

# Zimplats Holdings Limited

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



**ASX ANNOUNCEMENT**  
**26 JULY 2022**

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2022

- This ASX announcement was approved and authorised for release by the board of directors of Zimplats Holdings Limited ('Zimplats' or the 'Company')
- The report covers the consolidated entity of Zimplats and its subsidiaries (together the 'Group')
- The report is presented in United States dollars (US\$)
- FY in this report refers to the Group's financial year, which ends on 30 June.

### KEY FEATURES

- Ten new Covid-19 positive cases were recorded, all of whom have fully recovered.
- Two lost-time injuries were recorded.
- Mined and milled tonnages increased by 9% and 4% respectively from the prior quarter.
- 6E (platinum, palladium, rhodium, ruthenium, iridium and gold) production increased by 2%.
- Cash cost per 6E ounce decreased by 3% to US\$726/oz.

### SAFETY

Two lost-time injuries were recorded at the Mining Division during the quarter under review. The lost-time injuries related to two security guards who were injured in a traffic accident while responding to mine site intruders. Implementation of remedial action plans from the accident investigation is ongoing.

### PRODUCTION

		June Quarter 2022	March Quarter 2022	% change	June Quarter 2021	% change
<b>Mining</b>						
Ore mined	Tonnes (000)	1 860	1 711	9	1 787	4
6E head grade	g/t	3.44	3.40	1	3.40	1
<b>Processing</b>						
Ore milled	Tonnes (000)	1 769	1 707	4	1 767	-
6E concentrators recovery	%	78.1	78.0	-	77.9	-
<b>Metal in final product</b>						
Platinum	Ounces	68 911	67 762	2	70 688	(3)
Palladium	Ounces	59 252	58 030	2	59 544	-
Gold	Ounces	8 436	8 591	(2)	8 533	(1)
Rhodium	Ounces	6 048	6 050	-	6 358	(5)
Ruthenium	Ounces	5 793	5 573	4	5 803	-
Iridium	Ounces	2 685	2 535	6	2 717	(1)
<b>6E total</b>		<b>151 125</b>	<b>148 541</b>	<b>2</b>	<b>153 643</b>	<b>(2)</b>
Silver	Ounces	12 889	12 267	5	13 285	(3)
Nickel	Tonnes	1 396	1 383	1	1 391	-
Copper	Tonnes	1 018	1 036	(2)	1 080	(6)
Cobalt	Tonnes	16	17	(6)	15	7

Mined tonnage increased by 9% quarter-on-quarter and 4% year-on-year following the full recovery of Mupfuti Mine from the effects of lower trackless mining equipment availability.

6E head grade improved by 1% to 3.44g/t from 3.40g/t in the previous quarter, mainly driven by the increase in the contribution of high-grade ore from Mupfuti Mine. The previous quarter's head grade was adversely affected by processing low grade development ore from Mupani Mine stockpile.

Milled tonnes increased by 4% from 1 706 671 tonnes to 1 769 270 tonnes compared to the prior quarter due to an increase in the number of operating days and improvement in the milling rate.

6E metal in final product increased by 2% to 151 125 ounces from the prior quarter, mainly due to the increase in mill volumes which was partly offset by negative inventory movement in the smelter. Production for the same period last year benefitted from a release of smelter inventory. Resultantly, metal in final product was 2% lower than same period last year.

## FINANCIAL

	June quarter 2022	March quarter 2022	% change	June quarter 2021	% change
<b>Total operating cash costs (US\$000)</b>	110 806	107 397	(3)	99 544	(11)
Transfer to closing stocks (US\$000)	(1 106)	4 260	126	1 013	209
<b>Cash costs of metal produced (US\$000)</b>	<b>109 700</b>	<b>111 657</b>	<b>2</b>	<b>100 557</b>	<b>(9)</b>
Operating cash costs per 6E ounce (US\$)	726	752	3	655	(11)

Total operating cash costs increased by 3% from the prior quarter, driven mainly by 9% and 4% increase in tonnes mined and tonnes milled respectively. A total of US\$1.1 million was transferred from operating costs to closing stocks due to the planned build-up of run-of-mine ore stocks in preparation for the commissioning of the Third Concentrator Plant in August 2022. This resulted in the cost of metal produced decreasing 2% compared to previous quarter. The decrease in cash costs of metal produced together with the 2% increase in 6E ounces produced resulted in a 3% improvement in 6E unit costs from US\$752/oz in the previous quarter, to US\$726/oz. Year-on-year unit costs increased by 2% mainly due to the inflationary increase in operating cash costs.

## EXPLORATION

A total of US\$0.5 million was spent on exploration projects, with a further US\$0.7 million committed as at 30 June 2022. Exploration activities included mineral resource evaluation, comprising approximately 2 190 metres of surface diamond drilling over existing projects on the two mining leases. Exploration activities increased geological and geotechnical confidence in production schedules.

## MAJOR PROJECTS UPDATE

The development of Mupani Mine and upgrade of Bimha Mine to replace Rukodzi, Ngwarati, and Mupfuti mines, which will be depleted in FY2022, FY2025, and FY2028 respectively, progressed well during the quarter. A total of US\$228 million had been spent on the project to date and US\$81 million had been committed against a project budget of US\$468 million.

The Third Concentrator Plant which will increase milling capacity by 0.9 million tonnes per year (equivalent to about 80 000 6E ounces) is on course for commissioning in August 2022. Cumulative project expenditure as at the end of the quarter amounted to US\$79 million with US\$14 million committed against a project budget of US\$94 million.

Implementation of the US\$521 million smelter expansion and SO<sub>2</sub> abatement plant project which commenced in the previous quarter is on course. The project consists of the construction of a 38MW furnace and establishment of an acid plant for the abatement of sulphur dioxide generated by the smelter operations. A total of US\$19 million had been spent on the project and US\$218 million committed as at the end of the quarter.

Procurement processes for the US\$37 million Phase 1 implementation of the 185 MW solar project commenced during the quarter under review. Phase 1 is a 35 MW plant at Selous Metallurgical Complex scheduled for completion in FY2024. Overall, the project has four implementation phases with the last phase scheduled for completion in FY2027 at a total project cost estimate of US\$201 million.

## COVID-19 UPDATE

The Group recorded ten new Covid-19 cases during the quarter under review, all of whom have fully recovered, increasing the total number of confirmed and fully recovered cases since the start of the pandemic to 86. The Group's Covid-19 code of practice, which incorporates guidelines from the Ministry of Health and Child Care and World Health Organisation continues to guide the prevention and management of Covid-19 cases in the Group.

## 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.

#### Contact - Guernsey

Mrs. Jane de Jersey

Tel: +44 1481 737 245

Fax: +44 1481 711 220

Email: [jane.dejersey@wearecarey.com](mailto:jane.dejersey@wearecarey.com)

#### Contact - Australia

Ms. Kathrine Brown

Tel: +61 2 9051 1632

Email: [kathrine.brown@zimplats.com.au](mailto:kathrine.brown@zimplats.com.au)

#### Contact - Zimbabwe

Mrs. Patricia Zvandasara

Tel: +263 4 886 888

Email: [patricia.zvandasara@zimplats.com](mailto:patricia.zvandasara@zimplats.com)

Website: [www.zimplats.com](http://www.zimplats.com)