

# 2007

## ANNUAL REPORT

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## Report profile

This annual report is for the 2007 financial year, from 1 July 2006 to 30 June 2007, although both historical and forward-looking data have been provided for information purposes. While information in this report is for the FY2007 period, unless otherwise stated, information relating to the metals markets is provided by calendar year.

The company reports its production in terms of platinum and total platinum group metals (PGMs) where the latter includes platinum, palladium, rhodium, ruthenium and iridium as well as gold, or what is otherwise referred to as 5PGE+Au.

The annual financial statements contained in this report (pages 164 to 232) have been prepared in accordance with International Financial Reporting Standards (IFRS), the requirements of the South African Companies Act and in line with the regulations of the JSE Limited (JSE) and the recommendations of the King Report on Corporate Governance for South Africa 2002 (King II). The G3 reporting guidelines of the Global Reporting Initiative (GRI) have been followed in the preparation of both this report and the report on corporate responsibility.

Reporting of Mineral Resources and Mineral Reserves estimates has been done in accordance with the South African Code for Reporting of Mineral Resources and Mineral Reserves (SAMREC) and the Australian Code for Reporting of Mineral Resources and Ore Reserves (JORC), and duly signed off by the Competent Persons, as defined by these codes.

The annual financial statements are available on the company's website at [www.implats.co.za](http://www.implats.co.za). In addition to the summary on corporate responsibility contained within this document on (pages 93 to 131), the company will publish a more comprehensive corporate responsibility report on its website in September 2007. The company's response to the South African Mining Charter is also available on this website.

Certain statistical information is provided for comparative purposes for up to 10 years (financial years 1998 to 2007). While information is in respect of all subsidiary, joint venture and investment companies, it should be noted that in all cases production or capital expenditure, etc, which are attributable to Implats, are highlighted. In all cases in this report, \$ or dollar refers to the US dollar, unless otherwise stated.

All share information has been adjusted for the 8:1 share split that was effective in November 2006.

Additional information on the group may be found on the company's website or obtained from the contact persons listed on the inside back cover of this report.

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### Key performance

- Unsatisfactory safety performance
- Record group platinum production of more than 2Moz
- Lower Merensky volumes affect unit cost at Impala
- Gross margin improves to 46%
- Headline earnings up by 75% to R13.12
- Normalised headline earnings\* more than double to R16.36 per share
- Capital expenditure of R2.89 billion
- Total dividend per share of R9.75  
(Final of R7 per share)

\* Excluding BEE charge





## Directorate and executive management

as at 30 June 2007

### Board of Directors

Fred Roux, *Chairman*

David Brown, *Chief executive officer*

Shadwick Bessit

Dawn Earp, *Chief financial officer*

Michael McMahon

Vivienne Mennell

Khotso Mokhele

Thandi Orleyn

Thabo Mokgatla

Les Paton

Steve Phiri

John Roberts

Lex van Vught

### Executive Committee

David Brown, *Chairman*

Brenda Berlin

Shadwick Bessit

Rob Dey

Derek Engelbrecht

Dawn Earp

Paul Finney

Bob Gilmour

Ramun Mahadevey

Nonhlanhla Mgadza

Les Paton

Mike Rossouw

Mike Teke

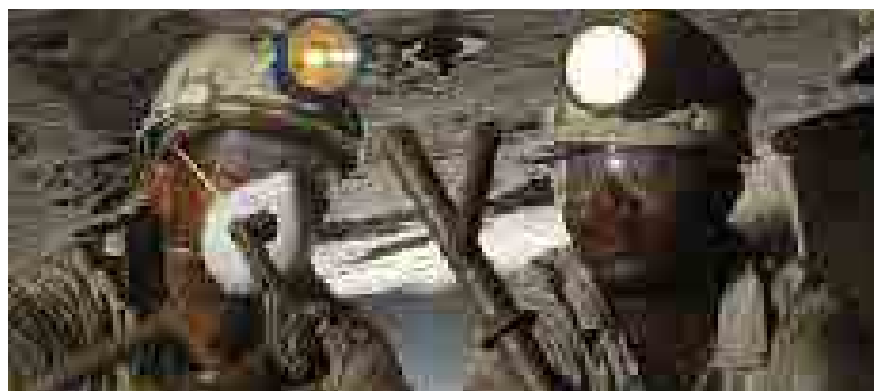
## Implats' vision

To be the world's best platinum producing company, delivering superior returns to shareholders relative to our peers.

## Implats' values

- Safeguarding the health and safety of our employees, and caring for the environment in which we operate.
- Acting with integrity and openness in all that we do and fostering a workplace in which honest and open communication thrives.
- Promoting and rewarding teamwork, innovation, continuous improvement and the application of best practice by being a responsible employer, developing people to the best of their abilities and fostering a culture of mutual respect among employees.
- Being accountable and responsible for our actions as a company and as individuals.
- Being a good corporate citizen to the communities in which we live and work.

Details regarding the board of directors, board sub-committees and executive management can be found on pages 132 to 134 of this report.



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### Highlights

#### Ounces (000oz)

##### Production highlights

	FY2007	FY2006	% change
<b>Group</b>			
Refined platinum production	2,026	1,846	10
Refined PGM production	3,858	3,490	11
<b>Impala</b>			
Refined platinum production	1,055	1,125	(6)
Refined PGM production	1,872	2,003	(7)

#### Rands

##### Financial highlights

		FY2007	FY2006	% change
Sales	(m)	31,482	17,500	80
Gross profit	(m)	14,472	7,330	97
Profit before tax	(m)	11,220	6,996	60
Profit	(m)	7,325	4,382	67
Headline earnings per share	(c)	1,312	750	75
Normalised headline earnings per share	(c)	1,636	768	113
Dividends per share	(c)	975	400	144
Special dividend per share	(c)	–	688	–
Cash net of debt	(m)	2,504	1,663	51
Revenue per platinum ounce sold		17,057	10,963	56
Average rand exchange rate achieved	(/ \$)	7.20	6.37	13

#### Dollars

##### Financial highlights

		FY2007	FY2006	% change
Sales	(m)	4,375	2,745	59
Gross profit	(m)	2,010	1,153	74
Profit before tax	(m)	1,558	1,101	42
Profit	(m)	1,017	692	47
Headline earnings per share	(c)	182	119	53
Normalised headline earnings per share	(c)	227	122	86
Dividends per share	(c)	136	63	116
Special dividend per share	(c)	–	108	–
Cash net of debt	(m)	355	232	53
Revenue per platinum ounce sold		2,369	1,721	38

Note: The dollar numbers are provided for convenience and have not been audited. The income and expenditure items have been calculated using the average exchange rate for the year. Sales are the actual dollar amounts.



## Corporate profile

### Implats:

- produced 2.026Moz of platinum (3.858Moz of PGMs) in FY2007.
- employed 47,190 people (including contractors) as at the end of FY2007 – 42,150 in South Africa and 5,040 in Zimbabwe.
- has total attributable Mineral Reserves of 40Moz of platinum and attributable Mineral Resources (inclusive of Mineral Reserves) of 187Moz of platinum.

Impala Platinum Holdings Limited (Implats), a leading global producer of platinum, produced 2.026Moz of platinum (approximately 25% of global supply) and 3.858Moz of platinum group metals (PGMs).

Implats' mining operations are located on the two most significant, known platinum group minerals bearing orebodies in the world: the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe:

- In South Africa, these are located on the western limb of the Bushveld Complex – Impala Platinum (Impala) – and on the eastern limb – Marula Platinum (Marula) and Two Rivers Platinum (Two Rivers). Impala and Marula are managed by Implats, while the Two Rivers joint venture is operated by Implats' partner, African Rainbow Minerals (ARM). Impala houses the group's mineral processing assets, which together with its mining operation comprise Impala Rustenburg, as well as the precious and base metals refineries which comprise Impala Springs.
- In Zimbabwe, Implats operates Zimplats Holdings Limited (Zimplats) and has a joint venture with Aquarius Platinum Limited in Mimosa Platinum. Zimplats is listed on the Australian Securities Exchange (ASX).

In addition, Implats has a 74% interest in the Leeuwkop project through its stake in Afrplats, which also has interests in the Imbasa-Inkosi extension project.

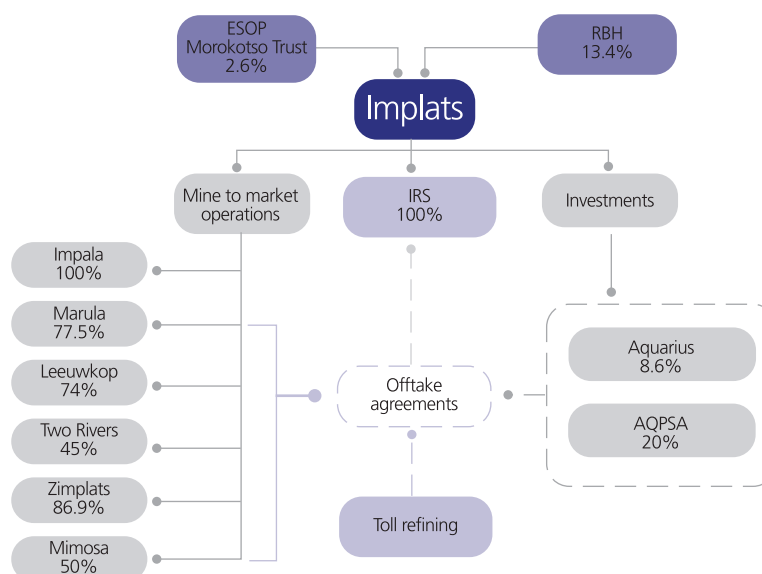
While the company's exploration efforts are focused on proving and extending resources, Implats has a number of projects in Botswana, Canada, Madagascar, Mozambique and South Africa. Some of these are in joint ventures and alliances with other companies.

At a strategic holding level, the group has an 8.6% interest in Aquarius which is listed on the London Stock Exchange (LSE), the ASX and the JSE Limited (JSE). Implats also has a 20% stake in Aquarius Platinum South Africa (AQPSA), which has operations on the western (Kroondal and Marikana) and eastern (Everest) limbs of the Bushveld Complex.

Through Impala Refining Services (IRS), Implats uses Impala's excess smelting and refining capacity to process the concentrate and matte produced by its mine-to-market operations as well as material purchased from other companies. Toll-refining is also undertaken on behalf of other companies. Through its association with A-1 Specialised Services and Supplies Inc., Implats is one of the largest autocatalyst recyclers in the world.

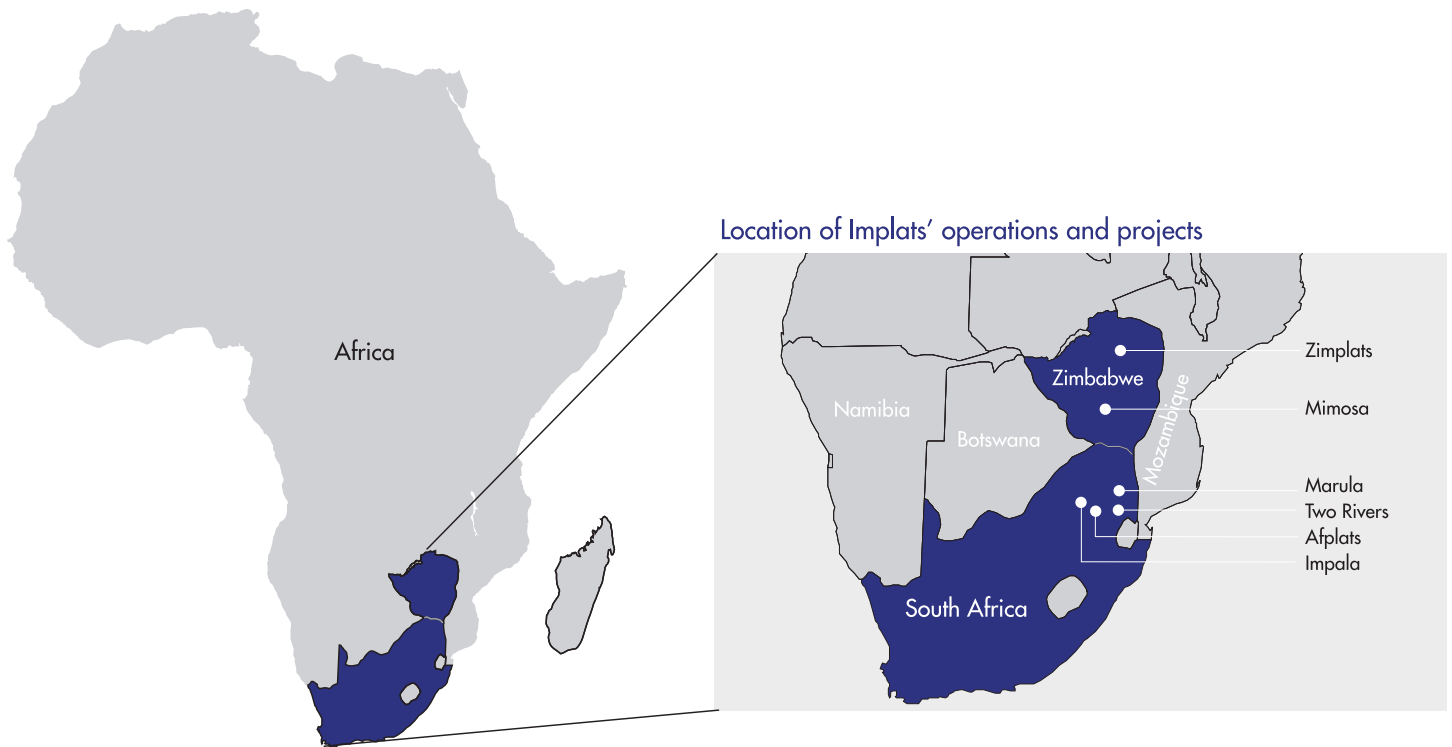
Implats has a primary listing on the JSE (IMP) and a secondary listing on the LSE (IPLA). The company may also be traded via a sponsored level 1 ADR programme (IMPUY) in the United States.

## Group structure

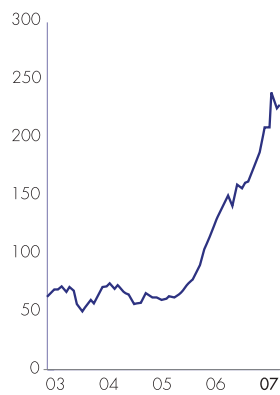


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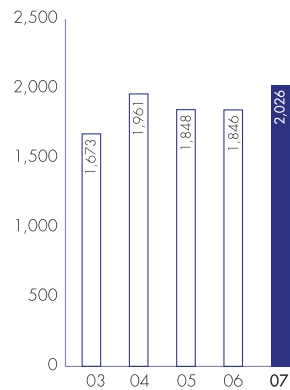
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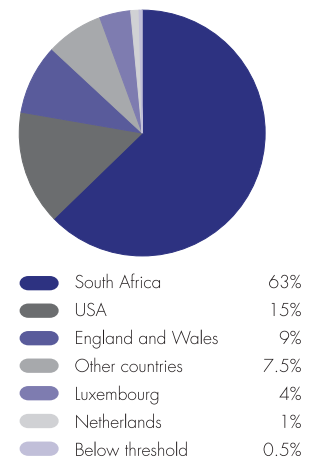
**Implats share price – monthly average (R)**



**Gross platinum production (000 oz)**



**Geographical distribution of shareholders (as at 30 June 2007)**



## Implats at a glance – FY2007

Impala	Marula	Leeuwkop (Afplats)	Two Rivers
Refined platinum production 1.055Moz	Refined platinum production 61,300oz	Estimated annual platinum production 160,000oz	Refined platinum production 67,800oz
Refined PGM production 1.872Moz	Refined PGM production 155,100oz	Development due to begin FY2008	Refined PGM production 129,100oz
Gross profit R10,798 million	Gross profit R438 million	First production due FY2010	Attributable net profit R106 million
Cost/platinum ounce* R6,138/oz	Cost/platinum ounce* R8,781/oz	Estimated life of mine 22 years	Cost/platinum ounce* R4,254/oz
Cost/platinum ounce net of by-product revenue** (R1,280/oz)	Cost/platinum ounce net of by-product revenue** (R2,318/oz)		
Capital expenditure R2,098 million	Capital expenditure R280 million	Planned capital expenditure in FY2008 R500 million	Capital expenditure R488 million
Number of employees and contractors*** 28,678 employees 10,461 contractors	Number of employees and contractors*** 2,094 employees 917 contractors		
Safety 9 fatalities FIFR: 0.106 per million manhours LTIFR: 4.19 per million manhours	Safety 1 fatality FIFR: 0.136 per million manhours LTIFR: 1.63 per million manhours		

\* Including share-based payments

\*\* Excluding IRS gains

\*\*\* Includes capital and working projects





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Zimplats	Mimosa	Aquarius Platinum	Impala Refining Services
Refined platinum production 91,100oz	Refined platinum production 68,900oz	Refined platinum production† 281,300oz	Refined platinum production 970,900oz
Refined PGM production 193,100oz	Refined PGM production 143,000oz	Refined PGM production† 555,100oz	Refined PGM production 1,986Moz
Gross profit R855 million	Gross profit (attributable) R586 million	Attributable net profit R282 million	Gross profit R1,787 million
Cost/platinum ounce* R7,033/oz	Cost/platinum ounce* R5,413/oz		
Cost/platinum ounce net of by-product revenue** (R2,933/oz)	Cost/platinum ounce net of by-product revenue** (R7,355/oz)		
Capital expenditure R449 million	Capital expenditure (attributable) R57 million		
Number of employees and contractors*** 1,128 employees 2,275 contractors	Number of employees and contractors*** 1,503 employees 130 contractors		
<b>Safety</b> No fatalities FIFR: 0 LTIFR: 0.28 per million manhours	<b>Safety</b> 3 fatalities FIFR: 0.476 per million manhours LTIFR: 1.74 per million manhours		

† Refined by IRS





## Chairman's letter



Fred Roux, Chairman

### Dear shareholder

During the 2007 financial year the group had another remarkable financial performance with profits of R7.3 billion, normalised headline earnings of 1,636 cents per share and headline earnings of 1,312 cents per share. Globally, the strong demand for commodities continued unabated and market demand for platinum group metals (PGMs) and base metals remained robust. This resulted in higher dollar metal prices, which, together with volatile but generally favourable exchange rates and higher metal production, materially benefited the group. Record production of just over 2Moz of platinum was attained during the period, despite an unsatisfactory performance from Impala's mining operation. Implats' production target of 2.3Moz of platinum by 2010 therefore remains on track.

The major disappointment during the reporting period has been our safety performance with both our lost-time injury and fatality frequency rates having deteriorated. The fatality frequency rate increased by some 87% and we deeply regret having to report that 13 employees died at work during the year. Our deepest sympathies are extended to the families and friends of those who have died.

After a number of years during which our fatality frequency rate improved significantly, this slippage in fatalities has shaken the organisation. We reaffirm our commitment to safety and a safer work environment at Implats. Indeed, we are committed to a policy of "zero harm" in the longer term and are pursuing this challenge with vigour. In terms of the objectives underlying this goal the group is targeting a first milestone to work for 12 consecutive months without a lost time injury by 2012. That such an objective is achievable has been demonstrated by the safety performance at the Refineries, at Zimplats and at various individual shafts at Impala Rustenburg. Refineries has not had a fatal accident for the past 11 years while Zimplats has not had a fatal incident for the last two years.

During the past year the platinum market continued to be driven by automotive growth, particularly in the diesel sector, at the expense of the more price elastic jewellery market that again succumbed to higher prices. Industrial demand also experienced strong growth during the period fuelled by increased demand in both the information technology and liquid crystal display glass sectors. The palladium market once again showed a substantial supply surplus but nonetheless experienced price robustness primarily due to the general strength of investor interest in precious metals. The price of rhodium rose sharply as the increasing need for the automotive sector to reduce NOx emissions in gasoline vehicles resulted in demand exceeding supply. At present we see no reason why strong demand for the suite of PGMs should not continue in the current year.

Operationally the group delivered a mixed performance. Under-delivery at Impala Rustenburg was offset by strong growth at the other operations and at IRS. The Impala Rustenburg mining operation was affected by a combination of poor safety and productivity issues that resulted in lower production and, as a consequence, a significant increase in unit costs. The underperformance can be attributed largely to a significant turnover in supervisory skills primarily due to the growing skills shortage being experienced in the global mining industry and geological problems at 12 and 14 shafts. The group's operations on the Eastern Bushveld continued their ramp-up to full production, whilst both Zimbabwean operations performed well despite the difficult socio-economic conditions prevailing in that country.

Our well articulated five-year plan to produce 2.3Moz of platinum by 2010 has recently been supplemented by the announcement regarding the expansion of smelting and refining capacity to 2.8Moz. This heralds the next phase of growth for the group. The extension of processing capacity builds on the overarching distinctive competence of the group and will meet planned production increases to 2.5Moz per annum by 2012. Afplats, which was acquired during the year, will contribute towards this growth profile with the development of the Leeuwkop Project.

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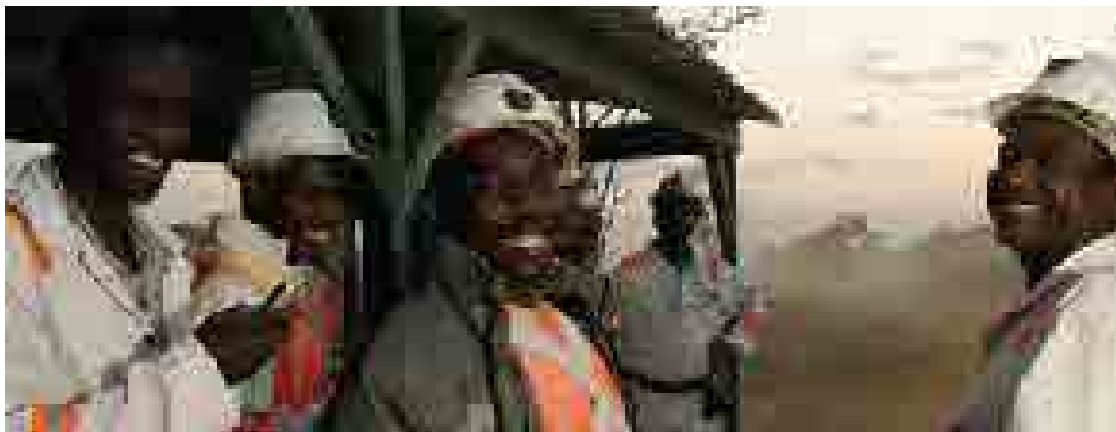
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Growth to the 2.8Moz mark could include the development of the Merensky Reef at Marula where a full feasibility study is well under way and, if approved, would double output at that operation. Afplats has the potential to expand down-dip of the planned initial operation at Leeuwkop as well as possible development of the Inkosi and Imbasa properties to the east. Potential contractual processing arrangements with junior players in the industry provide another avenue of growth. Beyond this, the Great Dyke in Zimbabwe, as the second largest PGM deposit in the world, still represents the ultimate blue sky potential for the group. The excellent safety performance of Zimplats is a reflection of the attitude of the well-educated workforce under extremely trying off-mine conditions and is also a reflection of the near-surface nature of the reserves. These factors augur well for significant increases in production in due course. At maximum output of more than 1Moz of refined platinum per annum, this resource would result in a marked increase in the group's market share and has the potential to transform Implats into the pre-eminent low-cost platinum producer.

During the year, we enhanced the black economic empowerment (BEE) ownership component of our transformation initiative when, in April 2007, the group finalised the deal with the Royal Bafokeng Holdings (Pty) Limited (RBH). In terms of this transaction Impala Platinum agreed to pay the Royal Bafokeng Nation (RBN) all future royalties due to them, thus effectively discharging any further obligation to pay royalties. In turn the RBN subscribed for 75.1 million Implats shares giving them a 13.4% holding in the company. A further component of this transformation initiative was the Employee Share Ownership Programme (ESOP) that was implemented early in this financial year. Some 28,000 lower level employees will benefit from the appreciation in value of 3% (2.6% diluted) of the group's equity ensuring them a direct interest in the future growth of the company. At the end of the financial year this programme was worth in the region of R1 billion to our employees.

It is gratifying to report that the group has made progress in other aspects of transformation at Implats. A transformation committee reporting at board level and responsible for compliance and the implementation of relevant programmes and processes was constituted during the year. Detailed plans to effect the required changes in this regard have been developed and, whilst the goals we have set ourselves are proving to be challenging, we feel comfortable that we will meet all our targets within the required timelines. At board level, transformation is also a factor and historically disadvantaged South Africans (HDSAs) will comprise 62% of total board membership, once the board changes as set out below.

During the year, Keith Rumble resigned as Chief Executive Officer after just over five years at the helm and in line with his stated objectives. On behalf of the board I would like to acknowledge his significant and multi-faceted contribution to Implats during this time, and particularly his massive input in the area of safety and to the unlocking of our historical





## Chairman's letter



impasse with Lonmin. Cathie Markus retired in the second half of the financial year and we recognise her valuable and insightful involvement over 16 years which saw the group resolve a number of major litigation issues. The board wishes to acknowledge the pivotal role she played in settling the long-standing issues involving the RBN. John Roberts, a non-executive director for the past nine years, has decided not to offer himself for re-election to the board when he retires from office at the annual general meeting. John was a past chairman of the Remuneration Committee and a member of the Audit Committee since inception. His valuable contribution during his tenure as a non-executive director is most appreciated. I extend my thanks to these directors for their commitment and loyalty to the company and wish them well in their future endeavours.

I am delighted with David Brown's appointment as Chief Executive Officer in September 2006. David joined the group eight years ago as Chief Financial Officer and has acquired a detailed knowledge of the operations and has played a leading role in all of our growth acquisitions during his tenure in this position. With this background David is well positioned to take the group forward and I have every confidence in him and look forward to his further contribution in the coming years.

I take great pleasure in welcoming to the board Dawn Earp who has been appointed Chief Financial Officer in place of David Brown. Dawn joined us in March from AngloGold Ashanti and brings with her a wealth of mining knowledge. We also extend a warm welcome to Steve Phiri. Steve is the second Royal Bafokeng representative to be appointed to the board in terms of the recently concluded BEE transaction that entitles RBH to an additional member. This appointment enhances our alignment with our BEE partner and we look forward to the benefit of Steve's experienced input. In addition, Fatima Jakoet joined the board on 22 August 2007. Fatima joins us as an additional independent non-executive director whose 25 years' experience in the corporate business world will surely be of benefit to Implats.

I extend my thanks to my fellow board members – past and present – for their dedication and for the active role that they have played during the past year. I appreciate their support and counsel and look forward to working with them in the year ahead.

Implats will remain a platinum-focused producer and it is our aim to deliver superior returns to our shareholders by focusing on growth through the development and/or expansion of our available mineral resources, through the acquisition and development of new resources, through utilising our pre-eminent position in the field of processing and refining and through our recycling initiative. We will continue to address rising costs and defend our leadership in this area. I would like to thank our customers, suppliers and other business partners, including our trade unions, for their support and relationships with Implats during the past year. Further, I extend my thanks to every member of the Implats team for their loyalty, hard work and team spirit. Together we have been able to achieve an outstanding set of financial results.

**Fred Roux**  
Chairman

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## Chief executive officer's review

The 2007 financial year has been one of change, opportunity and growth for Implats:

- **Change** in that we have experienced leadership changes at both a corporate and operational level. We are fortunate to have significant depth of management and the ability to attract new talent to our group. Adapting to change is something that we at Implats are good at, and with change comes opportunity.
- **Opportunity**, for we have acquired a new mine-to-market operation in Afplats. This acquisition has significantly increased our South African asset base and has the potential to add significantly to our growth profile in this country; and
- **Growth** as we have given the go-ahead for smelter and refinery expansions to take our nameplate capacity to approximately 2.8Moz platinum per annum. New projects have continued to increase production and Impala Refining Services looks set to consolidate its pre-eminence in this sector and to reflect further growth as new contracts are signed.

Yet throughout this period of change we have retained our vision and continued to build on our strengths – our people, our assets and our core competencies. Our strategy for delivery, combined with excellent market conditions, has resulted in another year of record earnings.

This year for the first time we exceeded the production milestone of 2Moz of platinum; this despite a 6% decline in production at our flagship operation, Impala. The shortfall from Impala was more than made up by increased production at our other mine-to-market operations, especially at Marula, which is now beginning to reap the benefits of the change in mining plan and method implemented a couple of years ago and where production rose by 63%, and at IRS which reported a significant increase in refined platinum production of 35%.

In addition to the record levels of production, earnings this year were boosted by the continued surge in the prices of our metals. The combination of strong output and prices resulted in sales for the year rising to a record R31.5 billion. The overall margin increased to 46% in FY2007 from 42% in FY2006. Controlling increases in costs remained a challenge and the group unit cost per platinum ounce increased by 27.2% to R6,370 (or 21.1% if share-based payments are excluded). The net result was a 67% increase in profit to R7.3 billion and a 113% increase to R16.36 in normalised headline earnings per share.

### Favourable markets continue

Turning to global markets, we remain optimistic concerning the outlook for our metals. In particular, the past year was noteworthy for the simultaneous strength in the prices for the entire suite of platinum group metals. In the platinum market, increasingly stringent emission legislation continues to underpin fundamental demand while jewellery remains resilient despite higher metal prices. The palladium price remained relatively firm despite a substantial surplus in that market while strong demand for rhodium was driven by ever stricter NOx emission legislation in gasoline engines. Continued vigorous demand from the stainless steel industry resulted in a trebling in the nickel price in the 17 months to May 2007.

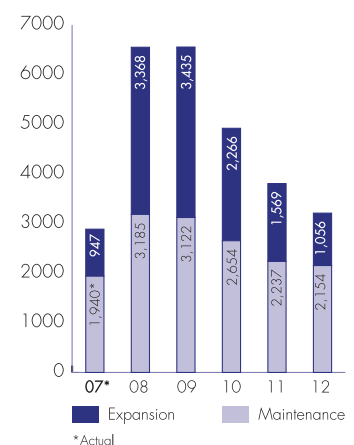
### Our strategy

We remain committed to our core philosophy of being a primary platinum group metals producing company. These metals are the basis of our long-term strategy. Other metals produced, such as ruthenium and iridium, provide excellent support in bringing down the cost of producing our primary metals. This year, for the first time, we have provided information on these other metals in our Market Review section, providing insight into their growing contribution to our business. Rather than viewing this as a departure from our



David Brown, CEO

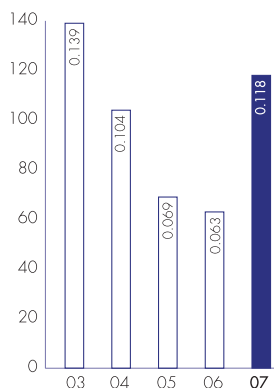
Implats – forecast capital expenditure to FY2012  
(Rm)



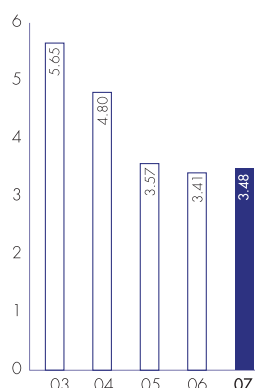


## Chief executive officer's review

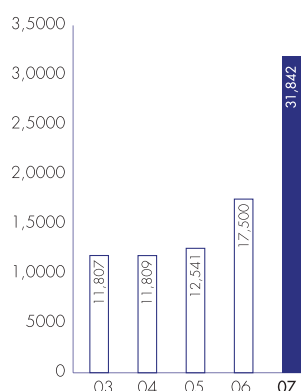
**Implats – FIFR**  
(per million manhours)



**Implats – LTIFR**  
(per million manhours)



**Total revenue**  
(R million)



focus, shareholders should see these other metals as being complementary to our primary production and adding another income stream at no additional cost to production.

The group has embraced six key strategies:

### 1. Safety

Our safety performance in FY2007 has been disappointing, with the number of fatal accidents rising for the first time in five years. There were 13 fatal accidents at our operations during the year (FY2006: 7); nine of these were at our Impala Rustenburg mining operation, one at Marula and three at Mimosa in Zimbabwe. The board and management of the company join me in offering our condolences to the families and friends of these employees. The lost-time injury frequency rate (LTIFR) also rose marginally, from 3.41 in FY2006 to 3.48 per million manhours.

We take very seriously the reversal in some of the major gains in safety that had been made in recent years and have re-invigorated our fall of ground prevention campaign – falls of ground accounted for 62% of all fatal accidents in FY2007. We are also placing a great deal of emphasis on training, particularly of new employees, and on behaviour-based initiatives.

### 2. Growing the company

Growth is integral to our overall strategy for the company, not just in terms of ounces of production, but also in the realisation of value. We see three avenues of growth:

- Seeking opportunities for organic growth from our existing operations, namely Impala, Marula, Two Rivers, Mimosa and Implats.
- Seeking to increase our access to future sources of production. The acquisition of Afplats is one such example.
- Reinforcing our position in the recycling market as it grows significantly in coming years.

We are on track to achieve production of 2.3Moz of platinum (4.6Moz of PGMs) by FY2010. We are already putting in place the building blocks to grow to 2.8Moz of platinum annually (5.6Moz of PGMs) with capital expenditure to increase our smelting and refining capacity to 2.8Moz of platinum having been approved. A near-term target of 2.5Moz of platinum by FY2012 is being pursued. Currently, Implats produces about 25% of the global supply of platinum in a tightly balanced supply/demand regime. We plan to maintain and potentially expand that share.

Impala Refining Services remains a core part of our growth strategy and, apart from the recycling business, new contracts with junior mining companies have reinforced our strength in this area. We continue to support new entrants into the market. The value of the significant economies of scale that we can achieve and the technical expertise that goes hand-in-hand with our proprietary refining technology should not be underestimated.

Also, supporting our growth strategy is our greenfields exploration programme. In the current market we certainly believe that this is a more attractive level of entry into sources of additional supply for the group.

### 3. Costs

The group's track record on cost leadership is a fine one, but one which can be further improved. Areas being targeted going forward are increasing labour efficiency, improving the use of materials, leveraging our buying power to secure reasonable prices from suppliers, and supporting attempts to generate competition. The latter is particularly important when taking into account the recent increases in inflation which are likely to affect costs going forward.

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The latest round of wage negotiations were successfully concluded in August 2007 when agreement was reached with the National Union of Mineworkers (NUM) and the United Association of South Africa (UASA) for the two-year period from July 2007 to June 2009. This gives us some certainty regarding wage costs over the next two years.

#### 4. Capital discipline

In an organisation the size of ours with a capital budget of billions of rands, we need to make sure that a programme reinforcing capital discipline is in place to ensure that capital projects yield a risk-adjusted rate of return that is greater than the weighted average cost of capital.

#### 5. Developing a holistic contract with employees

The past year has not been without its problems and shareholders will note that the performance of Impala in particular was disappointing. Technical investigations and much soul-searching have not uncovered fundamental problems with the way we work, or the systems we have in place, or indeed with the people both managing and working at this operation. What they have indicated, however, is that we as a company had lost our way in engaging with and motivating our people. Inevitably, organisational change interventions do run out of steam and must be re-energised. The mining boom on the western and eastern limbs of the Bushveld Complex, and indeed elsewhere in southern and central Africa, has resulted in an unprecedented demand for skilled personnel. We have not been unaffected, with a high staff turnover particularly within the ranks of supervisory employees.

Now that we have a clear understanding of the issues, we are better placed to deal with them. We have addressed two such issues identified in our findings:

- First, we have implemented a much-improved compensation system comprising salary adjustments that are in line with market norms and an improved performance-related bonus system for all employees of the company. The former comes at an annual cost of some R100 million, while the latter could cost the company between R250 million and R400 million, depending on the production levels achieved, it could result in revenues in excess of R1 billion at current metal prices.
- The second key issue, employee housing and accommodation, concerns the changing dynamics associated with our workforce and the mining communities in which we operate. Our new housing strategy – to be rolled out at a cost of some R2 billion over the next five years – will, we believe, reinforce Impala's attraction as an employer of choice in a market that is experiencing a severe shortage of skills.







## Chief executive officer's review



Our approach to these issues has been guided by our determination to see the employer-employee relationship growing in a more holistic way to become a partnership, where the individual has a personal contribution to make and the organisation rewards the individual with personal recognition.

Another step in this process has been the roll-out of our Employee Share Ownership Programme which ensures that every employee who was not previously part of a share-based reward programme now has a material stake in the performance of the company in the market. I believe that the potential benefits of this programme have not yet been grasped by the recipients and that we will see marked benefits in time to come as employees reap tangible benefits from their efforts.

While we have spent considerable sums on revising remuneration, the value that we stand to gain will far outstrip this outlay. Although it is still early days in this process, we can report significant improvements in levels of productivity at Impala by year-end.

### 6. Balance sheet management

Our significant expansion programmes and recent acquisitions, combined with the revised dividend policy on cover of 1.7 compared to the previous cover of 1.9, will have an impact on group cash balances going forward. Our capital structure should be relevant to current market conditions and in taking on an acceptable level of debt, our balance sheet will be optimised.

### Risk management

We remain confident of our ability to manage risk in the southern African mining environment and to create a competitive advantage by meeting or exceeding legislative requirements. For the first time, we have included a comprehensive risk assessment in our annual report because risk awareness and mitigation are vital in ensuring sustainable returns.

One area of perceived risk in our industry is the ability of mining companies to meet the requirements of amended South African minerals legislation and, related to that, our ability to obtain the conversion of our mining licences. We do not see this as a risk, however, as we have made substantial progress during the year. Regarding legislative compliance, the revised transaction that we concluded with RBH, the business arm of the RBN, in April 2007 represents a significant step towards ensuring the early achievement of the 10-year BEE ownership targets embodied in the South African Mining Charter. That this transaction is beneficial to the group, both strategically and operationally, is clearly evident. This simple, sustainable transaction aligns our interests with those of our partners – the RBH – while at the same time eliminating the uncertainty of ownership. In addition, the ESOP includes all of our employees and embraces broad-based involvement by previously disadvantaged South African into the bourses.

With respect to the conversion of mineral rights, we continue to discuss what we believe are resolvable issues with the Department of Minerals and Energy (DME). The process of meeting the DME's requirements and, indeed, in marrying our systems and structures with these requirements has been a complex one, and one that has been a learning curve for both parties. I am confident that we will be able to report the successful conclusion of our engagements in the not too distant future.

A second area of risk is that of our operations in Zimbabwe. While there is no doubt that operating in Zimbabwe can be challenging given the socio-political environment, we do



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continue to operate profitably there and every growth target that we have set for ourselves has been comfortably met. While these operations will never be fully factored into our share price until the socio-political situation is resolved, they should not be so easily discounted either. Our operations in Zimbabwe give us an established base on the world's second largest known PGM-bearing orebody and significant first-mover advantage.

### Thanks

The efforts of many people have gone into the year under review. I wish to extend my thanks to our employees, to our management team and to the board for its support of our many exciting new endeavours. In particular, I wish to pay tribute to and thank Cathie Markus, who retired from the Implats board this year after serving the company for many years, joined the group in 1991 and the board in 1998.

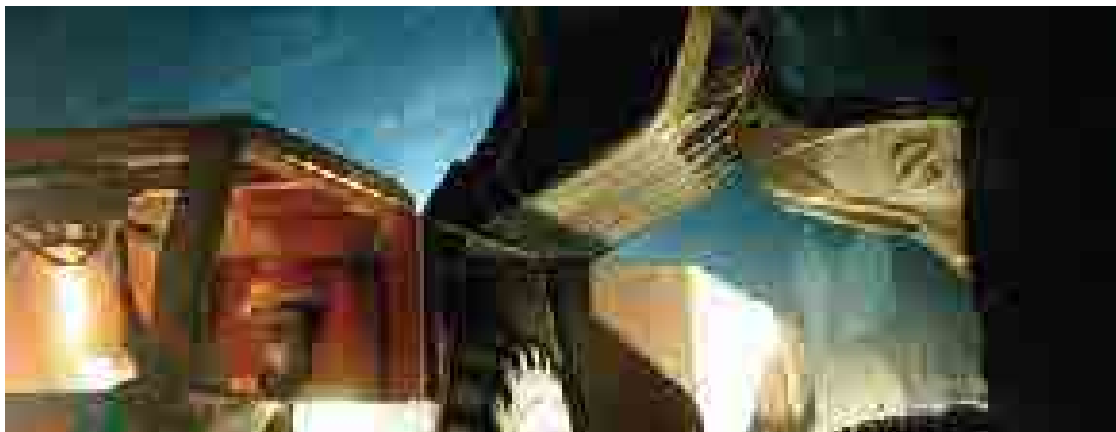
At the same time I wish to acknowledge the contribution made by Keith Rumble who left the company at the end of 2006, and whose reins I assumed from September 2006.

I welcome Dawn Earp as Chief Financial Officer. Dawn brings with her a wealth of experience in the resources industry. I also welcome Steve Phiri and Fatima Jakoet as non-executive directors. Steve is the second RBH-nominated director to be appointed to the board and Fatima is an independent director. I also wish to thank John Roberts, an independent non-executive director since 1998, for his valuable contribution. He will retire from the board at the annual general meeting.

### Prospects

Ongoing strong market conditions, coupled with our developing growth and resource profile and strategic acquisition policy will ensure continued strong performance from the group.

**David Brown**  
Chief Executive Officer





## Ten-year statistics

### Income statements (rands)

Years ended 30 June										
(million)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>Sales</b>	<b>31,481.5</b>	<b>17,500.2</b>	<b>12,540.8</b>	<b>11,809.1</b>	<b>11,807.0</b>	<b>11,901.5</b>	<b>11,969.1</b>	<b>7,003.6</b>	<b>4,602.0</b>	<b>3,380.6</b>
Platinum	15,577.1	9,991.0	8,132.0	7,941.2	7,390.5	6,137.4	5,253.2	3,017.2	2,251.6	2,091.6
Palladium	2,089.0	1,468.8	1,066.6	1,119.2	1,682.5	2,580.9	3,129.0	1,689.2	1,031.1	621.3
Rhodium	7,625.7	3,700.2	1,336.3	677.0	1,158.8	1,788.3	2,199.1	1,218.0	582.2	238.7
Nickel	4,061.9	1,430.8	1,323.0	1,283.6	938.3	681.6	700.2	600.4	363.5	216.7
Other	2,127.8	909.4	682.9	788.1	636.9	713.3	687.6	478.8	373.6	212.3
<b>Cost of sales</b>	<b>(17,009.5)</b>	<b>(10,169.9)</b>	<b>(8,303.4)</b>	<b>(7,543.8)</b>	<b>(6,523.3)</b>	<b>(5,561.0)</b>	<b>(5,003.2)</b>	<b>(3,804.2)</b>	<b>(2,903.6)</b>	<b>(2,489.0)</b>
On-mine operations	(5,900.7)	(4,708.6)	(4,100.1)	(3,667.7)	(3,251.1)	(2,567.5)	(2,330.1)	(1,997.6)	(1,880.4)	(1,772.7)
Concentrating and smelting operations	(1,315.8)	(1,129.6)	(1,043.3)	(967.4)	(801.1)	(642.6)	(492.5)	(440.7)	(415.3)	(384.7)
Refining operations	(594.1)	(523.4)	(480.3)	(468.1)	(411.5)	(354.7)	(333.3)	(307.9)	(295.6)	(262.3)
Amortisation of mining assets	(864.7)	(643.1)	(645.6)	(575.8)	(452.4)	(248.8)	(212.2)	(139.9)	(148.7)	(135.5)
Metals purchased	(9,369.1)	(4,326.2)	(2,488.9)	(2,259.2)	(1,474.1)	(1,883.4)	(1,968.8)	(698.8)	(287.6)	–
Increase/(decrease) in metal inventories	1,034.9	1,161.0	454.8	394.4	(133.1)	136.0	333.7	(219.3)	124.0	66.2
<b>Gross profit</b>	<b>14,472.0</b>	<b>7,330.3</b>	<b>4,237.4</b>	<b>4,265.3</b>	<b>5,283.7</b>	<b>6,340.5</b>	<b>6,965.9</b>	<b>3,199.4</b>	<b>1,698.4</b>	<b>891.6</b>
Net foreign exchange transaction gains/(losses)	(15.5)	177.8	32.5	(216.0)	(328.8)	130.8	157.7	20.0	–	–
Other operating expenses	(478.0)	(340.0)	(318.9)	(255.4)	(263.5)	(203.9)	(117.1)	(96.6)	(83.2)	(78.7)
Other (expenses)/income	(214.1)	(147.6)	292.2	11.4	(54.7)	(98.0)	(63.2)	42.0	14.2	5.9
Finance income – net	560.5	224.8	174.3	56.2	285.8	265.5	383.3	228.2	185.9	44.2
Share of profit of associates	388.5	114.8	203.7	328.4	725.0	697.3	647.3	220.0	149.3	33.9
Royalty expense	(1,703.4)	(851.8)	(414.9)	(414.4)	(598.0)	(804.4)	(890.3)	(406.4)	(237.4)	(93.1)
BEE compensation charge	(1,790.0)	(95.3)	–	–	–	–	–	–	–	–
Profit on sale of associate/subsidiary	–	–	3,155.0	322.3	–	–	–	–	–	–
Reversal of impairment/(impairment) of assets	–	583.1	(1,033.8)	–	–	–	–	–	–	–
<b>Profit before tax</b>	<b>11,220.0</b>	<b>6,996.1</b>	<b>6,327.5</b>	<b>4,097.8</b>	<b>5,049.5</b>	<b>6,327.8</b>	<b>7,083.6</b>	<b>3,206.6</b>	<b>1,727.2</b>	<b>803.8</b>
Income tax expense	(3,894.7)	(2,614.5)	(1,078.6)	(1,140.6)	(1,622.1)	(1,736.4)	(2,431.1)	(949.1)	(470.2)	(305.4)
<b>Profit for the year</b>	<b>7,325.3</b>	<b>4,381.6</b>	<b>5,248.9</b>	<b>2,957.2</b>	<b>3,427.4</b>	<b>4,591.4</b>	<b>4,652.5</b>	<b>2,257.5</b>	<b>1,257.0</b>	<b>498.4</b>
Attributable to minority interest	(93.1)	(39.7)	(16.3)	(17.4)	(23.2)	(9.9)	(5.4)	(2.5)	(5.0)	2.9
<b>Profit attributable to equity holders</b>	<b>7,232.2</b>	<b>4,341.9</b>	<b>5,232.6</b>	<b>2,939.8</b>	<b>3,404.2</b>	<b>4,581.5</b>	<b>4,647.1</b>	<b>2,255.0</b>	<b>1,252.0</b>	<b>501.3</b>
<b>Earnings per share (cents)</b>										
– basic	1,312	825	989	552	639	863	878	428	241	99
– headline	1,312	750	540	491	643	860	879	424	243	102
<b>Dividends per share (cents)</b>										
– interim + final	975	400	288	263	331	463	475	220	110	44
– special		688					375			

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### Balance sheets (rands)

#### Years ended 30 June

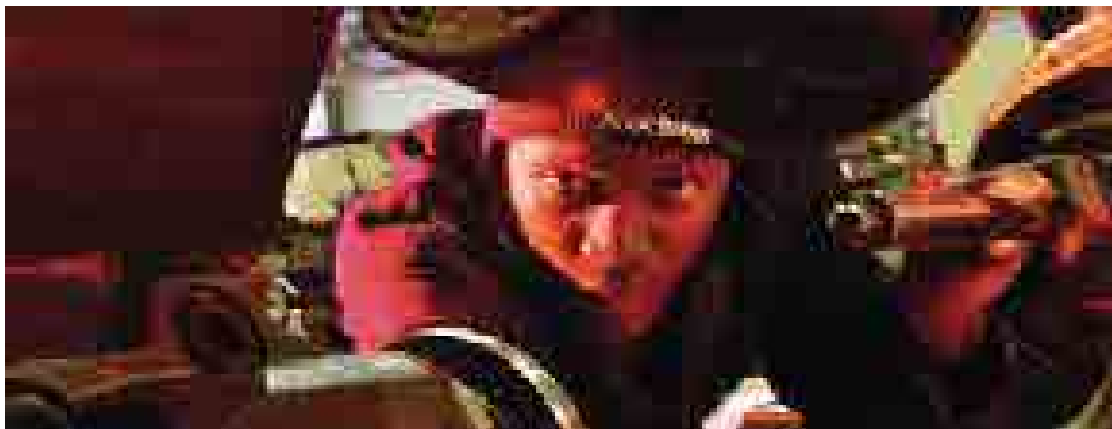
(million)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>ASSETS</b>										
<b>Non-current assets</b>	<b>37,200.6</b>	15,083.9	12,107.4	12,522.9	11,391.2	9,324.1	6,833.4	4,321.1	3,496.7	3,037.9
Property, plant and equipment	20,346.3	12,435.4	10,221.3	9,800.8	8,808.9	6,218.4	5,230.6	3,357.3	2,822.2	2,431.2
Investments and other	16,854.3	2,648.5	1,886.1	2,722.1	2,582.3	3,105.7	1,602.8	963.8	674.5	606.7
<b>Current assets</b>	<b>12,757.6</b>	8,386.0	8,895.3	4,680.2	4,878.1	5,448.3	5,162.3	4,504.3	3,168.3	2,143.6
<b>Total assets</b>	<b>49,958.2</b>	23,469.9	21,002.7	17,203.1	16,269.3	14,772.4	11,995.7	8,825.4	6,665.0	5,181.5
<b>EQUITY AND LIABILITIES</b>										
<b>Capital and reserves</b>	<b>32,969.1</b>	13,839.9	14,103.8	10,683.2	9,877.4	9,284.0	6,715.6	5,716.4	4,052.1	2,943.4
<b>Minority interest</b>	<b>1,730.1</b>	214.9	159.8	128.1	418.9	61.6	19.2	13.8	46.9	68.7
<b>Non-current liabilities</b>	<b>6,623.3</b>	3,654.1	2,873.4	2,708.3	2,213.1	1,683.4	1,465.2	1,195.1	1,068.4	1,052.4
Borrowings	685.6	174.0	195.3	167.5	62.7	86.3	113.1	137.6	162.3	179.3
Deferred income tax liabilities	5,047.0	2,919.0	2,378.6	2,271.2	1,886.7	1,389.6	1,156.1	889.7	745.0	746.9
Provision for long-term responsibilities	890.7	561.1	299.5	269.6	263.7	207.5	196.0	167.8	161.1	126.2
<b>Current liabilities</b>	<b>8,635.7</b>	5,761.0	3,865.7	3,683.5	3,759.9	3,743.4	3,795.7	1,900.1	1,497.6	1,117.0
<b>Total equity and liabilities</b>	<b>49,958.2</b>	23,469.9	21,002.7	17,203.1	16,269.3	14,772.4	11,995.7	8,825.4	6,665.0	5,181.5
Cash, net of short-term borrowings †	3,189.8	1,836.6	3,981.0	635.6	2,119.8	3,123.5	3,013.1	3,081.4	1,864.9	801.8
Cash, net of all borrowings †	2,504.2	1,662.6	3,785.7	635.6	2,057.1	3,037.2	2,900.0	2,943.8	1,702.6	622.5
Current liquidity (net current assets excluding inventories) †	124.5	(311.0)	3,308.5	(233.1)	270.8	784.8	587.3	2,164.6	1,014.5	264.8

#### IMPLATS SHARE STATISTICS

No. of shares in issue at year-end*	(m)	604.1	527.6	524.3	533.0	532.8	532.4	530.8	528.5	525.6	512.0
Average number of issued shares	(m)	551.4	526.1	529.0	532.6	532.5	531.0	529.3	527.1	519.3	504.8
No. of shares traded	(m)	442.8	528.8	530.4	524.2	570.6	400.0	290.8	253.3	240.8	117.4
Highest price traded	(cps)	25,500	17,938	7,688	8,013	8,125	9,000	5,913	3,700	2,150	850
Lowest price traded	(cps)	14,438	7,200	5,312	5,206	4,325	3,588	2,998	1,925	638	431
Year-end closing price	(cps)	21,600	16,498	7,463	5,888	5,575	7,148	5,045	3,153	1,898	631

\* Excluding treasury and ESOP shares. All share information has been adjusted for the 8:1 share split, that was effected in November 2006.

† Refer to Non-GAAP disclosure on pages 229 to 232.





# Ten-year statistics

## US dollar statistics

Years ended 30 June										
(million)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>Sales</b>	<b>4,374.8</b>	2,745.2	2,022.7	1,716.4	1,303.3	1,184.2	1,572.8	1,108.2	757.2	682.5
Platinum	2,165.5	1,563.4	1,311.7	1,155.8	819.1	606.4	690.3	471.4	370.3	422.5
Palladium	290.7	231.2	171.6	163.2	182.0	257.8	411.2	263.9	169.6	125.5
Rhodium	1,059.4	581.9	215.6	98.3	125.0	181.7	289.0	190.3	95.8	48.2
Nickel	563.5	226.8	212.6	186.7	106.9	67.2	92.0	93.8	59.8	43.8
Other	295.7	141.9	111.2	112.4	70.3	71.1	90.3	88.7	61.7	42.4
<b>Cost of sales</b>	<b>(2,364.5)</b>	(1,591.8)	(1,341.7)	(1,099.2)	(723.2)	(548.8)	(657.5)	(601.6)	(477.7)	(512.2)
On-mine operations	(820.3)	(737.0)	(662.5)	(534.4)	(360.4)	(253.3)	(306.2)	(315.9)	(309.4)	(364.7)
Concentrating and smelting operations	(182.9)	(176.8)	(168.6)	(141.0)	(88.8)	(63.4)	(64.7)	(69.7)	(68.3)	(79.2)
Refining operations	(82.6)	(81.9)	(77.6)	(68.2)	(45.6)	(35.0)	(43.8)	(48.7)	(48.6)	(54.0)
Amortisation of mining assets	(120.2)	(100.7)	(104.3)	(83.9)	(50.2)	(24.6)	(27.9)	(22.1)	(24.5)	(27.9)
Metals purchased	(1,302.4)	(677.1)	(402.2)	(329.2)	(163.4)	(185.9)	(258.7)	(110.5)	(47.3)	–
Increase/(decrease) in metal inventories	143.9	181.7	73.5	57.5	(14.8)	13.4	43.8	(34.7)	20.4	13.6
<b>Gross profit</b>	<b>2,010.3</b>	1,153.4	681.0	617.2	580.1	635.4	915.3	506.6	279.5	170.3
Net foreign exchange transaction gains/(losses)	(2.2)	27.8	5.3	(31.5)	(36.5)	12.9	20.7	3.2	–	–
Other operating expenses	(66.4)	(53.2)	(51.5)	(37.2)	(29.2)	(20.1)	(15.4)	(15.3)	(13.7)	(16.2)
Other (expenses)/income	(29.8)	(23.2)	47.3	1.6	(6.1)	(9.6)	(8.3)	6.6	2.2	1.2
Financial income – net	77.9	35.2	28.2	8.2	31.7	26.2	50.4	36.1	30.6	9.1
Share of profit of associates	54.0	18.0	32.9	47.9	80.4	68.8	85.1	34.8	24.6	7.0
Royalty expense	(236.8)	(133.3)	(67.0)	(60.4)	(66.3)	(79.4)	(117.0)	(64.3)	(39.0)	(19.1)
BEE compensation charge	(248.8)	(14.9)	–	–	–	–	–	–	–	–
Profit from sale of subsidiaries/investments	–	–	509.8	47.0	–	–	–	–	–	–
Reversal of impairment/(impairment) of assets	–	91.3	(167.1)	–	–	–	–	–	–	–
<b>Profit before tax</b>	<b>1,558.2</b>	1,101.1	1,018.9	592.8	554.1	634.2	930.8	507.7	284.2	152.3
Income tax expense	(541.4)	(409.2)	(174.3)	(166.2)	(179.9)	(171.4)	(319.5)	(150.1)	(77.4)	(62.9)
<b>Profit for the year</b>	<b>1,016.8</b>	691.9	844.6	426.6	374.2	462.8	611.3	357.6	206.8	89.4
Attributable to minority interest	(12.9)	(6.2)	(2.6)	(2.5)	(2.6)	(1.0)	(0.7)	(0.4)	(0.8)	0.6
<b>Profit attributable to equity holders</b>	<b>1,003.9</b>	685.7	842.0	424.1	371.6	461.8	610.6	357.2	206.0	90.0
<b>Earnings per share (cents)</b>										
– basic	182	130	159	80	70	87	115	68	40	18
– headline	182	119	87	71	70	87	115	67	40	18
<b>Dividends per share (cents)</b>										
– interim + final	136	63	46	38	37	46	62	35	18	9
– special		108					49			

Note: These numbers are provided for convenience and have not been audited. The income and expenditure items have been calculated using the average exchange rate for the year. Sales are the actual dollar receipts.

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### Operating statistics

Years ended 30 June

		2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>Gross refined production</b>											
Platinum	(000oz)	2,026	1,846	1,848	1,961	1,673	1,387	1,291	1,199	1,181	1,052
Palladium	(000oz)	1,114	989	1,029	1,046	893	732	681	636	651	557
Rhodium	(000oz)	247	242	234	251	215	177	164	155	159	131
Nickel	(000t)	16.2	15.6	16.0	16.4	14.7	13.0	14.0	13.8	14.9	7.7
<b>Impala refined production</b>											
Platinum	(000oz)	1,055	1,125	1,115	1,090	1,040	1,025	1,002	1,020	1,065	1,052
Palladium	(000oz)	472	492	515	501	478	489	481	493	516	557
Rhodium	(000oz)	103	129	130	116	134	123	128	131	143	131
Nickel	(000t)	7.0	7.9	7.9	6.9	8.0	7.7	7.0	7.2	7.7	7.7
<b>IRS refined production</b>											
Platinum	(000oz)	971	721	733	871	633	362	289	179	116	
Palladium	(000oz)	642	497	514	545	415	243	200	143	135	
Rhodium	(000oz)	144	113	104	135	81	54	36	24	16	
Nickel	(000t)	9.2	7.7	8.1	9.5	6.7	5.3	7.0	6.6	7.2	
<b>IRS returned metal</b>											
Platinum	(000oz)	262	246	246	501	252	152	164	102	84	
Palladium	(000oz)	191	190	160	314	174	102	116	93	104	
Rhodium	(000oz)	47	42	54	97	18	16	21	17	8	
Nickel	(000t)	0.9	2.2	1.9	1.5	0.9	0.7	0.5			
<b>Group consolidated statistics</b>											
Exchange rate:	(R/\$)										
Closing rate on 30 June		7.06	7.16	6.66	6.17	7.52	10.32	8.06	6.92	6.00	5.48
Average rate achieved		7.20	6.37	6.20	6.88	9.06	10.16	7.68	6.40	6.08	4.95
Free market revenue											
per platinum ounce sold	(\$/oz)	2,445	1,791	1,304	1,140	939	934	1,376	1,005	697	662
Revenue per platinum ounce sold	(\$/oz)	2,369	1,721	1,279	1,116	935	934	1,321	904	693	662
	(R/oz)	17,057	10,963	7,930	7,678	8,471	9,489	10,145	5,786	4,213	3,277
<b>Prices achieved</b>											
Platinum	(\$/oz)	1,185	988	840	773	597	485	586	428	358	409
Palladium	(\$/oz)	334	258	208	223	264	389	773	465	311	223
Rhodium	(\$/oz)	5,152	3,015	1,217	548	646	1,098	2,001	1,223	719	358
Nickel	(\$/t)	34,486	15,343	14,592	11,843	7,664	5,594	6,951	7,500	4,466	6,062
<b>Sales volumes</b>											
Platinum	(000oz)	1,827	1,582	1,562	1,495	1,373	1,251	1,177	1,209	1,076	1,030
Palladium	(000oz)	870	896	826	733	688	663	543	656	585	551
Rhodium	(000oz)	206	193	177	179	193	165	145	171	140	129
Nickel	(000t)	16.3	14.8	14.6	15.8	13.9	12.0	14.1	14.0	14.9	7.5
<b>Financial ratios</b>											
Gross margin achieved	(%)	46.0	41.9	33.8	36.1	44.8	53.3	58.2	45.7	36.9	26.4
Return on equity*	(%)	52.3	28.0	26.7	26.5	36.9	68.0	81.4	55.2	42.9	21.0
Return on assets*	(%)	19.4	26.2	23.6	20.9	30.0	49.0	68.1	51.7	36.1	16.9
Debt to equity	(%)	2.1	1.4	1.4	6.9	2.7	1.2	2.0	2.8	5.2	7.3
Current ratio		1.5:1	1.5:1	2.3:1	1.3:1	1.3:1	1.5:1	1.4:1	2.4:1	2.1:1	1.9:1
<b>Operating indicators</b>											
Tonnes milled ex-mine	(000t)	20,732	20,197	19,315	19,065	17,483	15,607	15,184	14,662	14,638	14,509
PGM refined production	(000oz)	3,858	3,490	3,549	3,725	3,162	2,639	2,464	2,308	2,299	1,960
Capital expenditure	(Rm)	2,887	2,248	1,992	1,822	1,787	1,250	2,090	783	431	248
	(\$m)	401	352	322	265	198	123	275	124	71	51
Cost per platinum ounce**	(R/oz)	6,370	5,009	4,522	4,140	3,978	3,426	3,134	2,724	2,470	2,369
	(\$/oz)	886	784	731	603	441	338	412	431	406	487

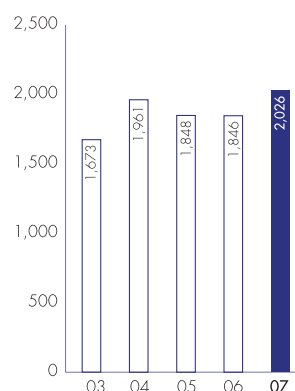
\* Based on headline earnings.

\*\* Including share-based payments

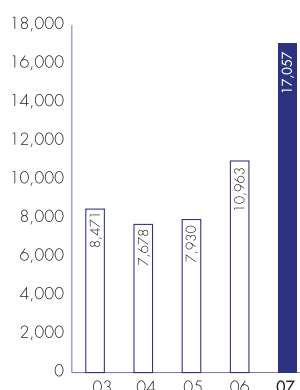


## Financial review

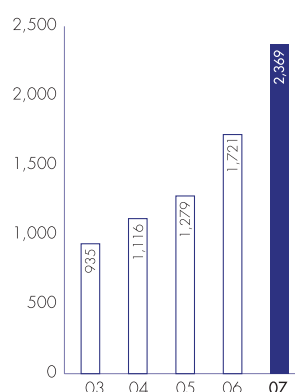
### Gross platinum production (000 oz)



### Revenue per platinum ounce sold (R/oz Pt)



### Revenue per platinum ounce sold (\$/oz Pt)



### Results for the year

- Group production increased to 2.026Moz of platinum from 1.846Moz the previous year
- Revenue per platinum ounce up by 56% in rand terms and 38% in dollar terms
- Sales rose by 80% to R31.5 billion
- Margins improved from 42% to 46%
- Normalised headline earnings per share up by 113% to R16.36
- Total dividend of R9.75 per share – R5.9 billion returned to shareholders
- Group unit costs per platinum ounce, excluding share-based payments, increased by 21.1% to R5,921, largely owing to lower production from Impala.

### Production

Gross production of platinum in FY2007 was 9.8% higher at 2.026Moz than in FY2006, with 1.055Moz (52%) coming from Impala. PGM production increased to 3.858Moz in FY2007, an increase of 11% on the 3.490Moz produced the previous year.

### Income statement

#### Gross profit

Sales for the 2007 financial year increased by 80% to R31.5 billion from R17.5 billion for the preceding financial year. In dollar terms, sales were 59% higher at \$4.375 billion. The main sales drivers were as follows:

- **sales volumes:** a 12% increase in sales volumes resulted in a positive volume increase of R2.1 billion;
- **metal prices:** gains in the prices of all metals in both rand and dollar terms, exceeded expectations with that of platinum reaching record highs; dollar revenues per platinum ounce sold rose by 38% to \$2,369 per ounce; overall PGM dollar prices were 47% higher and contributed to a positive price variance of R8.3 billion;
- **rand/dollar exchange rate:** the rand remained relatively strong for most of the year and closed at R7.06/\$ on 30 June 2007 as compared to a close of R7.16/\$ twelve months previously. The average exchange rate achieved for the year was R7.20/\$ versus R6.37/\$ for the 2006 financial year, resulting in a positive exchange rate variance of R3.6 billion.

Cost of sales rose by 67% to R17.0 billion as a result of a significant increase in the cost of metals purchased due to higher metal prices and the greater volumes of metals acquired.

### Refined platinum production

000oz	FY2007	FY2006	FY2005	FY2004	FY2003
Impala	1,055.3	1,125.3	1,114.6	1,090.3	1,040.1
Marula	61.3	37.0	30.9	5.4	–
Zimplats	91.1	89.0	82.4	84.3	60.0
Mimosa (50%)	34.4	33.2	30.4	26.4	11.8
Barplats	–	–	–	21.6	25.4
Mine-to-market (attributable)	1,242.1	1,284.5	1,258.3	1,228.0	1,137.3
Two Rivers (100%)	67.8	–	–	–	–
Mimosa (50%)	34.5	33.2	30.4	26.4	11.8
Aquarius	281.3	214.9	215.5	186.7	135.0
Other IRS	400.5	313.7	343.7	520.2	389.1
Production	2,026.2	1,846.3	1,847.9	1,961.3	1,673.2

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Cost per platinum ounce		
R/oz	FY2007	FY2006
Impala (refined)	6,138	4,726
Marula (in concentrate)	8,781	9,443
Zimplats (in matte)	7,033	6,302
Mimosa (in concentrate)	5,413	5,133
Implats group (refined)	6,370	5,009

The main changes in the cost of sales are analysed as follows:

- An annual wage adjustment at Impala Rustenburg which employs 90% of group employees.
- An increase of R386 million in share-based payments largely as a consequence of the ESOP which was launched early in FY2007.
- A higher amortisation charge of R222 million as a result of an increase in capital expenditure and growth in production from Marula, Zimplats and Mimosa.
- A rise in metals purchased of R5.04 billion on the back of higher rand metal prices. This represented 49% of the 67% increase in cost of sales.
- A smaller increase in metal inventory of R126 million to R1,035 million (FY2006: R1,161 million) because of a change in rand metal prices year-end on year-end.

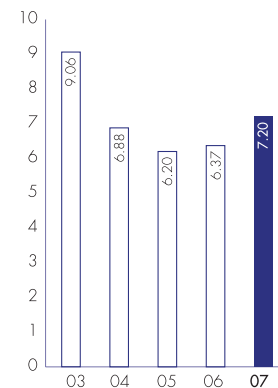
The unit cost per platinum ounce produced rose by 27.2% to R6,370. If share-based payments of R572 million are excluded from the unit cost calculation, the increase in the unit cost per platinum ounce that relates to operating costs was 21.1%, giving a unit cost of R5,921/oz.

Once again, the group's margins improved, rising to 46% with Impala reporting a margin of 62% for the year under review.

### Other income and expenses

- The weakening of the rand towards the end of the financial year resulted in overall exchange loss for the year of R16 million versus a gain of R178 million the previous year.
- Other operating expenses were 41% higher as a result of an increase in share-based payments of R27 million.
- Other expenses were affected by the present value expense of R87.5 million relating to the commitment to contribute up to R170 million to future RBN community development projects. In FY2006, there was a R111 million profit on the sale of the prospecting right in respect of the farm Spitzkop. This was offset by the withdrawal from the Ambatovy project which resulted in the investment of R127 million and R66 million for the feasibility study being written off.

Average rand/dollar  
exchange rate achieved  
(R/\$)

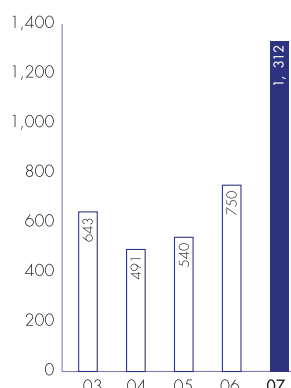


Operating margins		
%	FY2007	FY2006
Impala	62	53
Marula	46	19
Zimplats	55	42
Mimosa	69	53
IRS	13	14
Implats group	46	42

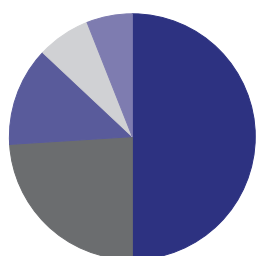


## Financial review

### Headline earning per share (SA cents)

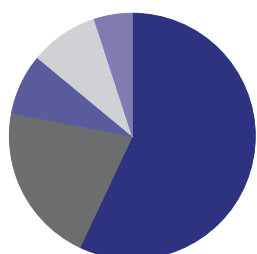


### Contribution to revenue by metal – FY2007 (%)



Platinum	50%
Rhodium	24%
Nickel	13%
Palladium	7%
Other	6%

### Contribution to revenue by metal – FY2006 (%)



Platinum	57%
Rhodium	21%
Nickel	8%
Palladium	9%
Other	5%

- Profit from associates was R388 million, up from R115 million in FY2006. Profit from Aquarius was R282 million in FY2007 compared to R114 million in FY2006. In its first year of production, Two Rivers contributed R106 million.
- Royalty expenses increased by 100%, in line with the increase in gross profit.
- A BEE compensation charge of R1.79 billion relates to the discount at which the shares in Implats were issued to RBH in terms of the transaction which was finalised in April 2007. In FY2006, the BEE charge of R95.3 million related to the Marula BEE transaction.
- In FY2006, there was an impairment reversal of R583 million relating to Marula.
- Interest and other net income increased by R339 million. Interest received rose by R128 million as a result of the positive cash flows owing to higher PGM prices. The fair value adjustment for FY2007 is a positive amount of R54 million compared to a negative adjustment of R120 million in FY2006.
- There was a small increase in finance costs of R3 million to R82 million.
- The taxation charge increased by R1.28 billion to R3.89 billion, primarily as a result of higher earnings for the year. The effective tax rate was 34.7% for the year (FY2006: 37.4%). The reason for the change is the special dividend paid in FY2006 which effectively increased the tax rate for FY2006 by 6.5%. This increase was partially offset by the 4.6% increase in disallowable expenditure as a result of the BEE compensation charge.

### Headline earnings

Headline earnings for the financial year increased by 75% to 1,312 cents per share compared with 750 cents per share in FY2006. This includes the BEE compensation charge of R1.79 billion. If this charge is excluded, normalised headline earnings of 1,636 cents were 113% higher per share (normalised headline earnings for FY2006 were 768 cent per share, excluding a BEE charge of R95.3 million). The increase in earnings was mainly as a result of the 56% growth in rand revenue per platinum ounce sold during FY2007.

### Contribution to headline earnings by company

(Rm)	2007	%	2006	%
<b>Normalised headline earnings</b>				
Impala	5,936	65.8	3,407	84.3
Marula	310	3.4	12	0.3
Afplats	(9)	(0.1)		
Two Rivers	106	1.2		
Zimplats	561	6.2	168	4.2
Mimosa	523	5.8	126	3.1
Aquarius	282	3.1	114	2.8
IRS	1,313	14.6	715	17.7
Ambatovy	–	–	(66)	(1.6)
Gazelle	–	–	(435)	(10.8)
Normalised headline earnings	9,022	100.0	4,041	100.0
Fair value discount on BEE transactions	(1,790)		(95)	
Headline earnings	7,232		3,946	
Other	–		(26)	
Impairment of assets	–		422	
Net profit	7,232		4,342	



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As in previous years, Implats' income was derived from three sources with the bulk coming from the mine-to-market operations (81%). The other two sources of income were IRS (15%) and equity income from investments (4%).

- Mine-to-market operations owned by the Implats group contributed R7.3 billion (81%) to normalised headline earnings. These operations comprise Impala (100%) and Marula (77.5% with 100% interest consolidated as Implats has guaranteed the outside borrowings) in South Africa and Zimplats (86.9%) and Mimosa (50%) in Zimbabwe. Marula reported a positive contribution of R310 million, a significant improvement on the profit previously reported of R12 million. The operations reported significant increases in margins due to higher US dollar revenue and positive currency effects.
- IRS, housing Implats' third-party refining services, contributed R1.3 billion to group headline earnings, an increase of 84%. Given the lower risks and capital requirements of IRS, the lower margins at this entity are understandable. Margins for FY2007 were 13%. The contribution of IRS to group headline earnings decreased to 14.6% as compared to a contribution of 17.7% the previous financial year.
- Equity income from investments of R388 million was from Implats' holding in AQPSA and Two Rivers, Aquarius contributed R282 million, an increase of 147% on FY2006. Profit from Two Rivers amounted to R106 million, despite the effect of a large inter-company adjustment for sales from Two Rivers to IRS which was still in the pipeline at year-end.

Earnings attributable to equity holders rose by 67% to R7.23 billion mainly as a result of higher rand metal prices.

## Cash flow

### Operating activities

Cash generated from operations was a combination of profits before taxation of R11.2 billion as set out in the income statement, adjusted for movements in working capital, and non-cash flow items. The most significant of the non cash flow items were the amortisation of property, plant and equipment of R865 million and the BEE compensation charge of R1,790 million.

Cash generated by operations of R12.9 billion was reduced by interest paid of R42 million and income taxes paid of R2.9 billion.

There was a net cash inflow from operating activities of R10.0 billion in FY2007, which is more than the net cash inflow of R4.9 billion recorded in FY2006.

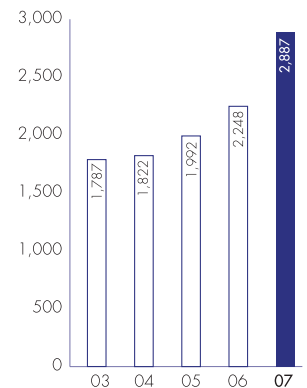
### Investing activities

On 14 May 2007 the group acquired the entire issued and to be issued share capital of African Platinum Limited (Afplats), an exploration and development business focused on platinum group metals. The purchase price was R4.2 billion, to date the cash outflow related to this transaction is only R3.9 billion with the balance via inter-group loans. Given its nature as a developing and exploration entity, Afplats did not contribute to group revenue or profit for the year under review.

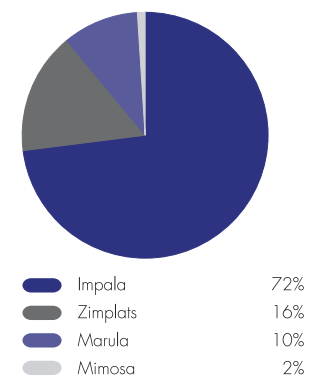
An amount of R12.5 billion pre-paid royalty was paid to the RBN.

Group capital expenditure for FY2007 totalled R2.9 billion as compared to R2.2 billion in the previous financial year. The largest portion of this, R2.0 billion, was spent at Impala, primarily on the development of 16 and 20 shafts. The Zimbabwean operations accounted for capital expenditure of R506 million, and Marula R280 million.

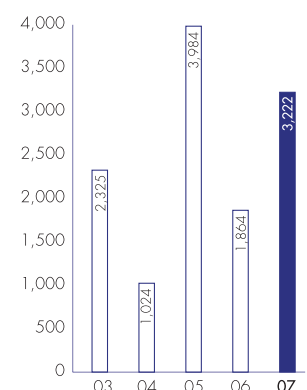
**Group capex**  
(R million)



**Capital expenditure by operation**

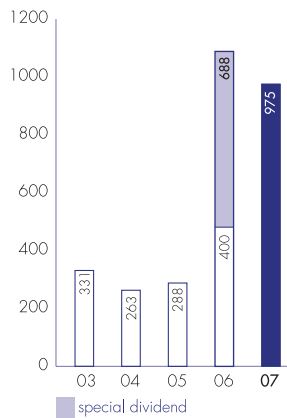


**Gross cash position at year-end**  
(R million)



## Financial review

### Dividend per share (cps)



Payment of R259 million was received from AQPSA as partial repayment of a shareholder's loan.

Net cash flow used in investing activities was R18.4 billion.

### Financing activities

Net cash flows from financing activities increased by R15.1 billion to R9.8 billion compared to an outflow of R5.3 billion in FY2006. As a result of the BEE transaction with RBH, 75,115,204 shares were issued to RBH for a cash consideration of R12.5 billion.

Net proceeds from borrowings amounted to R391.3 million. These loans were raised as a result of the consolidation of the Marula BEE shareholders' interest (R435.9 million) in terms of the guarantees provided, repayment of Zimplats loan (R22.6 million) and lease liabilities (R22.0 million).

Dividend payments totalling R3.1 billion were made during the year. The dividend cover for the group has been adjusted to 1.7 times (previously 1.9 times) earnings. The dividend payment totalled R5.5 billion in FY2006 which included a special dividend payment of R3.6 billion.

The net result of Implats operating, investing and financing activities was a net cash inflow of R1.4 billion which, when combined with the opening balance of R1.9 billion, and a negative translation of R15 million, resulted in a closing cash and cash equivalent balance of R3.2 billion.

### Outlook

Capital expenditure for 2008 is estimated at R6 billion and will be managed in line with profitability and cash flows.

A final dividend of 700 cents per share has been declared on 30 August 2007 which amounts to a further payment to shareholders of R4.2 billion.



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## Market review

It has been suggested in the past that one of the advantages of mining the suite of platinum group metals was that an indifferent performance from one metal was usually compensated for by outperformance by another. The period under review could hardly have been more different with our entire suite of metals performing well. The platinum index started January 2006 at \$1,600/oz and ended June 2007 just shy of \$2,500. During this time the prices of rhodium, iridium and copper doubled while those of ruthenium and nickel trebled before coming off record highs. Platinum and palladium's performances were more modest with increases of 30% and 50% respectively.

Once again positive fundamentals for our metals, measured by increases in demand, coupled with challenging supply issues provided a useful platform for this year's price performance. Investors also maintained a keen interest in these and other commodity markets.

### Platinum

The platinum market again found itself in balance in a repeat of the prior year's script, whereby strong growth in the automotive sector once again more than compensated for further weaknesses in jewellery demand. As a result of this shift, a far greater share of platinum demand is being classified as non-elastic. Industrial demand grew at a healthy 9%, spurred by increases in glass and IT applications. Primary supply growth, essentially from South Africa, was just sufficient to prevent the market returning to a deficit.

Pricing once again experienced a year of volatility. Having begun 2006 at just over \$1,000/oz, June 2007 levels were closer to \$1,300. This, however, belies some of the activity seen during the year such as in November 2006 when new highs of \$1,390 were reached on the back of large option trading and when rumours of the launch of an exchange traded fund (ETF) subsequently proved correct.

### Automotive demand

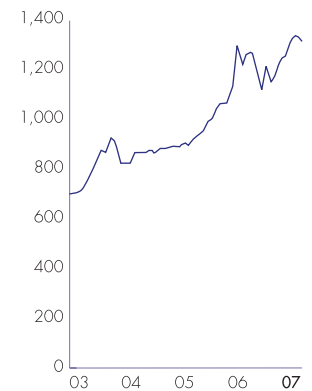
Further penetration of diesels into the light duty sector and increased fitment of catalyst systems into heavy-duty diesels were the main contributors to platinum growth of nearly 14% in this sector. High gasoline prices resulted in a continued shift from large SUVs and pick-up trucks to more fuel efficient diesel vehicles. In Europe, the voluntary fitment of particulate filters to ensure early compliance with emission legislation continued. Chinese vehicles are now compliant with Euro III regulations and will adopt Euro IV for 2010 by which time this market is expected to overtake North America as the world's largest vehicle market.

### Platinum demand and supply

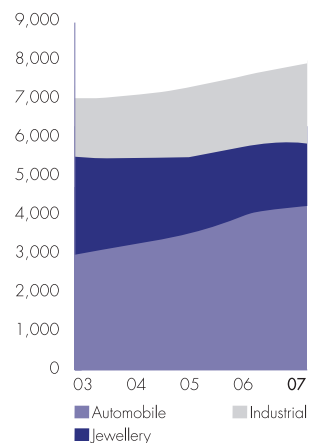
(000oz)	2007*	2006	2005	2004	2003
<b>Demand</b>					
Automotive	4,245	4,035	3,570	3,260	2,995
Jewellery	1,635	1,685	1,960	2,160	2,505
Industrial (including investment)	2,010	1,860	1,730	1,630	1,465
<b>Total</b>	<b>7,890</b>	<b>7,580</b>	<b>7,260</b>	<b>7,050</b>	<b>6,965</b>
<b>Supply</b>					
South Africa	5,365	5,435	5,030	4,910	4,655
Russia	750	750	850	800	1,000
Other	650	630	615	645	510
Recycling	920	855	775	710	665
<b>Total</b>	<b>7,685</b>	<b>7,670</b>	<b>7,270</b>	<b>7,065</b>	<b>6,830</b>
Surplus/(deficit)	(205)	90	10	15	(135)

\* Estimate

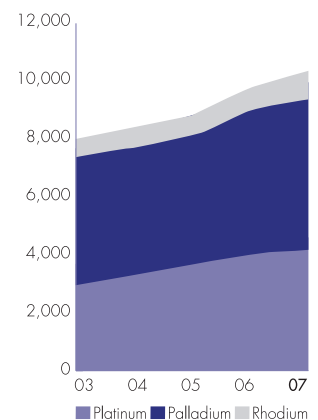
Platinum price –  
monthly average  
(\$/oz)



Platinum demand  
by sector  
(000oz)



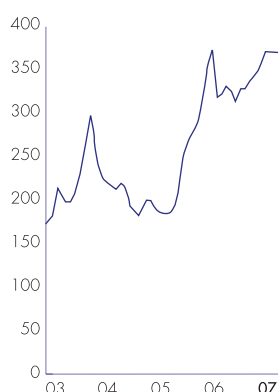
Automotive demand  
by metal  
(000 oz)



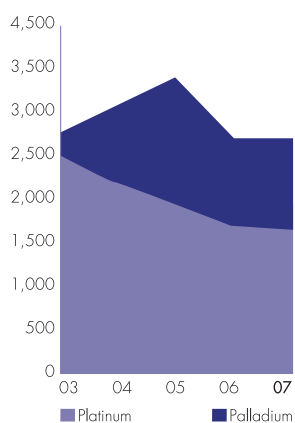
## Market review



Palladium price –  
monthly average  
(\$/oz)



Jewellery demand  
by metal  
(000 oz)



### Palladium demand and supply

(000oz)	2007*	2006	2005	2004	2003
<b>Demand</b>					
Automotive	5,300	4,990	4,605	4,515	4,465
Jewellery	1,090	995	1,430	930	260
Electronics	990	960	890	875	850
Other	1,540	1,440	1,715	1,450	1,230
<b>Total</b>	<b>8,920</b>	<b>8,385</b>	<b>8,640</b>	<b>7,770</b>	<b>6,805</b>
<b>Supply</b>					
South Africa	2,720	2,765	2,575	2,430	2,255
Russia	4,000	5,000	4,100	4,000	3,400
Other	1,380	1,385	1,650	2,270	1,285
Recycling	940	775	650	555	475
<b>Total</b>	<b>9,040</b>	<b>9,925</b>	<b>8,975</b>	<b>9,255</b>	<b>7,415</b>
Surplus	120	1,540	335	1,485	610

\* Estimate

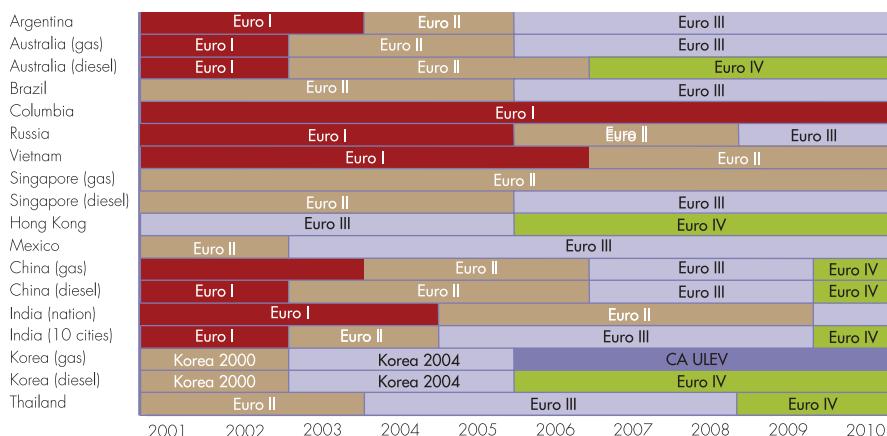
### Jewellery demand

The continuing impact of high and volatile prices of platinum caused jewellery demand to contract further. All regions, with the exception of India suffered, although this market has continued to disappoint from a volume perspective. Cheaper jewellery alternatives such as white gold and palladium will continue to erode platinum's share, given the enormous price differentials.

### Palladium

Demand for palladium in 2006 fell marginally as a correction in the Chinese jewellery pipeline saw demand contract some 20%, which overshadowed increased demand in both the automotive and electronic sectors. However, these moves were completely overpowered by a near 2.0Moz destock by the Russian Central Bank, which left the market with a surplus of some 1.5Moz. Notwithstanding this highly liquid situation, the price moved from \$275/oz at the beginning of 2006 to end June 2007 \$100 higher, once again displaying palladium's current investor friendly credentials. Estimated inventory of Russian palladium in Zurich now exceeds 7.0Moz, which clearly is sufficient metal to sustain any unforeseen growth in demand or shortfall in supply.

### Implementation of emission standards in the developing world



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Rhodium demand and supply					
(000oz)	2007*	2006	2005	2004	2003
<b>Demand</b>					
Automotive	872	825	744	685	620
Industrial	149	145	139	119	106
<b>Total</b>	<b>1,021</b>	<b>970</b>	<b>883</b>	<b>804</b>	<b>726</b>
<b>Supply</b>					
South Africa	653	649	645	556	539
Russia	70	70	70	80	130
Other	38	36	35	32	37
Recycling	206	184	162	142	127
<b>Total</b>	<b>967</b>	<b>939</b>	<b>912</b>	<b>810</b>	<b>833</b>
(Deficit)/surplus	<b>(54)</b>	<b>(31)</b>	<b>29</b>	<b>6</b>	<b>107</b>

\* Estimate

### Rhodium

Rhodium has once again proved its 'white knight' status with prices doubling over the 18 months from January 2006. A 10% increase in automotive demand to sustain and comply with tighter NOx emissions in gasoline engines, overshadowed a more modest 3% increase in supply, to leave this rather thin market with a 31,000oz deficit. While insignificant in the scheme of things, this metal's usage (alloyed with platinum) in the LCD glass industry continues to grow as demand for items from large flat screen TVs to iPods is maintained.

### Nickel

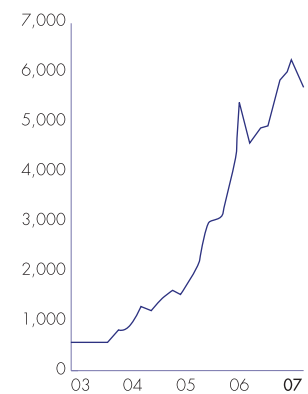
Prices of nickel trebled from just under \$15,000/t in January 2006 to May 2007, before a major correction in June 2007 saw prices settle at around \$36,000. Robust demand from the stainless steel industry was maintained for most of the period under review, and only during the final month of the financial year did a contraction of this demand, coupled with an increase in the availability of Chinese ferro-nickel, force a significant correction.

### Other – Ruthenium and Iridium

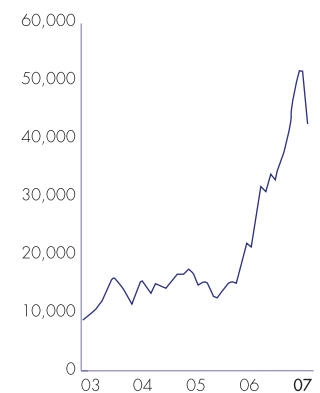
Demand for ruthenium, the forgotten metal, from the IT sector exploded when a new method of coating computer hard disks, called perpendicular magnetic recording, gained popularity. This caused the ruthenium price to rise tenfold in the past 18 months. The euphoria was somewhat short-lived as consumers, stunned by these daunting price rises, held back on purchases during the final quarter of the financial year. This action proved remedial and prices retreated from highs around the mid \$800s to settle at a more palatable \$350 – \$400/oz.

Iridium, while escaping the excitement of its sister metal, saw a doubling of its price to end the period around the \$450/oz level. Iridium was a partial beneficiary of events in the ruthenium market as some applications were switched.

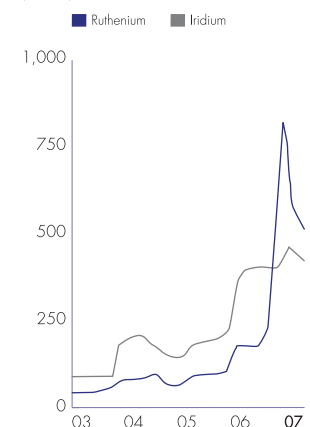
Rhodium price –  
monthly average (\$/oz)



Nickel price –  
monthly average  
(\$/tonne)

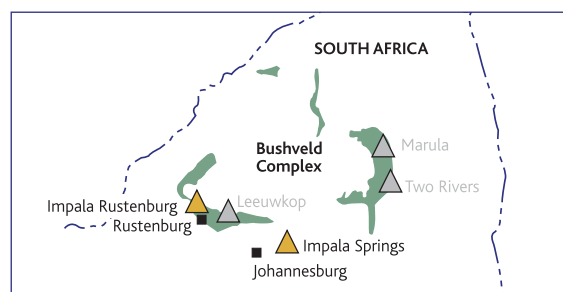
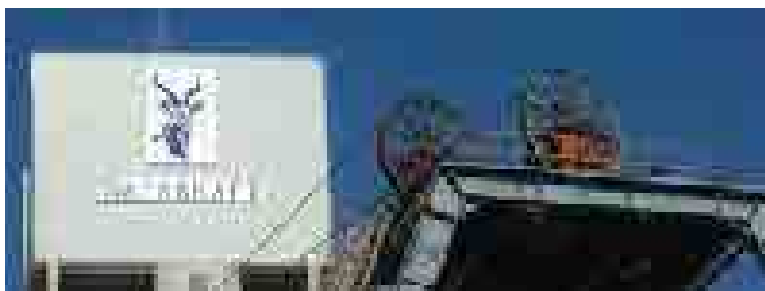


Ruthenium and iridium  
prices – monthly average  
(\$/oz)



## Review of operations and investments

Impala



### Highlights

- 16.3Mt of ore milled
- 1.055Moz of platinum produced
- Safety a concern
- Plans in place to effect a turnaround in operational performance begin to bear results
- New shafts progressing well

### Introduction

Impala, the group's primary business unit, comprises mining, processing and refining operations. The mining and processing operations are located on the western limb of the Bushveld Complex in North West Province, just north of the town of Rustenburg, while the refining operation is situated in the town of Springs, east of Johannesburg, in the province of Gauteng.

The mining operation comprises 14 operating shafts, five of which have underground decline systems (two are nearing completion) and two shafts which are currently in development. Mineral Processes houses the concentrator (milling, flotation and drying) and smelter operations. Refineries comprises both a base metals refinery (BMR) and a precious metals refinery (PMR).

With the finalisation of the transaction with RBH, the RBN, through the RBH, has an effective holding of 22.1% in Impala at an operational level. If the ESOP's holding of 4.2% is included, this brings the total effective BEE holding in Impala to 33.6% , which comfortably exceeds the BEE equity requirements stipulated by the MPRDA and the South African Mining Charter.

### Safety

There was a deterioration in safety during the year. The lost-time injury frequency rate (LTIFR) per million manhours deteriorated by 6% to 4.19 while the fatal injury frequency rate (FIFR) increased from 0.079 to 0.106. Falls of ground remained the major contributor to fatalities and lost-time injuries.

A higher than average staff turnover at middle management level appears to have affected safety performance at Impala. The implications of this have been twofold: firstly, the operation has lost experienced employees and secondly, much time had to be spent retraining and training new and current employees.

The cause of most fatalities (seven out of the nine reported in FY2007) was related to falls of ground. Consequently, the fall of ground safety intervention programme has been revitalised and there has been a renewed focus on visible, felt leadership. A workplace self-rating system has also been implemented, driven by front line supervisors, review of a barring equipment and practice, as many lost-time injuries occur during the process of ensuring that an area is safe. This review system is currently being tested and trialled at 1 shaft.

The system of ground control districts implemented several years ago is now an inherent aspect of the support standards practice at Impala, in that the ground control districts determine the support standards implemented. The increased incidence of falls of ground has been aggravated by mining operations in remnant areas (previously termed white

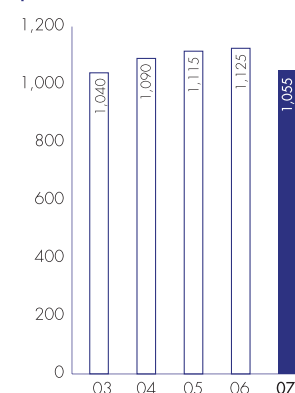
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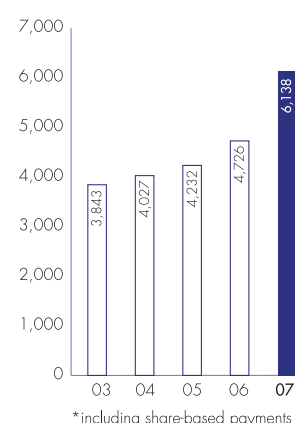
### Impala key statistics

		FY2007	FY2006	% change
<b>Sales</b>	(Rm)	17,400.8	11,054.4	57.4
Platinum		9,572.8	6,628.6	44.4
Palladium		1,068.0	846.4	26.2
Rhodium		4,060.8	2,307.0	76.0
Nickel		1,757.5	767.1	129.1
Other		941.7	505.3	86.4
<b>Cost of sales</b>		(6,641.5)	(5,188.6)	(28.0)
On-mine operations		(4,798.0)	(3,815.4)	(25.8)
Concentrating and smelting operations		(917.5)	(834.0)	(10.0)
Refining operations		(376.7)	(386.8)	2.6
Amortisation		(593.7)	(516.0)	(15.1)
Increase/(decrease) in inventory		44.4	363.6	(87.8)
<b>Mining gross profit</b>		10,759.3	5,865.8	83.4
<b>Profit/(loss) from metal purchased transactions</b>		38.7	86.2	(55.1)
<b>Sales of metals purchased</b>		12,413.1	5,810.5	113.6
– IRS		12,229.2	5,743.7	112.9
– Other		183.9	66.8	175.3
<b>Cost of metals purchased</b>		(12,374.4)	(5,724.3)	(116.2)
– IRS		(12,226.0)	(5,662.5)	(115.9)
– Other		(148.4)	(61.8)	(140.1)
<b>Gross profit in Implats group</b>		10,798.0	5,952.0	81.4
Gross margin ex-mine	(%)	61.8	53.1	16.4
Other operating costs	(Rm)	(384.8)	(282.0)	(36.5)
Royalty expense		(1,624.3)	(811.3)	(100.2)
<b>Sales volumes ex-mine</b>				
Platinum	(000oz)	1,119.3	1,050.5	6.5
Palladium	(000oz)	446.9	530.2	(15.7)
Rhodium	(000oz)	110.6	121.2	(8.7)
Nickel	(000t)	7.1	7.8	(9.0)
<b>Sales volumes metals purchased – IRS</b>				
Platinum	(000oz)	677.3	517.5	30.9
Palladium	(000oz)	433.8	325.6	33.2
Rhodium	(000oz)	92.2	66.7	38.2
Nickel	(000t)	4.7	3.5	34.3
<b>Prices achieved ex-mine</b>				
Platinum	(\$/oz)	1,190	987	20.6
Palladium	(\$/oz)	335	253	32.4
Rhodium	(\$/oz)	5,104	3,001	70.1
Nickel	(\$/t)	31,645	15,648	102.2
<b>Exchange rate achieved ex-mine</b>	(R/US\$)	7.20	6.37	13.0
<b>Production ex-mine</b>				
Tonnes milled	(000t)	16,302	16,441	(0.8)
Platinum refined	(000oz)	1,055.3	1,125.3	(6.2)
Palladium refined	(000oz)	472.0	491.6	(4.0)
Rhodium refined	(000oz)	102.9	128.5	(19.9)
Nickel refined	(000t)	7.0	7.9	(11.4)
PGM refined production	(000oz)	1,872.4	2,002.9	(6.5)
<b>Total cost*</b>		6,477.0	5,318.2	(21.8)
per tonne milled	(R/t)	397	323	(22.9)
	(\$/t)	55	51	(7.8)
per PGM ounce refined	(R/oz)	3,459	2,655	(30.3)
	(\$/oz)	481	416	(15.6)
per platinum ounce refined	(R/oz)	6,138	4,726	(29.9)
	(\$/oz)	853	740	(15.3)
net of revenue received for other metals	(R/oz)	(1,280)	812	257.6
	(\$/oz)	(178)	127	240.2
<b>Capital expenditure</b>	(Rm)	2,097.7	1,600.5	31.1
	(US\$m)	292	250	16.8
* Includes share-based payments	(Rm)	554.2	159.4	(247.7)

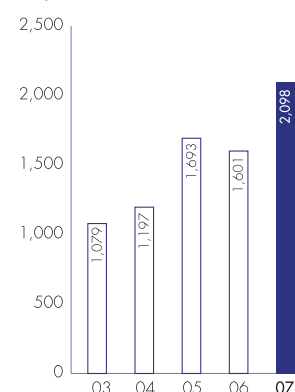
### Impala – platinum production (000 oz)



### Impala – operating cost\* (R/platinum ounce)



### Impala – capital expenditure (R million)





## Review of operations and investments

## Impala

areas) and also by the overall deeper nature of the operation. The management level at which the decision is made on whether or not to mine a remnant area has been elevated. Furthermore, the mining methods used in these areas have been amended so as to enhance safety.

Safety performance at Impala's Refineries remained stable in FY2007 with an LTIFR of 0.68 reported for the year. The Refineries maintained its ISO 14000 and ISO 9000 certification.

Zero injuries and fatalities remain the major goal of the Impala safety strategy and the aim is to achieve an LTIFR of 0 by 2012. More information on safety may be found in the section on Corporate Responsibility on pages 106 and 107 of this report.

### Mining

#### Operational review

Production at Impala was 1.055Moz of platinum in FY2007, a decrease of 6.2% on the record level of production set the previous financial year. Production of PGMs totalled 1.87Moz, a decrease of 6.5%. Tonnes milled declined marginally by 0.8% to 16.3Mt.

The reduced throughput – both tonnes mined and platinum refined – resulted from the decline in the volumes of relatively high-grade Merensky ore mined, owing to lower grade mechanised Merensky ore (because of the greater dilution), and the underperformance of two major Merensky shafts. This was compounded by the decline in the grades of the Merensky ore mined. Increases in UG2 ore mined – both conventional and opencast – were insufficient to compensate for this. Steps were taken during the course of the year to enhance grade and there was a marked improvement in the last three months of the year, resulting in an overall grade for the year of 3.84g/t (3PGE+Au) compared to 3.80g/t for the previous financial year.

Mining of remnant areas continued in FY2007. It had been planned to phase out the contractors operating in these areas during the year, but because of the poor performance of Impala's own teams, their services were retained. Contractor mining will be reduced during the course of FY2008. Production from these areas fell to 19% of total output in FY2007, having peaked at 22% of conventional output in FY2006. Production from the remnant areas is scheduled to decline over next four years.

The high turnover in staff at certain levels of middle management, including supervisory and skilled categories, had implications for safety and production in terms of the grades and volumes mined. To counter the high turnover in staff, salaries have been realigned and a new incentive scheme was introduced for all employees at Impala's mining and

#### Impala – tonnes milled by source

(000t)	FY2007	FY2006	FY2005	FY2004	FY2003
Merensky – total	8,165	8,630	8,600	8,422	8,169
– conventional	5,886	6,058	6,711	7,087	7,595
– mechanised	2,017	2,146	1,362	624	36
– opencast	262	426	527	711	538
UG2 – total	8,137	7,811	7,178	7,217	6,873
– conventional	7,662	7,618	7,178	7,217	6,873
– opencast	475	193	–	–	–
<b>Total</b>	<b>16,302</b>	<b>16,441</b>	<b>15,778</b>	<b>15,639</b>	<b>15,042</b>



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processing operations as from May 2007. In addition, to address the decline in production, both the mining cycle and technology in use were reviewed and optimised in line with best practice guidelines. The revised mining methodology which is aimed at improved grade control and productivity, and cost containment is currently on trial and being tested at 11 shaft.

Although the drill jig technology contributes positively to efficiencies, the primary aim of this technology, given the accompanying in-stope bolting, is improved safety. The roll-out of in-stope bolting is 90% complete. Problems were encountered with the acceptance of the technology by employees and there were issues with the weight of the drill, which has consequently been reduced by 20kg. The benefits of the technology were not adequately explained initially to employees and there were fears of job losses among employees. Currently, approximately 20 teams are using the drill jig technology and will continue to do so in FY2008. The equipment is to be further refined and difficulties relating to the use of the equipment are to be ironed out before it is rolled out to the rest of the operation. The company which developed the drill jig technology is committed to this process and is continuing with its research and development. Their instructors are assisting with the training of Impala employees.

Centares per stoping team increased to 395 centares from 393 centares the previous year, but the face advance in metres per panel team decreased from 15.2m to 14.4m. Centares per panel employee were thus 38, similar to that of FY2006. The new production incentive scheme is expected to contribute to improved productivity levels.

Development metres increased from 75,000m to 78,000m but efficiency levels were unchanged from the previous year. Development efficiencies will be a significant focus area in FY2008 so as to ensure and promote mining flexibility.

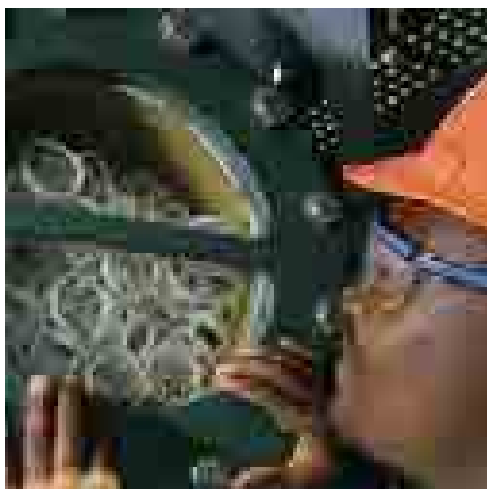
Excluding share-based payments, the cash operating cost per refined platinum ounce rose by 22.4%. The problems related to grade and volumes, the change in the Merensky-UG2 mix as well as the poor performance at 4, 11, 12 and 14 shafts aggravated this increase in costs. The cash cost per tonne milled was 26% higher at R397/t than the previous year. This compares with an inflation rate (CPIX) for the 12 months to end June 2007 of 6.5%. Higher prices of steel, coal, fuel, copper and reagents were far in excess of either the producer or consumer rates of inflation and these contributed to the increase in costs. Operational efficiency and cost management remain priorities.





## Review of operations and investments

## Impala



### Capital projects

Very good progress was made with the development at 16 and 20 shafts. Production from these shafts will essentially be replacement ounces and limited growth in production has been included in plans going forward. A five-year growth profile is in place. Both shafts are on track to begin production as originally scheduled: 16 shaft in FY2012 and 20 shaft in FY2009 with full production scheduled for FY2016 and FY2013 respectively. By the end of June 2007, 16 shaft had reached a depth of 1,000m with a final depth of 1,675m planned, and 20 shaft a depth of 1,040m, 18m short of its final depth of 1,058m.

Work has begun on the feasibility study for 17 shaft and this will be presented to the board in November 2007 for its approval for construction to begin during FY2008. Cost escalations for shaft construction are becoming problematic: of most serious concern is the cost of concrete as well as a shortage of the skills required.

### Mineral Processes

#### Operational review

Tonnes milled declined marginally to 16.3Mt in FY2007 from the record level of 16.4Mt reported the year previously. The decline in recovery rates from 84.5% in FY2006 to 83.3% in FY2007 was largely a function of the ore mix supplied, and in particular the higher proportion of opencast UG2 material.

The high-energy flotation cells that have been so successful at the UG2 plant have also been installed at the MF2 plant and are currently being optimised.

The good performance of the tails scavenging plant continues. Given the success of the existing plant and its positive contribution to overall output, investigations are currently being conducted into expanding the plant.

Operating costs for Mineral Processes were approximately R56/tonne milled in FY2007 compared with R51/tonne the previous year.

#### Expansion

The first phase of the R1 billion smelter expansion, namely the upgrade of the No 4 contingency furnace at a cost of R150 million, has progressed well. Hot commissioning began in early June 2007. This upgrade will effectively increase smelter capacity to around 2.3Moz of platinum.

The R850 million approved for the second phase of the smelter expansion to 2.8Moz includes the conversion of the furnace from a contingency to a full-blown operating furnace by December 2008. Half of this capital expenditure relates to gas cleaning equipment to further improve environmental performance with respect to sulphur dioxide and dust emissions.

### Refineries

#### Operational review

Refineries achieved record production of 2.026Moz of platinum (3.858Moz of PGMs) in FY2007. Lower receipts from certain toll contracts was offset by toll-in of concentrate from Lonmin following the breakdown of their smelter. The resultant "back-ending" in the supply mix to Refineries resulted in the receipt of certain metals (notably rhodium) in excess of processing capacity which caused a temporary build-up of their respective pipelines. This build-up (13,000oz of rhodium) will be released early in the new financial year. The Refineries capital programme addresses expansion capacity to cater for anticipated volumes over the next five-year horizon.

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<b>Name</b>	<b>16 shaft</b>
<b>Location</b>	Impala Rustenburg, western Bushveld
<b>Description</b>	Construction began in October 2004. On completion, the shaft will be 1,675m deep, with seven production levels. Production is scheduled to begin in FY2012.
<b>Key information:</b>	
<b>Start date</b>	October 2004
<b>Completion date</b>	Full production planned for FY2016
<b>Annual capacity</b>	At full production: <ul style="list-style-type: none"> <li>• 2.7Mt annually (225,000 tonnes per month)</li> <li>• 190,000oz of platinum</li> </ul>
<b>Average grade</b>	4.19g/t (3PGE+Au)
<b>Capital expenditure</b>	R3.6 billion Expenditure to date: R801 million
<b>Life of shaft</b>	27 years
<b>Key project milestones achieved in FY2007</b>	Development of intermediate pumping station completed. Sinking of both the main and ventilation shafts is on target. Construction of the surface infrastructure is on schedule.
<b>Key project milestones</b>	Ventilation shaft sinking completed in FY2008. Main shaft sinking to be completed FY2010. Main shaft to be commissioned by FY2011
<b>Name</b>	<b>20 shaft</b>
<b>Location</b>	Impala Rustenburg, western Bushveld
<b>Description</b>	Construction began in October 2004. On completion the shaft will have 10 production levels and be 1,058m deep. Production scheduled to begin in FY2009.
<b>Key information:</b>	
<b>Start date</b>	October 2004
<b>Completion date</b>	Full production scheduled for FY2013
<b>Annual capacity</b>	At full production: <ul style="list-style-type: none"> <li>• 2.2Mt annually (185,000 tonnes per month)</li> <li>• 150,000oz of platinum</li> </ul>
<b>Average grade</b>	3.72g/t (3PGE+Au)
<b>Capital expenditure</b>	R3.4 billion Expenditure to date: R787 million
<b>Life of shaft</b>	23 years
<b>Key project milestones achieved in FY2007</b>	Shaft sinking of both the ventilation and main shafts nearing completion as is development of the main station. Engineering and construction of surface infrastructure is progressing well.
<b>Key project milestones in FY2008</b>	Main shaft sinking to be completed by FY2008 Ventilation shaft sinking to be completed by FY2008 Main shaft to be commissioned by FY2008



## Review of operations and investments

## Impala

Name	Smelter expansion project
Location	Impala Rustenburg, western Bushveld
Description	The smelter expansion is aimed at increasing capacity at Mineral Processes to 2.8Moz of platinum annually. This includes the up-grade of the contingency furnace.
<b>Key information:</b>	
Start date	March 2006
Completion date	February 2009
Annual capacity	2.8Moz of platinum
Capital expenditure	R1 billion Expenditure to date: R231 million
Key project milestones achieved in FY2007	Commissioning of furnace began in June 2007
Key project milestones in FY2008	Proceeding with conversion of contingency furnace to a full-time operating furnace. Dryer to be commissioned in June 2008. Converter and gas cleaning stacks to be commissioned in December 2008.

Gross costs at Refineries were well controlled with a 7% increase year-on-year, driven primarily by additional volumes. The growth in production volumes of 186,000oz of platinum resulted in a unit cost decrease of 1.7%.

### Expansion

In May 2007, the board approved funding of R668 million for the Phase II expansion of the BMR to sustainable annual production of 2.8Moz of platinum. This project, which is scheduled for completion by February 2010, focuses on a new PGM-upgrade high-security area. This is a low-risk expansion as it is based on tried and tested technology.

The R225 million Phase II expansion at the PMR, which was initiated in 2004 to increase production capacity from 1.6Moz to 2Moz of platinum, is complete. Of this cost, approximately 75% related to the provision of environmental attenuation equipment to address both liquid and gaseous effluent. While all installations have been completed, final performance testing is being undertaken to ensure regulatory compliance and this is scheduled for completion by August 2007.

The Phase III expansion of the PMR to a capacity of 2.3Moz of platinum is on track. This phase which began in April 2006 is scheduled for completion in April 2008 at an estimated cost of R50 million. This expansion focuses on the provision of additional processing equipment.

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<b>Name</b>	<b>Refineries expansion project</b>
<b>Location</b>	Impala Springs
<b>Description</b>	<p>Phased expansion to increase refining capacity at both the Base Metals Refinery (BMR) and the Precious Metals Refinery (PMR) to 2.8Moz of platinum annually.</p> <p><b>BMR:</b> Phase II expansion involves establishment of a new PGM-upgrade high-security area of 2.8Moz.</p> <p><b>PMR:</b> Phase III will focus mainly on the provision of additional processing equipment from 2Moz to 2.3Moz. Phase IV includes the provision of a new rhodium-iridium processing facility from 2.3Moz to 2.8Moz.</p>
<b>Start date</b>	<p><b>BMR:</b> Phase II – June 2007</p> <p><b>PMR:</b> Phase III – April 2006 Phase IV – June 2007</p>
<b>Completion date</b>	<p><b>BMR:</b> Phase II – 2010</p> <p><b>PMR:</b> Phase III – 2008 Phase IV – 2010</p>
<b>Annual capacity</b>	2.8Moz of platinum
<b>Capital expenditure</b>	<p><b>BMR:</b> Phase II project execution: R668 million</p> <p><b>PMR:</b> Phase III project execution: R50 million Phase IV study, interim and project execution: R645 million</p>
<b>Key project milestones achieved in FY2007</b>	<p><b>BMR:</b> Phase II – board approved funding.</p> <p><b>PMR:</b> Phase III – project is nearing completion. Phase IV – board has approved budget for feasibility study and for purchase of interim processing equipment.</p>
<b>Key project milestones in FY2008</b>	<p><b>BMR:</b> Phase II – project execution to begin.</p> <p><b>PMR:</b> Phase III – scheduled for completion in FY2008. Phase IV – feasibility study will be conducted.</p>





## Review of operations and investments

## Impala

In May 2007, the Implats board approved initial capital expenditure of R135 million for both the feasibility study and the provision of interim processing equipment for the Phase IV expansion which will further increase capacity of the PMR to 2.8Moz. Phase IV will include the construction of a new rhodium-iridium processing facility. Initial estimates of the total cost of this expansion are in the region of R645 million.

The planned Phase IV expansion is strategically important given planned and potential expansions across the Implats group. This expansion ties in with the third furnace being established at Mineral Processes which will increase capacity there to 2.8Moz.

### Research and development

An advanced process control circuit which enhances the grade of the concentrate supplied to the PMR by the BMR was successfully implemented during the year. Investigations into other areas in which the principle of advanced process control could be implemented, will result in increased productivity and cost benefits.

Modifications are being made to the filtration process in the palladium circuit. Extensive testing was done and the necessary changes are to be implemented permanently. This process will accommodate greater volumes and result in a more robust circuit.

A patented, improved rhodium-iridium separation resin circuit was successfully tested at plant scale and will be included in phase IV of the PMR expansion. This is a more efficient separation resin which will give greater operational efficiency, shorten the pipeline and reduce operating costs.

Other initiatives include a holistic effluent strategy and test work on direct metallisation of the final products. The latter is potentially more efficient than the current ignition method and also reduces the load on gas scrubbing circuits and is hence a 'cleaner' route. This research will be progressed during FY2008.

### Outlook

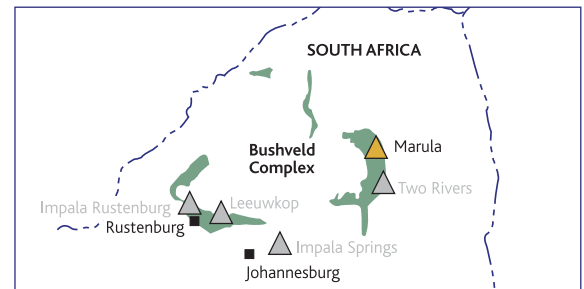
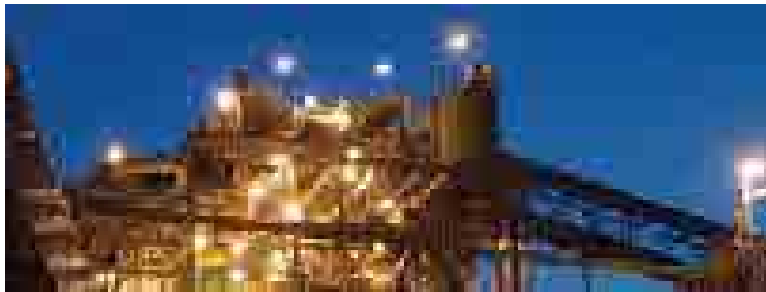
Platinum production at Impala Rustenburg is dependent on the operation increasing production of quality tonnes and we expect to produce between 16.4Mt and 17.0Mt. The planned expansions at Mineral Processes and Impala Springs will achieve processing capacity of around 2.8Moz by FY2011.



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## Review of operations and investments

## Marula



### Introduction

Marula is located on the northern part of the eastern limb of the Bushveld Complex, near the town of Burgersfort, in Limpopo Province, South Africa. The operation comprises two on-reef decline shafts, Clapham and Driekop, an off-reef conventional decline and a concentrator.

Full production from UG2 mining of 130,000oz of platinum-in-concentrate is scheduled for FY2010. The mine's concentrate is sold to IRS in terms of a life-of-mine offtake agreement.

Marula is 77.5% owned by Implats and 22.5% owned by BEE interests: the Marula Community Trust, Tubatse Platinum and Mmakau Mining each have a stake of 7.5%. The Marula Community Trust was established to enable people living in the vicinity of the operation to benefit from the mine, both during its life and afterwards.

### Safety

Despite a substantial increase in production and development levels during the period, Marula's LTIFR declined by 19% to 1.63 per million manhours. Driekop shaft achieved 15 months without a lost-time injury from January 2006 to April 2007. In October 2006, the mine reported one million fatality-free shifts, an achievement that took 20 months to reach. Regrettably, there was one fatality during the course of the year, in January 2007. The FIFR for the year was 0.136 per million manhours. Further information on Marula's safety performance may be found in the Corporate Responsibility section of this report on pages 106 and 107 of this report.

### Operational review

Production of platinum-in-concentrate for FY2007 of 65,000oz was 63% up on FY2006. Tonnes milled at 1.45Mt were 49% up on the previous year and in line with the plan to ramp up to full production. Improved management of grades and recoveries contributed to the greater increase in platinum output, with the turnaround at the operation reflecting the transition to conventional stoping.

The current UG2 plant is scheduled to achieve full capacity of 2.4Mt in FY2010. Recoveries increased to 88.5% from 87.2% in FY2006, in line with expectations and boosting overall production of PGMs.

Cost per tonne milled increased slightly to R395/t in FY2007 from R389/t the previous financial year. Costs per platinum ounce in concentrate (including share-based payments) fell by 7.0% to R8,781/oz. Once full production has been achieved, unit costs should be lower.

The conversion to conventional mining is on schedule. Production from the new conventional mining plan will begin towards the end of FY2008, with tonnages building up to a rate of 200,000 tonnes per month at full implementation, which is scheduled for FY2010. This will further improve efficiencies and grade.

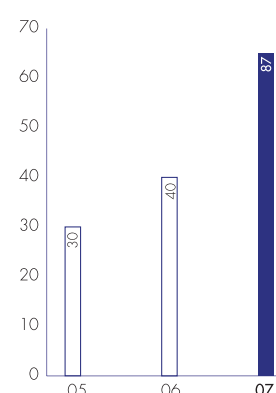
### Highlights

- Production of 65,000oz of platinum-in-concentrate, exceeding expectations
- Conversion to conventional mining on track
- Steady improvement in recoveries, to 88.5%
- Unit costs declining as production builds up
- Feasibility study on Merensky Reef project under way

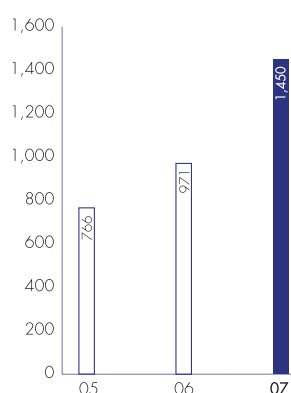
# Review of operations and investments

## Marula

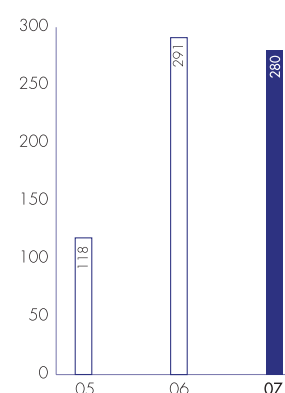
Marula – production of platinum-in-concentrate (000 oz)



Marula – production ramp-up (000 t)



Marula – capital expenditure (R million)



### Marula key statistics

		FY2007	FY2006	% change
<b>Sales</b>	(Rm)	1,212.7	511.1	137.3
Platinum		489.1	239.3	104.4
Palladium		143.7	64.0	124.5
Rhodium		494.2	187.4	163.7
Nickel		39.7	8.6	361.6
Other		46.0	11.8	289.8
<b>Cost of sales</b>		(650.7)	(416.2)	(56.3)
On-mine operations		(472.3)	(307.9)	(53.4)
Concentrating operations		(100.2)	(69.8)	(43.6)
Treatment charges		(1.9)	(0.9)	(111.1)
Amortisation		(76.3)	(37.6)	(102.9)
<b>Gross profit</b>		562.0	94.9	492.2
Inter-company adjustment *		(123.7)	(90.9)	(36.1)
<b>Gross profit in Implats group</b>		438.3	4.0	10,857.5
* Adjustment note: The adjustment relates to sales from Marula to the Implats group which at yearend was still in the pipeline.				
<b>Gross margin %</b>	(%)	46.3	18.6	149.6
<b>Royalty expense</b>		(29.0)	(10.7)	(171.0)
<b>Sales volumes in concentrate</b>				
Platinum	(000oz)	65.2	40.0	63.0
Palladium	(000oz)	66.8	40.2	66.2
Rhodium	(000oz)	13.8	8.3	66.3
Nickel	(t)	188.0	107.8	74.4
<b>Prices achieved in concentrate</b>				
Platinum	(\$/oz)	1,043	934	11.7
Palladium	(\$/oz)	299	249	20.1
Rhodium	(\$/oz)	4,967	3,535	40.5
Nickel	(\$/t)	29,366	12,501	134.9
<b>Exchange rate achieved</b>	(R/US\$)	7.19	6.40	12.3
<b>Production</b>				
Tonnes milled ex-mine	(000t)	1,450	971	49.3
Platinum in concentrate	(000oz)	65.2	40.0	63.0
Palladium in concentrate	(000oz)	66.8	40.2	66.2
Rhodium in concentrate	(000oz)	13.8	8.3	66.3
Nickel in concentrate	(t)	188.0	107.8	74.4
PGM in concentrate	(000oz)	171.4	103.8	65.1
<b>Total cost*</b>		572.5	377.7	(51.6)
per tonne milled	(R/t)	395	389	(1.5)
	(\$/t)	55	61	9.8
per PGM ounce in concentrate	(R/oz)	3,340	3,639	8.2
	(\$/oz)	464	570	18.6
per platinum ounce in concentrate	(R/oz)	8,781	9,443	7.0
	(\$/oz)	1,221	1,478	17.4
<b>Capital expenditure</b>	(Rm)	279.8	291.2	3.9
	(US\$m)	39	46	15.2
* Includes share-based payments				
	(Rm)	18.3	–	





## 2007 ANNUAL REPORT

Drill jig technology is being implemented at Marula, with improved rates of advance being achieved. Employee acceptance of the drill jig technology has been good, as locally sourced employees have not previously had any mining experience, and have not had to change from previously learnt methods of operation. Emphasis has been placed on a team-based approach to drill jigs.

Record footwall development and advances were achieved in the first half of the financial year, with advances of around 80m per month being recorded. However, problems with the maintenance of the mechanised fleet and poor ground conditions caused a number of delays in the second half of the year.

Marula's performance belies some of the underlying challenges in developing a mine on the eastern limb and the fact that the locally drawn workforce is largely unskilled. Many of Marula's employees – some of whom are in their mid-30s – have obtained employment for the first time ever. Training and skills development thus remains a priority, including capacity-building within the new union structures.

On the employee relations front, wages for Marula employees were aligned with those paid at Impala, addressing some of the industrial relations issues experienced on mine. Several disruptive work stoppages occurred during the period. Marula participated in the collective bargaining structures in terms of the recent wage negotiations which were successfully concluded in mid-August (see page 15).

### Capital projects

In parallel with the conversion of the mining plan at the existing mine, a pre-feasibility study has been completed on the Merensky Reef. The study, which compared mechanised, hybrid and conventional mining options, was presented to the board in May 2007. A conventional mining method and mine layout has been selected.

The Merensky project will incorporate the development of a new decline, concentrator and supporting mining infrastructure. Certain synergies will be achieved with the current surface infrastructure. The project will yield 115,000oz of platinum annually at a rate of 175,000t mined a month. The current tailings dam will also be expanded. The life of mine of the Merensky operation is expected to be 20 years, although there is potential for this to be extended with the exploitation of deeper areas. Initial forecasts indicate capital expenditure in the region of R3 billion.

One of the more critical issues at Marula at present revolves around environmental permits for the Merensky project and the need to engage fully with the local community. Much attention is being focussed on this at present. The mining licence for this project was included in the application for new order mining rights for Clapham and Driekop.

### Capital expenditure

By end FY2007, R562 million of the R830 million approved in February 2005 for the change in mining method had been spent, primarily on footwall development and the off-reef capital project. The balance will be spent during the course of FY2008 and the first few months of FY2009.





## Review of operations and investments

## Marula

<b>Name</b>	<b>Merensky project</b>
<b>Location</b>	Marula, eastern Bushveld
<b>Description</b>	Underground development and provision of surface infrastructure to mine the Merensky Reef at Marula. A pre-feasibility study to select mining method and mining plan has been completed. Initial mining depth of 50m to 300m.
<b>Key information:</b>	
<b>Start date</b>	January 2008
<b>Completion date</b>	Full production scheduled for FY2015
<b>Annual capacity</b>	At full production: <ul style="list-style-type: none"> <li>• 2.1Mt (175,000 tonnes a month)</li> <li>• 115,000oz of platinum</li> </ul>
<b>Average grade</b>	3.5g/t (5PGE+Au)
<b>Capital expenditure</b>	Estimated R3 billion Expenditure to date: R10 million
<b>Life of project</b>	20 years
<b>Key project milestones achieved in FY2007</b>	Pre-feasibility study presented to the board which approved expenditure of R60 million for the preparation of a full feasibility study and procurement of long lead equipment. The full project will be presented to the board in November 2007.
<b>Key project milestones planned for FY2008</b>	Once the full feasibility study has been presented to the board and funding approved, work will begin on the mining of the boxcut and construction of the surface infrastructure.

### Outlook

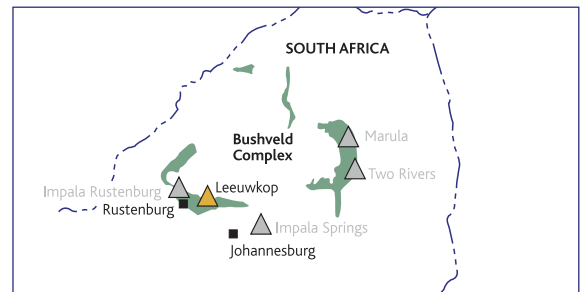
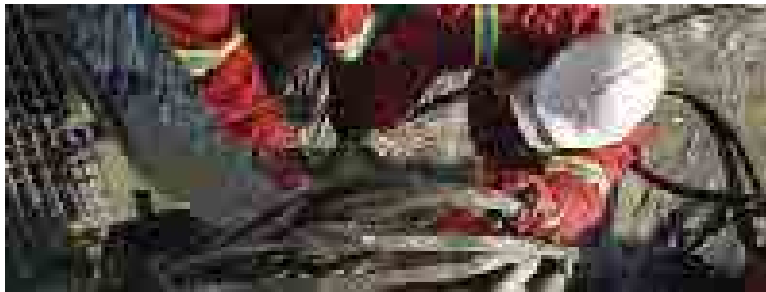
Capital expenditure of R500 million has been budgeted for FY2008. This amount includes R115 million allocated to evaluation, the Merensky feasibility study and the start up of the Merensky project.

Full steady state production of 130,000oz of platinum per annum remains on schedule for FY2010. On completion of the Merensky project in FY2015, Marula will be a 245,000-platinum ounce operation.

# 2007 ANNUAL REPORT

## Review of operations and investments

## Leeuwkop project



### Introduction

The main asset of Afplats is the Leeuwkop project which is located near the town of Brits on the western limb of the Bushveld Complex in North West Province.

A cash offer for the entire issued share capital of Afplats was announced in February 2007 in terms of which Implats would acquire 100% of Afplats and, by implication, an effective 74% stake in the Leeuwkop project. The Bakwena Ba-Mogopa traditional community holds the balance of the interest in the Leeuwkop project (26%) and retains a previously agreed free carry for the first R1 billion of capital expenditure. The project has a life-of-mine concentrate offtake agreement with IRS.

### Project development

The development of the Leeuwkop project represents the first phase in the turning to account of the Afplats acquisition. Minor preparatory work is already under way and a number of long lead time components have been secured with development expected to begin in early FY2008. The start of development depends, however, on the necessary mining permit being received from the DME.

The project involves the development of a 1,350m twin-shaft system to access the orebody. Mining operations will initially begin at around 1,100m below surface and extend to a depth of about 1,500m. Other major infrastructural developments to be undertaken include the construction of a concentrator facility with a capacity of 250,000 tonnes per month and a tailings dam. Both of these will be constructed to allow for possible increases in capacity should future expansions to the mining operation become viable.

While the mine design and production profile is still to be finalised, the most likely mining method will be mechanised bord-and-pillar mining. Ore will be accessed via a four-barrel on-reef decline system which will enable a rapid and cost-effective ramp up to production from development.

The UG2 orebody is well-developed, relatively wide and, in comparison to other areas, relatively undisturbed by major faulting.

A key advantage for Implats is the project's location on the well developed western limb of the Bushveld Complex, with its proximity to the extensive management, services, technical and processing infrastructure at Impala Rustenburg, just some 55km away. Also, the sourcing of scarce mining skills is expected to be less challenging than on the eastern limb of the Bushveld Complex as this is a long-standing mining region with an available, skilled human capital base.

The Leeuwkop mine is expected to employ around 800 people at full production, although many more jobs will be created during the construction phase.

### Highlights

- R4.2 billion acquisition of Afplats
- Effective 74% stake in Leeuwkop project, located on the western limb of the Bushveld Complex
- Project to begin in FY2008
- Envisaged to become a 160,000oz per annum platinum producer within five years



## Review of operations and investments

## Leeuwkop project

Name	Leeuwkop project
Location	Western Bushveld
Description	The project will mine the UG2 Reef in the Leeuwkop area. A bankable feasibility study on the first phase of mining was completed in January 2006. Initial project work will involve the establishment of infrastructure and the provision of services to start shaft sinking on the main and ventilation shafts in early 2008.
<b>Key information:</b>	
Start date	FY2008 (subject to the issue of a mining permit)
Completion date	FY2013
Annual capacity	At full production: <ul style="list-style-type: none"> <li>• 3Mt (250,000 tonnes per month)</li> <li>• 140,000 to 160,000oz of platinum</li> </ul>
Average grade	3.75g/t (3PGE + Au)
Capital expenditure	Estimated R3.0 billion over first five years
Life of mine	22 years
Key project milestones achieved in FY2007	An interim capital vote application for an amount of R370 million to February 2008 was approved by the board.
Key project milestones planned for FY2008	Final presentation to the board (February 2008) and start of sinking/construction operations.

Production is expected to begin in FY2010, building up to annual steady-state levels in FY2013. The current life of mine is around 22 years. Anticipated on-mine costs are expected to be in line with current Implats' unit costs per platinum ounce and are not expected to raise the group's cost profile.

### Capital expenditure

Total capital expenditure over the next five years is expected to be approximately R3.0 billion. This is in addition to the acquisition cost of R4.2 billion.

### Outlook

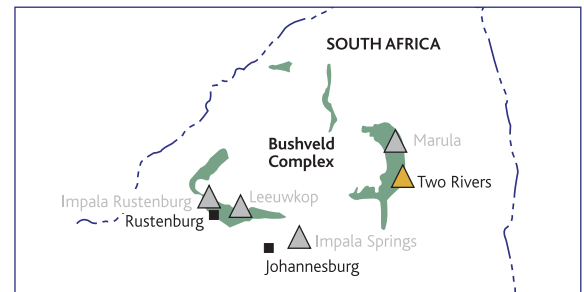
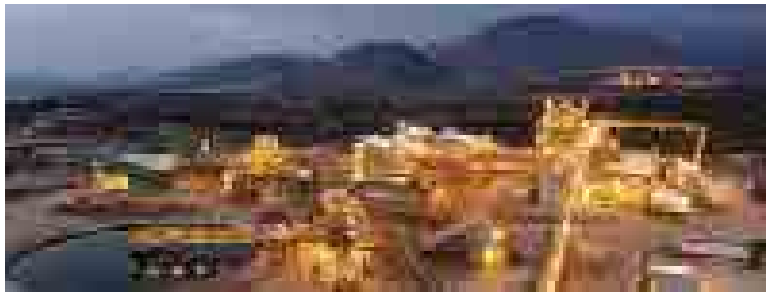
The development of the mine at Leeuwkop is the first phase of this project, accessing only the south-western mineral resource within the project area. Exploration drilling and seismic surveys of the remaining areas are planned over the next five years to determine the viability of future expansions on the property and extensions to the planned life of mine. In particular, discussions are being held with the company's BEE partners on consolidating the two remaining areas of the property – Imbasa (in which it holds a 60% interest) and Inkosi (in which it holds a 49% interest), with a view to initiating a bankable feasibility study as the second phase of the project.

Strategically, this acquisition represents a significant step for Implats as it supplements the company's resource base in South Africa and will become a key component of the company's development and operational pipeline.

# 2007 ANNUAL REPORT

## Review of operations and investments

## Two Rivers



### Introduction

Two Rivers Platinum, a joint venture between Implats (45%) and African Rainbow Minerals (ARM) (55%), is located on the eastern limb of the Bushveld Complex, near the town of Steelpoort in Mpumalanga. The operation is managed by ARM and has a life-of-mine concentrate offtake agreement with IRS.

Development at Two Rivers began in June 2005, with capacity at full production of 2.7Mt per annum. In FY2007, 87,900oz of platinum-in-concentrate were produced. The concentrator plant was commissioned during the year. The mine is still in a build-up phase, with full production of 120,000oz of platinum-in-concentrate (220,000oz of PGMs) expected to be achieved during FY2008.

### Safety

Despite the fact that production is still ramping up, the mine recorded a satisfactory safety performance for the year. The LTIFR of 3.60 per million manhours was 18% better than target. Regrettably, one fatal accident occurred during the year as a result of a fall of ground incident.

### Operational review

The implementation of trackless, mechanised bord-and-pillar mining has progressed well at Two Rivers as the orebody is ideally suited to this type of mining, thus vindicating the trial mining that was undertaken to select the appropriate mining method.

Total volumes mined from the underground workings rose to 1.28Mt for the year. The opencast operation initially proposed has been replaced by a second decline situated on the northern part of the property. This project is ahead of schedule and will contribute 45,000t monthly to the operation.

During FY2007, production was interrupted by an unprotected strike by mining contractor employees. Production ramp-up was restored after re-employment of employees.

A headgrade of 4.24g/t (5PGE+Au) was achieved during FY2007, which compared favourably with the overall UG2 reserve grade estimate of 4.13 g/t (5PGE+Au). The headgrade is expected to decline to 4.07g/t (5PGE+Au) during FY2008 and accounts for an increased presence of split reef in the areas to be mined. Headgrades are expected to return to 4.24g/t (5PGE+Au) in FY2009.

Wet commissioning of the plant started ahead of schedule in July 2006, with ore throughput beginning in August 2006. Problems experienced in commissioning were resolved and plant design capacity of 225,000t per month was achieved during

### Highlights

- 2.04Mt milled in first year of operation
- Production of 87,900oz of platinum in concentrate
- Full production of 120,000oz of platinum in concentrate in FY2008



## Review of operations and investments

## Two Rivers

FY2007. An average plant recovery of 77.4% was recorded for FY2007 and this is expected to improve during FY2008.

The 1.2Mt stockpile that had been built up prior to commissioning had been reduced to 160,000t by year-end.

The total cash costs for the year were R183/t milled which is expected to increase to R242/t milled for FY2008. This compares favourably with other producers in the region and will result in operating margins in excess of 50%.

### Capital expenditure

The final cost of the project is R1.38 billion, R187 million less than originally budgeted. Capital expenditure for FY2007 amounted to R488 million, which included an investment of R92.5 million in a housing development in Lydenburg that constitutes a key element of the operation's plan to attract and retain skilled staff.

### Outlook

Two Rivers, which is expected to reach full production in FY2008, is strategically well positioned, given its well-developed infrastructural base (water, power, skilled personnel). This will enable it to take advantage of development and consolidation opportunities in the future.



# 2007 ANNUAL REPORT

## Review of operations and investments

Zimplats



### Introduction

Implats has a holding of 86.9% in Zimplats which is located on the Hartley Geological Complex, in the northern half of the Great Dyke, south-west of Harare, Zimbabwe. The operation includes opencast and underground mines at Ngezi and the Selous Metallurgical Complex (SMC), 77km to the north of Ngezi. Ore mined at Ngezi is transported by road trains to the SMC where it is concentrated and smelted prior to despatch to Impala Rustenburg's Mineral Processes in terms of a life-of mine agreement with IRS. Zimplats is listed on the Australian Securities Exchange.

### Safety

Zimplats reported an excellent year in FY2007 with respect to its safety performance which was the best in the Implats group. There were only three lost-time injuries and no fatalities. This is particularly commendable given the expansion that is currently under way at the mine and the presence on site of contractors. Much effort is put into safety training of both employees and contractors. Safety standards are enforced and contractors are penalised for non-compliance. The workforce is disciplined and the operation by its nature is relatively safe compared with deep-level mines. More information on safety may be found in the section a Corporate Responsibility on pages 106 and 107 of this report.

### Operational review

During FY2007, Zimplats' production broke all records. Tonnes milled rose by 6% to 2.13Mt and there was a corresponding increase in metal production to 206,000oz of PGM of which platinum accounted for 47%. Recoveries were maintained at 84.4% and costs were below budget. Plant availability rose by 2% as a result of improved maintenance.

At the concentrator, the milling circuit was optimised with the installation of a pebble crusher, the performance of which exceeded expectations and resolved the problem of feed size distribution experienced the previous year. The crusher helped to increase milling crushing capacity by 10%.

Given improved industrial relations and better management of issues, particularly wages, no strikes were experienced during the year. As a result of the hyperinflation prevailing in the country, employees are paid every two weeks and salaries are adjusted regularly, which has helped to reduce industrial conflict with employees.

### Highlights

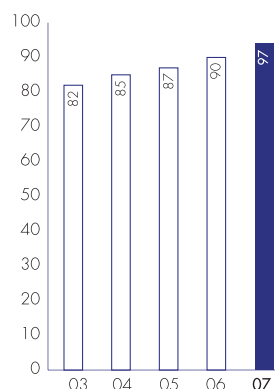
- Production increases to 96,500oz of platinum-in-matte
- Development of underground mine on schedule
- Phase 1 expansion to 160,000oz of platinum per annum by FY2010 on track



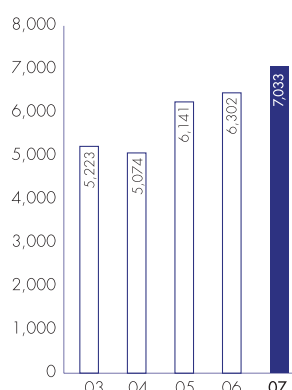
# Review of operations and investments

# Zimplats

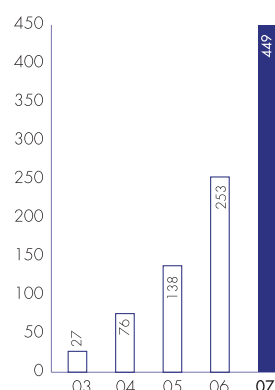
**Zimplats – platinum-in-matte production**  
(000 oz)



**Zimplats – operating costs**  
(R/platinum ounce)

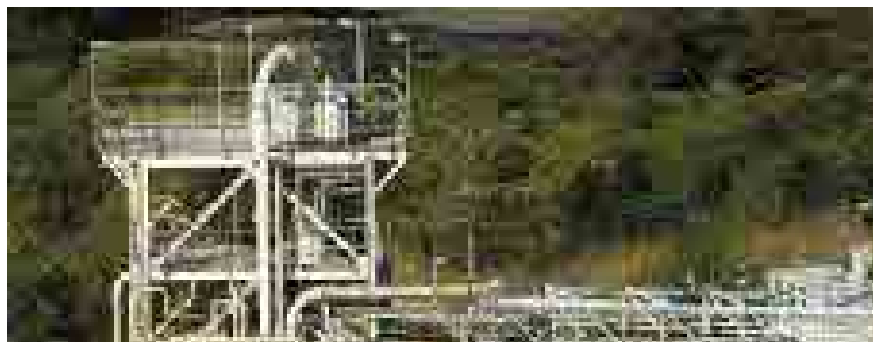


**Zimplats – capital expenditure**  
(R million)



## Zimplats key statistics

		FY2007	FY2006	% change
<b>Sales</b>	(Rm)	<b>1,697.3</b>	<b>1,037.9</b>	<b>63.5</b>
Platinum		734.1	555.1	32.2
Palladium		173.4	120.4	44.0
Rhodium		323.0	165.5	95.2
Nickel		408.1	117.2	248.2
Other		58.7	79.7	(26.3)
<b>Cost of sales</b>		<b>(768.7)</b>	<b>(604.3)</b>	<b>(27.2)</b>
Mining operations		(495.7)	(451.0)	(9.9)
Concentrating operations		(153.5)	(92.8)	(65.4)
Amortisation		(162.2)	(68.0)	(138.5)
Increase in inventory		42.7	7.5	469.3
<b>Gross profit</b>		<b>928.6</b>	<b>433.6</b>	<b>114.2</b>
Inter-company adjustment *		(74.0)	(116.0)	36.2
<b>Gross profit in Implats group</b>		<b>854.6</b>	<b>317.6</b>	<b>169.1</b>
* Adjustment note: The adjustment relates to sales from Zimplats to the Implats group which at year-end was still in the pipeline.				
<b>Gross margin %</b>	(%)	<b>54.7</b>	<b>41.8</b>	<b>30.9</b>
Other operating costs		(29.5)	(25.3)	(16.6)
Royalty expense		(30.8)	(19.7)	(56.3)
<b>Sales volumes in matte</b>				
Platinum	(000oz)	96.6	90.4	6.9
Palladium	(000oz)	78.5	76.5	2.6
Rhodium	(000oz)	8.5	8.1	4.9
Nickel	(t)	1,687	1,511	11.6
<b>Prices achieved in matte</b>				
Platinum	(\$/oz)	1,058	937	12.9
Palladium	(\$/oz)	303	251	20.7
Rhodium	(\$/oz)	5,008	3,531	41.8
Nickel	(\$/t)	31,204	12,946	141.0
<b>Exchange rate achieved</b>	(R/US\$)	<b>7.19</b>	<b>6.39</b>	<b>12.5</b>
<b>Production</b>				
Tonnes milled ex-mine	(000t)	2,133	2,019	5.7
Platinum in matte	(000oz)	96.5	90.3	6.9
Palladium in matte	(000oz)	78.4	76.5	2.5
Rhodium in matte	(000oz)	8.5	8.1	4.9
Nickel in matte	(t)	1,668	1,510	10.5
PGMs in matte	(000oz)	205.7	195.6	5.2
<b>Total cost</b>		<b>678.7</b>	<b>569.1</b>	<b>(19.3)</b>
per tonne milled	(R/t)	318	282	(12.8)
	(\$/t)	44	44	-
per PGM ounce in matte	(R/oz)	3,299	2,910	(13.4)
	(\$/oz)	459	455	(0.9)
per platinum ounce in matte	(R/oz)	7,033	6,302	(11.6)
	(\$/oz)	978	986	0.8
<b>Capital expenditure</b>	(Rm)	<b>448.7</b>	<b>252.5</b>	<b>(77.7)</b>
	(US\$m)	<b>62.4</b>	<b>39.5</b>	<b>(58.0)</b>





## 2007 ANNUAL REPORT

The conversion from opencast to underground mining continues. The original underground trial mine (portal 2) is now fully operational. As planned, opencast production for the year was down to 1.1Mt and underground production up to 1Mt, a ratio of 51:49 respectively. Closure of the opencast operation is scheduled for the end of FY2008 by which time stockpile of around 500,000t will have been built up that will last until the first half of FY2009, when the tonnes from underground (Phase 1 expansion – see below) are scheduled to come on stream.

The Phase 1 expansion has commenced. This expansion, which will roll out over two years, involves the development of portals 1 and 4 together with the simultaneous construction of a new concentrator, 700 houses and associated infrastructure. The expansion, which is on schedule and on budget, will create 1,200 permanent jobs while 3,000 contractors will be employed during the construction and development period. At portal 1, the box cut is almost complete and the declines are being prepared. Full production from this portal is expected by October 2008. At portal 4, the box cut has also been completed and underground development of the declines has begun. Full production from portal 4 is scheduled for FY2010. Combined full production of 4Mt, to yield 160,000oz of platinum, is expected from both these portals by FY2011.

On completion of Phase 1, total concentrator capacity will be around 4.5Mt. However, smelter capacity will be a constraint. Efforts are being made to optimise the 'mass pull' which effectively eliminates more of the waste from the material being supplied to the smelter, enabling more, higher-grade material to be processed. The trucking of concentrate to South Africa for smelting is also being considered as an option as smelter capacity at Impala Platinum is being increased.

The supply of power poses a risk on the technical side. Zimplats pays for its power in US dollars which has helped to limit interruptions to supply but the company is investigating the possibility of importing its own power directly as well as the construction of a local sub-station at the nearby town of Norton which would be linked to the national grid.

There were savings during the year, especially as a consequence of the increase in lower-cost tonnes mined from underground – opencast tonnes are about twice as expensive to produce. Increases in steel prices worldwide have rendered opencast mining equipment even more costly while fuel prices have remained high. To counter the cost of steel, a cheaper supplier of steel balls has been found in China. The cost of explosive material has also risen. Currently, costs are being driven by the plummeting Zimbabwean exchange rate.

The current socio-economic and political climate in Zimbabwe has had an effect on employees and morale. This in turn has aggravated staff turnover levels, making staff attraction and retention challenging. The expansion, however, has resulted in a gratifying improvement in staff morale and increased excitement among the team.

### Capital expenditure

Work on the \$340 million Phase 1 expansion is progressing and is scheduled for completion in June 2009. Capital expenditure for FY2007 totalled \$62 million of which \$40 million was spent on the Phase 1 expansion project.

In FY2008, planned capital expenditure is budgeted at \$264 million (approximately R2 billion) of which \$185 million is for the Phase 1 expansion. \$24 million is for the proposed sub-station which is being planned so as to safeguard power supplies to the mine.

## Review of operations and investments

## Zimplats

Name	Expansion project
Location	Ngezi, Zimbabwe
Description	The project allows for the development of mining portals 1 and 4 as well as expansion to the concentrator which is under way to increase production to 160,000oz of platinum annually. Includes the construction of 700 houses and associated project infrastructure.
<b>Key information</b>	
Start date	Phase 1: second half of FY2006
Completion date	Phase 1: FY2010
Annual capacity	<ul style="list-style-type: none"> <li>• Increase to 3.8Mt</li> <li>• 160,000 ounces of platinum annually</li> </ul>
Average grade	3.52g/t (3PGE+Au)
Capital expenditure	Phase 1: \$340 million Expenditure to date: \$41 million
Life of mine	Portal 1: 18 years Portal 4: 30 years
Key project milestones achieved in FY2007	Box cuts for both portals 1 and 4 completed and declines at both portals being prepared. Investigations into phase 2 began
Key project milestones planned for FY2008	Completion of portal 1 planned for FY2009 Completion of portal 4 planned for FY2010 Commissioning of concentrator scheduled for FY2010

### Outlook

Investigations are in progress to take production to 300,000oz (6.5Mt) of platinum annually within five years. The results of the feasibility study on Phase 2 are scheduled to be presented to the boards in November 2007.



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## Review of operations and investments

## Mimosa



### Introduction

Mimosa, a 50:50 joint venture with Aquarius, is located on the Wedza Geological Complex, in the southern portion of the Great Dyke, east of Bulawayo, in Zimbabwe. The operation is currently a semi-mechanised, shallow, underground mine, operating at a depth of 204m and accessed by means of a decline shaft. It has a mill and concentrator on surface. There is a life-of-mine offtake agreement with IRS.

### Safety

FY2007 was a sad year for Mimosa with three fatalities during the year. There were no fatalities in FY2006. This unfortunately also coincided with a deterioration in the LTIFR which rose to 1.74 per million manhours from 1.25 the previous year.

The decline can be attributed to some degree to a higher turnover among employees, especially at supervisory level, which resulted in less-than-ideal adherence to safety standards and inappropriate attitudes towards safety. Management has recommitted itself to ensuring the strict enforcement of safety standards and a reversal of this negative trend. More information on safety may be found in the section on Corporate Responsibility on pages 106 and 107 of this report.

### Operational review

Mimosa produced a total of 78,200oz of platinum-in-concentrate for FY2007, an increase of 8.3% on FY2006. Underground production of 1.9Mt exceeded expectations but tonnes milled of 1.7Mt were lower than planned. Grades remained constant at 3.7g/t (3PGE+Au).

Underground production successfully ramped up in line with the \$28.8 million (R207 million) Wedza Phase V expansion project announced in January 2007. The project also entailed an expansion of concentrator capacity to 175,000t milled a month. However, major equipment failures at the concentrator during the third quarter of the year delayed commissioning and contributed in some measure to the build-up in the stockpile.

The mill has now been repaired and all systems are back on track. Record quarterly throughput was achieved in the fourth quarter of the year, helping to make up some of the lost production.

Wedza Phase V is now scheduled for hot commissioning in November 2007 and will be finalised in January 2008. At year-end, the stockpile stood at two months of production.

### Highlights

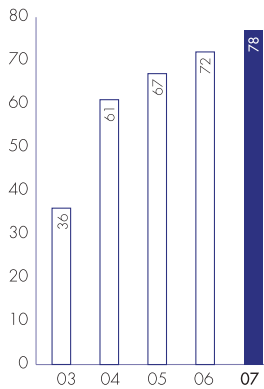
- Production of 78,200oz of platinum-in-concentrate
- Underground production on target
- Setbacks at plant delay commissioning



# Review of operations and investments

Mimosa

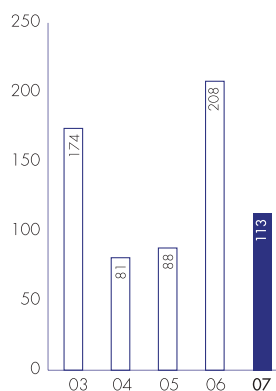
**Mimosa – production of platinum-in-concentrate**  
(000 oz)



**Mimosa – operating cost**  
(R/platinum ounce)



**Mimosa – capital expenditure**  
(R million)



## Mimosa key statistics

		FY2007	FY2006	% change
<b>Sales</b>	(Rm)	1,685.9	872.0	93.3
Platinum		687.2	443.3	55.0
Palladium		144.6	83.2	73.8
Rhodium		210.3	86.8	142.3
Nickel		491.0	179.7	173.2
Other		152.8	79.0	93.4
<b>Cost of sales</b>		(522.9)	(413.8)	(26.4)
Mining operations		(284.8)	(268.6)	(6.0)
Concentrating operations		(79.3)	(62.8)	(26.3)
Treatment charges		(88.4)	(69.3)	(27.6)
Amortisation		(63.8)	(42.0)	(51.9)
(Decrease)/increase in inventory		(6.6)	28.9	(122.8)
<b>Gross profit</b>		1,163.0	458.2	153.8
50% Gross profit attributable to Implats		581.5	229.0	153.9
Inter-company adjustment *		4.8	(57.4)	108
<b>Gross profit in Implats group</b>		586.3	171.6	241.7
* Adjustment note: The adjustment relates to sales from Mimosa to the Implats group which at year-end was still in the pipeline.				
<b>Gross margin</b>	(%)	69.0	52.5	31.3
<b>Other operating costs</b>		(59.2)	(39.2)	(51.0)
<b>Royalty expense</b>		(38.6)	(20.1)	(92.0)
<b>Sales volumes in concentrate</b>				
Platinum	(000oz)	77.3	70.4	9.8
Palladium	(000oz)	58.5	53.2	10.0
Rhodium	(000oz)	6.0	5.4	11.1
Nickel	(t)	2,149	1,960	9.6
<b>Prices achieved in concentrate</b>				
Platinum	(\$/oz)	1,237	986	25.4
Palladium	(\$/oz)	343	245	40.4
Rhodium	(\$/oz)	4,864	2,536	91.8
Nickel	(\$/t)	31,763	14,353	121.3
<b>Exchange rate achieved</b>	(R/US\$)	7.19	6.39	12.6
<b>Production</b>				
Tonnes milled ex-mine	(000 )	1,692	1,532	10.5
Platinum in concentrate	(000oz)	78.2	72.2	8.3
Palladium in concentrate	(000oz)	59.5	54.7	8.8
Rhodium in concentrate	(000oz)	6.1	5.6	8.9
Nickel in concentrate	(t)	2,091	1,958	6.8
PGM in concentrate	(000oz)	163.3	150.5	8.5
<b>Total cost</b>		423.3	370.6	(14.2)
per tonne milled	(R/t)	250	242	(3.3)
	(\$/t)	35	38	7.9
per PGM ounce in concentrate	(R/oz)	2,592	2,462	(5.3)
	(\$/oz)	360	385	6.5
per platinum ounce in concentrate	(R/oz)	5,413	5,133	(5.5)
	(\$/oz)	753	803	6.2
<b>Capital expenditure</b>	(Rm)	113.0	208.4	45.8
	(US\$m)	16	33	51.5

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The supply of power remains a problem, mainly in terms of load shedding. Mimosa continues to interact with ZESA, the national power authority in Zimbabwe, to ensure that power to meet the mill's minimum requirements will be maintained. In addition, the mine is notified as to when load shedding will occur so that the necessary precautions can be taken. Mimosa is currently in negotiations to import power directly from Mozambique.

Year-on-year, costs per tonne milled were 8% lower at \$35.

### Capital expenditure

Capital expenditure for FY2007 totalled \$16 million (R113 million), with by far the largest portion of \$6 million (R43 million) being spent on the Wedza Phase V expansion. An additional \$15 million will be required to complete the processing aspect of Wedza Phase V.

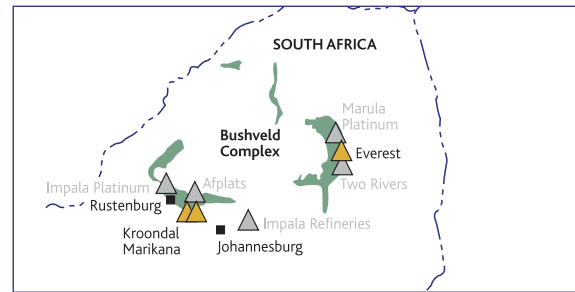
### Outlook

Additional exploratory drilling is to be undertaken at North Hill so as to further delineate the orebody. Mimosa will continue to investigate ways and means of optimising the plant (Wedza Phase VI).





## Aquarius Platinum



### Highlights

- Record production of 267,000oz of platinum in concentrate
- R282 million contribution to Implats
- Remains a strategic holding

### Introduction

Implats' investment in Aquarius is held at two levels:

- an 8.6% stake in Aquarius, now the world's fourth largest PGM producer with output of some 450,000oz annually. At 30 June 2007, Implats' share of the market capitalisation was R1.5 billion.
- a stake of 20% in AQPSA, which owns and manages Aquarius' assets on the Bushveld Complex, namely Kroondal, Marikana and Everest. Kroondal and Marikana are subject to pool and share agreements (P&SA) with Anglo Platinum. IRS has offtake agreements with Everest, Kroondal (expires during FY2008) and Marikana.

### Operating and financial review

AQPSA continues to make healthy contributions to Implats' earnings. Net profits from AQPSA amounted to R282 million in the reporting year, compared with R114 million in FY2006. The sustained strength in metal prices contributed to further increases in the gross margin, to 61%, compared with 44% the previous year.

Overall production at AQPSA rose to 267,000oz of platinum-in-concentrate (450,000oz of 3PGM+Au) in FY2007, reflecting the improved operational performance at Marikana and the continued ramping up of production levels at Everest.

### Kroondal (50%)

Production at the expanded Kroondal operation reached a steady-state level of 132,000oz of platinum in concentrate in FY2007 (220,000oz of 3PGM+Au), with the new K5 shaft ramping up to replace opencast production. The focus at Kroondal remains



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to improve development to ensure adequate mining face availability to compensate for areas affected by geological disturbances.

### Marikana (50%)

Operational difficulties at Marikana have largely been overcome, and Marikana produced 40,000 platinum ounces in concentrate (66,000oz 3PGM+Au), an increase of 53% on the previous year. No 4 shaft, which forms part of the second pool and share agreement, is currently in ramp-up phase. At the opencast operation, replanning and rescheduling at the beginning of the second half of the financial year contributed to increased production. The dense media separation plant was successfully commissioned in November 2006 thus enabling the increased underground volumes mined to be processed.

### Everest (100%)

The newest operation in the AQPSA stable, Everest, produced creditable results. The ramp-up is continuing and the operation will reach full production during FY2008. 94,000oz of platinum in concentrate (164,000oz of 3PGM+Au in concentrate) were produced in the year (FY2006: 56,000oz) reflecting the higher tonnage milled (2.4Mt), some 75% of which was from increased underground production. At the metallurgical operation, work to improve recoveries continues and a flotation process control system has been commissioned.

### Outlook

AQPSA will continue its build-up in production to 530,000oz of PGMs in concentrate in FY2008, thus maintaining a positive contribution to Implats' earnings.



## Review of operations and investments

## Impala Refining Services

### Highlights

- Refined production of 971,000oz of platinum, 2Moz of PGMs
- Gross profit of R1.8 billion, double that of FY2006
- Contracts concluded with Leeuwkop and Ridge Mining
- Impala's investment in additional smelting and refining capacity continues to open up opportunities for growth

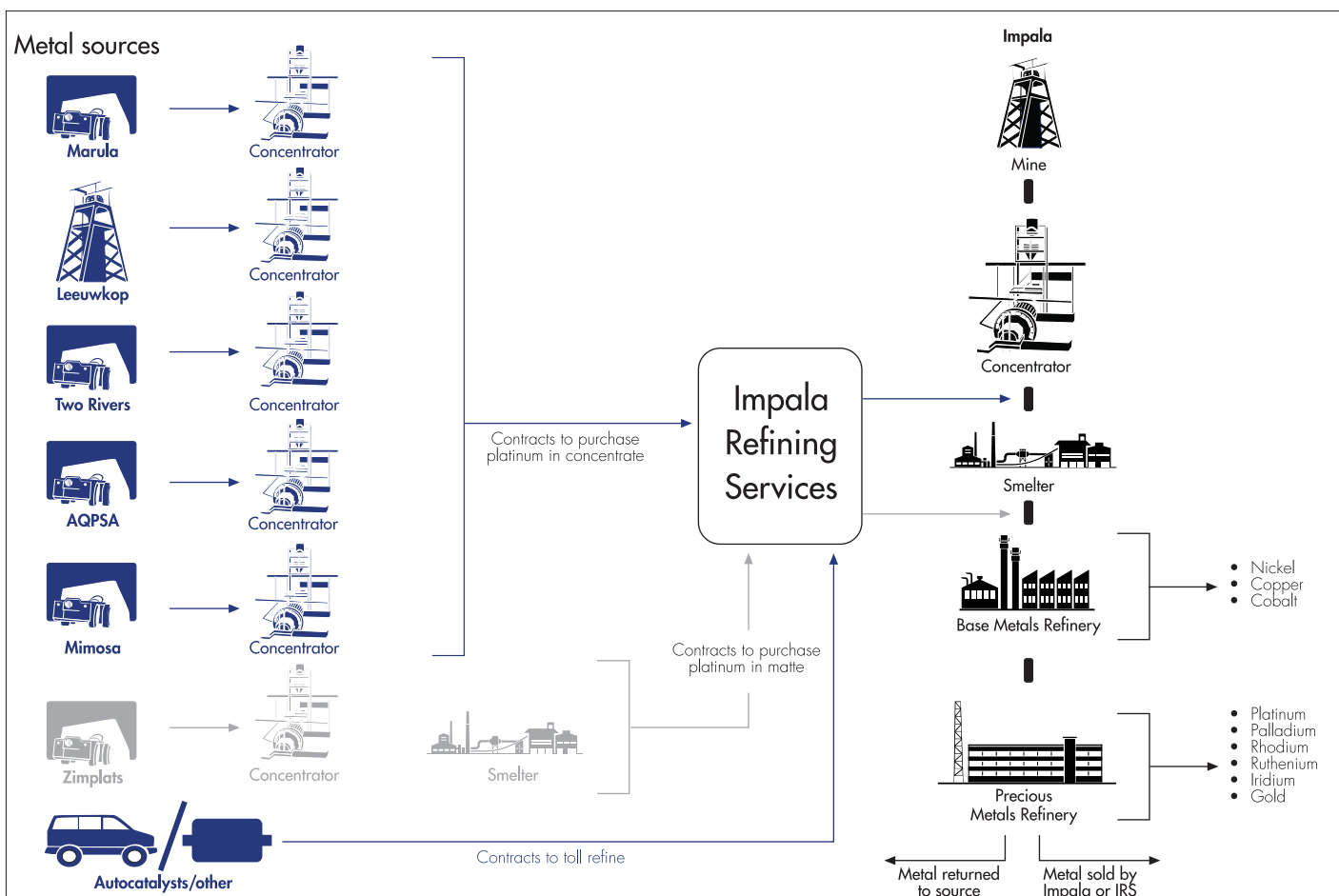
Impala's refining capacity is used to smelt and refine the concentrate and matte produced at the group's other mine-to-market operations, material purchased from other companies as well as toll-refining on behalf of other companies. In the case of the former two business streams, Implats acquires the PGM-bearing material and markets the final product, while in the case of the latter, the final product is returned to the company from which it was acquired.

### Performance

FY2007 was another record year in both operating and financial terms for IRS. Refined platinum production rose by 35% to 971,000oz of platinum (2Moz of PGMs). This increase was attributable in part to the continued ramp-up in production at Marula, Two Rivers, AQPSA's Everest mine, increased production from Crocodile River Mine, and favourable contributions from Implats' partner, A1 Specialised Services and Supplies Inc., with the ongoing supply of spent autocatalyst material for recycling, and from fellow producer Lonmin, which delivered material during that company's recent smelter shutdown.

Gross profit increased by 102% from R885 million in FY2006 to R1.79 billion in FY2007 as a result of both the significant increase in production and the continued rise in PGM prices. Operating margins remained under pressure and, despite the record earnings, declined from 14.2% to 13.1% as a result of the greater volume of refined production from metal purchase contracts.

### IRS – schematic of metals flow





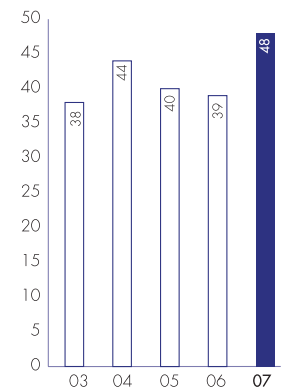
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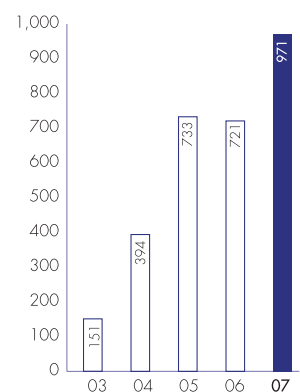
### IRS key statistics

		FY2007	FY2006	% change
<b>Sales</b>	(Rm)	13,649.3	6,221.6	119.4
Platinum		5,863.0	3,319.6	76.6
Palladium		1,050.7	556.5	88.8
Rhodium		3,530.5	1,350.0	161.5
Nickel		2,056.5	578.8	255.3
Other		1,148.6	416.7	175.6
<b>Cost of sales</b>		(11,862.1)	(5,336.5)	(122.3)
Metals purchased		(12,683.3)	(6,137.7)	(106.6)
Smelting and refining costs		(322.9)	(238.6)	(35.3)
Increase in inventories		1,144.1	1,039.8	10.0
<b>Gross profit</b>		1,787.2	885.1	101.9
Gross margin	(%)	13.1	14.2	(7.7)
Other operating costs		(34.2)	(13.1)	(161.1)
<b>Sales</b>		13,649.3	6,221.6	119.4
Direct sales to customers		1,050.6	384.7	173.1
Sales to Impala		12,226.0	5,662.5	115.9
Toll income		372.7	174.4	113.7
<b>Total sales volume</b>				
Platinum	(000oz)	686.9	527.1	30.3
Palladium	(000oz)	439.2	335.7	30.8
Rhodium	(000oz)	94.6	71.2	32.9
Nickel	(000t)	8.3	6.1	36.1
<b>Prices achieved</b>				
Platinum	(\$/oz)	1,189	987	20.5
Palladium	(\$/oz)	333	260	28.1
Rhodium	(\$/oz)	5,201	2,975	74.8
Nickel	(\$/t)	34,642	14,986	131.2
<b>Exchange rate achieved</b>	(R/\$)	7.18	6.37	12.7
<b>Refined production</b>				
Platinum	(000oz)	970.9	721.0	34.7
Palladium	(000oz)	641.6	496.5	29.2
Rhodium	(000oz)	144.4	113.2	27.6
Nickel	(000t)	9.2	7.7	19.5
Total PGM	(000oz)	1,985.9	1,487.1	33.5
<b>Metal returned</b>				
Platinum	(000oz)	261.9	246.3	6.3
Palladium	(000oz)	190.5	189.9	0.3
Rhodium	(000oz)	46.5	41.5	12.0
Nickel	(000t)	0.9	2.2	(59.1)

### IRS – contribution to group platinum production (%)



### IRS – platinum production (000 oz)





## Review of operations and investments

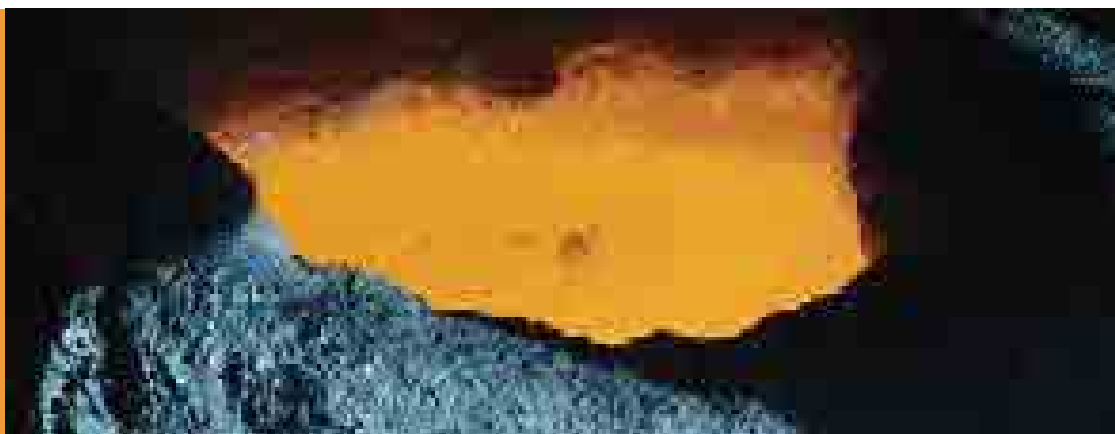
## Impala Refining Services

Refined platinum production			
000oz	FY2007	FY2006	% change
Marula	61.3	37.0	65.7
Two Rivers	67.8	–	–
Zimplats	91.1	89.0	2.4
Mimosa	68.9	66.4	3.8
AQPSA	281.3	214.9	30.9
Lonplats	162.0	22.2	613.7
Other	238.5	291.5	(18.1)
Total	970.9	721.0	34.7

### Outlook

A continued increase in mine-to-market production is expected in FY2008, particularly from Everest, Marula and Two Rivers, as well as from an anticipated rise in volumes from autocatalyst recycling in line with improved market collection efficiencies of spent autocatalysts prompted by higher metal prices. In addition, the conclusion of life-of-mine offtake agreements with Leeuwkop and Ridge Mining will bolster production from about 2009 and 2010 respectively. Metal deliveries from AQPSA's Kroondal mine will cease during FY2008 as the contractual agreement with Implats will have been completed.

Discussions with a number of junior players in the industry are continuing with a view to securing additional long-term contracts – in particular those with a limited mine life for whom extensive capital investment in processing capacity could not be easily justified. Implats is confident that the services it offers in terms of smelting and refining will remain much in demand and that with continued investment in its facilities, economies of scale and certainty of contract delivery, it will continue to serve the interests of new entrants.



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## Mineral Resources and Mineral Reserves

### Introduction

The Mineral Resources and Mineral Reserves of the Implats group reflect and support the growth opportunities of the company which is intent on delivering 2.3Moz of platinum by 2010, 2.5Moz by 2012 and striving for 2.8Moz thereafter. The group accordingly remains committed to the following:

- Growth of the Mineral Resource base by leveraging and optimising current assets, exploration and acquisitions; including alliances and equity interests with third parties.
- Continuous improvement in the management of Mineral Resources, processes and related systems.
- Addressing skills development and retention.
- Full commitment to the legislative regime that governs mineral rights ownership.
- Transparent disclosure of Mineral Resources and Mineral Reserves aligned with the prescribed codes, SAMREC and JORC.

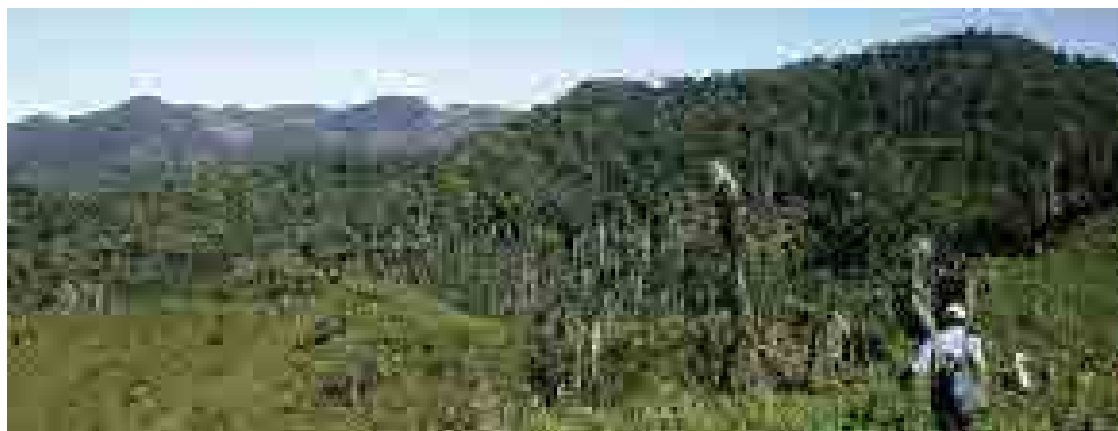
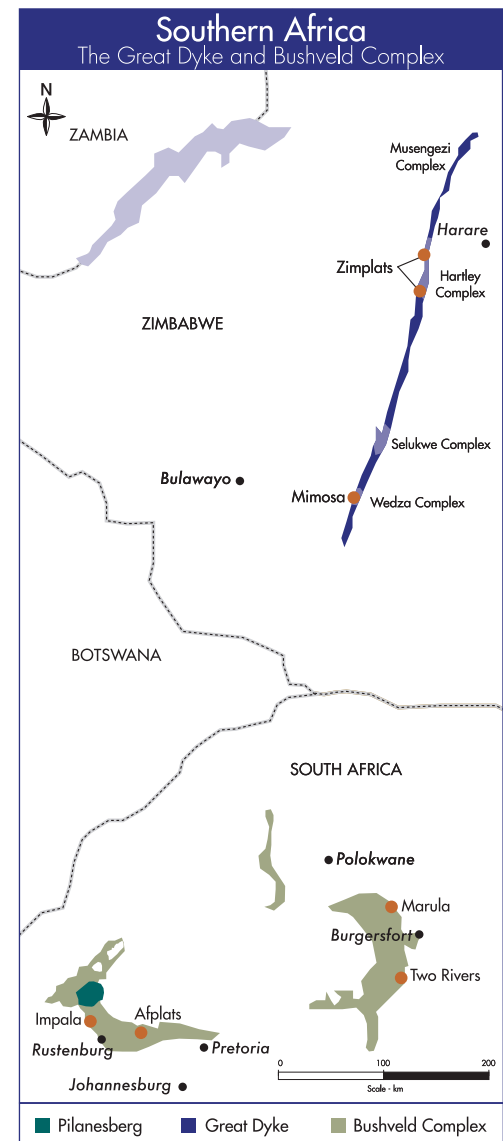
### Salient highlights 2007

The major factors having an impact on Implats' Mineral Resources and Mineral Reserves as at 30 June 2007 relative to the previous reporting period include the following:

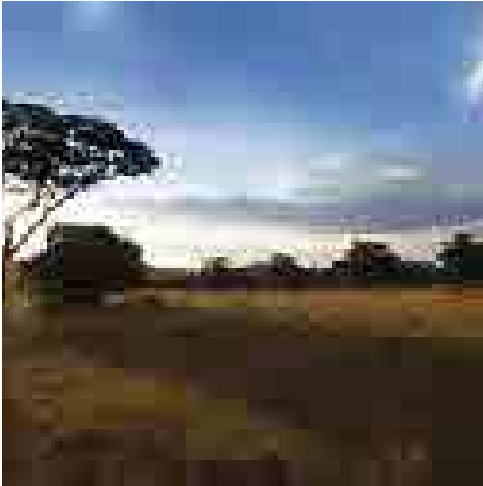
- The execution of several new order prospecting rights in favour of Implats and its subsidiaries.
- The acquisition of Afplats' Leeuwkop property and adjacent prospecting areas.
- As at 30 June 2007, attributable Mineral Resource inventory of Implats comprised an estimated 187Moz platinum.
- Board approval of the Mimosa Phase V expansion.
- Good progress with feasibility studies for the Marula Merensky project and Impala 17 shaft; both are due to be presented to the Implats board for approval in November 2007.

### Geological settings

The mining operations of Implats and its associated companies exploit platinumiferous horizons within the two largest known deposits of platinum group minerals in the world, namely the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe. Mining mostly takes place as underground operations focusing on relatively narrow mineralised channels with the specific mining methods adapted to suit the local geology and morphology of the mineralised horizon.



## Mineral Resources and Mineral Reserves



### The Bushveld Complex

The Bushveld Complex is an extremely large, 2-billion-year-old saucer-shaped layered igneous intrusion occurring in the northern part of the country within the boundaries of South Africa.

The complex comprises an array of diverse igneous rocks ranging in composition from ultramafic to felsic. It is generally understood that the Bushveld Complex was formed by the repeated injection of magma into an enormous chamber. Due to the huge volumes of magma involved, cooling and subsequent mineral crystallisation out of the magma was a slow process. Different minerals were formed as the magma cooled. These minerals accumulated into sub-horizontal layers, building from the base of the chamber. These processes were repeated by the intermittent replenishment and addition of existing and new magma as the case may be, thus producing a repetition of the mineral layering.

Some individual layers or groups of layers can be traced for hundreds of kilometres. This layered sequence, the Rustenburg Layered Suite, comprises five principal zones, the Marginal, Lower, Critical, Main and Upper Zones. The Bushveld Complex, dipping in general to the centre of the complex, is, horizontally, roughly clover-leaf shaped, consisting of four compartments or limbs, the western, eastern, northern and southern limbs, in order of economic importance.

The Bushveld Complex is unique both in its size, covering an aerial extent of some 66,000km<sup>2</sup> and in the economic importance of its minerals. Contained within the well-layered ultramafic to mafic succession are two horizons in the Critical Zone which host economically exploitable quantities of PGMs, namely the Merensky Reef and the underlying UG2 Reef. These two economic horizons can be traced for hundreds of kilometres around the complex and are the focus of Implats' operations from which the PGMs – platinum, palladium, rhodium, ruthenium and iridium – are recovered, together with quantities of gold, nickel, copper and numerous other metals and compounds.

The Merensky Reef is generally composed of an upper feldspathic pyroxenite, overlying a thin basal chromitite stringer, followed by an anorthosite to norite footwall and with mineralisation decreasing from the basal chromitite stringer into the hangingwall and footwall. The UG2 Reef is defined as a main chromitite layer, with most of the mineralisation contained within this unit, followed by a poorly mineralised pegmatoidal pyroxenite footwall. Below the UG2 Reef are numerous other chromitite layers that are mined for chromium, as their PGM content is too low.

Implats' operations on the Bushveld Complex comprise Impala Rustenburg, located north of Rustenburg in North West Province, and Marula, situated north-west of Burgersfort in the province of Limpopo. The Two Rivers mine, a joint venture between Implats and ARM, is located south-west of Burgersfort in the province of Mpumalanga. The Leeuwkop project and contiguous prospecting areas of Afplats are situated west of Brits, also in North West Province.

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### The Great Dyke

The Great Dyke is a 2.5-billion-year-old highly elongated layered igneous intrusion occurring in the centre of Zimbabwe. It bisects the country in a north-north-east trending direction and comprises an array of igneous rocks ranging in composition from ultramafic to mafic. The Great Dyke is a layered complex similar to that of the Bushveld Complex. The Dyke is divided vertically into three major successions, a lower mafic sequence consisting mainly of steeply-dipping, fine-grained rocks of variable composition, including pyroxenites and norites, an overlying ultramafic sequence, dominated from the base upwards by cyclic repetitions of dunite, harzburgite and bronzitite, and an upper mafic sequence consisting mainly of gabbro and gabbro-norite. It is V- to Y-shaped in section, with the layering dipping from the sides of the Dyke towards the axis of the intrusion near the margins and flattening out near the centre to form a flat-lying floor. Much of the mafic sequence has been removed by erosion. Contained within the ultramafic sequence is the P1 pyroxenite, directly below the mafic-ultramafic contact, which in turn hosts economically exploitable quantities of PGMs in the Main Sulphide Zone (MSZ), which is generally 10m to 50m from the top of the ultramafic sequence. Disseminated sulphides with anomalous base metals, but a low PGM content are also present locally at the mafic-ultramafic contact. The Dyke developed as a series of initially discrete magma chambers or compartments, which joined up as the chambers filled. The chambers coalesced below the MSZ and before erosion, the MSZ would have been continuous along the length of the Dyke. In its present plane of erosion, the Great Dyke is longitudinally subdivided into a series of narrow contiguous layered complexes or chambers, namely a northern chamber consisting of the Musengezi, Darwendale and Sebakwe sub-chambers; and a southern chamber consisting of the Selukwe and Wedza sub-chambers. The Darwendale and Sebakwe sub-chambers are known as the Hartley Complex. The Dyke is highly elongated, slightly sinuous, 550km long, with a maximum width of 11km.

The MSZ is a lithologically continuous layer that is typically between 2m and 3m thick that forms an elongated basin. It generally contains iron-nickel-copper sulphides, while elevated PGM concentrations occur towards its base. Peak values for the PGMs and base metals are commonly offset, while the ratio between platinum and palladium also varies vertically. In contrast to the Bushveld Complex, it is often difficult to identify mineralisation visually. Below the MSZ are several chromitite layers that are mined for chromium, as their PGM content is too low.





## Mineral Resources and Mineral Reserves



### Regulatory compliance

The reporting of Mineral Resources and Mineral Reserves for Implats' South African operations is done in accordance with the principles and guidelines of the South African Code for Reporting of Mineral Resources and Mineral Reserves (SAMREC Code). SAMREC was established in 1998 and modelled its code on the Australian Code for reporting of Mineral Resources and Ore Reserves (JORC Code). The first version of the SAMREC Code was issued in March 2000 and adopted by the JSE Limited (JSE) in its Listings Requirements later in the same year; this was similarly the basis for the JSE Ongoing Reporting Requirements which were promulgated in 2005. Since 2004, the SAMREC Code has been under review and an updated "SAMREC 2007" was promulgated by the Southern African Institute of Mining and Metallurgy (SAIMM) and the Geological Society of South Africa (GSSA) in June 2007. It is expected that the JSE will incorporate the new version during the second semester of 2007. Until the JSE has accepted the new version, Implats will still refer to the code dated March 2000, however cognisance is being taken of the update.

Zimplats, as an Australian Securities Stock Exchange listed company, reports its Mineral Resources and Ore Reserves in accordance with the JORC Code. Mimosa Investments Limited, a Mauritius-based company, does not fall under any regulatory reporting code but has adopted the JORC Code for its reporting.

The definitions contained in the SAMREC Code are either identical to, or not materially different from, international definitions. The international definitions for the Mineral Resource and sub-categories for Indicated and Measured Mineral Resources, and the definitions for Mineral Reserve and sub-categories for Probable and Proved Mineral Reserves, are the same as those found in the SAMREC Code.

**Mineral Resource:** A 'Mineral Resource' is a concentration (or occurrence) of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well constrained and portrayed geological model. Mineral Resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into inferred, indicated and measured categories.

**Inferred Mineral Resource:** An 'inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability.

**Indicated Mineral Resource:** An 'indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

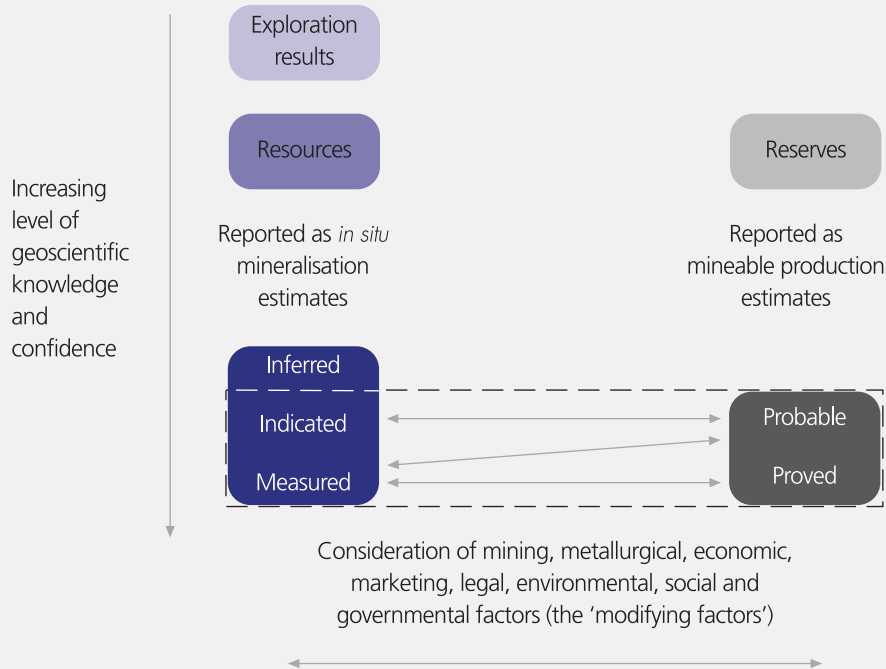
**Measured Mineral Resource:** A 'measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

**Mineral Reserve:** A 'Mineral Reserve' is the economically mineable material derived from a measured and/or indicated Mineral Resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified. Mineral Reserves are sub-divided in order of increasing confidence into probable Mineral Reserves and proved Mineral Reserves.

**Probable Mineral Reserve:** A 'probable Mineral Reserve' is the economically mineable material derived from a measured and/or indicated Mineral Resource. It is estimated with a lower level of confidence than a proved Mineral Reserve. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

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**Proved Mineral Reserve:** A 'proved Mineral Reserve' is the economically mineable material derived from a measured Mineral Resource. It is estimated with a high level of confidence. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, including consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified.

Various Competent Persons, as defined by the SAMREC and JORC codes, have contributed to the summary Mineral Reserve and Mineral Resource figures quoted in this report. As such these statements reflect the estimates as compiled by teams of professional practitioners from the various operations, shafts and projects. These were reviewed and signed off by the Implats' signatory below:

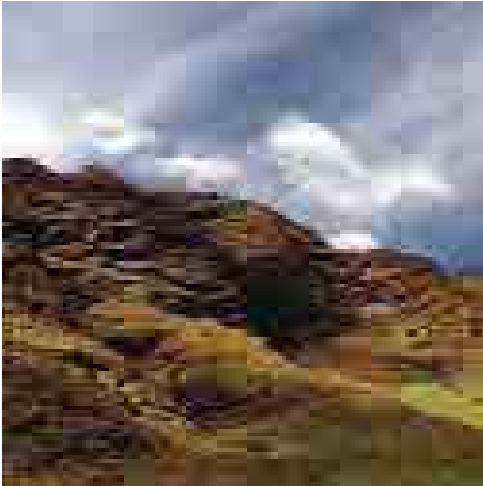
JJ Vermaak  
Pr.Sci.Nat. Registration No. 400015/88  
(Consulting Geologist, Impala Platinum)

The Competent Person has 21 years' experience in the evaluation and exploitation of PGM-bearing deposits.

#### Additional compliance:

- the Competent Person for the Two Rivers' Mineral Resources and Mineral Reserves is Mr PJ van der Merwe, full-time employee of ARM;
- the Competent Persons for Zimplats are Messrs A du Toit, A Simbanegavi and S Simango, full-time employees of Zimplats;
- the Competent Person for Mimosa is Mr D Mapundu, full-time employee of Mimosa;
- AQPSA uses a number of Competent Persons. Implats has not verified the AQPSA Mineral Resource and Mineral Reserve estimates in detail, as AQPSA is not a subsidiary of Implats;
- Implats has obtained written consent from ARM and AQPSA that the information disclosed pertaining to their Mineral Resources and Mineral Reserves is compliant with the SAMREC Code and can be published in this form;
- Implats has legal entitlement to the mining of minerals being reported upon without any known impediments;
- Reporting of the Mineral Resources is quoted inclusive of Mineral Reserves. A tabulation is also provided to illustrate the proportion of Mineral Resources that has not been converted to Mineral Reserves. For clarity, note that inclusive reporting implies that Mineral Reserves are included in Mineral Resources, whereas exclusive reporting means that Mineral Reserves are not included in Mineral Resources.

## Mineral Resources and Mineral Reserves



### Mineral rights status

The Mineral and Petroleum Resources Development Act, No 28 of 2002 (MPRDA), came into effect on 1 May 2004 in South Africa. The MPRDA, its associated Broad-Based Socio-Economic Empowerment Charter for the Mining Industry and its attendant Scorecard, play a significant role in the transformation of the South African mining industry. The act effectively transferred ownership of privately held mineral rights to the state to enable any third party to apply to the DME for new order prospecting rights or mining rights over these previously privately held minerals. In order to promote security of tenure and to secure existing prospecting and mining rights, affected entities were given five years to submit applications for the conversion of old order mining licences to new order mining rights (by 30 April 2009). Up to two years were granted for the conversion of old order prospecting permits to new order prospecting rights (by 30 April 2006). Furthermore, in respect of unused old order rights, the MPRDA granted to the holder of such a right a one-year exclusive right to apply for a new order prospecting or mining right. Implats has embraced the principles of transformation as a strategic imperative to reinforce its position as a leading southern African company, making the best possible use of available Mineral Resources. To this effect, applications have been lodged with the DME for the conversion of all old order mining licences and old order prospecting permits, as well as for the granting of new order prospecting rights in respect of unused old order rights at Implats' South African operations. New order prospecting right applications have also been lodged in respect of previously privately held minerals.

The approval process for converting the existing four old order mining licences at Impala and the two old order mining licences at Marula is still pending. Both Impala and Marula are in continual discussions with the DME in order to satisfy the approval requirements, and specifically regarding the relevant social and labour plans and BEE requirements. As detailed elsewhere in this document, the RBH transaction in respect of Impala as well as the Marula BEE transaction were completed during FY2007, which should fulfil the legislative BEE requirements for conversion at the said operations.

At Afplats, an application for a new order mining right has been submitted to the DME following the completion of all the necessary statutory requirements, including a social and labour plan, for the Leeuwkop project. Approval of the Leeuwkop mining right is dependent on the Shareholders' Agreement with the Bakwena Ba-Mogopa traditional community becoming unconditional. Two Rivers submitted its application for conversion of its old order mining licence to a new order mining right in July 2007, together with the requisite social and labour plan. Discussions in this regard are ongoing with the DME.

By year-end significant progress had been made with the conversion of old order prospecting rights and the applications for new order prospecting rights.

At Impala Rustenburg, all old order prospecting rights have now been converted to new order prospecting rights. New order prospecting rights were awarded over some 3,788ha on portions of the farms Doornspruit and Roodekraalspruit, as well as the farms Diepkuil and Klipgatkop, situated down-dip of the present Impala mining lease boundary. These rights are being vended into a joint venture with Royal Bafokeng Resources Platinum (Pty) Ltd; in total some seven new order prospecting rights were granted in the Rustenburg area during FY2007.

Pending the approval of the Leeuwkop mining right application, Afplats' conversion of its old order prospecting permit over Leeuwkop to a new order prospecting right was granted in FY2007. A new order prospecting right was granted near year-end on certain portions of the farms Kareepoort and Wolwekraal, which are contiguous to Leeuwkop. New order prospecting rights were earlier awarded on the so-called Imbasa-Inkosi extension area,



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which essentially comprises several portions of the farm Hartebeestpoort B. These are held through Afplats' subsidiaries in partnership with BEE entities. Discussions are ongoing to collapse these agreements into a single arrangement whereby the envisaged share of Afplats should result in a 53% interest.

At Marula, the new order prospecting right covering a portion of the farm Hackney was also issued during the past financial year. New order prospecting rights were also granted during FY2007 for the Paradys project, while the new order prospecting right for the Tamboti project (including portions on the farms Tweefontein, Kalkfontein and the farm Buffelshoek) was awarded towards the end of the previous reporting period. As at 30 June 2007, the only outstanding new order prospecting rights relate to areas not previously held by Implats.

While fully permitted mining tenements are not specified by SAMREC as a prerequisite for converting Mineral Resources to Mineral Reserves, Implats is cognisant that a reasonable expectation must exist that such mining rights will be obtained. Implats remains committed to South African legislative requirements to convert present old order mining rights to new order rights; such commitments are demonstrated elsewhere in this report. Implats does not modify Mineral Resources underlain by old order prospecting rights into the Mineral Reserve category. As at 30 June 2007, the new order mining right for the Afplats Leeuwkop project had not been issued. Implats remains confident that this will be awarded in due course and has opted to publish Mineral Reserves pertaining to the project. A small proportion of Mineral Reserves at Impala are underlain by new order prospecting rights.

The situation remains unchanged regarding indigenisation in Zimbabwe; the proposed bill has been tabled but it is not clear when it will be passed into law. Although this legislation is yet to be finalised, the agreement signed with the Zimbabwean government by Zimplats towards the end of FY2006 was significant. In terms of this agreement, a portion of land was released to the Zimbabwean government in exchange for a combination of cash and empowerment credits and a guarantee that all remaining land claims retained for long-term expansion be incorporated into the special mining leases that apply to Zimplats' current operations; the extension of special mining lease 1 and mining lease 27 were duly executed. This gave Zimplats the confidence to proceed with its expansion. The final empowerment shareholdings in Zimplats in terms of this agreement are still to be determined and several options are being considered.





## Mineral Resources and Mineral Reserves



### Auditing in 2007

Two independent audits were conducted during the past year in line with the Implats' practice of conducting external reviews of its Mineral Resources and Mineral Reserves every three years:

- Impala: The Mineral Corporation has conducted a detailed review and audit of the codes of practice and methodologies employed to evaluate and estimate Mineral Resources and Mineral Reserves for Impala. Impala was informed that by and large the present codes of practice and methodologies as applied by Impala have resulted in Mineral Resource and Mineral Reserve estimates being representative of the orebodies and mine plans, and statements therefore comply with the SAMREC Code. The Mineral Corporation identified a number of areas where current practices could be improved upon; the more significant issues related to sampling frequencies and exposure to the skills shortages. There is also a need to review Mineral Resource classification principles and methodologies for certain project areas. Impala is committed to addressing these areas of concern.
- Mimosa: SRK Consulting (Harare) completed an independent audit of the Mineral Resource and Ore Reserve evaluation and estimation at Mimosa. The company was informed that SRK did not find any material shortcomings in the process that Mimosa employs to evaluate and report its Mineral Resources and Ore Reserves.

### Pertinent assessment and reporting criteria

The following key assumptions and parameters, unless otherwise stated, were used in the compilation of the estimates in this declaration:

- Mineral Resource tonnage and grades are estimated *in situ*. The Mineral Resources for the Merensky Reef are estimated at a minimum mining width and may include mineralisation below the selected cut-off grade. Mineral Resource estimates for the UG2 Reef reflect channel widths only and do not include any dilution. The Mineral Resource estimates for the Main Sulphide Zone are based on optimal mining widths.
- Mineral Resources are reported inclusive of Mineral Reserves, unless otherwise stated.
- Mineral Resources are stated exclusive of estimated geological losses. At Impala and Zimplats, Mineral Resources are reported exclusive of estimated support and stability pillars due to the intricate relationship with geological losses.
- Mineral Reserve estimates include allowances for mining dilution and are reported as tonnage and grade delivered to the mill.
- Rounding-off of figures in the accompanying summary estimates may result in minor computational discrepancies; where this occurs it is not deemed significant.
- All references to tonnage are to the metric unit.
- All references to ounces (oz) are troy with the factor used being 31.10348 metric grams per ounce.
- The Mineral Resources and Mineral Reserves reported for the individual operations and projects are reflected as the total estimate. The corresponding estimates relating to attributable Mineral Resources and Mineral Reserves are only given as a combined summary tabulation where specifically stated as such.
- Mineral Reserves are that portion of the Mineral Resource which technical and economic studies have demonstrated can justify extraction at the time of disclosure. Historically, Implats has only converted Mineral Resources to Mineral Reserves on completion of a full feasibility study. The exception to this has been at Zimplats where the basis of a pre-feasibility study was applied, as permitted by the JORC Code. Implats will review this practice in line with the SAMREC 2007 clarification that only

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a pre-feasibility study is required for such conversions. The current ratio of Mineral Resources to Mineral Reserves is 23%. Approximately 50% of the total Mineral Resource is contained in the Inferred Mineral Resource category. Given Implats' growth strategy, the objective is to improve this ratio in forthcoming years.

- The term Ore Reserve is the same as that applied for Mineral Reserve.
- Implats uses a discounted cash flow model that embodies economic, financial and production statistics in the valuation of mineral assets. Forecasts of key inputs are:
  - relative rates of inflation in South Africa and the United States;
  - rand/dollar exchange rate;
  - capital expenditure;
  - operating expenditure;
  - production profile; and
  - metal recoveries.

The outputs are net present value, internal rate of return, annual free cash flow, project payback period and funding requirements.

Metal price and exchange rate forecasts are regularly updated by the marketing department of Implats. As at 30 June 2007, a real long-term forecast for revenue per platinum ounce sold of R11,085 was used.

### Key year-on-year changes in Mineral Resource and Mineral Reserve estimates and reporting

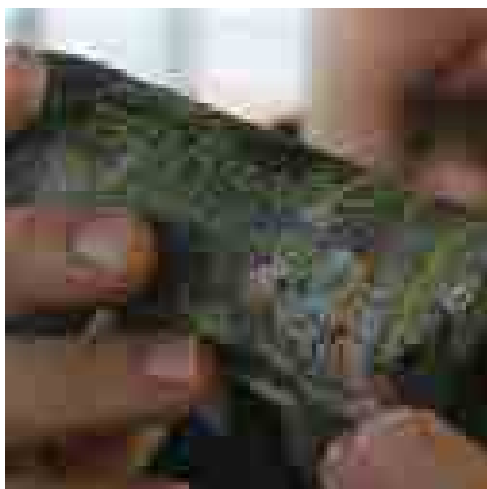
Material and significant issues affecting the Mineral Resource and Mineral Reserve estimates and reporting as at 30 June 2007, relative to the previous reporting period, include the following:

- The acquisition of Afplats which boosted the overall inventory.
- Consistent reporting of Mineral Resources inclusive of Mineral Reserves in FY2007.
- Standardisation of reporting of metal content in terms of 3PGE+Au (g/t) in FY2007. This refers to the sum of platinum, palladium, rhodium and gold grades.
- Reporting of attributable Mineral Resources and Mineral Reserves based on equity ownership as opposed to the previous mine-to-market basis.
- A revision and update of the Mineral Resource and Mineral Reserve categories in selected areas, aligned with recommendations from third-party audits.
- Specific changes relating to the estimates are clarified under each sub-section per operation.





## Mineral Resources and Mineral Reserves



### Reconciliation

A high level reconciliation of the total Mineral Resources and Mineral Reserves for the Implats group of companies is shown below. Details of the variances in addition to those as a result of depletions are explained in the sub-sections by operation. Rounding-off of numbers may result in computational discrepancies, specifically in these high level comparisons.

Total Mineral Resources tonnage (million) – inclusive of Mineral Reserves			
	FY2006	FY2007	Variance
Impala	549	532	(17)
Marula	104	110	5
Afplats	–	351	351
Two Rivers	82	89	7
Zimplats	1,567	1,563	(4)
Mimosa	128	137	8
<b>Total</b>	<b>2,430</b>	<b>2,780</b>	<b>350</b>

The main factors affecting the variances, other than depletions, are:

- At Impala, the approval of the new order prospecting rights relating to the joint venture with Royal Bafokeng Resources has facilitated an initial conceptual definition of potential future shaft blocks. In light of this review, a portion of the Inferred Mineral Resource in the northern extremity of the old order mining right area has now been excluded.
- The factors assigned to estimated geological losses for the Merensky Reef at Marula have been revised; this resulted in a positive variance.
- At Two Rivers, the Inferred Mineral Resource for the UG2 Reef was expanded by the inclusion of the so-called southern-eastern fault block.
- The MSZ widths at Mimosa have been adjusted since the previous estimates.

Total Mineral Resources platinum ounces (million) – inclusive of Mineral Reserves				
	FY2006	Depletion – mined	Growth and changes	FY2007
Impala	74.3	(1.4)	(1.5)	71.4
Marula	11.4	(0.1)	0.3	11.6
Afplats	–	–	32.5	32.5
Two Rivers	5.5	(0.1)	0.7	6.1
Zimplats	88.9	(0.1)	–	88.7
Mimosa	8.2	(0.1)	0.1	8.2
<b>Total</b>	<b>188.3</b>	<b>(1.9)</b>	<b>32.1</b>	<b>218.5</b>

**Notes:** No calculation for attributable Mineral Resources included.

Depletion ounces were adjusted by global concentrator and mine call factors.

Potential impact of pillar losses was taken into account.

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The year-on-year comparisons for the Mineral Reserve estimates are summarised below, both as tonnage and platinum ounce estimates.

### Total Mineral Reserves tonnage (millions)

	FY2006	Depletion – mined	Growth and changes	FY2007
Impala	264	(16.4)	8.8	256
Marula	41	(1.5)	–	40
Afplats	–	–	49.3	49
Two Rivers	40	(2.0)	2.3	41
Zimplats	254	(2.1)	(10.7)	242
Mimosa	34	(1.7)	4.2	36
<b>Total</b>	<b>633</b>	<b>(23.6)</b>	<b>53.8</b>	<b>663</b>

**Notes:** No calculation for attributable Mineral Reserves included.

The main considerations impacting on the year-on-year comparisons other than depletions include:

- Additional UG2 Mineral Resources at Impala converted to the Mineral Reserve category.
- Additional footwall over break allowance in the Mineral Reserve estimate at Two Rivers.
- The revision of the Ore Reserve estimate for portal 5 at Zimplats, which resulted in a material portion of the previous Ore Reserve estimate reverting back to the Mineral Resource category based on the amenability to mechanised mining.

### Total Mineral Reserves platinum ounces (millions)

	FY2006	Depletion – mined	Growth and changes	FY2007
Impala	21.6	(1.3)	0.5	20.8
Marula	2.6	(0.1)	–	2.5
Afplats	–	–	3.6	3.6
Two Rivers	2.4	(0.1)	0.2	2.5
Zimplats	13.5	(0.1)	(0.5)	12.9
Mimosa	1.9	(0.1)	0.2	2.0
<b>Total</b>	<b>42.0</b>	<b>(1.7)</b>	<b>3.9</b>	<b>44.3</b>

**Notes:** No calculation for attributable Mineral Reserves included.

Depletion ounces were adjusted by global concentrator factors.

The above high-level reconciliations reflect both stability and growth opportunities for Implats and its subsidiaries.



## Mineral Resources and Mineral Reserves



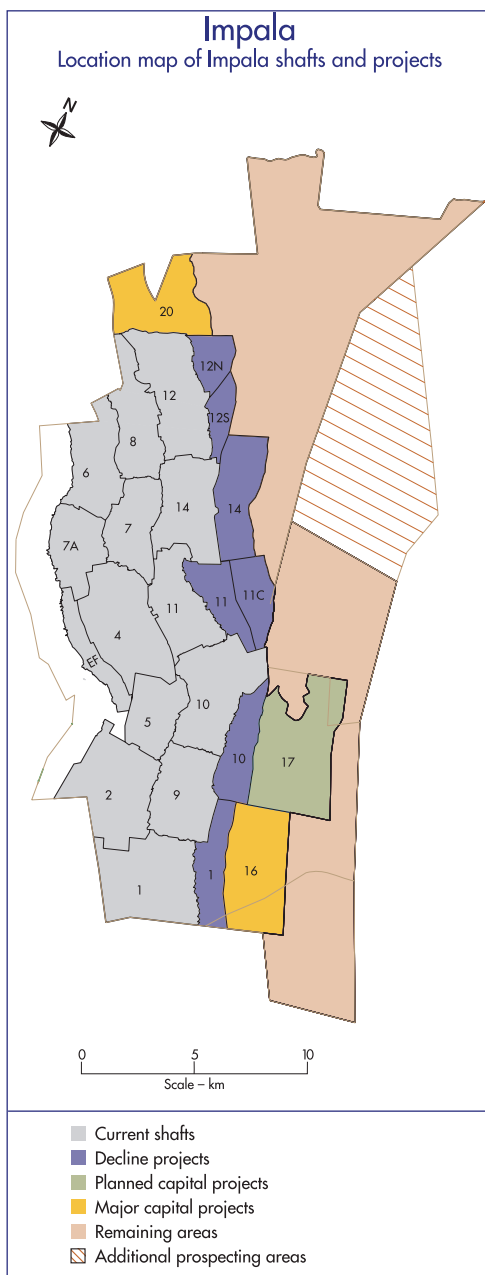
### Impala

The Impala mining operation is located just to the north of Rustenburg on the western limb of the Bushveld Complex. The complex comprises an array of diverse igneous rocks, ranging in composition from ultramafic to felsic. Contained within this well-layered ultramafic to mafic succession are two horizons in the Critical Zone which host economically exploitable quantities of PGMs, namely the Merensky Reef and the underlying UG2 Reef. Both reefs sub-outcrop in the lease area and dip generally in a north-east direction at about 10°. The vertical separation between the Merensky and UG2 Reefs varies from about 125m in the south to some 45m in the north.

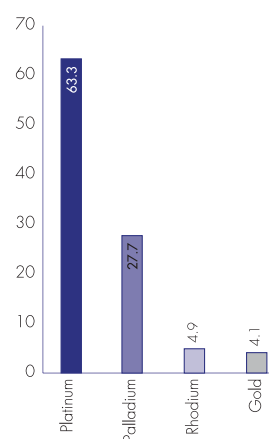
The Merensky Reef is generally composed of an upper feldspathic pyroxenite, overlying a thin basal chromitite stringer, followed by an anorthosite to norite footwall and with the mineralisation decreasing from the basal chromitite stringer into the hangingwall and footwall. The UG2 Reef is defined as a main chromitite layer, with most of the mineralisation contained within this unit, followed by a poorly mineralised pegmatoidal pyroxenite footwall.

Impala holds contiguous old order mining and new order prospecting rights for a total area of 33,188ha across 20 farms or portions thereof. The prospecting area involving the joint venture with Royal Bafokeng Resources has not been factored into the Mineral Resource estimate; this will be facilitated once sufficient studies have been completed.

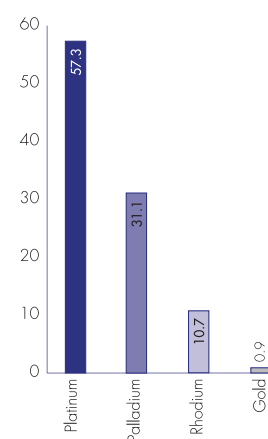
Both the Merensky and UG2 Reefs are being exploited; the bulk of the mining at Impala Platinum is conventional breast mining. Mechanised bord and pillar mining takes place in selected areas only, while limited opencast mining takes place at the outcrop position.



**Impala Merensky metal ratios  
(3PGM+Au) (%)**

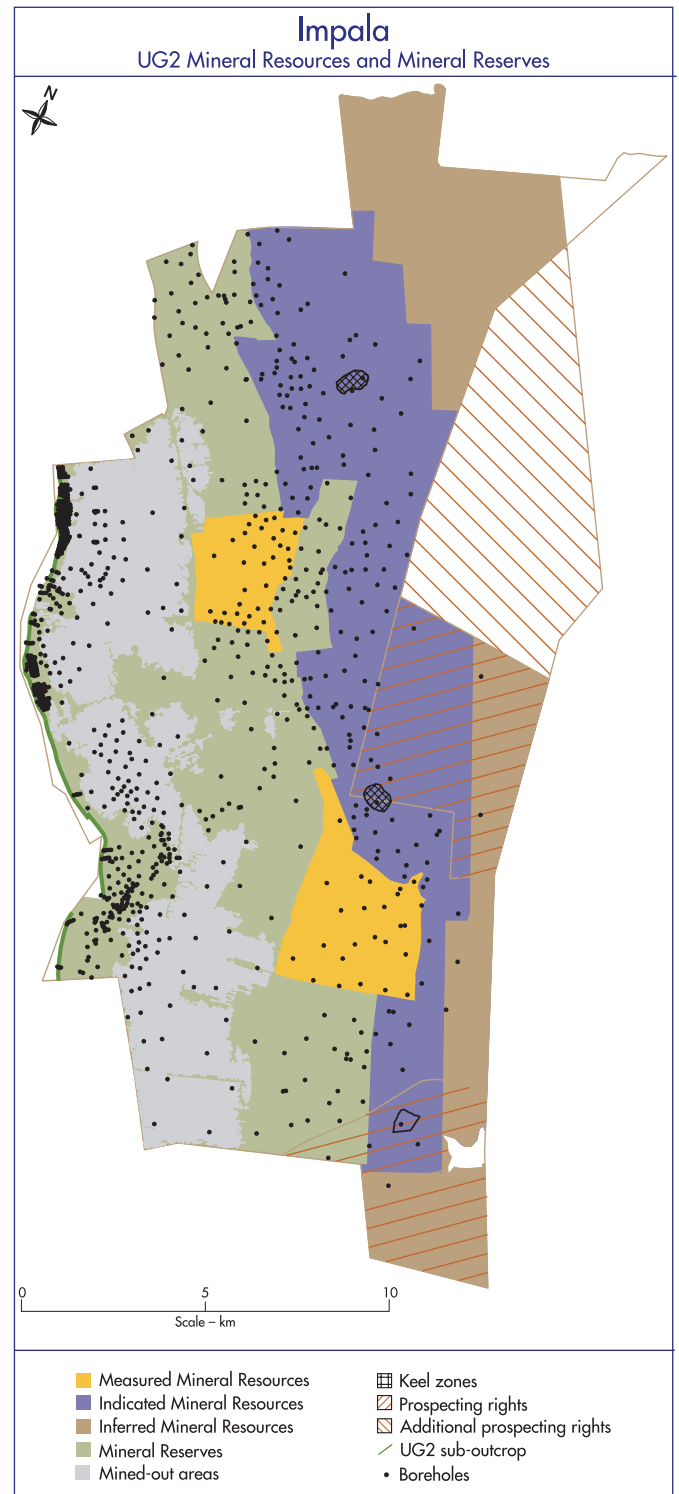
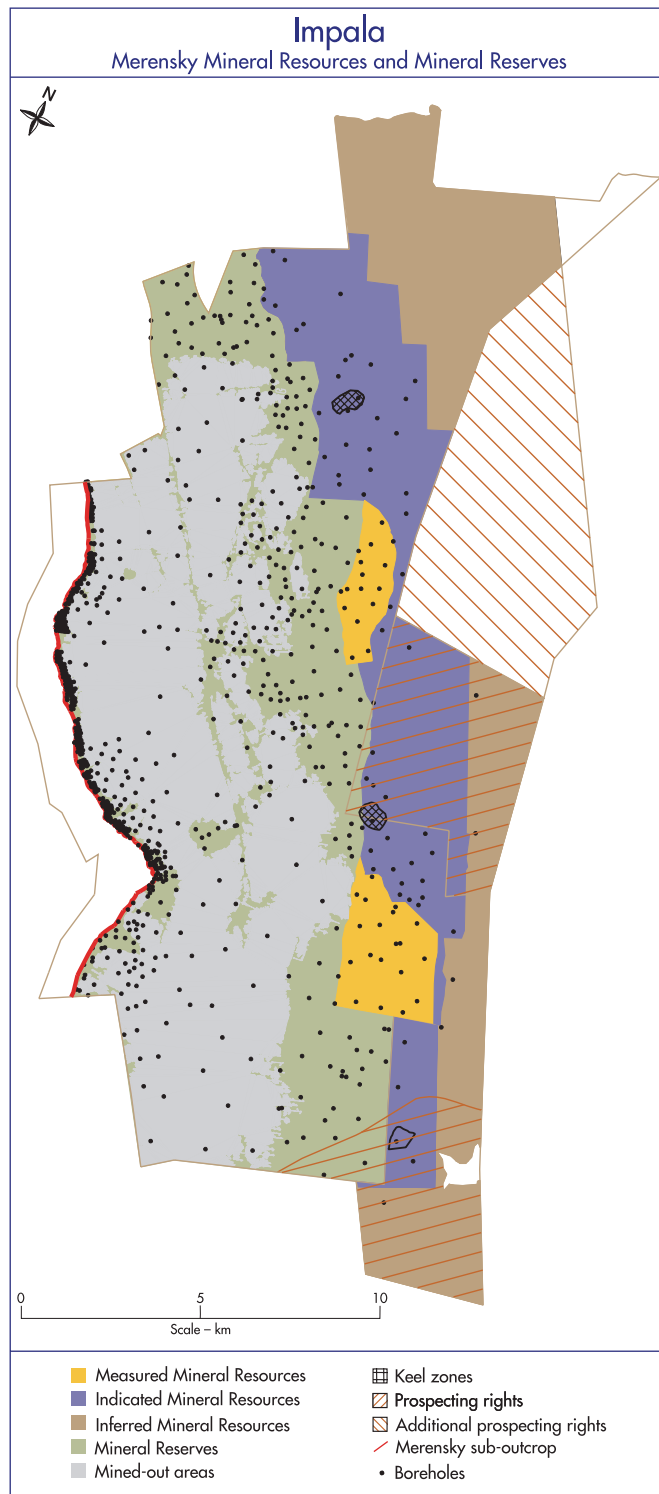


**Impala UG2 metal ratios  
(3PGM+Au) (%)**



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## Mineral Resources and Mineral Reserves

Impala – Mineral Resources		as at 30 June 2007				as at 30 June 2006			
Orebody	Category	Channel tonnes (millions)	Grade (g/t) 3PGE+Au	Grade (g/t) 5PGE+Au	Pt oz (millions)	Channel tonnes (millions)	Grade (g/t) 3PGE+Au	Grade (g/t) 5PGE+Au	Pt oz (millions)
Merensky	Measured	121.3	6.06	6.94	15.4	131.4	6.00	6.88	16.5
	Indicated	89.3	6.13	7.02	11.5	76.4	6.44	7.38	10.3
	Inferred	71.2	6.83	7.83	10.2	76.3	6.83	7.83	10.9
UG2	Measured	117.8	6.93	9.03	16.3	105.1	6.88	8.96	14.5
	Indicated	73.8	6.75	8.79	9.9	98.8	6.85	8.92	13.5
	Inferred	58.5	6.96	9.06	8.1	60.8	7.09	9.24	8.6
Total		531.9	6.56	8.03	71.4	548.8	6.62	8.11	74.3

Impala – Mineral Resources (tailings)		as at 30 June 2007			as at 30 June 2006		
Orebody	Category	Tonnes (millions)	Pt grade (g/t)	Pt oz (millions)	Tonnes (millions)	Pt grade (g/t)	Pt oz (millions)
1 & 2 Tailings Complex	Indicated	48.1	0.42	0.6	48.1	0.42	0.6

Impala – Mineral Reserves		as at 30 June 2007				as at 30 June 2006			
Orebody	Category	Mill tonnes (millions)	Grade (g/t) 3PGE+Au	Grade (g/t) 5PGE+Au	Pt oz (millions)	Mill tonnes (millions)	Grade (g/t) 3PGE+Au	Grade (g/t) 5PGE+Au	Pt oz (millions)
Merensky	Proved	23.0	4.07	4.66	2.0	24.6	4.15	4.76	2.1
	Probable	104.7	4.04	4.63	8.9	109.9	4.12	4.72	9.5
UG2	Proved	23.2	3.89	5.06	1.8	23.9	3.89	5.07	1.9
	Probable	105.6	3.88	5.06	8.2	105.5	3.85	5.02	8.2
Total		256.4	3.96	4.85	20.8	264.0	3.99	4.88	21.6

- Notes:
- Mineral Resources are quoted inclusive of Mineral Reserves.
  - Mineral Resource estimates allow for estimated geological losses and anticipated pillar losses during eventual mining.
  - The modifying factors used to convert a Mineral Resource to a Mineral Reserve are derived from historical figures using an in-house ore accounting system. This system is able to provide dilution factors that are applied to the *in situ* estimates to project the final product delivered to the mill.
  - The Mineral Reserves quoted reflect the grade delivered to the mill rather than an *in situ* channel grade quoted in respect of Mineral Resources.
  - The Inferred Mineral Resource estimate has been reduced by some 7Mt, primarily due to the exclusion of an area in the northern extremity of the current mining right area. The exclusion is based on the lack of potential future prospects of mining in line with depth and the shape of the relevant portion.
  - Other changes influencing the movement between categories include primarily
    - (a) the reclassification of some of the previously reported Measured Mineral Resources at 17 shaft to the Indicated category;
    - (b) the exclusion of 4.7Mt from the 20 shaft UG2 Mineral Reserve base in light of revised shaft design limits; and
    - (c) upgrading of part of the UG2 Mineral Resource to the Mineral Reserve category.
  - Mineral Resource and Mineral Reserve grades are now also reflected in a 3PGE+Au format as opposed to the 5PGE+Au format reported previously. The estimated contained ounces are based on the 5PGE+Au grades and metal proportions.
  - Rounding-off of numbers may result in minor computational discrepancies.



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## Marula

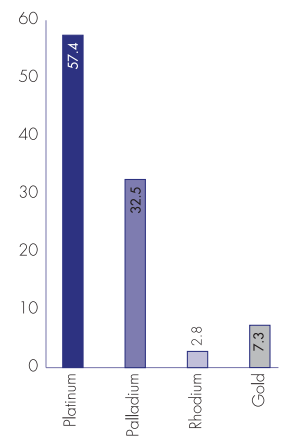
Marula's mining operation is located on the eastern limb of the Bushveld Complex, some 35km to the north-west of Burgersfort. The geological succession is broadly similar to that of the western limb with the same two horizons occurring in the Critical Zone and which host economically exploitable quantities of PGMs, namely the Merensky Reef and the underlying UG2 Reef. Both reefs sub-outcrop in the lease area and dip generally in a west-south-west direction at about 13°. The vertical separation between the Merensky and UG2 Reefs is around 400m.

The UG2 Reef is defined as a main chromitite layer, with most of the mineralisation contained within this unit, followed by a poorly mineralised pegmatoidal pyroxenite footwall. The Merensky Reef is the upper portion of a pyroxenite layer, with a chromitite stringer close to the contact with the hangingwall and with the mineralisation decreasing from this upper chromitite stringer into the hangingwall and footwall.

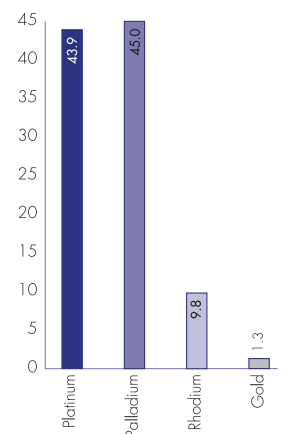
Marula holds contiguous old order mining and new order prospecting rights for a total area of 5,720ha across the farms Clapham and Winnaarshoek, and portions of the farms Driekop, Forest Hill and Hackney. At present Implats has an effective 77.5% interest in Marula following the empowerment transactions concluded in FY2006.

Current mining activities target the UG2 Reef only. A conventional breast mining method would exploit the bulk of the UG2 Mineral Reserve; hybrid mining is being undertaken until the conventional operation is fully established. Potential future mining of the Merensky Reef is pending the conclusion of the present feasibility study and commensurate project approval.

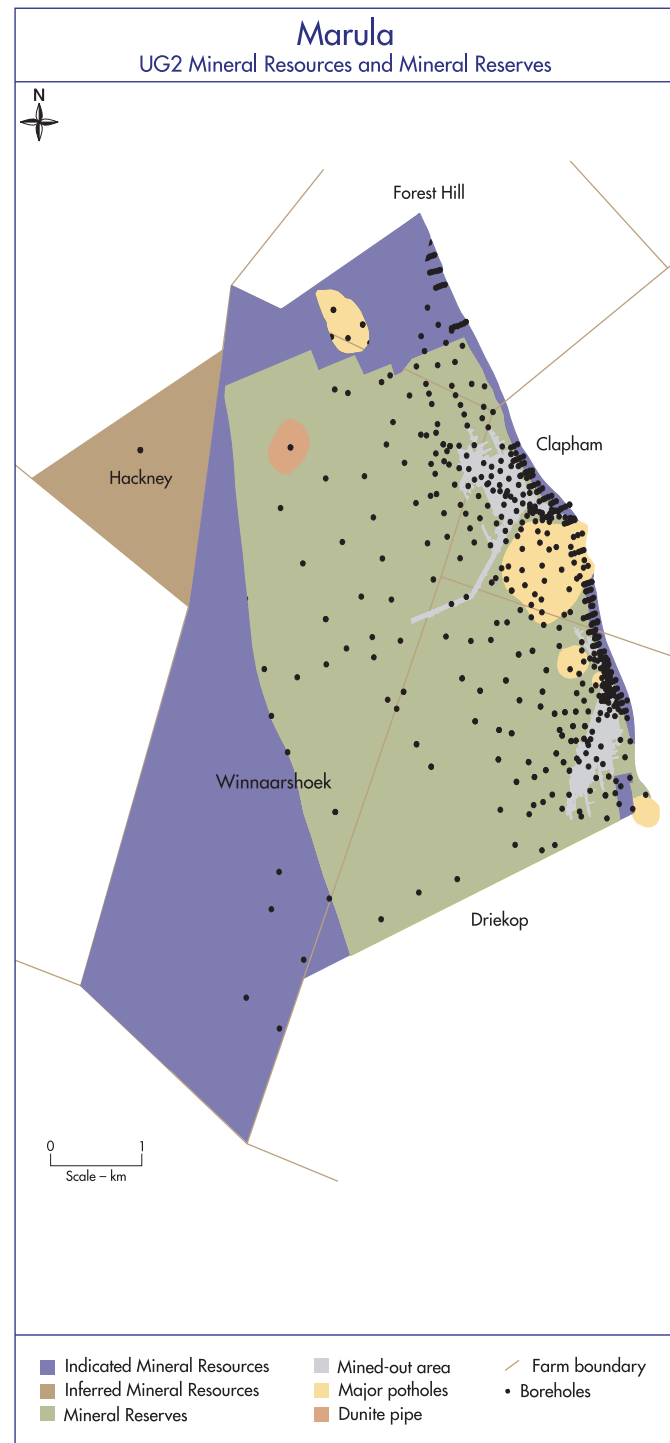
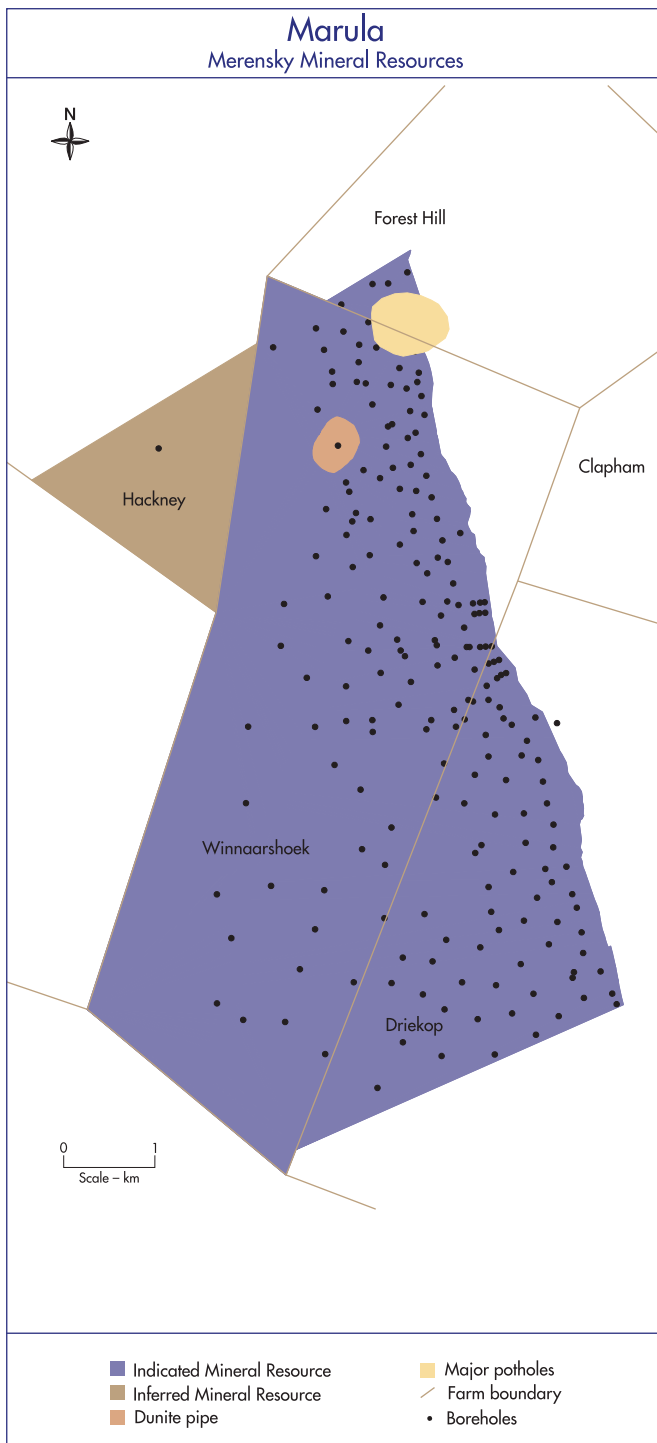
**Marula Merensky metal ratios (3PGM+Au) (%)**



**Marula UG2 metal ratios (3PGM+Au) (%)**



# Mineral Resources and Mineral Reserves



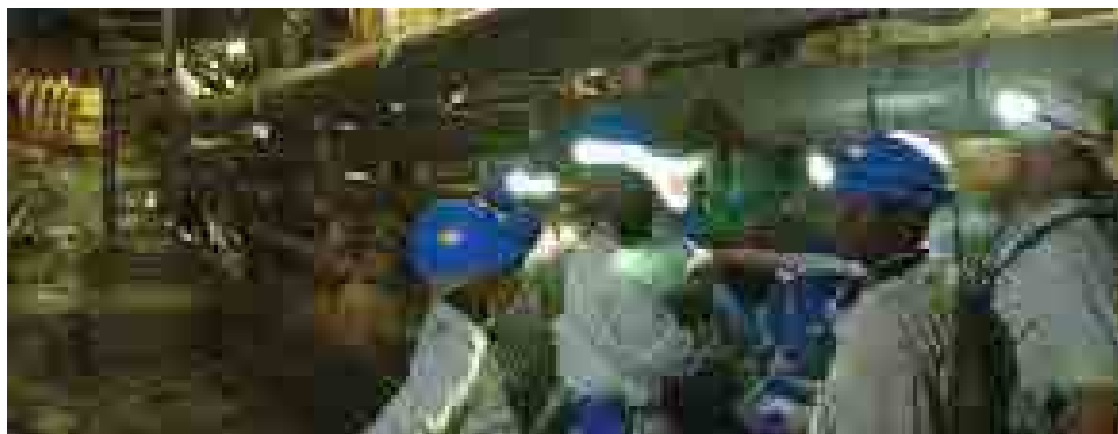
# 2007

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Marula – Mineral Resources		as at 30 June 2007				as at 30 June 2006			
Orebody	Category	Channel tonnes (millions)	Grade (g/t) 3PGE+Au	Grade (g/t) 5PGE+Au	Pt oz (millions)	Channel tonnes (millions)	Grade (g/t) 3PGE+Au	Grade (g/t) 5PGE+Au	Pt oz (millions)
Merensky	Indicated	50.2	5.12	5.47	4.7	44.2	5.12	5.47	4.2
	Inferred	5.2	5.37	5.73	0.5	5.2	5.36	5.73	0.5
UG2	Measured	28.6	8.39	9.94	3.4	29.4	8.40	9.95	3.6
	Indicated	22.0	8.28	9.80	2.6	22.0	8.28	9.80	2.7
	Inferred	3.5	7.50	8.88	0.4	3.5	7.50	8.88	0.4
Total		109.5	6.70	7.63	11.6	104.3	6.82	7.77	11.4

Marula – Mineral Reserves		as at 30 June 2007				as at 30 June 2006			
Orebody	Category	Mill tonnes (millions)	Grade (g/t) 3PGE+Au	Grade (g/t) 5PGE+Au	Pt oz (millions)	Mill tonnes (millions)	Grade (g/t) 3PGE+Au	Grade (g/t) 5PGE+Au	Pt oz (millions)
UG2	Probable	39.5	4.42	5.24	2.5	41.0	4.39	5.20	2.6

- Notes:
- The figures in the above statement reflect total estimates for Marula as at 30 June 2007, corresponding estimated attributable Mineral Resources and Mineral Reserves are summarised elsewhere in the report.
  - Mineral Resources are quoted inclusive of Mineral Reserves.
  - Mineral Reserves quoted reflect the grade delivered to the mill rather than an *in situ* channel grade quoted in respect of Mineral Resources.
  - The modifying factors used in the UG2 Mineral Reserve calculation are based on the revised mine plan which envisages hybrid and conventional breast mining operations.
  - Estimated geological losses have been accounted for in the Mineral Resource calculations; estimated pillar losses have not been accounted for in the Mineral Resource calculations.
  - The UG2 Mineral Resource accounts for the main chromitite layer channel width only, without consideration of dilution, while the Merensky Reef Mineral Resource is based on a minimum width of 80cm.
  - Grade estimates were obtained by means of co-kriging of UG2 and ordinary kriging of Merensky Reef borehole intersections.
  - Changes in UG2 Mineral Resource and Mineral Reserve estimates since last year essentially reflect depletions.
  - The Merensky Reef estimate was revised as part of the ongoing feasibility study, which resulted in an increase of some 10% in the Mineral Resource estimate, mainly due to the re-analysis of potential geological losses.
  - Mineral Resource and Mineral Reserve grades are now also reflected in a 3PGE+Au format as opposed to the 5PGE+Au format reported previously. The applicable conversion is based on the exclusion of iridium and ruthenium from the 5PGE+Au grade estimates and are not based on 3PGE+Au fire assays.
  - The classification of the UG2 Mineral Reserve has been modified to the Probable Mineral Reserve category in line with other areas and commentary from third party audits.
  - Rounding-off of numbers may result in minor computational discrepancies.



## Mineral Resources and Mineral Reserves

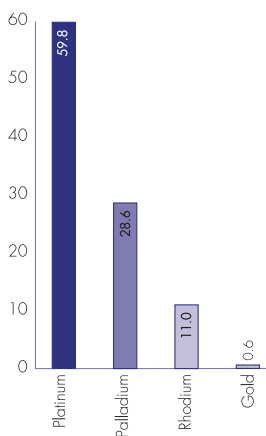


### Afplats

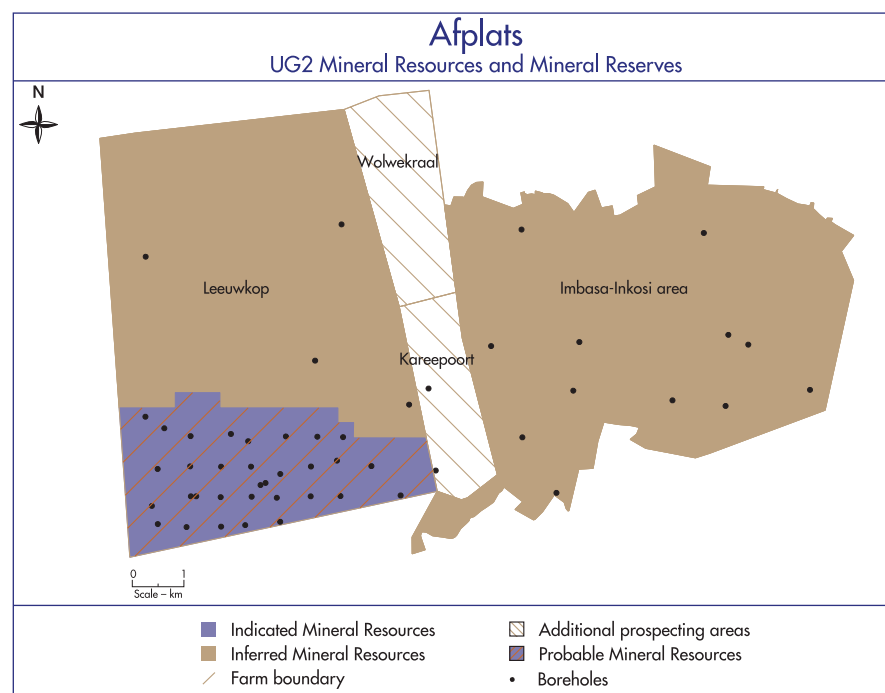
Afplats' Leeuwkop project and adjacent prospecting areas are situated about 10km west of Brits on the western limb of the Bushveld Complex. An extensive exploration programme conducted by Afplats intersected both the Merensky and UG2 Reefs. The Merensky Reef occurs about 850m below surface at the southern boundary of Leeuwkop, with the vertical separation between the Merensky and UG2 Reefs averaging 200m. Both reefs dip generally to the north at roughly 9°.

The UG2 Reef comprises a package that is made up of two chromitite layers. The upper chromitite layer is separated from the main chromitite layer by a thin pyroxenite parting. It will be mined as a single package. The Merensky Reef, which is not deemed to be economically viable at present, is the upper portion of a pyroxenite layer, with a chromitite stringer close to the contact with the hangingwall and with the mineralisation decreasing from the chromitite stringer into the hangingwall and footwall.

Afplats UG2 metal ratios  
(3PGM+Au) (%)



Afplats holds contiguous old and new order prospecting rights for a total area of some 9,661 ha across the farms Leeuwkop and portions of Hartebeestpoort B, Kareepoort and Wolwekraal west of Brits. The acquisition of Afplats by Implats was announced in February 2007, in terms of which Implats would acquire 100% of Afplats and, by implication, an effective 74% stake in the Leeuwkop project and varying proportions in the associated subsidiaries. As at 30 June 2007, Afplats was awaiting the approval of a new order mining right for the Leeuwkop area, over which a new order prospecting permit is held. Near year-end, prospecting rights for portions of the farms Wolwekraal and Kareepoort were executed in favour of Afplats. New order prospecting rights have previously been awarded for the Imbasa and Inkosi areas which comprise several portions of the farm Hartebeestpoort B; these are held in subsidiaries with varying BEE partnership shareholdings.



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The mining layout as completed in the feasibility study conducted previously by Afplats is under review for refinement prior to project approval by the Implats board. The Mineral Reserve estimates below reflect the on-reef mechanised bord and pillar mining method as envisaged in the original feasibility study. These estimates have been modified by Implats.

Afplats – Mineral Resources		as at 30 June 2007		
Orebody	Category	Channel tonnes (millions)	Grade (g/t) 3PGE +Au	Pt oz (millions)
<b>Leeuwkop</b>				
UG2	Indicated	54.8	5.10	5.4
	Inferred	128.9	4.70	11.9
<b>Imbasa</b>				
UG2	Inferred	70.0	4.50	6.2
<b>Inkosi</b>				
UG2	Inferred	97.3	4.70	9.0
<b>Total</b>		<b>351.0</b>	<b>4.72</b>	<b>32.5</b>

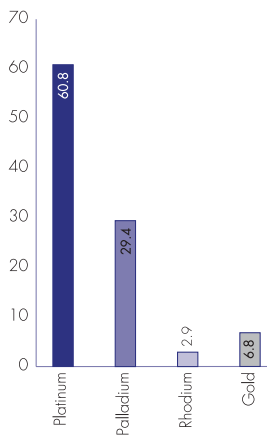
Afplats – Mineral Reserves		as at 30 June 2007		
Orebody	Category	Mill tonnes (millions)	Grade (g/t) 3PGE+Au	Pt oz (millions)
<b>Leeuwkop</b>				
UG2	Probable	49.3	3.75	3.6

- Notes:
- The figures in the statement above reflect the total Mineral Resource and Mineral Reserve estimates for Afplats and related subsidiaries as at 30 June 2007, corresponding estimated Mineral Resources and Mineral Reserves attributable to Implats are summarised elsewhere in the report.
  - Mineral Resources are quoted inclusive of Mineral Reserves.
  - Mineral Reserves quoted reflect the grade delivered to the mill rather than the *in situ* channel grade quoted in respect of the Mineral Resources.
  - The UG2 grade estimates are based on borehole assay data. These are essentially the same as those reported under the previous regime. The estimates were compiled by Snowden and the Leeuwkop estimates were also audited by SRK in the 2006 Competent Person's report.
  - Implats have adjusted the Mineral Resource tonnage and grade estimates after review of the potential geological losses, hence the decrease of estimates in comparison with previous Afplats statements.
  - The UG2 Mineral Reserve estimate reflects a decrease in grade related to a review of potential mining dilution, in comparison with previous public declarations by Afplats.
  - The UG2 Mineral Resource and Mineral Reserve classification for the Leeuwkop area has been adjusted in line with the 2006 Competent Person's report as well as the Implats review.
  - Implats have opted not to publish Merensky Reef Mineral Resource estimates as the rationale for eventual economic extraction is at present in doubt.
  - No Mineral Resource estimate is included for the newly awarded Kareepoort and Wolwekraal areas; these will be incorporated once sufficient work has been completed.
  - Rounding-off of numbers may result in minor computational discrepancies.

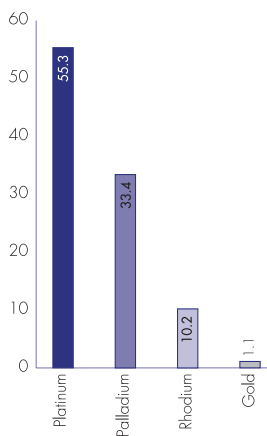


## Mineral Resources and Mineral Reserves

**Two Rivers Merensky metal ratios  
(3PGM+Au) (%)**



**Two Rivers UG2 metal ratios  
(3PGM+Au) (%)**



### Two Rivers

Two Rivers is located approximately 35km to the south-west of Burgersfort on the eastern limb of the Bushveld Complex. In broad terms, the geological succession is similar to that of other areas of the eastern limb; both the Merensky Reef and underlying UG2 Reef occur at Two Rivers. Both reefs sub-outcrop in the lease area and dip generally to the west at about 10°. The vertical separation between the Merensky and UG2 Reefs is around 140m.

Three distinct reef facies (reef types) have been defined for the UG2 Reef at Two Rivers, namely the 'normal facies' with a thick main chromitite layer; a 'split reef' in the southern, west-central and north-eastern parts, characterised by an internal pyroxenite/norite lens up to 6m thick and situated approximately two-thirds of the chromitite thickness upwards from the base; and a 'southern facies' comprising a second pyroxenite/norite lens situated approximately one-third of the chromitite thickness from the base. The Merensky Reef is the upper portion of a pyroxenite layer, with a chromitite stringer close to the contact with the hangingwall and with the mineralisation decreasing from the chromitite stringer into the hangingwall and footwall. Only the UG2 Reef is currently being mined.

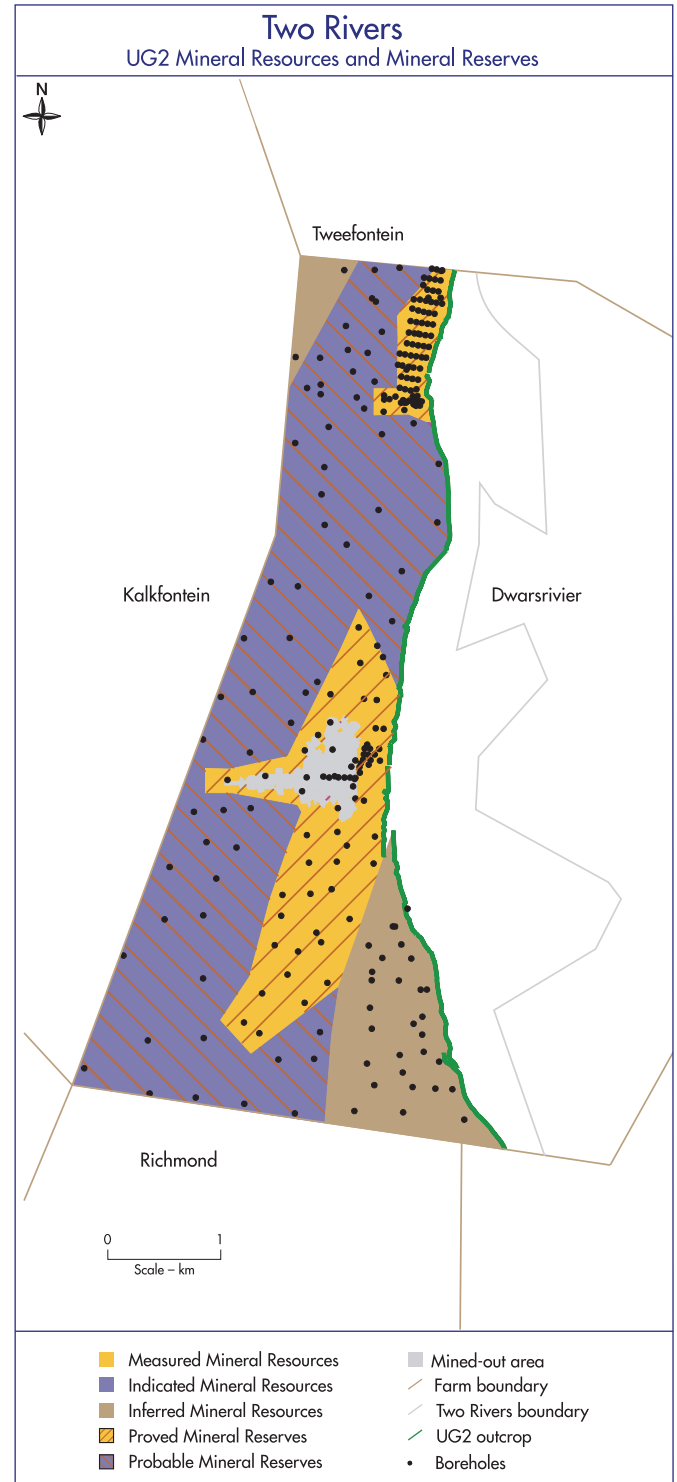
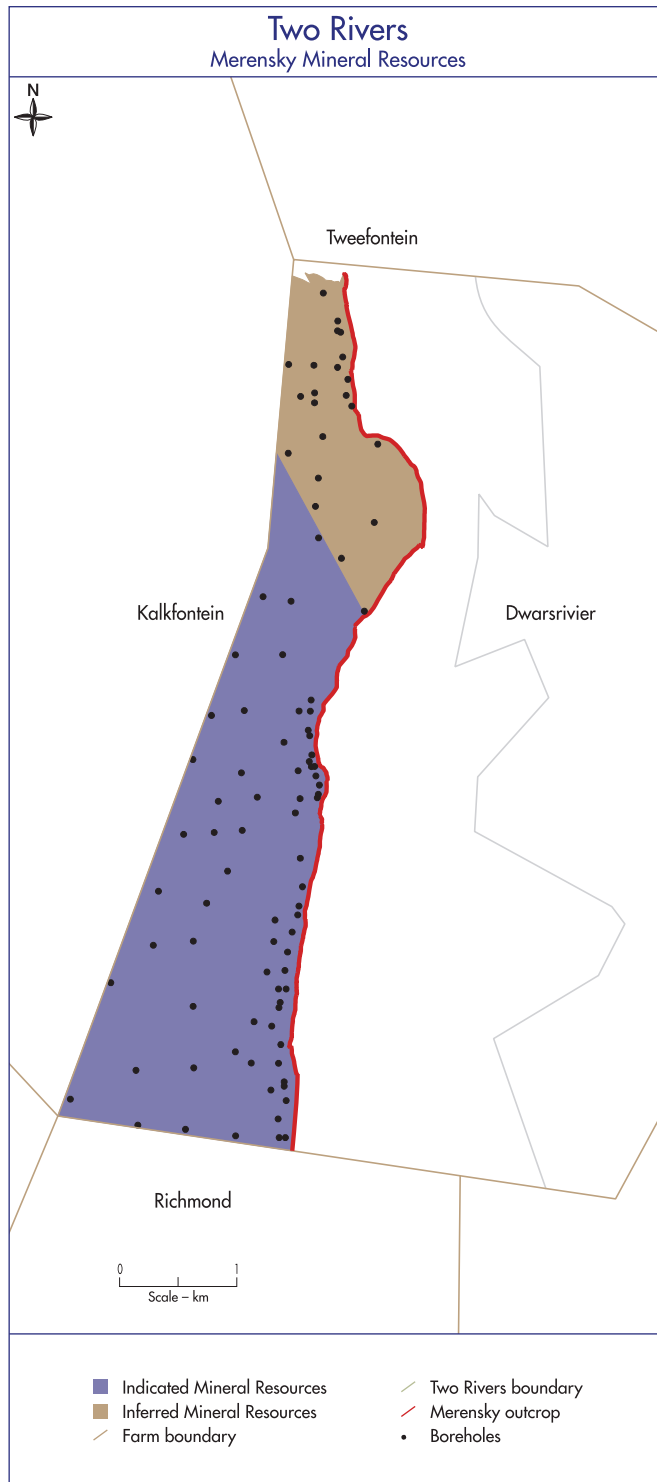
Two Rivers holds contiguous old order mining rights over a total of 1,879ha on a portion of the farm Dwarsrivier.

Mine development targeting the UG2 Reef began in 2005 and the operation is still in a build-up phase. The mining layout is based on a mechanised bord and pillar design. The operation is managed by ARM.



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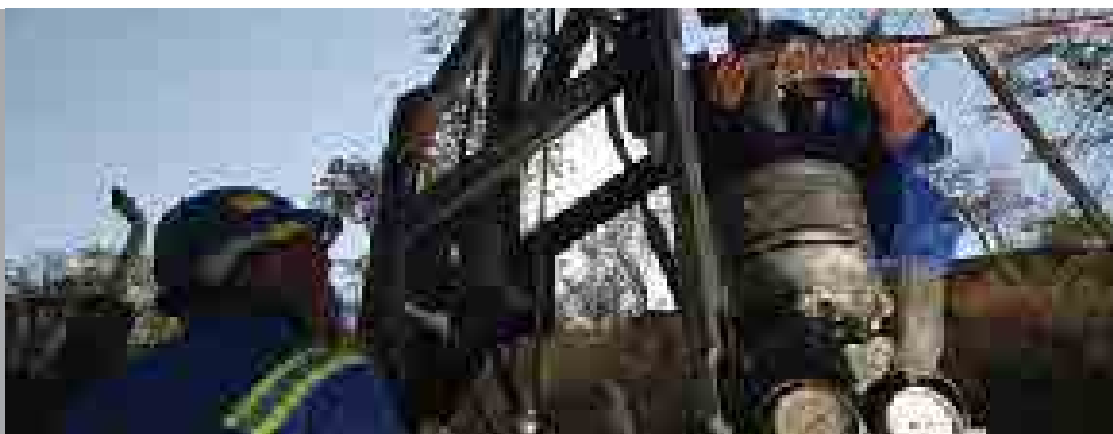


## Mineral Resources and Mineral Reserves

Two Rivers – Mineral Resources		as at 30 June 2007			as at 30 June 2006		
Orebody	Category	Channel tonnes (millions)	Grade (g/t) 3PGE+Au	Pt oz (millions)	Channel tonnes (millions)	Grade (g/t) 3PGE+Au	Pt oz (millions)
Merensky	Indicated	18.7	3.34	1.2	18.7	3.34	1.2
	Inferred	3.9	3.16	0.2	3.9	3.16	0.2
UG2	Measured	13.7	4.55	1.1	13.1	5.17	1.2
	Indicated	44.1	3.82	3.0	46.2	3.70	2.9
	Inferred	8.1	3.90	0.6			
Total		88.5	3.81	6.1	81.9	3.83	5.5

Two Rivers – Mineral Reserves		as at 30 June 2007			as at 30 June 2006		
Orebody	Category	Mill tonnes (millions)	Grade (g/t) 3PGE+Au	Pt oz (millions)	Mill tonnes (millions)	Grade (g/t) 3PGE+Au	Pt oz (millions)
UG2	Proved	10.2	3.74	0.7	9.5	3.60	0.6
	Proved (Stockpile)	0.2	3.71	0.06	1.0	3.60	0.1
	Probable	30.2	3.34	1.8	29.8	3.44	1.7
Total		40.6	3.44	2.5	40.3	3.48	2.4

- Notes:
- The figures in the above statement reflect the total estimates for Two Rivers, as at 30 June 2007, corresponding estimated Mineral Resources and Mineral Reserves attributable to Implats are summarised elsewhere in the report.
  - Mineral Resources are quoted inclusive of Mineral Reserves.
  - Grade estimates were obtained by means of ordinary kriging of UG2 and Merensky Reef borehole intersections.
  - The modifying factors used in the UG2 Mineral Reserve calculations are based on mechanised bord and pillar mining operations.
  - Both the Mineral Resource and Mineral Reserve classifications have been reviewed for the UG2 Reef. This resulted in the south-eastern fault block now been included in the Inferred Mineral Resource category as well as a small area in the north-western extremity now being classified as an Inferred Mineral Resource. The outline of the Mineral Reserve classified as Proved Mineral Reserve has been adapted.
  - The mining schedule has been reviewed and the Mineral Reserve estimate updated. Additional footwall dilution has been allowed for, resulting in a slightly lower predicted overall head grade and an increase in tonnage.
  - The Mineral Reserves quoted above include the North open pit.
  - The stockpile reported in FY2006 has been reduced.
  - No additional work has been undertaken on estimating the Merensky Mineral Resource since the previous reporting period.
  - The individual metal proportions for the Merensky Reef were derived by Implats.
  - Rounding-off of numbers may result in minor computational discrepancies.
  - More details regarding the Mineral Resources and Mineral Reserves can be obtained in the 2007 ARM Annual Report.





# 2007 ANNUAL REPORT

## Zimplats

Zimplats' Ngezi mine is located south-west of Harare in the Sebakwe sub-chamber of the Hartley Complex in the Great Dyke. Also in the Hartley Complex is the Hartley Mine, but in the Darwendale sub-chamber, 77km to the north. The Hartley Complex is about 100km long and contains approximately 80% of Zimbabwe's PGM Mineral Resources. The north-north-east-trending layered igneous rocks within the basin dip at between 5° and 20° near the margins and flatten out near the centre.

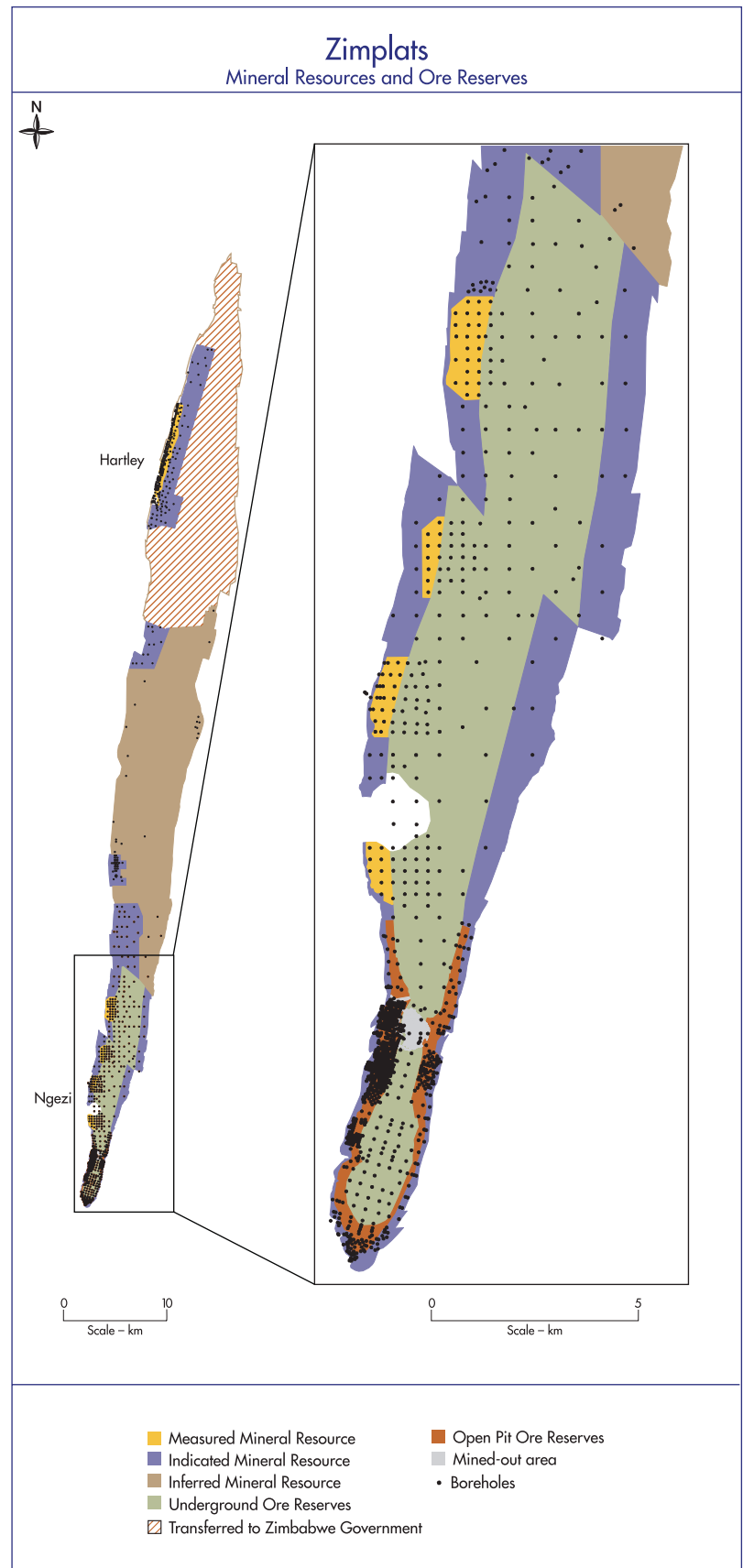
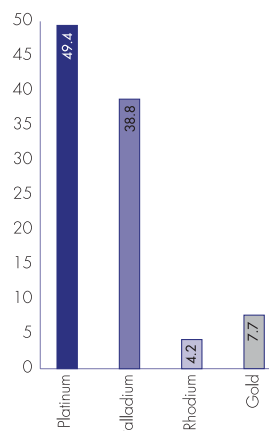
The platinum-bearing Main Sulphide Zone (MSZ) lies between 5m and 50m below the base of the mafic sequence. The MSZ is a continuous layer between 2m and 10m thick that forms an elongated basin. Peak values for the base metals and various PGMs are offset vertically with palladium at the base, platinum in the centre and nickel above. It is difficult to visually identify the MSZ.

Zimplats holds mining rights over two areas comprising a total of 48,500ha across the Hartley Complex in the Great Dyke.

The arrangements announced at the end of FY2006, whereby Zimplats released a large portion of its mining claims in exchange for a combination of empowerment credits and cash were concluded with the exception of the commercial payment. The extension of the special mining leases 1 and 27 were duly executed in FY2007 as part of this agreement.

Underground stoping at Zimplats currently consists of mechanised bord and pillar layouts. The development of portals 1 and 4 started with box cut excavations and the start of the declines. No production has come from these areas so far. Opencast mining continues, although this is presently scheduled to be phased out during FY2008.

### Zimplats MSZ metal ratios (3PGM+Au) (%)





## Mineral Resources and Mineral Reserves

Zimplats – Mineral Resources		as at 30 June 2007					as at 30 June 2006		
Orebody	Category	Tonnes (millions)	Grade (g/t) 3PGE+Au	Ni %	Cu %	Pt oz (millions)	Tonnes (millions)	Grade (g/t) 3PGE+Au	Pt oz (millions)
<b>Ngezi portals – advanced to reserve</b>									
MSZ	Measured	69.1	3.47	0.09	0.09	3.8	65.3	3.45	3.6
	Indicated	205.6	3.54	0.11	0.09	11.7	223.4	3.52	12.7
	<b>Total</b>	<b>275</b>	<b>3.52</b>	<b>0.10</b>	<b>0.09</b>	<b>15.6</b>	<b>289</b>	<b>3.51</b>	<b>16.3</b>
<b>Ngezi portals – not advanced to reserve</b>									
MSZ	Measured	21.7	3.43	0.11	0.12	1.1	18.5	3.39	1.0
	Indicated	188.2	3.51	0.12	0.10	10.4	181	3.51	10.0
	Inferred	112	3.44	0.13	0.09	6.4	113	3.44	6.5
	<b>Total</b>	<b>322</b>	<b>3.48</b>	<b>0.12</b>	<b>0.10</b>	<b>17.9</b>	<b>313</b>	<b>3.48</b>	<b>17.3</b>
<b>Mining extensions north of portal 10</b>									
MSZ	Indicated	44.6	4.56	0.22	0.18	3.0	44.6	4.56	3.0
	Inferred	673	3.59	0.15	0.13	36.6	673	3.59	36.6
	<b>Total</b>	<b>718</b>	<b>3.65</b>	<b>0.15</b>	<b>0.13</b>	<b>39.7</b>	<b>718</b>	<b>3.65</b>	<b>39.7</b>
<b>Hartley (SML1)</b>									
MSZ	Measured	24.1	4.53	0.14	0.12	1.7	24.1	4.53	1.7
	Indicated	117.1	3.98	0.13	0.11	7.6	117.1	3.98	7.6
	Inferred	28	3.87	0.13	0.10	1.8	28	3.87	1.8
	<b>Total</b>	<b>169</b>	<b>4.04</b>	<b>0.13</b>	<b>0.11</b>	<b>11.1</b>	<b>169</b>	<b>4.04</b>	<b>11.1</b>
<b>Oxides – all areas</b>									
MSZ	Indicated	17.0	3.47	0.10	0.07	1.0	17.0	3.47	1.0
	Inferred	61	3.67	0.12	0.10	3.5	61	3.67	3.5
	<b>Total</b>	<b>78</b>	<b>3.62</b>	<b>0.12</b>	<b>0.09</b>	<b>4.5</b>	<b>78</b>	<b>3.62</b>	<b>4.5</b>
<b>Overall</b>	<b>Total</b>	<b>1,563</b>	<b>3.63</b>	<b>0.13</b>	<b>0.11</b>	<b>88.7</b>	<b>1,567</b>	<b>3.63</b>	<b>88.8</b>

Zimplats – Ore Reserves		as at 30 June 2007					as at 30 June 2006		
Orebody	Category	Tonnes (millions)	Grade (g/t) 3PGE+Au	Ni %	Cu %	Pt oz (millions)	Tonnes (millions)	Grade (g/t) 3PGE+Au	Pt oz (millions)
MSZ	Proved	57.0	3.34	0.10	0.07	3.0	53.7	3.33	2.8
	Probable	184.3	3.37	0.11	0.08	9.9	200.6	3.35	10.7
	<b>Total</b>	<b>241.5</b>	<b>3.36</b>	<b>0.11</b>	<b>0.08</b>	<b>12.9</b>	<b>254.3</b>	<b>3.35</b>	<b>13.5</b>

- Notes:
- The figures in the above statement reflect the total Mineral Resource and Ore Reserve estimate for Zimplats as at 30 June 2007, corresponding estimated Mineral Resources and Ore Reserves attributable to Implats are summarised elsewhere in the report.
  - Mineral Resources are reported in more detail than in previous reports so as to provide further transparency.
  - Mineral Resources are quoted inclusive of Ore Reserves.
  - Mineral Resource estimates allow for estimated geological losses and anticipated pillar losses during eventual mining.
  - The Ore Reserves quoted reflect anticipated grades delivered to mill.
  - Mineral Resources have been estimated using floating average and kriging techniques on data derived from surface drill holes. Estimates are based on composite widths that vary depending on cut-off grades, which are based on appropriate economic conditions.
  - In addition to a pre-feasibility study on portals 1-10, SRK Consulting carried out an external review of the Mineral Resource and Ore Reserve estimation and reporting practices in September 2004 and updated it in July 2005. SRK concluded that Mineral Resource estimates are valid and that within the limitations of the data, the results appear meaningful. SRK completed feasibility studies on portals 1 and 4 during 2006 and that lead to the board decision to develop these portals. Zimplats is currently working on the portal 3 feasibility study.
  - The Mineral Resources and Ore Reserves quoted indicate the position after the transaction with the Zimbabwe Government.
  - The overall Ore Reserves decreased due to depletion and re-estimation by 15%, while the Proved Ore Reserve increased by 3% after depletion.
  - Portal 5 resource drilling was completed and the Mineral Resource was re-estimated. The overall Mineral Resource remained unchanged; however the reinterpretation of the position of the 9° contour resulted in a shift of approximately 11Mt from the 'flat' to the 'steep' region with a corresponding reduction in the Ore Reserve tonnage.
  - Rounding-off of numbers may result in minor computational discrepancies.

# 2007 ANNUAL REPORT

## Mimosa

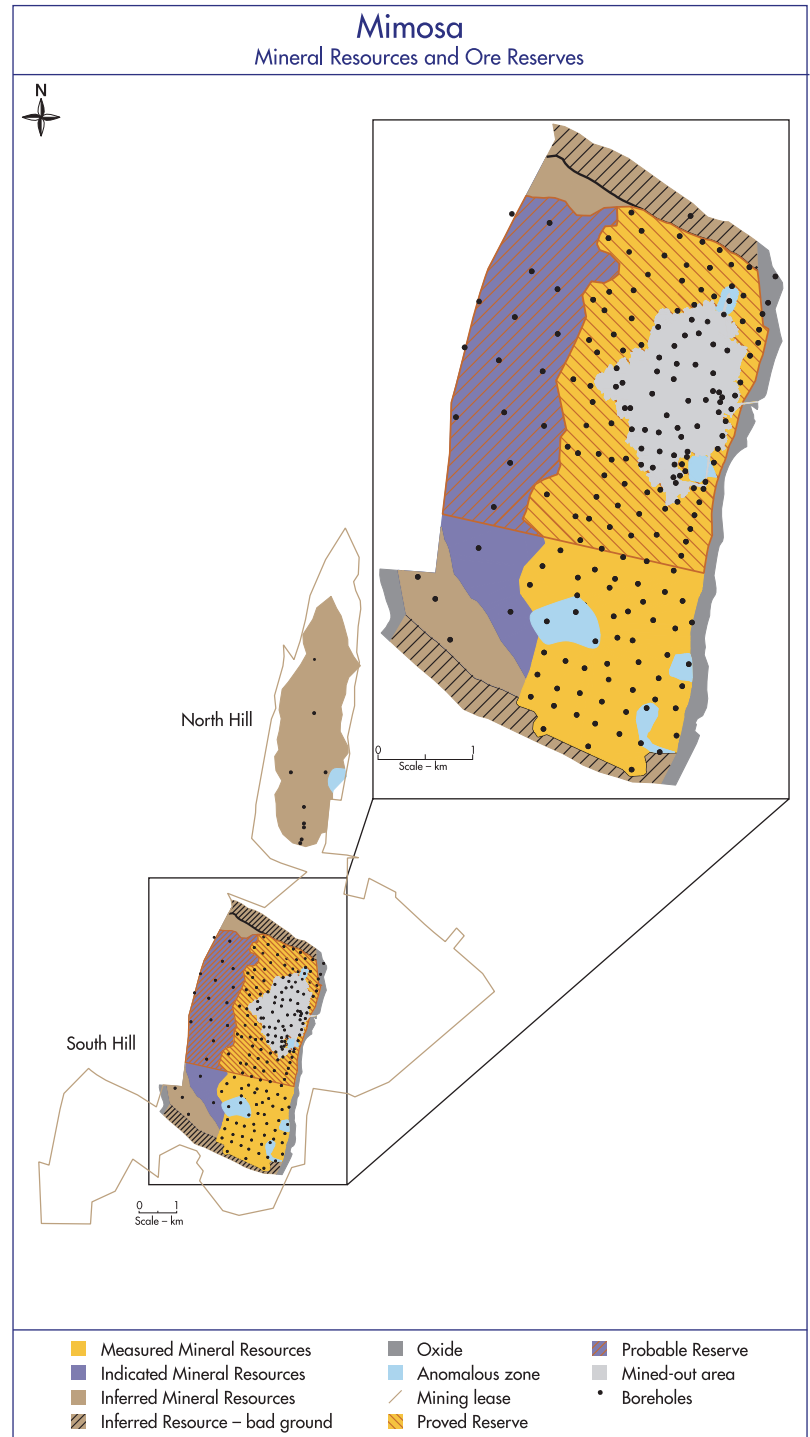
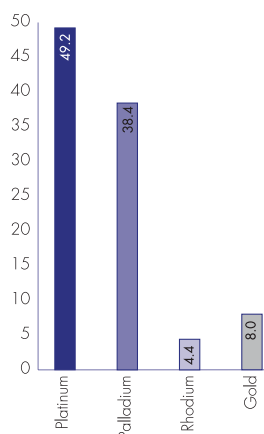
Mimosa is located in Zimbabwe, east of Bulawayo in the Wedza Complex of the Great Dyke. PGM Mineral Resources at Mimosa are located in four erosionally-isolated and fault-bounded blocks, consisting from north to south of: the North Hill, South Hill, the Mtsingwe and Far South Hill areas. The Mimosa mine is located in the eastern part of the South Hill block. The north-north-east-trending layered igneous rocks within the layering dip from the sides towards the axis of the intrusion and flatten out near the centre.

The platinum-bearing Main Sulphide Zone (MSZ) lies about 10m below the base of the mafic sequence. The MSZ is a continuous layer between 2m and 3m thick that forms an elongated basin. The MSZ at Mimosa has a well-defined grade profile with an identifiable reef horizon marker facilitating grade control.

Mimosa holds contiguous mining rights for a total area of 6,590ha across the Wedza Complex in the Great Dyke. As at 30 June 2007, Implats owned a 50% shareholding in Mimosa Investments Limited (with Aquarius Platinum Limited owning the remaining 50%).

Underground stoping operations at Mimosa are being conducted by means of mechanised bord and pillar methods. The mining method is being changed from a combination of semi-mechanised and mechanised sections to a fully mechanised operation.

### Mimosa MSZ metal ratios (3PGM+Au) (%)





## Mineral Resources and Mineral Reserves

Mimosa – Mineral Resources		as at 30 June 2007					as at 30 June 2006 *		
Orebody	Category	Channel tonnes (millions)	Grade (g/t) 3PGE+Au	Ni %	Cu %	Pt oz (millions)	Channel tonnes (millions)	Grade (g/t) 3PGE+Au	Pt oz (millions)
South Hill (1.95m cut)	Measured	41.9	4.06	0.14	0.12	2.7	40.8	4.15	2.7
	Indicated	26.2	3.58	0.15	0.12	1.5	24.2	3.76	1.5
	Inferred	14.7	3.89	0.14	0.12	0.9	13.5	4.06	0.9
	Inferred (Oxides)	6.5	3.74	0.14	0.12	0.4	6.0	3.91	0.4
Total		89.3	3.87	0.14	0.12	5.5	84.5	4.01	5.4

\* 2006 figures at 1.8m

Mimosa – Ore Reserves		as at 30 June 2007					as at 30 June 2006 *		
Orebody	Category	Mill tonnes (millions)	Grade (g/t) 3PGE+Au	Ni %	Cu %	Pt oz (millions)	Mill tonnes (millions)	Grade (g/t) 3PGE+Au	Pt oz (millions)
South Hill (1.95m cut)	Proved	19.5	3.64	0.14	0.12	1.1	18.5	3.71	1.1
	Probable	16.5	3.38	0.15	0.12	0.9	15.0	3.52	0.8
		36.0	3.52	0.15	0.12	2.0	33.5	3.62	1.9

\* 2006 figures at 1.909m

Mimosa – Mineral Resources		as at 30 June 2007					as at 30 June 2006 *		
Orebody	Category	Channel tonnes (millions)	Grade (g/t) 3PGE+Au	Ni %	Cu %	Pt oz (millions)	Tonnes (millions)	Grade (g/t) 3PGE+Au	Pt oz (millions)
North Hill (1.95m cut)	Inferred	47.4	3.70	0.14	0.11	2.8	43.8	3.98	2.8

\* 2006 figures at 1.8m

- Notes:
- The figures in the statement above reflect the total Mineral Resource and Ore Reserve estimates for Mimosa as at 30 June 2007, corresponding estimated Mineral Resources and Reserves attributable to Implats are summarised elsewhere in the report.
  - Mineral Resources are quoted inclusive of Ore Reserves.
  - Mineral Resources are quoted before accounting for anticipated pillar losses. Predicted geological losses have been subtracted from the Mineral Resource estimates.
  - Compared to previous published figures the material differences are:
    - Mineral Resources estimates are now quoted at a 1.95m width aligned with the overall conversion of the mining activities from a combination of semi-mechanised and mechanised section to a fully mechanised operation.
    - The resultant revised widths impacted on both the tonnage and grade estimated.
    - The Mineral Reserve area at South Hill has been extended by some 300m southwards on completion of the phase 5 studies.
    - The Mineral Resource estimate for North Hill was revised after incorporation of the assay results from the 2006 drilling campaign. The estimate is now based on the new generation assay database only.
    - Rounding-off of numbers may result in minor computational discrepancies.

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### Aquarius Platinum

As at 30 June 2007, Implats held a 20% equity interest in Aquarius South African subsidiary AQPSA. AQPSA owns and manages the group's PGM assets in South Africa's Bushveld Complex, namely Kroondal and Marikana on the western limb and Everest on the eastern limb. Kroondal and Marikana are subject to a Pool and Share Agreement (P&SA) with Anglo Platinum. This percentage interest is divorced from contractual toll smelting agreements with IRS which has offtake agreements with Kroondal (expires at the end of FY2008), Marikana and Everest. Implats also owns an 8.6% interest in Aquarius.

The annual Mineral Resource and Ore Reserve statement for AQPSA was not finalised in time for inclusion in this report. The summary tabulation of the Mineral Resources and Ore Reserves attributable to AQPSA as at 30 June 2006 is shown below:

Aquarius Platinum – Mineral Resources		as at 30 June 2006		
Orebody	Category	Channel tonnes (millions)	Grade (g/t) 3PGE+Au	Pt oz (millions)
	Measured	59.0	4.96	5.5
	Indicated	28.5	4.08	2.2
	Inferred	9.5	2.79	0.5
<b>Total</b>		96.9	4.49	8.2
Exploration projects	Inferred	542.0	5.04	52.5

Aquarius Platinum – Ore Reserves		as at 30 June 2006		
Orebody	Category	Mill tonnes (millions)	Grade (g/t) 3PGE+Au	Pt oz (millions)
	Proved	59.8	3.05	3.4
	Probable	18.0	3.22	1.1
<b>Total</b>		77.8	3.09	4.5

- Notes:
- The figures in the statement above reflect the total Mineral Resource and Ore Reserve estimates for AQPSA as at 30 June 2006 and exclude the different P&SA contributions to Anglo Platinum; corresponding estimated Mineral Resources and Reserves attributable to Implats are summarised elsewhere in the report.
  - Mineral Resources are reported inclusive of Ore Reserves.
  - Details for the above figures can be obtained from Aquarius Platinum Limited's Annual Report.





## Mineral Resources and Mineral Reserves

### Mineral Resource summary – exclusive of Mineral Reserves

Historically Implats reported Mineral Resources exclusive of Mineral Reserves. This practice has been reviewed to facilitate consistent reporting with that of its strategic partners. A collation of the Mineral Resource estimates exclusive of Mineral Reserves is presented below to allow for comparisons with previous reports and also for transparency purposes. Note that this format is not adhered to by strategic partners and the corresponding estimates have been derived from details provided to Implats. Both inclusive and exclusive reporting styles are permitted by the governing codes. The tabulation below should be read in conjunction with the Mineral Reserve statements in the preceding sections. A direct comparison of tonnes and grade is not possible between the inclusive and exclusive styles of reporting forms owing to the mixing of channel and mill figures.

#### Mineral Resources exclusive of Mineral Reserves – as at 30 June 2007

	Orebody	Remarks	Category	Tonnage (millions)	Grade (g/t) 3PGE+Au	Pt oz (millions)
Impala	Merensky		Measured	23.0	6.42	3.1
	Merensky		Indicated	89.3	6.13	11.5
	Merensky		Inferred	71.2	6.83	10.2
	UG2		Measured	36.8	6.90	5.1
	UG2		Indicated	73.8	6.75	9.9
	UG2		Inferred	58.5	6.96	8.1
			<b>Total</b>	<b>353</b>	<b>6.64</b>	<b>47.9</b>
Marula	Merensky		Indicated	50.2	5.12	4.7
	Merensky		Inferred	5.2	5.36	0.5
	UG2		Indicated	22.0	8.28	2.6
	UG2		Inferred	3.5	7.50	0.4
			<b>Total</b>	<b>81</b>	<b>6.10</b>	<b>8.2</b>
Afplats	UG2	Leeuwkop	Inferred	128.9	4.70	11.9
	UG2	Imbasa and Inkosi	Inferred	167.3	4.62	15.2
			<b>Total</b>	<b>296</b>	<b>4.65</b>	<b>27.1</b>
Two Rivers	Merensky		Indicated	18.7	3.34	1.2
	Merensky		Inferred	3.9	3.16	0.2
	UG2		Inferred	8.1	3.90	0.6
			<b>Total</b>	<b>31</b>	<b>3.46</b>	<b>2.0</b>
Zimplats	MSZ		Measured	45.8	4.00	2.9
	MSZ		Indicated	367.1	3.78	22.0
	MSZ		Inferred	875	3.58	48.4
			<b>Total</b>	<b>1,288</b>	<b>3.65</b>	<b>73.2</b>
Mimosa	MSZ	South Hill	Measured	16.8	4.06	1.1
	MSZ		Indicated	5.2	3.58	0.3
	MSZ		Inferred	14.7	3.89	0.9
	MSZ		Inferred (Oxides)	6.5	3.74	0.4
	MSZ	North Hill	Inferred	47.4	3.70	2.8
			<b>Total</b>	<b>91</b>	<b>3.79</b>	<b>5.4</b>
All Mineral Resources exclusive of Mineral Reserves			Measured	122	5.33	12
			Indicated	626	4.71	52
			Inferred	1,390	4.14	100
			<b>Total</b>	<b>2,139</b>	<b>4.38</b>	<b>164</b>

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### Individual platinum group metal proportions

The platinum-bearing deposits typically host six metals of the platinum group which are nearly always found in association with each other. These metals are platinum, palladium, rhodium, ruthenium, iridium and osmium. The southern African deposits are typically dominated by platinum; however, significant value can be derived from the other metals, depending on prevailing market conditions. The proportion of osmium is not routinely measured due to its inhibiting chemical properties and extremely low concentration levels. In addition gold is found in association with these metals. The table below gives an estimate of the relative proportion of these metals as found in the Implats deposits. Note that rounding-off of numbers affects the accuracy of the proportions reported.

Proportions of platinum group metals expressed as a percentage relative to the total:

			5PGM+Au Proportions (%)					
			Pt	Pd	Rh	Ru	Ir	Au
Impala	Merensky	b	57.0	24.9	4.4	8.3	1.8	3.7
	UG2	b	47.5	25.8	8.9	13.6	3.4	0.7
Marula	Merensky	a	53.9	30.5	2.6	5.5	0.9	6.8
	UG2	b	37.1	38.0	8.3	12.1	3.4	1.1
Afplats	UG2	a	47.5	23.0	9.2	15.8	4.0	0.5
Two Rivers	Merensky	c	56.6	27.4	2.7	5.9	1.0	6.4
	UG2	c	46.0	27.8	8.6	13.3	3.4	0.8
Zimplats	MSZ	b	46.7	36.5	4.4	3.6	2.2	6.6
Mimosa	MSZ	b	45.9	35.4	3.7	4.3	3.1	7.7

a Estimate derived from borehole sampling estimates/resource model.

b Estimate derived from historic mill feed composite control sampling.

c Implats estimates, not published by ARM.

### Implats' attributable Mineral Resources and Mineral Reserves

In FY2006, Implats reported a summary of total attributable platinum ounces sourced from all categories of Mineral Resources of the Implats' group of companies and its other strategic interests on a potential marketing basis. This methodology has been reviewed and the tabulation below reflects estimates for platinum, palladium and rhodium, based on the percentage equity interest in the Implats group of companies and its strategic partners. The BEE transaction with the RBN was executed at an Implats level and such ownership is not reflected below. No future potential additional BEE participation is accounted for.

For clarity, both attributable Mineral Resources, inclusive of Mineral Reserves, and attributable Mineral Reserves are shown in separate tables. Note that these are not in addition to each other. These are summary estimates and inaccuracy is derived from the rounding-off of numbers. The AQPSA estimates were not finalised in time for inclusion in this report; the attributable Mineral Resources and Ore Reserves for AQPSA refer to the estimates at 30 June 2006.



## Mineral Resources and Mineral Reserves

### Attributable Mineral Resources inclusive of Mineral Reserves – as at 30 June 2007

Attributable Mineral Resources Inclusive of Mineral Reserves as at 30 June 2007										
			Tonnage (millions)	Ounces at 100%			Implats % ownership	Attributable ounces		
Orebody	Category	Pt		Pd (millions)	Rh	Pt		Pd (millions)	Rh	
Impala	Merensky	Measured	121.3	15.4	6.7	1.19	100	15.4	6.7	1.19
		Indicated	89.3	11.5	5.0	0.88	100	11.5	5.0	0.88
		Inferred	71.2	10.2	4.5	0.79	100	10.2	4.5	0.79
	UG2	Measured	117.8	16.3	8.8	3.04	100	16.3	8.8	3.04
		Indicated	73.8	9.9	5.4	1.85	100	9.9	5.4	1.85
		Inferred	58.5	8.1	4.4	1.52	100	8.1	4.4	1.52
		<b>Total</b>	<b>532</b>	<b>71.4</b>	<b>34.9</b>	<b>9.26</b>		<b>71.4</b>	<b>34.9</b>	<b>9.26</b>
Marula	Merensky	Indicated	50.2	4.7	2.7	0.23	77.5	3.7	2.1	0.18
		Inferred	5.2	0.5	0.3	0.02	77.5	0.4	0.2	0.02
	UG2	Measured	28.6	3.4	3.5	0.76	77.5	2.6	2.7	0.59
		Indicated	22.0	2.6	2.6	0.58	77.5	2.0	2.0	0.45
		Inferred	3.5	0.4	0.4	0.08	77.5	0.3	0.3	0.06
		<b>Total</b>	<b>110</b>	<b>11.6</b>	<b>9.5</b>	<b>1.67</b>		<b>9.0</b>	<b>7.3</b>	<b>1.30</b>
<b>Afplats</b>										
Leeuwkop	UG2	Indicated	54.8	5.4	2.6	0.99	74	4.0	1.9	0.73
		Inferred	128.9	11.9	5.3	2.18	74	8.8	3.9	1.61
Imbasa	UG2	Inferred	70.0	6.2	2.7	1.13	60	3.7	1.6	0.68
Inkosi	UG2	Inferred	97.3	9.0	4.0	1.64	49	4.4	2.0	0.80
			<b>Total</b>	<b>351</b>	<b>32.5</b>	<b>14.6</b>	<b>5.94</b>		<b>20.9</b>	<b>9.4</b>
Two Rivers	Merensky	Indicated	18.7	1.2	0.6	0.06	45	0.5	0.3	0.03
		Inferred	3.9	0.2	0.1	0.01	45	0.1	0.1	0.01
	UG2	Measured	13.7	1.1	0.7	0.20	45	0.5	0.3	0.09
		Indicated	44.1	3.0	1.8	0.55	45	1.3	0.8	0.25
		Inferred	8.1	0.6	0.3	0.10	45	0.3	0.2	0.05
		<b>Total</b>	<b>89</b>	<b>6.1</b>	<b>3.5</b>	<b>0.93</b>		<b>2.7</b>	<b>1.6</b>	<b>0.42</b>
Zimplats	MSZ	Measured	114.9	6.7	5.3	0.57	86.9	5.8	4.6	0.50
		Indicated	572.9	33.7	26.4	2.85	86.9	29.3	22.9	2.48
		Inferred	875	48.4	39.4	4.23	86.9	42.0	34.2	3.68
		<b>Total</b>	<b>1,563</b>	<b>88.7</b>	<b>71.0</b>	<b>7.65</b>		<b>77.1</b>	<b>61.7</b>	<b>6.65</b>
Mimosa	MSZ	Measured	41.9	2.7	2.1	0.24	50	1.3	1.1	0.12
		Indicated	26.2	1.5	1.2	0.13	50	0.7	0.6	0.07
		Inferred	14.7	0.9	0.7	0.08	50	0.5	0.4	0.04
		Inferred (Oxides)	6.5	0.4	0.3	0.03	50	0.2	0.1	0.02
		Inferred N Hill	47.4	2.8	2.2	0.25	50	1.4	1.1	0.12
		<b>Total</b>	<b>137</b>	<b>8.2</b>	<b>6.4</b>	<b>0.74</b>		<b>4.1</b>	<b>3.2</b>	<b>0.37</b>
AQPSA*		Measured	59.0	5.5	2.8	1.00	20	1.1	0.6	0.20
		Indicated	28.5	2.2	1.1	0.40	20	0.4	0.2	0.08
		Inferred	9.5	0.5	0.3	0.10	20	0.1	0.1	0.02
		<b>Total</b>	<b>97</b>	<b>8.2</b>	<b>4.2</b>	<b>1.50</b>		<b>1.6</b>	<b>0.8</b>	<b>0.30</b>
<b>Grand total</b>			<b>2,877</b>	<b>227</b>	<b>144</b>	<b>28</b>		<b>187</b>	<b>119</b>	<b>22</b>

\* Note that the numbers for AQPSA refer to the estimates as at 30 June 2006.

For comparative purposes note that Implats reported 183 million attributable platinum ounces in FY2006, based on its mine-to-market operations, the corresponding estimate on the same basis as at 30 June 2007 is 213 million platinum ounces.



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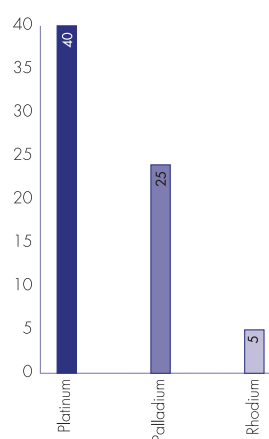
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### Attributable Mineral Reserves – as at 30 June 2007

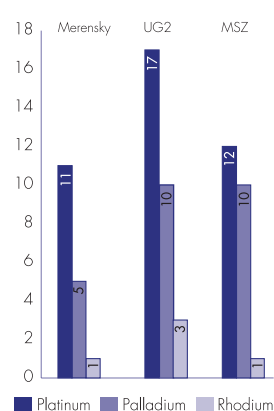
	Orebody	Category	Tonnage (millions)	Ounces at 100%			Implats % ownership	Attributable ounces		
				Pt	Pd	Rh		Pt	Pd	Rh
				(millions)	(millions)	(millions)		(millions)	(millions)	(millions)
Impala	Merensky	Proved	23.0	2.0	0.9	0.15	100	2.0	0.9	0.15
		Probable	104.7	8.9	4.3	0.78	100	8.9	4.3	0.78
	UG2	Proved	23.2	1.8	1.0	0.34	100	1.8	1.0	0.34
		Probable	105.6	8.2	4.4	1.53	100	8.2	4.4	1.53
		<b>Total</b>	<b>256.4</b>	<b>20.8</b>	<b>10.6</b>	<b>2.79</b>	<b>100</b>	<b>20.8</b>	<b>10.6</b>	<b>2.79</b>
Marula	UG2	Probable	39.5	2.5	2.5	0.55	77.5	1.9	2.0	0.43
Afplats	UG2	Probable	49.3	3.6	1.7	0.66	74	2.6	1.3	0.49
Two Rivers	UG2	Proved	10.4	0.7	0.4	0.13	45	0.3	0.2	0.06
		Probable	30.2	1.8	1.1	0.33	45	0.8	0.5	0.15
		<b>Total</b>	<b>40.6</b>	<b>2.5</b>	<b>1.5</b>	<b>0.46</b>	<b>45</b>	<b>1.1</b>	<b>0.7</b>	<b>0.21</b>
Zimplats	MSZ	Proved	57.0	3.0	2.4	0.26	86.9	2.6	2.1	0.22
		Probable	184.3	9.9	7.7	0.84	86.9	8.6	6.7	0.73
		<b>Total</b>	<b>241.5</b>	<b>12.9</b>	<b>10.1</b>	<b>1.10</b>	<b>86.9</b>	<b>11.2</b>	<b>8.8</b>	<b>0.95</b>
Mimosa	MSZ	Proved	19.5	1.1	0.9	0.10	50	0.6	0.4	0.05
		Probable	16.5	0.9	0.7	0.08	50	0.4	0.3	0.04
		<b>Total</b>	<b>36.0</b>	<b>2.0</b>	<b>1.6</b>	<b>0.18</b>	<b>50</b>	<b>1.0</b>	<b>0.8</b>	<b>0.09</b>
AQPSA*		Proved	59.8	3.4	1.8	0.60	20	0.7	0.4	0.12
		Probable	18.0	1.1	0.6	0.20	20	0.2	0.1	0.04
		<b>Total</b>	<b>77.8</b>	<b>4.5</b>	<b>2.4</b>	<b>0.80</b>	<b>20</b>	<b>0.9</b>	<b>0.5</b>	<b>0.16</b>
<b>Grand total</b>			<b>741</b>	<b>49</b>	<b>30</b>	<b>7</b>		<b>40</b>	<b>25</b>	<b>5</b>

\* Note that the numbers for AQPSA refer to the estimates as at 30 June 2006.

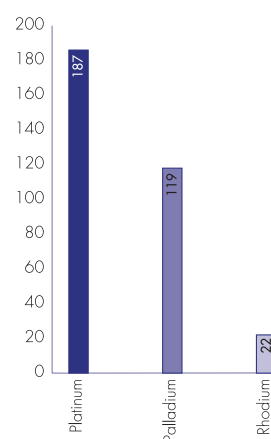
Implats' total attributable Mineral Reserves based on equity interest (Moz)



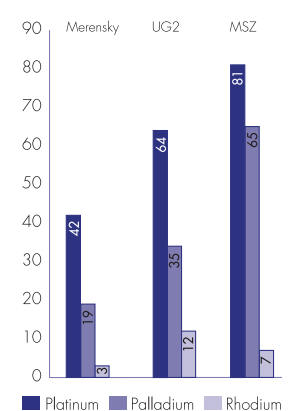
Implats' attributable Mineral Reserves based on equity interest (Moz)



Implats' total attributable Mineral Resources inclusive of Mineral Reserves based on equity interest (Moz)



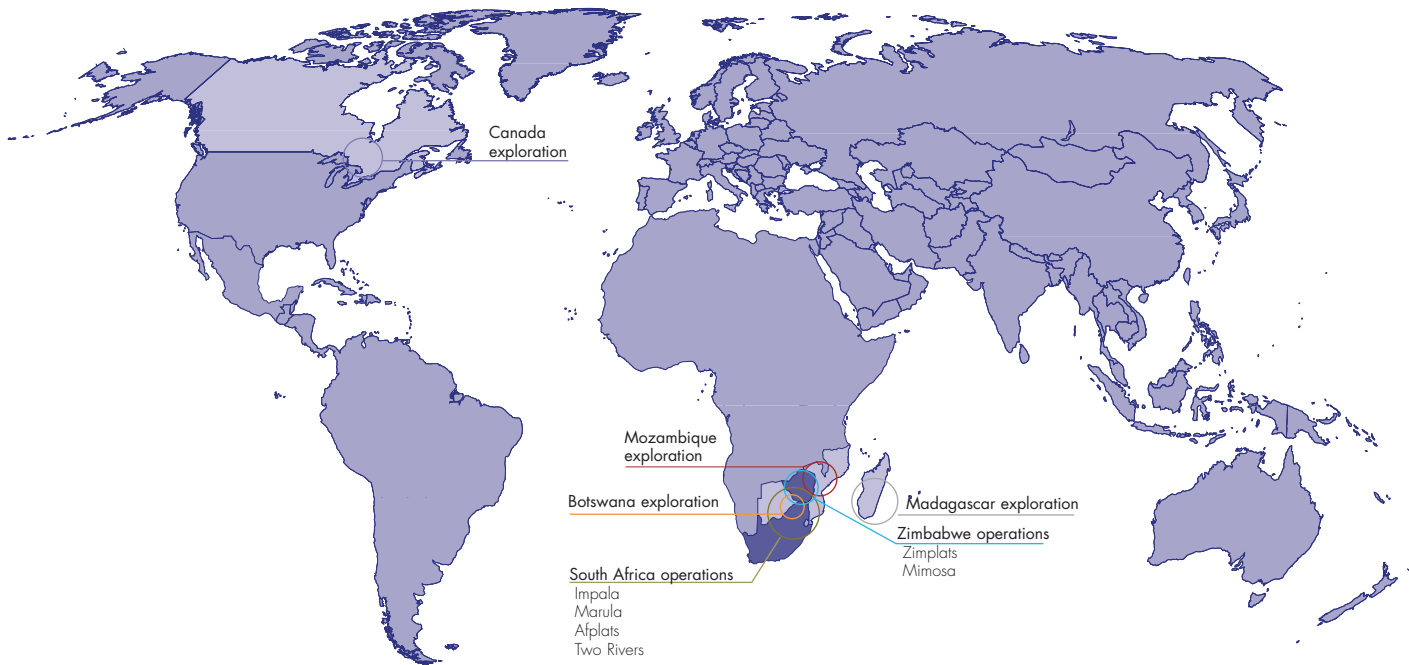
Implats' attributable Mineral Resources inclusive of Mineral Reserves based on equity interest (Moz)



## Exploration review

Implats' exploration strategy remains two-pronged: the primary focus being the brownfields exploration and evaluation at current operations and assets, and the second being greenfields exploration in a continued attempt to locate new orebodies. Implats recognises that there is a cost benefit in participating in projects at an early stage as the more advanced junior projects that are available for acquisition attract significant premiums. Implats has therefore continued its offshore greenfields exploration in conjunction with other parties

While the group's exploration focus has continued to be on primary platinum group mineral targets, attention is also being given to potential nickel targets in southern Africa, given the company's competitive position in the area of nickel refining.



### Southern Africa

#### Bushveld Complex in South Africa

Exploration around current mining operations at Impala on the western limb and Marula on the eastern limb continued in support of life-of-mine operations. At Marula, the proposed Merensky Reef feasibility study area was the primary target; while at Impala the main focus was on the proposed 17 shaft block. The approval of the prospecting areas involving the joint venture with Royal Bafokeng Resources was received during the year and exploration activities have begun. A large 3-D seismic survey of the deeper portion of the mining right and prospecting rights areas is planned to start in FY2008.

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At Afplats, immediate exploration activities will focus on surface drilling on the Imbasa-Inkosi and Wolwekraal-Kareepoort extensions of the Leeuwkop project. A 3-D seismic survey may be undertaken in future.

Exploration drilling resumed in early FY2007 at the Tamboti project which comprises portions of the farms Tweefontein, Kalkfontein and Buffelshoek, adjacent to the Two Rivers mine.

Exploration drilling began towards year-end at the Paradys project as the new order prospecting rights had been granted. The project is located on the eastern limb of the Bushveld Complex. This grassroots project, a joint venture with Endulwini Resources, targets a diapiric antiform structure with a potential attenuated Critical Zone succession.

Exploration activities will continue at an increased pace on the Bushveld Complex given the need for 3-D seismic surveys and exploration drilling on the western limb at both Impala and Afplats and to advance other projects.

### Great Dyke in Zimbabwe

At Zimplats, evaluation drilling focused on the proposed portals 3 and 6. Work also began on drilling three lines of widely spaced holes across the deeper area of the resource north of the proposed portal 10 position. Detailed drilling around the portal 6 access decline will be conducted in FY2008, along with increased drill coverage of portal 7 to medium resolution and upgrading of the eastern parts of portals 8 to 10 from inferred to indicated resources.

Evaluation work at Mimosa focused on the phase 5 expansion studies. The drilling programme at North Hill will resume in FY2008 and a high-resolution aeromagnetic survey of the Mimosa lease area is also planned for FY2008.

### Other southern African exploration

#### *Segwagwa project, Botswana*

Implats continues to fulfil the terms of the agreement with a Botswana-based junior, Health Hive Botswana (Pty) Ltd, in the Segwagwa and Masoke intrusions, located in south-eastern Botswana. In terms of this agreement, Implats has the option of earning a 60% interest in the venture by incurring R4.5 million in exploration expenditure by December 2007.



## Exploration review



An airborne geophysical survey was conducted over the intrusions during December 2006 and January 2007 and several anomalies were identified. There is little or no outcrop over these anomalies and favourable anomalies are to be drill tested.

### *Tete project, Mozambique*

Exploration being conducted in conjunction with Falconbridge was terminated at the Tete project; however, a different area of the Tete Complex was vended into Implats as a result of the Afplats transaction. Further mapping, geochemical sampling and ground geophysics will be undertaken over satellite intrusions to the Tete Complex in FY2008.

### **Offshore projects**

Reconnaissance sampling in the Panxi Rift in south-western China and mapping over the several target areas generated failed to delineate any significant mineralisation and this programme was terminated.

### *Highbank Lake project, Canada*

Implats has an agreement with Canadian junior, Northern Shield Resources Inc., in terms of which Implats has the option of earning a 60% interest in the Highbank Lake property in north-western Ontario by incurring C\$5 million in exploration expenditures within five years. Fourteen holes were drilled on the property to test previously identified geochemical and geophysical anomalies, mostly in the north-westerly portions of the intrusion. While no significant PGE mineralisation was intersected through drilling, whole rock geochemical studies – supported by a re-interpretation of the structure – have provided new information on the layout of the intrusion and delineated areas with the potential for PGE mineralisation which have not yet been drill tested. Further drilling will be undertaken in FY2008.

### *Ambodilafa project, Madagascar*

Implats has an agreement with AIM-listed Jubilee Platinum plc, in terms of which Implats has the option of earning a 51% interest in the Ambodilafa property in south-eastern Madagascar by incurring US\$5 million in exploration expenditure within four years.

Three shallow holes were drilled this year in the southerly portion of the intrusion; two of these tested the large geophysical anomaly. Both failed to intersect significant base metal sulphide or PGE mineralisation, but drilling depth was limited by the equipment available. A third hole, drilled on a geochemical anomaly on the fringes of the geophysical anomaly, intersected massive, semi-massive, net textured and disseminated nickel-copper sulphide mineralisation at a depth of 24m, which mineralisation generally persisted, although not continuously, to a depth of some 220m. Higher grade intersections include 2.2m at 1.29%Ni, 0.31%Cu, and 0.31g/t (2PGE+Au) and 6.5m at 0.61%Ni, 0.30%Cu and 0.12g/t (2PGE+Au).

Geological mapping, re-interpretation of the geophysical data, and geochemical sampling have provided new information on the layout of the intrusion and delineated areas with the potential for nickel-copper as well as PGE mineralisation, which have yet to be drill tested. Further drilling will be undertaken in FY2008.