

IMPALA PLATINUM HOLDINGS LIMITED
 (Incorporated in the Republic of South Africa)
 (Registration number 1957/001979/06)
 JSE Share code: IMP
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 ISIN: ZAE000083648
 ("Implats" or "the Group")

First quarter production report for the period 1 July to 30 September 2016

Johannesburg, 28 October 2016:

Implats' CEO, Terence Goodlace, commented, "Our growth momentum in platinum production, which started last year, has continued following a 20% increase in output over the last quarter. Impala Rustenburg was, however, affected by safety stoppages, but the production for the upcoming December quarter is expected to normalise due to the continued high level of focus on improving safety through key initiatives and enhanced dialogue with the DMR and AMCU, as well as the resumption of full production at 1 Shaft. Progress on the re-establishment of safe production at Rustenburg's fire-affected 14 Shaft is on plan and cold commissioning of the conveyor belt and its associated infrastructure in the upper part of the decline section has commenced. Zimplats has continued to excel from a health, safety and production perspective and the bankable feasibility work for the development of portal 6 has been completed. The final Implats Board submission for this project is planned for November 2016."

Operational information	Unaudited Quarter ended 30 September 2016	Unaudited Quarter ended 30 September 2015
Gross refined production:		
Platinum 000oz	365	304
Palladium 000oz	223	191
Rhodium 000oz	44	41
Nickel 000t	3.97	3.97
Managed operations:		
Impala		
Tonnes milled 000t	2 433	2 989
Grade (6E) g/t	4.17	4.04
Refined platinum production 000oz	151	123

Operational information		Unaudited Quarter ended 30 September 2016	Unaudited Quarter ended 30 September 2015
Zimplats			
Tonnes milled	000t	1 703	1 614
Grade (6E)	g/t	3.49	3.46
Platinum in matte	000oz	68	66
Marula			
Tonnes milled	000t	446	440
Grade (6E)	g/t	4.41	4.41
Platinum in concentrate	000oz	21	21
JV operations:			
Mimosa			
Tonnes milled	000t	690	672
Grade (6E)	g/t	3.80	3.95
Platinum in concentrate	000oz	31	31
Two Rivers			
Tonnes milled	000t	877	822
Grade (6E)	g/t	4.12	4.11
Platinum in concentrate	000oz	49	44
Group and third party refined material:			
IRS			
Refined platinum production	000oz	215	181

SAFETY

Implats remains committed to ensuring zero harm and the Group's safety strategy is premised on safe behaviour, an inherently safe work environment and leading safety practices. During the quarter ended 30 September 2016 all operations and business units other than three of the shafts at Impala Rustenburg did not have any fatal incidents.

Safe production and zero harm requires the resolve and commitment of every person in the organisation, the leadership of our representative unions and government. Management remains resolute in their engagements with all our stakeholders and is leading this process in pursuit of our goal to ensure every work place is free from serious and fatal incidents.

PRODUCTION

Gross refined platinum production during the quarter increased by 20.0% to 365 200 ounces, compared to 304 100 ounces achieved in the prior corresponding period. This was primarily due to sustained good operational performances from Zimplats, Marula, Mimosa, Two Rivers and Impala Refining Services (IRS), and the impact of planned furnace maintenance at the Impala Rustenburg smelters last year.

Impala Rustenburg

A five month long comprehensive multi-stakeholder, multimedia health and safety awareness campaign was launched throughout Impala Rustenburg in July 2016. In addition the critical safe behaviours programme continues to gain impetus for 17 000 employees employed in five key occupations throughout the property. It was then with deep regret that even with all of this health and safety focus Mr Lucas Chauke was fatally injured in a fall of ground incident at Impala 12 Shaft, Mr Ernesto Uainda sustained fatal injuries in an underground locomotive tramping incident at Impala 20 Shaft, and Mr Joseph Kekgaretswa was fatally injured while doing shaft maintenance work at Impala 7 Shaft. The Board of directors ('the Board') of Implats and the management team have extended their very sincere sympathies and support to the family, friends and colleagues of our departed employees.

Tonnes milled were 18.6% lower than the previous comparable quarter at 2.43 million tonnes, largely as a result of production lost due to Department of Mineral Resources (DMR) safety stoppages (approximately 300 000 tonnes), delayed production build-up at Impala 1 Shaft following a fall-of-ground safety incident in May 2016, a decision to re-size the UG2 conventional panel widths across the operation in line with assessed ground conditions to significantly reduce the operational risk, and production lost from the Impala 14 Shaft decline section, which remains closed after the conveyor infrastructure was damaged in an underground conveyor fire in January 2016.

The production impact as a result of the build-up at Impala Rustenburg's 1 Shaft and re-sizing the UG2 conventional panel widths is anticipated to be limited to the first quarter's performance and is not expected to materially affect performance in the second quarter. Repair work at the 14 Shaft decline section is progressing according to plan with the first production section expected to be recommissioned ahead of schedule by the end of October 2016, with full mining capacity planned to be restored from March 2017.

Additional Merensky Reef tonnage from the recommissioned 14 Shaft decline system and continued build-up from 16 Shaft and 20 Shaft will benefit full year planned production.

Refined platinum production at Impala Rustenburg increased by 22.0% to 150 600 ounces, compared to 123 400 platinum ounces produced in the comparable quarter last year, which was impacted by planned smelter maintenance.

Zimplats

Zimplats reported zero lost time injuries for the quarter and mill throughput increased by 5.5% to 1.70 million tonnes, compared to 1.61 million tonnes in the prior corresponding period, largely as a result of increased production from the South open pit and Bimha Mine. Platinum in matte production consequently increased by 3.6% to 68 400 ounces, compared to 66 000 ounces in the prior corresponding period a year ago.

The bankable feasibility study for the development of a 2.2 million tonnes per annum replacement portal system for the Rukodzi and the Ngwarati mines has been completed and this project will be submitted to the Boards of Zimplats and Implats for their consideration in November 2016. Once approved, the planned US\$260 million project will access 4.65 million 4E ounces of reserves through high productivity modern mechanised mining methods. Preliminary early works related to accessing and excavating the box cut position commenced in the quarter. Full project details will be released once the Implats Board approval processes have been completed.

Marula

Marula reported zero fatal incidents for the quarter and tonnes milled increased by 1.4% to 446 000 tonnes, compared to 440 000 tonnes in the prior corresponding period. This increase was achieved despite significant sporadic community protest disruptions during the quarter, which resulted in a direct production loss of some 101 000 tonnes milled. There was a further 5 000 tonnes lost as a result of DMR safety stoppages. The management team continue to focus on relationship-building initiatives with the local communities to arrest the community disruptions and secure the planned build-up in production to 90 000 platinum ounces per annum. Platinum in concentrate production was unchanged at 21 200 ounces compared to the prior corresponding period.

Mimosa

Mimosa reported zero lost time injuries and tonnes milled during the period increased by 2.7% to 690 000 tonnes, compared to 672 000 tonnes in the previous comparable quarter. Platinum production in concentrate of 30 500 ounces was largely unchanged from the prior comparable period.

Two Rivers

Two Rivers reported 2 lost time injuries for the quarter and mill throughput increased by 6.7% to 877 000 tonnes, compared to 822 000 tonnes in the previous comparable quarter. Together with higher grade and improved recoveries platinum in concentrate production increased by 11.4% to 49 300 ounces compared to 44 700 ounces in the prior comparable period.

IRS

IRS refined platinum production during the period increased by 18.7% to 214 500 ounces, compared to 180 700 ounces in the prior quarter. This was principally as a result of higher deliveries from third party customers during the quarter under review.

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

QUERIES

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