



IMPALA PLATINUM HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1957/001979/06)
JSE Share code: IMP
ISIN: ZAE000083648
JSE Convertible Bond Stock Code: IMCB22
JSE Convertible Bond ISIN: ZAE000247458
ADR code: IMPUY

("Implats" or "the Group")

Third quarter production report for the period 1 January to 31 March 2021

Key highlights for the nine months

- One fatality, resulting from the high-wall subsidence at Zimplats in February, with a 18.7% improvement in the reported all injury frequency rate.
- An 8% increase in total 6E concentrate volumes to 2.47 million ounces, with a 9% gain in managed volumes to 1.77 million ounces, a 7% increase in JV production to 417 000 ounces and stable third-party receipts of 275 000 ounces.
- A 14% improvement in gross 6E refined and saleable production volumes to 2.49 million ounces on improved availability at Group processing assets and the inclusion of saleable production from Impala Canada.

Implats' Chief Executive Officer, Nico Muller, commented: *"Implats continues to demonstrate resilience amid the ongoing challenges presented by the Covid-19 pandemic. I am particularly proud of the record safety achievement at Impala Rustenburg and the operational delivery across the Group during what is traditionally a difficult operating period for the mining industry. Our people were faced with additional hurdles created by intermittent power provision and elevated community unrest in South Africa – a harsh reminder of the challenging socio-economic environment, which has been compounded by the scourge of Covid-19. Rand PGM pricing remains elevated, and we are pleased to be able to reiterate our key guidance metrics for FY2021, while reaffirming our commitment and ability to deliver significant value to all our stakeholders."*

Operational information		Unaudited quarter ended 31-Mar-21	Unaudited quarter ended 31-Mar-20	Unaudited nine months 31-Mar-21	Unaudited nine months 31-Mar-20
Safety					
LTIFR	pmmhw	4.95	5.02	5.08	4.87
TIFR	pmmhw	10.25	11.81	9.64	11.86
Fatalities	count	1	-	1	3
Gross production					
Tonnes milled (managed operations)	000t	5 591	5 362	17 380	15 667
Grade (6E)	g/t	3.64	3.64	3.66	3.75
6E in concentrate	000oz	783	752	2 466	2 290
<i>Managed operations</i>	000oz	569	535	1 774	1 625
<i>JV operations</i>	000oz	135	132	417	390
<i>Third-party and toll</i>	000oz	79	85	275	275
Gross 6E refined	000oz	800	862	2 494	2 179
<i>Impala 6E refined</i>	000oz	296	343	1 025	1 104
<i>IRS 6E refined</i>	000oz	443	462	1 289	1 010
<i>Impala Canada saleable 6E</i>	000oz	60	57	180	65
Gross platinum refined	000oz	367	402	1 154	1 060
Gross palladium refined	000oz	276	298	852	689
Gross rhodium refined	000oz	48	52	150	137
Gross nickel refined	000t	3 852	3 971	11 841	12 097
6E sales volumes	000oz	862	758	2 484	2 086
Managed operations production:					
Impala Rustenburg					
Tonnes milled	000t	2 514	2 366	8 091	8 104
Grade (6E)	g/t	4.03	3.94	4.03	3.92
6E in concentrate	000oz	307	275	967	928
6E refined	000oz	296	343	1 025	1 104
Zimplats					
Tonnes milled	000t	1 700	1 701	5 055	5 076
Grade (6E)	g/t	3.39	3.46	3.46	3.48
6E in concentrate	000oz	138	150	435	449
6E in matte (incl. concentrates sold to IRS)	000oz	137	152	425	419
Marula					
Tonnes milled	000t	456	431	1 390	1 401
Grade (6E)	g/t	4.35	5.03	4.38	4.73
6E in concentrate	000oz	60	55	181	179
Impala Canada					
Tonnes milled	000t	920	865	2 844	1 086
Grade (6E)	g/t	2.71	2.49	2.62	2.48
6E in concentrate	000oz	65	55	192	69
JV operations production:					
Mimosa					
Tonnes milled	000t	695	683	2 128	1 989
Grade (6E)	g/t	3.88	3.85	3.88	3.85
6E in concentrate	000oz	63	61	196	181
Two Rivers					
Tonnes milled	000t	798	808	2 429	2 454
Grade (6E)	g/t	3.50	3.46	3.41	3.45
PGE in concentrate	000oz	71	71	222	209
Impala Refining Services production					
Gross 6E receipts	000oz	405	421	1 347	1 245
<i>Mine-to-market</i>	000oz	325	336	1 072	970
<i>Third-party and toll</i>	000oz	79	85	275	275
6E refined	000oz	443	462	1 289	1 010

HEALTH AND SAFETY

Implats' goal is to eliminate harm to the health and safety of our employees and contractors. Focused attention across all operations and targeted cautionary measures mitigated the ongoing challenges presented by Covid-19 and Implats delivered an improved safety performance in the quarter under review.

Regrettably, Zimplats recorded a fatal injury on 14 February 2021, when Mr Kudzanayi Manyonganise was fatally injured by the subsidence of a portion of the high wall at the Ngwarati Mine box cut. The Board of Directors and management team have extended their sincere condolences and support to his family, friends and colleagues.

The lost-time injury frequency rate (LTIFR) and all injury frequency rate (TIFR) of 4.95 and 10.25 per million man hours worked, improved by 1.4% and 13.2% respectively. 14 of the Group's 17 operations achieved millionaire or multi-millionaire status in terms of fatality free shifts during the reporting period and, on 28 March 2021, Impala Rustenburg achieved eight million fatality free shifts, an all-time fatal free shift record for the operation.

Managing the Covid-19 pandemic remains a critical imperative at Implats. The virus and its impact continued to be a prominent feature of the operating environment in each of South Africa, Zimbabwe and Canada during the quarter. Pleasingly, Implats continued to see a reduction in active and new Covid-19 cases as the second wave receded, despite the risk associated with our employees travelling over the Easter break.

PRODUCTION

Quarter ended 31 March 2021

Group tonnes milled at managed operations increased by 4% to 5.59 million tonnes during the quarter, with higher volumes reported at Impala Rustenburg, Impala Canada, and Marula. Milled grade was stable at 3.64g/t and improved recoveries and yield resulted in 6E concentrate production at managed operations rising 6% to 569 000 ounces. 6E concentrate production from the joint ventures at Mimososa and Two Rivers increased by 2% to 135 000 ounces.

In the prior comparable period, the implementation of the Covid-19 lockdown in South Africa on the 25 March 2020 was estimated to have resulted in a 6% reduction in reported milled tonnage from Impala Rustenburg, Marula and Two Rivers, equivalent to approximately 26 000 ounces of 6E mine-to-market concentrate production foregone.

In the quarter under review, mine-to-market 6E concentrate production improved by 6% or 37 000 ounces to 704 000 ounces, with only Zimplats reporting lower volumes as mining and processing efficiencies were impacted by the high wall subsidence at the Ngwarati Mine box cut. IRS 6E in concentrate receipts from third-party and toll customers declined by 7% to 79 000 ounces, resulting in gross Group concentrate production rising by 4% to 783 000 ounces.

Refined 6E production, which includes saleable ounces from Impala Canada, declined by 7% to 800 000 ounces, with the prior comparable period characterised by a material reduction in excess accumulated inventory. Production in the quarter under review was impacted by Eskom load curtailment, the furnace re-line at Zimplats, the start of scheduled maintenance at the No 5 Furnace at Impala Rustenburg and interruptions to third-party hydrogen supply at the Base Metals Refinery at the start of the period.

6E sales volumes of 862 000 ounces increased by 14% and were broadly in-line with contractual requirements in the period, with some additional destocking of iridium and ruthenium as demand and pricing improved for these metals.

Nine months ended 31 March 2021

Group production in the nine-month period ended 31 March 2021 benefitted from the inclusion of Impala Canada for the full reporting period. Tonnes milled from managed operations increased by 11% to 17.38 million tonnes, while the average 6E mill grade declined by 2% to 3.66g/t.

The 9% increase in mine-to-market 6E concentrate production to 2.19 million ounces reflects the benefit of increased contributions from Impala Canada and higher volumes at Impala Rustenburg, Marula, Two Rivers and Mimosa. 6E third-party and toll material received in concentrate of 275 000 ounces were stable relative to the prior comparable period. In total, gross 6E concentrate production increased by 8% to 2.47 million ounces.

Refined 6E production in the prior comparable period was significantly impacted by planned maintenance at the Zimplats furnace and Impala Rustenburg's smelting complex in H1 FY2020, which constrained processing capacity. During the period under review, gross refined volumes benefitted from improved availability at Group processing assets and the inclusion of saleable production from Impala Canada from the start of the financial year.

In total, gross refined 6E production increased by 14% to 2.49 million ounces. Palladium volumes increased by 24%, reflecting the palladium dominance of Impala Canada's metal production, with rhodium and platinum volumes improving by 10% and 9% respectively.

The implementation of a revised stock allocation policy between IRS and Impala Rustenburg in the prior comparable period resulted in a beneficial allocation of refined volumes to Impala Rustenburg. Consequently, while Impala Rustenburg's refined 6E production declined by 7% to 1.03 million in the nine-month period under review, refined volumes at IRS increased by 28% to 1.29 million ounces.

The excess 6E in concentrate inventory of 100 000 ounces identified at FY2020 year end was reduced by approximately 60 000 ounces over the nine-month period.

6E sales volumes of 2.48 million ounces increased by 19% from the prior comparable period and benefitted from saleable production from Impala Canada and some destocking of iridium and ruthenium as demand and pricing strengthened during the nine-month period.

Impala Rustenburg

Quarter ended 31 March 2021

Tonnes milled during the quarter increased by 6% to 2.51 million tonnes, compared to 2.37 million tonnes in the prior comparable period. Impala Rustenburg benefitted from an efficient start-up in January, despite the logistical complexities of managing employees' return to work during the ongoing pandemic. The period also saw the operation faced with interrupted power supply, increased illegal mining activity and intermittent industrial action across the contractor workforce.

Grade improvements reflect successful targeted management strategies and benefitted from reduced dilution following the completion of the 16 Shaft orepass system rehabilitation. Milled grade increased by 2% to 4.03g/t, while improved recoveries and yield from higher tailings volumes resulted in 6E concentrate production increasing by 12%, or 32 000 ounces, to 307 000 ounces.

In the prior comparable period, an estimated 6% of production volume, equating to 17 500 ounces 6E, was foregone due to the implementation of care and maintenance ahead of the national lockdown.

Refined 6E production of 296 000 ounces declined by 14% during the quarter from 343 000 ounces in the prior corresponding period. This was due to the normalisation of stock allocation between IRS and Impala Rustenburg, compounded by the impact of Eskom load curtailment and scheduled maintenance at the Rustenburg processing facilities in March.

Nine months ended 31 March 2021

Tonnes milled were unchanged at 8.1 million tonnes and the milled grade of 4.03g/t (6E) improved by 3%. Improved recoveries and higher tailings volumes resulted in a 4% increase in 6E concentrate production volumes to 967 000 ounces.

Refined 6E production declined by 7% to 1.03 million ounces from 1.10 million ounces in the previous comparable period, due to a normalising of the stock allocation between Impala Rustenburg and IRS.

Zimplats

Quarter ended 31 March 2021

On 14 February 2021, a portion of the high wall at the Ngwarati Mine box cut subsided, fatally injuring an employee of a contractor operating at Zimplats. This resulted in the temporary closure of the Ngwarati Mine, with production teams transferred to Rukodzi, Bimha and Mupani mines and milled volumes supplemented by stockpiled development ore from Mupani Mine.

The redeployed teams ramped-up to full production rates by period end and Ngwarati Mine is expected to return to full production by the end of FY2021. As a result, tonnes mined, milled grade and process recoveries were all negatively affected during the quarter.

Tonnes milled were stable at 1.70 million tonnes, while the delivered mill grade declined by 2%. The ore mix impacted process recoveries and 6E concentrate production fell by 8% to 138 000 ounces. A furnace reline was completed in the period and matte production including concentrate sold to IRS of 137 000 ounces was 10% weaker than in the previous comparable period.

Nine months ended 31 March 2021

The impact of challenges experienced at Zimplats in March was mitigated by strong operational delivery prior to the Ngwarati Mine incident. Mill throughput of 5.06 million tonnes declined marginally from 5.08 million tonnes, with grade and 6E concentrate production 1% and 3% weaker at 3.46g/t and 435 000 ounces, respectively. 6E matte production in the nine-month period increased by 1% to 425 000 ounces.

Marula

Quarter ended 31 March 2021

Operational continuity at Marula was negatively impacted by community related interruptions during the quarter. Development efficiencies continued to outstrip those of stoping crews, resulting in lower than planned mined volumes and a materially lower reported milled grade. Milled volumes increased by 6% to 456 000 tonnes, while grade declined by 14% to 4.35g/t. 6E

concentrate production benefitted from improved recoveries and additional metal recovered from concentrate sludge and increased by 9%, or 5 000 ounces, to 60 000 ounces.

In the prior comparable period, an estimated 6% of production volume, equating to 3 500 ounces 6E, was foregone due to the implementation of care and maintenance ahead of the start of the national lockdown.

Nine months ended 31 March 2021

Mill throughput declined by 1% to 1.39 million tonnes. The 7% decline in milled head grade was offset by improved recoveries because of additional ounces released from previously locked-up in-process metal and 6E concentrate production increased by 1% to 181 000 ounces.

Impala Canada

Quarter ended 31 March 2021

Impala Canada benefitted from improved plant availability and increased contributions from high-grade underground ore sources during the period. Tonnes milled increased by 6% to 920 000 tonnes while milled head grade rose by 9% to 2.71g/t. 6E metal in concentrate of 65 000 ounces was 18% higher than that achieved in the prior comparable period.

Nine months ended 31 March 2021

The acquisition of Impala Canada was concluded in December 2019, skewing comparison relative to the prior comparable period. In the nine-month period, Impala Canada milled 2.84 million tonnes at a milled grade of 2.62g/t, yielding 6E concentrate volumes of 192 000 ounces.

Mimosa

Quarter ended 31 March 2021

The impact of rising Covid-19 infection rates in the broader Mimosa community remains well controlled by the operation and Group protocols and, despite intermittent interruption to power supply due to utility infrastructure, Mimosa operated well during the quarter. Tonnes milled improved by 2% to 695 000 tonnes and milled head grade increased by 1% to 3.88g/t. 6E production in concentrate increased by 4% to 63 000 ounces.

Nine months ended 31 March 2021

Production in the prior comparable period was impacted by extended repairs to the milling circuit in Q1 FY2020. In the nine-month period, milled volumes of 2.13 million tonnes increased by 7% and, while milled head grade of 3.88g/t was 1% higher, 6E volumes produced in concentrate increased by 8% to 196 000 ounces.

Two Rivers

Quarter ended 31 March 2021

While all South African operations were impacted by Eskom load curtailment in March 2021, Two Rivers was adversely affected by a series of failures and required repairs to the regional transmission network, further impacting operating capacity during the quarter. In addition, community unrest and protests were a notable feature in the quarter, impacting employee attendance and operational continuity. Total tonnes milled declined by 1% to 798 000 tonnes,

while milled grade of 3.50g/t improved by 1%, resulting in unchanged 6E production in concentrate of 71 000 ounces.

In the prior comparable period, an estimated 6% of production volume, equating to 4 500 ounces 6E, was foregone due to the implementation of care and maintenance ahead of the start of the national lockdown.

Nine months ended 31 March 2021

Production in the prior comparable period was heavily impacted by extended maintenance and metallurgical challenges at the concentrator plant in Q1 FY2020. In the nine-month period, the delayed return of foreign workers and resultant impact on returning to a full labour complement, together with power-supply interruptions, resulted in a 1% decrease in tonnes milled to 2.43 million tonnes. Marginally lower milled grade was offset by improved plant recoveries and 6E production in concentrate of 222 000 ounces increased by 6%.

IRS

Quarter ended 31 March 2021

Concentrate receipts were negatively impacted by weaker volumes from third parties and Zimplats. Mine-to-market receipts of 325 000 ounces were 3% lower, while third-party and toll receipts declined by 7% to 79 000 ounces. Refined 6E production of 443 000 ounces from both mine-to-market operations (Zimplats, Marula, Two Rivers and Mimosa) and IRS third-party and toll customers, was 4% lower than in the previous comparable period (462 000 ounces).

Nine months ended 31 March 2021

Concentrate receipts benefitted from improved mine-to-market deliveries, which reflect the delayed impact of the IRS *force majeure* declared in Q3 FY2020 and the improved operational performances at both Two Rivers and Mimosa. While mine-to-market receipts of 1.07 million ounces have increase by 11%, third-party and toll receipts of 275 000 ounces were unchanged. Refined volumes in the prior comparable period were impacted by the change in stock allocation policy at the Group and, consequently, refined volumes in the nine-month period increased by 28% to 1.29 million ounces.

OUTLOOK AND GUIDANCE

The Group remains well on track to meet the guidance parameters on production, unit costs and capital expenditure it provided with the release of its half year results ended 31 December 2020.

The third quarter production report for the period 1 July 2020 to 31 March 2021 has not been reviewed and reported on by the external auditors of Implats.

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30 April 2021
Johannesburg

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