

REPORT OF THE INDEPENDENT AUDITORS

for the year ended 31 December 2006

We have audited the annual financial statements and group annual financial statements of Kumba Iron Ore Limited, which comprise the directors' report, the balance sheet at 31 December 2006, the income statement, the statement of changes in equity and the cash flow statement for the year ended 31 December 2006, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and the group at 31 December 2006, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.



Deloitte & Touche – Johannesburg
Registered auditors

Per **BW Smith**

Partner

14 February 2007

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Sandton

National executive: GG Gelink *chief executive* AE Swiegers *chief operating officer* GM Pinnock *Audit* DL Kennedy *Tax* L Geering *Consulting* MG Crisp *Financial Advisory* L Bam *Strategy* CR Beukman *Finance* TJ Brown *Clients & Markets* SJC Sibisi *Public Sector and Corporate Social Responsibility* NT Mtoba *Chairman of the Board* J Rhynes *Deputy Chairman of the Board*.

A full list of partners and directors is available on request.