



IMPALA PLATINUM HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1957/001979/06)
JSE Share code: IMP
ISIN: ZAE000083648
JSE Convertible Bond Stock Code: IMCB22
JSE Convertible Bond ISIN: ZAE000247458
ADR code: IMPUY
("Implats" or "the Group")

First quarter production report for the period 1 July 2020 to 30 September 2020

Key highlights

- Zero fatalities and a 7% and 26% improvement in the reported lost-time injury and all injury frequency rates, respectively
- An 11% increase in total 6E concentrate volumes to 859 000 ounces, with an 11% gain in managed volumes to 623 000 ounces, a 23% increase in JV production to 142 000 ounces and a 6% decline in third-party receipts to 94 000 ounces
- A 58% improvement in gross 6E refined and saleable production volumes to 870 000 ounces on improved availability at Group processing assets and the inclusion of contributions from Impala Canada

Implats' Chief Executive Officer, Nico Muller, commented: *"Implats has delivered a strong start to FY2021 with pleasing improvements in safety and a number of notable operational gains. This was achieved despite the continuing challenges presented by the Covid-19 pandemic and is testament to the operational resilience our team has worked so hard to develop and entrench. Production losses attributable to the pandemic in the quarter were minimal and our health, safety and operating protocols have proved effective in mitigating the impact of the virus on our operations, employees, host communities and customers. PGM pricing remains robust and we continue to experience strong demand for our primary products. We are well positioned to continue delivering exceptional value to all our stakeholders in the year ahead."*

Operational information		Unaudited Quarter ended 30 September 2020	Unaudited Quarter ended 30 September 2019
Gross production:			
Tonnes milled (excluding associates)	000t	6 133	5 214
Grade (6E)	g/t	3.61	3.81
6E in concentrate (managed operations)	000oz	623	561
6E in concentrate (JV operations)	000oz	142	116
6E in concentrate (third-party and toll)	000oz	94	100
Gross 6E refined	000oz	870	551
Impala 6E refined	000oz	372	184
IRS 6E refined	000oz	443	366
Impala Canada saleable 6E	000oz	56	0
Gross platinum refined	000oz	408	281
Gross palladium refined	000ozt	295	161
Gross rhodium refined	000oz	53	33
Gross nickel refined	000oz	3 956	3 720
Managed operations production:			
Impala			
Tonnes milled	000t	2 958	3 020
Grade (6E)	g/t	3.93	3.88
6E in concentrate	000oz	346	346
6E refined	000oz	372	184
Marula			
Tonnes milled	000t	525	488
Grade (6E)	g/t	4.33	4.43
6E in concentrate	000oz	68	63
Zimplats			
Tonnes milled	000t	1 670	1 706
Grade (6E)	g/t	3.49	3.49
6E in concentrate	000oz	148	151
6E in matte	000oz	142	151
Impala Canada			
Tonnes milled	000t	980	-
Grade (6E)	g/t	2.48	-
6E in concentrate	000oz	61	-
JV operations production:			
Mimosa			
Tonnes milled	000t	724	589
Grade (6E)	g/t	3.88	3.85
6E in concentrate	000oz	67	54
Two Rivers			
Tonnes milled	000t	802	798
Grade (6E)	g/t	3.37	3.40
6E in concentrate	000oz	75	61
IRS			
Mine-to-market 6E receipts (excludes Impala)	000oz	380	299
Third-party and toll 6E receipts	000oz	94	100
6E receipts	000oz	474	399
6E refined	000oz	443	366

HEALTH AND SAFETY

Implats' goal is to eliminate harm to the health and safety of our employees and contractors. Effectively managing workplace health and safety risks, therefore, remains a key priority in achieving the Group's vision of zero harm. Focused attention across all operations and targeted precautionary measures have mitigated the challenges presented by the Covid-19 pandemic and Implats has delivered an improved safety performance in the quarter under review.

Management of the Covid-19 pandemic required extensive revisions to operating practices over the course of 2020, with additional care required to ensure the safe start-up of operations following Covid-related restrictions and interruptions. Pleasingly, the infection rate across the Group, which peaked in June 2020, has maintained a steady downward trend throughout the first quarter of FY2021. To date, the Group has recorded 2 137 infections and currently has 17 active cases.

The Group operated without a fatal incident during the quarter. The lost-time injury rate of 4.91 per million-man hours worked improved by 7% from 5.27 recorded in the first quarter of FY2020, the all injury frequency rate of 9.19 per million-man hours worked improved by 27% over the same period.

PRODUCTION

Gross tonnes milled at managed operations improved by 18% to 6.13 million tonnes during the quarter, compared to 5.21 million tonnes achieved in the prior comparable period. The increase was primarily due to the maiden inclusion of Impala Canada, but production gains at Marula also aided this performance and helped offset slightly lower milled volumes from Impala Rustenburg and Zimplats. The resolution of milling challenges experienced at our joint ventures (JVs) resulted in higher volumes from both Two Rivers and Mimosa during the period.

As a result, 6E in concentrate production of 623 000 ounces at managed operations was 11% higher than in the prior comparable quarter. JV production from Mimosa and Two Rivers increased by 23% and helped offset the impact of lower third-party receipts in the period. Total 6E concentrate volumes rose by 82 000 ounces, or 11%, to 859 000 ounces.

Refined 6E production in the prior comparable period was significantly impacted by planned maintenance at the Zimplats furnace and Impala Rustenburg's smelting complex, which constrained processing capacity. During the period under review, gross refined volumes benefitted from the accelerated processing maintenance across the Group and the inclusion of saleable production from Impala Canada. In total, gross refined 6E production increased by 58% to 870 000 ounces (Q1 FY2020: 551 000 ounces).

Impala

Milled production at Impala Rustenburg decreased by 2% to 2.96 million tonnes negatively impacted by the residual effect of Covid-19 on labour availability, declining reserves at the short-life shafts (6 and 9 shafts) and increased Eskom power failures. Higher delivered grade of 3.93

g/t (Q1 FY2020: 3.88 g/t) and improved recoveries and yield gains resulted in stable 6E in concentrate production of 346 000 ounces. Refined 6E production increased significantly to 372 000 ounces (Q1 FY2020: 184 000 ounces) and benefitted from greater availability of processing capacity due to the timing of scheduled maintenance in the previous comparable period.

Marula

Marula continues to deliver improvements in operational momentum. Tonnes milled increased by 8% to 525 000 tonnes (Q1 FY2020: 488 000 tonnes), benefitting from a quick ramp up following Covid-related interruptions, a step change in safety performance, the notable absence of community disruptions and improved mining performance. Mill grade decreased by 2% to 4.33 g/t (6E) (Q1 FY2020: 4.43 g/t) but 6E in concentrate production improved in line with higher milled tonnage to 68 000 ounces during the period (Q1 FY2020: 63 000 ounces).

Zimplats

Zimplats continues to benefit from uninterrupted operation and remained relatively unaffected by the Covid-19 pandemic. Mined tonnage increased by 2% due to improved fleet productivity and increased production from the new Mupani Mine, which is still in development. Mill throughput of 1.67 million tonnes declined marginally due to planned maintenance at the Ngezi concentrator during the quarter, while grade and recoveries were stable, resulting in a 2% decline in 6E concentrate produced of 148 000 ounces (Q1 FY2020: 151 000 ounces). Routine smelter maintenance in Q1 FY2020 resulted in elevated matte volumes relative to concentrate production during that quarter, which normalised in the current period. As a consequence, 6E volume in matte was 6% lower at 142 000 ounces.

Impala Canada

Operational delivery during the first quarter was impacted by the residual impact of Covid-related challenges at the mine site and planned underground infrastructure enhancements, which were completed in the period under review. Milled throughput of 980 000 tonnes and a 6E head grade of 2.48 g/t yielded 6E in concentrate production of 61 000 ounces.

Mimosa

The impact of Covid-19 infections in the broader Mimosa community were well controlled, benefitting from the protocols and practices implemented at the onset of the pandemic. In Q1 FY2020, concentrate production at Mimosa lagged mined volumes due to extended repairs to the milling circuit. In the period under review, mined volumes improved by 12%, while milled tonnage of 724 000 tonnes and 6E in concentrate production of 67 000 ounces both improved by 23% from the previous comparable quarter.

Two Rivers

The delayed return of foreign employees following Covid-related national border closures impacted staffing levels at Two Rivers in the early weeks of the reporting period, but the mine

had returned to full staffing and production levels by mid-quarter. Concentrate production volumes in Q1 FY2020 were heavily impacted by extended maintenance and metallurgical challenges at the concentrator plant, which were resolved during FY2020. In the period under review, tonnes milled were flat at 802 000 tonnes (Q1 FY2020: 798 000 tonnes), while a 1% decrease in mill grade to 3.37g/t was more than compensated for by improved plant performance and recoveries. As a result, 6E production in concentrate rose by 23% to 75 000 ounces (Q1 FY2020: 61 000 ounces).

Impala Refining Services (“IRS”)

Gross receipts at IRS increased by 18% to 474 000 6E ounces (Q1 FY2020: 399 000 ounces). The rebound in mine-to-market deliveries marginally offset weaker third-party deliveries, which declined by 6% or 6 000 ounces. Refined production increased by 21% to 443 000 ounces (Q1 FY2020: 366 000 ounces) with volumes benefitting from improved availability at Group processing facilities.

The above information has not been reviewed and reported on by the Group’s external auditors.

QUERIES

Johan Theron

Group Executive: Corporate Relations

E-mail: Johan.Theron@implats.co.za

Tel: +27 11 731 9013/43

Cell: +27 82 809 0166

Emma Townshend

Executive: Corporate Affairs

E-mail: Emma.Townshend@implats.co.za

Tel: +27 21 794 8345

Cell: +27 82 415 3770

Alice Lourens

Group Corporate Relations Manager

E-mail: Alice.Lourens@implats.co.za

Tel: +27 11 731 9033/43

Cell: +27 82 498 3608

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