



NEWS RELEASE

Implats acquires 35% stake in Mimosa

Impala Platinum Holdings Limited (Implats) announced today (26 July 2001) the acquisition of a 35% stake in Mauritius-based ZCE Platinum Limited, which holds a 100% interest in Mimosa Mining Company (Pvt) Limited for a consideration of US\$30 million (R240 million). Implats' contribution will be used to fund an expansion of the mine from 15 000 ounces to approximately 70 000 ounces of platinum per annum. The Mimosa mine operates on the southern portion of the Zimbabwean Great Dyke and is currently one of the lowest cost primary producers in the industry.

The acquisition follows discussions and a due diligence of Mimosa by Implats. Both the South African Reserve Bank and the Reserve Bank of Zimbabwe have given their approval for the transaction.

In mid-March 2001 Implats announced the acquisition of a significant minority stake in Zimplats and Zimplats' Ngezi opencast mine and the Hartley Platinum Joint Venture Companies.

Impala Refining Services Limited (IRS), an Implats subsidiary that refines and markets platinum group metals (pgm) and base metals, has had an offtake agreement with Mimosa for five years and this will continue for the expanded operations.

Mimosa will now proceed with expenditure of US\$38 million (R302 million) to increase the daily mill throughput from its current level of 900 tons of ore per day to 3 900 tons of ore per day. This will quadruple production of pgms from the current rate of 30 000 ounces per annum to 135 000 ounces per annum. The anticipated life of mine following the expansion is in the region of 50 years. Further expansion will be considered as soon as Mimosa achieves the targeted output.

Says Keith Rumble, CEO of Implats, "Implats has maintained a relationship with Mimosa since its inception some five years ago. Our team has been impressed with both the operation and the management and we are delighted to participate in the growth of this company and – in so doing – meet Implats' growth objectives of increasing the output of Impala-branded products. In fact, our relationship with Mimosa to date has proved to us that doing business in Zimbabwe and the trucking of concentrate to South Africa for refining and marketing is feasible and profitable.

"We have received a positive response from the Government of Zimbabwe, which has undertaken to provide a suitable legal framework to facilitate this investment, including undertakings in terms of a favourable fiscal regime.

"Mimosa provides yet another springboard for Implats on the Great Dyke, which remains the single largest undeveloped pgm resource in the world, second only in significance to South Africa's Bushveld Complex.

"Mimosa is an underground mine located on the Wedza sub-chamber of the Great Dyke. The mine utilises the bord and pillar mining method with a great degree of success. The expansion project will be funded through the capital injection by Implats and any additional funding requirements will be sourced from operational cash flows and debt."

Transport of filtered flotation concentrate by road to Impala's processing facilities will continue, but it is anticipated that the smelter capacity being developed as part of the Ngezi project may offer some synergies in the longer term.