IMPALA PLATINUM HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1957/001979/06)
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("Implats" or “the Group”)

COVID-19 UPDATE

Implats refers all stakeholders to its SENS announcement of 24 March 2020 noting South African President Cyril Ramaphosa’s directive for a 21-day national lockdown of all non-essential businesses and services, effective from midnight Thursday, 26 March 2020 to help curb the spread of COVID-19 in South Africa. The South African national lockdown is planned to continue until midnight on Thursday, 16 April 2020.

The Group supports the decisive action taken by the South African government to help flatten the curve of the COVID-19 infection rate. Implats is committed to contributing where it can to South Africa’s socio-economic stability. During the national lockdown, Implats’ primary focus is on protecting the lives and livelihoods of employees, service providers and communities through doing all it can to sustain the financial viability of its business and the national economies of the countries in which it operates.

Implats successfully ramped down all South African mining operations (Impala Rustenburg and Marula) and placed them on care and maintenance from Thursday, 26 March 2020. Essential care and maintenance services are continuing to ensure the integrity of key infrastructure and facilitate a safe start-up once operations are cleared to resume.

In line with South African government regulations, the Group has applied for permission to conduct limited smelting operations at Impala Rustenburg together with limited operations at its Springs refinery. This would allow some in-process inventory to be treated during the lockdown period under controlled conditions. The Group will also apply for permission to conduct limited underground ore transport and milling at its South African mining operations under agreed precautionary measures. This would greatly assist in securing underground infrastructure during the lockdown period and significantly enhance our ability to safely resume operations after the lockdown period.

Impala Canada’s mining operations have been classified as an essential business by the Ontario government and are therefore permitted to continue operations during the provincial 14-day lockdown. Our executive leadership team is taking all the necessary precautions pertaining to COVID-19. They are actively monitoring developments in the province of Ontario and Canada and will adapt work procedures accordingly.

Following a directive issued by the Government of Zimbabwe on Friday, 27 March 2020, a 21-day lockdown commenced in Zimbabwe on Monday, 30 March 2020. In line with government regulation,
executives at Zimplats and Mimosa have applied to continue with operations under agreed precautionary measures. This would allow mining and processing operations to continue relatively uninterrupted at Zimplats during the lockdown. Mimosa will continue to process stockpile material during the lockdown and conduct limited mining operations to supplement available ore resources during the period.

The safety of employees and contractors on all sites is a key priority and additional measures are in place to protect the health of employees working during the lockdown and thereafter. These include, but are not limited to, heightened risk mitigation measures through early COVID-19 detection, an enhanced focus on pandemic awareness, workplace hygiene, medical surveillance, additional PPE and medical supplies, and isolation and treatment of suspected and confirmed cases. All clinics and the Impala Rustenburg hospital will remain open and fully operational during the lockdown period. At this time, no COVID-19 cases have been diagnosed among employees or their dependants.

Management met with organised labour at both the national and branch level before the lockdown and agreed to continue paying all employees during the 21-day lockdown period. However, it was communicated to all stakeholders that alternative arrangements will need to be implemented should the lockdown period continue beyond the envisaged 21 days.

Force majeure letters have been issued to all consultants and contractors for the duration of the lockdown, to legally suspend our obligations under these contracts.

Force majeure letters have also been issued in respect of offtake agreements with both Group companies and third parties, as well as customer supply contracts, to legally suspend our obligations under these contracts.

With respect to offtake agreements, deliveries from all parties to the smelter were suspended on 24 March 2020 to enable the smelting operations to prepare for an orderly shutdown. With respect to customer supply contracts, deliveries can resume once the force majeure is lifted, provided delivery logistics permit.

We remain in regular contact with all our service providers and customers to work towards meeting their continued requirements as best as possible while our business is impacted, aligned to the force majeure provisions as it applies to each party.

Several steps have been taken to respond at short notice to President Ramaphosa’s directive while seeking to preserve the financial viability of our business. The Group will continue to maximise the business flexibility provided by our diverse asset base and mine-to-market operating model, and detailed planning is underway to ensure a swift and safe start-up once the lockdown suspended.

Implats will provide additional updates as the situation develops. In addition, guidance on its operations will be provided in its scheduled third quarter FY2020 production update on or around 30 April 2020.

Queries:
Johan Theron
E-mail: johan.theron@implats.co.za
T: +27 (0) 11 731 9013/43
M: +27 (0) 82 809 0166

Emma Townshend
E-mail: emma.townshend@implats.co.za
T: +27 (0) 21 794 8345
M: +27 (0) 82 415 3770
Alice Lourens
E-mail: alice.lourens@implats.co.za
T: +27 (0) 11 731 9033/43
M: +27 (0) 82 498 3608

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