

Mvelaphanda Resources Limited

(Reg No 1980/001395/06)
(Incorporated in the Republic of South Africa)
JSE Share Code : MVL
ISIN Code : ZAE000050266
("Mvela Resources")

Northam Platinum Limited

(Reg No 1977/003282/06)
(Incorporated in the Republic of South Africa)
JSE Share Code : NHM
ISIN Code : ZAE000030912
("Northam")

Impala Platinum Holdings Limited

(Reg No 1957/001979/06)
(Incorporated in the Republic of South Africa)
JSE Share Code : IMP
ISIN Code : ZAE000083648
("Implats" or "the company")

FURTHER ANNOUNCEMENT REGARDING THE FOLLOWING PROPOSED INTER-CONDITIONAL TRANSACTIONS:

- 1) THE UNBUNDLING BY MVELA RESOURCES OF ITS ENTIRE SHAREHOLDING IN NORTHAM TO ITS SHAREHOLDERS;
 - 2) THE ACQUISITION BY IMPLATS OF THE ENTIRE ISSUED SHARE CAPITAL OF NORTHAM; AND
 - 3) THE ACQUISITION BY IMPLATS OF THE ENTIRE ISSUED SHARE CAPITAL OF MVELA RESOURCES, POST THE UNBUNDLING OF NORTHAM.
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1. Introduction

Shareholders of Mvela Resources, Northam and Implats are referred to the cautionary announcement published by Implats and the joint cautionary announcement published by Northam and Mvela Resources on 12 September 2008 and are advised that Implats has submitted letters of interest to the boards of directors of Mvela Resources (the "Mvela Resources Board") and Northam (the "Northam Board") proposing to acquire, through a series of inter-conditional transactions, the entire issued share capital of Mvela Resources and Northam (collectively "the Proposed Transaction").

Shareholders should note that the letters of interest do not constitute a notice of a firm intention to make offers as contemplated in terms of the Securities Regulation Code on Takeovers and Mergers and the Rules of the Securities Regulation Panel (the "SRP Code"). The making of such an offer and the detailed terms thereof will be dependent, *inter alia*, upon the fulfilment of the pre-conditions set out in paragraph 10 below.

Mvela Resources also received expressions of interest from other parties but none were as favourable as Implats' proposal. Accordingly, Mvela Resources' largest shareholders have provided undertakings to vote in favour of the Proposed Transaction. In terms of Rule 6.3 of the SRP Code, these expressions of interest also affect Northam.

The consideration for the Proposed Transaction will be settled by a combination of Implats shares and cash as described in paragraph 3 below. Over the last few weeks, global equity markets and commodity prices have experienced significant volatility and price declines. As a result, the value of the consideration has been similarly volatile. Based on the closing share prices on the JSE Limited (the "JSE") on 1 October 2008, the Proposed Transaction will result in attractive premiums of 28% for each Northam share and 26% for each Mvela Resources share.

The Independent Board Committees of Mvela Resources and Northam have considered the letters of interest. Subject to independent expert advice, they are supportive of the strategic rationale, and believe there is merit in progressing with the Proposed Transaction.

2. The Proposed Transaction mechanism

The Proposed Transaction will be implemented through a series of inter-conditional steps, the effect of which will be:

- Mvela Resources will unbundle its approximate 62% shareholding in Northam to Mvela Resources' shareholders (the "Northam Unbundling");
- a scheme of arrangement in terms of section 311 of the Companies Act No. 61 of 1973, as amended, ("Scheme") will be proposed in terms of which Implats will acquire 100% of the issued share capital of Northam (the "Northam Scheme"); and
- a Scheme will be proposed in terms of which Implats will acquire 100% of the issued share capital of Mvela Resources (the "Mvela Resources Scheme").

3. Proposed Transaction consideration

Northam shareholders

Implats is proposing a consideration of 35 Implats shares for every 100 Northam shares (the "Northam Consideration").

Based on 364.3 million fully diluted Northam shares in issue and an Implats share price of R165.75, being the closing share price on 1 October 2008, this represents a value of R21,136 million, or R58.01 per fully diluted Northam share, representing a premium of 28% to the Northam closing share price on the same day of R45.25.

Implats is proposing to settle 70% of the Purchase Consideration in new Implats shares and the 30% balance in cash. Therefore, upon completion, the Northam shareholders will receive 24.50 Implats shares for every 100 Northam shares held and the cash equivalent of 10.50 Implats shares. The value of the 10.50 Implats shares will be determined by the 30-day Volume Weighted Average Price ("VWAP") of an Implats share on the day that all the conditions precedent are met and the Proposed Transaction becomes unconditional (the "Completion Date").

Mvela Resources shareholders

Upon completion of the Northam Unbundling, the Northam shares will have been distributed to Mvela Resources shareholders and Mvela Resources will retain its assets and liabilities, other than its interest in Northam (the "Mvela Resources Other Net Assets").

Based on 235.381 million fully diluted Mvela Resources shares in issue and an Implats share price of R165.75, being the closing share price on 1 October 2008,

this represents a value of R89 million for Mvela Resources Other Net Assets. The table below outlines the benefits to be received by a Mvela Resources shareholder from the Proposed Transaction, expressed as a number of Implats shares for every 100 Mvela Resources shares held and indicates the value of the proposal based on Implats' and Mvela Resources' closing share prices on 1 October 2008:

| Consideration derived from a holding of 100 Mvela Resources shares: | Share portion | Cash portion ⁽¹⁾ | Total Consideration | Indicative value per Mvela Resources share (R) |
|--|----------------------|-----------------------------|----------------------|--|
| | No of Implats Shares | | | |
| Northam shares (pursuant to the Northam Unbundling) | 23.51 | 10.07 | 33.58 ⁽²⁾ | 55.66 |
| Mvela Resources shares (i.e., Mvela Resources Other Net Assets) (pursuant to the Mvela Scheme) | 0.16 | 0.07 | 0.23 ⁽³⁾ | 0.38 |
| Total | 23.67 | 10.14 | 33.81 | 56.04⁽⁴⁾ |

Notes

- 1) The value of the cash portion will be determined by the 30-day VWAP of an Implats share on the Completion Date. The indicative values in the above table are based on the closing price of an Implats share on 1 October 2008.
- 2) The unbundling ratio of 95.95 Northam shares for every 100 Mvela Resources shares, multiplied by the Northam Consideration. The unbundling ratio is based on 225.841 million Northam shares held by Mvela Resources and 235.381 million (fully diluted) Mvela Resources shares in issue.
- 3) The value of Mvela Resources Other Net Assets includes the assumption that the VWAP of Gold Fields Limited ("Gold Fields") shares will be R71.96 per share. If, on the Completion Date, Gold Field's VWAP is above or below R71.96, the value attributable to the 50 million Gold Fields shares held by Mvela Resources, and therefore to Mvela Resources, will be subject to a pro rata adjustment.
- 4) Based on the closing share price of Implats on 1 October 2008 of R165.75, the indicative price per Mvela Resources share would be R56.04, a premium of 26% to the Mvela Resources closing share price on the same day of R44.39.

4. Transaction rationale

The Proposed Transaction uniquely positions Implats as a leading South African-listed company with meaningful empowerment credentials and a portfolio of

platinum assets the value of which can be maximised by the combined skills set and financial resources of the combined entity which will have, *inter alia*:

- a strong balance sheet and cash flows to manage and develop a diverse portfolio of assets, and a significant project pipeline of new growth projects (shallow and deep level), with associated job creation and social-economic development;
- meaningful Broad Based Black Economic Empowerment (“BBBEE”) ownership;
- a majority of the directors being Historically Disadvantaged South Africans (“HDSA”);
- significant HDSA influence over the day-to-day operations of the combined entity, including meaningful representation in management;
- a strong operational management team which is further enhanced through the integration of Northam’s deep level mining skills; and
- immediate access to additional current and future production ounces in South Africa, and in particular shallow future production through the development of the Booyensdal Farms and Booyensdal Extension Farms (“Booyensdal”).

Implats believes that the Booyensdal project has the potential to produce in excess of 480 000 ounces per annum of PGE’s, with production starting as early as 2012 and reaching full production by 2020. This production profile can be sustained for many years as there are significant resources available. Most of the resource value is contained in the normal facies in the north of the Booyensdal project.

All PGE arisings from Northam’s facilities plus 50% of PGE arisings from Booyensdal will continue to be allocated to Heraeus’ independent PGE refinery in Port Elizabeth in accordance with existing arrangements, supporting development of the Eastern Cape Industrialized Zone.

5. Transformation imperative

Implats is fully committed to the transformation imperative, and is enthused about further enhancing the company’s empowerment credentials and transformation in all respects.

The Proposed Transaction will:

- benefit over 700,000 beneficiaries, and will stand as an example of true broad-based empowerment; and
- ensure the sustainability of the BBBEE shareholding in Implats through market and operational diversification.

Implats believes that a substantial and meaningful increase in the BBBEE ownership credentials of the combined entity is essential. Therefore, subject to

the completion of the Proposed Transaction and the approval by the requisite majority of Implats' shareholders, Implats will offer 25.1 million new ordinary shares to the Royal Bafokeng Nation (the "Bafokeng"), who have an existing pre-emptive right (the "Implats Share Issue"). The Implats Share Issue will be on market related terms. The Bafokeng have agreed, in principle, to participate in the Implats Share Issue, subject to market conditions at the time.

Separately, Mvelaphanda Holdings (Pty) Limited ("Mvela Holdings") and Afripalm Resources (Pty) Limited ("Afripalm") (collectively the "Mvela Resources BBBEE Shareholders") will engage with the Bafokeng to participate in the Implats Share Issue pro rata to their equity ownership in the combined entity. After the Implats Share Issue, ownership of Implats by HDSA's will be increased from 17% to over 20%.

In addition, as part of the Proposed Transaction, Implats has agreed that Mvela Resources should nominate two HDSA directors (one from a slate of potential independent directors provided by the Implats Nominations Committee, and the other being Lazarus Zim, as deputy chairman) for appointment to the board of directors of Implats (the "Implats Board"). Consequently, a significant majority of Implats' directors will be HDSA's, demonstrating Implats' commitment to transformation.

The combined entity will utilise the empowerment credentials of Implats, Mvela Resources and Northam to optimise its positioning relating to other pillars of empowerment and in particular employment equity, preferential procurement, skills development, enterprise development and community and social investment.

6. Share options in Northam and Mvela Resources

Conditional upon the Proposed Transaction being implemented, holders of share options in Northam and Mvela Resources will be entitled to the acceleration of their option vesting dates so that they are able to participate in the Northam Scheme and Mvela Scheme on the same terms as ordinary shareholders of Northam and Mvela Resources respectively.

7. Specific buyback by Mvela Resources of "A" ordinary shares

Mvela Resources will purchase from Afripalm the 35.0 million "A" ordinary shares held by Afripalm in the capital of Mvela Resources at their par value of 2 cents each, equating to a total consideration of R700 000. These are the only Mvela Resources "A" ordinary shares currently in issue.

8. Afripalm undertaking and subscription right

It is proposed that Afripalm's contractual undertaking to refer mining opportunities to Mvela Resources and its right to additional Mvela Resources shares pursuant to such referrals be cancelled against a compensating payment of R50 million by Mvela Resources, subject to *inter alia* JSE rules and SRP requirements.

9. Illustrative Financial Effects of the Proposed Transaction

The draft unaudited pro forma financial effects set out below are included for the purpose of illustrating the effect of the Proposed Transaction on Implats' earnings ("EPS"), headline earnings ("HEPS"), net asset value ("NAV") and net tangible asset value ("NTAV") per ordinary share for the year ended 30 June 2008. These draft unaudited pro forma financial effects:

- are presented for illustrative purposes only and have not been reviewed by auditors;
- may, because of their nature, not give a fair reflection of Implats' financial position, changes in equity, results of operations or cash flows after the Proposed Transaction; and
- do not necessarily represent or indicate sustainable earnings or future financial positions.

Any material changes to the pro forma financial effects will be released on SENS.

Mvela Resources and Northam expect to publish their financial effects on or around 30 October 2008. The directors of Mvela Resources and Northam are not responsible for the unaudited pro forma financial effects below.

| | Before ⁽¹⁾ | After ⁽²⁾ | % change |
|---------------------------|------------------------------|-----------------------------|-----------------|
| Implats | | | |
| Basic EPS (cents) | 2,910 | 2,540 | (12.7) |
| Basic HEPS (cents) | 2,065 | 1,805 | (12.6) |
| NAV per share (cents) | 7,177 | 8,389 | 16.9 |
| NTAV per share (cents) | 7,008 | 7,718 | 10.1 |

Notes:

1. The Before column is extracted from Implats' financial statements for the year ended 30 June 2008
2. The After column is based on the Before column, the financial statements of Mvela Resources and Northam for the financial years ended 30 June 2008. To calculate the financial effects, 100% of Northam and 100% of Mvela Resources have been included, taking into account the relevant adjustments reflected in the Mvela Resources and Northam circulars to shareholders, both dated 9 May 2008.

The material adjustments to the Income Statement include:

- Removing the equity accounted earnings of Northam from the Mvela Resources financial statements;
- Accounting for the amortisation of the fair value adjustment on the property, plant and equipment of Northam over the life of mine (16 years), and the related deferred tax;
- Payment of the preference dividend relating to the debt raised by Mvela Resources on the acquisition of Booyendal (R119.5 million per the Mvela Resources circular grossed up for 12 months); and
- Accounting for finance costs on the debt raised to fund the cash portion of the acquisition, adjusted for tax.

The material adjustments to the Balance Sheet include:

- Reflecting the acquisition by Northam of Booyendal through the issue of 121 million Northam shares at R45.40 per share;
- Accounting for the fair value adjustment of the Northam property, plant and equipment, together with the related deferred tax and goodwill;
- Accounting for the purchase consideration by the issue of Implats shares and an increase in long-term borrowings to pay the cash portion of the consideration;
- Removing the equity accounted investment in Northam from in the Mvela Resources balance sheet;
- Writing down of the value of the Mvela Resources Other Assets to fair value; and
- Accounting for the R4 billion acquisition cost of Booyendal in Mvela Resources through the decrease in cash and the issue of preference shares.

10. Pre-conditions to announcing a firm intention to make an offer

The making of a firm offer will be conditional on, *inter alia*:

- completion of due diligence by Implats;
- final approval by the Implats Board, the Mvela Resources Board and the Northam Board; and

- the Department of Minerals and Energy (“DME”) confirmation, as described in paragraph 13 below.

11. Conditions precedent to the Proposed Transaction

If Mvela Resources and Northam proceed with the Proposed Transaction, it will be subject to, *inter alia*, the fulfilment or, where appropriate, waiver of the following conditions precedent:

- the Northam Scheme and Mvela Scheme being approved by the requisite majority of shareholders at the respective Scheme meetings;
- the Northam Scheme and Mvela Scheme being sanctioned by the High Court; and
- the obtaining of all necessary regulatory approvals to the extent required including, *inter alia*, the approvals of the:
 - Competition Authorities;
 - JSE;
 - SRP; and
 - DME, confirming that the Proposed Transaction will not affect Northam or Booyensdal’s empowerment credentials.

12. Undertakings

Afripalm and Mvela Holdings, the two largest shareholders of Mvela Resources, have provided undertakings to vote in favour of all resolutions required to approve and implement the Proposed Transaction.

13. DME

In terms of the Relationship Agreement between Anglo Platinum Limited (“APL”) and, *inter alia*, Mvela Resources and Northam, the Proposed Transaction is subject to confirmation by the DME that the conversion credits which accrued to APL pursuant to the transfer of Booyensdal to Northam will not be prejudiced by the Proposed Transaction.

14. Further announcement and cautionary announcements

Further announcements with regard to the Proposed Transaction will be released on SENS and published in the press as and when appropriate.

Implats shareholders are advised that the Implats cautionary announcement published on 12 September has been lifted.

Mvela Resources and Northam shareholders are advised to continue to exercise caution when dealing in their Mvela Resources and Northam shares until the financial effects of the Proposed Transaction are published which is expected to be on or about 30 October 2008.

Johannesburg

2 October 2008

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