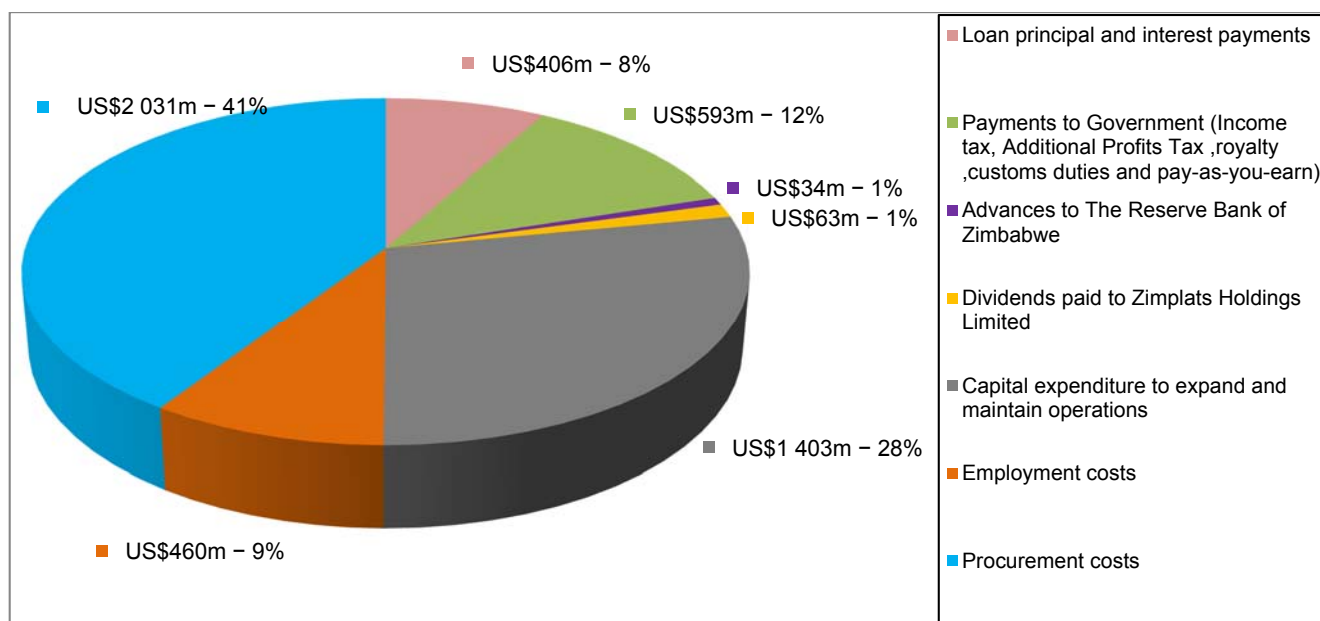




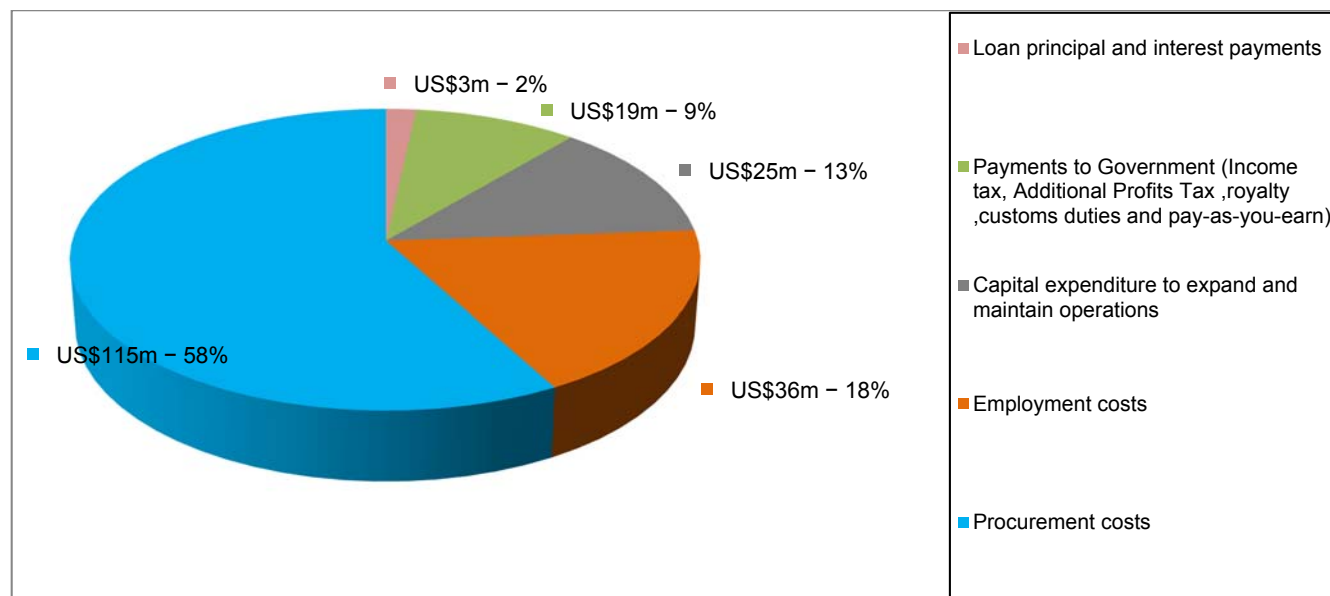
REPORT FOR THE QUARTER ENDED 31 DECEMBER 2016

KEY FEATURES

Zimbabwe Platinum Mines (Private) Limited - Cash Utilisation – FY2002 to 31 December 2016 (Millions)



Zimbabwe Platinum Mines (Private) Limited - Cash Utilisation – Half Year Ended 31 December 2016 (Millions)



- No fatal accidents or lost-time injuries (LTI) were recorded during the quarter
- Bimha Mine re-development project on schedule
- Development of Mupani Mine (replacement mine for Ngwarati and Rukodzi mines) commenced during the quarter
- Tonnes mined increased marginally from the previous quarter
- Tonnes milled decreased by 6% from the previous quarter
- Four elements (platinum, palladium, gold and rhodium) (4E) production in final product (converter matte and concentrate sold) decreased by 2% from the previous quarter
- Platinum and gold prices decreased by 13% and 9% respectively from the previous quarter resulting in gross revenue per 4E ounce dropping by 17%
- Revenue increased by 41% from the previous quarter
- The quarter benefited from a reversal of impairment on a long term receivable of US\$13 million.
- Profit from operations after royalties of US\$20.6 million was realised during the quarter compared to US\$16.2 million recorded in the previous quarter.

SAFETY

No fatal accidents or LTIs were recorded during the quarter.

PRODUCTION

		December Quarter 2016	September Quarter 2016	% Change	December Quarter 2015	% Change
Mining						
Ore mined	Tonnes (000)	1 735	1 732	-	1 641	6
Head grade	4E g/t	3.24	3.24	-	3.23	-
Processing						
Ore milled	Tonnes (000)	1 603	1 703	(6)	1 505	7
Recovery	4E%	80.0	80.9	(1)	80.7	(1)
Metal in concentrate	4E ounces	133 414	143 520	(7)	126 178	5
Metal in final product	4E ounces	135 236	138 670	(2)	129 244	5
<i>In converter matte</i>	<i>4E ounces</i>	<i>133 877</i>	<i>103 697</i>	<i>29</i>	<i>129 244</i>	<i>4</i>
<i>In concentrate</i>	<i>4E ounces</i>	<i>1 359</i>	<i>34 972</i>	<i>(96)</i>	<i>-</i>	<i>n/a</i>
Nickel in final product	Tonnes	1 195	1 239	(4)	1 218	(2)
<i>In converter matte</i>	<i>Tonnes</i>	<i>1 195</i>	<i>909</i>	<i>31</i>	<i>1 218</i>	<i>(2)</i>
<i>In concentrate</i>	<i>Tonnes</i>	<i>-</i>	<i>330</i>	<i>(100)</i>	<i>-</i>	<i>n/a</i>
Copper in final product	Tonnes	905	908	(0)	868	4
<i>In converter matte</i>	<i>Tonnes</i>	<i>896</i>	<i>664</i>	<i>35</i>	<i>868</i>	<i>3</i>
<i>In concentrate</i>	<i>Tonnes</i>	<i>9</i>	<i>245</i>	<i>(96)</i>	<i>-</i>	<i>n/a</i>
Metal sales						
<i>In converter matte</i>						
4E	Ounces	133 978	100 392	33	129 378	4
Nickel	Tonnes	1 167	871	34	1 197	(3)
Copper	Tonnes	885	633	40	904	(2)
<i>In concentrate sold</i>						
4E	Ounces	36 331	-	n/a	-	n/a
Nickel	Tonnes	330	-	n/a	-	n/a
Copper	Tonnes	254	-	n/a	-	n/a

Tonnes mined were marginally higher than the previous quarter owing to sustained good operational performances across all the mines.

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

Milled ore volumes and 4E metal in concentrate produced decreased by 6% and 7% respectively from the previous quarter. This was driven by the lower concentrator operating time due to the full reline of the semi-autogenous grinding (SAG) mill which was carried out during the quarter.

Production of 4E metal in converter matte increased by 29% from the previous quarter due to higher furnace availability. The furnace operating time for the previous quarter was affected by a periodic matte-end wall rebuild shutdown in July 2016. The effect was a 17% increase in operating time from the previous quarter. Overall metal production (including metal in concentrates sold) was, however, 2% lower than the previous quarter.

Concentrates stockpiled during the furnace shutdown were sold during the quarter resulting in a 70% increase in 4E metal sales volumes compared to the previous quarter.

FINANCIAL

	December Quarter 2016 US\$ 000	September Quarter 2016 US\$ 000	% Change	December Quarter 2015 US\$ 000	% Change
Revenue	139 185	98 503	41	96 317	45
Operating costs	(115 170)	(79 899)	(44)	(95 723)	(20)
Profit from operations before royalties	24 015	18 604	29	594	3 942
Royalties	(3 401)	(2 453)	(39)	(2 393)	(42)
Profit/(loss) from operations after royalties	20 614	16 151	28	(1 799)	(1 246)

Revenue increased by 41% from the previous quarter largely due to the 70% increase in 4E metal sales volumes which was partly offset by lower metal prices (revenue per 4E ounce decreased by 17% from the previous quarter).

Operating costs increased by 44% in comparison to the previous quarter due largely to the higher sales volumes. This was partly offset by the reversal of impairment on a long term receivable of US\$13 million.

Royalties were 39% higher than the previous quarter, in line with the increase in revenue.

Cash and total cost of production	December Quarter 2016 US\$	September Quarter 2016 US\$	% Change	December Quarter 2015 US\$	% Change
Cash cost per 4E ounce	600	587	(2)	620	3
Net cash cost per 4E ounce	493	484	(2)	530	7
Amortisation and depreciation	131	139	6	155	15
Total cost per 4E ounce*	624	624	-	684	9
Total revenue per 4E ounce	817	981	(17)	744	10

*Net of by-product revenue.

Cash cost per 4E ounce was 2% higher than the previous quarter largely due to the lower 4E production. Total revenue per 4E ounce was 17% lower than the previous quarter as a result of lower metal prices.

Local spend in Zimbabwe (excluding payments to government and related institutions) for the quarter increased from US\$27 million recorded in the previous quarter to US\$61 million.

Total payments to government in direct and indirect taxes increased from US\$8 million reported in the previous quarter to US\$11 million.

METAL PRICES

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

	December Quarter 2016	September Quarter 2016	% Change	December Quarter 2015	% Change
Platinum (US\$ per oz)	945	1 086	(13)	907	4
Palladium (US\$ per oz)	685	675	1	606	13
Rhodium (US\$ per oz)	704	618	14	697	1
Gold (US\$ per oz)	1 219	1 335	(9)	1 105	10
Nickel (US\$ per tonne)	10 804	10 262	5	9 420	15

CAPITAL PROJECTS

The redevelopment of Bimha Mine remains on schedule to reach full production in April 2018. A total of US\$24 million had been spent on the project as at 31 December 2016 against an approved total project budget of US\$92 million.

The bankable feasibility study for Mupani Mine (replacement mine for Ngwarati and Rukodzi mines) was approved by the board in November 2016. Development of the new mine commenced during the period under review. Mupani Mine is scheduled to reach full production in August 2025 at an estimated total project cost of US\$264 million.

RESOLUTION OF OUTSTANDING ISSUES WITH GOVERNMENT

Reserve Bank of Zimbabwe Debt

As reported in the ASX announcement issued by the Company on 1 December 2016, the Government of Zimbabwe issued to the Company's main operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, treasury bills with a total nominal value of US\$34 million in settlement of the principal amount owed by the Reserve Bank of Zimbabwe (the RBZ).

Indigenisation and Economic Empowerment

The operating subsidiary remains in discussions with the Government of Zimbabwe regarding its indigenisation implementation plan.

Acquisition of Portion of Mining Lease Area

On 13 January 2017 the Government of Zimbabwe issued, through a Government Gazette Extraordinary, a preliminary notice in terms of which the Government has given fresh notice that it intends to compulsorily acquire land measuring 27 948 hectares within the operating subsidiary's special mining lease area. The new notice has repealed all previous notices issued by the Government of Zimbabwe in respect of its proposed compulsory acquisition of this portion of the operating subsidiary's mining lease area. The operating subsidiary has 30 days from 13 January 2017 to lodge an objection to the proposed compulsory acquisition. The operating subsidiary is engaging the Government of Zimbabwe on the matter.

SHAREHOLDER INFORMATION

Share price

The average share price for the quarter was AU\$5.62 (previous quarter: AU\$4.68).

Capital Structure

Major shareholders as at 31 December 2016:

Impala Platinum BV	87.00%
J P Morgan Nominees Australia Limited	5.11%
Citicorp Nominees Pty Limited	3.73%
HSBC Custody Nominees (Australia) Limited	2.40%

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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