Merrill Lynch South Africa
7th Annual One-on-One Investor Conference
14 March 2006
Disclaimer

Forward looking statements


Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa; decreases in the market price of commodities; hazards associated with underground and surface mining; labour disruptions; changes in government regulations, particularly environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the AIDS crisis in South Africa. These forward looking statements speak only as of the date of publication of these pages.

The company undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of publication of these pages or to reflect the occurrence of unanticipated events.
ARM is a niche-diversified mining company with excellent long life, low cost assets in key commodities.

We own and operate our assets.

Our unique management style, supported by experienced management and entrepreneurship adds significant value to our business.

Our partners in various ventures makes valuable contributions.
Financial highlights

• Headline earnings for the six months to December 2005 of R131 million significantly higher than the R19 million for the comparable period
• Revenue for the period of R2.3 billion - similar to that of the comparative period
• Net gearing comfortably at 16% with net debt at R1.5 billion, having increased mainly as a result of the Two Rivers Platinum Project
Highlights

• Exploration assets outside South Africa listed through TEAL on the Toronto Stock Exchange
  – growth into Africa
• Assmang shareholders’ agreement re-negotiated and delisting approved
• Release of the 8.4 million tons per annum export BKM Iron Ore Mine
• Nkomati Expansion approved from 30 000 to 100 000 tons per month
• Two Rivers Platinum Project released in June 2005 shows excellent progress in development
• Dwarsrivier chrome mine completed below budget and ahead of schedule
• Formation of ARM Coal – a major South African coal mining company
• Nchwaning 3 now fully commissioned and ramping up to full production
A more diversified portfolio

- **HARMONY**: 16.2%
  - ARM Platinum: 100%
  - ARM Ferrous*: 100%
    - Modikwa (50%)
    - Two Rivers (55%)
    - Nkomati (50%)
    - Kalplats (100%)
  - Beeshoek - Fe
  - BKM - Fe
  - Nchwaning – Mn
  - Gloria – Mn
  - Cato Ridge – FeMn
  - Cato Ridge Alloys – FeMn
  - Dwarsrivier – Cr
  - Machadodorp – FeCr

- **Coal**: 51%
  - Xstrata Coal SA: 20%
  - Goedgevonden: 51%
  - New growth

- **Harmony**: 65%

*Assets held through the 50% shareholding in Assmang*
## Market statistics

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares outstanding (m)</td>
<td>205 304 930</td>
</tr>
<tr>
<td>Last price</td>
<td>R41.00</td>
</tr>
<tr>
<td></td>
<td>US$6.79</td>
</tr>
<tr>
<td>Market capitalisation</td>
<td>R8.4 billion</td>
</tr>
<tr>
<td></td>
<td>US$1.4 billion</td>
</tr>
<tr>
<td>Primary listing Ticker</td>
<td>JSE Limited – Johannesburg ‘ARI’</td>
</tr>
<tr>
<td>Number of employees</td>
<td>6 123</td>
</tr>
<tr>
<td>Number of shareholders</td>
<td>4 144</td>
</tr>
<tr>
<td>Local</td>
<td>86%</td>
</tr>
<tr>
<td>International</td>
<td>14%</td>
</tr>
<tr>
<td>Average conversion rate</td>
<td>US$1 = ZAR6.04</td>
</tr>
</tbody>
</table>
The ARM strategy
WE DO IT BETTER

- Significant organic growth expected through the building of new mines and the upgrading of two operations
  - double production output by 2010
  - increased efficiencies, thereby continue to be a low cost producer

Operationally more efficient to improve and retain competitiveness

Organic growth in key commodities and core assets

A VALUE PLAYER

Well positioned for acquisitive growth

Growth in Africa through TEAL

2 X 2010
• Solid project pipeline
• Large resource base in key commodity sectors
• Long-life, high quality resources
## 2 x 2010 growth

ARM is in the process of building new mines and further upgrading operations

<table>
<thead>
<tr>
<th></th>
<th>From</th>
<th>To</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two Rivers – PGMs</td>
<td>–</td>
<td>230 000 PGM oz</td>
<td>✓</td>
</tr>
<tr>
<td>Modikwa – PGMs</td>
<td>210 000 PGM oz</td>
<td>350 000 PGM oz</td>
<td>-</td>
</tr>
<tr>
<td>Nkomati – PGMs</td>
<td>5 000 t Ni</td>
<td>16 500 t Ni</td>
<td>-</td>
</tr>
<tr>
<td>Dwarsrivier – chrome</td>
<td>0,65m t</td>
<td>1,5m t</td>
<td>✓</td>
</tr>
<tr>
<td>Nchwaning 3 – manganese</td>
<td>2,1mt</td>
<td>2,8mt</td>
<td>✓</td>
</tr>
<tr>
<td>Gloria* – manganese</td>
<td>190 000t</td>
<td>280 000t/ 700 000t</td>
<td>-</td>
</tr>
<tr>
<td>Beeshoek and BKM – iron ore</td>
<td>6,1m t</td>
<td>16m t</td>
<td>✓</td>
</tr>
</tbody>
</table>

* Upgrading / feasibility
During the period under review, we have been able to benefit from the existing commodity cycle across most of our businesses:

- strong US$ prices for platinum, nickel and gold
- volume growth and price increases in iron ore
- weaker prices for ferromanganese (now stabilising) and ferrochrome
- low volume demand for manganese ore and ferrochrome
ARM Ferrous

- New Assmang shareholders’ agreement concluded
- Assmang delisting approved by shareholders
- Revenue flat at US$314 million
  - increased volumes of iron ore and manganese alloys
  - manganese ore volumes significantly less than for the comparable period
  - weaker US$ prices for manganese alloys and ferrochrome (particularly when compared to first half of 2005 calendar year)
- Continued success in increased efficiencies and lower costs
  - Nchwaning 3 fully operational and will reduce production costs
  - Dwarsrivier chrome mine completed ahead of schedule and within budget
  - On mine cost at the manganese and iron ore mines decreased significantly
  - Manganese alloy smelter cost contained below inflation
  - Chrome division cost was higher than the previous period due to more tons produced from underground and less from the opencast mine
Headline earnings from Assmang

Results for six months ended 31 December 2005 – US$ million

<table>
<thead>
<tr>
<th>Assmang product volumes sales</th>
<th>2005</th>
<th>2004</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>000 metric tons</td>
<td>000 metric tons</td>
<td></td>
</tr>
<tr>
<td>Manganese ore *</td>
<td>573</td>
<td>766</td>
<td>(25%)</td>
</tr>
<tr>
<td>Iron ore</td>
<td>2600</td>
<td>2541</td>
<td>2%</td>
</tr>
<tr>
<td>Manganese alloys</td>
<td>130</td>
<td>105</td>
<td>24%</td>
</tr>
<tr>
<td>Charge chrome</td>
<td>89</td>
<td>104</td>
<td>(14%)</td>
</tr>
<tr>
<td>Chrome ore *</td>
<td>56</td>
<td>23</td>
<td>144%</td>
</tr>
</tbody>
</table>

* Excluding intra-group sales
ARM Ferrous

BKM Iron Ore Mine

• The new 8.4 million tons per annum BKM iron ore mine, at a capital cost of US$529 million, has been approved by the relevant Boards

• Construction will commence in early 2006 - first production expected during calendar 2008, building up to 8.4 million tons per annum export iron ore via Saldanha harbour

• Project team established, all key project appointments made and process of issuing key long-lead suppliers in motion

• Current focus is on detailed engineering and design

• BKM will substantially replace Beeshoek

• Project managed by ARM / Assmang
ARM Ferrous

BKM Iron Ore Mine

- Funding from internal Assmang resources and debt capacity
- Further expansion to increase production to 16 million tons per annum has been designed
- This second phase expansion, at an estimated cost of US$298 million is currently being evaluated by all stakeholders (in 2006 money terms this includes escalation & contingency)
ARM Ferrous

BKM Iron Ore Mine

Resources
- Total = 727 million tons (measured, indicated and inferred)
- At average in situ grade of 64.5%Fe

Reserves
- Total = 445 million tons (proved and probable)
- At average in situ grade of 64.7%Fe
- The reserves will be processed to produce a 66% Fe lumpy product and a 65.5% fine(s) and medium size product
ARM Ferrous

BKM Iron Ore Mine

Mine
- Opencast mine
- Production commences in the three pits on the Bruce farm
- Blasted product from the pits will be trucked to a primary crusher
- Crushed product will be conveyed to a central processing plant

Plant
- Two stage crushing plus washing and screening
- Portion of ore further upgraded by jigging (dense media separation)
- Rapid load out station into rail wagons for transfer to Saldanha harbour for export
ARM Ferrous

Iron ore build-up – Beeshoek and BKM

Beeshoek

BKM
Nchwaning 3 Manganese Mine

• Nchwaning 3 shaft system with a capital cost of US$128 million is now fully operational

• The design capacity of 2 million tons per annum is an integral part of the future manganese expansion to 2.8 million tons per annum

• Operating cost will reduce significantly as production from Nchwaning 3 ramps up

• Access through Nchwaning 3 to very good manganese grades is now possible
ARM Ferrous

Dwarsrivier Chrome Mine

• The underground mine at Dwarsrivier has been completed six months ahead of schedule and within budget at a total cost of US$31 million

• Additional investigations are underway to expand run of mine production at the underground mine to as high as 1.5 million tons per annum

• Demand, mainly driven by the stainless steel industry, will determine future production requirements
ARM Platinum

Modikwa Platinum Mine

• ARM jointly manages Modikwa with Anglo Platinum
• Reported cash operating profits for the six months of US$12 million (at 50% ownership) (2004: US$1 million)
• New mining method introduced to reach design capacity in next reporting period
• Deepening of current infrastructure being evaluated
• Significant growth potential: total resource above 70 million ounces of PGM – 22 km strike, currently mining 8 km
ARM Platinum

Modikwa continuing to improve and will meet targets

<table>
<thead>
<tr>
<th>100% basis Operational statistics</th>
<th>6 months to December 2005</th>
<th>6 months to December 2004</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tons milled</td>
<td>m/t</td>
<td>1.29</td>
<td>1.14</td>
</tr>
<tr>
<td>Head grade (4E)</td>
<td>g/t</td>
<td>4.15</td>
<td>4.35</td>
</tr>
<tr>
<td>Platinum in concentrate</td>
<td>ounces</td>
<td>65 445</td>
<td>60 000</td>
</tr>
<tr>
<td>Cash cost</td>
<td>US$/t</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>Cash cost</td>
<td>US$/Pt oz</td>
<td>1 217</td>
<td>1 170</td>
</tr>
<tr>
<td>Capex</td>
<td>US$</td>
<td>10</td>
<td>9</td>
</tr>
</tbody>
</table>
ARM Platinum

Two Rivers Platinum Project

• Trial mining commenced 18 months ago
  – Trial mining will provide 1 million tons of ore on surface by September 2006
• Total project capex of US$215 million fully funded
• Attractive Pt : Pd ratio of 5 : 3
• Operating costs expected to be within lower quartile of operators
• Planned full production: 230 000 oz PGMs per annum (120 000 oz of platinum)
• Scheduled for concentrator to come into operation by September 2006
ARM Platinum

Two Rivers infrastructure - workshops
ARM Platinum

Two Rivers - ROM Silo and 600 000 ton development ore stockpile grade 4.55 g/t 6E, planned to exceed 1 million tons by mid year
ARM Platinum

Two Rivers – storage silo’s
ARM Platinum

Two Rivers – UG2 concentrator
ARM Platinum

Two Rivers – section view / access declines

- Declines 66% complete
### ARM Platinum

#### Nkomati Nickel Mine

<table>
<thead>
<tr>
<th></th>
<th>100% basis</th>
<th>For the six months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>December 2005</td>
</tr>
<tr>
<td><strong>Operational statistics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash operating profit</td>
<td>US$ million</td>
<td>32</td>
</tr>
<tr>
<td>Tons milled</td>
<td>('000)</td>
<td>182</td>
</tr>
<tr>
<td>Nickel head grade</td>
<td>(% nickel)</td>
<td>1.97</td>
</tr>
<tr>
<td>Cash cost (net of by products) “(C1 Cost)”</td>
<td>US$/lb.</td>
<td>0.87</td>
</tr>
<tr>
<td><strong>Market sales</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nickel</td>
<td>tons</td>
<td>2 534</td>
</tr>
<tr>
<td>Copper</td>
<td>tons</td>
<td>1 485</td>
</tr>
<tr>
<td>Cobalt</td>
<td>tons</td>
<td>42</td>
</tr>
<tr>
<td>PGMs</td>
<td>oz</td>
<td>16 431</td>
</tr>
</tbody>
</table>
ARM Platinum

Nkomati Nickel Expansion Project

• Project approved to increase from a 30 000 tons per month to a 100 000 tons per month mine and concentrator

• Mining the MMZ orebody
  – 47 000 tons per month from current underground infrastructure
  – 53 000 tons per month from new open pits

• New 100 000 tons per month concentrator and tailings dam

• Current nickel production sustained
  – stand alone project 5 000 tons per annum nickel for 10 years

• US$66 million capital over 18 months

• The above forms part of the final expansion project currently under review
ARM Coal
ARM Coal

Structure

Xstrata

100%
49%

XSA

80% (70%)
20%

ARM Coal

51%

ARM

51%

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.

Goedgevonden Joint Venture

ARM has an option to acquire a further 10% directly into Xstrata’s existing South African coal business, increasing total HDSA control to 36%.

Transaction Steps

1. ARM Coal is incorporated and ARM and Xstrata subscribe for their interests through respective contributions of R400 million and R384 million.

2. ARM Coal acquires a 51% controlling stake in the Goedgevonden (unincorporated) Joint Venture.

3. ARM Coal acquires a 51% controlling stake in the Goedgevonden (unincorporated) Joint Venture.
ARM Coal

Overview of Xstrata Coal SA

• Sixth largest coal producer and third largest exporter in South Africa
• Operations
  – 11 manganese mines
  – 2 mines managed by BHP Billiton (16% JV)
• 62% of production from underground operations
• 73% of production exported
• Xstrata owns 20.9% of RBCT
ARM Coal

Overview of Xstrata Coal SA – Reserves and Resources

Reserves and Resources (as at 31.12.04) Mt
- Measured & Indicated
- Reserves - marketable

Life of mine
- Years

- Waterpan
- Boschmans
- Witcons
- South Witbank
- Goedgevonden
- Phoenix
- Tavistock
- ATC (50%)
- ATCOM (50%)
- Tselentis
- Spitzkop
- DTJV (16%)
Compelling rationale for ARM

- Further diversification of asset portfolio with the addition of quality coal assets
- Establishment of a strategic relationship with a major international metal and mining group and leading thermal coal producer
- The partners intend to pursue opportunities in a range of other commodities in Africa
- ARM will be the controlling shareholder of ARM Coal. ARM Coal:
  - is a significant, empowered coal participant in South Africa
  - has a balanced exposure to export and domestic sales
  - has sufficient access to capital to further develop existing opportunities (e.g. Goedgevonden project)
  - is well positioned to seek new targets and growth opportunities
- The transaction structure enables ARM to secure:
  - A meaningful exposure to one of South Africa’s leading exporters of thermal coal
  - Immediate access to cash flows, enhanced by vendor facilitation
TEAL Exploration & Mining Inc.

- The capital raising in late 2005 raised US$33.3 million to fund ARM’s development and exploration assets in Africa
  - IPO concluded on 15 November 2005 and TEAL listed on TSX
- Strategic portfolio of near production mineral projects
  - Four advanced projects in Zambia, Namibia and the DRC
    - Defined resources of 15.7 billion lbs copper and 873,000 ounces gold
- Significant discovery potential
  - Strategically positioned properties in highly prospective areas
  - Significant drill-ready exploration targets
- Early mover status
  - 30 years of underinvestment in Zambia and DRC
    - TEAL acquired tenements at beginning of privatisation
  - Developing geological knowledge of an area previously under-explored in Namibia
TEAL Exploration & Mining Inc.

GROWTH PROFILE

ZAMBIA: Nickel, Copper
EXPLORATION PHASE

DRILL - READY

ZAMBIA: Zinc, Copper
EXPLORATION PHASE

DRC: Copper, Cobalt
DRILL-READY TARGETS

HISTORICAL INFERRED MINERAL RESOURCE:
6.7Mt @ 3.13% Cu
1.5Mt @ 5.18% Cu

NAMIBIA: Gold
PROJECT IN DRILL-OUT PHASE

INFERRRED MINERAL RESOURCE:
25.6Mt @ 1.06g/t

ZAMBIA: Copper, Cobalt
TWO PROJECTS IN FEASIBILITY PHASE

MINERAL RESOURCES:
INDICATED:
8.6Mt @ 2.43% Cu
INFERRED:
78.8Mt @ 2.14% Cu
(HISTORICAL INFERRED:
170.4 Mt @ 2.89% Cu)
Financial overview
## Summarised income statement

**Six months ended 31 December 2005**

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>388</td>
<td>395</td>
</tr>
<tr>
<td><strong>Profit from operations before exceptional items</strong></td>
<td>82</td>
<td>103</td>
</tr>
<tr>
<td><strong>Income from investments</strong></td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>(13)</td>
<td>(16)</td>
</tr>
<tr>
<td><strong>Loss from associate</strong></td>
<td>-</td>
<td>(23)</td>
</tr>
<tr>
<td><strong>Exceptional items</strong></td>
<td>19</td>
<td>47</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td>(27)</td>
<td>(47)</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>63</td>
<td>66</td>
</tr>
<tr>
<td><strong>Minorities</strong></td>
<td>22</td>
<td>27</td>
</tr>
<tr>
<td><strong>Basic earnings</strong></td>
<td>41</td>
<td>39</td>
</tr>
<tr>
<td><strong>Headline earnings</strong></td>
<td>22</td>
<td>3</td>
</tr>
<tr>
<td><strong>Headline earnings per share (cents)</strong></td>
<td>11</td>
<td>1</td>
</tr>
</tbody>
</table>
Summarised balance sheet

<table>
<thead>
<tr>
<th></th>
<th>31 December 2005</th>
<th>31 December 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>1828</td>
<td>1359</td>
</tr>
<tr>
<td>Current assets</td>
<td>493</td>
<td>415</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2321</td>
<td>1774</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital and reserves</td>
<td>1362</td>
<td>975</td>
</tr>
<tr>
<td>Minority interest</td>
<td>265</td>
<td>247</td>
</tr>
<tr>
<td>Total shareholders’ interest</td>
<td>1627</td>
<td>1222</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>440</td>
<td>282</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>254</td>
<td>270</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2321</td>
<td>1774</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>255</td>
<td>231</td>
</tr>
</tbody>
</table>
Questions?

www.arm.co.za