



REPORT FOR THE QUARTER ENDED 30 September 2013

KEY FEATURES

- Disappointing safety performance.
- The company excelled in a number of national safety competitions and audits held in the quarter.
- Good operational and financial performance.
- Metal prices remained depressed in the quarter.
- Phase 2 Expansion project implementation progressing well.
- The company's indigenisation is still being reviewed by the government.

SAFETY

Safety performance for the quarter was disappointing as we recorded a major accident involving an employee who subsequently died from medical complications unrelated to the accident. Mining Inspectorate investigations are still on-going and a determination of the classification of the accident will be communicated in due course

No other lost time injuries were reported in the quarter, resulting in a 42% improvement in the Lost Time Injury Frequency Rate (LTIFR) to 0.31 from 0.53 per million man hours worked in the previous quarter. Whilst the current trend shows a pleasing reduction in the number of accidents, the severity of these accidents have unfortunately worsened. The creation of a safe working environment and attainment of zero harm remains a principle priority and is being advanced through the implementation of a range of safety initiatives.

The company won the following safety awards/competitions in the quarter:

- National Fire Fighting Competition.
- National First Aid Competition.
- National Mine Rescue Competition.
- Association of Mine Managers of Zimbabwe (AMMZ) safety award in the refineries and coke ovens category.
- NSSA National Premium Safety Award.

PRODUCTION – Zimbabwe Platinum Mines (Private) Limited

		September Quarter 2013	June Quarter 2013	% Change	September Quarter 2012	% Change
Mining						
Ore mined	000t	1,294	1,226	6	1,212	7
Head grade (4E)	g/t	3.25	3.26	(0)	3.33	(2)
Processing						
Ore milled	000t	1,509	1,434	5	1,056	43
Recovery (4E)	%	82.0	82.9	(1)	82.4	(1)
Metal in concentrate (4E)	oz	129,346	124,782	4	100,409	29
Metal in converter matte (4E)	oz	119,821	124,237	(4)	60,659	98
Nickel	t	1,244	1,261	(1)	601	107
Copper	t	915	958	(4)	439	108
Metal sales						
In converter matte						
PGM (4E)	oz	118,908	118,416	0	63,011	89
Nickel	t	1,244	1,236	1	623	100
Copper	t	910	955	(5)	455	100
In concentrate						
PGM (4E)	oz	0	0	n/a	14,712	n/a
Nickel	t	0	0	n/a	137	n/a
Copper	t	0	0	n/a	100	n/a

Tonnes mined increased by 6% from the previous quarter following the introduction of two production fleets at the Mupfuti Mine in the quarter. Bimha Mine's production declined by 21,000 tonnes from the previous period due to the effects of a shear zone (Mutambara Shear) which is impacting mining operations. Implementation of identified stabilisation measures is progressing well and should be completed in the third quarter of the year. Other contingency plans are being implemented to avoid any ore shortages.

Head grade was affected by the milling of low-grade partially oxidised ore from ore stockpiles and some ore dilution as a result of poor ground conditions being encountered in some sections of the mines. The treatment of stockpile material also impacted metal recoveries, which declined by 1% from the previous period.

Whilst tonnes milled and metal in concentrate production increased by 5% and 4% respectively from the previous quarter, metal in converter matte decreased by 4% due to a build-up of metal inventories.

FINANCIAL – Zimbabwe Platinum Mines (Private) Limited

	September Quarter 2013 US\$ 000's	June Quarter 2013 US\$ 000's	% Change	September Quarter 2012 US\$ 000's	% Change
Revenue	145,532	125,891	16	93,495	56
Operating Costs*	(105,696)	(103,412)	(2)	(71,825)	(47)
Operating Profit	39,836	22,479	77	21,670	84

*Excluding share based payments, fair value adjustments, tax penalties and foreign exchange differences

While metal sales volumes remained largely unchanged from the previous period, revenue increased by 16% as a result of price adjustments on pipeline sales made at year-end (June 2013). Consequently, operating profit increased by 77% to \$39.8 million.

Cash and total cost of production	September Quarter 2013 US\$	June Quarter 2013 US\$	% Change	September Quarter 2012 US\$	% Change
Cash cost per 4E ounce	685	592	(16)	806	15
Net cash cost per 4E ounce	525	441	(19)	635	17
Amortisation and depreciation	110	137	19	152	27
Total cost per 4E ounce *	635	428	(49)	787	19
Total revenue per 4E ounce	1,224	1,063	15	1,203	2

*Net of by-product revenue.

Cash costs per 4E ounce were 16% higher than the previous quarter, impacted by lower platinum production (in converter matte), and increases in the effective electricity tariff and trackless mining equipment maintenance rates. The average power tariff increased by 35% from the previous quarter as prepaid power units charged at US2.2 cents per kWh were exhausted in May 2013. Trackless equipment maintenance contract rates were reviewed upward midway through the previous quarter, impacting maintenance costs for the quarter.

The company's local spend (excluding payments to government and related institutions) remained unchanged at US\$42 million. Zimplats paid US\$32 million to the government in direct and indirect taxes, 7% higher than the previous quarter, largely as a result of an increase in withholding tax on foreign services, royalties on metal sales and withholding taxes on technical fees received from the operating subsidiary.

PGM PRICES

The average PGM, gold and nickel prices for the past quarter are as follows:

	September Quarter 2013	June Quarter 2013	% Change	September Quarter 2012	% Change
Platinum (US\$ per oz)	1,456	1,471	(1)	1,499	(3)
Palladium (US\$ per oz)	724	711	2	612	18
Rhodium (US\$ per oz)	983	1,117	(12)	1,095	(10)
Gold (US\$ per oz)	1,329	1,413	(6)	1,654	(20)
Nickel (US\$ per tonne)	13,919	14,949	(7)	16,341	(15)

EXPANSION

Two production fleets were introduced at the Mupfuti mine during the quarter and achieved design capacity on schedule of 20,000 tonnes per month in October 2013. Development of the new mine remains on schedule to reach design production in early 2015.

RESOLUTION OF OUTSTANDING ISSUES WITH GOVERNMENT

Taxation Issues

The operating subsidiary's appeals against the tax penalty and the review of the interest on the prior years' tax liabilities are still pending finalisation in the courts. The payment of the prior years' tax liabilities has continued in terms of the agreed plan.

Additional Profits Tax Court Case

The Special Court for Income Tax Appeals has not yet set a new date for the hearing of this case.

RBZ Debt

There has been no further development on this issue.

Indigenisation and Economic Empowerment

Following the installation of a new Government, the company's indigenisation plan will now be reviewed by the new Minister of Indigenisation. These discussions will also include further engagement on the previously announced land acquisition by government.

SHAREHOLDER INFORMATION

Share price

The average share price for the quarter was AU\$7.16 (previous quarter: AU\$8.85).

Capital Structure

Major shareholders as at 31 June 2013:

Impala Platinum Holdings Limited	87.00%
HSBC Custody Nominees (Australia) Ltd	5.44%
Merrill Lynch (Australia) Nominees Pty Ltd	1.57%

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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