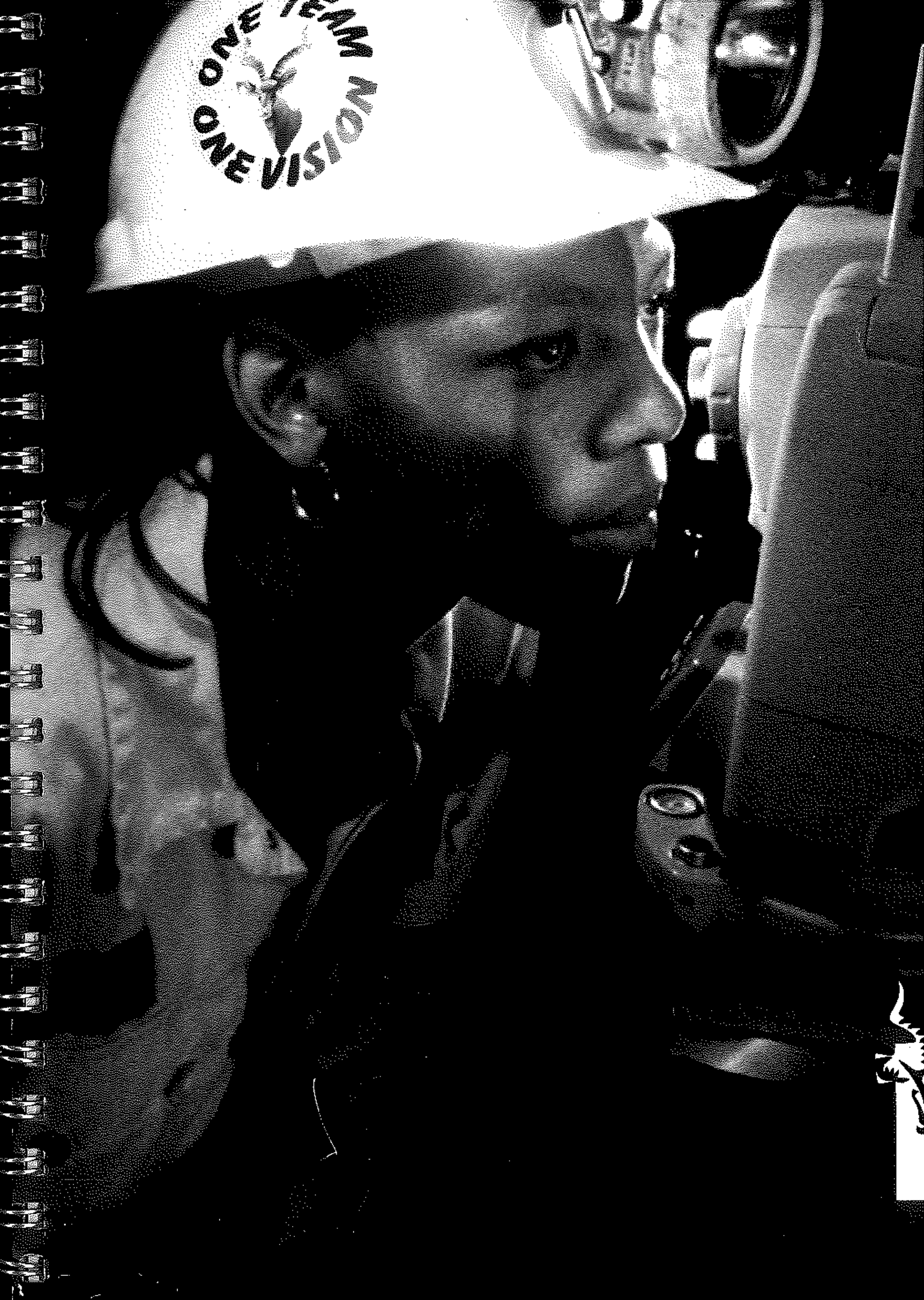

ONE TEAM
ONE VISION

Mission

Business

Implats is in the business of mining, beneficiating and marketing platinum group metals (pgms), nickel and copper and in secondary sourcing where our core competencies bring us a competitive advantage.

Objectives

Our primary objective is to increase the wealth of our shareholders, measured by a combination of share price and dividends.

In support of this primary objective, we will:

- Drive towards becoming the lowest unit cost pgm producer by seeking continuous improvement in operational efficiencies;
- Pursue competitive advantage through beneficiation technology;
- Deliver products of a quality appropriate to internal processing and the market; and
- Have a reward structure that directly recognises contribution to our primary objective.

Values statement

This set of values was developed by employee representatives from all levels within the organisation.

Implats will strive to:

- Act with integrity and display it in all our transactions;
- Work and consult with all recognised unions in all relevant issues and processes;
- Acknowledge group and individual leadership competencies at all levels;
- Highlight success above failure to create a culture of success within the company and give credit when due;
- Create a climate conducive to participation where everybody feels free to discuss problems, fears, aspirations and new ideas;
- Support and encourage each other to realise our potential through development, education and training;
- Remove and avoid discrimination; and
- Be sensitive to the environment and play an active role in its conservation and the safety and health of all.

Front cover: Anna Kamafsi, a Learner Official Surveyor, at 11 Shaft, Impala Platinum.

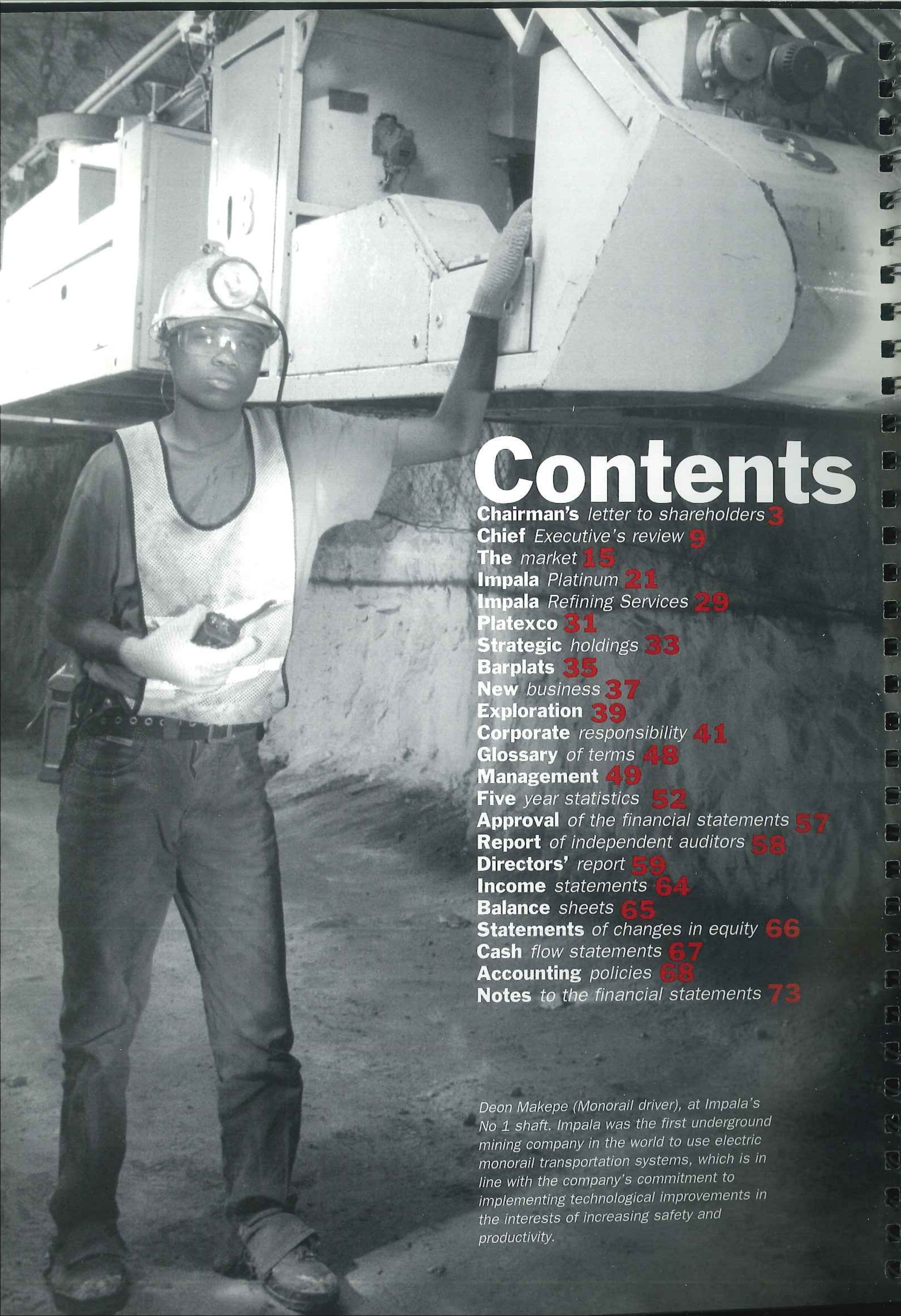
The year at a glance

The best year ever

		2000	1999	% Change
Financial				
Sales revenue	(Rm)	6 069	4 183	45
Mining income		2 551	1 292	97
Income before taxation		3 319	1 782	86
Attributable income		2 205	1 203	83
Headline earnings per share	(cps)	3 307	1 853	78
Dividends per share		1 760	880	100
Cash net of short-term debt	(Rm)	3 081	1 865	65
Operational				
Refined platinum production	('000 oz)	1 020	1 065	-4
Cash operating cost per refined pge ounce	(R/oz)	1 439	1 329	8
Cash operating cost per refined platinum ounce		2 700	2 471	9
Cash operating cost per refined platinum ounce net of revenue from all other metals		(521)	617	184

Another fantastic year

- Record
  - → Dollar revenues per platinum ounce up 37 per cent
  - → Rand revenues per platinum ounce up 44 per cent as rand weakens
- Steady mining performance in a difficult year
- Dynamic refineries and third party processing performance
- Real costs per ounce disappointingly higher (1 per cent)
- Huge "new business and growth" progress
- Record (in dollars and rands)
  - → Profit before tax
  - → Attributable income (up 83 per cent in rands, 72 per cent in dollars)
- Dividends doubled



Contents

Deon Makepe (Monorail driver), at Impala's No 1 shaft. Impala was the first underground mining company in the world to use electric monorail transportation systems, which is in line with the company's commitment to implementing technological improvements in the interests of increasing safety and productivity.

"For all shareholders, however long your association with this great company, there is more to come. A well-positioned group operating strongly and growing well in a firmer market suggests even better results next year."

Michael McMahon
Chairman

Message from the Chairman

Dear shareholder,

It is my pleasure to table this report on Implats' best year ever.

As the lowest cost primary producer in the industry, your company benefited dramatically from the rises in the dollar prices of all four of our main products, platinum, palladium, rhodium and nickel. Since, for the first time in some years – and for very good reasons – there was no improvement in our production volumes or in real costs of production, this single factor is the dominant reason for the records achieved (in both dollars and rands) in sales revenue, profit before tax, attributable income and dividends.

Much public debate surrounds the legal obstacles in Moscow delaying contract sales from Russia of platinum and palladium. This comment tends to assume that such contract sales are the sole route for Russian metal to reach the West, and that resolution will result in a flood of Russian metal with substantial and permanent weakening in our markets. Detailed analysis indicates that:

- Substantial Russian supplies are being routed other than via the high profile "contracts" which are primarily with Japanese consumers.
- Even with resolution of the Moscow legal problems, market demand will clearly absorb all Russian newly-mined metal, and will still be hungry for supplies from Russian stockpiles.
- Russian behaviour in the markets over recent years, and public pronouncements in recent months, indicate a desire and capability to balance the market at recent average prices (that is, excluding the short-term peaks) for all three major platinum group metals.

Inadequate supplies of newly-mined metal and the absence of stock from speculators and the Russians caused excitement in the palladium market in March of this year, and again as this report is being printed. While not as extreme, there was a parallel tightness in both the platinum and rhodium markets. Discounting these as short-term aberrations, and looking to supply and demand fundamentals, your company believes that the index of total dollar revenues per ounce of platinum sold, which was 37 per cent up year-on-year to a record mean of $914, is sustainable at or above these levels.

Implats owes its competitive position to an ongoing process of improving efficiencies and lower real unit costs. For the first time in four years, this was not repeated at our mining and processing operations at Rustenburg. The prime reasons were:

- The loss of production due to the introduction of two additional public holidays over the New Year as a result of Y2K concerns and two days of national stay-aways.
- Extraordinary rainfall in February which resulted in the collapse of the main feed conveyor to the

Implats continues to support the efforts of Platinum Guild International (PGI). These efforts will be expanded to include the launch of a campaign in India in the year 2000.

Here, a prospective buyer admires the displays in a downtown Shanghai department store, with PGI campaign-related promotional material in the background.

Minpro plant. This caused 20 000 ounces of platinum in surface stockpile to remain unprocessed at financial year-end.

- Lower metallurgical recoveries as we process the surface stockpile through a congested plant.

In sum, these events negated our expectations of producing slightly more this year than last and caused a four per cent drop in production of 45 000 ounces of platinum. Most incurred the full cost of production, resulting in our cost per ounce of platinum, for the first time in four years, being above the ruling inflation rate of 8.3 per cent at nine per cent.

Looking past these aberrations, the operations continued to progress and improve. This will shine through in the next reporting period.

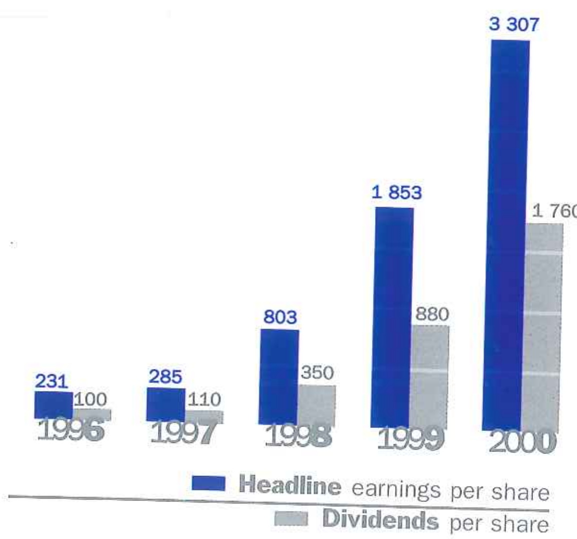
The transformation of our Refineries from strategic liability to major competitive advantage is one of the wonders of the industry. The commissioning of the final phase of the Enhanced Precious Metal Refinery entrenches our ability to provide the lowest cost refining in the industry to our own operations and to grow further our highly successful Impala Refining Services (IRS) business, processing concentrates for third parties.

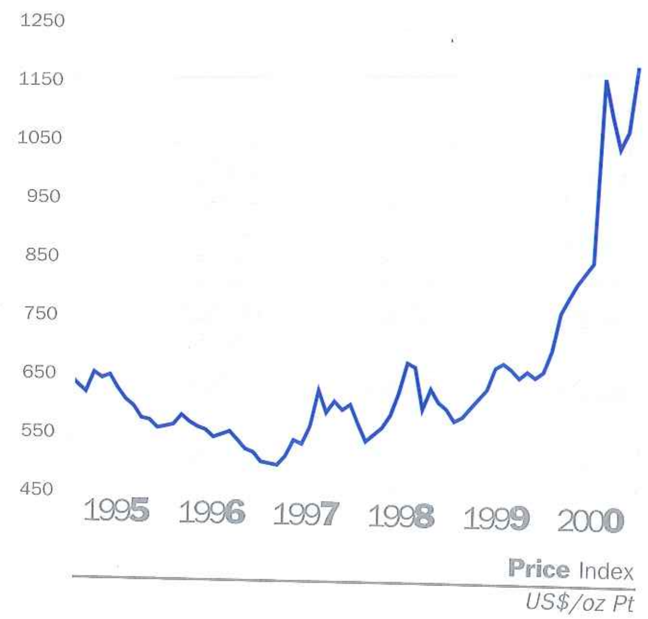
Performance and capacity of the Refineries is but one leg of the plan put forward last year to expand metal output by 10 per cent per year over the ensuing five years. Other aspects, such as:

- The re-opening of Barplats' Crocodile River mine;
- The sale of Messina to SouthernEra Resources with a concentrate buy-back agreement;
- The further development of the Aquarius relationship;
- The purchase for R898 million ($128 million) of the Canadian junior, Platexco Inc., and the joining of its Winnaarshoek reserves with adjacent prospects to develop a truly exciting mine; and
- The participation in the Philnico nickel feasibility study in the Phillipines;

are all part of this commitment to growth which is on track and proceeding apace.

The relationship with Lonmin plc formed by our 27 per cent holding in Lonmin Platinum (Lonplats) has been characterised before as "unfinished business". It may be sub-optimal, but it is highly profitable at present. Any change to this uncomfortable status quo, would have to demonstrate better returns and growth prospects.





During the year, the South African Supreme Court of Appeals confirmed the lower court judgement supporting Implats' views and actions in respect of the proper interpretation of the Shareholders' Agreement as they refer to the disclosure of geological information at Karee in the original 1989 Lonmin agreement. Putting this vexatious argument behind us may well open the way for a more constructive dialogue with Lonmin. Time will tell.

It is my duty to report to you that seven of our number died in work-related accidents during the year. It is difficult to reconcile the tragic personal consequences with the sense that we are trying, and by any comparative measure succeeding, to operate as safely as we can in an essentially hazardous environment. The fact that this number is Implats' lowest since it became a substantial employer, is the same for the second year in a row, gives a fatality rate which is the lowest in South African hard-rock mining and is below the world-wide Ontario bench mark of 0.10 per million man-hours, all encourage rather than satisfy us.

There has been only one change to the Board composition during the year, forced upon us by another tragic event. The whole company was saddened by the passing, due to illness, of the most recent addition to the Board, the young king Lebone Molotlegi II of the Royal Bafokeng Nation. Our deepest sympathies are extended to his mother, his family and the whole Bafokeng community. Leruo Molotlegi has succeeded to his brother's position in the community and has been invited to, and has joined the Board.

Consideration of the performance and position of the group has moved the Board towards the more generous end of the dividend policy with a doubling in the total dividend for the year to 1 760 cents per share. The group has built strategic cash reserves – in excess of R3 billion – which it has no desire or intention to increase further. The creative use of these reserves in the relatively near future is one of the growth challenges facing the executive team.

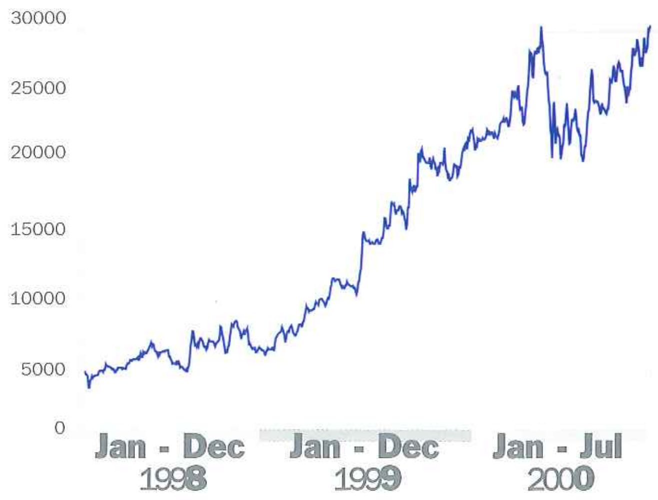
For the last two years, it has been good to be an Implats' shareholder. For those who stood with us through the darkest hours of the mid-90s I thank you for your support – no doubt you appreciate the rewards.

For all shareholders, however long your association with this great company, there is more to come:

- Assuming rational Russian conduct, a better average year in the market is probable.
- Your company is well versed in the complexities of doing business in the new South Africa – it is fazed by none and is an industry leader in most.
- A well-positioned group, operating strongly and growing well in a firmer market suggests even better results next year.

I commend you to the full report that follows.

Michael McMahon
Chairman



Share price

Summary of Results

		1st half	2nd half	2000*	1999*	% Change
Financial	(Rm)					
Sales revenue		2 553	3 516	6 069	4 183	45
Cost of sales		1 535	1 605	3 140	2 654	18
Income from metals mined		1 018	1 911	2 929	1 529	92
Insurance claim			28	28		
Royalties		154	252	406	237	
Mining income		864	1 687	2 551	1 292	97
Income from Impala Refining Services (IRS)		52	97	149	90	
Other income		6	53	59	10	
Net financial income		111	117	228	186	
Share of net income from associates		115	218	333	204	
Income before taxation		1 148	2 172	3 320	1 782	86
Taxation		368	744	1 112	575	
Consolidated income after taxation		780	1 428	2 208	1 208	83
Outside shareholders' interest		1	2	3	5	
Attributable income		779	1 426	2 205	1 203	83
Headline earnings per share	(cents)	1 183	2 124	3 307	1 853	78
Dividends per share		340	1 420	1 760	880	100
Operational						
Tons milled ex-mine	('000 tons)	7 784	6 878	14 662	14 638	0
Pge ounces refined	('000 oz)	1 032	881	1 913	1 978	-3
Cash cost per refined pge ounce	(R/oz)	1 367	1 524	1 439	1 329	8
	($/oz)	224	233	228	219	4
Platinum refined	('000 oz)	535	485	1 020	1 065	-4
Cash cost per refined platinum ounce						
– Total operations	(R/oz)	2 635	2 769	2 700	2 471	9
	($/oz)	432	423	427	407	5
– Net of revenue from all other metals	(R/oz)	250	(1 373)	(521)	617	184
	($/oz)	41	(210)	(82)	102	181
Capital expenditure	(Rm)	277	506	783	431	82
Metal price index achieved	($/oz)	719	997	855	625	37
Average exchange rate achieved	(R/US$)	6.16	6.57	6.40	6.08	5

Unit costs include insurance payout

Implats' relationship with Aquarius Platinum – and its associate, Kroondal Platinum, has flourished. The relationship has benefited both parties: Kroondal has gained a relatively rapid entry into the pgm business through Impala Refining Services (IRS), while Implats has gained through leveraging its refining capacity to add to its bottom line.

Here, Hannes Wenzel of Impala and Colin Campbell of Kroondal discuss the sampling of pge concentrate, before it is transported to Impala for smelting and refining.

" A highlight of the year was the sound progress made in developing a credible growth strategy in an innovative and cost-effective way, securing Implats' future prosperity and continued delivery to shareholders. "

Steve Kearney

David Brown
Financial Director

Steve Kearney
Chief Executive Officer

Chief executive's review

Implats' primary objective is the creation of wealth for its shareholders, measured by a combination of share price rise and consistent dividends. During the year 2000, Implats delivered to shareholders both with a 66 per cent rise in the share price and a doubling of the dividend per share.

It was a mixed year from an operational perspective, particularly in the second half where two national Cosatu stay-aways, numerous public holidays and abnormal rainfall conspired against us. As a result, platinum group metals (pgms) production was down some three per cent. A collapse of a conveyor belt at Mineral Processes as a result of the rain added to the disruption and resulted in an insurance claim of some R45 million. Nonetheless, gross and unit costs per ton milled were held to a five per cent increase, once again below core inflation of 8.3 per cent. This is despite an across-the-board wage increase of between 8.5 and 10 per cent.

Despite the short-term operational setbacks, the company's overall performance was outstanding. The most notable feature of the market for the year was the behaviour of the Russians, with confusion in legislation preventing the export of platinum and rhodium after April 1999. Uncertainty in supply of these two precious metals, combined with strong fundamental demand – particularly for platinum in the jewellery industry and both platinum and palladium in the automotive industry – resulted in the dollar price for our basket of metals reaching an all time high. The metal price index achieved for the year increased by 37 per cent to $855 per ounce of platinum, as opposed to $625 during 1999, notwithstanding that platinum traded below $360 for the first quarter of the year. Rand revenues reached a record level for Implats of R6 069 million ($952 million).

A highlight of the year was the excellent progress made in developing a credible growth strategy in an innovative and cost-effective way, securing Implats' future prosperity and continuing delivery to shareholders.

Results

Headline earnings per share increased by 78 per cent to 3 307 cents per share (511 US cps) on the back of an 83 per cent rise in attributable income to a record R2 205 million ($341 million). Dividends for the year were doubled to 1 760 cents per share, representing a compounded increase over the past three years of 150 per cent.

Production volumes of refined pgms decreased by three per cent to 1.913 million ounces, from 1.978 million ounces of pgms in 1999. Cash operating costs per ounce of refined pgms increased by some eight per cent to R1 439 ($228) per ounce as a result of lower volumes produced and a decreased yield. Production of refined platinum was down by four per cent to 1.020 million ounces (1999: 1.065 million ounces), with a consequent rise in cash operating cost per ounce of refined platinum of nine per cent to R2 700 ($427) per ounce. Cash operating costs per refined platinum ounce net of revenue from other metals showed a marked improvement of some 184 per cent.

Sales revenue increased by 45 per cent to R6 069 million ($952 million) from R4 183 million ($688 million) in 1999, whilst cost of sales rose by 18 per cent to R3 140 million ($497 million). Income from metals mined increased by 92 per cent to R2 929 million ($455 million).

Royalty payments were up to R406 million ($64 million) during the year, whilst the net receipts on an insurance claim amounted to R28 million. A highlight of the year was the contribution from Impala Refining Services (IRS) of R149 million ($24 million), a 66 per cent improvement on last year. Combined with other income, and net income from associates of R333 million ($53 million), income before taxation showed an improvement of 86 per cent to R3 319 million ($517 million). Capital expenditure was higher than planned, at R783 million ($124 million), which is an increase of 82 per cent on the previous year, as expenditure on a number of the decline projects and the smelter upgrading gained momentum.

Operating cash flows were significantly strengthened as a result of the higher rand metal prices received during the period under review. Cash outflows increased as a result of higher payments for taxation, royalties and dividends, as well as capital expenditure. The capital structure of the group has improved, with low gearing and substantial cash reserves. We will follow the approach that if we cannot invest surplus resources at superior rates of return, we will return these to our shareholders. The average exchange rate achieved of R6.40 to the US dollar was slightly higher than the average spot price.

Operational performance

Performance at Impala, traditionally referred to as the "engine", has improved year-on-year for five years to the point where Impala is a leader in production efficiencies in South African hard rock mining. Development metres increased significantly during the period under review by about 25 000 metres, representing an increase of some 14 per cent. This had a dilutive effect on head grade, but has opened up reserves for mining in the years ahead.
The Merensky flotation circuit was successfully commissioned during the year. Work to convert the UG2 primary milling process from semi-autogenous to autogenous continued apace, with completion due for March 2001. The Enhanced Precious Metals Refinery has continued its sterling performance and the Base Metals Refinery overcame the prior year's nickel reduction difficulties.

Efforts at underpinning the best practice drive have progressed further. Centres of excellence and roving training teams have been established at all of Impala's 13 shafts. As an example of the improvements that can be achieved, the training of 74 under-performing teams has yielded a 25 per cent increase in productivity over a period of six months.

What has become increasingly apparent to us is that, although the Fixco process remains central to our efforts at continuous improvement and the one-team one-vision concept has been communicated and understood by all employees, the process of transformation has slowed down. We need to give greater impetus to our workplace change programmes, to re-engineer our work practices and to unlock fully the potential of our people in the year ahead.

A crucial and integral part of this process of ongoing improvement is our relationship with employee representatives. Impala has a mature and committed relationship with the various unions and associations representing the majority of employees, and it is into this employee body that we need to further tap.

We also believe that the implementation of the next generation technological improvements will deliver the quantum leap in productivity for which Implats has become known. From the innovative decline projects, to the use of the first underground monorails in South Africa, Implats is committed to technology which will make mining both more cost effective and safer. As an example, Implats recently announced the purchase of a stake in Australian-listed mining services and technology company, Brandrill Limited. The two companies initiated a project in February this year to develop the Penetrating Cone Fracture (PCF) continuous mining system, based on non-explosive methods of rock breaking. This system has the potential to deliver improvements in productivity and safety, as well as substantially reduced infrastructure and operating costs.

Two additional areas of focus for the year have been employment equity and the management of HIV/AIDS. We are committed to developing a discrimination-free workplace and a workforce fully representative of the people of our country. Impala has developed a five-year employment equity plan in consultation with employee representatives which will see more than 300 positions currently filled by traditionally advantaged employees, being filled by employees from disadvantaged groups. The management of HIV/AIDS remains a major challenge in South Africa and our endeavours have intensified in both education and the treatment of sexually transmitted diseases. Indications are that the HIV/AIDS prevalence rates at Impala are now well below the levels reported in the mining industry as a whole.

Growth

Implats is committed to the mining, beneficiating and marketing of the nine metal suite that we currently produce, with the focus on the platinum group metals (pgms), primarily platinum and palladium. Opportunities will be followed in the other major metals of that suite, especially nickel, but only where the size of the project is appropriate, the margins high and our involvement delivers an improvement in our cost structure.

We have identified and implemented five paths of growth for Implats, whilst remaining a "pure platinum group metals play":

- **Growth from mining activities:**
  The major event of the year was undoubtedly the offer to purchase the entire share capital of Platexco Limited, a Toronto-based junior mining company that holds rights to mine the South African Winnaarshoek property (housed in Trojan Platinum (Pty) Limited). Implats purchased a 20 per cent participation right in this project in 1998 and has been pursuing a greater interest since. This property is one of the last remaining proven reserves on the world-renowned Bushveld Complex, which is particularly attractive as it comprises a relatively shallow, high-grade pge deposit.

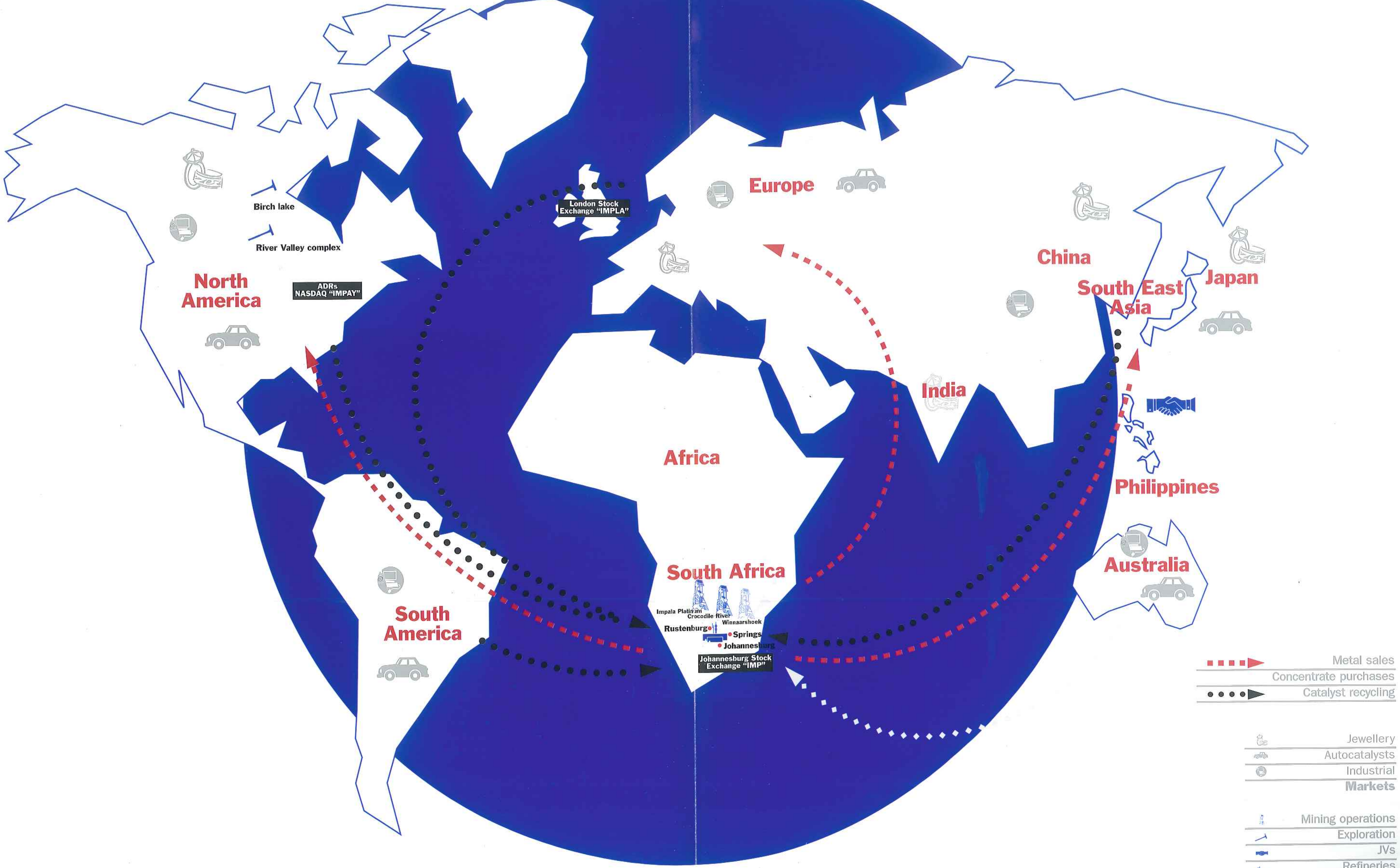
  In a related agreement, Implats also concluded an arrangement with Anglo American Platinum Corporation Limited (Amplats) and the Lebowa Minerals Trust, relating to mineral rights swaps which will enable Implats to mine the Driekop property, which is contiguous to Winnaarshoek. A special meeting of Platexco shareholders approved the sale on 31 July 2000 and, should the necessary approvals from the South African and Canadian authorities be granted, the deal should be concluded by the end of 2000. The transactions will not only see a major new resource (Winnaarshoek) being developed, but will also see new Implats and previously Amplats resources being turned to account. In fact, a 21.0 million ounce pge resource (9.2 million ounce platinum resource) will be turned to account for an outlay of R898 million – which equates to R43 per pge ounce.

  In February 2000, Implats also announced the re-opening of Barplats' Crocodile River Mine and delivery of ore from the Maroelabult area is expected to commence as early as January 2001 at a rate of 80 000 ounces of pgms per annum.

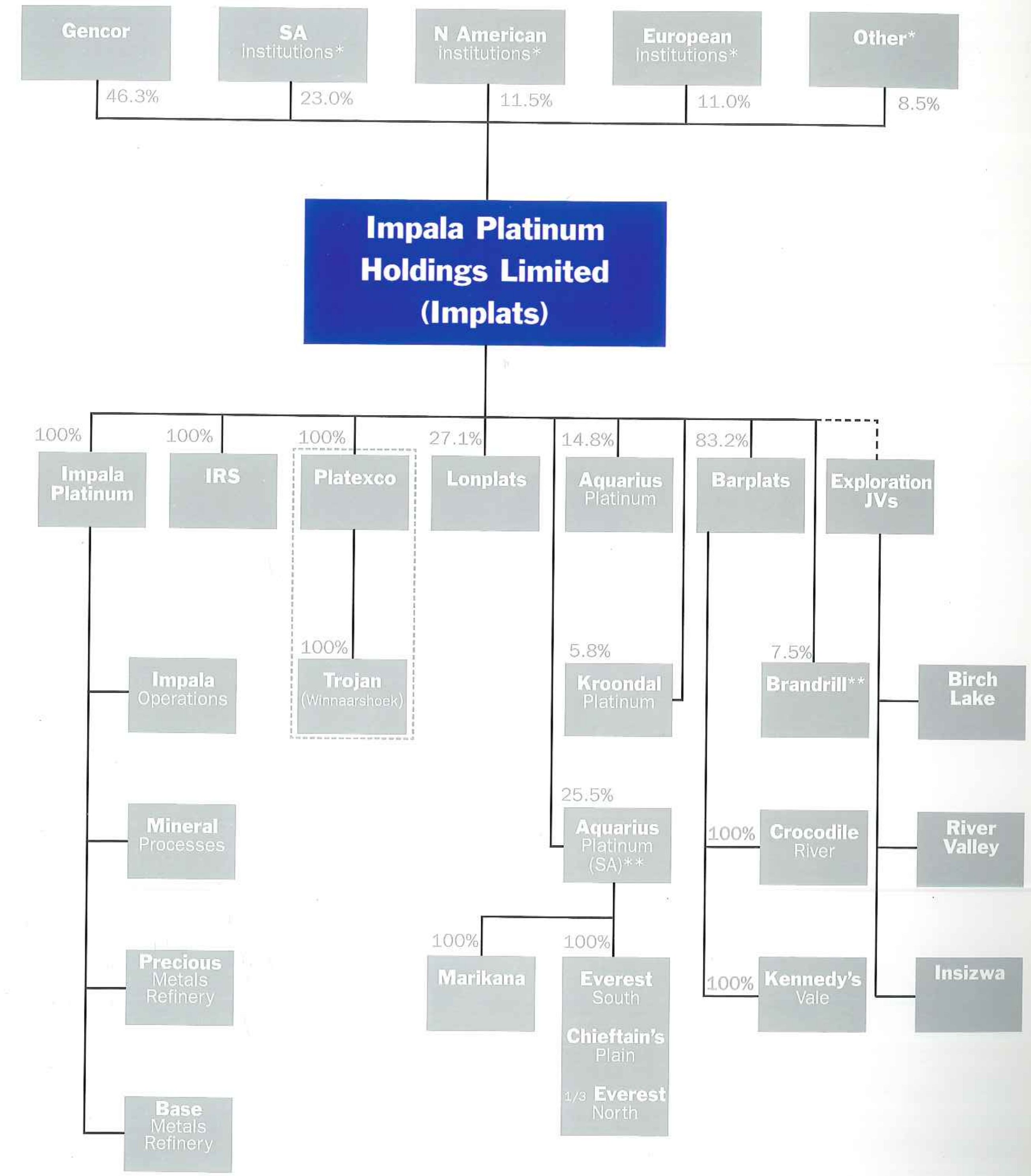
- **Growth from leveraging surface assets:**
  One of Implats' stated objectives is the leveraging of its surface assets and capitalising on core competencies in smelting, refining and marketing, to reduce costs, generate profits and achieve real growth in the delivery to the market of Impala branded products. This is achieved primarily through Impala Refining Services (IRS), a dedicated vehicle for purchasing concentrate, refining and marketing third party materials and toll-refining, which is making an increasingly significant contribution to Implats. IRS has identified significant potential business including the life-of-mine contracts signed with Marikana and Messina Limited. Kroondal delivered its first concentrate on schedule in October 1999.

- **Growth through joint ventures and alliances:**
  Implats holds a strategic interest in two pgm producers, namely Lonplats – the platinum division of London-listed Lonmin plc, and London and Australian-listed Aquarius Platinum Limited.
  Our 27 per cent shareholding in Lonplats remains a core investment, giving us a stake in a productive and profitable operation that has itself announced expansion plans. Our shareholding also provides us with a 50 per cent board representation and certain pre-emptive rights. Implats will continue to play a constructive role on the Lonplats board and, now that the issues surrounding the Karee geology

Implats' global reach



Implats' structure



* These are informed estimates made by the company in light of holdings through nominee companies and ADR holders.
** Structure finalised post year end.
Subject to conditions precedent.

litigation have been resolved, we look forward to pursuing opportunities that will create value out of this shareholding.

Our investment in Aquarius Platinum Limited provides an additional area of growth. This relationship has seen benefits accruing to Implats, Aquarius and its major investment, Kroondal, and we are interested in pursuing a greater interest in the company and its development of the Marikana and Everest projects.

- **Investment to effect cost reductions:** Implats announced in February this year that it had commenced a feasibility study to investigate the Philnico project, which could see the exploitation of a large long-life nickel and cobalt deposit on Nonoc Island in the Philippines. Key to the project would be the refining of metals at Implats' existing Base Metals Refinery that should see an overall decrease in the cost of producing pgms of about three per cent. A feasibility study should be concluded by the end of 2000 and Implats will take a decision as to whether or not to proceed at this point.

- **Exploration, including joint ventures:** Implats has deliberately left the business of exploration to those with the requisite knowledge and experience and has, instead, focused on entering into joint ventures with junior and senior companies, providing both finance and expertise. A number of opportunities are currently being pursued, both in South Africa and abroad. The appointment of a Canadian consultant to keep a watching brief on international exploration developments and to develop relationships with exploration and junior mining companies is beginning to bear fruit.

The report that follows reviews Implats' operations by business unit/interest.

Prospects

As good as this year has been, the outlook for the year ahead looks even better. From an operational perspective, the Impala "engine" is running well, having overcome a number of short-term operational difficulties. IRS continues to perform well and a number of new projects, such as Platexco and Crocodile River, will show good progress. As a result of time-lags in contracts, Implats has not fully realised the benefit of metal price increases during this financial year. In fact, prices at the end of June 2000 were at a 20 per cent premium to the average prices attained during the year.

Market fundamentals should remain positive at least over the next three to five years and demand for pgms will continue to increase, within a supply context where the newer projects that have been announced will take some time to come on stream. The unknown factor in the equation is, as always, the Russians and the potential volatility that their action – or inaction – may bring to the market.

Implats has initiated an international investor relations campaign to build on its growing international investment base. Implats represents a fundamentally sound investment opportunity, capable of delivering consistent growth and returns that have the potential for broader appeal amongst more generalist investment funds than has previously been the case.

Following the unbundling of all of its other listed investments during the year, Gencor Limited remains the major shareholder with a 46.3 per cent holding in the company. This relationship is under review by both parties in the best interest of shareholders of both companies.

From a strong operational and financial base, Implats is well positioned to pursue growth and to capitalise on its fundamental strengths and operational performance. Provided current market circumstances prevail, we expect to post even better results in the year ahead.

S. V. Kearney

Steve Kearney
Chief Executive Officer
21 August 2000

Jewellery demand increased significantly during the year to record levels, particularly in the Far East, where the white metal wave continues unabated.

Here, Mmemogolo Molotlegi, the Queen Mother of the Royal Bafokeng Nation, wears a platinum necklace, commissioned for her by Impala.

"Jewellery demand once again increased significantly in 1999 with offtake increasing in the region of 20 per cent to 2.88 million ounces."
~ Derek Engelbrecht

Pieter Gravett
Assistant Marketing Manager

Derek Engelbrecht
Senior Manager – Marketing

The market

Russians dominate the market

Just 12 months ago Implats reported that the performance of palladium and rhodium provided some relief in the face of a weak platinum market. This year, all four major metals (platinum, palladium, rhodium and nickel) have contributed handsomely towards revenues, raising the index price achieved by 37 per cent from $625 per ounce to a healthy $855, notwithstanding that platinum traded below $360 for the first quarter of the financial year.

Once again, the activities of the Russians had a dramatic impact on the markets, with the now infamous and confusing legislative process preventing the export of platinum and rhodium after April 1999. Stockpiled palladium in the hands of the Central Bank of Russia was also caught up in this web, where ambiguous wording in legislation prevented the State's authorised agent, Almaz, from conducting any business.

However, Norilsk's 10-year palladium quota by-passed the bureaucratic confusion and allowed the shipment of newly mined metals to reach the market preventing what could have been a calamity in this already volatile market. The combination of reduced sales from Russia and insatiable demand for palladium from the auto industry, saw the price of the metal exceed $800 per ounce in February 2000, forcing Japanese authorities to suspend the very liquid Tocom palladium contract in late February.

In so doing, this squeezed the "longs" from the market, allowing a relatively face-saving, but costly exit for the mainly Japanese "shorts". The later resumption of the contract process has not restored the credibility the market lost through the interference of the Japanese authorities.

Platinum

Jewellery

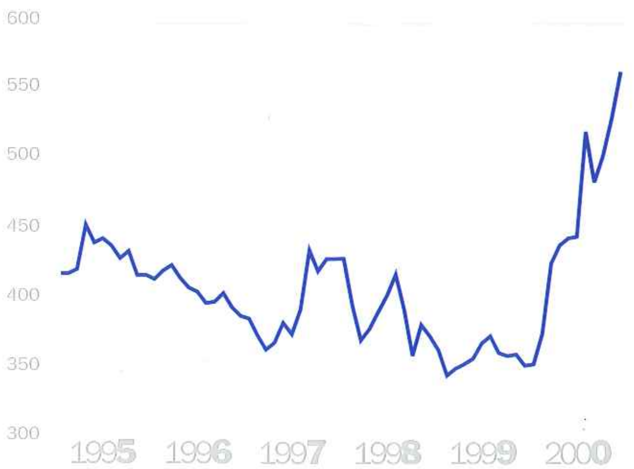
Demand once again increased significantly in 1999 with offtake increasing in the region of 20 per cent to 2.88 million ounces. This was driven primarily by a further surge in Chinese offtake to 950 000 ounces, and a 20 per cent increase in U.S. demand. Modest growth was experienced in Japan as consumers resisted the buying urge when faced with an uncertain economic outlook and potential job insecurity. Disposable income is moving towards high-tech industries and, accordingly, Implats is not forecasting any significant growth in Japanese offtake in the foreseeable future.

The Chinese market has been remarkably resilient in the face of a firming platinum price but the elasticity of demand is finally being tested. Jewellery prices are controlled at the retail level, via a retailers association, and price increases have lagged behind the platinum price. This has had a negative impact on the manufacturers' margins, who resisted buying the metal at a price exceeding about $530 per ounce, thereby reducing the inventory pipeline. Nonetheless, consumer appetite for the metal remains undiminished and a combination of the return of the Russians to the market – bringing some hoped-for stability at lower prices – and increases at the retail level, should restore the manufacturers confidence in the metal. This should result in a resumption of the growth pattern, albeit at lower rates than those to which we have become accustomed.

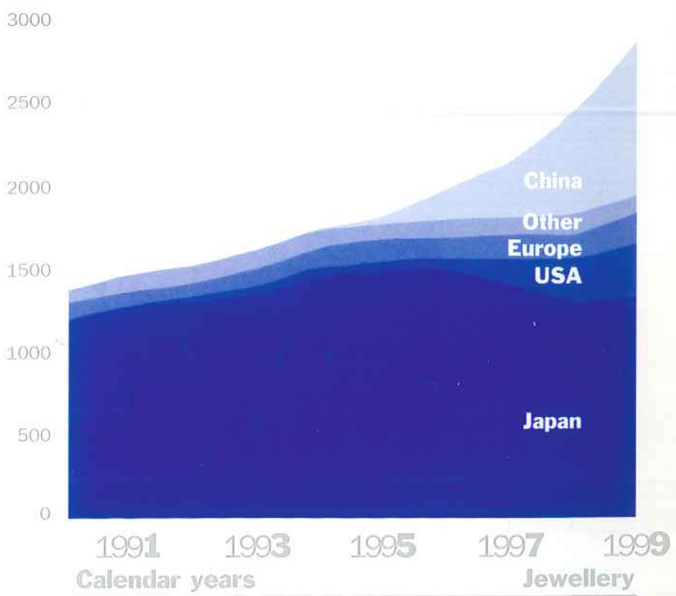
Platinum supply and demand
('000 ounces)

	2000* Estimate	1999*
Demand		
Automotive	1 855	1 810
Jewellery (excl. China)	1 920	1 930
Jewellery (China)	1 000	950
Industrial	1 400	1 360
Investment	80	180
Net demand	6 255	6 230
Supply		
South Africa	4 060	3 915
Russia	750	450
Other	550	700
Recycling	545	485
Net supply	5 905	5 550
(Deficit)	(350)	(680)

* Calendar year



Platinum
US$/oz



Jewellery
demand

The U.S. market has developed a momentum that has partially insulated it from the metals price rise. Platinum is increasingly being selected by newlyweds and the upper end of the market - which is usually gem set - is unaffected by current prices. A more noticeable problem is the shortage of skilled labour to work with the metal, given its wider acceptance. We anticipate robust and sustained growth in this market, provided broad economic circumstances remain stable.

Implats continues to support the efforts of the Platinum Guild International (PGI) and remains the largest contributor to their Chinese campaign, which is being extended to a further three cities this year. The PGI will launch a marketing campaign in India, coinciding with the Diwali festival in October. Given the size of that country's gold market, India has the potential to develop into another major market for platinum.

Automotive

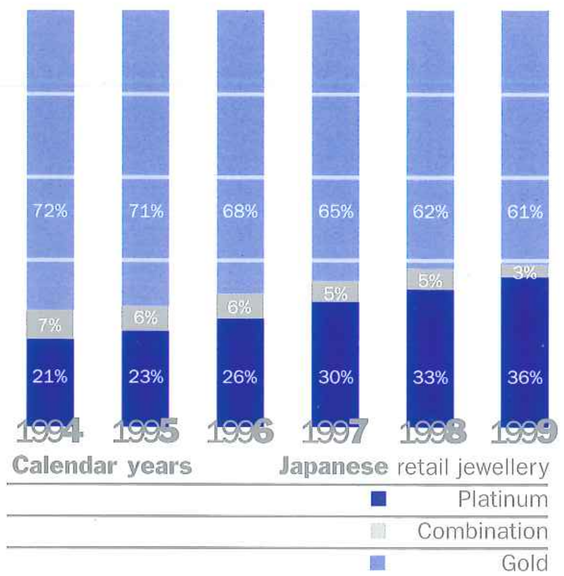
Platinum demand in autocatalysts increased marginally to 1.81 million ounces in 1999. Record car sales in the major markets of the U.S. and Europe, together with the first tentative swings back to platinum as anxiety increased in the automotive industry over the longer term availability of Russian palladium, were experienced.

In Western Europe platinum gained from the increasing swing from gasoline to the more frugal diesel vehicles which now account for 28 per cent of the market compared to 24 per cent a year ago. Diesel vehicles use a platinum-only catalyst owing to the metals' superior catalytic performance and ability to operate under environmentally challenging conditions.

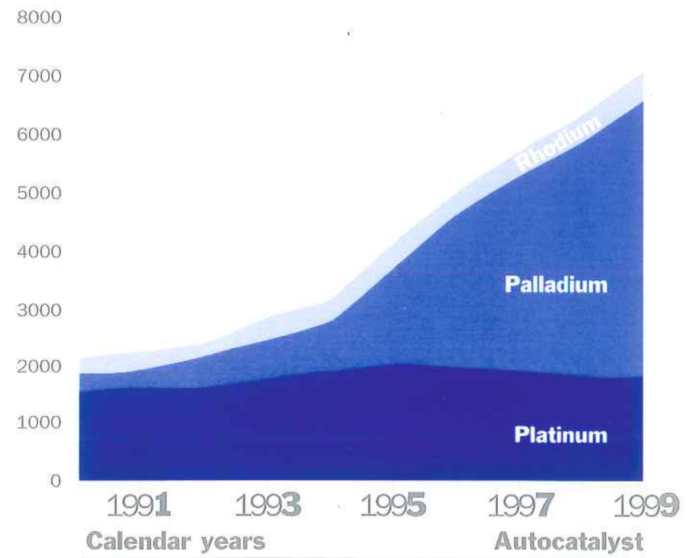
Diesels are expected to continue to make inroads in the European car market in the future. In the U.S. the Environmental Protection Agency's proposed plan to reduce emissions from trucks and buses could result in the use of diesel engines for cars and light trucks, which are now the domain of their gasoline counterparts. This is due to the fact that the new rules include a provision to cut sulphur in diesel fuel by 97 per cent, enabling the use of platinum autocatalysts.

Platinum demand is also set to benefit from the rapid advances in direct-injection petrol engine technology, particularly in Europe. These engines are termed "lean-burn" due to the fact that they operate for most of the time in a lean fuel/air environment, the result of which is superior fuel economy. This has been given further impetus with the soaring fuel prices witnessed since the start of the new millennium.

Overall demand is expected to increase at around four per cent per annum for the medium term. In line with this forecast growth, South African producers have announced expansion plans that will meet this demand without causing an oversupply situation.



Japanese retail jewellery



Autocatalyst
demand

❝ In addition to ongoing growth in both the jewellery and automotive industries, platinum is also set to benefit from the commercialisation of fuel cells for both stationary and mobile applications. ❞

Bob Gilmour
Manager: Market Research & Development

Palladium

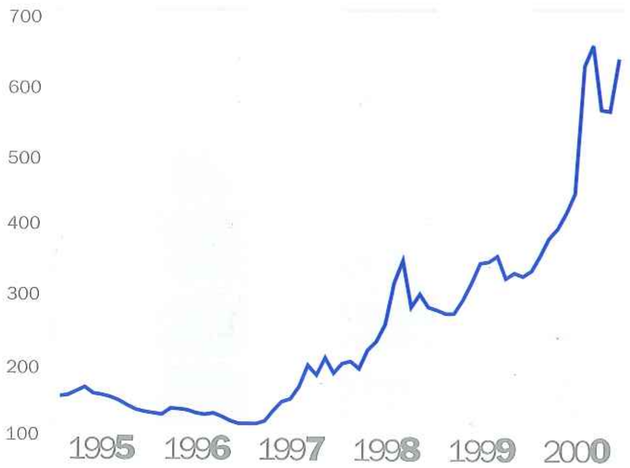
This was another legislatively-fuelled record year for demand in the automotive industry, with total offtake approaching five million ounces, which possibly exceeds newly-mined supply. Implats believes that palladium demand is approaching its peak, owing to continued price and availability concerns. Furthermore, a significant amount of metal has gone into automotive inventories which could curtail future metal purchases. Whilst substitution in the electronics industry continues apace, the effect was masked by the sheer growth in demand for electronic devices and this trend is expected to continue. Similarly, dental usage is expected to contract as high prices extract their toll on consumption.

Despite the forecast slowdown in palladium demand, the market will still be reliant on Russian stock sales for the next few years and, accordingly, the pattern of their sales will be the major determinant of short- to medium-term pricing.

Palladium supply and demand
('000 ounces)

	2000* Estimate	1999*
Demand		
Automotive#	5 215	4 840
Dental	850	1 100
Electronics	1 750	1 980
Other	610	605
Net demand	8 425	8 525
Supply		
South Africa	2 020	1 915
Russia	•5 160	5 500
Other	985	1 095
Recycling	260	210
Net supply	8 425	8 720
Surplus	-	195

* Calendar year
# Excludes stock-building
• Supplies required to balance the market in 2000



Palladium
US$/oz

Rhodium

A combination of strong automotive and industrial demand, and reduced Russian sales, pushed prices of this metal up 60 per cent for the year under review. Tighter worldwide emission legislation focussing on NOx reduction should ensure firm demand for the metal, thereby underpinning prices at levels higher than those of recent years.

In the long-term, significant inventory build-up and increased platinum production will put pressure on this market.

Rhodium supply and demand
('000 ounces)

	2000* Estimate	1999*
Demand		
Automotive	565	495
Other	89	87
Net demand	654	582
Supply		
South Africa	421	419
Russia#	75	70
Other	21	26
Recycling	78	69
Net supply	595	584
(Deficit)/surplus	(59)	2

* Calendar year
# Excludes significant off-market transactions in the U.S.A. which have been placed into inventories

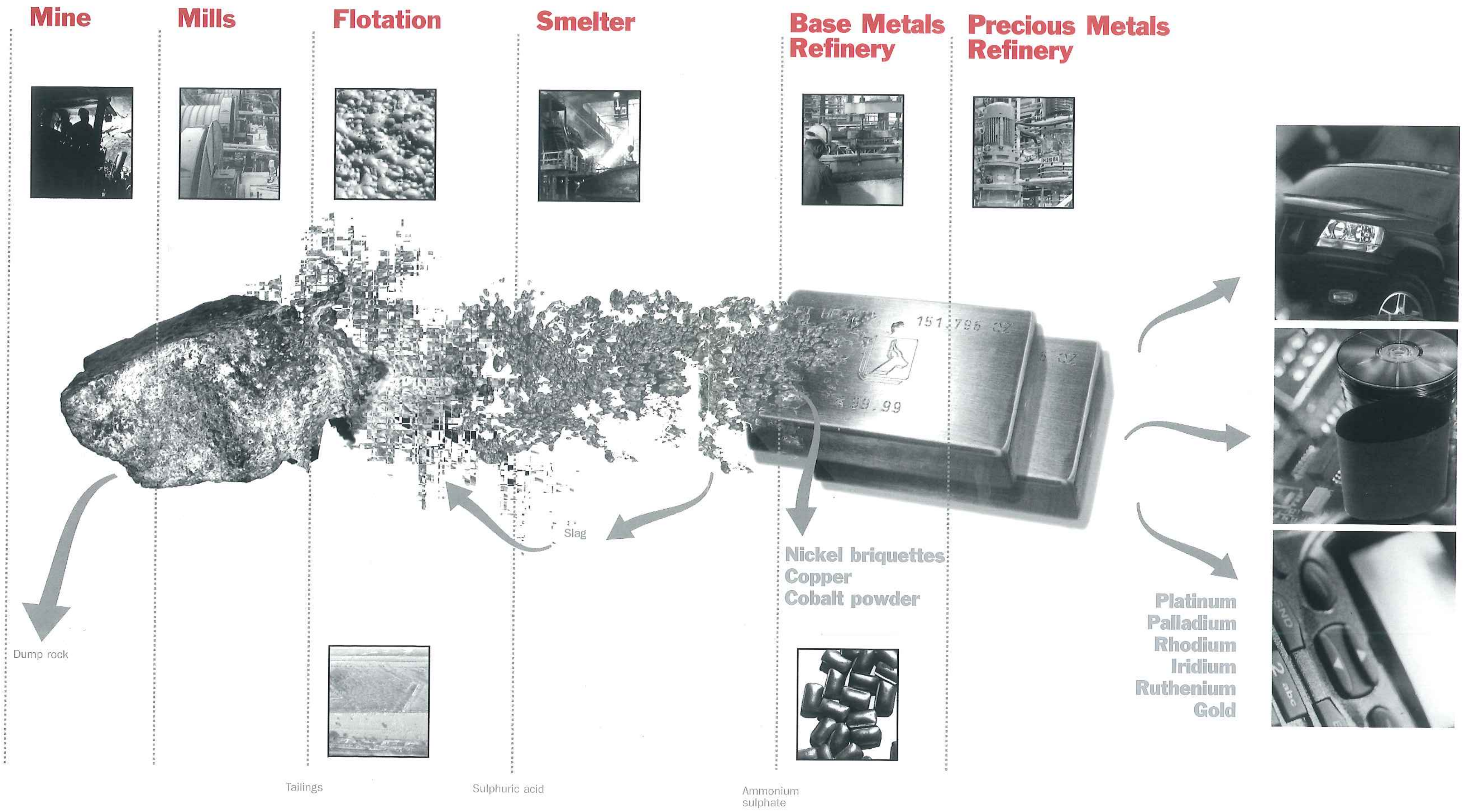
Nickel

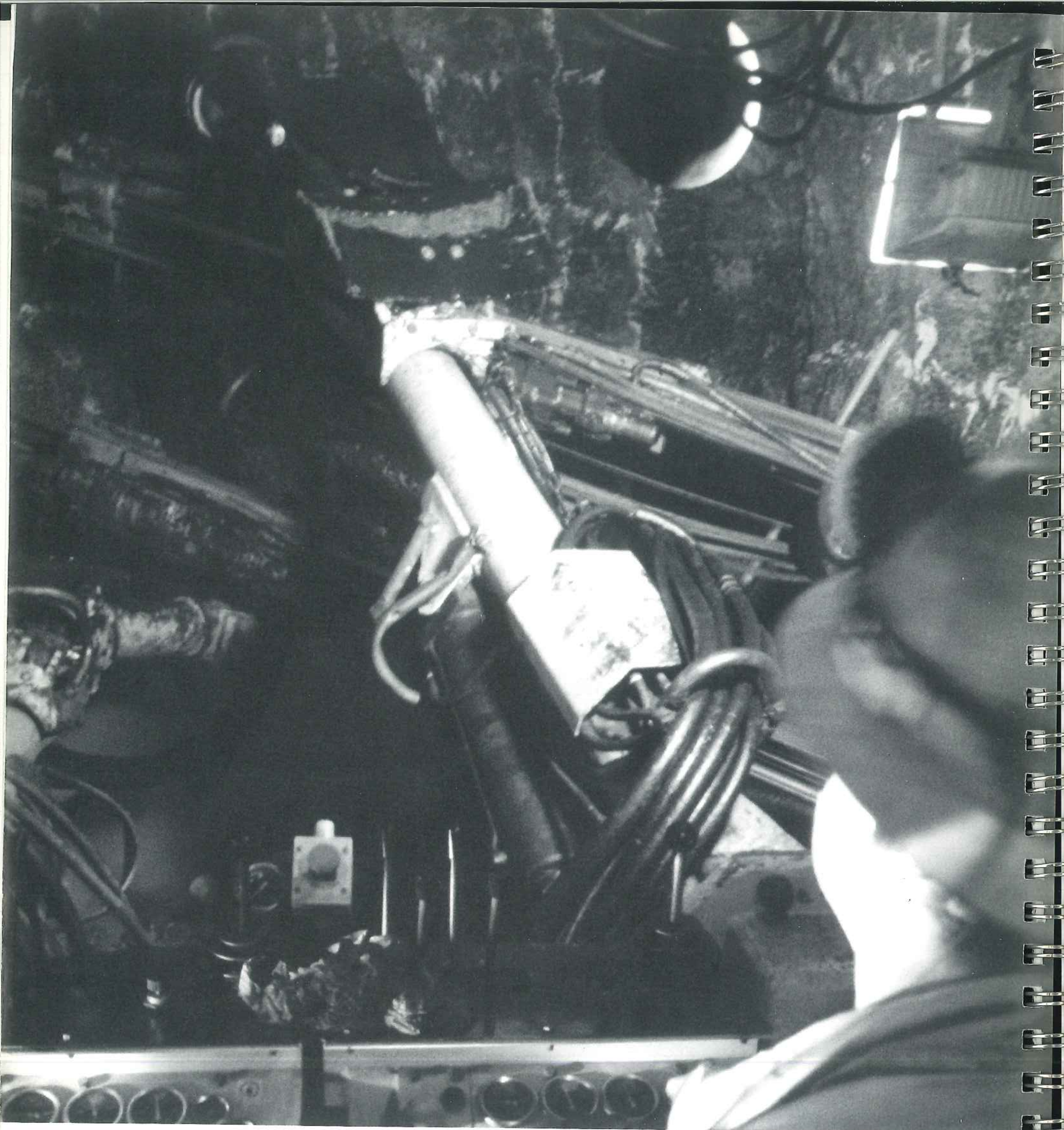
The failure of the Western Australian laterite projects to deliver metal to the market timeously, in an environment of burgeoning stainless steel demand, has seen a fairly dramatic recovery in the price of this metal. However, anticipated growth in supplies via a plethora of new projects and the fulfilment of the Australian expectations, should ensure adequate supplies of metal and a retracement of prices from recent highs.

Rhodium
US$/oz

Nickel
US$/ton

The platinum process





Impala's Fixco process and the associated One team - one vision philosophy has delivered significant improvements in productivity. Impala is the leader in production efficiencies in South African hard rock mining. The year ahead will see an increased effort at rejuvenating this process, to deliver further improvements in the future.

Here, Drew Waddle operates a jumbo drill rig, developing the triple decline system at Impala's 11 shaft.

"Over the past decade Impala has undergone a revolution in its operating philosophy resulting in its transformation from a high cost producer to the lowest cost primary producer in the industry."

John Smithies
Operations Director

Review by business unit or interest

Impala Platinum

Renewed focus on performance

Implats' major operating asset is Impala Platinum Limited (Impala), located on the world-renowned Bushveld Complex. Impala's 13 operating shaft systems and Mineral Processes are near the towns of Rustenburg and Phokeng, whilst the Precious Metals and Base Metals Refineries are near Springs, in Gauteng.

Over the past decade Impala has undergone a revolution in its operating philosophy and practices resulting in its transformation from a high cost producer to the lowest cost primary producer in the industry, with the best productivity statistics of all South African hard rock mining, gold and platinum combined.

Steady operational performance

The year in review saw a mixed performance from the Impala operations. The extra holidays over the Christmas/New Year period, along with planned Y2K shutdowns, resulted in a less than optimal start to operations for the second half of the year, following a reasonable performance in the first half. Extraordinarily high rainfall in the Rustenburg area, which led to a conveyor collapse at Minpro and other operational problems, combined with a higher than normal labour turnover and two full-day national strikes, increased pressure on operational performance.

In addition, development was deliberately increased by 14 per cent to 211 000 metres, to open up ore reserves for future stoping and to ensure overall optimal extraction of the ore body. This was timed during a year in which we could afford it. This increased development had a dilutive effect on the head grade since much of the development was on the reef horizon.

	2000	1999	1998	1997	1996
Tons milled ('000)	14 662	14 638	14 509	13 775	13 475
% UG2 mined	50.6	48.1	45.9	45.6	51.8
Headgrade (g/t 5 pge + Au)	5.0	5.3	5.2	5.2	5.3
m^2 per stoping employee per month at work	40	41	40	36	34
Tons per employee	51	51	48	44	42
Number of employees in service ('000)	28.3	28.7	29.5	31.0	31.1

Mining statistics

“The Fixco process has proved to be a resounding success. The fruits of the process were the development of an affordable long-term mining plan, coupled with a 10 per cent reduction in cost per kilogram over the past three years.”

~ *Paul Visser*

Bob Greer
Consulting Mechanical & Electrical Engineer

Paul Visser
Consulting Engineer Mining

With the co-operation of labour representatives, the year-on-year reduction in employee numbers continued its downward trend to 28 300 by the end of the financial year. Productivity levels continued at existing levels without major improvements for the first time since 1992. Together with a shortfall in production this resulted in a marginal year-on-year decrease in productivity per stoping employee from 41 in 1999 to 40 centares per man in 2000.

Measures have been put in place to ensure continuous improvements are again achieved in the years ahead. Employee numbers are expected to continue to decrease, mainly through natural attrition, albeit at a slower rate than in the past.

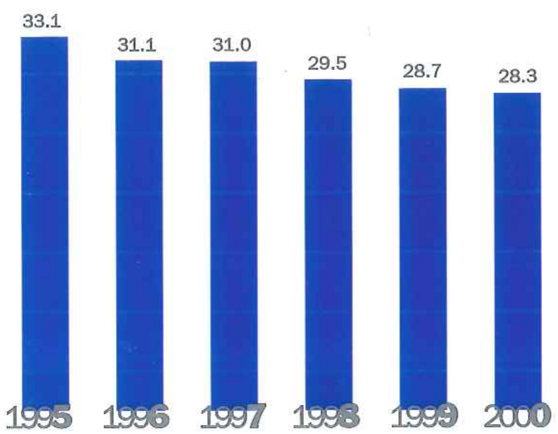
One-team one-vision

Four years ago Impala introduced the Fixco process, which had as its central theme One-team one-vision. The aim of Fixco was to secure Impala's long-term future through a real reduction in unit costs. This was to be achieved by creating the workplace conditions that would enable the identification and implementation of cost per kilogram improvements.

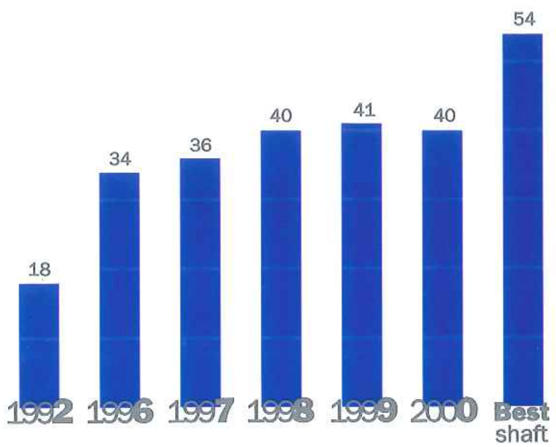
The Fixco process has proved to be a resounding success. The fruits of the process were the development of an affordable long-term mining plan, coupled with a 10 per cent reduction in real cost per kilogram pge over the past three years.

During the year, Impala recognized that the Fixco initiative was losing momentum. It is understandable that the energy imbued in the process will dissipate over time. Contributory factors include the fact that certain of the initiatives embarked on were “once-off” where immediate benefits could be achieved.

To re-energise the process our combined management-employee team has identified a number of new initiatives and involved new team members to bring the process back on track. Our Best Practices and “Fetoga” (change) initiatives will continue to underpin the process to regain the momentum in the future.



Impala
employees ('000)



Stoping efficiency
performance

“Not only is the mining plan extremely capital efficient, but the concentration of mining across the decline shafts will reduce the overheads associated with operating 13 shaft systems.”

~ *Francois Naudé*

Johan Muller
Rustenburg Finance

John Strauss
Springs Finance

Francois Naudé
Senior Manager Finance

Good progress with decline projects

Impala's current operations span 13 shafts, but the longer-term mining plan involves the development of a series of six decline shaft systems below the current third generation vertical shafts. This will allow a gradual move into the lease extension area and access to reserves capable of sustaining Impala's production levels at 1.0 to 1.1 million ounces of platinum for the next 35 years and beyond.

The average depth of mining will only increase from about 600 metres at present to 850 metres in about 10 years time, which is shallow in the South African hard rock mining context and compares favourably with pgm-producing peers. In a 20-year time horizon, reserves down to 1 400 metres will be accessed without any change in mining methods, nor any substantial increase in mining costs.

Not only is the mining plan extremely capital efficient, but the concentration of mining across the decline shafts will reduce the overheads associated with operating 13 shaft systems. There are four decline projects currently in progress (1, 10, 11 and 12 Shafts) with the main sinking phases at various stages of completion. The 14 Shaft decline project will commence its main sinking phase in November 2000.

- Development of the 10 Shaft decline was begun in 1996 and will be completed in September 2001. This triple decline system comprises conveyor and chairlift declines, as well as a material incline shaft. The decline system will service four mining levels, mining Merensky reef initially and migrating to the UG2 reef as Merensky ore is depleted. Stoping operations are already in progress on the first two levels, whilst ore reserve development is in progress on the third. Station development and construction on the fourth level as well as the development of the remaining conveyor belt leg is currently in progress.

- The 1 Shaft decline sinking project began at the end of 1997 and has progressed to the cutting of the station on the third level. Stoping has commenced from the first decline level and ore reserve development is in progress on the second level. This twin decline system, which has a conveyor decline and a chairlift/material decline, pioneered the use of the first electric monorail transport system in a hard rock underground mine.

  Although the first level was timeously attained, a zone of very weak rock strength was entered in developing down to the second level, which slowed advance rates and necessitated a revision of the support strategy. The project is therefore currently six months behind the original schedule; this will not have a negative impact on the planned production from 1 Shaft.

  The project has been modified from a six level decline to a four level decline, which will allow earlier mining on these levels than originally planned. The deeper ore reserves will form part of a next phase in the decline shaft strategy and has been planned as such in the 30-year planning scenario. The decline sinking and station development is scheduled for completion in 2003.

- The 11 Shaft decline, a triple decline system comprising conveyor, chairlift and material declines, commenced with main sinking operations in 1999. This four-level project, which will mine the Merensky and UG2 reefs simultaneously, has reached the first level and station development has commenced. Main sinking is due for completion in 2004.

Abel Matabane, Plant Shift Leader, overlooks Impala's Minerals Processes' Merensky Flotation Plant. Comprising 18 tank cells of 130 m^3 each, this newly commissioned plant constitutes the largest and most effective of its kind. Expectations are that recoveries of up to 91 per cent will be achieved through further optimisation.

Included in this project is an upgrading of the current 11 Shaft infrastructure to enable an increase in production capacity of some 50 per cent. The enlargement of the headgear and building of surface ore transfer silos have already been completed. A new rock winder is being installed and will be operational by September 2000. Piloting of the raise bore hole for additional ventilation capacity is complete and reaming of the hole is in progress.

- The 12 Shaft South decline project, comprising a twin shaft system, commenced sinking in February 2000. Material will be lowered and raised on a rail track by means of a single drum winch located adjacent to the conveyor belt for ore transport. This three level decline, which will initially mine Merensky reef and later UG2 reef, will be completed by 2004.

- The largest decline project to date, the 14 Shaft decline, is in the process of establishing multi-blast ventilation facilities and a conveyor to handle broken rock from the main sinking contract, which will commence in November 2000. This project also includes the upgrading of hoisting facilities, surface ore transfer silos and additional ventilation capacity to enable an increase of shaft capacity by 40 per cent.

This will be a quadruple decline system, with a conveyor decline, material decline, as well as high- and low-speed chairlift declines. Completion of this five level project, which will mine Merensky and UG2 reefs simultaneously, is scheduled for 2006.

Impala reserves and resources for 35 years and beyond

Mineral reserve and resource data classification is based on the South Africa Code for Reporting of Mineral Resources and Mineral Reserves (the Samrec code) which sets out the minimum standards recommended and guidelines for public reporting of exploration results, mineral resources and mineral reserves in South Africa. Note that the Mineral Reserves quoted, in terms of this code, reflect the grade delivered to the mill rather than the in situ grade quoted in respect of Mineral Resources.

Extensive underground sampling, surface drilling, 2-D and 3-D seismic surveys have provided us with confidence in the geological structures and in the mineral reserve and resource estimates indicated below.

Orebody	Category	Tonnage (millions)	Grade (5 pge&Au)	Pt oz (millions)
Merensky	Proven	16.5	4.85	1.5
	Probable	95.6	4.83	8.4
UG2	Proven	19.0	5.03	1.5
	Probable	138.7	5.08	10.8
Total		269.8	4.97	22.1

Impala lease area ore reserves
Mineral Reserves as at 30 June 2000

Definitions: A Mineral (or ore) Reserve is the economically mineable material derived from a measured and/or indicated mineral resource. It includes marginally economic and diluting materials delivered for treatment and allows for losses that may occur during mining. Appropriate assessments have been carried out, including realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate that, at the time of reporting, extraction is reasonably justified. Mineral reserves are sub-divided, in order of increasing confidence, into Probable Mineral Reserves and Proven Mineral Reserves.

Proven Reserves: Proven Reserves refers to material available for mining without further development.

Probable reserves: Probable Reserves describes material beyond existing development, which has been evaluated by drilling and seismic surveys and for which appropriate feasibility studies have been completed which confirm economic extraction.

pge: This refers to total individual platinum group elements, namely, Pt, Pd, Rh, Ru and Ir.

Orebody	Category	Tonnage (millions)	Grade (5 pge&Au)	Pt oz (millions)
Merensky	Measured	-	-	-
	Indicated	132.9	7.77	18.8
UG2	Measured	3.5	9.17	0.5
	Indicated	83.0	9.32	11.8
Total		219.4	8.38	31.2

Impala lease area ore resources
Mineral Resources as at 30 June 2000

Definitions: A Mineral Resource is a concentration of material of economic interest in such a form, quality and quantity that there are reasonable and realistic prospects of eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a mineral resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well-constrained and portrayed economic model. Mineral Resources tonnage excludes diluting materials and allows for geological and mining losses anticipated. Mineral Resources are subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Measured Mineral Resources: Measured Resources includes material where geological evaluation has been completed and appropriate feasibility studies are in progress.

Indicated Mineral Resources: Indicated Resources include material where the continuity of mineralisation can be assumed but where additional geological evaluation is required.

The Measured and Indicated Mineral Resources are additional to Mineral Reserves.

A limit of 1 750 metres below surface has been placed on the Mineral Reserve and Mineral Resource calculations. Continuity of mineralisation below this depth has been confirmed by limited borehole information. These resources can be classified as Inferred but have not been quoted.

“ Implats' Enhanced Precious Metals Refinery is now arguably the lowest cost precious metals refinery in the world. ”
~ Dirk Theuninck

Geoff Skelton *Consulting Engineer Refineries* **Gary Highcock** *Consulting Engineer Metallurgy*

Dirk Theuninck
Senior Consulting Engineer Metallurgy

Metallurgical improvement increases competitive edge

Impala continues to dedicate significant attention and resources to maintaining the leading edge in its metallurgical operations with significant capital expenditure programmes during the year in the areas of concentrating and smelting.

Concentrator

The Merensky Flotation Plant comprising 18 tank cells of 130m^3 each, constitutes the largest and most cost-effective plant of its kind in the industry and pgm recoveries from this newly commissioned plant - at 89 per cent - already compare favourably with competitors. Expectations are that still higher values – as high as 91 per cent – can be achieved through further optimisation. The current focus is to achieve more stable operation through consistent mill product quality, the installation of woodchip screens and further refinements to the reagent suite.

In line with Impala's aim of improving UG2 ore recovery (which is usually more difficult to treat because of its mineralogical properties), work has begun on the installation of an autogenous milling circuit at Mineral Processes. Construction of this R100 million project is due to begin in August 2000, with hot commissioning in March 2001. Project deliverables for the new UG2 Plant include a five per cent increase in pgm recovery, a 30 per cent increase in capacity and a five per cent per ton reduction in operating cost.

In addition, information quality and, ultimately, decision-making, in the concentrator arena has been improved with the installation of world-class sampling systems and concentrate batch mass measuring systems.

Smelter

Impala's smelting operations continued to run well this year, successfully absorbing the increased tonnage inputs from IRS, in particular Kroondal and Western Platinum concentrates.

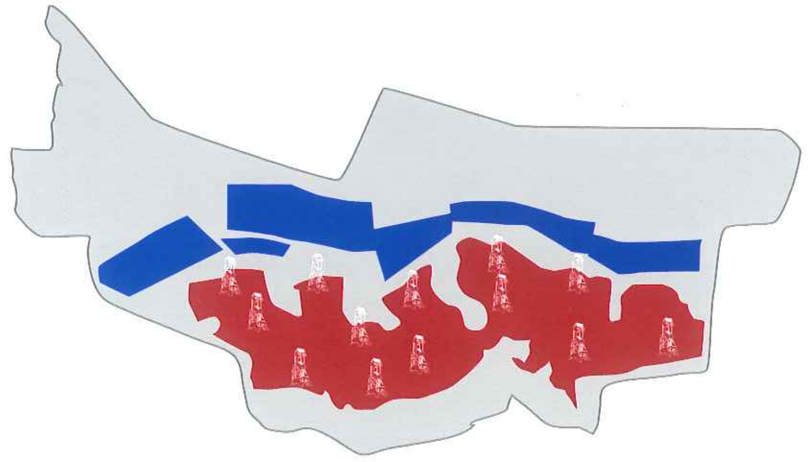
The expansion project is on schedule with commissioning of the two new converters and the enhanced acid plant expected in October this year. The new 38 MW furnace will be completed in December 2000, ready for start-up in January 2001. Completion of this project will provide capacity for envisaged IRS expansion, as well as increased contingency and flexibility within Impala's own operations. A commercially proven gas scrubbing process has been identified which is capable of treating low concentrations of sulphur dioxide in the furnace off-gas presently released into the atmosphere via the main stack. Commissioning is expected towards the end of 2001.

Refineries

The year was one of continued success at the Refineries. The final phase of the Enhanced Precious Metals Refinery (EPMR) was successfully commissioned during the year, delivering better than expected first pass yields for platinum and a consequent release from the platinum refining pipeline. A modified process for rhodium recovery was also installed, which had a significant impact on the rhodium first pass yields.

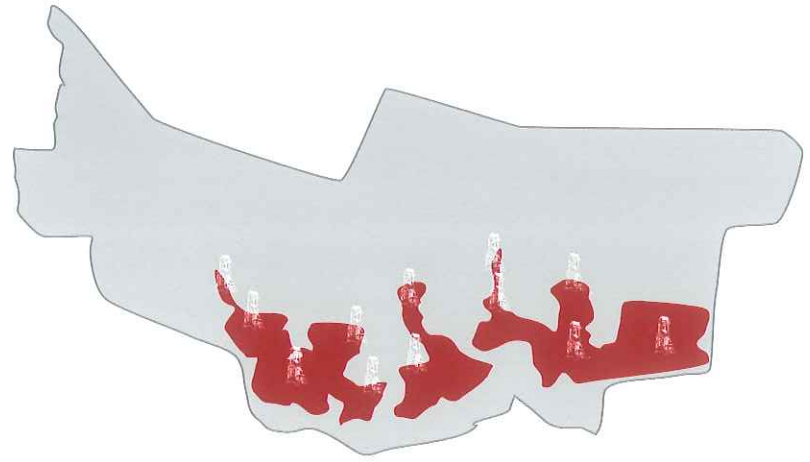
These EPMR achievements, coupled with a consistent performance from the Base Metals Refinery, meant that the overall gross refining cost per ounce of platinum was contained to a commendable less than two per cent increase. Implats' EPMR is now arguably the lowest cost precious metals refinery in the world.

Impala Platinum – Reserves and Resources



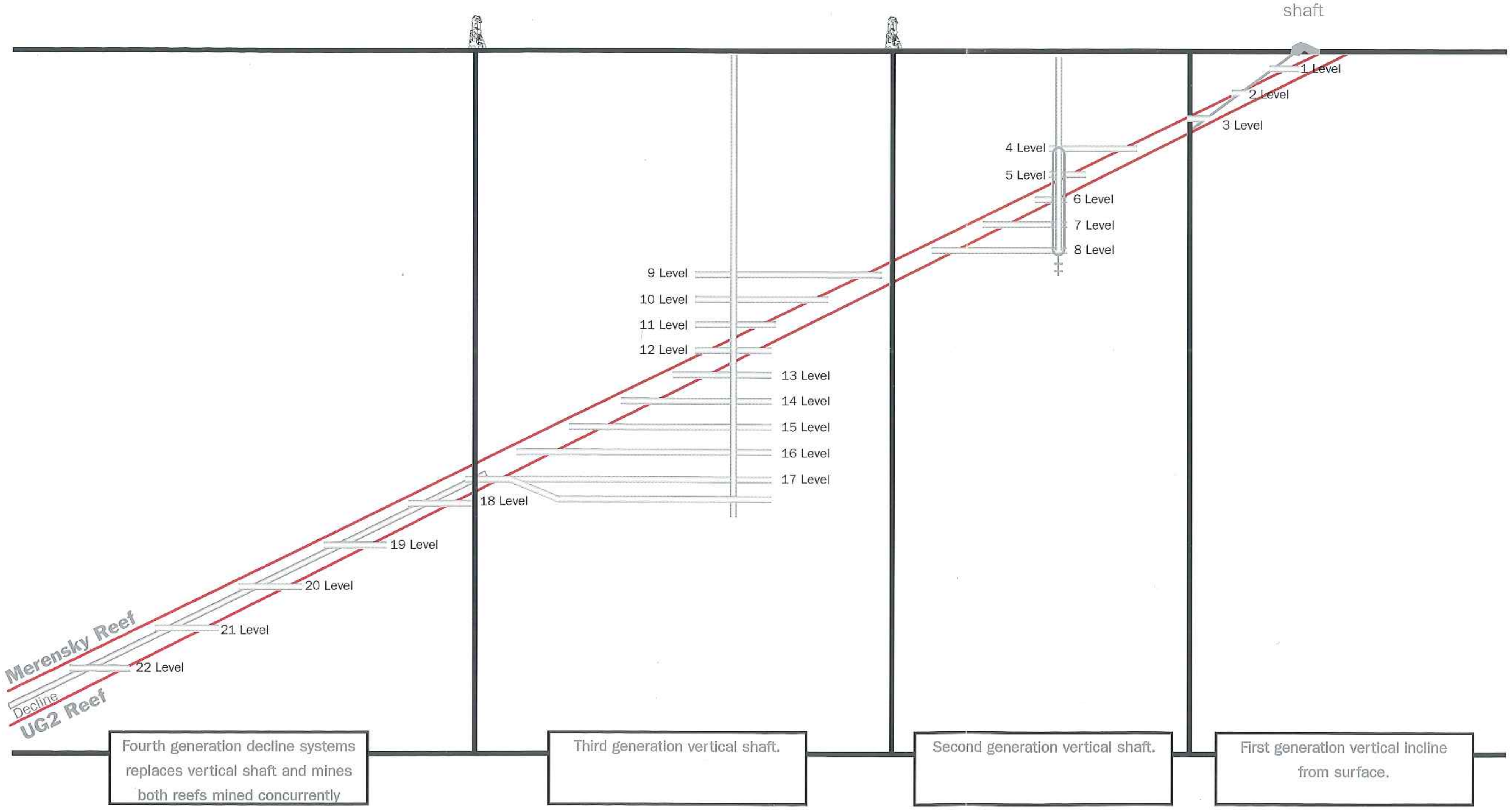
Merensky Reef

Operational shafts
Stoped area
Decline shaft area



UG2 Reef

Operational shafts
Stoped area



The cross-section illustrates typical progression of Impala's operations. The original reef sub-outcrop was exploited via sub-decline shafts. Second and third generation shafts accessed the Merensky and UG2 to a depth of of some 1 000 metres. Currently, four decline projects are at various stages of development to access reserves of up to 1 350 metres below surface. These declines form part of Impala's capital efficeint mining plan which allows access with limited capital expenditure. At a depth of 1 350 metres below surface, unit operating costs should only increase marginally.

Impala Platinum Limited
Showing station layouts (not to scale)

Impala's smelter expansion project is on schedule and will provide the capacity for the planned Impala Refining Services' growth, as well as increased contingency and flexibility within the group's operations.

Seen here is Lawrence Oliver, Site Manager for the construction of the new smelter converters.

" Since its inception in 1998, IRS has significantly increased its contribution towards the bottom line. "

Chris McDowell
Senior Operations Manager

Impala Refining Services

Growth beyond expectations

Impala Refining Services (IRS), created in July 1998 as a dedicated vehicle to house the tolling and metal purchase businesses built up by the group, now reports as a division. Since its inception, IRS has significantly increased its contribution towards the bottom line from a profit before tax of R90 million in its formative year to R149 million before tax this year.

Supporting the Implats vision of growing the total output of Impala branded metals, IRS aims to maximise the use of Impala's surface assets (namely its Smelter, Base and Precious Metals Refineries). From established relationships, such as that with A-1 Specialized Services and Supplies, Inc., and to a lesser extent opportunistic spot refining business, IRS has continued to process metals from five continents. Production for the year amounted to some 400 000 ounces of precious metals and 8 000 tons of base metals.

During the year, IRS focused on forging new relationships, as well as consolidating and extending relationships with existing clients. A concerted effort has been made to improve the company's customer service levels and contract administration.

IRS will realise the benefit from full Kroondal output during the year ahead, whilst an agreement has been reached, subject to due diligence by Implats, regarding the smelting and refining of concentrates from Marikana.

A life-of-mine concentrate off-take agreement was concluded between Messina Limited and IRS, following the sale of Messina by Implats to SouthernEra during the year. Should the Marikana and Messina projects come on stream as expected within the next year to 18 months, they would add a further 270 000 ounces of pges at full production.

Coupled with expected growth in the recycling of autocatalysts, as well as the addition of concentrates from the Crocodile River Mine, prospects for IRS look buoyant in the year ahead.

Additional prospecting and evaluation at the Winnaarshoek property is expected to be completed within the next six months.

Seef Vermaak, Len Lagendijk, Johan Ingwersen and Ivano Manini are part of the project team that is responsible for establishing the mine.

"The major event of the year was the offer to acquire Toronto-listed Platexco Limited, which owns the Winnaarshoek project in the Eastern Bushveld."

John Karlson
Commercial Manager

Review by business unit or interest

Platexco

Major new platinum mine to be developed

In June 2000, Implats announced that it had made an offer to acquire the issued share capital of Platexco Inc. for a consideration of R898 million (C$191 million). A meeting of Platexco shareholders voted unanimously in favour of the deal on 31 July 2000, following which final approval was given by the Ontario Supreme Court of Justice. Subject to the finalisation of agreements pertaining to the acquisition of mineral rights over properties contiguous to the Winnaarshoek property and the approval of the Minister of Minerals and Energy, the acquisition should be completed before the end of 2000.

Platexco – through a South African company, Trojan Platinum (Propriety) Limited – is the holder of mineral rights on the Winnaarshoek property in the Eastern Bushveld. Implats has held a 20 per cent participation right in this project since 1998 and has been pursuing greater involvement since that time.

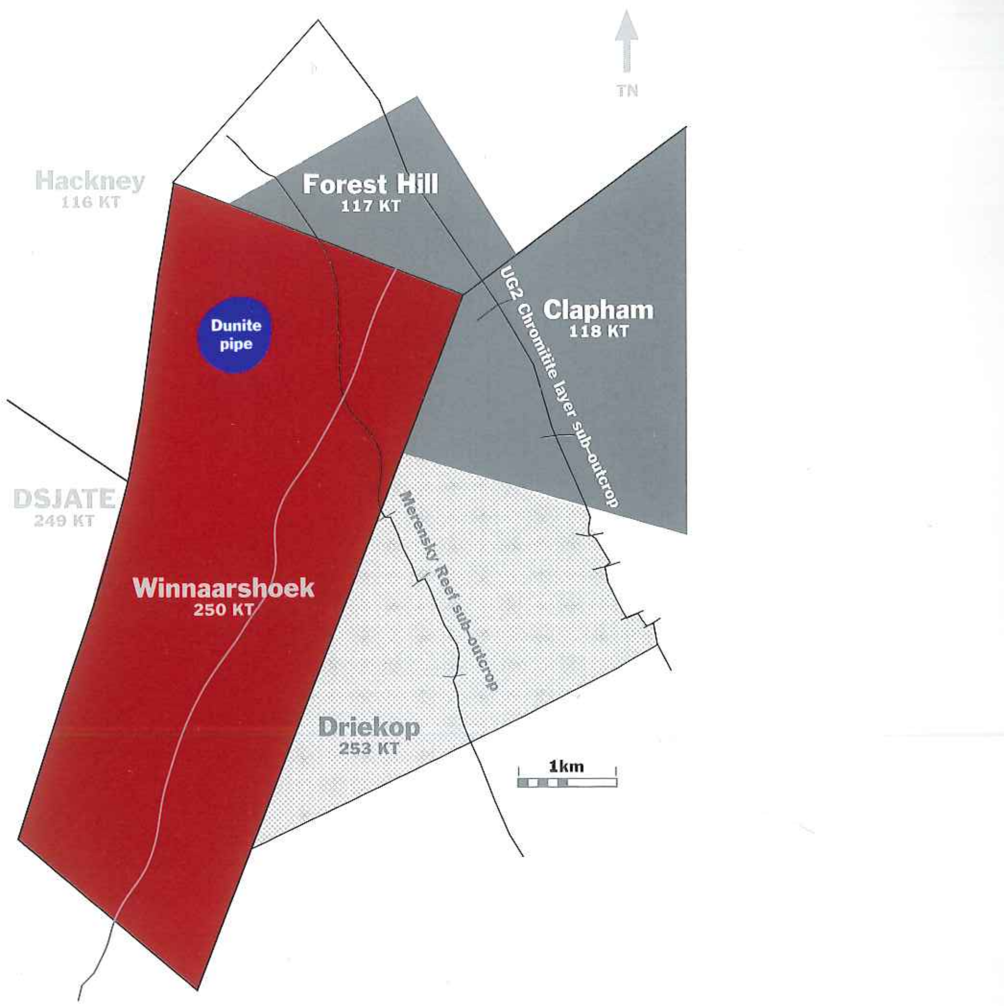
The project is particularly attractive to Implats as it represents a relatively shallow, high grade pge deposit. At full production the mine will produce in the region of 200 000 ounces of platinum per annum over a period of more than 30 years and will entail initial capital expenditure of some R1 billion.

To improve the economic viability of the project, Trojan has entered into an agreement with Amplats whereby it acquires the right to mine the adjacent Driekop property. This right is subject to a royalty of 1.5 per cent, calculated on the value of the metals contained in the concentrate, payable to each of Amplats and the Lebowa Minerals Trust (LMT). The LMT was formed to hold mineral rights for the inhabitants of the Lebowa region. In terms of the agreement Implats has agreed to swap its Hendriksplaats property for Amplats' Clapham property and a portion of the Forest Hill property, which are contiguous to Winnaarshoek. Including the royalties payable to these parties, the overall cost of the acquisition of this exciting project is estimated to be $6 per pgm ounce.

The mining plan will provide for both Merensky and UG2 reefs to be exploited from their sub-outcrop positions. The possibility of opencast mining on the UG2 reef is under investigation as this will provide a rapid start-up. The plan envisages a twin conveyor decline system sunk on each reef, with each reef producing 120 000 tons per month. Headgrades are expected to be in the region of 5.4 grams per ton for UG2 and 4.5 grams per ton for Merensky. All the concentrate will be smelted and refined by Impala Refining Services.

It is expected that the project will be cash positive within eight years and will employ in the region of 1 500 people in this relatively remote and under-developed area. Use will be made of local labour as far as this is possible.

Further exploration work is now required to gain a greater understanding of the Winnaarshoek/Driekop orebodies, although extensive resource data was reviewed and verified prior to the purchase offer being made. A full-time project team has been appointed to complete all the necessary studies and designs to establish the mine. Additional prospecting and evaluations are expected to be completed within the next six months. Mine designs and definitive capital estimates will be completed within the next year and the main decline sinking contract could comence as early as the end of 2001.



"Now that the issues surrounding the Karee litigation have been resolved, Implats is pursuing opportunites that will create further value out of our shareholding in Lonplats."

Cathie Markus
Director, Corporate Affairs

Review by business unit or interest

Strategic holdings

Alliances pay dividends

Implats has a strategic interest in two pgm producers, Lonplats, the platinum division of London-listed Lonmin, and the London and Australian-listed Aquarius Platinum Limited.

Lonplats

Implats holds a crucial 27 per cent stake in Lonplats which brings with it 50 per cent board representation and certain pre-emptive rights. Despite high levels of ongoing capital expenditure, this investment is expected to continue to generate healthy revenue flows in the future.

During the year the Supreme Court of Appeals ruled in Implats' favour preventing the institution of an action brought by Lonplats to challenge certain aspects of the sale of the Karee mine in the original 1990 Western Platinum/Karee Mine merger arrangement. This matter is now considered closed. Our holding in Lonplats is considered by Implats as "unfinished business". Full value for this investment is not reflected in Implats' share price. Methods to move forward and to provide a better return to shareholders are constantly under review.

Aquarius Platinum Limited

Implats' relationship with Aquarius Platinum, in which it holds a 15 per cent interest, remains strong. A formal strategic alliance agreement was signed during the year, with Implats CEO Steve Kearney having been appointed to the Aquarius Board in February 2000. Aquarius holds a 45 per cent interest in Kroondal Platinum, which has experienced a smooth commissioning and serves as a model of a small-scale, rapid-development pgm operation. Delivery to IRS in terms of the concentrate sale agreement commenced on schedule in October 1999, with full production expected to be reached by the end of calendar 2000.

The Implats-Kroondal relationship has benefited both parties in that Kroondal has gained a relatively rapid entry into the pgm business without the costly expenditure and need to mount the technology and skills barriers involved in smelting and refining. Implats has been able to leverage its core skills and refining capacity to add to the bottom line, without the inherent risks and management effort involved in bringing a smaller scale project into production.

In early July 2000, Aquarius Platinum and Impala reached an agreement whereby Implats acquires a 25.5 per cent stake in Aquarius Platinum (SA) Limited, a subsidiary of Aquarius Platinum, in exchange for the mineral rights relating to the Everest South, Chieftain's Plain and a portion of the Everest North projects. In addition to these newly-acquired mineral rights, Aquarius Platinum (SA) also holds the Marikana deposit, an 18 million ton resource located on the Western Limb of the Bushveld Complex. Aquarius is currently completing a bankable feasibility study on the project, to be followed by a due diligence by Implats, with a view to fast-tracking this project.

Barplats' Crocodile River Mine, which was mothballed in 1991, is being re-opened. The mine should be operational by January 2001, with mining at the Maroelabult section due to commence in October 2000.

Here, SRK Consulting, facilitates a meeting with Interested and Affected Parties on the re-opening of the mine.

"A final mining plan is being developed for Crocodile River and mining should begin in September 2000."

Gert Ackerman
Consulting Engineer – Projects

Review by business unit or interest

Barplats

Crocodile River mine to reopen by 2001

Implats holds an 83 per cent stake in JSE-listed Barplats Investments Limited. Barplats, in turn, is the owner of the Crocodile River mine and the Kennedy's Vale project.

Crocodile River mine

In February 2000, the directors of Barplats approved the re-opening of the Crocodile River mine following a detailed feasibility study. The mine had been mothballed since 1991.

One milling circuit of the concentrator is currently being rehabilitated in anticipation of production and should be operational by January 2001. A final mining plan is being developed and mining at the Maroelabult section is expected to start in September 2000 to allow for stripping of the overburden for open cast mining and to build a stockpile to feed the concentrator by the beginning of 2001.

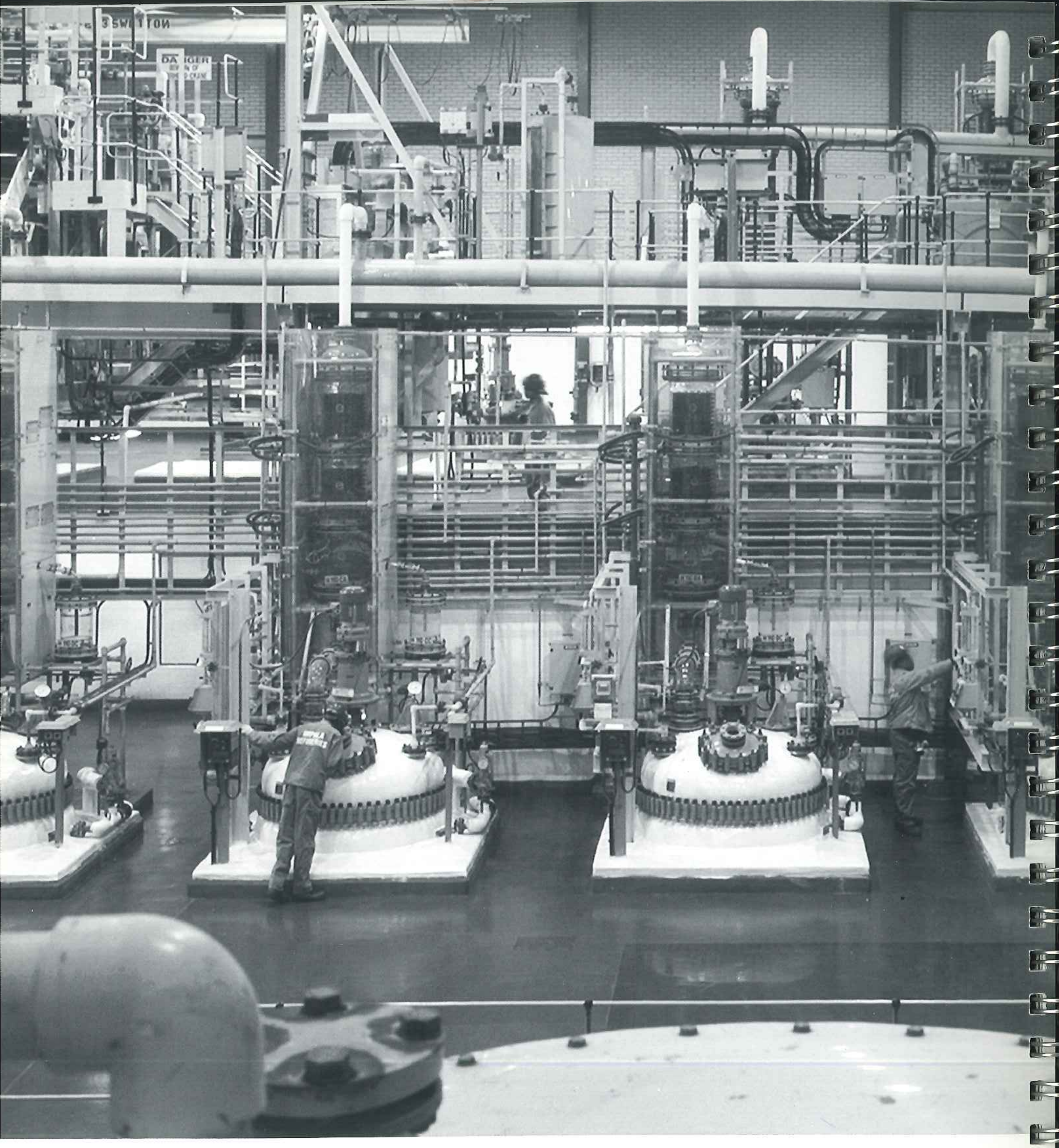
Initial funding requirements for the project are expected to be in the region of R200 million, with an anticipated output of 50 000 ounces of platinum (80 000 ounces pgms) per annum for a period of four years. Preparations for the sinking of a decline shaft have begun, with sinking expected to commence in early 2001. The project team is currently evaluating contractors for running the concentrator and mining at Maroelabult. This process should be completed by September 2000.

Initial bulk sample test work at No 1 shaft has confirmed recoveries of at least 80 per cent. Production from this area utilising bord and pillar mining methods in conjunction with dense media separation techniques can be phased in, increasing the life of mine beyond 10 years. Planning to increase output to 80 000 ounces platinum per annum and to further extend the life of the mine has begun.

Kennedy's Vale

Barplats holds a 100 per cent interest in this previously mothballed operation in the Eastern Bushveld. The existing shafts were designed for a production level of 270 000 tons per month. A vertical shaft system was originally designed to access reserves for six levels, with a decline shaft system planned to access deeper reserves. The vertical shaft system has been developed to 12 Level (some 900 metres below surface). Exploration work is currently in progress to confirm grades and geological structures, as previous work was based on widely-spaced boreholes.

The UG2 ore reserves and resources of the Crocodile River mine (based on the Samrec code) are 0.69 and 14.02 million platinum ounces respectively.



One of Implats stated objectives is the leveraging of its surface assets and capitalisation of core competencies in smelting, refining and marketing to reduce costs, generate profits and achieve real growth in delivery to the market of Impala branded product.

Seen here at Impala Enhanced Precious Metals Refininery is Simon Rampon, a Trainee Process Controller.

“If Implats participates in the Philnico laterite nickel project we could reduce the overall cost of producing pgms by three per cent.”

Stuart Murray
Consulting Engineer, New Business

Review by business unit or interest

New business

Dynamic business initiatives

Implats' growth strategy revolves around mining and beneficiating pges, primarily platinum and palladium. Opportunities will also be followed in the other pges and base metals, especially nickel, where the size of the project is appropriate, the margins add significant value and Implats' involvement delivers an improvement in its overall cost structure.

Increasing branded output

The new business team is delivering the growth vision of raising the output of Impala-branded metals by 10 per cent per annum. Progress towards achieving this during the year was through growth in Impala Refining Services. The re-opening of Crocodile River mine and the relationship with Aquarius are expected to contibute further towards this vision.

Messina Limited

On 1 March 2000 SouthernEra Resources Limited acquired from Implats 54 per cent of Messina Limited for an amount of R65.2 million (US$10.3 million).

A life-of-mine concentrate off-take agreement was also entered into between IRS and Messina to the benefit of both parties. SouthernEra is able to enter into the pge business without the hindrance of the usual barriers to entry in the form of smelting and refining capital expenditure and technology. Implats on the other hand expects to achieve superior risk adjusted returns while at the same time adding the expected production to its own third party refining and marketing business.

Laterite Nickel Project

In February 2000, Implats announced its participation in a technical feasibility study on the development of the Philnico Development Limited's laterite nickel project in the Philippines. The project will exploit an estimated resource of 144 million tons of 1.1 per cent nickel and 0.11 per cent cobalt, at a nickel cut-off of 0.9 per cent. Full-scale production will see 41 000 tons per year of class 1 nickel and 4 000 tons per year of high purity cobalt over a life of mine in excess of 40 years.

The project will be studied as a two-stage production process. Nickel-cobalt mixed sulphides will be produced in the Philippines and will then be shipped to South Africa for refining to pure metals in an expanded plant to be located within Impala's existing Base Metals Refinery complex. Average production costs are expected to be within the lowest quartile of international nickel production.

Implats' exploration team has increased its efforts to meet with exploration companies, particularly North American juniors, to create an awareness of the group, its exploration and joint venture targets and modus operandi.

Seen here are Robin Dunbar of Mustang Minerals (Implats' JV partner in the River Valley project), Implats' Les Paton and Ian Chisholm, Implats' Toronto-based consultant, at a meeting in Toronto, Canada.

" The year ahead will see increased exploration expenditure with Implats having developed a better network in the exploration community "

Les Paton
Consulting Geologist

Review by business unit or interest

Exploration

Seeking competitive platinum resources all over the world

Two years ago Implats initiated its own cost efficient global exploration programme. The group will generally not become involved in pure exploration, leaving that to companies and individuals more geared to the task. Implats will identify and support junior exploration companies, and will enter into joint ventures or acquire equity in both junior and senior companies in promising projects. As part of this strategy, Implats can contribute expertise, funds and access to smelting and refining services.

Consolidation and growth

The appointment of a geological consultant in Toronto, to identify opportunities specifically in North America, is beginning to bear fruit. Implats' exploration team has also met with exploration companies, particularly North American juniors, to create an awareness of Implats, its exploration and joint venture targets and *modus operandi.*

Current opportunities

River Valley

Implats has entered into an arrangement with Canadian junior Mustang Minerals to explore the River Valley intrusion near the town of Sudbury, in Ontario Province, Canada. The exploration target is primary pgm mineralisation, with associated base metals. Exploration commenced in earnest in the spring. A zone of sulphide mineralisation up to 100 metres in width striking for 4.5 kilometres has been detected; pgm enrichment is present (up to 10.7 g/t Pd-Pt-Au). Exploration efforts will concentrate on extending this zone along strike and assessing its potential. Implats has committed to an initial payment of C$6 million ($4 million) over five years, and can earn up to 60 per cent participation in any mine that is developed.

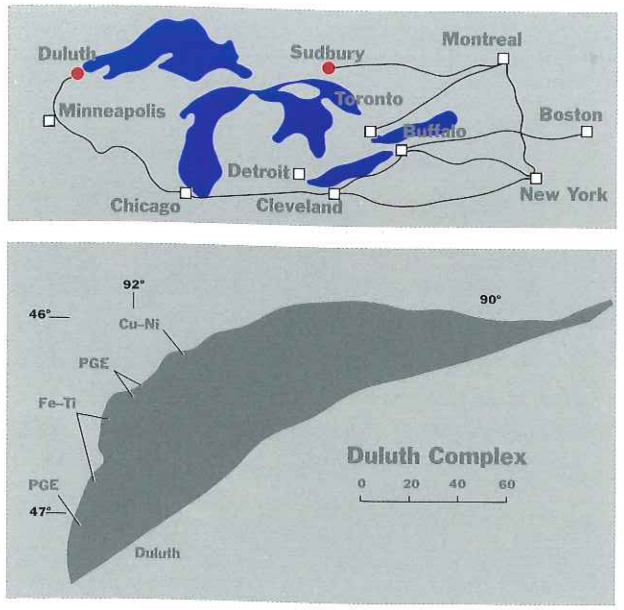
Birch Lake

Implats has entered into a memorandum of understanding to pursue an earn-in and joint venture agreement with Beaver Bay Joint Venture and Lehman Exploration Management Inc. regarding the Beaver Bay property located in the Duluth Complex in the Birch Lake area of Minnesota, USA. Implats will fund both the exploration costs and the cost of a bankable feasibility study, should the exploration results warrant this. A payment of $5 million over a four-year period has been committed to the project. Drilling of a 10-borehole programme commenced in March 2000.

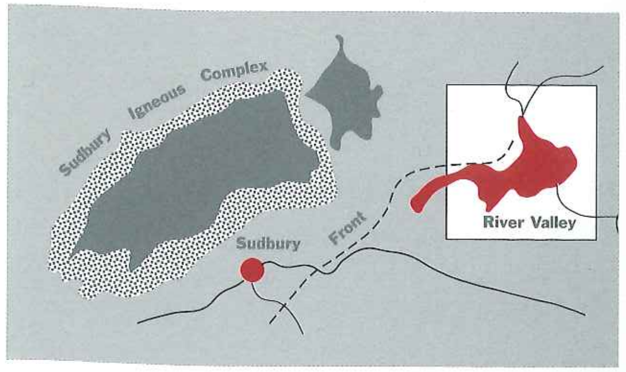
Insizwa

An agreement was signed with Falconbridge to enter into a joint venture to explore the Insizwa complex in South Africa's Eastern Cape region. Implats acquired a 45 per cent stake in the joint venture. The target comprised Ni/Cu massive sulphides with associated pgms. Drilling of geophysical anomalies and trenching of the Ndzongiseni mineralisation has yielded erratic results and a decision was taken by the Joint Venture to suspend exploration on the complex itself. Further evaluation of the surrounding areas is underway.

A number of other projects were evaluated during the year, amidst a climate of resurgent pgm exploration activity worldwide, fuelled in recent months by surging pgm prices. The year ahead will see increased exploration expenditure, albeit off a relatively low base, with Implats having developed a better network in the exploration community and with an improved database of potential projects against which new initiatives can be evaluated.



Birch *Lake JV*



River *Valley JV*

"Over the five-year period covered by the plan, more than 300 positions in the traditionally white and skilled areas will be filled by employees from traditionally disadvantaged groups."

Humphrey Oliphant
Senior Manager: Human Resources

Corporate responsibility

A world-class player

Implats is an integral part of the communities in which it operates and, as with all other challenges facing the group, it strives to adhere to world-class norms. Implats' corporate responsibility efforts include:

- Improving the occupational safety and health of employees;
- Eliminating discrimination and reinforcing employment equity;
- Encouraging stakeholder participation and communication;
- Addressing HIV/AIDS in an imaginative and positive way;
- Minimising the impact of the company on its environment and contributing towards conservation in the areas in which it operates;
- Developing community initiatives for employees, such as the provision of healthcare and housing facilities and support; and
- Contributing in practical and meaningful ways to the communities surrounding its operations.

Safety and health an area of joint focus

Tragically, seven Impala employees died in operations related incidents during the year, the same number as last year.

Although the fatality rate of 0.1 fatal accidents per million man-hours is the lowest in the South African platinum and gold industries and meets the Ontario benchmark, the loss of any life is unacceptable. A thorough investigation into each accident is undertaken and improvements in health and safety are a major focus of the operations.

Other safety statistics in terms of injury showed dramatic improvement over the past two years since better and more active participation of employees and employee representatives was achieved. Impala's safety mission drafted jointly with the workforce, "Together, through our behaviour and work, we will create and maintain a safe and healthy environment" has been a driving motivator underlying efforts during the year.

A number of notable achievements were attained during the year through management-employee participation in health and safety:

- An effective risk management process, which is integrated into the day-to-day activity of production teams, has been developed and implemented;
- The development and launch of Impala's "Zero Tolerance" approach that does not allow deviation from support standards and underground locomotive practices. As a result, Impala has not had a fall of ground or locomotive-related fatality for the last 10 months of the financial year.

Through the Impala Community Development Trust, the company endeavours to be a facilitator rather than a sole sponsor of social projects. In this way, the long-term sustainability of projects can be encouraged, additional donors can be attracted and communities may be empowered.

Seen here is Impala Public Relations Officer, Ronel Visser, at the Impala Exhibition Centre with a group of children from the Luka Primary School .

"The Impala HIV/AIDS commitee views traditional healers as vital players in assisting in educating their patients and in treating certain opportunistic infections associated with HIV/AIDS."

~ Dr. Jon Andrews

Dr. Lucas van der Berg
Chief Medical Officer: Refineries

Dr. Jon Andrews
Chief Medical Officer: Operations

- The objectives set at a voluntary Safety Summit arranged by employee representatives, and held after working hours during 1998/1999 have all been met. The two main objectives were to resolve the ineffectiveness of the employee representative system and to resolve the culture of not adhering to standards and procedures;
- An employee-driven safety campaign called "Thiba Kotsi" (which means accident prevention) has been developed and launched. This campaign relies on the participation of employees in developing a culture of health and safety, and encompasses:
  - Co-ordination of workplace inspections by the full-time health and safety representatives;
  - Formal inspections and completion of a checklist by the workplace health and safety representative; and
  - Daily discussions of problem areas with line management.

Noise induced hearing loss is a major occupational health problem facing underground employees. Impala has a Hearing Conservation Programme in place and "new technology" personal protective equipment is provided to high risk employees. All contractor employees are also now required to undergo audiometric screening at their pre-employment medical examinations.

	2000	1999	1998	1997	1996
Fatality frequency rate (per million man hours)	0.09	0.09	0.20	0.14	0.18
Lost time injury frequency rate (per million man hours)	12.64	10.90	21.20	20.50	29.40

Safety statistics

The Mineral Process operation produces sulphur dioxide (SO_2) as a gaseous emission. Although SO_2 does not pose a major health hazard it is an upper respiratory tract irritant. A Lurgi Scrubber was installed which has resulted in significant reduction in SO_2 gas released into the atmosphere.

The exposure to platinum salts has been successfully managed by implementing strict hygiene measures to all those employees exposed to this hazard. No incident of an allergy to the complex salts of platinum was reported in the past three years.

Commitment to employment equity

Impala is committed to the development of a discrimination-free workplace and a workforce that is fully representative of the diversity of the people of the country. A framework agreement on employment equity was reached with all recognised employee representatives and interest groups, covering all levels of occupations within the company.

A steering commitee comprising all stakeholders has been established under the Chairmanship of CEO, Steve Kearney to oversee the process. An employment equity plan was developed and submitted to the Department of Labour. A further four sub-committees have been established covering all operational areas. The five-year employment equity plan transacted with employee representatives has specific numerical targets to be achieved, including critical positions such as operations managers, engineers and metallurgists. Over the five-year period covered by the plan, more than 300 positions in the traditionally advantaged areas will be filled by employees from traditionally disadvantaged groups.

A formal employment equity policy was developed and employment equity training for stakeholder representatives

“ The main drivers of the Impala Community Development Trust are project sustainability, addressing community environmental issues and the creation of socio-economic capacity. ”

~ Pierre Lourens

George Watson
Senior Technical Manager: Environment

Pierre Lourens
CEO Impala Comunity Development Trust

was conducted. A newsletter providing up-to-date reports on the progress of employment equity process was launched during the year. Certain barriers to employment equity were identified and measures to remove these constraints have been implemented. The year ahead will see the finalisation of the employment equity plan, the addressing of further barriers to employment equity and issues highlighted in a recent climate survey. A skills development plan to support the employment equity plan is also being developed to enable the upward mobility of designated candidates.

Tackling HIV/AIDS issues

The management of HIV/AIDS is a major challenge for Impala, one that it addresses in close conjunction with its representative unions and associations. The two areas of focus remain the prevention of HIV transmission and the management of the impact of HIV/AIDS on the infected employee and on the company.

During the year under review the company committed in excess of R3 million to combat the spread of the disease, in counselling and treatment initiatives and educational programmes. Initiatives spearheaded by the Impala HIV/AIDS committee have shown encouraging results, with indications that HIV/AIDS prevalence at Impala is now well below the levels reported in the rest of the industry.

These initiatives have proved to be successful and are now being extended beyond Impala's own employees into the surrounding communities in partnership with other mining companies and the national Department of Health.

Through these partnerships, commercial sex workers in the vicinity of our operations have undergone education regarding the risks and transmission of HIV/AIDS. They are also receiving support in the form of provision of condoms and the correct treatment of other sexually transmitted infections. Traditional healers practicing around our operations as well as community youth groups have been targeted for education and training regarding HIV/AIDS. The Impala HIV/AIDS commitee views traditional healers as vital players in assisting in educating their patients and in treating certain opportunistic infections associated with HIV/AIDS.

Environment

Implats intends to be world-class in the management of the environmental aspects of its business. Although Implats' activities have a positive impact on the economic environment of local communities, there is a potentially adverse impact on the environment, affecting employees, shareholders and local communities.

During the year under review, a reassessment of all environmental impacts was completed, various potential impacts were evaluated and action plans implemented to ensure improved environmental performance. Further integration of environmental issues into management systems at all units is planned for the coming year.

Extensive training in environmental awareness, legal requirements and environmental management systems to increase awareness and participation at all levels in the organisation has been undertaken.

During the past year a thermal imaging aerial photographic method was used to identify ground water locations and the subsequent reduction of run-off water resulted in zero effluent, in line with Impala's objective. Impala is aiming for a 50 per cent reduction of SO_2 emissions at the smelter by the end of the year 2001 and the elimination of NOx emissions at the Enhanced Precious Metals Refinery (EPMR) by the installation of gas scrubbers, is planned.

Results obtained from remote monitoring stations confirmed the low levels of SO_2 exposure to the local community. Personal SO_2 and dust monitoring results also indicated levels well below the international acceptable limits.

Impala is actively involved in environmental management forums where all major industries, local, regional and national government departments and NGOs and the Royal Bafokeng Nation participate in the interests of better environmental management. A waste management audit was conducted and in general systems were found to be satisfactory. A team has been commissioned to further improve and formalise all waste disposal procedures.

The Refineries achieved ISO 14001 certification during 2000, while Rustenburg operations will be externally audited during the coming financial year.

Community initiatives growing

In addition to traditional areas of employee remuneration, Impala is committed to extending the provision of healthcare and access to housing to all its employees. The facilitation of adequate and suitable housing remains an important social and real operational problem. Particularly in the Rustenburg area there is a lack of housing – both formal and informal – and this is an area that is being addressed. Implats currently runs a fully-equipped hospital at the Rustenburg/Phokeng operations, as well as a clinic at the Springs Refineries. One of the key challenges facing the company is how to extend the provision of healthcare to the dependants of the bulk of employees who do not currently enjoy these benefits, and who may or may not be located near the operations.

Corporate Social Investment

Through the Impala Community Development Trust (ICDT), the company endeavours to be a facilitator rather than a sole sponsor of social projects. The Trust's *modus operandi* is based on the principle that initiatives should assist communities in becoming self-sufficient. In this way the long-term sustainability of projects and initiatives can be encouraged, additional donors can be attracted into the project and communities may be empowered to take further steps themselves. The past year has seen various stakeholders and donors expressing an interest in assisting with a range of Impala-led projects, including donors from an international funding agency within the European Union. The main drivers of the ICDT are project sustainability, addressing community environmental issues and the creation of socio-economic capacity, particularly in the communities surrounding Impala's operations and in the regions from which employees are drawn.

During the year, Impala was able to withdraw financial assistance to a number of major projects with which it has been involved in the past, which is an indication of the success of the Trust's underlying philosophy. Projects which are now independently sustainable include:

- The Kgatelepele Initiative, which focuses on building a platform of 80 schools in North West Province to act as a locally-based resource of expertise and support. This project is now totally independent of Impala's financial support, and intends continuing its quest to expand its support base well into the future.
- Radio Mafisa, a community radio station and the Rustenburg Community Development Centre, a life-long distance learning centre which now operates entirely independently of the company.
- Another prime example of where this facilitation has worked is the North West Education Trust (a joint venture between business and the Department of Education), which gained R43 million during the last three years from stakeholders interested in co-funding mainly school infrastructure projects. The Tsholofelo Community College and a Entrepreneurial Support Programme is making serious progress toward functioning independently.

Areas which will continue to receive attention during the year ahead include education, training and development, healthcare, housing, financial facilitation and small business development. A key thrust remains HIV/AIDS and the prevention of sexually transmitted diseases, with the development during the year of the HIV/AIDS peer education forum and intellectual assistance to the Freedom Park Clinic. The co-establisment of the Greater Rustenburg Development Forum and the expansion of the hydroponics food production project are but some of the initiatives Impala is concentrating on at present.

Corporate governance

Implats supports the Code of Corporate Practices and Conduct as advocated in the King Report on corporate governance. A summary of compliance is as follows:

Board of Directors

The board follows the unitary structure and retains full and effective control over the group. Its meets on a quarterly basis to review the operational performance of the group, strategic issues, the business plan, acquisitions, disposals and other major contracts and commitments, group policies and stakeholders reporting. There are seven non-executive members of whom two are also directors of the major shareholder. There are four executive directors.

The positions of Chairman and Chief Executive Officer are separate. The Chairman of the board is a non-executive director. In addition, the independent directors are of such calibre and number that they carry significant weight in the board's deliberations and resolutions.

A number of standing committees of the Board have been established. These committees operate with written terms of reference and are comprised, in the main, of non-executive directors. The chairman of each committee is a non-executive director.

- **Remuneration Committee**
  The Remuneration Committee comprises three non-executive directors and is responsible for determining the group policies and structure with regard to executive remuneration, remuneration packages for executive directors and senior executives and policy and strategy of employment.

- **Audit Committee**
  The Audit Committee, which meets on a quarterly basis, is comprised solely of non-executive directors. The role of the audit committee is to assist the board by performing an objective and independent review of the functioning of the organisation's finance and accounting control mechanisms. It exercises its functions through close liaison and communication with corporate management and the internal and external auditors.

- **Health, Safety and Environmental Audit Committee.**
  A Health, Safety and Environmental Audit Committee (HSE Audit Committee) is in place to monitor and review health, safety and environmental performance and standards. The primary role of the HSE Audit Committee is to supplement and support, and give advice and guidance on the effectiveness or otherwise of management's effort in the HSE arena. The committee consists of not less than four members. Employee representatives are invited to the committee meetings on a regular basis.

Internal Control Systems

The group maintains accounting and administrative control systems designed to provide reasonable assurance that the accounting records accurately reflect that transactions are executed and recorded in accordance with sound business practices, that the assets are safeguarded and that protection is provided against serious risk of error or loss in a cost-effective manner.

An internal audit department, which holds regular meetings with management and the Audit Committee and reports to the Chairman of the board, independently monitors these controls.

Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls has occurred during the year under review.

Employee participation

Employees throughout the organisation are actively involved on all Fixco committees. A quarterly Leadership Summit facilitates communication between management and employee representatives across the organisation. In addition, representatives of all unions serve on key committees such as the Impala HIV/AIDS committee.

“The group has adopted a code of values, governing the manner in which it does business with its stakeholders and, in paticular covering business integrity and the development and safety of employees.”

~ *Alan Snashall*

Alan Snashall
Group Secretary

Johan van Deventer
Treasurer

Affirmative action

The business plan of the organisation includes interventions to support the transformation process, to develop and empower our workforce and to accommodate both anticipated and recently promulgated legislation.

Our commitment to the process of "unlocking the potential" of our employees applies in particular to those who fall within the category of designated groups. All our developmental programmes, succession planning, career path programmes and bursary projects take cognisance of this commitment.

Numerous steering committees have been established and specific numerical targets to be achieved have been set over a five-year period to achieve a discrimination-free workplace.

Code of values

The group has adopted a code of values governing the manner in which it is committed to do business with its stakeholders and, in particular, covering business integrity and development and safety of employees. The process whereby employees committed themselves to these values has resulted in the development of the principles of that code into a "Value Statement" which interprets those values in a practical and easily understandable form. All employees and directors are required to adhere to the ethical standards contained in this code.

The group observes a closed period of one month prior to the announcement of interim and year-end results, during which neither directors nor employees can deal, either directly or indirectly, in the shares of Implats or its listed subsidiaries.

Year 2000 compliance

With the start of the new millenium and 2000 being a leap year all production and administrative systems functioned normally. All potential risk has now passed and no further costs are expected to be incurred.

Glossary of terms

Concentrating:	A process of splitting the ground ore in two fractions, one containing the valuable minerals, the other waste.
Cost per ton/refined platinum ounce/refined pge ounce:	The cost of mining, concentrating, smelting, refining, marketing, corporate office and insurance claim expressed per unit of measure.
Decline:	A shallow dipping mining excavation used to access the orebody.
Dense Media Separation:	A means of separating reef from waste exploiting differences in density.
Development:	Underground excavation for the purpose of accessing ore reserves.
Headgrade:	The value, usually expressed in parts per million or grammes per tonne, of the contained mineralisation of economic interest in material deliverd to the mill.
In situ:	In its natural position or place.
Laterite:	Residual soil, or surface product, developed in situ from the atmospheric weathering of rocks. Especially characteristic of humid tropical and subtropical regions.
Merensky Reef:	The economically extractable layer within the Merensky cyclic unit.
Milling:	Grinding of ore into fine particles to expose the valuable minerals.
NOx:	Nitrous Oxides contained in exhaust emissions.
Pge:	Platinum Group Elements which comprise the six elemental metals of the platinum group, that is platinum, palladium, rhodium, ruthenium, iridium and osmium. 3 pges refers to platinum, palladium and rhodium; 5 pges refers to platinum, palladium, rhodium, ruthenium and osmium
Pgms:	Platinum group metals being the metals derived from pges.
Price index:	Basket of metals comprising platinum, palladium, rhodium, and nickel, expressed per ounce of platinum, multiplied by the individual metal prices, in the production ratio.
Return of assets (ROA):	ROA is calculated using current year attributable income expressed as a percentage of fixed assets and investments.
Return on equity (ROE):	ROE is calculated using current year attributable income expressed as a percentage of the opening balance of shareholders equity.
Smelting:	A melting process to further upgrade the fraction containing the valuable minerals.
Stoping:	Underground excavations to effect the removal of ore.
UG2:	Upper group 2 chromitite layer.

Management

Senior Management

Steve Kearney
Chief Executive Officer

Gert Ackerman
Consulting Engineer: Projects

David Brown
Financial Director

Derek Engelbrecht
Senior Manager: Marketing

Gary Highcock
Consulting Engineer: Metallurgy

John Karlson
Commercial Manager

Cathie Markus
Director Corporate Affairs

Chris McDowell
Senior Operations Manager

Stuart Murray
Consulting Engineer: New Business

Humphrey Oliphant
Senior Manager: Human Resources

Les Paton
Consulting Geologist

Geoff Skelton
Consulting Engineer: Refineries

John Smithies
Operations Director

Dirk Theuninck
Senior Consulting Engineer: Metallurgy

Paul Visser
Consulting Engineer: Mining

Management committees

Operations Committee

Area of responsibility: Day-to-day running of operations

Steve Kearney (Chairman)
Gert Ackerman
David Brown
Derek Engelbrecht
Bob Greer
Gary Highcock
John Karlson
Cathie Markus
Chris McDowell
Johan Müller
Stuart Murray
Francois Naude
Humphrey Oliphant
Les Paton
Geoff Skelton
John Smithies
John Strauss
Dirk Theuninck
Paul Visser

Risk Management Committee

Areas of responsibility: Minimising of risk to assets and income earning capacity
Dirk Theuninck (Chairman)
Gert Ackerman
David Brown
Gary Highcock
Chris McDowell
Francois Naude
Johan van Deventer

Hedging Committee

Area of responsibility: Hedging of metal sales and conversion of foreign exchange proceeds to rands
Steve Kearney (Chairman)
David Brown
Derek Engelbrecht
Stuart Murray
Johan van Deventer

Implats Environmental Management Committee

Area of responsibility: Managing and rectifying the impact which mining and processing have on the environment
Dirk Theuninck (Chairman)
Gert Ackerman
Gary Highcock
Pierre Lourens
Cathie Markus
Geoff Skelton
Johan van Deventer
George Watson

Fixco Process Committee

Area of responsibility: Enhancement of operational efficiencies
Bob Gilmour (Chairman)
Les Paton
John Smithies
Gert Ackerman

Directors

Executive Directors

Steve Kearney†
(Chief Executive Officer) (41)
BSc (GDE) Mining Eng., MBL.
Joined the group in 1990 as Consulting Engineer Projects, appointed a member of the board in 1992 and Managing Director in 1996.

John Smithies*
(Operations Director) (55)
BSc (Mining) (Chem.). Joined the group in 1973 as a Mining Engineering graduate and appointed to the board in 1999.

David Brown
(Financial Director) (38)
B.Comm. CA (SA). Joined the group as Financial Director and appointed to the board in 1999.

Cathie Markus
(Director: Corporate Affairs) (43)
BA LLB. Joined the group as legal adviser in 1991 and appointed to the board in 1998.

Board committees

Remuneration Committee

Michael McMahon – Chairman
Peter Joubert
John Roberts

Audit Committee

Daryl O'Connor – Chairman
Vivienne Mennell
John Roberts

Health, Safety and Environmental Audit Committee

Mike Pleming – Chairman
Michael McMahon
Tony Scurr
Dirk Theuninck

* British   † Canadian

Non-executive Directors

Michael McMahon*
(Chairman) (53)
Pr. Eng. BSc Mech. Eng.
Chairman, Gencor Limited.
Joined the group in 1990 as Managing Director and appointed Chairman in 1993.

Peter Joubert (67)
BA DPWM. Chairman, Delta Electrical Industries, Delta Motor Corporation, Munich Reinsurance Company of Africa. Director, Malbak, Murray & Roberts Holdings, Nedcor, Old Mutual plc. Joined the board in 1995.

Leruo Molotlegi (32)
B. Arc
Joined the board in 2000 as a represcntitive of the Royal Bafokeng Nation.

Daryl O'Connor (62)
CA (SA). Joined the board in 1995.

John Roberts (58)
FCIS ACMA. Director, Barplats Investments Limited, Senwes Limited. Joined the board in 1998.

Vivienne Mennell (57)
BA MBA FCMA THD.
Joined the board in 1990 as financial director. Re-joined the board in 1998 as non-executive director. Director of Gencor Limited.

Mike Pleming (64)
Pr. Eng. FIMM. Director of Harmony Gold Mining Company. Joined the board in 1998.

Five year statistics

Income statement for the year ended 30 June (R million)	2000	1999*	1998	1997	1996
Sales revenue	6 069.4	4 183.0	3 380.6	2 658.2	2 356.0
Platinum	2 784.5	2 208.1	2 091.6	1 742.1	1 535.3
Palladium	1 500.2	983.6	621.3	268.9	226.8
Rhodium	1 110.2	571.9	238.7	156.1	178.8
Nickel	341.0	210.7	216.7	285.7	231.2
Other metals	333.5	208.7	212.3	205.4	183.9
Cost of sales	3 140.4	2 653.6	2 567.7	2 393.7	2 198.1
On-mine operations	1 997.6	1 880.4	1 772.7	1 571.8	1 373.8
Concentrating and smelting operations	423.7	408.5	384.7	351.5	325.9
Refining operations	272.0	263.1	262.3	266.4	255.1
Amortisation of mining assets	139.9	148.7	135.5	113.1	215.4
Other costs	87.9	76.9	78.7	104.0	102.3
Decrease/(increase) in inventory	219.3	(124.0)	(66.2)	(13.1)	(74.4)
Income from metals mined	2 929.0	1 529.4	812.9	264.5	157.9
Insurance claim	27.9	-	-	-	30.6
Royalties	406.4	237.4	93.1	5.9	13.2
Mining income	2 550.5	1 292.0	719.8	258.6	175.3
Income from Impala Refining Services	149.3	90.2	13.1	9.3	7.7
Other income/(expenses)	58.6	9.8	(7.2)	(5.1)	(11.4)
Net financial income	228.2	185.9	44.2	1.8	20.6
Share of net income from associates	332.8	204.3	54.4	21.6	35.9
Income before taxation	3 319.4	1 782.2	824.3	286.2	228.1
Taxation	1 111.9	574.7	326.8	110.8	84.0
Consolidated income after taxation	2 207.5	1 207.5	497.5	175.4	144.1
Outside shareholders' interest	2.5	5.0	(2.9)	(1.6)	0.3
Attributable income	2 205.0	1 202.5	500.4	177.0	143.8
Earnings per share (cents)					
• Basic	3 346	1 853	793	285	231
• Diluted	3 313	1 827	783	-	-
• Headline	3 307	1 853	803	285	231
Dividend per share (cents)	1 760	880	350	110	100

* Adjusted for changes in accounting policy.

Five year statistics

Balance sheet as at 30 June (R million)		2000	1999*	1998	1997	1996
ASSETS						
Non-current assets		4 230.3	3 488.5	3 037.9	2 980.3	2 850.8
Fixed assets		3 440.8	2 822.2	2 431.2	2 353.7	2 226.9
Investments		789.5	666.3	606.7	626.6	623.9
Current assets		4 504.3	3 168.3	2 143.6	1 239.4	1 180.1
Total assets		8 734.6	6, 656.8	5 181.5	4 219.7	4 030.9
EQUITY AND LIABILITIES						
Capital and reserves		4 581.9	3 521.7	2 751.6	2 397.2	2 283.8
Outside shareholders' interest		13.8	46.9	68.7	71.6	73.2
Non-current liabilities		1 194.6	1 068.4	1 052.4	1 016.2	949.5
Borrowings		137.1	162.3	179.3	194.6	207.7
Deferred taxation		889.7	745.0	746.9	707.5	649.6
Provision for long-term responsibilities		167.8	161.1	126.2	114.1	92.2
Current liabilities		2 944.3	2 019.8	1 308.8	734.7	724.4
Total equity and liabilities		8 734.6	6 656.8	5 181.5	4 219.7	4 030.9
Cash, net of short-term borrowings		3 080.9	1864.9	801.8	219.2	223.9
Cash, net of all borrowings		2 943.8	1702.6	622.5	24.6	16.2
Current liquidity (net current assets excluding inventories)		1 120.4	492.3	264.8	(16.0)	(82.3)
IMPLATS SHARE STATISTICS						
No. of shares in issue at year end	(m)	66.1	65.7	64.0	62.3	62.2
Average number of issued shares		65.9	64.9	63.1	62.2	62.2
Number of shares traded		31.7	30.1	14.7	11.7	7.1
Highest price traded	(cps)	29 600	17 200	6 800	6 900	10 100
Lowest price traded		15 400	5 100	3 450	4 050	6 075
Year end closing price		25 220	15 180	5 050	5 075	6 225

* Adjusted for changes in accounting policy.

Five year statistics

US$ Information (unaudited) for the year ended 30 June	2000	1999*	US$ Million 1998	1997	1996
Sales revenue	951.6	688.3	682.5	618.1	630.0
Cost of sales	496.6	436.6	528.4	528.1	574.5
On-mine operations	315.9	309.4	364.7	346.8	359.1
Concentrating and smelting operations	67.0	67.2	79.2	77.6	85.1
Refining operations	43.0	43.3	54.0	58.8	66.7
Amortisation	22.1	24.5	27.9	24.9	56.3
Other costs	13.9	12.7	16.2	22.9	26.7
Decrease/(increase) in metal inventory	34.7	(20.4)	(13.6)	(2.9)	(19.4)
Income from metals mined	455.0	251.7	154.1	90.0	55.5
Insurance claim	4.4	-	-	-	8.0
Royalties	64.3	39.0	19.1	1.3	3.4
Mining income	395.2	212.7	135.0	88.7	60.1
Income from Impala Refining Services	23.6	14.8	2.7	2.0	2.0
Other income/(expenses)	9.3	1.6	(1.5)	(1.1)	(3.0)
Net financial income	36.1	30.6	9.1	0.4	5.4
Share of net income from associates	52.6	33.6	11.2	4.8	9.4
Income before taxation	516.8	293.3	156.5	94.8	73.9
Taxation	175.8	94.5	67.2	24.5	22.0
Outside shareholders' interest	0.4	0.8	(0.6)	(0.4)	0.1
Attributable income	340.5	198.0	89.9	70.7	51.8
Earnings per share (cents)	517	305	142	114	83

Note: Income and expenditure have been converted at the average exchange rate for the year.
Sales revenue reflects actual dollar receipts.

* Adjusted for changes in accounting policy.

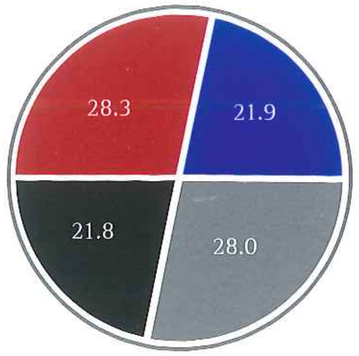
Five year statistics

Operating statistics for the year ended 30 June			2000	1999*	1998	1997	1996
Exchange rate:		(R/US$)					
Closing rate on 30 June			6.92	6.00	5.48	4.51	4.37
Average rate achieved			6.40	6.08	4.94	4.29	3.76
Gross margin achieved		(%)	48.3	36.6	24.0	10.0	6.7
Return on equity		(%)	62.6	43.7	20.9	7.8	6.6
Return on assets		(%)	52.1	34.7	16.5	5.9	5.0
Free market price index		($/oz)	914	631	611	532	577
Achieved price index		($/oz)	855	625	609	561	618
Platinum	Price achieved	($/oz)	424	358	409	418	453
	Sales volume	('000 oz)	1 032	1 024	1 030	992	940
	Refined production	('000 oz)	1 020	1 065	1 052	1 002	954
Palladium	Price achieved	($/oz)	462	311	223	130	143
	Sales volume	('000 oz)	507	514	551	491	444
	Refined production	('000 oz)	493	516	557	497	452
Rhodium	Price achieved	($/oz)	1 214	719	358	271	400
	Sales volume	('000 oz)	142	130	129	137	124
	Refined production	('000 oz)	131	143	131	141	111
Nickel	Price achieved	($/ton)	7 437	4 466	6 062	7 179	7 898
	Sales volume	('000 tons)	7.2	7.8	7.5	7.8	6.6
	Refined production	('000 t)	7.2	7.7	7.7	7.7	6.7
Tons milled ex mine		('000 tons)	14 662	14 638	14 509	13 775	13 475
Total cost per ton milled		(R/ton)	187.8	179.6	172.2	166.5	152.7
		($/ton)	29.7	29.5	35.4	36.7	39.9
Pge refined production (5 pge+Au)		('000 oz)	1 913	1 978	1 960	1 888	1 698
Cost per refined pge ounce		(R/oz)	1 439	1 329	1 275	1 215	1 212
		($/oz)	228	219	262	268	317
Cost per refined platinum ounce							
Total cost of operations		(R/oz)	2 700	2 471	2 369	2 281	2 153
		($/oz)	427	407	487	503	563
Net of revenue received for other metals		(R/oz)	(521)	617	1, 144	1 366	1 292
		($/oz)	(82)	102	235	301	338
Capital expenditure		(Rm)	783	431	248	266	308
		(US$m)	124	71	51	61	81
Total Impala labour complement		('000)	28.3	28.7	29.5	31.0	31.1

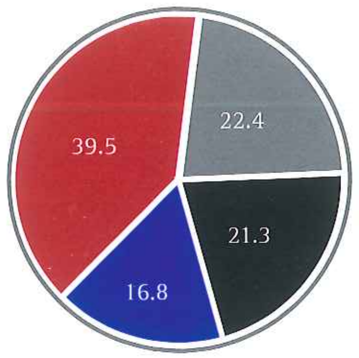
* Adjusted for changes in accounting policy.

Value added statement

for the year ended 30 June	2000	% change	1999
Group sales revenue	6 069.4	45.1	4 183.0
Net cost of products and services	1 412.2	31.5	1 073.9
Value added by operations	4 657.2	49.8	3 109.1
Income from investments and interest	765.5	47.3	519.8
TOTAL VALUE ADDED	5 422.7	49.4	3 628.9
Applied as follows to:			
Employee costs	1 534.3	7.0	1 433.5
The state as direct taxes	1 111.9	93.5	574.7
Royalty recipients	406.4	71.2	237.4
Providers of capital	1 188.6	94.8	610.3
Financing costs	25.2	21.5	32.1
Dividends	1 163.4	101.2	578.2
TOTAL VALUE DISTRIBUTED	4 241.2	48.5	2 855.9
Re-invested in the group	1 181.5	52.8	773.0
Amortisation and depreciation	139.9	5.9	148.7
Reserves retained	1 041.6	66.8	624.3
	5 422.7	49.4	3 628.9



2000



1999

Employee *costs*
Retained *for future growth*
Capital *providers*
Taxation *and royalties*

Approval of the annual financial statements

The annual financial statements for the year ended 30 June 2000, which appear on pages 59 to 98 have been approved by the Board of Directors on 21 August 2000.

The directors are responsible for the fair presentation to shareholders of the affairs of the company and of the group as at the end of the financial year, and of the results for the period, as set out in the annual financial statements. The directors are responsible for the overall co-ordination of the preparation and presentation and for the approval of the financial statements. Responsibility for the initial preparation of these statements has been delegated to officers of the company and the group.

The auditors are responsible for auditing and reporting on the financial statements in the course of executing their statutory duties. The financial statements have been prepared on a going concern basis, conform with applicable accounting standards and are presented applying consistent accounting policies supported by reasonable and prudent judgements and estimates. To discharge this responsibility, the group maintains accounting and administrative control systems designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and procedures. The accounting policies of the group are set out on pages 68 to 72 of this report.

J M McMahon
Director

S V Kearney
Director

Certificate by Company Secretary

I, the undersigned, in my capacity as Group Secretary, do hereby confirm that for the financial year ended 30 June 2000, Implats has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act 61 of 1973, as amended, and that all such returns are true, correct and up to date.

A M Snashall
Group Secretary

Report of the independent auditors

to the members of Impala Platinum Holdings Limited

We have audited the annual financial statements and group annual financial statements of Impala Platinum Holdings Limited set out on pages 59 to 98 for the year ended 30 June 2000. These financial statements are the responsibility of the directors of the company. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with generally accepted auditing standards in South Africa and in accordance with International Auditing Standards issued by the International Federation of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatements. An audit includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements
- Assessing the accounting principle used and significant estimates made by management
- Evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the group and of the company at 30 June 2000 and the results of their operations and cash flows for the year then ended in accordance with South African Generally Accepted Accounting Practices, International Accounting Standards and in the manner required by the South African Companies Act.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Chartered Accountants (SA)
Registered Accountants and Auditors

Johannesburg
21 August 2000

Directors' report

Profile

Business of the company

Impala Platinum Holdings Limited (Implats/the company) is principally in the business of producing and supplying platinum group metals (pgms) to industrial economies. Impala Platinum Limited (Impala), the main operating company of the group, is wholly owned by Implats. Impala Refining Services Limited (IRS), a wholly owned subsidiary of Implats, provides toll smelting and refining facilities for various base and precious metals producers. Implats also holds a 27.1 per cent investment in Lonmin plc's platinum producing operations (Lonplats), Western Platinum Limited (WPL) and Eastern Platinum Limited (EPL), 83.2 per cent in Barplats Investments Limited (Barplats), and 14.8 per cent in Aquarius Platinum Limited (Aquarius) and 5.8 per cent in Kroondal Platinum Limited (Kroondal). Implats is in the process of acquiring 100 per cent of Platexco Inc ("Platexco") a Canadian exploration company. The profile of the group is depicted diagramatically on page 12.

Capital

Authorised capital

The company's authorised share capital of 100 000 000 ordinary shares of 20 cents each remained unchanged during the year.

Issued capital

During the year 353 675 new ordinary shares were issued in terms of the Implats share incentive scheme. Following these allotments the issued share capital of the company was 66 066 140 ordinary shares of 20 cents each (1999: 65 712 465).

Unissued share capital

In terms of a resolution passed at the last annual general meeting, the unissued share capital is under the control of the directors until the forthcoming annual general meeting. Shareholders will be asked to consider a resolution renewing this authority. The proposed resolution is set out in the notice convening the annual general meeting.

Share incentive scheme

At 30 June 2000 the Implats Share Purchase Trust held 38 700 unallocated shares. No shares were allocated or released during the year.

Share option scheme

The directors are authorised to issue, allot or grant options to acquire up to a maximum of 2 177 000 ordinary shares in the unissued share capital of the company in terms of employee share options schemes.

Details of participation in the share option scheme are set out in Note 24 of the financial statements.

Shareholding in the company

The issued capital of the company is held by public and non-public entities as follows:

	('000)	%
Public	34 314	51.9
Non-public	31 752	48.1
Directors	1	-
Trustees of share scheme	145	0.3
Right to nominate a director	1 000	1.5
Holding over 10%	30 606	46.3
Total	66 066	100.0

Gencor Limited holds 30.6 million shares in the company (46.3 per cent). No other shareholder holds more than five per cent of the issued share capital.

Investments

Acquisition of an interest in Aquarius

Aquarius
The company holds a 14.8 per cent (1999: 12.8 per cent) interest in Aquarius Limited (Aquarius) purchased for a cash consideration of approximately R29.1 million (1999 : R7.7 million). Aquarius holds 45 per cent of Kroondal Platinum Mines Limited ("Kroondal"). During the year, the company also acquired a 5.8 per cent direct interest in Kroondal for a cash consideration of approximately R28.9 million. Aquarius announced in July 2000 its intention to merge with Kroondal by means of a scheme of arrangement whereby Kroondal shareholders will be offered 100 Aquarius shares in exchange for 100 Kroondal shares. The Aquarius shares will be listed on the Johannesburg Stock Exchange and the Kroondal shares delisted from the Johannesburg Stock Exchange.

Aquarius SA
Implats has during July 2000 acquired a 25.5 per cent interest in Aquarius Platinum (SA) Limited (Aquarius SA) in exchange for the mineral rights in respect of the Everest South, portion of Everest North and Chieftain's Plain projects. Aquarius SA is currently developing the Marikana platinum project which is expected to come into production in July 2001, producing 150 000 ounces of pges per annum. Impala has undertaken to refine platinum concentrates from the projects.

Philippines Nickel project

Implats has entered into an agreement with Philnico Development Limited to conduct a feasibility study on the Nonoc Island, Surigo del Norte in the Philippines. The project has a resource of 144 million tons with a average grade of 1.1 per cent nickel and 0.11 per cent cobalt. Annual production is estimated at 41 000 tons of nickel and 4 000 tons of high purity cobalt.

Implats has contributed US$ 3.8 million (R25 million) to the feasibility study to date and is committed to contribute up to a maximum of US$6 million. Should Implats decide to participate in the project, Implats will contribute up to US$75 million in cash and contribute its base metal refinery to the project in exchange for 25 per cent of the equity in the new nickel company.

Acquisition of an interest in Brandrill

Implats has subsequently to the year end acquired a 7.5 per cent interest in Brandrill Limited ("Brandrill") through a placement issue of six million shares at an issue price of A$1.15 per share (A$6.9 million). Brandrill is involved in the development of penetrating cone fracture (PCF) technology which is an effective means of rockbreaking and is suited to a continuous mining system due to the minimal toxic fumes, flyrock and collateral damage to surrounding mine infrastructure. Impala has entered into a co-operation agreement with Brandrill governing the use of PCF technology.

Acquisition of Platexco

The company announced on 8 June 2000 that it had entered into an arrangement agreement to acquire the entire shareholding of Platexco Inc (Platexco) for a cash consideration of C$9.50 per share. The offer valued Platexco's fully diluted share capital at C$191 million (R898 million) and was a 23 per cent premium over the closing price of Platexco's shares on the Toronto Stock Exchange on 7 June 2000. The consideration will be paid in cash from the company's internal cash resources. Platexco is a mineral exploration and development company and its main asset is the Winaarshoek platinum project on the Eastern limb of the Bushveld complex.

An integral part of the transaction is the acquisition of the rights to mine the adjacent properties including portions of Driekop, Clapham and Forest Hill ("the tripartite agreement"). These properties contain mineral resources which are expected to improve the economics of the project.

The arrangement was approved by special resolution at a general meeting of Platexco shareholders on 31 July 2000 and a Final Order of the Superior Court of Justice (Ontario) was granted on 2 August 2000. The transaction is still subject to the execution of the tripartite agreement.

On completion of the transaction Platexco will be delisted from the Toronto Stock Exchange and the Canadian corporate structure collapsed.

Sale of shareholding of Messina

The company disposed of its 54 per cent shareholding in Messina Limited to SouthernEra Resources Limited for a cash consideration of R65.2 million.

Financial affairs

Results for the year

The results for the year are fully dealt with in the financial statements forming part of the annual report. Refer to pages 64 to 98.

Accounting policies

During the year certain changes were made to the group's accounting policies, to comply with International Accounting Standards ("IAS"). Details of the new accounting policy and effect of the change is set out on pages 71 and 72.

Dividends

An interim dividend (No 64) of 340 cents per share was declared on 9 February 2000 and a final dividend (No 65) of 1 420 cents per share was declared on 21 August 2000, payable on 5 October 2000 a total of 1 760 cents per share (1999: 880 cents per share). These dividends amounted to R1 163.4 million for the year (1999: R578.2 million).

Capital expenditure

Capital expenditure for the year amounted to R783 million (1999: R431 million). The estimated R1 billion capital expenditure by the group envisaged for the 2001 financial year will funded from internal resources and, if appropriate, borrowings.

Post balance sheet events

Other than the aquisition of interests in Aquarius SA Limited and Brandrill Limited mentioned hereafter, no other material events have occurred since the date of these financial statements and the date of approval thereof, the knowledge of which would affect the ability of the users of these statements to make proper evaluations and decisions. The acquisition of Platexco which is subject to fulfilment of conditions precedent is dealt with on page 60.

Going concern

The financial statements have been prepared using the appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The directors have a reasonable expectation that the group has adequate resources to continue as a going concern in the foreseeable future.

Associated and Subsidiary Companies

Information regarding the subsidiaries and associated companies are given in note 13 and Annexure A respectively to the financial statements.

Property

Details of the freehold and leasehold and buildings of the various companies are contained in registers, which are available for inspection at the registered offices of those companies.

Litigation

Karee claim

In 1995, Western Platinum Limited ("WPL") indicated to Implats that it intended to institute a claim against Implats and certain of its wholly owned subsidiaries for approximately R356 million in respect of an alleged breach of warranty under the 1990 Karee/WPL agreement. No such action was ever launched. In 1996 the board of WPL was unable to agree on the existence or otherwise of such a claim. Pursuant to the provisions of the shareholders agreement and the Articles of

Association of WPL, the deadlock was referred to a committee comprising the chief executives at the time of Gencor Limited and Lonrho plc, who resolved that the action should not proceed. On application by WPL, the High Court ruled, inter-alia, that the decision of the deadlock committee was binding on the parties. WPL appealed against the High Court decision and on 27 March 2000 the Supreme Court of Appeals upheld the ruling of the High Court. Accordingly, WPL cannot institute the claim against the company.

Directorate

Composition of the Board

During the year Kgosi LMB Molotlegi passed away and Mr L Molotlegi was appointed to the Board. Members will be asked to confirm this appointment at the forthcoming annual general meeting.

The directors who retire at the next general meeting are Mr S V Kearney, Mr J M McMahon, Ms C E Markus and Ms M V Mennell; being eligible they offer themselves for re-election.

Interest of directors

The interests of directors in the shares of the company were as follows and did not individually exceed one per cent of the issued share capital or voting control of the company.

30 June	2000	1999
Beneficial	12 500	12 000
Non beneficial	1 000	700

The board contains seven non-executive directors, two of whom are also directors of the major shareholder, and four executive directors.

There were no contracts of significance during or at the end of the financial year in which the directors of the company were materially interested. No material change in the aforegoing interest has taken place between 30 June and the date of this report.

Directors' remuneration

The directors' remuneration for the year under review was in aggregate as follows:

30 June (R million)	Non-Executive 2000	Non-Executive 1999	Executive 2000	Executive 1999
Fees	0.6	0.4	-	-
Salaries			3.9	2.3
Other benefits			1.0	0.6
Performance bonuses			0.9	0.8
Share option gains			8.0	1.4
Total	0.6	0.4	13.8	5.1

At the year-end 195 075 share options had been granted to executive directors at an average option price of R94.82. No options were granted to non-executive directors.

Directors' fees

In terms of the Articles of Association the fees for services as directors are determined by the company in general meeting. Director's fees for services as a director are currently R80 000 per director with an additional amount of R40 000 for the Chairman. These fees have been waived by the executive directors.

Administration

Articles of Association

Shareholders will be asked at the forthcoming annual general meeting to pass special resolutions amending the Articles of Association, to take cognisance of the electronic settlement of share transfers and to allow the company to acquire its own shares. Details of the proposed resolutions are set out in the notice of meeting on page 99.

Financial, administrative and technical advisers

In terms of service agreements, Impala Platinum Limited acts as financial, administrative and technical advisors to the Implats group during the year on a fee basis. Messrs S V Kearney, D H Brown, P G Joubert, J M McMahon, J G Smithies and Ms C E Markus have an interest in this contract to the extent that they are directors of Impala and of the company, but they do not beneficially own any shares in Impala.

Secretaries

Mr. A M Snashall acted as Secretary to Implats and Impala, and Impala acted as Secretaries to other subsidiaries in the Implats group. The business and postal addresses of the Secretaries are set out on page 102.

London Secretaries

The business and postal addresses of the London Secretaries are set out on page 102.

Public Officer

Mr J van Deventer acted as public officer for the group for the year under review.

Impala Platinum Holdings Limited and its subsidiaries

Income statements

Company 1999	Company 2000	for the year ended 30 June (R million)	Notes	Group 2000	Group 1999
		Sales revenue	1	6 069.4	4 183.0
		Cost of sales		3 140.4	2 653.6
		On-mine operations	2	1 997.6	1 880.4
		Concentrating and smelting operations	3	423.7	408.5
		Refining operations	4	272.0	263.1
		Amortisation of mining assets		139.9	148.7
		Other costs	5	87.9	76.9
		Decrease/(increase) in metal inventories		219.3	(124.0)
		Income from metals mined		2 929.0	1 529.4
		Insurance claim		27.9	-
		Royalties		(406.4)	(237.4)
		Mining income		2 550.5	1 292.0
		Income from Impala Refining Services	6	149.3	90.2
		Disposal of subsidiary		26.1	-
(10.1)	(33.3)	Other income/(expense)		32.5	9.8
589.3	1 163.6	Net financial income	7	228.2	185.9
		Share of pre-taxation income from associates		332.8	204.3
579.2	1 130.3	Income before taxation	8	3 319.4	1 782.2
1.0	(0.2)	Taxation	9	1 111.9	574.7
578.2	1 130.5	Income after taxation		2 207.5	1 207.5
		Outside shareholders' interest		2.5	5.0
578.2	1 130.5	Attributable income		2 205.0	1 202.5
		Earnings per share (cents)	10		
		• basic		3 346	1 853
		• diluted		3 313	1 827
		Headline earnings per share (cents)	10		
		• basic		3 307	1 853
		• diluted		3 273	1 827
		Cash earnings per share (cents)	10		
		• basic		4 517	2 811
		• diluted		4 471	2 772
		Dividends per share (cents)	11	1 760	880

The accounting policies on pages 68 to 72 and the notes on pages 73 to 98 form an integral part of these financial statements.

Impala Platinum Holdings Limited and its subsidiaries

Balance sheets

Company 1999	Company 2000	as at 30 June (R million)	Notes	Group 2000	Group 1999
		ASSETS			
559.3	591.4	Non-current assets		4 230.3	3 488.5
0.2	5.5	Property, plant and equipment	12	3 357.3	2 733.8
551.4	527.9	Investments in associates and subsidiaries	13	694.0	629.1
7.7	58.0	Other investments	14	95.5	37.2
		Prepayments	15	83.5	88.4
457.5	882.0	Current assets		4 504.3	3 168.3
		Inventories	16	439.6	656.2
457.4	882.0	Receivables	17	958.0	598.8
0.1	-	Cash and cash equivalents	18	3 106.7	1 913.3
1 016.8	1 473.4	Total assets		8 734.6	6 656.8
		EQUITY AND LIABILITIES			
531.2	518.9	Capital and reserves		4 581.9	3 521.7
13.1	13.2	Ordinary shares	19	13.2	13.1
517.3	537.8	Share premium	19	537.8	517.3
		Translation reserve		(0.4)	1.6
0.8	(32.1)	Retained earnings/(accumulated deficit)		4 031.3	2 989.7
		Outside shareholders' interest	20	13.8	46.9
		Non-current liabilities		1 195.1	1 068.4
		Borrowings	21	137.6	162.3
		Deferred taxation	22	889.7	745.0
		Pension and other post-retirement obligations	23	66.0	66.0
		Provision for environmental obligations	25	101.8	95.1
485.6	954.5	Current liabilities		2 943.8	2 019.8
16.0	15.4	Trade and other payables	26	1 211.3	981.8
3.0	1.0	Current taxation liabilities		769.1	523.0
		Borrowings	21	25.3	48.4
466.6	938.1	Shareholders for dividends		938.1	466.6
1 016.8	1 473.4	Total equity and liabilities		8 734.6	6 656.8

The accounting policies on pages 68 to 72 and the notes on pages 73 to 98 form an integral part of these financial statements.

Impala Platinum Holdings Limited and its subsidiaries

Consolidated statement of changes in equity

for the year ended 30 June (R million)

	Notes	Share capital	Share premium	Translation reserves	Retained earnings	Total
Balance at 30 June 1998		12.8	372.6	0.8	2 365.4	2 751.6
Dividends declared	11				(578.2)	(578.2)
Net profit attributable to ordinary shareholders					1 202.5	1 202.5
Translation differences on foreign subsidiary				0.8		0.8
Issue of share capital	19	0.3	144.7			145.0
Balance at 30 June 1999		13.1	517.3	1.6	2 989.7	3 521.7
Dividends declared	11				(1 163.4)	(1 163.4)
Net profit attributable to ordinary shareholders					2 205.0	2 205.0
Translation differences on foreign subsidiary				(2.0)		(2.0)
Issue of share capital	19	0.1	20.5			20.6
Balance at 30 June 2000		13.2	537.8	(0.4)	4 031.3	4 581.9

Company statement of changes in equity

for the year ended 30 June (R million)

	Notes	Share capital	Share premium	Retained earnings/ (accumulated deficit)	Total
Balance at 30 June 1998		12.8	372.6	0.8	386.2
Dividends declared	11			(578.2)	(578.2)
Net profit attributable to ordinary shareholders				578.2	578.2
Issue of share capital	19	0.3	144.7		145.0
Balance at 30 June 1999		13.1	517.3	0.8	531.2
Dividends declared	11			(1 163.4)	(1 163.4)
Net profit attributable to ordinary shareholders				1 130.5	1 130.5
Issue of share capital	19	0.1	20.5		20.6
Balance at 30 June 2000		13.2	537.8	(32.1)	518.9

The accounting policies on pages 68 to 72 and the notes on pages 73 to 98 form an integral part of these financial statements.

Impala Platinum Holdings Limited and its subsidiaries

Cash flow statements

Company 1999	Company 2000	for the year ended 30 June (R million)	Notes	Group 2000	Group 1999
		Operating activities			
(447.3)	(458.5)	Cash generated from/(used in) operations	30	2 976.4	1 824.8
589.3	1 163.6	Financial income	7	253.4	220.5
		Interest paid	7	(22.1)	(32.1)
0.4	(1.8)	Taxation paid	31	(608.3)	(281.7)
142.4	703.3	Net cash from operating activities		2 599.4	1 731.5
		Investing activities			
-	(5.3)	Purchase of property, plant and equipment	12	(789.2)	(446.4)
		Proceeds from fixed assets disposed	12	7.4	8.2
149.6	23.5	Repayment of non-current investments	13	147.7	95.9
(7.7)	(50.3)	Purchase of listed investments	14	(50.3)	(7.7)
		Payments made to post-retirement benefits	23	(2.9)	(2.4)
		Payments made to environmental trust	25	(5.0)	(4.6)
		Cash effect of sale of subsidiaries	33	5.4	(9.8)
141.9	(32.1)	Net cash (used in)/generated from investing activities		(686.9)	(366.8)
		Financing activities			
6.0	20.6	Issue of ordinary shares	19	20.6	6.0
		(Payment on)/proceeds from short-term borrowings	21	(23.1)	17.1
		Payments on long-term borrowings	21	(24.7)	(13.2)
(297.2)	(691.9)	Dividends paid to group shareholders	32	(691.9)	(297.2)
(291.2)	(671.3)	Net cash used in financing activities		(719.1)	(287.3)
(6.9)	(0.1)	INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1 193.4	1 077.4
		Movement in cash and cash equivalents			
7.0	0.1	At start of year		1 913.3	835.9
(6.9)	(0.1)	Increase/(decrease)		1 193.4	1 077.4
0.1	0.0	At end of year		3 106.7	1 913.3

The accounting policies on pages 68 to 72 and the notes on pages 73 to 98 form an integral part of these financial statements.

Accounting policies

1. Basis of preparation
The financial statements are prepared on the historical cost basis. The following are the principal accounting policies used by the group which are in accordance with International Accounting Standards, South African Generally Accepted Accounting Practice, the South African Companies Act and are consistent with those of the previous year, except as set out in paragraph 20.

2. Consolidation
The consolidated financial statements include those of the holding company and its subsidiaries. Subsidiary undertakings, are those companies in which the group, directly or indirectly has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the group and are no longer consolidated from date of disposal. Internal profits and sales are eliminated on consolidation and all sales revenue and profit figures relate to external transactions only.

Any excess or shortfall of the purchase price over the fair value of the attributable net assets of subsidiaries at the date of acquisition is capitalised and amortised over the useful lives of the applicable underlying assets. (Refer paragraph 8)

3. Investments in associates
Investments in associated undertakings are accounted for by the equity method of accounting. These are undertakings in which the group has a long term interest and over which it exercises significant influence but not control. Provisions are recorded for long term impairment in values.

Equity accounting involves recognising in the income statement the group's share of the associates' post acquisition profit or loss for the year. The group's interest in the associate is carried in the balance sheet at an amount that reflects its share of the net assets of the associate and includes any excess or deficit of the purchase price over the fair value of attributable assets of the associate at date of acquisition. Any excess or deficit of the purchase price over the attributable net assets of the associate is amortised over the useful lives of underlying assets. (Refer paragraph 8)

4. Foreign currencies
Income statements of foreign entities and associated undertakings are translated to rand at average exchange rates for the year and the balance sheets are translated at rates ruling at the balance sheet date. The exchange difference arising on translation of assets and liabilities, including the excess or shortfall of the purchase price over a fair value of attributable net assets at date of acquisition, of foreign subsidiaries and associates are transferred directly to equity. On disposal of the foreign entity such translation differences are recognised in the income statement as part of the gain or loss on sale.

Foreign currency transactions are accounted for at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated at year end exchange rates unless hedged by forward exchange contracts, in which case the rate specified in such forward contracts are used. Gains and losses arising on settlement of such transactions and from the translation of foreign currency monetary assets and liabilities arising from such transactions are recognised in the income statement.

Forward exchange contracts are entered into to hedge anticipated future transactions. These instruments are not recognised in the financial statements until the date of these transactions as the purpose of these contracts is to reduce exposure to fluctuation in foreign currency exchange rates. No provision is made for potential gains and losses on open contracts.

5. Commodity hedging transactions
Metal futures are entered into to hedge future revenue streams. These instruments are not recognised in the financial statements until settlement date, at which time they are included in the determination of revenue. No provision is made for potential gains or losses on open contracts.

6. Financial Instruments
Financial instruments carried on the balance sheet include cash and bank balances, money market instruments, investments, receivables, trade creditors, leases and borrowings.

The group is also party to financial instruments that reduce risk to foreign currency and future metal price fluctuations which are not recognised in the financial statements at inception. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

7. Investments
Investments are stated at cost and are only written down where the directors are of the opinion that there has been a permanent diminution in value. Where there has been a permanent diminution in value of an investment, it is recognised as an expense in the period in which the diminution is recognised.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

8. Property, plant and equipment
• Mining assets:
Mining assets are recorded at cost. Expenditure, including evaluation costs, incurred to establish or expand productive capacity, to support and maintain that productive capacity and net working cost incurred on mines prior to the commencement of commercial levels of production, are capitalised to mining assets. Interest on borrowings to specifically finance establishment of mining assets is capitalised until commercial levels of production are achieved.
• Mothballed mining operations:
The net assets of mothballed operations are written down to net realisable value. Expenditure on the care and maintenance of these operations is charged against income, as incurred.
• Amortisation:
Mining assets are amortised using the units-of-production method based on estimated economically recoverable proven and probable ore reserves, limited to a maximum period of 25 years.
• Impairment:
The recoverability of the long-term assets is reviewed by management on a continuous basis, based on estimates of future net cash flows. These estimates are subject to risks and uncertainties including future metal prices and exchange rates. It is therefore reasonably possible that changes could occur which may affect the recoverability of the mining assets. Where the value in use is less than the estimated net book value, the impairment is charged against income to reduce the carrying value to the recoverable amount of the asset.
• Mining exploration:
Expenditure on mining exploration in new areas of interest is charged against income as incurred. Cost related to property acquisitions, participation and surface and mineral rights are capitalised. Where the directors consider that there is little likelihood of the properties or rights being exploited, or the value of the exploration rights have diminished below cost, a write down is effected against exploration expenditure.
• Other fixed assets:
Other fixed non-mining assets are recorded at cost. Depreciation is calculated using rates and bases which are designed to write off the assets over their expected useful lives. Freehold properties are not depreciated.

9. Accounting for leases
Leases of property, plant and equipment where the group assumes substantially all of the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charge is charged to the income statement over the lease period.

The property, plant and equipment acquired under finance leasing contracts is amortised in terms of the group accounting policy. (Refer to paragraph 8).

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement in the period in which they occur.

Accounting policies
(continued)

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

10. Inventories

- Metal inventories:

Platinum, palladium and rhodium are treated as main products and other platinum group and base metals produced as by-products. Metals mined by the company, including in-process metal contained in matte produced by the smelter and precious metal concentrate in the base and precious metal refineries, are valued at the lower of average cost of production and estimated net realisable value. Quantities of in-process metals are based on latest available assays. The average cost of production is taken as total costs incurred on mining and refining, including amortisation, less net revenue from by-products. Costs are allocated to main products on a units produced basis. Refined by-products are valued at their estimated net realisable value. Stocks of platinum group metals purchased or recycled by the company are valued at the lower of cost and estimated net realisable value.

- Stores and materials:

Stores and materials are valued at the lower of cost and net realisable value, on a first-in, first-out basis. Obsolete, redundant and slow moving stores are identified and written down to economic or realisable values.

11. Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

12. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, investments in money market instruments and short term unlisted investments, net of bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings under current liabilities.

13. Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

14. Segmental reporting

The group is an integrated platinum group metal and associated base metal producer. On a primary basis, the business segments comprise geographical sales, based on location of customers. On a secondary basis, the business is based on two business segments, which consist of mining and refining as well as refining of platinum group-and associated base metals for third parties.

15. Pension and other post-retirement obligations

The group operates or participates in a number of defined benefit and defined contribution retirement plans for the group's employees. The pension plans are funded by payments from the employees and by the relevant group companies taking account of the recommendations of independent qualified actuaries. The assets of the different plans are held by independently managed trust funds.

These funds are governed by the Pension Fund Act of 1956. Defined benefit plans such as the Mine Officials Pension Fund and the Mine Employees Pension Fund are subject to actuarial valuations at intervals of no more than three years.

These plans are, in substance, accounted for as defined contribution plans. Contributions to the defined benefit and contribution plans are therefore charged to income as incurred.

The group provides post-retirement healthcare benefits to qualifying retirees. The expected costs of these benefits are accrued over the period of employment. Valuations of these obligations are carried out by independent qualified actuaries at intervals of no more than three years.

16. Deferred income taxation

Deferred taxation is calculated on a comprehensive basis using the balance sheet approach. Deferred tax liabilities or assets are recognised by applying expected corporate tax rates to the temporary differences existing at each balance sheet date between the tax values of assets and liabilities and their carrying amounts where such temporary differences are expected to result in taxable or deductible amounts in determining taxable profits for future periods when the carrying amount of the assets or liability is recovered or settled.

The principal temporary differences arise from amortisation and depreciation on property, plant and equipment, provisions, post-retirement benefits, and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

17. Environmental obligations

- Rehabilitation costs:

The net present value of future rehabilitation cost estimates are recognised and provided for in full in the financial statements. The estimates are reviewed annually to take into account the effects of inflation, any changes in the estimates and are discounted using rates that reflect the time value of money. Annual increases in the provision are charged to income and are split between finance costs relating to the change in the present value of the provision, inflationary increases in the provision and changes in the estimates. The present value of additional environmental disturbances created are capitalised to mining assets along with a corresponding increase in the rehabilitation provision. The rehabilitation asset is amortised in terms of the group's accounting policy (Refer paragraph 8). Rehabilitation projects undertaken, included in the estimates, are charged to the provision as incurred.

- Ongoing rehabilitation costs:

The cost of the ongoing current programmes to prevent and control pollution is charged against income as incurred.

- Impala Pollution, Rehabilitation and Closure Trust Fund:

Annual contributions are made to the group's trust fund, created in accordance with statutory requirements, to provide for the estimated cost of rehabilitation during and at the end of the life of the group's mines. Income earned on monies paid to the trust is accounted for as investment income. The funds contributed to the trust are included under investments.

18. Revenue recognition

Sales revenue comprises the rand amount received and receivable from customers in respect of the supply of metals mined by the group and the net profit and losses arising from hedging transactions to the extent that they relate to that metal and have been matched at the date of the financial statements. Revenue is recognised at the date of despatch of metal from the refinery, net of sales taxes and discounts and after eliminating sales within the group.

Other revenues earned by the group are recognised on the following bases:

- Toll refining income - is recognised at date of declaration or despatch of metal from the refinery in accordance with the relevant agreements with customers.
- Interest income - as it accrues (taking into account the effective yield on the asset) unless collectibility is in doubt.
- Dividend income - when the shareholder's right to receive payment is established, recognised at the last date of registration.

19. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

20. Changes in accounting policies

The group changed its accounting policy regarding environmental obligations in order to comply with IAS 37 "Provisions, contingent liabilities and contingent assets".

Under the previous accounting policy, the provision for long-term environmental obligations was built up through annual charges to income, designed to accumulate the total projected future closure and restoration costs over the productive life of the mine.

Accounting policies
(continued)

Under IAS 37, the provision in the accounts reflects the net present value of the estimated costs of restoring the environmental disturbance associated with the operations. The costs so provided are capitalised as part of mining assets and amortised accordingly.

In line with the new accounting policy, the amount of R26.9 million was capitalised in July 1999 as property, plant and equipment and a provision for the same amount was raised for rehabilitation obligations. This amount represents the additional provision required to increase the rehabilitation provision to the R88.9 million present value of future rehabilitation costs. The adoption of the policy had no material impact on prior earnings.

Notes to the financial statements

Company 1999	Company 2000	for the year ended 30 June (R million)	Group 2000	Group 1999
		1 SALES REVENUE		
		Main products	5 394.8	3 763.7
		North America	2 002.1	1 010.9
		Asia	1 947.0	1 555.5
		Europe	863.0	799.3
		South Africa	582.7	398.0
		By-products	674.6	419.3
		North America	146.9	38.3
		Asia	58.1	15.3
		Europe	120.0	153.7
		South Africa	349.6	212.0
			6 069.4	4 183.0

The sales revenue segments are determined by the country in which the customer is located.

		2 ON-MINE OPERATIONS		
		On-mine costs exclude amortisation and consist mainly of the following principal categories:		
		Labour	1 319.2	1 234.8
		Materials and other mining costs	567.2	545.3
		Utilities	111.2	100.3
			1 997.6	1 880.4
		3 CONCENTRATING AND SMELTING OPERATIONS		
		Concentrating and smelting costs exclude amortisation and consist mainly of the following principal categories:		
		Labour	98.1	88.2
		Materials and other costs	197.7	201.5
		Utilities	127.9	118.8
			423.7	408.5

Notes to the financial statements *(continued)*

Company 1999	Company 2000	for the year ended 30 June (R million)	Group 2000	Group 1999
		4 REFINING OPERATIONS		
		Refining costs exclude amortisation and consist mainly of the following principal categories:		
		Labour	117.0	110.5
		Materials and other costs	129.5	128.4
		Utilities	25.5	24.2
			272.0	263.1
		5 OTHER COSTS		
		Other costs consists mainly of the following principal categories:		
		Corporate office	40.0	39.1
		Selling and promotional expenses	37.0	30.1
		Rehabilitation provision - inflation adjustment	4.9	3.7
		Other costs	6.0	4.0
			87.9	76.9
		6 SEGMENTAL REPORTING		
		The following is a summary of the Impala Refining Services business segment:		
		Operating revenue	835.4	413.8
		Operating expenses	686.1	323.6
		Income from Impala Refining Services	149.3	90.2

Segment revenue includes sales between segments which are recorded at the average price achieved for the previous month.

Segment expenses represent direct operating expenses and exclude net financial income and income taxation.

Company 1999	Company 2000	for the year ended 30 June (R million)	Group 2000	Group 1999
		Other information:		
		Segment assets and liabilities		
		Assets	376.8	195.8
		Liabilities	183.7	119.2

Company 1999	Company 2000	for the year ended 30 June (R million)	Group 2000	Group 1999
		SEGMENTAL REPORTING *(continued)*		
		Sales revenue		
		North America	24.7	26.9
		Australasia	112.3	23.9
		Europe	76.7	50.2
		South Africa	621.7	312.8
			835.4	413.8

The sales revenue segments are determined by the country in which the customer is located. No geographical allocation is made, given the concentration of assets and liabilities within the Republic of South Africa.

Statistical information:

Impala Refining Services produced the following metals:

			Group 2000	Group 1999
Platinum	('000 oz)		179	116
Palladium	('000 oz)		143	135
Rhodium	('000 oz)		24	16
Nickel	('000 tons)		7	7

Company 1999	Company 2000	for the year ended 30 June (R million)	Group 2000	Group 1999
		7 NET FINANCIAL INCOME		
		Net financial income consists of the following principal categories:		
0.2	-	Interest received	246.0	217.4
589.1	1 163.6	Dividends received	7.4	3.1
		Interest expense	(22.1)	(32.1)
		Rehabilitation provision - present value adjustment	(3.1)	(2.5)
589.3	1 163.6		228.2	185.9

Notes to the financial statements *(continued)*

Company 1999	Company 2000	for the year ended 30 June (R million)	Group 2000	Group 1999
		8 INCOME BEFORE TAXATION		
		The following items have been charged in arriving at income before taxation:		
		Auditors' remuneration	1.4	1.1
		Fees	1.3	1.3
		Other services	0.1	-
		Overprovision prior year	-	(0.2)
		Amortisation of goodwill in associates (Refer note 13)	7.4	7.4
		Provision for post-retirement medical benefits (Refer note 23)	2.9	4.2
		Amortisation of fixed assets (Refer note 12)	139.9	148.7
		Mining assets	137.2	145.8
		Leased assets	2.7	2.9
		Depreciation on property, plant and equipment (Refer note 12)	3.3	3.9
8.0	11.1	Exploration	11.1	8.0
3.2	15.5	Professional fees	22.0	25.7
		Gains on currency exchange differences	20.0	4.5
		Employment costs (Refer notes: 2, 3 and 4)	1 534.3	1 433.5
		Wages and salaries	1 428.5	1 337.1
		Pension costs - defined contribution plans (Refer note 23)	61.0	65.1
		Pension costs - defined benefit plans (Refer note 23)	44.8	31.3
		Average weekly number of employees in the group	28.3	28.7
		9 TAXATION		
1.0	(0.2)	Current taxation	854.4	521.6
		Deferred taxation - current period (Refer note 22)	144.7	104.8
		Deferred taxation - rate change from 35% to 30% (Refer note 22)	-	(106.7)
		Share of taxation of associates	112.8	55.0
1.0	(0.2)	Taxation for the period	1 111.9	574.7
		Comprising:		
1.0	(0.2)	South African normal taxation	985.9	528.9
		Mining	859.1	433.3
1.0	(0.2)	Non-mining	148.4	95.6
		Less: prior years mining overprovision	21.6	-
		Secondary taxation on companies	126.0	45.7
		Current charge	126.0	62.5
		Less: prior years' overprovision	-	16.8
		Foreign taxation	-	0.1
1.0	(0.2)		1 111.9	574.7

Company 1999	Company 2000	for the year ended 30 June (R million)	Group 2000	Group 1999
		TAXATION *(continued)*		
		The taxation of the group's profit differs from the theoretical charge that would arise using the basic taxation rate, as follows:		
%	%		%	%
30.0	30.0	Normal taxation rate for companies	30.0	30.0
		Adjusted for:		
0.7	0.9	Disallowable expenditure	0.7	6.1
		Share of taxation of associates	0.4	(0.4)
		Change in taxation rate	-	(6.0)
(30.5)	(30.9)	Exempt income	(0.4)	(0.1)
		Prior year overprovision	(0.7)	-
		Secondary taxation on companies	3.8	2.6
		Deferred taxation - prior year adjustment	(0.3)	-
0.2	0.0	Effective taxation rate	33.5	32.2
		10 EARNINGS PER SHARE		
		Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted number of ordinary shares in issue during the year.		
		Net profit attributable to shareholders (R million)	2 205.0	1 202.5
		Weighted average number of ordinary shares in issue (millions)	65.891	64.909
		Basic earnings per share (cents)	3 346	1 853
		For the diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all share options granted to employees.		
		Weighted average number of ordinary shares in issue (millions)	65.891	64.909
		Adjustments for share options (millions)	0.675	0.925
		Weighted average number of ordinary shares for diluted earnings per share (millions)	66.566	65.834
		Diluted earnings per share (cents)	3 313	1 827