

ANGLO AMERICAN PLATINUM CORPORATION

Eastern Limb Facility Visit 2003

5 March 2003

A member of the Anglo American plc group



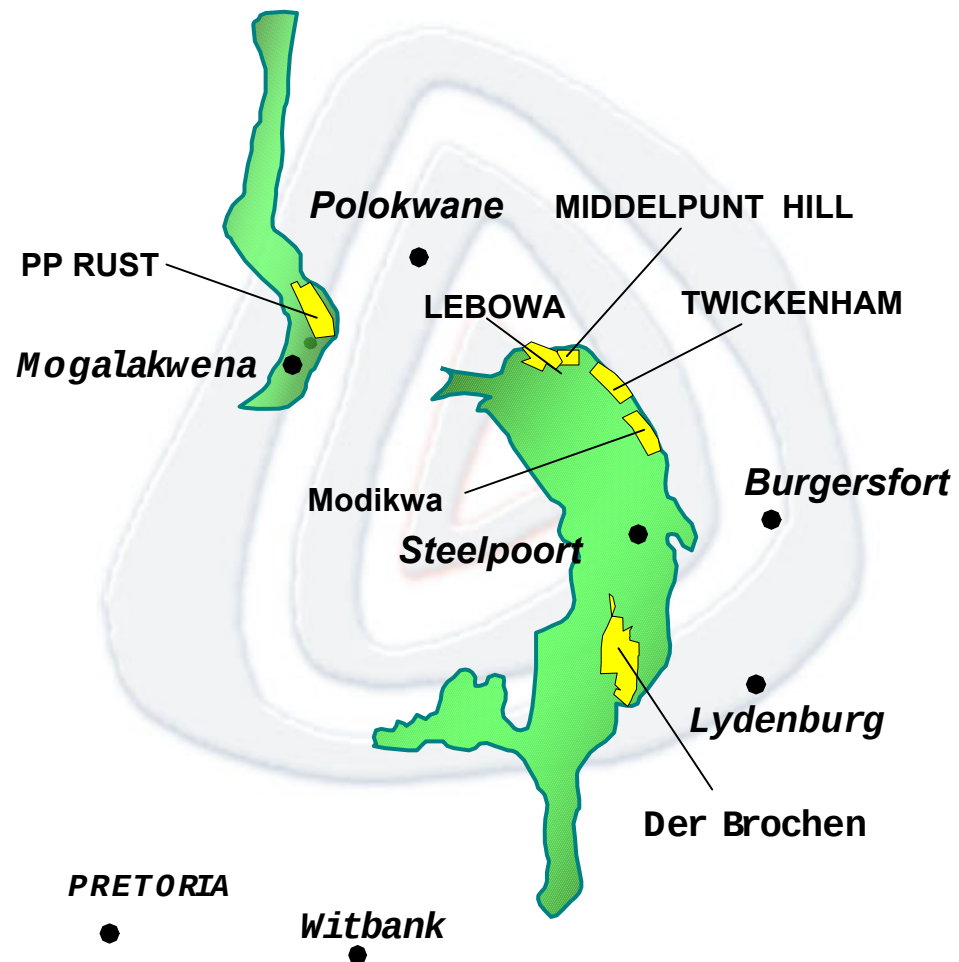
EASTERN LIMB IN CONTEXT

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Divisional Director : East Mines

AGENDA

- The Eastern Limb
- Key issues
- Operations : PPL
- Operations : Lebowa
- Expansion issues
- Conclusion

EASTERN LIMB OF THE BUSHVELD COMPLEX



EASTERN LIMB EXPANSION : KEY ISSUES

- **Maintain efficient steady state production at existing operations**
- **Design, construct, commission and optimise new projects**
- **Develop and retain appropriate skills**
- **Establish and nurture successful Joint Ventures**
- **Facilitate broad based HDSA empowerment**
- **Integrate operations with communities and achieve sustainable community upliftment**

EASTERN LIMB EXPANSION : ANGLO PLATINUM APPROACH

- **Holistic approach**
- **Appropriate skills**
- **Knowledge sharing and continuous business improvement**
- **Relationship building**

EASTERN LIMB EXPANSION : MAGNITUDE

	Refined Pt Oz 2002
● Existing operations	
- PP Rust	165 000
- Lebowa	102 000
● Announced projects	
- Modikwa JV	162 000
- Polokwane Smelter	
- Twickenham Project	<u>160 000</u>
- Total announced	589 000 (16% of 3,5m Oz)
● Projects in progress	
- Der Brochen	
- Booyensdal JV	
- Paschaskraal JV	

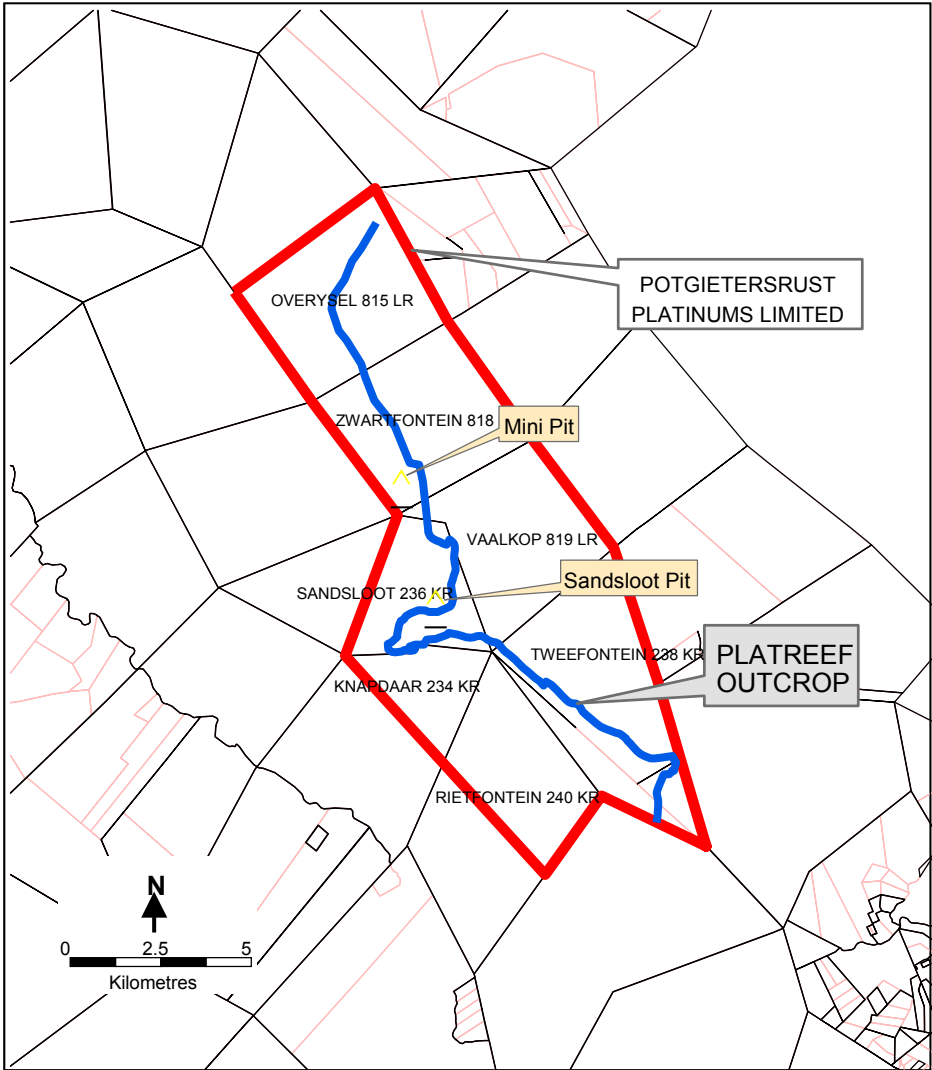
EASTERN LIMB: A LARGE CONTRIBUTOR

OPERATIONS

POTGIETERSRUST PLATINUM MINE

- **2001 :** 4.27 million tons milled
211 000 ozs refined Pt
- **2002 :** 4.37 million tons milled
165 000 ozs refined Pt
- **Limited flexibility due to Ga-Pila constraints**
 - South pit low grade intrusion
 - Extensive drilling programme
 - Accelerated access to mini pit
 - Lower grades at increased throughput
 - Containment of unit costs / tons mined
- **Ga-Pila relocation successful**

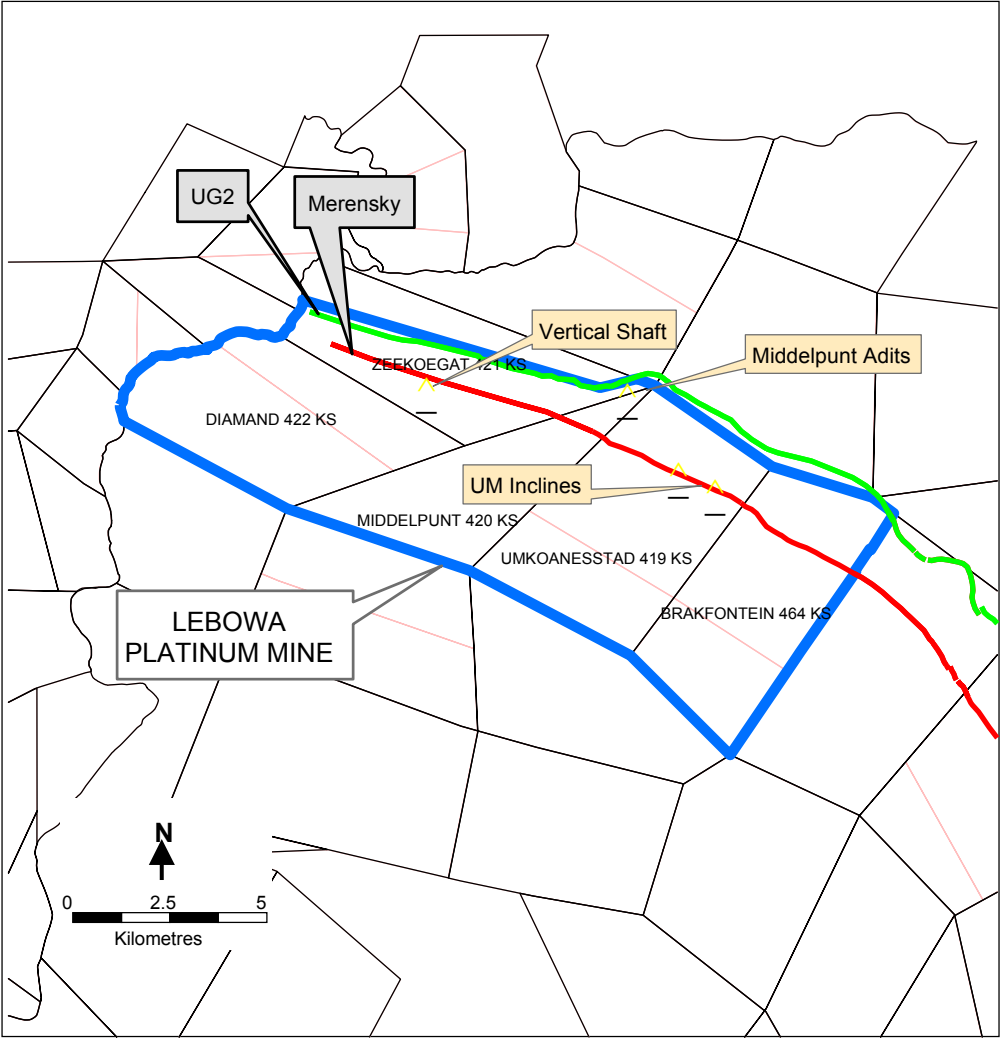
POTGIETERSRUST PLATINUM MINE



OPERATIONS LEBOWA PLATINUM MINE

- **2001 :** 1.40 million tons milled
 89 000 ozs refined Pt
- **2002 :** 1.55 million tons milled
 102 000 ozs refined Pt
- **Upgraded plant operating to plan**
- **Improved ore reserve position**
- **Significant improvement in outputs and profitability**

LEBOWA PLATINUM MINE



BACKGROUND TO LPM

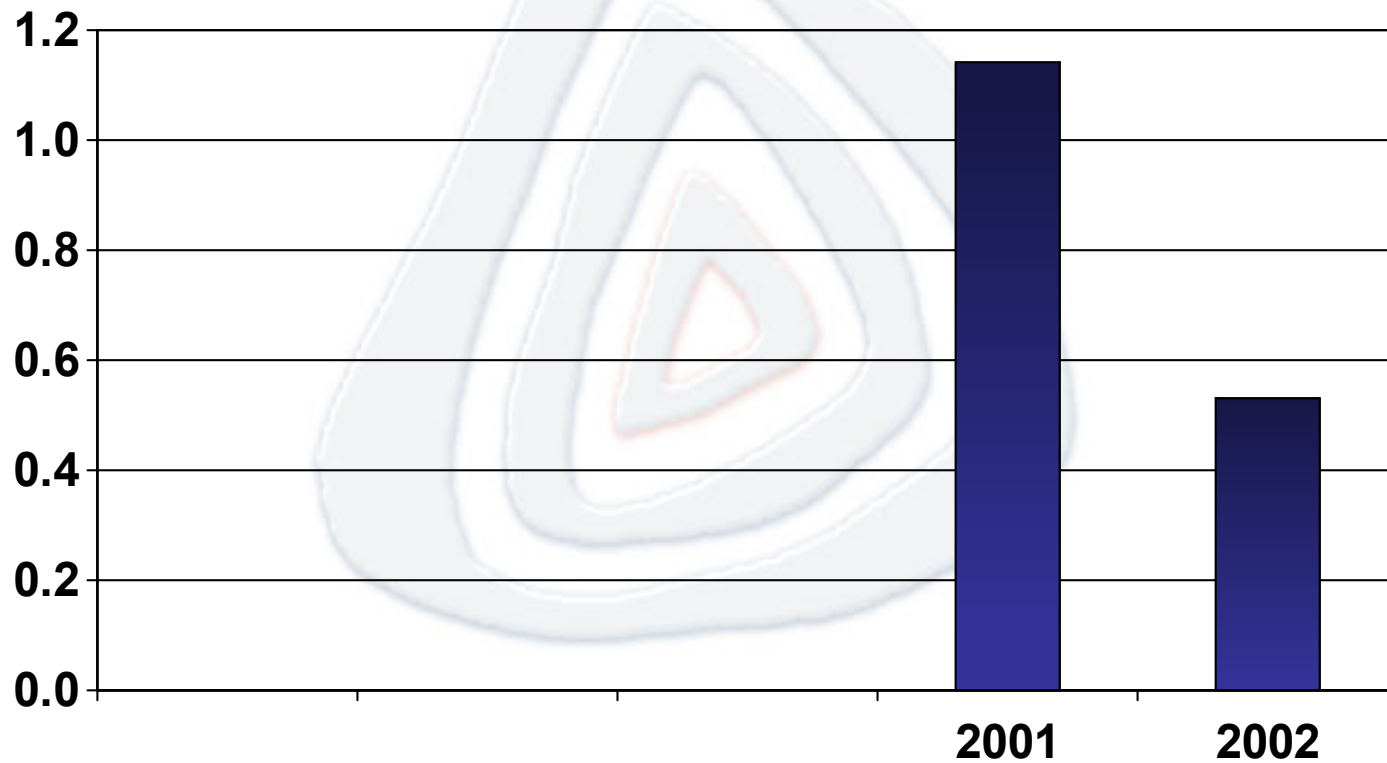
- **History**
 - 1968 – ATOK
 - 1977 – JCI
- **Challenges**
 - Ageing infrastructure
 - Potholing common
- **Mining methods**
 - Merensky : Conventional
 - UG2 : Hybrid

THE LPM TURNAROUND

- A totally new management team was appointed during 2001
- Developing a winning culture amongst employees
- Strict cost management was non-negotiable but delegated to the point of control
- The attraction and retention of skilled people was targeted
- The mining optimisation initiative focused on team development and mining process de-bottlenecking
- The recognition and reward scheme was revised to “change behaviour” at LPM
- Effective and efficient communication from “top to bottom” and from “bottom up-wards” was implemented
- All contractors on the mine were converted to an output-based payment method

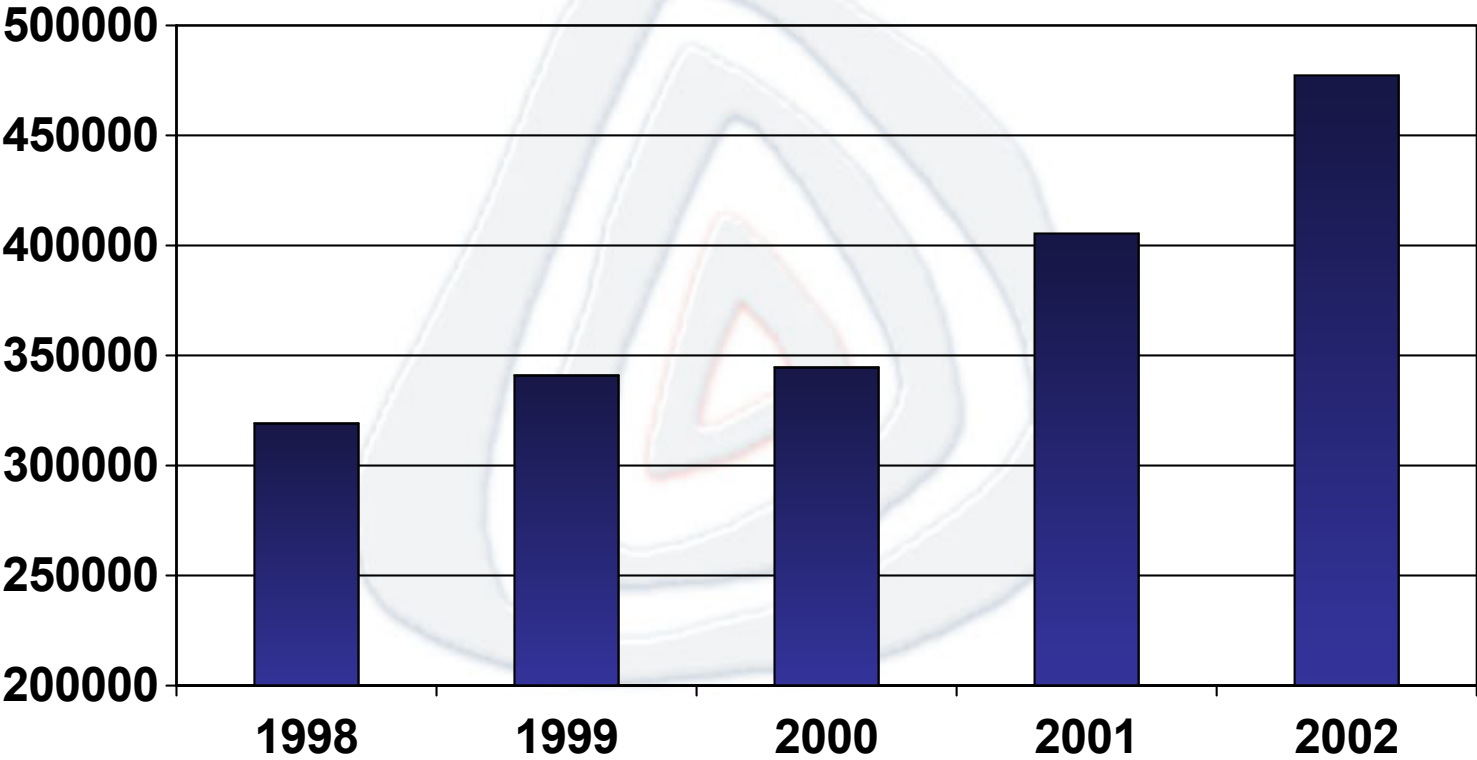
LEBOWA PLATINUM MINE

Annual Lost Time Injuries Frequency Rate



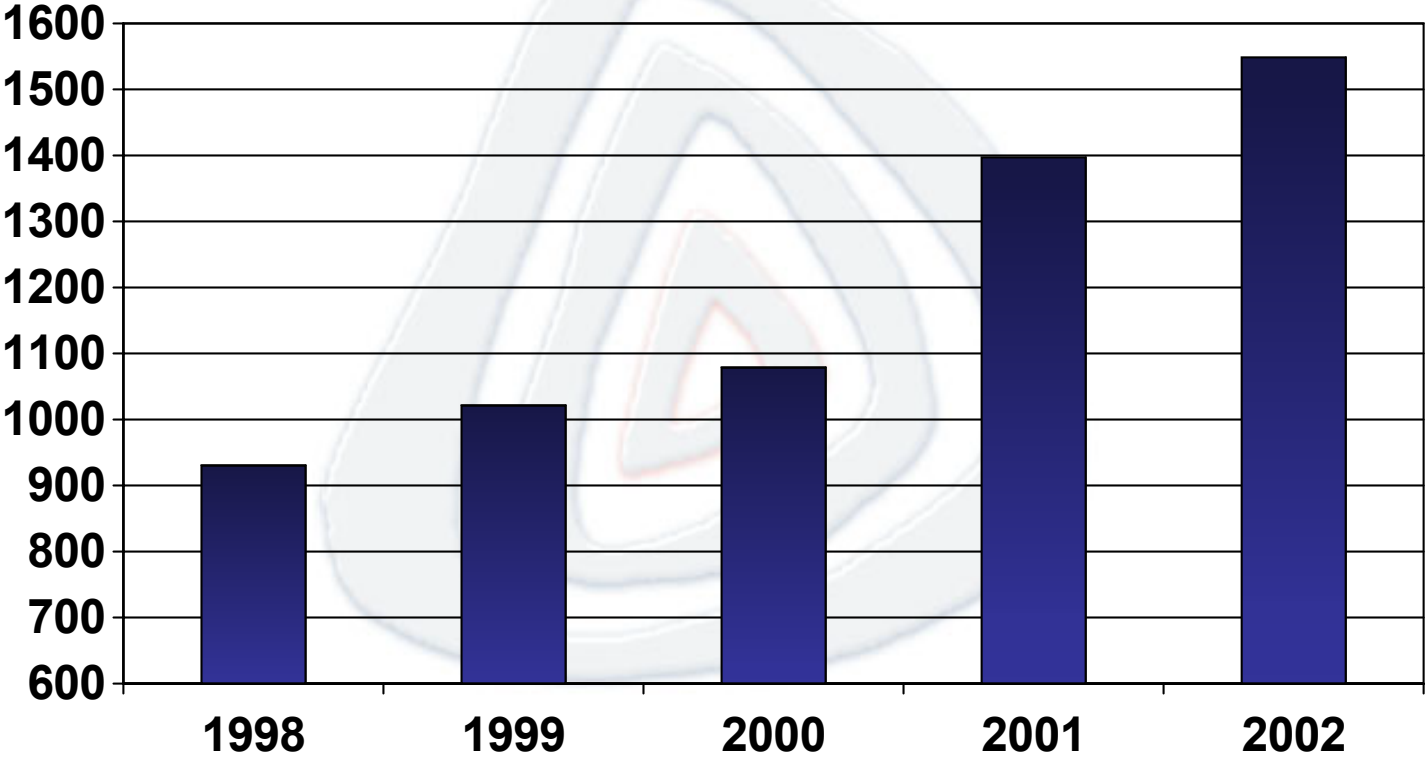
LEBOWA PLATINUM MINE

Annual Stoping (m²)



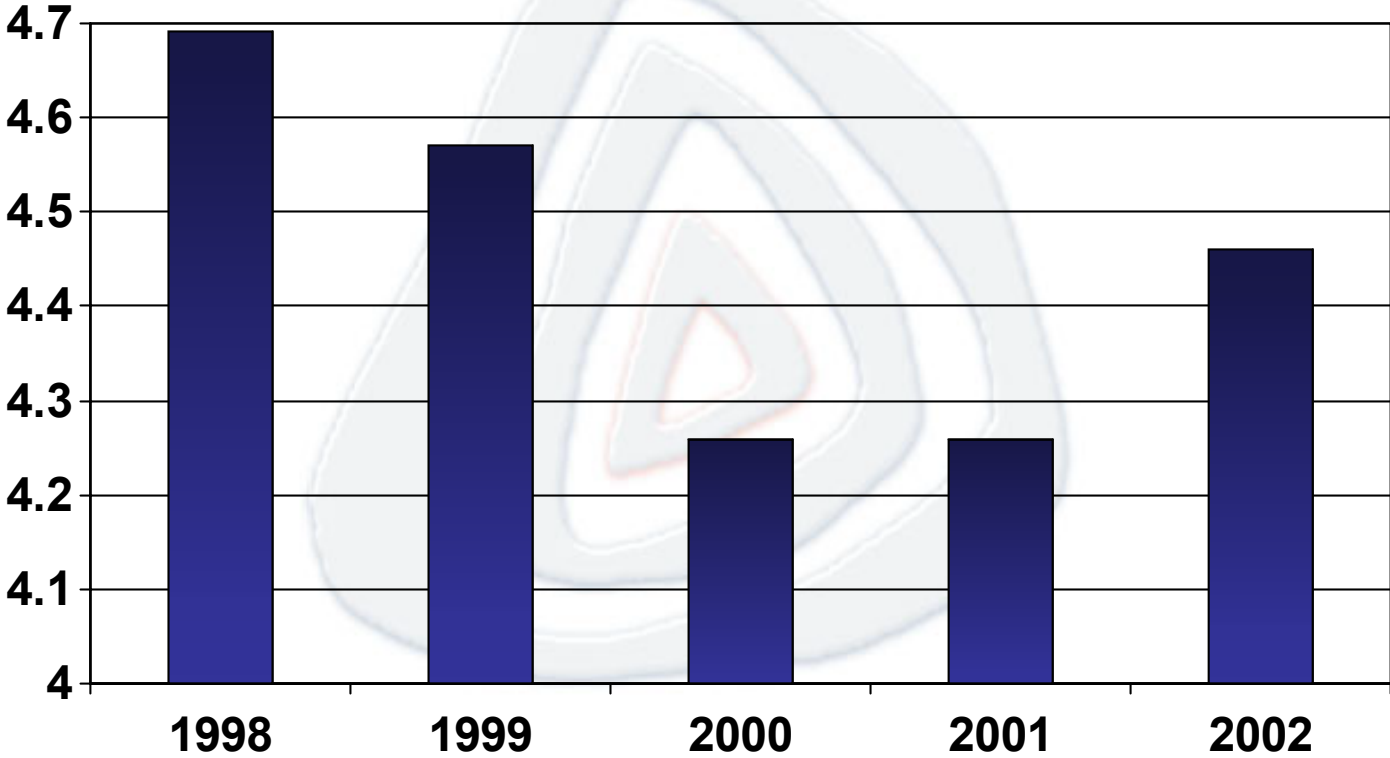
LEBOWA PLATINUM MINE

Annual Tons Milled (kt)



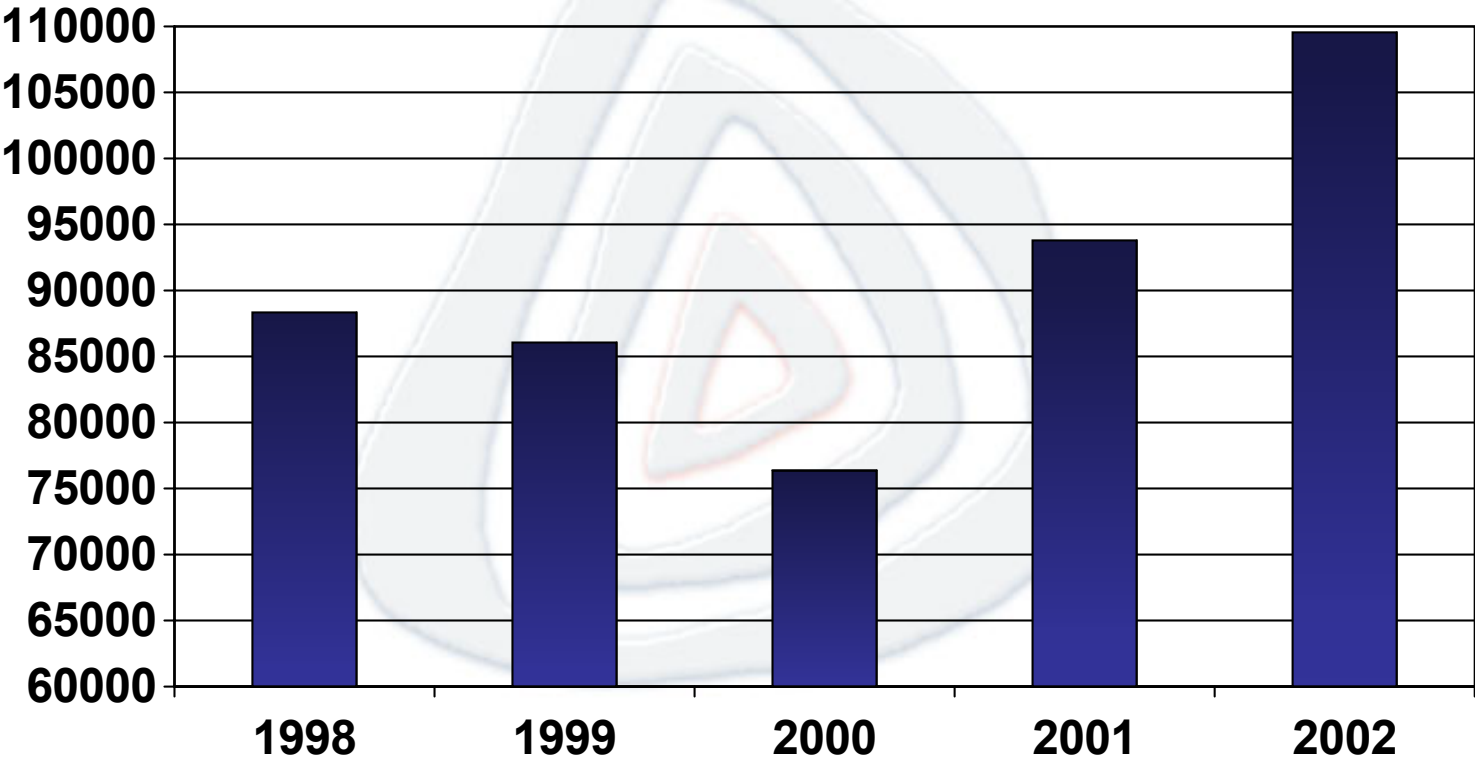
LEBOWA PLATINUM MINE

Head Grade (g/t)



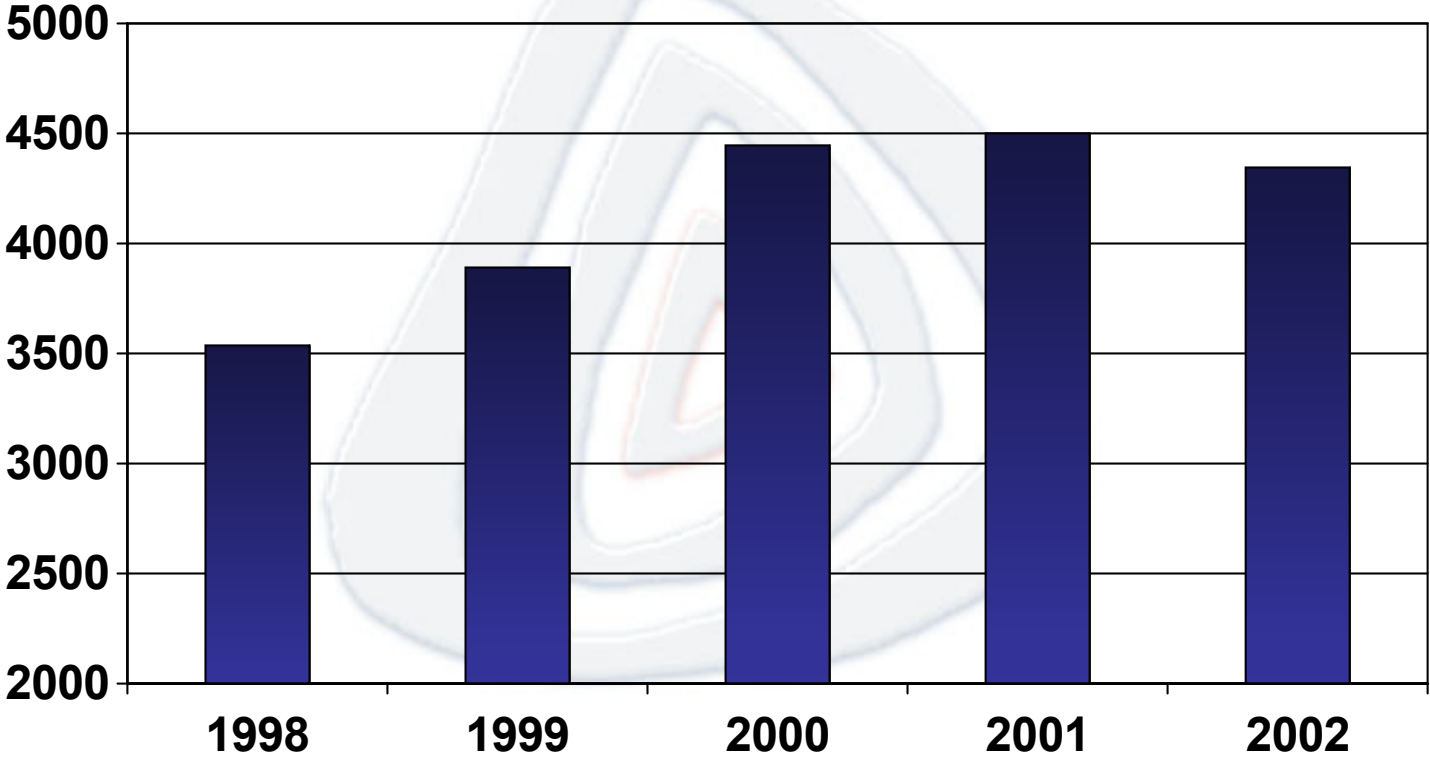
LEBOWA PLATINUM MINE

Annual Platinum Ounces Produced



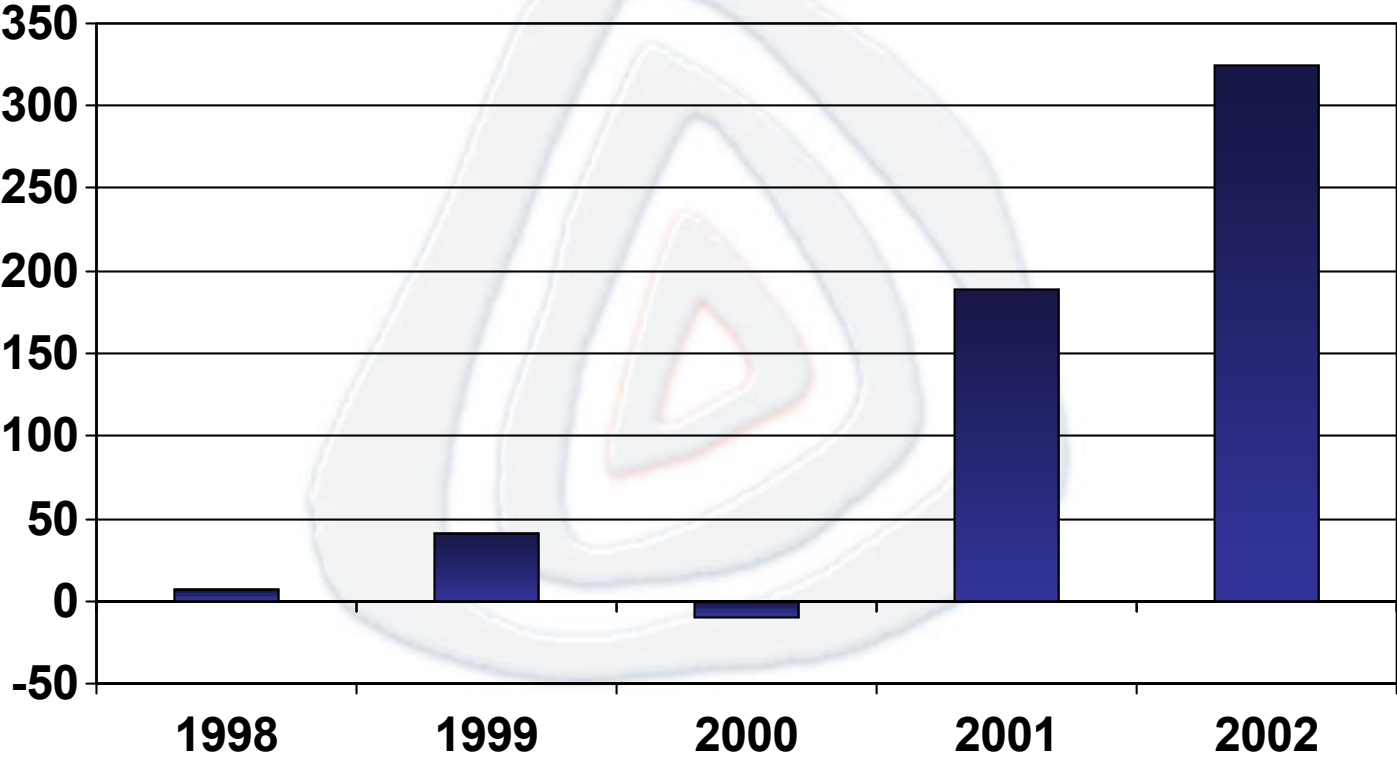
LEBOWA PLATINUM MINE

Annual Cost (R/Pt Ounce)



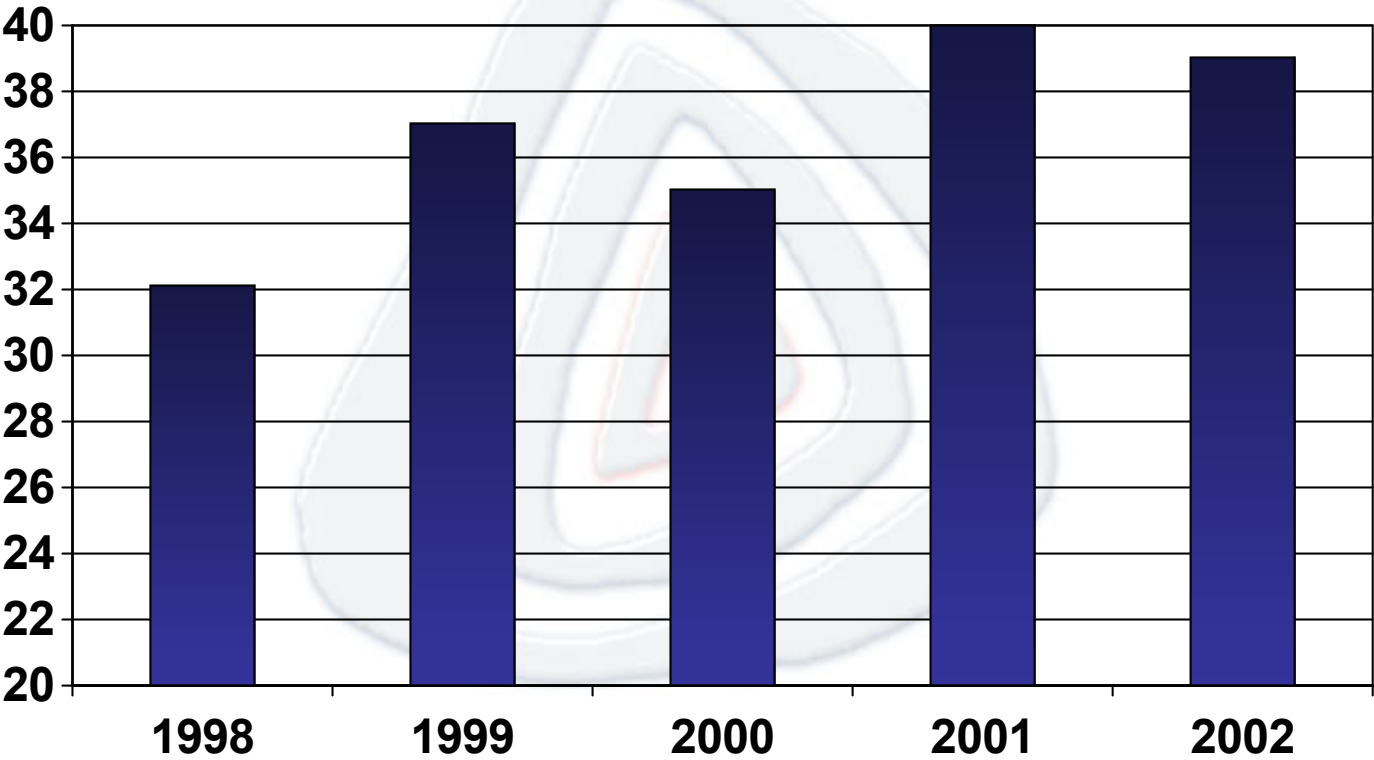
LEBOWA PLATINUM MINE

Annual Profit (Rm)



LEBOWA PLATINUM MINE

Productivity m²/stopping employee



THE LPM FUTURE

- Significant ore reserves available on Merensky and UG2 horizons
- Mining authorisation exists for all farms within lease area
- Feasibility studies are currently in place to evaluate various options to either sustain or expand the current operations
- LPM has developed a reputation for DELIVERY

EASTERN LIMB EXPANSION ISSUES

- Regional infrastructure co-ordination
- Integrated development planning
- Housing
- Medium to long term water requirements
- Recruitment and training
- Empowerment

EASTERN LIMB TRAINING ISSUES

- **Learnt lessons from previous projects**
- **Learnerships**
- **Initial skills and team training**
- **Induction via 10 day integrated team training intervention**
 - **Adventure related experiential learning technique**
 - **Behaviour based safety initiative included**

EMPOWERMENT AND SMALL & MEDIUM ENTERPRISE DEVELOPMENT

- **High priority given to local empowerment and SME development**
- **Resources dedicated to development of capacity**
- **All contractors required to maximise the usage of local labour and companies**
- **Alliances & JVs with local companies encouraged**
- **Close liaison with Provincial and local authorities**

CONCLUSION

- Holistic approach
- Well managed steady state operations
- Resources secured by agreement with government
- Projects in place
- Joint ventures in place and under negotiation
- Well placed to comply with Minerals Act and Charter requirements

EASTERN LIMB IN CONTEXT

QUESTIONS