

Zimplats Holdings Limited



REPORT FOR THE QUARTER ENDED 31 MARCH 2018

KEY FEATURES (COMPARED TO THE PREVIOUS QUARTER)

- One lost-time injury and no fatalities recorded during the quarter
- Tonnes mined decreased by 1%
- Tonnes milled increased by 1%
- Four elements (platinum, palladium, gold and rhodium) (4E) production in final product increased by 3%
- Gross revenue per 4E ounce increased by 2%
- Revenue decreased by 14% from the previous quarter mainly due to lower sales volumes as concentrates stockpiled during the planned furnace shutdown in the first quarter were sold in the previous quarter
- Bimha Mine re-development and Mupani Mine development projects on schedule

SAFETY

One lost-time injury was recorded during the quarter compared to two in the previous quarter.

The Group achieved a safety milestone of 8.3 million fatality free shifts.

PRODUCTION

		March Quarter 2018	December Quarter 2017	% Change	March Quarter 2017	% Change
Mining						
Ore mined	Tonnes (000)	1 745	1 767	(1)	1 688	3
Head grade	4E g/t	3.23	3.24	-	3.25	(1)
Processing						
Ore milled	Tonnes (000)	1 659	1 643	1	1 567	6
Recovery	4E%	81.1	81.0	-	80.8	-
Metal in final product						
Platinum	Ounces	68 931	67 229	3	66 845	3
Palladium	Ounces	57 039	55 779	2	55 846	2
Gold	Ounces	7 480	7 215	4	7 005	7
Rhodium	Ounces	6 247	5 855	7	6 135	2
4E total	Ounces	139 697	136 078	3	135 831	3
Ruthenium	Ounces	5 359	5 005	7	5 310	1
Iridium	Ounces	2 537	2 408	5	2 554	(1)
Silver	Ounces	11 780	10 931	8	11 232	5
Nickel	Tonnes	1 280	1 203	6	1 222	5
Copper	Tonnes	933	915	2	940	(1)
Cobalt	Tonnes	20	26	(23)	13	54
Metal sales						
Platinum	Ounces	70 618	84 150	(16)	65 164	8
Palladium	Ounces	58 832	70 103	(16)	54 245	8
Gold	Ounces	7 638	9 308	(18)	6 926	10
Rhodium	Ounces	6 613	7 163	(8)	5 918	12
4E total	Ounces	143 701	170 724	(16)	132 253	9

		March Quarter 2018	December Quarter 2017	% Change	March Quarter 2017	% Change
Metal sales (continued)						
Ruthenium	Ounces	5 494	6 839	(20)	5 199	6
Iridium	Ounces	2 555	3 117	(18)	2 331	10
Silver	Ounces	12 037	16 577	(27)	11 549	4
Nickel	Tonnes	1 300	1 609	(19)	1 196	9
Copper	Tonnes	947	1 231	(23)	917	3
Cobalt	Tonnes	20	31	(35)	13	54

Tonnes mined decreased by 1% from the previous quarter as a result of a decrease in the number of operating days from 92 to 90. This was partly offset by the ramp-up in production at Bimha Mine and a better performance at the South Pit Mine.

Tonnes milled increased by 1% from the previous quarter due to a higher number of operating days. The previous quarter was affected by the seven-day mill reline shutdown at the Selous Metallurgical Complex (SMC) concentrator.

4E head grade decreased marginally to 3.23g/t because of an increase in lower grade open-pit ore from 13% to 15%.

The furnace operated well during the quarter smelting 34 165 tonnes of concentrate, up from 31 761 tonnes smelted in the previous quarter.

Overall, 4E metal production in final product increased by 3% from the previous quarter mainly due to the increase in the volume of ore milled, a slight improvement in the recovery rate, as well as a positive furnace inventory movement.

4E metal sales for the quarter at 137 347 ounces were 16% lower than previous quarter. The previous quarter sales benefited from the export of concentrates stockpiled in the quarter ended 30 September 2017 when the furnace was on planned shutdown.

FINANCIAL

	March Quarter 2018 US\$000	December Quarter 2017 US\$000	% Change	March Quarter 2017 US\$000	% Change
Revenue	158 655	184 052	(14)	131 266	21
Net operating costs	(90 190)	(138 786)	35	(85 782)	(5)
Profit from operations before royalties	68 465	45 266	51	45 484	51
Royalties and commission	(3 950)	(4 476)	12	(3 265)	(21)
Profit from operations after royalties	64 515	40 789	58	42 219	53

The table below shows the analysis of revenue by metal.

Metal	March Quarter 2018 US\$000	December Quarter 2017 US\$000	% Change	March Quarter 2017 US\$000	% Change
Platinum	64 633	68 588	(6)	61 644	5
Palladium	52 258	67 712	(23)	41 604	26
Gold	9 401	10 732	(12)	7 989	18
Rhodium	11 055	12 867	(14)	5 145	115
4E total	137 347	159 899	(14)	116 382	18
Nickel	14 389	15 306	(6)	9 757	47
Copper	4 563	6 361	(28)	4 061	12
Iridium	1 062	1 272	(17)	791	34
Ruthenium	671	902	(26)	106	535
Cobalt	272	234	16	102	168
Silver	351	78	350	67	424
Grand total	158 655	184 052	(14)	131 266	21

Revenue decreased by 14% from the previous quarter mainly due to the 16% decrease in the volume of 4E metal sold, which was partly offset by the improvement in metal prices (gross revenue per 4E ounce increased by 2% from US\$1 078 to US\$1 104).

Net operating costs decreased by 35% compared to the previous quarter as a result of a decrease in 4E sales volumes, lower selling expenses (previous quarter selling expenses were higher due to the export of concentrates) and the recognition of US\$9.8 million in respect of treasury bills received in settlement of interest on the US\$34 million Reserve Bank of Zimbabwe advance.

Royalty and commission expenses were 12% lower compared to the previous quarter.

Cash and total cost of production	March Quarter 2018 US\$	December Quarter 2017 US\$	% Change	March Quarter 2017 US\$	% Change
Cash cost per 4E ounce	592	704	16	612	3
Net cash cost per 4E ounce	444	562	21	499	11
Amortisation and depreciation	115	117	2	135	15
Total cost per 4E ounce*	558	679	18	634	12
Gross revenue per 4E ounce	1 104	1 078	2	993	11

*Net of by-product revenue.

Cash cost per 4E ounce decreased by 16% from the previous quarter. The previous quarter's cost performance was affected by selling expenses and smelting charges for concentrates produced in the quarter ended 30 September 2017, but only exported during the quarter ended 31 December 2017.

Net cash cost per 4E ounce decreased by 21% from the previous quarter due to the 16% decrease in operating costs and a 4% increase in by-product revenue per 4E ounce.

Gross revenue per 4E ounce increased by 2% from the previous quarter due to higher average metal prices.

Total payments to the Government of Zimbabwe in direct and indirect taxes decreased to US\$17 million from the US\$19 million reported in the previous quarter.

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

METAL PRICES

	March Quarter 2018	December Quarter 2017	% Change	March Quarter 2017	% Change
Platinum (US\$ per oz)	978	920	6	981	-
Palladium (US\$ per oz)	1 035	992	4	766	35
Rhodium (US\$ per oz)	1 763	1 363	29	849	108
Gold (US\$ per oz)	1 330	1 275	4	1 219	9
Nickel (US\$ per tonne)	13 283	11 572	15	10 274	29

CAPITAL PROJECTS

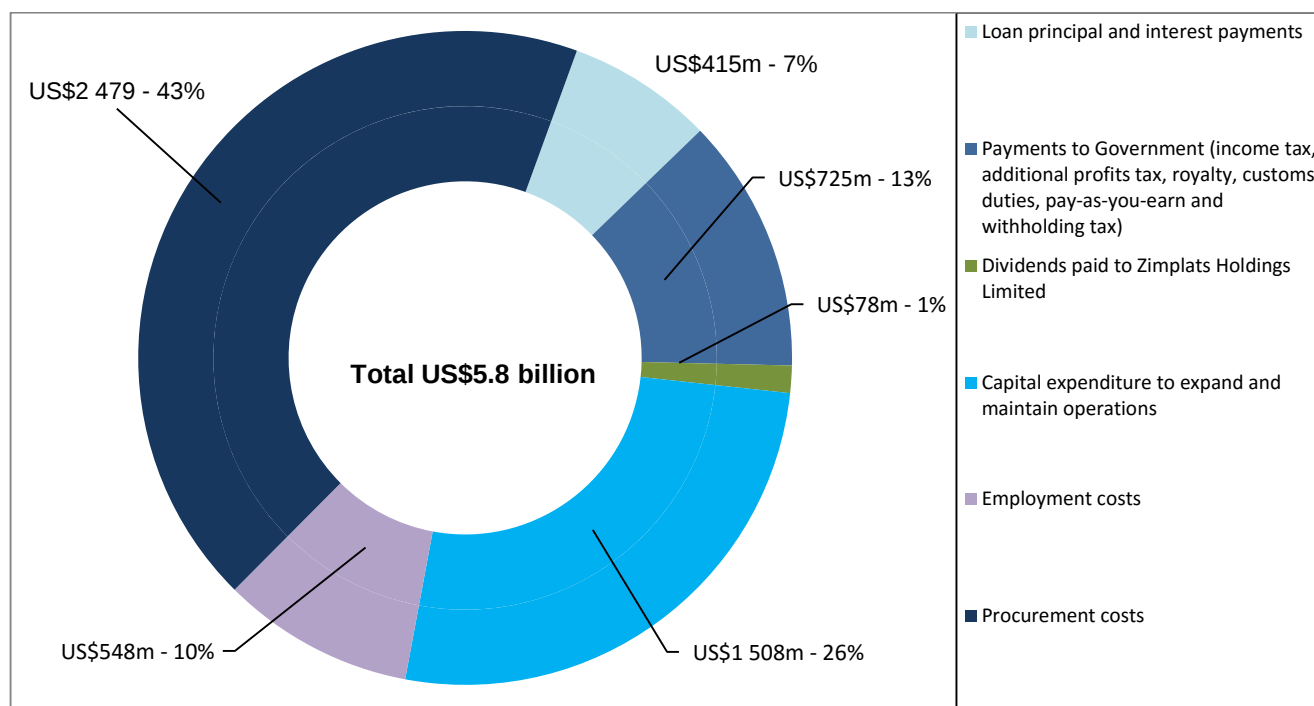
The redevelopment of Bimha Mine remains on schedule to reach full production in April 2018. A total of US\$54.2 million was spent on the project and US\$17.7 million was committed as at 31 March 2018 against an approved total project budget of US\$101 million. The North crusher and ore conveyancing system are targeted for completion by August 2018, while the south crusher and ore conveyancing system are scheduled for commissioning in May 2019.

The development of Mupani Mine (the replacement mine for Ngwarati and Rukodzi mines) remains on schedule, targeting ore contact by February 2020 and full production in August 2025. A total of US\$24.4 million has been spent and US\$20.2 million committed on the project as at 31 March 2018 against an approved total project budget of US\$264 million.

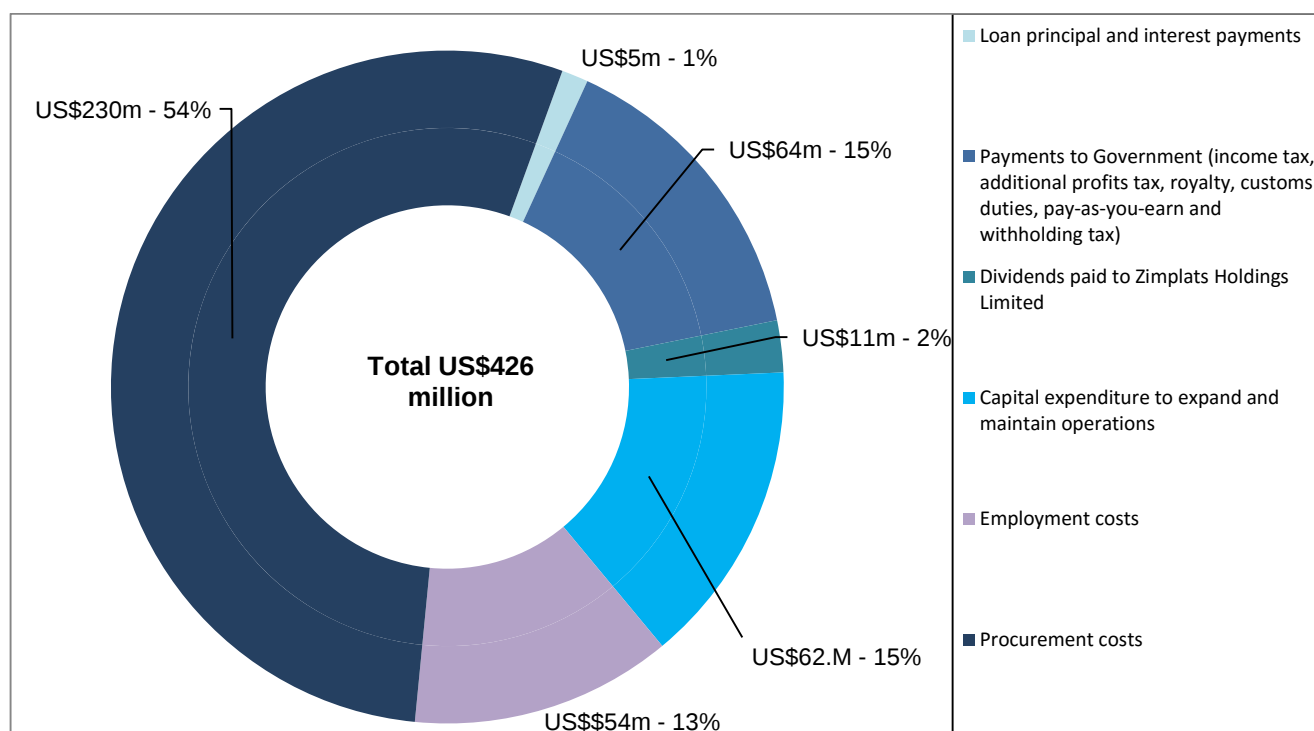
CASH UTILISATION

The Group's mining activities are carried out by Zimbabwe Platinum Mines (Private) Limited (the 'operating subsidiary'). Presented below are the cash utilisation pie charts for the operating subsidiary.

Zimbabwe Platinum Mines (Private) Limited - Cash utilisation – 1 July 2001 to 31 March 2018 (US\$ millions)



Zimbabwe Platinum Mines (Private) Limited - Cash utilisation – for the nine months ended 31 March 2018



RESOLUTION OF OUTSTANDING ISSUES WITH GOVERNMENT

Indigenisation and economic empowerment

The operating subsidiary continues to engage the Government of Zimbabwe regarding the operating subsidiary's indigenisation implementation plan.

Acquisition of a portion of the mining lease area

This matter is currently pending in the courts and the operating subsidiary is engaging the Government on the matter.

SHAREHOLDER INFORMATION

Share price

The average share price for the quarter was AU\$6.78 (previous quarter: AU\$5.06).

Major shareholders as at 31 March 2018:

Impala Platinum BV	87.00%
JP Morgan Nominees Australia Limited	5.38%
Citicorp Nominees Pty Limited	3.75%
HSBC Custody Nominees (Australia) Limited	2.19%

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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