

NEWS RELEASE

Response to queries: Mineral and Petroleum Royalty Bill

Impala Platinum Holdings Limited (Implats) is very concerned at the possible implications of the proposed Mineral and Petroleum Royalty Bill released for comment last week. We intend to address the ambiguity regarding potential double royalty payments in terms of the proposed Bill (4% of gross sales) and the Mineral and Petroleum Resource Development Act (Act No. 28 of 2002), which includes a provision for the continuation of existing royalty payments to the Royal Bafokeng Nation. We have communicated our concerns in the strongest terms to the National Treasury. A meeting has been scheduled to address these concerns with the National Treasury.

Issues include:

- No credit for Royal Bafokeng Nation community-based royalty payments
- No phased-in approach on new projects
- Potential increased cost of borrowing, particularly for new BEE entrants
- Ambiguity regarding the treatment of concentrate producers with, again, a potential negative impact on new BEE entrants.