29. Capital management

The Board's policy is to maintain a strong capital base to maintain investors, debt providers and the market confidence in the business. The Group's objective when managing capital is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities to maximise stakeholder returns sustainably.

The strong capital base should ensure that any organic or acquisitive growth in the business is sustainable and provides a cushion for the cyclical nature of the resources business.

The Board has actively pursued a policy of debt reduction, and its objective is to maintain its net gearing level to a maximum of 25% versus total assets. This ratio is calculated taking into account interest-bearing debt excluding cash balances divided by total assets. At 31 December 2024 year-end, the gearing level was 0% (31 December 2023: 0%).

As the required gearing level has been achieved, the Board will focus on balancing the requirements to pay dividends while at the same time ensuring that there is sufficient capital in the business to see the Company through the continued global economic uncertainty, to fund working capital, to fund capital expenditure requirements and to fund other growth opportunities in the business.

When analysing growth opportunities, the Board seeks to obtain a minimum internal rate of return of 20%.

Neither the Company nor its subsidiary are subject to externally imposed capital requirements.

30. Commitments

Commitments relating to the Venture

The Group's capital commitments at year end in respect of the Venture were:

	Group	
R'000	**2024**	2023
Contracted for but not provided for	218 246	208 960
Authorised but not contracted for	552 179	306 128
	770 425	515 088

31. Contingent liability

The Group is subject to direct and indirect tax in the South African jurisdiction. The Group's subsidiary undertakes various cross-border transactions within the Venture, subject to the Group's transfer pricing policies. As a result, significant judgement is required to determine the Group's provisions for income taxes. The income tax and annual assessments are subject to examination within prescribed periods by the SARS.

SARS finalised the audit of the previously reported transfer pricing matter on 30 October 2024 and adjusted (increased) the Group tax assessments for 2016 and 2017. Pursuant to the finalisation of the audit, SARS issued additional assessments on 30 October 2024 levying additional income tax, dividends tax, understatement penalties, and interest in the aggregate amount of R406 million against the Group for the 2016 and 2017 years.

The Group disagrees with the additional assessments and will lodge an objection against the additional assessments. The Group has applied for a full suspension of payment of the disputed tax debt, pending its objection and Tax Court appeal process.

Management continues to rely on opinions obtained from external legal and tax advisers to inform and support the significant judgement required in interpreting relevant tax legislation. The matter has been disclosed as a contingent liability as its outcome due to the dispute remains uncertain, and any potential tax exposure cannot be reliably estimated. Accordingly, the consolidated financial statements have made no adjustment for any effects on the Group.