



REPORT FOR THE QUARTER ENDED 30 JUNE 2008

KEY FEATURES

- Unsatisfactory safety performance with one fatality recorded.
- Satisfactory mining and milling operations.
- Metal in concentrate production for the 9 months to March 2008 revised due to grade discrepancies.
- Phase 1 expansion project slightly behind schedule.
- Furnace fire results in four week repair shutdown.

SAFETY and ENVIRONMENT

Safety performance remained poor with another fatality recorded during the quarter bringing the total number of fatalities for the year to three and lost time injuries to eleven. Management is working on interventions to reverse this trend which is of great concern.

PRODUCTION – Zimbabwe Platinum Mines (Private) Limited

		June Quarter 2008	March Quarter 2008	December Quarter 2007	September Quarter 2007
Mining					
Ore mined – opencast	Tonnes (000's)	244	295	363	400
Ore mined – underground	Tonnes (000's)	347	276	267	255
Total ore mined	Tonnes (000's)	591	571	630	655
Overall mine grade	4E g/t	3.23	3.23*	3.26*	3.33*
Processing					
Ore milled	Tonnes (000's)	570	525	538	567
Mill grade	4E g/t	3.23	3.23*	3.26*	3.33*
Recovery	4E%	82.3	82.4*	83.4*	83.1*
Metal in concentrate	4E oz	48,889	45,220*	47,437*	50,819*
Metal in converter matte	4E oz	50,917	55,700	50,530	31,420
Metal sales					
4E sales	Oz	50,255	56,105	47,516	34,049
Nickel	Tonnes	427	420	406	278
Copper	Tonnes	299	294	276	189

*Revised

Mining and processing operations were satisfactory.

Mill grades and recoveries for the period to March 2008 were revised downwards after it became apparent that the previously declared grades had been overstated. Metal accounting during that period was complicated by the stockpiling of concentrates during the furnace re-line shutdown. As a result of the processing of stockpiled concentrates for an extended period, the grade discrepancy only became apparent in April 2008 when the stockpiled concentrates had been exhausted. Consequently, metal in concentrate production for the period was adjusted downwards by 6,826 ounces of 4E.

Subsequent to the quarter end, a fire occurred at the furnace as a result of liquid paste coming into contact with molten material after one of the electrodes slipped and burst its casing on hitting the furnace hearth. The fire resulted in extensive damage to the three furnace floors as well as the electrostatic precipitator. The furnace repairs are expected to take at least four weeks and concentrates stockpiled during that period will be processed over two months.

Discussions are currently in progress regarding a possible extension of opencast mining operations by a further 18 months to enable the new concentrator to run at its re-rated capacity of 2 million tonnes per annum when it commences production in the last quarter of FY09.

FINANCIAL – Zimbabwe Platinum Mines (Private) Limited

Operating cash flow	June Quarter 2008 US\$ 000's	March Quarter 2008 US\$ 000's	December Quarter 2007 US\$ 000's	September Quarter 2007 US\$ 000's
Revenue	93,060	101,951	60,672	38,574
Operating Costs	(43,518)	(46,664)	(34,264)	(22,254)
Operating Profit	49,542	55,287	26,408	16,319

Revenue was 9% down on the previous quarter as a result of sales volumes which were 10% lower. Operating costs were 7% lower than the previous quarter reflecting mainly the lower volume. Operating costs were adversely affected by the write down of metal in concentrate amounting to \$5.7 million, high fuel, steel and power prices as well as an overvalued local currency.

Whilst the operating margin at 53% was marginally lower than the previous quarter, operating profit was 10% down due to the lower revenue.

The current hyper-inflation prevailing in Zimbabwe creates operational difficulties and uncertainties which could impact negatively upon financial results for the year. In light of these circumstances, a review of year end cash balances, advances and deposits will be made. As a consequence thereof, adjustments to the financial results of the company for the year to June 2008 may be required.

Cash and total cost of production	June Quarter 2008 US\$	March Quarter 2008 US\$	December Quarter 2007 US\$	September Quarter 2007 US\$
Cash cost of production per 4E ounce	801	668	561	518
Less by-product credits	(182)	(258)	(188)	(182)
Net cash cost per 4E ounce	619	410	373	336
Amortisation and depreciation	87	174	197	137
Total cost per 4E ounce *	706	584	570	473
Surplus per 4E ounce**	963	974	563	478

Cash cost of production per 4E ounce was 20% up on the previous quarter for the reasons given above. The depreciation charge was lower than the previous quarter due to reversal of prior months deferred stripping expenditure amortisation arising from higher open pit strip ratios.

*Net of by-product revenue.

** Total Revenue, less total cost/Total 4E ounces.

PGM PRICES

The average pgm and gold prices for the past 4 quarters are as follows:

	June 2008 Quarter	March 2008 Quarter	December 2007 Quarter	September 2007 Quarter
Platinum (USD per oz)	2,044	1,748	1,491	1,294
Palladium (USD per oz)	452	377	354	350
Rhodium (USD per oz)	9,786	7,037	6,812	6,121
Gold (USD per oz)	890	892	805	668
Nickel (USD per tonne)	22,539	27,980	25,979	30,195

PHASE 1 EXPANSION PROJECT

Due to the very difficult operating environment in Zimbabwe and the late delivery of the mill girth gear, the expansion project is one month behind schedule but is still within the approved cost budget.

INDIGENISATION AND POLITICAL ENVIRONMENT

The Indigenisation and Economic Empowerment Act accompanying regulations are still to be gazetted and accordingly there are no guidelines on how the Act will be applied.

The major Zimbabwean political parties are currently engaged in negotiations with the objective of achieving a political settlement following inconclusive elections.

ALEX STEWART INTERNATIONAL LLC AUDIT

As previously reported, the Government of Zimbabwe appointed a United States based international firm, Alex Stewart International LLC to undertake an audit of the operating subsidiary in terms of Statutory Instrument 249 of 2006. The Alex Stewart report makes a number of allegations against the company. Zimplats has refuted the allegations and management are engaged in discussions with the Reserve Bank of Zimbabwe to whom Alex Stewart International LLC report, on the audit findings. Shareholders will be advised of any new developments on the issue.

Share price

The average share price for the quarter was A\$ 11.35 (previous quarter: A\$13.88).

Capital Structure

Major shareholders as at 30 June 2008:

Impala Platinum Holdings Limited	87.00%
Corporate Holdings Limited	3.14%
Mr. Adrian Vanderspuy	2.60%

Caution

Shareholders are advised to exercise extreme caution in their share dealings due to the very uncertain conditions prevailing in Zimbabwe.

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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In the report Zimplats refers to Zimplats Holdings Limited and/or its subsidiaries.