

exploration review

FY2005 has seen continued focus by Implats on exploration and evaluation work at current operations. Implats has continued to investigate the disposal of non-core assets in South Africa and significant endeavours are being made to convert old order prospecting rights into new order rights. The Falconbridge alliance continued in respect of three different projects, and work commenced with De Grey Mining on the Three Kings Project in Australia. Limited target generation in South Africa was pursued and the company completed a comprehensive target generation exercise in Africa. A "watching brief" was maintained with respect to new opportunities; potential prospects were reviewed; and liaison with juniors continued.

SOUTHERN AFRICA

Bushveld Complex: At the Impala Platinum operations near Rustenburg, brownfields exploration efforts focused on the 11C, 16 and 20 Shaft blocks, in support of the feasibility studies that were completed in 2005. The latter two projects were approved during the year. Efforts in support of the 30-year plan are continuing, in particular at the proposed 17 Shaft block and the evaluation of potential opencast UG2 Mineral Resources. At Marula Platinum, efforts were focused on the revised UG2 feasibility study and an independent third party review of the UG2 Mineral Resource was conducted.

Several new and conversion applications for prospecting rights were lodged in terms of the MPRDA. The new prospecting applications included joint venture arrangements with BEE partners, as is required in terms of the MPRDA. The Spitzkop conversion application

included a Section 11 application to transfer these rights to Spitzkop Platinum, as Implats itself is not in a position to optimally exploit these minerals.

Zimplats: Work during FY2005 focused on three main objectives: definition drilling at the Ngezi Portals, wide-spaced drilling followed by closer definition drilling for the Darwendale joint venture areas and exploration drilling on a wide grid in the Hartley North Area.

Portal 3 and Portal 4 areas at Ngezi were drilled in detail, with inclined geotechnical holes drilled along the proposed Portal 4 Decline. Geological studies towards the feasibility study for Portal 4 have been advanced and the study for Portal 2 was revised. After an initial wide-spaced drilling programme in the Darwendale Area, the central joint venture area was selected as the preferred target and definition drilling is underway. At Hartley North, a wide-spaced drilling programme tested the economic potential at depths up to 700 metres.

In FY2006, this approach will continue with definition drilling in the Portal 5 Area at Ngezi dominating the programme. Definition drilling of the Central Portal at Darwendale will be completed.

Mimosa: The drilling programme between the Mtshingwe fault and a dyke on the southern portion of the South Hill deposit was concluded early in FY2005. The subsequent geological studies indicated that ground conditions do not deteriorate towards the fault as expected, but conditions north of the Blore Shaft are affected by the 7 metre up-throw fault. The area to the east of the Dyke axis





hosts normal mineralisation, albeit that four anomalous zones have been delineated near the southern part of the deposit. Exploration of the eastern side of the orebody has almost been concluded and as a result most of the area could be classified as a Measured Mineral Resource.

AUSTRALIA, AND NORTH AND SOUTH AMERICA

Three Kings project, Western Australia:

Following some encouragement obtained from the Phase 1 exploration, an amended Phase 2 of the joint venture with De Grey Mining was approved. In terms of this agreement, Implats is committed to further expenditure of A\$400,000 in order to earn an effective 43% interest in the Three Kings Project. Three drilling campaigns for Phase 2 were completed to screen abnormalities generated during Phase 1 and to extend the limits of previously drilled mineralisation. In all, 3,527 metres were drilled in 33 reverse circulation drill holes. Drilling at Joshua East intersected a broad (14-metre wide) zone of mineralisation averaging 1.32g/t (2PGE+Au). This drilling confirmed that the known zone of mineralisation extends over a strike extension of 4.5 kilometres.

Duluth joint venture, United States: The remaining two targets in the Duluth joint venture were screened. This joint venture with Franconia was subsequently terminated in March 2005.

Alliance with Falconbridge: The exploration alliance with Falconbridge has continued with Implats participating in three projects, while new projects are

continuously being generated and reviewed. The 14-hole drill programme to a depth of 2,609 metres was completed at the Niquelandia project in the Goiás Layered Igneous Complex of central Brazil. Results were not encouraging; six low-grade mineralised intervals were identified within the basal portions of the intrusion. In view of the negative results, the Niquelandia joint venture agreement was terminated. The Catete joint venture in the Carajas region of Brazil has not yielded any encouraging results, despite several targets having been tested to date. Limited follow-up work on a few anomalies is scheduled for FY2006.

A comprehensive target generation exercise was completed in Africa and country visits were made to Namibia and Madagascar as part of an initial follow-up. Project offers were reviewed in Canada, Botswana, Mozambique, Russia and Chile.

The aims of our exploration strategy in FY2006 are:

- to focus on primary platinum-dominant PGE projects, with a clear preference for devoting skills and funding to current operations and assets;
- to continue our cost-effective approach towards offshore exploration, evaluating opportunities on a case-by-case basis;
- to conduct much of the offshore exploration in conjunction with other parties, both majors and juniors;
- to consider primary base metal deposits offshore with significant PGEs, and to evaluate applicable targets;
- in southern Africa, to evaluate potential nickel targets given the close spatial location to the Base Metal Refinery in Springs; and
- to remain committed to the Falconbridge alliance.