We do it better

Mining Indaba 4 February 2014
Chief Executive Officer: Mike Schmidt
Continuing to focus on cost control and quality growth.
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## African Rainbow Minerals (ARM)

### Listing information

<table>
<thead>
<tr>
<th>Primary listing</th>
<th>JSE Limited (ticker ARI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share price</td>
<td>ZAR 212.10 per share</td>
</tr>
<tr>
<td>Market capitalisation</td>
<td>ZAR 45.9 billion</td>
</tr>
<tr>
<td>Market capitalisation (at an exchange rate of R10.83/US$)</td>
<td>US$ 4.2 billion</td>
</tr>
<tr>
<td>Average daily volume traded in preceding 12 months</td>
<td>411 636 shares per day</td>
</tr>
<tr>
<td>12 month high</td>
<td>ZAR 212.10 per share</td>
</tr>
<tr>
<td>12 month low</td>
<td>ZAR 144.95 per share</td>
</tr>
<tr>
<td>Other listings</td>
<td>Sponsored Level 1 ADR (ticker AFRBY)</td>
</tr>
</tbody>
</table>

*Information as at 21 January 2014*
1. ARM’s effective interest in Modikwa Mine is 41.5%, local communities hold 8.5% of Modikwa Mine.

2. ARM’s shareholding in Two Rivers will reduce to 51% once the transfer of Kalkfontein portions 4, 5 and 6 and Tweefontein prospecting rights has been effected.

3. Platinum Australia submitted a revised feasibility study during 2013, thereby completing Phase II of the exploration programme and earning 44% participation in the Kalplats Project.

4. The Vale/ARM Joint Venture implemented the decision to exit the Kalumines Project after the 2013 financial year-end.
Revenue composition by commodity

PGM, nickel and coal headline earnings contribution increased in F2013.
As a globally competitive company, ARM is committed to paying dividends and funding growth.

Headline earnings per share and dividends per share (cents per share)

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Earnings</td>
<td>1 094</td>
<td>807</td>
<td>1 585</td>
<td>1 615</td>
<td>1 735</td>
</tr>
<tr>
<td>Dividends</td>
<td>175</td>
<td>200</td>
<td>450</td>
<td>475</td>
<td>510</td>
</tr>
<tr>
<td>Dividend cover</td>
<td>6.3 X</td>
<td>4.0 X</td>
<td>3.5 X</td>
<td>3.4 X</td>
<td>3.4 X</td>
</tr>
</tbody>
</table>

As a globally competitive company, ARM is committed to paying dividends and funding growth.
ARM strategy

All operations to be below the 50th percentile

Operational efficiencies

Quality growth continues in ARM’s portfolio of commodities

Acquisitions and partnerships

Africa

Ramping up volumes and initiating new growth projects

ARM Exploration

Continuing to assess acquisitions and joint venture opportunities

Owner operator

Entrepreneurial management

Africa

Profit focused

Partner of choice

ARM Exploration

Employer of choice

World-class management team

Responsible community development

Owner operator

Entrepreneurial management

Arsenio

Africa

Profit focused

Partner of choice

ARM Exploration

Employer of choice

World-class management team

Responsible community development
ARM’s objective is to have its operations positioned below the 50th percentile on the global cost curve.

Operational efficiencies
Safety record

Lost Time Injury Frequency Rate (LTIFR) per 200 000 man hours worked

There were no fatalities at any of the ARM managed mines in F2013.
The ARM F2013 average EBITDA margin was 36% (F2012: 37%).

- Iron Ore: F2013 60% (F2012: 55%)
- Coal: F2013 42% (F2012: 45%)
- Manganese: F2013 25% (F2012: 28%)
- Platinum: F2013 25% (F2012: 28%)
- Nickel: F2013 2% (F2012: 26%)
- Chrome: F2013 -4% (F2012: -5%)

Increase in EBITDA margins for coal, manganese, platinum and nickel.
Update on growth projects

The iron ore mines have ramped up to steady state production.

The Nkomati Nickel Mine achieved a significant turnaround increasing production by 66% to 23 220 tonnes of nickel and reducing costs by 42% to US$ 4.98/lb.

The Lubambe Copper Mine commissioned its concentrator plant two months ahead of schedule and produced 14 871 tonnes of copper. The mine is addressing challenges with the quality of the concentrate delivered to a smelter.
Future growth projects

- Iron ore expansion beyond 16 mtpa
- Manganese ore expansion beyond 3 mtpa
- Expansion of Modikwa Platinum Mine
- Lubambe Copper Extension Area
- Exploration with Rovuma Resources
- Thermal coal projects
Transnet’s Market Demand Strategy

**Iron Ore Division**
Beeshoek & Khumani Iron Ore Mines

- Beeshoek & Khumani Iron Ore Mines
- North West
- Gauteng
- Western Cape
- Eastern Cape
- Northern Cape

**Manganese Division**
Nchwaning & Gloria Mines

- Nchwaning & Gloria Mines
- North West
- Gauteng
- Western Cape

**Coal Division**
Goedgevonden Impunzi And Tweefontein Mines

- Goedgevonden Impunzi
- Tweefontein Mines
- Gauteng
- Mpumalanga

- Coal export capacity to be increased to 97.5 mtpa (81 mtpa by 2015)

- Iron ore export capacity to increase to 82.5 mtpa by 2020

- Manganese ore export capacity to increase to 16 mtpa by 2018/2019
### ARM Copper: Extension Area

There has been a substantial increase in resource tonnes and average grade of the target area.

<table>
<thead>
<tr>
<th>Description</th>
<th>Vale/ARM JV estimate 2010</th>
<th>AMEC statement Feb 2013</th>
<th>Variance</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource tonnage</td>
<td>Mt</td>
<td>75.70</td>
<td>105.00</td>
<td>29.30</td>
</tr>
<tr>
<td>Total Copper grade</td>
<td>%</td>
<td>2.81</td>
<td>3.66</td>
<td>0.85</td>
</tr>
<tr>
<td>Acid soluble Copper grade</td>
<td>%</td>
<td>0.91</td>
<td>0.59</td>
<td>(0.32)</td>
</tr>
<tr>
<td>Cobalt grade</td>
<td>%</td>
<td>-</td>
<td>0.09</td>
<td>n/a</td>
</tr>
<tr>
<td>True thickness</td>
<td>Metres</td>
<td>9.41</td>
<td>10.74</td>
<td>1.33</td>
</tr>
<tr>
<td>Contained copper</td>
<td>Mt</td>
<td>2.13</td>
<td>3.84</td>
<td>1.71</td>
</tr>
</tbody>
</table>
Projects pipeline and operations

Exploration to feasibility

1. Rovuma Resources Exploration
2. Kalplats
3. Lubambe Extension Area

Project development and ramp-up

4. Iron ore expansion beyond 16 mtpa
5. Beeshoek Village Pit
6. Manganese ore expansion beyond 3 mtpa
7. Sakura Ferroalloys

Steady state (>15 years life-of-mine)

Beeshoek Iron Ore Mine
Thermal coal mines
Manganese and chrome smelters
Manganese ore mines
Two Rivers Platinum Mine
Modikwa Platinum Mine
Nkomati Nickel Mine
Goedgevonden Thermal Coal Mine
Dwarsrivier Chrome Mine
Khumani Iron Ore Mine

Declining operations

Lubambe Copper Mine
Modikwa Platinum Mine Recapitalisation

Stage of development
The forecasted capital expenditure for F2015 to F2016 is an estimation based on approved projects and projects under consideration.
ARM continues to focus on value adding acquisitive growth.

ARM’s robust financial status, positions it favourably to pursue value adding acquisitions.
Exploration in Africa

ARM Exploration is focused on identifying, acquiring, exploring and evaluating new geological targets in Africa.

Exploration during F2013 focused on the integration and interpretation of all previously gathered data in Northern Mozambique through the joint venture with Rovuma Resources Limitada (“Rovuma”)

The Rovuma Project has a strike length of approximately 100km containing four target cluster areas with potential for nickel/copper/PGM.
**Financial position**

**EBITDA excluding exceptional items**
- R million
- F2009: 4,484
- F2010: 3,907
- F2011: 6,517
- F2012: 6,531
- F2013: 7,230

**Cash on statement of financial position**
- R million
- F2009: 3,513
- F2010: 3,039
- F2011: 3,668
- F2012: 3,564
- F2013: 4,632

**Capital expenditure**
- R million
- F2009: 3,333
- F2010: 2,738
- F2011: 3,494
- F2012: 4,321
- F2013: 3,489

**Net cash excluding partner loans**
- R million
- F2009: 1,575
- F2010: 1,811
- F2011: 2,594
- F2012: 2,303
- F2013: 2,680
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Thank you