

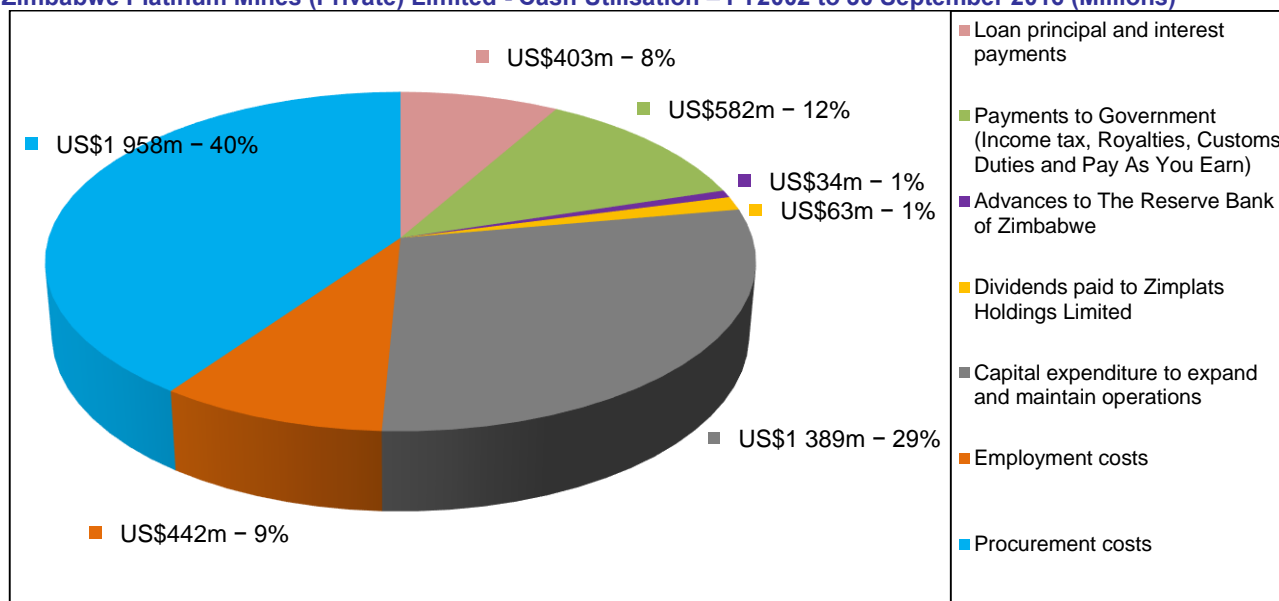
Zimplats Holdings Limited



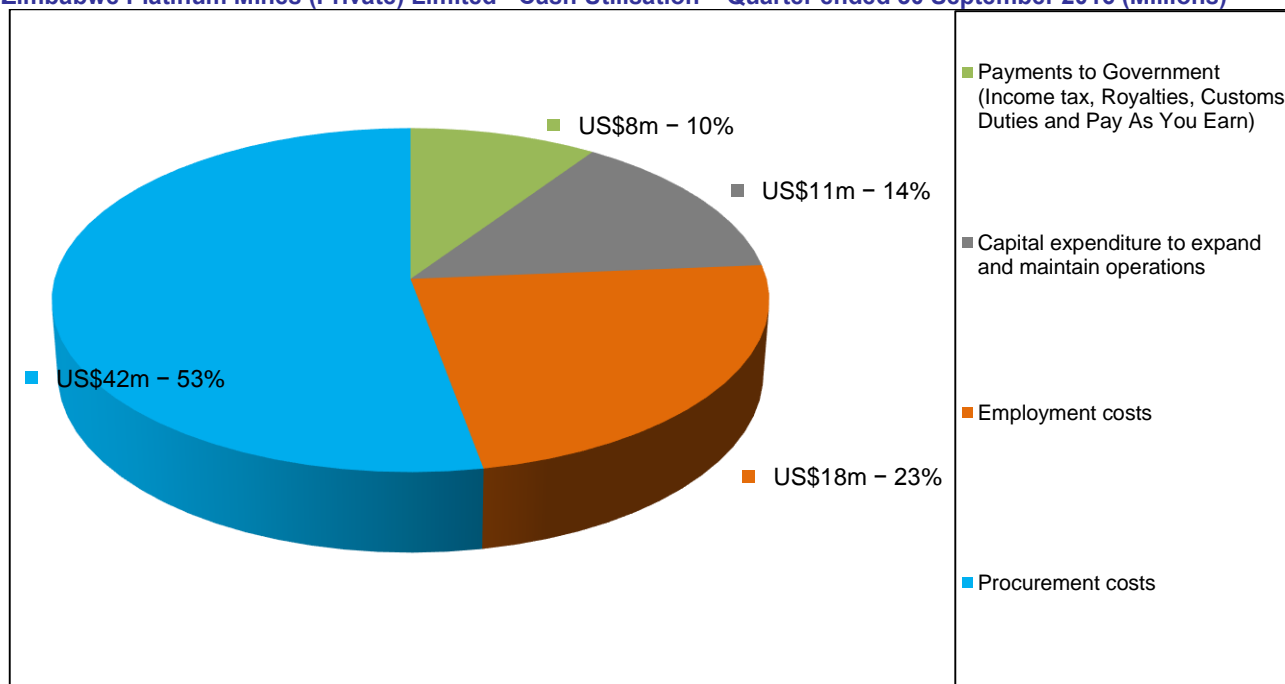
REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2016

KEY FEATURES

Zimbabwe Platinum Mines (Private) Limited - Cash Utilisation – FY2002 to 30 September 2016 (Millions)



Zimbabwe Platinum Mines (Private) Limited - Cash Utilisation – Quarter ended 30 September 2016 (Millions)



- No fatal accidents and lost-time injuries (LTI) were recorded during the quarter
- Bimha Mine re-development is progressing well
- Tonnes mined and milled increased by 3% and 4% respectively from the previous quarter
- 4E (platinum, palladium, gold and rhodium) production in converter matte decreased by 27% from the previous quarter
- Revenue decreased by 24% from the previous quarter
- Profit from operations after royalties of US\$16.2 million was realised during the quarter compared to US\$25.6 million recorded in the previous quarter

SAFETY

No LTI was recorded during the quarter.

PRODUCTION

		September Quarter 2016	June Quarter 2016	% Change	September Quarter 2015	% Change
Mining						
Ore mined	Tonnes (000)	1 732	1 675	3	1 625	7
Head grade	4E g/t	3.24	3.24	-	3.21	1
Processing						
Ore milled	Tonnes (000)	1 703	1 641	4	1 614	6
Recovery	4E%	80.9	80.9	-	80.9	-
Metal in concentrate	4E ounces	143 520	138 201	4	134 975	6
Metal in final product	4E ounces	138 670	142 148	(2)	133 505	4
<i>In converter matte</i>	<i>4E ounces</i>	103 697	142 148	(27)	133 505	(22)
<i>In concentrate stockpiled for sale</i>	<i>4E ounces</i>	34 973	-	n/a	-	n/a
Nickel in final product	Tonnes	1 239	1 312	(6)	1 271	(3)
<i>In converter matte</i>	<i>Tonnes</i>	909	1 312	(31)	1 271	(28)
<i>In concentrate stockpiled for sale</i>	<i>Tonnes</i>	330	-	n/a	-	n/a
Copper in final product	Tonnes	909	960	(5)	900	1
<i>In converter matte</i>	<i>Tonnes</i>	664	960	(31)	900	(26)
<i>In concentrate stockpiled for sale</i>	<i>Tonnes</i>	245	-	n/a	-	n/a
Metal sales						
In converter matte						
4E	Ounces	100 392	143 647	(30)	131 476	(24)
Nickel	Tonnes	871	1 284	(32)	1 244	(30)
Copper	Tonnes	633	980	(35)	882	(28)

Tonnes mined improved by 3% from the previous quarter owing to good operational performances across all the mines.

Head grade (4E) at 3.24g/t was maintained at previous quarter levels reflecting sustained focus on grade control.

Milled ore volumes and 4E metal in concentrate throughput increased by 4% from the previous quarter in line with improved ore supply from the mines and steady concentrator plant performance.

The furnace was shut down for a periodic matte-end wall rebuild in July 2016 resulting in a 15% reduction in operating time from the previous quarter. The metal produced from the concentrators during the furnace shutdown will be exported as concentrate in the second quarter. Consequently, metal in converter matte (4E) produced and sold decreased by 27% and 30% respectively from the previous quarter. Overall metal production (including metal in concentrates stockpiled for sale) was 2% lower than the previous quarter despite the higher mill volumes due to metal build-up in the furnace after the shutdown.

FINANCIAL

	September Quarter 2016 US\$ 000	June Quarter 2016 US\$ 000	% Change	September Quarter 2015 US\$ 000	% Change
Revenue	98 503	128 908	(24)	108 076	(9)
Operating costs	(79 899)	(100 066)	20	(99 393)	20
Profit from operations before royalties	18 604	28 842	(35)	8 683	114
Royalties	(2 453)	(3 210)	24	(2 686)	9
Profit from operations after royalties	16 151	25 632	(37)	5 997	169

Revenue decreased by 24% from the previous quarter due to the 30% decrease in 4E metal sales volumes. The effect of lower sales volumes on revenue was partly offset by the higher metal prices achieved in the quarter (revenue per 4E ounce increased by 9% from the previous quarter).

Operating costs decreased by 20% in comparison to the previous quarter mainly due to the lower sales volumes.

Royalties were 24% lower than the previous quarter in line with revenue.

Cash and total cost of production	September Quarter 2016 US\$	June Quarter 2016 US\$	% Change	September Quarter 2015 US\$	% Change
Cash cost per 4E ounce	587	612	4	606	3
Net cash cost per 4E ounce	484	517	6	504	4
Amortisation and depreciation	139	74	(88)	151	8
Total cost per 4E ounce*	624	591	(6)	655	5
Total revenue per 4E ounce	981	897	9	822	19

*Net of by-product revenue.

Cash cost per 4E ounce was 4% better than the previous quarter largely due to the higher mining and milling volumes.

Local spend in Zimbabwe (excluding payments to government and related institutions) for the quarter decreased from US\$92 million recorded in the previous quarter to US\$27 million. A significant component of the local procurement costs for the quarter were paid for in the previous quarter.

Total payments to government in direct and indirect taxes also decreased to US\$8 million from US\$42 million reported in the previous quarter. Previous quarter taxes were higher owing to the additional profits tax payment of US\$35 million in respect of the financial year ended 30 June 2015.

METAL PRICES

The average platinum, palladium, rhodium, gold and nickel prices achieved were as follows:

	September Quarter 2016	June Quarter 2016	% Change	September Quarter 2015	% Change
Platinum (US\$ per oz)	1 086	1 004	8	988	10
Palladium (US\$ per oz)	675	568	19	615	10
Rhodium (US\$ per oz)	618	662	(7)	746	(17)
Gold (US\$ per oz)	1 335	1 259	6	1 124	19
Nickel (US\$ per tonne)	10 262	8 816	16	10 538	(3)

CAPITAL PROJECTS

The Ngezi Phase 2 expansion project is now substantially complete with a total project to date expenditure of US\$454 million as at 30 September 2016.

Implementation of the base metal refinery project is being matched with available cash resources. As at 30 September 2016, a total of US\$22.8 million had been spent on the project compared to US\$22.1 million as at 30 June 2016.

The redevelopment of Bimha Mine remains on schedule to reach full production in April 2018.

The bankable feasibility study (BFS) for Portal 6 (replacement mine for Ngwarati and Rukodzi mines) was completed in the quarter and will be presented to the board in November 2016.

RESOLUTION OF OUTSTANDING ISSUES WITH GOVERNMENT

Reserve Bank of Zimbabwe Debt

Zimbabwe Platinum Mines (Private) Limited (the operating subsidiary) remains in discussion with the relevant authorities in Zimbabwe on the US\$34 million debt owed by the Reserve Bank of Zimbabwe to the operating subsidiary.

Indigenisation and Economic Empowerment

The operating subsidiary is still in discussion with the Government of Zimbabwe regarding its indigenisation implementation plan.

Acquisition of Portion of Mining Lease Area

The matter in which the Government of Zimbabwe (the Government) filed an application seeking an order authorising the acquisition by the Government of a portion of the operating subsidiary's mining lease area remains pending in the Administrative Court of Zimbabwe. The operating subsidiary however continues to engage the Government with a view to reaching an amicable resolution of the matter.

SHAREHOLDER INFORMATION

Share price

The average share price for the quarter was AU\$4.68 (previous quarter: AU\$3.62).

Capital Structure

Major shareholders as at 30 September 2016:

Impala Platinum BV	87.00%
J P Morgan Nominees Australia Limited	5.11%
Citicorp Nominees Pty Limited	3.74%
HSBC Custody Nominees (Australia) Limited	1.42%
National Nominees Limited	0.98%

Shareholder enquiries

Matters relating to the shareholdings should be directed to the share registry at: Computershare Registry Services Pty Ltd, GPO Box 7054, Sydney NSW 1115, Australia. Tel: +61 3 9415 4000, Fax: +61 3 9473 2500.

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