

10 December 2008

ZIMPLATS HOLDINGS LIMITED

ANNOUNCEMENT TO SHAREHOLDERS IMPACT OF FALL IN METAL PRICES

Shareholders are advised that due to the significant fall in metal prices since mid July 2008, your company's short term viability and survival are under serious threat. At prevailing metal prices, your company is not able to generate sufficient cash to meet its on-going operational needs as well as the requirements of the Ngezi Phase 1 Expansion Project which is now at a critical stage of implementation. The completion of the expansion project will however dramatically lower the company's cost structure and thus enable the company to operate profitably in future even at prevailing metal prices. It is therefore imperative that this project be completed.

Management has undertaken drastic measures to contain costs and preserve cash, in response to the threat, including cessation of open cast mining operations, outright cancellation and significant scope reduction for several capital projects. Whilst completion of the Ngezi Phase1 Expansion Project remains a priority, capital expenditure for ancillary facilities has had to be deferred.

Shareholders are further advised that despite the cost saving and cash preservation measures being implemented, it is forecast that your company will record a significant loss and cash shortfall for the half year to 31 December 2008. Unless there is a dramatic recovery in metal prices, the same would apply for the year to 30 June 2009. The operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, will therefore have to raise additional debt funding to meet the projected cash shortfall. Efforts are currently under way to raise the additional funding from off-shore financiers, an exercise not without its risks. Without this external loan funding, Zimplats will not be able to complete the Ngezi Phase 1 Expansion Project as scheduled.

In the short to medium term and with the Ngezi Phase 1 Expansion project completed during 2009 the company will position itself in the lower quartile on the producer cost curve. Management are therefore confident that the company will have the capacity to service the increased debt.

However, due to the volatile market conditions, the situation will be closely monitored and shareholders will be kept informed on any developments.

In view of the above, shareholders are advised to continue to exercise extreme caution in their share dealings.

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