

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")

### First quarter production report for the period 1 July to 30 September 2014

**Johannesburg, 29 October 2014:** Implats released first quarter production results for the period 1 July to 30 September 2014 today.

CEO Terence Goodlace commented:

"This has been a challenging quarter, post the five-month strike, with gross platinum production down 25.5% to 280 000 ounces on the comparable quarter last year, impacted mainly by the ramp-up at Impala Rustenburg. Production volumes at Zimplats and Marula were also lower due to the safety closure of the Bimha mine and labour and safety impacts at Marula.

"Despite these challenges, we expect the Rustenburg operation to achieve full production thereby enabling us to maintain our guidance for the full year, which includes 250 000 ounces and 575 000 ounces of platinum from the Impala Rustenburg operation at the half and full year respectively. Safety remains a critical aspect to delivering on our strategic objectives and we continue to actively engage all key stakeholders involved in our journey towards zero harm."

Operational information		Unaudited Quarter ended 30 September 2014	Unaudited Quarter ended 30 September 2013
<b>Implats Gross Refined Production</b>			
Platinum	000oz	280	376
Palladium	000oz	197	228
Rhodium	000oz	36	45
Nickel	000t	3.79	3.88
<b>Impala</b>			
Tonnes Milled	000t	1 286	3 000
Grade (6E)	g/t	4.23	4.35
Merensky Ore Milled	%	50	44
Refined Platinum Production	000oz	79	195
<b>Marula</b>			
Tonnes Milled	000t	381	453
Grade (6E)	g/t	3.92	4.25
Platinum in Concentrate	000oz	16	20
<b>Zimplats</b>			
Tonnes Milled	000t	1 315	1 509
Grade (6E)	g/t	3.46	3.46
Platinum in Matte	000oz	52	60

Operational information		Unaudited Quarter ended 30 September 2014	Unaudited Quarter ended 30 September 2013
<b>Mimosa</b>			
Tonnes Milled	000t	636	611
Grade (6E)	g/t	3.92	3.94
Platinum in Concentrate	000oz	29	26
<b>IRS</b>			
Refined Platinum Production	000oz	202	181
<b>Group Unit Costs (excluding SBP)</b>	R/oz	26 698	16 488
<b>Prices Achieved</b>			
Platinum	US\$/oz	1 457	1 440
Palladium	US\$/oz	866	723
Rhodium	US\$/oz	1 224	982
Nickel	US\$/t	20 688	13 907
Average exchange rate	R/\$	10.70	10.00

## SAFETY

Implats deeply regrets to report that four employees and one contractor passed away during the quarter in work-related incidents. Four of the fatal incidents occurred at Impala Rustenburg and one at Marula. The board of directors and the management team have extended their sincere sympathies to the family, friends and colleagues of those that have passed away.

Following the fatal incidents at Impala Rustenburg, all affected shaft and production units were stopped for an extended period to fully investigate each incident and agree a detailed remedial plan. In addition, all mining operations at the mine were suspended for a period of four days to mourn the tragic loss of our colleagues. Management actively consulted all key stakeholders, including employees, union leaders and representatives from the Department of Mineral Resources (DMR), in a collaborative effort to review the Impala Rustenburg safety plan. This plan has been amended to include a Critical Safe Behaviours programme, one of a number of new initiatives.

Notwithstanding these tragic incidents, the Lost Time Injury Frequency Rate (LTIFR) across the Group improved by 33% during the review period (2.61 per million man hours worked compared to 3.92 achieved in the 2014 financial year). Safe production remains our priority and is a key component in delivering on the company's strategic objectives.

## PRODUCTION

Gross platinum production during the period decreased by 25.5% to 280 000 ounces, compared to 376 000 ounces achieved in the prior corresponding period. This was primarily due to lower production at Impala Rustenburg as it ramps-up operations following the five-month wage strike which ended in June 2014. Lower production from Zimplats, impacted by the Bimha Mine safety closure, and safety and industrial action stoppages at Marula, also impacted production.

Platinum production at Mimosa increased by 11%, while Two Rivers maintained production levels at 44 000 platinum ounces. Impala Refining Services (IRS) throughput increased by 11% largely due to the timing of the treatment of stockpiled material.

### **Impala**

Mill throughput decreased by 57% to 1.29 million tonnes during the period, compared to 3.0 million tonnes in the prior corresponding period. This was a result of the operational re-start and ramp-up following the protracted wage strike. Refined platinum production declined by 59% to 79 000 ounces in line with the lower milled production, compared to 195 000 ounces in the prior corresponding quarter.

Good progress in re-starting the operation during the first two months of the quarter was interrupted by four separate fatal incidents at the mine and the subsequent closure of the mining operation. However, full production is now imminent, and notwithstanding the delay, production guidance for the half-year and full-year is maintained at 250 000 and 575 000 platinum ounces respectively. A strategic review of all operations and projects has been initiated and remains on schedule for completion by December 2014 and will be communicated to stakeholders at the time of release of the interim results in February 2015.

### **Marula**

Tonnes milled during the review period declined by 16% to 381 000 tonnes, compared to 453 000 tonnes in the prior corresponding period. Production was impacted by an unprotected labour stoppage with an effective loss of a week's production, a fatal incident and other DMR safety closures at the mine. Lower mining production and mill grade, which declined by 8% to 3.92 g/t, were partially offset by improved recoveries. As a result, platinum in concentrate production decreased by 20% to 16 000 ounces, compared to 20 000 ounces in the prior corresponding period.

### **Zimplats**

Mill throughput during the period decreased by 13% to 1.32 million tonnes, compared to 1.51 million tonnes in the prior corresponding period. The lower throughput was attributable to the safety closure of the Bimha Mine in August 2014, following a collapse within a section of the underground working area triggered by the accelerated deterioration of ground conditions associated with the Mutambara Shear. As a result, platinum in matte decreased by 8 000 ounces (13%) to 52 000 ounces, compared to 60 000 ounces in the prior corresponding period.

Six out of the eight mining crews and their fleets at the Bimha Mine have been successfully redeployed at other mining operations to mitigate the production impact. Together with the ramp-up of the Phase 2 expansion project scheduled to reach full production during the second half of the financial year, platinum production is now only expected to be negatively impacted by 30 000 platinum ounces compared to the original guidance of 70 000 ounces for the financial year. The re-engineering of mining operations and further production mitigation measures at the Bimha Mine are ongoing.

**Mimosa**

Tonnes milled during the period increased by 4% to 636 000 tonnes, compared to 611 000 tonnes in the prior corresponding period. The increased throughput together with improved recoveries at the mine improved platinum production by 12% to 29 000 ounces, compared to 26 000 ounces in the prior corresponding period.

**IRS**

IRS refined platinum production during the period increased by 11% to 202 000 ounces, compared to 181 000 ounces in the prior corresponding period.

**CAPITAL EXPENDITURE**

Capital expenditure in the first quarter amounted to R875 million, down from R1.143 billion in the previous corresponding period. This was largely due to the restart of the major projects following the strike at Impala Rustenburg and the reduced spend at Zimplats as the Phase 2 expansion project nears completion.

**GROUP UNIT COSTS**

In line with reduced platinum production, Group unit costs rose by 62% to R26 698 per platinum ounce compared to R16 488 achieved in the previous corresponding period.

The Group's gross cash at the end of the quarter under review was R3.3 billion.

Johannesburg  
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