Deutsche Bank
BRICS Metals & Mining Conference Presentation
London, 13 – 14 November 2006
Disclaimer

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Introduction and background
• ARM is a niche-diversified mining company with excellent long-life, low-cost assets in key commodities, mainly in South Africa and Africa

• We own and operate our assets solely or with joint venture partners

• ARM owns ferrous and base metals, platinum and coal operations and holds a significant interest in the gold sector through its shareholding in Harmony. ARM subsidiary, TEAL, houses ARM’s non-South African exploration portfolio

• ARM is listed on the JSE Limited and currently has a market capitalisation of approximately R14 billion
A diversified mining portfolio

* Assets held through the ARM Mining Consortium, effective interest at 41.5%, balance held by the local communities

** Assets held through a 50% shareholding in Assmang Limited
We do it better

- Nchwaning III
- Two Rivers
- Khumani Mine
- Nkomati Chrome Mine
- Upgrading and modernisation of smelters
- Continuous cost reduction strategies at all operations

Increasing operational efficiency to maintain and improve competitiveness

Creating organic growth in key commodities and core assets – 2x2010 strategy

Unlocking value in the exploration portfolio

Growing the company through acquisitions at the right time

Listing and capitalisation of exploration assets through TEAL

Formation of ARM Coal with Xstrata
## 2 x 2010 growth strategy – 100% basis

<table>
<thead>
<tr>
<th>Operation</th>
<th>Commodity</th>
<th>From (per annum)</th>
<th>To (per annum)</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARM Platinum</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two Rivers</td>
<td>PGMs</td>
<td>–</td>
<td>220 000 oz PGMs</td>
<td>Ahead of schedule</td>
</tr>
<tr>
<td>Modikwa</td>
<td>PGMs</td>
<td>210 000 oz PGMs</td>
<td>350 000 oz PGMs</td>
<td>Near full production</td>
</tr>
<tr>
<td>Nkomati Nickel Extension</td>
<td>PGMs and nickel</td>
<td>5 000 t Ni</td>
<td>5 000 t Ni</td>
<td>Construction in progress</td>
</tr>
<tr>
<td>Nkomati Nickel Large Scale Project</td>
<td>PGMs and nickel</td>
<td>5 000 t Ni</td>
<td>21 500 t Ni</td>
<td>Large scale to be approved</td>
</tr>
<tr>
<td>Nkomati Chrome</td>
<td>Chrome</td>
<td>-</td>
<td>720 000 t</td>
<td>Mining in build-up phase</td>
</tr>
<tr>
<td>ARM Coal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goedgevonden</td>
<td>Coal</td>
<td>-</td>
<td>6.6 Mt</td>
<td>Feasibility</td>
</tr>
</tbody>
</table>
## 2 x 2010 growth strategy – 100% basis

<table>
<thead>
<tr>
<th>Operation</th>
<th>Commodity</th>
<th>From (per annum)</th>
<th>To (per annum)</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARM Ferrous</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beeshoek / Khumani</td>
<td>Iron ore</td>
<td>6.1 Mt</td>
<td>16 Mt by 2014</td>
<td>New mine construction in progress</td>
</tr>
<tr>
<td>Dwarsrivier</td>
<td>Chrome</td>
<td>0.65 Mt</td>
<td>1.1 Mt</td>
<td>Ramping up</td>
</tr>
<tr>
<td>Nchwaning III</td>
<td>Manganese</td>
<td>2.1 Mt</td>
<td>2.8 Mt</td>
<td>Completed</td>
</tr>
<tr>
<td>Gloria</td>
<td></td>
<td>280 000 t</td>
<td>700 000 t opportunity</td>
<td>Blue sky</td>
</tr>
<tr>
<td>Cato Ridge Works</td>
<td>Ferromanganese</td>
<td>300 000 t</td>
<td>400 000 t</td>
<td>Feasibility</td>
</tr>
</tbody>
</table>
Project pipeline

Nchwaning (manganese) — 2.1mt – 2.8mt
Dwarshrivier (chrome) — 0.65mt – 1.5mt
Two Rivers (PGMs) — 0 – 220 000 PGM oz
Nkomati (chrome) — 0 – 720 000t
Nkomati (nickel and PGMs) — 5 000t Ni – 21 500t Ni, 130 000 oz PGM

Modikwa (PGMs) — 210 000 oz PGM – 350 000 oz PGM
Khumani (iron) — 6 – 8.4Mtpa (2009)
Khumani (iron) — 8.4 – 12.0 Mtpa (2010)
Khumani (iron) — 10 – 16.0 Mtpa (2014)
Goedgevonden (coal) — 6.6Mtpa
ARM Ferrous – production growth

Iron ore: Projected export volumes (tpa)

Manganese ore production capacity (Mtpa)

Ferromanganese production capacity (Mtpa)

Beeshoek  Khumani
Highlights of 2006 financial year
Highlights of 2006 financial year

• Headline earnings increased by 36% to R462 million from R339 million
• Record product sales achieved by:

  - Iron ore 3% to 5.9 million tonnes
  - Ferromanganese 32% to 260 thousand tonnes
  - Nickel 6% to 5 616 tonnes
  - PGMs 4% to 293 thousand ounces

• ARM Coal successfully established with Xstrata
  • Option on 10% directly into Xstrata SA Coal have been exercised
Headline earnings per share over 3 years

Year ended 30 June:

- 2004: 37 cents per share
- 2005: 166 cents per share
- 2006: 225 cents per share
More balanced and diversified

*1 - 2006 - only 50% of Nkomati
*2 - 2006 – consolidated up to February 2006 and thereafter proportionately consolidated
*3 - Listed during November 2005, previously accounted for in Corporate and other
Projects and operations
Khumani Iron Ore Mine

- Construction of the 8.4 Mtpa Khumani iron ore mine, with an estimated capital expenditure of R3.2 billion ($446 million) was approved in February 2006 and construction started in June 2006
- Further expansion to increase production to 16 Mtpa has been designed
- The second phase, estimated at app. R1.6 billion ($223) is being evaluated
- Production from this operations – which is expected to come on stream in July 2008 – will substantially replace that from the Beeshoek operation
- Life of Mine of ± 30 years at 16 Mtpa
- Currently in negotiations with Transnet to increase existing 6 Mtpa iron ore allocation through Saldanha to 10 Mtpa and thereafter 16 Mtpa
• **Two Rivers Platinum Project**
  
  • Excellent progress in building of concentrator plant and the mine
  
  • Wet commissioning of concentrator plant in July 2006 with ore processing in August 2006 – well ahead of schedule
• Two Rivers Platinum Project
  • Concentrator plant to be at full capacity Q4 of 2006 calendar year and full production from mine in Q4 of 2007
  • Current stock pile of 1.1 million tonnes will enhance initial ramp-up and related returns
  • Project comfortably within budget
Two Rivers – mine, plant and infrastructure

- **Mining**
  - Surface Stockpile: 1,200,000 tons (October 2006)
  - Underground: 185,000 tpm (LOM)
  - Open pit (north): 40,000 tpm (Years 2 - 5)
  - Adit: 25,000 tpm (Years 5 - 13)
  - North Adit: 40,000 tpm (LOM)

- **Concentrator 2.5 M tpa MF²**
  - 82.5% recovery @ 4E 3.49 g/t
  - Design 50% waste / No DMS / optical sorting
  - Toll smelt & refine @ IRS & Springs
Two Rivers - Plant performance

CONCENTRATOR PLANT

Milled Tons

22 Jul  29 Jul  05 Aug  12 Aug  19 Aug  26 Aug  02 Sep  09 Sep  16 Sep  23 Sep  30 Sep  07 Oct  14 Oct
Modikwa prill splits

- Pt 45.40%
- Pd 44.30%
- Rh 9.20%
- Au 0.04%
- Ru 0.06%
- Ir 0.82%

Two Rivers prill splits

- Pt 57%
- Pd 32%
- Rh 10.60%
- Au 0.01%
- Ru 0.01%
- Ir 0.82%
ARM Coal

- Formation of ARM Coal implemented
  - R400 million funded through debt facilities
  - respective committees and management teams established and active
- Goedgevonden Project (12 Mtpa ROM) to be taken to respective boards for consideration in Q4 of 2006 calendar year
  - RBCT expansion project announced
- The option to acquire a further 10% participating share (for R400 million) directly into the existing Xstrata Coal South Africa business has been approved by the Board
- We expect good growth from ARM Coal (organic, new projects and acquisitive)
ARM Coal

Structure

<table>
<thead>
<tr>
<th>Structure</th>
<th>Transaction Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xstrata</td>
<td>1. ARM Coal is established and ARM and Xstrata subscribe for their interests through respective contributions of R400 million and R384 million</td>
</tr>
<tr>
<td>ARM</td>
<td>2. ARM Coal subscribes for a 20% interest in Xstrata Coal SA in the form of participating preference shares, giving ARM Coal the right to participate in Xstrata’s existing South African coal business</td>
</tr>
<tr>
<td>XSA</td>
<td>3. ARM Coal acquires a 51% controlling stake in the Goedgevonden (unincorporated) Joint Venture</td>
</tr>
<tr>
<td>ARM Coal</td>
<td>4. ARM has exercised an option to acquire a further 10% directly in Xstrata’s existing South African coal business</td>
</tr>
<tr>
<td>XSA’s coal operations</td>
<td></td>
</tr>
<tr>
<td>Goedgevonden Joint Venture</td>
<td></td>
</tr>
</tbody>
</table>
• **Konkola North Copper Project - Zambia**
  • Management expects to announce an update on the resource base before December 2006

• **Mwambashi Copper Project - Zambia**
  • feasibility study for a 12,000 tonnes per annum copper producer remain positive
  • would require a favourable off-take arrangement with a third-party Zambian company
  • build-up to full production is expected toward the end of the 2007 calendar year

• **Otjikoto Gold Project - Namibia**
  • continuing the resource expansion drilling

• **Kalumines Copper-Cobalt Project - DRC**
  • TEAL has acquired an electric arc furnace with a capacity to produce approximately 5,000 tonnes per annum of ‘black copper’ ingots with a grading of 85% to 95% copper

• **Zambia** - exploration drilling continues within TEAL’s Copperbelt Joint Venture and its Kafue Joint Venture with objective of upgrading and re-classifying current geological data.
## Summarised income statement

**Year ended 30 June**

<table>
<thead>
<tr>
<th></th>
<th>Reviewed** 2006</th>
<th>Restated 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4 622 R’million</td>
<td>5 485 R’million</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>1 112</td>
<td>1 588</td>
</tr>
<tr>
<td>Income from investments</td>
<td>24</td>
<td>22</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(134)</td>
<td>(172)</td>
</tr>
<tr>
<td>Loss from associate</td>
<td>-</td>
<td>(150)</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>139</td>
<td>155</td>
</tr>
<tr>
<td>Taxation</td>
<td>(377)</td>
<td>(530)</td>
</tr>
<tr>
<td>Minority interest</td>
<td>(163)</td>
<td>(451)</td>
</tr>
<tr>
<td>Profit after tax and minorities</td>
<td>601</td>
<td>462</td>
</tr>
<tr>
<td>Headline earnings</td>
<td>462</td>
<td>339</td>
</tr>
</tbody>
</table>

** Assmang proportionately consolidated with effect from 1 March 2006
Summarised balance sheet

<table>
<thead>
<tr>
<th></th>
<th>Reviewed** 2006</th>
<th>Restated 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>12 305</td>
<td>8 806</td>
</tr>
<tr>
<td>Current assets</td>
<td>2 306</td>
<td>2 960</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>14 611</td>
<td>11 766</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital and reserves</td>
<td>10 250</td>
<td>6 511</td>
</tr>
<tr>
<td>Minority interest</td>
<td>143</td>
<td>1 461</td>
</tr>
<tr>
<td><strong>Total shareholders’ interest</strong></td>
<td>10 393</td>
<td>7 972</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>2 606</td>
<td>1 966</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>1 612</td>
<td>1 828</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>1 813</td>
<td>1 286</td>
</tr>
</tbody>
</table>

- Balance sheet strong with total assets of R14.6 bn and net gearing at end of June 2006 of R1.8 billion, or 17%, is at reasonable levels

** Assmang proportionately consolidated with effect from 1 March 2006
Questions?