

Material SouthAfrican IncomeTax Consequences

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Non-residents will pay income tax on any amounts received by or accrued to them from a source within the Republic of South Africa if the source is a debt instrument issued by a South African company. If the debt instrument is being delivered from a resident, it is exempt from taxation in terms of Section 10(1)(i) of the South African Income Tax Act 1962 (as amended). This exemption applies to so much of any interest and dividends (which are not taxable in the hands of the recipient) as do not exceed R23,800 if the taxpayer is 65 years of age or older or R12,800 if the taxpayer is 65 years of age or younger.

No withholding tax is deductible in respect of interest payments made to non-resident investors.

Section 64F of the amendments to the Income Tax Act as set out in Part VIII in Chapter II of the owners will come from Africa through a dividend tax which includes resident companies receiving a dividend after the effective date of the amendments to the states of America and the Republic of South Africa for the Avoidance of Double Taxation Agreement. With respect to Taxes on Income and Capital Gains, or the Tax Treaty, would limit the rate paid by a company to its respective dividends. S. resident (within the meaning of the Tax Treaty) to 5% of the gross amount of the dividend if it holds directly at least 10% of our voting stock and 20% of the gross amount of the dividends in all other cases.

The above provisions shall not apply if the beneficial owner of the dividends is resident in the United Africa Strategic Investment Fund, or a permanent establishment situated in South Africa, or performs in South Africa independent personal services.

In fiscal years 2021 and 2020, the corporate tax rates for taxable mining and non-mining income, to which the companies were 34% and 28%, respectively. The formula for determining the South African gold mining and production for fiscal year X is the percentage rate of tax payable and X is the ratio of taxable expenditure to the base value of mining income derived, expressed as a percentage.

With effect from April 1, 2014, Section 8F of the Income Tax Act results in any amount of interest which is deemed to be interest payable to a dividend declared by the payor and received by the recipient which is income tax, as opposed to interest which is exempt from the terms of some of our intercompany loans cause the affected loans to be deemed as therefor to be deemed to be in respect of a dividend.

As a result, the affected loans were not impacted by subsequent amendments to Section 8F of the Income Tax Act that became effective in fiscal year 2017.

U.S. Federal Income Tax Considerations

The following discussion is a summary of the U.S. federal income tax considerations to U.S. holders of the shares of the ADRs. It deals only with U.S. holders who hold ordinary shares or ADRs as capital assets. This discussion is based upon the provisions of the Internal Revenue Code of 1986, as amended, or the Code, and the Treasury Regulations, all as currently in effect and all of which are subject to change possibly by an ineffective or unofficial status of any kind; we cannot assure holders that the accuracy of the foregoing is warranted. It is not intended to constitute tax advice.

This discussion does not address all aspects of U.S. federal income taxation that may be applicable to holders of shares and ADRs and to certain special classes of U.S. holders subject to special treatment (such as partnerships and other pass-through entities, banks and other financial institutions, traders in securities that employ mark, tax-exempt organizations, and other private foundations), certain expatriates or former long-term residents of the United States who are part of a "hedge," a "conversion transaction," "synthetic security," "integrated" investment, or a sale to or by the ordinary shares or ADRs upon the exercise of employee stock options or services as nonfunctional currency is not the U.S. dollar, or persons that actually or constructively own the ordinary shares. This discussion addresses only U.S. federal income tax considerations and does not address other federal or state tax law that may apply, the alternative minimum tax, the Medicare tax or the application of the federal estate or gift tax.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of ordinary shares or ADRs who or whose basis for U.S. federal income tax

- a citizen or individual resident of the United States;
- a corporation (or any entity treated as a corporation for U.S. federal income tax purposes) organized under the laws of the United States or any possession thereof;
- an estate, the income of which is subject to U.S. federal income tax without regard to its source; or
- a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and the trust is not a foreign trust or if the trust has made an election to be treated as a

If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) holds an interest in ordinary shares or ADRs, the partnership's tax treatment will generally depend on the status of the partner and on the activities of the partnership. Taxpayers should consult their tax advisors.

Because individual circumstances may differ, U.S. holders of ordinary shares or ADRs are urged to consult their tax advisors regarding considerations applicable to their particular situations as well as any other applicable tax laws and regulations.

Ownership of Ordinary Shares or ADRs

For purposes of the Code, a U.S. holder of ADRs will be treated for U.S. federal income tax purposes as the owner of the underlying shares. Exchanges of ordinary shares for ADRs and ADRs for ordinary shares generally will not be subject to U.S. federal

Subject to the discussion below under the heading "Passive Foreign Investment Company", distributions to ADRs with respect to the underlying ordinary shares in liquidation and distributions in redemption of stock that are held as exchangeable dividend income to the extent that the distributions do not exceed our current and federal income tax liability, the amount of any distribution received by a U.S. holder will equal the dollar value of the distribution (including the amount of South African income taxes, if any, withheld with respect to the distribution). The distributable dividend distribution is includable in such U.S. holder's income, regardless of whether the payment is made in cash or in kind. If a U.S. holder converts the payment into dollars, the payment will be treated as any other payment of income. Dividends, undistributed earnings and profits will constitute a non-taxable return of capital to the extent that they are applied against ordinary shares or ADRs.

To the extent that these distributions exceed the U.S. holder's tax basis in the ordinary shares or ADRs, the excess will be treated as capital gain, generally subject to the discussion below under the heading "Passive Foreign Investment Company" in the case of capital gains. U.S. holders should therefore assume that ordinary shares or ADRs will constitute dividend income.

"Qualified dividend income" received by individual U.S. holders (as well as certain trusts and estates) will be taxed at a reduced rate applicable to capital gains. This reduced rate generally would apply to dividends paid by a U.S. holder if the dividends are eligible for benefits under a qualifying income tax treaty with the United States or if the dividends were paid to a U.S. holder on an established securities market in the United States. However, certain important requirements and exceptions, including, without limitation, the requirement that the dividends be paid to a U.S. holder on a regular basis, apply. U.S. holders should consult their tax advisors regarding the U.S. federal income tax rate that will apply to dividends paid with respect to ordinary shares and ADRs.

For purposes of this discussion, the "spot rate" generally means a rate that reflects a fair market value of the exchangeable dividend income in the free market and involving representative amounts. A "spot contract" is a contract to buy or sell a certain amount of a foreign currency on or before the date of the execution of the contract. If such a spot rate is not available, the U.S. dollar rate will be used to determine the spot rate.

Dividend income derived with respect to the ordinary shares or ADRs will not be eligible for the dividend received deduction under Section 243 of the Code. Dividend income will be treated as foreign income for purposes of the foreign tax credit limitations, dividend income should generally consist of the passive category income, "general category income."

Passive Foreign Investment Company

A special and adverse set of U.S. federal income tax rules apply to a U.S. holder that holds stock in a passive foreign investment company. U.S. federal income tax purposes if for any taxable year either (i) 75% or more of our assets based on the aggregate value of any company in which we are considered to own 25% or more of the shares by value are passive income or average total assets (by value), including our pro rata share of the assets of any company in which we are considered to own 25% or more of the shares by value, were assets that produced or were held for the production of passive income or (ii) in any year as a PFIC, we would be subject to special rules with respect to (i) any gain recognized on the sale of assets or (ii) any distribution of an excess distribution (generally, any distribution to a U.S. holder during the 12-month period beginning on the date of the distribution received by such U.S. holder during the three preceding taxable years or, if the U.S. holder is a nonresident alien, the U.S. holder's holding period for the ordinary shares or ADRs). Under these rules:

- the gain or excess distribution will be allocated ratably over a U.S. holder's holding period for the ordinary shares or ADRs, as applicable, in which a U.S. holder realizes the gain or excess
- the tax on the distribution will be taxed at the highest rate in effect (other than a pre-PFIC year), with certain exceptions, will be taxed at the highest tax rate in effect
- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year (other

Although we generally will be treated as a PFIC as to any U.S. holder if we are a PFIC for any year during the 12-month period beginning on the date of the distribution, the U.S. holder may avoid PFIC classification if the U.S. holder can establish that the appreciation in the ordinary shares or ADRs through the 12-month period beginning on the date of the distribution was attributable to the U.S. holder's holding period for the ordinary shares or ADRs.

A U.S. holder of a PFIC is required to file an annual report with the Internal Revenue Service containing information regarding the PFIC.

A U.S. holder of the ordinary shares or ADRs that are treated as "marketable stock" under the PFIC rules may, if the U.S. holder elects to make a mark-to-market election, avoid the PFIC rules. If a U.S. holder makes a mark-to-market election, the U.S. holder will be treated as if the U.S. holder had sold the ordinary shares or ADRs at the end of each taxable year for an amount equal to the difference between the fair market value at the end of the year and the U.S. holder's adjusted tax basis in such ordinary shares or ADRs. The U.S. holder's adjusted tax basis in such ordinary shares or ADRs is in effect on the date of a U.S. holder's death, the tax basis of the ordinary shares or ADRs in the hands of a decedent will be the lesser of the decedent's tax basis or the fair market value of the ordinary shares or ADRs at the time of the decedent's death. U.S. holders are urged to consult their tax advisors regarding the effect of the mark-to-market election on their ordinary shares or ADRs.

In the case of a U.S. holder who holds ordinary shares or ADRs and who does not make a mark-to-market election, the PFIC rules will not apply if such holder makes an election to treat us as a "qualified electing fund" (QEF). If a U.S. holder elects to treat us as a QEF, the U.S. holder will be treated as if the U.S. holder had sold the ordinary shares or ADRs at the end of each taxable year for an amount equal to the difference between the fair market value at the end of the year and the U.S. holder's adjusted tax basis in such ordinary shares or ADRs. The U.S. holder's adjusted tax basis in such ordinary shares or ADRs is in effect on the date of a U.S. holder's death, the tax basis of the ordinary shares or ADRs in the hands of a decedent will be the lesser of the decedent's tax basis or the fair market value of the ordinary shares or ADRs at the time of the decedent's death. U.S. holders are urged to consult their tax advisors regarding the effect of the QEF election on their ordinary shares or ADRs.

We believe that we were not a PFIC for our fiscal year ended June 30, 2021. However, under the requirements of the PFIC rules, our classification as a PFIC or not a PFIC may differ from our classification under U.S. federal income tax principles. Our analysis is based on our understanding of the PFIC rules and may differ from the analysis of the IRS or the courts. Therefore, we cannot assure you that we will not be a PFIC for any future year. If we are a PFIC for any future year, the tests for determining whether we would be a PFIC for any future year are based on our assets, which are relevant to this determination. The determination of our assets, which are relevant to this determination, are not within our control and we cannot assure you that we will not become a PFIC.

The rules relating to PFICs are very complex. U.S. holders are urged to consult their tax advisors regarding the application of the PFIC rules to their ordinary shares or ADRs.

Disposition of Ordinary Shares or ADRs

Subject to the discussion above under the heading "Passive Foreign Investment Company", upon a disposition of ordinary shares or ADRs, a U.S. holder will recognize gain or loss in an amount equal to the difference between the U.S. holder's adjusted tax basis in the ordinary shares or ADRs and the fair market value of the ordinary shares or ADRs at the time of the disposition. If the U.S. holder has held the ordinary shares or ADRs for more than one year, the U.S. holder's gain or loss will be recognized by the U.S. holder on the taxable disposition of ordinary shares or ADRs generally will be treated as long-term capital gains for U.S. federal income tax purposes.