



Investment Conference November 2004

GROWTH, GROWTH and MORE GROWTH

Disclaimer



Forward Looking Statements

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Introduction



**The formation of African Rainbow Minerals Limited (ARM) on 1 May 2004 saw the creation of a mining company with interests in an attractive commodity range. It is our dream to grow ARM into a globally competitive, diversified mining company.....
please join us on this journey....**

Patrice Motsepe, Executive Chairman, ARM, November 2004

Background



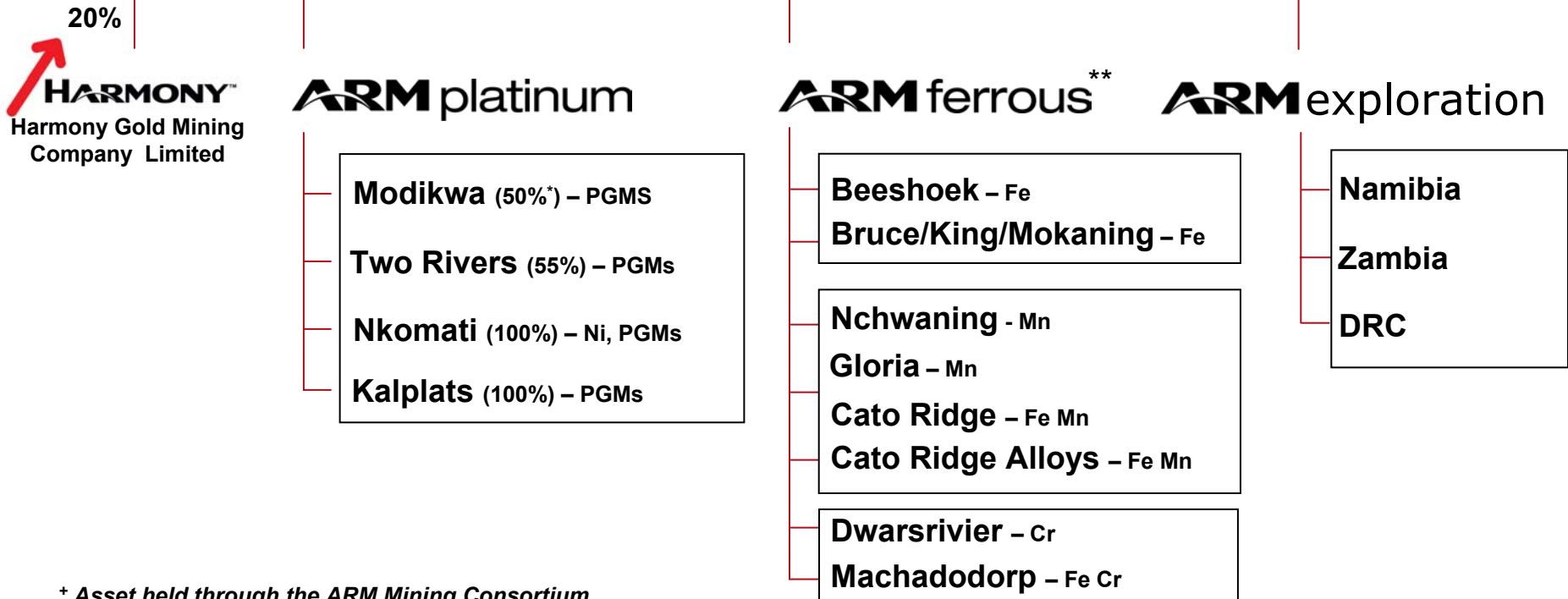
• Number of shares in issue	204.2 million
• Market capitalization (10 November 2004)	US\$1 billion
• Primary listing	JSE
• Number of employees	5 162*
• Largest shareholders	ARMI (42%)** Harmony (20%)**

* Excludes Harmony

** Voting agreement in place

The business of African Rainbow Minerals Limited is to explore, develop, operate and hold interests in the mining industry. The company's current focus areas are: ferrous; nickel; PGMs; and gold

Group structure



* Asset held through the ARM Mining Consortium

** Assets held through a 50.3% shareholding in Assmang Limited

Experienced management



Executive Chairman – Patrice Motsepe
Chief Executive Officer – André Wilkens
Financial Director – Frank Abbott

ARM platinum

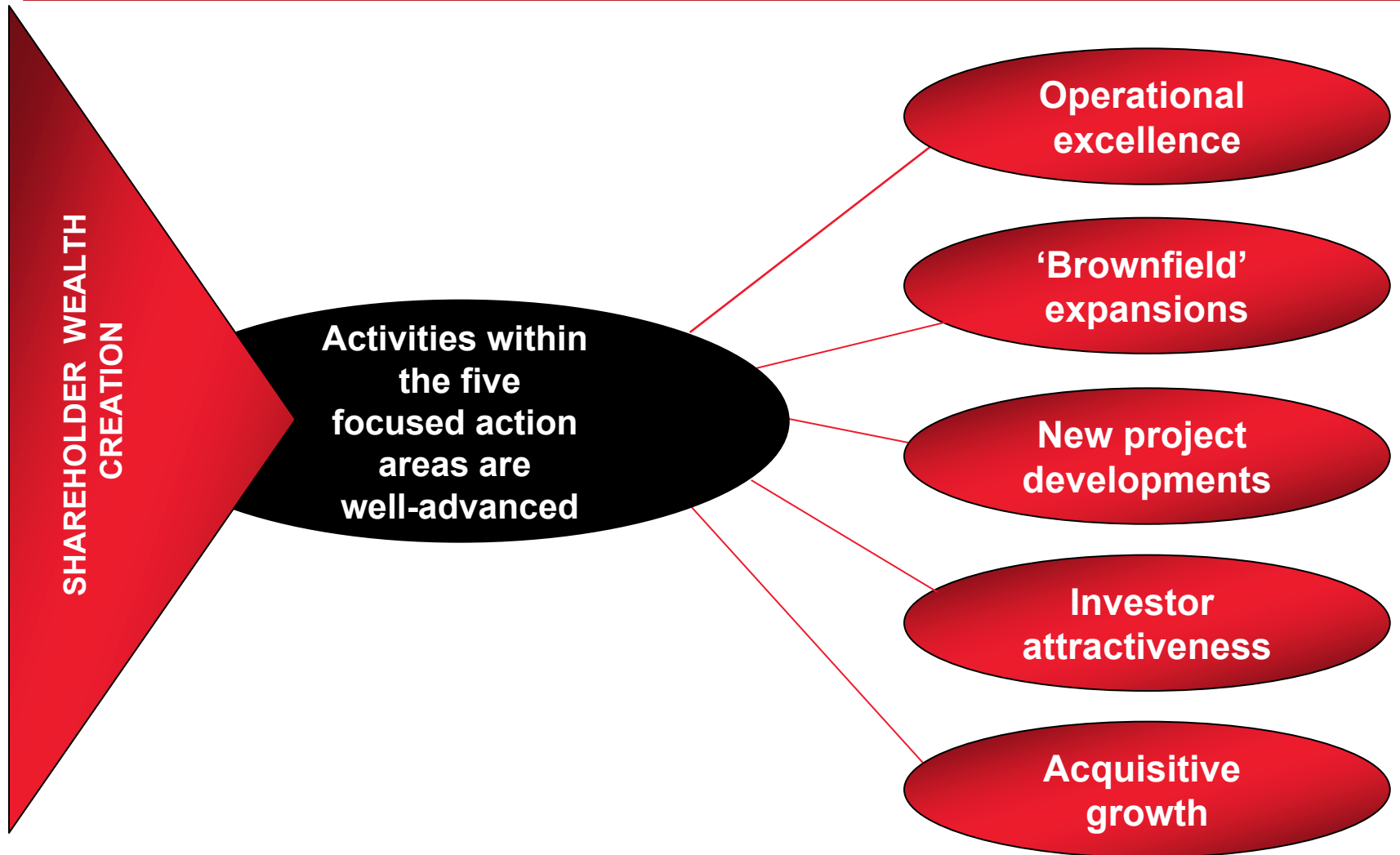
Chief Executive – Announcement pending

ARM ferrous

Chief Executive – Jan Steenkamp

- Entrepreneurial management team
- Experienced asset builders
- Proven operators over a diverse range of commodities

Critical success factors



Continually striving for **operational excellence**



- **Poor performers have been turned around**
 - Operating efficiencies improved at all operations over last year
- **Manganese (30%) and nickel (50%) operate at healthy profit margins**
- **Competitive operating costs**
 - Nickel – *one of the lowest cost nickel operations in the world*
 - Manganese – *one of the lowest cost underground operations in the world*
 - Iron ore – *extremely competitive mining cost*
 - PGMs – *Modikwa on track for R300/t*
- **Low corporate overhead costs**
 - Reduced by over 45% to approximately US\$15m since formation of ARM
- **Highly skilled and committed employees**
 - Good union relationships

Key **Brownfield expansions** underway



- **Manganese**

- Nchwaning 3 shaft extends life by 30 years (commenced production: May 2004)
- Will produce 2mtpa at improved operating cost
- Unique product offering ideally suited to all alloy producers, especially Chinese market
- A metal recovery plant at the manganese smelter will commence production in early 2005
- Total ore production capacity: 3.5mtpa

- **Chrome**

- New underground mine, accessed from current pit area, will produce in 2006 (ROM: 1mtpa)
- Quality ore is an essential feed for chrome smelter and additional markets will be pursued

- **Nickel**

- Study to assess a large upgrade of current mine is advanced
- Discussions with technical partner underway
- Aiming to produce +16 000tpa nickel and over 80 000oz PGMs
- Nickel cash cost will remain low as a result of important by-product credits (copper, cobalt, PGMs)

- **PGMs**

- Consideration being given to expansion of the significant Modikwa resources

Exciting **Greenfield project developments**

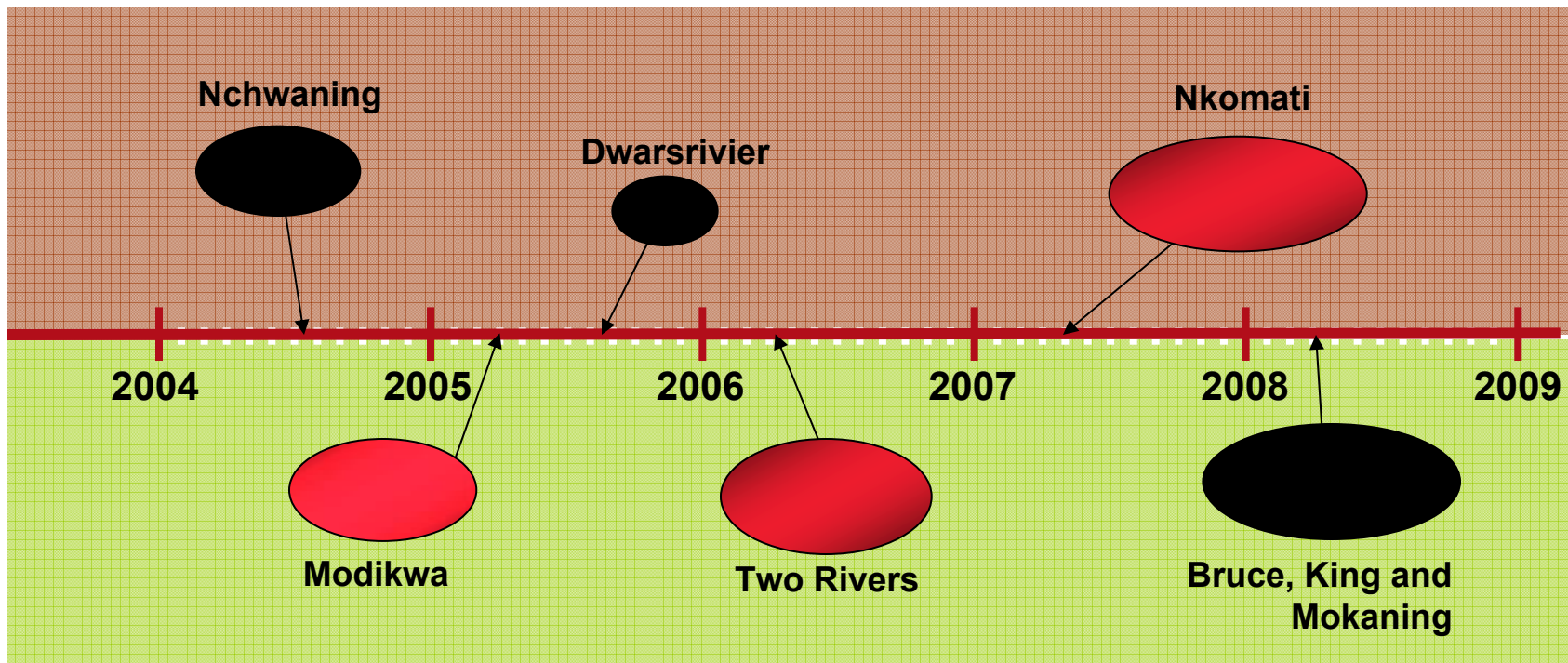


- **Iron Ore**
 - Potential to increase to 10-15mtpa from current 6mtpa
 - Will be linked to a significant railway and port upgrade
 - Firmly believe that world markets will remain buoyant for this product
- **PGMs**
 - **Modikwa** in final build-up phase to 366 000oz PGMs a year: full production expected in 2005
 - **Two Rivers** mine expected to be producing by mid-2006
 - Nearly 250 000oz of PGMs a year at low cost
 - Trial mining (ore being stockpiled) has surpassed expectation and confirmed project assumptions – no major project refinements required
 - Trial mining success moves project closer to Brownfield status
 - Concentrator design work is over 30% completed

Project pipeline

Commencement of production

Expansion of current operations (Brownfields)



New projects (Greenfields)

■ PGMs/Nickel ■ Manganese/iron ore/chrome

○ = US\$32.3million = R200 million

Size of circle indicates total capital expenditure on project

An attractive **investor offering**

- **Simplifying the structure**
 - Harmony cross-holding is an opportunity
 - Direct access to cash from all operations is key
 - Reporting responsibilities clarified
- **Improved liquidity**
 - NYSE listing linked to growth strategy
- **Improved investor contact**
 - Access to management team improved
 - Company information flow being upgraded
 - 'Reach' into US and Europe markets will be enhanced

Acquisitive growth is an important objective

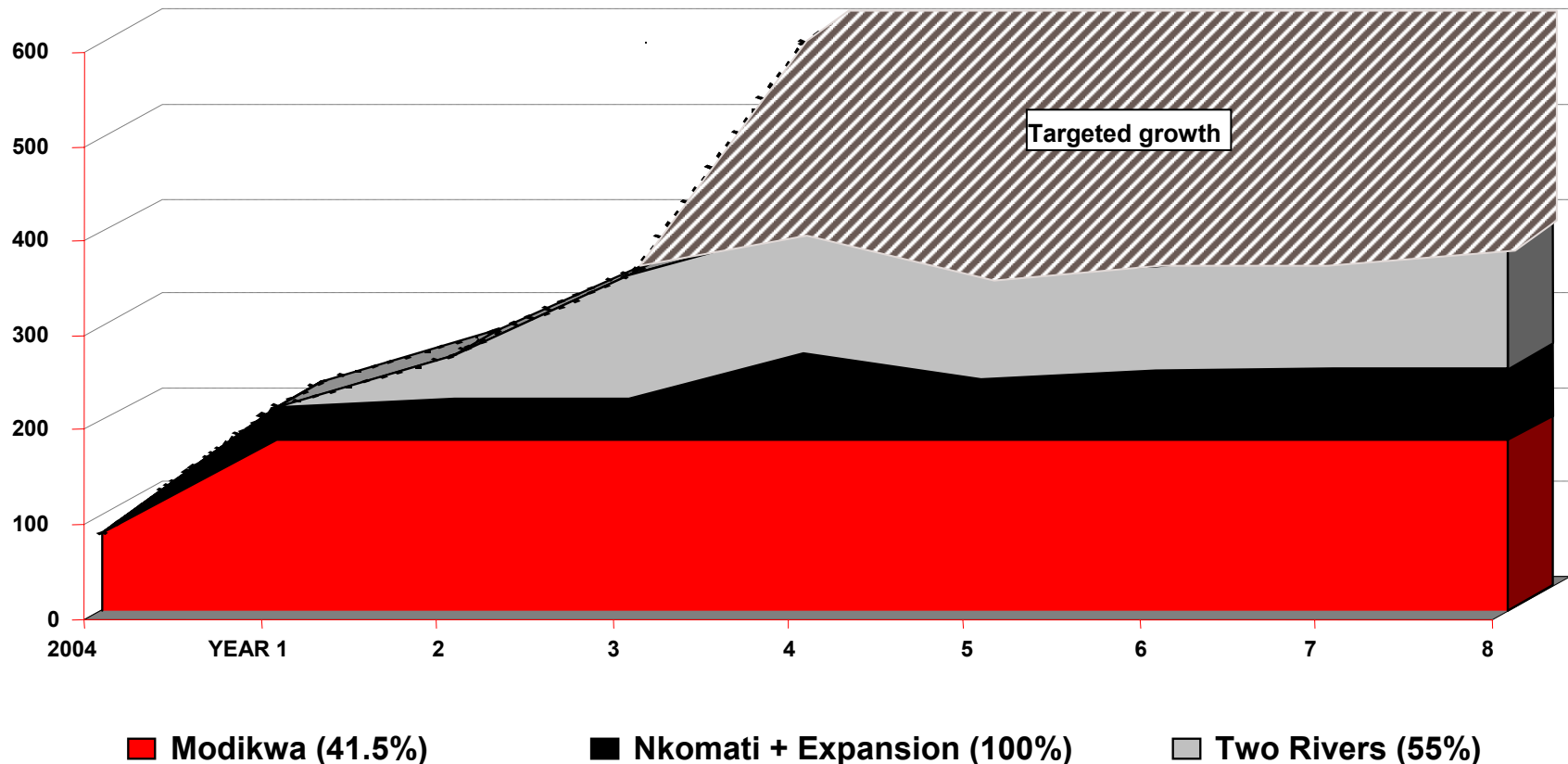


- **Mergers and acquisitions as well as strategic alliances being pursued**
- **Unique South African shareholding composition will be the advantage**
- **Seeking quality assets with strong cash flows**
- **Targeting a limited and focused commodity range with strong industry characteristics**
- **Expand existing commodities**
 - PGMs attractive characteristics
 - Manganese and iron ore are key to growth
- **An ability to add value operationally and strategically remain key 'drivers'**
- **Exploration continuing: currently active in Namibia, Democratic Republic of Congo and Zambia**
 - Various base metal opportunities being assessed

PGMs – significant growth

Targeting 600 000oz (attributable) in four years

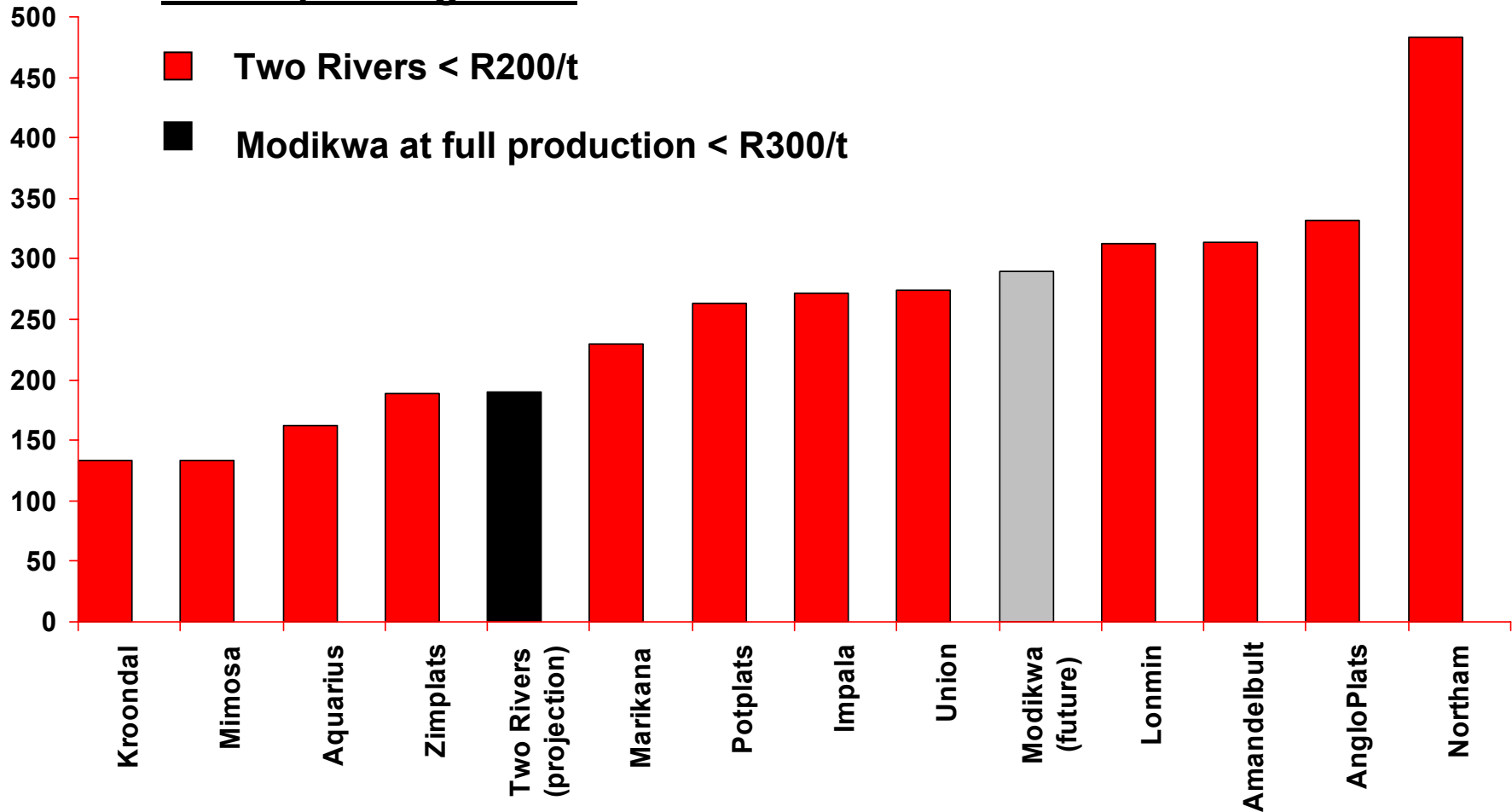
Attributable PGM ounces/year



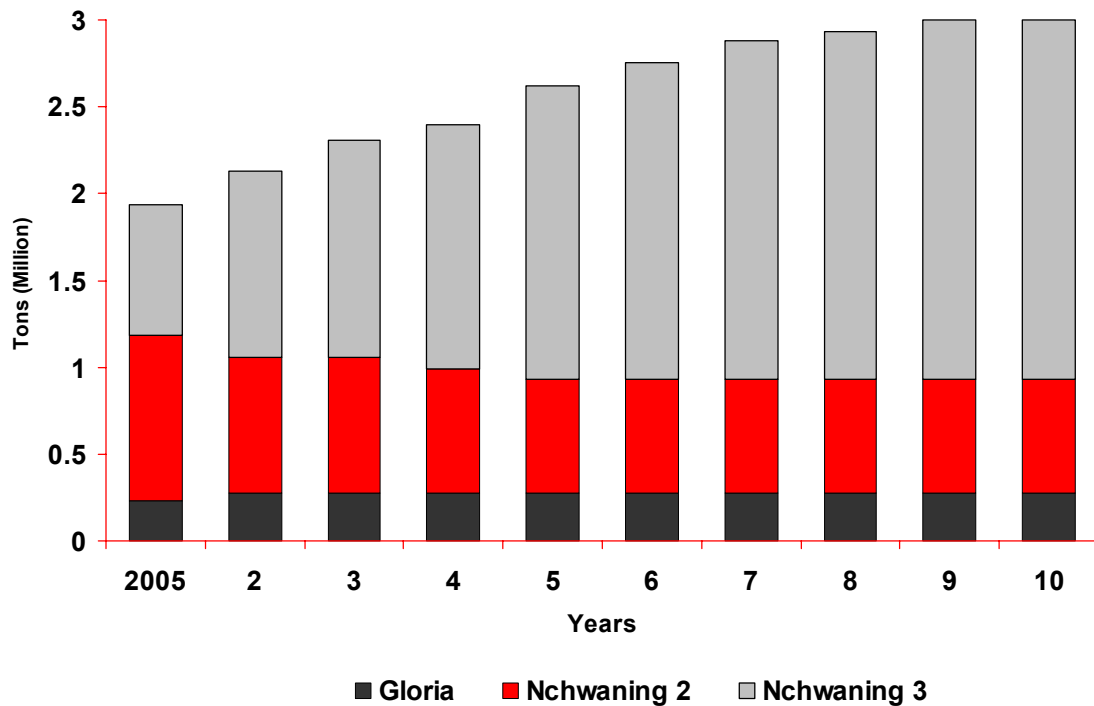
PGMs – low cost focus

Source: Nedcor Securities

Cash operating costs

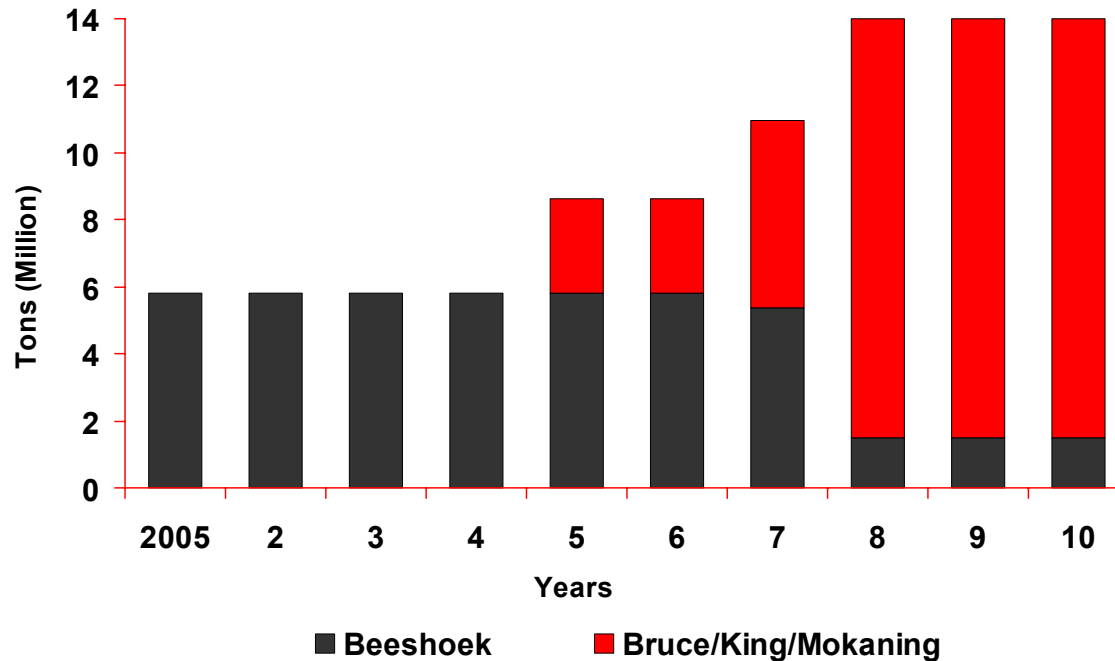


Strong manganese production profile



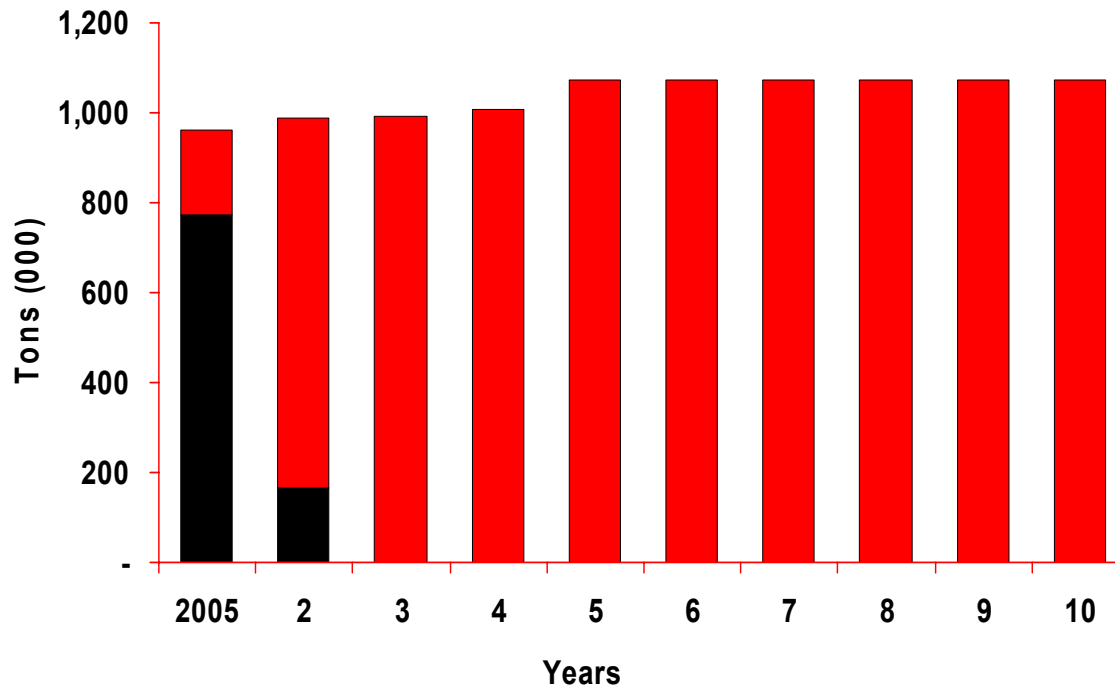
- Life of the Nchwanning mine complex extended by 30 years at a capacity of 2mtpa following the commissioning of the Nchwanning 3 shaft complex
- Total run-of-mine capacity of 3.5mtpa
- COEGA – future bulk terminal
- High metal content and low impurities makes the ore from the mine exceptional smelting ore

Significant new **iron ore** operation



- Bruce, King, Mokaning feasibility study underway to investigate new 10 to 15 million ton iron ore mine
- Upgrade of Sishen-Saldanha line scheduled for 2009/10
- Opencast operations
- Selective mining and in-pit blending to provide ore to customer specifications

Exciting new **chrome** development



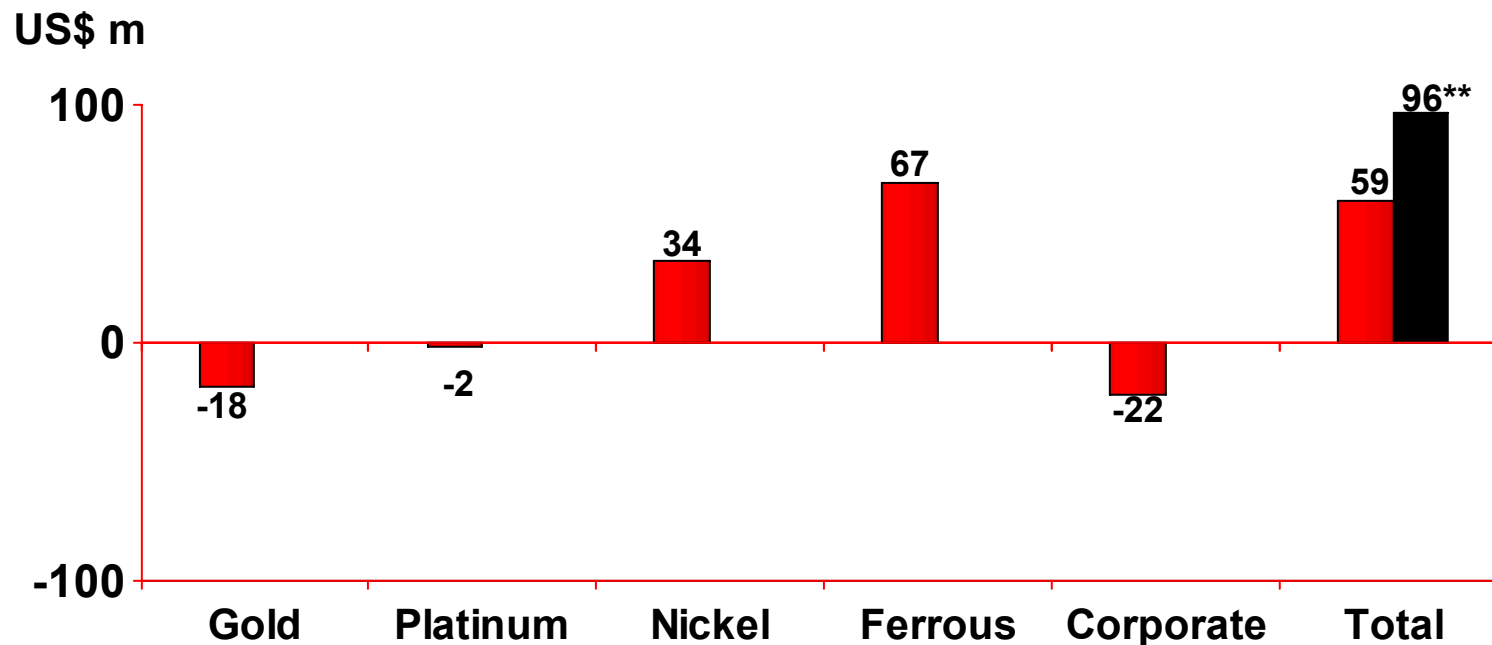
- New underground mine construction commenced – first production 2005/06
- Geared to deliver quality metallurgical chromite to Machadodorp
- Beneficiation plant has been designed to produce chemical and foundry grade products
- Resource capacity available to expand chromite production

Financial highlights – FY 30 June 2004



- **Basic earnings for the year of US\$200m**
 - Basic earnings: 155 UScpa
- **Strong second half performance from Nkomati and ARMferrous**
 - Turnover increased to US\$656m from US\$542m: despite weaker rand
 - Profit from operations – January 2004 to June 2004: US\$60m
- **Substantially stronger balance sheet**
 - NAV increased from US\$0.8bn to US\$1.3bn
 - Total assets increased from US\$1.1bn to US\$1.9bn
 - Group gearing ratio of 18%
 - Cash – US\$52m
 - Long-term borrowings – US\$137m

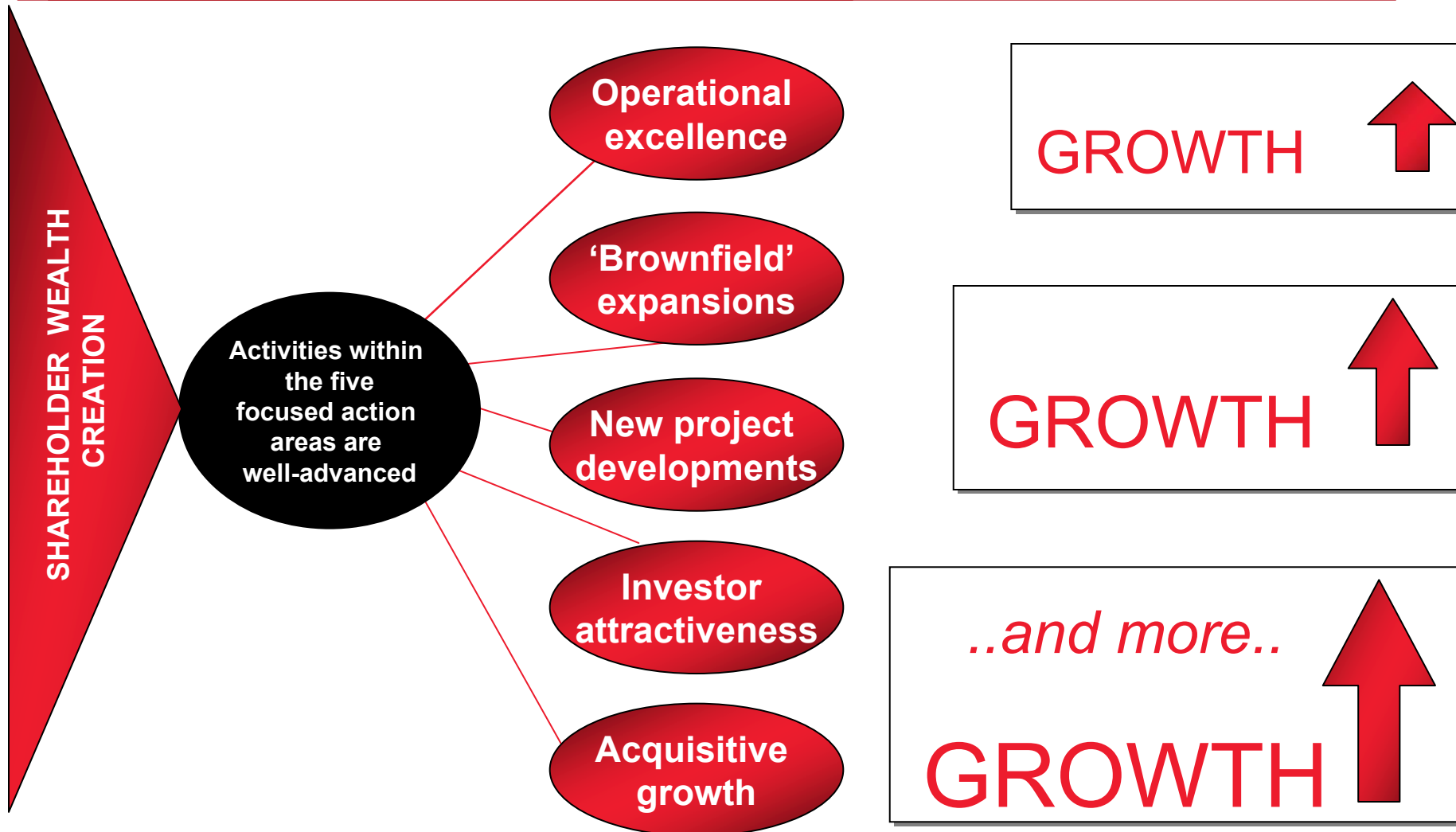
Profit from operations – FY 30 June 2004



**** Geared for stronger rand: 10% weaker average exchange rate would increase profit from operations by over 60%**

- **Benefited from diversification and commodity price cycle**
- **Manganese is a significant 'driver'**

Conclusion



Questions?

www.arm.co.za