

Zimplats Holdings Limited

(ASX CODE: ZIM)
(ARBN: 083 463 058)



ASX ANNOUNCEMENT
29 OCTOBER 2021

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021

This ASX announcement was approved and authorised for release by the board of directors of Zimplats Holdings Limited.

KEY FEATURES

- 22 new Covid-19 cases were recorded during the quarter, all of whom have fully recovered
- One lost-time injury was recorded during the quarter
- Tonnes mined increased by 1%, while tonnes milled decreased by 5% from the prior quarter
- Production of 6E (platinum, palladium, rhodium, ruthenium, iridium and gold) decreased by 7% from the prior quarter
- Cash costs per 6E ounce produced increased by 4% to US\$680/oz

SAFETY

One lost-time injury was recorded during the period under review. No lost-time injuries occurred in the prior quarter and a safety recovery plan is being implemented to ensure this deterioration is reversed.

The Zimplats board of directors and management team remain committed to ensuring a safe working environment for all employees and contractors.

PRODUCTION

		September quarter 2021	June quarter 2021	% change	September quarter 2020	% change
Mining						
Ore mined	Tonnes (000)	1 808	1 787	1	1 864	(3)
6E head grade	g/t	3.45	3.40	1	3.49	(1)
Processing						
Ore milled	Tonnes (000)	1 677	1 767	(5)	1 670	-
6E recovery	%	77.6	77.9	-	78.3	(1)
Metal in final product						
Platinum	Ounces	65 499	70 688	(7)	65 069	1
Palladium	Ounces	55 895	59 544	(6)	56 016	-
Gold	Ounces	7 803	8 533	(9)	7 396	6
Rhodium	Ounces	5 932	6 358	(7)	5 828	2
Ruthenium	Ounces	5 423	5 803	(7)	5 262	3
Iridium	Ounces	2 509	2 717	(8)	2 453	2
6E total	Ounces	143 061	153 643	(7)	142 023	1
Silver	Ounces	12 049	13 285	(9)	11 316	6
Nickel	Tonnes	1 276	1 391	(8)	1 111	15
Copper	Tonnes	968	1 080	(10)	872	11
Cobalt	Tonnes	14	15	(7)	13	8

1.8 million tonnes of ore were mined in the period under review. While this reflected a 1% increase from the prior quarter, volumes were 3% lower than those achieved in the quarter ended 30 September 2020. This was due to lower productivity as a result of the required ramp up of teams recommencing production at Ngwarati Mine from 1 July 2021 following the successful rehabilitation of the box-cut highwall.

6E head grade of 3.45 g/t improved 1% from the prior quarter reflecting the benefit of the resumption of production from Ngwarati Mine.

The concentrator at the Selous Metallurgical Complex was shut for a planned mill reline during the quarter under review. While ore milled therefore declined by 5% from the prior quarter, it was stable relative to the September 2020 quarter. As a result, 6E production in final product of 143 061 ounces decreased by 7% from the prior quarter. Metal in final product volumes in the September 2020 quarter were impacted by the deferral of concentrates smelted to the December 2020 quarter and therefore, volumes for the quarter under review were 1% higher.

FINANCIAL

	September quarter 2021	June quarter 2021	% change	September quarter 2020	% change
Total operating cash costs (US\$000)	100 372	99 544	(1)	95 631	(5)
Transfer (to)/from closing stocks (US\$000)	(3 104)	1 013	406	(5 623)	45
Cash costs of metal produced (US\$000)	97 268	100 557	3	90 008	(8)
Operating cash costs per 6E ounce (US\$)	680	655	(4)	634	(7)

Total operating cash costs were 1% higher than the prior quarter mainly due to increased Covid-19 spend and insurance costs. A total of US\$3 million was transferred from operating costs to closing stocks during the quarter, as the Group accumulated ore in anticipation of the commissioning of the third concentrator under construction at Ngezi. The combination of lower production volumes and higher operating costs resulted in a 4% quarter-on-quarter and a 7% year-on-year increase in operating cash costs of US\$680 per 6E ounce.

EXPLORATION

A total of US\$0.4 million was spent on exploration projects, with a further US\$1.1 million committed as at 30 September 2021. Exploration activities included mineral resource evaluation, comprising approximately 8 621 metres of surface diamond drilling over existing projects on the two mining leases. Exploration activities increased geological and geotechnical confidence in production schedules.

COVID-19 UPDATE

The Group recorded 22 positive Covid-19 cases during the quarter, bringing the total number of confirmed cases since the start of the pandemic to 57. Affected employees, who had all fully recovered by quarter end, were managed in accordance with the Group's Covid-19 code of practice, which incorporates protocols from the Zimbabwe Ministry of Health and Child Care and the World Health Organisation. There were no operational disruptions caused by the Covid-19 pandemic. The Group's vaccination programme made significant progress achieving 100% employee vaccination by the end of the quarter.

Zimbabwe's third wave of Covid-19, which began near the end of the previous quarter had receded by end of the quarter under review. Zimbabwe's lockdown restrictions reduced from Level 4 to Level 2, with extended business hours. The Group's operations, which continue to be designated as "essential services", were not affected by adjustments in restrictions over the quarter.

SHAREHOLDER INFORMATION

Shareholder enquiries

Matters relating to 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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