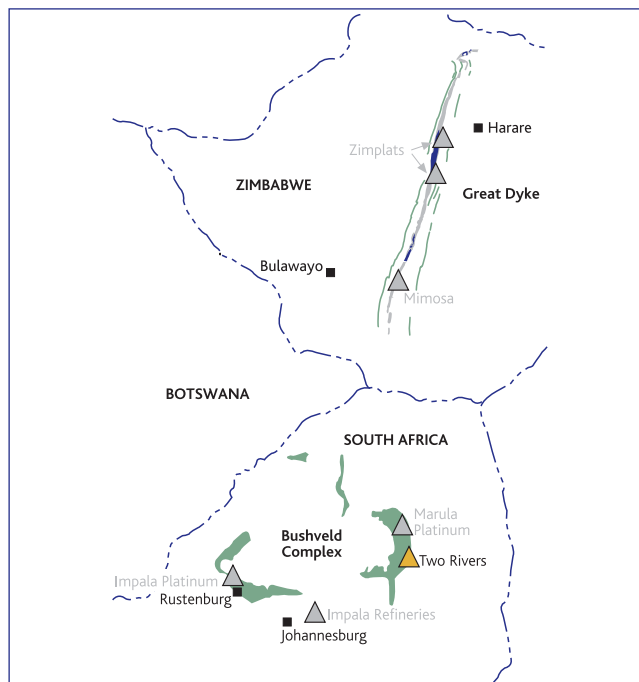


Two Rivers

- ▶ Concentrator to be commissioned in first quarter of FY2007
- ▶ Full production scheduled for FY2008



Introduction

Two Rivers, a joint venture between Implats (45%) and African Rainbow Minerals (ARM) (55%), is located on the eastern limb of the Bushveld Complex, near the town of Lydenburg. In terms of the joint venture agreement, ARM manages the operation and Implats conducts the processing and refining functions through IRS. Trial mining to determine the most appropriate mining method began here in January 2004 and the boards of both Implats and ARM approved the start of development in June 2005. At full production, projections are for a maximum annual output of 2.4 million tonnes mined, to yield an average of 120,000 ounces of platinum-in-concentrate (220,000 ounces of PGMs) from the UG2 horizon.

Safety

Safety was maintained at acceptable levels during the year, with an LTIFR of 1.22 per million manhours being recorded. There have been no fatalities on the project to date.

Operational review

Mining

Trackless (mechanised) bord-and-pillar mining is being implemented. Development of the mining operation continues and good progress has been made on the decline system. Nine of 12 half-levels are currently serviced by strike conveyors and a footwall conveyor system with the capacity to transport 185,000 tonnes of ore a month has been installed. Development will continue during



Key statistics – FY2006

Mineral Resources*	UG2 and Merensky	5.5 million platinum ounces
Mineral Reserves	UG2	2.4 million platinum ounces
Life-of-mine		20 years
Production – in build-up phase	Platinum-in-concentrate	90,000 ounces
Planned full production (FY2008)	Platinum-in-concentrate	120,000 ounces
Capital expenditure	FY2006	R1 billion
Number of employees	FY2006	1,000

* Inclusive of Mineral Reserves.

FY2007 with steady state production of 2.4 million tonnes scheduled for FY2008.

Processing

On surface, much of the work done during the year was to complete the concentrator, a standard MF2 plant, in readiness for its commissioning. This will take place during the first quarter of FY2007, approximately a month ahead of schedule.

Following commissioning of the concentrator, the plant will build-up to full capacity by October 2006 and will begin to process the 1 million-tonne stockpile that has been accumulated since the start of trial mining. The depletion of the stockpile is scheduled to coincide with the build-up to full production of the mining operation. Concentrate from the plant

will be sent to IRS for toll treatment in terms of the life-of-mine off-take agreement.

Outlook

Of the R1.6 billion originally planned to bring this project to full production, R1 billion has been spent. The remainder will be spent during the forthcoming financial year on the completion of the Lydenburg housing development and capital development scope, and in settlement of the construction contracts.

The mine currently has a forecast life of mine of 20 years at an average annual production rate of 2.4 million tonnes. Based on this rate of production and a grade of 3.4 g/t (3E + Au), annual planned sales of PGMs are estimated at an average of 120,000 ounces of platinum-in-concentrate.

