



NEWS RELEASE

Avmin and Implats acquire Dwars River PGM rights

Anglovaal Mining Limited (Avmin) and Impala Platinum Holdings Limited (Implats) announced today (30 May 2001) that they have jointly acquired, for R551 million, the platinum group metals (PGM) rights, together with the associated surface rights, on the farm Dwars Rivier in South Africa's Mpumalanga province.

The rights, to both the UG2 and Merensky reefs, were acquired from The Associated Manganese Mines of South Africa Limited (Assmang) in a competitive bidding process initiated by Assmang in September 2000.

The acquisition will lead to the development of a new mine with an annual run-of-mine output of some 1,4 million tons, producing between 160 000 and 170 000 ounces of PGMs a year, over a life of approximately 20 years. It is estimated that the capital cost for the new mine will be between R500 and R700 million.

Avmin and Implats have formed a joint venture, Two Rivers Platinum (Pty) Limited (Two Rivers), to develop, manage and operate the new mine. Two Rivers is held 55 per cent by Avmin and 45 per cent by Implats and has appointed Avmin to manage and conduct future development and operating activities.

An exploration drilling programme is expected to commence on the property within the next few months to confirm the preliminary evaluation, which indicated a resource of 50 million tons of UG2 reef.

Work done to date suggests the sinking of a decline shaft and, together with mechanised mining, the mine would attain full production within two years following the start of shaft sinking. A concentrator plant will be erected on site and Impala Refining Services (IRS), a wholly owned subsidiary of Implats, will purchase the concentrate for smelting and refining and will conduct the PGM marketing. The base metals in concentrate will be toll-refined by IRS and the marketing conducted by Avmin.

Dwars Rivier is located on the eastern limb of the Bushveld complex, near the town of Lydenburg. Nearly 200 new jobs could be created by the mine, with further job creation prospects in supportive industries in the broader community.

Avmin CEO Rick Menell said: "The conclusion of this transaction achieves an Avmin objective of entering the PGM market. When the Two Rivers operation is producing at the anticipated production levels, the expansion at our Nkomati nickel, copper, cobalt and PGM operation could be well advanced, pending a decision to be made in September 2001. The Nkomati expansion would add about 100 000 PGM ounces to Avmin's portfolio."

Menell continued, "the Dwars Rivier acquisition, which was done on an arms-length basis with our partners in Assmang, will benefit the Assmang balance sheet tremendously because of the debt this company has taken on for its own exciting new developments in manganese, chrome and iron ore. Avmin has a direct and indirect interest in Assmang totalling 58 per cent."

Implats CEO John Smithies said: "This acquisition is in line with Implats' overall strategy of attaining growth through key partnerships. Implats is well on track to deliver cost-effective growth to shareholders. Our view of the PGM market remains bullish, with an anticipated deficit in supply in the medium term. Even at extremely conservative PGM prices going forward, this project more than meets Implats financial hurdle rates and will supplement the ongoing payback to shareholders in years to come."

Rick Menell concluded, "We see Implats as the ideal partner in this venture given its PGM expertise and processing knowledge and infrastructure".

The conclusion of the agreements for the acquisition is subject to certain conditions, including:

- Assmang shareholder approval; and
- the necessary regulatory and statutory consents and authorisations.