

FACT SHEET

IMPALA REFINING SERVICES





Impala Refining Services (IRS) was created in July 1998 as a dedicated vehicle to house the toll refining and metal concentrate purchases built up by Implats. IRS, situated in Springs some 35 kilometres east of Johannesburg in South Africa, also provides smelting and refining services through offtake agreements with Group companies (except Impala) and third parties. The metals purchase and toll refining operations of IRS were acquired by Impala in July 2018 to capitalise on efficiencies and maximise shareholder returns. During FY2018, IRS reported refined platinum production of 887 400 ounces.



THE IRS MODEL

IRS uses Impala's excess smelting and refining capacity.

Typical IRS products include:

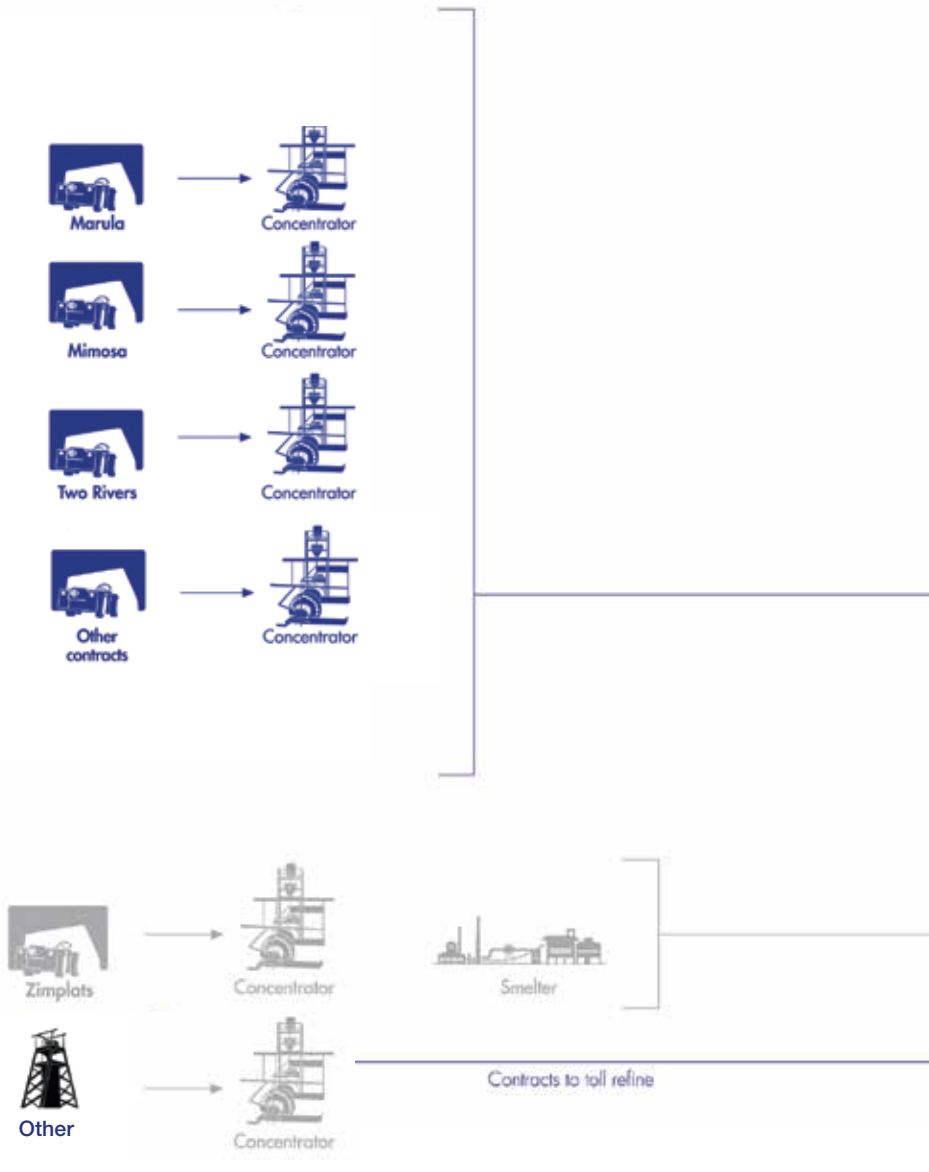
- flotation concentrates from Marula, Mimosa, Two Rivers and other small mining contracts;
- furnace matte from Zimplats; and
- selected base metal residues and other secondary materials.

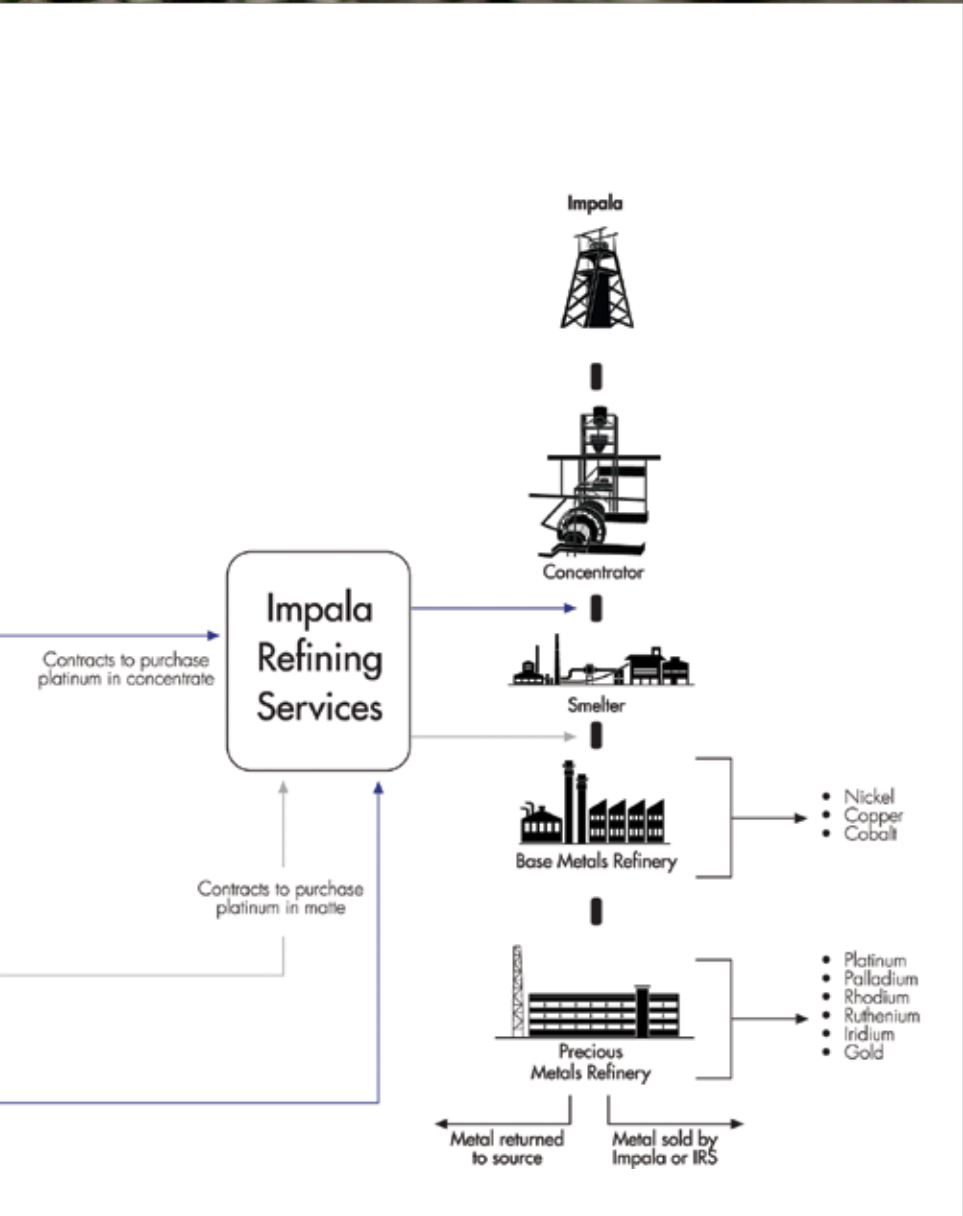
IRS enters into either metal purchase agreements or toll refining agreements, or a combination of the two.

In metal purchase agreements a percentage of the contained value (allowing for Impala's cost and a profit margin) is paid after an agreed processing period. In toll refining agreements, IRS charges the client a smelting, refining and handling fee and returns the metal to the client after an agreed processing period. Impala, in turn, charges IRS a market-related fee for its expertise and the use of its processing facilities.

With the exception of mine-to-market operations, IRS has little or no control over volumes received from either third party or toll treatment contracts.

METAL SOURCES





OUTLOOK

Access to spare smelting and refining capacity from Impala positions IRS well to process additional material from new customers. Opportunities in this regard are continuously evaluated and pursued if value-accretive for Implats.

IRS Platinum Production 000 oz	FY2018	FY2017	FY2016	FY2015	FY2014
Zimplats	266	266	251	216	226
Marula	77	68	77	71	77
Mimosa	116	117	117	113	103
Two Rivers	163	177	183	168	168
Mine-to-market operations	621	629	629	568	575
Third-party purchases, recycling and toll	266	247	183	133	192
Total	887	875	812	701	767

IMPALA REFINING SERVICES – KEY STATISTICS

		FY2018	FY2017	FY2016	FY2015	FY2014
Refined production						
Platinum	(000 oz)	887	875	812	701	767
Palladium	(000 oz)	549	624	586	511	513
Rhodium	(000 oz)	110	115	104	95	107
Nickel	(t)	12 331	13 855	13 670	12 320	11 939
PGM refined production	(000 oz)	1 798	1 853	1 688	1 481	1 605
Metal returned						
Platinum	('000oz)	140.2	14.5	0.1	–	94.5
Palladium	('000oz)	67.0	8.9	1.5	0.5	28.2
Rhodium	('000oz)	23.4	2.4	–	–	9.0
Nickel	('000t)	3 557	2 569	3 509	3 344	3 186
Cost						
Cost of sales	(Rm)	(20 491)	(20 187)	(19 053)	(17 303)	(16 794)
Metals purchased	(Rm)	(20 090)	(19 100)	(18 989)	(15 840)	(16 665)
Smelting and processing	(Rm)	(543)	(433)	(419)	(327)	(308)
Refining and marketing	(Rm)	(833)	(763)	(723)	(471)	(450)
Corporate cost	(Rm)	(124)	(94)	(74)	(34)	(31)
Increase/(decrease) in metal inventories	(Rm)	1 090	203	1 152	(631)	660
Financial ratios						
Gross margin	(%)	7.0	7.0	7.2	8.1	9.2
Total sales volumes						
Platinum	('000oz)	789	832	817	696	707
Palladium	('000oz)	551	568	575	494	527
Rhodium	('000oz)	101	112	105	91	94
Nickel	(t)	9 573	10 706	10 377	8 756	9 195
Prices achieved						
Platinum	(US\$/oz)	943	991	960	1 278	1 427
Palladium	(US\$/oz)	964	704	591	807	742
Rhodium	(US\$/oz)	1 448	747	708	1 145	982
Nickel	(US\$/t)	11 844	10 051	9 561	15 884	14 702
Exchange rate achieved	(R/US\$)	12.76	13.79	14.23	11.26	10.30



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