

31 May 2006

ASX ANNOUNCEMENT

EMPOWERMENT AGREEMENT AND NEW EXPANSION PROJECT

Agreement has been reached with the Government of Zimbabwe which creates the platform for further large scale investments by Zimplats.

Following extensive negotiations Zimplats is pleased to announce that it has signed an agreement with the Government of Zimbabwe relating to the release of a portion of its mining claims in exchange for a combination of empowerment credits and cash. In addition, the agreement allows for the ground required for long term expansion to be secured under the special mining lease regime.

In terms of this agreement, Zimplats will release claims outside its long-term expansion areas, and together these claims amount to 36% of the company's resource base on the Great Dyke in Zimbabwe. The contained metal in the ground to be released is 51 million oz platinum or 99 million oz 4E (platinum, palladium, rhodium and gold).

The released ground is outside of Zimplats, long term expansion programme of 1 million platinum ounces per annum over a fifty year life of mine.

The agreement allows for the market value of the claims to be recognised. The credit is calculated with reference to the weighted average share price of Zimplats over the 30 days prior to signing of the agreement, multiplied by the number of shares in issue.

The market value of the released claims is USD153 million and the weighted average price of Zimplats shares during the 30 day period was US\$4.86. Using these values, and the agreed formula, Zimplats will therefore receive a cash credit and an empowerment credit to realise the full value of the released claims.

The agreement also provides for all remaining claims retained for the long term expansion to be incorporated into the special mining lease regime that applies to Zimplats' current operations. This will facilitate the potential to fast-track any expansion in these areas.

Following the signing of this agreement, the Zimplats Board is pleased to announce that it has approved with immediate effect phase 1 of its long term expansion plan, and the replacement of the remaining opencast operation with underground mining operations.

Phase 1 expansion will involve:

- New investment of US\$258 million, including US\$69.5 million for the replacement of the opencast mine.

oz/annum (4E production will increase from 185 000 oz to 322 000 oz and Nickel production will increase from 1 540 tonnes to 2 900 tonnes).

- The simultaneous development of 2 new underground mines at Ngezi.
- The construction of a new 1.5m tonnes/annum concentrator at Ngezi.
- The construction of 715 new staff houses near Ngezi, as well as upgrading amenities within the area.
- The creation of 1 200 new direct jobs, plus an estimated further 3 000 contractor jobs during the 3 year construction phase.

For further information contact:

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