



PATRICE MOTSEPE, EXECUTIVE CHAIRMAN
ANDRÉ WILKENS, CEO

Investing in African Mining Indaba Cape Town - 2005

GROWTH, GROWTH and MORE GROWTH

Introduction



**It is our dream to grow ARM into a low-cost, globally competitive diversified mining company:
please join us on this journey....**

Patrice Motsepe, Executive Chairman, ARM, February 2005

“We Do It Better...”

Current features



- **ARM/Avmin transaction successfully bedded down**
 - An exciting growth company with diversified strength has emerged
- **Defined strategic plan's Critical Success Factors being implemented by our experienced mining team**
 - Our “We Do It Better” management style has been introduced and is being implemented
- **An ability to add value operationally and strategically remain key drivers**

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Mergers & acquisitions



- We are positioning for a year of corporate activity that is **aligned to our growth strategy**
 - ARM is well positioned, with a strong balance sheet, to **participate in future empowerment transactions** in the resource sector
 - Exciting PGM, manganese and iron ore **growth opportunities** being evaluated
 - South African remains our **prime area** of operation

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Project **advancements**



- **Nickel joint venture announced with LionOre on Nkomati nickel mine and its large expansion project**
 - Logical **partnership**
 - Both companies will use combined **skills and experience** to optimise project feasibility
 - Will accelerate project
- **Significant Two Rivers PGM project in **approval process****

Exploration portfolio

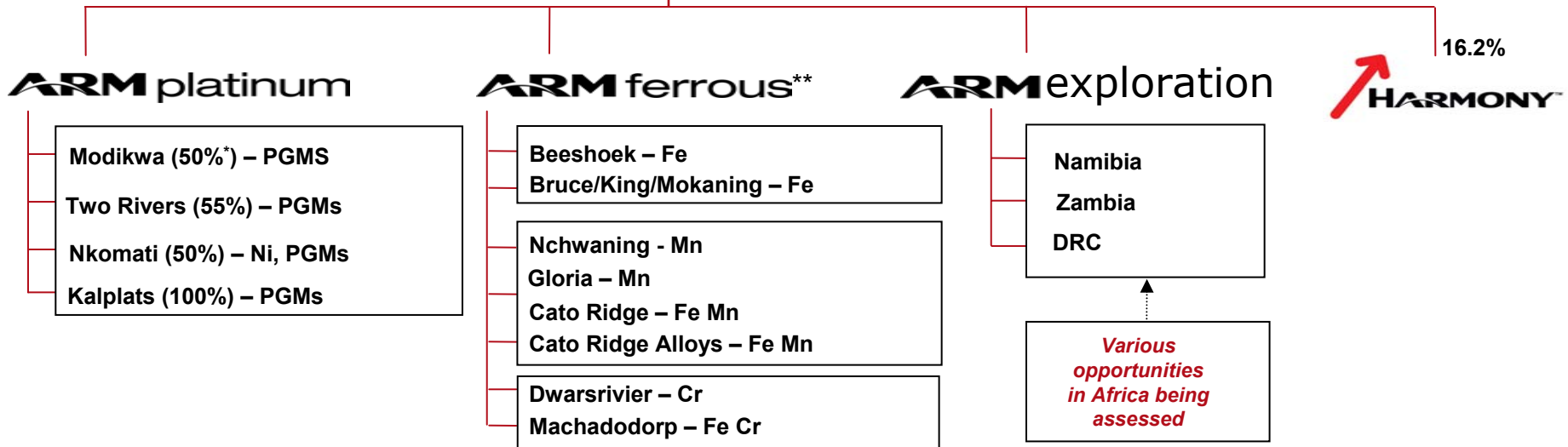


- ARM's **attractive African exploration portfolio** to be appropriately structured and positioned
 - Initiatives underway to **enhance** current asset values
 - Objective to extract **maximum value** for ARM
 - Review will be completed **mid-2005**

Structure now **simplified**



20%



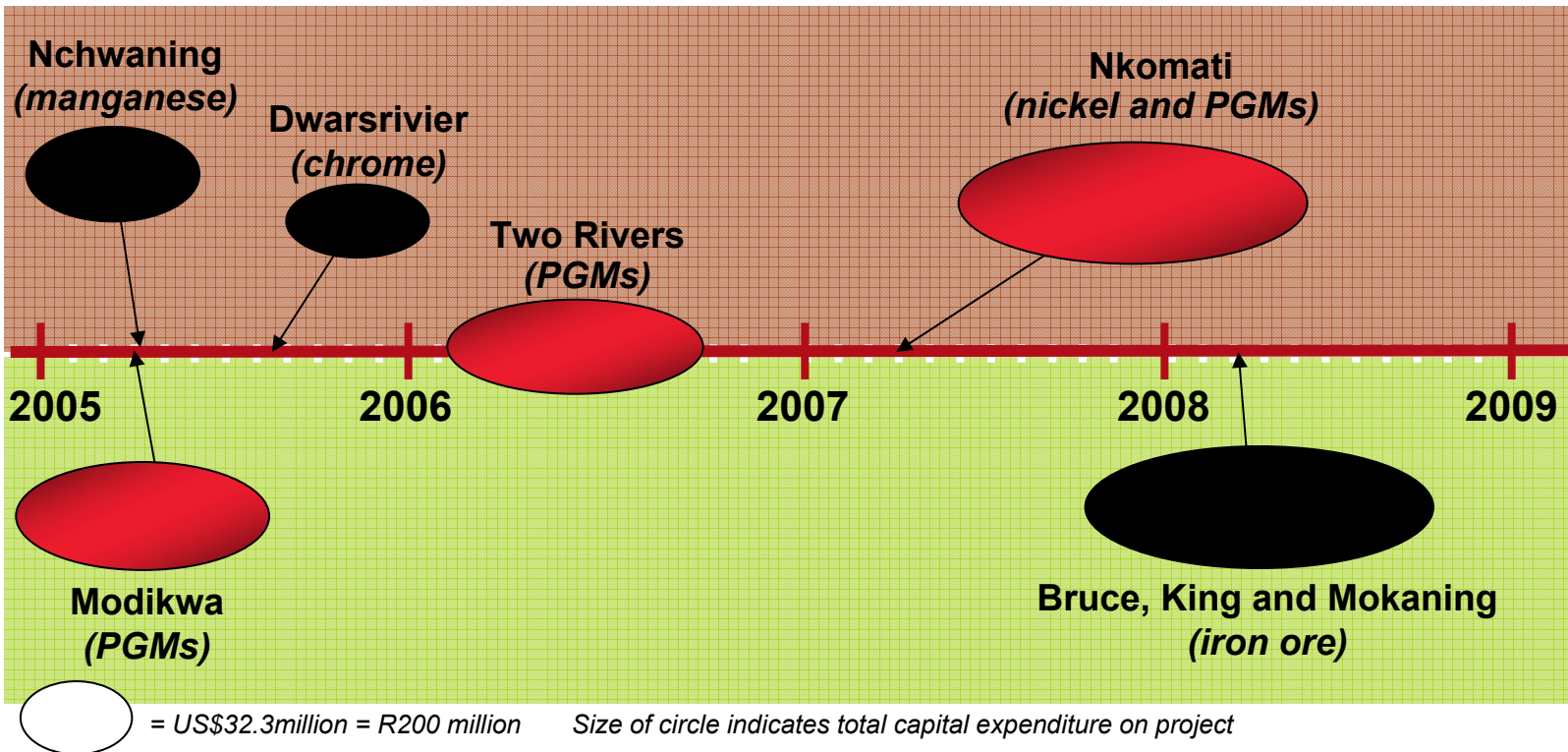
* Asset held through the ARM Mining Consortium

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

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Project pipeline

Commencement of production



- **Solid project pipeline**
- **Large resource base** in key commodity sectors
- **Long-life, high quality resources**

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ARM Platinum

Major PGM operation at Two Rivers



- **Overview**

- Situated in Mpumalanga province – in partnership with Implats (ARM 55% and Impala 45%)
- Planned at full production: 230 000oz PGMs a year (110 000oz of platinum)
- Toll smelt and refine at Implats' infrastructure
- Current trial mining (+100kt) has confirmed all mining and geological assumptions – effectively moved project into 'brownfield' status
- Funding being finalised – capital expenditure forecast at R1.2bn (50% project financeable)

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Major PGM operation (cont..)



- **Significant PGM - 4E - reserves and resources**

RESERVES	Moz	Mt	g/t 3 PGE + Au
TOTAL (UG2 Reef only)	5	44.8	3.49
RESOURCES	Moz	Mt	g/t 3 PGE + Au
TOTAL (UG2 & Merensky reefs)	14.7	117	3.91

- Pt:Pd ratio of 5:3 – i.e. geologically different to the northern part of the Eastern Bushveld
- **Looking ahead**
 - Competitive operating cost forecast at full production, will be lowest quartile of world operators
 - Merensky Reef provides significant future option

Exciting nickel developments



- **Overview**

- LionOre recently introduced to Nkomati at a 50% level in a transaction valued at US\$48.5m
- Current high-grade MSB mine produces about 5kt nickel a year with significant by-product credits
- Large open-pit expansion being assessed: capex forecast at around about US\$310m (around R2bn)
- On-site processing will be further enhanced to include fully-integrated smelting and refining using Activox® technology, which is owned by LionOre
- ARM and LionOre utilizing their joint skills and experience to review and improve the technical and economical feasibility of the expansion

Exciting nickel developments (cont..)

- **Significant reserves and resources**

RESERVES	Mt	Ni (%)
TOTAL	65	0.50
RESOURCES	Mt	Ni (%)
TOTAL	143	0.47

- **Looking ahead**

- Trial mining underway: ore will be sent to LionOre's Tati operation in Botswana for full-scale testing in its Activox demonstration plant
 - A positive result will reduce the discount factor and project decision could be moved forward
- Expanded mine life estimated at 15 years: forecasting about 16 000tpa nickel and 100 000oz a year of PGMs
- Will remain a competitive cost operation due to significant by-product credits

Iron ore exports on the increase

- **Overview**

- Situated in Northern Cape province – open-pit operations
- Total tonnage produced FY2004: 6.3 Mt
- Logistical issues (railway and port) being addressed

- **Vast iron ore (Fe) reserves and resources**

RESERVES	Mt	Fe (%)
TOTAL	482	65.25
RESOURCES	Mt	Fe (%)
TOTAL	1 215	64.58

- **Northern resources provide massive opportunity**

- Feasibility study underway to assess the potential for a new mine capable of producing 10-15mtpa
 - Feasibility to be completed late 2005
 - Design/construction scheduled for completion in 2008
 - Ramp-up will coincide with rail/port capacity allocation upgrade in 2009/10

High-grade manganese deposits

- **Overview**

- Gloria (low-grade) and Nchwaning (high-grade) – situated in Northern Cape province
- Ore mined for export market (1.4 Mt sold in FY 2004), as well as material ‘feed’ for ARM’s ferro-manganese smelters
- New shaft commissioned at Nchwaning – will compliment existing manganese production:
 - Costs will be lower: mechanised operations and infrastructure optimisation
 - Total manganese production capacity will be at 3.5Mtpa

- **Significant manganese reserves and resources**

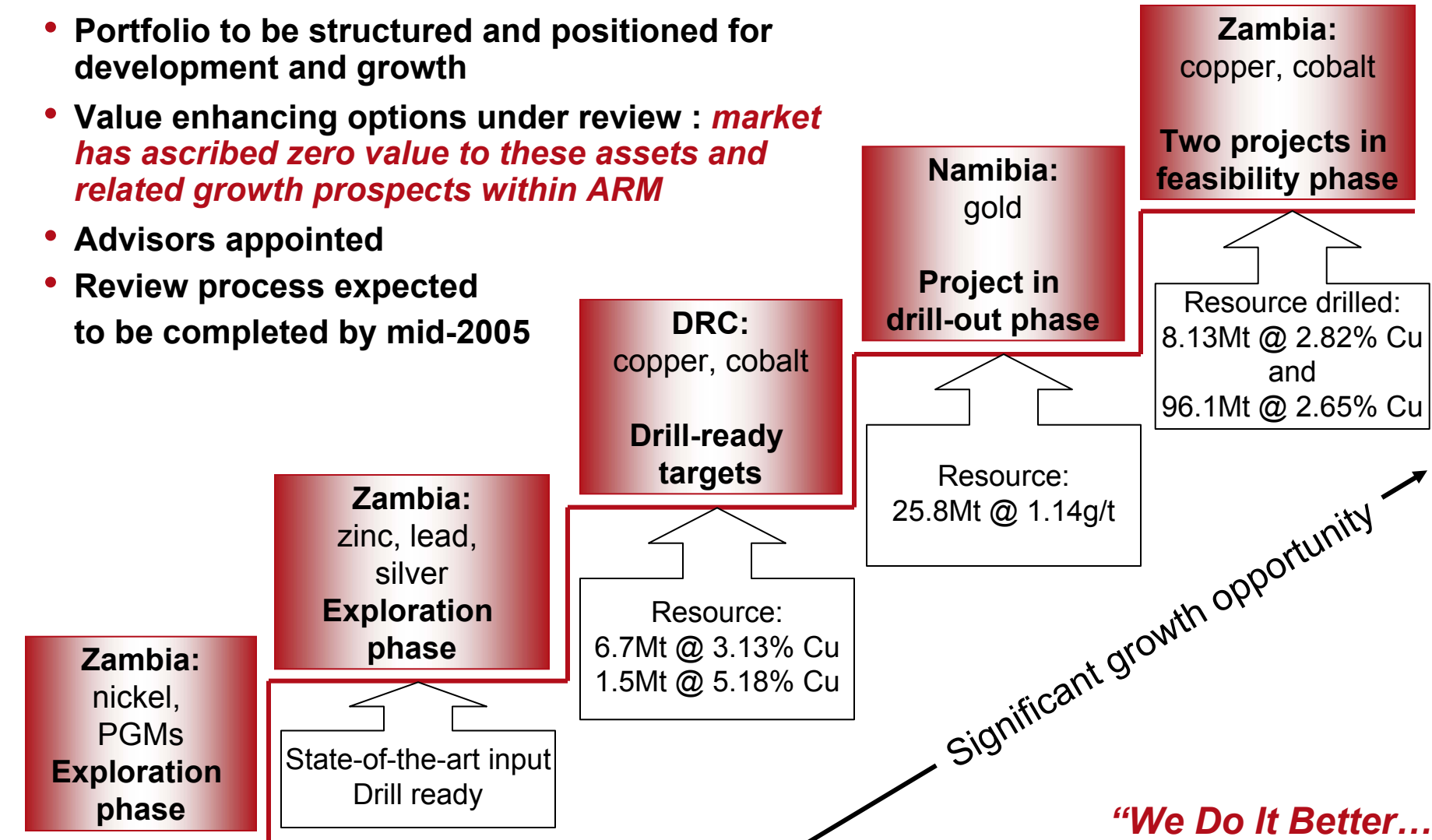
- Total reserves of 131Mt and total resources of 631Mt
- Quality ore that is much in demand from steel markets

- **Looking ahead**

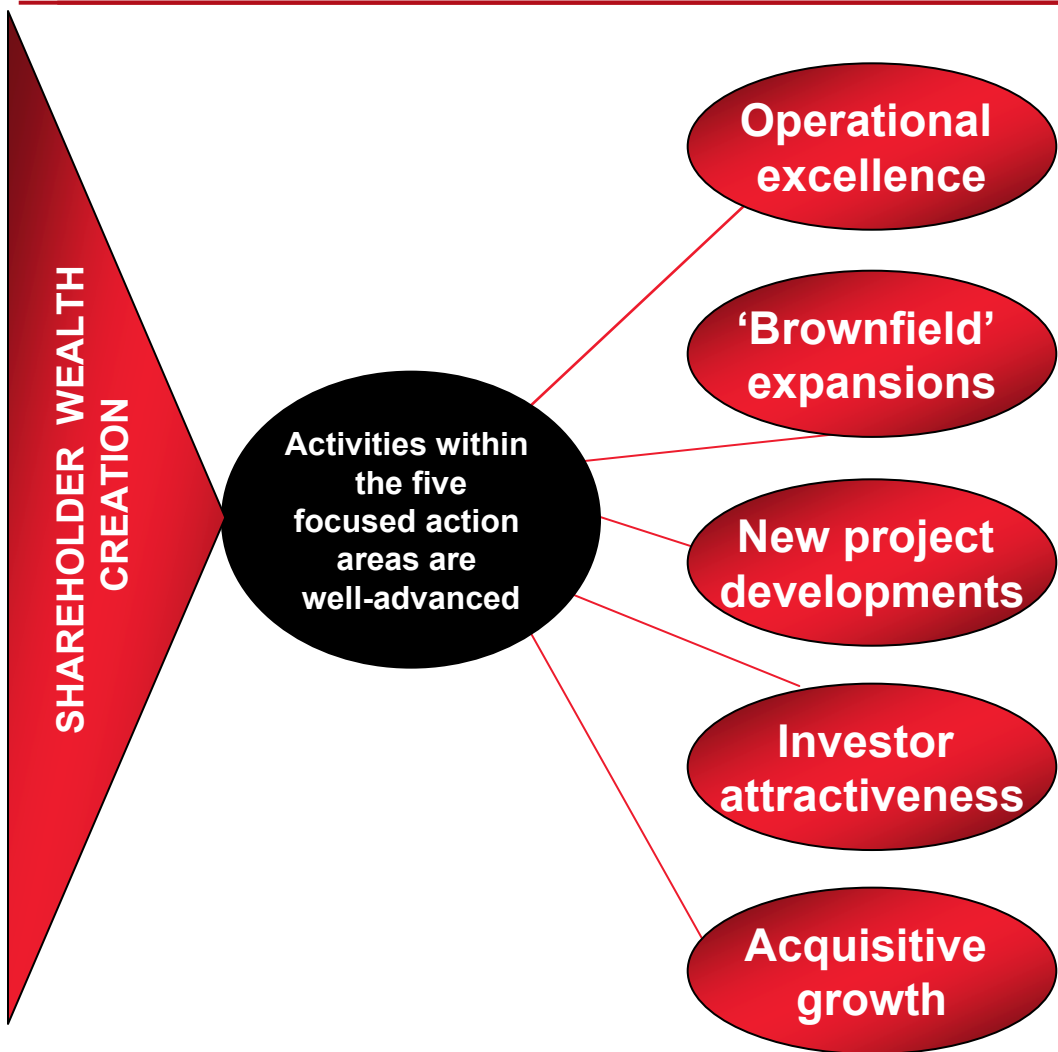
- Sales volumes anticipated to increase to 2.8Mt (2.2Mt export) over the medium-term (dependent on logistical issues being resolved)

Attractive exploration portfolio

- Portfolio to be structured and positioned for development and growth
- Value enhancing options under review : *market has ascribed zero value to these assets and related growth prospects within ARM*
- Advisors appointed
- Review process expected to be completed by mid-2005



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