

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

("Implats" or "the Group")

Third quarter production report for the period 1 January to 31 March 2022

Key features of the nine months

- Regrettably, two fatalities were recorded in the third quarter, despite a 24.3% improvement in the reported lost-time injury frequency rate
- A 3% decrease in total 6E concentrate volumes to 2.38 million ounces, with a 4% decline in managed volumes to 1.70 million ounces and a 3% decrease in JV production to 407 000 ounces, partially offset by a 1% increase in third-party receipts of 277 000 ounces
- Gross 6E refined production declined by 6% to 2.35 million ounces due to the timing and extent of processing maintenance. 6E sales volumes of 2.38 million ounces were 4% lower than the prior comparable period.

Implats' Chief Executive Officer, Nico Muller, commented: *"I am pleased with the improved operating stability established across our operating assets in the period under review, which has allowed us to reiterate our key guidance metrics for FY2022, provided with the release of our interim results.*

The operating landscape continues to be challenging. Escalating geopolitical conflict, rampant inflation, constrained supply chains and a tight labour market have compounded the production impact of extended safety stoppages and the operating protocols required to manage Covid-19. Improved organisational flexibility enabled Implats to withstand considerable headwinds and is a credit to our people, who continue to demonstrate remarkable adaptability, resilience and innovation.

PGM pricing has been volatile but remains particularly robust. We continue to experience strong demand for our primary products from our customer base, despite the demand impact of constrained auto supply chains and the increasingly uncertain outlook for global growth. Implats generated meaningful free cash flow during the period and our balance sheet remains strong and flexible.

The Group's focus for the remaining months of FY2022 will include embedding operational stability in a period where the risk of unplanned interruptions has increased. In the face of an increasingly complex and variable operating context, it is critical that we continue working closely with our key stakeholders, in a constructive and positive way, to ensure safe and profitable production - through which we can deliver value to all our stakeholders."

Operational information		Unaudited quarter ended 31-Mar-22	Unaudited quarter ended 31-Mar-21	Unaudited nine months 31-Mar-22	Unaudited nine months 31-Mar-21
Safety					
LTIFR	Pmmhw	3.80	4.95	3.85	5.08
TIFR	Pmmhw	9.17	10.25	10.01	9.64
Fatalities	Count	2	1	7	1
Gross production					
Tonnes milled (managed operations)	000t	5 357	5 591	16 659	17 380
Grade (6E)	g/t	3.57	3.64	3.60	3.66
6E in concentrate	000oz	768	783	2 384	2 466
<i>Managed operations</i>	000oz	543	569	1 700	1 774
<i>JV operations</i>	000oz	136	135	407	417
<i>Third-party and toll</i>	000oz	89	79	277	275
Gross 6E refined	000oz	735	800	2 352	2 494
<i>Impala 6E refined</i>	000oz	210	296	860	1 025
<i>IRS 6E refined</i>	000oz	467	443	1 320	1 289
<i>Impala Canada saleable 6E</i>	000oz	58	60	171	180
Gross platinum refined	000oz	332	367	1 092	1 154
Gross palladium refined	000oz	258	276	809	852
Gross rhodium refined	000oz	47	48	139	150
Gross nickel refined	000t	4 148	3 852	12 371	11 841
6E sales volumes	000oz	838	862	2 384	2 484
Managed operations production:					
Impala Rustenburg					
Tonnes milled	000t	2 274	2 514	7 255	8 091
Grade (6E)	g/t	3.81	4.03	3.92	4.03
6E in concentrate	000oz	274	307	882	967
6E refined	000oz	210	296	860	1 025
Zimplats					
Tonnes milled	000t	1 707	1 700	5 113	5 055
Grade (6E)	g/t	3.40	3.39	3.41	3.46
6E in concentrate	000oz	145	138	437	435
6E in matte (incl. concentrates sold to IRS)	000oz	149	137	432	425
Marula					
Tonnes milled	000t	491	456	1 511	1 390
Grade (6E)	g/t	4.42	4.35	4.51	4.38
6E in concentrate	000oz	62	60	197	181
Impala Canada					
Tonnes milled	000t	886	920	2 779	2 844
Grade (6E)	g/t	2.80	2.71	2.65	2.62
6E in concentrate	000oz	62	65	185	192
JV operations production:					
Mimosa					
Tonnes milled	000t	678	695	2 095	2 128
Grade (6E)	g/t	3.84	3.88	3.84	3.88
6E in concentrate	000oz	60	63	184	196
Two Rivers					
Tonnes milled	000t	859	798	2 533	2 429
Grade (6E)	g/t	3.26	3.50	3.22	3.41
PGE in concentrate	000oz	76	71	223	222
Impala Refining Services production					
Gross 6E receipts	000oz	417	405	1 322	1 347
<i>Mine-to-market</i>	000oz	328	325	1 045	1072
<i>Third-party and toll</i>	000oz	89	79	277	275
6E refined	000oz	467	443	1 320	1 289

HEALTH AND SAFETY

Implats' goal is to eliminate harm to the health and safety of our employees and contractors and safe production remains our foremost priority. The lost-time injury frequency rate (LTIFR) and all injury frequency rate (TIFR) improved by 23% and 11% from the prior comparable quarter to 3.80 and 9.17 per million-man hours worked. Regrettably, the Group reported two fatal incidents at managed operations during the quarter. On 14 February, Mr Elisha Khalema passed away as a result of post-operative complications following injuries sustained during a fall-of-ground accident at Impala Rustenburg on 13 January 2022. On 23 March, Mr Dean Myamurenje was fatally injured in a conveyor belt accident at Zimplats' Bimha Mine. The board and management team have extended their sincere sympathies to the family, friends and colleagues of the deceased.

Managing the Covid-19 pandemic remains a critical Group imperative. Pleasingly, Implats continued to benefit from its extensive vaccination campaign and well-established operating protocols and experienced a significant reduction in the severity of employee illness and hospitalisation associated with the Omicron variant relative to previous waves of the pandemic.

PRODUCTION

Quarter ended 31 March 2022

Gross Group concentrate production declined by 2% to 768 000 ounces. Tonnes milled at managed operations decreased by 4% to 5.36 million tonnes during the quarter, with higher volumes at Marula and stable production at Zimplats offset by lower production at Impala Rustenburg and Impala Canada. A 2% decrease in milled grade to 3.57g/t 6E was offset by improved recoveries, resulting in 6E concentrate production at managed operations declining by 5% to 543 000 ounces. 6E concentrate production from the joint ventures at Mimosa and Two Rivers increased by 1% to 136 000 ounces. At Impala Refining Services (IRS), 6E in concentrate receipts from third-party customers increased by 13% to 89 000 ounces.

Refined 6E production, which includes saleable ounces from Impala Canada, declined by 8% to 735 000 ounces. Production in the quarter was impacted by lower concentrate volumes, while the prior comparable period benefitted from a reduction in excess stock levels.

6E sales volumes of 838 000 ounces declined by 3% with some destocking of finished metal inventory to mitigate the impact of lower refined output. Sales volumes in the prior comparable period benefitted from the destocking of iridium and ruthenium as demand and pricing for these metals improved.

Nine months ended 31 March 2022

Group production in the nine-month period was negatively impacted by several operational challenges across the Group. A notable impact on production was recorded after extended safety stoppages, intermittent industrial action and power supply interruptions at Impala Rustenburg, and supply chain and labour availability constraints at Impala Canada. Tonnes milled from managed operations declined by 4% to 16.66 million tonnes, while the average 6E mill grade declined by 1% to 3.60g/t.

The 4% decrease in mine-to-market 6E concentrate production to 2.11 million ounces reflected the impact of lower contributions from Impala Rustenburg, Impala Canada and Mimosa, which offset the benefit of stable volumes from Zimplats and Two Rivers, and a record result at Marula. Received 6E third-party and toll material in concentrate, of 277 000 ounces, was stable relative to the prior comparable period and, in total, gross 6E concentrate production decreased 3% to 2.38 million ounces.

Refined 6E production in the prior comparable period benefitted from increased processing availability due to the timing of annual processing maintenance. In the period under review,

scheduled maintenance in Q1 FY2022, together with lower concentrate production and the full rebuild required at the Number 3 furnace in Rustenburg, resulted in total gross refined 6E production declining by 6% to 2.35 million ounces.

Changes in concentrate feeds and individual metal pipelines resulted in a decline in minor PGM production, while refined nickel volumes increased by 4%. Impala Rustenburg's refined 6E production declined by 16% to 860 000 ounces in the period under review, while refined volumes at IRS increased by 2% to 1.32 million ounces.

6E sales volumes of 2.38 million ounces decreased by 4% from the prior comparable period, which benefitted from destocking of iridium and ruthenium as demand and pricing strengthened during the nine-month period a year ago.

Impala Rustenburg

Quarter ended 31 March 2022

Tonnes milled during the quarter decreased by 10% to 2.27 million tonnes, impacted by extended safety stoppages and the ongoing impact of cable theft, electricity curtailment and community disruptions.

The Section 54 safety stoppage at 16 Shaft, which followed a fatality at end-November 2021, was lifted in mid-January and full production was restored by end-February 2022. The Section 54 safety stoppage at 6 Shaft, following three fatalities in a mud inundation at the bottom of the shaft at end-November 2021, was lifted in early March 2022, with full production expected during April 2022.

Grade was impacted by lower production from the high-grade shafts and decreased by 5% to 3.81g/t 6E, partially offset by improved recoveries and yield gains, resulting in 6E concentrate production declining by 11% to 274 000 ounces.

Refined 6E production of 210 000 ounces declined by 29% from the prior comparable period, due to lower production volumes coupled with reduced available processing capacity flowing from the Number 3 furnace rebuild. The furnace rebuild was progressed according to plan, with heat-up initiated in mid-April 2022 and the first matte tap scheduled for May 2022.

Nine months ended 31 March 2022

Milled volumes declined by 10% to 7.26 million tonnes, while mill grade of 3.92g/t 6E was 3% lower. Higher recoveries and yield gains contained the decrease in 6E concentrate production volumes to 9%, with 882 000 ounces recorded.

Refined 6E production declined by 16% to 860 000 ounces due to lower mined production and the impact of the furnace rebuild.

Zimplats

Quarter ended 31 March 2022

There were marginal improvements in both tonnes milled of 1.71 million and delivered mill grade of 3.40g/t 6E. An improving ore mix benefitted process recoveries and 6E concentrate production increased by 6% to 145 000 ounces. A furnace reline was completed in the prior comparable period, while beneficial movements in smelter inventory and matte production in the period under review saw 6E matte production increase by 8% to 149 000 ounces.

Nine months ended 31 March 2022

Mill throughput increased marginally to 5.11 million tonnes, offsetting slightly lower grade, and 6E concentrate production was stable at 437 000 ounces. 6E matte production in the nine-month period increased by 2% to 432 000 ounces.

Marula

Quarter ended 31 March 2022

Marula continued its strong performance in the period under review, with an 8% increase in tonnes milled to 491 000 tonnes and a 2% improvement in milled grade to 4.42g/t 6E. 6E concentrate production increased by 5% to 62 000 ounces. Production in the prior comparable period benefitted from additional metal recovered from concentrate sludge.

Nine months ended 31 March 2022

Marula delivered record production in the nine months, with tonnes milled up 9% to 1.51 million tonnes, milled 6E head grade 3% higher at 4.51g/t and 6E concentrate production increasing by 9% to 197 000 ounces.

Impala Canada

Quarter ended 31 March 2022

Impala Canada continued to face challenges associated with global supply chain constraints and labour availability. This resulted in hauling constraints and increased downtime at the processing plant, which impacted achieved recoveries. Milled volumes decreased by 4% to 886 000 tonnes, while milled head grade rose by 3% to 2.80g/t 6E. 6E metal in concentrate of 62 000 ounces was 4% lower than that achieved in the prior comparable period.

Nine months ended 31 March 2022

Constraints on equipment availability due to tight labour conditions and a shortage of critical parts and spares created a complex and testing operating environment. While milled grades of 2.65g/t 6E improved marginally, milled volumes of 2.78 million tonnes and 6E concentrate volumes of 185 000 ounces, decreased by 2% and 3%, respectively.

Mimosa

Quarter ended 31 March 2022

Milling operations at Mimosa were negatively impacted by power interruptions and a planned plant shutdown, which together with elevated water impurities impeded process recoveries. Ongoing work to improve plant performance yielded recovery benefits towards period end. Milled volumes of 678 000 tonnes declined by 2% and the marginal decrease in milled head grade to 3.84g/t 6E was compounded by lower recoveries, resulting in a 6% decrease in 6E production in concentrate to 60 000 ounces.

Nine months ended 31 March 2022

Plant stability and recoveries were negatively impacted by power interruptions, changes in reagent supply due to constrained supply chains and poor water quality. Tonnes milled declined by 2% and milled 6E head grade was 1% lower in the nine-month period. Lower recoveries resulted in a 6% decline in 6E concentrate production volumes to 184 000 ounces.

Two Rivers

Quarter ended 31 March 2022

Two Rivers was adversely affected by a series of external events in the quarter, including community unrest, localised Eskom power availability as a result of poor weather, which together with a series of equipment failures, negatively impacted mining performance. The secondary mill expansion project was commissioned in February 2022 and facilitated higher milled throughput in the period, offsetting the impact of operational challenges. Milled volumes increased by 8% to 859 000 tonnes, and 6E volumes in concentrate increased by 7% to 76 000 ounces, with recoveries benefitting from increased plant capacity and offsetting lower milled grade.

Nine months ended 31 March 2022

Production at Two Rivers was negatively impacted by extended safety stoppages and intermittent localised community and power interruptions. Tonnes milled increased by 4% to 2.53 million tonnes, but these volume gains were offset by a 6% lower milled grade of 3.22g/t 6E, impacted by both split reef and ore stockpile milling in the period. As a result, 6E concentrate volumes of 223 000 ounces were stable versus the prior comparable period.

IRS

Quarter ended 31 March 2022

Concentrate receipts were positively impacted by higher deliveries from third parties, which offset delays in dispatches from both Mimosa and Zimplats. Mine-to-market receipts of 328 000 6E ounces were largely unchanged, while third-party and toll receipts increased by 12% to 89 000 6E ounces as certain new contracts delivered increased volumes in the period. Refined 6E production of 467 000 ounces from both mine-to-market operations (Zimplats, Marula, Two Rivers, and Mimosa) and IRS third-party and toll customers was 5% higher than the prior comparable period.

Nine months ended 31 March 2022

Concentrate receipts in the prior comparable period benefitted from the deferred delivery of previously accumulated receipts as a result of the IRS *force majeure* declared due to Covid-19 lockdown restrictions in FY2020. In the current period, mine-to-market receipts of 1.05 million 6E ounces decreased by 3%, while third-party and toll receipts of 277 000 6E ounces were slightly higher. Refined volumes benefitted from a strong smelting and refining performance in H1 FY2022, when all previously identified excess inventory was processed, offsetting the impact on IRS of the rebuild on Number 3 furnace at Impala Rustenburg in Q3 FY2022.

ACQUISITION OF ROYAL BAFOKENG PLATINUM SHARES

The Group concluded purchase agreements for a total of 6 678 134 shares in Royal Bafokeng Platinum (RBPlat) during the period, for an offer consideration of R90 and 0.3 Implats share per RBPlat share acquired. On 14 April 2022, Implats held an aggregate of approximately 37.79% of the RBPlat shares in issue following the acquisition of a further 493 990 RBPlat shares post period end.

OUTLOOK AND GUIDANCE

In the revisions to annual guidance provided with the release of Implats' half year results ended 31 December 2021, the Group considered and factored in the impact of an increasingly complex operating environment due to global geopolitical events, persistent supply chain constraints and rising inflation. As such, Implats remains on track to meet the parameters provided for production, unit costs and capital expenditure metrics.

The third quarter production report for the period 1 January to 31 March 2022 has not been reviewed and reported on by the external auditors of Implats.

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