



IMPALA PLATINUM HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
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("Implats" or "the Group")

June 2020 market update

Implats refers to its SENS announcement of 30 April 2020 which provided revised Group guidance for FY2020. The Group cautioned at the time as to the fluidity of the operating environment created by the Covid-19 pandemic and its potential impact on guided production parameters. Implats is therefore pleased to provide a further market update ahead of its closed period starting 30 June 2020.

Implats' Chief Executive Officer, Nico Muller, commented: *"Several innovative solutions have been developed by our management teams including different cycles of work and staggered shift systems aimed at enabling the best possible precautionary measures against the spread of Covid-19 among our employees. Through collaboration and co-operation between employees, union structures and management, we have created safer workplaces, and, a better-than-expected production performance across Group operations in the final quarter of FY2020.*

Logistical constraints have eased and, despite the undeniable impact of the pandemic on global economic activity, demand for metal from our customers has remained robust, allowing us to capitalise on a reduction in excess inventory and a period of robust rand PGM pricing.

As the pandemic progresses in the coming months, we expect to face increasing challenges to our medical preparedness and operational resilience. The benefit of experience gained by our team over the past few months, together with the geographical diversification of our operational footprint and the strong financial position of the Group, will prove vital to successfully navigating the expected variability in the near-term operating environment."

OUTLOOK AND GUIDANCE FOR FY2020

South Africa

The nationwide lockdown in South Africa, implemented on 26 March 2020, imposed legislated limits on staffing levels at Impala Rustenburg, Marula and the joint venture at Two Rivers, but made allowances for continued operations at the Group's processing operations.

From 1 June 2020, restrictions on staffing levels were uplifted. However, the need for a prudent and phased approach to intra-provincial travel by employees, particularly those identified as returning from 'hot spots', has continued to limit attendance levels at operations in Limpopo and the North West. Implats has made use of mandatory quarantine and isolation protocols for returning workers from 'hot spot' areas to minimise the risk of transmission to its workforce and host communities. In addition, South Africa's national borders remain closed and circa 5% of Group employees remain in their home countries.

Despite these limitations on staffing, the ramp-up of production has surpassed initial expectations, with revised operating protocols proving effective in mitigating the impact of potential virus-related interruptions at the Group's South African mines, which had returned to circa 85% of capacity by mid-June 2020.

Infection rates are expected to peak in South Africa in the coming months, and the challenges associated with screening and identifying Covid-19 cases will be further complicated by the prevalence of seasonal influenza. It remains Implats' view that much of FY2021 will be characterised by a 'BUSINESS UNUSUAL' operating environment.

Impala Refining Services (IRS)

Force majeure notices instituted on IRS customers from 26 March 2020 were uplifted in a phased approach in May and June 2020. Excess concentrate and matte inventory accumulated by customers (including Group operations) during the *force majeure* period are expected to be received in full by Q1 FY2021.

Smelters and refineries were identified as 'essential services' during the national lockdown in South Africa and the systematic ramp-up of operations and continued, albeit reduced, production of refined volumes has resulted in the Group being able to fully refine the previously identified excess in-process PGM inventory. As a result, refined and sales volumes will exceed concentrate production in FY2020.

Given production rates relative to plan in FY2020, a decision was made to bring forward the annual acid plant maintenance scheduled for July 2020. This is expected to result in greater-than-usual alignment of processing and mining capacity in Q1 FY2021 but will have a small impact on the FY2020 year-end processing inventory.

Implats declared *force majeure* on its contractual deliveries of final metal to its customers when the national lockdown in South Africa was announced on 23 March 2020. This was uplifted on 22 June 2020. Prior to this upliftment, discussions for customer deliveries were conducted monthly. To date, the overwhelming majority of Implats' customers have elected to receive their metal rather than exercise their right under *force majeure* to cancel deliveries. Logistical constraints have eased with the resumption of international flights, such that these no longer pose a risk to Implats' ability to deliver metal.

Zimbabwe

Both Zimplats and the joint venture at Mimosasa have operated uninterrupted and well within pre-Covid-19 FY2020 guidance. Despite the indefinite extension of the national lockdown, permission to continue mining operations remains in place and, to date, potential risks to output associated with virus-related employee attendance and supply chain and logistical challenges have not materialised. Residual concentrate and matte inventory accumulated in-country during the IRS *force majeure* period is expected to be delivered to our Rustenburg processing facilities in full by Q1 FY2021.

Canada

At Impala Canada, an outbreak of Covid-19 at the operation in mid-April 2020, necessitated the temporary cessation of mining operations. The progress of the pandemic in Canada and the “fly-in, fly-out” staffing model also required an appropriately cautious approach to re-staffing and re-starting operations at Lac des Iles, with the mine expected to return to full production in Q1 FY2021.

Capital investment

Implats’ capital allocation framework highlights the importance of appropriate levels of capital investment to support operational resilience and environmental compliance. Interruptions to operational activity across the Group as a result of national lockdowns has impacted the ability to spend to plan in FY2020. Lower guidance therefore reflects the impact of business interruption rather than a deliberate reduction of investment spend.

Business area	Unit	Actual FY2019	Previous Guidance FY2020	Revised Guidance FY2020
Refined production*				
Implats	6E oz refined	3 073	2 600 - 2 900	2 770 - 2 795
Concentrate production				
Impala	6E oz	1 286	975 - 1 050	1 060 - 1 115
Zimplats	6E oz	572	550 - 600	585 - 600
Two Rivers	6E oz	313	225 - 260	245 - 255
Mimosa	6E oz	261	210 - 260	240 - 250
Marula	6E oz	217	190 - 210	200 - 210
Impala Canada	6E oz	-	75 - 95	90 - 100
IRS (third party)	6E oz	361	290 - 310	315 - 330
Group capital expenditure	Rm	3 786	3 600 - 4 400	4 000 - 4 400

**includes saleable ounces from Impala Canada*

Implats expects to release FY2020 results on 3 September 2020.

The information contained in this market update has not been reviewed or reported on by Implats’ auditors.

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