

NEWS RELEASE

Implats aims to be premier PGM investment

"Impala Platinum aims to be the premier pgm investment by remaining a low-cost producer, implementing its growth strategy and continuing to deliver a superior return to shareholders." So said David Brown, Finance Director of Impala Platinum Holdings Limited (Implats), at the World Platinum Congress held in Johannesburg today.

"We've come a long way over the past four to five years. In addition to our historic agreement with the Royal Bafokeng Nation, we have placed tremendous attention on unifying a fragmented workforce and focusing on productivity and costs. During the past two years we have also implemented an innovative growth strategy, which in addition to new exploration activities worldwide, has seen Impala develop a unique relationship with junior players in the market to the benefit of both parties.

"And these developments have paid off: During the last financial year Implats delivered a 66 per cent rise in share price and a doubling of the dividend per share. Amidst a market underpinned by fundamental demand – which looks set to be sustained – Implats is well positioned to post even better results at the end of the 2000/2001 financial year."

Five avenues for growth

"During the year ahead, Implats will concentrate on five identified avenues for growth.

"The first avenue for growth comes from traditional mining activities at Impala Platinum, as well as at new operations such as Barplats and Platexco.

"Impala Platinum itself has an annual production of 2 million ounces of total platinum group metals, with a life of mine of 30 to 35 years. That's world class by any standards.

"In addition to the optimisation of ore reserves and metallurgical assets we have embarked on a programme to re-energise Fixco. By implementing a "Best Practices" programme we not only utilise the fundamental and hands-on knowledge of our people, but are also able to introduce step-changes in technology.

"Barplats' Crocodile River Mine (83% held by Implats) is due to come into production as early as January 2001, at a rate of 80 000 oz pgms per annum, with a life of mine of 10 years. In addition, we are looking with interest at Barplats' Kennedy's Vale Mine, which could come into production by 2006 at a rate of 350 000 pgm ounces per annum.

"Progress is continuing on the Winnaarshoek project which, together with the contiguous property rights deal with Anglo Platinum, could see production of 400 000 pgms oz per annum for more than 30 years.

"Leveraging of surface assets, such as Implats' low cost Base and Precious Metals Refineries by offering third party smelting, refining and marketing through Impala Refining Services (IRS), provides the second avenue for growth. By entering into relationships with junior producers, such as Kroondal, Aquarius (Marikana and Everest South) and Messina, Implats is able to improve the utilisation of its surface assets at lower financial risk than that involved in a small mining project.

"The third avenue for growth is through strategic investments, such as Implats' holdings in Lonplats and Aquarius. Implats' 27% interest in Lonmin gives Impala 50% Board representation and certain pre-emptive rights. As a result of its interest in Aquarius, Implats is able to assist in the development of smaller deposits, while at the same time securing Life of Mine smelting, refining and marketing contracts for IRS.

"A fourth avenue for growth comes as a result of investments made to effect cost reductions and productivity gains. Two opportunities are being investigated in this regard including the Philnico laterite nickel project and Implats'

investment in Brandrill. If a decision is taken to invest in Philnico, Implats could effect a cost reduction of three per cent and a healthy dividend flow as a result of a 25 per cent equity stake in this low cost nickel/cobalt operation. Implats' 7,5 per cent stake in Australian-listed Brandrill Limited is aimed at producing a step change in technology to effect productivity improvements. The companies have jointly committed to developing a continuous mining system, which will improve productivity and safety.

"Finally, Implats' fifth avenue for growth lies in the exploration for pgm prospects internationally. Implats' strategy of entering into joint ventures with industry juniors, or acquiring a stake in juniors where there is a strategic fit, is cost effective and time efficient.

"In conclusion, Implats' resolve to be the premier pgm investment continues. Although we have significantly broadened our shareholder base in both North America and Europe, our global ambitions continue. The re-rating of Implats' share has resulted in some closure relative to local and international precious metals producers, but – we believe – that based on Implats' performance and prospects, there is still some room for improvement. "