Presentation to
Gordon Institute of Business Science
April 2005
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
It has been ten years since ARM DARED TO DREAM

1994 Patrice Motsepe started Future Mining – a contract mining company

1997 Formation of ARMgold – introduction to the We Do It Better management style

2001 Formation of Modikwa Platinum Joint Venture with Angloplats
It has been ten years since ARM DARED TO DREAM

2002  ARMgold listed on the JSE Securities Exchange with a R5 billion market cap

2003  ARMgold merger with Harmony to create the world’s sixth largest gold mining company

2004  Formation of African Rainbow Minerals Limited through the merger with Avmin

WE DO IT BETTER
We do it better

A management style based on the following principles:
1. Reducing costs / low overheads,
2. Flat management structures,
3. Work more days,
4. Empower teams and business units

We are convinced that the ‘We do it better’ management style will create significant stakeholder value
Team / Business unit empowerment

1. Who is the boss?

2. Training and development

3. Profit based incentives

4. Focus on intrinsic motivation

5. Relationship with stakeholders
National locality map

AFRICA
- Zambia/DRC
- Exploration
- Namibia
- Exploration

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Who is ARM?

- Number of shares in issue: 204.2 million
- Market capitalization: US$1bn
- Primary listing: JSE
- Secondary listing: LSE
- Number of employees: 5,162
- Largest shareholder: ARMI (43%)

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**

- **ARM platinum**
  - Modikwa (50%*) – PGMS
  - Two Rivers (55%) – PGMs
  - Nkomati (50%) – Ni, PGMs
  - Kalplats (100%) – PGMs

- **ARM ferrous**
  - Beeshoek – Fe
  - Bruce/King/Mokaning – Fe
  - Nchwaning - Mn
  - Gloria – Mn
  - Cato Ridge – Fe Mn
  - Cato Ridge Alloys – Fe Mn
  - Dwarsrivier – Cr
  - Machadodorp – Fe Cr

- **ARM exploration**
  - Namibia
  - Zambia
  - DRC

  *Asset held through the ARM Mining Consortium

**Assets held through a 50.3% shareholding in Assmang Limited**
Critical success factors

Activities within the five focused action areas are well-advanced

- Operational excellence
- ‘Brownfield’ expansions
- New project developments
- Investor attractiveness
- Acquisitive growth

SHAREHOLDER WEALTH CREATION

WE DO IT BETTER
Operational excellence

Detailed action log at all business units to achieve higher outputs at reduced operating costs

• Restructuring of management teams
• Reduction of overhead costs
• Capital expenditure to increase plant efficiencies
• New Nchwaning 3 manganese mine will further reduce operating costs
• Iron ore, manganese and nickel mines benefits from strong commodity prices
Brownfield expansions

• Nickel joint venture announced with LionOre on Nkomati nickel mine and its large expansion project
  • Expansion project of 16 000 tpa expected to be presented to ARM board by December 2005
  • Activox technology

• Significant Two Rivers PGM project approved
  • Funding being finalised
  • Construction expected to commence by May 2005
  • Full production of 230k oz PGM expected by November 2006
Brownfield expansions

• Modikwa on track (currently at 74%) for full production later this year

  • Greater focus on management and labour productivity

• Nchwaning 3 manganese shaft ramping-up to full sales requirement, which is expected in third quarter of this calendar year
Brownfield expansions

• Excellent progress to secure rail and port capacity

• Potential to fully utilise 3.5mtpa manganese design capacity

• Increased iron ore line capacity to meet targeted production of 10 – 15 million tons by 2015

• New Dwarsrivier underground chrome mine will reach full capacity by July 2006
Brownfield expansions

- ARM’s attractive African exploration portfolio to be appropriately structured and positioned

- Objective to extract maximum value for ARM
Solid project pipeline
Large resource base in key commodity sectors
Long-life, high quality resources
ARM Platinum

PGMs – significant growth

Attributable PGM ounces/year*

- Modikwa (41.5%)
- Nkomati + Expansion (100%)
- Two Rivers (55%)
ARM Ferrous

Significant new iron ore operation

- Indicative ramp-up schedule for Bruce, King, Mokaning to meet capacity allocations
Increasing manganese profile

- Indicative ramp-up schedule
- High metal content and low impurities makes the ore from the mine exceptional smelting ore
### Iron ore cost/ton 1994 terms

**Diagram:**
- Year: Jun-98 to Jun-05
- Tons produced
- Cost/ton Jun 94 terms

**Table:**

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<th>Year</th>
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<th>Cost/ton Jun 94 terms</th>
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**Legend:**
- Red: Tons produced
- Yellow: Cost/ton Jun 94 terms
ARM Exploration

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

Zambia: zinc, lead, silver
Exploration phase

DRC: copper, cobalt
Drill-ready targets

Namibia: gold
Project in drill-out phase

Zambia: copper, cobalt
Two projects in feasibility phase

Resource: 25.8Mt @ 1.14g/t

Resource drilled: 8.13Mt @ 2.82% Cu
and 96.1Mt @ 2.65% Cu

State-of-the-art input
Drill ready

Significant growth opportunity
Further growth strategies

• Mergers and acquisitions as well as strategic alliances being pursued
• Unique South African shareholding composition will be the advantage
• 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’
Summary

• The merger of 2004 successfully implemented
• Quality assets and excellent people give us the ability to be a top diversified resources company
• We are exceptionally well positioned to grow aggressively to the benefit of all stakeholders
• Our focus is on operational excellence in order to maximise value from each asset
Conclusion

- Iron ore and manganese 2 x 2010
- Platinum, Nickel – double production in 3-4 years
- 15 years plus LOM for all operations
- Preferred employer with highly motivated teams
Exciting entrepreneurial story

Questions?

This presentation is available at

www.arm.co.za