



Independent assurance report to the Directors of Kumba Resources Limited on aspects of the sustainability sections in the 2005 Annual Report

INTRODUCTION

We have performed our independent assurance engagement of Kumba Resources Limited's (Kumba Resources) sustainability sections included in the 2005 annual report (the report), set out on p72 to p114 in the report, with respect to the following sustainability aspects of the report:

- 'Selected 2005 Sustainable Development (SD) performance indicators' at selected sites, indicated below; and
- Whether the report complies with the 'in accordance with' requirements of the 2002 Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (the 2002 GRI Guidelines).

This report is made solely to Kumba Resources in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Kumba Resources those matters we have been engaged to state in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Kumba Resources, for our work, for this report, or for the conclusions we have reached.

RESPONSIBILITIES OF DIRECTORS

The directors of Kumba Resources are responsible for the preparation and presentation of the report for 2005 and the information and assessments contained within it; for determining the group's

objectives in respect of SD performance and for designing, implementing and maintaining appropriate performance management and internal control systems to record, monitor and improve the accuracy, completeness and reliability of SD data from which the reported information is derived.

RESPONSIBILITY OF THE ASSURANCE PROVIDER

Our responsibility is to express our conclusions to Kumba Resources, based on our independent assurance engagement, performed in accordance with the International Standard on Assurance Engagements (ISAE 3000): *Assurance engagements other than audits or reviews of historical financial information*. This standard requires us to comply with ethical requirements and to plan and perform our assurance engagement to obtain reasonable or limited assurance, expressed below, regarding the subject matter of the engagement.

BASIS OF WORK AND LIMITATIONS

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the subject matter and the purpose of our engagement. In making these assessments we have considered internal controls relevant to the company's preparation and presentation of information in the report, in order to design procedures appropriate for gathering sufficient evidence to determine that the aspects indicated above are not materially misstated or misleading. Our assessment of relevant internal controls is not, however, for the purpose of expressing a conclusion on the effectiveness of the company's internal controls.

Kumba Resources applies the Anglo American plc Safety, Health and Environmental (SHE) Reporting Guidance as the criteria for determining the recognition and measurement of the

'selected 2005 SD performance indicators'. The reliability of SD performance indicators is subject to inherent limitations given their nature and methods for determining, calculating or estimating such data. It is important to understand the 'selected 2005 SD performance indicators' and related statements in the report, in the context of these limitations.

We planned and performed our work to obtain all the information and explanations that we considered necessary to provide sufficient appropriate evidence to provide a basis for our reasonable or limited assurance conclusions expressed below, for each aspect of the report that was the subject of our assurance engagement. We do not express any assurance in relation to SD performance indicators at sites not visited by us, or in respect of the remaining 2005 SD performance indicators included in the report, but not selected by us, for purposes of our assurance engagement.

Where a limited assurance conclusion is expressed, our evidence gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. We believe that our work performed as set out below provides an appropriate basis for our conclusions.

SELECTED 2005 SD PERFORMANCE INDICATORS Subject matter and criteria

The SD performance indicators selected by KPMG, in conjunction with Kumba Resources, to be the subject of the assurance engagement were determined by considering Kumba Resources' key SD risks, identifying those SD indicators considered relevant to management and stakeholder decision-making processes, and our experience of the risks associated with reporting SD performance indicators, and the systems and processes in place, to

mitigate those risks. These are collectively referred to as the 'selected 2005 SD performance indicators'.

- a) The 2005 SD performance indicators selected for purposes of expressing reasonable assurance were: *Total number of work-related fatalities (p74)*.
- b) The 2005 SD performance indicators selected for purposes of expressing limited assurance were: *Lost time injury frequency rate (LTIFR) (p74); New cases of occupational diseases (p75); Number of employees receiving anti-retroviral treatment (ART) (p81); Number of employees on wellness programmes (p81); Number of employees that have had voluntary counselling and testing (p81); Total energy used (p77); Carbon dioxide (CO₂) emissions from electricity purchased (p78); CO₂ emissions from diesel consumed (p78); Water used for primary activities (p77); Number and level of environmental incidents (p77); and rand value of HDSA procurement (p83)*.

The internally developed Anglo American plc (SHE) Reporting Guidance was used as the criteria for assessing the selected 2005 SD performance indicators.

Work performed

Our work consisted of:

- Obtaining an understanding of the systems used to generate, aggregate and report the selected 2005 SD performance indicators based on Anglo American plc (SHE) Reporting Guidance for the selected 2005 SD performance indicators at four selected sites (Sishen, Grootegeluk, Ticor SA and Rosh Pinah) to assess the associated reliability of the selected 2005 SD performance indicators;
- Conducting interviews with management at the four selected sites visited, to obtain an understanding of the consistency of the reporting processes compared with prior years and to

obtain explanations for SD performance trends; and

- Reviewing the consistency between the selected 2005 SD performance indicators and related statements in the report, in light of the findings from the site visits and our analytical review.

Conclusion

Based on the work described above, in our opinion:

- The selected 2005 SD performance indicators set out in (a) above, at the selected sites, for the year ended 31 December 2005, are properly presented in all material respects on the basis of the Anglo American plc SHE Reporting Guidance; and
- Nothing has come to our attention that causes us to believe that the selected 2005 SD performance indicators set out in (b) above, at the selected sites, for the year ended 31 December 2005, are not properly presented in all material respects on the basis of the Anglo American plc SHE Reporting Guidance.

COMPLIANCE WITH THE 2002 GRI GUIDELINES

Subject matter and criteria

Our limited assurance engagement was to determine whether the sustainability sections of the report comply with the 'in accordance with' requirements of the 2002 GRI Guidelines.

Work performed

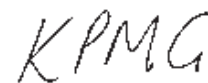
We compared the contents of the sustainability sections of the Report to specific 2002 GRI Guidelines, to assess whether the sustainability sections of the Report met the requirements for stating that it is 'in accordance with' the 2002 GRI Guidelines. Our procedures performed enabled us to determine whether:

- Kumba Resources adequately reports on the 44 numbered elements in Sections 1 to 3 of Part C of the 2002 GRI Guidelines;
- The report includes a GRI Content Index;

- A response has been given to each core indicator in Section 5 of Part C of the 2002 GRI Guidelines;
- The company's response to each of the principles in Part B of the 2002 GRI Guidelines, as set out in the 'GRI In Accordance With Self-Assessment' (p114) is not materially misstated; and
- The report includes a GRI 'in accordance with' statement signed by the CEO.

Conclusion

Based on the work described above, in our opinion, Kumba Resources does not fully meet the requirements for stating that the sustainability sections of the Report are in compliance with the 'in accordance with' requirements of the 2002 GRI Guidelines.



KPMG Services (Pty) Limited

Johannesburg

2 March 2006



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1. A truck uses the pantograph system at Grootegeluk designed to reduce diesel consumption by switching to alternative electric power.
2. Bass Lake near Glen Douglas is a popular recreation area. The lake is a disused pit which now generates tourism-related employment.
3. Dube Village is one of the successful businesses started by Ticor SA in KwaZulu-Natal. The initiative employs some 50 local women.
4. The Iterileng skills centre is run by Thabazimbi mine to provide skills training in a range of disciplines to local men and women.