

Chief operating officer's review

I am pleased to report that Implats delivered commendable production volumes and demonstrated disciplined cost management across its operations, despite navigating a constrained operating environment.



Patrick Morutlwa
Chief operating
officer

DISCIPLINED DELIVERY

Capital expenditure was carefully planned against the backdrop of weak rand revenue and constrained profitability. Investments were directed toward improving operational efficiency and safeguarding the integrity of our mining and processing infrastructure.

Bimha Mine, a new mine at Zimplats, reached full production of approximately 3.2 million tonnes a year. Also at Zimplats, Mupani Mine – which provides replacement volumes for Rukodzi and Ngwarati mines on their depletion – remains on schedule to achieve design capacity of 3.6 million tonnes a year in FY2029.

Pleasingly, our interventions at the Styldrift ramp-up resulted in a 9% increase in mined tonnage and we are confident it will reach full capacity in FY2027.

Several other major projects were completed, including the commissioning of both the 38MW smelter and 35MW solar power plant at Zimplats, upgrades to Impala Rustenburg's flash

dryer and Impala Refineries' base metals refinery, while the BMR effluent crystalliser was also commissioned.

Safety remains a core priority. Twelve months ago, we introduced our eight-point safety plan, which has contributed to a significant reduction in injury rates. While this progress is encouraging, we have not yet seen a corresponding decline in fatal incidents. As the plan continues to embed across operations, we remain confident in its potential to drive meaningful change.

Encouragingly, we celebrated 18 white flag days, where all 63 000+ employees returned home safely. Six of our seven operating assets were fatality-free in the period, some maintaining this status for more than 12 months. These indicators affirm that our safety strategy is gaining traction. We remain unwavering in our belief that zero harm is achievable, and will continue to prioritise interventions that reduce life-altering injuries and fatalities.

OPERATIONAL REVIEW

We navigated Group-wide labour restructuring, elevated commissioning activity at Zimplats, shifts in operating parameters across several assets, and unplanned disruptions due to maintenance, weather and utility supply at our processing assets to deliver a commendable production and cost performance.

Impala Rustenburg: Production declined by 4% across our managed operations. At Impala Rustenburg, stock-adjusted output was largely stable. While safety stoppages challenged operating momentum, higher grades and sustained mining flexibility supported performance. Total development declined by 9%, aligned with the planned reduction in waste development. Mineable face length was maintained at the targeted 25 kilometres, underpinning mining flexibility through structural and process improvements in FY2024. Labour restructuring in late FY2024 and further reductions in Q4 FY2025 resulted in a 3% lower period-end employee complement.

Impala Bafokeng: Labour restructuring and revised operating parameters repositioned Impala Bafokeng in FY2025. While Styldrift made notable progress, BRPM experienced production losses due to extended safety stoppages, heavy rainfall and water and power disruptions.

Zimplats: Contended with lower machine availability and intermittent power supply. Matte volumes were impacted by smelter and converter commissioning. To bolster near-term mined volumes, a short-term open-pit mining programme was initiated, with first ore generated in February 2025.

Impala Canada: Production tapered in line with the shortened life-of-mine and the revised operating strategy introduced in FY2024 in response to weaker PGM pricing. As operations ramp down, the focus has shifted to maximising higher-margin ounces, resulting in lower mined and milled volumes and a reduced cost base. Commercial operations are expected to cease in May 2026.

Marula: Production was impacted by constrained mining flexibility and two phases of labour restructuring in Q1 and Q4. Leadership changes and revised management routines have been embedded, with improved operational stability anticipated in FY2026. The decision to curtail the Marula Phase 2 project will

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impact long-term life-of-mine. A recovery in operating and financial performance is required to justify phased reinstatement of planned spend and infrastructure expansion.

Joint ventures: Production from our JVs declined by 1%. Two Rivers improved UG2 mining performance, though Merensky ore volumes were lower. Mimosa continued to deliver consistently strong results.

Third-party receipts: Receipts exceeded expectations, supported by strong deliveries from key contracts.

Group processing capacity was constrained by unplanned maintenance in South Africa and commissioning of the expanded furnace complex at Zimplats. Heavy rains and utility supply interruptions further impacted the base and precious metals refineries. In December 2024, we expedited the full rebuild of Furnace 3 at Impala Rustenburg. This, together with unplanned repairs to Furnace 5 in February 2025 deferred 150 000 ounces of refined 6E production. Additional interruptions to Impala Refineries due to water, power and hydrogen supply impacted a further 80 000 6E ounces.

Refined 6E production, including saleable ounces from Impala Bafokeng and Impala Canada, was stable. We ended the period with excess inventory of circa 420 000 6E ounces – 30 000 ounces higher than the prior year. Ongoing planned furnace enhancements and administrative delays in moving Mimosa concentrate to IRS and Zimplats are expected to extend the destocking timeline, with full release anticipated in FY2029.

Capital expenditure reflects a material slowdown in growth and replacement spend, following the commissioning of major projects. Minor changes in our mineral resource estimate include positive adjustments at Impala Canada and the Waterberg project, offsetting depletion. The 10% reduction in reserves is primarily due to the exclusion of Marula's Phase 2 project and production depletion, which outweighed gains at Impala Bafokeng and Zimplats.

We invite you to explore our 2025 Mineral Resource and Mineral Reserve Statement for additional insight. 

OUTLOOK AND APPRECIATION

Group production in FY2026 will be underpinned by sustained operational momentum at Impala Rustenburg, Mimosa and Two Rivers. Restored stability at Zimplats and improved performance at Marula are expected to further support the Group's production outlook. As planned, Impala Canada volumes will taper off with the cessation of commercial operations during the year.

Refined production is set to benefit from enhanced processing availability at Impala Rustenburg and Zimplats, driven by an optimised operating strategy and strengthened maintenance protocols. FY2026 will mark the phased introduction of targeted design improvements, beginning with the scheduled rebuild of Furnace 4 in December. These enhancements include a redesigned furnace configuration to support long-term integrity and performance, while accommodating evolving feed mineralogy. Full implementation of the optimised design will be incorporated into scheduled rebuilds from FY2027 onward.

In FY2026, Group 6E refined and saleable production is forecast at between 3.4 and 3.6 million ounces. Group unit costs are expected to rise by 4% to 9%, reaching between R23 500 and R24 500 per 6E ounce on a stock-adjusted basis. Group capital expenditure is projected to be between R8 billion to R9 billion, including approximately R1 billion for the second phase of the solar project in Zimbabwe, classified as stay-in-business spend. Growth capital remains negligible.

I congratulate and thank our teams across the Group for their resilience and commitment. Through disciplined, safe and cost-effective execution, we remain confident in a stronger Implats and our ability to consistently deliver on guided 6E PGM supply in the year ahead.

Patrick Morutlwa
Chief operating officer



The plant at Mimosa