“Achieving a balanced diversified mining portfolio through the ARM growth strategy”

Patrice Motsepe, Executive Chairman
Forward looking statements

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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
What we achieved in 2006

- Headline earnings increased by 36% to R462 million for the year to 30 June 2006
- Record product sales achieved by PGM, iron ore, nickel and ferromanganese operations benefiting fully from the commodity price environment
- ARM Coal transaction successfully concluded with Xstrata
- Modikwa Platinum Mine reported operating profits of R153 million
- ARM Broad-based Economic Empowerment Trust finalised
- Two Rivers Platinum Project ahead of schedule and within budget
- Progress towards a balanced diversified mining portfolio achieved through the implementation of the ARM growth strategy
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

ARM

Increasing operational efficiency to maintain and improve competitiveness

Creating organic growth in key commodities and core assets – 2 x 2010 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

Two Rivers
- Nkomati expansion
- Modikwa
- Dwarsrivier
- Khumani
- Nchwaning III
## 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>
• ARM Platinum
  • Two Rivers Platinum Mine
  • Modikwa Platinum Mine
  • Nkomati Nickel Mine
## Two Rivers Platinum Mine

### Current status

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Project capex</td>
<td>R1.104 billion</td>
</tr>
<tr>
<td>Projected capital saving</td>
<td>R197 million</td>
</tr>
<tr>
<td>Mining production</td>
<td></td>
</tr>
<tr>
<td>• ore stockpile</td>
<td>1 220 000 tonnes</td>
</tr>
<tr>
<td>• footwall decline down to 7 level</td>
<td></td>
</tr>
<tr>
<td>• + North decline</td>
<td>40 000 tonnes per month</td>
</tr>
<tr>
<td>Concentrator</td>
<td></td>
</tr>
<tr>
<td>• concentrator design throughput</td>
<td>225 000 tonnes per month</td>
</tr>
</tbody>
</table>
Weekly milled tonnes (dry)

Milled tonnes (t)

Week
Two Rivers Platinum Mine

Future UG2 upside

- 1.2 Mt North opencast reserve
- Down-dip extension
- North strike extension

22 Mt Merensky Resource
Two Rivers Platinum Mine Concentrator – December 2006
Modikwa Platinum Mine

- Substantial progress to achieve full design capacity of 240,000 tonnes milled per month
- Recoveries improved over the period
- Head grade improved with higher underground tonnes produced
- Change over to new mining method:
  - 70% implemented
  - to be completed by end 2007 calendar year
  - development rate now exceed requirements
Modikwa Platinum Mine

- Future strategies:
  - entrench production levels
  - 24 km of strike and substantial amount of resources in the ground
    - further optimisation plans of the orebodies are being considered
    - Merensky trial mining
Nkomati Nickel Mine

- Increased resources by reduced cut-off grades
- Chrome – 60 000 tpm
- Activox® pilot plant at Tati Mine
- Ni from 5 000 tpa to 21 000 tpa by 2012 feasibility study

<table>
<thead>
<tr>
<th></th>
<th>From</th>
<th>To</th>
<th>%</th>
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<tbody>
<tr>
<td>Million tonnes</td>
<td>142,6</td>
<td>255,6</td>
<td>79%</td>
</tr>
<tr>
<td>Ni Units (million tons)</td>
<td>666,1</td>
<td>993,7</td>
<td>40%</td>
</tr>
<tr>
<td>PGMs (million oz)</td>
<td>4,9</td>
<td>7,6</td>
<td>55%</td>
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</table>
## Nkomati Expansion Phases

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
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<tbody>
<tr>
<td><strong>MSB</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(30 tpm)</td>
<td>Capex</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MMZ Phase 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(100 ktpm)</td>
<td>Capex</td>
<td>R 400 m</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MMZ Phase 2a</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(+ 375 ktpm)</td>
<td>Capex</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MMZ Phase 2b</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase Phase 1 to 300 ktpm)</td>
<td>Capex</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Phase 3</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nickel refining</td>
<td>Capex</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 500t Ni/a</td>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
- ARM Ferrous (Assmang)
  - Iron ore
  - Manganese
  - Chrome
Khumani Iron Ore Project

- Construction of Phase 1 (8.4 mtpa) commenced on site in 2006
- 1 300 construction personnel on site
- R2 billion committed to date
- Application for mining license approved in December 2006
- On schedule for first export railings in April 2008
- Completion July 2008
- Saleable tonnage at Beeshoek continues at 5 mtpa
- On mine production costs anticipated to reduced by 30% compared with Beeshoek
Khumani Iron Ore Project

- Recruitment of permanent employees
- Negotiations with Transnet for a long term (25 years) export contract nearing finality
- 10 mtpa expansion and Phase 2 to be presented to boards during early 2007
- Funding from internal Assmang resources and debt capacity
Manganese Mines and Cato Ridge Manganese Alloy Plant

- Benefit of new Nchwaning 3 shaft through higher volume and shorter traveling distances compared with Nchwaning 2 shaft
- Nchwaning 3 shaft direct operating costs anticipated to be 30% lower than Nchwaning 2 shaft at full production
- Alloy production at Cato Ridge is benefiting from quality ore from Nchwaning 3 shaft
- Real term 5% reduction in unit cost of production planned at Cato Ridge
- During the past financial year we achieved record production and sales from manganese and ferromanganese

<table>
<thead>
<tr>
<th></th>
<th>2006 actual</th>
<th>2 X 2010 objective</th>
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</thead>
<tbody>
<tr>
<td>Ore sold planned to increase</td>
<td>2 039 000 tones</td>
<td>2 900 000 tonnes</td>
</tr>
<tr>
<td>Total alloy sold planned to increase</td>
<td>265 000 tonnes</td>
<td>360 000 tonnes</td>
</tr>
</tbody>
</table>
Chrome

- Dwarsrivier Chrome Mine
  - Ore sold:
    - 2006 actual 540 000 tonnes
    - 2 x 2010 objective 1 150 000 tonnes
  - Real term 15% reduction in unit cost of production planned

- Machadodorp Chrome Alloy Plant
  - Total alloy sold:
    - 2006 actual 206 505 tonnes
    - 2 x 2010 objective 270 600 tonnes
  - Real term 10% reduction in unit cost of production planned
Growth since formation in February 2006

- Xstrata Coal SA bought the 50% held by Total SA in the ATCOM and ATC mines thereby securing outright control
- Acquisition of ATCOM will enhance infrastructure efficiency
- Release of Goedgevonden mine eminent:
  - 6.6 mtpa saleable coal per annum
  - 3.2 mtpa of the above to be exported
  - total capex of R2.9 billion
  - first production Q1 2009
ARM Coal – production growth

Attributable saleable tonnes

76% growth over 5 years
Total synergy with ATC
Applied for 3,2 mtpa Phase V RBCT
18 new prospecting licenses
• Significant upside achieved on gold ore bodies
  • 873 000 oz prospectus
  • 1 300 upgraded
  • Further drill results being analysed
• Mwambashi feasibility study completed
  • 12 000 tonnes per annum
• Konkola North feasibility study expected to be finalised by April 2007
• Progress in the DRC:
  • resolved issue with artisanal miners
  • established drill rigs, power and bulldozers on site at Kala Mines
  • 3 drill rigs on site
ARM relative to Mining Index

IRL(ARI,J177)

<table>
<thead>
<tr>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>J</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2006</td>
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_ IRL(ARI,J177) (192.2)_
Questions?