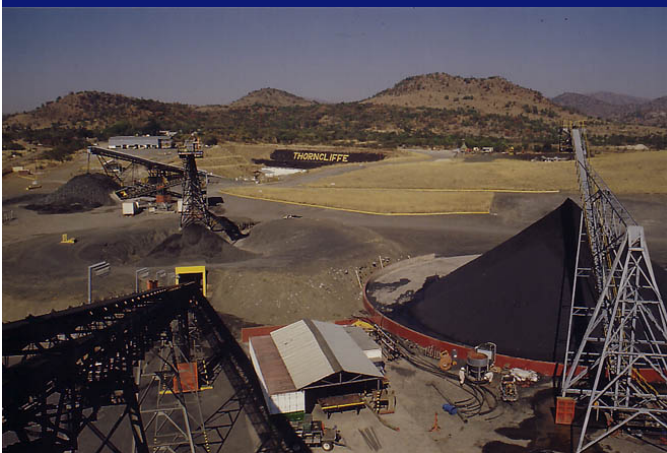




Welcome to the Boshhoek Smelter

A part of the Xstrata-Merafe Chrome Venture

Presentation to Analysts



6 July 2005

Operations Overview and Safety



- Overview of the Boshhoek Plant
- The Boshhoek Project
- The Boshhoek Process
- Health, Safety, Environmental and Community aspects pertaining to the Boshhoek operation
- Your Safety on site





Overview of the Boshhoek plant



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Overview of Boshhoek plant



240 000 ton of Ferrochrome per Annum.

- Normal Grade Product (>50%Cr)
- Alternative Grade Product (<50%Cr)
- Recovery Product (Typical < 3% slag)

Two Furnaces

- 110 MVA Installed furnace Capacity
- Fully integrated Outukumpu pelletising, pre-heating and smelting plant.

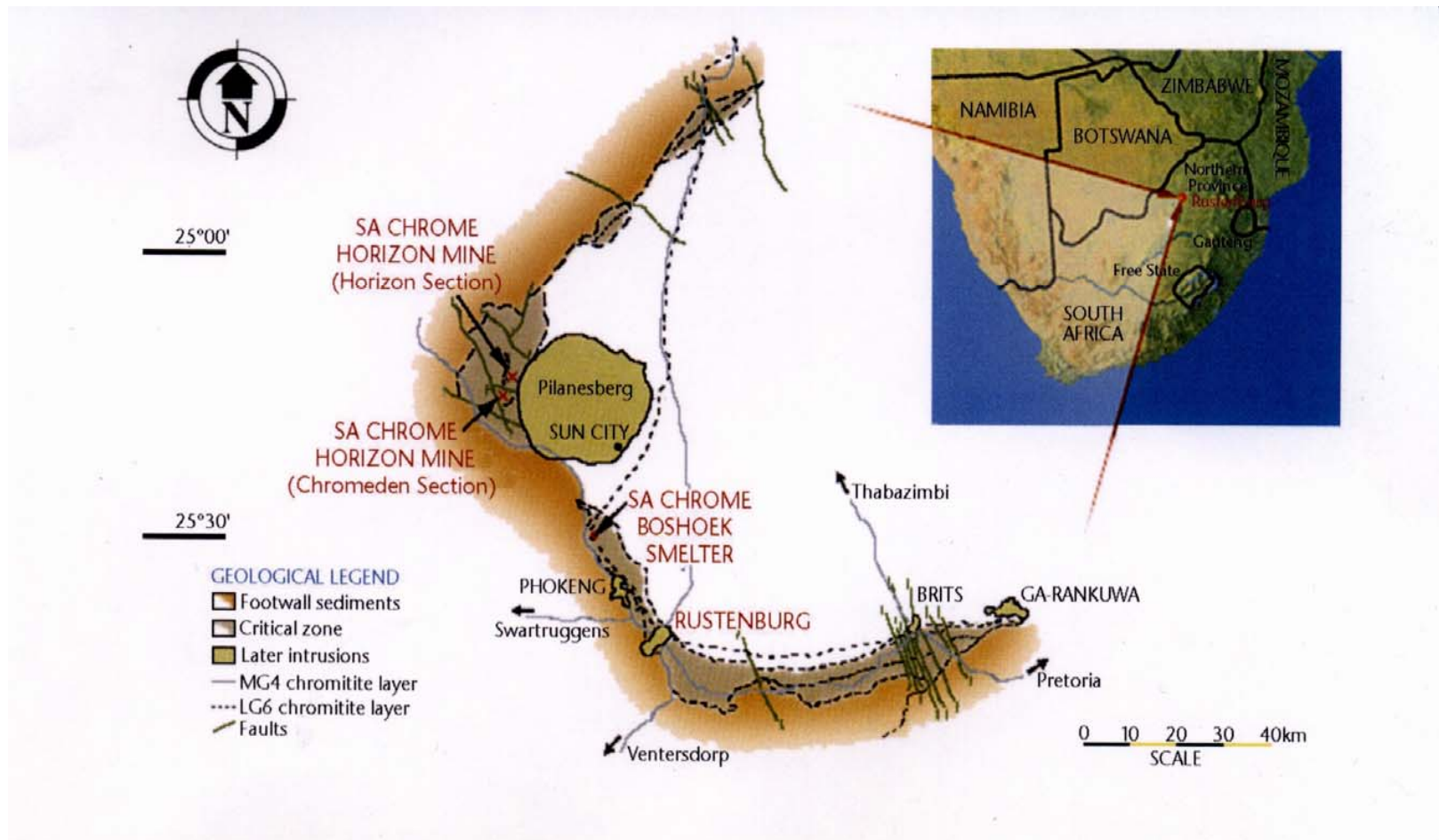
Agglomeration Capacity 540 000 ton p.a.

- Pellets 540 000 ton p.a.
 - Outukumpu Technology
 - High temperature (1200 deg. C) sintering process.
 - High flexibility in fine ore input selection

45 000 tpm slag treatment capacity Recovery Plant



Relational area location of the Boshhoek Smelter



Boshhoek plant strategic focus



Focus on improving HSEC performance

Extend from a sound base with regard to transformation targets

Extend group wide flexibility in terms of process technology spread

Leverage agglomeration capacity for maximum flexibility in site and regional processing

Leverage location to expand UG2 use

Decrease exposure to key reductant inputs- in-house stable reductant sourcing, targeted improvements in process flexibility to increase reductant spectrum

The Boshhoek Project



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The Boshhoek Smelter Project



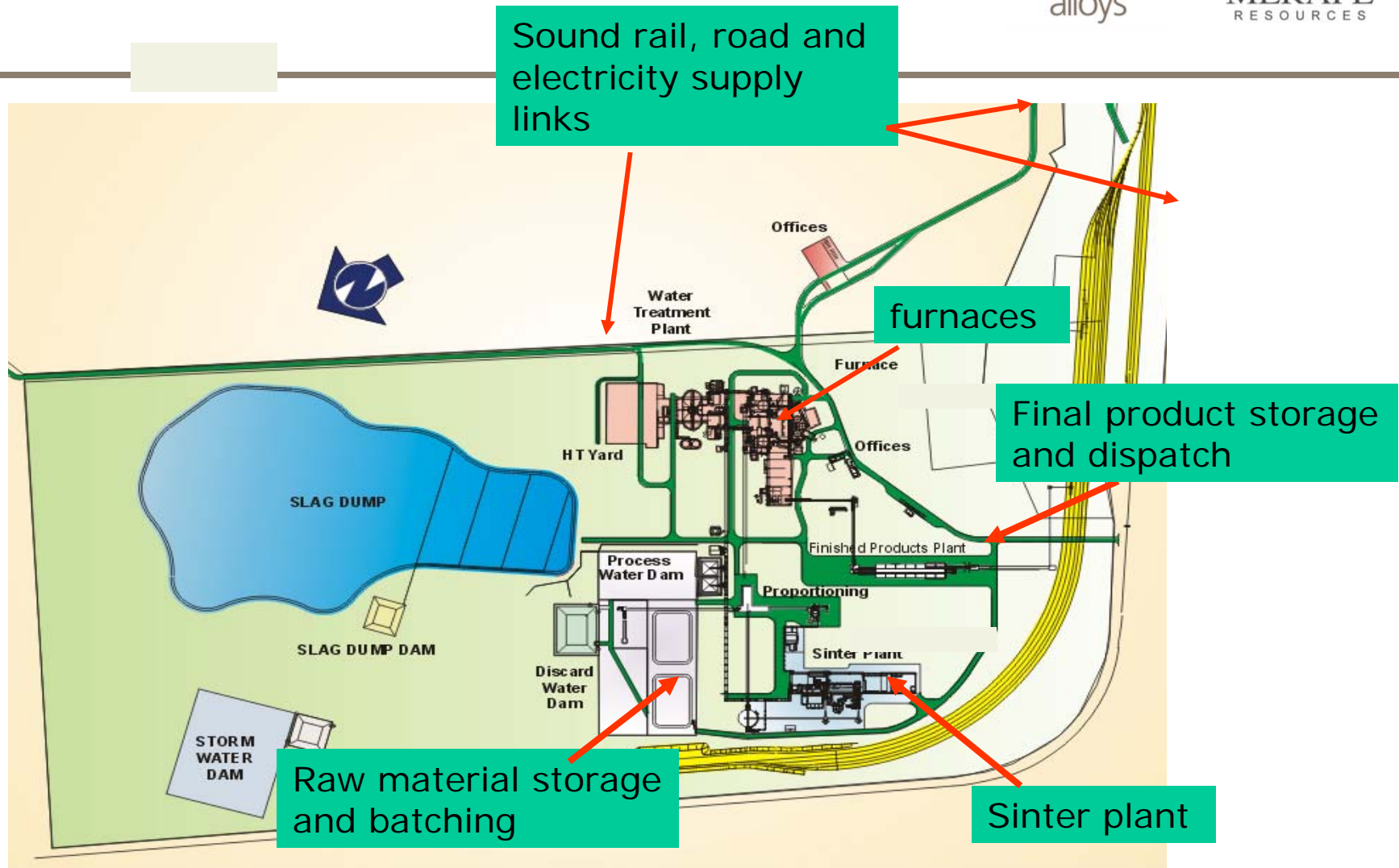
Project related facts

- Project cost ca. R700 million;
- Peak construction labour- approx 1 800;
- Excavation works 300 000m³
- Structural steelwork 8 500t
- 22 000m³ Concrete with 2 500t of steel reinforcement
- 100km Electrical cabling
- 12Major subcontractors used

Performance facts

- March 2001; Work commenced on the project.
- 13 June 2002; First Furnace Tap conducted;
- 95 367t Produced for 9 months ending 31 March 2003;
- 192 689t Produced for 12 months ending 31 March 2004;
- 229 327t Produced for 12 months ending 31 Dec 2004

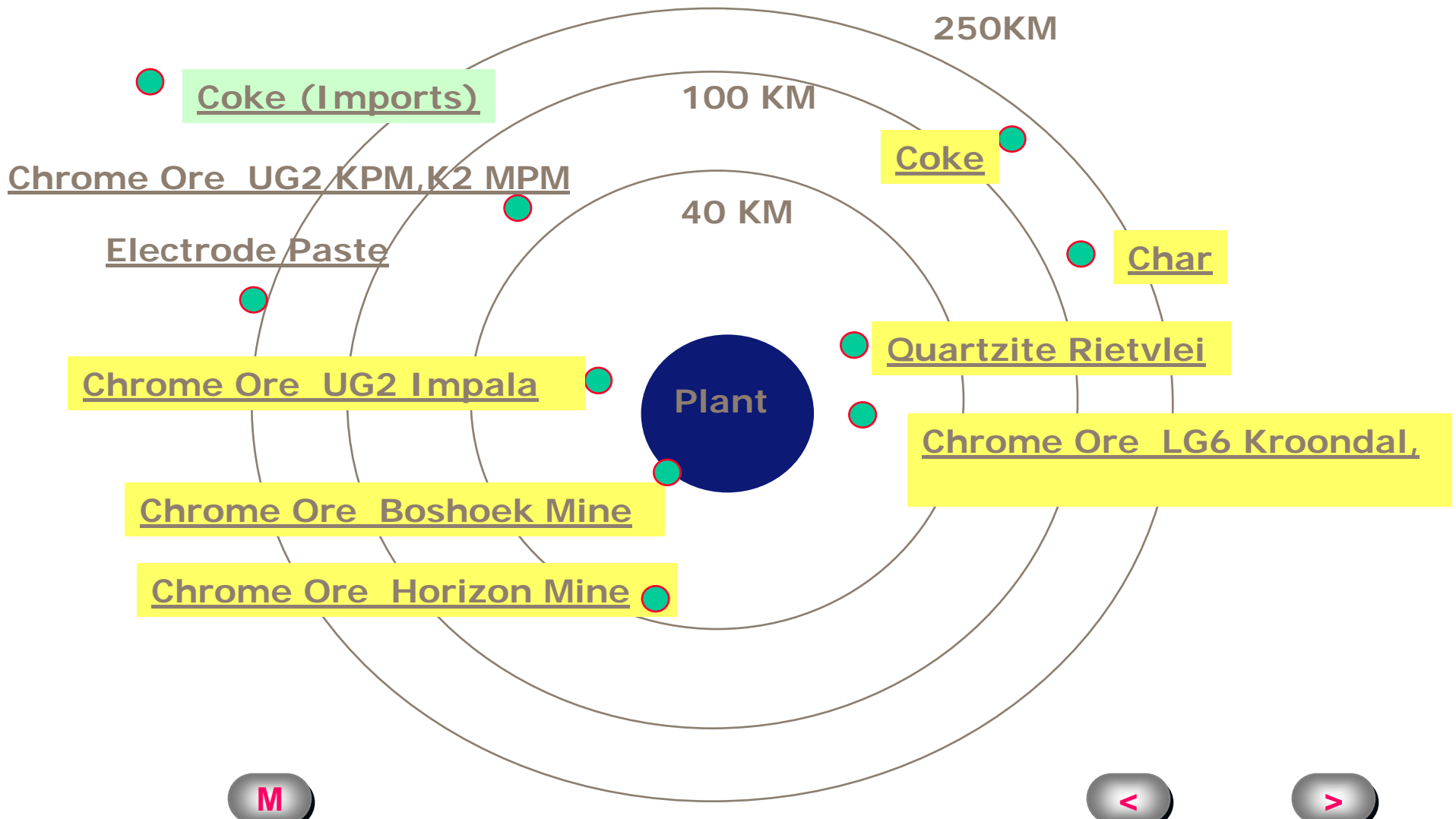
Plant Orientation



Aerial view of the smelter plant



Raw Materials Supply

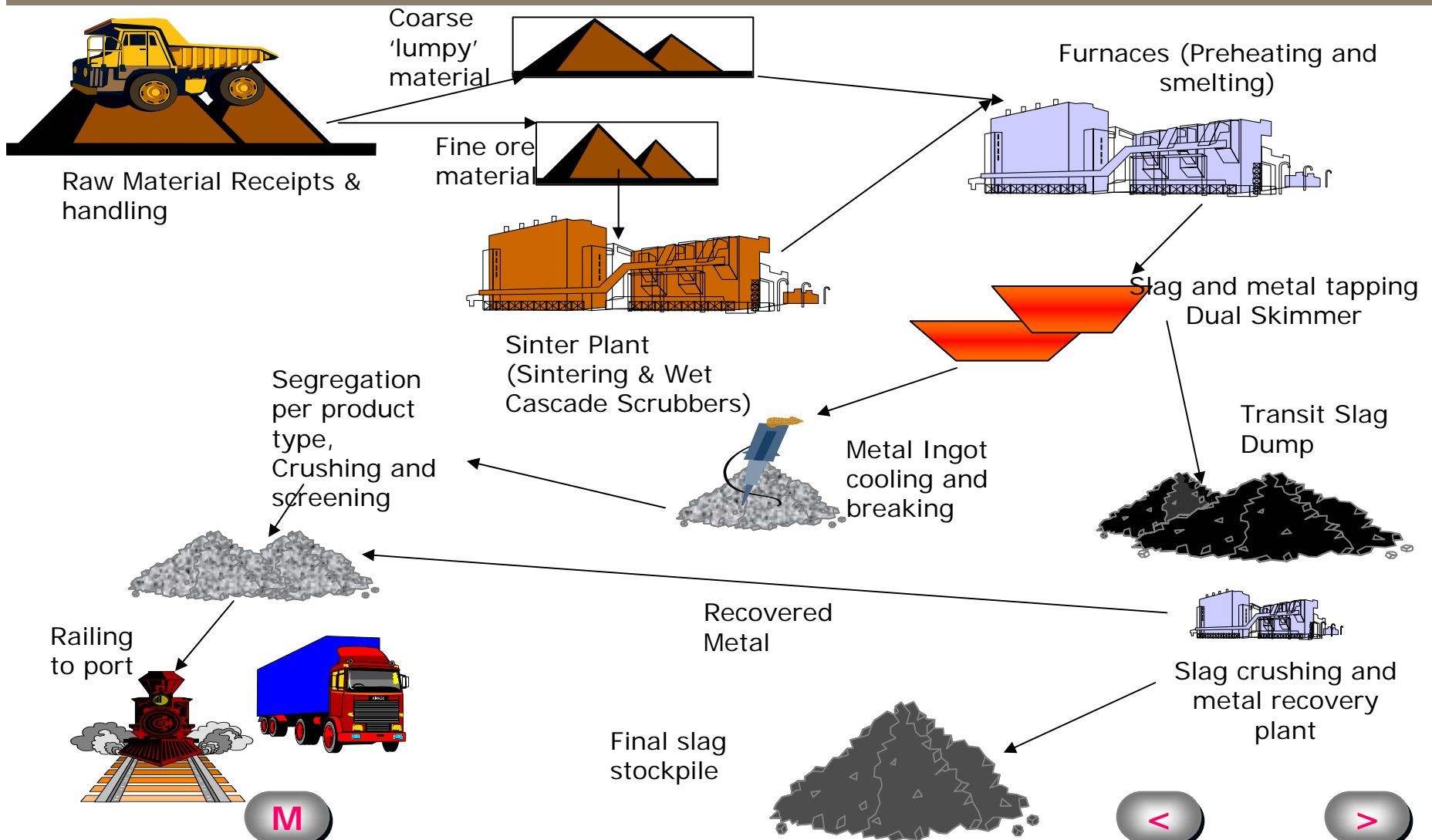


The Boshhoek Process



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Schematic process flow scheme



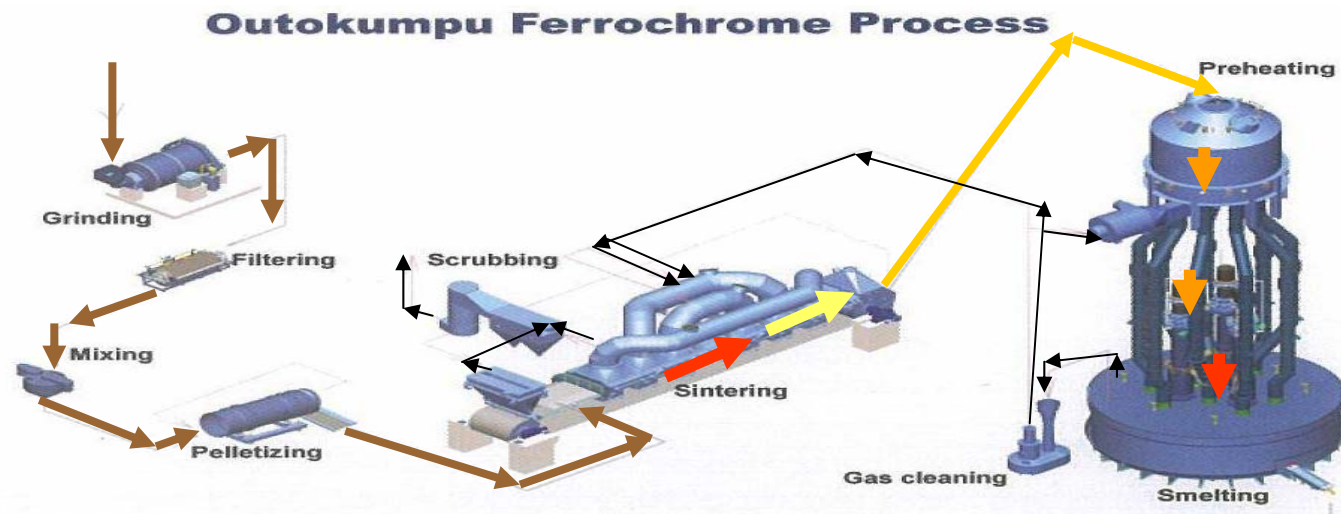
Process characteristics and benefits in the Boshhoek operation



Designed to accept a large proportion of material as fine ore feed (65-85%)

Agglomerated ore feeds allow increased chromium recovery efficiencies and flexibility in ore sourcing strategies

Closed furnace configuration reduces pollution and enables CO product utilization

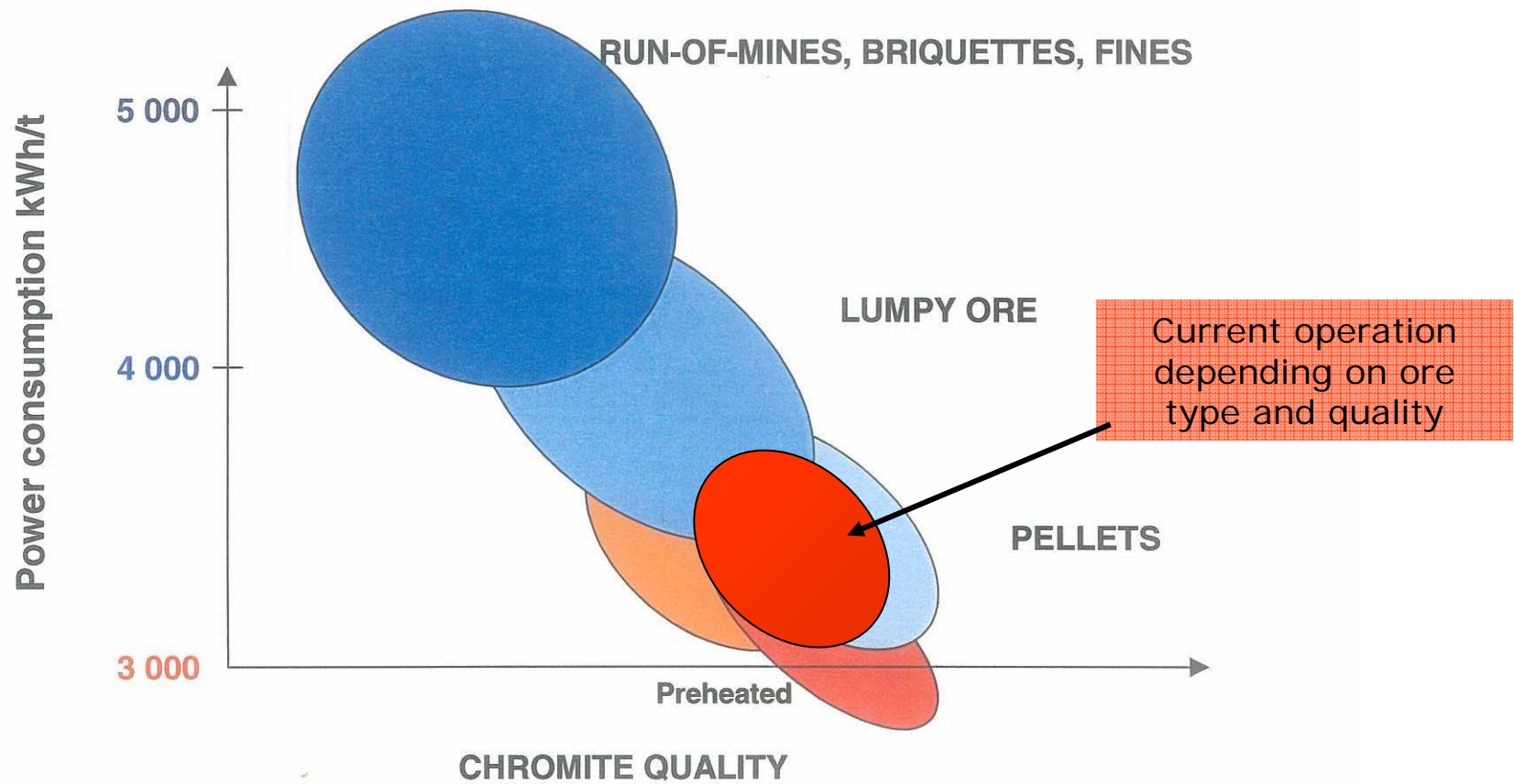


Use is made of the CO rich furnace off-gas to pre-heat the feed- reducing electrical energy consumption, reducing the overall environmental footprint of the process

The large capacity of the Boshhoek pelletizing plant offers specific flexibility in the process



Evolution of technologies



From hot liquid metal to sized alloy for export



Tapping the furnace

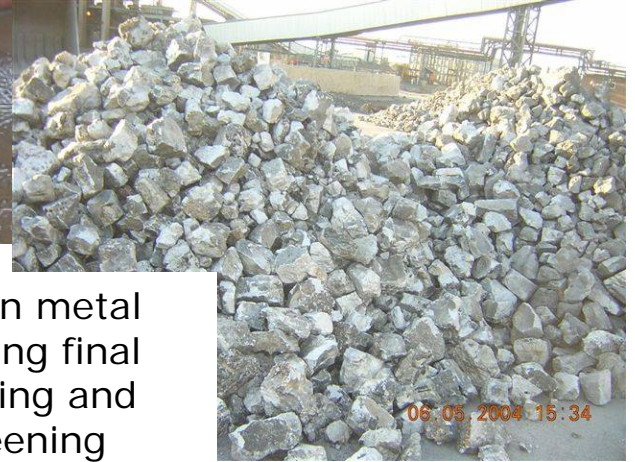


Extracted ingots undergoing final cooling before breaking

Tapped metal as a cascade of ingots cooling prior to extraction



Broken metal awaiting final crushing and screening



The alloy product



Typical Metal Chemical Composition

Cr	50-51.5%
Si	3-5%
C	6-7%
P	<0.030%
S	<0.050%

Crushed and
screened to
customers
requirements

HSEC issues of the Boshhoek plant



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HSEC – Safety Performance



Targeted improvements in safety performance

- LTIFR still high at 8.76 (YTD), but down on 2004 figures (21.98 for same period and 14.79 for year). Target below 5.1 for year, with a targeted minimum improvement of 20% year-on year
- TRIFR declining steadily 25.04 (YTD) cf 43.95 for similar period in 2004
- Introduction of a BBS system, with subsequent reinforcement with expert professional guidance
- Intensive campaign to achieve full alignment of operational activities with Xstrata Corporate Standards;
- Specific attention to HIV/AIDS awareness, following extensive prevalence testing in late 2003, highly successful VCT campaign conducted recently conducted, with extremely successful participation from our employees

HSEC – Environmental Performance



The closed furnace operation, incorporating preheating and agglomeration has a specifically smaller than usual environmental footprint

- Extensive use of UG2 chromite – a by-product from local platinum mining activities;
- High metallurgical and energy efficiency inherent in the process

Based on successful implementation of ISO 9001:2000 Management system, a fully Integrated Management system is in place, incorporating all the principles of the 17 Xstrata Corporate Standards and working towards accreditation in accordance with ISO 14001 and ISO 18001

Fully participative and successful EIA and EMPR processes followed; EMPR approved, final approval from Mineral Rights directorate awaited;

Air Quality, Environmental and Bio-monitoring programmes established, with commendations received from Regional CAPCO with regard to site performance in control and monitoring of APC aspects

HSEC Social and Community Performance



Our staff:

- Establishment of the operation in its specific relatively rural location, saw a concerted, targeted drive to recruit and train employees from local and surrounding communities, with cognizance for the broader requirements of the EE act and Mining Charter;
- The drive has seen numerous enthusiastic, young and aspiring candidates successfully brought into the staff compliment, progressively trained and developed on site to relatively senior supervisors levels

Our Community:

- While initial attention was staff-centric; the progressive maturation of the site and corporate presence gained through the establishment of the Venture has recently allowed focus to be broadened to the local and surrounding communities;
- Programmes of engagement with the local community have been expanded and are being integrated into the extensive community interaction efforts spearheaded at corporate level



Specific Safety Issues For Visitors



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Site Safety: General points to note



You are in a an energy intensive heavy industry environment – a lot happens all the time. Conditions all over the plant can hold potential hazards if not handled or approached appropriately. Provided conditions are adequately controlled, the process, circumstances and environment can be maintained in safe manner.

Your assistance in ensuring that order and control are maintained at all times is imperative for all.

While on site, you are required to wear Personal Protective Equipment as follows:

Hard Hat – issued for your visit

Wrap-round eye protection – issued for your visit

Hearing protection

Protective jacket to be worn in the closed position – issued for your visit

(you are kindly requested to return these following the visit)

In addition you are required to wear

Closed, tough leather shoes that fully cover your feet;

Full length trousers of a heavy cloth material



Site Safety: Specific points to Note 1



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- You will not be familiar with the site. You are requested at all times to stay close to your guide and to follow instructions from your guide. At no time should you wander off or not pay attention to instructions from your guide
 - Materials are being moved constantly all around the site
 - Be aware of all vehicle and material movements around you when on site
 - Stay with your guide and out of the way of all vehicle and material movement activities

Concluding Remarks



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Concluding Remarks



- We hope that your visit is informative and helpful
- We look forward to receiving your comments and thoughts on our operation

**Thank You for your attention and participation in
our Industry**

