase of which was completed in July 2016, has proven to be extremely successful for the group. The strong demand for chrome ore and improved mining and plant efficiencies resulted in attributable profit from Dwarsrivier amounting to R843 million, while at the same time generating cash of more than R1 billion.

Project work to expand Assmang's manganese capacity continues, with R1,1 billion (2016: R652 million) spent on the Black Rock expansion project, which was 82% complete by June 2017. Operations at Sakura Ferroalloys in Malaysia have yielded encouraging results, with both furnaces producing ferromanganese at 9% above their combined design capacity of 216 000 tonnes per annum, in the last quarter of 2017. The remainder of Assmang's operations are in a steady state, with R1,7 billion (2016: R2,3 billion) spent on a combination of waste-stripping at the iron ore mines, replacement and compliance requirements. Capital expenditure per commodity for the last 5 years is illustrated below.

Several initiatives are currently underway in IronRidge Resources Limited (IronRidge), an AIM (London) – listed exploration company in which the group holds a 29,6% equity interest. Progress continues to be made in prospecting for iron ore in Gabon, whilst developments elsewhere include assessing various bauxite, lithium and gold prospects in Australia, Ghana, Ivory Coast and Chad.

Dividends

The record level of profitability and strong cash generation by the group placed it in a position to declare a final dividend of R8,00 (2016: R5,00) per share. Taking into account the interim dividend of R6,00 (2016: R2,00), the dividend for the year amounted to R14,00 (2016: R7,00) per share, which also represents a record level of dividends paid. The group continues to adopt a conservative approach to the application of available cash.

Outlook

The world economy is expected to continue to grow for the remainder of the calendar year. It has been reported that infrastructural expenditure in China is set to continue in the short to medium term. Stainless steel production is expected to grow in the medium and long term, which should support Dwarsrivier well into the future. These positive indicators should ensure good demand for the group's commodities in the year ahead. The quality of the group's ore bodies and the mix of grades produced, allows it to respond to changes in market demands. This has been evident recently in the call for higher grades of iron, manganese and chrome ores. These factors place the group in a favourable position to remain profitable and competitive in the coming year.

The impact of policy uncertainty in South Africa is concerning, rendering it difficult to plan for expansion. Furthermore it raises questions about the sustainability of long-term assets. In addition to the uncertain regulatory environment, continued increases in the price of

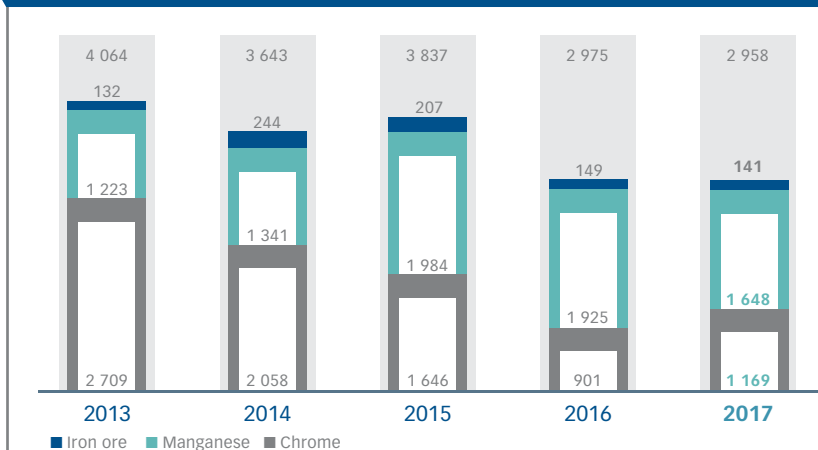
electricity in South Africa are potentially placing all smelting operations under pressure and, combined with wage demands that continually exceed inflation, South African assets are becoming less competitive in global markets for their commodities. Although the rand showed less volatility in the past year, recent indications are that this may not continue, increasing the uncertainty in making forecasts for earnings and cash flow.

Appreciation

2017 has been an extremely successful year for the group, with this report alone making mention of four recent achievements. I am proud of our achievements and thankful to all of those people who made these achievements possible. I would also like to extend my appreciation to the management team at Dwarsrivier, who have welcomed their inclusion in the group, for the contribution they have made to the very successful year experienced by the mine. Added to the above is the fact that no work-related fatalities occurred at any of the group's operations this year.

After 28 years of service to the group, which saw the market capitalisation of the group increase from R2,9 million, to over R27 billion, Chris Cory retired as chief executive officer (CEO). I welcome Charles Walters to the board as CEO, who joined the group on 1 April 2017, and Ross Davies, appointed as chief financial officer, as a member of the executive. I also welcome Delight Aitken to the group, who joined the board as an independent non-executive director on 1 March 2017. Finally, I extend my gratitude to our staff, customers, agents, suppliers and bankers for their respective roles in assisting the group in its success this year.

Capital expenditure by commodity (R million)



Note: Capital expenditure for all commodities is included on a 100% basis.

Desmond Sacco

Chairman
18 October 2017

Board of directors

Executive directors



Chairman

Desmond Sacco BSc (Hons) (Geology)

Des qualified as a geologist and joined the Assore group in 1968. He was appointed to the Assore board in 1974 and, on the retirement of his father, Guido, in 1992, was appointed chairman and managing director. In that year, he was also appointed deputy chairman of Assmang Limited and in 1999 he became chairman of Assmang. He is a fellow of the Institute of Directors (IoD) and of the Geological Society of South Africa (GSSA).



Chief executive officer

Charles E Walters BSc (Mech) Eng, BCom, PMD

Charles qualified with a BSc (Mech) Eng in 1989 from the University of Cape Town. He obtained a BCom in 1992 from the University of South Africa and completed the Programme for Management Development at Harvard Business School in 2001. Charles began his career with Anglo American in 1991 as a Graduate Engineer and following engineering and management training at Anglo American, he joined Mondi as Marketing Manager for Exports in 1996. In 2002, he was appointed as Managing Director of Mondi Sales International, based in Dublin, Ireland. Upon returning to South Africa in 2006, he was appointed as the Managing Director of Bearing Man, a division of the Invicta Group. He was appointed deputy CEO of Invicta Holdings in 2013 and as its CEO in 2015. He joined the Assore group on 1 April 2017 as CEO-designate and was appointed as CEO on 1 July 2017, upon the retirement of Chris Cory.



Group marketing director

Patrick E Sacco BA (Indus Psych), MA (Marketing)

Pat joined the Assore group in 2003 after completing a master's degree at the University of Colorado (USA). He was appointed a director of Ore & Metal, the selling and marketing agent for all the group's products, in 2007, and as from 1 March 2016, has been appointed as its managing director. Pat was appointed as a director of Assmang in 2008, and is on the board of Oresteel Investments Proprietary Limited, the ultimate holding company of Assore. On 1 July 2015, he was appointed as a director of the International Manganese Institute (IMnI) and was appointed as group marketing director on 1 March 2016.



Group operations and growth director

Bastiaan H van Aswegen BEng (Metallurgy), BCom, MEng

Tiaan obtained a BEng (Metallurgy) degree from the University of Pretoria (UP) in 1982 and later obtained BCom (Unisa) and MEng (UP) degrees. He joined Assore in 2003 as consulting metallurgist. In September 2012 he was appointed as an executive director of JSE listed Assore Limited and as a director of Assmang (jointly controlled by Assore and ARM). Since 2012 he was instrumental in establishing the Sakura Ferroalloys operation in Malaysia (54% held by Assmang) and served as Chairman of the Sakura Board for the last three years. In his current role he is responsible for the strategy and the operational execution of the Assore operations and is also a member of the Assmang executive committee. His responsibilities also include the growth portfolio of Assore and he is a director of IronRidge Resources, an AIM listed junior exploration company.

Board committees:

-  Remuneration
-  Audit and risk
-  Social and ethics
-  Nominations

Independent non-executive directors



Deputy chairman and lead independent non-executive director

Edward M Southey BA, LLB

Ed was admitted as an attorney, notary and conveyancer in 1967 and practised as a partner of Webber Wentzel until his retirement as senior partner of that firm in 2006. He remains an executive consultant to the firm. He is a former president of the Law Society of the Northern Provinces and of the Law Society of South Africa and is a director of a number of companies. He joined the Assore board as a non-executive director in January 2009, and was appointed as deputy chairman and lead independent director in November 2010. He is the chairman of the group's Audit and Risk, and Remuneration Committees.



Independent non-executive director

Delight Aitken Dip Bus Admin

Delight holds a Business Administration Diploma from the University of Wales and an Associate Certificate in Management from the University of Cape Town's Graduate School of Business. She possesses more than 20 years' experience in the energy sector, most recently with Chevron Corporation where she was the Policy Government and Public Affairs Manager, Africa and Middle East. Prior to that she held technical roles in loss prevention and petroleum supply with Chevron in South Africa and the United States of America. She has also held operational positions with Transnet Pipelines where she started her career. Delight was appointed to the board on 1 March 2017.



Independent non-executive director

Thandeka N Mgoduso BA, MA (Clinical Psychology)

Thandeka is a clinical psychologist and obtained her qualifications at the universities of Fort Hare and the Witwatersrand. While in commerce, she held various leadership positions in operations, as well as in human resources. She has been appointed on a number of boards, including a non-executive directorship of the South African Reserve Bank. She currently consults in strategy and human resources. She chairs her company, Jojose Investments, and is a non-executive director on the board of Tongaat Hulett and Metair Investments, to mention a few. She was appointed to the board with effect from 2 February 2015 and serves on the Social and Ethics Committee.



Independent non-executive director

Sydney Mhlarhi BCom, BAcc, CA(SA)

Sydney qualified as a chartered accountant in 1998 following the completion of his articles at Ernst & Young in 1997. He co-founded Tamela Holdings Proprietary Limited (Tamela) in 2008, which holds investments in various industries. Sydney has held various senior positions in the investment banking sector, including those of divisional director at Standard Bank and Chief Investment Officer of Makalani Holdings Limited, a mezzanine financier which listed on the JSE in 2005. Sydney was appointed to the board on 15 October 2012 and serves on the group's Audit and Risk Committee.



Independent non-executive director

William F Urmson CA(SA)

Bill was appointed as an independent non-executive director in October 2010 and chairs the group's Social and Ethics Committee. He also serves on the group's Audit and Risk, and Remuneration Committees. He is a former Deputy Chairman of Ernst & Young and has served the accounting profession as Chairman of the Accounting Practices and Ethics Committees of the South African Institute of Chartered Accountants. He is a former director: surveillance of the JSE and consulted to the exchange on a part-time basis until December 2013.

Operational review and commentary



The financial results of the Assore group are largely dependent on the level of global economic growth, as the majority of commodities produced are used in the production of crude and stainless steels, the consumption of which is intimately related to global capital spend.

Group results are significantly affected by US dollar commodity prices, exchange rates and world economic growth, all of which are risks that cannot be directly controlled. Refer "Risks and opportunities" on pages 14 and 15.

The group

The group's markets are mostly located in the Far East, India, Europe, North America and South Africa. Although the group's markets for iron and manganese products are reasonably diversified, the Chinese market remains the dominant destination for the group's products, especially for chrome ore. Diversification has been achieved, mostly through the establishment of long-term supply relationships, both independently and through agents. The group continues to develop other markets, the achievement of which is based on existing industry knowledge and anticipated market developments.

World economic growth improved in the second half of the 2016 calendar year, with a strong rebound occurring in

developed economies. Improvement in world economic growth is expected to continue for the remainder of the 2017 calendar year, with an estimated improvement of 3,4% over the previous year. This has led to increased world crude and stainless steel production, which is expected to grow to 1 700 and 47 million tonnes respectively (by 2,0% and 3,5% respectively), over the 2016 calendar year. The increase on the latter commodity comes on the back of an increase of 8% in the 2016 calendar year over 2015. It is likely that crude steel production in China, which produces over 50% of the world's annual requirement, will continue to increase, supporting demand for chrome ore. South Africa produces approximately 55% of chrome ore worldwide.

These circumstances enabled the group to achieve selling prices that were significantly higher than those in 2016 and contributions to headline earnings/(loss) by commodity compare very favourably to those of the previous year, and were as follows:

	2017 R million	2016 R million
Iron ore	2 444	1 408
Manganese	1 367	268
Chrome	1 174	107
Other group transactions	224	(39)
Per consolidated income statement	5 209	1 744

The group, through its wholly owned subsidiary Ore & Metal, is the sole marketing and distribution agent for all the group's products, including those of Assmang.

The sales volumes for Assmang and Dwarsrivier for the current and previous years were as follows:

	2017 Metric tonnes '000	2016 Metric tonnes '000	% increase/ (decrease)
Iron ore	17 275	17 008	2
Manganese ore*	2 974	3 030	(2)
Manganese alloys	303	175	73
Chrome ore#	1 279	1 147	12

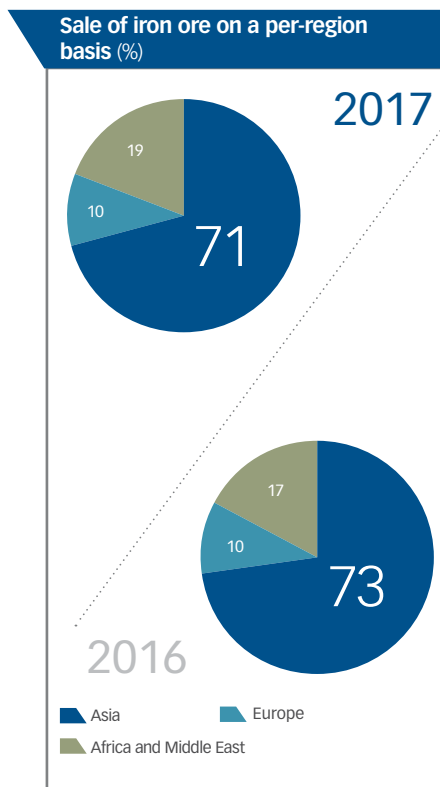
* Excludes intra-group sales to alloy plants.
Chrome ore sales by Dwarsrivier, in which the group obtained 100% interest with effect from 1 July 2017 (previously held in Assmang joint venture).

Iron ore

Assmang recorded record sales volumes of iron ore for a third consecutive year, amounting to 17,3 million tonnes, marginally higher than the volumes sold in 2016 (17,0 million tonnes). The level of export volumes remained flat in comparison to 2016, while local sales volumes increased by 11%.

The steel sector in China was robust for most of 2017, driving prices for iron ores to levels which, on average, gave rise to the benchmark price for iron ore (62% fines grade, delivered in China) being 37% higher than the level of 2016, at approximately US\$70 per tonne, peaking at US\$95 per tonne in February of this year. Just over half of Assmang's iron ore volume is sold as "lumpy" grade material and the premium this grade attracts varied across year, declining to approximately US\$1 per tonne in April, before recovering to US\$13 per tonne by the end of the year. The decline was brought about by additional "lumpy" volumes entering the market, existing high levels of inventory and high prices for coking coal. However, tighter environmental controls and increased focus on productivity at steel mills in China resulted in a recovery of this premium. Countering these price gains somewhat, higher commodity prices supported increased ocean freight rates, which, coming off historical lows in 2016, impacted gross margins negatively.

The sales strategy for iron ore in Assmang is to supply those markets that show a higher degree of stability, with China remaining as its largest market. On a per-region basis, the sales volumes for the year and the previous financial year are illustrated on the following graphs:



Capital expenditure during the year in Assmang's Iron Ore division amounted to R1,2 billion (2016: R901 million), of which approximately R670 million was spent on replacement and compliance requirements, with R261 million on waste-stripping at both mines.

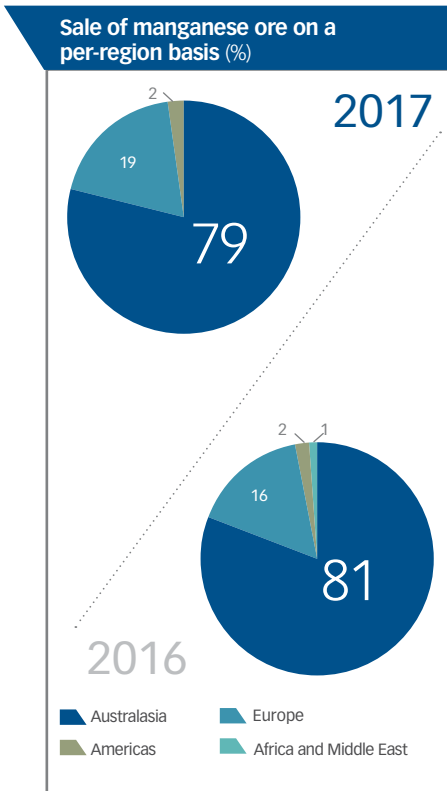
Manganese ore and alloys

As was the case in 2016, the market for manganese ore for 2017 was marked by extreme volatility, with ore prices reaching an eight-year high in December

2016, with prices for high-grade material (44% manganese content) delivered in China (CIF) and prices for medium-grade material (37% manganese content), free on board South Africa (FOB) peaking at US\$9,22 per dry metric tonne unit (dmtu) and US\$7,45 per dmtu respectively. The rally was caused by reduced supply, arising from a series of production cuts in the industry, occurring late in the 2015 calendar year and into early 2016, which were implemented after a sustained period of low prices. With prices recovering during most of the 2016 calendar year, and most significantly in the latter half (the first half of the 2017 financial year), some of these production cut-backs were reversed and volumes brought back to the market. This coincided with the increase in Chinese crude steel production, increasing demand for manganese alloys. Temporary logistical bottlenecks in South Africa gave rise to further price rallies in high and medium grade ores during the first half of 2017.

The second half of 2017 saw a correction in the prices from the peaks in the first half, brought about by weakening demand going into Chinese New Year and the increase in available material driven mostly by suppliers responding to the higher prices, by liquidating existing inventories and increasing production. The average index prices for 2017 for high-grade (44% manganese content) material delivered in China (CIF) and medium-grade material (37% manganese content), free on board South Africa (FOB), were US\$5,77 (2016: US\$2,89) per dmtu and US\$4,56 (2016: US\$2,31) per dmtu respectively. The distribution of manganese ore sales on a per-region

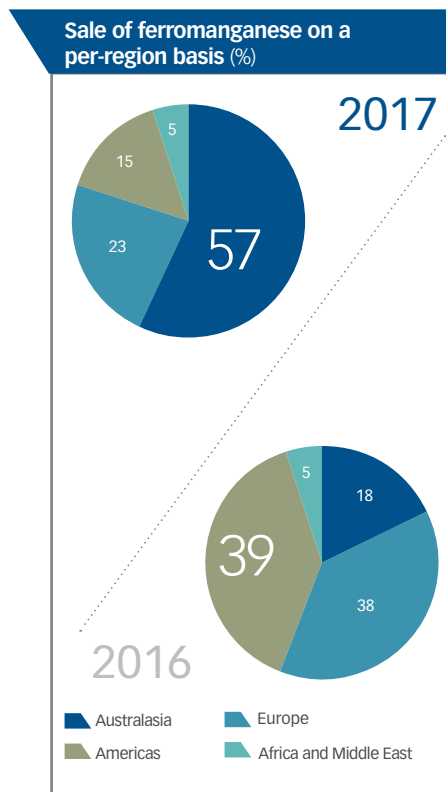
basis for the current and previous financial year is illustrated as follows:



Alloy market conditions at the start of 2017 were similar to those of previous years, characterised by weak demand due to oversupplied positions. However, towards the end of the first half of 2017, ferroalloy prices rallied, firstly in Asia and then in the United States and Europe as a result of higher input costs and reduced production volumes. The market tightness experienced in the USA and Europe persisted throughout the second half of 2017, with supply insufficient to meet the increased demand. These conditions led to more resilient alloy prices compared to recent years with alloy prices for all grades stabilising at higher levels into the second half of 2017. The last time that prices were recorded at these levels was early in 2010.

Sakura Ferroalloys, Assmang's joint venture ferromanganese smelting project in Malaysia, in which it has a 54,36% stake, is now running at full capacity, with the second furnace having been commissioned in the first half of 2017, the first furnace having been commissioned a few months earlier. The project was completed below its budget

of US\$328 million and production in the last quarter exceeded the combined capacity of 216 000 tonnes per annum by 9%. This additional production gave rise to additional sales volumes of ferromanganese, which has brought about a change in the geographic distribution of the sales of ferromanganese, as follows:



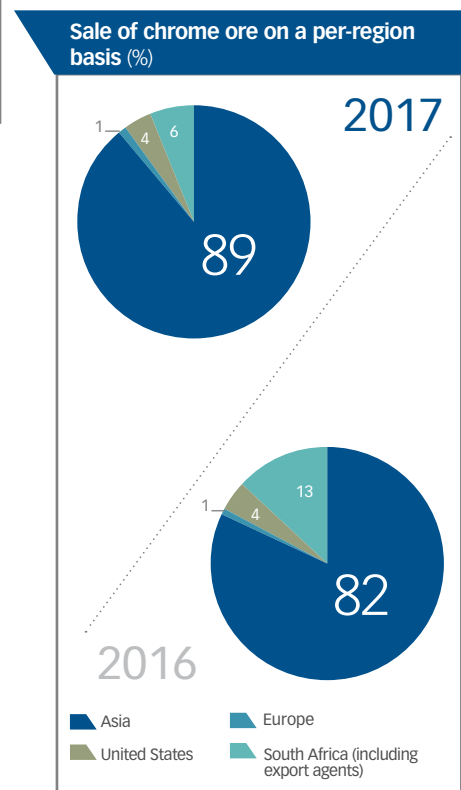
Capital expenditure during the year in Assmang's Manganese division amounted to R1,6 billion (2016: R1,9 billion), of which R1,1 billion (2016: R652 million) was spent on the expansion and continued sustainability of the Black Rock mines to reach a sustainable output capacity of at least four million tonnes of manganese product per annum by 2020.

Chrome

A strong demand for stainless steel in China, combined with consolidation in the South African chrome market, resulted in demand for chrome ore increasing substantially, with world production for the 2016 calendar year increasing by 8% over the previous year, to 45,6 million tonnes. Production of stainless steel in China increased by 12% over the same period, to 24,2 million tonnes. The increased level of demand

was particularly evident in the first half of 2017, where prices for 44% chrome content material delivered in China increased from levels of approximately US\$165 per tonne at the end of 2016 to over US\$400 per tonne by December 2016. Inventory levels of stainless steel in China increased towards the end of the 2016 calendar year, signalling an oversupply, and resulting in a weaker price environment. Subsequently, the market experienced a prolonged period of reduced trading activity, which resulted in a sharp decline in chrome prices, to levels of US\$150 per tonne in May 2017. By the end of 2017, prices recovered to levels of approximately US\$200 per tonne.

With effect from 1 July 2016, the group has owned 100% of Dwarsrivier (refer to note 35.1 to the consolidated annual financial statements). For a third consecutive year, Dwarsrivier recorded record sales volumes of chrome ore, which increased by 12% to 1 279 thousand tonnes for 2017. The increased sales volumes for 2017 were largely made possible by improved mining efficiencies and improvements in the beneficiation plant. Sales of ores on a per region basis for the current and previous financial years are illustrated as follows:



The production cost per tonne increased by 1% from the cost recorded in 2016, with the mine achieving 4 million fatality-free shifts in August 2017, the last fatality having occurring in 2009. R141 million was spent on capital, mostly on replacement items.

Wonderstone

Since 1937 the group has mined pyrophyllite, which it trades as Wonderstone. The deposit is located outside Ottosdal, approximately 300 kilometres south-west of Johannesburg. It is volcanic in origin and displays unique heat holding, insulation and pressure-resistant properties. The bulk of the material mined is beneficiated and reworked into components for export to the USA, the United Kingdom and the Far East. These components are utilised in various high-tech industrial applications, including the manufacture of synthetic diamonds and consumable products for the welding and electronics industries and are sold as specialist ceramic products. The most significant market for Wonderstone products for use in the manufacture of polycrystalline diamond (PCD) cutters for drilling in the oil and gas well industries. Other uses for Wonderstone occur in insecticides, while investigations into heat and energy storage are being undertaken in collaboration with various universities and associated institutions, the aim of which is to find alternative uses for the product.

Both export and local markets for Wonderstone were strong during 2017, with the local market in particular performing well. The sale of Wonderstone run-of-mine (ROM) material to China showed steady improvement. With effect from 1 July 2016, Group Line Projects Proprietary Limited (Groupline) separated its business from Wonderstone and as from 2018, will absorb the necessary assets of Ceramox for the continued procurement of wear-resistant tiles. Groupline specifies, selects and installs a range of lining products, including Ceramox alumina tiles, to assist in solving a wide range of industrial wear and flow problems associated with mined commodities. The remaining assets of Ceramox were sold as part of a transaction into a joint venture, Dakot Wear Ceramics Proprietary Limited (Dakot), in which Wonderstone owns a 40% interest (refer to note 35.2 to the consolidated annual financial statements). Previously, Ceramox was a division of Wonderstone.

Excluding impairment charges imposed in 2016, the attributable profit recorded by all of the entities managed by Wonderstone amounted to R1,4 million (2016: R2,3 million). Capital expenditure by Wonderstone for the year amounted to R5,2 million (2016: R2,0 million), most of which was spent on mining and machining equipment.

Marketing and shipping

Wholly owned subsidiary Ore & Metal Company Limited is responsible for the marketing and shipping of all the group's products, including those produced by Assmang. Strong relationships have been established with customers in the Far East, Europe, North America, South America, Africa and India, and products with a market value of approximately R29,7 billion (2016: R20,6 billion) were marketed and distributed in these regions during the year. The company is an established supplier to steel and allied industries worldwide and has operated effectively in these markets for over 80 years. Commission income is based on the value of sales negotiated and is due once payment is received from the customers. Attributable profit after taxation for the year improved to R383,8 million (2016: R271,3 million), due mainly to higher sales volumes and commodity prices of ores and manganese alloys and increased interest income.

Minerais U.S. LLC

The group holds a 51% share in Minerais U.S. LLC (Minerais) which is a limited liability company registered in the state of New Jersey in the United States and Canada. Minerais is responsible for marketing and sales administration of the group's products in these countries, in particular manganese alloys, and it trades in other commodities related to the steelmaking industry. Significantly increased levels of sales of alloy products in the United States resulted in Minerais' contribution to the group's attributable profit for the year increasing to R97,3 million (2016: R11,4 million).

Technical and operational management

As technical adviser to Assmang and other group companies, African Mining and Trust Company Limited provides operational management services to the group's mines and plants. For these services it receives fee income, which is related to turnover in Assmang and to services provided to Dwarsrivier. The

impact of significantly increased commissions received, arising from higher sales volumes and commodity prices of ores in Assmang in the amount of R127,5 million, was negated to some extent by increased operating costs (R40,2 million), resulting in its attributable net profit after taxation for the year increasing to R181,3 million (2016: R101,5 million).

IronRidge holds a 29,6% interest in IronRidge Resources Limited (IronRidge), which is accounted for using the equity method (refer to note 5 to the consolidated annual financial statements for more detail). Exploration activities by IronRidge continue, with the first stage of reconnaissance prospecting for iron ore in Gabon complete. Other prospects, which are at various stages of assessment, include bauxite in Queensland, Australia, gold in Chad, gold and lithium in Ghana and lithium in the Ivory Coast. The market value of the group's investment in IronRidge has increased from GBP3,0 million (R58,8 million) at 30 June 2016 to GBP24,8 million (R423,0 million) at 30 June 2017. Subsequent to the financial year-end, IronRidge raised GBP8,2 million by way of issuing subscription shares in order to fund further exploration work. Assore followed its rights regarding these shares, as did the other major shareholders.

Investments

The group holds a limited portfolio of listed shares which are selected and held in accordance with long-term investment criteria. In accordance with IFRS, the portfolio is valued in the financial statements at market value. During the year, the market value of this portfolio increased and the group recorded a profit of R38,3 million (2016: R41,8 million loss) on its revaluation (after allowing for capital gains taxation relief). At 30 June 2017, the market value of the portfolio was R229,4 million (2016: R180,1 million), based on a cost of R293,4 million (2016: R293,4 million). Other income for the group includes interest received of R349,3 million (2016: R210,4 million) generated on cash in excess of current requirements which was invested on a short-term basis in the money market, both on variable and fixed rates. The increased amount of interest received is mostly due to elevated average available cash balances and higher rates of interest, which prevailed in part due to fixed rates being higher than the variable rates.

Corporate governance and risk management report

Strong corporate governance is an essential part of minimising the risks faced by the group. Corporate governance and risk management not only enhance sustainability of the group, but are essential to preserving organisational reputation, investor confidence, access to capital when required and sustainable employee motivation.

Ethics

Ethical issues are managed by way of executive involvement in day-to-day management processes
The group has recently adopted a code of ethics

Board of directors

Board composition

9
Directors



5 Non-executive and independent



3
BEE

Committed to principles

- Corporate discipline
- Transparency
- Independence
- Accountability
- Fairness
- Employment equity
- Social responsibility



Meetings


100% attendance by members

Committees

Audit and Risk Committee	Social and Ethics Committee	Remuneration Committee
Monitors the risk profile, reviews and approves financial statements and monitors, supervises and facilitates the work performed by independence of internal and external auditors	Monitoring of the group's activities relating to any relevant legislation affecting the group's activities and prevailing codes of best practice	Recommendations on the broad framework and cost of executive remuneration are made annually to the committee for approval
3 Non-executive and independent	2 Non-executive and independent	2 Non-executive and independent
3 Meetings	2 Executives	1 Executive
100% attendance by members	2 Meetings	1 Meeting
	100% attendance by members	100% attendance by members

Key roles and functions


CEO
The CEO assumes ultimate responsibility for all executive issues



CFO
The group has appointed a chief financial officer, who assumes responsibility for the group's financial position and related issues



Company secretary
The company has appointed a wholly owned subsidiary, African Mining and Trust Company Limited (AMT), as Company Secretary (refer to page 36)



The group subscribes in all its activities to principles of best practice in business management and corporate governance for South African companies, as set out in the King Report on Corporate Governance (King IV), which it implements in accordance with the following framework:

- Establishing a risk and control environment within each of its business entities where management, in conjunction with the necessary support from the Audit and Risk, and Social and Ethics Committees, is responsible for identifying, quantifying and managing risks related to the achievement of the organisation's objectives on a sustainable basis. The process of quantification of risks takes into account not only qualitative aspects but also their potential financial impact.
- Creating a process which provides the board, through the Audit and Risk, and Social and Ethics Committees, with assurance regarding the adequacy of internal control within the organisation, ie that the risk and control environment is appropriate for the business concerned and that the business is operated in a manner which provides the board with reasonable assurance that the group's assets are appropriately safeguarded.
- Implementing a formalised review process to identify the effectiveness of both the risk management environment and the assurance processes. This is generally the role of the internal audit function and other independent technical assurance specialists used on a consultancy basis. (Refer "Assurance" on page 9.)

The company's shares are listed on the JSE, which requires all listed companies to comply with the Code of Corporate Practices as set out in King IV. A detailed governance register is located on the group's website, under the "About us" tab.

Principle 1: The governing body should lead ethically and effectively

The governing body of the group, the board, is committed to ethical leadership beyond mere legal compliance and to acting in the best interest of the group at all times. The board sets the standards for values, business practices and ethical behaviour for the group. The tone at the top filters through to all levels and is enforced by senior management through stringent controls, involvement and

review processes. All board members have senior managerial or related professional experience and are expected to have knowledge of applicable rules, codes and standards. The board considers the impact of operational and business decisions on the environment, as well as on society and on the communities where the group operates

Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture

Ethics

Ethical issues are managed by way of executive involvement in day-to-day management processes of the group, and by senior management who interact with staff at all levels to ensure that high ethical standards commensurate with board expectations are maintained. Issues that cannot be resolved by line management are addressed by way of oversight by the Social and Ethics Committee (SEC, refer "Social and Ethics Committee" on page 35). The group has recently adopted a code of ethics, as approved by the SEC and the board, and all staff who bear line responsibility are required to be trained in the application of this code. Various channels to facilitate effective whistleblowing procedures are in place at certain of the larger operations in the group to afford employees and other parties the opportunity to bring unethical or unlawful practices to the attention of senior management on an anonymous basis. The board believes that management is sufficiently experienced to ensure that the requirements of the group in respect of laws, rules, codes and standards do not expose the group to material risks in this respect. In addition, senior management consults with external legal counsel in unfamiliar and complex areas.

Insider trading and closed periods

The group declares closed periods applicable to all members of staff in relation to dealing in Assore shares prior to the publication of its interim and final results. During these periods directors, officers and staff are prohibited from dealing in the shares of the company. A closed period extends from the first day of the month following the end of a financial reporting period to the day on which the interim or final results are published. Where appropriate, dealing

is also restricted where a public announcement is imminent and which includes information considered to be price sensitive.

All directors and staff are required to obtain the written approval of the chief executive officer (CEO) prior to dealing in the company's shares at any time during the year. Any dealings by the CEO in Assore shares require the approval of the lead independent director. Due to the significance of the group's involvement in Assmang, as well as Assmang's bearing on the results of Assore's joint-venture partner, African Rainbow Minerals Limited (ARM), senior staff members are also precluded from dealing in ARM's shares in these closed periods.

Principle 3: The governing body should ensure the organisation is and is seen to be a responsible corporate citizen

Responsible corporate citizenship is embodied in the group's operations, from its mining and manufacturing activities, through to involvement within the communities in which it operates and on to its customers who utilise its products. The activities in these areas are overseen by the SEC, which also receives feedback from Assmang's SEC and are reported on a bi-annual basis to the Audit and Risk Committee and to the board, who assume ultimate responsibility in this regard.

Principle 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process

The core purpose of the group is to generate value for its shareholders and to maintain and increase this value in a sustainable manner, always mindful of the legitimate and reasonable needs, interests and expectations of material stakeholders. Decisions that are made within the group are undertaken at appropriate levels, which ensures that opportunities are carefully assessed in conjunction with an analysis of associated risks. Key aspects of these decisions include an assessment of the value to be added or maintained, as set out in the business model (refer pages 12 and 13).

Corporate governance and risk management report continued

Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments for the organisation's performance and its short, medium and long-term prospects

The integrated annual report (IAR) has been developed on the basis of the framework of the International Integrated Reporting Council (IIRC), published in 2013. Management ensures that the IAR is compiled in a manner that enables stakeholders to determine the risks associated with investing in or transacting with the group, placing them in a position to make sufficiently informed decisions in attempting to achieve their objectives. The IAR sets out the group's strategy and business model, as well as the risks faced by the group and how these risks are addressed or responded to, and sets out those areas which the board believes are material to stakeholders in making their respective risk assessments. Materiality is considered qualitatively and where relevant, numerically, in conjunction with assurance and service providers.

Principle 6: The governing body should serve as the focal point and custodian of corporate governance of the organisation

Board of directors

The directors are committed to the principles of corporate discipline, transparency, independence, accountability, fairness, employment equity and social responsibility.

Board composition

The Assore board has a unitary structure, comprising nine directors, four of whom are executive and five non-executive, all of the latter of whom are independent. Since the chairman represents the controlling shareholder, and in order to enhance the balance of power and authority on the board, the chairman does not have a casting vote. Additionally, the board has appointed a lead independent director, who also occupies the position of Deputy Chairman.

The independent non-executive directors have, between them, considerable experience gained at senior management levels in diverse listed and

unlisted companies and professional firms operating in South Africa and abroad. Assore has an informal gender policy that supports the appointment of women to the board, which currently has two female board members, constituting 22% of the board. Gender and racial diversity is an important consideration when effecting board appointments and these considerations are made in conjunction with considering diversity in business, geographic and academic backgrounds.

Professional advice

In the event that board members believe that independent professional advice relating to the group's affairs would be of benefit to the group, the group will, at its expense, engage appropriate advisers in order to satisfy the concerns raised in this respect.

Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

Independence

Independent non-executive directors are appointed in terms of three-year renewable contracts and the board evaluates their independence annually, based on returns submitted by each director. The roles of the Chairman and CEO are separate, and non-executive directors are not permitted to serve for periods longer than nine years in the aggregate without board approval. Non-executive directors do not receive any benefits from the company other than their fees for services as directors.

Election and succession

Appointments to the board in an executive directorship capacity are based on the nominees holding appropriate professional qualifications and having had substantial exposure to business in general, and in particular in the mining industry, in senior managerial roles and/or related professional practice, including knowledge of applicable legislation, rules, codes and standards. If an executive vacancy arises, or is imminent, and the board is of the opinion that it is of such a nature that a formalised selection process is required, an *ad hoc* nomination committee is

convened to make the relevant appointment. This committee usually consists of two independent non-executive directors, and reports to the board with its recommendations. Induction to the group for incoming non-executive directors occurs prior to appointment by means of a full appraisal of the group's activities by the CEO, and following appointment, non-executive directors are offered the opportunity to visit the group's operations to familiarise them with the group's activities.

In accordance with the company's Memorandum of Incorporation (Moi), all non-executive directors are subject to retirement by rotation and re-election by shareholders at least once every three years, provided that at least one-third of their number offer themselves for re-election at each Annual General Meeting (AGM) as required by the Listings Requirements of the JSE. In addition, all directors are subject to re-election by shareholders at the first AGM following their initial appointment. A brief *curriculum vitae* of each director is set out on pages 26 and 27. The appointment to the board and the assessment of continued eligibility on the board are made by the executive directors with the oversight of the non-executive directors and in consultation with the board as a whole. The management structure of the group provides effective succession for each executive director, which occurs by way of understudy by appropriately qualified and experienced senior staff members, ensuring sufficient depth of expertise in areas that are critical to the continuation of the group's business activities.

Meetings

The board meets at least four times per annum on predetermined dates, with meetings convened on an *ad hoc* basis when considered necessary. The board met four times in the year under review and attendance at these meetings is tabled below:

	Possible attendance	Attended
Desmond Sacco	4	4
EM Southey	4	4
CJ Cory	4	4
PE Sacco	4	3
BH van Aswegen	4	4
DN Aitken [#]	1	1
TN Mgoduso	4	4
S Mhlarhi	4	4
WF Urmson	4	4

[#] Appointed 1 March 2017.

Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties

Audit and Risk Committee

The committee meets at least three times per annum on predetermined dates, with *ad hoc* meetings convened to consider significant risk and accounting issues when necessary. The committee met three times in the year under review and attendance at these meetings is tabled below:

	Possible attendance	Attended
EM Southey (Chair)	3	3
S Mhlarhi	3	3
WF Urmson	3	3

The chairman of the committee reports on its activities at each board meeting. Representatives of the internal and external auditors are invited to attend all meetings of the committee and, if necessary, have access in private to the chairman of the committee throughout the year. The CEO, chief financial officer (CFO) and representatives of the company secretary attend all meetings by invitation. Board members who are not members of the committee are entitled to make submissions at its meetings, with the prior consent of its chairman. Internal and external auditors meet members of the committee at least once annually without members of management being present in order to discuss the quality of their relationship and evaluate the level of co-operation which they were afforded during the conduct of their audit work in the year under review. The committee recommended the approval of the integrated annual report for 2017 to the board on 18 October 2017.

The terms of reference of the Audit and Risk Committee are documented, have been approved by the board, and are reviewed periodically to ensure they remain appropriate to the activities of the group. The principal objectives of the committee that emanate from its terms of reference, and which were applied during the year under review, are:

- to monitor the risk profile as compiled by internal audit and agreed to by

management, and make recommendations on the composition and classification of the risk profile for the group (refer to “Risk management” on page 37);

- by taking into account the group’s combined assurance model (refer page 9), to integrate the activities of assurance providers so that all risks are identified and appropriate mitigation steps are taken;
- to provide a forum for management and representatives of the external and internal audit functions to resolve issues which arise from all external and internal audit activities;
- to make recommendations to the board regarding the appointment of the external auditors;
- to review the activities, services and performance of the external auditors, evaluate their independence and review their overall role and the appropriateness of fees charged;
- to review and approve the annual financial statements, interim reports and related disclosures and other significant announcements made by the group, making the necessary recommendations to the board;
- to consider the appropriateness of the group’s accounting policies;
- to monitor and supervise the effectiveness of the internal audit function (refer “Internal audit and internal control” on page 39) to ensure that the roles of both internal and external audit are clear in order to provide an objective overview of the operational effectiveness of the group’s systems of internal control and reporting;
- to receive and consider feedback on issues relevant to the committee raised at meetings of the Social and Ethics Committee (refer “Social and Ethics Committee” on page 35); and
- obtain reports from management, and make the necessary enquiries from external and internal audit and of management, on any matters which are the subject of litigation, ensure compliance with material aspects of legislation and create awareness of pending changes to legislation (refer “Legal compliance” on page 37).

All the members of the committee, including the Chairman (who will make himself available to take questions at the AGM), are independent non-executive directors, who collectively possess the appropriate professional and business experience pertaining to legislative

requirements, financial risks, financial and sustainability reporting, and internal controls applicable to the group.

The committee is satisfied that the external audit function remains independent. The chair of the committee approves all services undertaken by the external auditor prior to engagement. The external auditor’s own requirements enforce an audit tenure of no more than five years for the incumbent Chief Audit Executive (CAE).

As part of its review of this report, the committee is satisfied with the following for the year under review:

- that the composition of the combined assurance model (refer page 9) is appropriate for the group and that it was effective;
- that the group’s financial reporting procedures were in place and were operating;
- the effectiveness of the CAE;
- after having received and considered a report on the group’s internal controls, that the internal control environment was effective; and
- that the CFO and the finance function effectively fulfilled their duties.

Social and Ethics Committee

In accordance with its documented terms of reference approved by the board, the committee is required to meet at least twice per annum on predetermined dates. The committee met twice during the year and attendance at these meetings is tabled below:

	Possible attendance	Attended
WF Urmson (Chair)	2	2
RA Davies	2	2
TN Mgoduso	2	2
BH van Aswegen	2	2

The Social and Ethics Committee (SEC) reports to the board and provides feedback on issues raised at its meetings to the board and to the Audit and Risk Committee for consideration where relevant. The key aspects of its terms of reference include the monitoring of the group’s activities relating to any relevant legislation affecting the group’s activities, or prevailing codes of best practice with regard to matters relevant to:

- its corporate strategy and any changes thereto that may be necessary from time to time;

Corporate governance and risk management report continued

- the social and economic development of communities located in the areas surrounding its operations;
- the maintenance of good corporate citizenship credentials;
- environmental, health and public safety issues at all its operations, including the impact of the group's activities and of its products or services on the environment;
- consumer relationships, including the group's advertising and public relations, and compliance with all legislation relating to the group's activities; and
- labour and employment, including working conditions and employee development.

Remuneration Committee

Since salaries and bonuses are reviewed on an annual basis, the committee meets formally at least once a year, in addition to ad hoc meetings that may be necessary from time to time. The CEO attends meetings of the committee by invitation but is not entitled to vote. The committee met once during the year under review and attendance was as follows:

	Possible attendance	Attended
EM Southey (Chair)	1	1
Desmond Sacco	1	1
WF Urmson	1	1

The Remuneration Committee is chaired by the lead independent director and consists of a majority of independent non-executive directors. Group Chairman Desmond Sacco is appointed as a member of this committee, based on his interest as controlling shareholder of the company, which the board believes adds to the overall appropriateness of the decisions and policies of the committee. Its terms of reference have been approved by the board and are reviewed annually by the board.

Recommendations on the broad framework and cost of executive remuneration are made annually to the committee for approval. To do so, the committee is required to determine:

- the group's general policy on executive remuneration;
- specific remuneration packages for executive directors;
- where necessary, criteria to assess the required performance of executive directors; and

- the necessity to take independent professional advice on remuneration issues.

Due to the sensitivity of individual remuneration levels, the remuneration of senior employees, other than directors, is not disclosed. However, the total cost of the remuneration of senior employees is disclosed in the consolidated financial statements (refer note 33.1), and directors' remuneration of the holding company directors for the current and previous financial year is set out on page 7 of the annual financial statements.

Principle 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members support continued improvement in its performance and effectiveness

Board and committee performance evaluation

The Chairman represents the controlling shareholder and is therefore in a position effectively to evaluate the performance of board members and that of its various committees in meeting the group's objectives, and as a consequence ongoing evaluation of the board and its various committees does not occur on a formal basis. The structure of the management of the business permits regular interaction, which occurs between all levels of management, ensuring that the various structures in the Assore group operate in accordance with their terms of reference. As stated in the section on remuneration (refer page 38), executive directors are not appointed in terms of contracts, and their services may be terminated in accordance with legal requirements without exposing the group to pre-existing financial obligations.

The composition and size of the board as described above enables regular formal and informal interaction between directors to take place to ensure appropriate application of authority in the decision making process. This ensures that resolutions cannot be passed without the agreement of at least one of the independent non-executive directors.

A key aspect of the group's activities includes marketing and distribution. As a result, the reputation of and relationships with its customers and all other stakeholders is assessed in all of the board's actions, and not in isolation. Further insight into the group's activities is provided to the Chairman at regularly convened Executive Committee meetings, which are attended by the executive directors and other senior members of management. The skills set required of executive directors of other group companies is determined by the Assore executive. Attendance by external advisers at meetings of the board and its various committees is arranged when considered necessary.

Principle 10: The governing body should ensure that the appointment of, and delegation to, management contributes to role clarity and the effective exercise of authority and responsibility

Chief executive officer and chief financial officer

The CEO assumes ultimate responsibility for all executive issues, including the information technology (IT) function, and ensures that issues raised within the group's various committees and subcommittees are addressed by the responsible staff and, further, that these issues are elevated to the appropriate level when it is apparent that more senior management involvement is necessary. The group has appointed a Chief Financial Officer, who assumes responsibility for the group's financial position and related issues.

Company Secretary

The company has appointed a wholly owned subsidiary, African Mining and Trust Company Limited (AMT), as Company Secretary (refer page 31). The board and senior staff of that company, who are all appropriately qualified, ensure that all applicable provisions of the Companies Act are applied in the affairs and management of the group. The board of directors of AMT includes an adequate number of persons with professional qualifications to ensure that an appropriate level of independence is maintained and that its affairs are conducted on an arm's length basis. The board has considered the necessary skills and competence of these secretarial functions and was satisfied as to the level of expertise included in these functions.

Group boards

The subsidiary and joint-venture companies of the group have boards of directors that operate independently in relation to the affairs of these companies. The board of the holding company respects the fiduciary duties of the directors of these companies, and policies and procedures adopted by these companies are considered by the respective boards prior to their adoption, necessary alteration or rejection

Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives

Risk management

The board has delegated the assessment and management of the group's risk profile, which is compiled by the internal audit function, to the Audit and Risk Committee, which advises the board of any unresolved risk management issues. Risk is an inherent feature of conducting business, and in the mining and smelting industries it is exacerbated by the remoteness of location of the operations, the physical danger inherent in the day-to-day activities of these operations and compliance with legislative requirements, particularly with regard to environmental management with which the industry has to comply. These risks are compounded by the volatility of exchange rates and international commodity prices to which the group is exposed on a daily basis and which are largely beyond the group's control.

Management of group risk is critical to the sustainability of the group and is achieved through the identification and control by various risk management committees of all risks, including operational risks, which could adversely affect the achievements of the group's business objectives. Risk assessments are ongoing, and risk registers for all significant operations in the group are prepared and updated quarterly by a dedicated risk management department, with assistance from specialist external consultants.

For larger business entities in the group, independent risk engineering consultants grade each operation against international risk standards for fire,

security, engineering, commercial crime, contingency planning and mining, as well as environmental risk, to monitor whether current practices meet the set criteria and are being maintained. Input is obtained from various risk management committees comprising representatives from senior management. On completion and review of these processes, insurance cover is taken out on insurable risks where considered appropriate. In addition to these processes, other risks deemed relevant to the Assore group are presented to the Audit and Risk Committee, which is given the opportunity to comment and provide input on the assessments which are tabled. The assets of the group are included in a comprehensive insurance programme, with an independent valuation of fixed assets occurring every three years.

The respective risk management committees are also responsible for ensuring that appropriate financial and insurance mechanisms are integrated into the risk plan and that the group is protected against catastrophic risk. The group risk management process includes an ongoing review of compliance with relevant legislation and standards in the following areas (refer "Group sustainability performance" on page 19):

- Environmental rehabilitation management.
- Health and safety management.
- Human resource management.
- Quality of products and management systems.

Details of the principal risks to which the group is exposed are included on pages 14 to 16 of this report.

Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives

The management of information technology (IT) falls within the remit of the CEO, who chairs regular meetings of the IT Steering Committee (IT Steerco). The IT Steerco consists of responsible IT staff as well as staff responsible for finance and major IT projects. The purpose of the IT Steerco is to address the appropriateness and relevance of the

IT infrastructure, monitor and further the progress of major IT projects, information and cyber security, the design and maintenance of disaster recovery procedures and related staffing and administrative issues. The IT Steerco seeks external advice when required. Matters of relevance to the business are communicated by the CEO to the Audit and Risk Committee or the board, where appropriate. The CEO has initiated a review of the appropriateness of the IT function across the group, the aim of which is to ensure effective utilisation of resources and to enable the business to operate in a secure and optimal environment. In addition, the IT systems are subjected to a detailed annual external audit, the results of which are reported on to the Audit and Risk Committee for attention and action where necessary. Disaster recovery (DR) is catered for by means of daily back-ups of electronic information and media, which are physically housed in a building separate from where the IT hardware is located. The group has also replicated its hardware environment in a separately housed DR area.

Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen

Legal compliance

The board has delegated the responsibility for oversight of legal compliance, covering operational, trade, labour and regulatory areas to the Social and Ethics Committee, from which management receives any guidance deemed necessary for the fields appropriate to its terms of reference. Suitably qualified consultants have been appointed to ensure that legal compliance is maintained in the business sectors in which the group operates. Management of compliance by the group is effected through senior staff members, who report to executive board members responsible for safety, health, environment and quality (SHEQ), and issues pertaining to contracts, human resource issues, procurement and information technology. Due to the importance attached to compliance with competition law requirements, the group

Corporate governance and risk management report continued

operates a competition law compliance programme and has ensured that all senior staff members are familiar with the requirements of the Competition Act. The Audit and Risk Committee ensures that matters having significant levels of risk material to the group receive the appropriate attention, and that adequate provision and appropriate disclosure are made for known and determinable exposures.

Safety, health and environmental (SHE) legal compliance audits are conducted on an ongoing basis for all significant operations. In addition, a high-level compliance review is conducted every second year for the group's other operations, the results of which are noted at meetings of the SEC

The size of the group, as well as the experience of the executive directors and senior management, afford management the opportunity to resolve disputes in these areas. External legal counsel is consulted when considered necessary to ensure the appropriateness of the methods adopted to resolve issues.

Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievements of strategic objectives and positive outcomes in the short, medium and long term

Remuneration policy

The remuneration policy of the group aims to ensure that all staff are remunerated fairly and in accordance with the levels of responsibility they assume in performing their duties. In applying the policy the following factors are taken into account:

- Both mining and the marketing and selling of commodities, whether locally or internationally, are long-term businesses, and certain essential skills are required to ensure the sustainability of the group's operations through the various international commodity and economic cycles to which the group is exposed;

- The sustainability of the group's business depends on being able to attract and retain individuals with appropriate skills, knowledge and experience in all aspects of the group's activities, particularly where long-term contracts are involved;
- The group's products are sold internationally and locally and the customer base has to be managed carefully to ensure profitability and sustainability; and
- The measurement of the group's achievements against its stated performance objectives (refer "Future performance objectives", page 18), which takes into account changes in economic factors beyond the control of management.

Determination of remuneration

The remuneration of the group executive directors is determined by the Remuneration Committee, applying the group's policy on remuneration. The executive directors in turn determine the remuneration of the group's employees in conjunction with the Human Resources department and the relevant departmental heads. Independent remuneration consultants are employed when considered necessary.

The levels of remuneration are benchmarked annually against remuneration paid to executives in other listed companies in the resources sector and, where appropriate, against levels of remuneration paid within the relevant professions of individual employees. The remuneration of directors and senior staff depends on the size and complexity of the operations of the group and the level of professional input required within the business environment concerned, and has due regard to the calibre, expertise and seniority of the person required for the position.

All employees are remunerated on the basis of a fixed salary and variable bonus awards. Bonus awards are made to all staff and are based on the performance of the group and the successful achievement of its long-term strategic objectives. Limited reliance is placed on the achievement of short-term performance indicators in determining group and individual levels of remuneration, with emphasis being

placed rather on contribution to group effort and achievement in the long term. Bonuses are determined on the basis of the results and performance of the group for the year in question, taking into account conditions applicable in the particular commodity cycle, and are reviewed and approved by the Remuneration Committee. The impact on earnings per share after taxation for the year of the bonuses paid to executive directors of Assore was 21 cents (2016: 21 cents), amounting to 0,43% (2016: 1,41%) of earnings per share. The group does not operate a share incentive scheme or share option scheme for executive directors or senior staff. However, these members of staff are the beneficiaries of certain performance bonus arrangements and incentive schemes.

In order to incentivise and create value for the group's employees, the group operates a dividend and equity participation scheme through the Assore Employee Trust (refer "Black economic empowerment status report", page 41), whereby non-managerial staff who do not participate in pre-existing incentive schemes or performance bonus arrangements participate in dividends declared by Assore as well as in the growth in Assore's share price over a predetermined vesting period. Directors and senior staff do not participate in this scheme.

Service agreements

None of the executive directors has signed a service agreement with the group. Accordingly, there are no contractual or financial obligations on the group in the event of premature termination of employment.

Non-executive directors

Non-executive directors are remunerated by means of annual fees, payable quarterly, which are not dependent on attendance at meetings. Fees for non-executive directors are reviewed regularly and are adjusted whenever necessary taking into account the remuneration of non-executive directors of companies with similar complexity profiles in the South African resources sector, and the degree of skill, time and experience required to discharge their duties.

Shareholders' approval

The board acknowledges the requirements of King IV for shareholders to pass a non-binding advisory vote on the company's remuneration policy on a bi-annual basis. The advisory endorsement was passed by 93,82% of the voting shares at the previous Annual General Meeting (AGM) held on 25 November 2016. The implementation of directors' remuneration is set out on page 7 of the consolidated annual financial statements, for which shareholders are required to pass a non-binding advisory vote at the AGM. Directors' fees are approved by means of a special resolution as required by section 66(9) of the Companies Act, No 71 of 2008, as amended (the Companies Act). Details of these procedures and relevant information are set out in the notice of Annual General Meeting.

Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity and information for internal decision-making and of the organisation's external reports

The various levels of assurance obtained by the group is set out page 9.

Internal audit, internal control and external audit

Internal audit has adopted its terms of reference from the Audit and Risk Committee (the committee), and all internal audit work is undertaken based on the ongoing risk assessment process which is presented annually by internal audit to the committee, to ensure that the focus of the internal audit activities are optimised and integrated with the external audit function (refer "Risk management" and "Internal audit and internal control"). The internal audit functions of Assore and Assmang are outsourced (refer "Assurance, page 9), and the responsible senior executive on the engagement has direct access to the chairman of the committee.

Independent meetings are conducted with external audit in order to exchange views on the risk environment to which the group is exposed, as well as on

issues that may have a bearing on the external audit process and internal audit objectives based on fieldwork performed by them. Internal audit provides assurance to the board and the committee on an annual basis that the internal and financial controls have not revealed any significant breakdown in internal controls or corporate governance principles or any issues that require the attention of the committee. The committee, having due regard to materiality and the nature of the business, is satisfied that the internal controls were effective and operated as designed for the period under review. In addition, the committee, having reviewed the reports tabled by internal and external audit at its meetings, and having invited enquiries of the attendees at its meetings, is not aware of any breakdowns of internal controls or corporate governance that resulted in, or could lead to, material financial losses, fraud or material errors during the year under review.

The interim results of Assmang, which generate the majority of the group's earnings, are reviewed and reported on by its external auditors in terms of ISRE 2410 – Review of Interim Financial Information Performed by its Independent Auditor of the Entity, prior to the publication of the group's interim results. Due to the increased impact of the results of Dwarsrivier Chrome Mine Proprietary Limited (Dwarsrivier) on the group's earnings, increased external audit work was conducted for the interim reporting period to 31 December 2016, (refer note 35.1 to the consolidated annual financial statements for details regarding the acquisition of Dwarsrivier). The committee, after due enquiry of external and internal audit, has satisfied itself as to the appropriateness of the expertise, the adequacy of the finance function and the experience of the senior members of management responsible for the financial function.

The board, through its Audit and Risk Committee, is responsible for ensuring the implementation of appropriate internal controls, which are reviewed regularly for efficiency and effectiveness, taking into account the risk profile of the group (refer pages 14 to 16). These controls are designed to manage the risk of failure of internal controls and provide

reasonable assurance that there are adequate systems of internal control and appropriate corporate governance procedures in place. As with all management systems, the assurance which is provided is not absolute and the risk of failure cannot be eliminated entirely. Internal auditors monitor the operation of the internal control systems and governance processes and, after discussion with management, report findings and recommendations to the Audit and Risk Committee. Corrective action is taken to address control deficiencies as and when they are identified. Material issues of compliance are among standard items on the agenda of the Audit and Risk Committee, and minutes of these meetings are made available to internal audit. The heads of the outsourced internal audit functions have access to the Chairman of the Audit and Risk Committee throughout the year. Nothing has come to the attention of the Audit and Risk Committee or the board to indicate that any material breakdown in the effective functioning of internal controls or corporate governance procedures has occurred during the year under review.

Representatives of the internal audit firms are invited to attend Audit and Risk Committee meetings and, where areas of new risk are identified, such as initiation of capital projects or new systems of internal control or IT systems implementation, separate independent investigations take place on an *ad hoc* basis in addition to the programmed reviews referred to in this report.

Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the organisation over time

All decisions made by the board and management take into account the interests of stakeholders. These processes are covered in more detail in the "Sustainability report", which is located in the "Investor centre" of the group's website, www.assore.com.

Black economic empowerment status report

Assore strongly endorses the broad-based black economic imperatives contained in the Minerals and Petroleum Resources Development Act (the MPRD Act) and the Broad-based Socio-economic Empowerment Charter for the South African Mining Industry issued thereunder (the Mining Charter), and since their inception has embarked on a number of initiatives aimed at meeting these requirements at its mining operations, as set out below.

In terms of the MPRD Act, which came into effect on 1 May 2004, the state has assumed sovereignty and custodianship of all mineral rights in South Africa and grants prospecting rights and mining rights to applicants based on the merits of their applications (which are designated as new-order rights). A transitional period from that date to 1 May 2014 was provided for, during which holders of existing mineral and exploration rights (designated as old-order rights), upon meeting certain requirements, could convert such existing in-use old-order rights into new-order rights or, in the case of unused rights, could apply for new-order rights.

The Mining Charter is intended to facilitate the entry of historically disadvantaged South Africans (HDSAs)

into the mining industry. The scorecard which the state issued pursuant to the Mining Charter required, *inter alia*, that mining companies should achieve 26% HDSA ownership of mining assets by 1 May 2014. The Mining Charter also requires, *inter alia*, that mining companies provide plans for achieving employment equity at management level, and procuring goods and services from black empowered organisations on a preferential basis, in accordance with the predetermined criteria set out in such plans.

Assmang has secured new-order mining rights for all its operations. Pursuant to the acquisition from ARM of its effective 50% share in Dwarsrivier, Assore owns 100% of Dwarsrivier with effect from 1 July 2016. The new-order right was registered on 30 June 2016 (refer note 35.1 to the consolidated annual financial statements for more detail).

Wonderstone has successfully converted and executed its old-order mining rights to new-order mining rights for pyrophyllite. The group has implemented a preferential procurement policy at all its operations (refer "Preferential procurement" in this report) and has developed social and labour plans (SLPs) for each of its operations, as well as local economic development (LED) projects which support the integrated development plan of the relevant local authority. The plans, which have received the approval of the relevant departments, include the construction of schools and crèches, food security projects, and presentation of programmes on adult education, health and safety, and environmental awareness (refer "Sustainability report", located on the group's website under "Annual reports" in the "Investor centre").

The extent of compliance with the charter is reported on and monitored on a regular basis, both at the executive level and by the board, through the Social and Ethics Committee and specifically with regard to new-order mining rights, which are subject to audit by the DMR. To date, the DMR has not reported any significant non-compliance issues.

Following the introduction of the MPRD Act Assore has, specifically at a holding company level, entered into empowerment transactions, which have resulted in HDSAs holding 26,07% of Assore's ordinary shares, as follows:

Shareholder	% shareholding
Boleng Trust	14,28
Fricker Road Trust	11,79
Total	26,07

The Boleng and Fricker Road trusts

The Boleng and Fricker Road trusts (the trusts) have been established for the benefit of HDSAs and broad-based HDSA community groupings residing in the areas in which the Assore group's mines and beneficiation plants are located. Since the objectives of the trusts are very similar and they have the same trustees, the Boleng Trust is a beneficiary of the Fricker Road Trust.

In terms of agreements between Assore and the trusts, the Fricker Road Trust qualified for dividends (after dividends tax) of R21,8 million (2016: R7,5 million) during the year, while the Boleng Trust is entitled to a flow-through payment of at least R2 million per annum, irrespective of the commitments to the Assore group with regard to the funding of the transaction provided by Assore. The boards of trustees of these trusts are as follows:

Dr TG Sibiyi (Chairman)*
 RN Lekgatle#
 Ms K Makhaya*
 M Mtshali*
 Ms TPJ Ngxulelo*
 CE Walters#^

* Independent trustee.

Founder trustee.

^ Founder trustee appointment in process.

Assore has concluded agreements with the trusts in order to regulate the relationships between the respective parties to ensure the continued compliance by the trusts (as the Assore group's BEE partners) with the direct ownership requirements of the Mining Charter and the appropriate restrictions on the transfer of Assore shares by the trusts.

During the 2017 financial year, and pursuant to the trust deeds, the trustees have approved expenditure on its major projects amounting to R14,7 million (2016: R13,8 million) and have committed themselves to spending a further R33,1 million on these and other projects, details of which are as follows:

Operation	Description	Spend to date R'000	Commitment R'000	Total R'000
Dwarsrivier	Princess Project/Boys2 Men – Health Awareness Initiative	498	600	1 098
	Entrepreneurship Programmes	—	836	836
	Mobile School Libraries	—	3 116	3 116
	After Care Centre	—	1 538	1 538
Wonderstone	Boleng Trust Bridging school and related expenditure	11 333	17 069	28 402
	Tertiary Education Preparation Programme and Maths Assist – Bridging Course	1 881	4 662	6 543
	Letsopha Gym and Play area for community	146	456	602
	Bursaries	654	4 187	4 841
Other projects		209	650	859
		14 721	33 114	47 835

Further detail of the expenditure on these projects is included in the “Investor Centre” of the group’s website, www.assore.com. The group acknowledges the contents of the report entitled “The Empowerment Endowment”, published by Intellidex in June 2017, which ranked Assore’s value created by for empowerment entities at number two (out of 35), at R5,5 billion.

Boleng and Fricker Road trusts Independent trustees



- 1. Chairman
Independent trustee
- 2. Independent trustee

1. Dr TG Sibiya

PhD (IT&IS), Med (ISD), Pittsburgh,
BSc (Information systems),
Carnegie Mellon, USA

2. K Makhaya

BusAdmin (Finance),
Gonzaga University, Washington



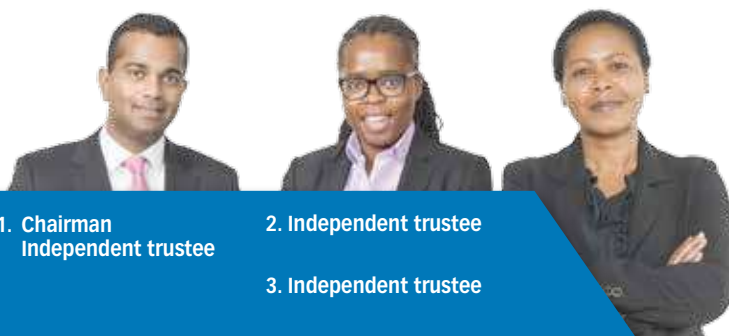
- 3. Independent trustee
- 4. Independent trustee

3. M Mtshali

B.Laws, LLB, UCT

4. TPJ Ngxulelo

The Assore Employee Trust Independent trustees



- 1. Chairman
Independent trustee
- 2. Independent trustee
- 3. Independent trustee

1. M Pillay

LLB LLM (Duke, USA)

2. NP Mngomezulu

LLB

3. I Phalane

Black economic empowerment status report continued

The Assore Employee Trust was established by Assore for the economic benefit of the non-managerial employees of the Assore group by facilitating their participation in the dividend income distributed by Assore (dividend rights) and also participation in the increase in the value of Assore's ordinary shares listed on the JSE (equity rights). The beneficiaries of the Assore Employee Trust are full-time, permanent non-managerial employees of the Assore group who do not participate in pre-existing incentive schemes or performance bonus arrangements. Senior management and board members are precluded from participating in these benefits. The trust is overseen by a board of trustees, the majority of whom are independent HDSAs. The board of trustees is constituted as follows:
M Pillay^{‡*} (Chairman)
T Bizure^{‡^}
Ms MC James^{‡#}
GN Lavielle[^]
Ms NP Mngomezulu^{‡*}
Ms WT Mnisi^{‡^}
I Phalane^{‡*}

[‡] HDSA trustee.

^{*} Independent trustee.

[^] Employee representative trustee.

[#] Founder trustee.

During the 2017 financial year, the trust made dividend rights distributions to employees totalling R10,5 million (2016 : R6,2 million). The increase in these distributions is due to higher dividends declared by Assore (2017: distribution based on R11,00 per share; 2016 distribution based on R5,00 per share). An independent valuation performed as at 30 June 2017 indicates that the fair value of equity rights granted to date to employees amounted to R11,7 million (2016: R9,6 million) (refer note 16, "Share-based payment liability", to the consolidated annual financial statements).

Preferential procurement

Assore is committed to bringing previously disadvantaged South Africans into the mainstream of the economy and specifically the mining industry by identifying and developing business opportunities and by making them available to broad-based black economic empowered (BBBEE) suppliers at all its operations and activities. Assore has adopted a policy of precluding vendors who do not have valid empowerment credentials from supplying goods and services to its operations. A summary of the percentage BBBEE procurement measured against total discretionary procurement is presented in the table below:

	Total discretionary procurement [#] R million	Aggregate BBBEE expenditure [*] R million	Aggregate % BBBEE [†]
2017			
Assmang [^]	10 774,2	9 505,4	88,2
Dwarsrivier	1 219,3	900,7	73,9
Wonderstone	67,9	59,5	87,7
Rustenburg Minerals	65,3	42,6	65,3
Zeerust	2,5	2,5	100,1
African Mining and Trust	91,2	95,5	104,7
2016			
Assmang [^]	10 795,8	11 103,2	102,8
Wonderstone	46,0	45,1	98,1
Rustenburg Minerals	185,2	174,8	94,4
Zeerust	18,3	16,6	90,8
African Mining and Trust	58,5	66,1	112,8

[^] Subsequent to year-end, Dwarsrivier which was a division of Assmang became a subsidiary company of the Assore group.

[#] Total discretionary procurement is defined as total procurement less procurement effected through related entities (inter-company transactions).

^{*} Aggregate BBBEE expenditure is recognised based on the respective recognition levels of the suppliers, in accordance with the codes published by the Department of Trade and Industry (dti).

[†] Expenditure of levels 1 to 3 suppliers is recognised at more than 100% in terms of the dti codes.

The percentage of BBBEE expenditure as tabled above has, in general, been adversely affected due to the implementation of the amended dti Codes of Good Practice, which came into effect on 1 May 2015

The decline in the percentage of BBBEE expenditure within Assmang is due mostly to a lower proportion of level 4 expenditure (decline of 7,78%), with corresponding increases in levels 5, 7 and 8.

Expenditure in Rustenburg Minerals and Zeerust declined significantly, due to these mines ceasing production, while the expenditure in Wonderstone and African Mining and Trust declined due to once-off purchases made from suppliers that are not empowered.



1. Early Childhood Development (ECD) Stationery Drive at the Mogoshadi Crèche in Limpopo
 2. Princess and Boys 2 Men Project at Mmahlagare Combined School in Limpopo
 3. Tertiary Education Preparation Programme Team Building at Go Ape
 4. Maths Fair at Nkotwane Secondary School in Limpopo
 All of these projects are conducted through the Boleng Trust

Five-year summary of the consolidated financial statements

INCOME STATEMENTS

Revenue

Profit excluding profit on disposal of available-for-sale listed investments
 Profit on disposal of available-for-sale listed investments
 Taxation
 Share of profits and losses from joint-venture entity and foreign listed associate, after taxation (equity accounted)

Profit for the year

Attributable to:

– Shareholders of the holding company
 – Non-controlling shareholders

As above

Other information

Attributable earnings as above (R'000)

Headline earnings (R'000)

Earnings per share (cents)

Headline earnings per share (cents)

Adjusted headline earnings per share (cents)*

Dividends declared during the year

Less: Dividends attributable to treasury shares

Dividends relating to the activities of the group for the year under review (cents)

– Interim declared and paid

– Final (declared subsequent to year-end)

Weighted average number of shares for purposes of calculating earnings per share

Ordinary shares in issue

Treasury shares, in accordance with IFRS*

Weighted average

Average exchange rates for the year:

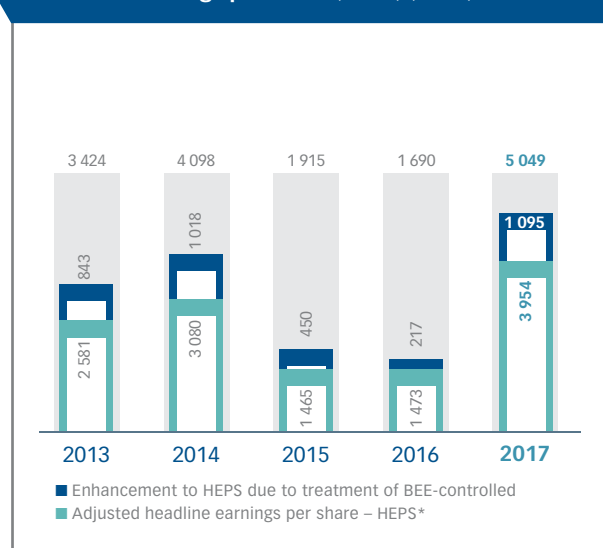
SA rand to US dollar

SA rand to euro

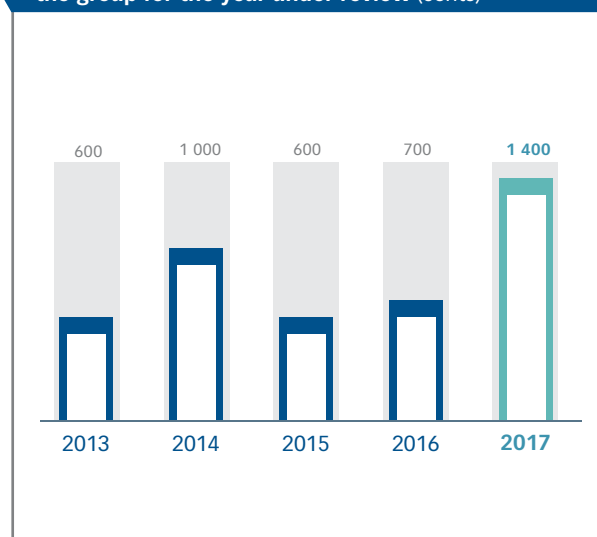
	2013 R'000	2014 R'000	2015 R'000	2016 R'000	2017 R'000
Revenue	1 964 409	2 894 596	3 357 297	2 941 047	7 223 959
Profit excluding profit on disposal of available-for-sale listed investments	480 603	698 053	76 792	400 303	2 472 277
Profit on disposal of available-for-sale listed investments	27 850	—	—	—	—
Taxation	(171 227)	(240 486)	(102 293)	(176 376)	(583 420)
Share of profits and losses from joint-venture entity and foreign listed associate, after taxation (equity accounted)	3 092 476	3 572 155	1 315 941	1 273 714	3 249 473
Profit for the year	3 429 702	4 029 722	1 290 440	1 497 641	5 138 330
Attributable to:					
– Shareholders of the holding company	3 426 978	4 005 123	1 403 371	1 539 363	5 021 171
– Non-controlling shareholders	2 724	24 599	(112 931)	(41 722)	117 159
As above	3 429 702	4 029 722	1 290 440	1 497 641	5 138 330
Other information					
Attributable earnings as above (R'000)	3 426 978	4 005 123	1 403 371	1 539 363	5 021 171
Headline earnings (R'000)	3 533 823	4 229 890	1 976 351	1 744 176	5 209 046
Earnings per share (cents)	3 320	3 881	1 360	1 491	4 869
Headline earnings per share (cents)	3 424	4 098	1 915	1 690	5 049
Adjusted headline earnings per share (cents)*	2 581	3 080	1 465	1 473	3 954
Dividends declared during the year	767 839	1 116 856	1 186 660	698 035	1 535 677
Less: Dividends attributable to treasury shares	(200 200)	(291 200)	(309 400)	(182 000)	(400 400)
	567 639	825 656	877 260	516 035	1 135 277
Dividends relating to the activities of the group for the year under review (cents)					
– Interim declared and paid	250	450	300	200	600
– Final (declared subsequent to year-end)	350	550	300	500	800
	600	1 000	600	700	1 400
Weighted average number of shares for purposes of calculating earnings per share					
Ordinary shares in issue	139 607	139 607	139 607	139 607	139 607
Treasury shares, in accordance with IFRS*	(36 400)	(36 400)	(36 400)	(36 400)	(36 430)
Weighted average	103 207	103 207	103 207	103 207	103 117
Average exchange rates for the year:					
SA rand to US dollar	8,85	10,42	11,46	14,65	13,26
SA rand to euro	11,46	13,06	13,61	15,97	14,62

* Headline earnings per share including treasury shares in issue (this is a non-IFRS measure). Refer note 12 to the consolidated annual financial statements.

Headline earnings per share (HEPS) (cents)

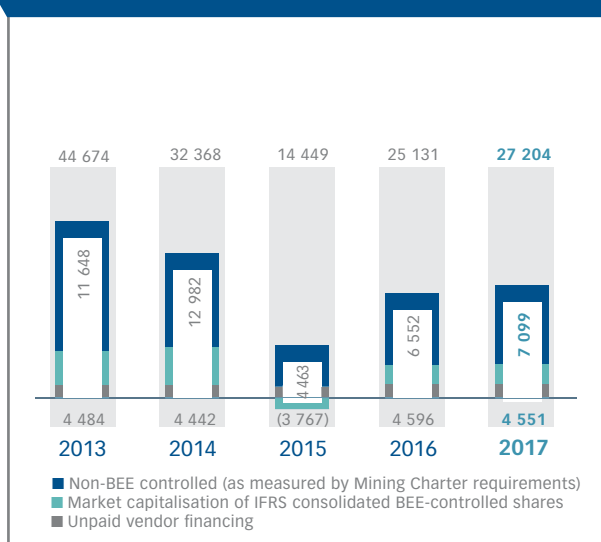


Total dividends per share relating to the activities of the group for the year under review (cents)



STATEMENTS OF FINANCIAL POSITION	2013	2014	2015	2016	2017
	R'000	R'000	R'000	R'000	R'000
ASSETS					
Non-current assets					
Investment in joint-venture entity	12 946 015	14 768 170	14 585 308	15 094 529	15 327 400
Property, plant and equipment and intangible assets	510 577	552 191	256 504	178 609	1 584 642
Investments					
– available-for-sale listed investments	178 430	377 988	233 972	180 084	229 376
– foreign listed associate	—	—	120 756	124 848	108 729
– available-for-sale unlisted investments	41 963	46 613	47 808	44 591	24 098
Pension fund surplus	12 315	56 973	57 474	68 070	93 144
Deferred taxation	—	—	4 964	17 421	—
	13 689 300	15 801 935	15 306 786	15 708 152	17 367 389
Current assets					
Other current assets	677 003	1 011 113	1 335 087	1 455 937	2 327 364
Cash resources (including restricted cash)	1 703 746	2 144 598	2 871 195	3 664 447	5 626 778
Total assets	16 070 049	18 957 646	19 513 068	20 828 536	25 321 531
EQUITY AND LIABILITIES					
Share capital and reserves					
Equity attributable to shareholders of the holding company	14 031 378	17 302 592	17 808 956	18 945 480	22 649 300
Non-controlling shareholders' interests	128 910	150 271	15 765	(33 871)	(24 348)
Total equity	14 160 288	17 452 863	17 824 721	18 911 609	22 624 952
Non-current liabilities					
Deferred taxation	43 622	63 426	—	—	283 778
Long-term liabilities	870 782	373 234	367 181	28 918	134 920
	15 074 692	17 889 523	18 191 902	18 940 527	23 043 650
Current liabilities					
Non-interest-bearing	645 933	529 535	360 300	892 235	1 698 162
Interest-bearing	349 424	538 588	960 866	995 774	579 719
Total equity and liabilities	16 070 049	18 957 646	19 513 068	20 828 536	25 321 531
Exchange rates at year-end					
SA rand to US dollar	9,96	10,58	12,27	14,86	13,03
SA rand to euro	13,00	14,44	13,73	16,49	14,89

Market capitalisation – analysis (R million)



Total assets versus available cash (R billion) (ROCE %)

