

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")

Production report for the period ended 31 March 2024

Key features

- Regrettably, one fatality was recorded in the third quarter
- A 5% and 14% year-on-year improvement in the lost-time and all-injury frequency rates, respectively, during the quarter
- A 16% increase in total 6E Group production volumes to 2.73 million ounces in the nine months ended 31 March 2024, with a 25% gain in managed volumes to 2.17 million ounces, a 4% increase in JV production to 410 000 ounces, and a 31% decrease in third-party receipts to 149 000 ounces
- Gross 6E refined and saleable production increased by 15% to 2.47 million ounces in the nine months ended 31 March 2024 and 6E sales volumes increased by 11% to 2.52 million ounces

Implats' Chief Executive Officer, Nico Muller, commented: *"We delivered a commendable operational performance while navigating several challenges in the period under review. Investigations into the 27 November tragedy at 11 Shaft progressed and the production ramp-up at the operation remains on track. The rebuild of Impala Rustenburg's Number 5 furnace was completed and first matte has now been tapped. Notable operational performances were delivered by Zimplats and Mimosa, and at Impala Canada, where mining and milling was rebased.*

Despite continued macroeconomic and geopolitical uncertainty, demand from our contractual customers remains robust, with elevated additional volumes requested via spot sales during the third quarter. PGM pricing remains lacklustre however, with notable volatility in both platinum and palladium reflecting the continued influence of investor activity.

Margins remain compressed and we are pursuing a set of actions to ensure that each of our operations is set up to more robustly deliver sustainable free cash flow through the PGM cycle. It is imperative that each of our assets operates within the appropriate volume, cost and capital parameters relative to the current pricing environment and the broader operating context. In late April, Implats embarked on a Section 189(3) consultation process at its South African operations. This process could affect approximately 3 900 positions, equating to a 9% reduction in labour across the Group's Impala Rustenburg, Impala Bafokeng and Marula operations, as well as at the corporate office, which is targeting a 30% reduction in Head Office costs.

Given the operating constraints, I am pleased to reiterate our commitment to deliver to previously provided volume and unit cost guidance for FY2024. The Group remains focused on delivering consistent and safe production, and constructively collaborating with our key stakeholders to ensure operational stability in the remaining months of FY2024."

Group operational performance			Unaudited quarter ended:			Unaudited nine months ended:			
			31-Mar-24	31-Mar-23	Var, %	31-Mar-24	31-Mar-23	Var, %	
Safety									
LTIFR	pmmhw		3.84	4.05	5	4.38	4.07	(8)	
TIFR	pmmhw		8.61	10.02	14	8.91	9.47	6	
Fatalities	Count		1	3	<100	17	5	>100	
6E Group production			000oz	827	735	13	2 729	2 353	16
Managed operations	000oz		657	562	17	2 170	1 741	25	
JV operations	000oz		134	125	7	410	396	4	
Third-party	000oz		37	47	(23)	149	216	(31)	
Gross 6E refined and saleable			000oz	717	662	8	2 468	2 138	15
Impala 6E refined	000oz		262	277	(5)	892	882	1	
IRS 6E refined	000oz		308	315	(2)	1 081	1 061	2	
Impala Bafokeng 6E saleable ¹	000oz		91	-	-	306	-	-	
Impala Canada 6E saleable ¹	000oz		56	71	(21)	189	196	(4)	
Platinum refined and saleable	000oz		333	299	11	1 165	983	18	
Palladium refined and saleable	000oz		251	241	4	844	761	11	
Rhodium refined and saleable	000oz		41	39	5	139	125	11	
Nickel refined and saleable	t		3 828	3 258	17	12 137	11 202	8	
6E sales volumes			000oz	824	752	10	2 521	2 267	11
Managed operations production:									
Tonnes milled	000t		6 479	5 609	16	20 792	17 424	19	
6E grade	g/t		3.64	3.62	-	3.73	3.58	4	
Impala Rustenburg									
Tonnes milled	000t		2 263	2 384	(5)	7 655	7 552	1	
6E grade	g/t		3.83	3.98	(4)	3.95	3.87	2	
6E stock adjusted ²	000oz		268	289	(7)	943	898	5	
Impala Bafokeng									
Tonnes milled	000t		901	-	-	3 153	-	-	
6E grade	g/t		4.34	-	-	4.33	-	-	
6E in concentrate ⁴	000oz		107	-	-	361	-	-	
Marula									
Tonnes milled	000t		440	453	(3)	1 385	1 461	(5)	
6E grade	g/t		4.25	4.35	(2)	4.28	4.39	(2)	
6E in concentrate ⁴	000oz		53	53	-	166	181	(8)	
Zimplats									
Tonnes milled	000t		2 007	1 877	7	5 917	5 557	6	
6E grade	g/t		3.32	3.26	2	3.33	3.34	-	
6E in matte ³	000oz		166	148	12	493	449	10	
Impala Canada									
Tonnes milled	000t		868	894	(3)	2 682	2 854	(6)	
6E grade	g/t		2.80	3.06	(8)	2.94	2.87	2	
6E in concentrate ⁴	000oz		63	71	(12)	206	213	(3)	
JV operations production:									
Two Rivers									
Tonnes milled	000t		891	841	6	2 712	2 654	2	
6E grade	g/t		3.07	3.08	-	3.09	3.04	2	
6E in concentrate ⁴	000oz		70	69	2	221	217	2	
Mimosa									
Tonnes milled	000t		715	652	10	2 138	2 027	5	
6E grade	g/t		3.59	3.77	(5)	3.61	3.78	(4)	
6E in concentrate ⁴	000oz		63	56	13	189	179	5	
Impala Refining Services production:									
Gross 6E receipts	000oz		384	364	5	1 212	1 218	-	
Managed operations	000oz		217	201	8	653	621	5	
JV operations	000oz		131	117	12	410	381	8	
Third-party	000oz		37	47	(23)	149	216	(31)	

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' goal is to eliminate harm to the health and safety of our employees and contractors and, as such, safe production remains our foremost priority. Regrettably, during the quarter, Mr Kamogelo Nkwane was fatally injured in a fall-of-ground incident at Impala Rustenburg on 14 March 2024. The board and management team have extended their sincere sympathies to the family and colleagues of the deceased.

In the third quarter, the Group's lost-time injury frequency rate (LTIFR) improved by 5% to 3.84 per million man hours worked from 4.05 reported in the previous comparable quarter, while the all-injury frequency rate improved by 14% to 8.61.

For the nine months ended 31 March 2024, the Group's LTIFR deteriorated by 8% to 4.38 per million-man hours worked from 4.07 in the previous comparable nine-month period, while the total-injury frequency rate (TIFR) improved by 6% to 8.91 per million man hours worked.

PRODUCTION

Quarter ended 31 March 2024

Gross Group 6E production increased by 13% to 827 000 ounces. Tonnes milled at managed operations increased by 16% to 6.48 million tonnes during the quarter. The maiden inclusion of Impala Bafokeng and higher milled volumes at Zimplats offset lower throughput at each of Impala Rustenburg, Marula and Impala Canada, with like-for-like volumes (excluding Impala Bafokeng) retracing by 1%. 6E milled grade of 3.64g/t was stable and 6E production at managed operations increased by 17% to 657 000 ounces, with a like-for-like retracement of 2%.

6E production from the joint ventures (JVs) at Mimosa and Two Rivers increased by 7% to 134 000 ounces. At Impala Refining Services (IRS), third-party 6E receipts of 37 000 ounces were 23% lower than the prior comparable quarter as two contracts concluded in FY2023.

There were negligible production losses due to load curtailment in South Africa in the quarter, although regional electricity generation and distribution challenges did pose headwinds to operating momentum in Zimbabwe.

Refined 6E production, which includes saleable ounces from Impala Canada and Impala Bafokeng, increased by 8% to 717 000 ounces (-6% on a like-for-like basis). The scheduled rebuild of the Number 5 furnace, which began in December 2023, was completed as planned, with first matte tapped at the end of April 2024. Implats finished the period with circa 410 000 6E ounces of excess inventory (Q3 FY2023: 190 000 6E ounces).

6E sales volumes of 824 000 ounces, including saleable production from Impala Canada and Impala Bafokeng, increased by 10%, and were 3% lower on a like-for-like basis from those in the prior comparable quarter, with some destocking of refined inventory to offset the impact of the planned furnace maintenance.

Nine months ended 31 March 2024

While the Group navigated several serious challenges, production in the nine-month period benefitted from positive production momentum at several operations and the maiden consolidation of Impala Bafokeng. Tonnes milled from managed operations increased by 19% to 20.79 million tonnes, while the average 6E mill grade increased by 4% to 3.73g/t. 6E production from managed operations at Impala Rustenburg, Impala Bafokeng, Zimplats, Marula and Impala Canada increased by 25% to 2.17 million ounces, with like-for-like gains of 4%.

6E production from the JV operations increased by 4% to 410 000 ounces, while received 6E third-party concentrate volumes of 149 000 ounces were 31% lower than the prior comparable period, due to the conclusion of two contracts in the prior year. In total, the Group's 6E production rose 16% to 2.73 million ounces and was 1% higher on a like-for-like basis.

Refined 6E production, which includes saleable production from Impala Bafokeng and Impala Canada, increased by 15% to 2.47 million ounces and was 1% higher on a like-for-like basis. The period was characterised by a noticeable reduction in the frequency and intensity of load curtailment and volumes benefitted from strong operating momentum, which countered the scheduled maintenance performed at the Number 5 furnace during the period. Implats estimates circa 20 000 6E ounces of production was foregone across southern African managed and JV operations in the nine months to end March 2024, with a further 8 000 6E ounces deferred due to power constraints at the Group's processing operations.

6E sales volumes of 2.52 million ounces increased by 11% from the prior comparable period and were 2% lower on a like-for-like basis.

Impala Rustenburg

11 Shaft update

As noted in the announcement released on SENS on 31 January 2024, the *in loco* inspection and the Investigation Report to the DMRE in terms of section 11(5)(e) of the Mine Health and Safety Act were completed during the quarter and the formal internal investigation relating to this incident is progressing well. An independent third party was appointed to evaluate the internal investigation's findings.

All required repairs to 11 Shaft infrastructure were completed in February 2024 and the shaft complex began a production ramp up, which progressed as planned during the period, with circa 66% of production capacity achieved during the quarter.

Quarter ended 31 March 2024

Tonnes milled during the quarter declined by 5% to 2.26 million tonnes, while grade declined by 4% to 3.83g/t 6E and stock-adjusted 6E production decreased by 7% to 268 000 ounces. Production momentum was hampered by the required ramp up at the 11 Shaft complex and additional safety stoppages during the period.

Refined 6E production of 262 000 ounces decreased by 5% from the prior comparable period, in line with lower mined volumes and constrained processing capacity flowing from the Number 5 furnace rebuild.

Nine months ended 31 March 2024

Impala Rustenburg delivered production at a five-year high in H1 FY2024, which helped cushion the impact of a challenging Q3 FY2024. Milled volumes increased by 1% to 7.66 million tonnes, 6E mill grade of 3.95g/t improved by 2%, and together with higher re-mining volumes and recoveries, resulted in a 5% increase in 6E production to 943 000 ounces in the nine-month period. Refined 6E production increased by 1% to 892 000 ounces as excess inventory accumulated because of constrained processing capacity due to scheduled maintenance.

Impala Bafokeng

Quarter ended 31 March 2024

Production momentum at Impala Bafokeng was impeded by an illegal sit-in at BRPM in January, while performance at Styldrift remains constrained by mining fleet and operational impediments. Processing volumes and stability were challenged by low mined volumes and planned maintenance as a series of revised protocols were implemented across the asset base. Impala Bafokeng milled 901 000 tonnes at 4.34g/t 6E, producing 107 000 6E ounces in concentrate.

Nine months ended 31 March 2024

Milled throughput of 3.15 million tonnes and 6E head grade of 4.33g/t yielded 361 000 ounces of 6E in concentrate delivered in the maiden nine-month period of consolidation.

Marula

Quarter ended 31 March 2024

During the period, proximity devices were rolled out across underground workings, while additional infrastructure maintenance, the movement in mining crews and constrained minable face due to geological features all negatively impacted mining flexibility. Tonnes milled declined by 3% to 440 000 tonnes and milled grade of 4.25g/t 6E was 2% lower than the prior comparable period. 6E concentrate production was stable at 53 000 ounces as a result.

Nine months ended 31 March 2024

Milled throughput of 1.39 million tonnes and 6E head grade of 4.28g/t, declined by 5% and 2%, respectively, from the prior comparable period. Production volumes were negatively impacted by safety stoppages and constrained mining flexibility, and 6E concentrate production declined by 8% to 166 000 ounces.

Zimplats

Quarter ended 31 March 2024

Zimplats delivered a 7% increase in milled throughput to 2.01 million tonnes, benefitting from pillar reclamation activities at Rukodzi Mine, a production volume ramp up at Mupani Mine and the deferral of a scheduled mill reline to Q4 FY2024. Volumes also benefitted from higher grade and improved process recoveries, and production in matte increased by 12% to 166 000 6E ounces.

Nine months ended 31 March 2024

Mill throughput increased by 6% to 5.92 million tonnes and, together with stable grade, improved recoveries and processing stability at the expanded concentrator complex and positive inventory moves in the furnace, resulted in a 10% increase in production in matte of 493 000 6E ounces.

Impala Canada

Quarter ended 31 March 2024

Impala Canada continued to operate well in the period, delivering ahead of the mine's revised production baseline. Milled throughput decreased by 3% to 868 000 tonnes, while milled head grade of 2.80g/t was 8% lower than in the prior comparable period reflecting ore source and cost optimisation. 6E production in concentrate of 63 000 ounces was 12% lower.

Nine months ended 31 March 2024

Milled throughput declined by 6% to 2.68 million tonnes, while milled head grade improved by 2% to 2.94g/t, mitigating the reduced production resulting from the mine's revised operating parameters. 6E concentrate production of 206 000 ounces declined by 3%.

Two Rivers

Quarter ended 31 March 2024

Two Rivers continued to navigate a constrained operating environment in the quarter, with mining flexibility impeded by geological features, limited face length availability, safety stoppages and the impact of heavy seasonal rains on the workings in the upper mine. Limited batch milling of Merensky ore also impacted recoveries and, hence, concentrate production volumes. Tonnes milled of 891 000 ounces increased by 6% and, while 6E head grade was stable at 3.07g/t, ore mix impacted yield and 6E production in concentrate increased by 2% to 70 000 ounces.

Nine months ended 31 March 2024

Tonnes milled and grade improved by 2% to 2.71 million tonnes and 3.09g/t 6E respectively, but volume gains were offset by lower yield on development ore and, as a result, 6E concentrate volumes of 221 000 ounces increased by 2% compared to the prior period.

Mimosa

Quarter ended 31 March 2024

Mimosa navigated sporadic regional power disruptions and difficult ground conditions in the period but benefitted from processing stability following the integration and commissioning of the optimised plant project in the prior comparable quarter. Milled volumes of 715 000 tonnes increased by 10% and, despite a 5% deterioration in milled 6E head grade to 3.59g/t, production in concentrate increased by 13% to 63 000 6E ounces, benefitting from improved process recoveries.

Nine months ended 31 March 2024

Mimosa benefitted from a strong mining performance and improved plant stability and recoveries in the period, which countered the grade impact of poor ground conditions. Milled throughput increased by 5% to 2.14 million tonnes and, while 6E head grade declined by 4% to 3.61g/t, 6E concentrate production of 189 000 was 5% higher than the prior comparable period.

IRS

Quarter ended 31 March 2024

Concentrate receipts were impacted by lower deliveries from third parties, with two contracts terminating during the prior year, offsetting the benefit of higher deliveries from managed and JV operations. Mine-to-market receipts of 348 000 6E ounces increased by 10%, while third-party receipts fell by 23% to 37 000 6E ounces. Refined 6E production of 308 000 ounces from both mine-to-market operations (Zimplats, Marula, Two Rivers, and Mimosa) and IRS third-party customers declined by 2% from the prior comparable period as concentrate was stockpiled during the rebuild of Impala Rustenburg's Number 5 furnace.

Nine months ended 31 March 2024

Mine-to-market receipts of 1.06 million 6E ounces increased by 6%, benefitting from higher receipts from Zimplats, Mimosa and Two Rivers. Third-party receipts of 149 000 6E ounces were 31% lower and gross receipts of 1.21 million ounces were stable year-on-year. Refined volumes were constrained by the rebuild of the Number 5 furnace and additional smelter maintenance during the period, but improved by 2% to 1.08 million ounces.

OUTLOOK AND GUIDANCE

Despite the challenging operating environment during the period under review, Implats remains on track to deliver within the guided Group parameters for FY2024.

The third quarter production report for the period 1 January 2024 to 31 March 2024 has not been reviewed and reported on by Implats' external auditors.

Ends

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30 April 2024

Johannesburg

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