Deutsche Bank South African Coal Conference

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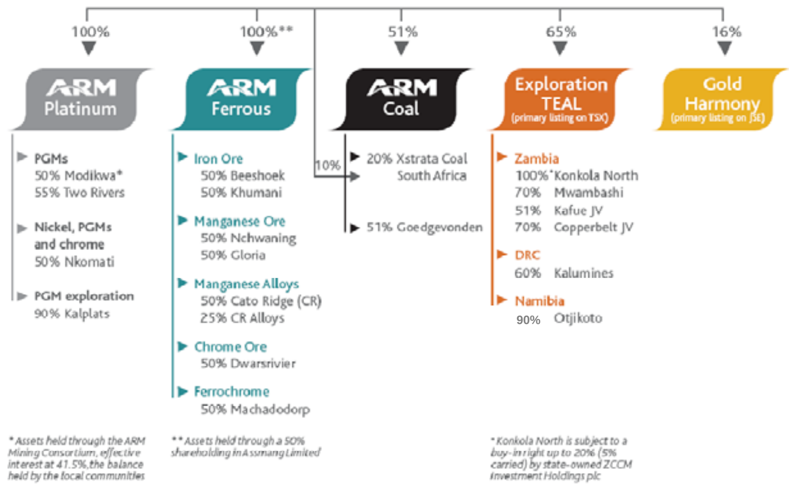
Perfect diversified commodity mix

ARM African Rainbow Minerals

ARM market capitalisation:
R50 billion or $6.5 billion

ARM share price:
R235 per share at 25 August 2008



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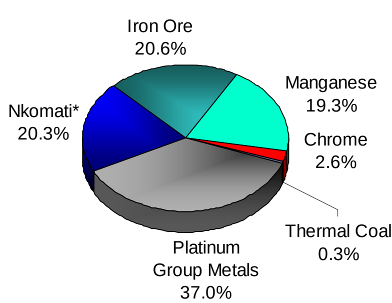
Growing diversified commodity business

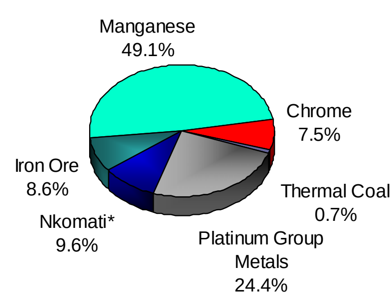
ARM African Rainbow Minerals

Attributable EBIT split between operations

12 months to 30 June 2007



12 months to 30 June 2008



* Nkomati operating profit split:
Nickel (86%) and Chrome (14%)

* Nkomati operating profit split:
Nickel (44%) and Chrome (56%)

Attributable EBIT split between operations calculated from published EBIT (or segmental results) before corporate and exploration expenses and excluding the 45% minority interest in Two Rivers

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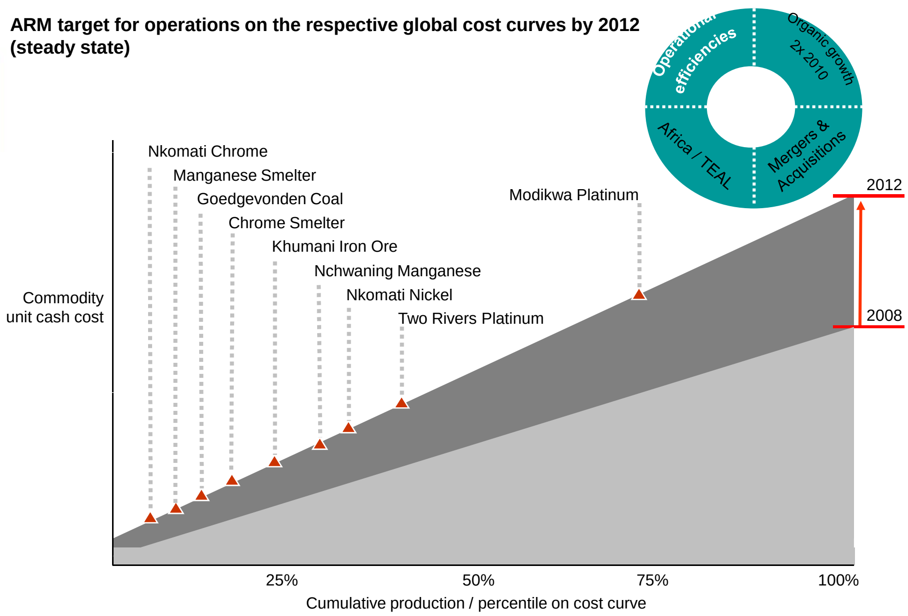
Continuous focus on reducing costs

ARM target for operations on the respective global cost curves by 2012 (steady state)



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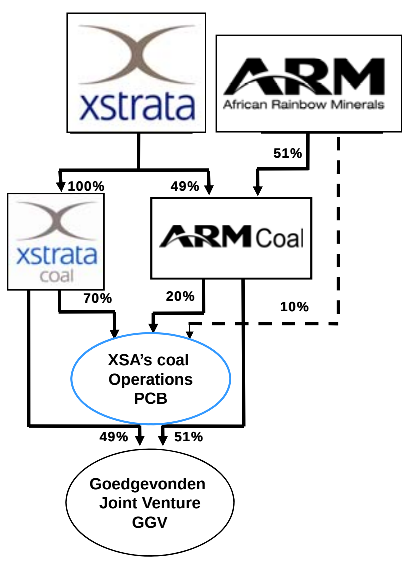
ARM Coal structure



Role of partnership:

- Access to good coal assets
- Access to coal markets
- Exposure to XCSA expertise
- Funding facilitation
- Successful black owned entity
- Access to Eskom and RBCT
- Fulfils the spirit of MPRDA
- Vehicle for future growth
- Contribute and share mining skills and experience
- Building good relationships in the rest of Africa

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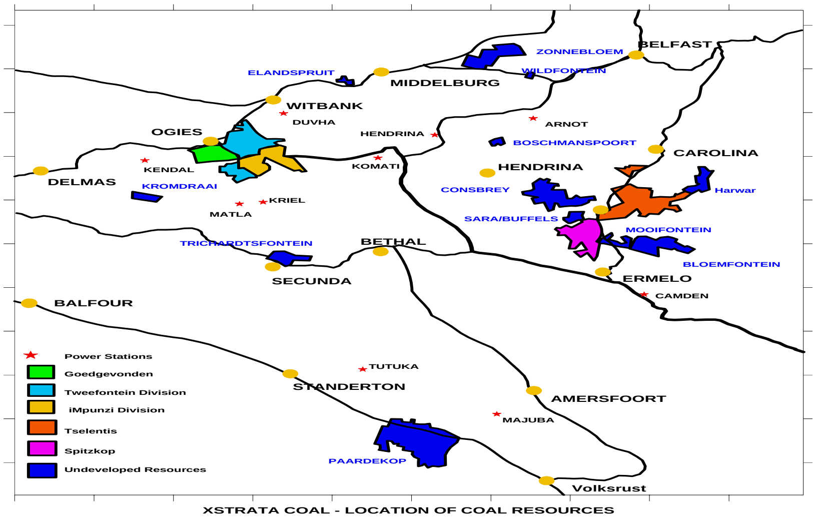
Location of coalfields

African Rainbow Minerals



* Operational complexes and future prospects under joint evaluation

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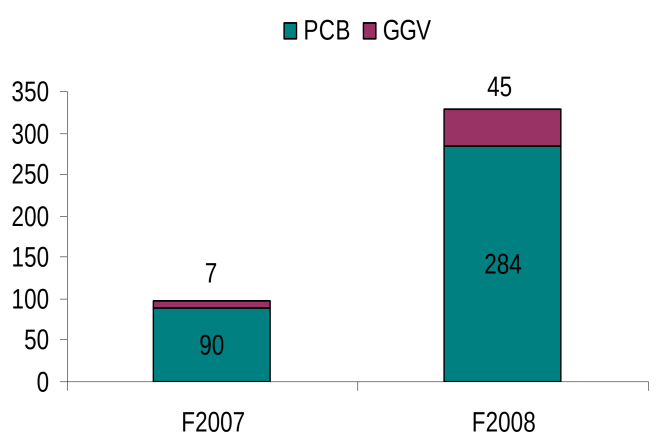
ARM Coal EBIT profile

xstrata

African Rainbow Minerals

EBIT – attributable to ARM Coal

F2008: R329 million



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ARM Coal operational statistics

		F2008	F2007	% change
Total production and sales				
Saleable production	Mt	25.3	23.1	9
Export thermal coal sales	Mt	13.7	13.6	1
Domestic thermal coal sales	Mt	13.2	9.0	47
Attributable production and sales				
Saleable production	Mt	5.2	4.5	16
Export thermal coal sales	Mt	2.8	3.0	-7
Domestic thermal coal sales	Mt	2.8	1.7	65
Average received coal price				
Export (FOB)	US$/t	58.5	44.5	31
Domestic (FOR)	R/t	104.3	70.0	49
On mine saleable cost	R/t	148.4	147.9	-1
Cash operating profit				
Total	R million	2 620	1 387	89
Attributable	R million	540	268	101
Headline earnings attributable to ARM		175	1	>500

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Impact of Eskom 10% electricity cuts

- Limited impact from load shedding on all coal operations of XCSA, however infrastructure related power disruptions more significant
- Industry awaits clarification of Eskom's proposed power conservation programme (PCP) and implementation for Q4'08 inclusive of regulatory process (Nersa), power allocations and tariff structure
- However measures in place to reduce consumption include:
  - Stoppage of less efficient plants (Phoenix plant)
  - On-mine power saving strategies and energy efficiency programmes
  - Introduction of diesel generators
  - Diesel instead of electric shovels chosen at GGV
- Increase in Eskom coal supply year on year, especially from GGV

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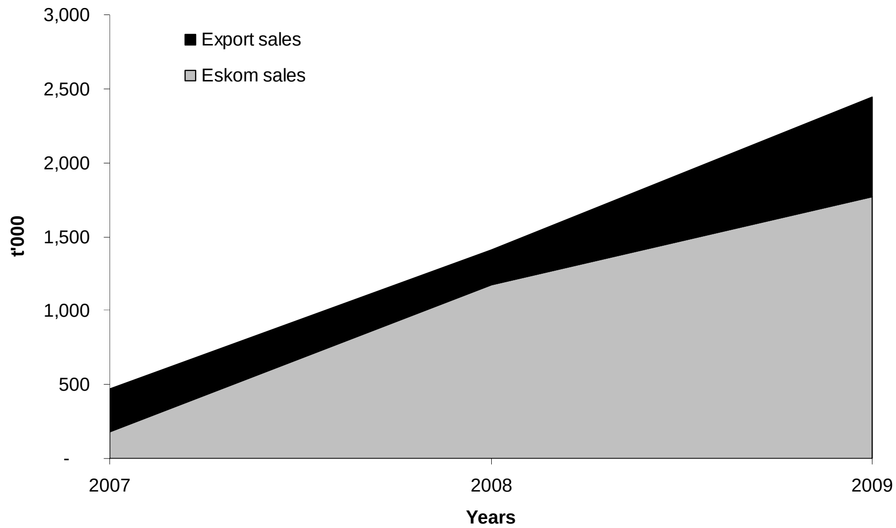
Goedgevonden Coal Project

xstrata

ARM African Rainbow Minerals

Sales volumes

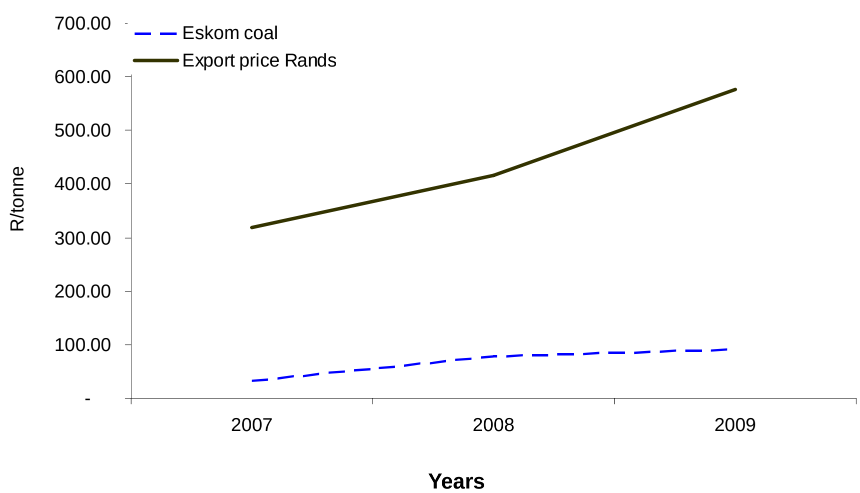


Goedgevonden Coal Project

xstrata

ARM African Rainbow Minerals

Sales prices



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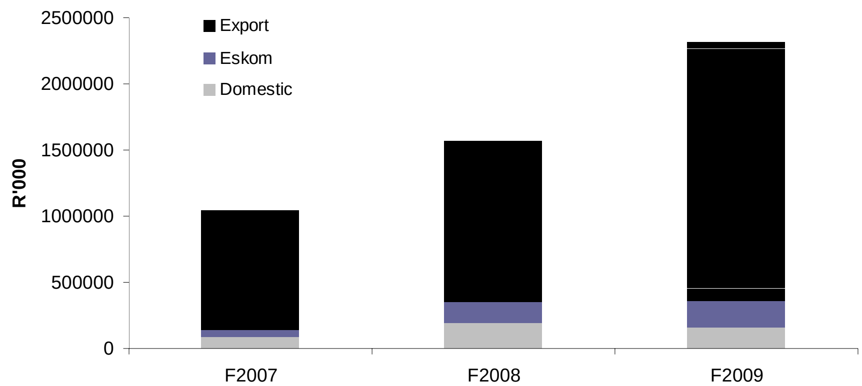
Revenue composition – Total ARM Coal



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Goedgevonden Coal Project

Goedgevonden Coal Project (GGV) is 51% owned by ARM Coal and 49% owned by Xstrata

6.7 mtpa saleable thermal coal

3.2 mtpa export sales 27,5 mj/kg	3.5 mtpa domestic sales 22 mj/kg
• ARM Coal has secured 3.2 mtpa additional capacity at Richard's Bay Coal Terminal (RBCT)	• Eskom off-take negotiations ongoing • In close proximity to 4 power stations • Supplying a premium product (washed and sized)

Project released 2007 → Open cast mine expected to produce lower quartile of global cost curve → Ramp-up: 2009; Full production: 2011

Capital cost of R3.2 billion, 70% committed, funded by Xstrata Coal

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Goedgevonden orebody

- Multi Seam and Multi-product
  - Three different seams namely: 2 Seam, 4 Seam and 5 Seam
  - Eskom washed product of 22MJ/kg
  - Export 6,000 kcal/kg (27,5 MJ/kg) product
  - 5 Seam for local ferrochrome/alloys market
- Average strip ratio of 2.2 bcm/tonnes
- Mineable reserves of 357 Mt ROM, life of mine is 33 years
- Product yield of 55% (12 Mt ROM and 6.7 Mt salable product)

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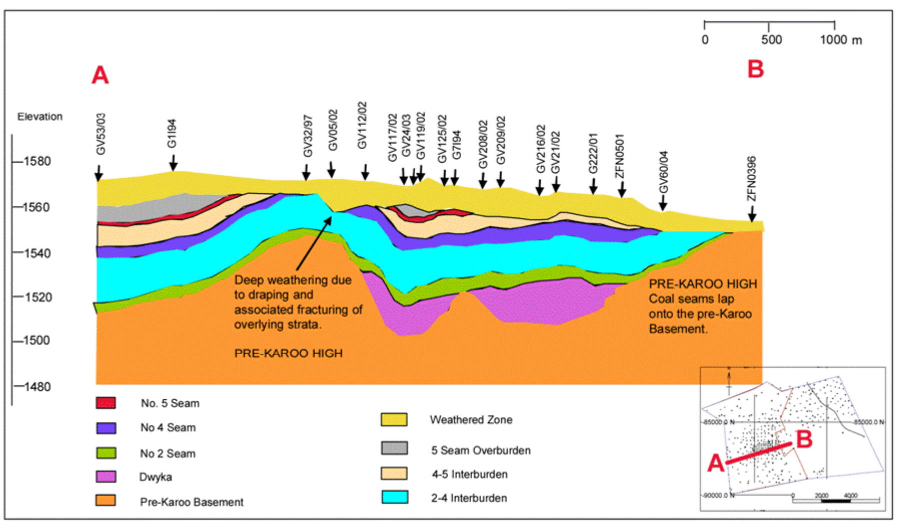
Goedgevonden orebody



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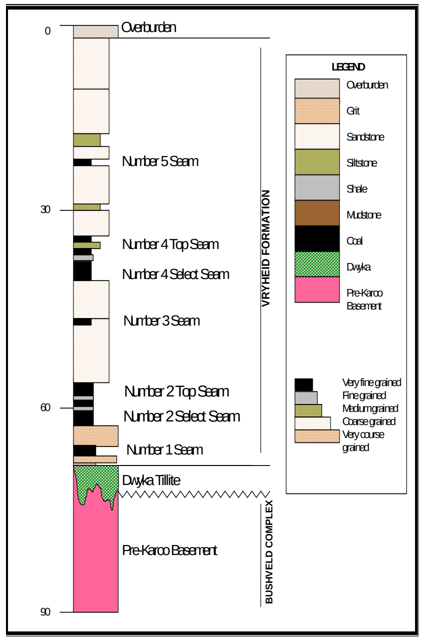
Cross-section of GGV coal seams



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Project update

- 5 km of provincial road diversion
- 14 km of stream diversion (initial 7 km, and further 7 km over LOM)
- Construction of 10 km of rail link from GGV to Saaiwater siding to link into Transnet's Richards Bay dedicated coal line
- 2 x 1000 tph primary DMS multi-product coal processing plant
- Stacker and tunnel reclaim system with rapid loading rail terminal
- Mine residue facility
- Pit development, using draglines and diesel truck / shovels
- General mine infrastructure (offices, workshops, etc.)
- Eskom dispatch options (rail / road and conveyor)

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Project key milestones

- Road diversion
  - East Portion in May 2008
  - West Portion in Aug 2008
- Bridges
  - Rail over Rail in July 2008
  - Rail over Road in July 2008
  - Road over Rail in July 2008
  - Rail over Stream in July 2008
- River Diversion (Northern Portion) in August 2008
- Commissioning of mining equipment fleet in August 2008

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Construction site

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Sumps installation at CHPP

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Stacker reclaimer and reclaim tunnel

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Conclusion

African Rainbow Minerals

- ARM Coal has established a track record of operational performance and project delivery
- Addition of coal into the portfolio has added value to ARM
- Partnership with Xstrata has been very rewarding
- ARM Coal’s BEE credentials facilitated the license conversion at GGV and Zaaiwater and 3.2 million tonne RBCT Phase V allocation
- Goedgevonden Coal Project is well in track for delivery on time and on budget
- Current Xstrata prospecting licenses are being reviewed for further ARM Coal growth opportunities

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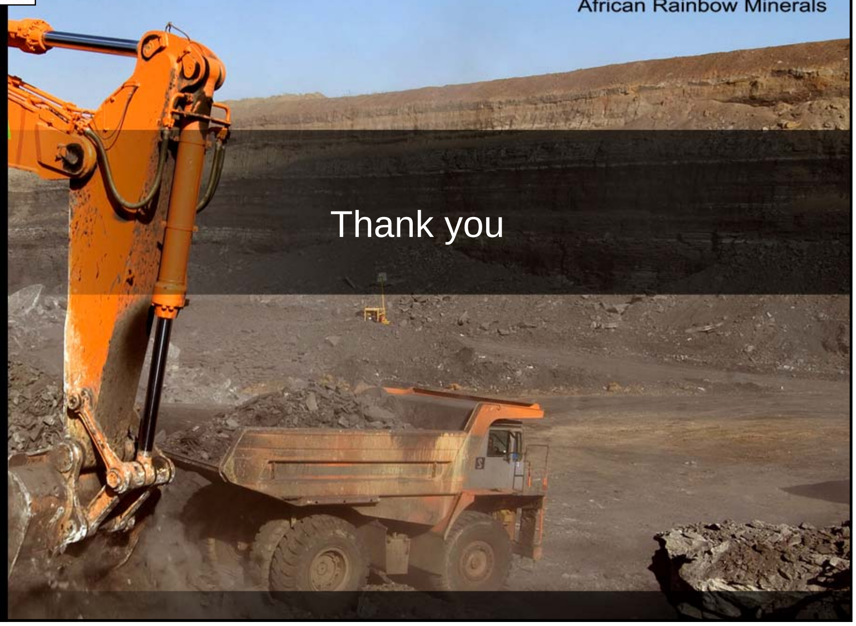
African Rainbow Minerals



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