

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

### Third quarter production report for the period 1 January 2017 to 31 March 2017

**Johannesburg, 26 April 2017:** Implats has today released its third quarter production results for the period 1 January to 31 March 2017.

Implats' acting Chief Executive Officer, Gerhard Potgieter, commented, "I am pleased to report that there has been encouraging progress across the Group in meeting our strategic objectives, despite persistently low metal prices and a challenging operating environment, including further community disruptions at our Marula operation. Regrettably, the ongoing community disruptions and low metal prices have resulted in a further restructuring process at Marula that could result in large scale job losses at this operation. This is something the business and economy can ill afford, but remains imperative if we are to protect the financial viability of our business and preserve jobs as far as possible".

Operational information		Unaudited Quarter ended 31 March 2017	Unaudited Quarter ended 31 March 2016	Unaudited Nine-months 31 March 2017	Unaudited Nine-months 31 March 2016
<b>Implats gross refined production</b>					
Platinum	000oz	331	353	1 110	1 045
Palladium	000oz	207	219	676	633
Rhodium	000oz	48	53	139	137
Nickel	000t	4 332	3 957	12 614	12 432
<b>Managed operations</b>					
<b>Impala</b>					
Tonnes milled	000t	2 151	2 059	7 198	7 952
Grade (6E)	g/t	3.95	4.05	4.09	4.13
Refined platinum production	000oz	160	142	479	468
<b>Marula</b>					
Tonnes milled	000t	221	390	1 131	1 277
Grade (6E)	g/t	3.69	4.18	4.28	4.32
Platinum in concentrate	000oz	9	17	52	59
<b>Zimplats</b>					
Tonnes milled	000t	1 567	1 646	4 872	4 765
Grade (6E)	g/t	3.49	3.48	3.49	3.47
Platinum in matte	000oz	66	89	203	220

Operational information		Unaudited Quarter ended 31 March 2017	Unaudited Quarter ended 31 March 2016	Unaudited Nine-months 31 March 2017	Unaudited Nine-months 31 March 2016
<b>JV operations</b>					
<b>Mimosa</b>					
Tonnes milled	000t	670	676	2 036	1 987
Grade (6E)	g/t	3.85	3.84	3.84	3.90
Platinum in concentrate	000oz	30	30	91	90
<b>Two Rivers</b>					
Tonnes milled	000t	868	922	2 615	2 622
Grade (6E)	g/t	3.88	3.65	3.95	4.07
Platinum in concentrate	000oz	43	49	140	141
<b>Group and third-party refined material</b>					
Refined platinum production	000oz	171	210	631	577

## SAFETY

Implats' safety strategy remains centred on transforming our safety culture. This transformational journey to realising zero harm is supported by various initiatives targeting effective leadership and compliance with leading safety practices. Regrettably, during the quarter ended 31 March 2017 the Group experienced three fatal incidents, two at Impala Rustenburg and one at Marula. This brings the total number of fatalities for the 2017 financial year to seven. The board of directors of Implats and the management team have extended their sincere sympathies and support to the families, friends and colleagues of the deceased.

Safe production demands the resolve and commitment of every person in the organisation, as well as the support and leadership of our representative trade unions and government officials. Our management team continue to lead this process to transform our safety culture and realise our safe production objectives. Despite the regrettable loss of life in the quarter under review, management remains resolute in their endeavours and engagements with all stakeholders to ensure every work place is free from serious and fatal incidents.

## PRODUCTION

Gross refined platinum production for the quarter ended 31 March 2017 decreased by 6.2% to 331 000 platinum ounces, compared to 353 000 platinum ounces in the prior comparable period. The decline in production during the quarter under review, compared to the prior corresponding period, is largely as a result of Zimplats material that was released from processing inventory during the quarter ended 31 March 2016. In addition, community disruptions were experienced at Marula and Two Rivers during the current quarter, which affected production.

Over the nine-month period ended 31 March 2017, gross refined platinum production increased by 6.2% to 1.11 million platinum ounces, compared to 1.05 million platinum ounces reported in the prior comparable period. This increase in production is principally as a result of higher Impala Refining Services ('IRS') production compared to the prior corresponding period, driven by higher third party receipts in the period under review and some material that was locked-up at the Rustenburg smelters in the prior comparable period.

### **Impala**

Tonnes milled at Impala Rustenburg increased by 4.5% to 2.15 million tonnes during the quarter ended 31 March 2017 compared to the previous comparable period. Both quarters were severely impacted by an underground fire at the 14 Shaft complex, which occurred in January 2016 and caused extensive damage to the decline shaft infrastructure. Repair work was completed during the current quarter, which will allow the decline section to be recommissioned during April 2017, with full production expected to be restored from June 2017. Refined platinum production during the quarter ended 31 March 2017 increased by 12.7% to 160 000 platinum ounces, benefitting from a release of material that was locked-up in processing inventory during the first half of the financial year.

Tonnes milled over the nine-month period ended 31 March 2017 decreased by 9.5% to 7.20 million tonnes, compared to 7.95 million tonnes in the prior corresponding period. This decrease was largely as a result of the temporary closure of the 14 Shaft decline section to effect repairs after the January 2016 fire, an extended delay in operations at 1 Shaft following a fall-of-ground fatal incident in May 2016, which resulted in some UG2 panel lengths being resized based on assessed rock engineering risks and other ongoing regulatory safety stoppages. Refined platinum production for the nine-month period ended 31 March 2017 increased by 2.4% to 479 000 platinum ounces, compared to 468 000 platinum ounces reported for the corresponding period ended 31 March 2016, which was impacted by some material being locked-up in processing inventory during the first nine months of 2016 financial year.

### **Marula**

Operational performance at Marula has been severely disrupted by community protest action during the quarter under review and for the first nine months of the 2017 financial year. The protest action is directly related to certain community members being dissatisfied with the way in which the community's 50% interest in the Makgomo Chrome project is being managed by their appointed/elected representatives. Production performance during the quarter ended 31 March 2017 was also impacted by the closure of the hybrid mining section at the Clapham shaft during the review period. As a consequence, tonnes milled decreased by a significant 43.3% to 221 000 tonnes for the quarter ended 31 March 2017, compared to 390 000 tonnes reported in the prior corresponding period. Platinum in concentrate for the quarter consequently decreased by 47.0% to 9 000 platinum ounces (17 000 platinum ounces in the quarter ended 31 March 2016).

Tonnes milled over the nine-month period ended 31 March 2017 decreased by 11.4% to 1.13 million tonnes, compared to 1.28 million tonnes in the prior corresponding period. In line with this, platinum in concentrate for the nine-month period ended 31 March 2017 declined 11.9% to 52 000 platinum ounces (59 000 platinum ounces in the nine-month period ended 31 March 2016).

Despite ongoing engagement with all stakeholders to restore operational continuity and secure the financial sustainability of the operation, continued community protest action and persistently low metal prices have now necessitated a fundamental restructuring of the business in order to secure the financial viability of the operation in the current operating environment. As a result, Marula has given notice to the regulator and representative trade union in terms of Section 189A of the Labour Relations Act of its intention to restructure the operation in a process that may impact more than 1,000 job opportunities. The formal engagement process commenced on 28 March 2017 and will jointly explore initiatives that seek to minimise job losses as far as possible, this process is envisaged to be concluded before the end of the 2017 financial year.

### **Zimplats**

Tonnes milled during the quarter ended 31 March 2017 decreased by 4.8% to 1.57 million tonnes compared to 1.65 million tonnes in the prior corresponding period. Platinum production in matte for the quarter under review was 25.8% lower at 66 000 ounces platinum, compared to 89 000 ounces in the prior corresponding period, which was abnormally high as a result of a release of stockpiled material during the quarter ended 31 March 2016 following a furnace outage in May 2015.

Mill throughput over the nine-month period ended 31 March 2017 increased by 2.2% to 4.87 million tonnes, compared to 4.77 million tonnes in the prior corresponding period. Platinum in matte for the nine months ended 31 March 2017 was 7.7% lower at 203 000 ounces, compared to 220 000 platinum ounces in the prior comparable period, due to the stockpiled material released during the quarter ended 31 March 2016.

### **Mimosa**

Tonnes milled at Mimosa during the quarter ended 31 March 2017 was largely unchanged at 670 000 tonnes (676 000 tonnes in the prior corresponding period). Consequently, platinum in concentrate production for the quarter was maintained at 30 000 ounces platinum.

Tonnes milled during the nine-month period ended 31 March 2017 increased by 2.5% to 2.04 million tonnes, compared to 1.99 million tonnes in the prior corresponding period. The increased throughput yielded 1.1% higher platinum in concentrate production of 91 000 platinum ounces, compared to 90 000 platinum ounces reported in the prior corresponding period.

## **Two Rivers**

Tonnes milled decreased 5.9% to 868 000 tonnes for the quarter ended 31 March 2017 (922 000 tonnes in the prior corresponding period) due to community protest action in the area, unrelated to the mine, but which unfortunately prevented employees from reporting for duty. Platinum in concentrate production for the quarter consequently declined by 12.2% to 43 000 ounces platinum (49 000 ounces in the prior corresponding period).

During the nine-month period ended 31 March 2017 tonnes milled were maintained at 2.62 million tonnes, compared to the prior comparable period. Consequently, platinum in concentrate production remained largely unchanged at 140 000 ounces platinum when compared to 141 000 platinum ounces reported in the prior comparable period.

## **IRS**

Refined platinum production for the quarter ended 31 March 2017 was 18.6% lower at 171 000 ounces platinum compared to the prior corresponding period. This was a direct result of lower receipts during the quarter from Zimplats, Marula and Two Rivers.

Over the nine-month period ended 31 March 2017, production increased by 9.4% to 631 000 platinum ounces, compared to 577 000 ounces in the prior comparable period. This increase is largely attributed to higher receipts from third-party customers.

## **LEADERSHIP**

Nico Muller joined the organisation and assumed his role as new Group Chief Executive Officer from 3 April 2017.

## **OUTLOOK**

Implats' full year production guidance is maintained at 1.50 million refined platinum ounces and unit cost is expected to be approximately R22 600 per platinum ounce (previously guided at R22 200 per platinum ounce). The increase in unit cost guidance is principally informed by lower than expected production from Marula as a result of further community disruptions and the costs associated with the Section 189A process at this operation. There is also an additional impact from a weaker projected rand/dollar exchange rate which will influence the rand unit cost guidance at Zimplats.

The third quarter production report for the period 1 January 2017 to 31 March 2017 has not been reviewed and reported on by the external auditors of Implats.

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Johannesburg

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