

Zimbabwe Platinum Mines Limited



REPORT FOR THE QUARTER ENDED 31 MARCH 2005

HIGHLIGHTS

- Zero Lost Time Incidents recorded.
- Tonnes ore mined 13% above budget.
- Record concentrator recovery achieved.
- US\$4.77 million export incentive received.
- Progress on fiscal issues related to investment plan.

SAFETY and ENVIRONMENT

There were no Lost Time Incidents during the quarter.

PRODUCTION – Makwiro Platinum Mines (Private) Limited – “Makwiro”

Ngezi Platinum Mine

		March Quarter 2005	December Quarter 2004	September Quarter 2004	June Quarter 2004
Production days		91*	90*	73	70
Total volume mined	BCMs (million)	2.3	2.0	2.3	1.8
Ore mined – opencast	Tonnes (000's)	513	382	524	409
Grade – opencast	4E (average) g/t	3.22	3.22	3.16	3.14
Ore mined – underground	Tonnes (000's)	65	63	68	61
Grade – underground	4E (average) g/t	3.34	3.34	3.35	3.23

*** The increase in production days was a result of the introduction of a new shift system in terms of which the mine now has a seven day working week instead of the previous six day working week.**

Opencast ore mined for the quarter was significantly ahead of expectations. Bulk waste movement was satisfactory despite poor shovel and drill rig availabilities. A major initiative is underway to retrain personnel and improve drill rig availability. Ore head grade was also satisfactory.

The underground mine operated satisfactorily during the period. Ore production was however lower than expected due to the late delivery of the second mining fleet. Ore head grade was satisfactory.

There has been an improvement in run of mine ore stocks that were depleted during the June/July industrial action but the stock level is still less than ideal.

Selous Metallurgical Complex

Concentrator

	March Quarter 2005	December Quarter 2004	September Quarter 2004	June Quarter 2004
Production days	85	84	92	84
Tonnes milled	495,577	498,577	525,356	494,541
Grade g/t	3.23	3.23	3.19	3.12
Recovery (%)	84.2	82.8	80.7	82.0
Metal 4E ounces	43,329	42,961	43,334	40,743

The concentrator operated satisfactorily during the quarter. A record average recovery was achieved. This was a result of the finer grind and reduction in tonnage of oxidised material processed. The SAG and Ball mills were successfully re-lined during the period as scheduled.

Smelter

	March Quarter 2005	December Quarter 2004	September Quarter 2004	June Quarter 2004
Production days	91	92	92	92
Concentrate filtered – tonnes	17,939	17,810	19,810	17,094
Concentrate to furnace – tonnes	18,137	18,661	19,843	17,855
Recovery	99.4	99.3	99.3	99.4
Metal 4E ounces in matte	44,359	42,148	43,914	42,859
4E ounces per tonne concentrate	2.45	2.26	2.21	2.40

The smelter operated satisfactorily and processed all available concentrates.

Metal Sales

	March Quarter 2005	December Quarter 2004	September Quarter 2004	June Quarter 2004
Platinum – ounces	20,370	20,106	21,289	21,172
Palladium – ounces	17,023	16,286	18,010	18,125
Gold – ounces	2,362	2,286	2,410	2,443
Rhodium – ounces	<u>1,867</u>	<u>1,819</u>	<u>1,979</u>	<u>1,919</u>
4E total – ounces	<u>41,622</u>	<u>40,497</u>	<u>43,687</u>	<u>43,659</u>
Nickel – tonnes	361	349	373	401
Copper – tonnes	247	250	263	290

Metal despatches for the period did not match production due to problems encountered with non-availability of transport during March. The problems have since been resolved and the backlog on despatches cleared.

FINANCIAL – Makwiro Platinum Mines (Private) Limited – “Makwiro”

Operating cash flow	March Quarter 2005 US\$ 000's	December Quarter 2004 US\$ 000's	September Quarter 2004 US\$ 000's	June Quarter 2004 US\$ 000's
Revenue	*26,116	28,333	25,784	26,866
Operating Cost	(21,300)	(24,284)	(19,574)	(18,818)
Operating Profit	*4,816	4,049	6,210	8,048

*Excludes export incentive – see below.

Despite lower volumes of matte despatched, revenue for the quarter was above expectations due to higher metal prices.

Operating costs for the quarter were significantly lower than the previous quarter. The high operating costs for the previous quarter were a result of higher waste to ore ratio during the re-establishment of the opencast mining sequence that had been disrupted by the June/July industrial action. The opencast mining sequence has now been re-established. As previously reported, the large increase in opencast mining contract rates continues to significantly impact on operating costs.

The economic environment in Zimbabwe remains difficult. The inflation rate although lower than recent times and declining, remains high. This, coupled with the managed exchange rate continues to have an adverse effect on the company's local costs and profitability.

An export incentive in the sum of \$4.77 million was received from the Reserve Bank of Zimbabwe in respect of the period January to June 2004. The incentive for the quarter to September 2004 is expected shortly.

Cash and total cost of production	March Quarter 2005 US\$	December Quarter 2004 US\$	September Quarter 2004 US\$	June Quarter 2004 US\$
Cash cost of production per 4E ounce	474	552	405	422
Less by-product credits	(110)	(116)	(115)	(100)
Net cash cost per 4E ounce	364	436	290	322
Amortisation and depreciation	37	40	33	34
Total cost per 4E ounce *	401	476	323	356
Surplus per 4E ounce**	116	108	153	187

* (Net of by-product revenue)

** (Total Revenue, less total cost per 4E ounce).

The lower cash cost of production reflects the lower operating costs as well as the higher 4E production for the quarter. The cash costs of production do not include export incentive receipts.

PGM PRICES

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

	March 2005 Quarter	December 2004 Quarter	September 2004 Quarter	June 2004 Quarter
Platinum	866	852	838	837
Palladium	191	210	218	261
Rhodium	1 523	1 302	1 155	832
Gold	427	434	408	394

Source: Johnson Matthey, monthly average price.

Source: Monthly average of the daily London am/pm fixes.

EMPOWERMENT PLACEMENT

Discussions with Nkululeko-Rusununguko Mining Company of Zimbabwe Limited on the empowerment transaction are continuing. Due to the delay in securing funding the transaction was not finalised by the 7 February 2005 deadline set by shareholders at the extraordinary general meeting held on 5 November 2004.

RESERVE BANK POLICY STATEMENT

Constructive discussions continue with the Reserve Bank of Zimbabwe on the fiscal arrangements relating to Zimplats and its investments in Zimbabwe. It is pleasing to report that an acceptable and workable regime is now being pursued but is yet to be finalised from an administrative perspective.

MAKWIRO TRANSACTION

The issue of 14 873 160 ordinary shares to Impala Platinum Holdings Limited in consideration for the acquisition of 30% shareholding in Makwiro Platinum Mines (Private) Limited was completed on 18 March 2005 following approval of the transaction by the Government of Zimbabwe.

CORPORATE IDENTITY

Shareholders were previously advised of the plans to change the company's name in order to clarify the group's identity. It is proposed that the company's name be changed to Zimplats Holdings Limited.

An extraordinary general meeting of members will be held on 10 June 2005 in Guernsey for shareholders to consider and approve the name change. A notice of the meeting will be sent to shareholders shortly.

The name of the company's subsidiary, Makwiro Platinum Mines (Private) Limited, will be changed to Zimbabwe Platinum Mines (Private) Limited. This name change has been approved by the regulatory authorities in Zimbabwe.

INVESTMENT INFORMATION

Share price

The average share price for the quarter was A\$3.21.

Capital Structure

Major shareholders as at the end of March 2005

Impala Platinum Holdings Limited	86.8%
Corporate Holdings Limited	3.20%
Mr. Adrian Vanderspuy	2.60%

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 2 8234 5222, Fax: +61 2 8234 5070.

INFORMATION ON ZIMPLATS

Contact – Guernsey

Mr. Tony Link
Tel: +44 1481 727 272
Fax: +44 1481 711 220
Email: info@carey-olsen.com

Contact – Zimbabwe

Mr. Greg Sebborn
Tel: +263 4 332 590
Fax: +263 4 332 496
Email: info@zimplats.co.zw
Website: www.zimplats.com

Contact – Australia

Ms. Kathrine Brown
Tel: +61 2 9252 7880
Fax: +61 2 9252 7882
Email: info@zimplats.com

Contact – United Kingdom

Mr. Ron Marshman
Tel: +44 20 7628 5518
Fax: +44 20 7628 8555
Email: ron@mining-investor.com

In the report Zimplats refers to Zimbabwe Platinum Mines Limited and/or its subsidiaries.