

2007 ANNUAL REPORT

Review of operations and investments

Mimosa



Introduction

Mimosa, a 50:50 joint venture with Aquarius, is located on the Wedza Geological Complex, in the southern portion of the Great Dyke, east of Bulawayo, in Zimbabwe. The operation is currently a semi-mechanised, shallow, underground mine, operating at a depth of 204m and accessed by means of a decline shaft. It has a mill and concentrator on surface. There is a life-of-mine offtake agreement with IRS.

Safety

FY2007 was a sad year for Mimosa with three fatalities during the year. There were no fatalities in FY2006. This unfortunately also coincided with a deterioration in the LTIFR which rose to 1.74 per million manhours from 1.25 the previous year.

The decline can be attributed to some degree to a higher turnover among employees, especially at supervisory level, which resulted in less-than-ideal adherence to safety standards and inappropriate attitudes towards safety. Management has recommitted itself to ensuring the strict enforcement of safety standards and a reversal of this negative trend. More information on safety may be found in the section on Corporate Responsibility on pages 106 and 107 of this report.

Operational review

Mimosa produced a total of 78,200oz of platinum-in-concentrate for FY2007, an increase of 8.3% on FY2006. Underground production of 1.9Mt exceeded expectations but tonnes milled of 1.7Mt were lower than planned. Grades remained constant at 3.7g/t (3PGE+Au).

Underground production successfully ramped up in line with the \$28.8 million (R207 million) Wedza Phase V expansion project announced in January 2007. The project also entailed an expansion of concentrator capacity to 175,000t milled a month. However, major equipment failures at the concentrator during the third quarter of the year delayed commissioning and contributed in some measure to the build-up in the stockpile.

The mill has now been repaired and all systems are back on track. Record quarterly throughput was achieved in the fourth quarter of the year, helping to make up some of the lost production.

Wedza Phase V is now scheduled for hot commissioning in November 2007 and will be finalised in January 2008. At yearend, the stockpile stood at two months of production.

Highlights

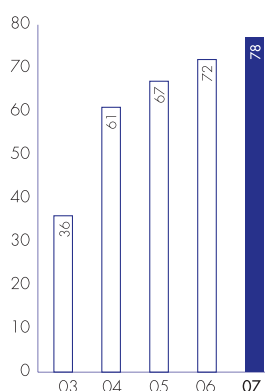
- Production of 78,200oz of platinum-in-concentrate
- Underground production on target
- Setbacks at plant delay commissioning



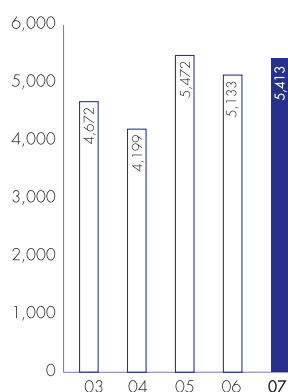
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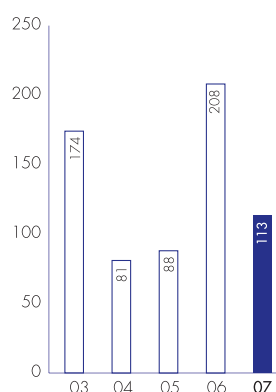
Mimosa – production of platinum-in-concentrate (000 oz)



Mimosa – operating cost (R/platinum ounce)



Mimosa – capital expenditure (R million)



Mimosa key statistics

		FY2007	FY2006	% change
Sales	(Rm)	1,685.9	872.0	93.3
Platinum		687.2	443.3	55.0
Palladium		144.6	83.2	73.8
Rhodium		210.3	86.8	142.3
Nickel		491.0	179.7	173.2
Other		152.8	79.0	93.4
Cost of sales		(522.9)	(413.8)	(26.4)
Mining operations		(284.8)	(268.6)	(6.0)
Concentrating operations		(79.3)	(62.8)	(26.3)
Treatment charges		(88.4)	(69.3)	(27.6)
Amortisation		(63.8)	(42.0)	(51.9)
(Decrease)/increase in inventory		(6.6)	28.9	(122.8)
Gross profit		1,163.0	458.2	153.8
50% Gross profit attributable to Implats		581.5	229.0	153.9
Inter-company adjustment *		4.8	(57.4)	108
Gross profit in Implats group		586.3	171.6	241.7
* Adjustment note: The adjustment relates to sales from Mimosa to the Implats group which at yearend was still in the pipeline.				
Gross margin	(%)	69.0	52.5	31.3
Other operating costs		(59.2)	(39.2)	(51.0)
Royalty expense		(38.6)	(20.1)	(92.0)
Sales volumes in concentrate				
Platinum	(000oz)	77.3	70.4	9.8
Palladium	(000oz)	58.5	53.2	10.0
Rhodium	(000oz)	6.0	5.4	11.1
Nickel	(t)	2,149	1,960	9.6
Prices achieved in concentrate				
Platinum	(\$/oz)	1,237	986	25.4
Palladium	(\$/oz)	343	245	40.4
Rhodium	(\$/oz)	4,864	2,536	91.8
Nickel	(\$/t)	31,763	14,353	121.3
Exchange rate achieved	(R/US\$)	7.19	6.39	12.6
Production				
Tonnes milled ex-mine	(000)	1,692	1,532	10.5
Platinum in concentrate	(000oz)	78.2	72.2	8.3
Palladium in concentrate	(000oz)	59.5	54.7	8.8
Rhodium in concentrate	(000oz)	6.1	5.6	8.9
Nickel in concentrate	(t)	2,091	1,958	6.8
PGM in concentrate	(000oz)	163.3	150.5	8.5
Total cost		423.3	370.6	(14.2)
per tonne milled	(R/t)	250	242	(3.3)
	(\$/t)	35	38	7.9
per PGM ounce in concentrate	(R/oz)	2,592	2,462	(5.3)
	(\$/oz)	360	385	6.5
per platinum ounce in concentrate	(R/oz)	5,413	5,133	(5.5)
	(\$/oz)	753	803	6.2
Capital expenditure	(Rm)	113.0	208.4	45.8
	(US\$m)	16	33	51.5

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The supply of power remains a problem, mainly in terms of load shedding. Mimosa continues to interact with ZESA, the national power authority in Zimbabwe, to ensure that power to meet the mill's minimum requirements will be maintained. In addition, the mine is notified as to when load shedding will occur so that the necessary precautions can be taken. Mimosa is currently in negotiations to import power directly from Mozambique.

Year-on-year, costs per tonne milled were 8% lower at \$35.

Capital expenditure

Capital expenditure for FY2007 totalled \$16 million (R113 million), with by far the largest portion of \$6 million (R43 million) being spent on the Wedza Phase V expansion. An additional \$15 million will be required to complete the processing aspect of Wedza Phase V.

Outlook

Additional exploratory drilling is to be undertaken at North Hill so as to further delineate the orebody. Mimosa will continue to investigate ways and means of optimising the plant (Wedza Phase VI).

