

The terms set out in the "Definitions" section commencing on page 2 of this Circular have been used on this cover page.

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action that you should take, please consult your CSDP, banker, broker, legal adviser, accountant, or other professional adviser immediately.

Action Required

1. If you have disposed of all of your Implats ordinary shares, this Circular, together with the attached proxy form, should be handed or sent to the purchaser of such shares or the broker, banker or other agent through whom the disposal was effected.
2. If you hold Certificated Shares or Dematerialised Shares in your own name and are unable to attend the General Meeting, which is to be held at Glen Hove Conferencing, 52 Glenhove Road, Melrose Estate, Houghton, 2198 at 08:00 on Wednesday, 29 November 2006 and wish to be represented at this meeting, you must complete and return the attached proxy form in accordance with the instructions therein to the Transfer Secretaries, whose details are contained overleaf, to be received by not later than 08:00 on Tuesday, 28 November 2006.
3. If you do not hold your Dematerialised Shares in your own name, you must timeously provide your CSDP or broker with your voting instructions in terms of the custody agreement entered into with your CSDP or broker. If you wish to attend the General Meeting in person, you need to request your CSDP or broker to provide you with the necessary authority to attend and vote your Implats ordinary shares.



Impala Platinum Holdings Limited

(Incorporated in the Republic of South Africa)
(Registration number 1957/001979/06)
JSE share code: IMP ISIN: ZAE000083648
ADR code: IMPUY LSE share code: IPLA
("Implats" or "the Company")

CIRCULAR TO IMPLATS SHAREHOLDERS

regarding

- the payment by Impala Platinum of all royalties due and payable to the RBN for the 31-year period from 1 July 2007;
- the subscription by the RBN, through RBIH and RBTIH, for 75,115,200 Implats Subdivided Shares (9,389,400 Implats Shares); and
- amendments to the articles of association of Implats;

and incorporating

- a notice of General Meeting of Implats Shareholders; and
- a proxy form (for use by holders of Certificated Shares and holders of Dematerialised Shares with "own name" registration)

**Financial adviser and
transaction sponsor**

Morgan Stanley

Sponsor

Deutsche Securities

Member of the Deutsche Bank Group



Reporting accountants

PRICEWATERHOUSECOOPERS 
PricewaterhouseCoopers
Advisory Services (Pty) Ltd
(Registration number 1999/024417/07)

Legal and tax adviser

DENEYS | REITZ
ATTORNEYS

Independent expert

 ERNST & YOUNG

EY Corporate Finance (Pty) Ltd
(Registration number 2000/031575/07)

Date of issue: 6 November 2006

This Circular is only available in English. Copies may be obtained from the registered office of Implats and the financial adviser and sponsors whose addresses are set out in the "Corporate information" section of this Circular, as well as from all other broking members of the JSE.

CORPORATE INFORMATION

Secretary and registered office

R Mahadevey (BA LLB)
3rd Floor, Old Trafford 4
Isle of Houghton
Boundary Road
Houghton, 2198
(PO Box 61386, Marshalltown, 2107)

Financial adviser and transaction sponsor

Morgan Stanley South Africa (Proprietary) Limited
(Registration number 1994/000261/07)
1st Floor
South West Wing
160 Jan Smuts Avenue
Rosebank, 2196

Legal and tax adviser

Deneys Reitz Inc.
(Registration number 1984/003385/21)
82 Maude Street
Sandton, 2196
(PO Box 784903, Sandton, 2146)

Corporate tax adviser

Dianne Dobson
41 Venus Street
Melrose, 2193
(PO Box 1612, Parklands, 2121)

Transfer secretaries

in South Africa

Computershare Investor Services 2004 (Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Independent expert

EY Corporate Finance (Proprietary) Limited
(Registration number 2000/031575/07)
Wanderers Office Park
52 Corlett Drive
Illovo, 2196
(PO Box 2322, Johannesburg, 2000)

Reporting accountants

PricewaterhouseCoopers Advisory Services (Pty) Limited
(Registration number 1999/024417/07)
2 Eglin Road
Sunninghill, 2157
(Private Bag X36, Sunninghill, 2157)

Sponsor

Deutsche Securities (SA) (Proprietary) Limited
(Registration number 1995/011798/07)
3rd Floor, 3 Exchange Square
87 Maude Street
Sandton, 2196
(Private Bag X9933, Sandton, 2146)

in London

Computershare Investor Services plc
(Registration number 3498808)
The Pavilions
Bridgewater Road
Bristol, BS13 8AE
(PO Box 82, The Pavilions, Bristol, BS99 7NH)

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DEFINITIONS

In this Circular and the appendices hereto, unless otherwise stated or indicated by the context, a reference to the singular shall include the plural and *vice versa*, words denoting one gender shall include others, words denoting natural persons include juristic persons and associations of persons and words in the first column below shall have the meaning stated opposite them in the second column:

“BEE” or “Empowerment”	black economic empowerment;
“Board” or “Implats Board”	the board of directors of Implats;
“Business Day”	any day of the week other than a Saturday, a Sunday or official public holiday in South Africa;
“Certificated Shares”	Implats Subdivided Shares represented by a share certificate, or other Documents of Title, which have not been surrendered to be dematerialised in terms of the requirements of STRATE;
“the Circular” or “this Circular”	this bound document to Implats Shareholders, dated 6 November 2006, including the appendices, reports, notice of General Meeting and proxy form attached hereto;
“Computershare” or “Transfer Secretaries”	collectively, Computershare Investor Services 2004 (Proprietary) Limited (Registration number 2004/003647/07) in South Africa and Computershare Investor Services plc (Registration number 3498808) in London;
“CSDP”	a Central Securities Depository Participant, accepted as a participant in terms of the Securities Services Act, 2004 (No. 36 of 2004);
“Dematerialised Shares”	Implats Subdivided Shares which have been dematerialised in terms of the requirements of STRATE, and which are no longer evidenced by physical Documents of Title but by electronic records;
“DME”	Department of Minerals and Energy;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other documents of title to certificated shares;
“Effective Date”	five Business Days after fulfilment or waiver of the conditions precedent to the Royalty Transaction (set out in paragraph 4.6 of this Circular);
“ESOP”	employee share ownership programme;
“ESOP Transaction”	the ESOP transaction approved by Implats Shareholders on 4 July 2006 and involving the establishment of the Morokotso Trust through which a broad base of staff employed by Implats’ South African subsidiaries who were A, B and C grade employees on the Patterson grading system as at that date and for any new such employees that join for two years thereafter, would participate in the capital growth in respect of 2,054,072 Implats Shares;
“Framework Agreement”	the agreement between, <i>inter alia</i> , Implats, Impala Platinum, RBN, RBH, RBH Resources, RBIH and RBTIH dated 28 September 2006 setting out the framework and transaction principles of the Royalty Transaction;
“General Meeting”	the general meeting of Implats Shareholders convened in terms of the notice attached to this Circular, to be held at 08:00 on Wednesday, 29 November 2006 at Glen Hove Conferencing, 52 Glenhove Road, Melrose Estate, Houghton, 2198;

“HDSAs”	Historically Disadvantaged South Africans as defined in the Mining Charter;
“Implats Group” or “Group”	Implats, its subsidiaries and associated companies, being those companies in which Implats or any of its subsidiaries have a shareholding and over which they exercise significant influence;
“Impala Platinum”	Impala Platinum Limited (Registration number 1952/071942/06), a public company duly registered and incorporated with limited liability according to the company laws of South Africa, and a wholly-owned subsidiary and the major operating entity of Implats;
“Implats” or “the Company”	Impala Platinum Holdings Limited (Registration number 1957/001979/06), a public company duly registered and incorporated with limited liability according to the company laws of South Africa, the issued ordinary share capital of which is listed on the JSE, with a secondary listing on the London Stock Exchange and an American Depository Receipt programme in the United States of America;
“Implats Shares”	ordinary shares in the share capital of Implats with a par value of 20 cents each prior to the 8 for 1 subdivision into Implats Subdivided Shares in terms of a special resolution passed at the Implats annual general meeting on 12 October 2006, and registered on 17 October 2006;
“Implats Subdivided Shares”	ordinary shares in the share capital of Implats with a par value of 2.5 cents each, which were subdivided on an 8 for 1 basis from ordinary shares with a par value of 20 cents each in terms of a special resolution passed at the Implats annual general meeting on 12 October 2006, and registered on 17 October 2006, which subdivided shares will start trading as such on 6 November 2006;
“Implats Shareholders”	holders of Implats Shares or, after 17 October 2006, holders of Implats Subdivided Shares;
“IRS”	Impala Refining Services Limited (Registration number 1968/009670/06), a public company duly registered and incorporated with limited liability according to the company laws of South Africa and a wholly-owned subsidiary of Implats that conducts the toll-refining and metal concentrate purchase of PGMs business of the Implats Group;
“IRS Transaction”	the transaction in terms of which a corporate member of the Royal Bafokeng Group would acquire a 49% undivided interest in the business of IRS and would have the right to convert this interest into a direct shareholding of approximately 7.44% in Implats as approved by Implats Shareholders on 4 July 2006, which transaction was allowed to lapse on 30 September 2006 as a result of the non-fulfilment of the conditions precedent thereof by that date;
“IRS Circular”	the circular to Implats Shareholders dated 12 June 2006 relating to the IRS Transaction;
“JSE”	the JSE Limited (Registration number 2005/022939/06), a company duly registered and incorporated with limited liability under the company laws of South Africa, licensed as an exchange under the Securities Services Act, 2004 (No. 36 of 2004);
“Last Practicable Date”	2 November 2006, being the last practicable date prior to finalisation of this Circular;
“Lease Area”	the Lease Area as defined in the NML;
“LED Trust”	the Bafokeng Impala Development Trust being the local economic development trust to be established by Implats and the RBN Trust pursuant to the provisions of clause 15 of the Framework Agreement;

“Listings Requirements”	the Listings Requirements of the JSE in force as at the date of this Circular;
“Mining Charter”	the Broad-based Socio-economic Empowerment Charter for the South African Mining Industry and attached Scorecard developed by the Minister of Minerals and Energy in terms of the MPRD Act and published in Government Notice R1639 on 13 August 2004;
“MPRD Act”	the Mineral and Petroleum Resources Development Act, 2002 (No. 28 of 2002), as amended;
“NT”	National Treasury;
“NML”	Notarial Mineral Lease K5966/03 LM, entered into between the RBN, the Minister of Land Affairs as trustee of the RBN (previously the Bafokeng Tribe) and Impala Platinum, dated 24 February 2003 and registered on 8 September 2003, in terms of which the RBN has leased to Impala Platinum the exclusive right of prospecting and/or mining for certain minerals in, on and under the Lease Area;
“Notarial Royalty Payment Agreement”	the agreement to be entered into between Impala Platinum, the RBN and the Minister of Land Affairs as trustee of the RBN, setting out the terms of the payment of the Royalties;
“PGMs”	platinum group metals;
“RBN”	the Royal Bafokeng Nation being a <i>universitas personarum</i> under the laws of South Africa;
“RBN Trust”	the Royal Bafokeng Nation Development Trust (Registration number IT 2482/2004);
“RBH”	Royal Bafokeng Holdings (Proprietary) Limited (Registration number 2006/006906/07);
“RBIH”	Royal Bafokeng Impala Investment Holding Company (Proprietary) Limited (Registration number 2006/029099/07);
“RBH Resources”	RBH Resources Holdings (Proprietary) Limited (Registration number 2006/006837/07) and, where appropriate, includes its wholly-owned subsidiaries;
“RBTIH”	Royal Bafokeng Tholo Investment Holding Company (Proprietary) Limited (Registration number 2006/001958/07);
“Royal Bafokeng Group”	the RBN, the RBN Trust, RBH, RBH Resources, RBIH and RBTIH;
“Royalty Bill”	the Mineral and Petroleum Resources Royalty Bill, 2006 published on 11 October 2006;
“Royalty Transaction”	the transaction in terms of which: <ul style="list-style-type: none"> – Impala Platinum will pay all Royalties to the RBN; and – the RBN, through RBIH and RBTIH, will subscribe for the Subscription Shares;
“Royalties”	the aggregate royalties due and payable by Impala Platinum to the RBN during the lease period being the remaining 31-year period from 1 July 2007 to 30 June 2038, in terms of the NML;

“SENS”	the Securities Exchange News Service of the JSE;
“STRATE”	STRATE Limited (Registration number 1998/022242/06), a public company duly registered and incorporated with limited liability in accordance with the company laws of South Africa and which is the electronic clearing and settlement system used by the JSE to settle trades;
“Subscription Agreement”	the agreement dated 24 October 2006 between Implats, RBIIH and RBTIH, setting out the terms of the allotment and issue of the Subscription Shares;
“Subscription Shares”	75,115,200 Implats Subdivided Shares subscribed for in terms of the Royalty Transaction; and
“Transaction Agreements”	the Framework Agreement, the First Amendment to the Framework Agreement, the Subscription Agreement and the Notarial Royalty Payment Agreement.

IMPORTANT DATES AND TIMES

2006

Implats Shares issued in terms of the ESOP Transaction were listed on	Friday, 7 July
IRS Transaction allowed to lapse on	Saturday, 30 September
Circular and notice of General Meeting posted to Implats Shareholders on	Monday, 6 November
Last date for receipt of proxy forms for the General Meeting by no later than 08:00 on	Tuesday, 28 November
General Meeting to be held at 08:00 on	Wednesday, 29 November
Results of General Meeting announced on SENS on	Wednesday, 29 November
Results of General Meeting published in the South African press on	Thursday, 30 November
Special resolutions lodged with Companies and Intellectual Property Registration Office on or about	Thursday, 30 November

Notes:

1. All times shown in this Circular are South African local times.
2. The above dates and times are subject to amendment. Any amendments to the dates and times will be announced on SENS and published in the South African press.



Impala Platinum Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 1957/001979/06)

JSE share code: IMP ISIN: ZAE000083648

ADR code: IMPUY LSE share code: IPLA

Directors:

Executive

D H Brown (*Chief Executive Officer*)

S Bessit

C E Markus

L J Paton

Non-executive

F J P Roux (*Chairman*)

J M McMahon*

M V Mennell

T V Mokgatlha

K Mokhele

N D B Orleyn

J V Roberts

L C van Vught

* *British*

CIRCULAR TO IMPLATS SHAREHOLDERS

1. INTRODUCTION

On 4 July 2006, Implats Shareholders approved the IRS transaction as a BEE transaction between Implats and its anchor empowerment partner, the RBN. In terms of this transaction, a corporate member of the Royal Bafokeng Group would acquire a 49% undivided interest in the business of IRS and would have the right to convert this interest into a direct shareholding of approximately 7.44% in Implats.

Implats Shareholders also approved the creation of the ESOP (which has been implemented, and the Morokotso Trust established), which holds 16,432,576 Implats Subdivided Shares. In addition, the RBN Trust and Implats agreed to jointly and equally contribute a total of R340 million prior to June 2016 to the LED Trust as part of their local economic development initiative.

Following Implats Shareholder approval of the IRS Transaction, further discussions with NT made it apparent that Impala Platinum would probably not be able to offset any existing royalties payable to the RBN against royalties payable to the State under the revised Royalty Bill. As a result of this and other considerations, Implats and RBH agreed to review the IRS Transaction and examine ways in which their interests could be better aligned through a mutually beneficial revised transaction.

Implats, RBH and the RBN announced on SENS on 28 September 2006 that they had reached agreement in principle, subject to the conditions precedent set out in paragraph 4.6 below, in terms of which:

- the agreements relating to the IRS Transaction would be allowed to lapse;
- Impala Platinum would pay all Royalties to the RBN; and
- the RBN, through RBIH and RBTIH, would subscribe for the Subscription Shares on the Effective Date.

The effect of the above is that Impala Platinum will have discharged its obligation to pay Royalties periodically to the RBN from 1 July 2007, and the RBN will, in aggregate, hold 13.4% of the fully diluted issued ordinary share capital of Implats.

The Royalty Transaction is based, *inter alia*, on the understanding from NT that, if the Royalty Bill, when it is promulgated, allows for an offset of royalties paid to communities against royalties payable to the State, Impala Platinum will receive such offset credits.

The purpose of this Circular is to provide Implats Shareholders with information regarding the Royalty Transaction and to convene the General Meeting at which the special and ordinary resolutions necessary to implement the Royalty Transaction and matters incidental thereto will be proposed. Implats Shareholders should note that the Implats Shares were subdivided on an 8 for 1 basis and will start trading as Implats Subdivided Shares from 6 November 2006. All the references to numbers of shares in this Circular are after the subdivision, except in the reflection of the financial effects where the effects are based on the 2006 financial year, or unless otherwise specifically noted.

2. RATIONALE

Implats has embraced the principles of transformation as a strategic imperative to reinforce its position as a leading southern African mining company and concluded the IRS Transaction in this light which would, *inter alia*, enable it to secure new order prospecting and mining rights.

After it became clear that there may be no offset of the royalties paid to the RBN against the new State royalty as contemplated in the Royalty Bill, Implats and the Royal Bafokeng Group decided to re-examine the IRS Transaction, driven partially by the fact that this transaction did contain potential for conflict between Implats (which would want to maximise the Implats Share price), and the Royal Bafokeng Group (which would want to maximize the value of IRS).

Implats believes that the Royalty Transaction is attractive to both Implats and the Royal Bafokeng Group, and is more efficient than the IRS Transaction from an Implats perspective for reasons which include:

- Implats retaining 100% of the value in and cashflow from IRS;
- Implats' cashflow increasing due to the fact that Royalties will no longer be paid periodically to the RBN; and
- Implats Shareholders' and the Royal Bafokeng Group's interests being aligned, with immediate effect.

Implats believes that the Royalty Transaction, with other Empowerment credits will result in a 33% Empowerment at Impala Platinum, which exceeds the ownership participation requirements of the MPRD Act and the Mining Charter. When combined with the impact of the ESOP and the LED Trust to be established, Implats will have satisfied the requirements of a truly broad-based initiative aimed at real beneficial Empowerment.

The Royal Bafokeng Group will become the single largest shareholder in Implats and will be its anchor BEE partner, while the RBN continues to recognise Implats as its primary strategic relationship within the platinum industry. RBH will have direct management involvement in Impala Platinum, focusing particularly on skills transfer and employment equity.

3. THE IRS TRANSACTION

3.1 Status of the IRS Transaction

The IRS Transaction lapsed with effect from the close of business on 30 September 2006. Implats and RBH agreed that the rights, obligations and benefits of each of Implats and the RBN, under the IRS Transaction should, as far as is appropriate and practicable, be preserved under the Royalty Transaction.

Neither Implats nor any member of the Royal Bafokeng Group has any rights, obligations or benefits arising from the lapsing of the agreements relating to the IRS Transaction other than those provided for in the Transaction Agreements and summarised in this Circular.

3.2 Conversion of the Implats "A" ordinary shares and amendments to the articles of association of Implats

As part of the IRS Transaction, Implats' articles of association were amended to include the rights attaching to the "A" ordinary shares of 20 cents each in the capital of Implats. These shares were subdivided on an 8 for 1 basis into "A" ordinary shares with a par value of 2.5 cents each, in terms of a special resolution passed at the annual general meeting of Implats Shareholders on 12 October 2006 and registered on 17 October 2006.

As the IRS Transaction lapsed on 30 September 2006, the “A” ordinary shares are no longer required. Special resolutions to convert the Implats “A” ordinary shares into Implats Subdivided Shares and to remove article 32 (setting out the rights and conditions attaching to the “A” ordinary shares) from Implats’ articles of association will be proposed at the General Meeting.

4. THE ROYALTY TRANSACTION

4.1 Overview of the NML and related matters

With effect from 1 July 1998, Impala Platinum and the RBN entered into the NML under which Impala Platinum leases the right to mine certain minerals in, on and under the Lease Area. The terms of the NML provide, *inter alia*, for payment of the initial royalty and an increase in the annual royalty to the RBN of 22% of taxable income from the Lease Area, payable in arrears, subject to a minimum of 1% of the gross selling price of PGMs from the Lease Area.

In addition a number of mechanisms were put in place to encourage the employment and advancement of members of the RBN community by Impala Platinum, to promote the upliftment of the RBN through social development projects, to promote and develop mutual business opportunities and generally to co-operate in respect of environmental matters.

Simultaneously with the entering into of the NML, the RBN subscribed for 1,000,000 Implats Shares at an issue price of R98.20 per share and paid for these shares in cash. The RBN also gained the right to nominate a director to the board of Implats.

4.2 Overview of the RBN

The RBN is led by their king, Kgosi Leruo Tshekedi Molotlegi. The RBN owns and inhabits a 2,000km² area of land near Rustenburg in the North West Province and comprises a community of approximately 300,000 black, predominantly rural South Africans. The RBN holds various mineral and mining rights and investments mainly in PGMs and ferrochrome. The RBN’s main source of income is the annual royalty received from Impala Platinum for the right to mine the minerals in, on and under the Lease Area. The royalty funds are distributed through the RBN to the Royal Bafokeng Administration which provides for, *inter alia*, certain municipal, medical and educational services for the Bafokeng community.

4.3 Payment of the Royalties

Impala Platinum will pay an amount of R10,585 million to the RBN in cash on the Effective Date in respect of all Royalties. Impala Platinum will, however, continue to pay the royalties for the current financial year (to 30 June 2007) to the RBN under the terms of the NML.

Impala Platinum’s obligations to pay Royalties periodically under the NML will be discharged, fully and finally, on payment of the amount of R10,585 million.

4.4 The Subscription Shares

4.4.1 Issue of Subscription Shares

The RBN, through RBIH and RBTIH, will subscribe for the Subscription Shares (12.1% of the fully diluted issued ordinary share capital of Implats) for a cash consideration of R10,585 million as follows:

- RBIH: 56,556,208 Implats Subdivided Shares; and
- RBTIH: 18,558,992 Implats Subdivided Shares.

RBIH currently holds 8,000,000 Implats Subdivided Shares (1.3% of the fully diluted issued ordinary share capital of Implats) and, with the Subscription Shares, will hold 83,115,200 Implats Subdivided Shares, representing a 13.4% shareholding in Implats on a fully diluted basis.

The RBN is not a “public shareholder” in Implats as defined in the Listings Requirements by virtue of its right to nominate a director to the Implats Board.

4.4.2 Discount on issue of Subscription Shares

Based on a closing price of R1,290 per Implats Share as of 22 September 2006, the value of the shares subscribed for by RBIH and RBTIH is R12.1 billion. The difference between R12.1 billion and R10.6 billion is a discount of R1.5 billion (or 12.6%) which will be reflected in Implats’ income statement as a BEE charge. This amount approximates the BEE charge that would have been incurred in the IRS Transaction.

Based on an Implats Share price of R1,315 on the Last Practicable Date, the discount is R1.8 billion (or 14.3%). The actual BEE charge, which is not deductible for tax, will be determined by the Implats Subdivided Share price on the Effective Date.

4.4.3 ***Call option over a proportion of Subscription Shares***

Implats has the conditional right to re-purchase from the RBN, at par (i.e. 2.5 cents per Implats Subdivided Share), 2,459,968 of the Subscription Shares. This right may be exercised by Implats between 30 June 2008 and 31 July 2008 (inclusive) if:

- Implats waives the condition precedent (as set out in paragraph 4.6 below) that the payment of R10,585 million is deductible by Impala Platinum for tax purposes, on a life-of-mine basis; and
- does not receive confirmation by 30 June 2008 that this payment will be so deductible.

If this right to re-purchase 2,459,968 Implats Subdivided Shares for a consideration of R61,499.20 is exercised, Implats has undertaken to comply with the Listings Requirements and the Companies Act, 1973 (No. 61 of 1973), as amended, at the time of the re-purchase. The purchase price may be adjusted in limited circumstances.

4.5 **Other salient terms of the Framework Agreement**

4.5.1 ***Further Empowerment opportunities***

The Royal Bafokeng Group and the Implats Group have recognised their mutual interdependence. Accordingly:

- the Implats Group has acknowledged the Royal Bafokeng Group as its anchor BEE shareholder and strategic HDSA partner. In turn, the Royal Bafokeng Group has recognised the Implats Group as its primary strategic relationship within the platinum industry and undertaken in favour of each member of the Implats Group that it will not compromise its strategic relationship with the members of the Implats Group, or enter into any significant arrangement with, amalgamate with, become a part or member of, or in any way become associated with any competitor of the Implats Group, without prior consultation with Implats (with the exception of existing relationships of the Royal Bafokeng Group as at 28 September 2006); and
- Implats will be entitled, after consultation with RBH Resources, to introduce such other suitable BEE participants, either alone or in association with the Royal Bafokeng Group, into the Implats Group if required by the DME.

4.5.2 ***Board representation***

RBH Resources will be entitled to nominate one member to the Implats Board for so long as RBH (directly or indirectly) holds the Subscription Shares. The RBN retains its existing right to nominate a director to the board of Implats.

RBH Resources shall have the right to nominate three out of the ten members to be appointed to the Impala Platinum board, at least one of whom shall be a black woman and one of whom will be nominated as the deputy chair of the Impala Platinum board.

4.5.3 ***Lock-in***

RBIIIH and RBTIH have undertaken not to sell any Subscription Shares before 31 May 2014, unless the DME indicates in writing that such a disposal will not adversely affect Impala Platinum's Empowerment credentials.

4.5.4 ***Change of control***

In the event of a change of control (i.e. the acquisition of 35% or more of the issued share capital) of Implats, the Royal Bafokeng Group will, under certain circumstances, be released from the provisions of the lock-in (set out in paragraph 4.5.3 above) if a break fee equal to the BEE charge (set out in 4.4.2 above) is paid to the Company. This break fee will not need to be paid if the Royal Bafokeng Group is released by the offeror; if Implats does not require the Subscription Shares to be held by the Royal Bafokeng Group to remain BEE compliant or if the offeror or any director or senior executive of the offeror is under indictment for a criminal offence relating to fraud or dishonesty.

4.5.5 ***Protection of the Royal Bafokeng Group's rights***

Noting that the Mining Charter encourages BEE shareholders to become involved in the management of the companies in which they are invested, Implats has granted RBH Resources certain minority protections relating to Impala Platinum for so long as the Royal Bafokeng Group holds the Subscription Shares, subject to the recognition of the rights of the other shareholders of Implats and the principles of good corporate governance.

Both Implats and RBH Resources will need to consent to:

- the sale by Impala Platinum of all or a major portion of the mining processing and refining assets of Impala Platinum; and
- any action that requires a special resolution of the shareholders of Impala Platinum.

In each case where consents or approvals are required in terms of this clause, such consents or approvals will be exercised by both the RBN and Implats in the best interests of Impala Platinum and will not be unreasonably withheld.

4.5.6 ***Substitution***

RBIH and RBTIH shall have the right to transfer all (but not part) of their direct or indirect rights and obligations under the Transaction Agreements to a company or entity in which the RBH Resources is the largest shareholder (with a holding of at least 35%), which undertakes in writing to be bound by the obligations imposed in the Transaction Agreements so as to maintain Implats' BEE credentials.

4.5.7 ***The Royal Bafokeng Group's undertaking to assist Impala Platinum***

The Royal Bafokeng Group has undertaken to assist Impala Platinum with any conversion of old order rights to new order rights, as well as all applications for new order mining rights and new order prospecting rights. In addition, the Royal Bafokeng Group will assist Impala Platinum in complying with the provisions of applicable BEE regulations and transformation targets set by Implats.

4.5.8 ***Local economic development***

Implats and the Royal Bafokeng Group have agreed to form the LED Trust as a discretionary non-vesting local development trust for the benefit of, *inter alia*, HDSA residents of the Greater Bojanala Area (the area situated in the north eastern corner of the North West Province and falling within the area demarcated as the Bojanala Platinum District Council).

Implats and the RBN Trust will jointly and equally contribute a total of R340 million over a period from 1 January 2007 to 2016. From 1 January 2008, not less than R10 million nor more than R20 million in each year will be donated by Implats.

At least 50% of the trustees of the LED Trust will be women, and at least 50% of the contributions made by the RBN Trust and Implats shall be distributed to initiatives focused primarily on the advancement or empowerment of women in the Greater Bojanala Area.

Provided that Implats and the RBN Trust will have each donated the sum of R170 million by 31 December 2016, Implats' and the RBN Trust's obligations to make further donations shall cease.

The development trust shall exist indefinitely until dissolved by unanimous agreement between Implats and the Royal Bafokeng Group.

4.6 **Conditions precedent**

The Royalty Transaction is subject to the following conditions precedent being fulfilled or waived by no later than 31 December 2006, or such later date as the signatories to the Transaction Agreements may agree in writing:

- 4.6.1 the obtaining of all regulatory approvals necessary for the implementation of the Royalty Transaction;
- 4.6.2 the enactment of the necessary legislation which shall have the effect that the payment of R10,585 million in respect of the Royalties will be deductible by Impala Platinum for tax purposes on a life-of-mine basis, or the obtaining of a ruling from the South African Revenue Services confirming that the Royalties will be deductible by Impala for tax purposes on a life-of-mine basis;

- 4.6.3 the approval of the Royalty Transaction by Implats Shareholders;
- 4.6.4 the ratification of the conclusion of the Transaction Agreements by the Kgotha Kgothe of the RBN; and
- 4.6.5 the execution of all Transaction Agreements and such Transaction Agreements becoming unconditional.

5. DISCUSSIONS WITH NT

The Royalty Bill does not contain an offset of any State royalty against the royalty paid by mining companies to communities. Implats has an understanding with NT that, should the final Royalty Act allow for an offset of any State royalty against the royalty paid by mining companies to communities as mentioned above, Impala Platinum will receive such offset credits notwithstanding the fact that the Royalties will have been paid.

An amendment to the Income Tax Act, 1962, as amended, to permit the tax deductibility of the payment of royalties in advance was tabled in Parliament on 2 November 2006 (and is expected to be promulgated in January 2007). The amendment will allow Impala Platinum to deduct R10,585 million in respect of the Royalties in equal annual amounts over 31 years, beginning with the 2007 financial year.

6. VOTING AND SHAREHOLDER APPROVALS

The RBN is an existing shareholder in Implats and, because of its interest in the Royalty Transaction, will not vote on any resolutions at the General Meeting relating to the Royalty Transaction.

The 17,267,200 Implats Subdivided Shares held by the Implats Share Incentive Scheme (including the shares held by the ESOP) will not have their votes at the General Meeting taken into account for Listings Requirement resolution approval purposes.

The issue of the Subscription Shares is regarded as a specific issue of shares for cash as defined under the Listings Requirements, and requires the relevant resolution of Implats Shareholders to be approved by a 75% majority of votes cast.

7. UNAUDITED *PRO FORMA* FINANCIAL INFORMATION AND EFFECTS

The financial effects of the Royalty Transaction have been presented using Implats Shares and not Implats Subdivided Shares as the basis and therefore on 9,389,400 Implats Shares, being issued to the RBN. After the subdivision of shares, the number of Implats Subdivided Shares issued to the RBN will be 75,115,200. The percentage changes in the table below will be unaffected by the subdivision of shares.

Unaudited *pro forma* financial effects

The unaudited *pro forma* financial effects of the Royalty Transaction for the financial year ended 30 June 2006 are set out in the table below to assist Implats Shareholders to assess the impact of the Royalty Transaction on Implats' basic earnings per share, headline earnings per share, fully diluted earnings and headline earnings per share, net asset value per share and tangible net asset value per share, based on the audited results for the year ended 30 June 2006.

These unaudited *pro forma* financial effects have been presented for illustrative purposes only and may not give a fair reflection of Implats' financial position nor the effect on future earnings post the implementation of the Royalty Transaction. The directors of Implats are responsible for the preparation of the unaudited *pro forma* financial effects.

For the year ended 30 June 2006

	Before the Transaction ⁽¹⁾	Post the Transaction ⁽²⁾	Percentage change
Basic EPS (cents)	6,607	4,084	(38)
Diluted EPS (cents)	6,589	4,075	(38)
Basic HEPS (cents)	6,006	3,558	(41)
Diluted HEPS (cents)	5,989	3,550	(41)
NAV per share (cents)	21,001	32,314	54
NTAV per share (cents)	20,911	18,186	(13)

Notes:

1. Extracted from the audited Implats financial statements for the year ended 30 June 2006.
2. Earnings and headline earnings per share after the Royalty Transaction have been determined assuming that the Royalty Transaction was implemented on 1 July 2005, as follows:
 - eliminating the annual royalty charge under the NML amounting to R851.8 million before tax and R604.8 million after tax at 29%;
 - amortising the Royalties of R10.6 billion using the units of production basis (assuming a straight line charge over 30 years for the purposes of the *pro forma* financial effects), amounting to R352.8 million before tax and R254.3 million after tax at 29%. (This amortisation will actually only commence in financial year 2008 being the first year covered by the Royalties.) The Royalty Transaction assumes that Implats will get a tax deduction for the Royalties in line with the accounting treatment;
 - charging an amount of R1.5 billion, being the difference between the value of the new Implats Shares issued (R12.1 billion) and the value of the Royalties (R10.6 billion), as a BEE compensation charge. (The R12.1 billion is based on an Implats closing price of R1,290 per Implats Share as of 22 September 2006. The actual value of the Implats Shares issued, and resultant BEE compensation charge will be determined on the Effective Date);
 - creating an expense of R83.6 million (the present value of the estimated future payments at a discount rate of 13.35%) for the liability relating to the commitment to contribute up to R170 million up to 30 June 2016 to the LED Trust;
 - charging R11.2 million, representing the impact of unwinding the discounted community development liability noted above;
 - charging R6 million, representing the estimated transaction costs before tax (assumed that these costs will be tax deductible); and
 - issuing an additional 9,389,400 Implats Shares, increasing the weighted average number of shares in issue during the year to 75.157 million for basic earnings and headline earnings per share and to 75.338 million for diluted earnings and headline earnings per share.

Net asset and tangible net asset value per share after the Royalty Transaction have been determined assuming that the Royalty Transaction was implemented on 30 June 2006, as follows:

- raising a royalty asset of R10.6 billion, being the agreed value of the Royalties;
- raising additional share capital at R12.1 billion, being the issue of 9,389,400 new Implats Shares based on an Implats closing price of R1,290 per Implats Share as of 22 September 2006 (the actual value will be determined on the Effective Date);
- charging an amount of R1.5 billion to retained income, being the difference between the value of the new Implats Shares issued (R12.1 billion) and the value of the Royalties (R10.6 billion), as a BEE compensation charge (the actual value of the shares issued, and resultant BEE compensation charge will be determined on the Effective Date);
- raising a R83.6 million community development liability relating to the commitment with regards to the LED Trust (present value of estimated future payments at a discount rate of 13.35%) with a corresponding “community development expense” to retained earnings;
- reducing “cash and equivalents” by R6 million and charging retained earnings with this amount, representing the estimated transaction costs;
- issuing an additional 9,389,400 Implats Shares, increasing the total number of Implats Shares in issue to 75.339 million; and
- treating the royalty asset of R10.6 billion as an intangible asset for the purposes of calculating the tangible net asset value per Implats Share.

The unaudited *pro forma* income statement and balance sheet of Implats pursuant to the Royalty Transaction for the year ended 30 June 2006 are set out in Appendix 2 to this Circular.

The reporting accountants’ report on the unaudited *pro forma* financial information is set out in Appendix 3 to this Circular.

8. MINING CHARTER CONSIDERATIONS

Based on the gross platinum production of Implats in 2006, the Empowerment credit in Impala Platinum will be:

	Percentage
RBH holding	22.09
ESOP	4.16
RBH and ESOP Empowerment credit	26.25
Other credits ⁽¹⁾	7.10
Total Empowerment credit	33.35

Note:

1. Impala Platinum believes that it is entitled to a further 7.1% Empowerment credit relating to the Incwala transaction, through the sale to HDSAs of the Implats Group’s interest in Eastern Platinum Limited and Western Platinum Limited, the principal operating subsidiaries of Lonmin plc.

Implata Platinum believes that it is on target to meet all the other elements of the Mining Charter and the Mining Scorecard including employment equity, procurement and skills development.

9. INFORMATION ON IMPLATS

The following information on Implats was set out in the IRS Circular and is available for inspection as set out in paragraph 15:

- information relating to directors;
- information on Implats;
- prospects; and
- corporate governance.

Save as indicated below, or in this Circular, there have been no changes to the information listed above.

The annual report of Implats and the IRS Circular are also available at <http://www.implats.co.za/im/reports/annual-reports/2006/pdf/Implats-ar2006.pdf> and <http://www.implats.co.za/im/circulars.asp>, respectively.

Information that has changed since the date of publication of the IRS Circular is updated below.

9.1 Authorised and issued share capital

Details of the authorised and issued share capital of Implats at the Last Practicable Date, *adjusted for the share split* approved by Implats Shareholders in the annual general meeting on 12 October 2006, and assuming the resolutions to be proposed at the General Meeting have been passed and implemented to give effect to the Royalty Transaction, are set out below:

	Rm	Notes
<i>Before the Royalty Transaction</i>		
<i>Authorised</i>		
800,000,000 ordinary shares of 2.5 cents each	20.0	
44,008,000 'A' ordinary shares of 2.5 cents each	1.1	
<i>Issued</i>		
555,054,680 ordinary shares of 2.5 cents each	13.9	1
(9,844,976) treasury shares	(613.1)	2
(16,432,576) ESOP shares	(0.4)	3
Share premium	3,564.0	
Total	2,964.4	
<i>In terms of the Royalty Transaction</i>		
<i>Issued</i>		
75,115,200 ordinary shares of 2.5 cents each	1.9	
Share premium	12,110.4	4
Total	12,112.3	
<i>On Transaction Conclusion</i>		
<i>Authorised</i>		
844,008,000 ordinary shares of 2.5 cents each	21.1	
<i>Issued after the Royalty Transaction</i>		
630,169,880 ordinary shares of 2.5 cents each	15.8	
(9,844,976) treasury shares	(613.1)	2
(16,432,576) ESOP shares	(0.4)	3
Share premium	15,674.4	4
Total	15,076.7	

Notes:

1. The ordinary shares include 16,432,576 Implats Subdivided Shares issued to the ESOP.
2. Implats' share capital and share premium as disclosed in the Consolidated Financial Statements does not include the treasury shares.
3. These shares are treated as treasury shares in the consolidated financial statements whilst held by the Morokotso Trust. The share premium relating to these shares is R1,788.7 million.
4. Assumes that RBN subscribes for 75,115,200 Implats Shares at a price of R161.25 per share (the actual value of the shares will be determined on the Effective Date).

9.2 Implats Share price history

A table setting out the share price history of Implats Shares on the JSE is included as Appendix 4.

9.3 Information on directors

Keith Rumble stepped down as Chief Executive Officer of Implats on 1 September 2006 and resigned from the board of Implats with effect from 13 October 2006. David Brown was appointed Chief Executive Officer on 1 September 2006.

There will be no variation in the remuneration of any of the directors as a consequence of the Royalty Transaction.

No director has any interest in the Royalty Transaction, save that Thabo Mokgatla is the Financial Director of Royal Bafokeng Resources Management Services (Pty) Limited and is a nominee of the Royal Bafokeng Nation on the board of directors of Implats. None of the directors had any material interest, direct or indirect, in any transaction during the current or immediately preceding financial year or in an earlier year, which remains in any respect outstanding or unperformed.

9.4 Directors' holdings and dealings

The interests of the directors of the Company in the issued share capital of Implats and share options held by the executive directors on the Last Practicable date, were as follows:

Director	Direct beneficial	Indirect beneficial	Percentage	Share options	Share appreciation scheme
<i>Executive</i>					
D H Brown	56,960	–	0.01	41,608	152,384
S Bessit	–	–	–	32,960	80,520
C E Markus	128,800	–	0.02	40,112	113,232
L J Paton	37,656	800	0.01	50,504	103,336
<i>Non-executive</i>					
F J P Roux	–	–	–	–	–
J M McMahon	–	–	–	–	–
M V Mennell	61,808	–	0.01	–	–
T V Mokgatla	–	–	–	–	–
K Mokhele	–	–	–	–	–
N D B Orleyn	–	–	–	–	–
J V Roberts	–	–	–	–	–
L C van Vught	–	3,200	–	–	–
Total	285,224	4,000	0.05		

No director had any non-beneficial interest in the share capital of the Company at 30 June 2006.

Since 26 May 2006, the date on which the IRS Circular was finalised, directors' dealings have been as follows:

- 1 September 2006 D H Brown acquired 1,120 Implats Shares at R506.38 per share;
- 5 September 2006 L J Paton acquired 707 Implats Shares at an average price of R508.40 per share;
- 8 September 2006 C E Markus sold 623 Implats Shares at an average price of R1,315.00 per share;
- 8 September 2006 C E Markus acquired 1,089 Implats Shares at an average price of R413.45 per share.

9.5 Information relating to Implats Shareholders

At 30 September 2006, the following Implats Shareholders beneficially held, directly or indirectly, 5% or more of the issued ordinary share capital of Implats:

Shareholder	Number of shares ('000)	Percentage shareholding
Public Investment Corporation Limited	33,758	6.1
Merrill Lynch	32,138	5.8
Old Mutual Group	30,527	5.5

Save as disclosed above, to the best knowledge of the directors of Implats, no other Implats Shareholder holds or beneficially owns 5% or more of Implats issued ordinary share capital.

9.6 Litigation statement

There are no legal or arbitration proceedings that are pending or threatened of which Implats is aware which may have, or during the 12 months preceding the date of issue of this Circular have had, a material effect on the financial position of the Implats Group.

9.7 Material changes

The Company published its annual report for the year to 30 June 2006 on 25 August 2006. There have been no material changes in the financial or trading position of the Implats Group between the date of publication of its annual report and the date of this Circular other than as disclosed in this Circular.

10. OPINIONS AND RECOMMENDATIONS

Implats has elected to provide a fair and reasonable opinion on the Royalty Transaction. EY Corporate Finance (Proprietary) Limited, acting as independent expert, has considered the terms and conditions of the Royalty Transaction and is of the opinion that, at the date of issue of its letter, the terms and conditions of this transaction are fair and reasonable to Implats Shareholders.

The Implats Board, having considered the opinion of EY Corporate Finance (Proprietary) Limited referred to in the paragraph above, is of the opinion that the terms and conditions of the Royalty Transaction are fair and reasonable and that the implementation thereof will be to the long-term benefit of Implats Shareholders. Accordingly, the Implats Board recommends that Implats Shareholders vote in favour of the resolutions to be proposed at the General Meeting.

The directors, insofar as they are entitled, intend to vote in favour of the special and ordinary resolutions to be proposed at the General Meeting.

11. GENERAL MEETING

A General Meeting of Implats Ordinary Shareholders will be held at 08:00 on Wednesday, 29 November 2006 at Glen Hove Conferencing, 52 Glenhove Road, Melrose Estate, Houghton, 2198 for the purpose of approving the Royalty Transaction. A notice convening the General Meeting is attached to, and forms part of, this Circular.

A proxy form for use by holders of Certificated Shares and own name holders of Dematerialised Shares is attached to this Circular. Duly completed proxy forms must be received by the Transfer Secretaries by no later than 08:00 on Tuesday, 28 November 2006.

Holders of Dematerialised Shares other than with own name registration must inform their CSDP or broker of their intention to attend the General Meeting and obtain the necessary authorisation to attend, or provide their CSDP or broker with their voting instructions should they wish to vote and are not able to attend the General Meeting in person. This must be done in terms of the agreement entered into between the Implats Shareholder and the CSDP or broker concerned.

The RBN is an existing shareholder in Implats and, because it has an interest in the Royalty Transaction, will not vote on any resolutions at the General Meeting relating to the Royalty Transaction.

The 17,267,200 Implats Subdivided Shares held by the Implats Share Incentive Scheme (including the shares held by the ESOP) will not have their votes at the General Meeting taken into account for Listings Requirement resolution approval purposes.

12. **DIRECTORS' RESPONSIBILITY STATEMENT**

The directors, whose names appear on page 7 of this document, collectively and individually, accept full responsibility for the accuracy of the information given, and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this Circular false or misleading, that they have made all reasonable enquiries to ascertain such facts and that this Circular contains all information required by law and the Listings Requirements.

13. **EXPERTS' CONSENTS**

The financial adviser and transaction sponsor, sponsor, legal adviser, reporting accountants, auditors and tax advisers, the independent expert, the corporate tax adviser and the Transfer Secretaries have consented in writing to act in the capacities stated and to their names appearing in this Circular and have not withdrawn their consents prior to the publication of this Circular.

PricewaterhouseCoopers Advisory Services (Pty) Limited, the reporting accountants and auditors and EY Corporate Finance (Proprietary) Limited, the independent experts, have consented in writing and have not withdrawn their consent to the inclusion of their reports and opinions in this Circular in the form and context in which they appear.

14. **COSTS**

The estimated cost to Implats of implementing the Royalty Transactions is approximately R6 million (excluding Value Added Tax), which includes:

- R3.5 million to Morgan Stanley (SA) (Proprietary) Limited as financial adviser and transaction sponsor to Implats;
- R1 million to Deneys Reitz Inc. as legal and tax adviser to Implats;
- R0.5 million to EY Corporate Finance (Proprietary) Limited as independent expert to Implats;
- R0.3 million to PricewaterhouseCoopers Advisory Services (Pty) Limited as reporting accountants and auditors to Implats;
- R0.1 million in typesetting, printing and publishing costs;
- R75,000 to Dianne Dobson as corporate tax adviser;
- R8,650 in JSE documentation inspection fees; and
- R0.7 million in JSE listing fees.

15. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by Implats Shareholders from the date of posting of this Circular to the date of the General Meeting, during normal business hours on Business Days, at the registered office of Implats.

- the reporting accountants' report on the *pro forma* financial statements and effects of Implats as reproduced in Appendix 3;
- the audited annual financial statements for the last three years ended 30 June 2006;
- the letter from the independent expert, the text of which is contained in Appendix 1;
- this Circular signed by or on behalf of the directors of Implats;
- the consent letters of the financial adviser and transaction sponsor, sponsor, legal and tax advisers, reporting accountants and auditors, independent expert and the Transfer Secretaries;
- the Transaction Agreements, being the:
 - Framework Agreement;
 - First Amendment of the Framework Agreement;
 - Subscription Agreement; and
 - Notarial Royalty Payment Agreement;
- the circular relating to the IRS Transaction;
- Implats memorandum and articles of association; and
- the NML.

Signed by D Brown under Power of Attorney granted to him by each director of Implats

D Brown

Chief Executive Officer

6 November 2006
Houghton

Registered office

3rd Floor Old Trafford 4
Isle of Houghton
Boundary Road
Houghton, 2198

Transfer secretaries

in South Africa

Computershare Investor Services 2004 (Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

in London

Computershare Investor Services plc
(Registration number 3498808)
The Pavilions
Bridgewater Road
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(PO Box 82, The Pavilions, Bristol, BS99 7NH)

INDEPENDENT FAIR AND REASONABLE OPINION REGARDING THE ROYALTY TRANSACTION

31 October 2006

Impala Platinum Holdings Limited
3rd Floor, Old Trafford 4
Isle of Houghton
Boundary Road
Houghton
2198

ATTENTION: THE DIRECTORS AND SHAREHOLDERS (EXCLUDING THE RBN)

Dear Sirs/Madams

INDEPENDENT PROFESSIONAL ADVICE IN RESPECT OF THE PAYMENT BY IMPALA OF ALL ROYALTIES DUE AND PAYABLE TO THE RBN FOR THE 31-YEAR PERIOD COMMENCING 1 JULY 2007 AND THE SUBSCRIPTION BY THE RBN, THROUGH RBH OR ONE OR MORE OF ITS SUBSIDIARIES, FOR 75,115,200 IMPLATS SUBDIVIDED SHARES (“THE ROYALTY TRANSACTION”) WHICH FORMS PART OF IMPLATS’ OVERALL BEE INITIATIVE**1. INTRODUCTION**

The definitions outlined in the “Definitions” section (commencing on page 2 of this Circular) of which this letter forms a part, have been used throughout this letter.

Implats Shareholders were advised in an announcement dated 28 September 2006 of the Royalty Transaction. The furnishing of a fair and reasonable opinion on the Royalty Transaction is not specifically required in terms of the Listings Requirements of the JSE, but the Board of Implats have nevertheless decided to procure such in the interests of Implats Shareholders and good corporate governance.

We have accordingly been appointed by the Board to advise on whether the proposed terms and conditions of the Royalty Transaction are fair and reasonable to the shareholders of Implats.

2. DEFINITION OF FAIR AND REASONABLE

Fairness is primarily based on quantitative factors, whilst reasonableness includes the qualitative issues surrounding the Royalty Transaction.

In terms of Schedule 5 of the Listings Requirements the Royalty Transaction will generally be considered fair if the benefits and/or value received by Implats Shareholders in terms thereof are considered to be equal to or greater than the value surrendered by such parties.

It is therefore conceivable that, under certain circumstances, the Royalty Transaction could be considered reasonable because of the various qualitative factors despite such transaction not being considered, in our opinion, fair.

3. PROCEDURES PERFORMED AND SOURCES OF INFORMATION

We have performed, amongst others, the following procedures:

- reviewed general market data, including economic, governmental and legislative aspects which have an impact on the platinum mining industry, including the Mining Charter; the MPRD Act and the Royalty Bill;
- obtained an understanding of the underlying operations of Implats, their future prospects and as well as the industry in which they operate by performing, amongst others, the following procedures:
 - held discussions with the management of Implats;

- reviewed and analysed the historical financial information of Implats;
- assessed the forecasts/life-of-mine plans of Implats and its underlying operations as prepared by management;
- reviewed recent independent reports on Implats and on the platinum mining industry as prepared by investment analysts and other market commentators;
- reviewed the trading prices, volumes and volatility of Implats Shares on the JSE over the recent past;
- enquired as to the strategic and related processes that Implats management has pursued with a view to introducing additional HDSA ownership and in particular the rationale for the Royalty Transaction;
- examined the Transaction Agreements and considered the terms and conditions contained in those documents as well as the commercial issues relating to the Royalty Transaction;
- reviewed the valuations of Implats and the NML (both discounted cash flow based valuations) as prepared by the management of Implats for purposes of the Royalty Transaction through:
 - performing a high level model review to assess the accuracy, the logic and the structure of the valuation model;
 - determining the reasonableness of key inputs (being metal prices, quantities and grades, currency exchange rates, and refining costs) by, where relevant agreeing and/or comparing such to supporting documentation, including contractual arrangement, history, current metal (spot) prices, general market consensus and long term forecasts prepared by industry experts, etc;
 - assessing the reasonableness of the discount rates used in the valuations;
 and ultimately concluded that we can rely upon the valuations of Implats and the NML;
- determined the sensitivity of the valuation of the NML, as well as the relative valuation of the NML in relation to Implats as a whole, in regards to movements in the critical assumptions namely metal prices, currency exchange rates, as well as the discount rate;
- examined the rationale for and extent of the discount components included as part of the salient terms of the Royalty Transaction – both in relation to the actual terms and conditions outlined in the Transaction Agreements as well as comparable transactions within the mining industry generally and the broader universe of BEE transactions recently concluded in South Africa;
- analysed the total “economic costs” of the Royalty Transaction which include, amongst others, the discount components, taxation implications, duties payable, direct transaction costs, etc;
- broadly examined the “qualitative” aspects applicable to the transaction including, the specific value to be delivered to Implats by the RBN, alignment of shareholder interests, implications of the Mining Charter; and
- in conclusion, determined the fairness and reasonableness of the Royalty Transaction in the context of the aforementioned.

4. **OTHER KEY CONSIDERATIONS**

Of all the potential BEE partners considered by the Implats Board during the search for an appropriate BEE partner, the Board was of the opinion that the most suitable BEE candidate for Implats was the RBN, primarily based on the strong existing relationship with the RBN and their Board nominee and the presence and influence of the RBN in the area where Implats’ most significant mining operations are situated.

The Board of Implats believes that if the Royalty Transaction is concluded, Impala Platinum will fully comply with the equity ownership requirements of the Mining Charter, namely a 26% ownership by HDSAs. We have assumed that the DME will be fully satisfied, following the conclusion of the Royalty Transaction, that Impala Platinum will comply with the equity ownership requirements of the MPRD Act, the Mining Charter or any other legislation, codes of good practice or guidelines that may become applicable to the mining industry in South Africa. This, together with Implats’ other initiatives in terms of the MPRD Act and the Mining Charter, will enable Impala Platinum to convert its “old order’ mining and prospecting rights to “new order” rights. Without this conversion, Implats would run the risk of losing its right to continue operations in the Lease Area, which make up the major part of its business and value.

The cancellation of the IRS Transaction in favour of the Royalty Transaction ensures a simpler, more transparent structure which should translate into more effective alignment of key shareholders’ interests.

In terms of the Transaction Agreements the Royal Bafokeng Group will not be entitled to dispose of its Subscription Shares prior to 31 May 2014 to ensure that Impala Platinum's Empowerment credentials are retained for at least the period required in terms of the Mining Charter unless the DME indicates in writing that a disposal by The Royal Bafokeng Group will not adversely affect Impala Platinum's Empowerment credentials. The Royal Bafokeng Group has, in addition, undertaken in favour of the Implats Group that it shall not compromise its strategic relationship with the Implats Group, or enter into any significant arrangement with, amalgamate with, become a part or member of, or in any way become associated with any competitor of the Implats Group, without prior consultation with Implats.

We took note of NT's indication that should the Royalty Bill allow for an offset of any State royalty against the royalty paid by mining companies to communities, Impala Platinum will receive such offset credits notwithstanding the fact that the Royalty will have been prepaid.

We also took note of the conditional right that Implats has to purchase from the RBN, at par, 2 459 968 of the Subscription Shares if certain conditions are not met by 30 June 2008. This right will be capable of being exercised by Implats between 30 June 2008 and 31 July 2008 (inclusive) if Implats waives one of the conditions precedent in the Transaction Agreements, namely that legislation be enacted to allow the payment of R10,585 million to RBN to be deductible by Impala Platinum for tax purposes, on a life-of-mine basis and Implats does not receive confirmation that this legislation is enacted by 30 June 2008.

We believe that the above considerations together with the procedures performed commercially justify the conclusion outlined below.

5. LIMITING CONDITIONS

We have relied upon the accuracy of the information used by us in deriving our opinion albeit that where practicable, we have corroborated the reasonableness of such information through, amongst other things, reference to independent third party/ies, historic precedent or our own knowledge and understanding. While our work has involved an analysis of the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy of any information provided to us in respect of Implats.

The opinion expressed below is necessarily based upon the information available to us, the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us as at the date hereof. We have furthermore assumed that all conditions precedent in the Transaction Agreements, including any material regulatory and other approvals required in connection with the proposed Royalty Transaction have been or will be properly fulfilled/obtained. Subsequent developments may affect our opinion, however, we are under no obligation to update, revise or re-affirm such.

6. OPINION

We have considered the terms and conditions of the Royalty Transaction and based upon and subject to the conditions set out below, are of the opinion that such are fair and reasonable to Implats shareholders (excluding the RBN).

This opinion does not purport to cater for each individual shareholder's circumstances, but rather that of the general body of Implats shareholders (excluding the RBN) taken as a whole. An individual shareholder's decision may be influenced by such shareholder's particular circumstances and accordingly shareholders should consult with an independent advisor if they are in any doubt as to the merits or otherwise of the Royalty Transaction.

7. USE OF THIS OPINION

This opinion is provided solely for the use of the Board and the holders of Implats shares (excluding the RBN) in connection with and for the purpose of their consideration of the Royalty Transaction. This opinion shall not, in whole or in part, be disclosed, reproduced, disseminated, quoted, summarised or referred to at any time nor shall any public references to Ernst & Young or EY Corporate Finance (Pty) Limited be made by Implats or any of its affiliates, without our prior written consent.

8. INDEPENDENCE AND CONSENT TO PUBLICATION

We have been retained by the Board of Implats as an independent professional expert to the Board and shareholders (excluding the RBN) in connection with the Royalty Transaction and we will receive a fixed fee for the services provided in connection herewith, which fee is payable upon delivery of this opinion. We confirm that, other than the aforementioned, we have no interest, direct or indirect, beneficial or non-beneficial, in Implats or in the success or failure of the Royalty Transaction which forms the subject matter hereof.

We hereby consent to the inclusion of this letter, and the references thereto, in the Circular to be issued by Implats on or about 6 November 2006 in the form and context in which they appear therein. Furthermore, we confirm that we have not withdrawn that consent prior to the posting of the said Circular to Implats shareholders.

Yours faithfully

T J CUSS

Director

J G HOPWOOD

Director

EY Corporate Finance (Proprietary) Limited
Second Floor, Wanderers Office Park
52 Corlett Drive
Illovo

PRO FORMA INCOME STATEMENT AND BALANCE SHEET OF IMPLATS FOR THE YEAR ENDED 30 JUNE 2006

The unaudited *pro forma* balance sheet of Implats at 30 June 2006 and Income statement for the year then ended are set out below and have been prepared for illustrative purposes only in order to provide information on how the proposed Royalty Transaction might have affected the reported historical financial information of Implats. Because of their nature, the unaudited *pro forma* balance sheet and income statement may not be a fair reflection of Implats' financial position after the proposed Royalty Transaction, nor of its future earnings.

The directors of Implats are responsible for the preparation of the unaudited *pro forma* financial information.

The independent reporting accountant's report relating to the unaudited *pro forma* financial information of the proposed Royalty Transaction is set out in Appendix 3 of this Circular.

The financial effects of the Royalty Transaction have been presented using Implats Shares and not Implats Subdivided Shares as the basis and therefore on 9,389,400 Implats Shares, being issued to the RBN. After the subdivision of shares, the number of shares issued to the RBN will be 75,115,200.

SUMMARY OF PROPOSED ACCOUNTING TREATMENT**Royalty Transaction**

The agreed value of the Royalties will be accounted for as a "Prepaid Royalty" under non-current assets and will be amortised to the income statement using the units of production basis. The transaction assumes that the Royalties will be allowed as a tax deduction over time (in line with the accounting treatment) and therefore no deferred tax entries are expected.

The value of the shares issued (based on the market value of the shares on the Effective Date of the Royalty Transaction) will be included in share capital and share premium.

The difference between the value of the shares issued and the value of the Royalties will be accounted for as a once-off "BEE compensation charge" to the income statement.

The estimated present value of the obligation to contribute R170 million to the LED Trust over a 10-year period from 2007 will be accounted for as a liability on the balance sheet. This discounted liability will be unwound through the income statement over the 10-year period. Payments made will be set off against the liability.

Implats Group – As of 30 June 2006
CONSOLIDATED BALANCE SHEET

(all amounts in Rand million unless otherwise stated)	Effect of the Royalty Transaction				After the Transaction
	Before the Transaction Note 1	Note 2	Note 3	Note 4	
ASSETS					
Non-current assets					
Property, plant and equipment	12,270.1				12,270.1
Investments and associates	1,167.9				1,167.9
Available-for-sale financial investments	761.1				761.1
Held-to-maturity investments	108.2				108.2
Other receivables	611.3	10,585.0			11,196.3
	14,918.6	10,585.0			25,503.6
Current assets					
Inventories	2,936.0				2,936.0
Trade and other receivables	3,585.6				3,585.6
Cash and cash equivalents	1,864.4			(6.0)	1,858.4
	8,386.0			(6.0)	8,380.0
Total assets	23,304.6	10,585.0		(6.0)	33,883.6
EQUITY					
Capital and reserves attributable to the equity holders of the holding company					
Share capital	362.6	12,112.0			12,474.6
Other reserves	114.0				114.0
Retained earnings	13,373.5	(1,527.0)	(83.6)	(6.0)	11,756.9
Ordinary shareholders' interest	13,850.1	10,585.0	(83.6)	(6.0)	24,345.5
Minority interest	214.8				214.8
Total equity	14,064.9	10,585.0	(83.6)	(6.0)	24,560.3
LIABILITIES					
Non-current liabilities					
Borrowings	11.3				11.3
Deferred income tax liabilities	2,922.8				2,922.8
Provision for employee benefit obligations	187.5				187.5
Provision for future rehabilitation	335.4				335.4
Derivative financial instruments	38.2				38.2
Other long-term provisions	-		83.6		83.6
	3,495.2	-	83.6	-	3,578.8
Current liabilities					
Trade and other payables	4,741.1				4,741.1
Current income tax liabilities	926.9				926.9
Borrowings	11.3				11.3
Derivative financial instruments	65.2				65.2
	5,744.5	-	-	-	5,744.5
Total liabilities	9,239.7	-	83.6	-	9,323.3
Total equity and liabilities	23,304.6	10,585.0	-	(6.0)	33,883.6
Net asset value per share (cents)	21,001				32,314
Net tangible asset value per share (cents)	20,911				18,186
Number of shares in issue (million)	65.9500	9.3894			75.3394

Implats Group – Year ended 30 June 2006

CONSOLIDATED INCOME STATEMENT

(all amounts in Rand million unless otherwise stated)	Effect of the Royalty Transaction							After the Transaction
	Before the Transaction Note 1	Note 5	Note 6	Note 7	Note 8	Note 9	Note 10	
Sales	17,500.2							17,500.2
On-mine operations	(4,722.7)							(4,722.7)
Concentrating and smelting operations	(1,129.6)							(1,129.6)
Refining operations	(545.2)							(545.2)
Amortisation of mining assets	(622.5)							(622.5)
Metals purchased	(4,326.2)							(4,326.2)
Increase in metal inventories	1,161.0							1,161.0
Cost of sales	(10,185.2)	–	–	–	–	–	–	(10,185.2)
Gross profit	7,315.0							7,315.0
Net foreign exchange transaction gains	177.8							177.8
Other operating expenses	(340.0)				(83.6)	(11.2)	(6.0)	(440.8)
Other (expenses)/income	(147.6)							(147.6)
Other gains – net	303.8							303.8
Finance costs	(58.5)							(58.5)
Share of profit of associates	114.8							114.8
Royalty expense	(851.8)	851.8	(352.8)					(352.8)
BEE compensation charge	(95.3)			(1,527.0)				(1,622.3)
Reversal of impairment of assets	583.1							583.1
Profit before tax	7,001.3	851.8	(352.8)	(1,527.0)	(83.6)	(11.2)	(6.0)	5,872.5
Income tax expense	(2,616.2)	(247.0)	98.5				1.7	(2,763.0)
Profit for the year	4,385.1	604.8	(254.3)	(1,527.0)	(83.6)	(11.2)	(4.3)	3,109.5
Profit attributable to:								
Equity holders in the company	4,345.4	604.8	(254.3)	(1,527.0)	(83.6)	(11.2)	(4.3)	3,069.8
Minority interest	39.7							39.7
	4,385.1	604.8	(254.3)	(1,527.0)	(83.6)	(11.2)	(4.3)	3,109.5
Earnings per share (cents per share)								
– basic	6,607							4,084
– diluted	6,589							4,075
Headline earnings per share (cents per share)								
– basic	6,006							3,558
– diluted	5,989							3,550
Weighted average number of ordinary shares in issue (millions)								
– basic	65.7680	9.3894						75.1574
– diluted	65.9490	9.3894						75.3384

Notes:

1. Extracted from the audited consolidated Implats financial statements for the year ended 30 June 2006. Balance sheet adjustments have been determined assuming that the Royalty Transaction occurred on 30 June 2006 while income statement adjustments were made assuming that the Royalty Transaction occurred on 1 July 2005.
2. The payment of the Royalties and the subsequent subscription for Implats Shares has been accounted for as follows:
 - (a) R10.6 billion royalty asset being the agreed value of the Royalties;
 - (b) R12.1 billion share capital being the issue of 9,389,400 Implats Shares based on an Implats closing share price of R1,290 per Implats Share as of 22 September 2006 (the actual value of the shares will be determined on the Effective Date); and
 - (c) R1.5 billion BEE compensation charge being the difference between the value of the shares in 2(b) above and the value of the Royalties in 2(a) above (the actual value of the shares and the BEE compensation charge will be determined on the Effective Date).
3. An expense of R83.6 million (the present value of the estimated future payments at a discount rate of 13.35%) for the liability relating to the commitment to contribute up to R170 million up to 30 June 2016 to the LED Trust.
4. Estimated transaction costs for the Royalty Transaction amount to R6 million.
5. Eliminating the annual royalty charge under the NML.

6. Amortising the Royalties (see note 2(a) above) using the units of production basis (assuming a straight line charge over 30 years for the purposes of the *pro forma* financial effects). This amortisation will actually only commence in financial year 2008 being the first year covered by the Royalties. The Royalty Transaction assumes that Implats will get a tax deduction for the Royalties in line with the accounting treatment.
7. A BEE compensation charge being the difference between the value of the Implats Shares in 2(b) above and the value of the Royalties in 2(a) above (the actual value of the shares and the BEE compensation charge will be determined on the Effective Date).
8. An expense of R83.6 million (the present value of the estimated future payments at a discount rate of 13.35%) for the liability relating to the commitment to contribute up to R170 million up to 30 June 2016 to the LED Trust.
9. The impact of unwinding the discounted liability in note 8 above.
10. Estimated transaction costs for the Royalty Transaction amount to R6 million (assumed that these costs will be tax deductible).

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION AND EFFECTS

30 October 2006

The Directors
Impala Platinum Holdings Limited
PO Box 61386
Marshalltown
2107

Gentlemen**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF IMPALA PLATINUM HOLDINGS LIMITED ("IMPLATS")**

We have performed our limited assurance engagement in respect of the *pro forma* financial information set out in paragraph 7 and Appendix 2 of the circular to Implats shareholders, to be dated on or about 6 November 2006, ("the circular") to be issued in connection with the payment by Impala Platinum Limited to the Royal Bafokeng Nation ("RBN") of R10,585 million ("the Royalty Transaction"). The *pro forma* financial information has been prepared in accordance with the requirements of the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the Royalty Transaction might have affected the reported historical financial information presented, had the corporate action been undertaken at the commencement of the period or at the date of the *pro forma* balance sheet being reported on.

DIRECTOR'S RESPONSIBILITY

The directors are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Implats; and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

REPORTING ACCOUNTANT'S RESPONSIBILITY

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the circular. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the *Guide on Pro Forma Financial Information* issued by SAICA.

This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

SOURCES OF INFORMATION AND WORK PERFORMED

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Implats, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors and management of the company in respect of the corporate action that is the subject of this circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors and management of Implats and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with *International Standards on Auditing or International Standards on Review Engagements* and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

CONCLUSION

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that:

- The *pro forma* financial information has not been properly compiled on the basis stated,
- Such basis is inconsistent with the accounting policies of Implats, and
- The adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed in terms of the section 8.17 and 8.30 of the JSE Listings Requirements.

Yours faithfully

P G McCrystal

Director: Transaction Services

PricewaterhouseCoopers Advisory Services (Pty) Limited

2 Eglin Road

Sunninghill, 2157

SHARE PRICE HISTORY OF IMPLATS SHARES ON THE JSE

The high, low and closing prices of Implats Shares on the JSE and the volumes traded on the JSE since 1 October 2003, were as follows:

	High (cents)	Low (cents)	Close (cents)	Volumes
Quarterly				
December 2003	63,700	52,500	58,000	14,755,857
March 2004	64,100	50,550	51,565	17,390,886
June 2004	52,600	41,650	47,100	17,487,167
September 2004	57,000	42,499	51,900	15,468,580
December 2004	54,800	45,900	47,900	18,173,962
March 2005	54,500	47,400	52,500	15,048,653
June 2005	61,500	49,700	59,700	17,633,780
September 2005	73,205	57,600	72,300	17,502,703
Monthly				
October 2005	77,400	67,800	73,505	5,873,756
November 2005	91,900	73,000	84,600	5,917,696
December 2005	95,999	83,000	93,200	3,660,977
January 2006	107,500	88,500	105,000	4,520,276
February 2006	116,601	94,500	105,000	7,279,200
March 2006	125,999	92,500	116,500	6,641,537
April 2006	127,000	107,200	114,000	5,104,355
May 2006	143,500	106,000	113,500	6,533,213
June 2006	140,000	90,000	131,982	7,089,909
July 2006	144,000	116,000	128,000	3,689,023
August 2006	138,000	119,020	133,500	4,772,642
September 2006	137,995	115,500	128,500	5,424,903
Daily				
2 October 2006	131,500	128,500	131,000	182,001
3 October 2006	131,950	127,000	128,000	201,927
4 October 2006	129,990	125,000	127,208	187,861
5 October 2006	128,500	125,500	126,500	267,731
6 October 2006	127,995	125,201	126,000	197,318
9 October 2006	128,995	126,000	128,100	174,660
10 October 2006	130,995	125,000	125,000	298,350
11 October 2006	131,500	122,650	128,000	270,506
12 October 2006	129,800	125,010	128,800	127,721
13 October 2006	129,945	128,091	129,500	245,500
16 October 2006	134,000	130,000	133,000	320,442
17 October 2006	133,000	129,200	130,000	189,462
18 October 2006	132,000	128,001	129,000	123,458
19 October 2006	129,970	127,500	128,900	144,829
20 October 2006	133,000	129,010	130,000	196,488
23 October 2006	132,900	129,000	130,000	110,155
24 October 2006	132,500	128,900	131,001	157,223
25 October 2006	133,500	130,100	132,101	201,255
26 October 2006	134,500	131,100	134,000	235,005
27 October 2006	133,990	128,010	130,000	221,942
30 October 2006	132,450	128,000	128,500	62,653
31 October 2006	130,968	128,002	129,500	348,181
1 November 2006	133,999	130,700	132,100	293,258
2 November 2006	133,800	130,000	131,490	164,048



Impala Platinum Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 1957/001979/06)

JSE share code: IMP ISIN: ZAE000083648

ADR code: IMPUY LSE share code: IPLA

("Implats" or "the Company")

Directors:

Executive

D H Brown (*Chief Executive Officer*)

S Bessit

C E Markus

L J Paton

Non-executive

F J P Roux (*Chairman*)

J M McMahan*

M V Mennell

T V Mokgatlha

K Mokhele

N D B Orleyn

J V Roberts

L C van Vught

* *British*

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the ordinary shareholders of Implats ("**shareholders**") will be held at Glen Hove Conferencing, 52 Glenhove Road, Melrose Estate, Houghton, 2198 on 29 November 2006 at 08:00 to consider and, if deemed fit, to pass, with or without modifications, the ordinary and special resolutions set out in this notice of General Meeting.

Special resolution number 1, ordinary resolution number 1 and special resolution number 2 are subject to the suspensive condition that the conditions precedent reflected in clause 4.6 of the Circular to which this notice of General Meeting is attached, the provisions of which are deemed to be incorporated herein, are fulfilled or waived.

SPECIAL RESOLUTION NUMBER 1

RESOLVED THAT, subject to the passing of ordinary resolution number 1 and the passing and registration of special resolution number 2, the transactions contemplated in the agreement between Implats, Impala Platinum Limited ("**Impala Platinum**"), the Royal Bafokeng Nation, Royal Bafokeng Nation Development Trust, Royal Bafokeng Holdings (Pty) Limited, RBH Resources Holdings (Pty) Limited, Royal Bafokeng Tholo Investment Holding Company (Pty) Limited ("**RBTH**"), Royal Bafokeng Impala Investment Holding Company (Pty) Limited ("**RBIH**") and Royal Bafokeng Resources Holdings (Pty) Limited entered into on 28 September 2006 (the "**Framework Agreement**"), which are intended to discharge Impala Platinum's obligation to periodically pay the Royalties (as defined in the Framework Agreement) and to deliver an ultimate fully diluted shareholding of 12.1% (twelve comma one percent) in Implats by the RBN Group (as defined in the Framework Agreement), be and are hereby ratified and approved.

The reason for special resolution 1 is to ratify and approve the Transactions contemplated in the Framework Agreement. The effect of special resolution 1 is to ratify and approve the Transactions accordingly.

ORDINARY RESOLUTION NUMBER 1

RESOLVED THAT, subject to the passing and registration of special resolution numbers 1 and 2, 75,115,200 (seventy five million one hundred and fifteen thousand two hundred) ordinary shares of 2.5 (two comma five) cents each in the authorised but unissued share capital of the Company be and are hereby placed under the control of the directors with specific authority for them to allot and issue such shares to RBTIH and RBIH for a subscription price of R10,585,000,000 (ten billion five hundred and eighty five million rand), in compliance with the Company's obligations to issue such ordinary shares to RBTIH and RBIH in terms of the Subscription Agreement (as defined in the Framework Agreement) as follows:

- RBIH: 56,556,208 (fifty six million five hundred and fifty six thousand two hundred and eight) ordinary shares of 2.5 (two comma five) cents each; and
- RBTIH: 18,558,992 (eighteen million five hundred and fifty eight thousand nine hundred and ninety two) ordinary shares of 2.5 (two comma five) cents each.

This ordinary resolution number 1 is subject to sections 221 and 222 of the Companies Act, 1973 and the Listings Requirements of the JSE Limited ("**the Listings Requirements**").

In terms of paragraph 5.51(g) of the Listings Requirements, this ordinary resolution number 1 must be approved by a 75% majority of all equity security holders of the Company present or represented at this General Meeting excluding any parties and their associates participating in the specific issue for cash.

SPECIAL RESOLUTION NUMBER 2

RESOLVED THAT, subject to the passing of ordinary resolution number 1 and the passing and registration of special resolution number 1, the acquisition by the Company or its nominee of 2,459,968 (two million four hundred and fifty nine thousand nine hundred and sixty eight) of its own ordinary shares of 2.5 (two comma five) cents each from RBTIH and RBIH as follows:

- RBIH: 1,852,176 (one million eight hundred and fifty two thousand one hundred and seventy six) ordinary shares of 2.5 (two comma five) cents each; and
- RBTIH: 607,792 (six hundred and seven thousand seven hundred and ninety two) ordinary shares of 2.5 (two comma five) cents each,

on or about the date on which Implats exercises the Call Option (as defined in the Framework Agreement), be and is hereby approved as a specific approval. The date on which such ordinary shares will be re-purchased will be no earlier than 30 June 2008. The re-purchase will be made at the par value of the ordinary shares re-purchased, provided that if any taxes (other than stamp duty or uncertificated securities tax) are payable by RBTIH and RBIH in connection with the exercise of the Call Option, the purchase price shall be adjusted so that no net taxes are payable by RBTIH and RBIH.

This special resolution number 2 is subject to section 85 of the Companies Act, 1973 and the Listings Requirements.

The reason for special resolution number 2 is to authorise the Company or its nominee, by way of a specific approval, to acquire 2,459,968 (two million four hundred and fifty nine thousand nine hundred and sixty eight) of its own ordinary shares pursuant to the exercise of the Call Option (as defined in the Framework Agreement). The effect of special resolution number 2 is to authorise the Company or its nominee accordingly.

SPECIAL RESOLUTION NUMBER 3

RESOLVED THAT, subject to the passing and registration of special resolution number 4, the 44,008,000 (forty four million eight thousand) "A" ordinary shares with a par value of 2.5 (two comma five) cents each in the authorised but unissued share capital of the Company be and are hereby converted into 44,008,000 (forty four million eight thousand) ordinary shares with a par value of 2.5 (two comma five) cents each, and that the Memorandum of Association of the Company be and is hereby amended accordingly.

The reason for special resolution number 3 is that, as a result of the lapsing of the transactions as contemplated in the Framework Agreement between the Company, Impala, Impala Refining Services Limited, Royal Bafokeng Nation, Royal Bafokeng Nation Development Trust, Royal Bafokeng Holdings (Proprietary) Limited, RBH Resource Holdings (Proprietary) Limited, RBTIH and Royal Bafokeng Holdings (Proprietary) Limited dated 19 May 2006, the "A" ordinary shares in the Company's authorised but unissued share capital will no longer be issued to RBTIH. The effect of special resolution number 3 is to convert the "A" ordinary shares into ordinary shares in the Company's authorised share capital.

SPECIAL RESOLUTION NUMBER 4

RESOLVED THAT, subject to the passing and registration of special resolution number 3, the Articles of Association of the Company be and are hereby amended by the deletion of Article 32 (*'A' Ordinary Shares*) thereof.

The reason for special resolution number 4 is to amend Implats' Articles by the deletion of Article 32 (*'A' Ordinary Shares*) thereof, pursuant to the conversion of the "A" ordinary shares into ordinary shares in the Company's authorised share capital in terms of special resolution number 3. The effect of special resolution number 4 is to amend Implats' Articles of Association by the deletion of Article 32 (*'A' Ordinary Shares*) thereof.

ORDINARY RESOLUTION NUMBER 2

RESOLVED THAT any member of the Board of directors be and is hereby authorised to take all such steps and to sign all such documents as may be necessary to give effect to ordinary resolutions number 1, and special resolutions numbers 1, 2, 3 and 4.

VOTING AND PROXIES

Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration are entitled to attend and vote at the General Meeting and are entitled to appoint a proxy or proxies to attend, speak and vote in their stead. The person so appointed need not be a shareholder. Proxy forms must be forwarded to the Transfer Secretaries, Computershare Investor Services 2004 (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 08:00 on 28 November 2006. Proxy forms must only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration.

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the Company shall have one vote for every share held in the Company.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own name" registration, should contact their CSDP or broker in the manner and time stipulated in their custody agreement with such CSDP;

- to furnish them with their voting instructions; and
- in the even that they wish to attend the General Meeting, to obtain the necessary authority to do so.

By order of the Board

R Mahadevey
Secretary

6 November 2006
Houghton

Registered office

3rd Floor Old Trafford 4
Isle of Houghton
Boundary Road
Houghton, 2198

Transfer secretaries in South Africa

Computershare Investor Services 2004 (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Transfer secretaries in London

Computershare Investor Services PLC
The Pavilions
Bridgewater Road
Bristol, BS13 8AE
(PO Box 82, The Pavilions, Bristol, BS99 7NH)



Impala Platinum Holdings Limited

(Incorporated in the Republic of South Africa)
 (Registration number 1957/001979/06)
 JSE share code: IMP ISIN: ZAE00083648
 ADR code: IMPUY LSE share code: IPLA
 ("Implats" or "the Company")

PROXY FORM

FOR USE BY:

- CERTIFICATED REGISTERED HOLDERS
- DEMATERIALIZED "OWN NAME" REGISTERED HOLDERS

The definitions commencing on page 2 of the Circular to which this form is attached have been used in this proxy form.

This proxy form is not for use by shareholders who have already dematerialised their Implats ordinary shares through a CSDP other than "own name" holders of Dematerialised Shares.

For use at the General Meeting to be held on Wednesday, 29 November 2006 at 08:00.

1/We

of

appoint (See Note 1):

1.

2.

3. the chairman of the General Meeting

As my/our proxy to act for me/us at the General Meeting which will be held Glen Hove Conferencing, 52 Glenhove Road, Melrose Estate, Houghton, 2198 at 08:00 on Wednesday, 29 November 2006 and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued capital of the Company registered in my/our name(s) (see Note 2).

	Number of Implats ordinary shares of 2.5 cents each		
	For	Against	Abstain
Special resolution number 1 The approval of the Transactions contemplated in the Framework Agreement			
Ordinary resolution number 1 The allotment and issue of 75,115,200 Implats ordinary shares for a subscription price of R10,585 million Rand in terms of the Subscription Agreement			
Special resolution number 2 The re-purchase of 2,459,968 Implats ordinary shares from the Royal Bafokeng Group, no earlier than 30 June 2008, for a consideration of 2.5 cents per share			
Special resolution number 3 The conversion of the Implats "A" ordinary shares into Implats ordinary shares			
Special resolution number 4 The deletion of Article 32 ('A' Ordinary Shares) from the articles of association of Implats			
Ordinary resolution number 2 Authorisation for any board member to give effect to the above resolutions			

Insert in the relevant space above the number of Implats ordinary shares held.

Signed at _____ on _____ 2006

Signature _____

Assisted by (where applicable) _____

Each Implats Shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the Company) to attend, speak and vote in place of that shareholder at the General Meeting.

Please read the notes overleaf.

Notes:

1. An Implats Shareholder may insert the name of a proxy or the names of two alternative proxies of the Implats Shareholder's choice in the space provided, with or without deleting "the chairman of the General Meeting". Any such deletion must be initialled by the Implats Shareholder. The person present at the General Meeting whose name appears first on this proxy form and has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow.
2. An Implats Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he deems fit in respect of all the Implats Shareholder's votes exercisable thereat. An Implats Shareholder or his proxy is not obliged to use all the votes exercisable by the Implats Shareholder or his proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Implats Shareholder or his proxy.
3. Any alteration or correction to this proxy form must be initialled by the signatory(ies).
4. Documentary evidence establishing the authority of a person signing this proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the Transfer Secretaries or waived by the chairman of the General Meeting.
5. The completion and lodging of this form will not preclude the relevant Implats Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Implats Shareholder wish to do so.
6. Proxy forms must be lodged with or posted to the Transfer Secretaries to be received not later than 24 hours (excluding Saturdays, Sundays and South African public holidays) before the time of the General Meeting.
7. This proxy form expires after the conclusion of the General Meeting stated herein, except at an adjournment of that meeting or at a poll demanded or such meeting.

Transfer secretaries in South Africa

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Transfer secretaries in London

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