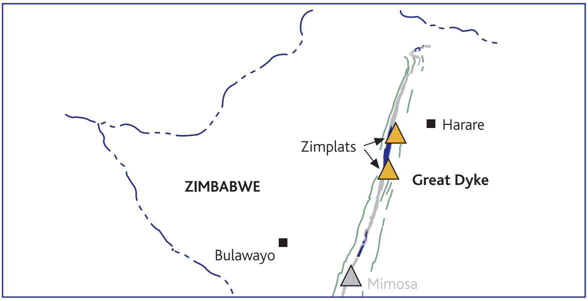
Operational review – Zimplats

Phase 1 expansion to boost production

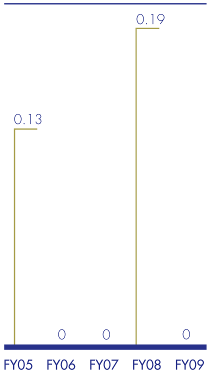
Zimplats, Zimbabwe

Zimplats at a glance

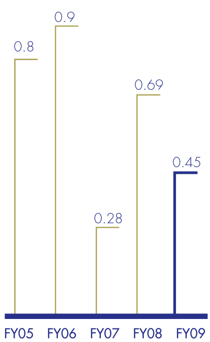


- Three shallow mechanised underground mines
- Concentrator and smelter plants at Selous Metallurgical Complex (77km north of Ngezi)
- Concentrator plant at Ngezi
- Reserves: 10.4 million attributable ounces of platinum
- Resources (including reserves): 92.9 million attributable ounces of platinum
- Production: 96 000 ounces of platinum in matte
- Labour complement (including contractors): 5 459

FIFR
(per million man hours worked)



LTIFR
(per million man hours worked)



Operational review – Zimplats (continued)

Zimplats' focus this year remained on its ongoing expansion programme.

Output of platinum in matte increased marginally year-on-year as the operation geared itself for the ramp-up in production in the coming year. Open-pit mining, which had already been scaled back because of high costs, was finally halted in November 2008 in response to the slump in metal prices. Underground production from Portal 2 was ramped up to maintain production levels. The open-pit orebody continues to provide optionality should the market environment demand fast access to additional ore in the future.

The Phase 1 expansion, a $340 million project involving the development of two underground mines, Portal 1 and Portal 4, a new concentrator and other infrastructure, is on track. Portal 1 reached full production in December 2008 (1 million tonnes a year), and Portal 4 is scheduled to reach this milestone in 2011 (2 million tonnes a year). The concentrator, was commissioned in July 2009 and should reach its full production capacity of 2 million tonnes per annum in October 2009.

Group leader in safety

Zimplats delivered an excellent safety performance and remains the leader in the group in this area. Management continues to focus on reducing work-related injuries and enhancing awareness of safety issues at all levels. Initiatives here include continuous risk assessments through planned inspections and a greater understanding of the human factor in safety incidents.

In the wake of the dramatic decline in metal prices and the dollarisation of the Zimbabwean economy, both operating costs and capital expenditure were reviewed during the period with a view to minimising debt and conserving cash. Unit costs were negatively impacted by the increase in overhead costs as the operation prepared for ramp-up to full production in the coming year. Once this is achieved, Zimplats will become one of the lowest-cost primary producers in the world.

The issue around the mobility and loss of skills has to a large extent been addressed and is less of a problem for the operation than a year ago. Zimplats is now focusing on training, particularly of new teams as the ramp-up takes effect. Food is also more freely available locally, whilst a pro-active approach to the health and well-being of employees has protected them from the recent cholera crisis in the country.

Outlook

In the coming year, the completion of the Phase 1 expansion will result in production increasing to approximately 4.2 million milled tonnes per annum. Steady-state output of 180 000 platinum ounces will be achieved during FY2010.

Unit costs are expected to decline on the back of the increased volumes (milling of tonne stockpiles). Thereafter, management will focus on mining efficiencies in order to contain cost increases.

Future growth at Zimplats depends on economic and political stability in Zimbabwe. Various expansion options in this regard are currently being investigated. A future expansion could involve the development of underground mines, another concentrator, a dam as well as a new smelter.

Given the right market conditions, Zimplats with its large reserves and easy underground access, has the potential to become a 1-million-ounce–per-annum platinum producer.

Operational review – Zimplats (continued)

Zimplats – key statistics

		FY2009	FY2008
Sales	(Rm)	1 099	2 132
Platinum		749	1 107
Palladium		118	204
Rhodium		(18)	444
Nickel		135	238
Other		115	139
Cost of sales		(1 108)	(1 010)
Mining operations		(795)	(669)
Concentrating operations		(224)	(152)
Amortisation		(210)	(208)
Increase/(decrease) in inventory		121	19
Gross profit		(9)	1 122
Intercompany adjustment*		406	(158)
Adjusted gross profit		397	964
Other operating expenses		(108)	(48)
Royalty expense		(20)	(41)
Profit from operations in Implats group		269	875
Gross margin	(%)	(0.8)	52.6
Adjusted gross margin*		26.4	48.8
Sales volumes in matte			
Platinum	(000 oz)	96.0	94.3
Palladium		75.8	76.2
Rhodium		8.2	8.2
Nickel	(t)	1 613	1 583
Prices achieved in matte			
Platinum	($/oz)	852	1 631
Palladium		171	376
Rhodium		(241)	7 724
Nickel	($/t)	9 195	19 905
Exchange rate achieved	(R/$)	9.08	7.26

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

Zimplats – key statistics (continued)

		FY2009	FY2008
Production			
Tonnes milled ex-mine	(000 t)	2 357	2 201
Headgrade (5PGE+Au)	(g/t)	3.52	3.53
Platinum in matte	(000 oz)	96.0	94.3
Palladium in matte		72.8	76.2
Rhodium in matte		7.8	8.2
Nickel in matte	(t)	1,607	1,572
PGM in matte	(000 oz)	196.0	200.2
Total cost	(Rm)	1 127	869
	($m)	124	120
per tonne milled	(R/t)	478	395
	($/t)	53	54
per PGM ounce in matte	(R/oz)	5 750	4 341
	($/oz)	633	598
per platinum ounce in matte	(R/oz)	11 740	9 215
	($/oz)	1 293	1 269
net of revenue received for other metals	(R/oz)	8 031	(1 654)
	($/oz)	844	(228)
Capital expenditure	(Rm)	1 358	1 319
	($m)	150	182
Labour including capital as at 30 June	(no)	5 459	5 582
Own employees		2 136	1 584
Contractors		3 323	3 998
Centares per panel man per month	(m^2/man)	26.0	21.5