

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 2023

Key highlights

- Regrettably, a fatality at each of Marula and Impala Bafokeng
- A 16% and 11% year-on-year improvement in the lost-time and all-injury injury frequency rates, respectively.
- Total 6E group production volumes increased by 21% from the previous comparable quarter to 1.0 million ounces, with a 34% increase in managed volumes to 799 000 ounces, stable production of 141 000 ounces from joint ventures, and a 31% decrease in third-party receipts to 62 000 ounces. While production metrics benefitted from the maiden inclusion of Impala Bafokeng in the period, notable improvements were achieved on a like-for-like basis at the Group's mining and processing operations
- Gross 6E refined and saleable production volumes increased by 25% to 885 000 ounces and 6E sales volumes increased by 17% to 829 000 ounces.

Implats' Chief Executive Officer, Nico Muller, commented: *"The strong operational delivery in the period is a testament to the flexibility and resilience our people enabled at our operations — with targeted investments in asset integrity and projects focused on harnessing the inherent competitiveness of our mining and processing portfolio yielding notable improvements.*

Volume gains offset persistent industry-wide inflationary pressures and the operational impact of load curtailment was also minimised in the period. The integration of Impala Bafokeng gained momentum and focused efforts to improve and embed our safety performance remain a key focus.

Recent discussions with our core customer base confirm our underlying view of rising demand for our key products over the coming year. Residual customer caution reflects the persistent global macro-economic uncertainty and notable trade-flow shifts in primary mined supplies, resulting in adjustments to market liquidity and pricing.

Implats is implementing a comprehensive operational and expenditure response to mitigate the current weakness in PGM pricing and the resultant pressure on margins. It is imperative that all our operations are set up to contribute sustainably and profitably through the vagaries of PGM cycles.

We had a strong start to FY2024 and Implats is on track to deliver against its stated production and cost metrics. Capital expenditure on projects considered key to strategic delivery will continue, but planned elevated levels of spend across the portfolio will be adjusted to reflect the prevailing current reality of compressed industry margins."

Group operational performance		Q1 FY2024	Q1 FY2023	Var, %
Safety				
LTIFR	pmmhw	3.40	4.04	15.9
TIFR	pmmhw	8.55	9.58	10.7
Fatalities	Count	2	1	>100
6E Group production		1 002	826	21.2
Managed operations	000oz	799	595	34.2
JV operations	000oz	141	141	-0.2
Third-party	000oz	62	91	-31.0
Gross 6E refined and saleable		885	705	25.5
Impala 6E refined	000oz	308	300	2.7
IRS 6E refined	000oz	392	340	15.4
Impala Bafokeng 6E saleable ¹	000oz	113	-	-
Impala Canada 6E saleable ¹	000oz	71	65	8.4
Gross platinum refined and saleable	000oz	421	333	26.7
Gross palladium refined and saleable	000oz	303	249	21.8
Gross rhodium refined and saleable	000oz	46	36	28.2
Gross nickel refined and saleable	t	4 331	3 972	9.0
6E sales volumes		829	708	17.0
Managed operations production:				
Tonnes milled	000t	7 551	5 852	29.0
6E grade	g/t	3.77	3.61	4.4
Impala Rustenburg				
Tonnes milled	000t	3 021	2 650	14.0
6E grade	g/t	3.96	3.85	2.8
6E stock adjusted ²	000oz	369	319	15.6
Zimplats				
Tonnes milled	000t	1 955	1 731	12.9
6E grade	g/t	3.33	3.41	-2.5
6E in matte (incl. concentrate sold to IRS) ³	000oz	165	140	17.9
Marula				
Tonnes milled	000t	487	522	-6.7
6E grade	g/t	4.30	4.49	-4.2
6E in concentrate ⁴	000oz	58	68	-14.9
Impala Canada				
Tonnes milled	000t	900	951	-5.3
6E grade	g/t	3.12	2.78	12.2
6E in concentrate ⁴	000oz	74	69	7.2
Impala Bafokeng				
Tonnes milled	000t	1 188	-	-
6E grade	g/t	4.26	-	-
6E in concentrate ⁴	000oz	134	-	-
JV operations production:				
Mimosa				
Tonnes milled	000t	702	680	3.2
6E grade	g/t	3.61	3.78	-4.5
6E in concentrate ⁴	000oz	62	61	1.1
Two Rivers				
Tonnes milled	000t	939	933	0.6
6E grade	g/t	3.12	3.14	-0.9
6E in concentrate ⁴	000oz	79	80	-1.1
Impala Refining Services production:				
Gross 6E receipts	000oz	431	431	0.1
Managed operations	000oz	223	203	10.1
JV operations	000oz	145	137	6.0
Third-party	000oz	62	91	-31.0

1. PGM production adjusted for off-take terms from third-parties.

2. PGM production post the precious metals refinery, adjusted for any increase (added), or decrease (deducted) in smelting and refining lock up.

3. PGM production post the smelter ahead of the base metal refinery, unadjusted for further processing recoveries.

4. PGM production post the concentrator ahead of the smelter, unadjusted for further processing recoveries.

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 2023, the Group reported two fatal incidents at its managed operations, resulting from an equipment accident at Marula and a fall-of-ground incident at Impala Bafokeng. The board and management team have extended their sincere sympathies and continue to offer support to the family and colleagues of Mr Caiphus Magowa and Mr Michael Labuschagne.

The Group's lost-time injury frequency rate improved by 16% to 3.40 per million-man hours worked from 4.04 reported in the previous comparable quarter, while the all-injury frequency rate improved by 11% to 8.55 (Q1 FY2023: 9.58).

PRODUCTION

Gross tonnes milled at managed operations increased by 29% to 7.55 million tonnes during the quarter, augmented by the maiden inclusion of Impala Bafokeng, with 9% gains on a like-for-like basis. 6E milled grade increased by 4% to 3.77g/t and 6E concentrate production at managed operations increased by 34% to 799 000 ounces, with a like-for-like improvement of 12% from the collective production base at Impala Rustenburg, Marula, Zimplats and Impala Canada.

6E concentrate production from the joint ventures at Mimosa and Two Rivers was stable at 141 000 ounces.

Third-party 6E concentrate deliveries to Impala Refining Service (IRS) declined by 31% to 62 000 ounces reflecting the conclusion of two contracts in Q3 FY2023.

Consequently, Group 6E gross production volumes increased by 21% to 1.00 million ounces, 5% higher on a like-for-like basis.

Refined 6E production, which includes saleable ounces from Impala Canada and Impala Bafokeng, increased by 25% to 885 000 ounces (9% on a like-for-like basis). Scheduled annual processing maintenance was completed in the period. Implats estimates circa 8 000 6E ounces of production was foregone across southern African managed and JV operations in the period with a further 6 000 6E ounces deferred due to power constraints at the Group's operations. Excess inventory increased from the end of FY2023 by 75 000 6E to circa 320 000 6E ounces at period end.

6E sales volumes of 829 000 ounces, including saleable production from Impala Canada and Impala Bafokeng, increased by 17% and were largely unchanged on a like-for-like basis from those in the prior comparable period.

Impala Rustenburg

Production at Impala Rustenburg benefitted from previous investment in asset integrity and operational flexibility, specific internal interventions and fewer external interruptions. Safety metrics and achieved production in the quarter reached a five-year high. Tonnes milled increased by 14% to 3.02 million tonnes and grade benefitted from an improved ore mix, increasing by 3% to 3.96g/t. 6E stock-adjusted production rose by 16% to 369 000 ounces.

Refined 6E production of 308 000 ounces was 3% higher during the quarter, with inventory accumulated during the scheduled annual maintenance at the smelting and refining complex.

Impala Bafokeng

BRPM operations delivered to plan in the quarter, but performance at Styldrift was negatively impacted by a lengthy Section 54 safety stoppage following the fatal accident in September 2023, while milled volumes were impeded by a primary crusher breakdown. Near-term interventions to improve the operating and maintenance protocols and enhance recoveries at the BRPM and Maseve concentrators were implemented, with early benefits realised towards the end of the period.

Impala Bafokeng milled 1.19 million tonnes at 4.26g/t 6E, producing 134 000 6E ounces in concentrate. Saleable ounces of 113 000 6E reflect the payable metal content in terms of the offtake agreement.

Zimplats

Tonnes milled increased by 13% to 1.95 million tonnes, benefitting from the third concentrator plant operating for the full period, while the 50MW power import agreement with the Zambia Electricity Supply Company resulted in stable power supply during the quarter. Milled grade declined by 3% due to the increased contribution of low-grade Mupani Mine development tonnage to milled throughput. 6E production in matte increased by 18% to 165 000 ounces, with production in the prior comparable period impacted by a scheduled furnace shutdown. All major mining and processing projects progressed to plan.

Marula

Performance at Marula was negatively impacted by a Section 54 safety stoppage and subsequent audits following the fatal accident at the operation in August 2023. Milled volumes declined by 7% to 487 000 tonnes, while milled head grade regressed by 4% to 4.30g/t. Consequently, 6E in concentrate production was 15% lower at 58 000 ounces.

Impala Canada

Impala Canada continued to operate well in the period, with higher milled grade compensating for reduced mill throughput as a consequence of scheduled shaft and plant maintenance and power curtailment initiatives. Tonnes milled declined by 5% to 900 000 tonnes, with a 12% higher grade of 3.12g/t resulting in a 7% increase in 6E volumes in concentrate to 74 000 ounces.

Mimosa

Production volumes continued to be impacted by intermittent domestic power interruptions and a scheduled plant shutdown in the period. Tonnes milled improved by 3% to 702 000 tonnes, while milled grade was adversely impacted by poor geology and declined by 5% to 3.61g/t. Yield improvements from the plant optimisation project resulted in a 1% increase in 6E concentrate production to 62 000 ounces.

Two Rivers

Operating momentum at Two Rivers continues to be impeded by adverse geological conditions, unplanned equipment breakdowns and a high turnover of critical skilled labour. Milled volumes increased by 1% to 939 000 tonnes and grade stabilised at 3.12g/t as progress on an optimal mining cut to accommodate the split reef yielded benefits. Improved process recoveries resulted in a 1% decline in 6E concentrate production to 79 000 ounces. Implats continues to engage extensively with its JV partner to ensure the appropriate technical support and assistance is provided to operational management at the mine as the UG2 mining footprint is expanded and the Merensky project progressed.

IRS

Mine-to-market 6E receipts from Zimplats and Marula improved by 10% to 223 000 ounces, while receipts from Two Rivers and Mimosa rose 6% to 145 000 ounces. Third-party 6E receipts declined by 31% to 62 000 ounces, reflecting the cessation of deliveries from two customer contracts in Q3 FY2023.

Refined 6E production benefitted from improved operating rates at the Group's processing facilities, which helped counter the production impact of intermittent load curtailment. Consequently, refined production was 15% higher at 392 000 ounces in the period under review.

The first quarter production report for the period 1 July to 30 September 2023 has not been reviewed and reported on by the external auditors of Implats.

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Johannesburg

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