

Zimplats Holdings Limited



REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2008

KEY FEATURES

- Unsatisfactory safety performance with three lost time injuries recorded in the quarter and a further two since the end of the quarter.
- Satisfactory mining and milling operations.
- Furnace repairs after the fire incident satisfactorily completed.
- Phase 1 expansion project two months behind schedule.

SAFETY and ENVIRONMENT

Safety performance was unsatisfactory with three lost time injuries recorded during the quarter and a further two recorded after the end of the quarter. Management has embarked on continuous risk assessments through planned inspections and focus on human factor aspects as intervention strategies.

PRODUCTION – Zimbabwe Platinum Mines (Private) Limited

		September Quarter 2008	June Quarter 2008	March Quarter 2008	December Quarter 2007
Mining					
Ore mined – opencast	Tonnes (000's)	270	244	295	363
Ore mined – underground	Tonnes (000's)	370	347	276	267
Total ore mined	Tonnes (000's)	640	591	571	630
Overall mine grade	4E g/t	3.21	3.23	3.23	3.26
Processing					
Ore milled	Tonnes (000's)	520	570	525	538
Mill grade	4E g/t	3.21	3.23	3.23	3.26
Recovery	4E%	82.1	82.3	82.4	83.4
Metal in concentrate	4E oz	44,383	48,889	45,220	47,437
Metal in converter matte	4E oz	33,765	50,917	55,700	50,530
Metal sales					
4E sales	Oz	32,879	50,255	56,105	47,516
Nickel	Tonnes	295	427	420	406
Copper	Tonnes	203	299	294	276

Mining and milling operations were satisfactory.

Furnace repairs, following a fire incident on 13 July 2008, were completed within three weeks of the incident. Concentrates were stockpiled during the shutdown. Processing of the stockpiled concentrates will be completed by the end of October 2008.

Due to the continued fall in metal prices, discussions to extend the open pit mining operations by another 18 months were discontinued. Open pit mining will therefore cease in November 2008. Management is exploring options to increase underground ore production so as to take immediate advantage of processing capacity that will become available when the Ngezi concentrator is commissioned in April 2009.

Apart from closing the open pit operations, and in consequence of the recent dramatic decline in metal prices, the company is reviewing its operating cost structure and planned capital expenditure programme with a view to minimising debt and conserving cash whilst the expansion project is being completed.

FINANCIAL – Zimbabwe Platinum Mines (Private) Limited

Operating cash flow	September Quarter 2008 US\$ 000's	June Quarter 2008 US\$ 000's	March Quarter 2008 US\$ 000's	December Quarter 2007 US\$ 000's
Revenue	15,360	93,060	101,951	60,672
Operating Costs	(31,996)	(43,518)	(46,664)	(34,264)
Operating (Loss)/Profit	(16,636)	49,542	55,287	26,408

Revenue was 83% down on the previous quarter as a result of lower metal prices and sales volumes which were 35% lower due to the furnace repair shutdown. As a result of the continued fall in metal prices, US\$17.4 million in pipeline revenue adjustments were effected in the current quarter. Operating costs were 26% lower than the previous quarter reflecting mainly the lower sales volume. Operating costs in the quarter were however adversely affected by an overvalued local currency as well as high fuel prices.

Consequently, an operating loss of US\$16.6 million was incurred in the quarter.

Cash and total cost of production	September Quarter 2008 US\$	June Quarter 2008 US\$	March Quarter 2008 US\$	December Quarter 2007 US\$
Cash cost of production per 4E ounce	906	801	668	561
Less by-product credits	(149)	(182)	(258)	(188)
Net cash cost per 4E ounce	757	619	410	373
Amortisation and depreciation	97	87	174	197
Total cost per 4E ounce *	854	706	584	570
(Deficit)/surplus per 4E ounce**	(535)	963	974	563

Cash cost of production per 4E ounce was 13% up on the previous quarter reflecting mainly the impact of lower metal production.

*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:

	September 2008 Quarter	June 2008 Quarter	March 2008 Quarter	December 2007 Quarter
Platinum (USD per oz)	1,551	2,044	1,748	1,491
Palladium (USD per oz)	334	452	377	354
Rhodium (USD per oz)	6,786	9,786	7,037	6,812
Gold (USD per oz)	868	890	892	805
Nickel (USD per tonne)	18,953	22,539	27,980	25,979

PHASE 1 EXPANSION PROJECT

The expansion project remains within the approved cost budget but is now two months behind schedule.

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 signed a power sharing agreement on 15 September 2008 following inconclusive elections but have to date failed to agree on the allocation of ministries.

ALEX STEWART INTERNATIONAL LLC AUDIT

This matter is still to be concluded. The Reserve Bank of Zimbabwe, to whom Alex Stewart International LLC report, are still to respond to Zimplats management's letter of 5 August 2008 in which Zimplats further refuted allegations made in the final Alex Stewart International LLC report.

Share price

The average share price for the quarter was A\$ 11.08 (previous quarter: A\$ 11.35).

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.

Further, all stakeholders should be aware that there will be a continued negative impact on the operations of the company should the current level of metal prices be sustained.

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.