



Mining opportunities following the new political dispensation in Zimbabwe

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INTRODUCTION AND INVESTMENT OVERVIEW



*Nico Muller
CEO, Implats*

OPERATIONAL OVERVIEW AND MINING OPPORTUNITIES IN ZIMBABWE



*Alex Mhembere
CEO, Zimplats*



Investment overview

Nico Muller
CEO, Implats



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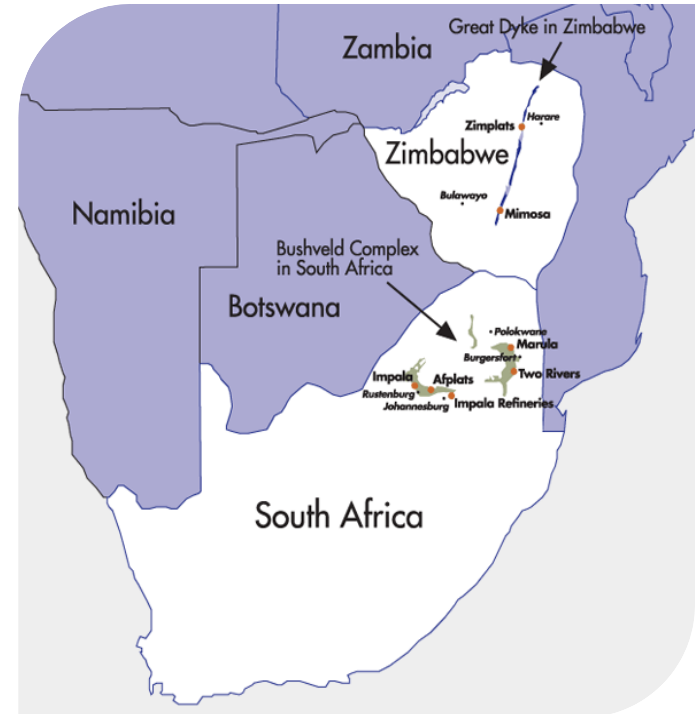
Introducing Implats

Implats is one of the world's foremost producers of platinum and associated metals (PGMs)

Our operations are located on the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, the two most significant PGM-bearing ore bodies in the world

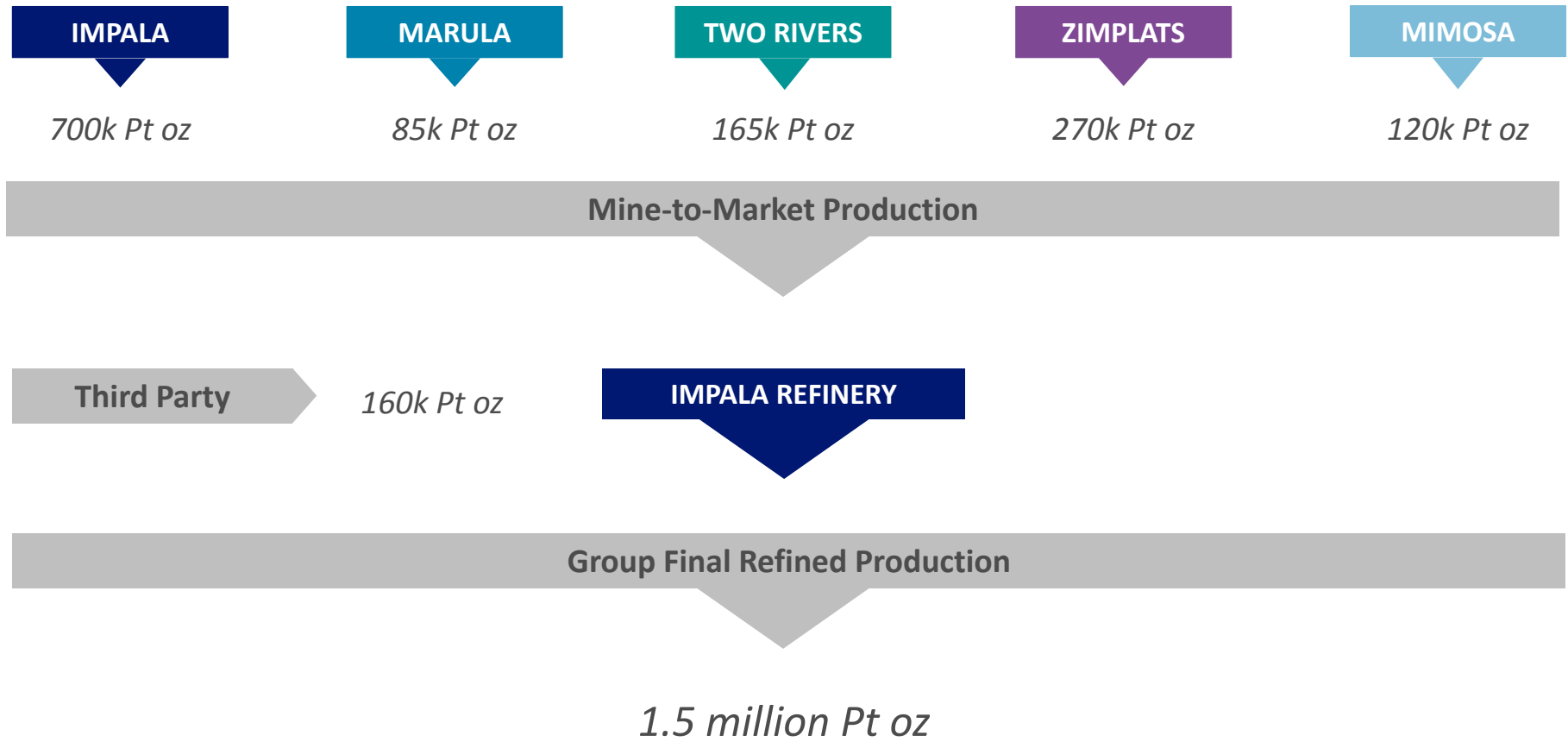
Our Mission

To safely mine, process, refine and market our products at the best possible cost, ensuring sustainable value creation for all our stakeholders

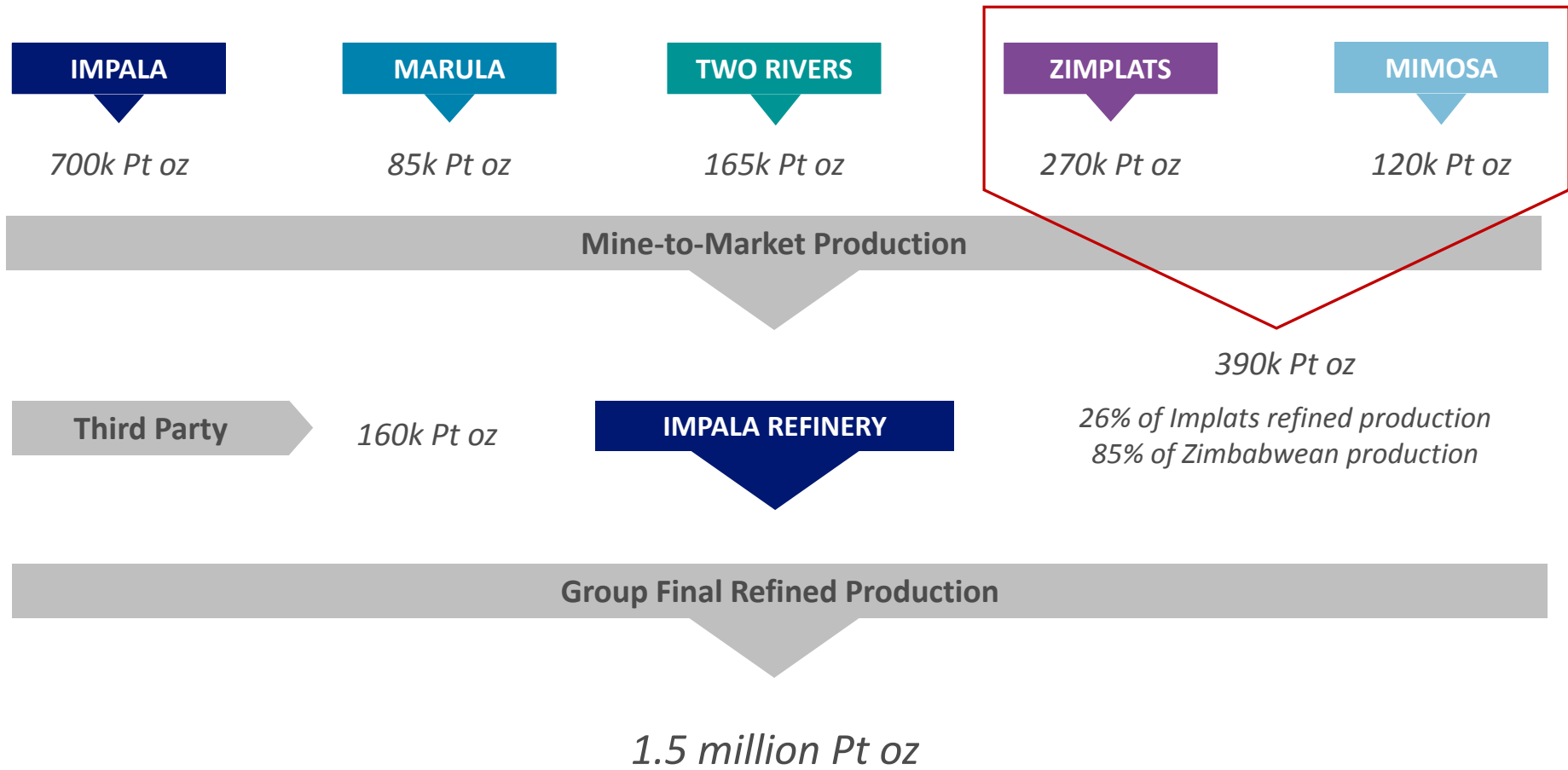




Implats production profile



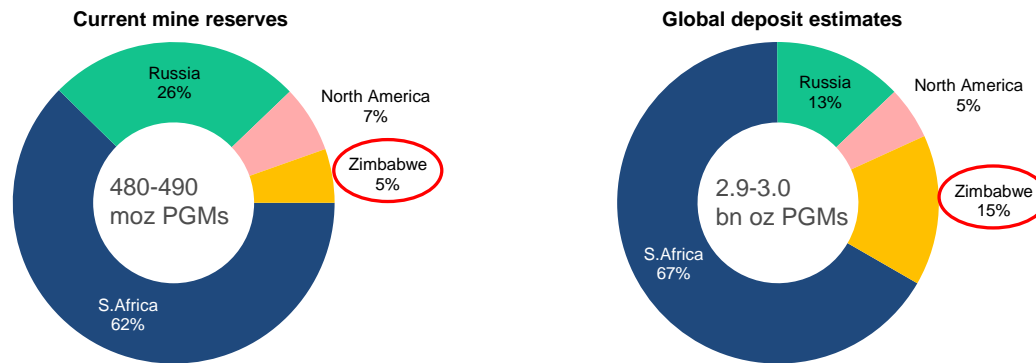
Implats production profile



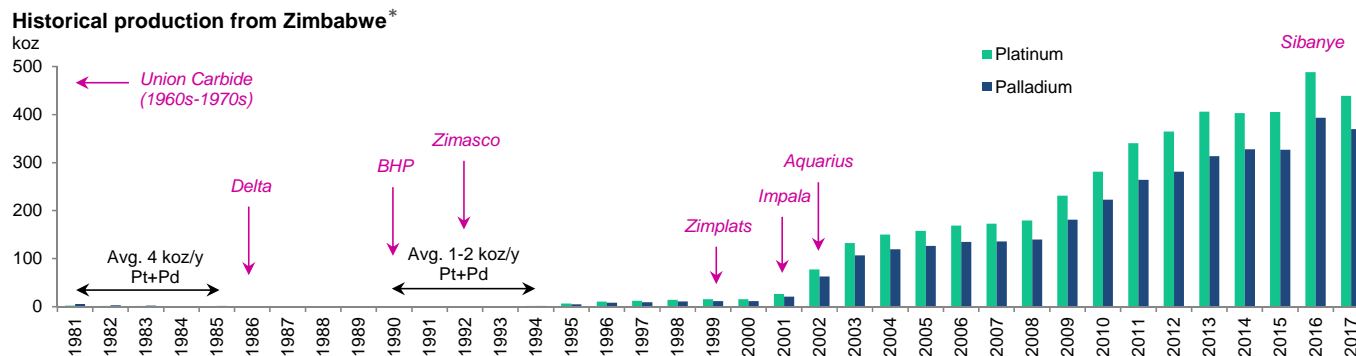
	Western Limb	Zimbabwe
Depth	+ 1 500 metres	- 800 metres
Time to bring a new underground mine into production	15 years	6 years
Expected capital investment (mine only)	R12 billion	US\$350 million
Mining	Conventional	Mechanised
People	6 000	1 000
Expected production per annum		
Throughput	2.7mtpa	2.0mtpa
Platinum	180 000ozpa	90 000ozpa
Nickel	1 300tpa	1 700tpa
Copper	750tpa	1 300tpa
Current operating margin	(- 8%)	10%

Historical investment into Zimbabwe and potential to grow production

From a mineral deposit point of view, production from Zimbabwe has the potential to grow and replace historical high-cost RSA supply, currently being starved from further capital investment



However, it will take time to grow and historical investments will require ongoing maintenance capital to sustain production



* Source: SFA (Oxford), company reports, Mineralogical Association of Canada



Security of tenure

- Political stability (elections in 2018)
- Mining legislation
- Fiscal policy
- New entrants (release of ground)

Infrastructure availability

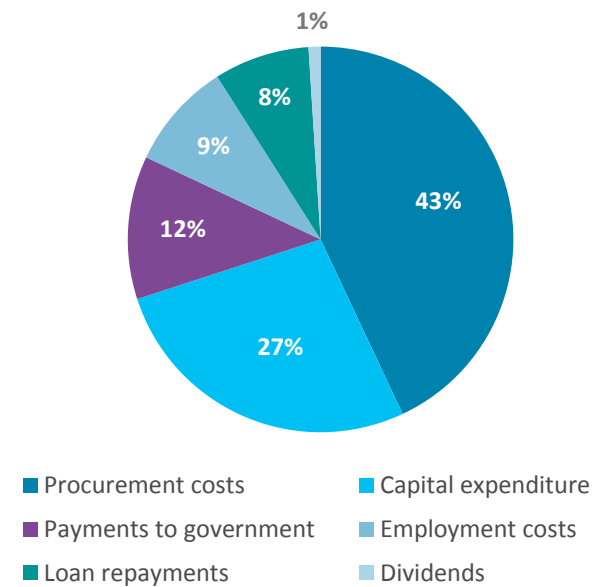
- Power
- Water
- Housing

Investment returns

- Tax
- Indigenisation
- Beneficiation



Zimplats cash utilisation (2002 – 2017)



We are encouraged by recent political changes, however, future investments into new supply will only materialise when economic returns become supportive of the large investments required and legislation/policy changes are affirmed to provide the required security of tenure



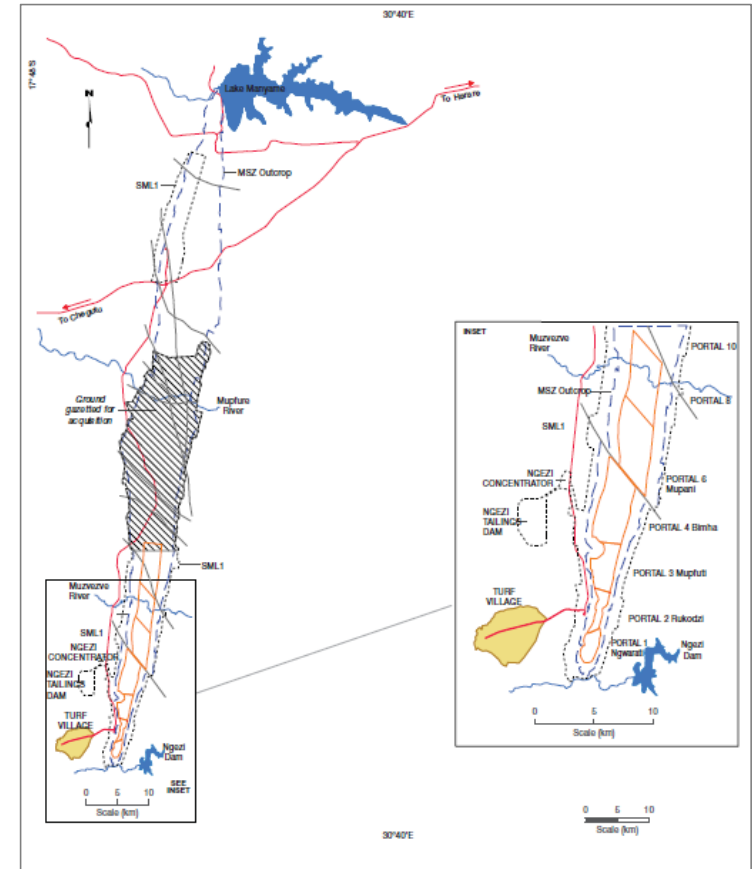
Investment Opportunities

Alex Mhembere
CEO, Zimplats

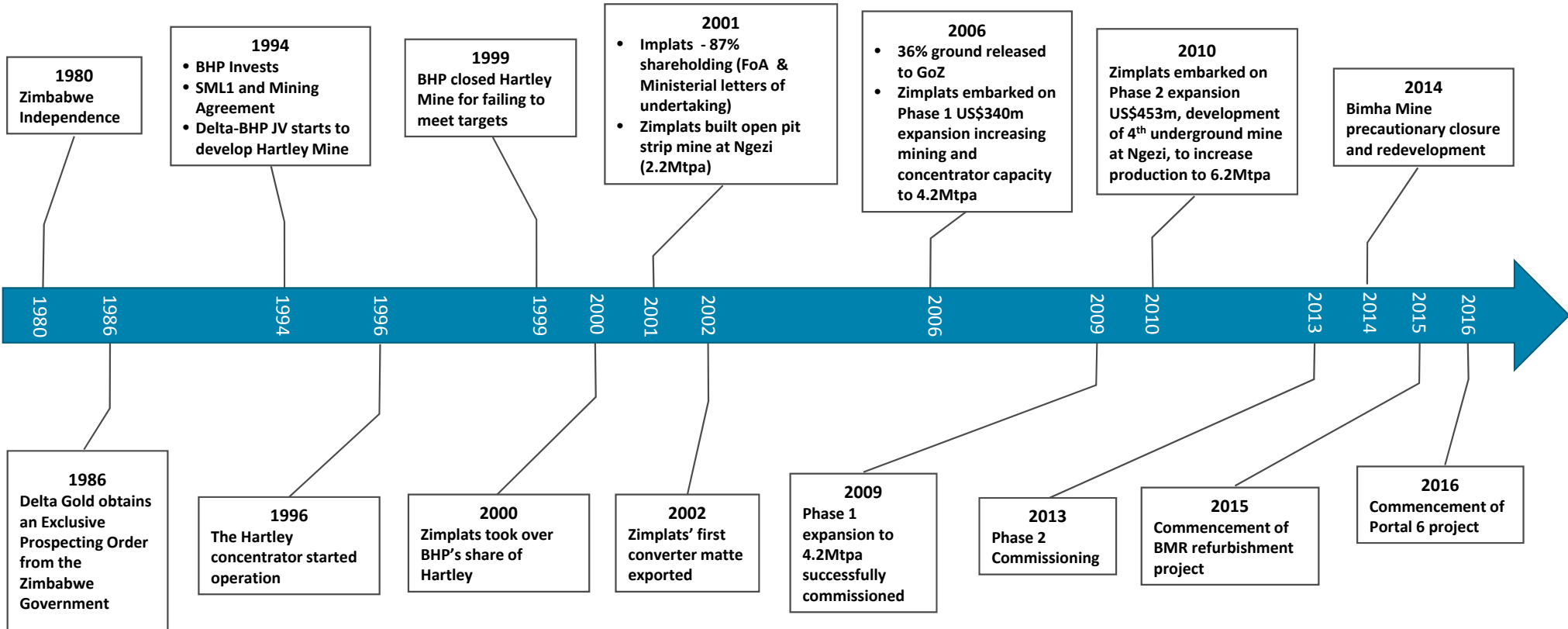


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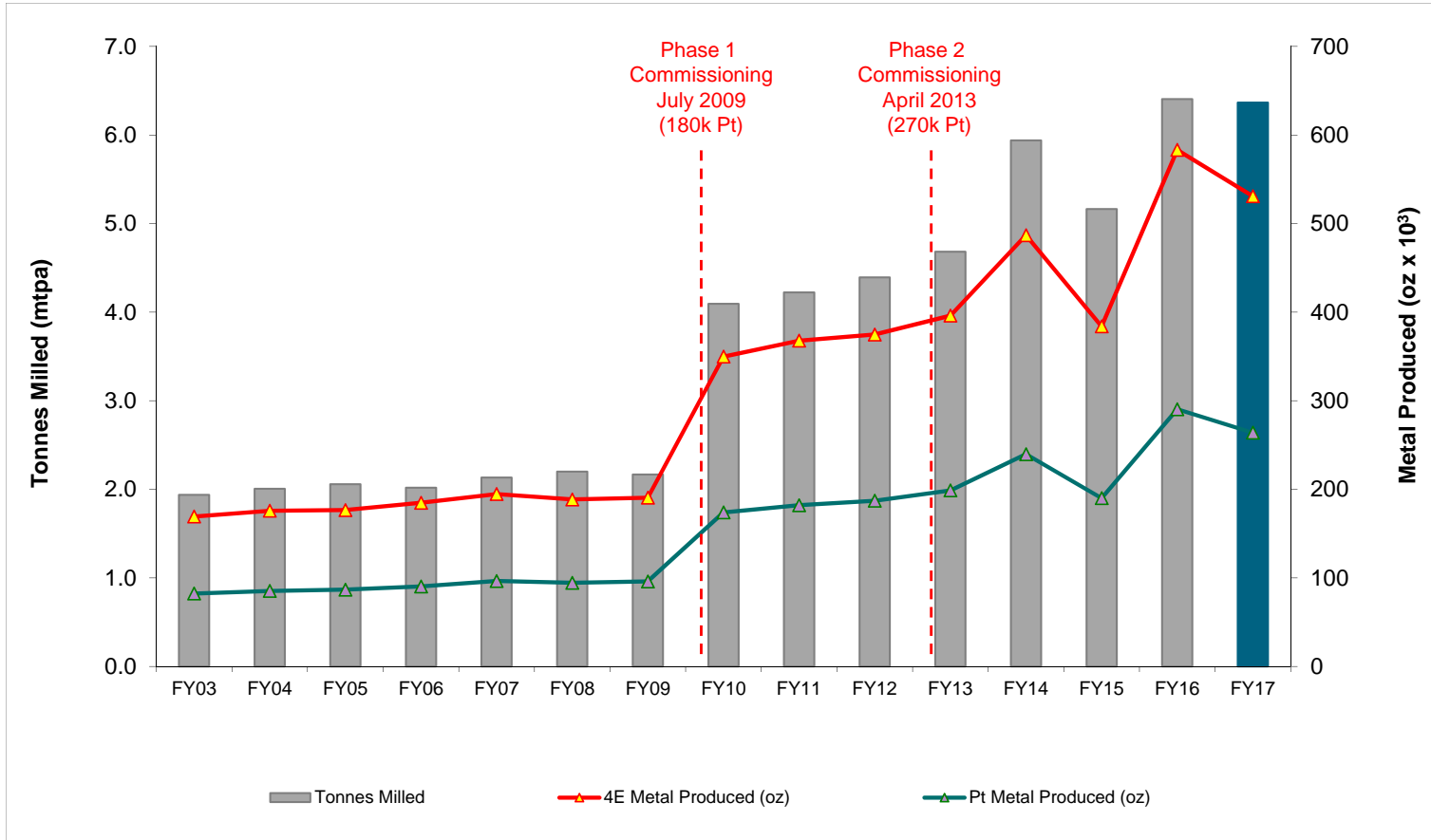




Zimplats - background and history



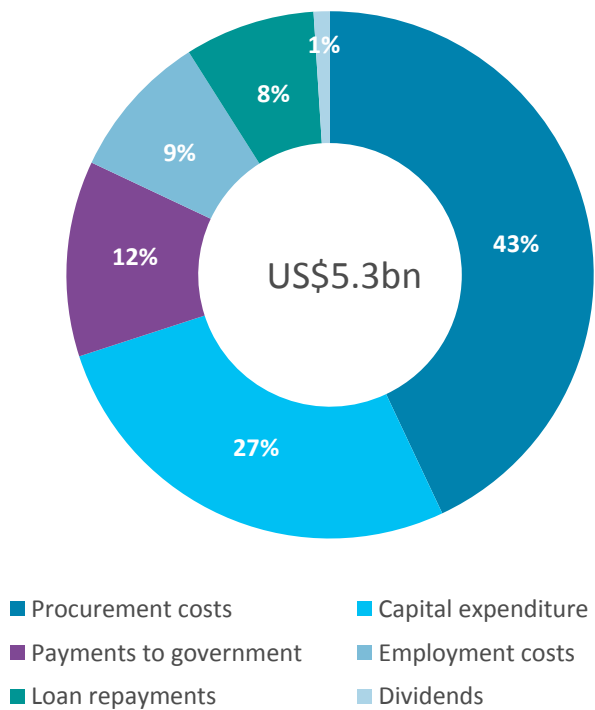
Zimplats milling and production profile



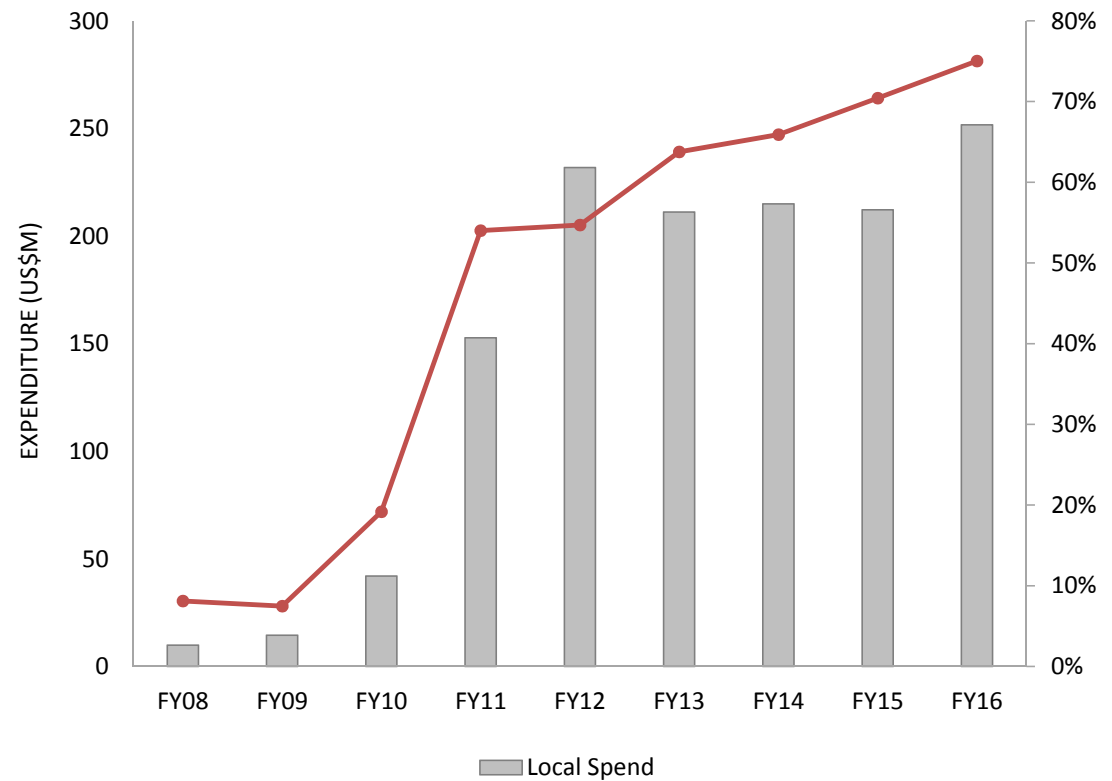
Zimplats Mupani mine box cut (November 2017)



Zimplats cash utilisation (2002 – 2017)



Zimplats local procurement and supplier development



- Zimbabwe saw a change of government on 24 November 2017 for the first time since 1980, marking the dawn of a new dispensation.
- The change of government altered the political landscape of a country which had known only one ruler since independence from Britain in 1980.
- Zimbabwe's country risk profile is positively changing following this change.
- Like many economic sectors, mining has been a beneficiary of the political change and new opportunities are emerging

Over the years, the old regime saw Zimbabwe’s country risk profile increasing

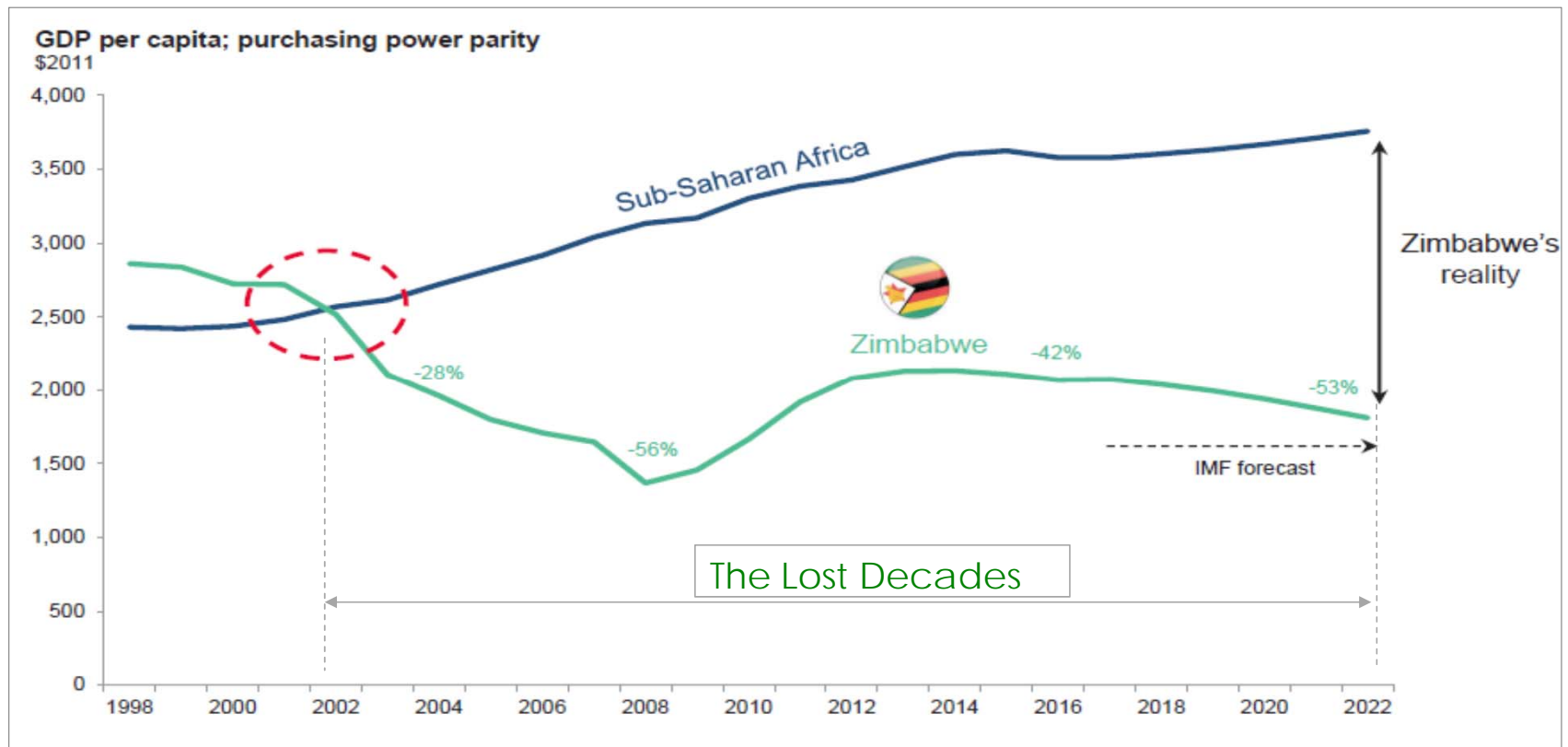


Consequently, Zimbabwe ranks:

- 124th on the WEF Global Competitiveness Index out of 137 countries surveyed
- 159th in the World Bank Ease-of-Doing-Business Index out of 189 countries surveyed

Historical background – Zimbabwe’s economic decline

Compared to other SSA countries, Zimbabwe experienced accelerated steep economic decline since 2000.





- On 24 November 2017 President ED Mnangagwa took the oath of office following the resignation of former President RG Mugabe, after a military intervention code-named **“OPERATION RESTORE LEGACY”**
- There is now renewed optimism around the economic fortunes of the country as the mantra of the new dispensation is **“ZIMBABWE IS OPEN FOR BUSINESS”**
- The new government appears to be saying the right things

New dispensation

- Focus on **ECONOMICS** over **POLITICS**
- Amended indigenisation policy
- Anti-corruption drive
- Commitment to free, fair and credible elections
- Commitment to respect property rights
- Aggressive international re-engagement effort (from **DAVOS** to **CHOGM**).
- Promise of investment protection

Zimbabwe's mineral resources

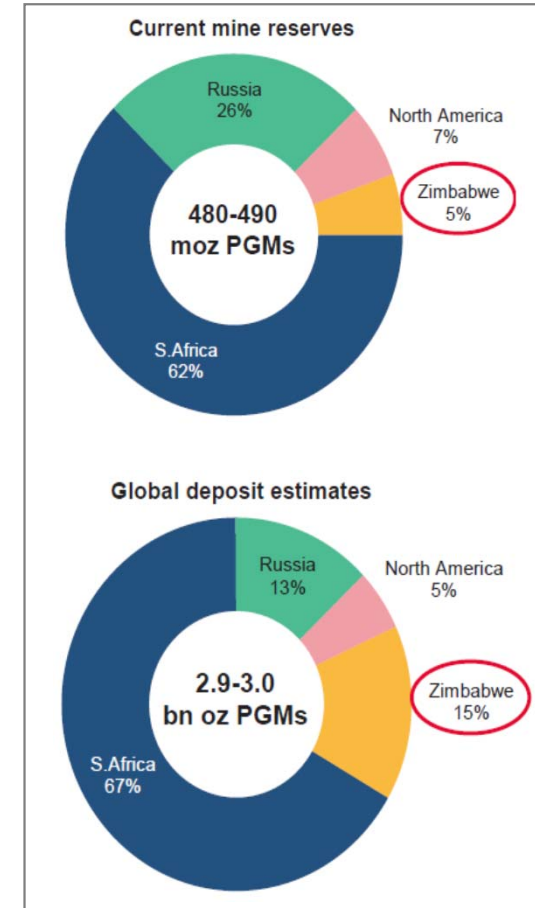
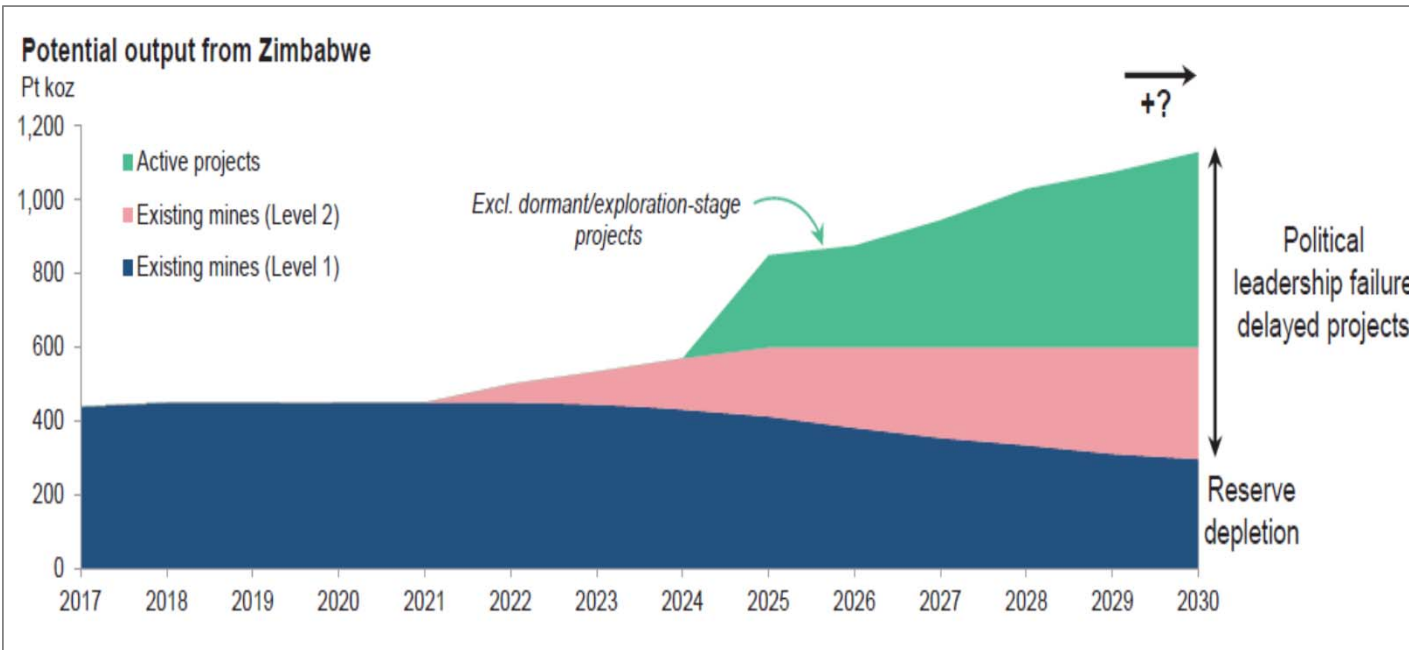
Zimbabwe is host to more than 40 valuable mineral resources



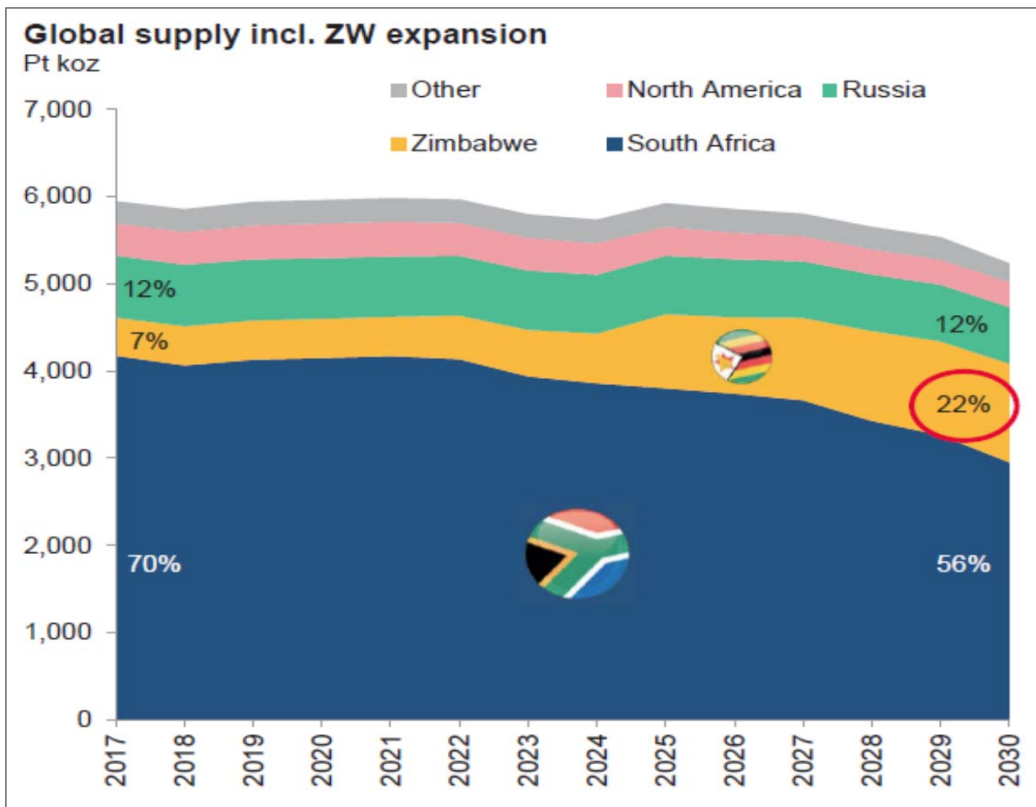
Many cities and towns owe their origin to mining



The case for PGMs in Zimbabwe



Scope to push Zimbabwe Pt Global supply contribution to 25% by 2030s



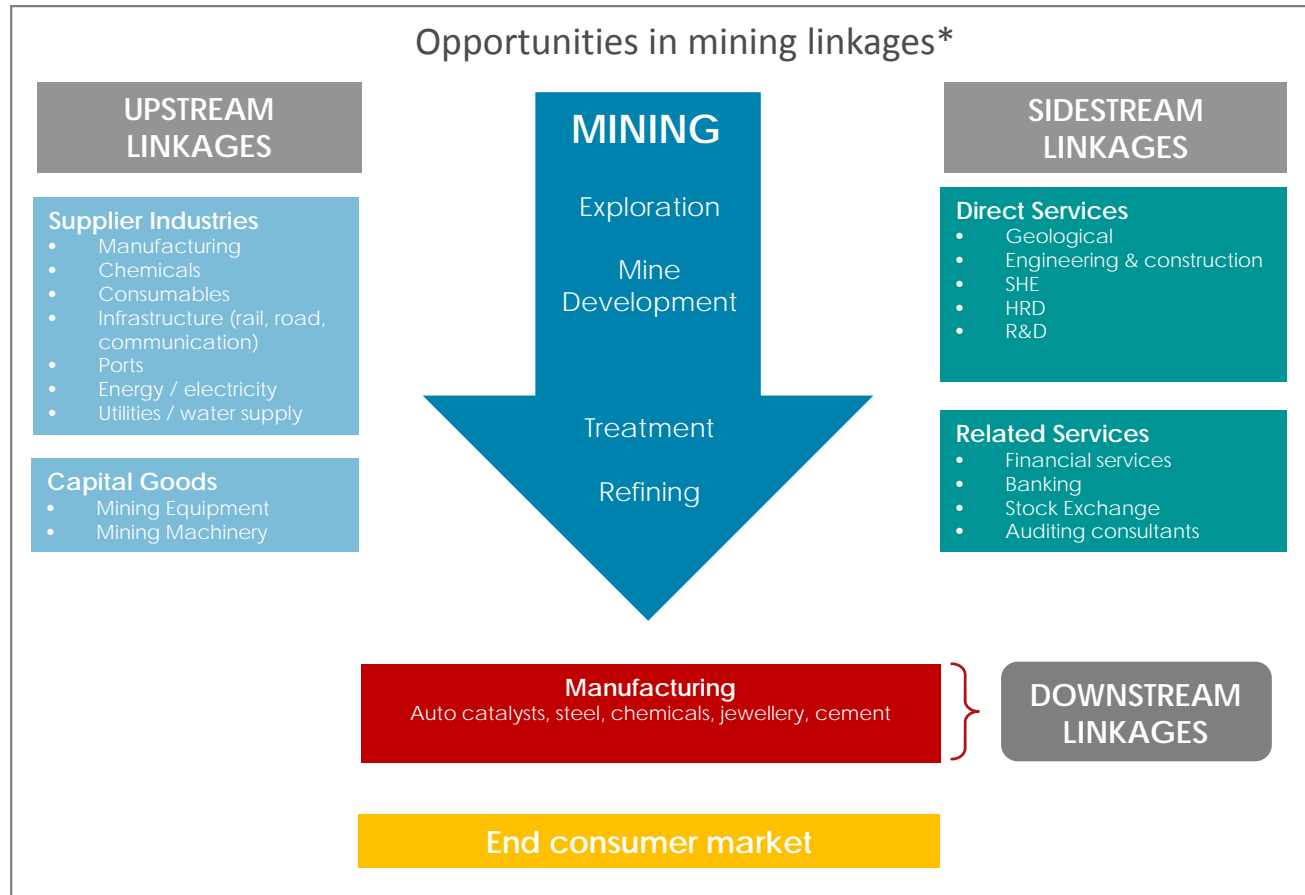
Key factors for PGM growth in Zimbabwe

- Policy certainty and leadership will be key to PGM production growth.
- Bringing finality to indigenisation to shape future stability in the PGM sector. Negative political rhetoric of the past discouraged greenfield project development and restricted brownfield expansion projects.
- Free, fair and credible elections have the potential to unlock investment in the PGM sector and mining sector in general in Zimbabwe.
- The promotion of economic development, foreign direct investment and clear legislative guidelines that support investment in mining.
- Zimbabwe PGM-bearing MSZ boasts a particular favourable mix of PGMs that is closely aligned to the ideal consumption mix of the 2030s and beyond.

Opportunities for beneficiation

	<p><u>Diamond</u></p> <ul style="list-style-type: none"> • Cutting and polishing • Jewellery manufacturing
	<p><u>Gold</u></p> <ul style="list-style-type: none"> • Jewellery manufacturing
	<p><u>Black granite</u></p> <ul style="list-style-type: none"> • Construction industry (kitchens) • Dimensional stone polishing
	<p><u>Platinum</u></p> <ul style="list-style-type: none"> • Jewellery • Auto-catalysts
	<p><u>Lithium</u></p> <ul style="list-style-type: none"> • Battery manufacturing • Chemical industry
	<p><u>Limestone</u></p> <ul style="list-style-type: none"> • Cement production

Opportunities in mining linkages*



* Source: Paul Jourdan

- Implats was the first platinum mining company to commit to and ensure operational sustainability in Zimbabwe.
Even in challenging times, Zimplats has proven to be the lowest cost producer in the Implats portfolio with the highest free cash flow.
- Zimplats has demonstrated operational profitability
 - Access to quality orebodies
 - A committed and skilled workforce
- Zimplats contributes significantly to local economic development
 - Commitments to local suppliers, skills development and community upliftment
 - Community and employee trusts in place for long-term sustainability.
- Zimbabwe is open for business and there is a renewed optimism about the country



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