



## NEWS RELEASE

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### Consortium acquires rights to 25% stake in Two Rivers Platinum

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**Johannesburg, January 17, 2003:** Two Rivers Platinum (Pty) Limited (Two Rivers) is pleased to announce that it has signed a memorandum of understanding with a new partner consortium, to be managed by TISO Capital (Pty) Limited (TISO), to acquire up to 25 percent of Two Rivers.

Shareholders within the TISO consortium comprise: TISO; Safika Investments; Aka Resources; Siyanda Resources, which represents a large number of black mining professionals; and a trust to be formed for the benefit of the community surrounding the new Two Rivers mine.

Commenting on the joint venture, the Minister of Minerals and Energy, Phumzile Mlambo-Ngcuka said: This joint venture signifies real empowerment in that it is a broader sector of the community that will benefit through the creation of permanent and contract jobs. The deal responds to the call by government that mining should benefit broader communities and be an engine of socio-economic development.

The Minerals and Resource Development Act, July 2002 stipulates that mineral resources are the common heritage of all South Africans and collectively belong to all the people of South Africa; that the state must consequently ensure that benefits emanating from the exploitation of our mineral resources accrue to all citizens; that government redress the results of the past racial discrimination and ensure that historically disadvantaged persons participate meaningfully in the mining industry.

Government therefore commends companies like Anglovaal Mining Limited (Avmin) and Impala Platinum Holdings Limited (Implats) for being such keen players in empowering previously disadvantaged persons.

Avmin and Implats recently formed Two Rivers to manage and operate a new mine located on the eastern limb of the Bushveld complex, near the town of Lydenburg.

Avmin and Implats are delighted to be in partnership with the Tiso consortium, which brings a combination of strong commercial leadership and active participation through the collective capabilities of the consortium, said Avmin Chairman Rick Menell.

Nearly 1 000 new permanent and contract jobs will be created by the mine, with further job creation prospects possible in supportive industries in the broader community, said Rick Menell.

Two Rivers has appointed Avmin as manager to conduct future development and operating activities.

The advanced feasibility study on a new mine suggests the sinking of a decline shaft is the best option to access the ore body and that mechanised mining would allow the mine to attain full production within two years after the sinking of a shaft. A concentrator plant would be erected on site and Impala Refining Services (IRS), a wholly owned subsidiary of Implats, will purchase the concentrate for smelting and refining and will conduct the PGM marketing, Rick Menell noted. The base metals in concentrate will be toll-refined by IRS and the marketing conducted by Avmin.

Implats CEO, Keith Rumble, said that the deal forms a part of Implats' long-term empowerment strategy. An important part of the way we work at Implats is to form partnerships and joint ventures to turn to account mineral reserves to the benefit of shareholders, employees and communities. But the process of transformation must not and will not be isolated to boardrooms through equity deals. Only once we have succeeded in transforming the company at all levels can we say that we are succeeding in empowerment.

The Two Rivers and TISO consortium memorandum of understanding is currently being documented into a shareholders agreement, which will ultimately result in Avmin holding 41,25 percent of the new venture, with Implats holding 33,75 percent and the TISO consortium 25 percent. Avmin and Implats will combine their interests into a new holding structure, which will hold 75 percent of the project and be managed by Avmin. The TISO consortium will hold the remaining 25 percent.

On behalf of the consortium, TISO Deputy Chairman, Nkululeko Sowazi, said: Our consortium looks forward to working with Avmin and Implats in developing this project and anticipates with enthusiasm the prospect of further entrenching black participation in the platinum sector from the perspective of ownership, management, community development and procurement.

The conclusion of the agreements pertaining to this new partnership will be subject to certain conditions, including:

- the conclusion and acceptance of a shareholders agreement;
- the approval of the Board of Directors of Two Rivers; and
- obtaining the necessary regulatory and statutory approvals, including a mining licence.

## **FACTS ABOUT TWO RIVERS**

Anticipated production: 200 000 ounces of platinum group metals a year.

Life expectancy approximately 20 years.

Capital expenditure approximately R1 billion excluding interest on loans.

Labour component approximately 984 people.