



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 2018 to 30 September 2018

Key highlights

- **Improved safety performance:** 9% improvement in lost-time injury frequency rate from the end of FY2018
- **Strong operational performance at Impala Rustenburg:** Achieved its highest first quarter mill tonnage of 3.15-million tonnes since FY2013
- **Improved Group operational performance:** 1.9% improvement in tonnes milled across the Group compared to the previous comparable quarter
- **Implementation of strategic review continues:** Section 189 restructuring process for 1 500 employees progressing according to plan and outsource/disposal process for 1 Shaft commenced
- **Revenues benefit from weaker rand and improved palladium and rhodium prices:** 14.2% improvement in revenue per platinum ounce received during the quarter (R28 355 per platinum ounce) compared to the previous comparable quarter as a result of a weaker ZAR:US\$ exchange rate and higher US\$ metal prices

Implats' Chief Executive Officer, Nico Muller, commented: "I am pleased to report improved safety and operational performances during the quarter, particularly at Impala Rustenburg, which has reported its highest first-quarter mill tonnage for the past six years. Tonnes milled at Impala Rustenburg increased by 5.6% compared to the previous corresponding quarter, reflecting the positive outcomes of various initiatives implemented at the operation to improve safety, production and cost performance. We remain steadfast in our resolve to eliminate high-cost production at this business, aligned with our lower future metal prices outlook. To this end, we have progressed the Section 189 restructuring process for 1 500 employees and engaged with parties interested in potentially acquiring the 1 Shaft operation, which is scheduled to be put on care and maintenance in April 2019 as per our restructuring plan."

Operational information		Unaudited Quarter ended 30 September 2018	Unaudited Quarter ended 30 September 2017
Gross production:			
Tonnes milled (including associates)	000t	6 867	6 741
Grade (6E)	g/t	3.82	3.83
Platinum in concentrate (mine-to-market)	000oz	349	349
Platinum in concentrate (third-party and toll)	000oz	49	100
Platinum refined	000oz	369	341
Impala platinum refined	000oz	180	133
IRS platinum refined	000oz	189	209
Palladium refined	000oz	207	189
Rhodium refined	000oz	47	46
Nickel refined	000t	3.78	3.71
Managed operations production:			
Impala			
Tonnes milled	000t	3 152	2 984
Grade (6E)	g/t	4.03	3.95
Platinum in concentrate	000oz	186	181
Platinum refined	000oz	180	133
Zimplats			
Tonnes milled	000t	1 677	1 690
Grade (6E)	g/t	3.48	3.49
Platinum in concentrate	000oz	70	71
Platinum in matte	000oz	70	49
Marula			
Tonnes milled	000t	511	498
Grade (6E)	g/t	4.23	4.43
Platinum in concentrate	000oz	23	23
JV operations production:			
Mimosa			
Tonnes milled	000t	702	717
Grade (6E)	g/t	3.80	3.86
Platinum in concentrate	000oz	30	32
Two Rivers			
Tonnes milled	000t	825	852
Grade (6E)	g/t	3.51	3.70
Platinum in concentrate	000oz	38	42
Group and third party production:			
IRS			
Platinum refined	000oz	189	209
Mine-to-market platinum refined	000oz	154	151
Third-party and toll platinum refined	000oz	35	57

Rounding of figures may result in computational discrepancies

SAFETY

The safety and health of employees remains a priority for the Group. Improvements achieved in the previous financial year have continued into FY2019, particularly at Impala Rustenburg and Marula. The Group recently achieved seven months without a fatal accident – a record for Impala Rustenburg and the Group. In addition, the lost-time injury frequency rate improved 9% from the end of FY2018 to 5.05 per million man hours worked.

Regretfully, Impala Rustenburg recorded an employee fatality at 16 Shaft in September 2018. The Company has provided support to the family of the deceased, while the board of directors and management team have extended their very sincere sympathies to his family, friends and colleagues.

Implats' safety strategy is premised on providing an inherently safe work environment, maintaining leading safety practices and inculcating safe behaviour at all times. Management remains resolute in leading this imperative through direct engagement with all our stakeholders, including each employee in the organisation, and the leadership of our representative unions and government.

PRODUCTION

Gross tonnes milled (including joint venture operations) during the quarter increased by 1.9% to 6.87-million tonnes, compared to 6.74-million tonnes achieved in the prior comparable period.

The increase was largely due to a much stronger operational performance at Impala Rustenburg. Platinum in concentrate produced during the quarter across all mining operations (managed and joint venture) was maintained at 349 000 ounces as increased production from Impala Rustenburg was offset by lower volumes from Two Rivers and Mimosa.

Gross refined platinum production during the quarter increased by 8.2% to 369 000 ounces, compared to 341 000 ounces achieved in the prior comparable period, which was impacted by scheduled furnace maintenance at both the Impala and Zimplats operations during the first quarter a year ago.

Impala

Impala delivered a much improved operational performance compared to the previous comparable period. Tonnes milled increased by 5.6% to 3.15-million tonnes, compared to 2.98-million tonnes in the previous comparable quarter, while the mill grade (6E) improved by 2.0% to 4.03g/t. Good performances across all mining operations, supported by increased production from the development shafts, was partially offset by the loss of production from 4 Shaft, which was closed in January 2018. Consequently, platinum in concentrate increased by 2.8% to 186 000 ounces, compared to 181 000 ounces in the prior comparable period. Refined platinum production increased by 35.3% to 180 000 ounces from 133 000 in the prior comparable quarter, which was impacted by planned furnace maintenance.

Zimplats

Zimplats sustained its operational performance with mill throughput and grade largely unchanged at 1.68-million tonnes and 3.48 g/t (6E) respectively. As a result, platinum in concentrate produced at the operation during the quarter was maintained at 70 000 ounces. However, platinum in matte increased by 42.9% to 70 000 ounces, compared to 49 000 ounces in the prior corresponding period, which was impacted by scheduled furnace maintenance.

Marula

Marula continues to deliver an improved operational performance following prior business restructuring initiatives and ongoing multi-stakeholder engagements to sustain business continuity. Tonnes milled during the period increased by 2.6% to 511 000 tonnes, compared to 498 000 tonnes in the prior corresponding period. However, the grade declined by 4.5% to 4.23g/t (6E) due to a planned increase in development volumes and an increase in stoping width. Consequently, platinum in concentrate production was maintained at 23 000 ounces during the period under review.

Mimosa

Mimosa sustained production in line with design capacity. Tonnes milled during the period decreased by 2.1% to 702 000 tonnes, compared to 717 000 tonnes in the previous comparable quarter, impacted by planned mill maintenance during the reporting period. Platinum production in concentrate decreased by 6.3% to 30 000 ounces from 32 000 ounces in the prior corresponding period as a result of the lower milled tonnage and mill grade.

Two Rivers

Two Rivers' mill grade continued to be impacted by mining into split reef areas. Performance during the period was also impacted by community disruptions not aimed specifically at Two Rivers, but which necessitated processing material from the lower-grade ore stockpile. Consequently, tonnes milled decreased 3.2% to 825 000 tonnes, compared to 852 000 tonnes in the previous comparable quarter, and the mill grade (6E) deteriorated by 5.1% to 3.51g/t. This impacted platinum in concentrate production, which decreased by 9.5% to 38 000 ounces, compared to 41 600 ounces in the prior comparable period.

Impala Refining Services ("IRS")

IRS's refined platinum production during the period decreased by 9.6% to 189 000 ounces, compared to 209 000 ounces in the prior comparable quarter. This was largely due to higher deliveries from a third-party customer during the previous comparable period. Mine-to-market production increased by 2.0% to 154 000 ounces in the quarter under review, while third-party toll refining volumes decreased from 57 000 ounces in the prior corresponding period to 35 000 ounces this quarter.

UPDATE ON IMPALA RUSTENBURG STRATEGIC RESTRUCTURING

Consistent with our strategic review announcement on 2 August 2018 and our FY2018 financial results presentation, Implats is progressing the implementation of its Impala Rustenburg strategic restructuring plan. This includes consideration being given to alternative commercial outcomes which, as communicated to the market, could include the sale of identified shafts and/or full-contract mining provisions.

Implats has commenced a process to identify and engage with parties who may have an interest in, or have already expressed an interest in, acquiring Impala Rustenburg's 1 Shaft ("1 Shaft Disposal Process"), which, as per the restructuring plan, is scheduled to be put on care and maintenance from April 2019. In parallel to the 1 Shaft Disposal Process, Implats is continuing to engage with parties who may have an interest in, or have already expressed an interest in, the 100% outsourcing of 1 Shaft to a third-party contractor.

Implats will update the market, as and when appropriate, on any further developments related to the 1 Shaft Disposal Process.

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

QUERIES

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31 October 2018

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