Corporate profile

African Rainbow Minerals Limited (ARM) is a leading diversified South African mining and minerals company with excellent long-life low-cost assets in key commodities. An integral part of ARM's business is the forging of partnerships with key major players in the resource sector, bringing to ARM access to markets and value-generating growth opportunities, while ARM's "We do it better" management style brings an entrepreneurial flair to the businesses it manages and is invested in.

ARM in its current form was formed in May 2004, to explore, develop, operate and hold significant interests in the South African and African mining industry. The Company has interests in:

- ferrous metals through its holding in Assmang Limited;
- platinum group metals (PGMs), nickel and chrome held through a range of joint ventures and partnerships;
- coal, through its interest in Xstrata Coal South Africa (XCSA) and the Goedgevonden Coal Project (GGV);
- exploration for copper, cobalt, gold and other base metals outside of South Africa, through TEAL Exploration & Mining Incorporated (TEAL); and
- gold, through its interest in Harmony Gold Mining Company Limited (Harmony).

Contents

Time line

1994 February — Patrice Motsepe starts Future Mining

2001 March — Creation of Modikwa Platinum, a JV with Anglo Platinum

2002 May — ARMgold Limited lists on the JSE (market cap of R5 billion)

2003 September — ARMgold merger with Harmony Gold

2003 November — Range of transactions initiated between Avmin, ARMI and Harmony resulting in the formation of ARM and enlargement of Harmony

2004 May — **African Rainbow Minerals created upon completion of the merger transaction**

2005 January — 2 x 2010 organic growth strategy introduced

2005 February — Nkomati JV with Lion Ore (currently Norilsk Nickel)

2005 November — TEAL lists on the Toronto Stock Exchange

2006 March — TEAL lists on the JSE

2006 May — Nchwaning Manganese Mine commissioned

2006 July — ARM Coal established with JV partner Xstrata Coal South Africa

2006 August — Two Rivers Platinum Mine commissioned

2007 March — ARM included in the JSE/FTSE Top 40

2007 May — Khumani Iron Ore Mine commences mining operations

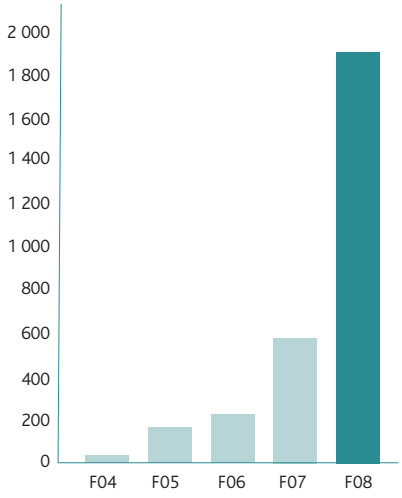
2007 August — Nkomati Nickel Interim Plant commissioned

2007 October — ARM pays maiden dividend

2008 June — Khumani Iron Ore Mine – 6 Mtpa expansion start-up capital approved

2008 June — ARM market capitalisation reaches R59 billion ($8 billion)

Headline earnings per share
(cents)

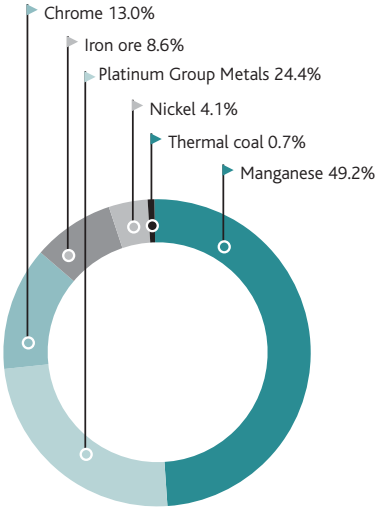


ARM Platinum		F2008	F2007	% change
Headline earnings contribution	R million	1 347	798	69
Cash operating margin	%	61	63	(3)
EBITDA	R million	2 996	1 929	55

ARM Ferrous		F2008	F2007	% change
Headline earnings contribution	R million	2 775	665	317
Cash operating margin	%	61	41	49
EBITDA	R million	4 366	1 191	267

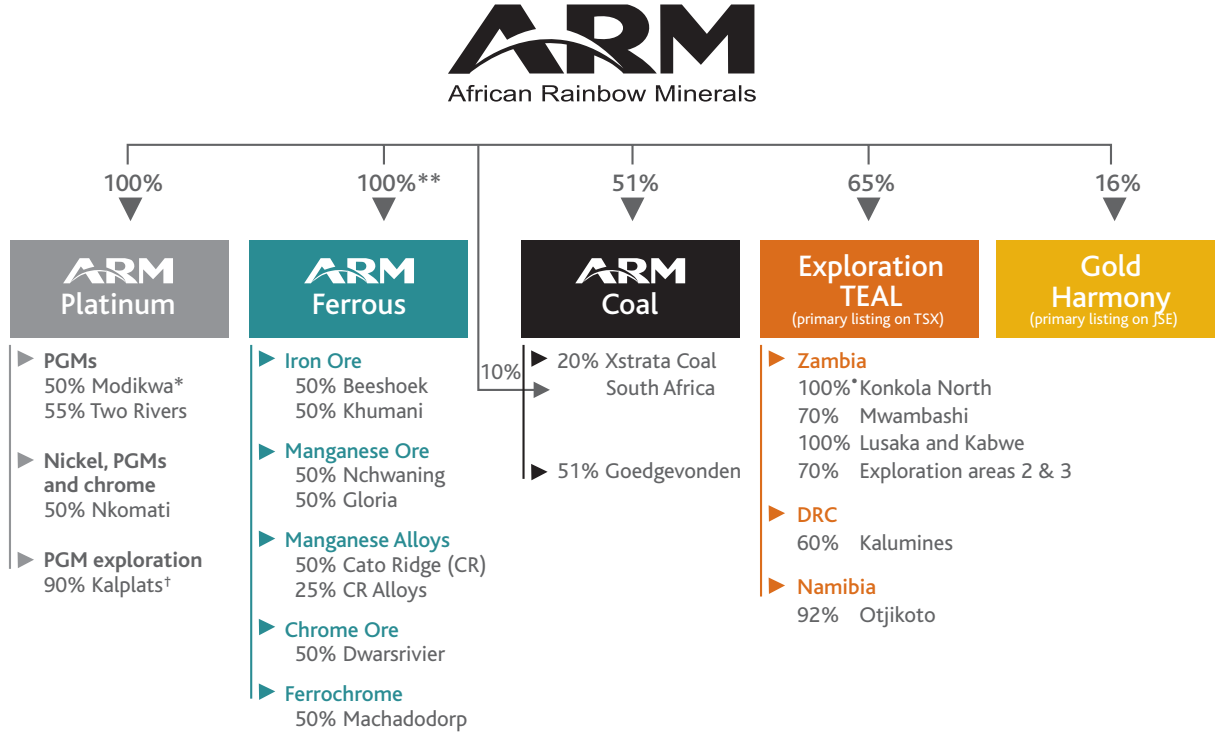
ARM Coal		F2008	F2007	% change
Headline earnings contribution	R million	175	1	–
Cash operating margin	%	37	27	37
EBITDA	R million	51	7	629

F2008 Attributable EBIT per commodity
(excluding exploration and corporate costs)



Highlights for F2008

- Record headline earnings increase of 232% from R1.2 billion (580 cps) to R4.0 billion (1 906 cps)
- Profit from operations before exceptional items increases by 169% from R2.5 billion to R6.7 billion
- Dividend increases 167% to 400 cps
- Record sales volumes in manganese ore, chrome ore, PGMs and thermal coal
- Cash balances increase by R1.6 billion to R2.6 billion
- Market capitalisation increases from R26 billion at F2007 year end to R35 billion at 30 September 2008
- Khumani Iron Ore Mine and plant substantially commissioned on time and within budget
- Khumani 6 Mtpa expansion project set to proceed, with start-up capital approved
- Two Rivers repays project loan well ahead of schedule



** Assets held through ARM Mining Consortium, effective interest at 41.5%, the balance held by the local communities*

† Platinum Australia will earn in up to 49% on completion of a bankable feasibility study and owns 50% of the Kalplats extended area

*** Assets held through a 50% shareholding in Assmang Limited*

• Konkola North is subject to a buy-in right up to 20% (5% carried) by state-owned ZCCM Investment Holdings plc

Financial summary and statistics

For the year ended 30 June R million, unless otherwise stated		F2008	F2007	F2006	F2005	F2004
Income statement						
Sales		**12 590**	6 152	4 622	5 485	3 885
Headline earnings		**4 013**	1 207	462	339	47
Basic earnings per share (cents)		**2 131**	586	293	225	865
Headline earnings per share (cents)		**1 906**	580	225	166	37
Dividend declared after year-end per share (cents)		**400**	150	n/a	n/a	n/a
Balance sheet						
Total assets		**24 878**	18 144	14 611	11 766	11 460
Total interest bearing borrowings		**3 978**	4 044	2 252	1 574	1 831
Shareholders' equity		**15 676**	11 218	10 393	7 972	7 954
Cash flow						
Cash generated from operations		**5 175**	2 537	1 243	1 661	603
Cash generated from operations per share (cents)		**2 457**	1 219	606	813	471
Cash and cash equivalents		**2 594**	1 039	193	47	328
Number of employees		**8 747**	7 725	6 943	6 107	5 162
Exchange rates						
Average rate US$1 = R		**7.30**	7.20	6.40	6.21	6.90
Closing rate US$1 = R		**7.83**	7.07	7.16	6.65	6.26
JSE Limited performance						
Ordinary shares (Rands)						
– high		**307**	138	52	38	48
– low		**103**	53	32	25	32
– year-end		**280**	123	48	34	34
Volume of shares traded (thousands)		**84 678**	40 203	39 711	51 382	26 547
Number of ordinary shares in issue (thousands)		**211 556**	209 730	206 367	204 437	204 208
Financial statistics	**Definition number**					
Liquidity ratios (x)						
Current ratio	1	**1.8**	1.5	1.4	1.6	1.5
Quick ratio	2	**1.5**	1.1	1.0	1.0	0.9
Cash ratio	3	**1.6**	0.8	0.8	0.8	0.4
Profitability (%)						
Return on operational assets	4	**39.6**	25.1	17.6	20.6	7.5
Return on capital employed	5	**36.3**	16.4	9.2	8.2	8.2
Return on equity	6	**27.0**	11.1	4.5	5.2	0.7
Gross margin	7	**56.2**	45.7	28.5	31.8	21.1
Operating margin	8	**53.0**	40.3	24.1	29.0	13.6
Debt leverage						
Interest cover (x)	9	**16.7**	6.9	8.5	8.5	5.4
Debt: equity ratio (%)	10	**25**	36	22	20	23
Net debt:equity ratio (%)	11	**8**	27	17	16	19
Other						
Net asset value per share (R/share)	12	**70**	52	50	32	32
Market capitalisation	13	**59 236**	25 900	9 957	6 949	6 943
Dividend cover (x)	14	**4.76**	3.87	n/a	n/a	n/a
EBITDA	15	**7 229**	2 887	1 552	2 025	725
EBITDA margin (%)	16	**57**	47	34	37	19

Definitions

1 Current ratio (times) Current assets divided by current liabilities.
2 Quick ratio (times) Current assets less inventories divided by current liabilities.
3 Cash ratio (times) Cash and cash equivalents divided by current liabilities less overdrafts.
4 Return on operational assets (%) Profit from operations divided by tangible non current and current assets excluding capital work in progress.
5 Return on capital employed (%) Profit before exceptional items and finance costs, divided by average capital employed. Capital employed comprises non-current and current assets less trade and other payables and provisions.
6 Return on equity (%) Headline earnings divided by ordinary shareholders interest in capital and reserves.
7 Gross margin (%) Gross profit divided by sales.
8 Operating margin (%) Profit from operations before exceptional items divided by sales.
9 Interest cover (times) Profit before exceptional items and finance costs divided by finance costs.
10 Debt:equity ratio Total debt divided by total equity. Total debt comprises long-term borrowings, overdrafts and short-term borrowings. Total equity comprises total shareholders' interest.
11 Net debt:equity ratio Total debt less cash and cash equivalents divided by total equity. Total debt comprises long-term borrowings, overdrafts and short-term borrowings.
Total equity comprises total shareholders' interest.
12 Net asset value per share (Rands) Ordinary shareholders' interest in capital and reserves divided by number of shares in issue.
13 Market capitalisation (R million) Number of ordinary shares in issue multiplied by market value of shares at 30 June.
14 Dividend cover (times) Headline earnings per share divided by dividend per share.
15 EBITDA (R million) Earnings before interest, taxation, depreciation, amortisation, income from associate and exceptional items.
16 EBITDA margin (%) EBITDA divided by sales.

Operational volume summary

Delivering on growth plans

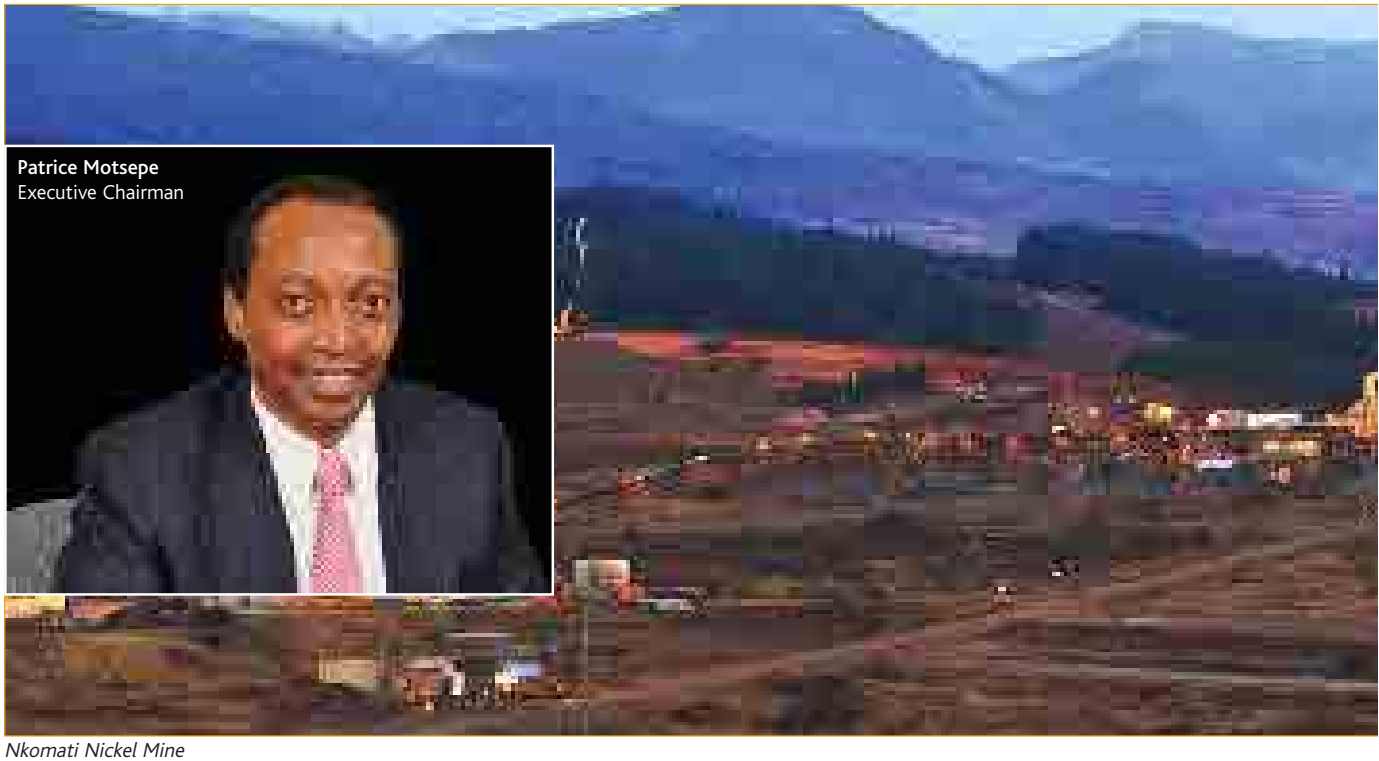
Operation 100% basis	ARM's % ownership	Operation stage	Units	Volumes F2008	Volumes F2007	% change	Life of mine (years)
ARM Platinum				Production	Production		
Modikwa Platinum Mine	41.5	Steady-state	PGM oz	294 721	274 174	7	30 on UG2
Two Rivers Platinum Mine	55.0	Steady-state	PGM oz	206 491	184 099	12	20
Nkomati Nickel Mine	50.0	Ramp-up	t	5 136	4 418	16	18
Nkomati Chrome Mine	50.0	Steady-state	000t	1 145	584	96	18
ARM Ferrous				Production	Production		
Nchwaning Manganese Mine	50.0	Steady-state	Mt	2.74	2.41	14	30
Gloria Manganese Mine	50.0	Steady-state	Mt	0.42	0.43	(2)	30
Dwarsrivier Chrome Mine	50.0	Approaching steady-state	Mt	0.85	0.71	20	30
Beeshoek Iron Ore Mine	50.0	Downscaling	Mt	4.49	6.68	(33)	7
Khumani Iron Ore Mine	50.0	Development and ramp-up	Mt	1.85*	First blast in May 2007	–	30
Manganese Alloys	50/25	Steady-state	Mt	0.26	0.34	(24)	n/a
Charge Chrome	50	Steady-state	Mt	0.27	0.24	12	n/a
ARM Coal				Sales	Sales		
Participating Coal Business (PCB) – 55% export thermal coal	20.2	Steady-state	Mt	24.0	21.7	11	27
Goedgevonden Coal Project – 17% export thermal coal	26.0	Ramp-up	Mt	2.9	1.0	190	33

*1.2 Mt produced at Beeshoek by processing run of mine ore from Khumani

Financial summary (US dollars)

For the year ended 30 June US$ million	F2008	F2007	F2006	F2005	F2004
Income statement					
Sales	**1 725**	855	722	883	563
Headline earnings	**550**	168	72	55	7
Headline earnings per share (cents)	**261**	81	35	27	5
Dividend declared after year-end per share (cents)	**51**	21	Na	Na	Na
Cash flow					
Cash generated from operations	**709**	353	194	267	87
Cash generated from operations per share (cents)	**337**	170	95	131	68
Cash and cash equivalents	**332**	147	30	8	48
Market capitalisation	**7 565**	3 663	1 391	1 045	1 109
EBITDA	**990**	401	243	326	105

Executive Chairman's letter to shareholders



Nkomati Nickel Mine

During the past financial year ARM tripled headline earnings, increased dividends by 167% and is exceeding its 2005 objective of doubling production by 2010.

For the third consecutive year, ARM achieved an outstanding performance for its shareholders. This financial year's superb performance has occurred amid volatile equity markets and challenging cost pressures facing the global mining industry. The value to shareholders has materialised through earnings growth, increased share price performance and improved cash flow, resulting in an increased dividend to our shareholders.

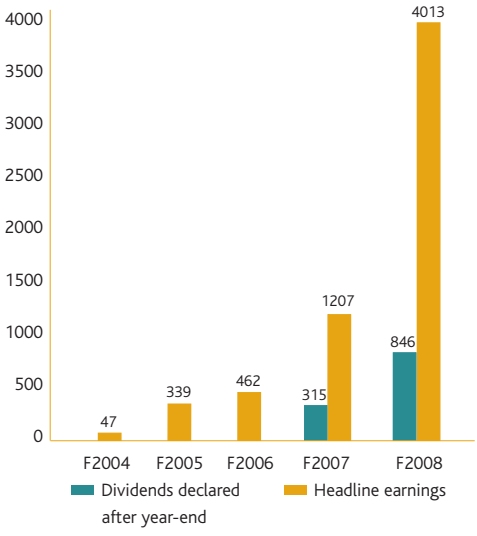
All operating divisions contributed to the earnings increases. Notably ARM Ferrous delivered exceptional results, with the manganese markets contributing significantly to this division's performance.

During the financial year ARM's market capitalisation increased by 129% to R59 billion (US$8 billion) at 30 June 2008. By 30 September 2008 this had reduced to R35 billion (US$4 billion), reflecting the instability of global financial markets. Supporting the earnings and the market capitalisation growth is the EBITDA growth of 150% this year to R7.2 billion. ARM's EBITDA margin increased from 47% to 57%, demonstrating the strength and profitability of ARM's underlying operations.

After declaring a maiden dividend of 150 cents per share in September 2007 we are pleased to declare an increased dividend of 400 cents per share, an increase of 167% year on year. ARM invested R8 billion in internal growth projects over the period 2004 to 2008. Capital investment of R12 billion is planned over the next three years to keep pace with our healthy growth profile in a number of key commodity areas.

ARM share price performance relative to the FTSE/JSE Mining Index (Rebased at 1 July 2007)

ARM earnings and dividend growth
(Rand million)



Responsible corporate citizenship and sustainable development

The safety of our employees is of paramount importance. Our performance in this area over the reporting period has been mixed, with some progress achieved in certain areas. However, there still remains much work to do in this regard.

Among ARM's most significant safety milestones are the achievement of a million or more fatality free shifts at three operations: Modikwa Platinum Mine, Nchwaning Mine and Machadodorp Works. I commend Modikwa for reaching 3.5 million fatality free shifts, an exceptional achievement at our most labour intensive operation.

Sadly though, I extend my condolences to the families of the nine employees who lost their lives at Cato Ridge Ferromanganese Works smelter, Two Rivers Platinum Mine and the Goedgevonden Coal Project during F2008.

Even against the background of a 62% increase in total employee numbers (including contractors) at our operations, over the last three years, the lost time injuries and fatalities at ARM operations during this past year is of grave concern. The Lost Time Injury Frequency Rate (LTIFR) for the Group was 6.08 per million man hours for the year compared to the LTIFR of 4.51 for the previous financial year.

To counter this unacceptable trend, we have bolstered and restructured our Safety, Health and Environment (SHE) department at ARM corporate level. As part of our commitment to the health and safety of ARM employees, we have also appointed a Group Head of Safety, Health and Environment, who will co-ordinate these efforts across ARM.

In F2008 R21 million was spent on CSI projects and R13 million on Local Economic Development Projects.

As a Company which operates in a developing economy and in a world where global warming, climate change, and looming food insecurity are having an effect on poverty levels, we are also careful to ensure we grow our business responsibly for the benefit of all our stakeholders. This year, in pursuit of improving our sustainability systems and reporting we embarked on a number of initiatives in these areas. Detailed information on our initiatives and impacts as a business on society and the environment is provided on the ARM website at www.arm.co.za.

Delivering on our growth strategy

Our growth strategy which we implemented in 2005, set out to:

- double production in key commodities by 2010,
- focus on operational efficiencies, especially cost control,
- grow the Company through value adding corporate action, including mergers and acquisitions, and
- expand into Africa.

Executive Chairman's letter to shareholders

Part of our strategy is to continue to position ARM as a partner of choice for mining in Africa. This is enhanced by our partnerships with world class companies, including, Xstrata Coal South Africa, Norilsk Nickel, Assore, Impala Platinum and Anglo Platinum.

ARM will continue to optimise its ore bodies under the direction of our experienced, world class management team. These organic growth opportunities, together with potential acquisitions, will ensure that ARM continues with value adding growth beyond 2010.

Cost competitive growth

We have benefited strongly from the favourable price environment that has prevailed over the past year, coupled with volume growth in a number of key commodities in our diversified portfolio. Growth in emerging markets, particularly China and India, continued to drive commodity prices higher. Against the background of the cyclical nature of the markets we operate in, we cannot afford to be complacent, and will keep a watchful eye on costs, efficiencies and the competitiveness of our Company. In this environment, which brings with it high inflation and increasing cost pressures, we are focused on ensuring ARM benchmarks itself at the bottom half of the global cost curve in the respective commodities we produce. This will assist in maintaining strong margins and profitability in the long run for our business. We believe ARM is well on target to achieve this at most of our operations by 2012, as our projects reach steady state production.

Project delivery: Khumani iron ore, Goedgevonden thermal coal and Nkomati nickel

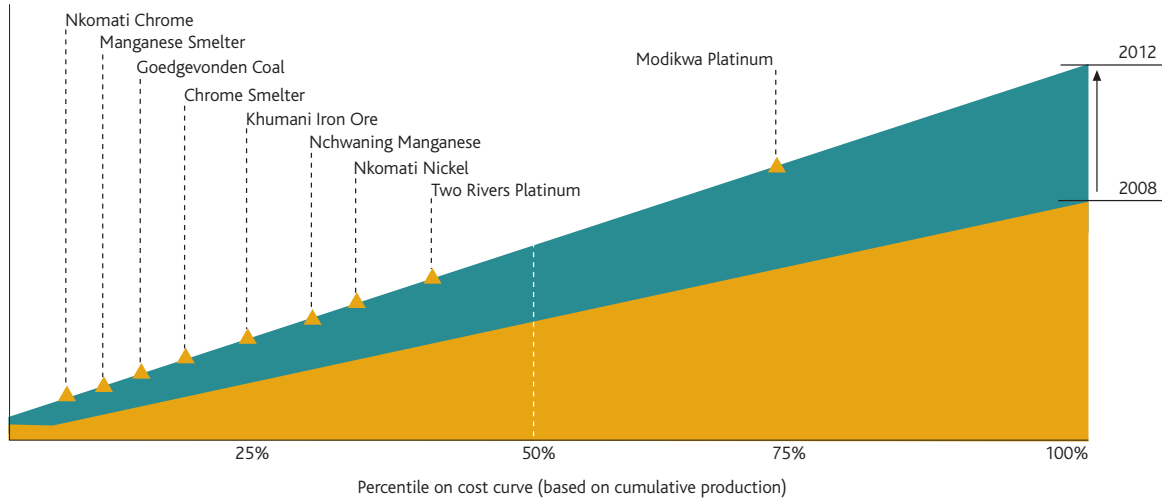
Our three key growth projects remain on track and within budget – a creditable performance in the context of escalating mining costs globally, skills shortages and electricity shortages in South Africa.

On behalf of the Board, I would like to thank the management and staff at these projects who have approached the challenges of successfully bringing new projects on stream with efficiency and innovation.

- Khumani mine and plant has been completed on time and within budget. The processing plant has now been substantially commissioned and is in ramp-up phase to reach full production of 10 Mtpa by 2010.
- The large scale expansion at Nkomati is progressing as planned and within budget.
- Goedgevonden, our expansion project in the coal sector, will be commissioned early in 2009, as planned and within budget.

In a sector where resources and capacity have been particularly constrained in the past few years, we have established the ARM technical projects team – to ensure that the Company is adequately resourced to evaluate and develop the numerous projects we envisage over the next five years. We have access to a suite of prospects in Africa, as well as opportunities around Nkomati Nickel, the Witbank coalfields, and other brownfields opportunities at our existing operations. Furthermore, the Modikwa and Kalplats feasibility studies

ARM targeted benchmarking on global cost curves for the respective operations (2012)
(operations' unit cash cost)



are progressing well. These opportunities will ensure that we have a pipeline of projects moving up the value curve.

Board and management changes

In line with our evolving business, we saw a number of changes at senior levels in the Group. I am pleased to welcome Lincoln Allison (Stompie) Shiels to the Board, as Executive Director Business Development, and Michael (Mike) Arnold, as Chief Financial Officer after serving in this position in an acting capacity. Both have years of experience in their respective fields. Pieter Rörich left the Company in February 2008 and Rick Menell took early retirement from his position as CEO of TEAL. We wish them well with their future endeavours.

Prospects

Uncertainty and pessimism in the global economy is at historically high levels, driven by the slowdown in developed and emerging markets' growth, the US and European financial market crisis and political uncertainty in certain regions of the world. As a resource company, with operations in an emerging economy, and in anticipation of a slowdown in China specifically, we believe the scene is set for a challenging year ahead.

We believe our Harmony investment remains an important part of our diversified portfolio. Harmony management has restructured the company to ensure that it is well positioned to create long-term value for its shareholders.

Also key to our long-term diversification is TEAL, ARM's vehicle for growing our copper business in Africa. Our commitment to TEAL is further reinforced by ARM having extended its funding support to TEAL.

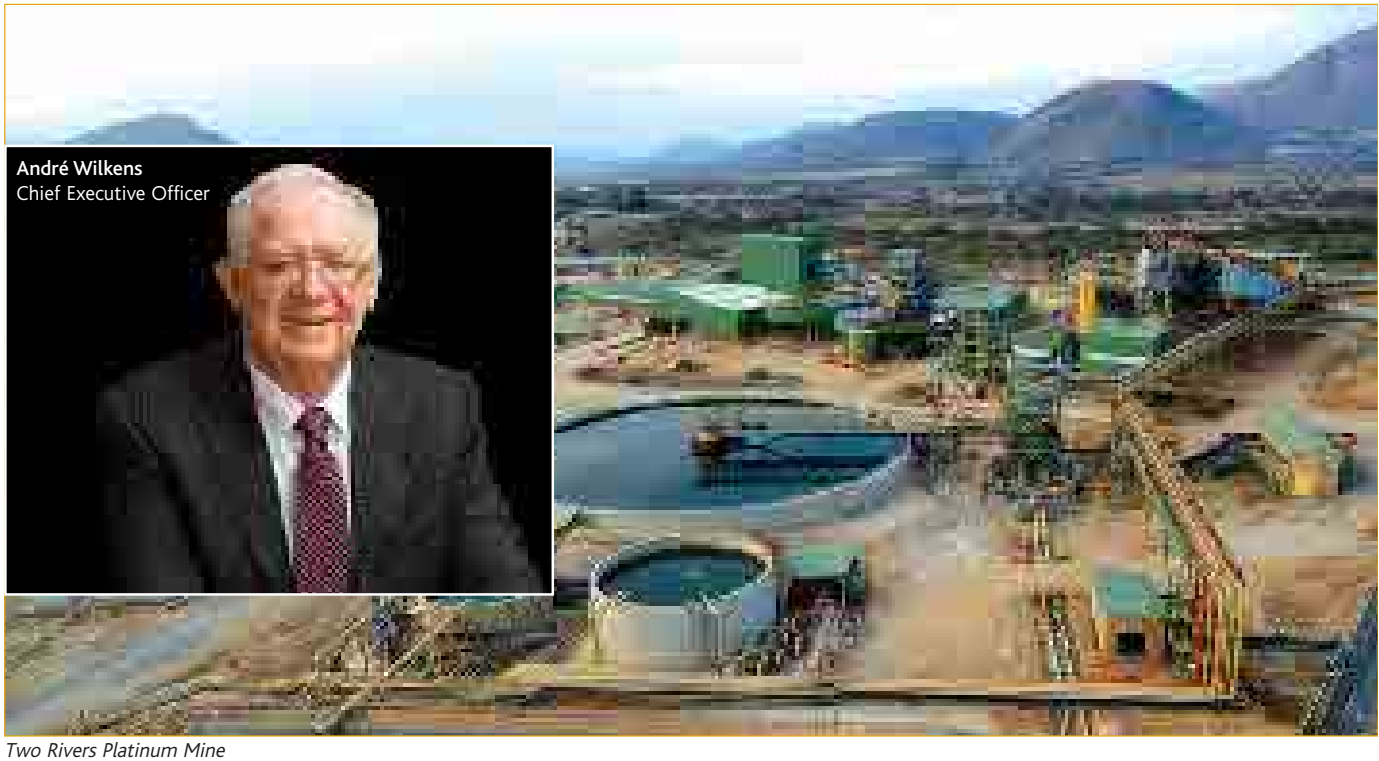
For the new financial year, we remain confident that ARM will continue to be well positioned in terms of our commodity mix, our excellent long-life low-cost operations, our project pipeline and expansion prospects, and access to world-class resources on the African continent.

In closing. . .

I thank my fellow Board members, management and employees for their excellent work in delivering yet another set of impressive results and clearly demonstrating our commitment to creating value for our stakeholders, and building a globally competitive diversified mining company.

Patrice Motsepe
Executive Chairman
9 October 2008

CEO's review of the year



Two Rivers Platinum Mine

In many ways the success we have reaped at ARM in F2008 has been the result of the business strategies implemented during 2005. The strong set of results we have delivered, has been firmly driven by volume growth across our business divisions, with a strong focus on cost control, supported by strong commodity prices.

It is a tribute to all management teams that each and every division delivered volume growth, amidst a challenging cost environment and despite shortage of electricity supply. A similar performance was recorded at expansion projects, all of which remain on track and within budget.

The last six-month period of the financial year represents five consecutive half-yearly increases in headline earnings per share. This has been underpinned by the strong performance across divisions and commodity groupings, which have strong EBITDA margins ranging from 42% in the charge chrome operation to 73% in the manganese ore operations.

The strength of a diversified mining company is illustrated by its exposure to a range of commodities, which, at various stages of the economic cycle, dominate in terms of earnings contributions. In F2007, for example, PGMs provided the largest single commodity contribution to attributable EBIT of 37%. In F2008, manganese has become the single largest commodity contributor to attributable EBIT of 49%.

A safe operating environment for all our employees remains a key focus area of our business. The restructured Safety, Health and Environment department of ARM ensures that we continually strive to improve on our safety performance, as our business grows.

Operational highlights

There have been significant increases in earnings contributions from ARM Platinum, ARM Coal and more notably from ARM Ferrous.
Operational highlights for the year on a 100% basis include:

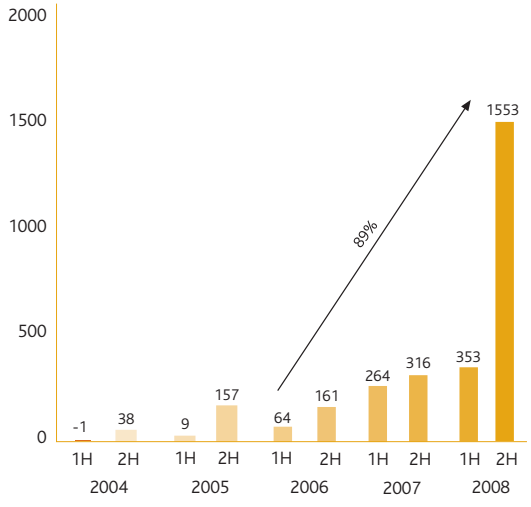
- 96% increase in Nkomati chrome ore sales to 1.2 million tonnes,
- 60% increase in manganese ore external sales to 3.7 million tonnes

Attributable to ARM:

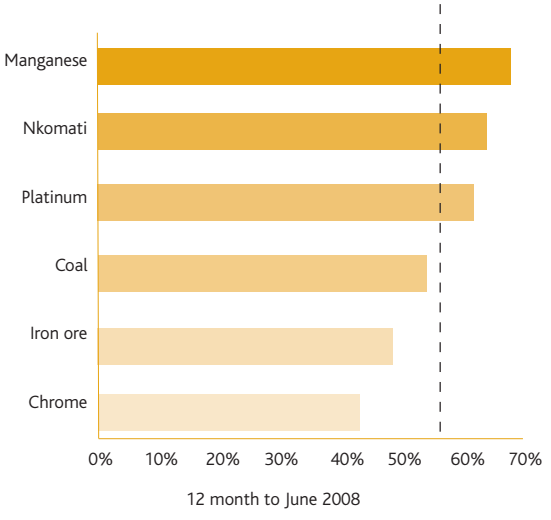
- 8% increase in PGM production (including Nkomati) to 281 337 ounces,
- 65% increase in domestic thermal coal sales to 2.8 million tonnes.

The production and sales volumes increases are especially significant this year, given the cutbacks and load shedding the

Six - monthly growth in earnings
(cents per share, based on financial years)



ARM divisional EBITDA margins for F2008
(ARM EBITDA margin is 57% for the period under review)



operations experienced from electricity utility, Eskom. In the event that electricity cutbacks continue, ARM operations have put various mitigating and contingency plans in place at all operations to ensure minimal impact on production and sales.

At ARM Platinum, Two Rivers reached steady state production levels, while improved mining flexibility at Modikwa also contributed to output. Very significant manganese price and volume increases boosted the ARM Ferrous performance, while chrome made a significantly increased contribution. Unprecedented demand for coal, particularly from the South African domestic sector, underpinned prices and volumes at ARM Coal, which also delivered an exceptional cost control performance.

At Harmony the newly appointed CEO and his team have done excellent work to deliver a revised management style of "back to basics". Significant strides into recapitalising Harmony have been made and a partner in Papua New Guinea (PNG) has been secured.

The TEAL ore bodies in Zambia and the DRC contain significant high grade copper resources where the future focus will be on exploration and preparation of feasibility studies for mining operations of sufficient scale to generate good returns to shareholders.

Investing into the future

ARM's intensive capital investment programme over the past year amounted to approximately R2.8 billion, with our suite of expansion projects accounting for approximately 50% of expenditure. The projected attributable capital expenditure allocation by ARM for the next three years to June 2011, is R12 billion.

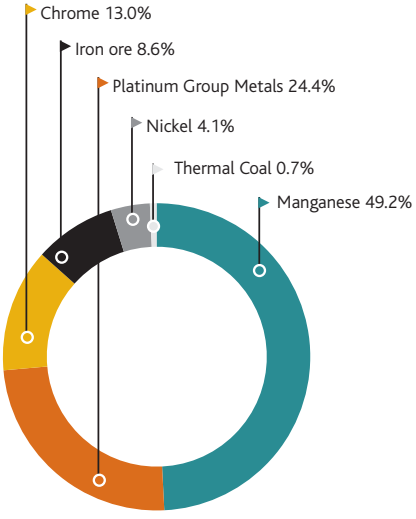
Prudent investment in the future is a cornerstone of ARM's philosophy as we seek to turn to account the vast resources in our portfolio. Through our holding in Assmang, for example, ARM owns 30% of South Africa's high-grade manganese reserves. With little additional capital, the Nchwaning Mine has been able to increase production by 14%, delivering into a strong manganese price environment, thereby contributing to value creation for shareholders.

I am particularly pleased to report that capital projects, executed with precision and focus, have run smoothly with key targets being met progressively and successfully. This has been underpinned by fundamental ARM values, such as:

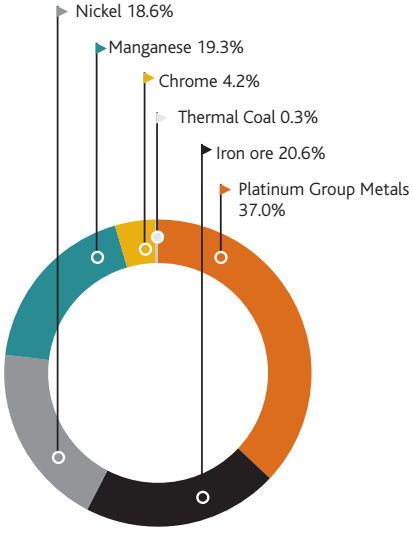
- encouraging and rewarding an entrepreneurial approach to business,
- incentives based on beating targets,
- ensuring narrow ultimate accountability for project delivery with unambiguous management reporting lines,

CEO's review of the year

F2008 Attributable EBIT per commodity
(excluding exploration and corporate costs)



F2007 Attributable EBIT per commodity
(excluding exploration and corporate costs)



- continuity of people and resources within an existing operation and/or related infrastructure, and
- ensuring timeous ordering of key long lead capital items.

The Khumani plant was substantially commissioned on time in June 2008 and within the original budget. With production levels currently at 1.1 Mtpa, Khumani remains on track to produce at 10 Mtpa by 2010, building up to 16 Mtpa by 2015. The estimated start-up capital expenditure of R1.2 billion for this expansion has been approved by the Board, following Transnet's commitment to provide additional logistical capacity. This capital is required to order long-lead items for the project.

Similarly, Nkomati's Large Scale Expansion programme is progressing in line with the schedule, with more than 50% of the total R3.2 billion capital now committed. The revenue generated from chrome sales funds a significant portion of the required capital.

Our coal growth area, the Goedgevonden Coal Project, which is now at ramp-up stage, has committed 70% of the capital expenditure required of R3.2 billion.

In conclusion

In conclusion I must thank our employees and management for their enthusiasm and application in what has been in many ways, a challenging year at our operations.

The challenges will escalate in this year ahead as the world faces a slowdown in economic growth, increased geo-political uncertainty and a severe financial crisis. ARM will not be immune but through relentless cost control, we believe we are well positioned to preserve operational profitability.

An excellent combination of people, operational infrastructure, invested capital, reserves and resources, with the focus on good corporate governance and safety has ensured sustainable "triple-bottom-line" value to stakeholders.

André Wilkens
Chief Executive Officer
9 October 2008

Financial review

Two Rivers Platinum Mine

Overview

ARM has achieved an impressive 232% increase in headline earnings from R1 207 million in F2007 (headline earnings per share of 580 cents) to R4 013 million for the year ended 30 June 2008 (headline earnings per share of 1 906 cents). Since June 2004 the cumulative annual growth rate in headline earnings is 204%.

The average Rand/US Dollar exchange rate at R7.30/$ for the year to June 2008 remained similar to F2007 levels (R7.20/$), although this varied during the year.

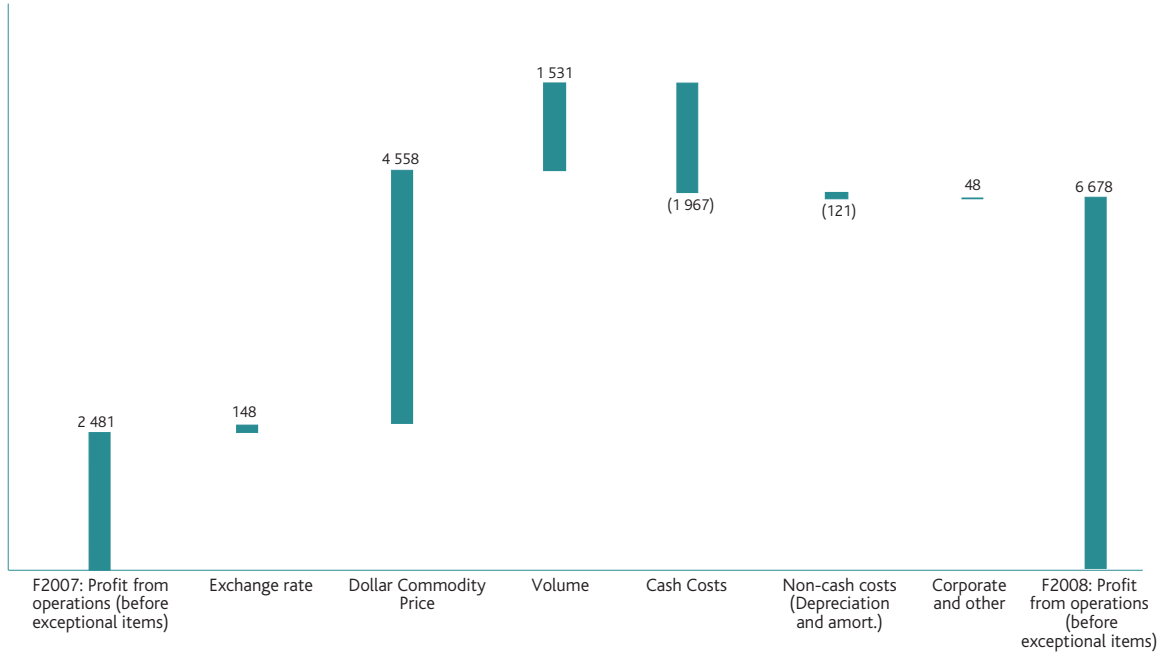
The Ferrous, Platinum and Coal operating segments all increased their contributions to headline earnings resulting in a record result for the year.

The Africa exploration vehicle for ARM is its investment in TEAL. The TEAL exploration costs are expensed according to ARM's conservative accounting policy for exploration costs which only allows greenfield exploration costs to be capitalised after a bankable feasibility study is concluded. This results in the ARM consolidated results being negatively impacted while TEAL continues to focus on resource enhancing exploration. The TEAL contribution to ARM was a negative R211 million for the year (F2007: negative R126 million). In terms of existing accounting conventions the full TEAL losses have been consolidated in ARM's results with none of the losses being allocated to minorities which for this year amounts to R74 million.

Contribution to headline earnings by segment

	F2008	F2007	Change	% change
ARM Ferrous (Rm)	2 775	665	2 110	317
ARM Platinum: platinum group metals (Rm)	915	461	454	98
ARM Platinum: nickel and chrome (Rm)	432	337	95	28
ARM Coal (Rm)	175	1	174	>500
ARM Exploration TEAL (Rm)	(211)	(126)	(85)	(67)
Corporate and other (Rm)	(73)	(131)	58	n/a
	4 013	1 207	2 806	232

Profit variance analysis (unaudited)
(rand million)



The ARM Ferrous results do not include any possible recoveries against insurers for asset damage and business interruption losses at the Cato Ridge operations. The smelter accident in February 2008 resulted in reduced production of ferromanganese alloys. To date the insurers are still busy with their investigations. Any insurance claim that may become receivable could have a significant impact on future earnings and as a result an announcement will be made when more certainty on the matter is achieved.

The corporate and other segment includes the results for ARM Company, smaller group subsidiaries and consolidation adjustments. The current year results have improved over the previous year as a result of increased management fees being earned while costs were in line with the previous year.

Consolidated financial results

Sales revenue increased by R6.2 billion to R12.6 billion. The increase was the result of substantially higher commodity prices and increased volumes. The ARM Ferrous division contributed 71% of the increase in sales, mainly due to higher manganese prices and volumes.

Cost of sales increased by 54% in absolute terms. Apart from increased production the main factors behind this increase are:

- Labour costs increased at all operations during the year. This is as a result of increasing inflation in the country as well as the need to retain skilled employees at all levels due to the prevailing skills shortage in the mining industry.
- Depreciation and amortisation increased by R135 million due to (i) increases at Two Rivers and Modikwa as a result of increased production and (ii) as a result of Khumani Mine commencing operations in May 2007 the comparative amortisation charge for F2008 is skewed.
- Various costs increased well ahead of CPIX during the year. These include electricity, fuel, consumables including coke, and steel costs.
- Mining cost inflation at ARM is currently at between 15% and 18% as a result of the above increases being curtailed by increased production.

Cost containment was achieved at levels less than selling price increases as reflected in the increased gross profit margin of 56% as compared to 46% in the previous year.

Profit from operations before exceptional items increased to R6.7 billion in F2008 from R2.5 billion in F2007 (refer to the waterfall variance graph above). Increased dollar commodity prices were responsible for R4.6 billion of this increase while increased sales volumes contributed R1.5 billion. Cash cost increases impacted negatively on the profit increase in an amount of R2.0 billion.

Financial review

Consolidated financial results

Key financial indicators of performance include:

Rm	F2008	F2007	% change
Sales	12 590	6 152	105
Cost of sales	(5 516)	(3 341)	(65)
Gross profit	7 074	2 811	152
Profit from operations before exceptional items	6 678	2 481	169
Profit before taxation	7 031	2 192	221
Taxation	(2 084)	(781)	(167)
Profit after taxation	4 947	1 411	251
Less: Minorities	(460)	(191)	(141)
Earnings	4 487	1 220	268
Headline earnings	4 013	1 207	232
EBITDA*	7 229	2 887	150

* Earnings before interest, tax, amortisation, depreciation, income from associate and exceptional items.

Other income mainly comprises foreign exchange gains and management fee income. This income increased by R238 million in F2008 as a result of increased foreign exchange gains on financial instruments during the year of R167 million, due to the volatile Rand/US Dollar exchange rate, and R53 million additional management fee income.

Other expenses mainly comprise non-operational costs at ARM Company, Assmang and TEAL. These expenses have increased this year by R304 million largely as a result of increased costs of R73 million in the exploration segment at TEAL, share based payment costs increasing by R20 million and provisions increasing by R46 million. Shortworkings costs, which are fixed costs expended during smelter shutdowns, increased by R70 million at ARM Ferrous mainly as a result of the stoppages at Cato Ridge.

Investment income which mainly comprises interest received on favourable bank and cash balances, increased by R117 million this year in line with the increase in cash and cash equivalents across all operations. Total cash and cash equivalents increased by R1.6 billion during the year.

Finance costs increased R68 million this year largely due to the increase in interest rates which increased on average by 2.5% during the year. Gross borrowings remained at approximately R4 billion for the year.

The effective taxation charge for the year reduced to 29.6% from 35.6% for F2007. The reduction is largely attributable to income from associates and exceptional items included in earnings not attracting tax charges. In addition the corporate tax rate decreased by 1% to 28% with effect from 1 July 2007. This resulted in a once-off gain of R36 million in F2008 arising from the revision of the closing balance of the deferred tax liability at 30 June 2007.

EBITDA increased by R4.3 billion to R7.2 billion in F2008. The EBITDA margin for F2008 was 57% compared to 47% in F2007 and reflects the improvement of the profitability of ARM operations.

Included in earnings are a number of exceptional items totalling R474 million for the year. The major items include:

- Provisional profit on an asset swap arising from the restructuring of the Douglas Tavistock joint venture with BHP Billiton. The amount recognized in the income statement and included in the income from associate is R317 million. The fair value of the net assets acquired is still provisional at 30 June 2008 and is only expected to be finalised during the last quarter of 2008. When these calculations are finalised they may result in changes to the ARM Coal results, including the exceptional profit. Any such changes will be included in the F2009 results.
- A R135 million gain was recognized on the receipt of the conditional final tranche payment arising from the 2005 sale of 50% of Nkomati Nickel to Norilsk Nickel.
- At TEAL exceptional items totalled R34 million arising from net gains on asset sales less impairments.

Consolidated balance sheet

The ARM balance sheet remains robust with cash and cash equivalents increasing by R1.6 billion to R2.6 billion while gross borrowings, including partner loans, have remained constant at approximately R4 billion. The net debt to equity ratio is 8% (F2007: 27%). Included in borrowings are loans from partners amounting to R1.5 billion (attributable Xstrata loans to ARM Coal: R847million; Implats loans to

Two Rivers: R635 million) which, if disregarded, results in ARM having a net cash position of R174 million at 30 June 2008 as compared to a net debt position of R1.9 billion at the end of the previous financial year.

The balance sheet key features and movements from F2007 to F2008 are explained as follows:

- Property, plant and equipment increased by R2.1 billion mainly due to attributable capital expenditure of R2.8 billion with the largest expenditure being at ARM Ferrous where ARM's share was R1.4 billion. This expenditure mainly related to the completion of the plant at Khumani Mine. Expansion capital was also expended at Two Rivers on the North Decline, at Nkomati on the completion of the 100kt plant and at Goedgevonden Coal Project.
- Current assets excluding cash and cash equivalents increased materially by R2.7 billion largely owing to the increased level of accounts receivable at the year-end. The increase in accounts receivable is a result of much higher sales for the year and especially high sales being achieved in June 2008.
- Cash and cash equivalents have increased by R1.6 billion due to strong cash generation at Two Rivers Platinum Mine, Modikwa Platinum Mine and especially at ARM Ferrous.
- The Two Rivers Platinum Mine project loan was repaid in full at the end of May 2008, just 20 months after the commencement of commercial production. The repayment of this loan has resulted in the company assuming control over its residual cash flow free of bank loan covenants and debt service requirements. In addition shareholder guarantees have been released.
- It is the firm intention that the ARM Mining Consortium (which owns 50% of Modikwa) loans owing to a syndicate of banks will be repaid in full at the end of December 2008, 18 months sooner than scheduled. This has resulted in these loans being classified as short term at 30 June 2008. The cash balances attributable to ARM Mining Consortium amount to R509 million at the year-end while borrowings are R255 million. Such repayment will be reviewed as necessary in relation to the fall in PGM prices after the year end.
- The ARM Ferrous attributable cash holding at 30 June 2008 is R1.4 billion (F2007: R69 million).
- Net debt after cash amounts to R1.3 billion (F2007: R3.0 billion).
- The short-term taxation creditor amount increased to R1.0 billion from R198 million in F2007 largely as a result of a timing difference on the outflow of provisional tax payments at ARM Ferrous.

Borrowings and cash flow

Cash flow from operating activities increased by R2.2 billion to R4.2 billion for the year compared to R2 billion for F2007. This represents an increase of 111% over F2007. The increase is directly related to the increase in the level of sales and margins and is after the payment of a maiden dividend of R315 million in October 2007. Since the year-end ARM received a significant dividend of R750 million from Assmang through its ARM Ferrous division.

Cash flow related to investing activities remained high with capital expenditure being the main component. Capital expenditure to maintain operational production amounted to R1.2 billion while expansion capital was R1.5 billion. The expansion capital expenditure was mainly spent on:

Asset	Attributable %	[Amount] (Rm)
Goedgevonden Coal Mine	26	360
Khumani Iron Ore Mine	50	450
Nkomati Nickel Mine	50	300
Two Rivers Platinum	100	270

- The additional borrowings raised during the F2008 year to fund capital expenditure occurred at:
- ARM Ferrous: where a R1.4 billion term loan facility was finalised in December 2007 to fund the completion of the Khumani Mine. Only R500 million of this facility was utilised at the year end. This amount was repaid at the end of September 2008 and thus is classified as short term at 30 June 2008.
- ARM Coal: loans raised from Xstrata for the funding of the development of the Goedgevonden Coal Project.
- Two Rivers: fleet finance of R65 million was raised to fund the expansion of new underground vehicles and equipment fleet.
- Capitalised interest amounted to R89 million.

ARM considers the assumption of debt as a necessary part of funding capital projects, especially when operational cash flows are inadequate or non-existent as would be the case in greenfield developments. A net gearing ratio of 30% is a targeted threshold for external funding.

Capital expenditure

ARM and its partners have three major capital projects in F2009 which will be funded as follows:

- Goedgevonden Coal Project – completion of the mine development at a cost of R1.4 billion (attributable 26%) 100% – facilitated funding to be provided by Xstrata.
- Khumani Iron Ore Mine – residual capital cost of R500 million. The completion of the development will be funded by operational cash flows.
- Nkomati Phase II Large Scale Expansion Project – the completion of the capital portion of this project, with R2.2 billion required to be spent, is scheduled to occur during the next 18 months. The net ARM funding requirement after Nkomati operational cash flows will be funded by available facilities and cash resources.

Capital expenditure projects, which are being considered by ARM but which have not yet been released, beyond F2009 include:

- Extension of the Khumani Iron Ore Mine; long lead items amounting to R1.2 billion authorized with final feasibility scheduled for the last quarter of F2009.
- TEAL's copper projects in the DRC and in Zambia
- The development of the platinum deposit at Kalplats
- Further expansion at the Modikwa Platinum Mine

Financial review

Accounting policies

ARM presents its financial information fully in compliance with International Financial Reporting Standards (IFRS). The financial information for the year ended 30 June 2008 has been prepared adopting the same accounting policies used in the most recent annual financial statements, except for the adoption of various new and revised IFRS standards.

Financial risk

In the course of its business operations ARM is exposed to capital, currency, commodity price, interest, counterparty, credit and acquisition risk. A detailed analysis of ARM's approach to these risks is provided on pages xx to xx of the financial statements.

In terms of IFRS 7: Financial instruments disclosure, additional disclosures regarding (i) sensitivities to changes in year end financial instruments from changes in various parameters and (ii) payment terms relating to trade accounts receivable is provided this year in the notes to the financial statements.

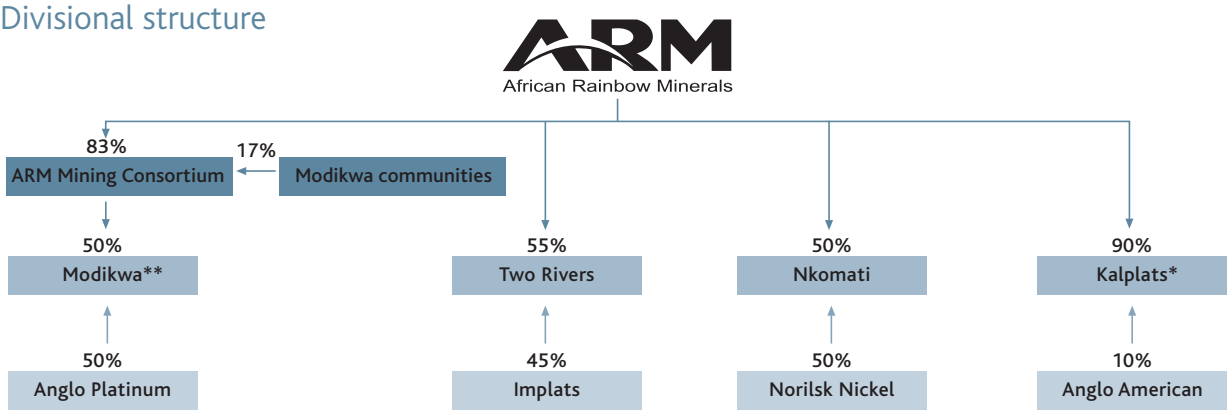
Royalty

The Company welcomes the latest draft of the Minerals Royalty Bill as an improvement over previous versions especially as the formula calculation allows capital expenditure, which qualifies as a deduction for tax purposes, to reduce the royalty payable. This means that the rate payable varies between entities *interalia* as a function of the capital expenditure. The royalty payable, which commences in May 2009, will not be shown as a tax but rather as a separate disclosure under other expenses. This expense is tax deductible. The rate for unrefined metals is a maximum of 7% of sales. The latest draft bill is open for comment until 17 October 2008.

Mike Arnold
Chief Financial Officer
9 October 2008

ARM Platinum

Divisional structure

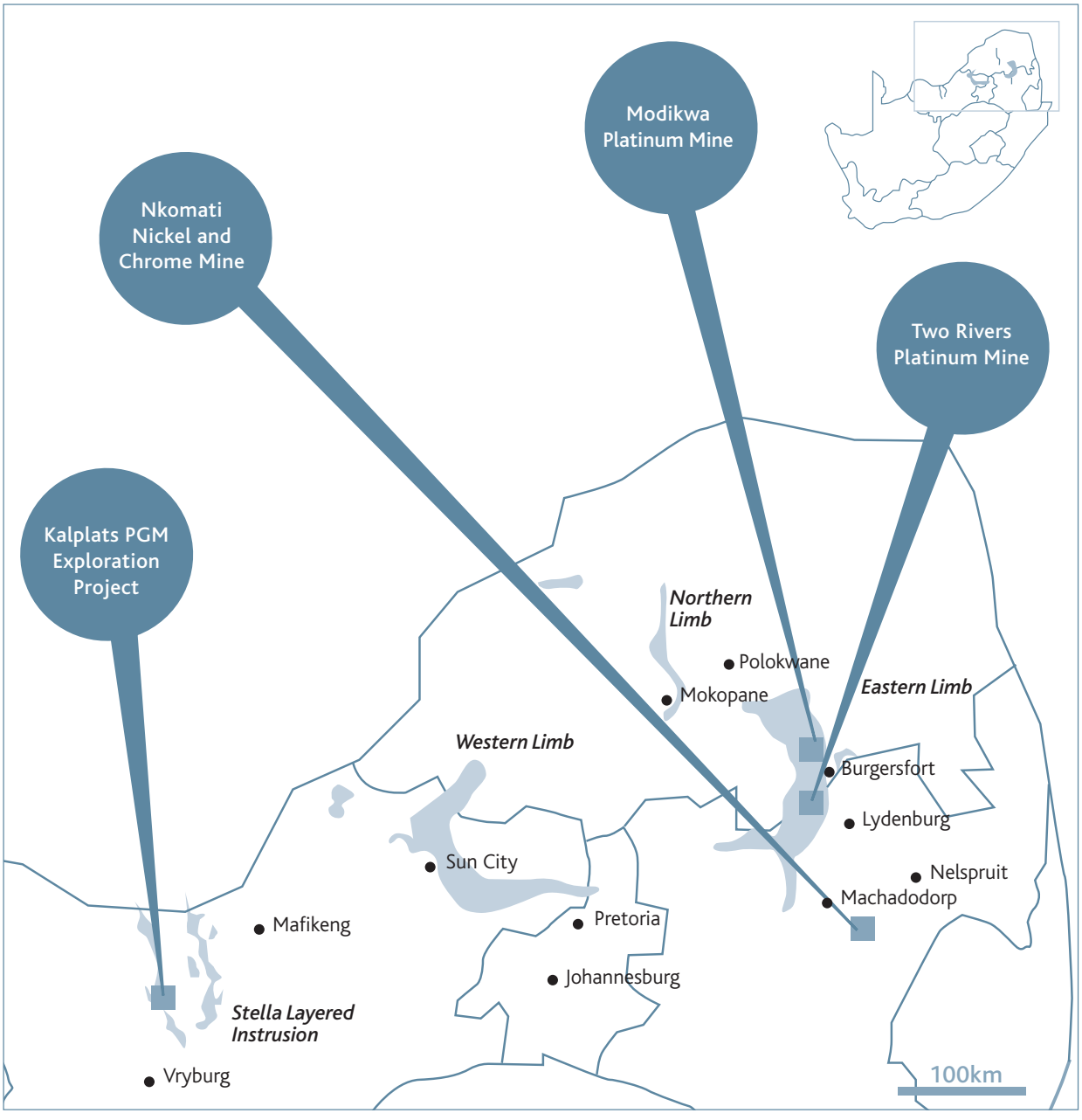


* Platinum Australia will earn in up to 49% on completion of a bankable feasibility study and owns 50% of the Kalplats extended area
** Assets held through the ARM Mining Consortium, effective interest at 41.5%, the balance held by Modikwa local communities

Scorecard

F2008 objectives	F2008 performance	F2009 objectives
Modikwa		
Achieve steady-state production during F2008	Steady-state production level achieved on a monthly basis in the latter part of F2008	Achieving full year of steady state production at 330 000 PGM oz
Complete a conceptual study to increase the mine size in a modular and incremental manner	▶Conceptual study was completed ▶South mine appears feasible, of similar size to existing operations ▶North mine constrained by water and power shortages	Convert conceptual study to pre-feasibility study
Two Rivers		
Achieve steady state production in 2008	Steady state production level achieved on a monthly basis	Achieve full year of steady state production at 220 000 PGM oz
Complete North Decline at a capital cost of R231 million	Construction and development scheduled to be completed in November 2008 at a final capital cost of R250 million	
Nkomati		
Commission the 100 000 tpm plant on schedule and within budget	Commissioned ahead of schedule and on budget	Achieve targeted production from 100 000 tpm plant
Produce 1 Mt of oxidized chrome ore in F2008	On target with more than 1.1 Mt produced during the year	Produce more than 1 Mt of chrome ore for F2009
Deliver the Large Scale Expansion Project on time and within budget	The Large Scale Expansion project is progressing on time and within budget	Commission the 375 000 tpm MMZ plant in Q4 2009
Complete a feasibility study in 2008 to examine the viability of building an Activox refinery	Feasibility study was completed and the decision was taken that Activox is not currently viable for the Nkomati Large Scale Expansion Project	Evaluate alternative smelting and refining arrangements
Kalplats		
Complete pre-feasibility study at the beginning of the 2008 calendar year	The pre-feasibility was not completed as expected and has been combined with a feasibility study	Complete a feasibility study by the end of the 2009 calendar year

Steve Mashalane
Chief Executive: ARM Platinum



ARM Platinum

Two Rivers Platinum Mine

Operational overview – attributable to ARM

		Production			Operational target F2009
		F2008	F2007	% change	
Modikwa - PGM production (4E)	Ounces	147 360	137 087	7	↗
Two Rivers - PGM production (6E)	Ounces	113 570	101 254	12	↗
Nkomati Nickel Mine					
Nickel	Tonnes	2 568	2 209	16	↗
Copper	Tonnes	1 303	1 394	(7)	→
PGM	Ounces	20 406	23 051	(11)	→
Chrome tonnes sold	Tonnes	572 947	292 089	96	→
ARM Platinum PGM production (incl. Nkomati)	Ounces	281 337	261 392	8	↗
ARM Platinum cash operating margin	%	61	63	(3)	
Headline earnings contribution to ARM	R million	1 347	798	69	

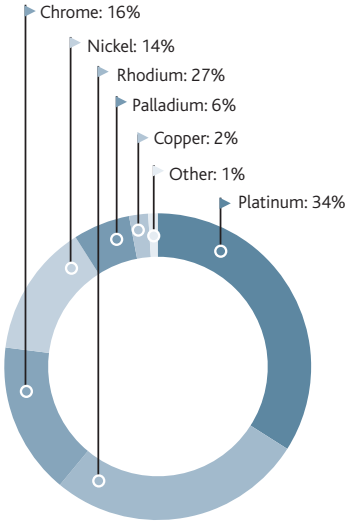
Review of the year

ARM Platinum's operations performed exceptionally well in the year under review with continued profitability growth at all three operations. ARM Platinum's contribution to headline earnings increased by 69% to R1 347 million, driven by production growth and strong PGM and chrome prices. At ARM Platinum's PGM operations, tonnes milled increased 11% to 4.8 million (F2007: 4.3 million) resulting in a 9.5% increase in attributable PGM production to 260 930 ounces in concentrate. Including Nkomati, ARM Platinum's attributable PGM production for F2008 increased by 7.6% to 281 337 ounces. The Nkomati chrome ore sales have increased 96% to 1.1 million tonnes.

At Modikwa mining flexibility improved with the conversion to a strike mining layout. UG2 production volumes have improved steadily, and the Merensky trial mining project is ramping up to 15 000 tpm.

Two Rivers continued to ramp up during the year at its Main Decline, reaching full underground production capacity during March 2008. The North Decline achieved steady state production (40 000 tpm) in January 2008, six months ahead of target.

F2008 ARM Platinum revenue contribution per commodity (100% basis)



At Nkomati, sales of chrome increased to 1.15 Mt (+96%) and contained nickel increased to 5 136 tonnes (+16%).

During September 2007, the Nkomati Large Scale Expansion Project was released and is progressing well within schedule and budget. At year-end, R1.8 billion (55%) of the expected capital expenditure of R3.2 billion had been committed.

ARM Platinum experienced above inflation cost increases in F2008 for consumables (diesel, electricity, steel and explosives) and labour (including contractors) which together contributed approximately 83% to total mine operating costs.

Eskom's request to the mining industry for a reduction in maximum demand had a minimal impact on ARM Platinum. Measures were implemented at all operations to reduce consumption without affecting production.

Mining rights status

The new order mining rights application for Two Rivers was submitted to the Department of Minerals and Energy on 2 July 2007, with no formal response received to date. Two Rivers is currently focussing on the implementation of the social and labour plan.

The new order mining rights application for Nkomati was submitted in July 2006 and a follow-up workshop has been held with the DME. Nkomati has a sound working relationship with local government structures and communities through numerous social investment activities and is focussing on the implementation of the social and labour plan.

The Modikwa new order mining rights application is ready for submission in the first quarter of F2009.

Safety

ARM Platinum's sustained focus on safety continues to translate into good safety performances at our operations. A particular highlight was the achievement of three million fatality-free shifts at Modikwa Platinum Mine (two years fatality free). Modikwa is currently reporting a LTIFR of 8.1, higher than the 7.2 achieved in F2007, mainly due to a vehicle catching fire in an air intake on 4 February 2008, causing 27 people to be hospitalised for observation for 24 hours. Preventative measures have been implemented to mitigate this risk.

Two Rivers reported a LTIFR of 3.2 (down from the F2007 rate of 3.6), but regrettably, Mr Marcus Mpho Kukutje was fatally injured on 5 July 2007 when a mud rush occurred at the Main Decline. Preventative measures have been put in place to avoid a re-occurrence. ARM conveys its condolences to the families and friends of the deceased employees.

Nkomati recorded a disappointing LTIFR of 5.8 (F2007 was 1.4), attributable to minor injuries to contractors working on the Large Scale Expansion Project. The Nkomati operations have however, remained fatality free for the last four years and the focus remains on zero harm with the appropriate systems to manage a large scale operation.

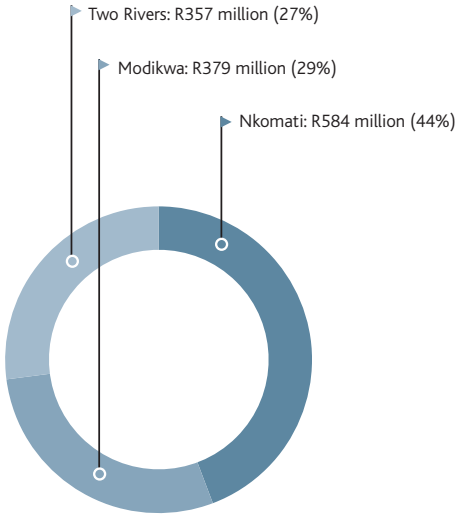
Capital expenditure

Total capital expenditure in the division amounted to R1.3 billion (R839 million attributable). The large increase in capital expenditure at Modikwa is mainly attributable to the deepening and equipping of North Shaft to Level 6 and the acquisition of new mechanised mining fleet. Going forward, Modikwa will spend capital on the completion of the deepening of North Shaft and also the deepening and equipping of South Shaft.

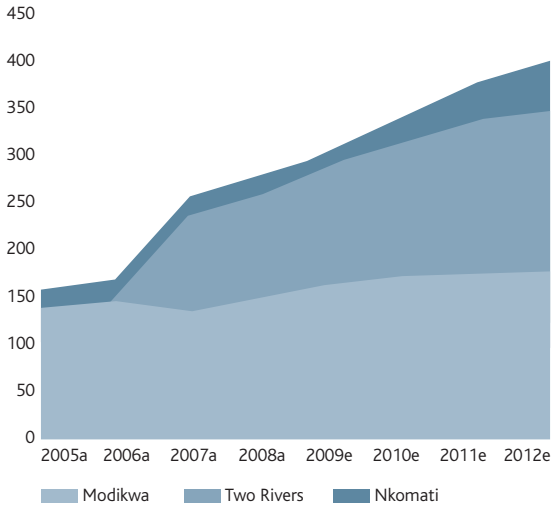
Capital expenditure at Two Rivers decreased as the initial project has now been completed. Current year capital consisted mainly of expenditure on the development of the North Decline, extensions to the Main Decline and the acquisition of additional mechanised fleet. In F2009, major capital expenditure at Two Rivers will include R130 million for the concentrator plant optimisation and R55 million for mechanised fleet replacement.

ARM Platinum

F2008 Capital per operation (100% basis)



PGM production (attributable to ARM)
(000oz)



At Nkomati capital expenditure was spent mainly on the expansion project, firstly for the 100 000 tpm interim plant and then for the 375 000 tpm MMZ plant, and will continue to increase as construction on the project progresses.

Prospects

ARM Platinum will continue its production growth trajectory in the coming year by improving output at Modikwa and will benefit from the improved concentrator recoveries at Two Rivers expected to follow from the plant optimisation scheduled for F2009. Furthermore, the year ahead will reflect a full year's steady state production at Two Rivers and the increase in production at Nkomati. Nkomati also successfully commissioned its new chrome washing plant in September 2008.

Market review

Platinum

Disruption to platinum production in South Africa in F2008 drove global platinum supplies down while the demand for platinum rose with increased purchases of metal for autocatalysts and for industrial uses. The platinum price hit a series of record highs in response. Platinum demand is a function of diesel car growth in Europe and also of the increase of medium and heavy duty diesel vehicles in Europe, Japan and North America being fitted with platinum based exhausts after treatment to meet emissions legislation. ARM Platinum achieved an average platinum price in F2008 of US$1 661/oz, and believes that strong markets will renew for PGMs in the medium to long term, albeit that current price levels have fallen significantly.

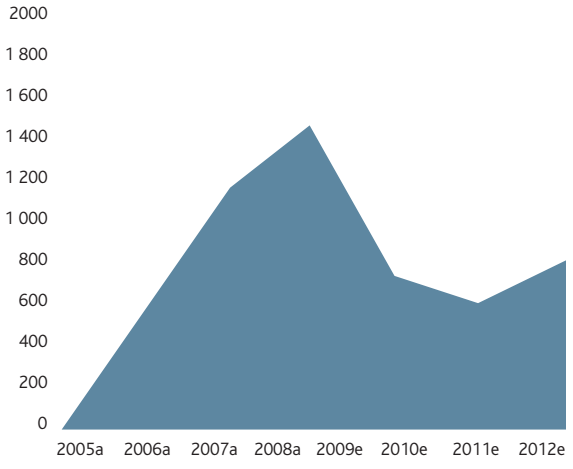
Palladium

During F2008 a favourable price ratio between platinum and palladium encouraged automotive manufacturers to use palladium where possible in their catalytic converters – both diesel and gasoline. Although the palladium market was once again in substantial surplus during the past year, it appears that much of this excess was absorbed by a small number of investors and institutions. The palladium price was therefore well supported and maintained its levels during F2008. Demand for palladium is expected to remain flat in F2009 due to slowing requirements from the autocatalyst, industrial and investment sectors, being tempered by fears of a slowdown in the automotive industry. The average palladium price achieved by ARM Platinum for F2008 was US$400/oz.

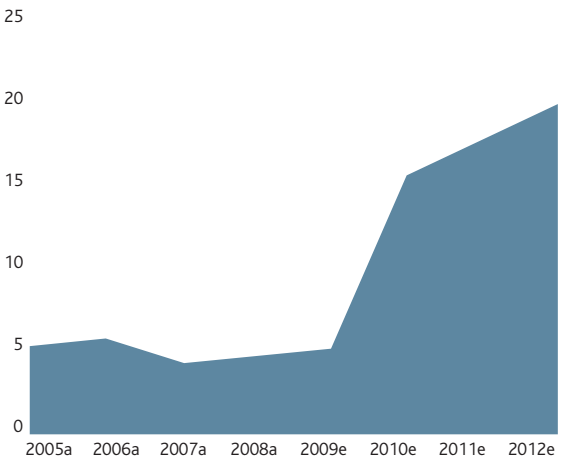
Rhodium

Rhodium demand climbed for the sixth successive year, mainly due to increased use in autocatalysts. Sustained high prices did have an effect on consumers who moved to minimise their

Nkomati chrome sales (100% basis)
(000t)



Nkomati nickel production (100% basis)
(000t)



usage of this metal. Although rhodium remains a vital material for use in gasoline catalytic converters, it is expected that substitution is likely to have an impact on the average rhodium content of a catalyst. Against a backdrop of tightening vehicle emissions legislation around the world, any decrease in overall rhodium usage is likely to be small in the medium term. ARM Platinum sold its rhodium at an average price of US$7 389/oz for F2008.

Iridium

Global demand for iridium fell during the last year, mainly due to reduced demand from the chemicals industry. Other uses, such as in automotive spark plugs and in the electronics industry, remained steady. Going forward, iridium demand is unlikely to change significantly, although a worsening of economic conditions could dampen demand from the chemicals industry while greater use in spark plugs can be expected. ARM Platinum achieved an average iridium price of US$409/oz in F2008.

Ruthenium

Ruthenium demand fell during the last year – consumption of the metal in the electronics industry , particularly in the manufacturing of perpendicular magnetic recording (PMR) hard disks, was the primary driver of this change. Although this new hard disk technology won an increasing market share, higher amounts of recycling and careful control of working stocks reduced net electronic sector demand.

Price sensitivity is expected in the medium-term as the overall trend in ruthenium demand, across all applications, is expected to be downwards in F2009. ARM Platinum achieved an average price of US$385/oz in F2008 for ruthenium.

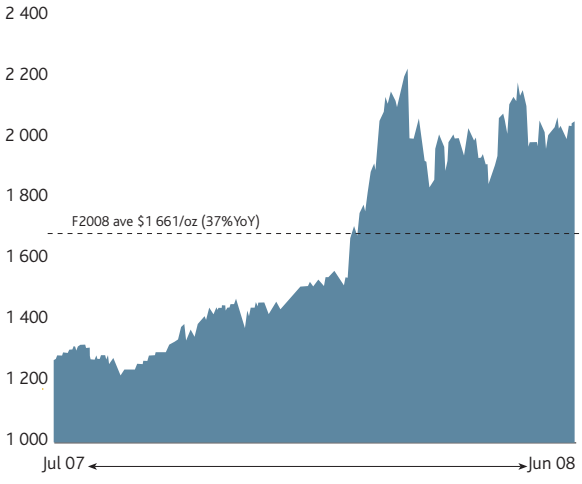
Nickel

The Dollar nickel price decreased by 25% to average $28 512/t for F2008. This has been characterised by slowing stainless steel demand and output coupled with stock building in China. The stainless steel market is quite cyclical, with the output growth of 40% last calendar year appearing to be slowing to closer to 10% this calendar year. However, market commentators indicate a recovery may occur albeit at a slow pace, with low stock levels occurring. The Chinese market has a potential overhang of nickel stocks which is being off-set by a slowdown in domestic Nickel Pig Iron (NPI) production. Some of the independent blast furnaces have been closed on account of environmental concerns, with others simply acting as swing capacity for the nickel market. Current nickel production disruptions have occurred due to maintenance and energy supply problems. Project delays and output curtailments both act to provide support for nickel prices over the next few years.

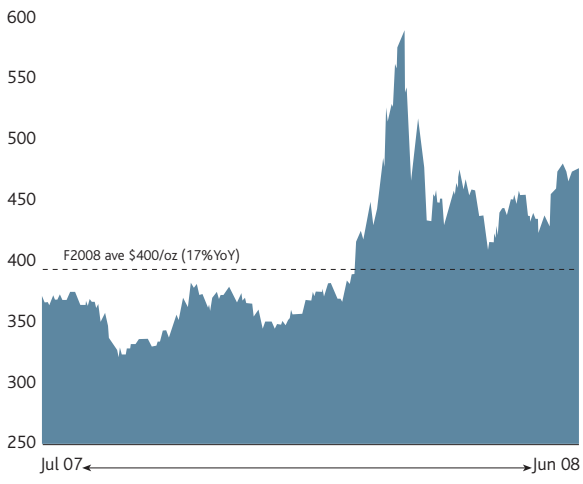
ARM Platinum

PGM and nickel pricing trends for F2008

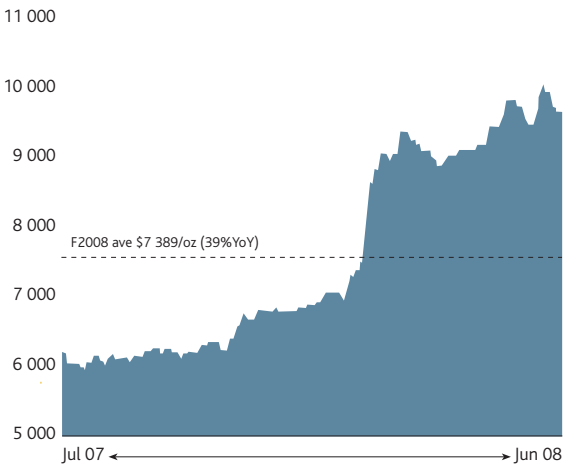
Platinum
($/oz)



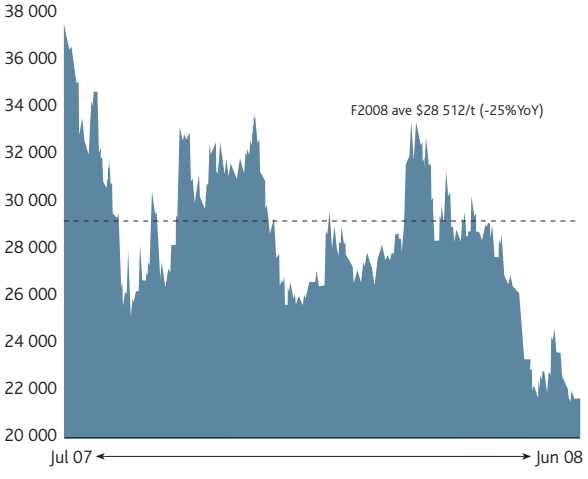
Palladium
($/oz)



Rhodium
($/oz)



Nickel
($/t)



PGM market after the year-end

We contend that the significant PGM commodity sell-off in recent months has been perpetuated by a sell-off in investment-related demand. From a review of the Exchange Traded Funds (ETF) and net futures position data, it appears likely that forced liquidations played an important part in the recent PGM price reversion. We consider the reversion overdone, particularly as the PGM basket price fell below the 90th percentile marginal unit cash cost, and a recovery from current levels is expected. We do not envisage a near-term material bounce in PGM commodity prices, but a more sedate recovery, particularly as speculative investors are likely to approach PGM commodity investment more cautiously. A global economic slowdown, particulary in the United States and European Union, should cause a decline in global vehicle sales, negatively impacting demand for PGMs. However, we believe supply will remain tight, especially at current prices..

ARM Platinum

Modikwa Platinum Mine

Description of assets	The mine is located 15 kilometres north west of Burgersfort, along the border between the Mpumalanga and Limpopo provinces. The operation comprises an underground mine, some 450 metres deep, consisting of three decline shafts and a concentrator. ARM Mining Consortium holds 50%, with a 17% stake in ARM Mining Consortium being held by two Section 21 companies representing communities around Modikwa. ARM has an effective 41.5% economic stake.						
Management	The mine is jointly managed, via a joint management committee, by Anglo Platinum and ARM.						
Mineral reserves and resources (100% basis)		Measured and Indicated Resources PGM+Au			Proved and Probable Reserves PGM+Au		
		Mt	(4E) g/t	Moz	Mt	(4E) g/t	Moz
	UG2	115.16	5.61	20.76	58.30	4.71	8.84
	Merensky	65.46	2.67	5.61	–	–	–
Refining	All concentrate produced is smelted and refined by Anglo Platinum.						
Number of employees	5 995 (including 1 862 contractors)						

Review of the year

Modikwa's cash operating profit doubled to R1.8 billion in the period under review, with the cash operating margin increasing to 58% from 47% in the previous year.

Tonnes milled increased by 6% to 2.46 million tonnes during F2008, with recoveries also improving. This resulted in a 7.5% improvement in PGM production to 294 721 ounces. The higher output is largely attributable to the change in mining method from dip mining to strike mining in order to create additional panels and thus improving flexibility and continuity of mining. The strong volume and price performance was offset by significant cost pressures due to above inflation increases on diesel, electricity, steel and explosives as well as higher than expected increases in labour costs. This caused unit costs to increase by 13% to R538 per tonne.

During F2008, 140 000 tonnes of Merensky ore at an average grade of 2.37 g/t was milled on a trial basis.

The mine produced 8 710 (4E) ounces or 4 811 platinum ounces from the Merensky ore. Merensky mining is expected to continue at 15 000 tpm for F2009.

The steady improvement in production experienced in F2008 is expected to continue in F2009 and we anticipate a pre-feasibility to be approved in F2009 to expand the operations.

A significant event in the mine's labour relation was the conclusion of a two–year wage agreement with NUM and UASA.

Modikwa Platinum Mine

Refer to page 162 for Modikwa segmental information

Modikwa Platinum Mine

100% basis		F2005	F2006	F2007	F2008	F08/07 % change
Metal production						
Platinum	Ounces	126 122	131 845	124 121	133 890	8
Palladium	Ounces	125 419	130 368	121 245	129 872	7
Rhodium	Ounces	25 697	27 575	25 238	27 089	7
Gold	Ounces	3 939	3 527	3 570	3 870	8
PGMs (4E)	Ounces	281 177	293 313	274 174	294 721	7
Nickel	Tonnes	754	675	674	768	14
Copper	Tonnes	420	424	413	478	16
Operational statistics						
Tonnes milled	Mt	2.46	2.51	2.32	2.46	6
Head grade (4E)	g/t	4.24	4.28	4.37	4.44	2
Average number of own employees	Number	2 750	3 265	3 837	4 186	9
Average number of contractors	Number	1 474	1 492	1 710	2 236	31
Financial indicators						
Cash cost	R/tonne	358	398	476	538	13
Cash cost	R/Pt oz	6 984	7 551	8 917	9 882	11
Cash cost (4E)	R/PGM oz	3 136	3 394	4 037	4 489	11
Cash cost (4E)	R/kg	100 667	109 123	126 632	144 333	14
Basket price (4E)	R/kg	120 065	183 537	277 701	382 377	38
Net sales revenue	R million	912	1 535	2 029	3 161	56
Cash operating cost	R million	880	996	1 080	1 323	23
Cash operating profit	R million	16	360	923	1 837	99
Cash operating margin	%	4	35	47	58	24
Capital expenditure	R million	104	128	204	379	86

Two Rivers Platinum Mine

Description of assets	The mine is located near the town of Steelpoort, in Mpumalanga on the eastern limb of the Bushveld Complex. The operation comprises an underground mine consisting of the Main Decline, the North Decline and a concentrator plant. ARM's economic interest in Two Rivers is 55%.						
Management	Managed by ARM.						
Mineral reserves and resources (100% basis)		Measured and Indicated Resources PGM+Au			Proved and Probable Reserves PGM+Au		
		Mt	(6E) g/t	Moz	Mt	(6E) g/t	Moz
	UG2	56.47	4.74	8.60	39.51	4.02	5.11
	Merensky	18.70	3.55	2.06	–	–	–
Refining	All concentrate produced is smelted and refined by Impala Refining Services Limited (IRS).						
Number of employees/contractors	2 511 (includes 1 832 contractors)						

ARM Platinum

Review of the year

Cash operating profit increased by 57% to R1.5 billion with the cash operating margin at 63% (F2007: 69%).

The past financial year saw the continuing ramp-up of production at Two Rivers. A total of 2.37 Mt were milled during the year (16% improvement), at a grade of 4.0 g/t yielding 206 491 ounces of PGMs in concentrate (12% increase). Unit costs increased by 38% to R340 (2007: R246) per tonne milled. The previously quoted figures excluded the capitalised cost of treated stockpile tonnages to the value of approximately R110 million. Output from the Main Decline reached 185 000 tpm in March 2008, and steady state production (40 000 tpm) from the North Decline was achieved in January 2008. During some months Two Rivers produced more than 260 000 tonnes from underground. The plant throughput has exceeded design capacity since April 2008. The year-end stockpile closed at 189 767 tonnes.

The project finance facility, utilised for the development of the mine, was repaid in full on 31 May 2008, seven years earlier than the anticipated repayment date. This also triggered the release of all shareholders' guarantees provided by ARM and Impala.

The application of value engineering has realised the potential of improving the overall plant recoveries by about 5%. A secondary crusher and additional float cells are to be installed and will be commissioned by August 2009.

The focus for F2009 will be on improving efficiencies and unit costs. Current output will be sustained and process optimisation will continue with a recovery improvement by end of F2009.

Construction of a chrome recovery plant is expected to commence in September 2008.

Refer to page 162 for Two Rivers segmental information

Two Rivers Platinum Mine

100% basis		F2005	F2006	F2007	F2008	F08/07 % change
Metal production						
Platinum	Ounces	–	–	87 934	98 621	12
Palladium	Ounces	–	–	50 479	56 411	12
Rhodium	Ounces	–	–	14 501	16 130	11
Gold	Ounces	–	–	1 190	1 301	9
Ruthenium	Ounces	–	–	24 342	27 683	14
Iridium	Ounces	–	–	5 651	6 345	12
PGMs (6E)	Ounces	–	–	184 099	206 491	12
Nickel	Tonnes	–	–	250	298	19
Copper	Tonnes	–	–	118	143	21
Operational statistics						
Tonnes milled	Mt	–	–	2.04	2.37	16
Head grade (6E)	g/t	–	–	4.24	4.00	(6)
Average number of own employees	Number	–	–	479	583	22
Average number of contractors	Number	–	–	1 445	1 612	12
Financial indicators						
Cash cost	R/tonne	–	–	246**	340	38
Cash cost	R/Pt pz	–	–	5 724**	8 161	43
Cash cost (6E)	R/PGM oz	–	–	2 734**	3 898	43
Cash cost (6E)	R/kg	–	–	87 906	125 319	43
Average basket price (6E)	R/kg	–	–	268 928*	362 935	35
Net sales revenue	R million	–	–	1 408	2 362	68
Cash operating cost	R million	–	–	425	805	89
Cash operating profit	R million	–	–	945	1 485	57
Cash operating margin	%	–	–	69	63	(9)
Capital expenditure	R million	170	957	464	357	(23)

*Amended basket price for 2007, previously published number was 4E, now 6E.

**Adjustment for stockpile tonnages, previously quoted R192/t excluded capitalised cost of treated stockpile tonnages to the value of +- R110 million.

ARM Platinum

Nkomati Mine

Description of assets	Located in the Machadodorp area of the Mpumalanga province, 300 kilometres east of Johannesburg. Nickel mining takes place by means of an underground shaft as well as by open-pit mining. Oxidised chromitite is also mined as part of the pre-strip of the future open pits.					
Management	The mine is managed as a 50:50 unincorporated joint venture with Norilsk Nickel Africa.					
Mineral reserves and resources (100% basis)		Measured and Indicated Resources		Proved and Probable Reserves		
		Mt	Ni%	Mt	Ni%	
	Nickel	236.85	0.38	164.74	0.33	
		Mt	Cr_2O_3%	Mt	Cr_2O_3%	
	Chrome	4.6	31.04	2.90	31.00	
		Mt	PGM+Au (4E)	Mt	PGM+Au (4E)	M oz
	PGMs	236.85	0.93	164.74	0.82	0.36
Refining	Refining takes place through various tolling contracts.					
Number of employees/contractors	1 185 (includes 819 contractors)					

Review of the year

Cash operating profit increased by 18% to R1 192 million mainly due to the significantly higher chrome ore volume and prices. The cash operating margin decreased from 71% to 60%.

During F2008 Nkomati processed 1.07 Mt, translating into 5 136 tonnes (+16%) of contained nickel, 2 605 tonnes of contained copper and 40 813 PGM ounces. The dollar nickel price achieved in F2008 was 25% lower than in the previous financial year, negatively impacting profitability. The milling unit cost decreased by 33% to R339 per tonne milled due to an increase in volumes. There was a significant increase in both volumes and price for chrome ore which contributed 56% to the operating profits of the mine. This also resulted in a negative cash cost net-of-by-products of US$4.45/lb. The transformation of the mine from underground to opencast operations and the shift from mining the now depleted MSB to the MMZ orebody has resulted in a significant reduction in grade.

The No. 2 pit is progressing according to plan. Contractors are on site and have commenced work on the No. 3 pit. Chrome sales increased by 96% to 1.15 Mt.

Since start-up, the metal recoveries of the 100 000 tpm plant were lower than expected, mainly due to the following contributing factors:

- High variability in metal content of the feed to the concentrator
- Higher than anticipated levels of alteration of sulphide ore in Pit 1B
- Mill running time compromised by mill liners and associated breakdowns

The key to enhanced recoveries is to improve the upfront knowledge of the ore before it is processed. Capabilities to perform floatability tests and evaluations are being established.

Capital expenditure remains on track and well controlled on the expansion programme, with work commencing on Phase 2A of the Large Scale Expansion.

Chrome mining and sales will continue to make a significant contribution to the funding of expansion activities at the mine. F2009 will see the upgrade of the Slaaihoek and Vygeboom roads in order to sustain operations and to support the increase in chrome production.

Highlights for the 2008 calendar year are the commissioning of a chrome washing plant and secondary crusher by September 2008 as well as the commissioning of the 375 000 tpm MMZ concentrator in the fourth quarter of 2009. The commissioning of the 250 000 tpm PCMZ concentrator is expected to occur in F2011.

Refer to page 161 for Nkomati (nickel) segmental information

Nkomati Mine

100% basis		F2005	F2006	F2007	F2008	F08/07 % change
Metal production						
Nickel	Tonnes	5 544*	5 616	4 418	5 136	16
PGMs	Ounces	52 087*	49 437	46 101	40 813	(11)
Copper	Tonnes	3 420*	3 398	2 788	2 605	(7)
Cobalt	Tonnes	281*	257	208	276	33
Chrome ore produced	Thousand tonnes	–	392	631	1 177	87
Chrome ore sold	Thousand tonnes	–	304	584	1 146	96
Operational statistics						
Tonnes milled	Thousand	346	373	318	1 070	237
Head grade	% nickel	2.01	1.89	1.57	0.70	(56)
Average number of own employees	Number	171	199	254	306	20
Average number of contractors	Number	158	257	1 362	1 190	(13)
Financial indicators						
Nickel on-mine cash cost per tonne milled	R/tonne	369	392	503	339	(33)
Chrome on-mine cash cost per tonne produced	R/tonne	–	374	368	351	(5)
Cash cost net of by-products	US$/lb	1.49	(0.36)	(1.10)	(4.45)	304
Net sales revenue	R million	620	895	1 404	1 996	42
Cash operating cost	R million	125	146	180	363	102
Cash operating profit - Total	R million	349	547	1 011	1 192	18
Cash operating profit - Nickel Mine	R million	349	527	934	518	(45)
Cash operating profit - Chrome Mine	R million	–	20	77	674	774
Cash operating margin	%	54	70	71	60	(16)
Average Nickel price	US$/t	14 953	15 481	37 929	28 507	(25)
Capital expenditure	R million	17	78	398	584	47

* Previously published values for F2005 were metal sales

Nkomati Large Scale Project update

Total nickel in concentrate: 20 500 tpa
Average grade: 0.35% Ni; total plant capacity: 625 000 tpm

PCMZ nickel in concentrate: 5 000 tpa
Average grade: 0.25% Ni; PCMZ plant: 250 000 tpm

MMZ nickel in concentrate: 15 500 tpa
Average grade: 0.45% Ni; MMZ plant: 375 000 tpm

Chrome: a significant value contributor

- Oxidised lumpy chrome sales of 1 Mtpa for 18 months

Other by-products include:

- 110 000 ounces of PGM (Pt:Pd 1:2.7)
- 9 000 tpa copper
- 250 tpa cobalt

Project released September 2007

Open cast mine expected to produce at a steady state C1 cash cost of c.$3.50/lb

Ramp-up: 2009

Full production: 2011

Capital cost of R3.2 billion (in 2007 terms) >50% committed, mainly funded from Nkomati cash flows

ARM Platinum

The Nkomati Phase 1 Expansion project was completed one month ahead of schedule and within the approved budget. The 100 000 tpm MMZ plant was commissioned during August 2007 with MMZ ore mined from both the current underground operation and from Pit 1. Teething problems associated with the crushing and milling circuits in the plant have been rectified. This is expected to result in improved recoveries. Furthermore, the tailings thickener was taken off-line and the platework re-coated due to corrosiveness in the thickener.

Eskom approved the electrical power requirements for the expansion project at the end of June 2008 and a budget proposal was presented to the Nkomati JV for approval. However, notice was given of a delay in supplying this power and various contingencies have been evaluated to bridge this gap for 12 to 18 months.

Pre-stripping of Pits 2 and 3 is currently on schedule. Dewatering of the open pit mining area has commenced to reduce the impact of groundwater on the mining operations. The mill for the 375 000 tpm plant has been ordered and delivery is expected in May 2009. The crusher is expected in June 2009 and expect to commission this concentrator in the fourth quarter of 2009 as planned.

Kalplats PGM Exploration Project

Description of assets	The Kalplats projects are located in the North West Province, 330 kilometrs west of Johannesburg and comprise two joint ventures with Platinum Australia (PLA). ARM Platinum's current interest in the Kalplats PGM joint venture is 90% and PLA can earn up to 49% in the joint venture by completing a bankable feasibility study and making its proprietary Panton metallurgical process available at no cost. The Kalplats "Extended Area Project" is a 50:50 joint venture.	
Management	Both projects are currently managed by PLA.	
Mineral reserves and resources (100% basis)	Measured and Indicated Resources	
	Mt	PGM+Au (2E)
	7.12	1.70

Kalplats

During the year, Platinum Australia (PLA) completed a total of 48 390 metres of drilling. Geological modelling and the updating of the mineral resources for the individual deposits has been ongoing in preparation for pit optimisation and mine design. Metallurgical test work as well as engineering and process plant design are also being carried out as part of the bankable feasibility study, which is expected to be completed in F2010.

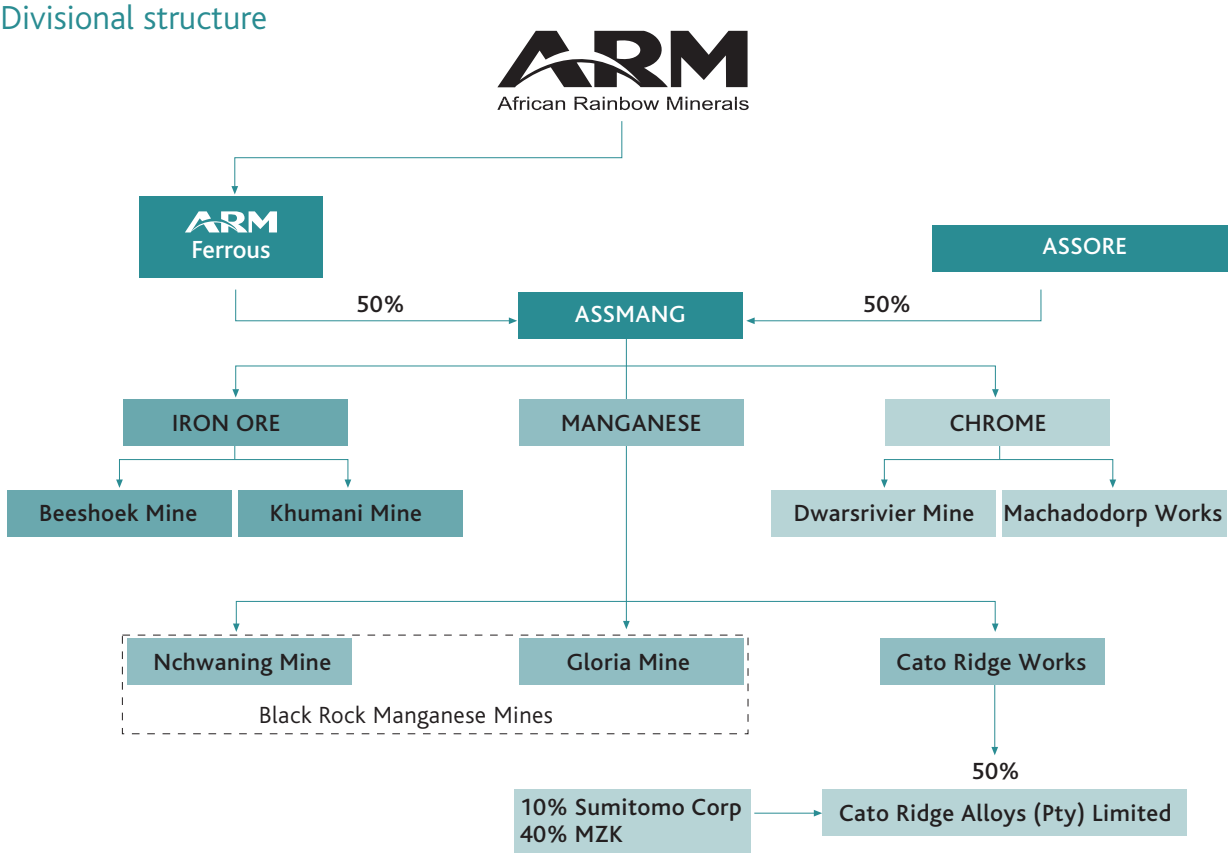
The Kalplats Extended Area Project is a 50:50 joint venture and since April 2007, ARM Platinum has held a prospecting right over the Kalplats Extended Area covering an area approximately 20 kilometres to the north and 18 kilometres to the south of the Kalplats Joint Venture area. PLA and ARM Platinum each have a 50% contributing interest and PLA manages the exploration program which is targeting extensions of the known Kalplats style of PGM mineralisation.

The first phase of exploration work on this extended area, comprising a detailed aeromagnetic survey over the entire strike length of the extended area was completed in August 2007. The second phase which involves extensive soil geochemical sampling was completed during 2008. This will be followed by drilling of targets identified during the initial phases of work.

For more detailed information please refer to www.platinumaus.com.au

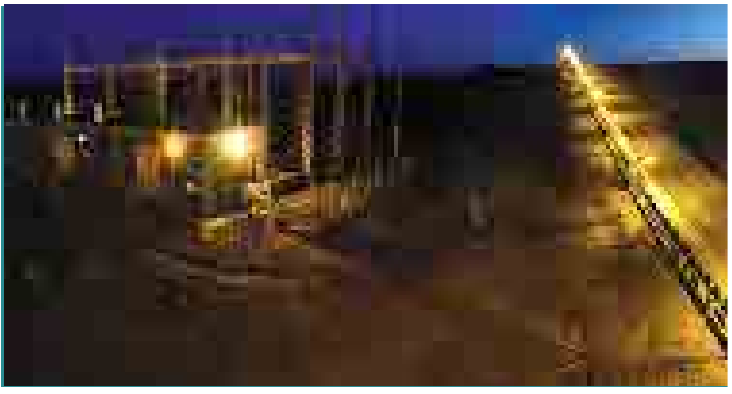
ARM Ferrous

Divisional structure

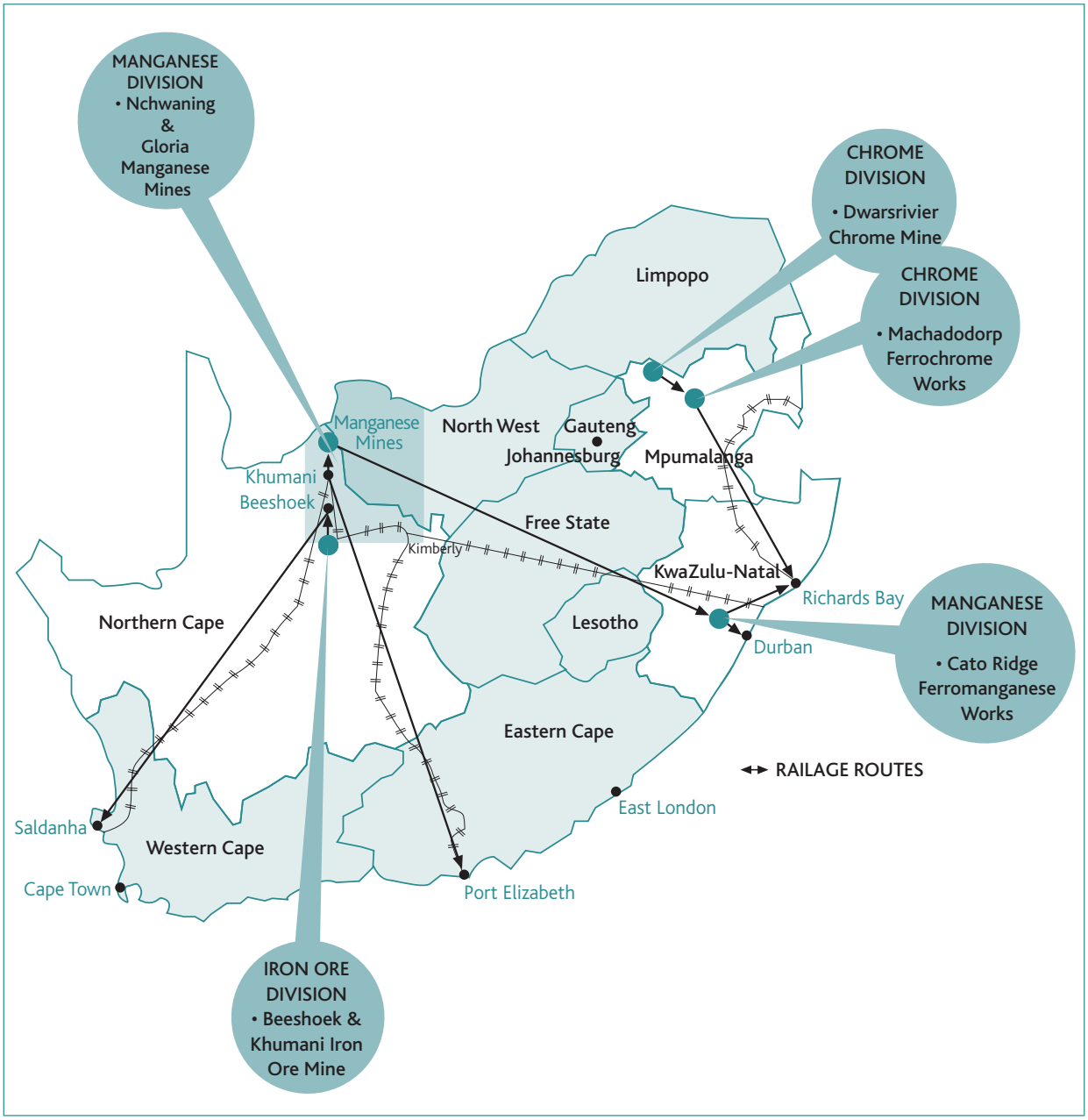


Scorecard

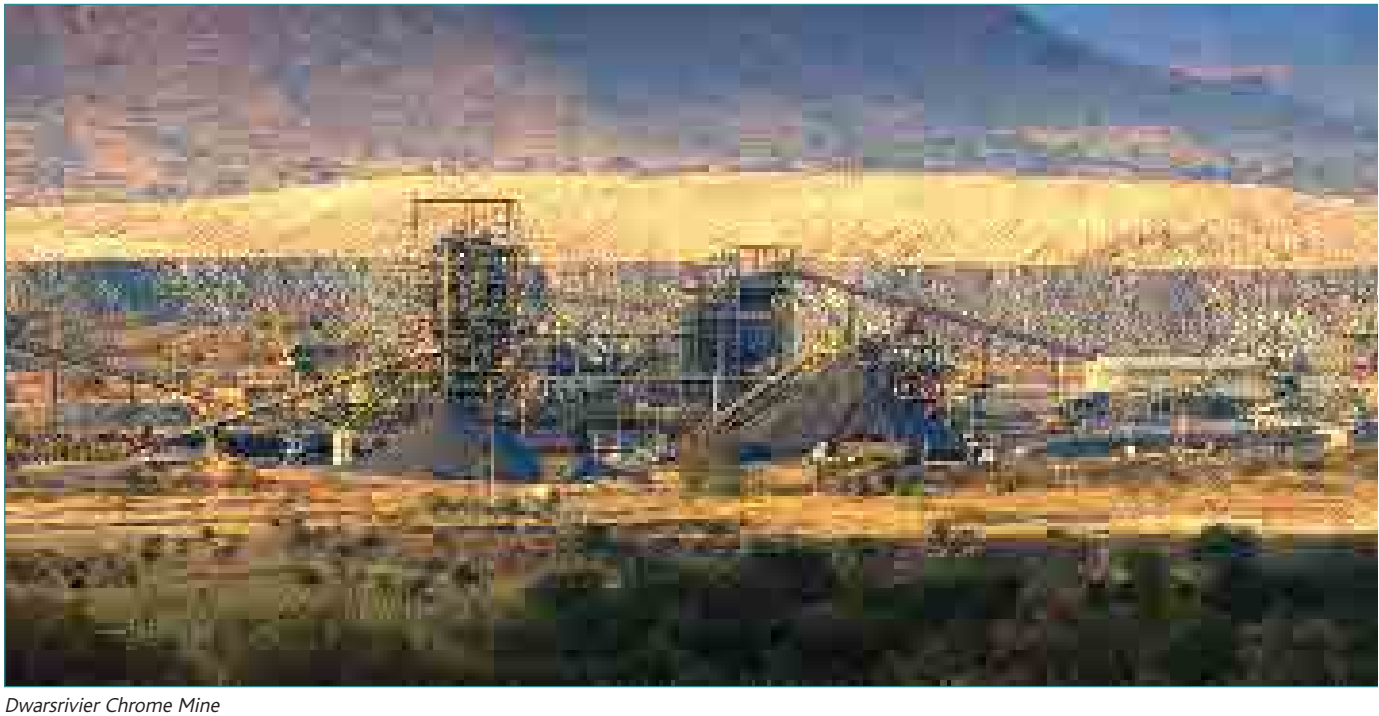
F2008 objectives	F2008 performance	F2009 objectives
Khumani Iron Ore Mine and plant substantially commissioned	Khumani mine was substantially commissioned	Complete commissioning of the 2nd phase of the 10 Mtpa Khumani mine
Complete pre-feasibility study for a 16 Mtpa and 20 Mtpa Khumani mine	Pre-feasibility studies completed and start-up capital approved	Complete feasibility study. Finalise additional 4 Mtpa iron ore export contract with Transnet Finalise life-of-mine plan for Beeshoek Iron Ore Mine, for local contract sales
Achieving planned production, costs and sales volumes	All operations except Cato Ridge Works achieved and in some cases exceeded production and sales volumes	Finalise manganese export contract beyond 2009 with Transnet
Submit mining licence conversions for manganese and chrome mines	Submitted	Finalise submissions and obtain converted mining licences
		Submit mining licence conversions application for Beeshoek Iron Ore Mine



Jan Steenkamp
Chief Executive: ARM Ferrous



About ARM Ferrous



Dwarsrivier Chrome Mine

Operational overview – attributable to ARM

	Sales (000t)			Operational
Operations	F2008	F2007	% change	target F2009
Manganese Ore	1 856	1 164	59	
Nchwaning*	1 641	1 026	60	↘
Gloria*	215	138	56	
Ferromanganese*	124	126	(2)	↘
Iron ore	3 291	3 428	(4)	
Khumani	557	-	-	↗
Beeshoek	2 734	3 428	(20)	
Chrome				
Dwarsrivier chrome ore*	152	86	77	↗
Machadodorp charge chrome	138	116	19	→
ARM Ferrous operating margin (%)	55	32	72	
ARM Ferrous cash operating margin (%)	61	41	49	
Headline earnings attributable to ARM (R million)	2 775	665	317	

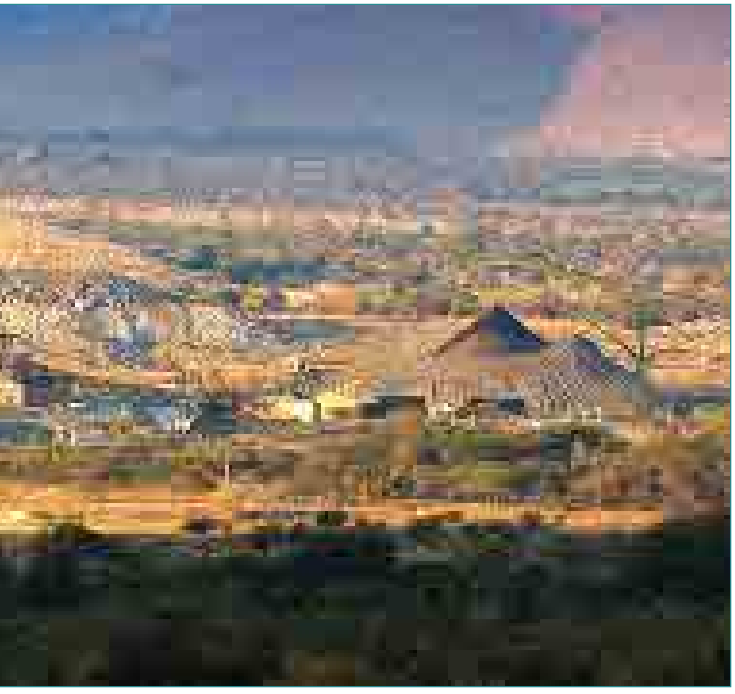
* excludes intra-company sales

Review of the year

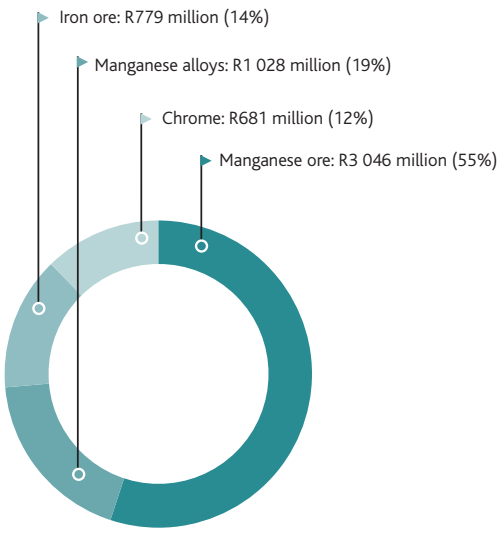
F2008 has been a successful year for the ARM Ferrous Division, illustrated in particular by the exceptional increase in headline earnings of 317% to R2 775 million attributable to ARM. Record revenues were achieved due to higher US Dollar prices for all ferrous commodities, as well as increased sales volumes. Operating margins increased from 32% in F2007 to 55% in F2008.

The manganese operations, both ore and alloys, performed exceptionally due to the significant increase in prices. The manganese ore operations were able to further leverage off high manganese ore prices by increasing sales volumes by 59%. The manganese mines sold 1.4 Mt more than guaranteed logistical allocations, of which 760 000 tonnes were road hauled to the Richards Bay port (>1000km). The performance of the ARM Ferrous Division was however marred by the unfortunate Cato Ridge Works accident in February 2008, which resulted in the loss of six lives and disrupted production.

The operations controlled costs well within targets in an environment which experienced cost escalations well above inflation. The iron



F2008: Earnings per division (100% basis)



ore division was the only exception, with higher than planned costs due to road hauling of tonnes from Khumani Mine to Beeshoek Mine to ensure contractual commitments to customers in terms of quality and quantity.

Teething problems at Khumani Iron Ore Mine during the first eight weeks of plant ramp-up also necessitated more ore having to be road hauled to Beeshoek Mine.

The cost of reductants, specifically coke, had a significant impact on smelting costs, due to coking coal prices increasing by approximately 300%. The table below illustrates the percentage increase in unit costs for the division over the last financial year, with the divisional EBITDA margins.

The construction and commissioning of Khumani Iron Ore Mine over a period of 24 months is on schedule and within budget. The construction of Khumani compares well with other projects of similar size where generally a significant number of these projects exceed both budgets and schedules.

The ARM Ferrous division suffered a significant business interruption at its Cato Ridge Works as the result of the explosion at the No. 6 Furnace on 24 February 2008. The explosion resulted in production being stopped at all furnaces for a period of time. Furnaces 1 to 5 were brought back into production in the period to June 2008 while furnace 6 needs to be extensively repaired. The furnace 6 reconstruction will only be complete during the second quarter of F2009. Therefore for the period since the explosion up to 30 June 2008 there has been lost production of both high carbon and refined ferromanganese. The company's insurers were notified of the loss shortly after the accident. Since that time the insurers have been investigating the claim and all matters pertaining thereto. At the date of this report the matter had not progressed to a point where the claim and its associated liability had been accepted by the insurers. As a result no accounting for any possible recovery from the claim has been included in the F2008 results.

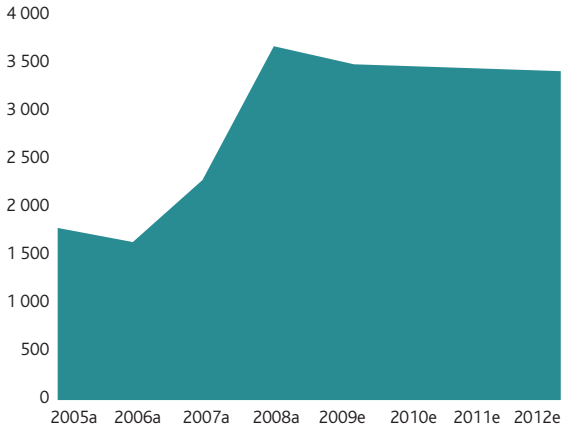
The furnance 6 impairment has been assessed and accounted for and amounts to an attributable exceptional item amount of R9 million. A R37 million attributable expense for fixed costs incurred during the furnace downtimes is also included in the F2008 results.

Commodity group	F2008 cost increases R/tonne	F2008 EBITDA margin
Iron ore	65%	48%
Manganese ore	19%	73%
Manganese alloys	20%	54%
Charge chrome	18%	42%

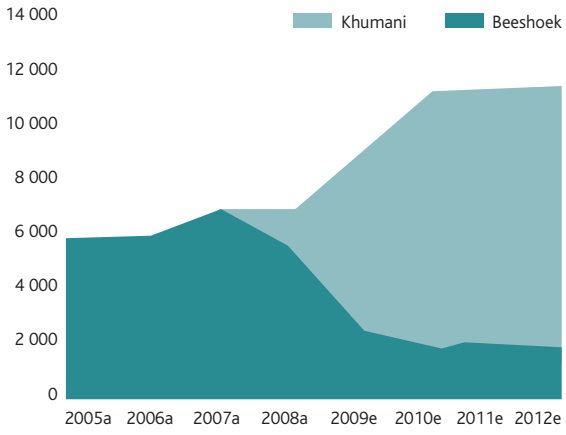
ARM Ferrous

Sales volumes from 2005 to 2012 (100% basis)

Manganese ore
(excluding intra-company sales)(000t)



Iron ore
(000t)



Safety and health

The majority of operations in the ARM Ferrous Division achieved numerous safety awards during F2008. An overall lost time injury frequency rate (LTIFR) of 4.9 was recorded for the year.

Regrettably, Cato Ridge Works suffered seven fatalities during the year from two separate explosions in two of its furnaces. The first explosion occurred in December 2007 during which an employee was fatally injured. The second explosion which occurred in February 2008 wounded two and fatally injured six employees. The company conveys its condolences to the families and friends of the deceased employees. A detailed investigation by an independent expert identified specific recommendations to be implemented at Cato Ridge Works in order to prevent similar incidents from occurring in future.

The chrome division experienced another excellent year in respect of safety. The last fatality at the operations was recorded in March 2004. Machadodorp Works achieved 1 million fatality free shifts while Dwarsrivier Mine achieved 742 000 fatality free shifts. Machadodorp Works was placed second in the "Excellence in Safety" competition in the ARM Group.

The Manganese Mines had a very safe year, achieving 2.4 million fatality free shifts as well as the first position in the "Excellence in Safety" competition in the ARM Group.

Both Beeshoek and Khumani Mines reported a very safe year. The operations achieved 1.4 million fatality free shifts and achieved second position in the "Excellence in Safety" competition in the Group.

All the operations conduct medical surveillance over the majority of its employees in accordance with relevant legislation. At Cato Ridge Works the medical surveillance programme has been reviewed with the assistance of medical experts to ensure a proper process to diagnose manganism. An inquiry into the possible incidence of manganism is currently in progress and a final outcome is expected in the near future.

Mining rights

A feasibility investigation with respect to the life-of-mine for the Beeshoek operation has defined a future life-of-mine beyond 2013 and the conversion application will be submitted during the latter part of 2008. Khumani Iron Ore Mine has received a new order mining licence.

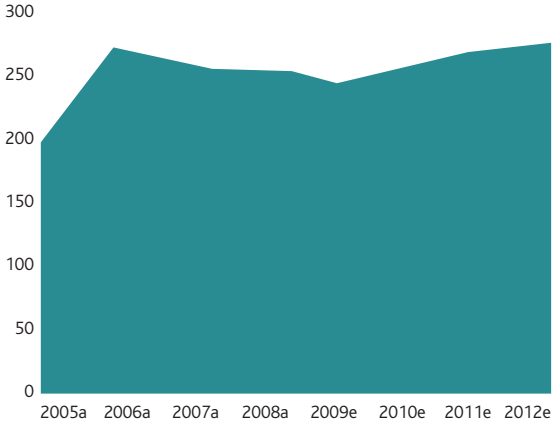
The conversion application for Dwarsrivier Chrome Mine was submitted during the first quarter of 2008.

The conversion application for Nchwaning and Gloria Manganese Mines was submitted during the second quarter of 2008.

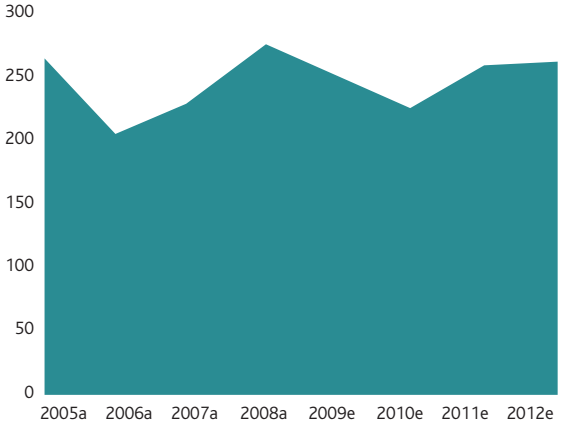
Logistics

ARM Ferrous is extremely dependent on rail and port logistical capacity to sell its product locally and globally. The demand for all commodities

Ferromanganese
(000t)



Charge chrome
(000t)



produced by Assmang has increased year-on-year, and is likely to grow for at least the next two years. High levels of capital expenditure have been spent and will be spent in the future to increase production capacity in line with visaged market demands. South Africa is currently constrained by some of its export channels which restricts Assmang from optimising the production capacity created. During F2008, significantly more tonnages were exported, specifically manganese ore, than contractually agreed with Transnet. Road hauling to Richards Bay port enabled Assmang to achieve these volumes.

Assmang is in the process of finalising an agreement with Transnet to export an additional 4 Mtpa of iron ore, taking the total iron ore export tonnes to 14 Mtpa. The manganese ore export agreement with Transnet beyond 2009/2010 still needs to be finalised.

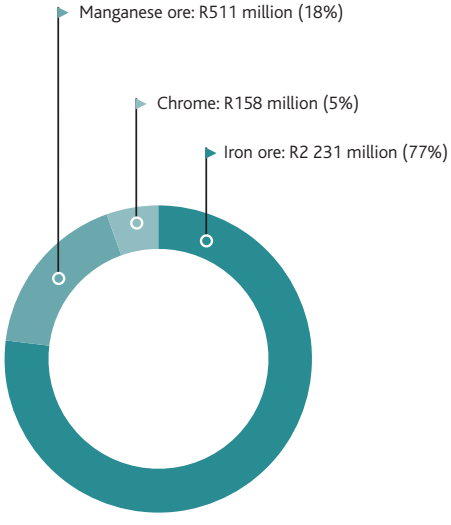
Capital expenditure

Capital at Khumani (R2.1 billion) made up most of the capital (R2.9 billion) spent in the division. Dwarsrivier Chrome Mine increased capital expenditure primarily on the purchasing of mining equipment to commence the process of converting from contractor to owner operator mining. Machadodorp Works spent R90 million on furnace upgrades and infrastructure.

Manganese Mines spent capital mainly on building of an underground workshop, replacement items and sludge disposal and water reticulations. Cato Ridge Works spent capital of R102 million rebuilding and upgrading furnaces.

Capital was mainly spent on rebuilding the No 5 furnace, on repairs to the No 6 furnace, on rebuilding the No 4 furnace, on additional change rooms, slag carriers and associated work, as well as on dust fume extraction. The slag carriers are in the process of being commissioned while the fume extraction project is still in progress.

F2008: Capital per division (100% basis)



ARM Ferrous

Prospects

ARM Ferrous continues to invest in growth across its operations, in more environmentally friendly and efficient production as well as in creating a company which attracts and retains employees in remote areas by providing home ownership schemes and related infrastructure. The constraints facing our business are significant: they include logistical capacity, electricity supply, water constraints and skilled labour. However, we are confident that the quality of our products will stand us in good stead in the longer term as we work towards overcoming these challenges.

This year will be challenging due to the ramp-up of the new Khumani mine and the reduction of volumes at Beeshoek. Transnet is also ramping up the total iron ore rail capacity. Transnet's ability to achieve contractual guarantees may however be a limiting factor to achieve planned volumes.

Production from Dwarsrivier Chrome Mine will increase due to the higher availability of new equipment with a resultant reduction in operating costs.

The feasibility study for the construction of a new furnace at Machadodorp Works is expected to be completed in the next year.

At Nchwaning Manganese Mine, capital will be spent to commence construction of a new processing plant which will increase total production capacity to 5 million tonnes per annum.

Cato Ridge Works will proceed with the Environmental Impact Assessment (EIA) approval process and will also complete the feasibility study for the construction of the No 7 furnace. The new design and construction of the fume extraction facility will also commence.

Dwarsrivier Chrome Mine

Market review

World crude carbon steel production continues to increase and is expected to reach 1.42 billion tonnes in 2008, an increase of 5.6% on 2007. Chinese growth is still the main driver but this forecast has been recently revised downwards because of the weakening global economic climate and the expectations are that the steel output growth rate in China will continue to reduce. Stainless steel, on the other hand, has been an anomaly in the current commodities boom as 2007 production was marginally down at 28.56 Mt and, although production in the first half of 2008 recovered, it appears as if production will be curtailed, even in China, for the remainder of 2008.

Iron Ore

Seaborne iron ore demand continues to grow rapidly. Anticipated growth for 2008 is 10% to reach 866 Mt, with China importing 443 Mt, up 17% from 2007. The global market for iron ore is expected to remain tight in the short term due to the shortage of technical resources and also logistical constraints associated with rail and port capacity and in spite of the number of new mines and projects. With the three major ore producers as well as newcomers to the seaborne market all announcing large expansion plans, the outlook is that, should all these projects proceed, the market would move into balance.

Manganese

For manganese, the year under review was marked by unprecedented price increases for both manganese ore and alloys. With strong demand from increasing steel production, supply-side changes were also a key driver. Manganese ore supply was affected by consolidation of suppliers as well as a reduction in sales to the seaborne market by some integrated producers. This has resulted in a shortage of both high and medium grade manganese ore. Other factors such as increased export taxes in China and electric power cost escalations have combined with the very high ore prices to propel the prices of manganese alloys to record levels. Assmang has a high grade manganese ore product (typical 44-48% Mn content), which is ideal for blending purposes. The forecast is that the current prices of both manganese high grade ore, high carbon and refined ferromanganese could come under pressure due to global economic slowdown and an oversupply into China in the short to medium term.

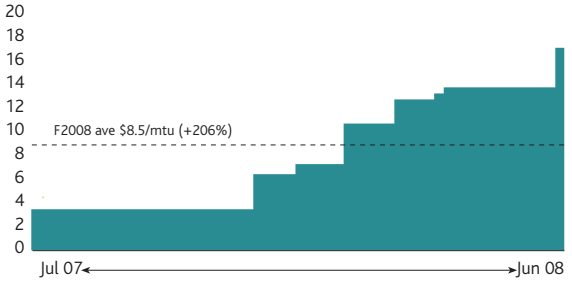
Chrome

Despite stainless steel's disappointing performance, ferrochrome demand was very strong during this period due to requirements from China and the reduction in austenitic stainless steel production. This resulted from high nickel prices causing an increase in ferritic production, and a resulting rise in demand for virgin raw materials. Low stocks assisted in enabling ferrochrome producers to achieve significant price increases in three out of the four quarters. The electricity crisis in South Africa also induced a degree of concern in the market although the effect seems to have been overestimated. Strong growth in Chinese ferrochrome production drove significant demand for chrome ore and prices increased substantially.

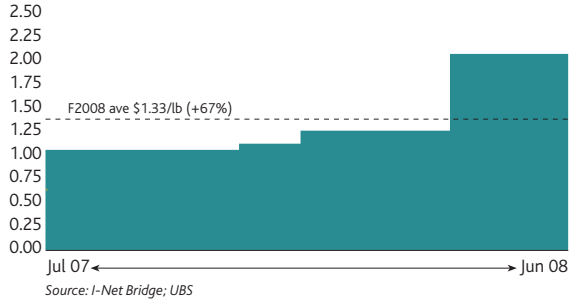
Ferrous pricing trends for F2008

Iron ore lump price benchmark FOB (USc/ltu)

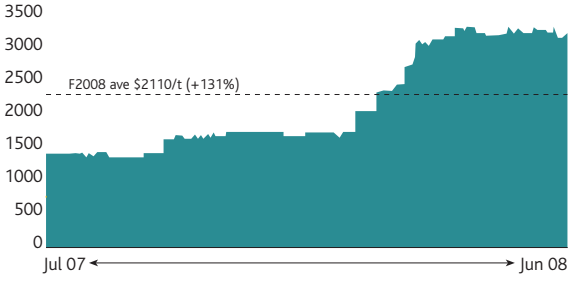
Manganese ore 48%/50% (CIF)($/mtu)



Ferrochrome benchmark spot (CIF)($/lb)



Ferromanganese benchmark 78% (CIF)($/t)



Source: I-Net Bridge; UBS

ARM Ferrous

Iron Ore Division

Beeshoek and Khumani Iron Ore Mines

Description of assets	Beeshoek Iron Ore Mine is an open cast operation with supporting infrastructure such as processing plants, a dense medium separation plant, load-out stations and rail infrastructure. The Khumani iron ore mine, currently in ramp-up phase, consists of various open cast areas, a processing plant which include a dense medium separation plant and automated loading facilities
Management	Jointly managed by ARM and Assore, through Assmang. ARM provides administration and technical services while Assore performs the sales and marketing function
Measured and Indicated Resources	Beeshoek - 120 Mt at 63.55% Fe Khumani - 664 Mt at 64.50% Fe
Proved and Probable Reserves	Beeshoek - 22.9 Mt at 64.28% Fe Khumani - 500.9 Mt at 64.50% Fe
Number of employees/contractors	2 830 employees (including 2 094 contractors (construction))

Review of the year

The US Dollar iron ore price received increased approximately 30% in F2008, with contractual negotiations for the 2009 fiscal year (effective 1 April 2008), being concluded at a minimum of 85% for all exported iron ore products. The iron ore division exceeded its contractual and planned sales tonnes of 6.0 Mtpa. This was achieved at an increased cost, however, due to tonnes being road-hauled from Khumani to Beeshoek to meet all customers' requirements. The Khumani mining volumes were in excess of planned volumes. The processing and loading ramp-up tonnage was lower than plan due to a design setback with equipment at the Khumani Mine.

Refer to page 164 for Iron Ore segmental information

Iron ore division

	F2005	F2006	F2007	F2008	F08 / F07 %change
Headline earnings attributable to ARM (Rm)	67	199	340	390	15
Operating margin (%)	22%	39%	44%	39%	11
Total iron ore sales (000t)	5 776	5 926	6 855	6 582	(4)
Beeshoek Iron Ore Mine					
Iron ore produced (000t)	6 434	5 536	6 675	4 493	(33)
Iron ore sold (000t)	5 776	5 926	6 855	5 466	(20)
Sales revenues (Rm)	838	1 411	2 164	2 282	5
Total costs (Rm)	651	857	1 197	1 218	2
Operating profit (Rm)	187	554	967	1 064	10
Capex (Rm)	193	346	94	100	6
Khumani Iron Ore Mine					
Iron ore produced (000t)	–	–	–	1 848*	–
Iron ore sold (000t)	–	–	–	1 115	–
Sales revenues (excluding intra) (Rm)	–	–	–	493	–
Total costs (Rm)	–	–	–	478	–
Operating profit (Rm)	–	–	(6)	15	350
Capex (Rm)	–	–	1 641	2 131	30

* 1.2 Mt produced at Beeshoek by processing run of mine ore from Khumani

ARM Ferrous

Khumani Project update

8.4 Mtpa construction complete	10 Mtpa construction to be completed 1Q 2009
Mine design allows for flexibility to produce different percentage of product specification	Typical grade of products Lumpy 66% Fines 65.0%*

* Indicative over life-of-mine

- New modern and cost competitive mine due to lower stripping ratio, the area already dewatered and favourable positioning in relation to infrastructure
- Production will ramp-up to 7.2 Mtpa from July to June 2009
- Potential to double export sales to 20 Mtpa (Pending Transnet expansion program)
- Agreement with Transnet to export 14.0 Mtpa – far advanced
- Feasibility for 16 (14 Mtpa export and 2 Mtpa local) and 20 Mtpa to be completed during the second quarter of 2009
- Commenced mining in F2007

Project released 2006	Ramp-up: 2008 (10 Mtpa) Full production:2010	Feasibility for 16 and 20 Mtpa: 2Q 2009	Construct and commission 16 Mtpa: 2010 to 2013

Real capital cost of R4.2 billion >85% committed	Real capital cost estimate (pre-feasibility) R7.3 billion (in January 2008 terms)

The pre-feasibility study on the expansion of the Khumani Iron Ore Mine was completed in May 2008. The findings of the pre-feasibility study suggest good value, given conservative iron ore pricing assumptions. The pre-feasibility was followed in August 2008 with the approval of the start-up capital programme for the expansion, which is expected to add 6 Mtpa to the Khumani mine's output of 10 Mtpa.

A feasibility study on the project is expected to be completed in the second quarter of the 2009 calendar year and pending a positive outcome, final approvals will be sought from the respective boards for the official commencement of the expansion. Total capital expenditure for the expansion is preliminarily estimated at R7.3 billion, inclusive of contingencies and escalations. Approval of the initial capital (R1.2 billion) will enable the mine to order long-lead items, which will in turn assist in the rapid construction of the project.

Current plans are to allocate 4 Mt to the export market, with the balance of 2 Mt to be supplied to the South African domestic market.

Assmang has received a commitment from Transnet to extend the current iron ore export allocation from 10 Mtpa to 14 Mtpa, increasing Assmang's export capacity accordingly. This will dovetail with the iron ore channel expansion from 47 Mtpa to 60 Mtpa.

Manganese Division

Nchwaning and Gloria Manganese Mines and Cato Ridge Ferromanganese Works

Description of assets	Three underground mines with supporting infrastructure such as processing plants, load-out stations and housing. The alloy operation consists of six high carbon ferromanganese furnaces with an additional furnace to produce refined ferromanganese.							
Management	Joint management by ARM and Assore. ARM provides administration and technical services, while Assore performs the sales and marketing function.							
Measured and Indicated Resources		Mt	Mn%	Fe%		Mt	Mn%	Fe%
	Nchwaning				Gloria			
	Seam 1	138	44.7	8.83	Seam 1	52.5	38.3	5.54
	Seam 2	185	42.5	15.4	Seam 2	29.4	30.0	10.0
Proved and Probable Reserves	Nchwaning	115	44.7	8.83				
	Gloria	40.4	38.3	5.54				
Number of employees/contractors	2 071 (including 871 contractors)							

Review of the year

US Dollar manganese ore and alloy prices achieved increased materially, in excess of 80%, for F2008, with contractual negotiations for manganese ore for the F2009 Japanese fiscal year (effective 1 April 2008), having been concluded at approximately a 300% increase for the first quarter of the fiscal year and which will be reviewed quarterly.

The manganese mines had an exceptional production year by increasing production tonnes by 12% over the previous year. This was primarily achieved at Nchwaning 3 due to increased working areas.

Total manganese ore tonnes sold on the export market (3.12 Mt) exceeded the guarantee tonnes by Transnet (1.675 Mt) due to extensive road hauling (0.76 Mt) to the Richards Bay port.

Cato Ridge Works had a worse than expected production year. This was mainly attributable to the explosion at the No. 6 Furnace in February 2008 and the subsequent prohibition notice being issued by the Department of Labour on the other furnaces. Five of the six furnaces were recommissioned by June 2008 while the No. 6 furnace is in the process of being rebuilt.

The manganese mines' production costs were 19% higher than the previous financial year. This was mainly due to higher costs associated with incentive schemes due to the excellent results achieved. Had the costs been based on the original planned incentive scheme provisions, the cost of production would have been in line with inflation.

Cato Ridge Works' cash costs in real terms were 20% higher than the previous financial year. This was mainly due to lower tonnes produced.

Future furnace production at Cato Ridge Works is expected to be lower than the designed capacity of 240 000 tpa due to reduced power availability and the loss of production at the No 6 Furnace which will only be recommissioned during the fourth quarter of 2008 calendar year. The cost of production at Cato Ridge Works will increase as a result of reduced tonnage produced and increased costs associated with electricity and reductants.

Production from the manganese mines is planned to increase in the next financial year. The additional tonnage will be produced from increased development at the Nchwaning mine to ensure future optimal exploitation of the resource.

Gloria Mine will also increase production year-on year to meet market demands related to the quality requirements of customers.

Manganese sales volumes are expected to be slightly lower, despite production increases, to allow for stockpile rebuild. Stockpiles were reduced to very low levels during F2008.

The manganese mines' cost of production is expected to escalate above inflation owing to contractor costs associated with temporary screening of additional volumes, and additional labour costs for continuous mining operations (CONOPS).

Refer to page 164 for Manganese segmental information

Manganese division

	F2005	F2006	F2007	F2008	F08 / 07 %change
Headline earnings attributable to ARM (Rm)	369	163	288	2 044	610
Operating profit (%)	47%	25%	33%	64%	94
Manganese mines					
Manganese ore produced (000t)	1 882	2 572	2 847	3 154	11
Manganese ore sales* (000t)	1 811	1 678	2 327	3 711	59
Revenues* (Rm)	1 104	994	1 310	6 796	419
Total costs (Rm)	553	586	858	2 060	140
Operating profit (Rm)	551	408	452	4 736	948
Capex (Rm)	353	156	174	218	25
Manganese alloys					
Manganese alloys produced (000t)	281	309	347	261	(25)
Manganese alloys sold (000t)	197	260	251	247	(2)
Sales revenues (Rm)	1 305	1 015	1 380	2 756	100
Total costs (Rm)	774	915	931	1 332	43
Operating profit (Rm)	531	100	449	1 424	217
Capex (Rm)	47	83	123	293	138

* Excluding intra–company sales

ARM Ferrous

Chrome Division

Dwarsrivier Chrome Mine and Machadodorp Ferrochrome Works

Description of assets	The Dwarsrivier operation comprises one underground mine with supporting infrastructure, including processing plants. The Machadodorp operations consist of a pelletising plant, a high carbon ferrochrome closed furnace, three high carbon ferrochrome open furnaces and a metal recovery from slag plant, all with supporting infrastructure
Management	Joint management by ARM and Assore. ARM provides administration and technical services, while Assore performs the sales and marketing function.
Measured and Indicated Resources	44.0 Mt at 39.16% Cr_2O_3%
Proved and Probable Reserves	39.16 Mt at 39.16% Cr_2O_3%
Number of employees/contractors	1 922 (including 1 000 contractors)

Review of the year

The chrome division achieved a record performance, matching the iron ore division's contribution to Assmang's headline earnings. This was due to increased sales volumes accompanying increased ferrochrome prices. Achieved dollar charge chrome prices increased by approximately 70% for F2008.

Chrome ore sales increased 77%, however, because the majority of chrome ore is supplied at cost to Machadodorp, the operation achieved close to break-even results. The mine is commencing the process to convert from contractor mining to owner operator.

Charge chrome sales increased 19%, benefiting from increased chrome ore sales from Dwarsrivier. Machadodorp was also able to make up production losses associated with electricity cutbacks during the earlier part of F2008, 2008, whilst Cato Ridge reduced its power consumption due to the accident.

Dwarsrivier Chrome Mine is in the process of constructing a new mining area. Ore mined from this area will be stockpiled to ensure continuous production during the process of converting to owner operator.

Refer to page 164 for Chrome segmental information

Chrome division

	F2005	F2006	F2007	F2008	F08 / 07 % change
Headline earnings atributable to ARM (Rm)	43	(32)	38	342	800
Operating profit (%)	16%	-3%	9%	38%	322
Dwarsrivier chrome ore					
Chrome ore produced (000t)	568	526	710	849	20
Chrome ore sold* (000t)	35	178	172	304	77
Operating profit (Rm)	(10)	(6)	(12)	(3)	75
Capex (Rm)	95	59	122	68	(44)
Machadodorp charge chrome					
Charge chrome produced (000t)	266	230	242	270	12
Charge chrome sold (000t)	262	210	232	275	19
Sales revenues (Rm)	1 149	870	1 195	2 331	95
Total costs (Rm)	955	893	1 069	1 382	29
Operating profit (Rm)	194	(23)	126	949	653
Capex (Rm)	57	61	77	90	17

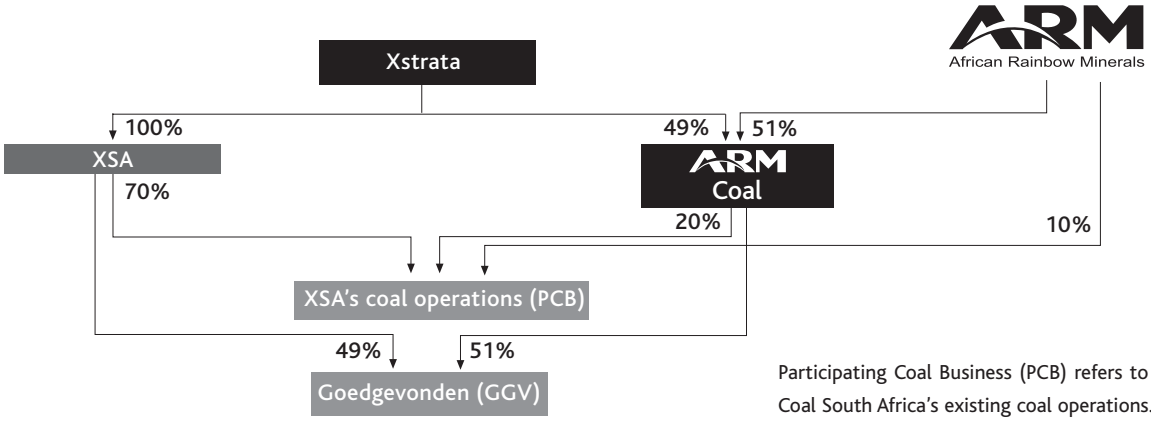
* Excluding intra–company sales

ARM Coal

Divisional structure

ARM Coal was formed in July 2006 in partnership with global diversified mining group Xstrata plc. The ownership structure is depicted below:
In addition, ARM Coal holds the following:

- access to Xstrata's 20.9 % interest and entitlement in the Richards Bay Coal Terminal (RBCT); and
- an export entitlement of 3.2 Mtpa in the phase V expansion at RBCT which is expected to be commissioned during the first half of the 2009 calendar year.

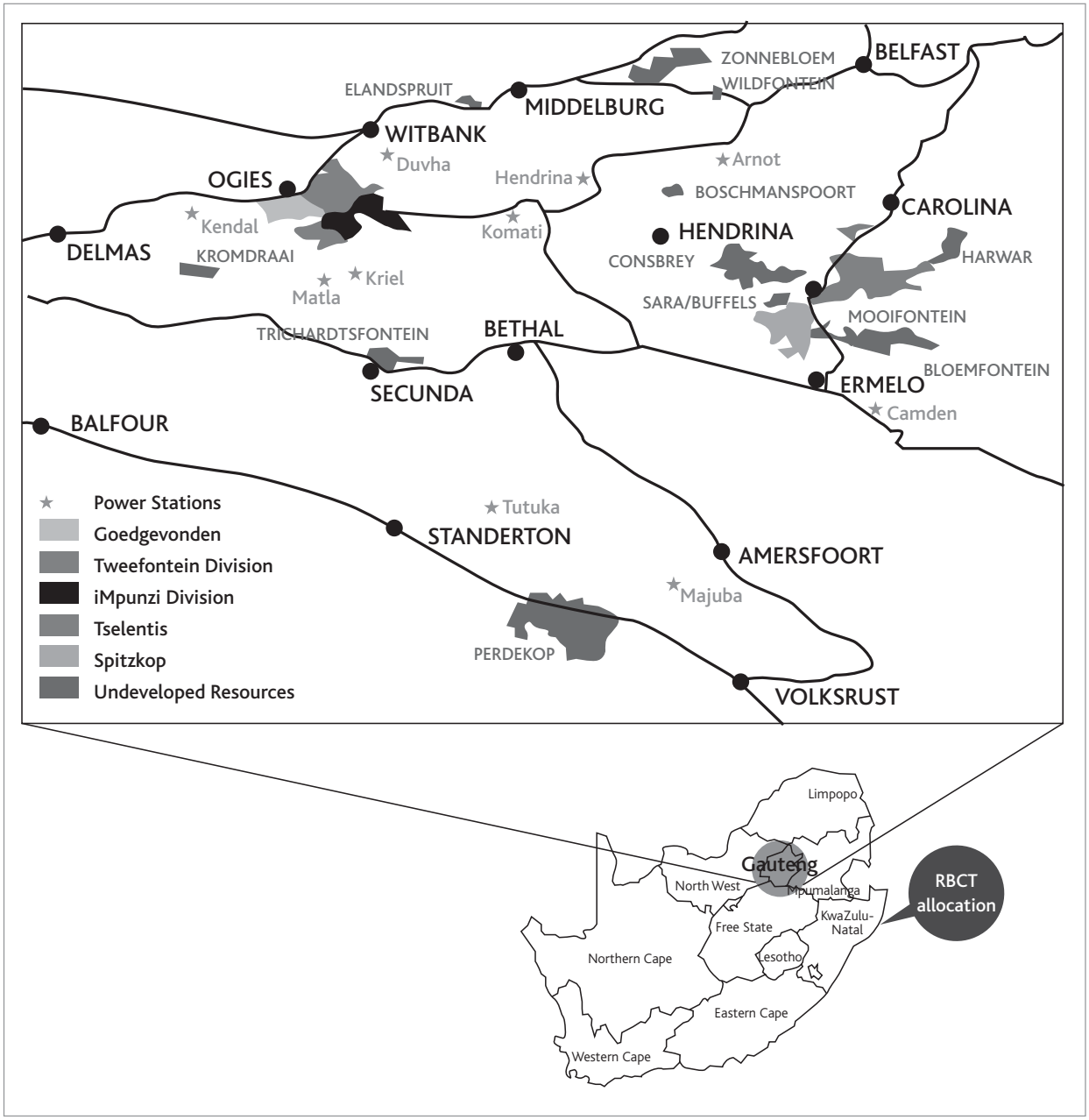


Participating Coal Business (PCB) refers to Xstrata Coal South Africa's existing coal operations.

Scorecard

F2008 objectives	F2008 performance	F2009 objectives
Participating Coal Business (PCB)		
Maintain export sales volumes	Export volumes flat	Maintain export volumes
Increase local sales volumes	Local sales increased approximately 47% per energy unit of coal sales	Maintain domestic sales but at increased prices
Commission 5 Seam operation at Southstock	Commissioned opencast and commenced underground workings	To ramp-up underground production at Southstock 5 seam
Restructure DTJV with BECSA	Interim phase applies for 18 months from January 2008	Extract synergy from plant, machinery and infrastructure
Goedgevonden (GGV)		
Conclude volume contract/off-take with Eskom	Commenced volume contract negotiating for 3.5 Mtpa sales to Eskom	Conclude price negotiations for Eskom volume off-take contract
Maintain export sales from current operations	Export volumes maintained	Increase export sales
Increase local sales	Above two-fold sales increase	Maintain domestic sales but at increased prices per energy unit of coal sales
Ensure GGV project remains on schedule and within budget	Project on budget and on schedule	Start CHPP and ramp-up in first half of calendar 2009

Mangisi Gule
Chief Executive: ARM Coal



ARM Coal

Operational overview – attributable to ARM

	Sales			Operational
	F2008	F2007	% change	target F2009
Attributable sales (Mt)				
PCB	4.9	4.4	11	
Export (Mt)	2.7	2.9	(7)	→
Domestic (Mt)	2.2	1.5	47	
GGV	0.7	0.3	133	
Export (Mt)	0.1	0.1	–	↗
Domestic (Mt)	0.6	0.2	200	
ARM total	5.6	4.7	19	
Export (Mt)	2.8	3.0	(7)	↗
Domestic (Mt)	2.8	1.7	65	
ARM Coal cash operating margin (%)	37	27	37	
Headline earnings attributable to ARM (R million)	175	1	>500	

Review of the year

Headline earnings contribution from ARM Coal increased from R1 million in F2007 to R175 million in F2008. Operating margins have increased to 37% (F2007: 27%) driven by strong local and international thermal coal prices.

Total saleable production attributable to ARM Coal increased by 19% for the year under review. Sales volumes from GGV increased due to additional sales to Eskom. Owing to Eskom's acute demand for coal to fuel power stations, the coal operations were not affected by Eskom's load shedding programme. During F2008 approximately 51% of ARM Coal's production was exported. The major import countries are the United Kingdom, Spain, France and the Benelux region (the Atlantic market).

Costs during the year were well controlled, a particularly pleasing achievement in a high mining cost inflation environment. On-mine cash costs per saleable tonne increased by 1% year on year to R148.40 per tonne. Despite substantial increases in labour, maintenance, steel, diesel and contractor costs, business improvement initiatives resulted in significant cost savings.

Xstrata Coal South Africa (XCSA) held a 16% share in the Douglas Tavistock Joint Venture (DTJV) which was managed by BECSA. An agreement was structured from January 2008 for a separation, effected by the transfer to XCSA of a discrete portion of DTJV's resources and equipment, reflecting a 16% share of the DTJV, allowing Xstrata to separately and independently manage the resources.

This will result in BECSA and XCSA operating discrete coal mining areas for their own account. The affected resources are adjacent to the existing Arthur Taylor Colliery Opencast Mining (ATCOM) operations. XCSA plans to mine these resources using conventional open cut means (dragline and truck/shovel), to upgrade the under utilised ATCOM plants to process the additional coal to production and utilise the existing ATCOM train loading facilities. This is expected to result in significant optimisation and synergy benefits for XCSA.

ARM Coal believes it is well positioned strategically as most of the coal produced by PCB is of export quality. The quality of coal sold on the local market, which includes sales to Eskom, can vary significantly in energy value, thereby affecting prices achieved. ARM Coal, through the GGV Project aims to sell coal at an average value of 22 Mj/kg to Eskom. The product sold to Eskom from GGV will be a washed and sized product which implies further quality and efficiency improvements for Eskom.

Reconciliation of headline earnings with operating profit

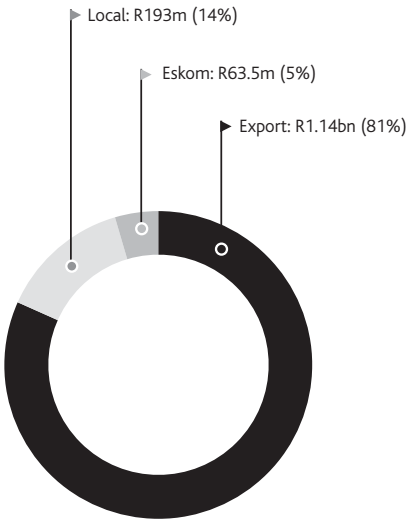
Earnings from the coal division attributable to ARM were negatively impacted by a number of accounting issues:

- the IFRS accounting requirement related to imputed interest on the Xstrata debt facilitation
- additional amortisation at the ARM level provided as a result of the IFRS purchase price allocation rules.

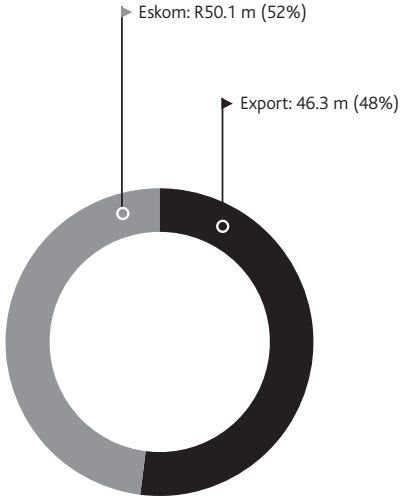
	F2008	F2007
ARM attributable headline earnings reported	175	1
Add: additional amortisation	21	37
Imputed interest on Xstrata R4 billion debt facilitation	30	27
Less: Taxation	-14	-19
ARM attributable headline earnings excluding IFRS adjustment	211	46
Add: Normal interest	82	70
Normal amortisation	190	132
Taxation	57	20
ARM's attributable operating profit	540	268
ARM's share of distributable cashflow	155*	20

*Subject to ARM Coal board approval

F2008 PCB Revenue (attributable to ARM)



F2008 GGV Revenue (attributable to ARM)



Safety

During the financial year under review none of the 12 mines comprising the PCB operations experienced a fatal accident.

GGV achieved 2.4 million hours without a lost time injury during May 2008. This outstanding safety achievement was, however, marred by a fatal incident on 23 June 2008, when Mr. Bernard Mabilu, a contractor employee working on a roof installation, fell to his death. We extend our deepest condolences to the bereaved family, friends and colleagues of the deceased.

Mining rights status

The documentation supporting the application for the conversion of old order mining rights to new order rights has been submitted for most of the mining properties and efforts continue to expedite approval.

A total of 20 prospecting rights have been granted. ARM Coal has applied for mining rights for eight of these, and will be applying for the renewal of the remaining prospecting rights to enable further work on them.

The old order mining right over the GGV property was granted and notarially executed during the year under review. The new order mining right in respect of the Zaaiwater property was granted and notarially executed in the first quarter of the 2008 calendar year. ARM Coal will apply for a Section 11 transfer to incorporate both these licences into one licence under Goedgevonden Coal (Pty) limited.

Capital expenditure

Capital expenditure during the current year increased by 162.5% compared to the previous year, reaching levels of R3.2 billion. The main capital expenditure items comprised the 5 Seam Project at Southstock and the Tweefontein open cast project. The total capital spent at GGV was R1.4 billion.

Prospects

ARM Coal is well positioned to benefit from higher export prices as GGV starts to ramp up its export sales. Similarly, as Eskom continues to require additional coal to meet its growing electricity requirements, local prices are expected to remain strong for the next financial year. Cost pressures are expected to continue, especially due to the persistently high consumables, labour and power costs. However, ARM Coal expects that, with its growth into new operations, the volume increases will assist to contain unit cost increases. GGV is expected to be a lower quartile cost producer on the global thermal coal cost curve. We are continually evaluating our prospecting rights in the Witbank area. Future development of potential mining operations may be constrained by both rail and road infrastructure.

Market review

ARM Coal benefited from the higher thermal coal prices, both in domestic and export sales. However, a significant portion of coal produced had already been sold forward a few years ago on long-term fixed price contracts at prices considerably lower than spot. These contracts are due to be renewed at current prices during 2009, and it is expected that from renewal the full benefit in current coal prices will be achieved.

XCSA performs the marketing function for our coal and are responsible for new coal price re-negotiations. The weighted average price achieved by ARM Coal for the year under review was 31% higher than the previous financial year. Export sales volumes accounted for 80% of total sales revenue.

ARM Coal

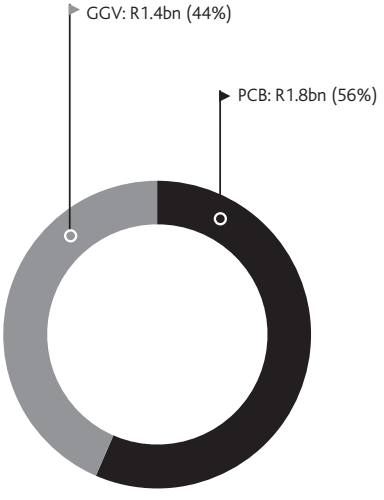
Higher oil and gas prices continue to strengthen demand for coal for power generation in the European market. European demand is estimated to grow 2% or by 3 Mt in 2008. Supply disruptions and competing demand growth for South African coal in Asian markets has led to South African coal being diverted to the Pacific market, precipitating significant price increases in the Atlantic market.

Heavy rainfall in the first half of 2008, power supply disruptions and performance issues with rail transport have curtailed exports of South African coal, down by over 9% compared to the first half of 2007. Incremental demand from Eskom to counteract power shortages has also led some producers to divert export coal into the domestic market, further limiting exports. Supply shortages have required domestic consumers to purchase some higher grade coal and as a consequence, domestic market prices for the latter have risen dramatically to approximate export parity.

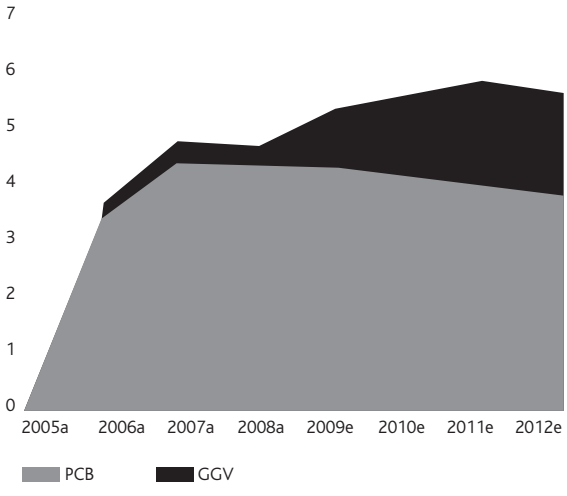
Sustained strong demand and restricted supply are expected to underpin robust prices throughout the second half of 2008 and into 2009. Higher cost marginal tonnes from the US will continue to be required in the European market to offset supply shortfalls from South Africa. The lack of bituminous coal supply growth in the US is leading to stock depletion and will continue to support strong US domestic and Atlantic pricing.

The combination of supply shortages and continued strong demand for thermal coal in the Atlantic market have resulted in forward curves for 2009/2010 flattening at levels around current spot prices, reflecting Xstrata's view that thermal coal prices will remain strong into 2009 and beyond.

F2008 capital per operation (100% basis)

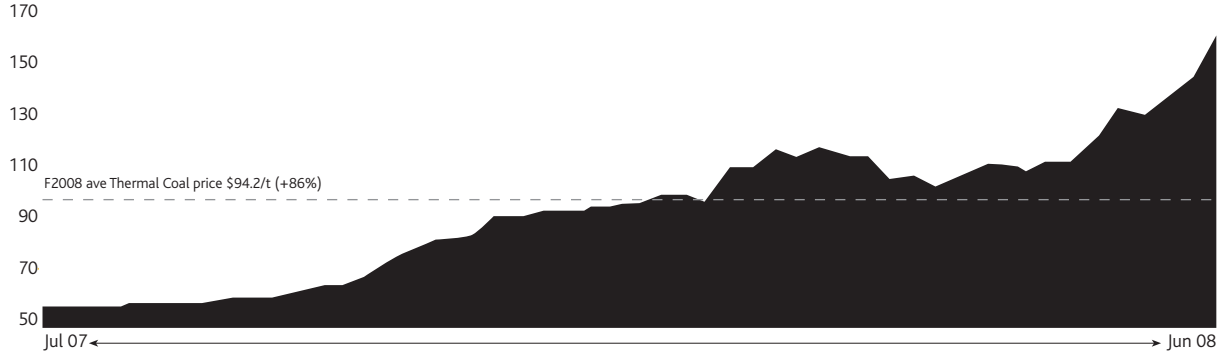


ARM attributable thermal coal sales
(Mt)



Thermal coal market pricing trends for F2008

RBCT FOB ($/t) spot prices



Participating Coal Business (PCB)

ARM's economic interest	20.2%
Description of assets	12 coal mines situated in Witbank, Middelburg and Ermelo in Mpumalanga Province. Four mines are opencast and the balance underground mines. About 55% of production is from underground operations.
Management	Governed by a supervisory committee with five Xstrata representatives and three ARM representatives
Reserves and Resources (100% basis)	358 Mt
Number of employees/contractors	7 700
Life of mine	Economic life of mines range from seven to 27 years

Review of the year

Operating margins increased from 27% to 35% driven by higher export and local coal prices received. The increased in domestic sales is attributable mainly to increase demand from Eskom. Saleable production from PCB operations was 10% higher than the previous financial year. At the ATC underground operation volumes were lower, indicating the depletion of reserves at that operation. However, production from the Southstock 5 seam started early in 2008, and is expected to offset the loss of production from the ATC underground workings. Tweefontein and Impunzi, the two largest producing operations, saw increases in sales due to increased demand from Eskom.

Substantial increases in costs associated with labour, maintenence, diesel, steel and power resulted in on–mine unit costs increasing by 19% over the period to R165 per saleable tonne.

PCB

Description	F2008	F2007	F08/07 % change
Cash operating profits (R'm)	2 425	1 353	79
Cash operating margin (%)	35	27	30
Capex (R'm)	1 805	1 024	76
Average price received (R/tonne)			
Export FOB ($/t)	58.6	44.5	32
Inland FOR (R/t)	117.0	70.0	67
Cash cost per saleable tonne (R/t)	165.5	138.9	-19
Total saleable production (Mt)	23.7	21.6	10
Impunzi (Mt)	6.2	5.3	17%
Mpumalanga (Mt)	2.6	2.8	-7%
South Stock (Mt)	5.5	5.0	10%
Tweefontein (Mt)	6.2	5.0	24%
DTJV (Mt)	3.2	3.5	-8%
Total sales (Mt)	24.0	21.7	10%
Export (Mt) 27 500 MJ/kg	13.2	13.3	-1%
Domestic (Mt) 15 - 20 000 MJ/kg	10.8	8.4	29%

ARM Coal

Goedgevonden (GGV)

ARM's economic interest	26.01%
Description of assets	An opencast coal mine situated near Ogies in Mpumalanga Province. Goedgevonden will be a large-scale, long-life, low-cost mine with new infrastructure. It will produce on average 12Mtpa of ROM coal which will yield 3.2Mtpa export grade coal and 3.5 Mtpa Eskom grade coal at an overall yield of 55%. The coal reserves are 357 Mt ROM with a low average strip ratio of 2.2 bank cubic metre per tonne of coal (bcm/t).
Management	Governed by a management committee, controlled by ARM Coal, with four ARM representatives and three Xstrata representatives
Reserves and resources (100% basis)	198 Mt
Number of employees/contractors	397
Life of mine	33 years

Review of the year

The GGV Project is progressing well and as at 30 June 2008 about 72% of the total project costs had been committed. Indications are that the project will still be completed during the first half of the 2009 calendar year and within the budget of R3.2 billion.

As anticipated, export sales levels at GGV were similar to those of last year, reflecting the continuing development stage of the mine. The next year is likely to see an increase in export sales volume as GGV progresses into production, ramping up to full production by 2011. Production at the GGV Project is increasing as the mine starts moving from the development phase into the production phase. Most of the equipment and personnel are on site and well established. Construction at GGV is progressing well, and commissioning of the project is on schedule for the first half of 2009.

GGV benefited significantly from increased sales volumes to Eskom which experienced coal shortfalls during the year. Higher sales volumes to Eskom, combined with a 152% increase in average prices obtained, increased operating profits by R143 million. This benefit was felt particularly in the second half of the financial year.

At GGV cash costs per sales tonne reduced by 21% year-on-year to R80.95, reflecting the capitalisation of working costs in excess of the long-term cost per saleable tonne of the new operation until production reaches steady state levels.

Goedgevonden mine

	F2008	F2007	F07/08 % change
Cash operating profits (Rm)	195	34	473
Cash operating margin (%)	53	26	104
Average price received			
Export FOB ($/t)	55.42	44.69	24
Eskom FOR (R/t)	81.30	32.31	152
Cash cost per saleable tonne (R/t)	81	103	21
Capex (Rm)*	1 389	192	623
Total saleable production (Mt)	1.6	1.6	–
Total sales	2.9	1.0	190
Export (Mt) 27 500 MJ/kg	0.5	0.4	25
Domestic (Mt) 20 000 – 22 000 MJ/kg	2.4	0.6	300

*Excludes capitalised interest

Goedgevonden Project update

6.7 mtpa saleable thermal coal

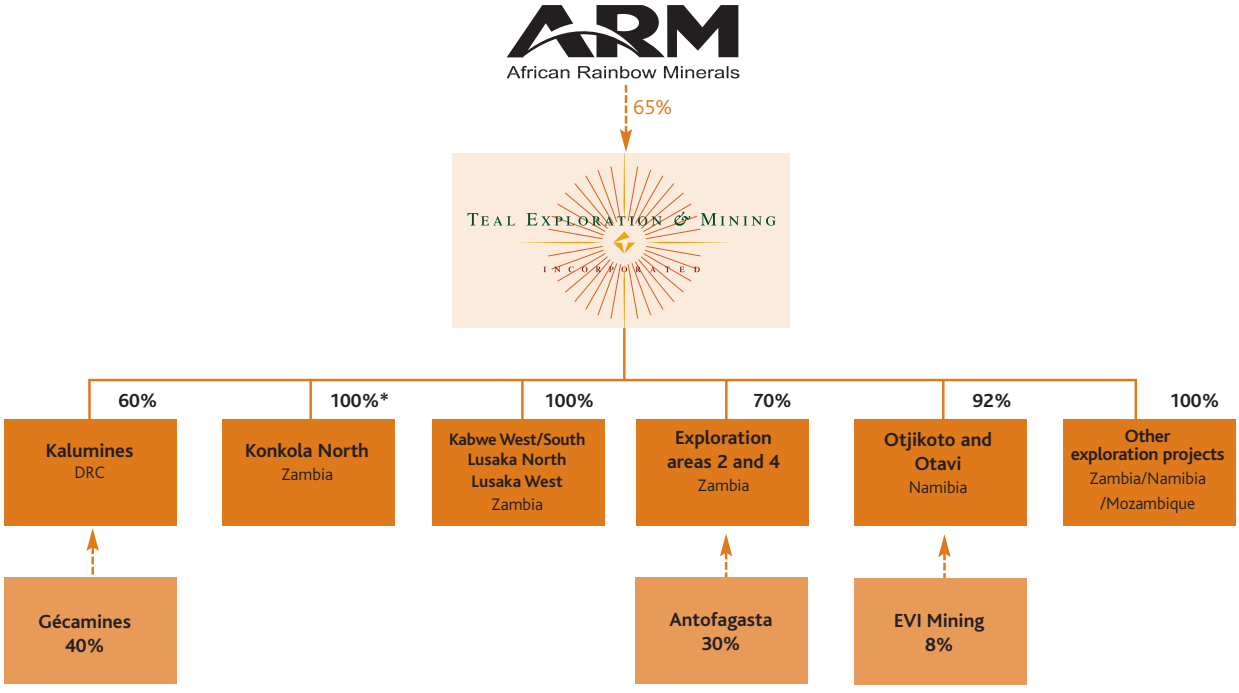
3.2 Mtpa export sales (27.5 mj/kg)	3.5 Mtpa domestic sales (22 mj/kg)
▶ ARM Coal has secured 3.2 Mtpa additional capacity at Richards Bay Coal Terminal	▶ Eskom off-take negotiations ongoing ▶ In close proximity to four power stations ▶ Supplying a premium product (washed and sized)

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

Real capital cost of R3.2 billion, 72% committed, funded by Xstrata Coal

TEAL

Corporate Structure

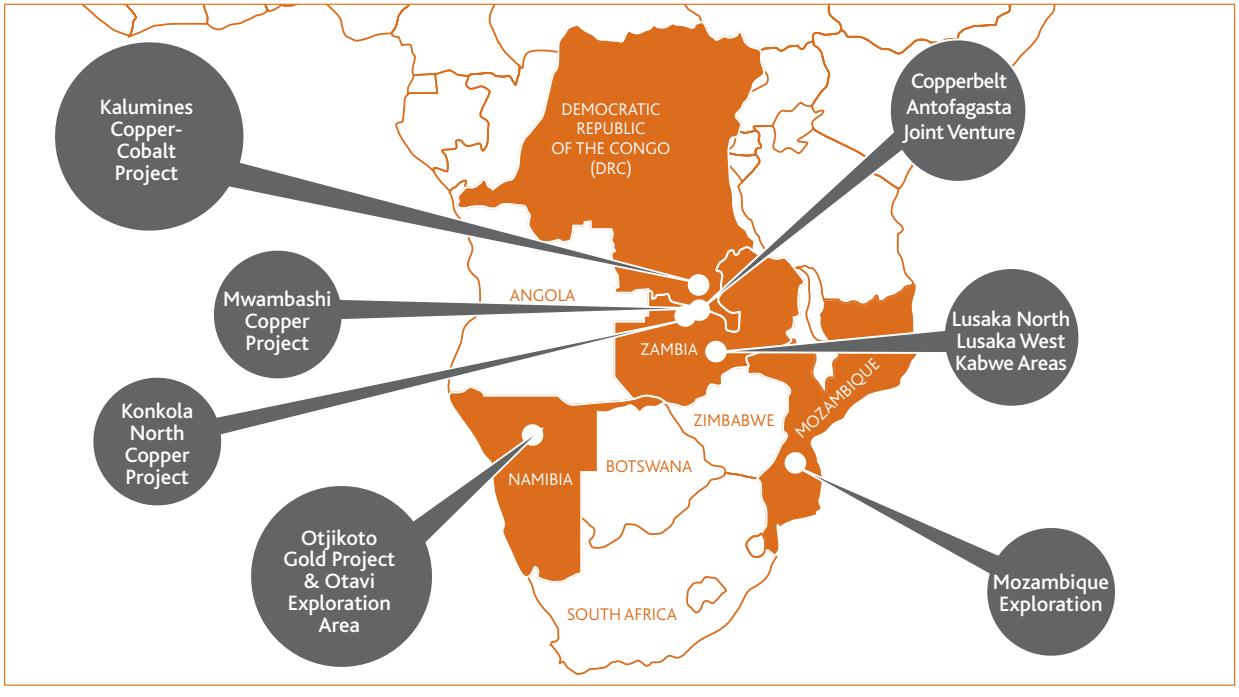


* ZCCM Investment Holdings plc has a 20% option on Konkola North, 5% of which is a "free carry".

Scorecard

F2008 objectives	F2008 performance	F2009 Objectives
ZAMBIA		
Continue the 18,000 metre exploration drilling programme at **Konkola North's Area 'A'**	Nearly 80% of the programme has been completed with encouraging drill results reported. The resource was independently verified as an inferred resource estimate amounting to 219Mt grading 2.64% copper	Complete this phase of the drilling programme in order to assess the best way forward to further verify and upgrade this large resource base.
Advance the feasibility study to assess the viability of mining the **South and East Limb at Konkola North**	Feasibility study is being revised to include the upgraded resource base of 51Mt at 2.35% copper, as well as updated capital and operating costs	To complete the feasibility study to an acceptable level so that the TEAL Board can make a go-ahead decision on this new copper mine
DRC		
Continue the exploration drilling programme at the **Lupoto Copper Project**, which forms part of TEAL's Kalumines licence area	Over 31,000 metres drilled and an initial resource reported (at a 0.5% copper cut-off): ▶ **Indicated:** 15.09 @ 2.32% copper; and ▶ **Inferred:** 9.13 @ 2.09% copper	Complete the current exploration drill programme and independently verify a final resource, which will be used in a feasibility study for a large new copper mining operation
NAMIBIA		
Continue the exploration drill programme to expand the resource base at the Otjikoto Gold Project	The indicated gold resource increased to 1.05Moz of gold, grading 1.40g/t, with an additional 877 000 ounces contained in the inferred category at a grade of 1.41g/t	Exploration drilling, specifically targeting high-grade sections of the orebody, to be continued to increase and upgrade the gold resource further

Hannes Meyer
Acting CEO: TEAL



TEAL is a Toronto Stock Exchange and JSE listed mineral development and exploration company with development projects and exploration areas in the Democratic Republic of Congo (DRC), Zambia, Namibia, and Mozambique. TEAL has targeted specific projects: the Konkola North Copper Project in Zambia; the Kasonta-Lupoto Mines s.p.r.l. (Kalumines) Lupoto Copper Project in the DRC, and the Otjikoto Gold Project in Namibia. The focus during the past year was on resource definition, feasibility study work and initial, limited mine production at the Lupoto Copper Project.

During the financial year, TEAL acquired the 30% stake held by Korea Zinc Company Limited in certain exploration properties including the Mwambashi Copper Project, resulting in the cancellation of the joint venture agreement. Thereafter, in April 2008, a joint venture agreement was concluded with Antofagasta Minerals SA for an initial 30% interest in two exploration licences (excluding the Mwambashi Copper Project).

An independently verified, total inferred resource, for Area 'A' at the **Konkola North Copper Project** in Zambia now amounts to 219 500 million tonnes at 2.64% total copper. TEAL is further evaluating these resources and seven boreholes of an 18,000 metre exploration drilling program have been completed, selected results include:

- 9.74m at 3.87% copper
- 9.75m at 5.62% copper
- 5.03m at 4.25% copper
- 11.71m at 4.17% copper

The Konkola North Copper Project feasibility study, based on an operation to exploit the South and East Limbs, is being revised to include the new resource base, which now totals 51 million tonnes at a grade of 2.35% copper. The updated feasibility study will also include a review of capital and operating costs. The finalisation of the amended feasibility study is expected by the end of the 2008 calendar year.

TEAL

TEAL has an existing mining licence over the **Kalumines** property in the DRC. Initial mining at Kalumines' Lupoto Copper Project has produced (a) 46 404 tonnes of copper concentrates, the majority of which was sold to third parties; and (b) a stockpile of approximately 800 000 tonnes, at grades of between 4% and 6% copper.

In February 2008, TEAL received written notification from the Minister of Mines in the DRC informing TEAL of the outcome of the DRC's Mining Contracts Review Commission with respect to the Kalumines property. TEAL responded to the Government in writing and TEAL has now received further correspondence proposing a meeting to discuss amendments to the joint venture agreement with Gécamines. This meeting is in the process of being scheduled.

At the Lupoto Copper Project, the first phase resource estimation, excluding the material mined at the phase 1 mining operation at a 0.5% copper cut-off and to an average of 80 metres of vertical depth, is as follows:

- Indicated Resources: 15.09 mt @ 2.32% TCu, 1.83% ASCu, 0.15% Co; and
- Inferred Resources: 9.13 mt @ 2.09% TCu, 1.73% ASCu.

TEAL increased the **Otjikoto Gold Project's** indicated gold resource from 460 000 ounces to 1.05 Moz of gold, equating to 23.3 Mt grading 1.40g/t, with an additional 877 000 ounces contained in the inferred category at a grade of 1.41g/t.

ARM is encouraged by the continuing advancement in defining the resource bases that TEAL manages and explores. To this end ARM continued to support TEAL financially as further debt financing arranged after the year-end for TEAL amounting to US$85 million, was supported by an increased matching ARM guarantee. In August 2008, ARM issued a letter of financial support in favour of TEAL for an amount of R385 million which will allow TEAL to fund continuing exploration in F2009.

TEAL's detailed results may be accessed and viewed at their website at www.tealmining.com.

Mineral resources summary as at 30 June 2008

Mineral project	TEAL's Current Ownership	Mineral Resources Category	Tonnes (m)	Au Grade (g/t)	Contained Gold (Moz)	Total Copper (%)	Contained Copper (Mlb)
Konkola North[1]	100%	Measured	10.0	–	–	2.23	492
South Limb[2]		Indicated	2.22	–	–	2.13	1,042
		Inferred	16.2	–	–	2.22	793
East Limb[2]	100%	Measured	7.1	–	–	2.34	366
		Indicated	11.7	–	–	2.87	740
		Inferred	10.7	–	–	2.83	663
Area 'A'	100%	Inferred	219.5	–	–	2.64	12,775
Lupoto Copper project[3]	60%	Indicated	15.1	–	–	2.32	772
		Inferred	9.1	–	–	2.09	419
		Measured and					
Mwambashi Copper Project[4]	100%	Indicated	9.21	–	–	2.02	410
		Inferred	1.77	–	–	2.10	82
Otjikoto Gold Project[5]	92%	Indicated	23.3	1.4	1.048	–	–
		Inferred	19.4	1.4	0.877	–	–

Notes:

(1) ZCCM-IH has buy-in rights for up to 20% (including a 5% carried interest) of the Konkola North copper project.

(2) The mineralized zones were modelled on a 1% total copper cut off.

(3) Partial resources – some 1.350 meters of drilling still to be incorporated. This resource also excludes a surface stockpile containing approximately 800.000 tones grading between 4% and 6% copper. The Lupoto Copper Project forms part of the Kasonta-Lupoto Mines s.p.r.l.("Kalumines") mining licence area in the DRC

(4) The mineralized zones were modeled using a 0.5% total copper cut-off

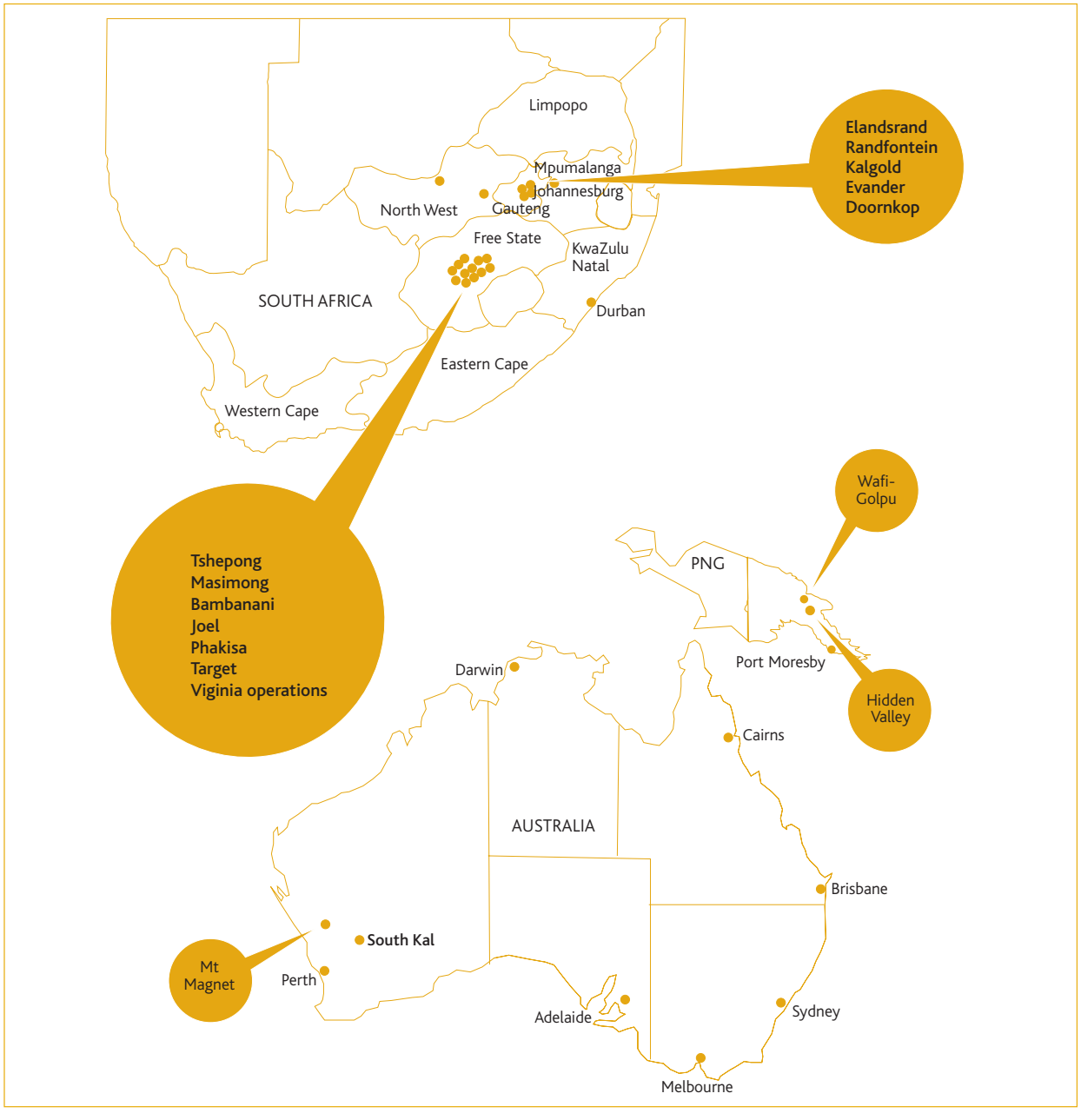
(5) The mineralized zones were modeled on a 0.4 grams/tonne gold cut-off

Harmony

Harmony, Target gold mine

Scorecard

F2008 objectives	F2008 performance	F2009 objectives
Review and re-focus operational performance	Plans revised and put in place for operational delivery Ensure management responsibility	Assess plans' effectiveness
Identify which operations are core	Identified and initiated joint ventures	Conclude joint venture agreements
Improve financial viability	Sale of non-core assets and partnering in joint ventures	Maintain and strengthen balance sheet
Identify opportunities to sustain and grow production	Continued investment in several growth projects	Explore organic growth opportunities


Limpopo
Mpumalanga
Johannesburg
North West
Gauteng
Free State
KwaZulu Natal
SOUTH AFRICA
Durban
Eastern Cape
Western Cape
Elandsrand
Randfontein
Kalgold
Evander
Doornkop
Tshepong
Masimong
Bambanani
Joel
Phakisa
Target
Viginia operations
Wafi-Golpu
PNG
Port Moresby
Hidden Valley
Darwin
Cairns
AUSTRALIA
Brisbane
South Kal
Mt Magnet
Perth
Adelaide
Sydney
Melbourne

Harmony

Harmony Gold Mining Company Limited

In its 2007 Annual Report, Harmony set out a number of interventions to address the various operational challenges faced by the group. At its results announcement on 15 August 2008, the company announced that this process had delivered moderately successful results, characterised by restructuring of the Harmony asset portfolio, and restoring the operations to profitability. The process is a long-term one, and management will continue to keep a watchful eye on its investment, as the company repositions itself as a globally competitive company.

Harmony's success in the future is principally centred around management motivation and incentivisation, being linked to cost control and operational profitability.

Harmony reported total headline earnings for the year ended 30 June 2008 of 126 cents per share (30 June 2007: earnings of 53 cents per share), and an increase in cash operating profit of 26% from continuing operations to R2 537 million (30 June 2007: R2 016 million). Gold production from continuing operations for the year was 11% lower at 48 227 kilograms (30 June 2007: 54 340 kilograms), with cash costs for the year 25% higher at R138 319/kg.

The average gold price received for the year by Harmony was US$818 per ounce, 28% higher than the US$639 per ounce achieved in FY07. The rand/dollar exchange rate was stable. trading in a reasonably narrow range, with an average exchange rate for the year of R7.26/US$ (F2007: R7.20/US$).

Significant developments at Harmony during the year, included:

- an internal due diligence process, which resulted in the strengthening of management teams as decision-making was decentralised and ineffective management levels restructured.
- value realisation from the sale of 60% of Harmony's uranium assets to Pamadzi Resource Fund and First Reserve Incorporated for US$209 million.
- securing a partner at the Morobe Mining Joint Venture to the value of US$525 million with Newcrest Mining Limited, which delivered significant immediate benefit and long-term upside potential in the Hidden Valley asset in PNG.
- the sale of three sets of non-core assets to various parties, of which two have been successfully concluded and one remains outstanding.

The ARM balance sheet at 30 June 2008 reflects a marked-to-market investment in Harmony of R6 045 million which is based on a Harmony share price of R95 (F2007: R100). Changes in the value of the investment in Harmony are accounted for by ARM through the statement of changes in equity net of deferred capital gains tax.

The investment reflected at market value in the balance sheet represents 10% of ARM's market capitalisation of R59 billion at 30 June 2008.

Harmony's results for the quarter and the financial year ended 30 June 2008 may be viewed on the company's website at www.harmony.co.za

Harmony Gold Mining Company Limited		Financial year ended 30 June		
	Unit	F2008	F2007	F08/07 % change
Gold produced (continuing operations)	kg	48 227	54 340	(11)
Average gold price achieved (continuing operations)	R/kg	190 972	147 902	29
Revenue (continuing operations)	R million	9 210	8 037	15
Cash costs (continuing operations)	R/kg	138 319	110 785	25
Cash operating profit (continuing operations)	R million	2 537	2 016	26
Headline EPS (total)	SA cps	126	53	140
Fully diluted EPS (total)	SA cps	(62)	94	–
Average exchange rate	Rand/US$	R7.26	R7.20	1

Competent Person's Report on Ore Reserve and Mineral Resources

Dwarsrivier Chrome Mine

Salient features F2008

Modikwa Platinum Mine

▸ Khumani	15% increase in iron ore reserves due to higher iron ore prices Production started May 2007
▸ Beeshoek	Resources/reserves reduced
▸ Nchwaning	Measured resources increased by 172% with the application of more appropriate classification methods
▸ Nkomati	Oxidised PCR resource to be stockpiled MSB nickel resource depleted, MMZ currently the main nickel resource
▸ Two Rivers	Measured resources increased by 8% due to an additional resource classification method Board approval for the North Decline received
▸ Modikwa	Ore reserves increased by 65% with an accompanying decrease in mineral resources

F2008 Mineral Resource/Reserve summary

Goedgevonden Coal Project

Manganese (Measured and Indicated) (Proved and Probable)

	Mineral resources			Mineral reserves		
	Mt	Mn%	Fe%	Mt	Mn%	Fe%
Nchwaning						
No 1 Seam	137.7	44.7	8.83	115.3	44.7	8.83
No 2 seam	185.2	42.5	15.4	–	–	–
Gloria						
No 1 Seam	52.5	38.3	5.54	40.4	38.3	5.54
No 2 seam	29.4	29.9	10.1	–	–	–

Iron ore (Measured and Indicated) (Proved and Probable)

	Mineral resources		Mineral reserves	
	Mt	Fe%	Mt	Fe%
Beeshoek	120.4	63.55	22.9	64.28
Khumani				
Bruce	265.0	64.69	215.3	64.5
King	379.7	64.49	295.6	64.52

Chromite (Measured and Inidcated) (Proved and Probable)

	Mineral resources		Mineral reserves	
	Mt	Cr_2O_3%	Mt	Cr_2O_3%
Dwarsrivier	44.0	39.16	35.1	39.16
Nkomati	4.6	31.04	2.9	31.0

Rounding of figures may result in computational discrepancies.

Goedgevonden Coal Project

Nickel (Measured and Indicated) (Proved and Probable)

	Mineral resources		Mineral reserves	
	Mt	Ni %	Mt	Ni%
Nkomati	236.8	0.38	164.7	0.33

Platinum group metals (Measured and Indicated) (Proved and Probable)

	Mineral resources			Mineral reserves		
	Mt	PGM + Au g/t	Moz	Mt	PGM + Au g/t	M oz
Two Rivers						
UG2	56.47	4.74 (6E)	8.60	39.51	4.02(6E)	5.11 (6E)
Merensky	18.7	3.55 (6E)	2.06			
Modikwa						
UG2	115.2	5.61(4E)	20.76	58.3	4.71 (4E)	8.84 (4E)
Merensky	65.5	2.67 (4E)	5.61			
Nkomati	236.8	0.93 (4E)		164.7	0.82(4E)	4.34 (4E)
Kalplats	7.12	1.7 (2E)				

2E=Pt+Pd

4E=Pt+Pd+Rh+Au

6E=Pt+Pd+Rh+Ir+Ru+Au

Coal (Measured and Indicated) (Proved and Probable)

Mineral resources	Mineral reserves	Saleable	
	Mt	Mt	Mt
Goedgevonden	570	357.4	194.1

Rounding of figures may result in computational discrepancies.

General statement

Nchwaning Manganese Mine

ARM's method of reporting Mineral Resources and Mineral Reserves conforms to the South African Code for Reporting Mineral Resources and Mineral Reserves (SAMREC Code) and the Australian Institute of Mining and Metallurgy Joint Ore Reserves Committee Code (JORC Code).

The convention adopted in this report is that Mineral Resources are reported inclusive of that portion of the total mineral resource converted to a mineral reserve. Resources and reserves are quoted as at 30 June 2008. External consulting firms audit the resources and reserves of the ARM operations on a three- to four-year cycle basis.

Underground resources are in-situ tonnages at the postulated mining width, after deductions for geological losses. Underground Mineral Reserves reflect milled tonnages while surface Mineral Reserves (dumps) are in-situ tonnages without dilution. Both are quoted at the grade fed to the plant. Open-cast Mineral Resources are quoted as in-situ tonnages and Mineral Reserves are tonnages falling within an economic pit-shell.

The evaluation method is generally Ordinary Kriging with mining block sizes ranging from 10 x 10 metres to 100 x 100 metres to 250 x 250 metres in the plan view. The blocks vary in thickness from 2.5 to 50 metres. The evaluation process is fully computerised, generally utilising the Datamine software package.

The Mineral Resources and Mineral Reserves are reported on a total basis regardless of the attributable beneficial interest that ARM has on the individual projects or mines. When the attributable beneficial interests on a mine or project is less then 100%, the actual percentage of the attributable interest is specified.

Maps, plans and reports supporting resources and reserves are available for inspection at ARM's registered office and at the relevant mines.

In order to satisfy the requirements of the Minerals and Petroleum Resources Development Act, ARM's operations will have to obtain new mining rights for all properties required to support the planned operations over the next 30 years. The act is effective from 1 May 2004 and the new rights must be obtained within five years from then. The operations are at various stages of application.

Definitions

The definitions of resources and reserves, quoted from the SAMREC CODE, are as follows:

A 'mineral resource' is a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality or quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a mineral resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well constrained and portrayed geological model. Mineral Resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into inferred, indicated and measured categories.

An 'inferred mineral resource' is that part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability.

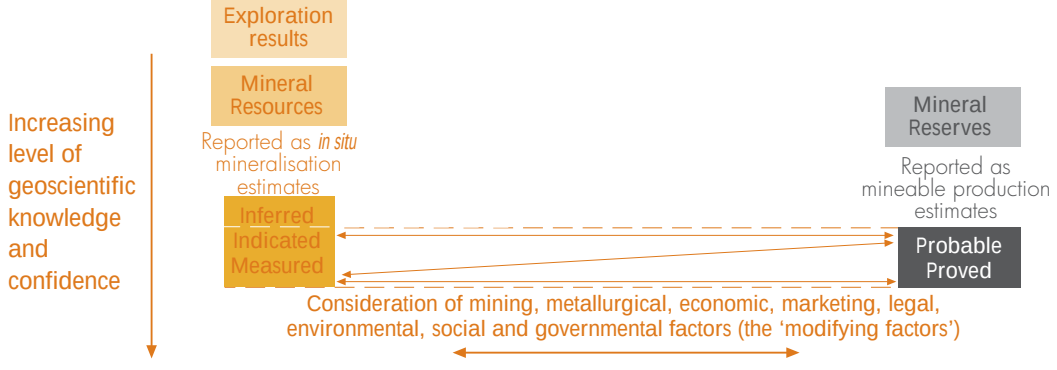
An 'indicated mineral resource' is that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

A 'measured mineral resource' is that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

A 'mineral reserve' is the economically mineable material derived from a measured and/or indicated mineral resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified. Mineral Reserves are sub-divided in order of increasing confidence into probable Mineral Reserves and proved Mineral Reserves.

A 'probable mineral reserve' is the economically mineable material derived from a measured and/or indicated mineral resource. It is estimated with a lower level of confidence than a proved mineral resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

A 'proved mineral reserve' is the economically mineable material derived from a measured mineral resource. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.



Competence

Two Rivers Platinum Mine

The competent person with overall responsibility for the compilation of the Mineral Reserves and Resources is Paul J van der Merwe, PrSciNat, an ARM employee. He consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Paul van der Merwe graduated with a BSc (Hons) in Geology from Free State University. He spent four years as an exploration geologist for FOSKOR. He then joined the Uranium Resource Evaluation Group of the then Atomic Energy Corporation of South Africa for 12 years. While employed there he studied geostatistics and spent some time at the University of Montreal, Canada. In 1991 he joined Anglovaal Mining (now ARM) in the Geostatistics Department and evaluated numerous mineral deposit types for this group in Africa. In 2001 he was appointed as Mineral Resource Manager for the group. He is registered with the South African Council for Natural Scientific Professions as a Professional Natural Scientist in the field of practice of geological science, Registration Number 400498/83, and as such is considered to be a Competent Person.

All competent persons at the operations have sufficient relevant experience in the type of deposit and in the activity for which they have taken responsibility. Details of the ARM competent persons are available from the company secretary on written request.

The following competent persons were involved in the calculation of Mineral Resources and reserves. They are employed by ARM or its subsidiaries and joint venture (JV) partners:

Resources and Reserves

M Burger

S v Niekerk, *PrSciNat*	Iron Ore	J Woolfe, *PrSciNat*	Nickel/Platinum group metals
B Rusive	Manganese	B Knell* *PrSciNat*	Platinum group metals
M Burger, *PrSciNat*	Chromite	R van Rhyn *PrSciNat*	Platinum group metals
M Davidson, *PrSciNat*	Nickel	C Schlegel, *PrSciNat*	Gold/Copper
J Vieler*, *PrSciNat*	Nickel	A de lange	Nkomati Chromite

* External consultant

P J van der Merwe

August 2008

ARM Ferrous

Dwarsrivier Chrome Mine

Assmang Limited Operations

Manganese Mines

Locality

The manganese mines are situated in the Northern Cape province in South Africa, approximately 80 kilometres north-west of the town of Kuruman. Located at latitude 27°07'50"S and longitude 22°50'50"E, the site is accessed via the national N14 route between Johannesburg and Kuruman, and the provincial R31 road.

History

In 1940, ARM Ferrous acquired a manganese ore outcrop on a small hillock known as Black Rock. Several large properties underlain by ore were subsequently found and acquired. Today the Black Rock area is considered to be the largest and richest manganese deposit in the world. Manganese ore operations were extended and today include the Gloria and Nchwaning underground mines. Manganese ore is supplied locally to Assmang-owned smelters, but is mainly exported through Port Elizabeth to Japanese and German customers. ARM's attributable beneficial interest in Assmang Limited is 50%.

Mining authorisation

The Nchwaning mining lease (ML10/76) comprises an area of 1 877.0587 hectares and is located on the farms Nchwaning (267), Santoy (230) and Belgravia (264). An application for the conversion to a new order mining right was submitted during the 2008 financial year.

The Gloria mining lease (ML11/83) comprises an area of 1 713.1276 hectares and is located on portion 1 of the farm Gloria (266). An application for the conversion to a new order mining right was submitted during the 2008 financial year.

Geology

The manganese ores of the Kalahari manganese field are contained within sediments of the Hotazel Formation of the Griqualand West Sequence, a subdivision of the Proterozoic Transvaal Supergroup. At Black Rock, Belgravia and Nchwaning, the Hotazel, Mapedi and Lucknow Formations have been duplicated by thrusting. The average thickness of the Hotazel Formation is approximately 40 metres.

The manganese orebodies exhibit a complex mineralogy and more than 200 mineral species have been identified to date. The hydrothermal upgrading has resulted in a zoning of the orebody with regard to fault positions. Distal areas exhibit more original and low-grade kutnohorite and braunite assemblages, while areas immediately adjacent to faults exhibit a very high-grade hausmannite ore. The intermediate areas exhibit a very complex mineralogy, which includes bixbyite, braunite and jacobsite amongst a host of other manganese-bearing minerals. A similar type of zoning also exists in the vertical sense. At the top and bottom contacts it is common to have high iron (Fe) and low manganese (Mn) contents while the reverse is true towards the centre of the seam. This vertical zoning has given rise to a mining practice where only the centre 3.5 metre high portion of the seam is being mined. At the Gloria mine the intensity of faulting is much less, which also explains the lower grade.

Two manganese seams are present. The No.1 seam is up to 6 metres in thickness, of which 3.5 metres are mined, using a manganese marker zone for control. There is, therefore, minimum dilution. Studies are being undertaken to evaluate the effect of increasing the mining height to 5 metres.

Nchwaning Mineral Resources and Ore Reserves

Measured Resources at Nchwaning are based on up to two-thirds of the semivariogram sill range. Areas where the borehole spacing is greater than this distance and up to the sill range are classified as Indicated. There are no inferred resources at Nchwaning. Measured/Indicated Resources were converted to Proved/Probable Reserves by a LOM scheduling exercise by Snowden Mining Consultancy. Geological losses are built into the grade models.

The Nchwaning mine was diamond drilled from surface at 330 metre centres and the data captured in Excel spreadsheets. The core was logged and 0.5 metre-long, half-core, diamond-saw cut samples were submitted to Assmang's laboratory at Black Rock for X-ray fluorescence (XRF) analyses. Mn and Fe values were checked by wet chemical analyses. Several standards were used to calibrate XRF equipment, and results are compared with other laboratories on a regular basis.

At Nchwaning a total of 341 boreholes for the No 1 orebody and 372 holes for the No 2 orebody, as well as a total of 20 000+ face samples were considered in the grade estimation. The available data for an area was optimised over a thickness of 3.5 metres and exported into data files for computerised statistical and geostatistical manipulation to determine the average grades of Mn, Fe, silica (SiO^2), calcium (CaO) and magnesium (MgO).

Ordinary Kriging interpolation within Datamine was used to estimate the grade of each 50 x 50 x 3.5 metre block generated within the geological model. Sub-cell splitting of the 50 x 50 metre blocks was allowed to follow the geological boundaries accurately. The relative density of Nchwaning manganese ore was taken as 4.3t/m3.

Trackless mechanised equipment is used in the bord and pillar mining method. Mining in the eastern extremity of Nchwaning occurs at a depth of 200 metres while the deepest (current) excavations can be found at a depth of 519 metres below surface. Gloria Mine is extracting manganese at depths that vary between 180 and 250 metres below surface.

Ore from Nchwaning No 2 mine is crushed underground before being hoisted to a surface stockpile via a vertical shaft. Similarly, ore from the Nchwaning No 3 mine is crushed underground before being conveyed to a surface stockpile via a declined conveyor system. Ore is withdrawn from the surface stockpile and forwarded to two stages of crushing, dry screening and wet screening to yield lumpy and fine products.

Nchwaning year-on-year change in Mineral Resources and Ore Reserves

The 2008 Mineral Reserves for the Nchwaning No 1 orebody changed from 114.6 Mt in 2007 to 115.3 Mt. A LOM scheduling exercise by Snowden showed that the 20% loss when changing from resource to reserve previously used, proved to be very conservative, hence the increase in Reserves. The Mineral Resources at Nchwaning No 1 orebody decreased by 5.7 Mt to 137.7 Mt (143.4 Mt). The Mineral Resources at Nchwaning No 2 orebody increased slightly to 185.2 Mt from 181.9 Mt. This is the same as it was in 2006 (184.7 mt), indicating a modelling problem in 2007.

ARM Ferrous

Nchwaning Mine: 1 Body Manganese Resources and Reserves

Mineral Resources	Mt	Mineral Reserves	Mt	Mn%	Fe%
Measured	43.8	Proved	37.6	46.9	8.96
Indicated	93.9	Probable	77.7	43.7	8.76
Total Resources 1 Body 2008	**137.7**	**Total Reserves 1 Body**	**115.3**	**44.7**	**8.83**
Total Resources 1 Body 2007	143.4	Total Reserves 1 Body	114.70	44.8	8.87
Inferred		none			

Nchwaning Mine: 2 Body Manganese Resources

Mineral Resources	Mt	Mn%	Fe%
Measured	53.9	42.1	16.1
Indicated	131.3	42.6	15.1
Total Resources 2 Body 2008	**185.2**	**42.5**	**15.4**
Total Resources 2 Body 2007	181.9	42.4	15.5
Inferred	none		

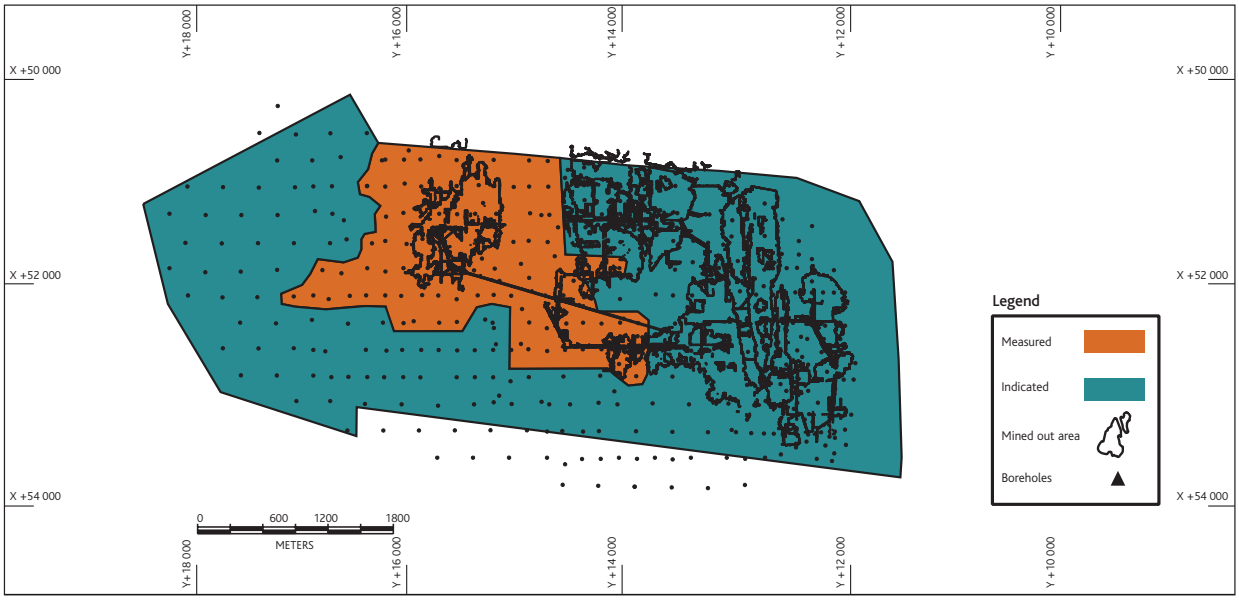
Measured resources are based on two-thirds of the semivariogram sill range rule

Areas outside this distance are classified as Indicated

Proved Reserves = Measured Resources used in LOM scheduling by Snowden

Probable Reserves = Indicated Resources used in LOM scheduled by Snowden

Nchwaning borehole locality map showing the Mineral Reserve and Resource classification



Gloria Mineral Resources and Ore Reserves

Measured Resources at Gloria are classified as material available up to 50 metres in front of the mining faces. Material situated further than 50 metres from the face and up to a boundary string around the dense drilled area on Gloria is classified as Indicated resources. The rest of the property

with limited drill information is classified as Inferred. In the coming year an increase in the Measured resources by in-fill drilling is anticipated. At Gloria a 23% pillar loss is accounted for in moving Measured /Indicated resources into Proved/Probable reserve.

At the Gloria mine, ore is crushed underground before being conveyed to a surface stockpile via a decline shaft. At both plants the finer fractions are stockpiled while the coarser fractions are extracted from the respective product boxes into road haulers, sampled, weighed and stored on stacks ahead of despatch. Samples from each stack are analysed for chemical content and size distribution. This ensures good quality control and enables the ore control department to blend various stacks according to customer demand.

Procedures for drilling and assaying at Gloria mine are the same as at Nchwaning. A total of 103 boreholes were considered in the evaluation of the Gloria 1 Body mine. The wide-spaced borehole interval puts some limitation on the evaluation in areas away from current mining faces. A total of 5 100+ underground sampling values were used in evaluating areas close to current mining. The boreholes were optimised over a stoping width of 3.5 metres and the relative density was taken as 3.8t/m^3. The seams were evaluated by means of statistical and geostatistical methods to determine the average grades of Mn, Fe, SiO^2, CaO and MgO. Ordinary Kriging interpolation within Datamine was used to estimate the grade of each 50 x 50 x 3.5 metre block generated within the geological model. Sub-cell splitting of the 50 x 50 metre blocks was allowed to follow the geological boundaries.

Gloria year-on-year change in Mineral Resources and Ore Reserves

The 2008 Proved Reserves at Gloria No 1 Body decreased to 6.8 Mt (7.7 Mt) due to re-evaluation and production draw-down. The Probable Reserves also decreased from 67.4 Mt to 33.6 Mt as a result of a new delineation approach followed for the Indicated resources. A substantial increase of the Inferred resources is seen due to the more appropriate delineation boundary for Indicated resources. The Mineral Resources at Gloria No 2 Body were also re-classified using the new boundaries and substantial shifts in resources between categories occur. No markets currently exist for Gloria 2 Body ore.

Gloria Mine: 1 Body Manganese Resources and Reserves

Mineral Resources	Mt	Mineral Reserves	Mt	Mn%	Fe%
Measured	8.82	Proved	6.8	38.4	4.9
Indicated	43.7	Probable	33.6	38.3	5.67
Total Resources 1 Body 2008	**52.5**	**Total Reserves 1 Body**	**40.4**	**38.3**	**5.54**
Total Resources 1 Body 2007	97.6	Total Reserves 1 Body	75.1	38.3	5.67
Inferred 2008	132.3				
Inferred 2007	70.3				

Gloria Mine: 2 Body Manganese Resources

Mineral Resources	Mt	Mn%	Fe%
Measured	–	–	–
Indicated	29.4	29.9	10.1
Resources 2 Body 2008	**29.4**	**29.9**	**10.1**
Resources 2 Body 2007	67.9	31.9	10.9
Inferred 2008	132.3		
Inferred 2007	70.3		

Measured Resources = Immediately available tonnes up to 50 metres in front of mining faces

Indicated resources are as per dense drilling area (see map)

Proved Reserves = Measured Resources less 23% pillar loss

Probable Reserves = Indicated Resources less 23% pillar loss

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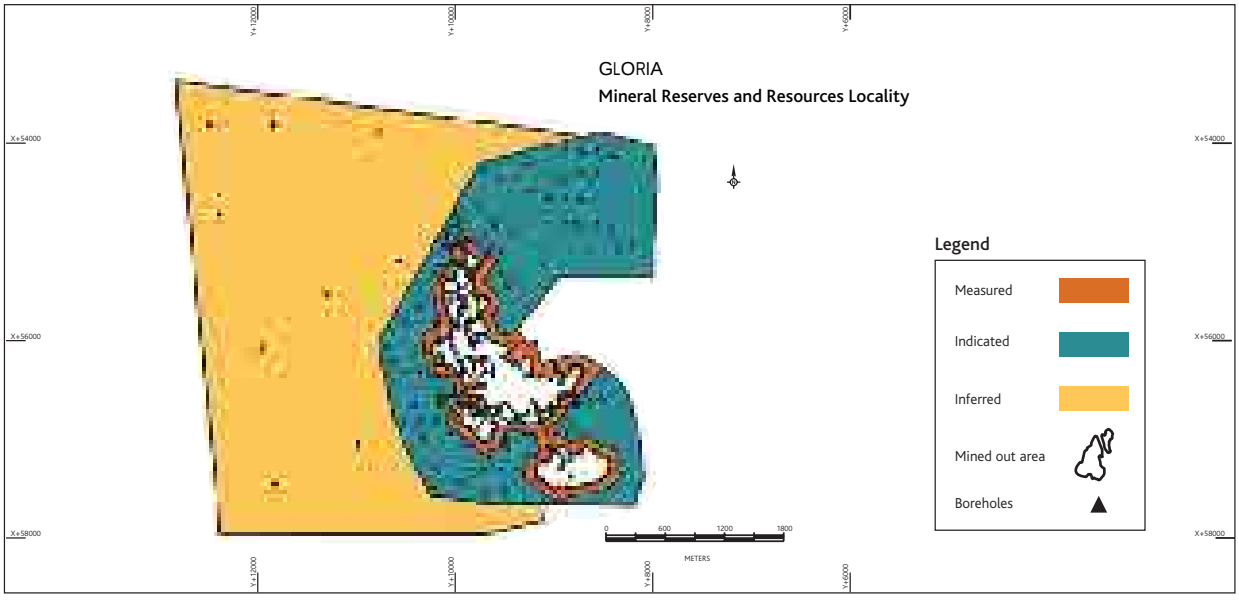
Gloria borehole locality map showing the Mineral Reserve and Resource classification



Historical Manganese production at Nchwaning and Gloria Mines (Mt)

	Nchwaning	Gloria
2003/2004	1.17	0,33
2004/2005	1.97	0.15
2005/2006	2.83	0.13
2006/2007	2.49	0.43
2007/2008	2.71	0.41

Iron ore

Locality

The iron ore division is made up of the Beeshoek mine located on the farms Beeshoek 448 and Olynfontein 475. The iron ore resources on the farms Bruce 544, King 561, and Mokaning 560, which were formerly known as the BKM Project, are now being developed into what is known as the Khumani iron ore mine. All properties are in the Northern Cape approximately 200 kilometres west of Kimberley. The Beeshoek open-pit operations are situated 7 kilometres west of Postmasburg and the new Khumani open pits will be adjacent to, and south-east of, the Sishen mine, which is operated by Kumba Resources. Located at latitude 28°30'00"S / longitude 23°01'00"E, and latitude 27°45'00"S / longitude 23°00'00"E respectively, these mines supply iron ore to both the local and export markets. Exports are railed to the iron ore terminal at Saldanha Bay.

History

Mining of iron ore (mainly specularite) was undertaken as early as 40 000 BC on the farm Doornfontein which is due north of Beeshoek. The potential of iron ore in this region was discovered in 1909, but due to lack of demand and limited infrastructure, this commodity was given little attention. In 1929 the railway line was extended from Koopmansfontein (near Kimberley) to service a manganese mine at Beeshoek. In 1935 The Associated Manganese Mines of South Africa Limited (Assmang) was formed, and in 1964 the Beeshoek iron ore mine was established, with a basic hand sorting operation. In 1975 a full washing and screening plant was installed and production increased over the years to the current level of approximately 6 million tonnes a year.

Mining authorisation

The Beeshoek mining lease (ML3/93) comprises an area of 5 685.64 hectares and is located on the farms Beeshoek (448) and Olynfontein (475). An application for the conversion to a new order mining right was submitted during the 2008 financial year.

The Khumani mining lease comprises an area of 7 388.02 hectares and is located on the farms Bruce (544), King (561), Mokaning (560) and McCarthy (559). Mining rights were granted during the 2007 financial year.

Geology

The iron ore deposits are contained within a sequence of early Proterozoic sediments of the Transvaal Supergroup deposited between 2 500 and 2 200 million years ago. In general two ore types are present, namely laminated hematite ore forming part of the Manganore Iron Formation and conglomerate ore belonging to the Doornfontein Conglomerate Member at the base of the Gamagara Formation.

The older laminated ore types occur in the upper portion of the Manganore Iron Formation as enriched high-grade hematite bodies. The boundaries of high-grade hematite orebodies crosscut primary sedimentary bedding, indicating that secondary hematitisation of the iron formation took place. In all of these, some of the stratigraphic and sedimentological features of the original iron formation are preserved.

The conglomeratic ore is found in the Doornfontein Conglomerate Member of the Gamagara Formation and is lenticular and not persistently developed along strike. It consists of stacked, upward fining conglomerate-gritstone-shale sedimentary cycles. The lowest conglomerates and gritstones tend to be rich in sub-rounded to rounded hematite ore pebbles and granules and form the main orebodies. The amount of iron ore pebbles decreases upwards in the sequence so that upper conglomerates normally consist of poorly sorted, angular to rounded chert and banded iron formation pebbles.

The erosion of the northern Khumani deposit is less than that in the southern Beeshoek area. The result is that Khumani is characterised by larger stratiform bodies and prominent hangingwall outcrops. The down-dip portions are well preserved and developed, but in outcrop the deposits are thin and isolated. Numerous deeper extensions occur into the basins due to karst development. A prominent north-south strike of the ore is visible. The southern Beeshoek orebodies were exposed to more erosion and are more localised and smaller. Outcrops are limited to the higher topography on the eastern side of the properties. Down dip to the west, the ore is thin and deep. The strike of the orebodies is also in a north-south direction, but less continuous.

Haematite is the predominant ore mineral, but limonite and specularite also occur.

Mineral Resources and Ore Reserves

In the iron ore operations, the following table shows how the search ellipse (i.e. the ellipsoid used by the Kriging process to determine if a sample is used in the estimation of a block) is used to classify the Mineral Resource:

	Minimum no. of samples	Maximum no. of samples	Search ellipse settings XYZ (m)
Measured	6	30	100 x 100 x 10
Indicated	5	30	200 x 200 x 20
Inferred	4	30	400 x 400 x 40

Only Measured and Indicated Resources are converted to Proved and Probable Reserves respectively. Modifying factors were applied to these resources and financially optimised. The financial outline is used to define the optimal pit by means of the Lersch-Grossman algorithm. The resources within this mining constraint are defined as reserves. These are categorised into different product types, destined for the different plant processes and scheduled for planning.

The methodology followed to identify targets is initiated with geological mapping, followed by geophysics (ground magnetics and gravity). Percussion drilling is used to pilot holes through overlying waste rock down to the iron ore bodies. Diamond drilling is the next phase, which is usually on a 200 x 200 metre grid. Further infill drilling is carried out at spacing ranging from 100 x 100 metres to 25 x 25 metres, depending on the complexity of the geological structures. Numerous exploration programmes were completed in the last 40 years. A total of 2 832 holes (1 315 holes on Khumani and 1 517 holes on Beeshoek) were drilled. Core samples were logged and split by means of a diamond saw and the half-core is sampled every 0.5 metres. Before submission for assaying, the half-cores were crushed, split and pulverised. Samples with values larger than 60% are included in the definition of the orebodies. Any lower-grade samples inside the orebody are defined as internal waste and modelled separately. Each zone is modelled per section, and then wireframed to get a three-dimensional (3D) model.

ARM Ferrous

Dwarsrivier Chrome Mine

Ordinary Kriging interpolation within Datamine was used to estimate the grade of each 10 x 10 x 10 metre block generated within the geological model. Density in the resource model is calculated using a fourth degree polynomial fit applied to the estimated Fe grade. Densities range from 4.38 t/m^3 (60% Fe) to 5.01 t/m^3 (68% Fe). A default density of 3.2 is used for waste.

At Beeshoek all blast holes are sampled per metre, but composited per hole. All holes are analysed for density and blast holes in ore are sampled and analysed for Fe, potassium oxide (K_2O), sodium oxide (Na_2O), silica (SiO_2), aluminium oxide (Al_2O_3), phosphorus (P), sulphur (S), CaO, MgO, Mn and barium oxide (BaO). Every fifth blast hole is geologically logged per metre, which is used to update the geological model. The chemical results of these holes are used to update the ore block model. Approximately 45 000 blast holes are drilled a year and 9 000 blast holes are used every year to update the models. The major analytical technique for elemental analyses is XRF spectroscopy. Volumetric titration is used as verification method for the determination of total iron in the ore. International standards (e.g. SARM11) and in-house iron standards are used for calibration of the XRF spectrometer. The Beeshoek laboratory participates in a round robin group that includes seven laboratories for verification of assay results.

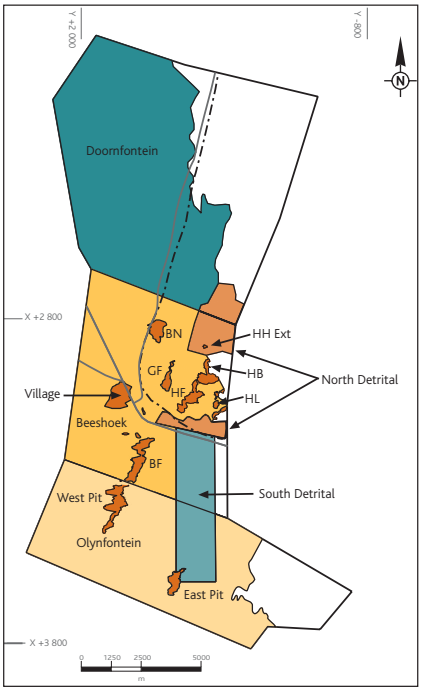
Historical production at Beeshoek and Khumani Mines

	Beeshoek	Khumani
Year	Mt	
2003/2004	6.3	–
2004/2005	6.0	–
2005/2006	6.2	–
2006/2007	6.7	–
2007/2008	5.3	2.0

Beeshoek year-on-year change in Mineral Resources and Ore Reserves

The 2008 Mineral Resources at Beeshoek mine decreased from 134.5 to 128.36 Mt, due to the annual production drawdown. The Mineral Reserves at Beeshoek decreased from 28.6 Mt to 22.6 Mt. The Village deposit is still not in reserve as a result of the high stripping ratio, but due to the higher iron ore prices, this deposit will be re-valued to see if its exploitation had become economic. Ore Reserves at the BN and the BF pits were drawn down heavily to meet sales requirements. The Khumani Mine will take over the Beeshoek export production in mid-2008.

Beeshoek open-pit locality plan



Beeshoek Iron Ore: Resources and Reserves

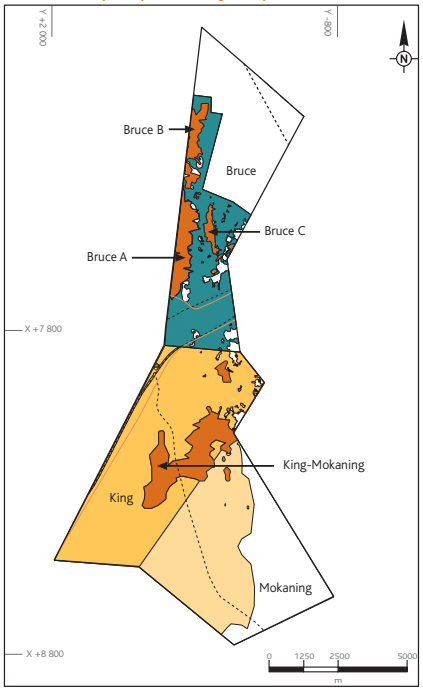
	Measured		Indicated		Inferred		Total Resource		Proved Reserve		Probable Reserve		Total Reserve	
	Measured and Indicated													
Pit/Area	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%
BN	21.4	63.51	0.01	62.67	–	–	21.41	63.51	14.58	64.03	–	–	14.58	64.03
HF/HB	16.6	64.3	0.30	63.85	–	–	16.90	64.30	2.55	65.24	0.03	66.45	2.58	65.25
BF	8.57	63.35	0.23	63.54	–	–	8.80	63.36	3.54	63.72	0.01	62.58	3.55	63.72
East Pit	9.14	64.61	0.03	64.19	–	–	9.17	64.61	1.89	65.66	–	–	1.89	65.66
Village	40.79	63.56	0.09	64.64	–	–	40.89	63.57	–	–	–	–	–	
GF	3.13	63.81	0.09	61.80	–	–	3.22	63.76	–	–	–	–	–	
HH Ext	0.28	62.63	–	–	–	–	0.28	62.63	–	–	–	–	–	
HL	3.57	65.09	0.05	65.23	–	–	3.62	65.1	0.27	65.96	–	–	0.27	65.96
West Pit	10.19	63.04	–	–	0.05	61.87	10.19	63.04	–	–	–	–	–	
N Detrital	–	–	5.9	60.00	–	–	5.9	60.00						
S Detrital	–	–	–	–	3.7	60.0	–	–	–	–	–	–	–	
TOTAL 2008	113.67	63.74	6.65	60.44	3.75	61.87	120.38	63.55	22.8	64.28	–	–	22.8	64.28
TOTAL 2007	120.74	63.67	6.70	60.07	0.05	61.87	127.49	63.31	28.0	64.16	0.62	64.03	28.62	64.16

Khumani year-on-year change in Mineral Resources and Ore Reserves

At Khumani mine the 2008 Mineral Resources remain the same when compared to 2007. The Ore Reserves increased by 15% to 510.9 million tonnes (444.7 million tonnes) due to the higher iron ore prices taken into account in the open-pit designs. It is however expected that these reserve figures will further increase due to the iron ore price increase announced in April 2008. Infrastructure construction is in progress, and production is to start mid-2008, with an estimated life-of-mine of 30 years. During the 2007/2008 financial year overburden stripping took place and in the order of 2 Mt ore was stockpiled.

ARM Ferrous

Khumani open-pit locality map



Mining operations are all open pit, based on the conventional drill-and-blast, truck-and-shovel operations. Run-of-mine ore is crushed and stored as high or normal grade on blending stockpiles. Ore from the stockpiles is either sent to the wash-and-screen plant or, if contaminated, to the beneficiation plant. The washing and screening plant consist primarily of tertiary crushing, washing, screening, conveying and stacking equipment. The beneficiation plant consists of tertiary crushers; scrubbers; coarse and fine jigs or Larcodems; fine crushing; elutriators and upward flow classifiers; lumpy, fines and scaw product stockpiles; and a rapid load-out facility. No chemical is being used in any of the treatment plants.

Khumani Iron Mine: Resources and Reserves

	Measured		Indicated		Inferred		Total		Proved Reserve		Probable Reserve		Total Reserve	
							Measured & Indicated							
Area	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%	Mt	Fe%
Bruce A	23.5	64.91	99.0	64.54	0.8	63.37	122.5	64.60	13.9	64.47	84.2	64.43	98.1	64.44
Bruce B	21.1	65.71	77.0	64.06	8.7	64.64	98.1	64.43	20.4	65.55	64.7	63.88	85.1	64.28
Bruce C	37.2	65.45	6.9	65.95	1.6	64.80	44.1	65.45	30.4	65.27	1.66	65.55	32.1	65.28
King/	255.8	64.53	123.9	64.48	17.7	63.98	379.7	64.49	209.6	64.47	85.99	64.64	295.6	64.52
Mokaning														
Khumani					12.0	60.00	12.0	60.00						
Detrital														
TOTAL 2008	**337.9**	**64.73**	**306.8**	**64.43**	**40.8**	**62.97**	**644.7**	**64.59**	**274.3**	**64.64**	**236.6**	**64.36**	**510.9**	**64.51**
TOTAL 2007	337.9	64.73	306.8	64.43	40.8	62.97	644.7	64.59	273.2	64.75	171.5	64.59	444.7	64.69

Khumani Iron Ore Mine

Chromite

Locality

Chromite operations at Dwarsrivier mine form part of the chrome division of Assmang Limited. The mine is situated on the farm Dwarsrivier 372KT, approximately 30 kilometres from Steelpoort and 60 kilometres from Lydenburg, in Mpumalanga province in South Africa. Located at longitude 30°05'00"E/latitude 24°59'00"S, Assmang purchased the farm from Gold Fields Limited, together with all surface and mineral rights in October 1998.

History

Neighbouring properties to the north and south of Dwarsrivier had existing chrome mining operations at the time of purchase. The feasibility study of the plant, tailings dam and designs for the opencast and underground mines then commenced. After the completion of the consolidated assessment, approval to proceed with the final design and construction work was given in July 1999.

Chromite was obtained from the opencast mining areas at a rate of approximately 0.9 million tonnes a year and these areas were mined out within five years. Underground mining commenced in 2005 at a rate of 1.2 million tonnes a year. Dwarsrivier mine is specifically geared to deliver high quality metallurgical grade chromite to the Machadodorp smelter. In addition, the plant has been designed to produce chemical and foundry grade products.

Mining authorisation

An old order Mining Licence No 21/99 was granted in October 1999. It was granted for the mining of chrome and platinum group metals. An application for the conversion to a new order mining right was submitted during October 2007.

Geology

Dwarsrivier mine is situated in the eastern limb of the Bushveld Complex, which comprises persistent layers of mafic and ultramafic rocks, containing the world's largest known resources of platinum group metals, chromium and vanadium. The mafic rocks termed the Rustenburg Layered Suite, are approximately 8 kilometres thick in the eastern lobe, and are divided formally into five zones.

ARM Ferrous

Dwarsrivier Chrome Mine

The rocks of the Marginal Zone at the base of the succession consist mainly of pyroxenites with some dunites and harzburgites. Above the Marginal Zone, the Lower Zone comprises mainly pyroxenites, harzburgites and dunite, and is present only in the northern part of the Eastern Lobe, and only as far south as Steelpoort. The appearance of chromitite layers marks the start of the Critical Zone, economically the most important zone. The layers are grouped into three sets termed the Lower, Middle and Upper groups. The sixth chromitite seam in the Lower Group (LG6), is an important source of chromite ore and is the orebody being mined at Dwarsrivier mine. In the Eastern Lobe, in the vicinity of Dwarsrivier, the strike is nearly north-south, with a dip of approximately 10 degrees towards the west. Average thickness of the LG6 seam is about 1.86 metres in the Dwarsrivier area. Pipe-like dunite intrusions are evident in the area, as well as dolerite dykes that on average strike northeast-southwest. No significant grade variation is evident, especially not vertically in the ore seam. Small, insignificant regional variations do, however, exist.

Mineral Resources and Ore Reserves

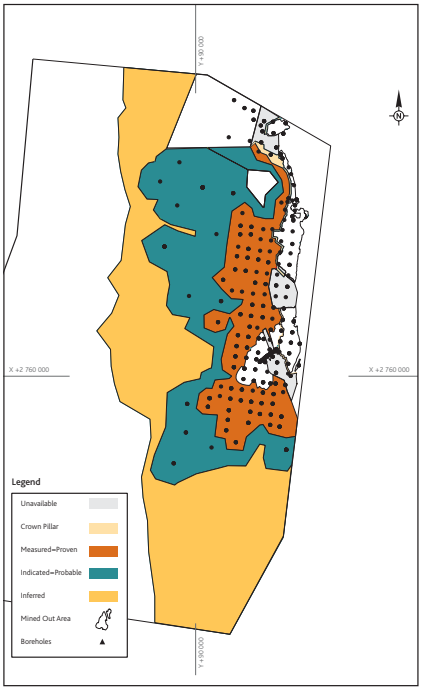
Information was obtained from boreholes with a 300 to 150 metre grid spacing. Resources were determined with a decreasing level of confidence.

- Measured Resource (150 metres drill grid spacing);
- Indicated Resource (300 metres drill grid spacing); and
- Inferred Resource (drill grid spacing greater than 300 metres).

All possible resources down to a mineable depth of 350 metres below ground level have been considered.

A strategy to ensure the availability of adequate information ahead of mining activities is in place. The strategy is to ensure all mining areas falling within the first five years of the life-of-mine plan contain proved reserves. Vertical diamond drilling holes are used, except where information is needed to clarify large-scale fault planes. The Mineral Resource at Dwarsrivier mine is based on a total of 230 diamond drill holes that have been used for grade estimation and orebody modelling purposes. The drill core is NQ size and is geologically and geo-technically logged. The collar position of the drill holes is surveyed, but no down-hole surveys are done, and the holes are assumed to have minimal deflection.

Dwarsrivier Mine Mineral Reserves and Resources locality



The chromitite seam is bounded above and below by pyroxenites. As such, the ore horizon is clearly defined. The core is sampled from the top contact downwards at 0.5-metre intervals. The core is split and half is retained as reference material in the core sheds. The other half is crushed and split into representative samples, which are crushed and pulverised for chemical analysis. The samples are analysed fusion/ICP-OES for chrome oxide (Cr_2O_3), SiO_2, FeO, Al_2O_3, MgO and CaO. Three laboratories, all ISO 17025 accredited for this method, are used. Every tenth sample is analysed in duplicate. SARM 8 and SARM 9 standards, as well as in-house reference material (CRI), are included every 20 to 30 samples in each batch. The density for each sample is measured using a gas pycnometer.

Datamine software is used to construct a 3-D geological model (wireframe) of the LG6 chromite seam, based on borehole and other geological data. A cut-off value of 35% Cr_2O_3 was used to distinguish between ore and waste. Mineral Resources have been calculated using Ordinary Kriging, where Cr_2O_3-, FeO-, Al_2O_3-, MnO and MgO-contents of the LG6 seam and densities were determined, using block sizes of 50 x 50 x 4 metres.

During mining, a slightly diluted run of mine ore is fed to the beneficiation plant. This decreases the average grade from approximately 40% Cr_2O_3 to 37% Cr_2O_3. An addition of approximately 9% of waste material results in this 3% Cr_2O_3 grade decrease. In the dense media separation part of the plant, the coarse fraction is upgraded to 40% Cr_2O_3, with a yield of 80%. In the spiral section of the plant the finer fraction is upgraded to 44% Cr_2O_3, and 46% Cr_2O_3 respectively, for metallurgical grade fines and chemical grade fines. Foundry sand is also produced with a similar grade to that of the chemical grade fines. A 67% yield is achieved in the spiral circuit.

Dwarsrivier year-on-year change in Mineral Resources and Ore Reserves

When compared to 2007, the 2008 Mineral Reserves decreased by 1.3 million tonnes to 35.1 million tonnes (36.4 million tonnes) and the Mineral Resources show a decrease of 1.6 million tonnes to 44.02 million tonnes (45.64 million tonnes). The reason for the change is the draw-down by the annual production.

Dwarsrivier Mine: Chrome Resources and Reserves

Mineral Resources	Mt	Cr_2O_3%	FeO%	Reserves	Mt	Cr_2O_3%	FeO%
Measured	15.30	39.32	23.21	Proved	12.2	39.32	23.21
Indicated	28.72	39.06	22.55	Probable	22.9	39.06	22.55
Total Measured and Indicated 2008	**44.02**	**39.16**	**22.79**	**Total Reserves**	**35.1**	**39.16**	**22.79**
Total Measures and Indicated 2007	45.64	39.16	22.79	Total Reserves	36.4	39.16	22.79
Inferred	53.11	39.00	22.71				

The current life of mine of the Dwarsrivier chrome mine is more than 30 years.

Excluded from this plan are the Inferred Mineral Resources and material situated deeper than 350 metres below ground level.

Historical Production at Dwarsrivier Chrome Mine

Year	Mt RoM
2003/2004	0.96
2004/2005	0.92
2005/2006	0.82
2006/2007	1.01
2007/2008	1.24

ARM Platinum

Nkomati Nickel and Chrome Mine

Nkomati Mine

Locality

Nkomati mine is situated some 300 kilometres east of Johannesburg in Mpumalanga province in South Africa. Situated at latitude 25°40'S and longitude 30°30'E, the site is accessed via the national N4 highway between Johannesburg and Machadodorp, the R341provincial road and the R351 tarred road.

History

Nickel, copper, cobalt, PGM and chromite mineralisation is hosted by the Uitkomst Complex, a layered mafic-ultramafic, Bushveld satellite intrusion. The Uitkomst Complex outcrops on two farms, Slaaihoek 540JT and Nkomati 770 JT (a consolidation of portions of Uitkomst 541 JT and Vaalkop 608 JT). In 1929, the mineral rights on Slaaihoek were purchased by ETC, an Anglovaal subsidiary, to mine gold at the old Mamre and Slaaihoek mines. In the early 1970s, an Anglo American/INCO Joint Venture began exploring Uitkomst for nickel. In 1990, Anglo American (AAC) completed a feasibility study on an open-pit operation exploiting the large disseminated sulphide resource on Uitkomst, with negative results. Exploration on Slaaihoek by Anglovaal began in earnest in 1989, and in 1991, the first holes were drilled into the massive sulphide body (MSB). In 1995, the Nkomati JV between Anglovaal (75%) and AAC (25%) was formed and in January 1997, production of the MSB began. In 2004, Anglovaal acquired AAC's 25% interest and in 2005, a 50:50 JV was formed between ARM and LionOre, a global nickel producer and owner of the Activox technology. In February 2006, Nkomati approved an interim, Phase 1 expansion project which planned to exploit the MMZ, a disseminated sulphide body, by underground and open-pit mining. The project was completed in 2007 and the mine is currently processing MMZ ore at a rate of 112 000 tonnes per month, maintaining nickel production at approximately 5 000 tonnes a year, the MSB orebody has now been substantially mined out.

In the same year Norilsk Nickel, the Russian nickel giant, acquired LionOre in totality, resulting in Nkomati being a 50:50 JV between ARM and Norilsk Nickel.

In June 2006, following a trial mining operation, a feasibility study on mining the oxidised massive chromitite was completed and approval was given for a 60 000 tonne per month mining and processing operation. This has grown to a planned production of saleable product (lump and chips) of approximately 110 000 tonnes a month for the new financial year. Work has commenced on a Chrome Washing Plant to treat chromitite fines and chips and is anticipated to be commissioned in August 2008. Oxidised PCR, a low grade chromitite bearing ore overlying the MMZ and PCMZ is planned to be stockpiled to feed this plant in the future.

A feasibility study for a Phase 2 expansion phase was completed in 2007 and the project has been released. The project plans to build a 375 000 tonnes per month MMZ plant and to convert the current 100 000 tonnes per month MMZ plant to process 250 000 tonnes a month of PCMZ. The PCMZ, a disseminated chrome-bearing sulphide body overlying the MMZ, will be treated separately to liberate the chromitite fines. At full production in January 2011, Nkomati will produce approximately 1 600 tonnes of nickel per month.

Mining authorisation

Old order mining licences, numbers 3/2001 and 27/2003, exist on the farms Slaaihoek and Nkomati respectively for the mining of nickel, copper, cobalt, platinum group metals (PGMs) and chromite. An application for the conversion to a new order mining right was submitted in July 2006.

Geology

The Uitkomst Complex is a Bushveld-age layered, mafic-ultramafic body intruded into the basal sediments of the Transvaal Supergroup, which lies unconformably on an Archean granitic basement. The complex is a long linear body, which outcrops in the Slaaihoek valley for approximately 8 kilometres and dips below an escarpment where it has been drilled at depth for an additional four kilometres. The complex, which dips at approximately four degrees to the northwest, is still open-ended.

From the base to top, the stratigraphy of the Uitkomst Complex comprises the Basal Gabbro Unit (up to 15 metres thick), the Lower Pyroxenite Unit (average 35 metres), the Chromititic Peridotite Unit (30 to 60 metres), the Massive Chromitite Unit (up to 10 metres), the Peridotite Unit (330 metres), the Upper Pyroxenite Unit (65 metres), the Gabbronorite Unit (250 metres), and the Upper Gabbro Unit (50 metres). The complex and surrounding sediments are intruded by numerous diabase sills up to 30 metres in thickness.

There are five main sulphide zones in the Uitkomst Complex: the MSB, situated at and below the base of the complex, which has been the main producer for the underground mine since 1997; the BMZ within the Basal Gabbro; the MMZ, occurring within the Lower Pyroxenite, which is currently being mined from both underground and open pit; the PCMZ, which occurs with the Chromititic Peridotite (PCR) and is not currently being mined, and the PRDMZ, which occurs in the Peridotite Unit. In addition, the Massive Chromitite Unit (MCHR) is currently being mined where it is fully oxidised (weathered) in the open-pit area. The dominant sulphide minerals are pyrrhotite, pentlandite and chalcopyrite; cobalt is mostly in solid solution in the pentlandite, and the PGMs occur as separate minerals, merenskyite being dominant.

Mineral Resources and Ore Reserves

There have been numerous diamond, percussion and RC drilling campaigns since 1972 totalling over 162 000 metres in more than 1 000 boreholes. Consequently, various sampling and assaying protocols as well as varying standards of QA/QC have been used. Core sizes have been mainly NQ and TNW. Before 1990 (Anglo American holes), half core samples over widths ranging from 1 metre to 5 metres were taken. Samples were assayed at Anglo American Research Laboratory (AARL) for total nickel, copper and cobalt using AA and for "sulphide" nickel using a peroxide leach/AA finish. Composite samples were assayed for platinum and palladium by Pb-collection fire assay/ICP, S by combustion, and a range of major elements by fusion, and RD using the Archimedes bath method. Between 1990 and 1997 (Anglovaal holes), assays were carried out at the Anglovaal Research Laboratory (AVRL), with internal standard checks. Nickel analyses were also carried out by the partial digestion methods and comparisons between AARL and AVRL to ensure that the data was compatible. In 2003, a 50 metre spaced drilling programme was carried out in the shallow open pit area. Samples from this drilling were analysed at AVRL for nickel, copper cobalt using an aqua regia partial extraction/AA finish. Platinum, palladium, rhodium and gold were analysed by Pb-collection fire-assay/AA finish. Analyses also included Cr_2O_3, MgO, FeO, S and RD. Duplicates and internal standards were used and a suite of referee samples were analyzed at Genalysis Laboratory in Perth.

Nkomati Mine: Mineral Resources

	Measured Mineral Resource						Indicated Mineral Resource						
	Cut-off	Tonnes	Ni%	Cu%	Co%	4E g/t	Cut-off	000t	Ni%	Cu%	Co%	4E g/t	000t
	(Ni%)	–	–	–	–	–	(Ni%)						
BMZ (Underground)	0.35	30 000	0.60	0.36	0.03	1.57	0.35	200	0.47	0.33	0.02	1.20	230
MMZ (Underground)	0.35	970 000	0.54	0.19	0.03	1.07	0.30	48 450	0.48	0.21	0.03	1.03	49 420
MMZ (Open Pit) Pit 1	–	–	–	–	–	–	0.35	1 600	0.44	0.25	0.02	1.17	1 600
MMZ (Open Pit) Pit 2 & 3	–	–	–	–	–	–	0.24	82 650	0.43	0.19	0.03	1.08	82 650
PCMZ (Underground)	–	–	–	–	–	–	0.30	19 950	0.38	0.12	0.02	0.77	19 950
PCMZ (Open Pit) Pit 2 & 3	–	–	–	–	–	–	0.20	83 000	0.26	0.08	0.01	0.75	83 000
Total 2008 Mineral Resources		**1 000 000**	**0.54**	**0.20**	**0.03**	**1.09**		**235 850**	**0.38**	**0.15**	**0.02**	**0.93**	**236 850**
Total 2007 Mineral Resources		**1 193 000**	**0.67**	**0.30**	**0.03**	**1.45**		**236 838**	**0.38**	**0.15**	**0.02**	**0.93**	**238 031**

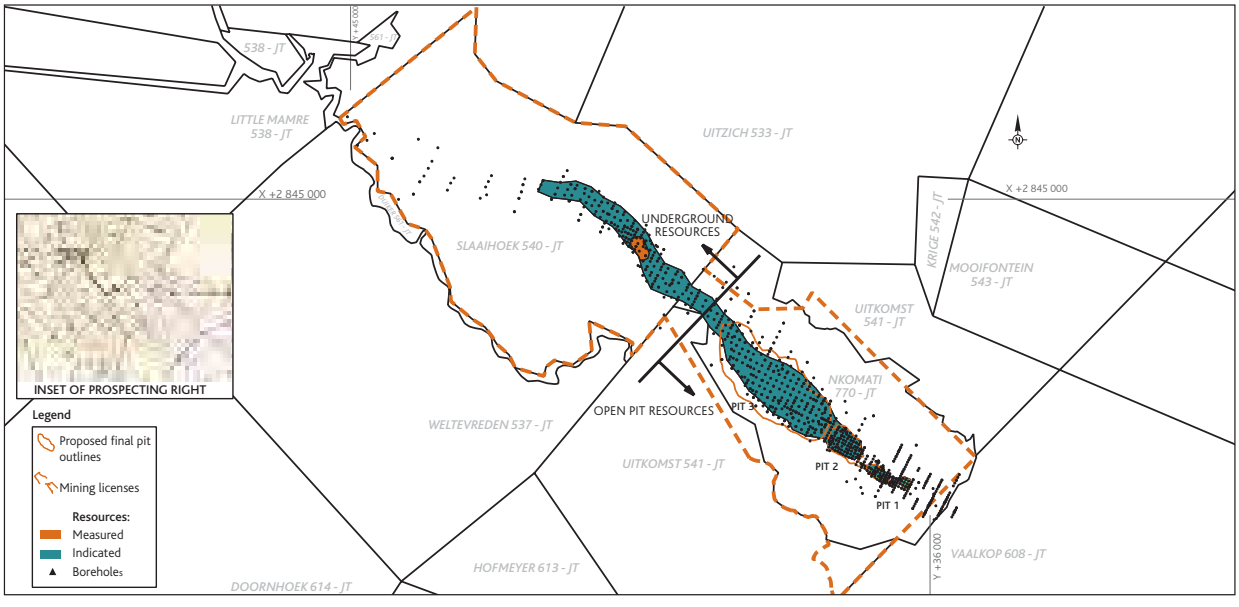
4E = Pt + Pd + Rh + Au

ARM Platinum

Oxidised Massive Chromitite Resource

	Indicated Mineral Resource		Inferred Resources	
	Tonnes	Cr_2O_3%	Tonnes	Cr_2O_3%
Chromitite	4 600 000	31.04	400,000	32.85

Nkomati Mine - Mineral Reserves and Resources locality



Comparisons indicated good correlations between laboratories. In 2005, it was decided to resample many of the Anglo American drill holes to improve the sample density for PGEs in the open pit area. Drill core was resampled (quarter core) at 1 metre intervals. Assays were carried out by SGS Laboratory in Johannesburg for Pt, Pd and Au by Pb-collection fire assay/AA and for Ni, Cu and Co by aqua regia leach/AA. Blanks, duplicates and AMIS standards were included. The new data was incorporated into the borehole database.

The underground MMZ Mineral Resources are based on surface and underground diamond drilling and sidewall sampling. Underground holes are spaced 10 metres apart and the drill core is sampled at 1 metre intervals. The Nkomati mine laboratory analyzes samples for Ni, Cu and Co using aqua regia leach/ICP, while the PGE assays are carried out by SGS and Mintek Laboratories in Johannesburg. Both laboratories use blanks, standards and check assays for quality control.

The resources for the open pit MMZ and PCMZ are based on surface diamond drilling, mostly at 100 metre spacing, except in the shallow open pit area, where the drill spacing is 50 metres and occasionally 25 metres. Geological wireframe models are generated from the entire borehole database in Datamine but only diamond drill holes are used for the variography and grade estimation by ordinary kriging. Block sizes for the resource model is 50m x 50m x 2.5m.

Nkomati Mine: Mineral Reserves

	Proved Mineral Reserve						Mineral Reserve Probable						
	Cut-off	Tonnes	Ni%	Cu%	Co%	4E g/t	Cut-off	Tonnes	Ni%	Cu%	Co%	4E g/t	Tonnes
	(Ni%)	–	–	–	–	–	(Ni%)						
MMZ (Underground)	0.50	200 000	0.55	0.23	0.03	1.19	0.50	9 750 000	0.55	0.21	0.02	1.04	9 950 000
MMZ (Open Pit) Pit 1	–	–	–	–	–	–	0.35	690 000	0.53	0.26	0.03	1.32	690 000
MMZ (Open Pit) Pit 2 & 3	–	–	–	–	–	–	0.24	67 900 000	0.42	0.18	0.03	1.03	67 900 000
PCMZ (Open Pit) Pit 2 & 3	–	–	–	–	–	–	0.16	86 200 000	0.22	0.06	0.01	0.62	86 200 000
Total 2008	**–**	**200 000**	**0.55**	**0.23**	**0.03**	**1.19**	**–**	**164 540 000**	**0.32**	**0.12**	**0.02**	**0.82**	**164 740 000**
Total 2007	–	392 000	0.79	0.36	0.04	2.03	–	165 476 000	0.32	0.12	0.02	0.82	165 868 000

4E = Pt + Pd + Rh + Au

Oxidised Massive Chromitite Reserve (with depletion by production as at 30 June 2008)

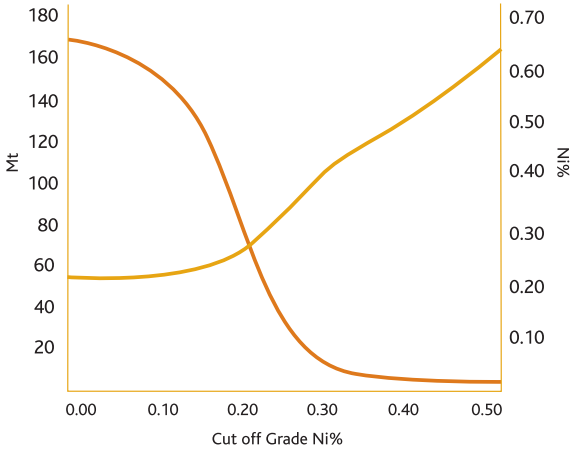
Chromitite	Tonnes	Cr_2O_3%
Probable Mineral Reserve	2 340 800	29.7

Nkomati year-on-year change in Mineral Resources and Ore Reserves

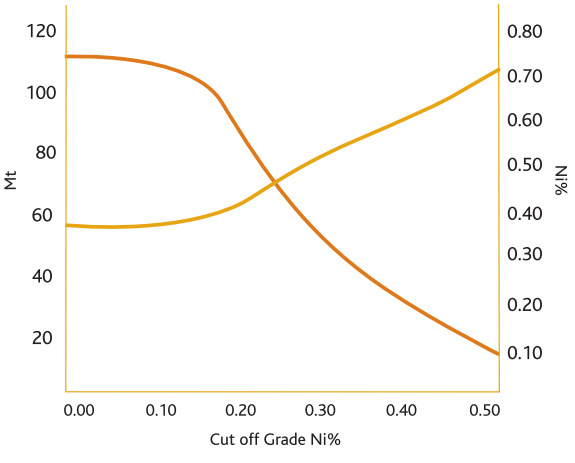
There have been minor changes in the Mineral Resource and Reserves reporting from 2007:

- The MSB resource has been substantially depleted
- An Oxidised PCR resource has been reported for the first time. The oxidised PCR is to be stockpiled as a future source of feed once the massive chromitite has been depleted. This material will be processed in the Chrome Washing Plant which is to be commissioned in August 2008.
- The Mineral Resources for the PCMZ and MMZ for Pits 2 and 3 remain the same, and are illustrated in the graphs

Grade - Tonnage Curves for PCMZ in Pits 2 & 3 Area



Grade - Tonnage Curves for MMZ in Pits 2 & 3 Area



ARM Platinum

Historical nickel ore production at Nkomati

Financial year	000t
2003/2004	344 000
2004/2005	346 000
2005/2006	377 000
2006/2007	359 000
2007/2008	1 069 000

Mining operations to date comprise a mechanised underground and open-pit mining operation which feeds two concentrators producing concentrate containing PGMs, nickel, copper and cobalt. Final products are transported to various third parties for toll treatment. Chrome products are sold to local and export markets.

Two Rivers Platinum Mine

Locality

The Two Rivers platinum mine is located within the southern sector of the eastern limb of the Bushveld complex, on the farm Dwarsrivier 372KT. Situated at longitude 30°07'00E and latitude 24° 59'00S, the UG2 and Merensky Reefs are present on the farm.

History

Exploration, development and production history in the area dates from the early 1920s. During 1929, Lydenburg Platinum Areas Limited started mining activity. No records are available, however. Following the acquisition by Gold Fields Mining and Development Limited, exploration started up again in 1987 and was mainly directed at the Merensky Reef. Assmang acquired the farm in September 1998 primarily to exploit the LG6 Chromitite. During 2001, Avmin acquired the PGE rights on the Dwarsrivier farm from Assmang and targeted the UG2 Reef.

In June 2005, following a full feasibility study and a period of trial underground mining, the joint venture announced the release of a 220 000 ounce-per-year PGM mine. As a result an underground mine was established. The plant was commissioned in July 2006. The project is a joint venture between ARM (55%) and Impala Platinum Holdings Limited (Implats) (45%).

Mining authorisation

Two Rivers holds an old order mining licence no. 4/2003 on Dwarsrivier 372KT relating only to the PGEs contained in the Merensky and UG2 reefs. An application for a new order conversion of the mining licence was submitted in July 2007. This application is still pending.

Geology

The UG2 Reef outcrops in the Klein Dwarsrivier valley over a north-south strike length of 7.5 kilometres, dipping to the west at between 7 degrees and 10 degrees. The extreme topography results in the UG2 occurring at a depth of 935 metres on the western boundary.

The following reef facies have been defined for the UG2 at Two Rivers:

- 'Normal' UG2 with an average thickness of 120 centimetres. This is overlain by up to three chromitite 'leaders' collectively termed the UG2A chromitites;
- 'Split Reef' in the southern, west-central and north-eastern parts, characterised by a pyroxenite or norite lens up to 6 metres thick which is developed within the UG2 and typically resulted in a lower chromitite layer that is thicker than the upper chromitite layer; and
- 'Southern facies' comprising a second pyroxenite/norite lens situated approximately one-third from the base of the UG2. This facies has been intersected in seven drill holes in the extreme south-western area.

The UG2 is usually bottom loaded with peak PGM values occurring in the basal 10 centimetre sample.

The Merensky Reef consists mainly of orthopyroxene with lesser amounts of plagioclase and clinopyroxene. Thin chromitite layers, usually 1 to 4 millimetres thick generally, occur near the upper and lower contacts of the reef.

Mineral Resources and Ore Reserves

The majority of resources at Two Rivers are classified as Indicated Mineral Resources, and it is only the open-pit area in the north and the area around the underground mine that are classified as Measured Resources due to the more closely spaced drilling in this area.

A total of 218 surface diamond boreholes had intersected the UG2, of which 35 were drilled by Gold Fields of South Africa and 18 by Assmang. This provided a total of 409 individual UG2 reef intersections, with an average spacing grid of 500 metres over the whole property and 250 metre grid spacing over the area planned for the first five years of mining. The drill hole spacing in the area of the open pit is 50 metres on dip and 100 metres on strike. It was standard for Two Rivers to drill three non-directional deflections off each mother hole.

The holes were halved by diamond saw and the half-core sampled at 20 centimetres. Samples were crushed and split and submitted for assaying. All samples were assayed by Ni-sulphide collection fire-assay with an ICP-MS finish to determine Pt, Pd, Rh, Ru, iridium (Ir) and Au values. Base metals (Ni, Cu, Co) were also assayed by aqua regia digestion/OES finish. Duplicate samples and check analyses were carried out. The earlier Gold Fields and Assmang samples were assayed by Pb-collector fire-assay with gravimetric finish. In order to combine the data, some of the original core samples were re-assayed by means of Ni-sulphide collection fire-assay and a regression equation was derived at to re-cast the original Pb-collection data as Ni-sulphide assay 'equivalents'. The Merensky Reef resource is based on a total of 81 surface diamond drill holes. The same sampling protocol was used as for the UG2, but assays were carried out by Pb-collection fire-assay with ICP-MS finish for Pt, Pd Rh and Au.

Ordinary Kriging interpolation within Datamine was used to estimate the grade of each 50 x 50 x 1 metre block generated within the geological model. The UG2 was wireframed and estimated as two units based on the Pt:Pd ratio as observed in the drill hole database. Sub-cell splitting of blocks was allowed to follow the geological boundaries accurately. Relative density was calculated for each sample and determined by Kriging in the resource model.

Total in-situ resources were decreased by 30% to account for geological losses due to potholes, faults, dykes and replacement pegmatoids.

The resource to reserve conversion was done using the Mine2-4D optimisation software package to select the optimum economic cut subject to the geological, geotechnical and trackless mining constraints. Unplanned and off-reef dilution factors, followed by a 95% mine call factor, have been applied to the output from the optimiser to provide the fully diluted mill head grade of the reserves.

Two Rivers year-on-year change in Mineral Resources and Ore Reserves

Overall the 2008 UG2 Resources decreased from 57.8 Mt to 56.5 Mt. This 1.3 Mt reduction is the result of depletion by mining.

The Measured Resources were increased by 1.1 Mt when compared to the previous year. This was due to the additional classification criteria that were brought into play. Based on the two-thirds of the range of the semivariogram rule, all areas up to 250 metres in front of the mining faces were brought into the Measured resource category. The Indicated Resources decreased by 2.4 Mt, this is due to the re-arrangement of the Measured area.

The Mine2-4D model was re-visited and simplified, this exercise increased the Ore Reserves by 0.3 Mt from 40.3 to 40.6 Mt. The 1 Mt reserves on the stockpile were depleted and re-established to 0.1 Mt.

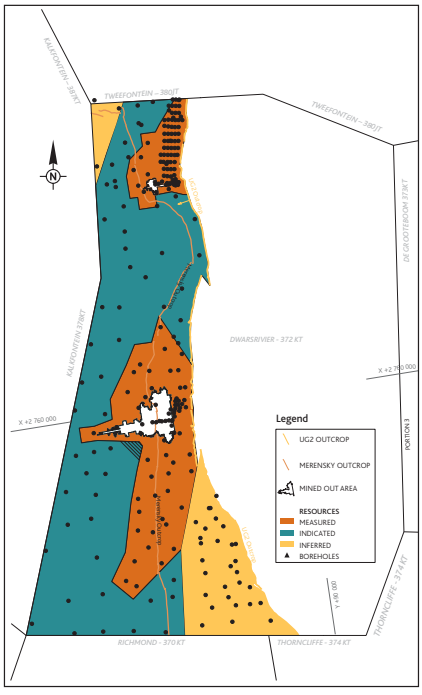
Two Rivers Platinum Mine: Mineral Resources UG2

(UG2 + Internal Pyroxenite)									
		Grade							
	Mt	Pt g/t	Pd g/t	Rh g/t	Au g/t	(3PGE+Au) g/t	(5PGE+Au) g/t	Pt Moz	6E Moz
Measured	14.78	2.54	1.56	0.47	0.05	4.62	5.52	1.21	2.62
Indicated	41.69	2.05	1.23	0.38	0.04	3.70	4.46	2.75	5.98
Total 2008	**56.47**	**2.18**	**1.31**	**0.41**	**0.04**	**3.94**	**4.74**	**3.96**	**8.60**
Total 2007	57.81	2.19	1.34	0.41	0.04	3.98	4.79	4.07	8.89
Inferred	8.1	2.17	1.29	0.39	0.05	3.90	4.68	0.57	1.22

3PGE = Pt + Pd + Rh; 5PGE = Pt + Pd + Rh + Ir + Ru; 6E = 5PGE + Au

ARM Platinum

Two Rivers Platinum (Pty) Ltd – Dwarsrivier
372 KT UG2 Mineral Resources Classification



Two Rivers Platinum Mine: Mineral Reserves UG2

(UG2 + Internal Pyroxenite)	Mt	Grade							
		Pt g/t	Pd g/t	Rh g/t	Au g/t	(3PGE+Au) g/t	(5PGE+Au) g/t	Pt M oz	6E Moz
Stockpile	0.10	1.89	1.27	0.35	0.04	3.55	4.10	0.006	0.013
Proved	10.56	2.04	1.23	0.37	0.04	3.68	4.46	0.693	1.514
Probable	28.85	1.78	1.05	0.34	0.03	3.20	3.86	1.651	3.580
Total 2008	**39.51**	**1.85**	**1.10**	**0.35**	**0.03**	**3.33**	**4.02**	**2.35**	**5.11**
Total 2007	40.59	1.88	1.17	0.36	0.03	3.44	4.13	2.45	5.39

Two Rivers Platinum Mine: Mineral Resources Merensky Reef

Top zone	Mt	(3PGE+Au) g/t	6E g/t	Pt g/t	Pt M oz	6E Moz
Measured	–	–	–	–	–	–
Indicated	18.7	3.34	3.55	2.06	1.20	2.06
Inferred	3.9	3.16	3.36	1.95	0.24	0.41

Historical production at Two Rivers Platinum Mine

Financial year	Mt
2005/2006	1.00
2006/2007	1.28
2007/2008	2.33

Nkomati Nickel and Chrome Mine

Modikwa Platinum Mine

Locality

Modikwa platinum underground mine is situated some 15 kilometres north of Burgersfort and 15 kilometres east of Steelpoort, along the border between the Mpumalanga and Limpopo Provinces in South Africa. Located at longitude 30°10'E and latitude 24°40'S, the site is accessed via the R37 road between Polokwane and Burgersfort.

History

Exploration in the area started in the mid 1920s with the discovery of the Merensky Reef. During the late 1980s further drilling was completed on the UG2 and Merensky Reefs. In the late 1990s a feasibility study was completed on the exploitation of the UG2. During 2001 a 50:50 JV agreement was signed between Rustenburg Platinum Mines and ARM Mining Consortium Limited. ARM's effective stake in Modikwa is 41.5%, through its 83% ownership of ARM Mining Consortium. The other 8.5% is held by the Mampudima and Matimatjatji community companies through their 17% shareholding in ARM Mining Consortium.

Mining authorisation

During June 2001, an old order mining licence was issued to ARM Mining Consortium and Rustenburg Platinum Mines over the properties Onverwacht 292KT, Portion 1 and R/E Winterveldt 293KT, Driekop 253KT, Maandagshoek 254KT and Hendriksplaats 281KT. An application for new order rights is being prepared and will be submitted in the 2008/2009 financial year.

Geology

The igneous layering at Modikwa mine is north-northwest striking with an average dip of 10 degrees to the west. Both the UG2 and Merensky reefs are present. The UG2 occurs as a chromitite layer with average thickness of approximately 60 centimetres. Three leader chromitites occur above the main seam. Gentle undulations of the UG2 with amplitudes of less than 2 metres are pervasively developed across the mine area. Potholes of varying size appear to be randomly distributed within the North shaft area. Potholes are less abundant in the South shaft area, which is more disturbed by faulting. The Onverwacht Hill area is characterised by the presence of several large ultramafic pegmatoid intrusions that disrupt and locally replace the UG2.

ARM Platinum

Mineral Resources and Ore Reserves

The Mineral Resource and Reserve classification is based primarily on the proximity to drilling and underground sampling data and uses the semivariogram range, and the number of samples used, to estimate a block to determine the category. Measured Mineral Resources are classified if a block is within 66% of the range of the semivariogram from the nearest sample and six to 30 samples are used in the estimation process. Indicated Mineral Resources are classified when a block is within the range of the semivariogram and 6 to 30 samples are used in the estimation process. Inferred Mineral Resources are classified if a block falls outside the range of the semivariogram and 30 to 100 samples are used to estimate a block.

The mineral resource is based on over 700 surface diamond drill holes and over 600 underground channel samples. These logs and values are kept in separate electronic databases and combined for estimation purposes after rigorous data validation. The 4E grades are capped at 13 grams per tonne based on statistical analyses.

Samples are submitted to Anglo Platinum Research Centre and analysed at Anglo American Research Laboratories. Analyses are completed using two fire-assay techniques to provide individual assay grades for Pt, Pd, Rh and Au, while wet-chemical techniques are used to determine Ni and Cu grades.

The UG2 mining cut is divided into three units comprising the UG2 chromitite layer, the hangingwall and the footwall. Estimation of the three sub-units in the mining cut is carried out separately and independently. Two-dimensional block models with block sizes of 250 x 250 metres and 500 x 500 metres, depending on the drill hole spacing, are created. Pt, Pd, Rh, Au, Ni and Cu grades are interpolated using Ordinary Kriging for the UG2 and inverse distance squared for the hanging and footwall units. The width of the chromitite and the density are also interpolated into the block models. The average density at Modikwa mine is 3.72t/m^3. Discount factors are applied to tonnages ranging from 10% (for measured Mineral Resources) and up to 30% to account for loss of ore due to pegmatoidal intrusions, faults, dykes and potholes.

Modikwa year-on-year change in Mineral Resources and Ore Reserves

The Mineral Reserves at Modikwa increased to 58.3 Mt (35.2 Mt) when compared with the 2007 statement. The Measured and Indicated Mineral Resources decreased from 131.2 to 115.2 Mt due to conversion of resources (Measured and Indicated) to reserves and re-evaluation. Resources and Reserves were adjusted to reflect June 2008 status.

A minimum mining cut of 102 centimetres is used to calculate the amount of footwall waste that is included in the mining cut. Where the hangingwall and the main seam thickness are greater than 102 centimetres, an additional 5 centimetres of footwall waste is included. The basal contact of the UG2 layer is typically high-grade and it is important that this contact is not left in the footwall during mining. The UG2 is accessed via two primary declines from surface – and a fleet of mechanised equipment is used for the mining operations. Run-of-mine tonnage is processed at the Modikwa concentrator and the PGE rich concentrate is transported to Anglo Platinum's Polokwane smelter and refining facilities.

Modikwa: Mineral Resources and Reserves UG2

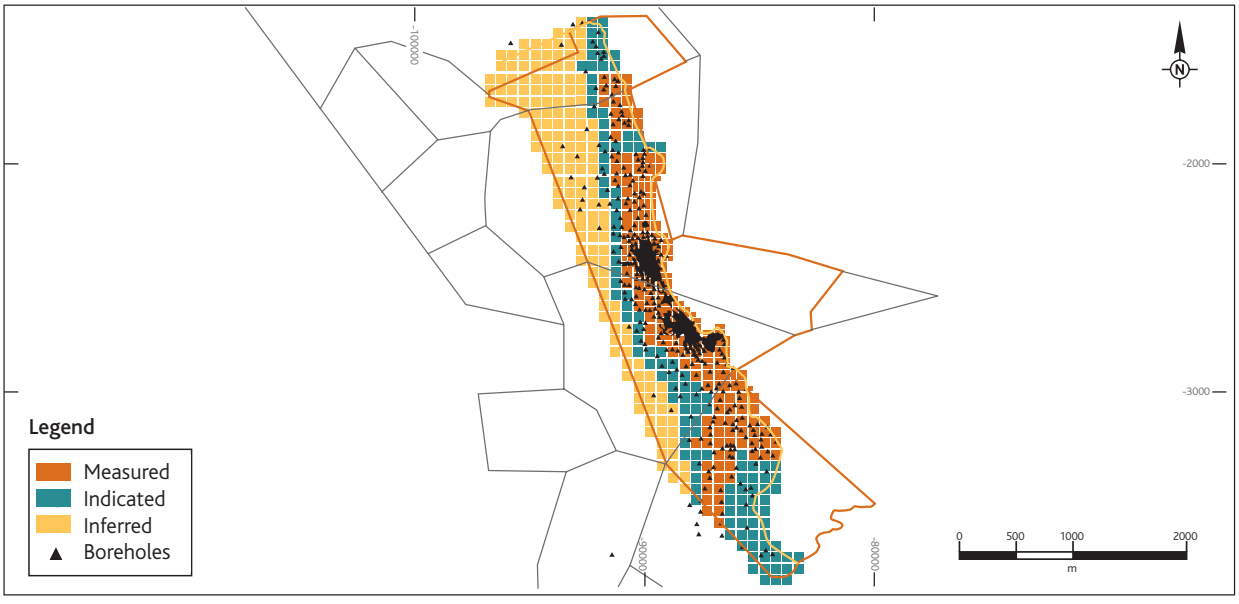
Mineral Resources	Mt	3PGE+Au g/t	M oz	Mineral Reserves	Mt	3PGE+Au g/t	Moz
Measured	50.73	5.54	9.04	Proved	18.09	4.71	2.74
Indicated	64.43	5.66	11.72	Probable	40.21	4.72	6.10
Total 2008	**115.16**	**5.61**	**20.76**	**Total**	**58.30**	**4.71**	**8.84**
Total 2007	131.2	5.62	23.7		35.17	4.82	5.45
Inferred	89.64	6.23	17.97				

3PGE = Pt + Pd + Rh

Modikwa: Mineral Resources Merensky Reef

	Mt	3PGE+Au g/t	Moz
Measured	18.68	2.96	1.77
Indicated	46.78	2.55	3.84
Total	**65.46**	**2.67**	**5.61**
Inferred	152.01	2.80	13.66

Modikwa Resources classification and borehole locality plan



Historical production at Modikwa Platinum Mine

Financial year		Mt
2003/2004		2.54
2004/2005		2.46
2005/2006		2.51
2006/2007		2.32
2007/2008		2.26

Kalplats Platinum Projects

Locality

The Kalplats platinum projects are situated 330 kilometres west of Johannesburg and some 90 kilometres southwest of Mafikeng in the North West Province of South Africa. Situated at latitude 26°30'S and longitude 24°50'E, the project area is accessed from Stella on the N14 national road linking Mafikeng and Vryburg.

History

Anglo American discovered the Kalplats platinum deposits in the early 1990s and Harmony Gold Mining Company Limited acquired the project from Anglo in 1999. Subsequently ARM acquired the project as part of the merger of the Avmin, ARM and Harmony assets in 2004. Pre-2004, exploration comprised a combination of rotary air blast (RAB), reverse circulation (RC) and diamond drilling. Anglo drilled a total of 6 000 metres in 133 holes, while Harmony drilled a total of 40 000 metres in 862 holes. Harmony commissioned a feasibility study in 2003 and excavated a 500 tonne bulk sample for metallurgical test work. The study assessed the viability of both an open pit and underground mining operation. The feasibility study was completed early in 2004.

In 2005, ARM Platinum entered into two joint venture agreements with Platinum Australia Limited (PLA), one over the "Kalplats Project" in which ARM Platinum has a 90% share and which provides for PLA to earn up to 49% by completing a bankable feasibility study and making the Panton metallurgical process available at no cost. The other joint venture agreement covers the "Kalplats Extended Project" (Extended Project) in which ARM Platinum and PLA each has a 50% share and contributes equally to the exploration expenditure. Both projects are managed by PLA.

ARM Platinum

Two Rivers Platinum Mine

Prospecting rights

In September 2006, ARM Platinum was granted a new order prospecting right (PR492 of 2006) over the Kalplats Project covering portions of the farms Groot Gewaagd 270, Gemsbok Pan 309, Koodoos Rand 321 and Papiesvlakte 323 (approximately 3,810 hectares). In April 2007, a new order prospecting right (DME1056) (approximately 62,985 hectares) was granted to ARM Platinum over the Extended Project area which covers an additional 20 kilometres of strike to the north and 18 kilometres to the south of the Kalplats Project area.

Geology

PGE mineralisation is hosted mainly by magnetite-rich gabbros within the Stella Layered Intrusion (SLI), a 3.0 billion year old layered complex intruded into the Kraaipan Greenstone Belt. Mineralisation is contained in seven separate, subvertically dipping zones known as Crater, Orion, Vela, Sirius, Crux, Serpens North and Serpens South, each with strike lengths of between approximately 500 and 1 000 metres and widths of between 15 and 45 metres. In addition more recent drilling has outlined at least five additional deposits known as Scorpio, Tucana, Pointer, Mira and Crux Gap.

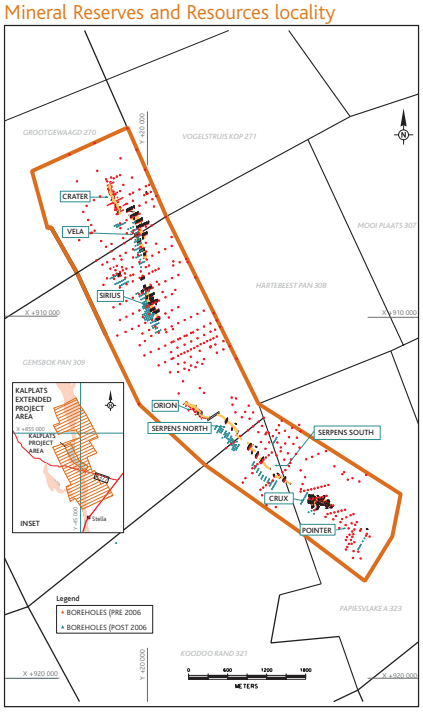
Three main sub-parallel reef packages within each zone have been recognised. They are the Main Reef (the highest grade reef), Mid Reef and LG Reef. The area is structurally complex, and thrusting has caused duplication of reefs in some cases.

Mineral Resources and Ore Reserves

PLA drilled a total of 48 390 metres of diamond and reverse circulation drilling during the 2008 financial year. Since September 2006, when PLA started work on the Kalplats Project, almost 76 000 metres of drilling have been completed. An aeromagnetic survey was also carried out over the whole of the Kalplats Project area as well as part of the southern Extended Project area covering approximately 5.5 kilometres of strike length.

PLA's work is aimed at completing a bankable feasibility study (BFS) and as such drilling aims both to increase the resource base of the project and to upgrade the classification of the resource. In May 2008, PLA released updated mineral resource estimates for the Crater, Orion and Crux deposits. The geological modelling and evaluation of the deposits was carried out by Snowden Mining Industry Consultants. Drilling, however, is continuing and final resource estimates for all the deposits will become available with the completion of the BFS. In the light of the likely upgrading of the

Kaplats Platinum Projects –
Mineral Reserves and Resources locality



resource in the near future, ARM Platinum's 2008 mineral resource statement remains the same as 2007, that is the same as the 2004 Harmony feasibility study.

Kalplats: Mineral Resources

	Mt	2PGM+Au g/t	Moz
Measured	–	–	–
Indicated	7.12	1.7	0.38
Inferred	68.11	1.15	2.44

2PGM = Pt + Pd

ARM Coal

Goedgevonden Coal Project

Goedgevonden Coal Project

Locality

The Goedgevonden Coal Project is situated in the Witbank Coalfield about 7 kilometres south of the town of Ogies in Mpumalanga province in South Africa. Snowden (in October 2005) audited a feasibility study carried out by Murray and Roberts in September 2005, and ARM expects the work carried out by these two organisations to be accurate and manifesting a high degree of confidence. No additional work on resources and reserves was carried out by ARM.

History

A total of 548 surface diamond boreholes were drilled during 1964 to 2004 by Duiker Mining and Xstrata SA. Anglo Coal supplied an additional 102 boreholes for the Zaaiwater area. Most boreholes were drilled down to basement to define the seam locality and basement topography. Owing to the different campaigns, the database had to be validated to produce a consistent set of data.

Mining authorisation

New order mining rights were granted during the year under review.

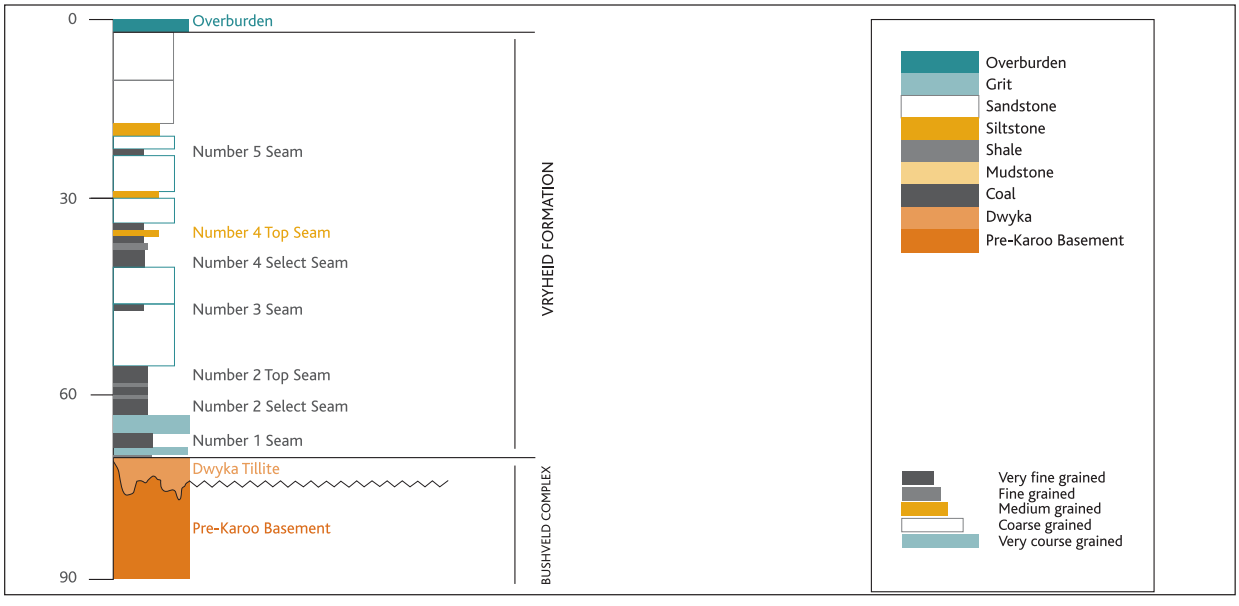
Geology

The stratigraphy of the Witbank Coalfield consists of five seams numbered from oldest to youngest: No 5 to No 1 seam. The seams vary in thickness from less than 0.5 metres to over 6 metres and do not exceed 300 metres in depth from surface. The coal seams dip at less than 5 degrees. However, coal seam morphology and qualities may be locally influenced by basement topography, surface weathering and intrusion of dolerite dykes and sills. The coal qualities vary both within and between individual coal seams. Low quality coals, suitable for the local steam coal market, have a calorific value of between 18 to 22Mj/kg, whereas the high quality export steam coal has a calorific value of greater than 27Mj/kg. The proposed Goedgevonden open-cut mine is expected to produce an additional 3.2 Mt annually for export and 3.4 Mt a year for domestic thermal generation coal by 2009. The planned stripping ratio is between 3.35:1 and 1.85:1 in the early years of production. Using a mining contractor, Xstrata SA started mining on the Goedgevonden property at a rate of 1 mtpa (run-of-mine), gaining knowledge of the geology and mining conditions.

All five coal seams are developed on Goedgevonden (see figure). The No 1 seam is of low quality, thin and only developed in paleo-low areas. The No 2 seam is extensively developed and is of good quality and is, on average, 5.5 metres thick. The No 3 seam at Goedgevonden is of good quality but, with an average thickness of only 0.3 metres, is uneconomic. The No 4 seam, being closer to surface and although of the same thickness as the No 2 seam, is influenced by weathering and is not as extensively developed. The No 5 seam is of good quality, but is preserved as erosional remnants on the high ground only and thus not extensively developed over the area. No major faults, structural disturbances or intrusives were observed in the boreholes drilled to date.

Wireframes for the seam composites for the No 2, 4 and 5 seams were generated in Datamine. Two-dimensional blockmodels were generated with block sizes of 50 x 50 metres. All estimations of the individual blocks were done using inverse distance cubed with an isotropic search. Other software packages used in the evaluation are 'Washproduct' and 'Xpac'.

Stratigraphic column at Goedgevonden



The following table with regard to Goedgevonden coal resources and reserves was obtained from Snowden, reflecting the status as at June 2005. Mineral Resources and Reserves of the Xstrata mines are the responsibility of the Xstrata SA resources and reserves team.
No ARM employee is involved in the compilation of Xstrata Coal South Africa's Mineral Resources and Reserves.

Goedgevonden Coal Resources and Reserves

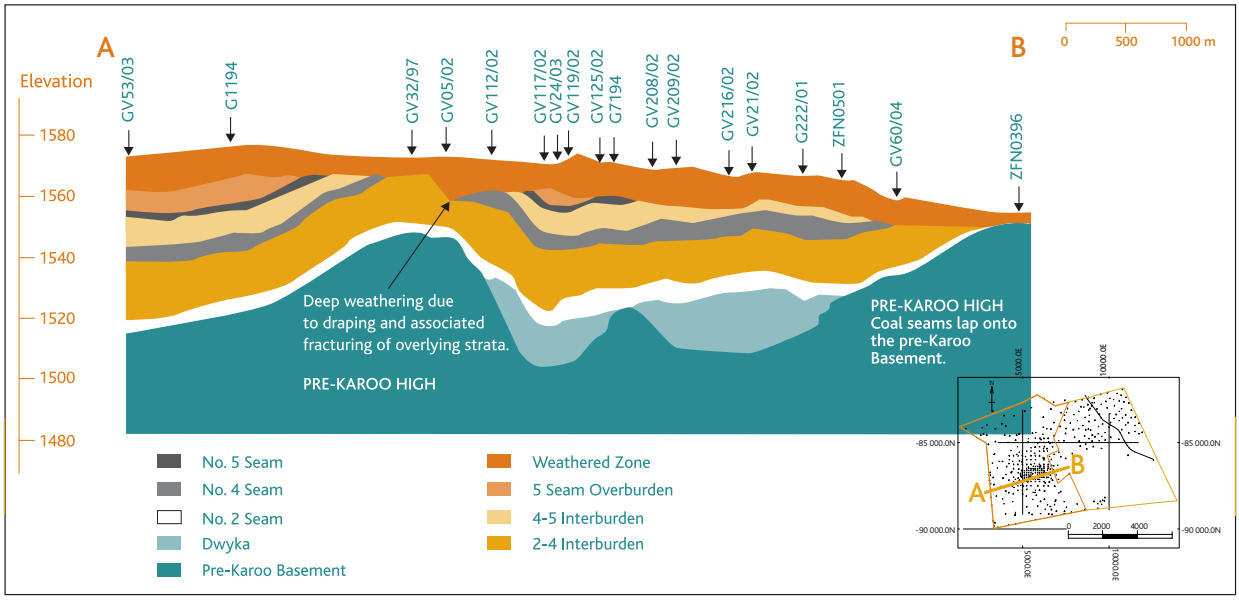
	Mineral Resources within mine plan			Reserves		
Seam no	Measured	Indicated	Inferred	Proved	Probable	Saleable
2	58.3	30	–	–	–	–
4	44.2	13	58	–	–	–
5	14.7	1	8	–	–	–
Total	117.2	44	67	–	–	–
Mineral Resources outside of mine plan						
2	177.9	–	–	–	–	–
4	189.3	–	–	–	–	–
5	41.8	–	–	–	–	–
Total	409	–	–	–	–	–
Overall	526.2	44	67	329.8	27.6	194.1

ARM Coal

Historical Production at Goedgevonden

Financial year	Mt RoM
2006/2007	2.00
2007/2008	1.96

Section showing Goedgevonden Coal seams



TEAL Exploration & Mining Inc.

TEAL Konkola North

Exploration and evaluation

African Rainbow Minerals Limited (ARM) owns 64.9% of TSX and JSE listed company TEAL Exploration & Mining Incorporated (TEAL). TEAL is currently finalising feasibility studies and further drilling on its copper projects in Zambia and in the Democratic Republic of Congo (DRC) and on its gold project in Namibia. TEAL is also undertaking further exploration for base metals, gold and uranium, in the DRC, Zambia, Namibia and Mozambique. The mineral resources and reserve estimations by TEAL are compliant with the relevant Canadian National Instrument 43-101 (NI 43-101) regulations governing the reporting of such Mineral Resource estimates.

Otjikoto Gold Project

The Otjikoto Gold Project is an evaluation and exploration project situated in the Otavi region in Namibia, and the project is covered by an exclusive prospecting licence (EPL 2410). The company has four additional exclusive prospecting licences comprising 3 667 km^2 surrounding the Otjikoto Gold Project on which exploration work is being undertaken.

The gold mineralisation at Otjikoto occurs within the Northern Zone of the Damara Orogen. The mineralisation occurs as shallow-dipping, sheeted vein systems hosted within a package of marbles, albitites and biotite schists of the Karibib Formation. The individual veins range from 1 to 10 centimetres in thickness and contain pyrrhotite, magnetite, pyrite and free, often coarse grained, gold. The package of mineralised sheeted veins is approximately 25 metres thick, with an average dip of 25 degrees, presently defined along a strike of approximately 1.9 kilometres.

The Mineral Resource is based on RC and diamond drill holes totalling 129 boreholes, equating to a total of 15 435 metres (11 410 metres of diamond drilling and 4 025 metres of RC drilling). The drill holes were drilled initially on a 100-metre strike spacing and a 50-metre dip separation. Further infill drilling in the north-western portion of the orebody was undertaken on 50 x 25 metre and 25 x 25 metre grids during the 2007/2008 financial year, which increased the confidence in geological and grade continuity substantially. The gold mineralisation is open-ended along strike and down-dip.

In the case of RC drilling, sample collection takes place every 1 metre and each sample is logged and assayed. The samples are weighed, then split using a riffler before four sub-samples are derived for assay and quality control reference purposes. Diamond drill core is geologically logged

TEAL Exploration & Mining Inc.

and halved with a saw. Half-core samples are taken every 1 metre for screen fire assaying by laboratories in South Africa and Australia. The project involves the use of stringent sampling protocols, and sample duplicates and certified reference material is used to monitor the quality of assay results.

Three-dimensional wireframe models using a cut-off of 0.4 g/t Au were produced in Datamine from the drill hole intersections. Drill hole samples are composited over a 1.0 metre interval within the orebody wireframes. The data population is positively skewed and closely approximates a lognormal distribution. The wireframes were used to constrain 50 x 50 x 2.5 metres block models and gold grade was interpolated into the block model using ordinary kriging in the normal space. High nugget-effect spherical-structured semivariograms were generated along- and across-strike from the log-normal data and then converted to the normal space. Clear anisotropy can be recognised along and across strike. SRK Consulting (South Africa) (Pty) Limited ('SRK") are appointed as the Independent Qualified Persons for this project.

Otjikoto – Mineral Resources at a 0.4 G/T Au Cut-Off Grade as at June 2008

	Mt	g/t Au	Moz
Measured	–	–	–
Indicated	23.3	1.4	1.05
Inferred	19.4	1.41	0.88

Konkola North Copper Project

The Konkola North Copper Project is situated on the Zambian Copperbelt with the economic mineralisation being generally confined to a dark-grey siltstone within the OS 1 Member (Ore Shale) of the Nchanga Formation. The true thickness of the OS 1 Member varies from 3 to 12 metres. The mineralisation is transgressive at a low angle and the ore zone is not defined by a geological hangingwall and footwall. The deposit occurs at a depth of 50 to 1 300 metres below surface with a dip range of -40 to +55 degrees. The thickness of the deposit increases towards the south where it averages over 10 metres.

A total of 125 diamond holes were drilled in a number of exploration phases. The core was split with a diamond saw, logged and sampled in approximately 0.5 metre lengths. Samples were assayed by two laboratories in South Africa. Total copper and cobalt analysis was carried out by a two-acid digest (HCl and HF) with a flame AAS finish. Acid soluble copper was determined by a sulphuric acid leach and a flame AAS finish. 10% of all samples in a batch were repeated as duplicate samples to check repeatability.

The orebody was divided into three zones – East Limb, South Limb and Area A – for estimation purposes. Wireframes were defined by using a 1% Total Cu cut-off in Datamine and a density of 2.75 t/m^3 was used. GijimaAst used the "UNFOLD" process in Datamine to do the Ordinary Kriging estimation in 2-D. The block size is 500 x 500m in the horizontal plane with sub-cell splitting down to 250 x 250m at the edges of the wireframe hull. SRK are appointed as the Independent Qualified Persons for this project.

Konkola North – Mineral Resources at a 1% Total Copper Cut-Off Grade as of April 2008

	Mt	%TotCu	%AsCu
Measured South Limb	10.00	2.23	0.60
Indicated South Limb	22.20	2.13	0.26
Total South Limb	32.20	2.16	0.49
Inferred South Limb	**16.20**	**2.22**	**0.25**
Measured East Limb	7.10	2.34	1.07
Indicated East Limb	11.70	2.87	0.39
Total East Limb	18.80	2.67	0.54
Inferred East Limb	**10.70**	**2.83**	**0.41**
Total Measured + Indicated	51.00	2.35	0.47
Inferred (mainly Area A)	**219.50**	**2.64**	**1.09**

The above-mentioned resource estimation was carried out by GijimaAst in December 2006. GijimaAst assigned SAMREC categories according to the Kriging Efficiency (KE). The KE measures the improvement in estimate from more samples per estimate, closer sample distances to the block and samples spread evenly rather than clustered one-sidedly. The criteria adopted for the classifications, after consideration of the literature, are as follows:

- Inferred KE (copper accumulation) <0%
- Indicated KE (copper accumulation) 0-50%
- Measured KE (copper accumulation) >50%

SRK reviewed, audited and signed-off of the re-estimated resources for Konkola North during March 2008.

An underground mine with a shaft to 423 metres in depth and related infrastructure are in place at Konkola North's South Limb orebody. The shaft was on care and maintenance from 1959 onwards. A feasibility study has been completed, and parts of the mineral resource have been converted to a mining reserve through detailed mine design and scheduling.

Mwambashi Copper Project

The Mambwashi Copper Project lies in the Zambian Copperbelt on the western edge of the Chambishi Basin. The orebody is wedge-shaped, being up to 30 metres thick in the shallower portions and tapering down to less than 1 metre at a depth of 450 metres. The orebody has a strike extent of 500 metres and extends down-dip for approximately 450 metres, with an average thickness of 15 metres. The orebody dips range from 25 degrees in the south to 35 degrees in the north. Most of the copper mineralisation occurs as disseminated to massive mineralisation in the argillaceous quartzite and conglomerate of the Mindola Clastics Formation.

From 1951 to 2007 nine drilling campaigns were completed. During 2001 an evaluation was carried out by Avmin to determine the mineral resource potential at a 1% total copper cut-off grade. 33 boreholes composited to 1 metre intervals were used in that estimation. An Indicated Mineral Resource of 8.6 Mt at an average grade of 2.43% total copper was estimated to be present.

During 2006, a database validation exercise was performed by external consultants GeoLogix Mineral Resource Consultants (Pty) Limited. All available drill core was re-logged and lithologies validated. 57 boreholes were used in the re-evaluation. Assays were available for percentages of total copper and acid soluble copper and cobalt, and this data was captured in a SABLE database and coded according to rock type. The drill holes were composited to 2 metre intervals, respecting lithological boundaries. Wireframed sections were constructed in Datamine and block models were generated, using a 0.3% total copper and 0.5% total copper cut-off grade. Lower cut-off grades were used due to the dramatic increase in the copper price. GSLIB was used to do ordinary kriging estimates into the block models with block sizes of 5 x 30 x 1 metres, and then imported back into Datamine and regularised into block sizes of 30 x 30 x 10 metres. Relative densities are based on the weathering profile: overburden = 1.8 t/m^3, < 30 metre depth = 2.1 t/m^3, 30 to 40-metre depth = 2.2 t/m^3, 40 to 50-metre depth = 2.3 t/m^3 and >50-metre depth = 2.5 t/m^3.

During September 2007 the mineral resource at Mwambashi was re-evaluated. The range of the semivariogram was used to classify Mineral Resources into the SAMREC defined Measured, Indicated and Inferred Resources categories:

- Measured = Estimating data closer than first range of semivariogram (60 metres) from block being estimated;
- Indicated = Estimating data between first range (60 metres) and Sill range (240 metres) from block being estimated; and
- Inferred = Estimating data further than 240 metres from block being estimated.

Mwambashi – Mineral Resources at 0.5% Total Copper Cut-Off Grade

	Mt	%TCu	%AsCu
Measured	10.54	1.84	0.74
Indicated	1.896	1.17	0.42
Total	**12.44**	**1.74**	**0.69**
Inferred	1.77	2.10	0.26

TEAL Exploration & Mining Inc.

Democratic Republic of Congo (DRC)

Kasonta-Lupoto Mines sprl (Kalumines) holds the rights to TEAL's 60% interest in Kalumines which is situated 30 kilometres to the north-west of Lubumbashi. The mining licence, P.E. 2590, covers an area of 77 km^2 and hosts various near surface exposures of rich oxide copper and cobalt mineralisation, all within a few kilometres of each other. Kalumines is a 60:40 joint venture with Gécamines.

TEAL has undertaken extensive drilling on the Lupoto Copper Project within the Kalumines licence area and has completed an initial drilling programme of 189 boreholes in addition to the 73 boreholes previously drilled by Union Miniére du Haut Katanga (UMHK) and Gécamines. Drill centers were on 50 metres line spacing and boreholes were spaced 50 metres apart. The copper/cobalt mineralization is transgressive over several units within the Series des Mines and has an average thickness of 25 metres, dipping between 90 and 65 degrees. An initial, first phase, mineral resource with a 0.5% total copper cut-off to a vertical average depth of 80 metres has been completed. Further drilling is in progress to define the remainder of the strike extensaion of 1 360 meters presently not in this model and to undertake further infill drilling. SRK have been appointed as the Independent Qualified Persons for the resource estimation of the Lupoto Copper Project.

Lupoto – Mineral Resources at 0,5% Total Copper Cut-Off Grade

	Mt	% TCu	% AsCu
Measured			
Indicated	15.1	2.32	1.83
Inferred	9.13	2.09	1.73

Kalumines has started a small open-pit mining operation, exploiting about 110 000 m^3 per month. A small screening plant is operational to sort the copper material into various size categories for on-sale to customers with in the DRC.

Exploration

TEAL has an extensive portfolio of exploration rights on the Zambian Copperbelt and in Central Zambia, where TEAL undertakes exploration work to discover copper, zinc, nickel mineralisation. In the DRC on the Kalumines licence area, TEAL is undertaking extensive drilling and exploration work, and an extensive zone of copper mineralisation has been discovered between the prospects Kasonta and Niamumenda with a strike extend in excess of 2.4 kilometres. In Namibia, extensive exploration is being carried out for additional gold and base metal mineralisation.

TEAL has commenced with an exploration programme on six prospecting licences in Mozambique, following a regional airborne geophysical survey. The aim of this programme is to outline areas of uranium mineralisation.

ARM holds a 16% stake in Harmony Gold. Harmony, South Africa's third largest gold producer is separately run by its own management team. Resources and reserves of the Harmony mines are the responsibility of the Harmony team and are published in Harmony's annual report.

ARM holds a 20.2% stake in Xstrata Coal South Africa's operations other than Goedgevonden. Resources and reserves of the Xstrata Coal South Africa mines are the responsibility of the Xstrata SA team and are published in their annual report.