

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”)

First quarter production report for the period 1 July to 30 September 2022

Key highlights

- A 1% year-on-year improvement in the all-injury frequency rate, but a 2% deterioration in the lost-time injury frequency rate. Regrettably, one fatality, resulting from an equipment incident at Impala Rustenburg
- Total 6E concentrate volumes increased 2% on the previous comparable quarter to 824 000 ounces, with unchanged managed volumes of 593 000 ounces, a 2% increase in production from joint ventures to 141 000 ounces, and 14% higher third-party receipts of 91 000 ounces
- Gross 6E refined and saleable production volumes declined by 5% to 705 000 ounces, aligned with scheduled processing maintenance, with stable 6E sales volumes of 708 000 ounces.

Implats’ Chief Executive Officer, Nico Muller, commented: *“Implats continues to navigate a complex operating environment, while maintaining our intense focus on delivering safe and cost-efficient production. We have made good progress across our suite of mining and processing projects.*

The increased severity and frequency of load curtailment by power utility Eskom, necessitated adjustments to hoisting, concentrating and smelting rates in South Africa, which adversely impacted operational momentum during the quarter. In addition, socio-economic pressures are being compounded by rising global inflation, which in South Africa has been further aggravated by the recent rand depreciation.

Despite these headwinds, we expect revenue to remain robust. Recent discussions with our core customer base confirm our expectations for rising demand for our key products over the coming year. PGM pricing remains volatile and vulnerable to macro-economic news flow.

We are determined to maximise the tailwinds of strong prevailing PGM prices and deliver our guided business performance in FY2023, for the benefit of all our stakeholders.”

Operational information		Unaudited quarter ended 30 September 2022	Unaudited quarter ended 30 September 2021	Variance, %
Safety				
LTIFR	pmmhw	4.04	3.95	-22
TIFR	pmmhw	9.58	9.68	1
Fatalities	count	1	1	-
Gross production				
Tonnes milled (managed operations)	000t	5 852	5 761	2
Grade (6E)	g/t	3.61	3.64	-1
6E in concentrate	000oz	824	809	2
<i>Managed operations</i>	000oz	593	592	-
<i>JV operations</i>	000oz	141	138	2
<i>Third-party and toll</i>	000oz	91	80	14
Gross 6E refined	000oz	705	741	-5
<i>Impala 6E refined</i>	000oz	300	292	3
<i>IRS 6E refined</i>	000oz	340	394	-14
<i>Impala Canada saleable 6E</i>	000oz	64	55	14
Gross platinum refined	000oz	333	345	-4
Gross palladium refined	000oz	249	258	-3
Gross rhodium refined	000oz	36	44	-18
Gross nickel refined	t	3 972	3 959	-
6E sales volumes	000oz	708	707	-
Managed operations production:				
Impala Rustenburg				
Tonnes milled	000t	2 650	2 589	2
Grade (6E)	g/t	3.85	3.99	-3
6E in concentrate	000oz	310	315	-2
6E refined	000oz	300	292	3
Zimplats				
Tonnes milled	000t	1 731	1 678	3
Grade (6E)	g/t	3.41	3.45	-1
6E in concentrate	000oz	146	144	1
6E in matte (incl. concentrates sold to IRS)	000oz	140	143	-3
Marula				
Tonnes milled	000t	522	523	-
Grade (6E)	g/t	4.49	4.73	-5
6E in concentrate	000oz	68	71	-5
Impala Canada				
Tonnes milled	000t	951	971	-2
Grade (6E)	g/t	2.78	2.42	14
6E in concentrate	000oz	69	61	14
JV operations production:				
Mimosa				
Tonnes milled	000t	680	704	-3
Grade (6E)	g/t	3.78	3.84	-2
6E in concentrate	000oz	61	61	-
Two Rivers				
Tonnes milled	000t	933	852	10
Grade (6E)	g/t	3.14	3.28	-4
PGE in concentrate	000oz	80	77	4
Impala Refining Services production				
Gross 6E receipts	000oz	431	464	-7
<i>Mine-to-market</i>	000oz	340	384	-11
<i>Third-party and toll</i>	000oz	91	80	14
6E refined	000oz	340	394	-14

Rounded numbers may not add up correctly

HEALTH AND SAFETY

Implats' priority is to eliminate harm to the health and safety of our employees and contractors. Regrettably, during the quarter ended 30 September 2022, the Group reported one fatal incident at its managed operations, resulting from an equipment accident at 16 Shaft, Impala Rustenburg. The board and management team have extended their sincere sympathies and continue to offer support to the family, friends and colleagues of Mr Estevao Matsimbe.

The Group's lost-time injury frequency rate deteriorated by 2% to 4.04 per million-man hours worked from 3.95 reported in the previous comparable quarter, while the all-injury frequency rate improved by 1% to 9.58 (Q1 FY2022: 9.68).

PRODUCTION

Gross tonnes milled at managed operations improved by 2% to 5.85 million tonnes during the quarter, with volume gains at Impala Rustenburg and Zimplats, stable production at Marula and marginally lower mill throughput at Impala Canada. 6E milled grade declined marginally to 3.61g/t, resulting in unchanged 6E concentrate production of 593 000 ounces at managed operations.

6E concentrate production from the joint ventures at Mimosa and Two Rivers improved by 2% to 141 000 ounces. Third-party 6E concentrate deliveries to Impala Refining Service (IRS) rose by 14% to 91 000 ounces. Consequently, Group 6E in concentrate production increased by 2% to 824 000 ounces.

The impact of Eskom load curtailment on Group production in the period resulted in a circa 25 000 6E ounce increase in concentrate stocks at period end.

Refined 6E production, which includes saleable ounces from Impala Canada, was impacted by scheduled processing maintenance and ongoing power disruptions in South Africa and declined by 5% to 705 000 ounces. The scheduled maintenance was successfully completed in July and August, with smelting rates impacted by the increased frequency and severity of load curtailment in September.

Refined production of platinum and palladium declined by 4% and 3% respectively, with a more notable reduction in refined volumes of rhodium and other minor PGMs. This timing difference was directly due to the longer duration of the refining process for these precious metals and the impact thereon of the maintenance programme during the period.

6E sales volumes of 708 000 ounces were largely unchanged from those in the prior comparable period.

Impala Rustenburg

Milled production at Impala Rustenburg increased by 2% to 2.65 million tonnes, but milled head grade declined by 4% to 3.85g/t due to changes in the ore mix across the shaft complex. As a result, 6E in concentrate production declined by 2% to 310 000 ounces.

The operating environment at Impala Rustenburg remains challenging: production momentum was impacted by unprotected industrial action among the contractor workforce at the end of FY2022 and again in September 2022 when a two-day dispute arose with permanent workers as a result of the individual tax status of certain permanent employees, which impacted the quantum of their employee share ownership trust (ESOT) pay outs. Production was further impacted by Eskom loadshedding during the reporting period and safety stoppages following the fatality at 16 Shaft.

Refined 6E production of 300 000 ounces was 3% higher during the quarter, up from 292 000 ounces in the prior comparable period.

Zimplats

Tonnes milled increased by 3% to 1.73 million tonnes with the third concentrator plant commissioned towards period-end. Milled grade declined by 1% due to changes in ore mix as production ceased at Rukodzi Mine in Q4 FY2022. 6E concentrate production was 1% higher at 146 000 ounces, while matte volumes, of 140 000 ounces, were 3% lower following a scheduled furnace reline in the period.

Marula

Marula sustained record milling volumes of 522 000 tonnes, but grade of 4.49g/t declined by 5% due to the impact of increased development tonnage from the Phase 2 extension project. Consequently, 6E in concentrate production was 5% lower at 68 000 ounces.

Impala Canada

Underground production volumes increased during the period as operating momentum improved, resulting in reduced milled volumes of open pit and surface material, compared to higher-grade underground material. As a result, milled throughput declined by 2% from the prior comparable period, but milled grade improved by 15% to 2.78g/t, resulting in a 14% increase in 6E volumes in concentrate to 69 000 ounces.

Mimosa

Milled volumes were impacted by intermittent power interruptions and the decision to reduce milling rates to nameplate capacity, to assess the impact on recoveries, as part of the ongoing plant optimisation process. While tonnes milled were 3% lower at 680 000 tonnes and milled grade declined 2% to 3.78g/t, yield improvements resulted in stable 6E concentrate production of 61 000 ounces.

Two Rivers

Milled volumes benefitted from expanded processing capacity and the increased processing of lower-grade material. Milled throughput increased by 10% to 933 000 tonnes, milled head grade declined by 4%, with 6E concentrate production rising by 4% to 80 000 ounces.

IRS

Mine-to-market 6E receipts from Zimplats, Marula, Two Rivers and Mimosa declined by 12% to 340 000 ounces, while third-party receipts increased by 14% to 91 000 ounces. During the prior comparable period, IRS purchases benefitted from the receipt of accumulated Zimplats matte following the deferral of deliveries to Q1 FY2022.

Refined 6E production in the prior comparable period benefitted from increased receipts and the destocking of previously accumulated inventory. Consequently, refined production was 14% lower at 340 000 ounces in the period under review.

FY2023 GUIDANCE

Key guidance parameters for FY2023 are maintained. Group unit costs and capital expenditure remain vulnerable to a sustained depreciation of the rand due to the translation of the dollar cost base at both Impala Canada and Zimplats.

The first quarter production report for the period 1 July to 30 September 2022 has not been reviewed and reported on by the external auditors of Implats.

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