

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 to 31 March 2019

Implats' Chief Executive Officer, Nico Muller, commented: "The Group achieved a record safety result during the quarter, which underpinned sustained operational delivery, despite a traditionally weak production quarter for Implats. Metal prices for our primary products remain buoyant, allowing us to sustain profitability in FY2019, year to date. Along with the rest of South Africa we were faced with interruptions to our operations caused by Eskom power disruptions: while we could manage this at Impala Rustenburg due to the flexibility offered by our integrated mining and processing operations, our other South African operations elsewhere fared less well. In Zimbabwe, the operational excellence at both Zimplats and Mimosa has endured, despite continued in-country economic and social pressures, and we are encouraged by the ongoing initiatives led by the government of Zimbabwe to restore economic growth."

| Operational information | | Unaudited quarter ended 31 March 2019 | Unaudited quarter ended 31 March 2018 | Unaudited nine months 31 March 2019 | Unaudited nine months 31 March 2018 |
|--|-------|---|---|---|---|
| Safety | | | | | |
| LTIFR | pmmh | 5.37 | 5.42 | 5.17 | 6.01 |
| FIFR | pmmh | 0 | 0.038 | 0.013 | 0.065 |
| Fatal injuries | No | 0 | 1 | 1 | 7 |
| Gross production | | | | | |
| Tonnes milled | 000t | 4 532 | 4 593 | 14 767 | 14 537 |
| Grade (6E) | g/t | 3.81 | 3.87 | 3.84 | 3.88 |
| Platinum in concentrate | 000oz | 350 | 346 | 1 125 | 1 214 |
| Platinum in concentrate (mine-to-market) | 000oz | 307 | 309 | 985 | 987 |
| Platinum in concentrate (third-party and toll) | 000oz | 43 | 37 | 140 | 227 |
| Platinum refined | 000oz | 333 | 316 | 1 133 | 1 042 |
| Impala: platinum refined | 000oz | 144 | 71 | 549 | 342 |
| IRS: platinum refined | 000oz | 189 | 245 | 584 | 700 |
| Palladium refined | 000oz | 219 | 196 | 683 | 602 |
| Rhodium refined | 000oz | 50 | 43 | 156 | 142 |
| Nickel refined | 000t | 4 095 | 3 724 | 12 169 | 11 631 |

| Operational information | | Unaudited quarter ended 31 March 2019 | Unaudited quarter ended 31 March 2018 | Unaudited nine months 31 March 2019 | Unaudited nine months 31 March 2018 |
|--|-------|---|---|---|---|
| Managed operations production: | | | | | |
| Impala | | | | | |
| Tonnes milled | 000t | 2 579 | 2 493 | 8 548 | 8 163 |
| Grade (6E) | g/t | 3.95 | 4.11 | 3.97 | 4.06 |
| Platinum in concentrate | 000oz | 160 | 151 | 518 | 499 |
| Platinum refined(stock-adjusted) | 000oz | 159 | 149 | 520 | 496 |
| Platinum refined | 000oz | 144 | 71 | 549 | 342 |
| Zimplats | | | | | |
| Tonnes milled | 000t | 1 604 | 1 659 | 4 916 | 4 992 |
| Grade (6E) | g/t | 3.48 | 3.48 | 3.48 | 3.48 |
| Platinum in concentrate | 000oz | 66 | 69 | 204 | 208 |
| Platinum in matte | 000oz | 67 | 69 | 202 | 205 |
| Marula | | | | | |
| Tonnes milled | 000t | 349 | 441 | 1 303 | 1 382 |
| Grade (6E) | g/t | 4.29 | 4.12 | 4.35 | 4.28 |
| Platinum in concentrate | 000oz | 15 | 20 | 60 | 63 |
| JV operations production: | | | | | |
| Mimosa | | | | | |
| Tonnes milled | 000t | 678 | 675 | 2 085 | 2 081 |
| Grade (6E) | g/t | 3.83 | 3.82 | 3.83 | 3.84 |
| Platinum in concentrate | 000oz | 29 | 30 | 91 | 93 |
| Two Rivers | | | | | |
| Tonnes milled | 000t | 834 | 878 | 2 501 | 2 592 |
| Grade (6E) | g/t | 3.59 | 3.56 | 3.55 | 3.65 |
| Platinum in concentrate | 000oz | 36 | 40 | 112 | 123 |
| Impala Refining Services (IRS) production | | | | | |
| Platinum refined | 000oz | 189 | 245 | 584 | 700 |
| Platinum refined (mine-to-market) | 000oz | 143 | 179 | 454 | 468 |
| Platinum refined (third-party and toll) | 000oz | 45 | 67 | 129 | 232 |

SAFETY

The safety of our employees remains a priority at Implats. The Group's safety strategy remains firmly centred on inculcating an inherently safe production culture. This has seen a step-change in safety performance, resulting in the Group recording its lowest fatal injury frequency rate (FIFR) of 0.013 per million man hours worked in the financial year to 31 March 2019. No fatal injuries were recorded during the quarter under review. Zimplats achieved the milestone of 10-million fatality free shifts worked during the third quarter, while Impala Rustenburg worked five-million shifts without a fatality. These were new safety records for both operations.

Regrettably, both Zimplats and Impala Rustenburg recorded fatal incidents post the end of the quarter. Mr Richard Mapuranga passed away at Zimplats' Mupfuti Mine on 5 April 2019 and Mr Martin Ludick was fatally injured at the Impala Rustenburg UG2 Plant on 18 April 2019. The Implats board and management team extend their sincere condolences to the families, friends and colleagues of Mr Mapuranga and Mr Ludick.

PRODUCTION

Group tonnes milled (excluding associates) during the quarter were slightly lower at 4.53 million tonnes, compared to 4.59 million tonnes in the prior comparable quarter. A stronger mining performance at Impala Rustenburg was offset by lower tonnage at Marula and Zimplats. Overall, mill grades were steady at 3.81g/t (6E) during the quarter and mine-to-market platinum in concentrate production was maintained at 307 000 ounces, compared to 309 000 ounces in the prior corresponding period.

In the nine-month period ended 31 March 2019, tonnes milled excluding production from associates was marginally higher at 14.77 million tonnes. The average mill grade was 1.0% lower at 3.84g/t (6E) and platinum in concentrate production was maintained at 985 000 ounces, compared to 987 000 ounces produced in the prior corresponding nine months.

Platinum in concentrate received by IRS from third-party and toll customers during the third quarter increased by 16.2% from the prior comparable period to 43 000 ounces due to higher contractual deliveries. However, in the nine months ended 31 March 2019 platinum in concentrate production from third-party and toll customers declined by 38.3% to 140 000 ounces due to elevated deliveries from a large, once-off toll refining customer in the prior comparable nine months.

Total platinum in concentrate production during the quarter was slightly higher at 350 000 ounces, however refined platinum production increased by 5.4% to 333 000 ounces, compared to 316 000 ounces in the prior corresponding period. The Number 3 furnace at Impala Rustenburg was taken off-line in January 2019 for a full scheduled rebuild. As a result, available smelter capacity was constrained during the quarter, resulting in no further reduction in excess accumulated pipeline stocks during the period.

In the nine months ended 31 March 2019, refined platinum production benefitted from higher available smelter capacity at the Group, which was impacted by extensive maintenance work performed in the prior comparable period. This facilitated higher refined volumes at Impala in the nine-month period (549 000 ounces versus 342 000 ounces). Conversely, refined volumes at IRS were lower due to the once-off toll contract in the previous comparable period (584 000 ounces versus 700 000 ounces). Gross refined platinum production increased by 8.7% to 1.13 million ounces, compared to 1.04 million ounces during the prior corresponding period.

The Number 3 furnace is expected to be recommissioned in the coming weeks and return to full production during May 2019, following which the Zimplats furnace will be taken down for scheduled maintenance in June 2019. At 31 March 2019, 138 000 ounces excess platinum in concentrate

remained in stock, which together with associated PGMs, equates to approximately R4.75 billion in revenue at prevailing rand PGM pricing. The majority of this inventory is expected to be processed and sold in FY2020 once the Zimplats furnace maintenance work is completed.

Impala Rustenburg

Despite the challenges presented by a slow post-Christmas start-up, Eskom load shedding and unscheduled shaft maintenance at 16 Shaft, Impala Rustenburg delivered an improved operational performance.

Tonnes milled during the quarter increased by 3.5% to 2.58 million tonnes, compared to 2.49 million tonnes in the prior comparable period. Higher volumes were delivered across the operation, with the exception of 1 Shaft, where production declined in line with guided closure plans. Changes in the operational mix as the restructuring plan is effected impacted the mill grade, which declined by 3.9% to 3.95g/t (6E) from 4.11g/t (6E) in the corresponding period.

The lower grade was more than offset by improved concentrator recoveries and the treatment of additional surface sources. Consequently, platinum in concentrate production increased by 6.0% to 160 000 ounces, compared to 151 000 ounces in the previous corresponding period.

In the nine months ended 31 March 2019, tonnes milled increased by 4.7% to 8.55 million tonnes. The mill grade decreased by 2.2% to 3.97g/t (6E), but the higher tonnage throughput and improved recoveries resulted in a 3.8% increase in platinum in concentrate production to 518 000 ounces, compared to 499 000 ounces in the prior corresponding period, (which also benefitted from a c.12 000 ounce contribution from the now-closed 4 Shaft).

Refined platinum production during the quarter increased significantly to 144 000 ounces from 71 000 ounces in the prior corresponding period. This was due to the increased processing capacity available to process Impala production, which was displaced by IRS ounces in the prior comparable period as a result of IRS contractual delivery terms and constrained processing capacity.

In the nine-months ended 31 March 2019, refined platinum production increased by 60.5% to 549 000 ounces from 342 000 ounces during the previous comparable period, benefitting from higher available processing capacity. On a stock-adjusted basis, refined platinum production increased by 4.8% to 520 000 ounces, compared to 496 000 ounces in the previous corresponding reporting period.

The Group continues to make strides towards delivering a safer and more profitable Impala Rustenburg operation, centred on assets accessing a higher-quality, long-life orebody with lower operating costs and capital intensity. A multitude of stakeholder engagements were undertaken during the reporting period principally focused on the planned closure/divestment from 1 Shaft, which is nearing the end of available mine life. These are expected to be concluded over the next four to six months.

Zimplats

Zimplats sustained its operational performance during the quarter under review. Tonnes milled decreased by 3.3% to 1.60 million tonnes, compared to 1.66 million tonnes in the prior corresponding period, largely due to a shortened operating period and the impact of contributions from open-cast operations in the third quarter of FY2018. The mill grade was maintained at 3.48g/t (6E). Consequently, platinum in concentrate production decreased by 4.4% to 66 000 ounces, compared to 69 000 ounces in the prior corresponding period.

Mill throughput in the nine months ended 31 March 2019 decreased by 1.5% to 4.92 million tonnes, compared to 4.99 million tonnes in the prior corresponding period. Platinum in concentrate produced similarly declined by 1.9% to 204 000 ounces from 208 000 ounces in the first nine months of FY2018.

Marula

Operational continuity at Marula was hampered by community disruptions, which resulted in a seven-day work stoppage at the mine. This, together with power interruptions caused by Eskom load shedding, resulted in tonnes milled during the quarter decreasing by 20.8% to 349 000 tonnes from 441 000 tonnes in the third quarter of FY2018. Notwithstanding a 4.1% improvement in mill grade during the quarter to 4.29g/t (6E), platinum in concentrate production decreased by 25.0% to 15 000 ounces, compared to 20 000 ounces in the prior comparable period.

Mill throughput over the nine months ended 31 March 2019 decreased by 5.7% to 1.30 million tonnes, compared to 1.38 million tonnes in the previous corresponding period. Consequently, platinum in concentrate production deteriorated by 4.8% to 60 000 ounces, compared to 63 000 ounces in the prior nine month period.

Mimosa

Mimosa delivered another good performance during the quarter under review. Tonnes milled improved marginally to 678 000 tonnes, while the mill grade was sustained at 3.83g/t (6E). Platinum in concentrate production was impacted by lower concentrator availability, which impacted metal recoveries and decreased platinum production to 29 000 ounces from 30 000 ounces in the prior corresponding period.

Mill throughput over the nine months ended 31 March 2019 was maintained at 2.09 million tonnes, compared to 2.08 million tonnes in the prior comparable period. Platinum in concentrate production, however, declined to 91 000 ounces from 93 000 ounces in the prior corresponding period on the back of lower metal recoveries.

Two Rivers

Operational performance at Two Rivers was impacted by continued lower-grade split-reef mining during the period under review, which was further exacerbated by Eskom load shedding and an overland belt failure. Tonnes milled during the quarter decreased by 5.0% to 834 000 tonnes, compared to 878 000 tonnes in the prior comparable period. Despite a slight improvement in mill

grade to 3.59g/t (6E) from 3.56g/t (6E), platinum in concentrate production declined by 10.0% to 36 000 ounces, compared to 40 000 ounces in the prior corresponding period.

Mill throughput in the nine months ended 31 March 2019 decreased by 3.5% to 2.50 million tonnes, while the mill grade decreased by 2.7% to 3.55g/t (6E). Consequently, platinum in concentrate production during the period decreased by 8.9% to 112 000 ounces, from 123 000 ounces in the prior comparable period.

IRS

Refined platinum production of 189 000 ounces from both mine-to-market operations (Zimplats, Marula, Two Rivers and Mimosa) and IRS third-party and toll customers was 22.8% lower than the previous period (245 000 ounces) when constrained processing capacity and IRS contractual delivery terms boosted IRS refined production at the expense of Impala metal.

Over the nine months ended 31 March 2019, refined platinum production decreased by 16.6% to 584 000 ounces, compared to 700 000 ounces in the prior corresponding period. This was largely as a result of once-off toll treatment of third-party material in the previous period, with mine-to-market refined volumes also reflecting lower receipts from Two Rivers and Marula.

Outlook and guidance

The third quarter historically remains a challenging period for Implats, largely as a result of the Christmas holiday break. This situation was further aggravated this year by the unexpected Eskom power supply issues, which impacted the South African operations, and the community disruptions experienced at Marula. During the final quarter of the financial year, against the backdrop of South African National Elections, the business will focus on concluding extensive maintenance on Impala Rustenburg's Number 3 furnace, progressing the closure/divestment from Impala 1 Shaft, initiating wage negotiations with AMCU and endeavouring to secure operations from further Eskom power disruptions.

Notwithstanding all these challenges, market guidance for the 2019 financial year is maintained as per the guidance provided in the FY2019 half-year results. However, both Marula mined volumes and gross Group refined volumes are likely to be towards the lower end of the guided range.

| | Unit | FY2019 guidance | |
|--|---------------|------------------|------------------|
| Concentrate platinum production | | | |
| Impala | oz | 650 000 | 690 000 |
| Zimplats | oz | 270 000 | 280 000 |
| Two Rivers | oz | 160 000 | 170 000 |
| Mimosa | oz | 115 000 | 125 000 |
| Marula | oz | 80 000 | 90 000 |
| IRS (Third Party and Toll) | oz | 170 000 | 180 000 |
| Group refined platinum production | oz | 1 500 000 | 1 600 000 |
| Group unit cost (stock adjusted) | R/oz platinum | 23 900 | 24 800 |
| Group capital expenditure | Rbn | 4.1 | 4.3 |

The third quarter production report for the period 1 January to 31 March 2019 has not been reviewed and reported on by the external auditors of Implats.

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26 April 2019

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