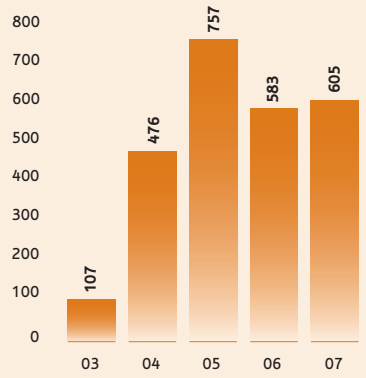
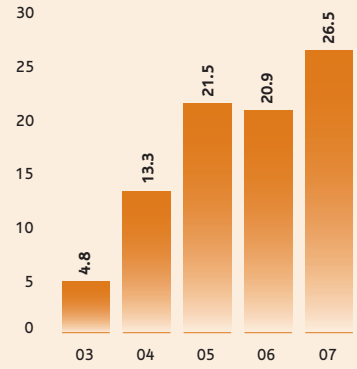
Iron ore is used in steel, which is the most widely used metal for fabrication and construction

Financial highlights

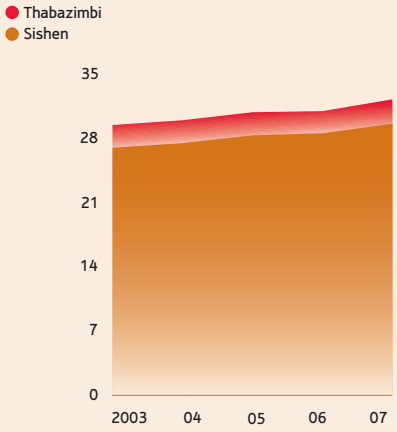
FIVE YEAR UNDERLYING EARNINGS
$m



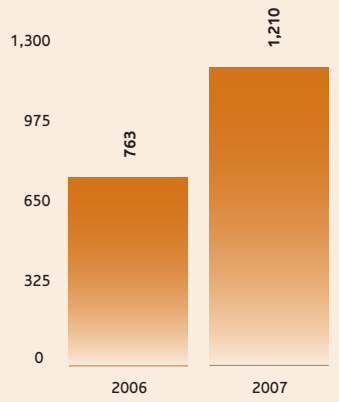
OPERATING MARGIN
%



IRON ORE PRODUCTION
Tonnes (million)

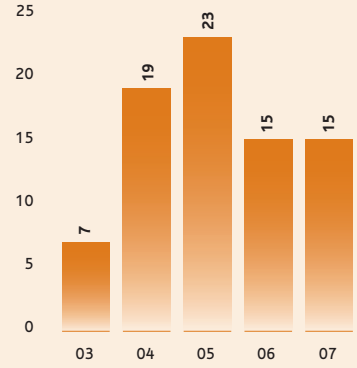


OPERATING PROFIT – CORE BUSINESS[1]
$m



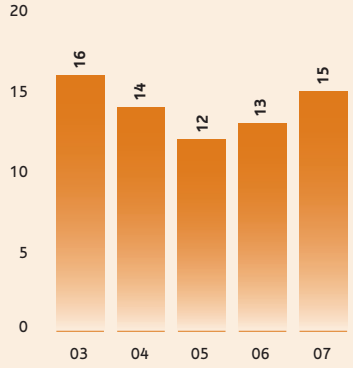
[1] Ferrous Metals core businesses are Kumba Iron Ore, Scaw Metals, Samancor and Minas-Rio.

SHARE OF GROUP OPERATING PROFIT[1]
%



[1] On a continuing basis for 2006 and 2007. 2003 has been restated to reflect the adoption of UTIF abstract 38 *Accounting for ESOP trusts*.

SHARE OF GROUP NET OPERATING ASSETS[1]
%



[1] On a continuing basis for 2006 and 2007.

Financial data

US$m	2007	2006	2005	2004	2003
Turnover					
Subsidiaries	4,207	5,973	6,030	5,137	2,863
Joint Ventures	–	–	–	–	28
Associates	1,193	546	743	1,526	1,476
Total turnover	**5,400**	**6,519**	**6,773**	**6,663**	**4,367**
Of which:					
Kumba	1,635	2,259	1,936	1,416	332
Scaw Metals	1,432	1,233	1,029	910	670
Samancor Group	665	425	634	817	499
Highveld Steel	369	1,023	1,127	775	488
Tongaat-Hulett/Hulamin	1,293	1,572	1,423	1,267	994
Other	6	7	624	1,478	1,384
EBITDA	**1,561**	**1,560**	**1,779**	**1,231**	**441**
Of which:					
Kumba	879	879	734	328	67
Scaw Metals	204	188	145	110	86
Samancor Group	249	51	164	265	78
Highveld Steel	108	247	472	223	29
Tongaat-Hulett/Hulamin	140	207	188	114	50
Other	(19)	(12)	76	191	131
Depreciation and amortisation	**129**	**199**	**300**	**344**	**110**
Operating profit before special items and remeasurements	**1,432**	**1,360**	**1,456**	**887**	**208**
Operating special items and remeasurements	3	21	5	155	–
Operating profit after special items and remeasurements	**1,435**	**1,381**	**1,461**	**1,042**	**208**
Net interest, tax and minority interests	**(827)**	**(777)**	**(699)**	**(411)**	**(114)**
Underlying earnings	**605**	**583**	**757**	**476**	**107**
Of which:					
Kumba	274	302	261	80	18
Scaw Metals	97	106	85	59	55
Samancor Group	169	38	103	157	10
Highveld Steel	18	79	232	93	5
Tongaat-Hulett/Hulamin	44	55	49	25	(10)
Other	3	3	27	62	29
Net operating assets	**3,987**	**2,796**	**4,439**	**5,302**	**4,629**
Capital expenditure	**471**	**582**	**373**	**284**	**195**

Business overview

Operating profit

2006
$1,360m

2007
$1,432m

EBITDA

2006
$1,560m

2007
$1,561m

- **Highest ever iron ore production in 2007 at 32.4 Mtpa**
- **MMX Minas-Rio and Kumba expansions to lift Group iron ore production to 150 Mtpa by 2017**
- **Iron ore price to remain firm through to 2009**

Anglo Ferrous Metals' primary business is iron ore. It holds a 63.4% shareholding in Kumba Iron Ore in South Africa and a 49% interest, acquired in mid-2007, in the MMX Minas-Rio project in Brazil. In addition, Ferrous Metals has interests in manganese ore and alloy operations and carbon steel products.

Kumba was created as a pure-play iron ore company, listed on the Johannesburg Stock Exchange (JSE) following its unbundling from Kumba Resources in November 2006. The transaction also resulted in the formation of Exxaro, South Africa's largest black economic empowerment (BEE) mining group.

In 2007, Kumba exported more than 70% of its 32.4 million tonnes of iron ore production, mostly to customers in Europe and Asia. The company currently operates two mines in South Africa – Sishen in the Northern Cape, which achieved a record output in 2007 of 29.7 million tonnes per annum (Mtpa), and Thabazimbi, in Limpopo, which produced 2.7 Mtpa.

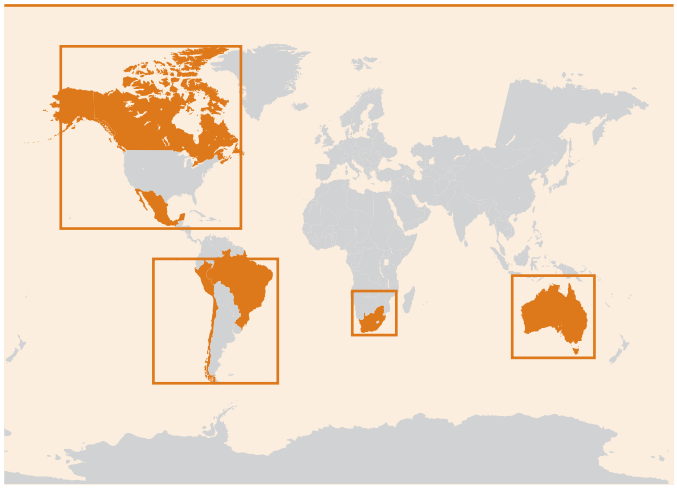
Scaw Metals is a global group that manufactures a diverse range of steel products. With principal operations in southern Africa, Chile, Peru, Canada and Mexico, it produces rolled steel products, steel and iron castings, cast alloy iron and forged steel grinding media and steel chain, wire rope and strand products. Scaw's products serve the construction, railway, power generation, mining, cement, marine and offshore oil industries worldwide. In March 2007, Scaw's South African operation completed a landmark empowerment transaction by including an employee trust and broad-based BEE consortium as owners in the company. Scaw is the first steel producer in South Africa to achieve a BEE rating.

Ferrous Metals also holds a 40% shareholding, with BHP Billiton having 60% and management control, in Samancor Manganese, the world's largest integrated producer, by sales, of manganese ore and alloys. Samancor has plants in South Africa and Australia, the manganese operations in the latter consisting of Groote Eylandt Mining Company (GEMCO) and Tasmanian Electro Metallurgical Company (TEMCO).

Ferrous Metals has a 37% voting interest in JSE-listed Tongaat-Hulett, an agri-processing business which includes integrated components of land management, agriculture and property development. Through its sugar and starch operations in southern Africa, Tongaat-Hulett produces a range of refined carbohydrate products from sugar cane and maize. The company balances the operational requirement for cane supplies to its sugar operations with the transition to property development. The unbundling of Hulamin from Tongaat-Hulett, and its separate JSE listing, was completed in June 2007 together with the simultaneous injection of broad-based BEE ownership into both companies.

Hulamin, in which Ferrous Metals has a 38% voting interest, is Africa's largest producer of aluminium rolled, extruded and other semi-fabricated and finished products, with its main operations situated in Pietermaritzburg, South Africa. As an independent niche producer of technically demanding and higher value products, Hulamin supplies customers spread among all the major aluminium consuming regions of the world.

Right: The port at Saldanha Bay is used in the transportation of iron ore from operations at Sishen



Key
- Underground
- Open Cut
- Other

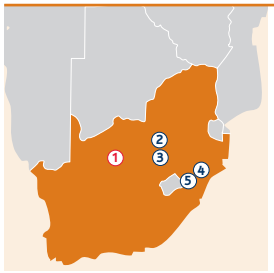
North America
1. 100% Moly-Cop
   - Kamloop (Canada)
   - Guadalajara (Mexico)
2. 100% Altasteel (Alberta, Canada)

Moly-Cop, wholly owned by Scaw Metals, has operations in Chile, Peru, Mexico, Australia, Canada and Italy.

Altasteel is a manufacturer of steel and value-added steel products in Canada.

South America
1. 100% Moly-Cop
   - Lima and Arequipa (Peru)
   - Concepción (Chile)
2. 49% MMX Minas-Rio

MMX Minas-Rio is developing an integrated iron ore project in the South East region of Brazil.



South Africa
1. 63.4% Kumba Iron Ore – Sishen
2. 74% Scaw Metals
3. 40% Samancor
4. 37% Tongaat-Hulett
5. 38% Hulamin

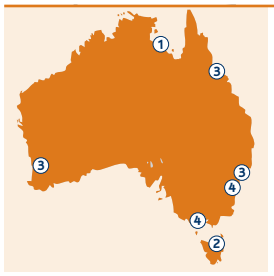
Kumba Iron Ore is the world's fourth largest supplier of seaborne iron ore, and exported more than 70% of its 32.4 Mtpa production in 2007.

Scaw Metals is an international group, manufacturing a diverse range of steel products. Its operations in South Africa produce rolled steel products, grinding media and cast and wire rod products.

Samancor, which is the world's largest integrated producer by sales of manganese ore and alloys, is headquartered in South Africa.

Tongaat-Hulett is the second largest cane sugar producer in southern Africa. Its starch and glucose operations are the largest in southern Africa.

Hulamin, based in KwaZulu-Natal, South Africa, is an independent niche producer of aluminium rolled, extruded and other semi-fabricated and finished products.



Australia
1. 40% GEMCO
2. 40% TEMCO
3. 40% Moly-Cop
   - Perth
   - Townsville
   - Newcastle
4. 74% Scaw Metals
   - Sydney
   - Melbourne

The Australian Manganese operations consist of Groote Eylandt Mining Company (GEMCO), situated off the east coast of the Northern Territory of Australia, and Tasmanian Electro Metallurgical Company (TEMCO), which is based at Bell Bay, approximately 55km from Launceston, Tasmania.

Industry overview

Steel is the most widely used of all metals, with world crude steel production increasing by 7.5% in 2007 to reach a total of 1.34 billion tonnes.

The seaborne iron ore market, which is a critical component of the global steel industry, has grown from 454 Mtpa in 2000 to 782 Mtpa at the end of 2007. This increase has arisen mainly from Chinese demand growth. China is expected to continue being the main driver of global steel production growth and is forecast to increase production from 489 Mtpa in 2007 to 750 Mtpa by 2012. This level of production will require iron ore imports in excess of 730 Mtpa. Growth in steel production in the short to medium term will occur in former Soviet Union countries, supported by steady growth rates in the rest of Asia and Europe. Further support for iron ore demand will come from steel prices which have stabilised at historically high levels.

The global market for iron ore is expected to remain tight in the short to medium term, with major suppliers experiencing difficulties in bringing on new production in time to meet increasing demand, owing, *inter alia*, to the global shortage in engineering and construction resources. Logistical constraints associated with rail and port capacity and shortages in dry bulk vessel capacity at times, are expected to continue having an impact on the supply side of the seaborne iron ore market. As a result, spot prices are expected to remain near their historical highs in the short to medium term.

Manganese ore is smelted to produce manganese ferro-alloys (such as ferromanganese and silicomanganese). World consumption of manganese ore (based on International Manganese Institute statistics) increased by 7% in 2007, having declined by 0.5% the previous year. As 96% of manganese ore is consumed in ferro-alloy production, the performance of the manganese alloy industry is the key determinant of ore demand. Manganese alloy prices in the coming year should remain underpinned by higher ore prices and expectations of reducing exports from China, as government there continues its efforts to curtail alloy production through such measures as increased export tariffs.

Markets

Demand for iron ore and manganese ore continues to be robust, driven by healthy demand by steel manufacturers in China and other markets. The American, European and Asian manganese alloy markets all remain generally strong, driven by continuing buoyant demand for manganese alloys and ongoing concerns around security of supply.

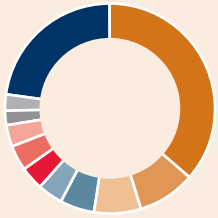
Right: Scaw South Africa has begun delivery of 220 new-design bogie packages for Transnet's new generation electric locomotives, designated as Class 19E. The first two bogie packages were delivered to Scaw's customer in November 2007 with the balance supplied over the next three years

Market information

2007 STEEL PRODUCTION BY GEOGRAPHY

%

China	36.4
Japan	8.9
United States	7.2
Russia	5.4
South Korea	3.8
Germany	3.6
India	4.0
Ukraine	3.2
Italy	2.4
Brazil	2.5
Others	22.6

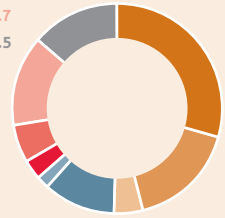


Source: International Iron and Steel Institute

2007 WORLD STEEL CONSUMPTION BY GEOGRAPHY

%

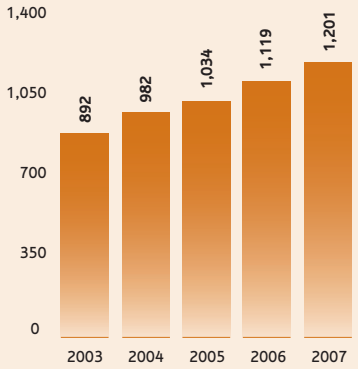
China	33.0
EU	18.6
CIS	5.1
N America	12.3
S America	3.3
Africa	2.1
Middle East	3.4
Japan	6.7
Rest of Asia	15.5



Source: AME Consulting

WORLD STEEL CONSUMPTION

Tonnes (million)

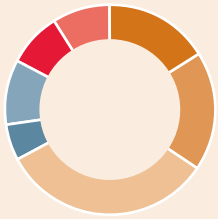


Source: AME Consulting

2007 IRON ORE SUPPLY BY GEOGRAPHY

%

Australia	16.2
Brazil	18.3
China	32.8
North America	5.5
CIS	10.0
India	8.5
Other	8.7

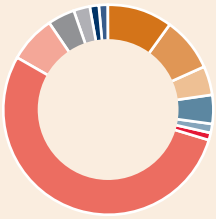


Source: AME Consulting

2007 WORLD IRON ORE CONSUMPTION BY GEOGRAPHY

%

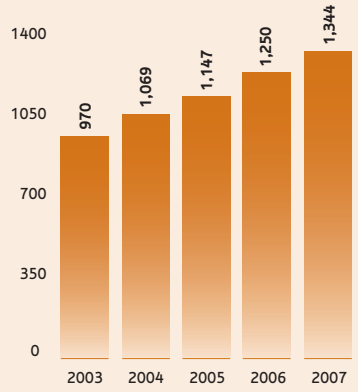
Europe	10.2	China	53.5
Former Soviet Union	8.2	Japan	7.3
North America	4.4	India	4.0
South America	4.7	South Korea	2.5
Africa	1.3	Oceania	1.4
Middle East	1.2	Other	1.3



Source: AME Consulting

WORLD CRUDE STEEL PRODUCTION

Tonnes (million)



Source: International Iron and Steel Institute

Strategy and growth

The core strategy of the business is to grow Anglo American's position in iron ore and make it the cornerstone of the Ferrous Metals portfolio.

As part of that process, in mid-2007 Anglo American acquired a 49% interest in the MMX Minas-Rio iron ore project in Brazil for an effective price of $1.15 billion plus a potential payment of up to $600 million if certain criteria are met. Planned annual capacity will be 26.5 Mtpa of iron ore pellet feed, for start-up during 2010 at an anticipated cost of $3.46 billion.

In March 2008, Anglo American announced that it had signed an agreement with the controlling shareholder of MMX Mineração e Metálicos S.A. ('MMX') and certain other MMX shareholders (together 'the Selling Shareholders'), to acquire a 63.5% shareholding in a new company ('IronX') which will be demerged from MMX and will own MMX's current 51% interest in the Minas-Rio iron ore project and 70% interest in the Amapá iron ore system. Anglo American has committed, after completion of this transaction, to extend an offer to the minority shareholders of IronX at the same price per share to the Selling Shareholders, the successful completion of which would result in Anglo American owning 100% of the Minas-Rio project, 70% of the Amapá system and 49% of LLX Minas-Rio, the owner of the Port of Açu. Anglo American will pay US$5.5 billion in cash for 100% of the issued and outstanding shares of IronX or approximately US$361.12 per IronX share (assuming one IronX share for each current MMX share).

Kumba, through the Sishen Expansion Project, will expand its iron ore production to 44 Mtpa by 2009, and further brownfield and greenfield opportunities will extend this to more than 70 Mtpa.

The process of selling down Anglo American's stake in Exxaro from 23% to 10% was completed in September, realising a profit of $234 million in 2007. Anglo American will continue to hold a 10% shareholding until 2016.

Projects

In October 2007, the $754 million, 13 Mtpa Sishen Expansion Project commenced commercial production, with ramp up to full design capacity expected to be achieved in 2009.

The Sishen South Project, which involves the development of a new opencast operation some 70 kilometres south of Sishen mine, is currently being considered for development. A decision to proceed with this 9 Mtpa new mine is imminent, and is dependent on finalising logistical arrangements and the granting of mining rights. A pre-feasibility study on a further expansion at the Sishen mine of 10 Mtpa by beneficiating lower grade resources is due to be completed during 2008.

The $183 million GEMCO expansion project in Australia's Northern Territory is on target to increase the company's annual manganese ore production capacity from 3.0 million dry metric tonnes per annum (mdmtpa) 4.0 mdmtpa by the first half of 2009.

These projects together with the planned Kumba expansions will significantly increase Anglo American's participation in the seaborne iron ore market to approximately 150 Mtpa by 2017 in line with Anglo American's strategic goal to become a significant player in the iron ore industry.

Right: Sishen mine – the expansion project taken at night

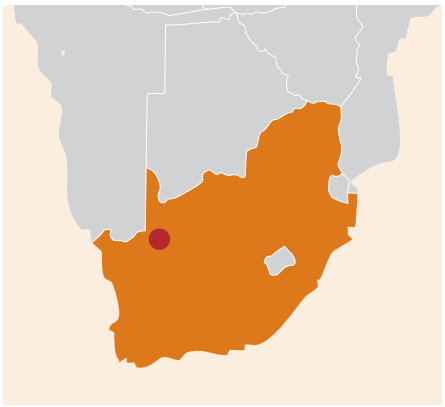
Project pipeline

Sishen Expansion

Overall capex: **$754m**

Country	**South Africa**
Ownership	**46.9%**
Incremental production	**13 Mtpa iron ore**
Full project capex	**$754m**
Full production	**2009**

The Sishen Expansion Project (SEP), in South Africa's Northern Cape, commenced commercial production in October 2007 with full ramp up to 13 Mtpa expected to be achieved in 2009. This will take Kumba Iron Ore (Kumba) to 44 Mtpa of iron ore production. A pre-feasibility study on a further expansion at the Sishen mine of 10 Mtpa by beneficiating lower grade resources is due to be completed in 2008.



MMX Minas-Rio phase 1

Overall capex: **$3,456m**

Country	**Brazil**
Ownership	**49%**
Production volume	**26.5 Mtpa iron ore pellet feed (wet base) and 0.8 Mtpa lump iron ore**
Full project capex	**$3,456m**
Full production	**2011**

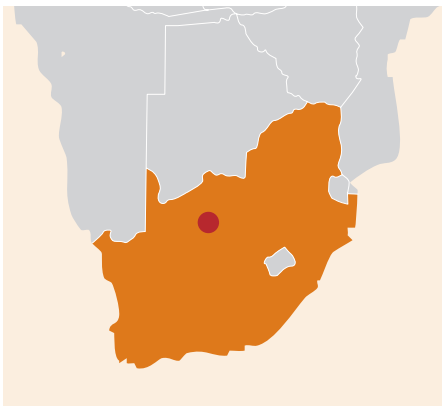
In mid-2007 Anglo American acquired a 49% interest in the MMX Minas-Rio project in Brazil for an effective price of $1.15 billion plus a potential payment of up to $600 million if certain criteria are met. Planned annual capacity will be 26.5 Mtpa of iron ore pellet feed, for start-up during 2010. In March 2008, Anglo American signed agreements to acquire the remaining 51% of the Minas-Rio project and 70% of the Amapá iron ore system.

Sishen South (unapproved)

Overall capex: **$645m**

Country	**South Africa**
Ownership	**46.9%**
Production volume	**9 Mtpa iron ore**
Full project capex	**$645m**
Full production	**2011**

The Sishen South Project, which involves the development of a new opencast operation some 70 kilometres south of Sishen mine, is currently being considered for development. A decision to proceed with the 9 Mtpa new mine is imminent, and is dependent on finalising logistical arrangements and the granting of mining rights.



Production data

	unit	2007	2006
Kumba Iron Ore Limited			
Lump	tonnes	19,043,000	18,639,800
Fines	tonnes	13,357,000	12,470,300
Total iron ore	tonnes	32,400,000	31,110,100
Scaw Metals			
South Africa – Steel Products	tonnes	776,000	723,000
International – Steel Products	tonnes	803,000	696,000
Samancor[1]			
Manganese ore	mtu m	104	97
Manganese alloys	tonnes	310,000	277,200

[1] Saleable production.

Reserves and resources data

Kumba Iron Ore

The Ore Reserve and Mineral Resource estimates were compiled in accordance with The SAMREC Code, 2007. Rounding of figures may cause computational discrepancies. The Mineral Resources are reported as inclusive of those Mineral Resources modified to produce the Ore Reserve figures, i.e. the Ore Reserves are included in the Mineral Resource figures. The figures reported represent 100% of the Ore Reserves and Mineral Resources, the percentage attributable to Anglo American plc is stated separately.

Iron Ore Ore Reserves	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006	Saleable product million tonnes 2007	Saleable product million tonnes 2006
Sishen Iron Ore Mine (OP)[1]	36.9				%Fe	%Fe		
		Proved	805	813	59.5	58.1	598@65.2% Fe	567@65.8% Fe
		Probable	227	241	60.0	57.2	174@65.3% Fe	226@63.9% Fe
		Total	**1,033**	**1,054**	**59.6**	**57.9**	**772@65.2% Fe**	**793@65.3% Fe**
Thabazimbi Iron Ore Mine (OP)[2]	46.9				%Fe	%Fe		
		Proved	8	7	62.9	61.6	7@63.5% Fe	6@64.5% Fe
		Probable	1	2	62.7	60.9	1@63.1% Fe	2@63.9% Fe
		Total	**9**	**10**	**62.9**	**61.4**	**8@63.4% Fe**	**8@64.3% Fe**
Sishen South Iron Ore Project (OP)[3]	46.9				%Fe	%Fe		
		Proved	98	134	64.7	65.4	98@64.7% Fe	–
		Probable	78	31	63.6	64.2	78@63.6% Fe	–
		Total	**176**	**166**	**64.2**	**65.2**	**176@64.2% Fe**	**–**

Iron Ore Mineral Resources	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006
Sishen Iron Ore Mine (OP)	36.9				%Fe	%Fe
Within Pit[1]		Measured	920	1,398	60.5	57.0
		Indicated	187	422	59.0	56.2
		Measured and Indicated	**1,107**	**1,819**	**60.2**	**56.8**
		Inferred in Mine Plan	5	–	62.4	–
Outside Pit[4]		Measured	618	115	55.2	64.6
		Indicated	588	266	58.6	64.3
		Measured and Indicated	**1,206**	**381**	**56.9**	**64.4**
		Inferred	110	–	61.0	–
Thabazimbi Iron Ore Mine (OP)	46.9				%Fe	%Fe
Within Pit[2]		Measured	11	8	61.8	62.1
		Indicated	2	3	62.4	61.4
		Measured and Indicated	**13**	**11**	**61.9**	**61.9**
		Inferred in Mine Plan	–	–	61.6	–
Outside Pit[5]		Measured	18	12	62.4	62.2
		Indicated	5	14	63.4	61.8
		Measured and Indicated	**23**	**27**	**62.6**	**62.0**
		Inferred	3	–	63.4	–
Sishen South Iron Ore Project (OP)	46.9				%Fe	%Fe
Within Pit[6]		Measured	115	122	66.1	65.7
		Indicated	70	61	65.6	65.2
		Measured and Indicated	**185**	**183**	**65.9**	**65.5**
		Inferred in Mine Plan	–	–	–	–
Outside Pit[7]		Measured	31	35	65.6	64.6
		Indicated	56	88	64.3	64.5
		Measured and Indicated	**87**	**123**	**64.8**	**64.5**
		Inferred	10	–	63.4	–
Zandrivierspoort Project (OP)	23.5				%Fe	%Fe
		Measured	–	–	–	–
		Indicated	447	447	34.9	34.9
		Measured and Indicated	**447**	**447**	**34.9**	**34.9**
		Inferred	–	–	–	–

Footnotes appear on the following page.

Reserves and resources data continued

Mining method: OP = Open Pit.

The tonnage is quoted as metric tonnes and abbreviated as Mt for million tonnes.

(1) **Sishen Iron Ore Mine:** New economic assumptions and revised Optimistic Pit shell applied.

(2) **Thabazimbi Iron Ore Mine:** New economic assumptions and revised Optimistic Pit shell applied.

(3) **Sishen South Iron Ore Project – Ore Reserves:** The process of converting Mineral Resources to Ore Reserves is time-consuming and as the geological model update was only completed late in 2007, the Ore Reserves reported are based on previous geological models. Globally the Mineral Resource estimates between the two models are similar with local variations which could impact the Ore Reserve estimates when updated in 2008.

(4) **Sishen Iron Ore Mine – Outside Pit:** Previously reported as 'Underground'. Updated economic assumptions and a change in the long term outlook on exploitation of these resources resulted in the underground option no longer being considered.

(5) **Thabazimbi Iron Ore Mine – Outside Pit:** Previously reported as 'Underground'. Updated economic assumptions and a change in the long term outlook on exploitation of these resources resulted in the underground option no longer being considered.

(6) **Sishen South – Within Pit:** Based on new geological models and a Mineral Resource update late in 2007.

(7) **Sishen South – Outside Pit:** Previously reported as 'Underground'. Updated economic assumptions and a change in the long term outlook on exploitation of these resources resulted in the underground option no longer being considered.

Minas-Rio Project

The Minas-Rio Project is located in the Minas Gerais state of Brazil and will include open pit mines and a beneficiation plant producing high grade pellet feed which will be transported, through a slurry pipeline, over 500 km to the Port of Açu in the Rio de Janeiro state. The project will largely be based on the two main deposits of Serra do Sapo and Itapanhoacanga while smaller deposits occur at Serro and João Monlevade. Two ore types, Friable and Hard Itabirite, have been identified at Serra do Sapo and Itapanhoacanga. Only the Friable Itabirite at Serra do Sapo is being considered for Phase 1 of the project. The planned annual capacity of Phase 1 is 26.5 Mtpa of iron ore pellet feed (wet tonnes), for start-up during 2010.

The estimates of Mineral Resources have been audited by an independent Qualified Person from SRK who has compiled a NI 43-101 compliant Technical Report for MMX. The Mineral Resources are also JORC compliant. The Qualified Person has consented to the inclusion of the resources in the table below, and associated footnotes, and agrees with the context and form in which they occur. Rounding of figures may cause computational discrepancies. The figures reported represent 100% of the Mineral Resources.

Minas-Rio Project[1][4][5][6][7] Iron Ore Mineral Resources	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006
Serra do Sapo (OP)[3]	49				%Fe	%Fe
Friable Itabirite		Measured	–	–	–	–
		Indicated	222	–	41.0	–
		Measured and Indicated	**222**	**–**	**41.0**	**–**
		Inferred[2]	313	–	39.5	–
Hard Itabirite		Measured	–	–	–	–
		Indicated	171	–	34.8	–
		Measured and Indicated	**171**	**–**	**34.8**	**–**
		Inferred[2]	141	–	34.2	–
Itapanhoacanga (OP)	49				%Fe	%Fe
Friable Itabirite		Measured	–	–	–	–
		Indicated	83	–	40.3	–
		Measured and Indicated	**83**	**–**	**40.3**	**–**
		Inferred[2]	284	–	40.4	–
Hard Itabirite		Measured	–	–	–	–
		Indicated	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**
		Inferred[2]	32	–	34.2	–

Mining method: OP = Open Pit.

[1] **Minas-Rio Project:** All Mineral Resources are stated as wet tonnes and the moisture content is estimated at 7%. Cut-off grade used is 33% Fe.

[2] **Minas-Rio Project** – **Inferred Resources:** Due to the uncertainty in the estimates of Inferred Resources, it should not be assumed that all of the Inferred Resources will necessarily upgrade to Indicated or Measured Resources.

[3] **Serra do Sapo:** Drilling has taken place over less than 50% of the strike length of the deposit and further exploration is expected to yield between 800Mt and 1000Mt of additional Friable Itabirite resources. It must be emphasised that this potential quantity is conceptual in nature, that there is insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

[4] **Serra do Sapo** – Further lower grade resources above a cut-off of 20% Fe:
Friable Itabirite – an estimated 125Mt of Indicated and 102Mt of Inferred Mineral Resources at an estimated average grade of 30% Fe and;
Hard Itabirite – an estimated 752Mt of Indicated and 892Mt of Inferred Hard Itabirite at an estimated average grade of 30% Fe;

[5] **Itapanhoacanga** – Further lower grade resources above a cut-off of 20% Fe:
Friable Itabirite – an estimated 7Mt of Indicated Mineral Resources at an estimated average grade of 32% Fe and;
Friable Itabirite – an estimated 78Mt Inferred Mineral Resources at an estimated average grade of 29% Fe and;
Hard Itabirite – an estimated 19Mt of Inferred Mineral Resources at an estimated average grade of 31% Fe.

[6] **Serro deposit** – Resources above a cut-off of 33% Fe:
Friable plus Hard Itabirite – an estimated 25Mt of Indicated and 56Mt of Inferred Mineral Resources at an estimated average grade of approximately 38% Fe.
Further lower grade resources above a cut-off of 20% Fe:
Friable plus Hard Itabirite – an estimated 101Mt of Indicated and 256Mt of Inferred Mineral Resources at an estimated average grade of 29% Fe.

[7] **João Monlevade deposit** – Resources above a cut-off of 30% Fe:
Friable Itabirite – an estimated 133Mt of Inferred Mineral Resources at an estimated average grade of 47% Fe.

Reserves and resources data continued

Samancor

The Ore Reserve and Mineral Resource estimates were compiled in accordance with The SAMREC Code, 2007 and The JORC Code, 2004 as applicable. Rounding of figures may cause computational discrepancies. The Mineral Resources are reported as inclusive of those Mineral Resources modified to produce the Ore Reserve figures, i.e. the Ore Reserves are included in the Mineral Resource figures. The figures reported represent 100% of the Ore Reserves and Mineral Resources.

Manganese Ore Reserves	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006	% Yield 2007	% Yield 2006
Hotazel Manganese Mines	40				%Mn	%Mn		
Mamatwan (OP)[1]		Proved	44.0	42.3	37.6	37.6		
		Probable	8.1	6.7	36.4	37.2		
		Total	**52.1**	**49.0**	**37.4**	**37.5**		
Wessels (UG)[2]		Proved	4.6	2.4	46.0	48.0		
		Probable	14.8	11.6	45.2	48.0		
		Total	**19.4**	**14.0**	**45.4**	**48.0**		
GEMCO (OP)[3]	40				%Mn	%Mn		
		Proved	81.8	55.5	48.2	48.5	49.3	53.4
		Probable	44.7	36.0	47.2	47.2	47.0	51.0
		Total	**126.5**	**91.5**	**47.8**	**48.0**	**48.5**	**52.5**

Manganese Mineral Resources	Attributable %	Classification	Tonnes million 2007	Tonnes million 2006	Grade 2007	Grade 2006	% Yield 2007	% Yield 2006
Hotazel Manganese Mines	40				%Mn	%Mn		
Mamatwan (OP)[4]		Measured	56.2	53.1	37.6	37.6		
		Indicated	15.6	10.6	36.4	37.2		
		Measured and Indicated	**71.8**	**63.7**	**37.3**	**37.5**		
Wessels (UG)[5]		Measured	8.8	4.8	46.0	48.1		
		Indicated	30.7	19.6	45.3	48.0		
		Measured and Indicated	**39.5**	**24.4**	**45.5**	**48.0**		
GEMCO (OP)[6]	40				%Mn	%Mn		
		Measured	80.1	61.2	46.5	48.9	44.2	42.0
		Indicated	47.7	42.7	46.0	47.3	44.0	38.0
		Measured and Indicated	**127.8**	**103.9**	**46.3**	**48.2**	**44.1**	**40.4**

Mining method: OP = Open Pit, UG = Underground.

Mamatwan tonnages stated as Wet Metric Tonnes. Wessels and GEMCO tonnages stated as Dry Metric Tonnes.

(1) **Mamatwan – Ore Reserves:** The final slope angle of the boundary pillar and safety factors have been reviewed and the X zone included.

(2) **Wessels – Ore Reserves:** Positive changes in market conditions has allowed for the downward adjustment of the cut-off grade to 37.5% Mn as opposed to 43.6% Mn used in 2006. The mean grade of the high grade product (W1L) was also adjusted to 47% Mn from a traditional mean grade of 48% Mn.

(3) **GEMCO – Ore Reserves:** Changes are primarily due to enhanced market conditions and the inclusion of J Deposit. The Ore Reserves reported are stated with total tonnage but report the grade values only above the nominated cut-off of 40% Mn product grade. The grade is reported using beneficiated grades, as beneficiated grades are used in mine scheduling, quality control and blending (rather than in situ grades).

(4) **Mamatwan – Mineral Resources:** Additional boreholes resulted in an enhanced geological model and along with changes to the classification criteria, have enabled upgrading of additional resources to Measured and Indicated Resources.

(5) **Wessels – Mineral Resources:** Changes are due to a revised structural interpretation and geological model along with the inclusion of all material above a revised cut-off of 37.5% Mn. The downward adjustment of the cut-off from the previous 43.5% Mn is due to positive changes in market conditions. The mean grade of the high grade product (W1L) was also adjusted to 47% Mn from a traditional mean grade of 48% Mn.

(6) **GEMCO – Mineral Resources:** Additional drillholes and in-fill drilling has resulted in re-classification of ground increasing the Measured Resources significantly.