Our performance

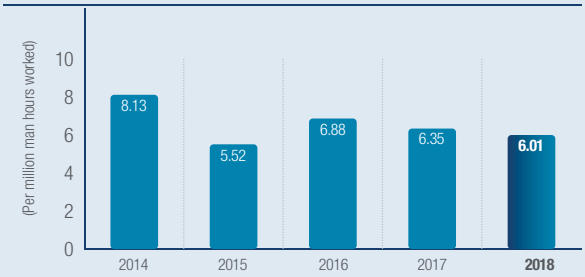
05 **OUR PERFORMANCE**

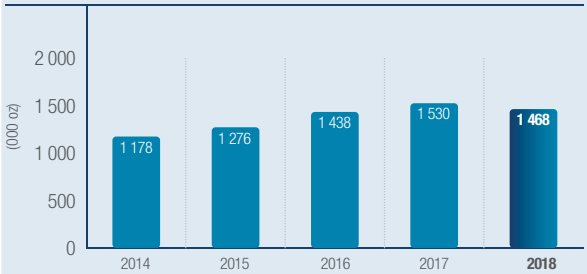
Group performance against objectives

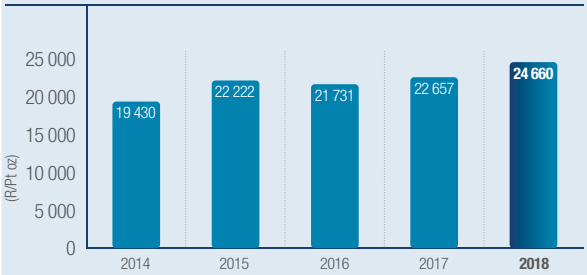
Strategy	Operational strategies	KPI performance target for FY2018*
Implats is a focused PGM producer and supplier. Our strategy seeks to sustain optimal levels of production at the lowest possible cost from a diverse and competitive asset portfolio. We seek to position the Company in the lower half of the industry cost curve, and as the industry safety leader, to benefit from future stronger PGM prices and to reward all our stakeholders	Relentlessly drive the safety of our people	> Zero fatalities > LTIFR <5.5
	Consistently deliver production targets	> Refined platinum production of 1.57 – 1.61Moz
	Improve efficiencies through operational excellence	> Cost per platinum ounce <R23 100 and stock adjusted unit cost achieved of R22 931 (2017: R22 828)
	Cash conservation	> Capital <R4.7 billion
	Maintain our licence to operate	> Impala Rustenburg SO_2 at <16tpd > Marula community disruptions <10 days > Build/sell >230 employee houses

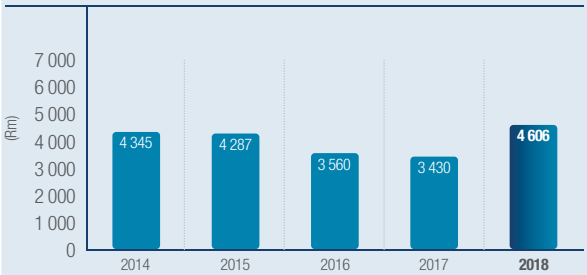
** Performance targets and actual performance exclude the associate companies Two Rivers and Mimosa.*

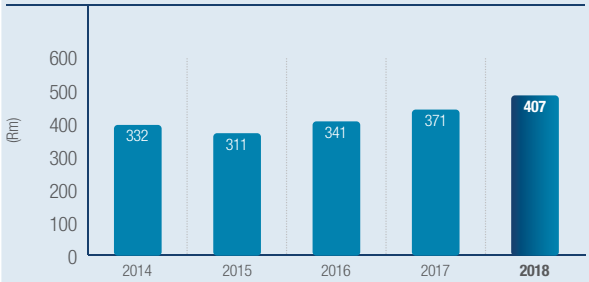
	Performance against strategy and KPIs*	Performance graphs*
	> Regrettably, seven employee fatalities were recorded during the year > LTIFR improved 5.4% from the previous year to 6.01 per million man-hours (including contractors) (2017: 6.35) > Continue to drive zero harm through awareness and education, by implementing appropriate systems and best practice, and by working in partnership with employees and regulators > Our focus is on ensuring resilient and effective leadership and operational discipline to ensure compliance with safe production practices	**LTIFR**
	> Refined platinum production of 1.47 million ounces > Strong mining performances at Impala Rustenburg and Marula were supported by sustained excellent mining contributions from all other operations > Planned closures of 4, 7 and 7A Shafts at Impala Rustenburg > Furnace maintenance work during the first half of the year and an electrical failure at the furnace in February 2018 resulted in an inventory build over the year	**Platinum production**
	> Unit costs increased to R24 660 per platinum ounce refined impacted by the lower refined production volumes (2017: R22 657) > Completed and approved a strategic review of Impala Rustenburg that will transition this operation to long-term economic viability in a low-price environment > Continue to address inefficiencies and contain the rising input cost base at operations, particularly Impala Rustenburg > Enhanced focus on human resources, which includes the development of a high-performance culture and reviews of the organisational structure and remuneration policies to support this	**Unit cost/Pt oz**
	> Capital expenditure of R4.61 billion (2017: R3.43 billion) > Capital expenditure was in line with plan > R1.4 billion was spent on the two development shafts, 16 and 20 > Key projects and their associated capital investment were re-evaluated during the year resulting in a reduction (R910 million) or deferment of capital spend in a low-price environment	**Capital expenditure**
	> SO_2 emissions at Impala Rustenburg at 6379t (2017: 6 306t) > Direct SO_2 emissions were within the conditions of the Air Emission Licence at Impala Rustenburg and Impala Springs > Built 136 employee houses in Rustenburg as expenditure was curbed due to cash preservation > Officially opened Sunrise View Secondary and both primary and secondary schools at Platinum Village > Group social development expenditure amounted to R214.10m (2017: R136.48m) > Resolved land dispute and secured mining tenure at Zimplats	**Social development expenditure in South Africa** (including housing)











Implats Mineral Resource and Mineral Reserve Statement 2018 at a glance

(see separate Mineral Resource and Mineral Reserve Statement 2018 for details)

Perspective

The Mineral Resource and Mineral Reserve Statement as at 30 June 2018 is collated at a time when the platinum industry continues to face significant external challenges. The prevailing depressed metal prices are reflected in the fact that capital investment has virtually dried up throughout the industry. At Implats, greenfields exploration has been terminated and shaft sinking operations at Impala's 17 Shaft and Afplats' Leeuwkop Shafts remain suspended. Against this background, material changes in the Mineral Resource and Mineral Reserve estimates are detailed in this report. **The material impact of the Impala strategic review is reflected in this Mineral Resource and Mineral Reserve Statement.** Despite the difficult circumstances, stellar production performances were delivered at Zimplats, Marula, Mimosa and Two Rivers.

Rustenburg review

The Impala Rustenburg operation underwent a detailed scrutiny during the past year in view of a loss-making outlook. The objective of the strategic review was to create a sustainable investment case for Impala Rustenburg that secures long-term profitability through optimisation and restructuring of the operations. Key consideration of the review was a financial robust business case within the context of social responsibility to secure long-term employment. The review process concluded a radical restructuring was the most viable option to achieve a sustainable future at Impala. This restructuring process provides for a focused, agile and profitable future state that safeguards the future of some 27 000 employees.

The Implats board has approved the strategy to cease operations at unprofitable shafts at Impala. The older shafts such as 1 and 9 Shafts with limited remaining Mineral Reserves are targeted for harvesting. The higher-cost, mature shafts such as 12 and 14 will be optimised and operate under strict performance conditions ahead of their planned cessation towards the end of FY2020. This restructuring of Impala Rustenburg will yield a change from 11 operational shafts ramping up to 750Koz platinum, to six operational shafts producing approximately 520Koz platinum per annum. **A direct outcome is a material reduction in the Impala Mineral Reserve estimate.**

Zimplats release of land

Zimplats announced on 6 June 2018 that the issue concerning the proposed compulsory acquisition of a portion of Zimplats' mining lease area, as well as the issue of security of Zimplats' mining tenure, has been resolved amicably between Zimplats and the Zimbabwean Government (GoZ) to the mutual benefit of the parties. Zimplats agreed to release to the GoZ land measuring 23 903 hectares within Zimplats' mining lease area in support of the government's efforts to enable participation by other investors in the platinum mining industry in Zimbabwe. Following this release of land, Zimplats now holds two separate and non-contiguous pieces of land and Zimplats was granted, with effect from 31 May 2018, two separate mining leases over the two pieces of land measuring 6 605 hectares and 18 027 hectares respectively. These mining leases replaced the special mining lease, which was due for renewal in August 2019, thus securing the operating subsidiary's mining tenure. The release of land does not impact the 30-year mine plan, but resulted in a material reduction in the Zimplats Mineral Resource estimate.

Group operations

The Implats structure remained largely unchanged during the past year with operations at Impala in the Rustenburg area, the refinery at Springs, the Marula Mine in the Limpopo province, Zimplats and Mimosa Mines operating in Zimbabwe, Two Rivers Mine near Burgersfort and the Afplats project in the North West province. During the past year Implats secured a minority 15% interest in the Waterberg Joint Venture project (Waterberg JV Resources (Pty) Ltd) in the Limpopo province with the option to increase the Implats stake to 50.01%. At year-end, the Mineral Resource estimate for the Waterberg Joint Venture project was in progress and such attributable interest is not included in this report; the size of the attributable Mineral Resource is not material at the Implats Group level.

Headline numbers (for more details see the separate Mineral Resource and Mineral Reserve Statement 2018)

Attributable estimates

		2018	2017
Mineral Resources*	Moz Pt	**133.8**	191.6
	Moz 4E	**243.9**	360.4
	Mt	**1 741**	2 787
Mineral Reserves	Moz Pt	**21.2**	22.4
	Moz 4E	**40.0**	41.0
	Mt	**365**	358

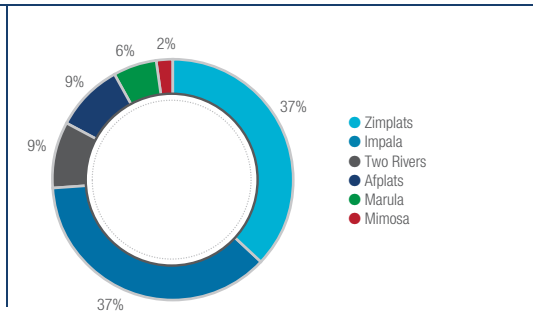
** Mineral Resource estimate is inclusive of Mineral Reserves.*

Summary Mineral Resources

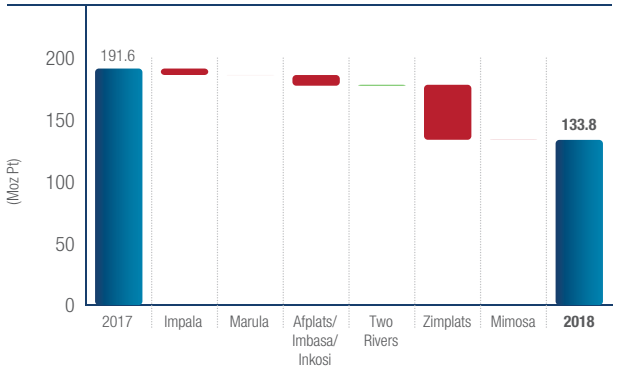
(for more details see the separate Mineral Resource and Mineral Reserve Statement 2018)

There have been material changes in the attributable Group Mineral Resource estimate which reduced by 57.8Moz Pt. The change is dominated by the release of land at Zimplats. The strategic decision to exit certain prospecting rights at Imbasa and Inkosi and also the Impala/Royal Bafokeng Resources Platinum (Pty) Ltd Unincorporated Joint Venture contributed notably to the reduction. The estimate as at 30 June 2018 is dominated by Zimplats and Impala, who together contribute some 74% of the total attributable Group Mineral Resources.

Attributable Mineral Resources of 133.8Moz Pt as at 30 June 2018



Attributable Mineral Resources as at 30 June 2018 (variance Moz Pt)

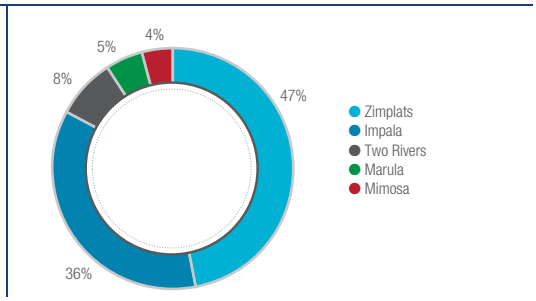


Summary Mineral Reserves

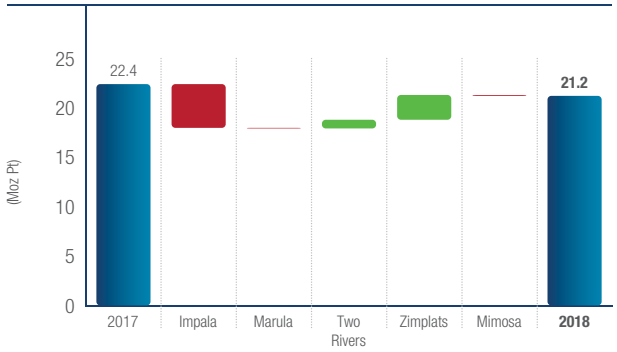
(for more details see the separate Mineral Resource and Mineral Reserve Statement 2018)

Overall the attributable Group Mineral Reserve estimate decreased by 1.2Moz Pt to 21.2Moz Pt. The resultant estimate as at 30 June 2018 is based on a **material reduction at Impala** following the detailed review and also a material increase at Zimplats due to the conversion of some Upper Ores to Mineral Reserves. Furthermore the addition of the RE portion of Kalkfontein at Two Rivers had a positive impact on the combined Group Mineral Reserves. Some 47% of the attributable Group Mineral Reserves (Pt) is located at Zimplats and a further 36% at Impala.

Attributable Mineral Reserves of 21.2Moz Pt as at 30 June 2018



Attributable Mineral Reserves as at 30 June 2018 (variance Moz Pt)



Implats Mineral Resource and Mineral Reserve Statement 2018 at a glance

Compliance
(for more details see the separate Mineral Resource and Mineral Reserve Statement 2018)

The Mineral Resource and Mineral Reserve Statement is compiled in accordance with guidelines and principles of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code), the South African Code for the Reporting of Mineral Asset Valuation (SAMVAL Code) and section 12.13 of the JSE Listings Requirements as updated from time to time. Supporting documentation includes detailed internal reports, SAMREC Table 1 reports, and regular third-party reviews. A summary list of Competent Persons who compiled this report is included in the separate detailed Mineral Resource and Mineral Reserve Statement 2018. While Zimplats complies with guidelines and principles of the JORC Code, the definitions are either similar or do not vary materially from the SAMREC Code. The Zimplats estimates reflected in this report comply with the SAMREC Code and section 12.13 of the JSE Listings Requirements.

Implats subscribes to the principles of transparency, materiality and competency as per the SAMREC Code.

Note that:
> Mineral Resources are reported inclusive of Mineral Reserves unless otherwise stated
> There are no Inferred Mineral Resources included in any of the Mineral Reserve estimates
> The Mineral Resource Statements remain, in principle, imprecise and must not be seen as calculations
> Rounding-off of figures may result in minor discrepancies
> All mineral rights are in good standing without any known impediments

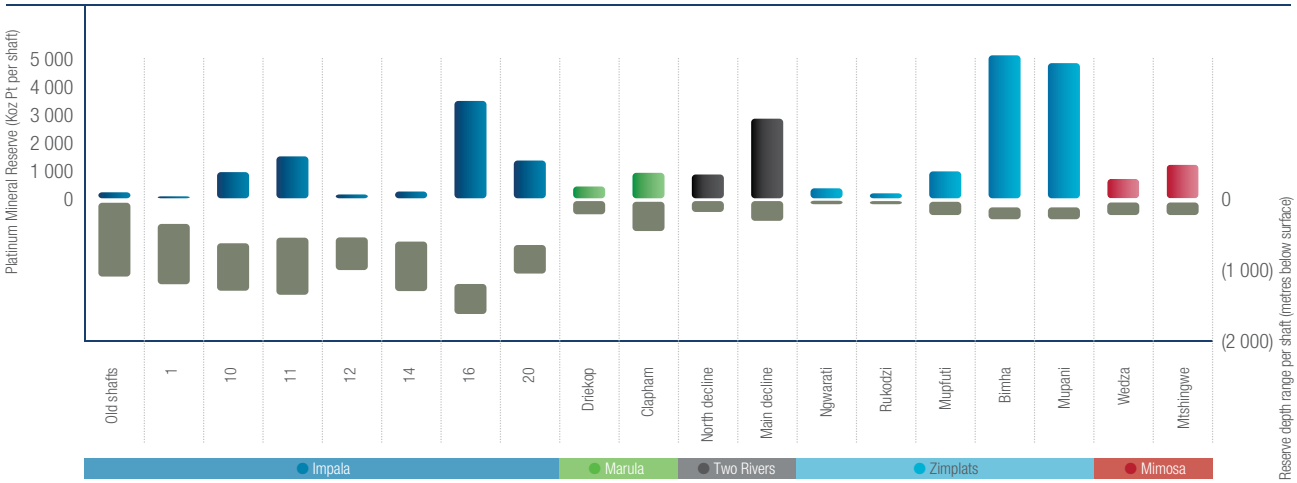
Long-term price assumptions
(for more details see the separate Mineral Resource and Mineral Reserve Statement 2018)

Long-term price assumptions in today's money

Platinum	US$/oz	**1 040**
Palladium	US$/oz	**1 040**
Rhodium	US$/oz	**2 300**
Ruthenium	US$/oz	**215**
Iridium	US$/oz	**1 020**
Gold	US$/oz	**1 370**
Nickel	US$/t	**13 750**
Copper	US$/t	**7 000**
Exchange rate	R/US$	**13.00**
Basket	US$/Pt oz	**2 100**
	R/Pt oz	**27 300**

The updated allocation of Implats' Mineral Reserves per shaft infrastructure as at 30 June 2018 is depicted in the accompanying graphic illustration. The range below surface and quantum relating to the infrastructure is shown and depicts among others the advantage at Zimplats in this regard, both from a depth and a size perspective. This graph depicts the impact of the Rustenburg review where 1, 12 and 14 Shafts at Impala will cease mining in due course and also gives an indication of the potential impact of a possible further shaft closure in future should prices demand this.

Platinum Mineral Reserve and depth range for individual Implats shafts as at 30 June 2018



Value distribution to stakeholders

for the year ended 30 June

As can be seen from the group value added statement depicted below, in the current environment, R32.7 billion value has been distributed to various stakeholders but there was a diminution of value of R1 114 million to shareholders.

(Prepared on a headline earnings basis)	**2018**	2017
Revenue	**35 854**	36 841
Other net income	**821**	305
Gross value	**36 675**	37 146
Depreciation	**(3 838)**	(3 702)
Deferred tax	**(125)**	1 282
	32 712	34 726
Distribution of value		
Consumables and services	**(8 495)**	(10 228)
Metals purchased	**(9 651)**	(10 030)
Labour and other*	**(12 981)**	(12 495)
Direct state taxes	**(1 442)**	(1 506)
Finance costs	**(1 006)**	(713)
Royalty recipients	**(350)**	(561)
Non-controlling interest	**114**	(122)
Dividends	**(15)**	(54)
Diminution in shareholders' value	**1 114**	983
	–	–

** Including labour cost capitalised.*

The UN's sustainable development goals

Goals	Description
	End poverty in all its forms everywhere
	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
	Ensure healthy lives and promote well-being for all ages
	Ensure inclusive and equitable quality education and promote life-long learning opportunities for all
	Achieve gender equality and empower all women and girls
	Ensure availability and sustainable management of water and sanitation for all
	Ensure access to affordable, reliable, sustainable and modern energy for all
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Goals	Description
	Reduce inequality within and among countries
	Make cities and human settlements inclusive, safe, resilient and sustainable
	Ensure sustainable consumption and production patterns
	Take urgent action to combat climate change and its impacts
	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
	Strengthen the means of implementation and revitalise the global partnership for sustainable development

OUR CONTRIBUTION TOWARDS THE SDGs IS PRIMARILY THROUGH:

- > The valuable resources that we produce (see page 6)
- > Direct and indirect employment created through our workforce and supply chains (see pages 64 and 84)
- > Taxes and royalties paid to our host governments (see page 55)
- > Social investment and preferential procurement in our host communities (see pages 54 to 67)
- > Respecting human rights (see page 19)
- > Ensuring ethical business practices (see page 18)
- > Minimising our environmental footprint (see pages 72 to 83)
- > Supporting transformation in South Africa (see page 68) and indigenisation in Zimbabwe (see page 69)

All references above relate to the Sustainable Development Report online.

Delivering strategy

OUR BUSINESS FOCUS ENSURES THE SUCCESSFUL DELIVERY OF OUR STRATEGY, THE MATERIAL CHANGES TO THE ENVIRONMENT IN WHICH IMPLATS CONDUCTS ITS BUSINESS, AS WELL AS OBSERVATIONS BY KEY STAKEHOLDERS, IDENTIFYING KEY PRIORITY AREAS TO SUPPORT THIS.

- – Turnaround Impala Rustenburg
- – Decisive Marula strategy
- – Increased organisational effectiveness
- – Capital allocation and cash management
- – Develop strategic agility
- – Maintain social licence to operate

Nico Muller
Chief executive officer

PRIORITY AREAS FY2018

Turnaround Impala Rustenburg

FY2018
- Year-on-year circa R1 billion saving
- Reduced 2 200 employees
- Closed 4 shafts

FY2019
- Strategic review concluded
- 300 of 1 500 earmarked positions reduced (as at end August 2018)

Maintain social licence to operate

- Improved safety performance – significant reduction in fatalities in H2 FY2018
- Active stakeholder engagement
  - Impala restructuring
  - Zimplats – sustain licence to operate
  - Stable community relations
- No level 4 or 5 environmental incidents
- TB/HIV rates well below national average

Decisive Marula strategy

- Reduced community disruptions
- 25% year-on-year increase in Pt ounces
- Cash flow before working capital and finance activities improved from negative R839 million in the previous year to R77 million positive in FY2018
- Well positioned to benefit from higher future palladium and rhodium prices

Develop strategic agility

- Impala Rustenburg strategic review – will reduce exposure to high cost deep level conventional mining
- Waterberg – increased bias towards low cost, shallow mechanised palladium-rich assets
- Exciting new Zimbabwe strategy

Capital allocation and cash management

- Group headroom of R6.2 billion (cash R3.7 billion and undrawn facilities of R2.5 billion)
- Secured R2.0 billion facility to allow forward pipeline sales
- R829 million dividend from Zimplats
- Ongoing review of optimal capital structure

Increased organisational effectiveness

- Key executive appointments – Meroonisha Kerber, CFO and Mark Munroe, CE: Impala Rustenburg
- Remuneration policy updated – STI and LTI structures aligned to shareholder expectations
- Performance management framework rolled out to all management employees

Introduction

Having completed my first full year as CEO of Implats, I am more convinced than ever of the fundamental value underlying the business, despite the many challenges the mining sector faces. It is our responsibility, as managers and as miners, to unlock that value and bring it to the fore.

Implats has the advantage of a diverse and competitive asset portfolio, an experienced management team, and a proud history spanning some 50 years. To this we can add exciting future possibilities: the acquisition of a 15% interest in the Waterberg development project is a significant step in advancing the Group strategy towards lower-cost, shallow, mechanisable assets, and we are excited by the long-term potential of our development of Mupani Mine in Zimbabwe, and a restructured and re-energised Impala Rustenburg.

The past year was pivotal for Implats as it embraced and advanced key strategies to align with the Group's evolving geopolitical and macro-economic landscape. Both jurisdictions in which the Company operates have witnessed encouraging political changes, which will positively influence the industry and the Group's business interests in the future.

Implats remains confident in the long-term fundamentals for PGM demand with future opportunities for palladium back-substitution with platinum in the manufacture of catalytic converters. However, platinum price support is not expected in the near term and the Group has aligned Company strategies accordingly.

Current market fundamentals require much improved industry discipline, particularly in discontinuing unprofitable production. Implats cannot, and will not, support loss-making production and the remarkable return to positive Group contributions from Marula, as well as the restructuring decisions announced at Impala Rustenburg are therefore very pleasing.

Internally, the Group is reprioritising and rescheduling capital allocation decisions and focusing on effective cash management to protect the balance sheet.

Key business focus areas include improved organisational effectiveness through enhanced accountability, performance management and effective strategic decision making. Social responsibility, elimination of harm to the health and safety of employees and preventing negative impact on the environment underpins the Group's operating philosophy and remain key imperatives.

Chief executive's review

In addition, other initiatives have been progressed this past year, including:
> A much-improved safety performance during the second half of FY2018
> Higher output at most operations
> A pleasing operational and financial turnaround at Marula
> Securing profitable third-party PGM toll treatment through Impala Refining Services (IRS) by positioning the business within Impala where the processing assets are housed

A reconfigured Impala Rustenburg

The most significant step in the transformation of the Group, however, was announced after year-end when the findings and recommendations of the Impala Rustenburg strategic review were released. Taking account of the current operating environment and macro-economic realities, the outcome concluded that a radical and urgent transition into a leaner, more concentrated and profitable operation is critical to support the future success of the Group.

The implementation of the Impala Rustenburg plan will be phased in over the next two years to ensure the transition occurs in a socially responsible manner. The key outcomes of the restructuring, which is expected to be concluded by the end of the 2021 financial year, include:
> A reduced mining "footprint" from 10 to six operating shafts as operations are ceased at depleted end-of-life and uneconomical shafts
> Production reducing from the previously guided 750 000 platinum ounces to 520 000 platinum ounces per annum
> The total labour complement (employees and contractors) reducing from approximately 40 000 to 27 000 from FY2021

This plan is expected to deliver a safer and profitable Impala Rustenburg centred on its best assets with higher quality, long-life orebodies, lower operating costs and capital intensity. Importantly, it secures employment for 27 000 employees and surrounding communities can continue to participate in Implats' procurement, training and local economic development activities.

The phased approach to the implementation of the Impala Rustenburg restructuring plan will allow for further options to be explored and afford each shaft the opportunity to improve profitability, while allowing time to consult with government, unions and other stakeholders before any final decision is made to close or exit an unprofitable shaft.

Operating context has shifted

For the most part of the past decade, the platinum market has been oversupplied. The drop-off in demand for diesel passenger cars in Western Europe and the steady contraction in the Chinese jewellery market have contributed to a sustained lower platinum price over the past three years, with consensus forecasts for softer platinum demand for at least the next three years. Over the much longer term, fuel-cell technology presents an upside for platinum, as does the European Union's inclusion of PGMs on its list of "critical raw materials".

The immediate fundamentals for both palladium and rhodium remain strong, largely due to expected growth in the global internal combustion engine automotive market and tighter emissions regulations. In what is currently a close-to-balanced market, forecasts now see palladium and rhodium moving into relatively deep deficits sooner than previously expected.

An improving socio-political outlook

The socio-political context in the countries in which we operate – South Africa and Zimbabwe – remains dynamic. Compared to my report last year, there is considerably more optimism and regulatory certainty in both jurisdictions.

In Zimbabwe, Zimplats concluded the release of ground north of portal 10, which does not form part of its 30-year mine plans. At the same time our special mining lease (SML) was successfully converted into two new mining leases, which, combined with partial relief on export levies, will enable the Zimbabwean assets to sustain and grow future financial returns.

The newly gazetted Mining Charter has provided some level of certainty in the South African policy and regulatory framework. A more collaborative and trusting environment is being established, which enhances the likelihood of constructive outcomes that will attract investors back to the mining sector. The Group remains committed to collaboration with all stakeholders to ensure an attractive and sustainable industry.

We have paid considerable attention at executive level to the community activism at our operations, stemming from the high levels of inequality in South Africa, the relatively slow pace of government service delivery, and the consequent demands on mining companies to increasingly provide jobs, procurement contracts, infrastructure, and health and education facilities. Implats remains deeply committed to advancing its social licence to operate and to its community commitments as outlined in its social and labour plans (SLPs), and we routinely go beyond these commitments.

We are pleased to report that our community and stakeholder engagement activities during the year have resulted in fewer disruptions and much-improved relationships with our labour-sending communities and government at all levels.

We continue to engage at all levels in both countries to encourage the growth and predictability necessary to ensure that Implats continues its significant contribution to economic growth in South Africa and Zimbabwe.

Safety

The safety and health of employees remains a priority. Safety for the year under review was a tale of two halves. Regrettably, five employees at Impala Rustenburg and one at Marula suffered fatal injuries at our operations during the six months ended 31 December 2017. Another employee was fatally injured at Impala Rustenburg during January 2018. The Implats board and management express their

sincere condolences to the families, colleagues and friends of the deceased. The Group will continue to provide support to the dependants of the deceased.

Over the year, safety measures were tested, enhanced and altered, where necessary. Safety communication to employees has been improved and the emphasis remains on ensuring effective leadership, responsible behaviour, and driving a culture of personal accountability and interdependence. Ongoing collaboration with key stakeholders and a shared vision of zero harm will continue to drive further improvements through awareness, education, and the implementation of appropriate systems and best practice.

This renewed level of focus on safety resulted in a better performance during the second half, which saw a significant improvement in all leading and lagging safety indicators, and the Group operated for seven months without a fatal accident – an Implats record.

Many individual business units continue to deliver exceptional safety performances, setting new records in some cases. At year-end, 11 of Implats' 17 operations had "millionaire" or "multi-millionaire" status, meaning they have operated more than a million shifts without a fatality. Our strategic focus continues to be on an improved safety performance, at Marula and Impala Rustenburg in particular, and we have seen a positive change in behaviour, which will be further embedded.

Operational review

The Group achieved encouraging operational improvements over the year. Platinum ounces in concentrate were 1% higher at 1.57 million platinum ounces (FY2017: 1.56 million). This was mainly due to improved operational performances from Impala, Marula, Mimosa and IRS, while Zimplats and Two Rivers reported lower contributions.

Refined platinum production was impacted by a temporary stock build-up of some 77 000 platinum ounces at Impala Rustenburg, which remains available for sale in the next financial year. This inventory was built up following furnace maintenance undertaken during the first half of the financial year and an electrical failure at number 5 furnace in February 2018.

Costs were well contained and, on a stock-adjusted basis, were largely unchanged at R22 931 per platinum ounce. The Group spent R4.6 billion (FY2017: R3.4 billion) on capital projects during the year, which is 34% higher than last year. This was largely due to higher spend on 16 and 20 Shafts and Zimplats' Mupani Mine. Impala Refining Services (IRS) maintained its significant cash generation to the Group, delivering more than R1 billion.

Impala Rustenburg remains a critical asset

Operational performance was negatively impacted in the first half of the year by mine stoppages following five fatal incidents during September and October 2017. A major furnace rebuild was undertaken on one of the three operating furnaces at the smelting complex in the first half of the year. In February 2018, an electrical failure triggered a fire at the number 5 furnace transformers.

Impala made a gross loss of R2.79 billion in FY2018, a 4% improvement from the R2.91 billion loss for FY2017. Capital expenditure increased by 12% to R2.77 billion (FY2017: R2.47 billion) mainly due to increased spend at 16 and 20 Shafts, as well as refurbishment and repair work at the number 5 furnace. The 16 and 20 Shaft projects are critical to returning Impala Rustenburg to profitability.

Some construction work at 20 Shaft remains outstanding and the project is now approaching completion. Production at 16 Shaft ramped up significantly during the year due to increased face availability.

Marula stabilises and posts a turnaround

The operational and financial turnaround at Marula is under way, driven by improved cost management and assisted by a stronger rhodium price, which is now expected to remain robust going forward. In addition, the Marula team's continued efforts to engage with communities has resulted in a more stable community environment. The community chrome dispute was resolved, and the chrome project restarted in January 2018. With almost no disruptions during the period under review, Marula achieved its performance targets and saw vastly improved production.

We continue to closely monitor the situation at Marula and engage with the community to ensure the operation can remain a valued part of the Group.

Zimplats, Mimosa, Two Rivers and IRS continue to profit

Implats' Zimbabwean assets – Zimplats and Mimosa – are better placed to generate financial returns through the quality of the Mineral Resource and asset base, the potential for better efficiencies, the skilled and experienced leadership and operating teams, as well as a changing political and economic environment. These factors have all contributed to a more conducive environment to generate improved cash flows and shareholder returns.

Zimplats secured tenure via two new mining leases, the redevelopment of the Bimha Mine was completed with full production reached in April 2018, and the development of the US$264 million Mupani Mine (Portal 6), which will sustain mining well into the future, is on track to reach full production in 2025. Zimplats sustained its excellent safety and production performance, but platinum production was down 4% impacted by a small lock-up in the smelter.

Mimosa delivered another strong operating and safety performance.

Two Rivers maintained its safe, low-cost level of mining production, although the planned mining of low-grade split-reef areas and consequential lower recoveries impacted the operational performance during the year. It maintains a strict focus on grades as it mines into the split-reef areas.

Chief executive's review

Impala Refining Services (IRS), continued its stellar contribution to the Group's bottom line. Implats is well positioned to leverage spare processing capacity for increased production output throughout the Group, as well as third-party suppliers, to continue growing the IRS business and ensure ongoing, strong cash flows.

Financial highlights

For financial 2018, Group revenue was down 3%, impacted by lower sales due to inventory build-up and a stronger rand, and partially offset by a higher dollar basket price. The build-up in the pipeline and well-controlled operating costs resulted in gross profit of R1.6 billion, a marked improvement over the loss of R529 million in the comparable period. However, impairments of R13.63 billion, mostly in respect of the Impala Rustenburg asset, resulted in a loss after tax of R10.79 billion.

A material consequence of the declining profitability of the Impala Rustenburg operation has been the negative impact on the Group's balance sheet. Net debt (excluding finance leases) has increased to R5.33 billion – underlining the strategic imperative to radically transform the Impala Rustenburg complex.

At year-end, the Group had adequate headroom of R6.2 billion comprising gross cash on hand of R3.7 billion (FY2017: R7.8 billion) and R2.5 billion in unutilised bank debt facilities. The R4 billion revolving credit facilities and the convertible bonds mature in 2021 and 2022, respectively. The Group remains well within all its debt covenants.

Sustainability highlights

The operating philosophy at Implats is underpinned by a value system centred on long-term sustainability. Interventions to reduce the impact of TB and HIV/Aids on our employees have had positive results, with a 43% reduction in new pulmonary TB cases recorded over the past five years and a 51% decline in Aids-related deaths since 2014. No major environmental incidents were recorded during the past year and minor incidents reduced by 13%. Water recycling exceeded Group targets and ended the year on a record high of 45% of total consumption.

Host communities remain vital stakeholders and social investment expenditure has escalated by nearly 30% year-on-year at the South African operations, despite the challenging financial conditions. Implats' focus remains on housing, education, health and training. The Group is cognisant of the economic challenges faced in most of the platinum producing areas and recognises the importance of a continued contribution during these times.

Implats delivered effectively on our social and labour plan (SLP) commitments at the South African operations, and our targeted corporate social investments in Zimbabwe. We are proud of our contributions to our host communities and our ability to positively influence socio-economic development in our emerging economies.

Our South African operations are collaborating with key stakeholders on development of their third generation, five-year SLPs.

Our people and culture

Creating a high-performance culture is crucial to the success of the organisation. We aspire to be a more decisive and agile Group, willing to take the necessary bold decisions. We are creating a clearly defined and high-performance "Implats way" – a desired culture to assist operations drive required behaviours – which will be entrenched in all business practices and purposefully practiced.

Implats also conducted an organisational design review to determine how best it should be structured to best meet its strategic objectives. The project has a Group-wide focus and includes proposed structural changes, reporting relationships, role profiling, job evaluation and grading.

Remuneration policies have received attention and are now more geared to aligning shareholder expectations with management delivery.

Importantly, our employment equity status for the executive committee team has increased from 25% to 55% black representation, with 27% black female representation, thus exceeding the new Mining Charter requirements and positioning the Company well in a changing mining environment.

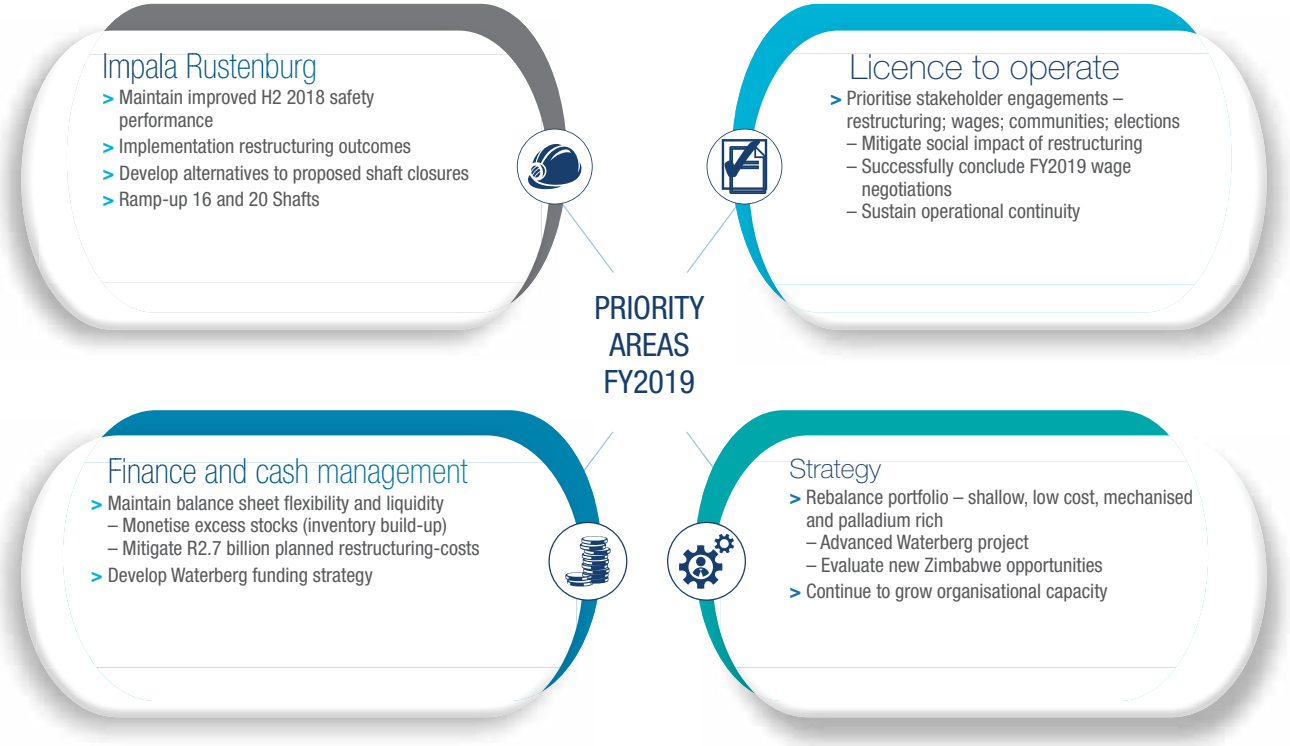
Strategy

Implats is well positioned to advance its value-focused strategy to position the Company for a future low metal price environment, to lead the industry in cost and safety performance, and to create and share value sustainably with all stakeholders throughout the commodity cycle.

We have a robust defence strategy against the recent major shifts in platinum use in the automotive and jewellery sectors. With a restructured and substantially enhanced Impala Rustenburg operation, the Group is well positioned to grow its exposure to lower-cost, mechanised operations at Zimplats, Mimosa, Two Rivers and potentially Waterberg, to deliver enhanced shareholder returns in a lower metal price environment.

The strategy increases Implats' future fundability by maintaining current debt covenants and reducing the need for external funding, while ensuring sustained jobs through this low metal price environment and that surrounding communities can continue to participate in Implats' procurement, employment and other activities. The Group is also pursuing higher-margin downstream beneficiation opportunities using spare surface asset capacity at IRS.

Priority areas FY2019



Outlook

The South African PGM industry continues to face unprecedented challenges and uncertainties. Consensus forecasts remain for softer platinum demand for at least the next three years, with the introduction of stricter heavy-duty diesel emission regulations and a recovering global economy presenting upside for platinum, but only over the longer term. The immediate fundamentals for both palladium and rhodium remain strong, largely due to expected growth in the global internal combustion engine automotive market and tighter emissions regulations.

Implats' focus in the short term is to implement its restructuring outcomes, develop alternatives to shaft closures, and ramp-up 16 and 20 Shafts at Impala Rustenburg, while mitigating the social impact of the restructuring, sustaining operational continuity and concluding wage negotiations.

The short to medium-term focus is to continue its strategic journey to transform into a PGM producer mining mechanised, low-cost orebodies with more appropriate metal mixes. This includes the determined and necessary repositioning of Impala Rustenburg to ensure the operation can contribute to the long-term success of the Group and its local communities. Prudent management of Implats' financial and cash resources during the two-year restructuring process remains a key priority. The implementation of the strategic review will not only strengthen Impala Rustenburg's position in the prevailing price environment but will also significantly improve the strategic position of the Implats Group to sustainably deliver improved returns to all stakeholders in the medium to long term.

Longer term, the minority interest we acquired in the Waterberg project, with the option to acquire majority ownership, provides additional geographic and commodity diversity for the Group – away from deep, labour-intensive conventional operations.

Our approach to maintaining a social licence to operate will remain underpinned by the Group's belief that sustainable businesses operate in a harmonious, supportive and beneficial manner for all key stakeholders. Implats will continue to deliver effectively on the social and labour plan commitments in South Africa and the targeted corporate social investments in Zimbabwe.

Conclusion and appreciation

We have made several key strategic appointments to the executive team. Together with the existing Implats executives, I thank you all for your dedication. It is a pleasure to work with a driven team who accept full accountability for their respective business areas, take bold and decisive actions, and motivate their teams to do the same.

I also thank the Implats board for its guidance during the year and Chairman, Mandla Gantsho, for his continued steady hand in leadership.

We have a world-class refinery, access to diverse PGM orebodies, and organic and acquisitive growth opportunities. I have no doubt that we have set in motion a strategy for Implats to once again hold its head up high.

Nico Muller
CEO

Chief financial officer's report

- GROSS PROFIT IMPROVED BY R2.1 BILLION TO R1.6 BILLION
- EARNINGS WERE IMPACTED BY IMPAIRMENTS OF R13.6 BILLION, MAINLY DUE TO THE RESTRUCTURING OF IMPALA RUSTENBURG
- FUNDING STRATEGY WILL BE SUPPORTED BY THE FORWARD SALE OF UP TO R2 BILLION OF THE PIPELINE STOCK IN FY2019 AND
- ASSISTS IN PROVIDING SUFFICIENT LIQUIDITY DURING THE TWO-YEAR RESTRUCTURING PERIOD

Meroonisha Kerber
CFO

Comprehensive financial information relating to the individual operations has been included in the operations sections and is also available on the website www.implats.co.za (Segmental information).

FINANCIAL SUMMARY AND STATISTICS

Summary statement of profit or loss and other comprehensive income

for the year ended 30 June 2018

Rm	2018	2017
Revenue	**35 854**	36 841
Cost of sales	**(34 277)**	(37 370)
Gross profit/(loss)	**1 577**	(529)
Net operating (expense)/income	**(764)**	866
Royalty expense	**(350)**	(561)
Gain/(loss) from operations – before impairment	**463**	(224)
Impairment	**(13 629)**	(10 229)
Loss from operations	**(13 166)**	(10 453)
Other	**124**	(235)
Loss before tax	**(13 042)**	(10 688)
Income tax credit	**2 249**	2 590
Loss for the year	**(10 793)**	(8 098)
Other comprehensive income (after deferred tax):		
Other	**112**	(184)
Exchange differences on translation	**566**	(1 352)
Total comprehensive loss	**(10 115)**	(9 634)
Headline loss (cps)	**(171)**	(137)

The Company incurred a loss for the year of R10.7 billion (FY2017: R8.2 billion) attributable to the owners of the Company and a headline loss of R1.2 billion or 171cps (FY2017: loss of R983 million or 137cps) after adjusting for the after tax impact of impairments of R9.7 billion (FY2017: R7.4 billion). The Group realised a gross profit of R1.58 billion compared to a gross loss of R529 million in the previous year.

Even though headline earnings reduced by R245 million to the EBITDA improved by 28% from R4.3 billion to R5.5 billion due to an increase in inventory of R3.2 billion since FY2017, which was partially offset by separation costs of R491 million and the movement in exchange losses due to the strengthening of the Rand. Similarly to the prior year, the major contributor to the negative headline earnings for the group, was Impala which incurred a headline loss of R3.0 billion (FY2017: R2.7 billion). IRS contributed a headline profit of R1.2 billion whilst Zimplats made a headline loss of R149 million for the year. The reason for the headline loss at Zimplats was due to a once-off, non-cash deferred tax charge of R1.2 billion arising on the change in the tax rate from a 15.45% to 25.75% following the conversion of the special mining lease (SML) to a mining lease (ML). Despite the increase in tax rate and the resulting higher deferred tax provision, the future impact of the change from a SML to a ML is that the overall effective tax rate at Zimplats is expected to reduce from just under 70% to below 40%. This is due to the fact that the Additional Profits Tax (APT) which was payable under the SML, is no longer applicable under a ML.

As discussed in the business case for Implats on page 66 and in our Rustenburg review announcement, the Group is well positioned and profitable, with the exception of Impala. The Rustenburg strategic review implementation is of real significance to the Group, which is well placed going forward, once the Impala business unit is returned to profitability.

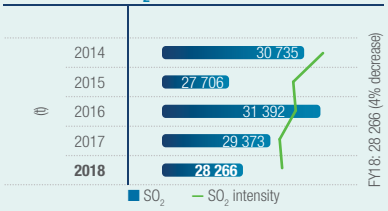
The implementation of the Rustenburg strategic review would cost approximately R2.7 billion in once-off separation costs, which, together with the expected further cash losses expected by Impala, needs to be funded during the two year implementation period. Funding the Rustenburg strategic review implementation is further discussed on page 89 in our cash flow analysis.

IMPACT ON CAPITALS

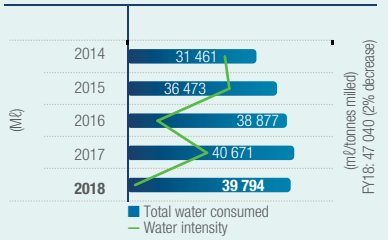
During the year under review we have generated R35.9 billion of revenue. The trade off to our environment can be seen from the graphs below.

During the FY2018 year SO_2 intensity (calculated per unit produced) emitted has increased by 2%, while for water intensity decreased by 7% and energy intensity decreased by 11%.

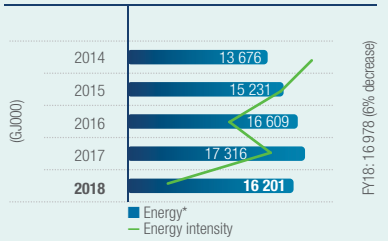
Total direct SO_2 emitted



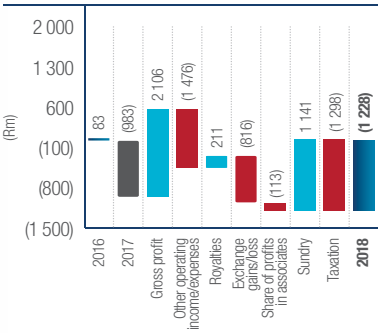
Water



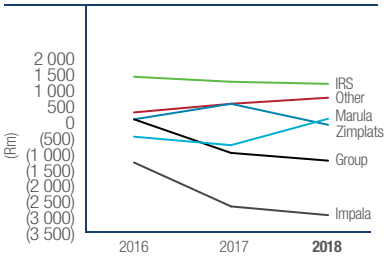
Total energy consumption



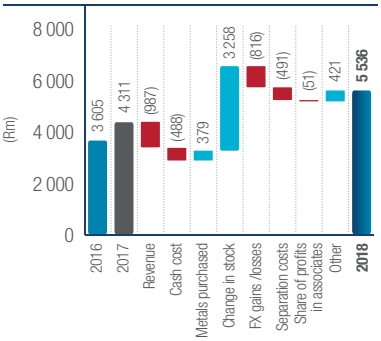
Headline earnings



Headline earnings per operation



EBITDA

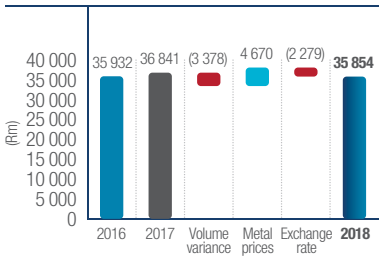


Chief financial officer's report

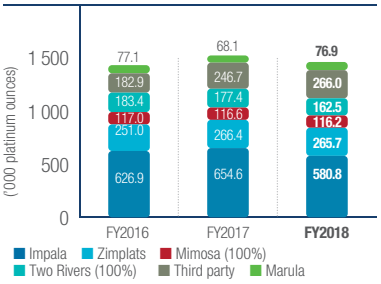
REVENUE

As can be seen from the graphs below, revenue for the year declined by 3% to R35.9 billion (FY2017: R36.8 billion), despite higher rand basket prices, impacted by lower sales volumes. The lower sales volumes resulted in a negative variance of R3.4 billion as approximately 77 000 additional platinum ounces were built up in process stock during the year. Overall, dollar metal prices were 12% higher year on year resulting in a positive variance of R4.7 billion, which was partially offset by a negative variance of R2.3 billion arising from the 6% stronger rand.

Revenue



Refined platinum per operation

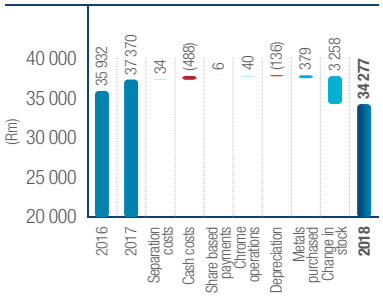


COST OF SALES

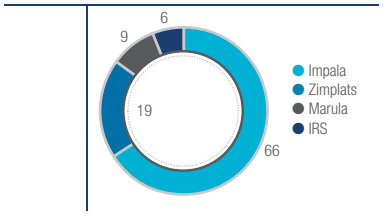
Rm	FY2018	FY2017
On-mine operations	**16 392**	16 341
Processing operations	**5 340**	5 055
Refining and selling	**1 522**	1 378
Corporate costs	**710**	736
Share-based compensation	**82**	88
Chrome operation – cost of sales	**146**	186
Depreciation of operating assets	**3 838**	3 702
Metals purchased	**9 651**	10 030
Change in metal inventories	**(3 404)**	(146)
	34 277	37 370
Including:		
Wages and salaries	**11 820**	11 662
Materials and consumables	**9 120**	8 765
Utilities	**3 024**	3 083

Cost of sales was well contained and reduced by 8% to R34.3 billion as costs were deferred due to stock build up after the rebuild of number 5 furnace and a transformer fire accounting for most of the R3.3 billion increase in stock year on year. Gross profit improved by R2.1 billion to R1.6 billion (FY2017: loss of R529 million). During the year Group unit costs on a stock-adjusted basis were well managed despite mining inflation of 4.2%, increasing marginally by 0.4% from R22 838 to R22 931 per platinum ounce as approximately R1.0 billion was realised from various cost saving initiatives at Impala.

Cost of sales



Cash costs (%)



IMPACT ON CAPITALS

In deriving revenue, Implats has made a contribution through HDSA/BEE procurement. In producing, an unintended affect of production is the impact of mining on safety and health of our employees.

Safety and health

	2018	2017	2016
Work-related fatal injuries	**7**	8	9
All injury frequency rate	**12.86**	14.11	13.06
New noise-induced hearing loss (NIHL) cases (+10% shift)	**102**	88	61
Number of HIV-positive employees known to be receiving antiretroviral treatment	**5 771**	5 002	4 683
Annualised TB incidence rate per 100 000 population	**530**	519	447

Excludes Mimosa and Two Rivers.

People

	2018	2017	2016
Labour turnover (%)**	**10.5**	8.6	8.2
Gender diversity: managers who are female in South Africa (%)	**22**	21	20
Gender diversity: women in workforce in South Africa (%)	**11**	11	11
Historically disadvantaged South Africans (HDSAs) in management (%)	**57**	54	53

Excludes Mimosa and Two Rivers.

Social

	2018	2017	2016
Socio-economic development spend in South Africa (Rm)	**137**	106	105
Socio-economic development spend in Zimbabwe (US$000)*	**4 918**	5 274	4 743
Total discretionary procurement spend in South Africa (Rbn)	**9.1**	8.7	8.1
Procurement: BEE expenditure in South Africa (Rm)	**6.7#**	6.7	6.1
Expenditure with local indigenous suppliers (51% indigenous ownership) in Zimbabwe (US$m)*	**112**	80	104

Excludes Mimosa and Two Rivers.

COST OF SALES continued

In the current pricing environment, costs need to be contained and production optimised to ensure profitability. As can be seen from the graph on page 84 Impala is responsible for 66% of the cash costs for the Group. This has resulted in Impala consuming R6.6 billion cash during the year. This will be discussed further in the cash section hereafter.

With the notable exception of Impala Rustenburg, all of our businesses contribute positive cash flows to the Group under the current pricing environment. We are very pleased that this includes Marula which has been turned around during the past year through an optimised mining strategy and improved community stability.

At Impala Rustenburg, however, we continue to incur financial losses notwithstanding all our endeavours over many years to improve operational performance and reduce costs. Given Impala Rustenburg's relative contribution, its future optionality in an increasing price environment, the potential of the new 16 and 20 Shafts to reduce overall costs and its processing infrastructure, Impala Rustenburg remains a critical asset to the Group. We do not believe that ongoing continual incremental performance optimisation will in itself yield the turnaround required under the current pricing environment to return to profitability. We, therefore, initiated a strategic review to evaluate large-scale structural changes to urgently return Impala Rustenburg to profitability and create a sustainable business going forward.

Real unit cost reduction for the Group is envisaged through a more efficient and focused portfolio at Impala Rustenburg. This is discussed further in the Rustenburg strategic review section on page 88.

NET OPERATING EXPENSES AND INCOME

Insurance claim

Net other operating expense and income is R1.6 billion lower than last year mainly due to the receipt of insurance proceeds of R811 million in the prior year in respect of the 14 Shaft fire and separation costs of R525 million incurred in the current year.

IMPAIRMENT

Despite the increase in gross profit, earnings for the year were adversely impacted by impairments of R13.6 billion, of which R13 billion relates to the impairments of assets at Impala Rustenburg following the outcome of the strategic review, and R611 million relates to the Afplats assets.

The calculations underpinning both current and future impairment tests are, as for the whole industry, very sensitive to the market outlook. Further information on how impairments were calculated and the business case affect in future impairments is indicated below.

Refer to Rustenburg strategic review on page 88

Refer to AFS note 26 on page 71

INCOME TAX CREDIT

The income tax credit for the current year includes a deferred tax charge of R3.8 billion on the impairment. This is excluded from the headline earnings. A once-off, non-cash, deferred taxation charge of R1.2 billion arising from a change in the Zimplats tax rate from 15.45% to 25.75% (following the conclusion of the conversion of the SML into new mining leases) reduced the overall tax credit for the year.

Notwithstanding the tax credit reflected on the income statement, the Group had a positive contribution to its social capital by paying the following cash taxes to its host governments:

IMPACT ON CAPITALS

Implats spent R34.3 billion on cost of sales and R1.3 billion on cash taxes to stakeholders in the company.

The impact of our operating spend on our social capital is depicted below.

Implats taxes paid directly to government by category and country*

	South Africa** Rm	Zimbabwe*** Rm
Corporate income tax	606	723
PAYE	1 566	391
Royalties	–	152
Other:		
– UIF	110	–
– SDL	94	–
Total	2 376	1 266

* *Reporting in line with the Extractive Industries Transparency Initiative (EITI)*
** *Excludes Two Rivers*
*** *Excludes Mimosa*

Percentage HDSA/BEE procurement (>25%) of category's discretionary procurement (SA operations)

Category	Mining Charter target (%)	2018 R billion	2018 %
Capital	40	0.7	57
Consumables	50	2.9	82
Services	70	3.1	71
Total operations		6.7#	73

 # Indicates independently assured numbers. For further information refer page 64 of the Sustainable Development Report. Excludes Mimosa and Two Rivers.

Environment

	2018	2017	2016
Energy consumption (GJ000)	16 201	17 316	16 609
Energy intensity (GJ/tonne milled)	0.7663	0.8577	0.8225
GHG emissions (Mt CO_2-equivalent)*	3.06	3.19	3.27
Total direct CO_2 intensity (t/tonne milled)*	0.1610	0.1761	0.1741
	0.0097	0.0095	0.0108
	0.0021	0.0023	0.0022
Total water withdrawn (Mℓ)	23 530	23 530	24 385
% water recycled (total water recycled Mℓ/total water consumed Mℓ)	41	42	37
Number of level 3-5 environmental incidents	31 level 3	35 level 3	51 level 3

* *For details on measurement, refer to page 4 of the SD report. Excludes Mimosa and Two Rivers.*

Chief financial officer's report

Cash

Cash flow

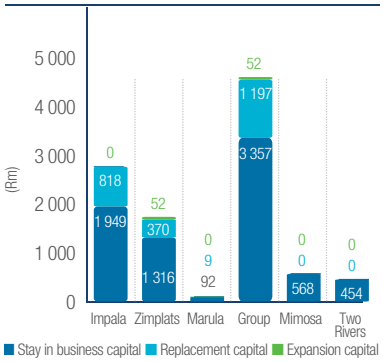
Rm	FY2018	FY2017
Opening cash balance	**7 839**	6 788
Cash flows from operating activities*	**(1)**	1 013
Cash flows from investing activities**	**(4 629)**	(2 664)
Cash flows from financing activities	**408**	2 800
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	**88**	(98)
Closing cash balance	**3 705**	7 839
* Including:		
– Increase in inventories	**(4 247)**	(593)
– Finance cost	**(1 025)**	(716)
– Tax paid	**(1 336)**	(1 312)
** Including purchase of property, plant and equipment	**(4 667)**	(3 432)

Group capital expenditure below increased by R1.2 billion or 34% to R4.6 billion in line with our business plans and market guidance.

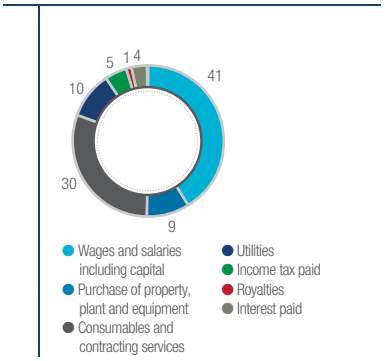
> Capital expenditure at Zimplats increased by R875 million to R1.7 billion due to the increase in capital construction activities at the new Mupani Mine, establishment work to restore Bimha Mine to full production after the collapse and capital fleet replacement
> Capital expenditure at Impala increased by R295 million to R2.8 billion due to increased spend at 16 and 20 shafts and the No 5 furnace rebuild
> Included in Impala's capital expenditure was R1.4 billion in respect of spend on 16 and 20 Shafts
> Capital expenditure at Marula reduced by R12 million to R101 million due to the deferment of the construction of the new tailings dam extension.

Further to this, and in a very important step to rebalance the long-term portfolio, the Group invested R425 million during the review period to acquire a 15% stake in the Waterberg project.

Capital expenditure by company



Cash distribution (%)



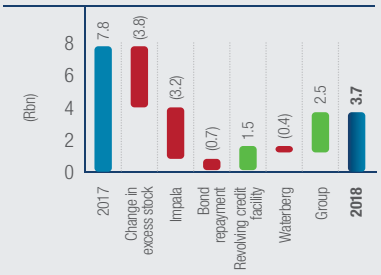
OVERVIEW

Cash flow

> Free cash outflow for the year was R4.2 billion compared to R1.7 billion outflow in FY2017
> Cash used in operating activities – R1 million, after funding increase in inventories of R4.2 billion
> Cash used in investing activities of R4.6 billion, after funding property, plant and equipment of R4.7 billion and R425 million out flows in respect of acquisition of 15% interest in the Waterberg project
> Net decrease in cash and cash equivalents for the year – R4.2 billion
> Impala cash burn of R6.6 billion after funding the inventory increase of R3.1 billion and capital expenditure of R2.8 billion

Refer outlook in this section for details of how the business case will be funded and how Implats will ensure profitability to reduce cash burn going forward.

Gross cash flow



Net debt (excluding finance leases)

Rm	June 2018	June 2017
Gross cash	**3 705**	7 839
Convertible bond	**(5 489)**	(5 808)
Derivative financial instrument	**21**	(49)
Marula BEE debt	**(887)**	(889)
Zimplats debt	**(1 167)**	(1 425)
Revolving credit facilities	**(1 510)**	–
Gross debt (excluding finance leases)	**(9 032)**	(8 171)
Net debt (excluding finance leases)	**(5 327)**	(332)
Gearing ratio	**13.4%**	0.6%

The revolving credit facilities and convertible bonds mature in 2021 and 2022 respectively. At year end the Group remained well within our covenants.

Cash flow and balance sheet strength will be a focus area for Implats during FY2019 as the focus turns to the funding of the implementation of the Rustenburg strategic review as well as unlocking the impact of the inventory build up which has negatively impacted on our cash balance in the current year.

Refer outlook in this section for details of how Implats will ensure profitability to reduce cash burn going forward.

OVERVIEW

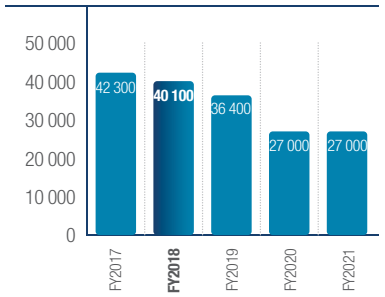
Net debt

> Net debt increased to R5 billion at 30 June 2018 (excluding finance leases)
> Group headroom available of R6.2 billion comprising:
  – R3.7 billion cash, including Zimplats cash of R1.6 billion
  – Facilities of R4 billion in place until June 2021, R2.5 billion undrawn at 30 June 2018
> **Net debt impacted by circa R4.2 billion due to surplus inventory build-up**
> Net debt/EBITDA of 0.96 times
> Opportunities to monetise the stock build-up are being explored

Chief financial officer's report

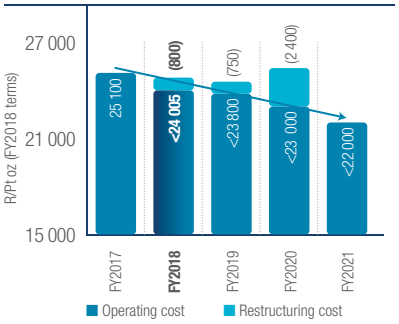
RUSTENBURG STRATEGIC REVIEW

Impala labour complement[1]

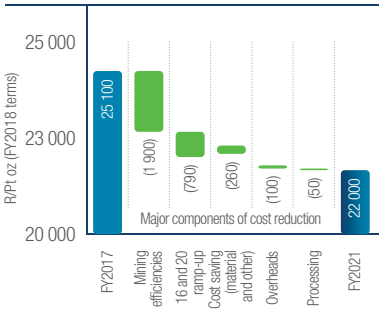


[1] *Labour complement as at 30 June*

Impala real unit cost per platinum ounce[1]



Impala real unit cost per platinum ounce[1]



Impala achieving unit cost reductions

Actions

Labour
> The employee complement will reduce to approximately 27 000 employees, in line with the reduced output

Mining efficiencies
Improved efficiencies through ceasing high cost, loss-making production
> Ramp-up of 16 and 20 Shafts
> Higher PGE mill grade from 4.08 to 4.25 g/t
> Increase in Merensky ore split from 42% to 50%

Impact (R/Pt oz) 1 900

16 and 20 Shafts ramp-up
Ramp-up of new, more efficient, low-cost shafts, which will account for ~60% of future production
> 16# and 20# production to increase by ~190% and ~ 85%
> 40% unit cost reduction

Impact (R/Pt oz) 790

Processing
Processing units stopped to align with reduced shaft output
> Stopping less efficient MF2 plant
> Implementing 2 furnace operation from FY2021

Impact (R/Pt oz) 50

Capital
> Reduced capital expenditure of approximately 50% as the ramp-up shafts (16 and 20) near completion and SIB capital declines in line with the reduced number of shafts

All measurements over the period FY2017 to FY2021

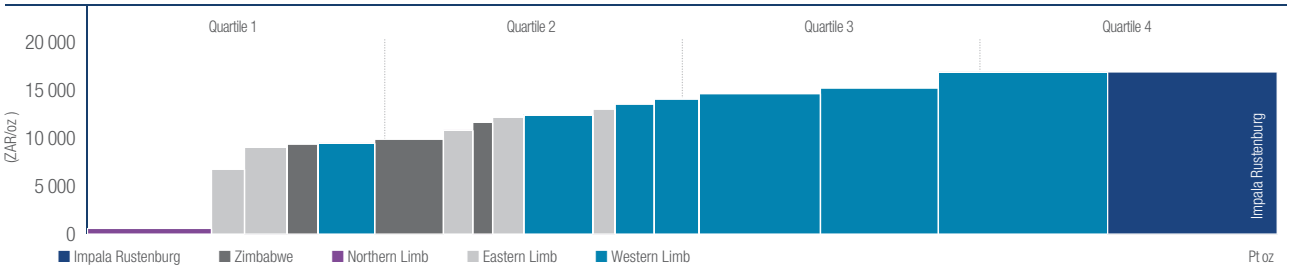
Finance supporting Group strategy

As mentioned in the CEO's review, we have initiated a strategic review to evaluate large-scale structural changes to urgently return Impala Rustenburg to profitability.

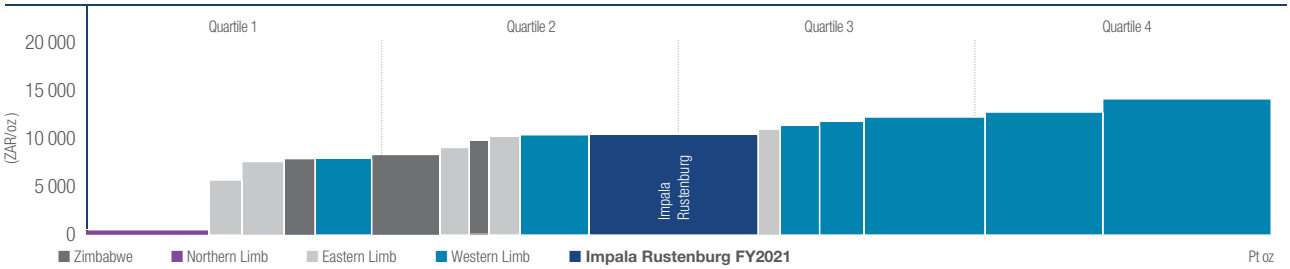
Our assessment for a sustainable and profitable future is premised on the following key decisions that have been made:
> Creating a smaller, more focused operation with six operating shafts in 2021 producing approximately 520koz platinum per year, down from the current 10 shafts ramping up to previous guidance of 750koz platinum per year
> Our profitable shafts will sustain their profitability
> Optimisation initiatives will continue at Shafts 10 and 11, both of which will continue to realise profitability through the optimisation programme, while the growth shafts, namely 16 and 20, will effect profitability through ramp-up

Future real unit cost per platinum ounce reduction will result in unit cost plus SIB (net of by-product revenue) per platinum ounce towards the middle of the industry cost curve by FY2021, assuming the rest of the industry remain as is.

Total cash cost plus SIB (net of by-product revenue) per platinum ounce, FY2018 (ZAR/oz) – including Cr revenue and IRS profits



In the graph below the relative placement of the other companies have not been adjusted from the FY2018 cost curve above and no expected improvements from the rest of the industry has been taken into account. The information for the rest of the industry is therefore visually consistent with the FY2018 industry cost curve above. The bottom graph position severs to illustrate the expected impact of the implementation of the Impala Rustenburg review on Impala Rustenburg on the cost curve in FY2021 relative to the current cost of production in the industry.



Source: Company reports. Real prices and exchange rate: Pt – $937/oz, Pd – $939/oz, Rh – $1,486/oz, Au – $1,285/oz, Ru – $146/oz, Ir – $997/oz, Cu – $6,224/t, Ni – $11,312/t, Cr – $229/t. ZAR:USD – 12.95
SFA (Oxford), Implats. FY2018 (ZAR/oz): Cash cost – 24 100, SIB – 3 200, By-product revenue (incl. IRS) – (13 500)

Funding plan to support the implementation of the strategic review

It is critical for the Group to return Impala Rustenburg to profitability to ensure that the Group remains economically viable and is able to honour its obligations to providers of external capital and to sustainably deliver benefits to all its stakeholders.

Given the two-year implementation period of the plan, the R2.7 billion once-off restructuring costs, as well as the funding of the ongoing negative operating cash flows from Impala Rustenburg of approximately R4 billion, it is important for the Group to ensure that it remains fully funded throughout the implementation period.

As a result, the Group has reviewed its existing funding sources and, where necessary, put in place additional liquidity measures to ensure that, at the current operational and pricing environment, the Group maintains adequate headroom and remains fully funded over the implementation period.

The funding sources over this period will be a combination of:

> Cash generated from other operations of the Group
> Revolving credit facilities with Implats' lender Group of R4 billion
> A facility to forward sell of up to R2 billion of excess pipeline stocks, which had built up during FY2018 following the number 5 furnace fire. This will allow the Group to monetise excess pipeline stock in FY2019 that is expected to be released in FY2020.

We will continue to review and optimise the funding strategy as market and operating conditions change to ensure that we maintain an efficient and effective capital structure.

Refer to the business case for our turnaround strategy with regards to Impala.
See page .

Performance-based risk management KPIs.
See pages and .

OUTLOOK FOR FY2019

The company expects to produce, refine and sell between 1.5 and 1.6 million ounces during the course of FY2019 and the group unit costs, excluding the retrenchment/separation costs, are expected to be between R23 900 and R24 800 per platinum ounce. We will continue to focus on disciplined capital management and our capital expenditure for FY2019 is expected to reduce to between R4.1 billion and R4.3 billion.

CONCLUSION

Lastly, I would like to express my sincere appreciation to the finance team for their ongoing commitment, support and dedication throughout a very challenging and difficult year.

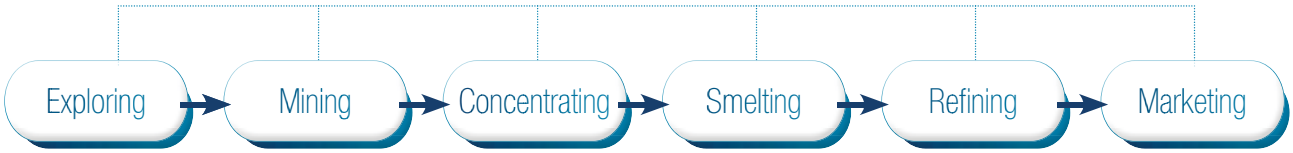
Meroonisha Kerber
CFO

Operational performance

Impala

IMPALA, IMPLATS' 96%-OWNED PRIMARY OPERATIONAL UNIT, HAS OPERATIONS SITUATED ON THE WESTERN LIMB OF THE WORLD-RENOWNED BUSHVELD COMPLEX NEAR RUSTENBURG IN SOUTH AFRICA. THIS OPERATION COMPRISES A 10 SHAFT MINING COMPLEX AND CONCENTRATING AND SMELTING PLANTS. THE BASE AND PRECIOUS METAL REFINERIES ARE SITUATED IN SPRINGS, EAST OF JOHANNESBURG.

IMPALA VALUE CHAIN



KEY FEATURES

- Operational performance impacted by six fatal incidents during the year
- Despite this, the operation delivered an improved performance and milled tonnage increased by 8% and platinum in concentrate production improved by 3%
- Refined platinum production was impacted by a 77 000 ounce stock build following furnace maintenance and a transformer fire at the number 5 furnace
- Capital expenditure increased 12% to R2.77 billion mainly due to increased spend at 16 and 20 Shafts
- The strategic review of Impala Rustenburg was completed

Value added statement for the year ended 30 June (Prepared on headline earnings basis)	**2018 Rm**	2017 Rm
Revenue	**13 255**	14 604
Other net income	**(322)**	286
Gross value generated	**12 933**	14 890
Depreciation	**(2 806)**	(2 487)
Deferred tax	**1 116**	980
Distribution of value		
Labour and other	**(10 269)**	(9 966)
Consumables and services	**(3 008)**	(5 091)
Finance costs	**(752)**	(594)
Royalty recipients	**(158)**	(399)
Direct state taxes	**(14)**	(14)
Diminution of shareholders' value	**2 958**	2 681
	–	–

OUTLOOK

The implementation plan to restructure Impala Rustenburg will be phased in over the next two years and will deliver a safer and more profitable operation centred on its best assets with higher-quality, long-life orebodies, lower operating costs and capital intensity

> A reduced mining footprint from 11 to six operating shafts
> Production reduced to 520 000 platinum ounces
> The total labour complement (employees and contractors) to be reduced to 27 000

In addition to the structural changes, Impala Rustenburg will continue to look at ways to improve safety, productivity and cost efficiency

Platinum production in concentrate is expected to be between 650 000 to 690 000 ounces in FY2019

OUTCOMES

FIFR
0.071 ✶

TIFR
14.04 ✶

Number of employees
40 079 ✓

Capital expenditure
R2 767 million ✓

Headline loss
R2 958 million ▼

Cash flow before financing and working capital
(R4 033 million) ▼

Refined production
580 800oz ▼

✶ Improved ✓ Target met

RISKS	OPPORTUNITIES	RESPONSE
> Non-delivery of production, productivity and cost targets for FY2019 > A significant deterioration in safety performance > Impact of stakeholders on the ability to execute the FY2019 plan > Impact of lower than planned mining production on downstream operations > Reduced flexibility in processing	> Early delivery of the Impala Rustenburg restructuring plan > Faster than planned ramp up of two large new mining complexes > Higher than anticipated PGM basket prices > Safer working environment > Positive and cooperative stakeholder relations > Improved employee relations climate	> Effective performance management and the development of a high-performance culture > Increase accountability > Increase productivity > Deliver ramp-up shafts > Further enhance and embed effective stakeholder relations > Manage downstream production flexibility > Address and minimise processing constraints for the Group

STAKEHOLDER	MATERIAL MATTERS	RESPONSE
Impala Rustenburg employees	> Uncertainty about job security due to Section 189 process (the process was announced in September 2017 and concluded in May 2018. It targeted approximately 2 200 jobs and the net labour reduction (own employees) since 1 July 2017 was approximately 2 700)	> Majority of employees affected opted for voluntary separation arrangements > Employees supported through financial and psychological counselling, portable skills training and other initiatives
Union (AMCU)	> Increased tensions with AMCU shop stewards and head office officials	> Intensive consultation and engagement with shop stewards and officials
Government	> Frustration and concern at jobs losses	> Intensive consultation and engagement
Local communities	> Community discontent due to fear of job losses and high youth unemployment	> Intensive consultation and engagement
Local suppliers	> Perceived lack of core mining procurement opportunities	> A mining ad hoc committee identifies core mining opportunities for local businesses, while ensuring a fair tender process

Operational performance – Impala

BUSINESS MODEL

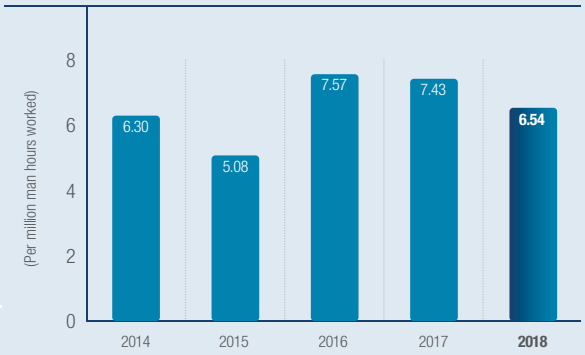
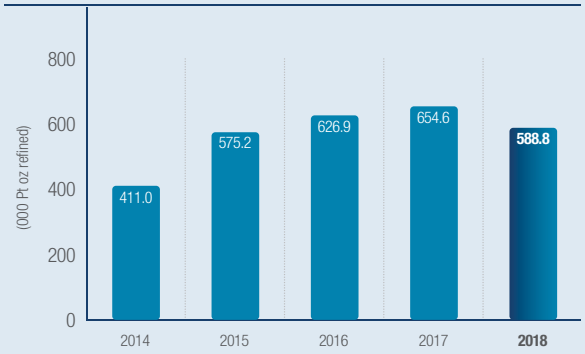
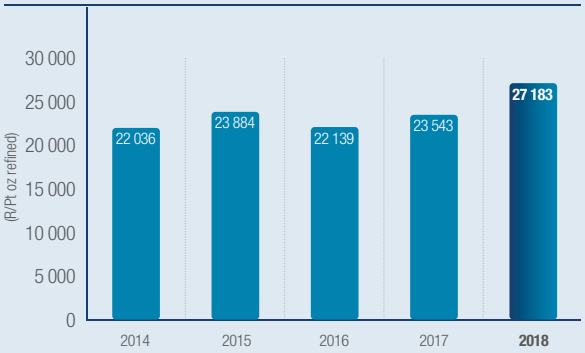
CAPITALS	INPUTS	OUTCOMES
Human	> 40 079 employees including contractors > Training, policies and procedures > Wellness programmes > Effective leadership	> Labour productivity of 269 tonnes per employee costed > R409 million invested in skills development > A wage bill of R10.9 billion including capital > Six employee fatalities > LTIFR: 6.54 > HIV prevalence approximately 23% > 88 cases of noise-induced hearing loss submitted
Social	> Threat of job losses > Election and training of shop stewards > Recognise and capacitate elected community leadership > Proactive stakeholder engagement > Share information openly and honestly with key stakeholders > Social investment > Report on social impacts	> Strained relationships with labour, unions and government as threat of job losses increases > 87% of employees live in decent accommodation > R95 million invested in socio-economic development projects > R252 million spent on improving employee accommodation (136 new houses built) > Platinum Village Primary and Secondary Schools officially opened (1 049 learners enrolled) > Good relationships with local communities in the face of a challenging social context and a growing crisis of expectation
Manufactured	> Property, plant and equipment valued at R16.3 billion > Mining concentrating and smelting operations situated in Rustenburg and refining plant located in Springs, close to Johannesburg > Mine stoppages associated with six fatal incidents during the year > Furnace 5 rebuild and transformer fire	> Milled throughput of 10.95 million tonnes > Concentrate platinum production of 669 000 ounces > Stock build of 77 000 ounces of platinum > Refined platinum production of 581 000 ounces
Financial	> Cash generated from operations > Equity > Debt	> Cost of R15.8 billion > Stock adjusted unit cost per platinum ounce: R24 005 > Rand revenue basket: R22 822 per platinum ounce > Capital expenditure: R2.77 billion > Cash outflow before financing and working capital: R4.0 billion
Intellectual	> Knowledge and procedures > Systems and processes > Research and development	> Declining efficiencies > Insufficient skills and capabilities
Natural	> Total Mineral Resources inclusive of Mineral Reserves of 50.9 million platinum ounces > Natural resources (air, water and biodiversity)	> ISO 14001: 2015 certified > Total direct SO_2 emitted: 6 379 tons (2017: 6 306 tons) > Total water consumed: 24 930Ml (2017: 25 744Ml) > Total water recycled: 41% (2017: 42%) > Current year-on-year change in Mineral Resources and Mineral Reserves: refer to page 100

IMPROVING OUTCOMES	LINK TO STRATEGIC OBJECTIVES
> Instil a performance-oriented culture supportive of business strategy and goals > Ongoing focus on mining optimisation initiatives to enhance labour productivity > Ensuring training initiatives enable delivery on business strategy and return on investment > Continue to implement zero-harm initiatives with special focus on changing behaviour > Focus remains on promoting the health and well-being of employees	
> Maintain stable and constructive labour, union and community relations through intensive consultation and engagement > Active engagement with government and other business forums to increase understanding of industry crisis and to seek support > Develop and implement a robust stakeholder engagement strategy > Support affected employees through financial and psychological counselling, portable skills training and other initiatives > Revise accommodation strategy to address employees living in informal settlements, employee needs and constrained budgets and the need to contain rising costs > Further prioritise local procurement initiatives	
> Implementation of various initiatives to improve productivity and enhance efficiencies > Processing and refining of inventory material	
> Initiatives to contain the operating cost base continue focusing on improving mining efficiencies and reducing operating costs > Continue to invest through the cycle to complete ramp-up projects > Capital allocation decisions based on ability to generate cash > Continue to support key partner such as WPIC, PGI and IPA to stimulate demand > Implement the outcomes of the strategic review to deliver a safer and more profitable Impala Rustenburg centred on its best assets with higher-quality, long-life orebodies and lower operating costs and capital intensity	
> Enhanced training programmes > Supplement leadership capacity in key focus areas > Continuously improve the ability to operate effectively through innovation	
> Mitigation of environmental impacts supported by leadership and responsible citizenship > Implementation of biodiversity management plan at Rustenburg > Independent assessment of environmental management plan	

Operational performance – Impala

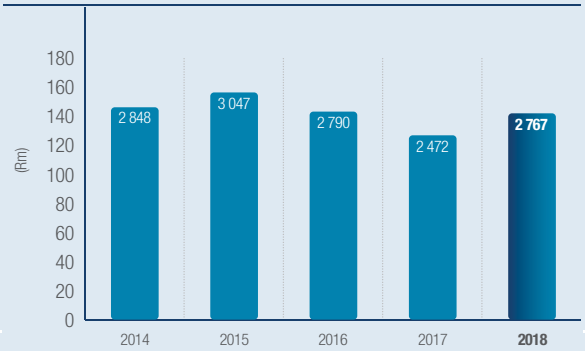
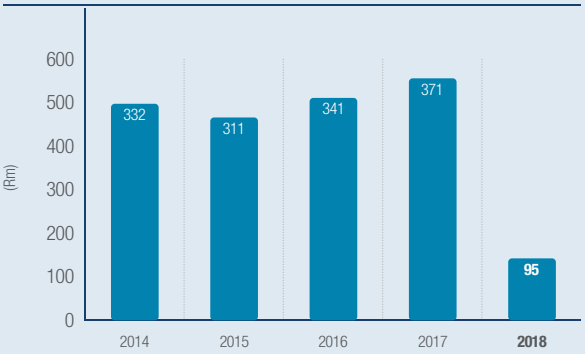
OPERATIONAL REVIEW

STRATEGY	OPERATIONAL OBJECTIVES	KPI PERFORMANCE TARGET FOR FY2018	PERFORMANCE AGAINST STRATEGY AND KPIs
Impala is a focused PGM producer. Our strategy seeks to sustain optimal levels of production at the lowest possible cost, positioning the company in the lower half of the industry cost curve, as an industry safety leader, to benefit from future stronger PGM prices and to reward all our stakeholders	Relentlessly drive the safety of our people	> Zero fatalities > LTIFR: <6 (20% improvement on FY2017)	> Regrettably, six employee fatalities were recorded during the year. > Safety measures were tested, enhanced and altered, where necessary > Safety communication to employees has been improved and the emphasis remains on ensuring effective leadership, responsible behaviour, and driving a culture of personal accountability and interdependence > Achieved a five-month fatality-free record
	Consistently deliver production targets	> 680 000 to 720 000 ounces of platinum (growing to 750 000 ounces by 2022)	> Operational performance was negatively impacted in the first half of the year by mine stoppages following five fatal incidents during September and October 2017 > Mill throughput improved by 8% from the previous year largely due to: – The 14 Shaft recovery after the 2016 fire – The 16 Shaft ramp-up – Performance improvements at 1, 11 and 12 Shafts > This was offset to some extent by lower volumes from 9 and 10 Shafts and the closure of 4, 7 and 7A Shafts > Platinum in concentrate production improved by 3% to 669 000 ounces > The number 5 furnace rebuild of and a transformer fire resulted in a 77 000 platinum ounce stock build > Consequently, refined platinum production decreased by 11% to 581 000 ounces
	Improve efficiencies through operational excellence	> Cost per platinum ounce <R24 000	> Unit costs increased 15% to R27 183 per platinum ounce as the build-up of in-process stock impacted refined output > On a stock-adjusted basis, unit costs increased by 1% to R24 005 per platinum ounce on the back of higher production and a strong focus on cost management
			Derived from CEO BSC Refer pages 26 and 27

PERFORMANCE GRAPHS	KPI PERFORMANCE TARGET FOR FY2019	KEY ACTIONS IN FY2019
LTIFR  	> Zero fatalities > LTIFR: 10% improvement on FY2018	> Drive the three pillars of HSE strategy: Behaviour, Environment, Practices (BEP) > Drive further improvements through awareness, education, and the implementation of appropriate systems and best practice > Cultivate a culture of operational discipline > Assess and address leadership shortcomings through training and improved performance management processes
Platinum production  	> 650 000 to 690 000 in concentrate ounces of platinum (decreasing to 520 000 by 2021)	> Implement first year of Impala Rustenburg strategic plan: – Optimise/harvest/exit 1 Shaft – Operate loss-making shafts under strict parameters – 1, 9, 12 and 14 Shafts – Focus on core operational assets – E/F, 6, 10 and 11 Shafts – Continue with ramp-up of 16 and 20 Shafts > Increase mineable reserves and optimise development advance rates
Unit cost/Pt oz  	> Cost per platinum ounce <R25 400 (R23 800 in 2018 terms)	> Realise structural improvements in mining efficiencies by discontinuing mining activity at high-cost operations and concentrating future activity at more efficient lower-cost operations > Continue with optimisation and productivity initiatives > Deliver on grade improvement initiatives > Manage lost blasts effectively and improve blast frequency > Leadership training and development to better support mining teams > Continue with ramp-up of 16 and 20 Shafts
	Derived from CEO BSC Refer pages 26 and 27	

Operational performance – Impala

STRATEGY	OPERATIONAL OBJECTIVES	KPI PERFORMANCE TARGET FOR FY2018	PERFORMANCE AGAINST STRATEGY AND KPIs
Impala is a focused PGM producer. Our strategy seeks to sustain optimal levels of production at the lowest possible cost, positioning the company in the lower half of the industry cost curve as an industry safety leader to benefit from future stronger PGM prices to reward all our stakeholders	Cash conservation	> Costs <R17.0 billion > Capital <R2.6 billion	> Costs: R15.8 billion > Capital expenditure: R2.77 billion, 12% up on the previous year largely due to increased capitalised development and expenditure at 16 and 20 Shafts and the number 5 furnace rebuild
	Maintain our licence to operate	> Build 230 houses > Social development spend R227 million	> 136 houses were built during the period > Social development expenditure amounted to R95 million > Social development spend focused on home ownership initiatives, as well as education, government and municipality support infrastructure and other social commitments > ISO 14001: 2015 certified > Impala Rustenburg scored an overall index of 62 on the SRAS's SRC360TM quality scale, indicating relationships are deemed "good" by both respondents
			Derived from CEO BSC Refer pages 26 and 27

PERFORMANCE GRAPHS	KPI PERFORMANCE TARGET FOR FY2019	KEY ACTIONS IN FY2019
Capital expenditure 	> Costs <R17.3 billion > Capital <R2.4 billion	> Reduce capital and working costs in line with restructuring implementation plan (R2.8 billion over FY2018 to FY2020) > Reduce capital intensity > Continue procurement initiatives to deliver saving on consumables > Electricity and water: Continue to optimise constrained supply
Social development expenditure (including housing) 	> Complete projects in accordance with SLP commitments	> Prioritise stakeholder engagement as the Impala Rustenburg restructuring plan proceeds impacting employees and communities, and in preparation for national elections and wage negotiations later in FY2019 > Mitigate social impacts of restructuring > Sustain operational continuity

Derived from CEO BSC
Refer pages 26 and 27

Operational performance – Implats

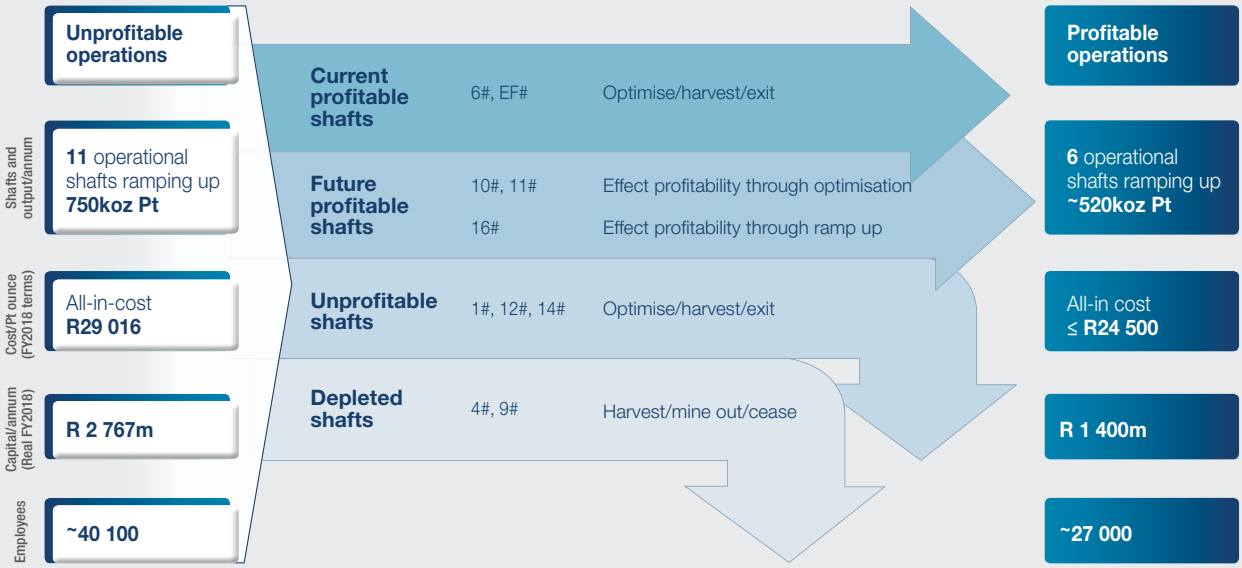
DELIVERING A PROFITABLE FUTURE STATE AT IMPALA RUSTENBURG

The outcome of the Impala Rustenburg strategic review concluded that a radical and urgent transition into a leaner, more concentrated and profitable operation is critical to support the future success of the Group.

The implementation of the Impala Rustenburg plan will be phased in over the next two years to ensure the transition occurs in a socially responsible way. The key outcomes of the restructuring, which is expected to be concluded by the end of the 2021 financial year, include:

> A reduced mining "footprint" from 10 to six operating shafts as operations are stopped at end-of-life and uneconomical shafts
> Production reducing from the previously guided 750 000 platinum ounces to 520 000 platinum ounces per annum
> The total labour complement (employees and contractors) reducing from approximately 40 000 to 27 000 by FY2021

Current state FY2018[1]



The plan is expected to deliver a safer and profitable Impala Rustenburg centred on its best assets with higher-quality, long-life orebodies and lower operating costs and capital intensity. Importantly, it secures employment for 27 000 employees and the surrounding communities can continue to participate in Implats' procurement, training and local economic development activities. Throughout the implementation process there will be an overriding imperative to ensure that forced job losses are minimised through various avoidance measures. These include the transfer of workers to vacant positions at the 16 and 20 ramp-up shafts, reskilling, voluntary separation, business improvement initiatives and exploring commercial options to exit shafts that do not fit the long-term portfolio.

Refer to Strategic update: Impala Rustenburg review (2 August 2018) on website

KEY PROJECTS

The 16 and 20 Shaft projects are critical to returning Impala Rustenburg to profitability. Both projects were assessed as part of the strategic review process. As a result, some duplicate shaft ore pass systems at 16 Shaft, as well as the upper 2 levels at 20 Shaft, were removed from the respective projects, without materially impacting the build-up of these shafts to full production. The capital cost profile for 20 Shaft has been optimised and will reduce by R445 million.

In assessing production readiness, the rehabilitation of the C-pass and construction of the lower section of D-pass at 16 Shaft still need to be completed to achieve full production. Some construction work at 20 Shaft remains outstanding and the project is now approaching completion in terms of the redefined project scope.

Production at 16 Shaft has ramped up significantly during the year as increased face becomes available. Although the initial ramp-up was limited to the Merensky Reef, development access to the UG2 has now made concurrent mining on most horizons possible. As previously reported, the 20 Shaft ramp-up is still being hampered by challenging geological conditions, which impacts face availability. The mining plan is limited to the Merensky horizon and opening sufficient pit room to provide mining flexibility is taking longer than anticipated. This has resulted in an increased focus on development at the shaft. The future profitability and strategic optionality of the shaft will be further evaluated and optimised in FY2019.

		16 Shaft		20 Shaft	
Description		**FY2018**	FY2017	**FY2018**	FY2017
Project completion	%	**90**	85	**98**	95
Estimated completion date	date	**November 2021**	May 2022	**June 2019**	June 2022
Estimate at completion	Rm	**7 939**	7 939	**7 930**	8 434
Expenditure to date	Rm	**7 159**	6 795	**7 804**	7 496
Design capacity (at steady state)	koz per annum	**180**	185	**130**	130
Estimated steady-state achievement	date	**June 2022**	June 2022	**July 2021**	July 2021
Platinum production	koz	**74**	53	**69**	63
Available face	m	**2 542**	1 512	**1 316**	1 297
Stoping teams	teams	**75**	53	**57**	51
Panel ratio	panels/team	**1.20**	1.35	**1.18**	1.00
Productivity	ca/team/month	**297**	292	**291**	297
Total cost (excluding project capital)	R/Pt oz	**29 885**	33 009	**29 900**	28 474
		> Revised completion date due to exclusion of D ore pass (21-24 levels) > C ore pass rehabilitating progress > Key focus is on opening mineable face and productivity build-up > Critical capital development ends exceeded targets for the year		> Key focus is on opening mineable face and productivity build-up > Poor geology hampers production build-up > Level 16 and 17 capital development deferred – reduces capex in FY19 and FY20 by R445 million	

Operational performance – Impala

IMPALA TOTAL MINERAL RESOURCE AND MINERAL RESERVE ESTIMATE

(see detailed 2018 Mineral Resource and Mineral Reserve statement www.implats.co.za)

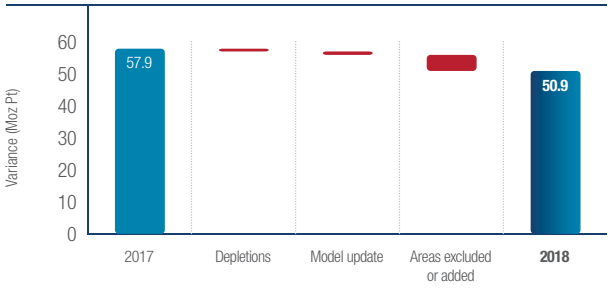
Total Mineral Resources inclusive of Mineral Reserves

			2018					2017				
	Orebody	Category	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz
Impala	Merensky	Measured	130.0	6.92	25.7	28.9	16.2	132.3	7.09	26.8	30.2	16.9
		Indicated	67.1	6.91	13.2	14.9	8.4	68.8	7.11	14.0	15.7	8.8
		Inferred	12.7	6.73	2.5	2.8	1.5	21.2	7.80	4.7	5.3	3.0
	UG2	Measured	159.4	6.61	28.2	33.9	16.3	165.0	6.57	29.1	34.9	16.8
		Indicated	71.0	6.61	12.6	15.1	7.3	71.0	6.60	12.6	15.1	7.3
		Inferred	12.6	6.43	2.2	2.6	1.3	20.8	6.49	3.6	4.3	2.1
	Total		**452.8**	**6.74**	**84.4**	**98.2**	**50.9**	**479.1**	**6.85**	**90.7**	**105.5**	**54.8**

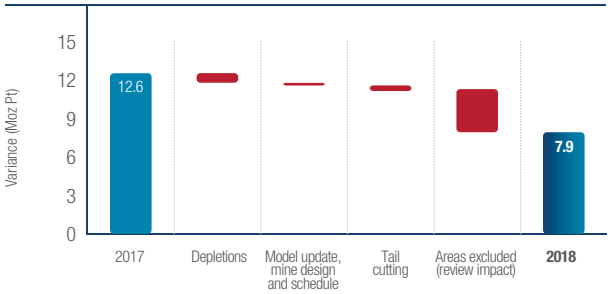
Total Mineral Reserves

			2018					2017				
	Orebody	Category	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz
Impala	Merensky	Proved	9.8	4.24	1.2	1.3	0.7	10.6	4.31	1.3	1.5	0.8
		Probable	46.5	4.46	5.9	6.7	3.7	65.2	4.63	8.6	9.7	5.4
	UG2	Proved	11.4	4.35	1.3	1.6	0.8	13.4	4.49	1.6	1.9	0.9
		Probable	39.2	4.45	4.7	5.6	2.7	78.7	4.40	9.3	11.1	5.4
	Total		**106.8**	**4.42**	**13.1**	**15.2**	**7.9**	**167.9**	**4.49**	**20.8**	**24.3**	**12.6**

Total Impala Mineral Resources



Total Impala Mineral Reserves



Impala 20-year LoM Pt ounce profile

Operational performance

IRS

IMPALA REFINING SERVICES IS A DEDICATED VEHICLE TO HOUSE THE TOLL REFINING AND METAL CONCENTRATE PURCHASES BUILT UP BY IMPLATS. IRS PROVIDES SMELTING AND REFINING SERVICES THROUGH OFFTAKE AGREEMENTS WITH GROUP COMPANIES (EXCEPT IMPALA) AND THIRD PARTIES.

IMPALA REFINING SERVICES VALUE CHAIN

KEY FEATURES

Maintained considerable financial contribution to Group earnings despite low PGM prices

Refined platinum production increased by 1.4% to 887 000 ounces

Cash before financing activities of R1 228 million

The metals purchase and toll refining operations of IRS was acquired by Impala in July 2018 to capitalise on efficiencies and maximise shareholder returns

Value added statement for the year ended 30 June (Prepared on headline earnings basis)	2018 Rm	2017 Rm
Revenue	**22 044**	21 711
Other net income	**161**	281
Deferred tax	**92**	22
Gross value generated	**22 297**	22 014
Distribution of value		
Cost of sales	**(20 491)**	(20 194)
Finance costs	**(34)**	(5)
Direct state taxes	**(562)**	(523)
Dividends to shareholders	**(2 340)**	–
Diminution in value (Value retained in business)	**1 130**	(1 292)
	–	–

OUTLOOK

IRS remains well positioned to capitalise on its access to spare smelting and refining capacity to process additional material

Opportunities are continuously evaluated and pursued if value-accretive to the Group

Impala has sufficient spare capacity available to ensure that IRS is able to process planned production from the other Group operations, as well as contracted third-party material

OUTCOMES

Headline profit
R1 210 million ▼

Cash before financing activities
R1 228 million ▼

Refined platinum production of
887 000oz ▲

✶ Improved ✓ Target met

RISKS	OPPORTUNITIES	RESPONSE
> Sustained depressed PGM basket prices > Capital constraints affecting project delivery/opportunities > Failure to progress beneficiation in Zimbabwe	> Well positioned for new refining opportunities > Remains a strategic competitive advantage for Implats	> Continue to evaluate opportunities if value accretive to the Group

(000oz) Platinum refined	2018	2017
Zimplats	**265.7**	266.4
Marula	**76.9**	68.1
Mimosa	**116.2**	116.6
Two Rivers	**162.5**	177.4
Mine-to-market operations	**621.3**	628.5
Third-party purchases and toll	**266.1**	246.7
Total	**887.4**	875.2

Operational performance – Impala Refining Services

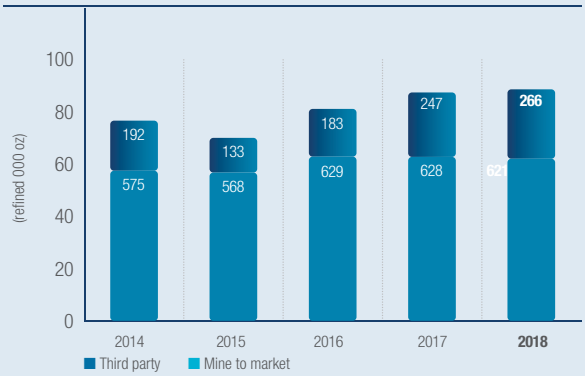
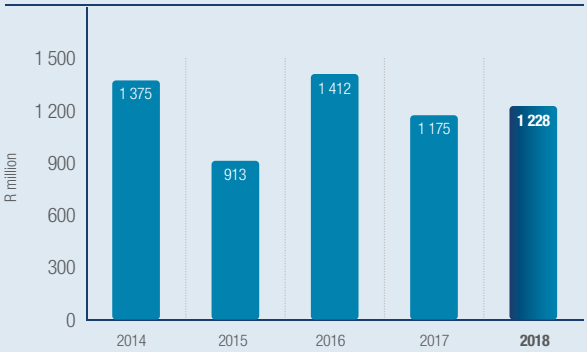
BUSINESS MODEL

CAPITALS	INPUTS	OUTCOMES
Manufactured	> Utilises Impala's excess processing and refining capacity to smelt and refine the concentrate and matte produced by the Group's other mine-to-market operations and third parties > The business also does ad hoc toll refining	> Refined platinum production of 887 000 ounces
Financial	> Cash before financing activities > Equity	> Generated cash of R1.2 billion for the year

OPERATIONAL REVIEW

STRATEGIC OBJECTIVES	STRATEGY	KPI PERFORMANCE TARGET FOR FY2018	PERFORMANCE AGAINST STRATEGY AND KPIs
Our strategy seeks to pursue new opportunities (customers) to secure additional value for the Group	Consistently deliver production targets	> 885 000 ounces of platinum	> 887 400 ounces of refined platinum
	Cash conservation	> Gross profit of R1.4 billion	> Gross profit of R1.6 billion
		Derived from CEO BSC Refer pages 26 and 27	

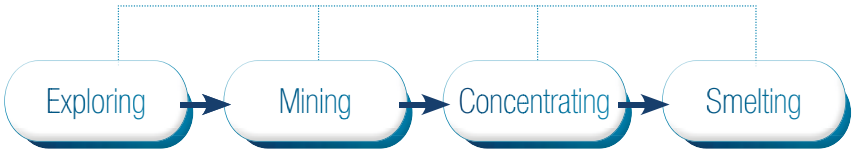
IMPROVING OUTCOMES	LINK TO STRATEGIES
> Continue to pursue new refining opportunities	

PERFORMANCE GRAPHS	KPI PERFORMANCE TARGET FOR FY2019	KEY ACTIONS IN FY2019
Refined platinum production 	> 800 000 – 850 000 ounces of platinum in concentrate	> Continuously explore suitable alternate metal sources to expand production or to sustain production if current suppliers experience operational difficulties > Maintain relationships with, and sustain service excellence in respect of suppliers
Cash before financing activity 	> Gross profit of >R1.3 billion	> Continuously explore suitable alternate metal sources to expand production and increase gross profit in line with available capacity
	Derived from CEO BSC Refer pages 26 and 27	

Zimplats

ZIMPLATS IS 87% OWNED BY IMPLATS AND ITS OPERATIONS ARE SITUATED ON THE ZIMBABWEAN GREAT DYKE SOUTH-WEST OF HARARE. ZIMPLATS OPERATES FOUR UNDERGROUND MINES AND A CONCENTRATOR AT NGEZI. THE SELOUS METALLURGICAL COMPLEX (SMC), LOCATED SOME 77 KILOMETRES NORTH OF THE UNDERGROUND OPERATIONS, COMPRISES A CONCENTRATOR AND A SMELTER.

ZIMPLATS VALUE CHAIN



KEY FEATURES

- All mining units sustained operational performance
- Re-establishment of Bimha Mine completed and returned to full production in April 2018
- Development of replacement Mupani Mine on schedule
- Business remains cash generative
- Ensured security of tenure through return of land agreement with the Government of Zimbabwe

Value added statement for the year ended 30 June (Prepared on headline earnings basis)	2018 Rm	2017 Rm
Revenue	**7 485**	7 038
Other net income	**271**	377
Gross value generated	**7 756**	7 415
Depreciation	**(841)**	(1 036)
Deferred tax	**(1 238)**	(151)
	5 677	6 228
Distribution of value		
Labour and other	**(1 425)**	(1 213)
Consumables and services	**(3 203)**	(3 527)
Finance costs	**(38)**	(98)
Royalty recipients	**(134)**	(116)
Direct state taxes	**(837)**	(698)
Value retained in business	**(40)**	(576)
	–	–

OUTLOOK

Zimplats will sustain current in concentrate production levels of 270 000 to 280 000 ounces of platinum supported by the development of the new replacement portal (Mupani), which should reach ore contact in April 2019

Given the challenging price environment and the decision to align capital allocation decisions with the business unit's ability to generate cash, capital expenditure over the next few years will remain constrained and remains prioritised for projects critical to sustaining production levels and maintaining Zimplats' licence to operate. On this basis, a decision to reline and upgrade the current furnace has been taken rather than to pursue the development of a second furnace

Zimplats will continue to engage the government on mutually acceptable solutions to achieve the government's aspirations of further beneficiation of PGMs in Zimbabwe

OUTCOMES

FIFR
0.00 ✓

TIFR
0.52 ▲

Number of employees
6 445 ▲

Capital expenditure
R1 738 million ▲

Headline earnings
R40 million ▼

Cash flow before financing activities and working capital
R553 million ▲

Platinum production in matte
270 800oz ▼

✶ Improved ✓ Target met

Operational performance – Zimplats

RISKS	OPPORTUNITIES	RESPONSE
> Depressed metal prices > Inadequate foreign currency > Cost escalation > Failure to preserve cash > Smelter risks	> Return of the Bimha Mine's ability to achieve greater mining flexibility through sequential portal development > Improved sovereign risk that results in a more positive business outlook in the short and medium term > Improved stability of the electricity grid > Business optimisation strategies including the migration from a Special Mining Lease to two ordinary mining leases, which has eliminated exposure to APT > Continuing with implementation of cost leadership initiatives, supply chain management strategies as well as process improvement initiatives	> Controls to this risk are restricted to monitoring the price trends as well as commodity supply and demand dynamics to enable us to predict the metal pricing forecast > Engagement with the authorities on our foreign currency requirements are still ongoing and so are our efforts towards import substitution and forex prioritisation to reduce pressure on foreign currency requirements > To mitigate the impact of a shortage of foreign currency, management continues to support our main suppliers with the foreign currency necessary to import required materials > Pursuing cash preservation measures including: TMM life extension to reduce SIB capex; Capital projects rationalisation; Exploring procurement from China/India to reduce reliance on SA > Rigorous furnace monitoring continued. The sidewall rebuild that was successfully completed is expected to further mitigate the risk and extend the furnace campaign life until we reach the planned full rebuild in 2019

STAKEHOLDER	MATERIAL MATTER	RESPONSE
Employees	Employment: > Increased demand for employment opportunities within Zimplats due to high unemployment rates within Zimbabwe	> The operating subsidiary prioritises recruitment from the local communities and consequently most staff are from the surrounding communities. Zimplats is also exploring opportunities for LEDs and income generating activities for the benefit of the community
Communities	> Complaints about damage to community structures > Tailings dam risk to communities > Significant expectations around our socio-economic contribution to the broader community/country	> The Ministry of Mines and Mining Development has been requested to broker a roundtable meeting with all stakeholders > Land has been identified for the relocation of families currently residing in the dam's zone of influence. The relevant government officials have submitted the recommendation to the minister for his authority to proceed with the relocations > Stakeholder engagement initiatives are positioned to manage these expectations
Government	> Recent changes in government > Beneficiation: – Government has directed the platinum industry to build a refinery – An export levy will be placed on all PGM concentrate exports from 1 January 2019	> The stakeholder map has been reviewed in line with recent changes in government. Aligned to this, a targeted engagement narrative has been developed > Ongoing engagement with targeted members of the new government leadership is under way to promote mutual understanding, respect and the creation of value-enhancing relations > Zimplats already produces and exports platinum matte. However, in line with the government thrust on beneficiation it is actively looking into further beneficiation by way of refurbishing the existing BMR at SMC and joint ventures (JV) opportunities with other players in the country. Progress on the implementation of the enhanced beneficiation projects is constrained by prolonged low metal prices. Consequently, delivery of capital projects resources and their completion is now being matched to the availability of cash resources
Shareholders	Concerns include the following: > Business performance > Compliance with indigenisation laws > Government demand for additional ground > Government expectations on beneficiation	> Shareholders are kept informed of the Company's performance through analyst briefings and quarterly updates released on the ASX > Shareholders are also kept informed of major developments within the Group through ASX announcements

Operational performance – Zimplats

BUSINESS MODEL

CAPITALS	INPUTS	OUTCOMES
Human	> 6 445 employees including contractors > Effective leadership team	> US$5 million invested in skills development > Employee turnover of 4.2% (2017: 0.48%) > Zero employee fatalities > LTIFR of 0.19, a 9.5% improvement over the year > Values encompassing respect, care and delivery
Social	> Constructive labour relations > Continuous engagement with government and regulators in a challenging regulatory environment > Good relationships with local communities	> US$6.0 million invested in socio-economic development > 75% of revenue spent on supplier, employee and tax expenditure in Zimbabwe > Indigenisation and beneficiation expectations
Manufactured	> Property, plant and equipment valued at R14 915 million > Projects, mining and smelting operations situated in Zimbabwe > Mupani Mine, a new replacement portal, currently under development with production capacity of 90koz platinum in matte in calendar year 2025	> Milled throughput of 6.57 million tonnes > Platinum in matte production of 270 800 ounces
Financial	> Equity > Debt > Cash flow before financing activities and working capital: R553 million	> Cost: US$356 million (R4.57 billion) > Unit cost per platinum oz in matte: US$1 313 (R16 869) > Capital of US$135 million spent largely on the development of the new portal, Mupani > Revenue basket – US$2 184/Pt oz > Gross profit: R2.05 billion
Intellectual	> Knowledge and procedures > Systems and processes > Research and development	> Improvements in efficiencies > Enhanced knowledge, capabilities and skills
Natural	> Total Mineral Resources inclusive of Mineral Reserves of 57.3Moz Pt > Unavoidable impacts on the environment as a consequence of our production activities	> ISO 14001:2015 certified > Water re-cycled – 39% (2017: 41%) > Carbon dioxide emission per tonne of ore – 0.079 (2017: 0.076) > Energy consumption (gigajoules per tonne of ore) – 0.38 (2017: 0.37) > Current year-on-year change in Mineral Resources and Mineral Reserves: refer page 114

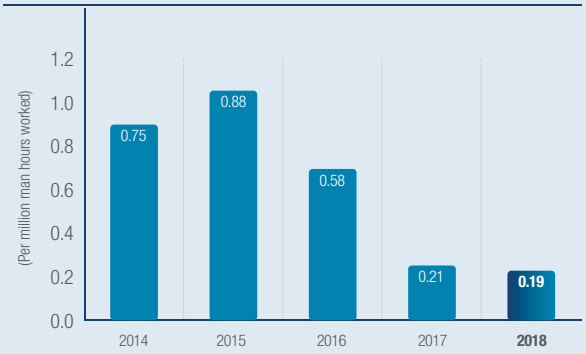
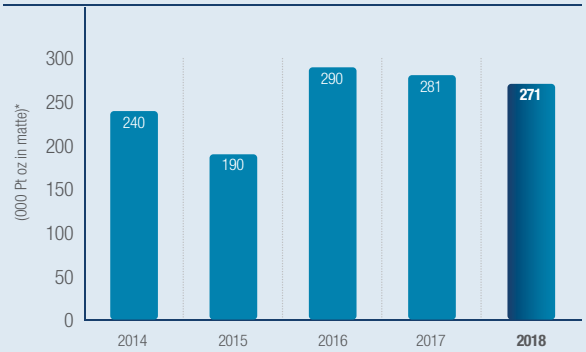
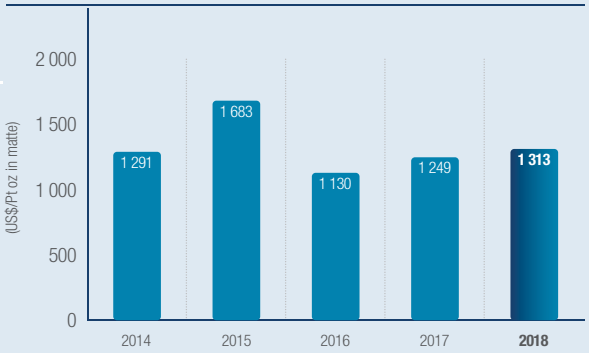
IMPROVING OUTCOMES	LINK TO STRATEGIES
> Focus remains on promoting the health, safety and well-being of employees	
> Remain committed to the aspirations of government and the people of Zimbabwe to grow and diversify the PGM industry > Resolved our long-standing land dispute and secured mining tenure in the country with more advantageous tax implications	
> Continue to deliver outstanding operational performances > Continue development of replacement portal	
> Initiatives to contain the operating cost base, focus on improving mining efficiencies and reducing operating costs > Continue to invest through the cycle in value-enhancing projects > Capital allocation decisions based on ability to generate cash	
> Continuously improve the ability to operate effectively through innovation	
> Mitigation of environmental impacts supported by leadership and responsible citizenship > Exploring options to improve effluent quality > Sulphur emissions reduction feasibility study under way > Continue with open pit rehabilitation and re-vegetation of tailings dams > Renewed environmental licences and effluent discharge permits > Acquired three new effluent licences > Improved the reliability of air quality monitoring	

Operational performance – Implats

OPERATIONAL REVIEW

STRATEGY	OPERATIONAL OBJECTIVE	KPI PERFORMANCE TARGET FOR FY2018	PERFORMANCE AGAINST STRATEGY AND KPIs
Implats is a focused PGM producer. Our strategy seeks to sustain optimal levels of production at the lowest possible cost, positioning the company in the lower half of the industry cost curve, as an industry safety leader, to benefit from future stronger PGM prices and to reward all our stakeholders	Relentlessly drive the safety of our people	> Zero fatalities > LTIFR: <0.40	> Zero fatalities (2017: 0) > Implats achieved an LTIFR of 0.19 (2017: 0.21), a 9.5% improvement > Maintained focus on creating an interdependent safety culture (Bradley Curve)
	Consistently deliver production targets	> 260 000 ounces of platinum in matte	> Produced 270 800 ounces of platinum in matte (including in concentrate sold) > All mining units sustained outstanding operational performances > Tonnes milled were marginally down to 6.57mt (2017: 6.72mt)
	Improve efficiencies through operational excellence	> Cost per Pt oz <US$1 400	> Cost per Pt oz: US$1 313
	Cash conservation	> Costs <US$360 million > Capital <US$140 million	> Costs: US$356 million (2017: US$351 million) > Capital expenditure of US$135 (2017: US$63 million) was largely spent on the new replacement portal, Mupani, and the redevelopment of Bimha > Bimha Mine reached full production in April 2018

Derived from CEO BSC
Refer pages 26 and 27

PERFORMANCE GRAPHS	KPI PERFORMANCE TARGET FOR FY2019	KEY ACTIONS IN FY2019
LTIFR  	> Zero fatalities > LTIFR <0.20	> Establish a workforce of self-driven, proactive, motivated and committed safety citizens > Achieve safety goals through a strong safety culture linked to a vibrant employee wellness and mental health programme > Drive a well coordinated safety outreach programme designed to influence and modify safe behaviours in the environment where our employees come from > Manage a focused and continuous scanning programme to identify and adopt appropriate technology to enhance our safety strategy
Platinum production  ** Including concentrate sold.*	> 270 000 to 280 000 ounces of platinum in concentrate	> Create adequate stoping faces (create redundancy) > Develop Mupani Mine to make ore contact by February 2020 > Ensure major production equipment availability > Maintain milling rate at SMC concentrator > Implement furnace reline and upgrade project to manage risk of failure of the existing furnace
Unit cost/Pt oz  	> Cost per Pt oz <US$1 400	> Implement underground crushing at Bimha (Portal 4) > Implement mine automation projects > Investigate underground pillar reclamation > Reduce ZAR exposure by developing alternative sources for South African purchases > Ensure effective grade control
	> Costs <US$360 million > Capital <US$120 million	> Focus on key cost drivers to maintain position on the cost leadership curve > Extend the life cycle of major equipment through rebuilds and midlife interventions > Match capital expenditure with available cash resources > Efficient procurement > Migrate from SML to ML

Derived from CEO BSC
Refer pages 26 and 27

Operational performance – Zimplats

STRATEGY	OPERATIONAL OBJECTIVE	KPI PERFORMANCE TARGET FOR FY2018	PERFORMANCE AGAINST STRATEGY AND KPIs
Zimplats is a focused PGM producer. Our strategy seeks to sustain optimal levels of production at the lowest possible cost, positioning the company in the lower half of the industry cost curve as an industry safety leader to benefit from future stronger PGM prices to reward all our stakeholders	Maintain our licence to operate	> CSR programmes – US$4.0 million	> CSR programmes – US$6 million > Zimplats supports Zimbabwe's aspirations to grow and diversify its PGM industry > Continue to engage with the Government of Zimbabwe and other stakeholders > The long-standing land dispute with government has been resolved – Zimplats now holds two separate and non-contiguous pieces of land, the leases of which are valid for the life-of-mine of Zimplats' mining operations. This has secured mining tenure in the country and has more advantageous tax implications

Derived from CEO BSC
Refer pages 26 and 27

ZIMPLATS TOTAL MINERAL RESOURCE AND MINERAL RESERVE ESTIMATE

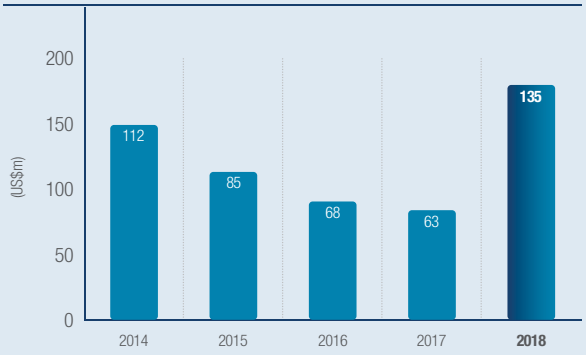
(see detailed 2018 Mineral Resource and Mineral Reserve statement www.implats.co.za)

Total Mineral Resources inclusive of Mineral Reserves

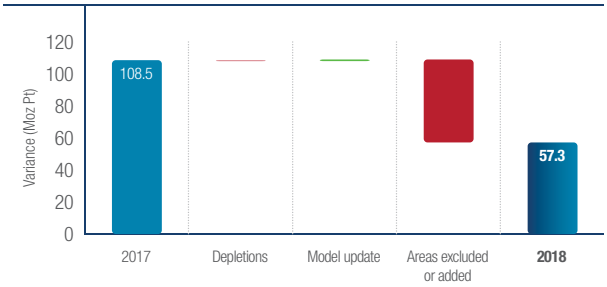
			2018					2017				
	Orebody	Category	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz
Zimplats	MSZ	Measured	181.0	3.72	20.5	21.7	10.2	168.5	3.73	19.1	20.2	9.5
		Indicated	613.4	3.74	70.0	73.8	35.3	665.6	3.71	75.1	79.3	37.2
		Inferred	207.3	3.65	23.1	24.3	11.8	1 226.3	3.52	128.3	138.8	61.8
	Total		**1 001.7**	**3.72**	**113.7**	**119.8**	**57.3**	**2 060.4**	**3.60**	**222.6**	**238.3**	**108.5**

Total Mineral Reserves

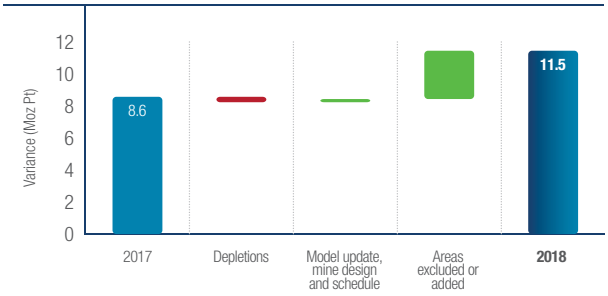
			2018					2017				
	Orebody	Category	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz
Zimplats	MSZ	Proved	93.4	3.34	9.5	10.0	4.7	63.6	3.43	6.6	7.0	3.3
		Probable	132.9	3.38	13.7	14.4	6.8	101.5	3.44	10.6	11.2	5.3
	Total		**226.3**	**3.37**	**23.2**	**24.5**	**11.5**	**165.1**	**3.43**	**17.3**	**18.2**	**8.6**

PERFORMANCE GRAPHS	KPI PERFORMANCE TARGET FOR FY2019	KEY ACTIONS IN FY2019
Capital expenditure 	> CSR programmes > US$2.4 million	> Implement CSR programmes that improve the livelihood of local communities > Continue with resource conservation programmes > Continue with environmental management and rehabilitation programmes > Partner with the government in rebuilding the Zimbabwean economy > Continue recruiting non-skilled labour from the local communities > Continue with the stakeholder management programme to enhance the company's corporate image and improve relationships
	Derived from CEO BSC Refer pages 26 and 27	

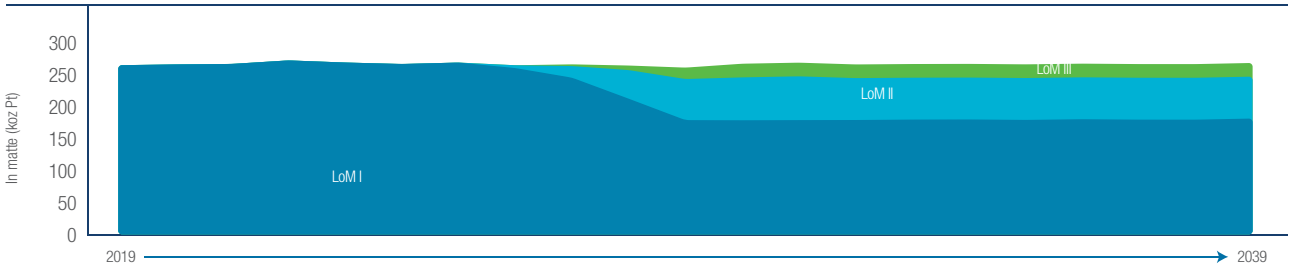
Total Zimplats Mineral Resources



Total Zimplats Mineral Reserves



Zimplats 20-year LoM Pt ounce profile



Operational performance

Marula

MARULA IS 73% OWNED BY IMPLATS AND IS ONE OF THE FIRST OPERATIONS TO HAVE BEEN DEVELOPED ON THE RELATIVELY UNDER-EXPLOITED EASTERN LIMB OF THE BUSHVELD COMPLEX IN SOUTH AFRICA. MARULA IS LOCATED IN THE LIMPOPO PROVINCE, SOME 50 KILOMETRES NORTH-WEST OF BURGERSFORT.

MARULA VALUE CHAIN

KEY FEATURES

Significant decline in operational disruptions by community protests and unrest

Regrettably one employee fatality

Otherwise a strong operational performance

Value added statement for the year ended 30 June (Prepared on headline earnings basis)	**2018 Rm**	2017 Rm
Revenue	**2 357**	1 616
Other net income/(expenses)	**2**	(52)
Gross value generated	**2 359**	1 564
Depreciation	**(184)**	(172)
Deferred tax	**(57)**	276
	2 118	1 668
Distribution of value		
Labour and other	**(1 101)**	(1 123)
Consumables and services	**(1 029)**	(965)
Finance costs	**(8)**	(216)
Royalty recipients	**(57)**	(44)
Direct state taxes	**47**	(57)
Diminution in value	**30**	737
	–	–

OUTLOOK

The mine plans to produce 90 000 ounces of platinum and is expected to be profitable in 2019, even at current prices

A watching brief will be maintained. If the mine is disrupted a decision has been made to put it on care and maintenance

OUTCOMES

FIFR
0.121 ▲

TIFR
24.23 ▲

Number of employees
3 988 ✶

Capital expenditure
R101 million ▼

Headline loss
R30 million ▼

Cash before financing activities and working capital
R198 million ▼

Platinum production in matte
85 100oz ✓

✶ Improved ✓ Target met

RISKS	OPPORTUNITIES	RESPONSE
> Business interruption due to community unrest > Failure to achieve production targets > Unit costs above target > Labour unavailability > Disruption and long-term sustainability of water supply > Capital constraints restrictability to build the new tailings storage facility (TSF)	> Further improvement in productivity and efficiencies due to no business interruptions > Benefits of reduction in stoping width and optimising the average panel face length > Improvement in PGM basket price improves Marula's ability to fund capital requirements	> Ongoing communications and relationship building with all stakeholders but specifically employees, communities and the regulator > Shift towards a performance management culture and accountability at all levels of the organisation > Strict cost management > A review of remuneration and reward structures to attract and retain top talent in more remote locations > Water saving initiatives are delivering results and remain a focus > Alternative tailings dam options under consideration, together with options to increase current TSF useful life

STAKEHOLDER	MATERIAL MATTER	RESPONSE
Makgomo community	> Disruption to operations due to community discontent over distribution of chrome proceeds	> Ongoing community engagement initiatives have been supported by other interventions, including further security measures around critical infrastructure and enhancing emergency preparedness, as well as measures aimed to grow local procurement from Tier 1 suppliers at the mine
Marula Community Chrome (MCC)	> Dissatisfaction around distribution of chrome proceeds	> Meetings with individual mine communities and other stakeholder representatives continue in an endeavour to resolve the impasse > The Marula Six Host Community Forum has been established and is effective, but does not enjoy the support of the Magoshi. The Magoshi are engaged separately > A decision to extend the term of administrators to manage the flow of funds to the Marula Community Company is pending
Marula crop field owners	> Dissatisfaction over current compensation	> A signed agreement is in place between Marula and crop field owners which stipulates compensation. The appointment of an independent valuator, in consultation with the Department of Rural Development and Land Reform, is pending. Further engagement is planned

Operational performance – Marula

BUSINESS MODEL

CAPITALS	INPUTS	OUTCOMES
Human	> 3 988 employees including contractors > Effective leadership team	> R72 million (2017: R75 million) invested in skills development > One employee fatality > LTIFR: 11.63 (2017: 5.79)
Social	> Constructive labour relations and partnerships with unions > Relationships with government and regulators not always supportive of the business > Dissatisfied and militant communities due to dissatisfaction with the governance and distribution of the community-managed dividends from the Makgomo chrome project	> R50 million invested in socio-economic development > Establishment of Marula Six Host Community Forum > Community activism remains a threat to operational performance and the implementation of community projects > 369 employees (92% of new appointments) recruited from local communities
Manufactured	> Property, plant and equipment valued at R1.68 billion > Mining and concentrating operations situated near Burgersfort, Limpopo > Mine positioned to produce 90 000 ounces of platinum in concentrate > Operational disruptions	> Milled throughput of 1.84 million tonnes > Platinum in concentrate production of 85 100 ounces
Financial	> Shareholder loans > Debt > Cash utilised in operations R198 million	> Cost: R2.12 billion > Unit cost per Pt oz in concentrate: R24 877 > Revenue basket – R27 923/Pt oz > Capital expenditure of R101 million (2017: R113 million) > Net loss: R30 million (2017: R732 million)
Intellectual	> Knowledge and procedures > Systems and processes > Research and development	> Improvements in efficiencies > Enhanced knowledge, capabilities and skills
Natural	> Total Mineral Resources inclusive of Mineral Reserves of 10.6Moz Pt > Natural resources (air, water, biodiversity)	> Water consumed: 3 269Ml (2017: 2 761Ml) > Water recycled: 44% (2017: 49%) > Current year-on-year change in Mineral Resources and Mineral Reserves: refer to page 122

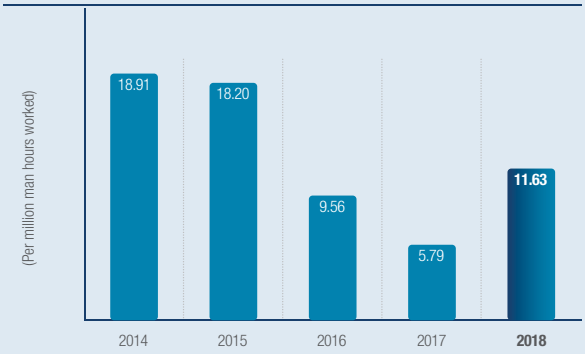
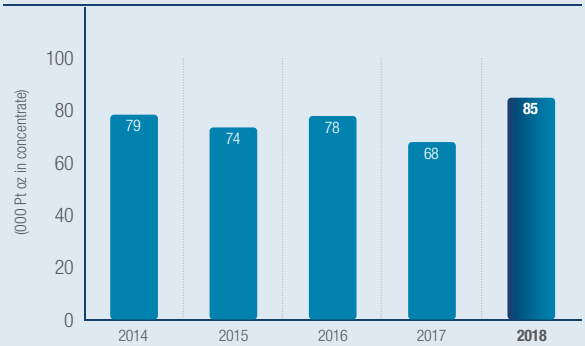
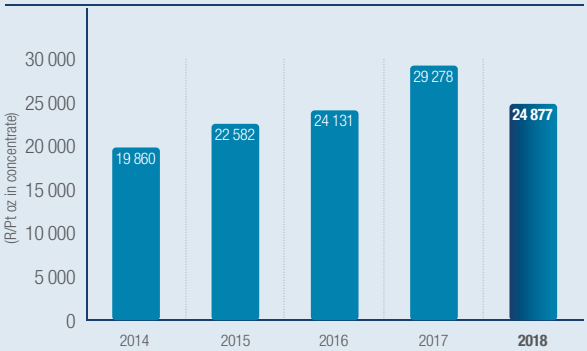
	IMPROVING OUTCOMES	LINK TO STRATEGIES
	> Focus remains on promoting the health, safety and well-being of employees	
	> Meaningful progress made in stabilising community relations > Significant progress made in resolving the chrome dispute > Administrators appointed to hold money on behalf of the community company (MCC) while it is being restructured > Processing and selling of chrome recommenced in January/February 2018	
	> Continued focus on community engagement to mitigate further operational disruptions > Increasing mineable face availability will enable production of 90 000 ounces of platinum per annum	
	> Initiatives to contain the operating cost base and to continue focus on improving mining efficiencies and reducing operating costs > Capital allocation decisions based on ability to generate cash	
	> Continuously improve the ability to operate effectively through innovation	
	> Mitigation of environmental impacts supported by leadership and responsible citizenship > Renewed environmental licences and effluent discharge permits > Implementation of biodiversity management plan > Independent assessment of environmental management plan	

Operational performance – Marula

OPERATIONAL REVIEW

STRATEGIC OBJECTIVES	STRATEGY	KPI PERFORMANCE TARGET FOR FY2018	PERFORMANCE AGAINST STRATEGY AND KPIs
Marula is a focused PGM producer. Our strategy seeks to sustain optimal levels of production at the lowest possible cost, positioning the company in the lower half of the industry cost curve, as an industry safety leader, to benefit from future stronger PGM prices and to reward all our stakeholders	Relentlessly drive the safety of our people	> Zero fatalities > LTIFR: <5	> Safety performance in terms of LTIFR deteriorated to 11.63 over the year > Regrettably, Marula experienced one fatality during the year
	Consistently deliver production targets	> 85 000 ounces of platinum in concentrate	> The mine met its target delivering record production despite safety stoppages associated with an employee fatality > Ongoing focused community engagement mitigates operational disruptions > Processing and selling resumed at the chrome plant in January/February 2018
	Improve efficiencies through operational excellence	> Cost per Pt oz <R23 500	> Cost per platinum oz improved by 15% to R24 877 (2017: R29 278) as operational continuity was maintained with only minor community disruptions
	Cash conservation	> Costs <R2.0 billion > Capital <R160 million	> Costs rose 6.5% to R2.12 billion (2017: R1.99 billion) mainly due to mining inflation > Capital expenditure of R101 million was spent on key stay in business projects > Benefiting from higher rhodium prices

Derived from CEO BSC
Refer pages 26 and 27

PERFORMANCE GRAPHS	KPI PERFORMANCE TARGET FOR FY2019	KEY ACTIONS IN FY2019
LTIFR  	> Zero fatalities > LTIFR <6	> Reduce the control span of mine overseers > Introduce an incident reporting hotline > Introduce safety campaigns targeting areas of concern > Enhance monitoring of safety improvement plans > Implement compulsory breathalyser testing
Platinum production  	> 85 000 to 95 000 ounces of platinum in concentrate	> Maintain engagements with community structures and improve communication > Improve safety compliance to mitigate safety interruptions > Establish increased mineable face length to create additional contingency and improve stoping efficiencies
Unit cost/Pt oz  	> Cost per Pt oz <R26 000	> Improve stoping efficiencies and reduce stoping width > Optimise panel face length > Increase number of stoping teams to mine the additional available mineable face > Maintain relationship and ongoing engagement with local community
	> Costs <R2.3 billion > Capital <R330 million	> Ongoing pursuit of cost reductions > Reduce capital expenditure to critical items in the short term > Development of new tailings dam over next five years > Development of 6 to 8 level over next five years to sustain production > Replace some of the trackless fleet over next three years

Derived from CEO BSC
Refer pages 26 and 27

Operational performance – Marula

OPERATIONAL REVIEW

STRATEGIC OBJECTIVES	STRATEGY	KPI PERFORMANCE TARGET FOR FY2018	PERFORMANCE AGAINST STRATEGY AND KPIs
Marula is a focused PGM producer. Our strategy seeks to sustain optimal levels of production at the lowest possible cost, positioning the company in the lower half of the industry cost curve as an industry safety leader to benefit from future stronger PGM prices to reward all our stakeholders	Maintain our licence to operate	> Social development spend R7.5 million	> Social development spend of R50 million > Established the Marula Six Host Communities Forum. The Magoshi feel marginalised from the forum, however, and are engaged separately > Launched a quarterly community newsletter > Community activism delayed the implementation of a road development project in collaboration with the Road Agency of Limpopo. The project, employing more than 100 local community members, is expected to be completed by the end of April 2019

Derived from CEO BSC
Refer pages 26 and 27

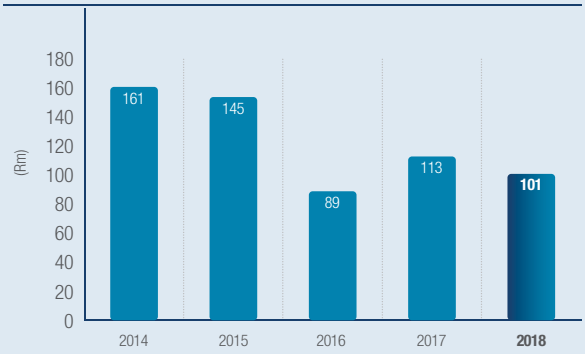
MARULA TOTAL MINERAL RESOURCE AND MINERAL RESERVE ESTIMATE
(see detailed 2018 Mineral Resource and Mineral Reserve statement www.implats.co.za)

Total Mineral Resources inclusive of Mineral Reserves

			2018					2017				
	Orebody	Category	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz
Marula	Merensky	Measured	34.3	4.56	4.7	5.0	2.7	34.3	4.56	4.7	5.0	2.7
		Indicated	7.6	4.50	1.0	1.1	0.6	7.6	4.50	1.0	1.1	0.6
		Inferred	5.2	4.10	0.6	0.7	0.4	5.2	4.10	0.6	0.7	0.4
	UG2	Measured	50.0	7.17	9.8	11.5	4.4	51.2	7.16	10.1	11.8	4.5
		Indicated	22.4	7.25	4.5	5.2	2.0	22.4	7.25	4.5	5.3	2.0
		Inferred	6.4	7.34	1.3	1.5	0.6	6.4	7.34	1.3	1.5	0.6
	Total		**125.9**	**6.19**	**21.9**	**25.1**	**10.6**	**127.0**	**6.20**	**22.2**	**25.3**	**10.7**

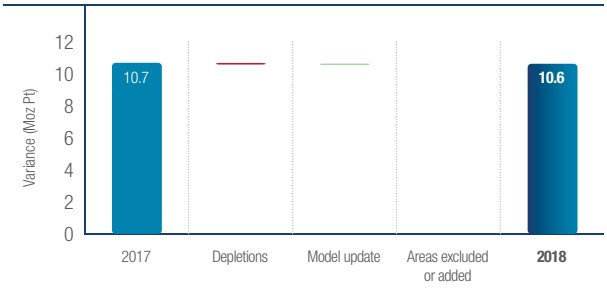
Total Mineral Reserves

			2018					2017				
	Orebody	Category	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz
Marula	UG2	Proved	2.8	5.28	0.4	0.5	0.2	4.3	4.82	0.6	0.7	0.3
		Probable	19.5	4.83	2.6	3.0	1.2	20.8	4.62	2.6	3.1	1.2
	Total		**22.3**	**4.89**	**3.0**	**3.5**	**1.3**	**25.1**	**4.65**	**3.2**	**3.8**	**1.4**

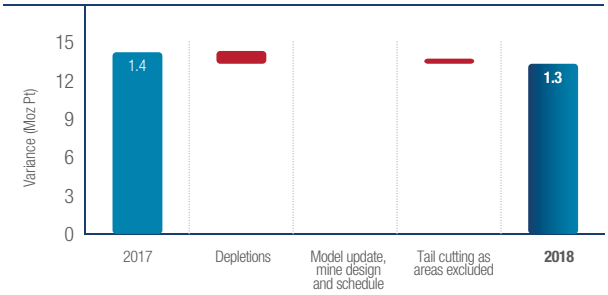
PERFORMANCE GRAPHS	KPI PERFORMANCE TARGET FOR FY2019	KEY ACTIONS IN FY2019
Capital expenditure 	> Social development spend R7.5 million	> Create a more conducive environment for employees, which will result in happier communities > Maintain the stakeholder engagement programme with community representatives > Increase procurement opportunities for local Tier 1 suppliers > Finalise a new chrome agreement to address community issues and the manner in which chrome proceeds are managed > Invest chrome dividend into surrounding communities > Deliver on Mining Charter and SLP commitments > Complete a 17km tar road in the surrounding area in conjunction with the Limpopo Roads Agency

Derived from CEO BSC
Refer pages 26 and 27

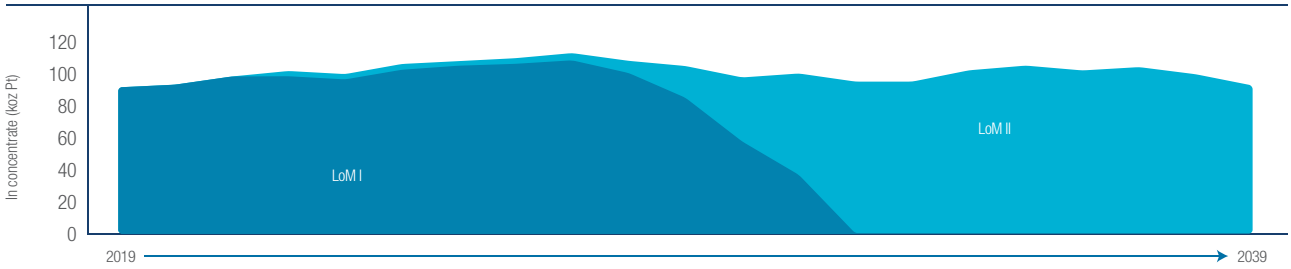
Total Marula Mineral Resources



Total Marula Mineral Reserves



Marula 20-year LoM Pt ounce profile



Mimosa

MIMOSA IS JOINTLY HELD BY IMPLATS AND SIBANYE. ITS OPERATIONS ARE LOCATED ON THE WEDZA GEOLOGICAL COMPLEX ON THE ZIMBABWEAN GREAT DYKE, 150 KILOMETRES EAST OF BULAWAYO. THE OPERATION COMPRISES A SHALLOW UNDERGROUND MINE, ACCESSED BY A DECLINE SHAFT, AND A CONCENTRATOR.

MIMOSA VALUE CHAIN

KEY FEATURES

Excellent operational performance

A prefeasibility study to expand production has been completed but remains subject to availability of capital

Value added statement for the year ended 30 June (Prepared on headline earnings basis)	2018 Rm	2017 Rm
Revenue	**3 880**	3 156
Other net expenses	**(13)**	(698)
Gross value generated	**3 867**	2 458
Depreciation	**(417)**	(401)
Deferred tax	**(66)**	16
	3 384	2 073
Distribution of value		
Labour and other	**(907)**	(853)
Consumables and services	**(1 728)**	(542)
Finance costs	**(19)**	(26)
Royalty recipients	**(111)**	(179)
Direct state taxes	**(222)**	(79)
Value retained in business	**(397)**	(394)
	–	–

OUTLOOK

Stringently manage costs to conserve cash

Steady-state platinum in concentrate production will be maintained at between 115 000 and 125 000 ounces

OUTCOMES

FIFR
0.00 ✓

TIFR
0.98 ▲

Number of employees
1 348 ▲

Capital expenditure
R568 million ▲

Headline profit
R397 million ✶

Cash flow before financing activities and working capital
R360 million ✶

Record platinum production in concentrate
125 000oz ▲

✶ Improved ✓ Target met

RISKS	OPPORTUNITIES	RESPONSE
> Sustained depressed PGM basket prices > Inadequate foreign currency > Excessive taxation and levies > Failure to progress beneficiation > Utilities; availability of secure and reliable power and long-term availability of water	> Improvement in PGM basket price improves Mimosa's operating profits and increased ability to fund capital requirements > Further improvement in mining and plant capacity > Feasibility study on a 30% expansion, project completed and can be commenced if prices improve, increasing LoM	> Business and strategic planning premised on a lower for longer price philosophy > Engagement with the authorities on our foreign currency requirements are still ongoing and so are our efforts towards import substitution and forex prioritisation to reduce pressure on foreign currency requirements > Preserve cash by reducing capital expenditure and engage with government on more efficient tax structures > Engaging stakeholders to communicate the business case for additional smelting or refining capacity > Engage with power authorities to secure supply and manage usage

Operational performance – Mimosa

BUSINESS MODEL

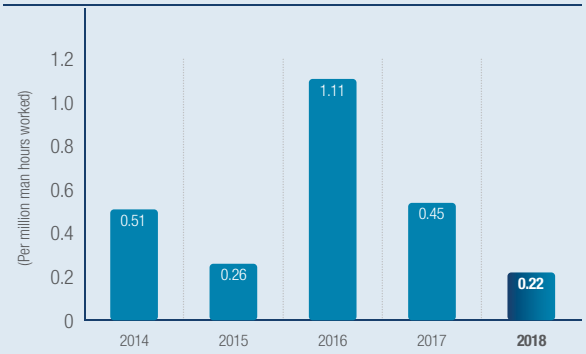
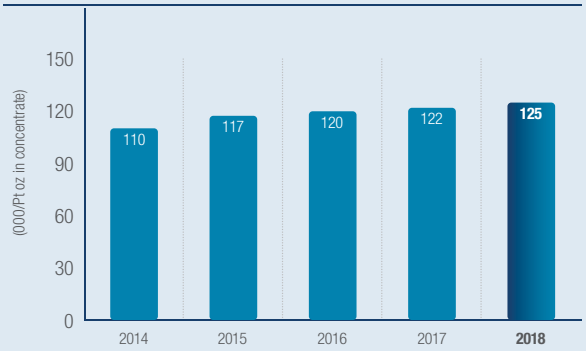
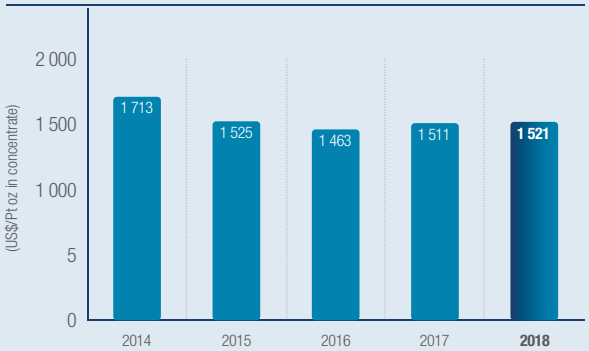
CAPITALS	INPUTS	OUTCOMES
Human	> 1 348 own employees > Effective leadership team	> US$3.2 million invested in skills development > LTIFR: 0.22 > US$71 million paid to employees
Social	> Constructive labour relations > Continuous engagement with government and regulators in a challenging regulatory environment > Good relationships with local communities	> US$3.2 million (2017: US$3 million) invested in socio-economic development > Spent US$42 million (2017: US$52 million) on indigenous/local suppliers representing 44% (2017: 63%) of the total annual procurement spend > Despite spend being constrained as a result of cost management strategies, investments focus on the needs and priorities of local communities in education, healthcare and broader community welfare
Manufactured	> Property, plant and equipment valued at US$280 billion	> Milled throughput of 2.80 million tonnes > Platinum in concentrate production of 125 000 ounces
Financial	> Cash flow before financing activities and working capital R360 million > Equity > Debt	> Cost: US$190 million > Unit cost per Pt oz in concentrate: US$1 521 > Capital expenditure: US$44 million > Revenue basket – US$2 619 per platinum ounce > Gross profit: R751 million
Intellectual	> Knowledge and procedures > Systems and processes > Research and development	> Improvements in efficiencies > Enhanced knowledge, capabilities and skills
Natural	> Total Mineral Resources inclusive of Mineral Reserves of 6.7Moz Pt > Unavoidable impacts on the environment as a consequence of our production activities	> ISO 14001: 2015 certified > Total water consumed: 7 246Ml (2017: 6 814Ml) > Water recycled: 69% (2017: 68%) > Current year-on-year change in Mineral Resources and Mineral Reserves: refer to page 130

	RESPONSE	LINK TO STRATEGIES
	> Continuing focus on promoting the health, safety and well-being of employees > Continuous drive to zero harm > Company facilitated finance for employee home ownership	
	> Ongoing engagement with government officials and community representatives > Drive local procurement	
	> Maintain current level of mining production > Optimisation of processing plant to increase throughput and improve recoveries > Increase capacity to deal with challenging ground conditions	
	> Strict expenditure control through alternative sourcing strategies	
	> Continuously improve the ability to operate effectively through innovation	
	> Mitigation of environmental impacts supported by leadership and responsible citizenship > Installed power factor correction equipment > Introduced a climate change strategy and policy and implementing measures to reduce carbon footprint by 3% annually to 2020	

Operational performance – Mimosa

OPERATIONAL REVIEW

STRATEGIC OBJECTIVES	STRATEGY	KPI PERFORMANCE TARGET FOR FY2018	PERFORMANCE AGAINST STRATEGY AND KPIs
Mimosa is a focused PGM producer. Our strategy seeks to sustain optimal levels of production at the lowest possible cost, positioning the company in the lower half of the industry cost curve, as an industry safety leader, to benefit from future stronger PGM prices and to reward all our stakeholders	Relentlessly drive the safety of our people	> Zero fatalities > LTIFR: 0	> The LTIFR improved significantly from the previous reporting period (2017: 0.45)
	Consistently deliver production targets	> 115 000 – 120 000 ounces of platinum in concentrate	> Mimosa achieved record production of 125 000 ounces in concentrate
	Improve efficiencies through operational excellence	> Cost per Pt oz <US$1 600	> The cost per ounce was on target at US$1 521 per Pt oz
		Non-managed companies define their own variable remuneration benefits	

PERFORMANCE GRAPHS	KPI PERFORMANCE TARGET FOR FY2019	KEY ACTIONS IN FY2019
LTIFR  	> Zero fatalities > LTIFR: 0	> Zero harm remains a top priority > Focus on behavioural and cultural issues
Platinum production  	> 115 000 – 125 000 ounces of platinum in concentrate	> Maintain current level of mining production > Develop more confidence in North Hill in order to sustain LoM as the mine moves toward depletion of South Hill orebody > Optimise feed grades through blending low grades on the western side with better grades on the eastern side of the South Hill orebody > Achieve 4E recoveries of at least 78% to maximise production
Unit cost/Pt oz  	> Cost per Pt oz <US$1 600	> Sustain and where possible increase production volumes to adequately supply the processing plant > Ensure economic tailing off, especially in Wedza North, without sterilising the ore resource or under-utilising the infrastructure > Focused development into Mtshingwe > Ongoing focus on cost optimisation
	Non-managed companies define their own variable remuneration benefits	

Operational performance – Mimosa

OPERATIONAL REVIEW

STRATEGIC OBJECTIVES	STRATEGY	KPI PERFORMANCE TARGET FOR FY2018	PERFORMANCE AGAINST STRATEGY AND KPIs
Our strategy seeks to sustain optimal levels of safe production at the best possible cost thereby positioning Mimosa: > In the lower end of the cost curve > To benefit from future stronger PGM prices > To reward stakeholders	Cash conservation	> Costs <US$190 million > Capital <US$40 million	> Costs were well contained at US$190 million for the year > Capital of US$44 million was spent mainly on maintenance projects
	Maintain our licence to operate	> Social investment US$3 million	> Social development spend: US$3 million > Continue to ensure all employees reside in decent accommodation > The government of Zimbabwe's proposed 15% export levy on unbeneficiated platinum has been further deferred until 1 January 2019 and lowered to 5% > Government is being lobbied to waive the export levy to incentivise expansion projects rather than construct a smelter in Zimbabwe as envisaged by government
		Non-managed companies define their own variable remuneration benefits	

MIMOSA TOTAL MINERAL RESOURCE AND MINERAL RESERVE ESTIMATE

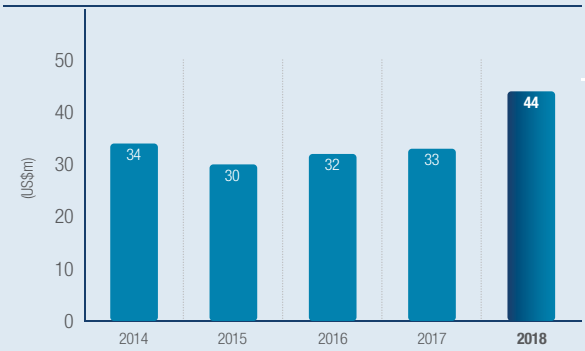
(see detailed 2018 Mineral Resource and Mineral Reserve statement www.implats.co.za)

Total Mineral Resources inclusive of Mineral Reserves

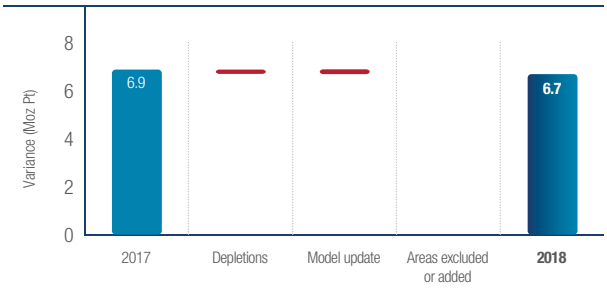
			2018					2017				
	Orebody	Category	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz
Mimosa	MSZ	Measured	58.4	3.92	6.9	7.4	3.4	62.0	3.90	7.3	7.8	3.6
		Indicated	30.8	3.81	3.5	3.8	1.8	30.8	3.80	3.6	3.8	1.7
		Inferred	26.8	3.67	3.0	3.2	1.5	26.8	3.67	3.0	3.2	1.5
	Total		**116.1**	**3.83**	**13.5**	**14.3**	**6.7**	**119.7**	**3.82**	**13.9**	**14.7**	**6.9**

Total Mineral Reserves

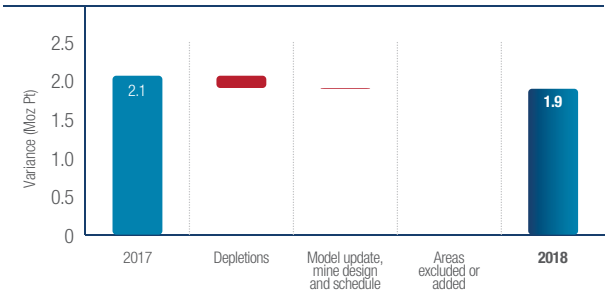
			2018					2017				
	Orebody	Category	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz
Mimosa	MSZ	Proved	23.1	3.79	2.6	2.8	1.3	26.1	3.81	3.0	3.2	1.5
		Probable	11.2	3.63	1.2	1.3	0.6	11.2	3.63	1.2	1.3	0.6
	Total		**34.3**	**3.74**	**3.8**	**4.1**	**1.9**	**37.3**	**3.76**	**4.2**	**4.5**	**2.1**

PERFORMANCE GRAPHS	KPI PERFORMANCE TARGET FOR FY2019	KEY ACTIONS IN FY2019
Capital expenditure 	> Costs <US$195 million > Capital <US$42 million	> Rationalise and prioritise capital expenditure > Continue with stringent cost containment initiatives > Operate within budget
	> Complete projects in accordance with internal social development plans	> Continue to foster a mutually beneficial relationship with the community > Increase and improve engagement with employees, communities and other stakeholders > Increase local procurement, employment and social investment > Ongoing engagement with government with regard to the waiver of the export levy to incentivise expansion projects rather than the construction of a smelter in Zimbabwe
	Non-managed companies define their own variable remuneration benefits	

Total Mimosa Mineral Resources



Total Mimosa Mineral Reserves



Mimosa 20-year LoM Pt ounce profile

Operational performance

Two Rivers

TWO RIVERS IS A JOINT VENTURE BETWEEN AFRICAN RAINBOW MINERALS (54%) AND IMPLATS (46%). THE OPERATION IS SITUATED ON THE SOUTHERN PART OF THE EASTERN LIMB OF THE BUSHVELD IGNEOUS COMPLEX SOME 35 KILOMETRES SOUTH-WEST OF BURGERSFORT IN MPUMALANGA, SOUTH AFRICA.

TWO RIVERS VALUE CHAIN

KEY FEATURES

- Fatality-free for 77 consecutive months
- Split-reef mining has significant impact on mill grade and concentrate production
- Remaining extent of Kalkfontein now included in Mining Right

Value added statement for the year ended 30 June (Prepared on headline earnings basis)	**2018 Rm**	2017 Rm
Revenue	**3 774**	3 994
Other net income	**5**	31
Gross value generated	**3 779**	4 025
Depreciation	**(324)**	(275)
Deferred tax	**(88)**	(8)
	3 367	3 742
Distribution of value		
Labour and other	**(1 093)**	(1 260)
Consumables and services	**(1 406)**	(837)
Finance costs	**(27)**	(31)
Royalty recipients	**(110)**	(142)
Direct state taxes	**(147)**	(266)
Dividends to shareholders	**(543)**	(570)
Value retained in business	**(41)**	(636)
	–	–

OUTLOOK

Platinum production in concentrate is expected to be between 160 000 and 170 000 ounces in FY2019

The challenging mine grade environment will continue to impact in the short term and investigations into alternatives to sustain ounce output continue

OUTCOMES

FIFR
0.0 ✓

TIFR
4.65 ▲

Number of employees
3 192 ▼

Capital expenditure
R454 million ▲

Headline profit
R584 million ▼

Cash flow before financing activities and working capital
R529 million ▲

Platinum production in concentrate
162 500oz ▼

✶ Improved ✓ Target met

RISKS	OPPORTUNITIES	RESPONSE
> Lack of formal approval of Section 31 application > Lack of mining flexibility > Business interruption due to community unrest > Failure of electrical infrastructure > Inability to complete construction of the new tailings facility by May 2021 > Lower plant ounce output due to a lower mill grade > Underground fire resulting in multiple fatalities and business interruption	> Feasibility of extending the operation's life-of-mine continue to receive focus > Plant throughput improvements being considered	> Ongoing communication with regulator > Improved mine planning > Ongoing communications and relationship building with all stakeholders but specifically employees, communities and the regulator > Energy saving initiatives continue to deliver incremental benefits, more stabilised power grid expected later in the financial year > Capital application process and strict project management > Maintain current level of mining production and improve mining > Implementation of lessons learned from Impala's 14 Shaft fire and Phalaborwa underground fire

Operational performance – Two Rivers

BUSINESS MODEL

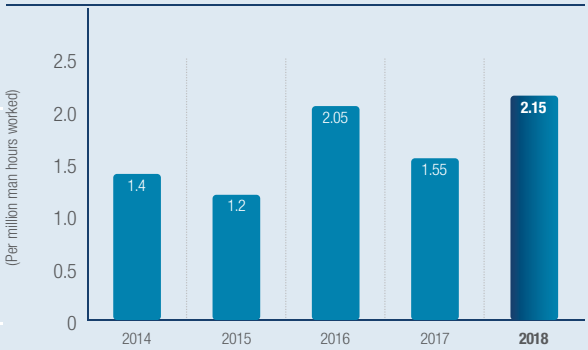
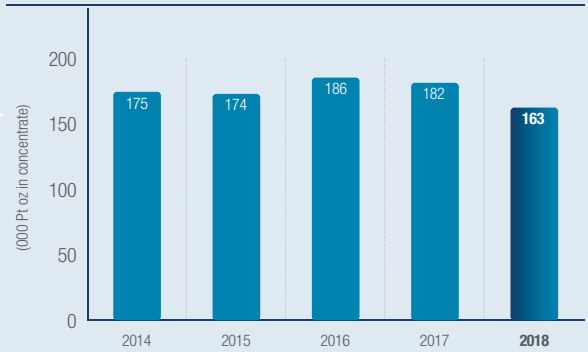
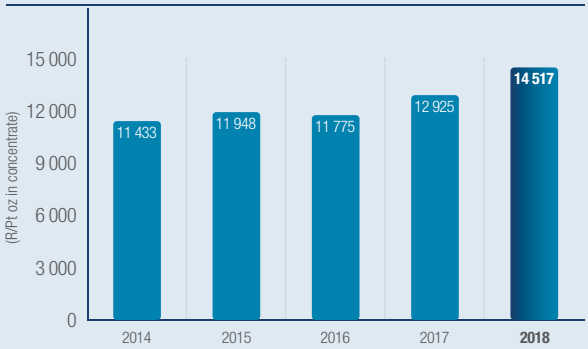
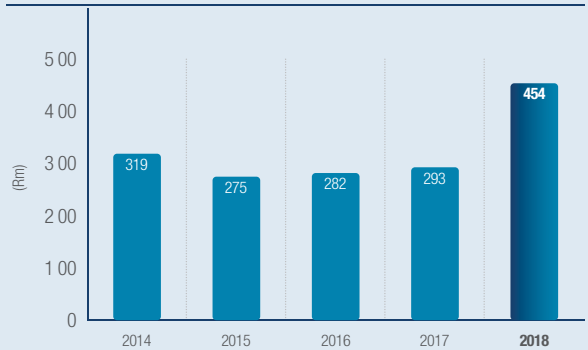
CAPITALS	INPUTS	OUTCOMES
Human	> 3 192 employees including contractors > Effective leadership team > Contractors delivering on agreed terms and conditions	> No employee fatalities > LTIFR: 2.15 (2017: 1.55) > HDSA in management: 46.9% (2017: 49%) > Literacy (ABET level (III)): 64% (2017: 62%)
Social	> Constructive labour relations > Continuous engagement with government and regulators > Good relationships with local communities	> Despite spend being constrained as a result of cost management strategies, investments focus on the needs and priorities of local communities in education, healthcare and broader community welfare
Manufactured	> Property, plant and equipment valued at R3.7 billion (2017: R2.9 billion)	> Milled throughput of 3.46 million tonnes > Platinum in concentrate production of 162 500 ounces
Financial	> Persistently low PGM prices > Capital expenditure: R454 million (2017: R293 million) > Cash flow before financing activities and working capital: R529 million	> Cost: R2.36 billion > Unit cost per Pt oz in concentrate: R14 517 > Revenue basket – R24 146/Pt oz > Gross profit: R989 million
Intellectual	> Knowledge and procedures > Systems and processes > Research and development	> Improvements in efficiencies > Enhanced knowledge, capabilities and skills
Natural	> Total Mineral Resources inclusive of Mineral Reserves of 25.5Moz Pt (2017: 22.4Moz Pt) > Unavoidable impacts on the environment as a consequence of our production activities	> ISO 14001: 2015 certified > Water consumed: 2 408Ml (2017: 2 197Ml) > Water recycled: 54% (2017: 61%) > Current year-on-year change in Mineral Resources and Mineral Reserves: refer to page 138

	RESPONSE	LINK TO STRATEGIES
	> Focus remained on promoting the health and well-being of employees > Continue focus on retaining excellent safety behaviour	
	> Ongoing engagement with community representatives and local government > Drive local procurement	
	> Continuous focus on maintaining mining grade whilst mining into a split-reef extraction area	
	> Curbing of all non-production-related expenses and strict expenditure control	
	> Continuously improve the ability to operate effectively through innovation	
	> Mitigation of environmental impacts supported by leadership and responsible citizenship > Renewed environmental licences and effluent discharge permits > Installed power factor correction equipment > Introduced a climate change strategy and policy and is implementing measure to reduce its carbon footprint by 3% annually to 2020	

Operational performance – Two Rivers

OPERATIONAL REVIEW

STRATEGIC OBJECTIVES	STRATEGY	KPI PERFORMANCE TARGET FOR FY2018	PERFORMANCE AGAINST STRATEGY AND KPIs
Two Rivers a focused PGM producer. Our strategy seeks to sustain optimal levels of production at the lowest possible cost, positioning the company in the lower half of the industry cost curve, as an industry safety leader, to benefit from future stronger PGM prices and to reward all our stakeholders	Relentlessly drive the safety of our people	> Zero fatalities > LTIFR <2	> Number of fatalities: 0 > LTIFR: 2.15 (2017: 1.55)
	Consistently deliver production targets	> >175 000 ounces of platinum in concentrate	> 162 500 (2017: 181 900) ounces of platinum in concentrate > Split-reef mining has a significant impact on mill grade and, consequently, platinum in concentrate output
	Improve efficiencies through operational excellence	> Cost per Pt oz <R14 200	> Cost per platinum ounce of R14 517 (2017: R12 925) impacted by lower production
	Cash conservation	> Costs <R2.5 billion > Capital <R470 million	> Costs: R2.36 billion (2017: R3.5 billion) > Capital R454 million (2017: R293 million)
	Maintain our licence to operate	> Social investment R9.5 million	> Community development: R6.5 million > BEE procurement: 90% (2017: 86%)
		Non-managed companies define their own variable remuneration benefits	

PERFORMANCE GRAPHS	KPI PERFORMANCE TARGET FOR FY2019	KEY ACTIONS IN FY2019
LTIFR  	> Zero fatalities > LTIFR <1.80	> Improve workplace inspection rate to >95% > Grass tailings dam > Continue with replacement of HPDs > Comply with 2024 NIHL limit of 107db
Platinum production  	> 160 000 to 170 000 ounces of platinum in concentrate	> Maintain current level of mining production > Optimise efficiencies in the undercut mining method in the split reef at the Main Decline > Optimise the mass pull and improve metallurgical efficiencies at the plant
Unit cost/Pt oz  	> Cost per Pt oz <R16 000	> Maintain optimal mineable face length > Optimise fleet utilisation > Optimise tertiary milling plant recovery – mass pull optimisation
Capital expenditure  	> Costs <R2.75 billion > Capital <R550 million	> Match capital expenditure with available cash resources > Actively pursue cost saving/ improvement projects > Improved preventative maintenance processes > Strict compliance to procurement processes
	> Social investment R13 million	> Continue to foster a mutually beneficial relationship with communities > Further enhance relationships with organised labour, employees and other stakeholders > Increase local procurement, employment and social investment
	Non-managed companies define their own variable remuneration benefits	

Operational performance – Two Rivers

TWO RIVERS TOTAL MINERAL RESOURCE AND MINERAL RESERVE ESTIMATE

(see detailed 2018 Mineral Resource and Mineral Reserve statement www.implats.co.za)

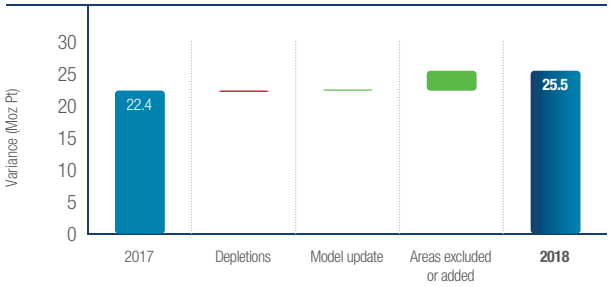
Total Mineral Resources inclusive of Reserves

			2018					2017				
	Orebody	Category	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz
Two Rivers	Merensky	Indicated	75.0	3.34	7.4	8.0	4.4	60.6	3.11	5.5	6.1	3.3
		Inferred	104.7	3.90	12.1	13.1	7.0	99.2	3.92	11.5	12.5	6.7
	UG2	Measured	13.1	5.50	1.9	2.3	1.1	14.4	5.43	2.1	2.5	1.2
		Indicated	80.1	5.63	12.1	14.5	6.5	62.0	5.28	8.7	10.5	4.7
		Inferred	80.4	5.69	12.3	14.7	6.5	80.6	5.60	12.3	14.5	6.5
	Total		**353.2**	**4.64**	**45.8**	**52.7**	**25.5**	**316.8**	**4.53**	**40.1**	**46.1**	**22.4**

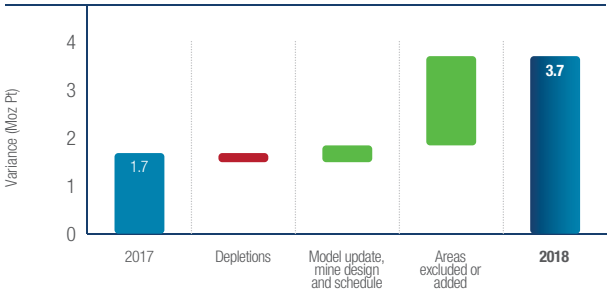
Total Mineral Reserves

			2018					2017				
	Orebody	Category	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz	Tonnage Mt	6E Grade	4E Moz	6E Moz	Pt Moz
Two Rivers	UG2	Proved	8.3	3.61	0.8	1.0	0.4	10.7	3.64	1.0	1.3	0.6
		Probable	62.7	3.49	6.0	7.0	3.3	22.5	3.39	2.0	2.5	1.1
	Total		**71.0**	**3.50**	**6.8**	**8.0**	**3.7**	**33.2**	**3.47**	**3.0**	**3.7**	**1.7**

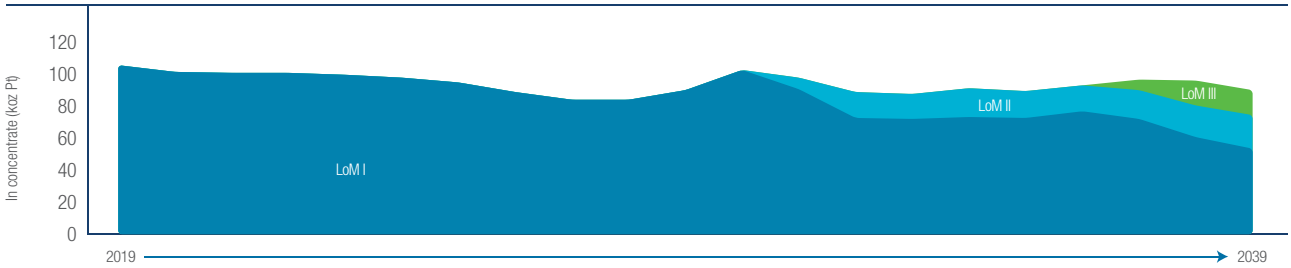
Total Two Rivers Mineral Resources



Total Two Rivers Mineral Reserves



Two Rivers 20-year LoM Pt ounce profile



Glossary

ABET	Adult Basic Education and Training
Aids	Acquired immune deficiency syndrome
AMCU	Association of Mineworkers and Construction Union
AMWUZ	Associated Mine Workers Union of Zimbabwe
ART	Antiretroviral therapy, provided for the treatment of HIV and Aids (excluding state and private medical aid)
B-BBEE	Broad-Based Black Economic Empowerment
BIIS	Business Improvement and Information Systems
BSC	Balance scorecard
CO_2	Carbon dioxide
CSOT	Community Share Ownership Trust
CTF	Cultural transformation framework
db	Decibels, unit of measurement for sound
DEROs	Desired Emissions Reduction Objectives
DOH	Department of Health
DMR	Department of Mineral Resources, South Africa
DPM	Diesel Particulate Matter
DSM	Demand-side management
DWS	Department of Water and Sanitation
EAO	Emolument attachment orders
ECD	Early childhood development
EFF	Economic Freedom Fighters
EIA	Environmental impact assessment
EIS	Executive incentive scheme
EITI	Extractive Industries Transparency Initiative
EMA	Environmental Management Agency of Zimbabwe
EMP	Environmental management programme
ESOP	Employee Share Ownership Programme
ESOT	Employee Share Ownership Trust
Executive director	Is employed by the Company and is involved in the day-to-day running of the organisation
Exco	Executive committee
EVP	Employee value proposition
FIFR	A rate expressed per million man-hours of any Impala employee, contractor, contractor employee or visitor who is involved in an incident while performing his duties at work and who sustains terminal injuries shall constitute a fatal accident. Any road-related fatal incident where the Company is in full control of the vehicle, the driver and conditions related to the road injury of an employee shall constitute a fatal incident. A fatal injury may occur when an employee is incapacitated for a period of time prior to expiration, thus requiring a revision of injury status from LTI to a fatality
FY	Financial year (to 30 June)
GJ	Gigajoules, unit of measure for energy
GHG	Greenhouse gases
GRC	Governance, risk management and compliance
HDSA	Historically disadvantaged South African
HIV	Human immunodeficiency virus
HPD	Hearing protection devices
HR	Human resources
HSE	Health, safety and environment
HSRC	Human Science Research Council
IBC	Inside back cover

IFC	Inside front cover
IFRS	International Financial Reporting Standards
IBT	Impala Bafokeng Trust, socio-economic development vehicle jointly funded by Implats and RBH
ILO	International Labour Organisation
IMP	Impala Medical Plan
Impala Platinum	Impala Platinum Limited, comprising Impala Rustenburg and Impala Springs
Implats	Impala Platinum Holdings Limited
Independent directors	Directors who apart from receiving directors' remuneration do not have any other material pecuniary relationship or transactions with the Company, its management or its subsidiaries, which in the judgement of the board may affect their independence
IPA	International Platinum Group Metals Association
IRS	Impala Refining Services
ISO	International Organisation for Standardisation
IWWMP	Integrated waste and water management plan
IIP	Indigenisation Implementation Plan
JSE	Johannesburg Stock Exchange
KPI	Key performance indicator
LCA	Life cycle assessment
LCMs	Loose cubic metres
LED	Local economic development
LIMS	Laboratory Information Management System
Local community	Communities that are directly impacted by our mining operations and are on or near the mine lease area
Lost-time injury	A work-related injury resulting in the employee being unable to attend work at his/her place of work, performing his/her assigned duties, on the next calendar day (whether a scheduled work day or not) after the day of the injury. If the appointed medical professional advises that the injured person is unable to attend work on the next calendar day after the injury, regardless of the injured person's next roster shift, a lost-time injury is deemed to have occurred
LSE	London Stock Exchange
LTI	Long-term incentive
LTIFR	Number of lost-time injuries expressed as a rate per million hours worked and includes restricted work cases
Marula	Marula Platinum (Pty) Ltd
Materiality and material issues	Issues of materiality are those aspects that may have a significant impact on the organisation's reputation and may carry a financial and/or legal cost. These aspects are identified internally through the risk process and externally through ad hoc or routine engagements with a range of stakeholders
MCDA	Marula community development agency

Glossary

MCLEF	Mine Communities Leadership Engagement forum
MCT	Marula Community Trust
MHSC	Mine, health and safety council
MIGDETT	Mining Industry Growth Development and Employment Task Team
Mimosa	Mimosa Platinum (Private) Limited
Minerals Council	Minerals Council South Africa
Mining Charter	Broad-based socio-economic empowerment charter for the South African mining industry
MPRDA	Mineral and Petroleum Resources Development Act, 28 of 2002, which came into effect in South Africa on 11 May 2004
Medical treatment cases (MTCs)	A medical treatment case is defined as a one-time treatment and subsequent observation of minor injuries by an appointed medical professional. Such minor injuries may include treatment by the application of bandages, antiseptic, ointment, irrigation of the eye to remove non-embedded foreign objects or the removal of foreign objects from the wound. MTCs never involve a loss of one or more calendar days after the injury, regardless of the injured person's next rostered shift or where the injured is unable to perform one or more of their routine functions normally connected with their work due to a restriction applied by an appointed medical professional
MTS	Mining Technical Systems
MW	Megawatt, a measure of electric power
NAC	National Aids Council
NASCA	National Senior Certificate for Adults
NCR	National credit regulator
NGO	Non-governmental organisation
NDP	National Development Plan
NIHL	Noise-induced hearing loss
NMWVZ	National Mine Workers Union of Zimbabwe
Non-executive director	A director who is not involved in the day-to-day running of the organisation but is a nominee director of a material shareholder
NO_x	Nitrous Oxide
NRF	National Research Foundation
NUM	National Union of Mineworkers, South Africa
OHSAS	Occupational Health and Safety Assessment Series
ORAs	Objective-based risk assessments
PBC	PGM beneficiation committee
PDS	Proximity detective systems
PFA	President's Framework Agreement
PGI	Platinum Guild International
PGMs	Platinum group metals being the metals derived from PGE
PIC	Public Investment Corporation
PMR	Precious metal refinery
PPC	Platinum producers' committee
PPE	Personal protective equipment
PPMS	Plant Production Management Services

RBED	Royal Bafokeng Enterprise Development
RBH	Royal Bafokeng Holdings
RBN	Royal Bafokeng Nation/Administration
Reportable	A reportable injury is one which results in: (a) the death of the employee (b) an injury, to any employee, likely to be fatal (c) unconsciousness, incapacitation from heatstroke or heat exhaustion, oxygen deficiency, the inhalation of fumes or poisonous gas, or electric short or electric burning accidents of or by any employee and which is not reportable in terms of paragraph (d), or as required by the OHS Act where applicable (d) an injury which either incapacitates the injured employee from performing that employee's normal occupation for a period totalling 14 days or more, or which causes the injured employee to suffer the loss of a joint, or a part of a joint, or sustain a permanent disability
Restricted work injuries (RWI)	A restricted work injury is a work-related injury which results in the employee being able to return to his or her permanently assigned workplace, to perform his or her permanently assigned work on the next calendar day, but where the injured is unable to perform one or more of their routine functions normally connected with their work due to a restriction applied by an appointed medical professional
RDP	Reconstruction and Development Programme
RFA	Rehabilitation and Fitness Assessment
RLM	Rustenburg local municipality
RSE	Raise
RSIP	Rehabilitation strategy and implantation plan
SAMREC	The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves
SAMVAL	The South African Code for the Reporting of Mineral Asset Valuation
SAP (ERP6)	PAM – Plan and manage MCP – Manage capital projects MPA – Manage physical assets CRM – Customer relationship management GRC – Governance, risk management and compliance RE – Real estate PtP – Purchase to pay Solman – Solution manager SD – Sales and distribution
SD	Sustainable development
SED	Socio-economic development
SET	Social, ethics and transformation
SHEQ	Safety, health and environment quality
SLP	Social and labour plan
SMC	Selous Metallurgical Complex
SMMEs	Small, medium and micro-enterprises
SO_2	Sulphur dioxide
STI	Short-term incentive
TARP	Triggered action response plan
TB	Pulmonary tuberculosis, which in South Africa is considered an occupational illness when it is associated with the presence of dust in the workplace
TEBA	The Employment Bureau of Africa
TIFR	Total injury frequency rate

Glossary

Traditional council leadership	Elected/appointed members of a community according to customs and practices. The tenure of these leaders differ among communities. The chief King/Kgoshi/Kgosi or inKhosi is the head of the traditional council leadership and the chairman of the council
UNGC	United Nations Global Compact
UNSDG	United Nations Sustainable Development Goals
UTS	Utilities
VCT	Voluntary counselling and testing, in respect of HIV and Aids
VPSHR	Voluntary principles on security and human rights
WBCSD	World Business Council on Sustainable Development
WC/WDM	Water Conservation/Water Demand Management
WiM	Woman in mining
WPIC	World Platinum Investment Council
WUL	Water use licence
WZE	Winze
ZIP	Zero incident process

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