

FACT SHEET

IMPALA



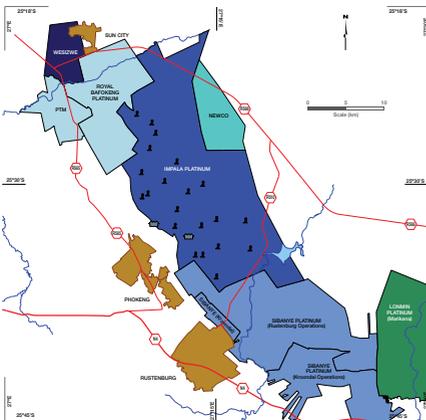
Impala, Implats's 96% owned primary operational unit has operations situated on the western limb of the world-renowned Bushveld Complex near Rustenburg in South Africa. This operation comprises a 10-shaft mining complex and concentrating and smelting plants. The base and precious metals refineries are situated in Springs, east of Johannesburg. In FY2018 Impala produced 580 800 ounces of refined platinum.

GEOLOGY

Both the Merensky and UG2 Reefs, which are contained in the Rustenburg Layered Suite, a well-layered ultramafic to mafic igneous succession on the 2 billion year-old Bushveld Complex, are present throughout the lease area.

Both reefs sub-outcrop on the mining area and dip approximately 10 to 12 degrees towards the centre of the Complex, although locally dips may increase to 15 degrees. The vertical separation between the Merensky and UG2 reefs varies from about 125 metres in the south to some 45 metres in the north.

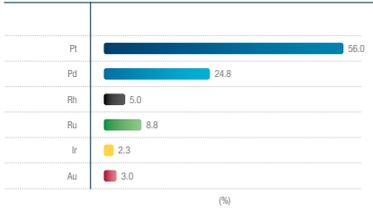
Regional locality map showing PGM mineral rights and infrastructure around Impala



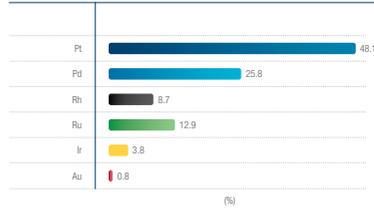
MINERAL RESOURCES AND RESERVES

Mineral Resources as at 30 June 2018						
Impala	Category	Tonnes (Mt)	Width (cm)	4E Grade (g/t)	6E Grade (g/t)	Platinum (Moz)
Merensky	measured	130.0	123	6.15	6.92	16.2
	indicated	67.1	105	6.14	6.91	8.4
	inferred	12.7	102	5.98	6.73	1.5
UG2	measured	159.4	95	5.51	6.61	16.3
	indicated	71.0	95	5.51	6.61	7.3
	inferred	12.6	95	5.36	6.43	1.3
	Total	452.8		5.80	6.74	50.9
Mineral Resources (tailings) as at 30 June 2018						
	Category	Tonnes (Mt)		Grade (Pt g/t)		Platinum (Moz)
1 & 2 tailings complex	indicated	48.1		0.42		0.6
Mineral Reserves as at 30 June 2018						
	Category	Mill Tonnes (Mt)	Width (cm)	4E Grade (g/t)	6E Grade (g/t)	Platinum (Moz)
Merensky	proved	9.8	126	3.77	4.24	0.7
	probable	46.5	129	3.96	4.46	3.7
UG2	proved	11.4	107	3.62	4.35	0.8
	probable	39.2	109	3.71	4.45	2.7
	Total	106.8		3.81	4.42	7.9

Impala Merensky 6E metal ratio as at 30 June 2018



Impala UG2 6E metal ratio as at 30 June 2018



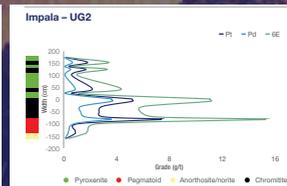
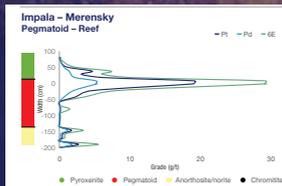
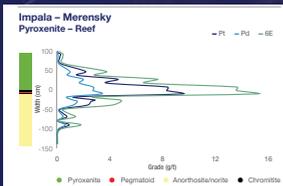
MINING

Impala, together with the joint venture with Royal Bafokeng Resources, holds contiguous mining and prospecting rights over a total area of 29 773 hectares.

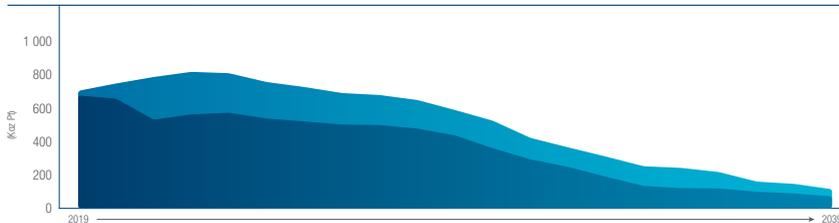
The Merensky and UG2 reefs are mined concurrently and the mining method is predominantly conventional breast mining. Mining currently extends to a depth of around 1 000 metres. The stoping width for Merensky Reef is typically about 1.3 metres, whilst that for UG2 is about 1.1 metres. Panel lengths vary from 15 to 30 metres for both Merensky and UG2 reefs.

METALLURGY

Mineral Processes houses the concentrator and smelter operations and is located on the mine property in Rustenburg. Ore is allocated to either the UG2 plant, for higher chromium grade material, or to the central concentrator for Merensky ore. PGMs in Merensky ore are recovered at around 89%, while that in UG2 is recovered at around 79%. The smelter operation treats concentrate from both streams, as well as toll material. The resultant matte is transported to the refineries located in Springs which comprises a Base Metal Refinery (BMR) and a Precious Metal Refinery (PMR).



Impala 20-year LoM Pt ounce profile as at 30 June 2018 (refined)



VALUE-FOCUSED STRATEGY

In August 2018 Implats announced a significant step in the transformation of the Group, when the findings and recommendations of the Impala Rustenburg strategic review were released. The outcome concluded that a radical and urgent transition into a leaner, more concentrated and profitable operation was critical to support the future success of the Group.

The implementation of the Impala Rustenburg plan will be phased in over the next two years to ensure the transition occurs in a socially responsible way. The key outcomes of the restructuring, which is expected to conclude by the end of the 2021 financial year, include:

- A reduced mining “footprint” from 10 to six operating shafts as operations are ceased at depleted, end-of-life and uneconomical shafts
- Production reducing to 520 000 platinum ounces per annum
- The total labour complement (employees and contractors) reducing to 27 000 from FY2021

This plan is expected to deliver a safer and profitable Impala Rustenburg centred on its best assets with higher quality, long-life orebodies, lower operating costs and capital intensity. The phased restructuring plan will allow for further options to be explored and afford each shaft the opportunity to improve profitability, while allowing time to consult with government, unions and other stakeholders before any final decision is made to close or exit an unprofitable shaft.

In addition, Impala Rustenburg’s growth shafts – 16 and 20 – which are more efficient and low-cost shafts, are ramping up and will account for ~60% of future production.

SUSTAINABLE DEVELOPMENT

Impala focuses on addressing social, economic and environmental issues that are seen as having a material impact on the long-term success of the business, the sustainability of the economy, the environment and the communities in which we operate or that are important to key stakeholders. The pursuit of sustainable development and zero harm are seen as competitive imperatives.

BLACK ECONOMIC EMPOWERMENT

Impala met the ownership requirements of the Mining Charter for 2015. In terms of an agreement finalised in March 2007, the Royal Bafokeng Nation (RBN) converted all royalties due to them for the period from 1 July 2007 onwards into an equity stake of 11.3% in Implats. In 2016 Royal Bafokeng Holdings reduced their holding in Implats to 6.29%. During 2015 4% of Impala shares were issued to employees leaving Implats with a 96% attributable interest in Impala.

HISTORY

Hans Merensky first discovered platinum in the Bushveld Igneous Complex in 1924. Union Corporation bought the Impala Prospecting Company in the following year during which the first six boreholes were drilled.

The first vertical shaft was developed in 1967 and Impala Platinum Limited was created as a subsidiary of Union Corporation on 26 April 1968.

Initial production commenced on 22 July 1969 after a mining lease over land pre-dominantly held by the then Bafokeng Tribe (now the Royal Bafokeng Nation) was granted in 1968.

Initially, Impala mined the Merensky Reef and mining on the UG2 chromitite layer only began in the early 1980s as the technology to smelt higher chrome ore was developed.

By the early 1990s, 13 vertical shafts were in operation and Impala was producing in the region of one million platinum ounces per annum. Shaft sinking at the new generation shafts (16, 17 and 20) commenced in the mid-2000s.

IMPALA – KEY STATISTICS

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Production						
Tonnes milled ex mine*	('000t)	10 947	10 121	10 316	9 199	6 183
% Merensky milled*	(%)	41.6	40.2	41.2	46.6	43.8
Headgrade (6E)*	(g/t)	4.09	4.06	4.16	4.19	4.34
Platinum refined production	('000oz)	580.8	654.6	626.9	575.2	411.0
PGM refined production	('000oz)	1 126.8	1 246.6	1 219.6	1 137.3	765.9
Labour efficiency						
Tonnes milled per employee costed* (t/man/annum)		269	255	252	219	144
Cost						
Mining cost of sales	(Rm)	(16 046)	(17 510)	(16 506)	(14 824)	(12 229)
Mining operations	(Rm)	(11 909)	(11 703)	(10 600)	(10 354)	(6 616)
Smelting and processing operations	(Rm)	(2 997)	(2 896)	(2 534)	(2 335)	(1 606)
Refining operations/marketing	(Rm)	(689)	(615)	(571)	(794)	(615)
Change in metal inventories	(Rm)	2 609	460	(561)	289	(1 514)
Other	(Rm)	(3 060)	(2 756)	(2 240)	(1 630)	(1 878)
Total cost	(Rm)	15 788	15 411	13 879	13 738	9 057
	(US\$m)	1 229	1 130	962	1 204	873
Unit costs	(R/t)	1 442	1 523	1 345	1 493	1 465
per tonne milled	(US\$/t)	112	112	93	131	141
per platinum ounce refined	(R/oz)	27 183	23 543	22 139	23 884	22 036
	(US\$/oz)	2 116	1 726	1 535	2 092	2 125
Financial ratios						
Gross margin ex mine	(%)	(21.1)	(19.9)	(13.4)	(10.9)	(18.4)
EBITDA	(Rm)	(529)	(333)	(91)	31	(968)
Capital expenditure						
	(Rm)	2 767	2 472	2 490	3 047	2 848
	(US\$m)	215	181	173	267	275
Safety						
LTIFR	(pmmhw*)	6.54	7.43	7.57	5.08	6.30
FIFR	(pmmhw*)	0.071	0.079	0.102	0.067	0.048
Labour complement						
Own employees	(no)	29 529	32 235	30 946	32 536	32 900
Contractors	(no)	10 550	10 018	9 531	11 302	11 708

* Average working cost employees including contractors

+ Per million man hours worked



December 2018

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