The future looks bright

Deutsche Bank BRICS Metal & Mining Conference
9 – 10 November 2009

Corporate structure

ARM
African Rainbow Minerals

POMs
50% Blackball
50% two Rivers

Neola, POMs & Chroma
50% Blackball

PCM Exploration
50% Kugera

Iron Ore
50% Rhenium
10% Beesheba

Manganese Ore
50% Whitecastle
50% Okorusa

Manganese Alloys
50% Cario Ridge (CM)
25% CR Ashes

Copper

Other African Exploration

Gold Harmony

Kabwata Norte
50% Unicon
50% Mufumbwe & Kohwe
50% Exploration share
50%
25%
25%
49%

PDF file contains additional information about the corporate structure of ARM and its subsidiaries, including details on ownership and exploration projects.

1. Assets held through a 50% shareholding in Stannar Limited.
2. Assets held through ARM's 50% interest in the Valuland JV.
3. ARM has a 95% interest in the Zomba Hill project, with an effective shareholding of 95.5%.
4. Platinum Australia has up to a 50% interest in ARM's exploration projects in South Africa.
5. Kabwata Norte is subject to a buy-in right up to 20% (50% owned by state-owned PPCA Investment magazine arm).
6. Privacy policy is used.
Headline earnings over 6 years

Second half severely impacted by global economic slowdown

Basic earnings of R2 868 million for F2009

Divisional EBITDA margins

-20% -10% 0% 10% 20% 30% 40% 50% 60% 70% 80%

Chrome  Iron ore  Coal  Platinum  Nkomati  Manganese  ARM

**ARM F2009 EBITDA margin is 44%**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>EBITDA Margin</th>
<th>Cash Flow (R million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manganese</td>
<td>76%</td>
<td>2,456</td>
</tr>
<tr>
<td>Iron ore</td>
<td>70%</td>
<td>1,422</td>
</tr>
<tr>
<td>Coal</td>
<td>60%</td>
<td>414</td>
</tr>
<tr>
<td>Chrome</td>
<td>22%</td>
<td>156</td>
</tr>
<tr>
<td>Nkomati</td>
<td>10%</td>
<td>177</td>
</tr>
<tr>
<td>Platinum</td>
<td>-13%</td>
<td>830</td>
</tr>
</tbody>
</table>

**ARM cash flow from operating activities (R million)**

**ARM strategy: Remains on track**

- **Operational efficiencies**
- **Acquisitions**
- **Organic growth**
  - 2 x 2010
  - Grow projects on track
  - Joint ventures with state-owned enterprises
- **Africa**
- **Owner operator**
- **Profit focused**
- **Partner of choice**
- **Entrepreneurial management**
- World-class management team
Delivering company transforming growth projects

Completed projects
> R10 bn*
F2005 - F2009
- Khumani Iron Ore (10 mtpa)
- Nchwaning III Manganese
- Modikwa Platinum
- Two Rivers Platinum
- Nkomati Nickel Interim Plant
- Nkomati Chrome Mine
- Dwarsrivier Chrome Mine

Projects in progress
> R8 bn*
F2010 - F2012
- Khumani Iron Ore (+6 mtpa)
- Nkomati Nickel (20 ktpa)
- GGV Thermal Coal (6.7 mtpa)

Potential future projects
- Konkola North Copper
- Kalplats Platinum
- Modikwa Platinum expansion
- Smelter expansions

* Total attributable capital expenditure

Investing in our future
Quality long-term growth assets under construction

<table>
<thead>
<tr>
<th>Capex committed</th>
<th>Stage</th>
<th>Position on cost curve</th>
<th>Steady state</th>
<th>Commissioning (Calendar year)</th>
<th>Full production (Financial year)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>95% (20%)</td>
<td>Ramp-up (Building)</td>
<td>40th percentile</td>
<td>10mtpa (+6mtpa)</td>
<td>2008 (2012)</td>
<td>2010 (2013)</td>
<td>More efficient, low unit cost</td>
</tr>
<tr>
<td>90%</td>
<td>Commissioning</td>
<td>25th percentile</td>
<td>3.5mt local; 3.2mt export</td>
<td>2009</td>
<td>2012</td>
<td>Dragline opencast operation</td>
</tr>
<tr>
<td>75%</td>
<td>375ktpm plant commissioning</td>
<td>40th percentile</td>
<td>20,500t nickel</td>
<td>2009</td>
<td>2012</td>
<td>C1 cash cost net of by-products of $3.50/lb</td>
</tr>
</tbody>
</table>

Copper / Exploration

<table>
<thead>
<tr>
<th>Exploration Projects:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource target: 186 Mt @ 2.5% Copper</td>
</tr>
<tr>
<td>Production target: 80,000 tpa Copper</td>
</tr>
<tr>
<td>Lupoto Project: 23.0 Mt @ 2.42% Copper</td>
</tr>
<tr>
<td>Kasonta Project: 20.1 Mt @ 1.13% Copper Metallurgical challenging</td>
</tr>
<tr>
<td>3 year exploration program</td>
</tr>
</tbody>
</table>

Area "A" Exploration: Potential: 100,000 tpa Copper 5 year exploration program
Continuous focus on cost reduction

ARM target for operations on the respective global cost curve by 2012 (ARM estimate, benchmarked at steady state/normallised production volumes)

- Nkomati Chrome
- Manganese Smelter
- Goedevonden Coal
- Khamani Iron Ore
- Nhlesaing Manganese
- Two Rivers Platinum
- Nkomati Nickel
- Modikwa Platinum

Percentile on cost curve (based on cumulative production)

Commodity unit cash cost

Approximate on mine and smelter cash cost split

Electricity 8%
Labour 49%
Consumables 43%
Other 4%

Electricity 4%
Labour 46%
Consumables 29%
Other 25%

Electricity 2%
Labour 26%
Consumables 32%
Other 41%

11/10/2009

Mining costs

ARM Ferrous
- Increasing volumes with restructuring implemented
- Approximate on mine and smelter cash cost split

ARM Platinum
- Cost control and plant optimisation with restructuring implemented
- Approximate on mine cash cost split

ARM Coal
- Export volumes increasing and shift to lower cost open cast mining
- Approximate on mine cash cost split

All F2009 figures attributable
Modikwa costs improving

- Costs improving from R6,000 to R3,000 per 6E ounce produced.
- 30% reduction in costs.

Acquisitions

- Correct timing of investment through the cycle.
- Potential opportunities with distressed assets - Pricing expectations remain high.
- Owner operator – target is for 50% + ownership.
- Targets need to be benchmarked against ARM’s organic growth plans.
- Cash flows from potential acquisitions a key consideration.
- Fit within the ARM quality portfolio and strategic objectives - Low unit cost and long life assets.
- Remember “We do it better”.
**Manganese ore production**

- **Africa & ME**
- **China**
- **Asia (ex China)**
- **Americas**
- **CIS**
- **India**
- **Other**

<table>
<thead>
<tr>
<th>Region</th>
<th>2008 Production (mt)</th>
<th>% Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa &amp; ME</td>
<td>50%</td>
<td>35%</td>
</tr>
<tr>
<td>China</td>
<td>48%</td>
<td>24%</td>
</tr>
<tr>
<td>Asia (ex China)</td>
<td>26%</td>
<td>16%</td>
</tr>
<tr>
<td>Americas</td>
<td>26%</td>
<td>10%</td>
</tr>
<tr>
<td>CIS</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>India</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Total 2008: 14mt
Total 2007: 13mt

Source: International Manganese Institute (June 2009), ARM estimates

**Manganese market outlook improving**

- **Manganese (Mn)** – used for steelmaking
  - 70% used as an alloy agent
  - 30% for its properties as a sulphide former and deoxidant
  - Approximately 10 kg Mn alloy per mt of steel produced
- Manganese ore production for 2008 estimated at 14 mt
- South Africa, China, Australia and Gabon accounted for 69% of the world’s manganese ore production
- 40% of global trade was imported by China
- Developing economies use more manganese in their steel than developed ones
- China and India’s growth prospects are positive for the manganese markets

Source: International Manganese Institute (June 2009), ARM estimates
Manganese market

Manganese commodity prices

Source for all charts: International Manganese Institute, ARM estimates

2 x 2010 growth strategy – 100% basis

Manganese ore (thousand tonnes)

Iron ore (thousand tonnes)
2 x 2010 growth strategy – 100% basis

Ferromanganese
Thousand tonnes

Ferromanganese alloys monthly sales (thousand tonnes)

Charge chrome
Thousand tonnes

Charge chrome monthly sales (thousand tonnes)

2 x 2010 growth strategy – attributable

PGM in concentrate sales
Thousand ounces

PGMs monthly sales (ounces)

Thermal coal
Million tonnes

Thermal coal monthly sales (thousand tonnes)
2 x 2010 growth strategy – 100% basis

Nkomati nickel
Thousand tonnes

Chrome ore
Thousand tonnes

Growth projects continue

Attributable capital expenditure by division
R million


Modikwa  Nkomati  Two Rivers  ARM Ferrous  ARM Coal  ARM Exploration
Balance Sheet strength continues

<table>
<thead>
<tr>
<th>EBITDA excluding exceptional items</th>
<th>Cash on Balance Sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>R million</td>
<td>R million</td>
</tr>
<tr>
<td>7,229</td>
<td>4,484</td>
</tr>
<tr>
<td>5,000</td>
<td>3,513</td>
</tr>
<tr>
<td>6,000</td>
<td>3,000</td>
</tr>
<tr>
<td>8,000</td>
<td>2,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital expenditure</th>
<th>Net debt/(cash) and interest cover</th>
</tr>
</thead>
<tbody>
<tr>
<td>R million</td>
<td>R million</td>
</tr>
<tr>
<td>1,037</td>
<td>986</td>
</tr>
<tr>
<td>1,671</td>
<td>1,307</td>
</tr>
<tr>
<td>1,861</td>
<td>1,005</td>
</tr>
<tr>
<td>2,779</td>
<td>(174)</td>
</tr>
</tbody>
</table>

Questions

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