



JOINT MEDIA RELEASE

ANGLO PLATINUM AND XSTRATA ALLOYS FORM MOTOTOLO JV TO DEVELOP NEW PLATINUM GROUP METALS MINE AND CONCENTRATOR

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Anglo Platinum and Xstrata Alloys ("Xstrata") have formed the Mototolo Joint Venture (the "Mototolo JV") to develop a platinum group metals (PGM) mine and concentrator on the Eastern Limb of the Bushveld Complex in Mpumalanga, South Africa. The project is expected to produce approximately 132,000 ounces of platinum and 82,000 ounces of palladium in concentrate per annum.

Anglo Platinum and Xstrata will each contribute a similar amount of in-situ PGM reserves and resources from Xstrata's Thorncliffe farm, adjacent to its Thorncliffe chrome mine and Anglo Platinum's bordering farm Richmond, part of its Der Brochen project area, to the venture. The total capital expenditure for the project is estimated at R1.35 billion (USD200 million) to commissioning, of which Xstrata and Anglo Platinum will each contribute R675 million (USD100 million).

The project benefits from a life of mine of approximately 20 years at a planned milling rate of 200,000 tonnes per month and an estimated head grade of 3.74 grammes per tonne.

Xstrata will be responsible for developing and operating the underground mine, contributing its expertise in mechanised room and pillar mining, while Anglo Platinum will construct and manage a 200,000 tonnes per month PGM concentrator.

Anglo Platinum will purchase Xstrata's 50% share of PGM concentrate for further smelting refining and marketing of finished product. Xstrata will construct a beneficiation plant at its own cost to process the UG2 chrome tailings arising from the PGM concentrator and will purchase Anglo Platinum's share of chrome concentrate.

Construction of the mine and concentrator is expected to commence in the third quarter of 2005, with initial production of PGM ounces anticipated in the last quarter of 2006 and full production in the third quarter of 2007.

The Mototolo JV is a pooling and sharing arrangement between Xstrata and Anglo Platinum. Both parties will comply with the requirements of South Africa's Mineral and Petroleum Resources Development Act and Charter.

Ralph Havenstein, CEO of Anglo Platinum said:

“By leveraging off the strengths and experience of both partners, this project will accelerate Eastern Bushveld platinum development and will also create some 1,100 new job opportunities. The formation of the Mototolo joint venture will increase Anglo Platinum’s production of platinum group metals in a capital and cost efficient manner.”

Peet Nienaber, Xstrata Alloys Chief Executive, said:

“The Mototolo joint venture provides Xstrata with an entry into an attractive commodity, working with an experienced partner. The combination of Xstrata's expertise in developing and managing underground chrome mines, together with Anglo Platinum's processing and downstream capabilities, will enable both partners to realise a low-cost, high return project with a rapid development profile.”

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