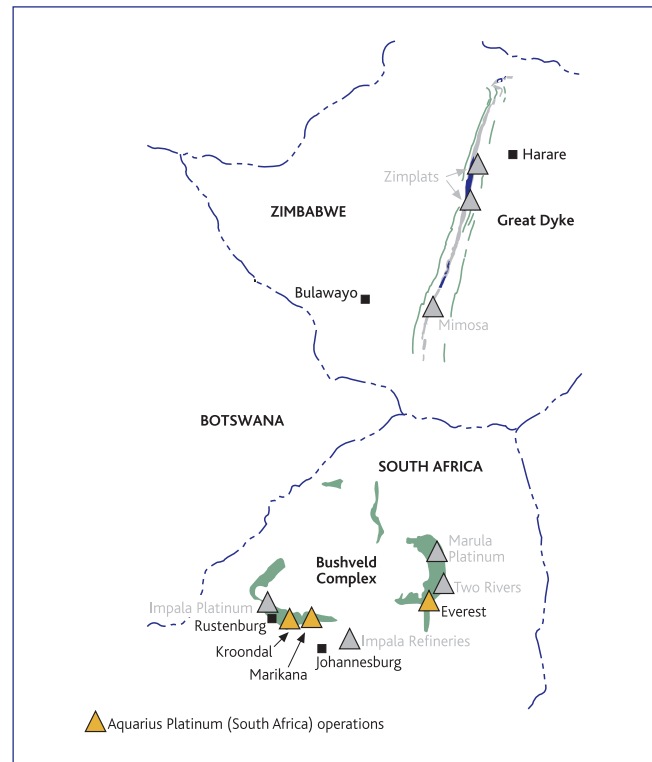


## Aquarius Platinum

- ▶ Record production of 222,000 ounces of platinum-in-concentrate
- ▶ Contribution to Implats headline profit increases to R114 million
- ▶ Everest project well on schedule



### Introduction

Implats holds a stake of 8.6% in holding company Aquarius Platinum Limited (Aquarius) and a 20% stake in its subsidiary Aquarius Platinum (South Africa) (AQPSA). Aquarius is listed on the Australian and London stock exchanges as well as on the JSE in Johannesburg, South Africa. AQPSA owns and manages the Kroondal, Marikana and Everest mines. Kroondal and Marikana are situated to the east of the Impala lease area on the western limb of the Bushveld Complex and are subject to a Pool and Share Agreement (P&SA) with Anglo Platinum, while Everest is on the southern portion of the eastern limb of the Bushveld Complex, to the south of Two Rivers. In addition, Implats and Aquarius are joint owners (50:50) of the Mimosa Platinum mine in Zimbabwe.

Implats' holdings in Aquarius and Aquarius Platinum (South Africa) are in line with its growth strategy of having investments that generate positive cash flows, additional resources and new and ongoing business for Implats' subsidiary IRS. IRS has off-take agreements with Kroondal (expires at the end of FY2008), Marikana and Everest.

### Operational review

Overall, AQPSA recorded production of 222,000 ounces of platinum in FY2006, an increase of 38% on production of the previous financial year. The increase in production was largely attributable to record production at Kroondal and the coming on-stream of production at Everest.

In particular, Kroondal delivered a solid performance during the year, producing 131,000 ounces of platinum-in-concentrate (including the P&SA). Problems were experienced with potholing at 3 shaft but these were overcome and production is now on track and the sinking of a decline at 5 shaft has begun. Steady state production at Kroondal is scheduled from September 2007.

Operating performance at Marikana remains a concern and was hampered by a contractor dispute and heavy rains in late summer. However, a new mining contractor has been appointed and is performing well. Production at Marikana was 35,000 ounces of platinum-in-concentrate. Pit mining continues to be problematic regarding both volumes and

recoveries, however, the situation has been addressed and is improving. Development of the infrastructure for the trial underground mine is under way.

Good progress is being made at Everest and production of 56,000 ounces of platinum-in-concentrate in FY2006 was achieved, following the commissioning of the plant in December 2005. Concentrate is being delivered to IRS. Development at Everest began in October 2004 and the operation is well on schedule to produce around 140,000 ounces of platinum-in-

concentrate in FY2007. The opencast mine is nearing the end of its life and the establishment of the underground mine is on target.

Aquarius' contribution to net profit was significantly higher at R114 million in FY2006 compared with a R4 million loss in FY2005. Aquarius' gross margin was also significantly higher.

### Outlook

Aquarius is expected to maintain its current levels of production and to continue making a positive contribution to Implats.

#### Attributable contribution of Implats' interest in AQP(SA)

Rm	FY2006	FY2005
Profit	141	2
Change in unearned profit	(27)	(6)
Profit: Implats group	114	(4)

