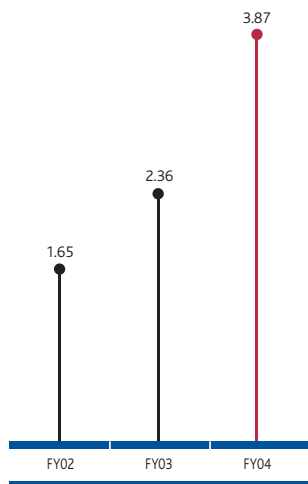
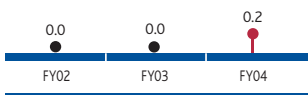


A new plan incorporating a revised mining method has been developed



Marula Platinum – Lost time injury frequency rate (LTIFR) per million man hours



Marula Platinum – Fatal injury frequency rate (FIFR) per million man hours

Marula Platinum

Key features of the year

- LTIFR of 3.87
- Metallurgical plant and surface infrastructure commissioned and fully operational
- Mining development behind schedule, hampered by geological conditions and inappropriate mining method
- Platinum in concentrate production of 13 280 oz for FY2004
- Revised mining plan developed
- Capital expenditure to date of R1.2 bn
- BEE plans being finalised

Marula Platinum, Implats' second South African mining operation, is located on the eastern limb of the Bushveld Complex in Limpopo Province. Ownership of 20% of Marula has been allocated to BEE interests. Of that 20%, 10% will be owned by Mmakau Mining, (a BEE mining company), 5% by the Marula Community Trust (representing members of the local communities) and 5% will be held directly by local business and communities.

Marula is managed by a small core Implats team and the mining, concentrator operations and associated services are outsourced to contractors. Marula has a life-of-mine concentrate offtake agreement with IRS.

Safety, health and environment

Safety: Regrettably, there was one fatal accident during the year, at the Clapham decline, a result of a fall of ground and the LTIFR increased to 3.87 per million man hours. This deterioration was largely a function of the mine being in a ramp-up phase with a corresponding increase in the number of employees displayed underground. A number of initiatives have been launched at Marula to improve safety, including a fall of ground campaign and the

assessment of the safety behaviour of trainees in the workplace.

Health: Two clinics have been established to treat occupational injuries or diseases and to provide primary health care for all employees and contractors working at the mine and plant. Emergency air ambulance evacuation services have been contracted to transport seriously injured patients to the nearest trauma centre in Polokwane. All employees and contractors undergo annual occupational health fitness examinations in accordance with group standards at the nearby Dilakong Clinic.

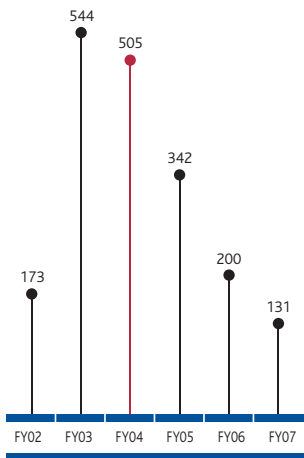
HIV/AIDS: Marula has implemented the Impala HIV/AIDS education and management model for its employees and contractors.

Environment: The Impala environmental management system, which had been adopted at Marula, was extended to include the principles embodied in ISO 14001 with a view to having an ISO audit in the future.

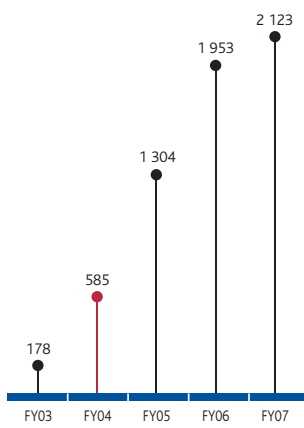
Water, both its management and quality, is a key environmental focus area at Marula, particularly as the mine operates in an arid region and both the Clapham and Driekop

Key statistics

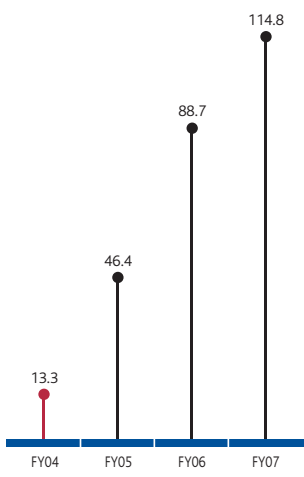
Mineral Reserves	UG2	41.3 Mt
Mineral Resource	Merensky and UG2	66.6 Mt
Life-of-mine	Phase 1	25 years
Current production (Phase 1)	Platinum in concentrate	13 280 oz
Planned production (Phase 1)	Platinum in concentrate	125 000 oz
Capital expenditure	Phase 1	R1.8 bn
No. of employees	At full production	2 650



Marula Platinum – Capital expenditure
(Rm)



Marula Platinum – Ramp-up in tonnes mined
(000t)



Marula Platinum – Platinum in concentrate
(000oz)

shafts will have to be de-watered as mining progresses. Waste management is also receiving attention.

Mining operations

Marula is one of the first operations to have been developed on the relatively under-exploited eastern limb. Although the metallurgical plant and surface infrastructure were delivered on schedule, development of underground mining operations at Marula is substantially behind schedule. This is as a result of an initially inappropriate mining method and unexpected geological conditions. In particular, the steeper dips affected mechanized machine efficiencies which also aggravated the extent of dilution by waste. Consequently, production was severely affected with only 13 280 ounces of platinum in concentrate being produced in FY2004. This compares with planned full production of 100 000 platinum ounces per annum, scheduled for the first quarter of FY2005 in terms of the original plan.

A new plan incorporating a revised mining method has been developed. The revised method is based on conventional stoping techniques and mechanized strike development. This will entail a reduced mining height which will, in turn, limit the dilution significantly and improve the run-of-mine grade, thus improving the economics of the operation.

On-reef development was hampered by a rolling reef and steeper dips. Changes were made to the mine layout in order to allow for the development of the decline in the footwall. This will allow for faster development rates.

The new mining plan will focus on the entire UG2 orebody, and full production is planned at 211 000 run-of-mine tonnes a month. There will also be a slower build-up in tonnage than originally planned but of a higher grade, yielding 125 000 oz of platinum in concentrate annually. The initial target of 100 000 platinum ounces (annualised) is now scheduled for FY2006 with full production expected to be reached in the last quarter of FY2007.

Processing

The metallurgical plant was cold commissioned on schedule in December 2003 with hot commissioning completed in February 2004. The dense media separation (DMS) plant was commissioned but subsequently by-passed as the mills, which have a capacity of 6 000 t/day, are able to cope with current levels of mine production. The DMS plant will be brought back into production as tonnages increase. The overall metallurgical recovery is expected to be in the region of 87% of run-of-mine grades.

Capital expenditure

For the 2004 financial year, capital expenditure amounted to R505 million, bringing the total project cost to R1.2 billion. Capital expenditure during FY2005 is planned at R342 million.

Outlook

The revised mining plan, which projects refined platinum production of 125 000 oz annually by FY2008, indicates a life-of-mine of 25 years. A pre-feasibility study on the mining of the Merensky Reef (Phase 2) has been completed. A decision on whether to proceed with this phase will be made in due course, depending on the Rand/Dollar exchange rate and market circumstances.

Marula key statistics

		FY2004	FY2003
Sales	(Rm)	94.4	
Platinum		59.7	
Palladium		16.6	
Rhodium		13.4	
Nickel		2.5	
Other		2.2	
Cost of sales		(111.3)	
Mining operations		(66.4)	
Concentrating operations		(28.3)	
Amortisation of mining assets		(16.6)	
Gross profit		(16.9)	
Gross margin	(%)	(17.9)	
Sales volumes in concentrate			
Platinum	(000 oz)	13.3	
Palladium	(000 oz)	13.2	
Rhodium	(000 oz)	2.7	
Nickel	(t)	37.7	
Prices achieved in concentrate			
Platinum	(\$/oz)	687	
Palladium	(\$/oz)	192	
Rhodium	(\$/oz)	753	
Nickel	(\$/t)	10 282	
Exchange rate achieved	(R/\$)	6.54	
Production			
Tonnes milled ex-mine	(000 t)	574	
Platinum in concentrate	(000 oz)	13.3	
Palladium in concentrate	(000 oz)	13.2	
Rhodium in concentrate	(000 oz)	2.7	
Nickel in concentrate	(t)	37.7	
PGM in concentrate	(000 oz)	36.6	
Total cost			
per tonne milled*	(R/t)	165	
	(\$/t)	24	
per PGM ounce in concentrate*	(R/oz)	2 587	
	(\$/oz)	377	
per platinum ounce in concentrate*	(R/oz)	7 120	
	(\$/oz)	1 037	
Capital expenditure	(Rm)	505	
	(\$m)	74	

* Unit costs reflect only stopping operations as development expenditure for the year was capitalized.