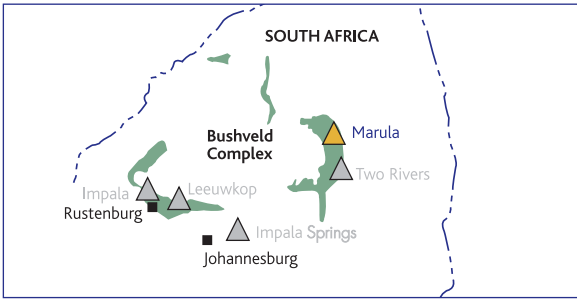


Operational review – Marula

Challenging operating environment

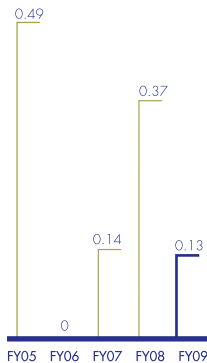


Marula at a glance

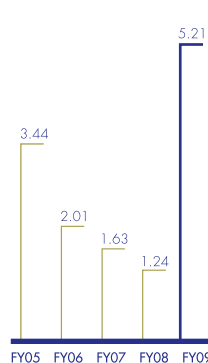


- Two on-reef decline shafts and one off-reef conventional decline
- Concentrator plant
- Reserves: 1.7 million attributable ounces of platinum
- Resources (including reserves): 8.2 million attributable ounces of platinum
- Production: 74 000 ounces of platinum in concentrate
- Labour complement (including contractors): 3 510

FIFR
(per million man hours worked)



LTIFR
(per million man hours worked)



Operational review – Marula (continued)

Marula had a difficult year characterised by an unsatisfactory safety performance, a slower-than-expected ramp-up in production, reduced productivity and persistent labour issues. This operation has been affected by the economic slowdown, and the steep decline in the rhodium price in particular.

Sadly, one of our employees lost his life at work during the year, whilst the lost-time injury frequency rate (LTIFR) more than trebled from the previous year. Strict disciplinary action is being taken to ensure compliance with standards and procedures. However, it is visible, felt leadership that remains the key to a safer working environment.

Marula chrome initiative to benefit local communities

In line with our commitment to social upliftment, a joint venture, **Makgomo Chrome, between Implats, Marula and Marula Community Chrome**, has been established to extract and market the chrome contained in the current UG2 tailings produced by the Marula operation. The benefits of this business will flow through to six local communities. Implats will fund the design, engineering, construction and commissioning of the plant. Full production is anticipated to be 125 000 tonnes of chrome per annum.

The 1.57 million tonnes milled, though slightly up on the previous year, was well short of the operation's internal target as the production ramp-up once again fell behind schedule. This failure can be attributed to a lack of adequate on-reef development, which resulted in a lack of face availability and, consequently, limited mining flexibility.

Grade fell slightly as production from the higher-grade Driekop shaft declined, and on-reef development at the Clapham shaft increased. Team efficiencies and productivity were of concern, and were impacted by the introduction of new teams to the

conventional section as well as safety stoppages and industrial action during the year. As a consequence, platinum production rose only a disappointing 5% to 74 000 ounces in concentrate.

Unit costs (excluding share-based payments) escalated 30% on the back of the high inflationary environment and lower throughput and efficiencies. Including share based payments, unit costs increased by 14% to R11 243 per platinum ounce. Increased volumes and higher efficiencies should contain costs going forward. The retention of skills remained an issue, especially in terms of personnel to maintain the trackless equipment.

Outlook

Marula has a difficult year ahead as it focuses on continuing its ramp-up to full production and ensuring profitability. The ongoing viability of the operation will be determined not only by higher metal prices and more favourable exchange rates, but also by a safer working environment, good cost management and improved operational performance – all of which are receiving concerted management attention.

Production at Driekop will cease in 2010 as mining reaches the property boundary. This could, however, be extended if a mineral reserve agreement is concluded with neighbouring Modikwa mine, an option that is currently being explored. Increased production from Clapham, and in particular the rise in conventional mining, will improve the grade by around 15%. The ongoing development to a more conventional mine layout at Marula is anticipated to achieve full production of 125 000 ounces per annum within a five-year window.

The feasibility study on the exploitation of the Merensky Reef at Marula was completed during the year, but has been put on hold until market conditions improve.

Operational review – Marula (continued)

Marula – key statistics

		FY2009	FY2008
Sales	(Rm)	631	1 827
Platinum		543	774
Palladium		112	185
Rhodium		(69)	795
Nickel		16	28
Other		29	45
Cost of sales		(932)	(777)
Mining operations		(700)	(591)
Concentrating operations		(132)	(101)
Treatment charges		(2)	(2)
Amortisation		(98)	(83)
Gross profit		(301)	1 050
Intercompany adjustment *		482	(305)
Adjusted gross profit		181	745
Royalty expense		(27)	(36)
Profit from operations in Implats group		154	709
Gross margin	(%)	(47.7)	57.5
Adjusted gross margin*		16.3	47.9
Sales volumes in concentrate			
Platinum	(000 oz)	74.0	70.4
Palladium		76.3	72.7
Rhodium		15.7	14.9
Nickel	(t)	220	211
Prices achieved in concentrate			
Platinum	(\$/oz)	824	1 486
Palladium		166	345
Rhodium		(201)	7 155
Nickel	(\$/t)	8 570	18 257
Exchange rate achieved	(R/\$)	8.35	7.41

* Adjustment note: The adjustment relates to sales from Marula to the Implats group which at year-end were still in the pipeline.

Marula – key statistics (continued)

		FY2009	FY2008
Production			
Tonnes milled ex-mine	(000 t)	1 574	1 455
Headgrade (5PGE+Au)	(g/t)	4.29	4.44
Platinum in concentrate	(000 oz)	74.0	70.4
Palladium in concentrate		76.3	72.7
Rhodium in concentrate		15.7	14.9
Nickel in concentrate	(t)	219.5	211.0
PGM in concentrate	(000 oz)	194.4	185.7
Total cost			
	(Rm)	832	692
	(\$m)	92	95
Share-based payments	(Rm)	(36)	57
per tonne milled	(R/t)	529	476
	(\$/t)	58	66
per PGM ounce in concentrate	(R/oz)	4 280	3 726
	(\$/oz)	471	513
per platinum ounce in concentrate	(R/oz)	11 243	9 830
	(\$/oz)	1 238	1 354
net of revenue received for other metals	(R/oz)	10 054	(5 128)
	(\$/oz)	1 204	(692)
per platinum ounce in concentrate (excluding share-based payments)	(R/oz)	11 730	9 020
	(\$/oz)	1 291	1 242
Capital expenditure			
	(Rm)	398	345
	(\$m)	44	48
Labour including capital			
	(no)	3 510	3 591
Own employees		2 512	2 493
Contractors		998	1 098
Centares per panel man per month	(m ² /man)	27.2	33.2