

Zimplats Holdings Limited



REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2009

KEY FEATURES

- One lost time injury recorded.
- 2 million fatality free shifts achieved.
- Excellent operational performance.
- Ngezi concentrator ramped up to full production capacity.
- US\$21 million operating profit recorded.

SAFETY

One lost time injury was recorded during the quarter. Overall safety performance was however satisfactory and the company celebrated a milestone achievement of 2 million fatality free shifts.

PRODUCTION – Zimbabwe Platinum Mines (Private) Limited

		September Quarter 2009	June Quarter 2009	March Quarter 2009	December Quarter 2008
Mining					
Ore mined – opencast	Tonnes (000's)	-	-	-	258
Ore mined – underground	Tonnes (000's)	797	677	581	492
Total ore mined	Tonnes (000's)	797	677	581	750
Processing					
Ore milled	Tonnes (000's)	869	541	543	562
Mill grade	4E g/t	3.32	3.38	3.36	3.30
Recovery	4E%	80.6	83.7	83.6	83.8
Metal in concentrate	4E oz	74,389	49,028	48,859	49,656
Metal in converter matte	4E oz	72,027	47,746	49,624	59,397
Metal sales					
4E sales	Oz	71,261	48,391	48,567	61,030
Nickel	Tonnes	594	398	418	502
Copper	Tonnes	420	304	292	356

Ramping up of underground production continued and as a result total ore mined was 18% higher than the previous quarter. The ore stock pile at the end of September was 838,000 tonnes.

The Ngezi concentrator was successfully commissioned in late July and ramped up to full production capacity by end of September 2009. Consequently, tonnes milled were 61% above the previous quarter. 4E mill grade was lower than the previous quarter due to grade dilution arising from the milling of lower grade open pit ore from the stock pile. 4E recovery at 80.6% was 4% below the previous quarter due to a reduction in mass pull in line with smelter capacity constraints and the ongoing process optimisation at the recently commissioned Ngezi concentrator.

4E metal production and sales were 51% and 47% higher than the previous quarter respectively reflecting the higher milled tonnes following the commissioning of the Ngezi concentrator.

FINANCIAL – Zimbabwe Platinum Mines (Private) Limited

Operating Income Statement	September Quarter 2009 US\$ 000's	June Quarter 2009 US\$ 000's	March Quarter 2009 US\$ 000's	December Quarter 2008 US\$ 000's
Revenue	64,602	44,082	35,127	25,742
Operating Costs	(43,875)	(39,039)	(34,021)	(37,351)
Operating Profit/(loss)	20,727	5,043	1,106	(11,610)

Revenue was 47% higher than the previous quarter in line with the increase in sales volume. Despite 4E metal production and sales increasing by 51% and 47% respectively, operating costs for the quarter increased by 12% only. This is a reflection of both an increased focus on cost management as well as the impact of processing a higher proportion of lower cost underground ore. Whilst the continued strengthening of the South African Rand impacted negatively on operating costs this was somewhat abated by the removal of import duties on goods manufactured within the SADC region.

Cash and total cost of production	September Quarter 2009 US\$	June Quarter 2009 US\$	March Quarter 2009 US\$	December Quarter 2008 US\$
Cash cost of production per 4E ounce	560	853	604	514
Less by-product credits	(150)	(140)	(86)	(57)
Net cash cost per 4E ounce	410	713	518	457
Amortisation and depreciation	72	34	65	106
Total cost per 4E ounce *	482	747	583	563
Total revenue per 4E ounce	907	911	723	421
Surplus/(deficit) per 4E ounce**	274	24	54	(199)

Cash cost of production per 4E ounce was 34% lower than the previous quarter mainly due to the higher production volumes as well as the factors outlined above.

*Net of by-product revenue.

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

PGM PRICES

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

	September 2009 Quarter	June 2009 Quarter	March 2009 Quarter	December 2008 Quarter
Platinum (USD per oz)	1,237	1,225	1,028	859
Palladium (USD per oz)	273	248	200	190
Rhodium (USD per oz)	1,608	1,467	1,167	1,688
Gold (USD per oz)	958	948	907	785
Nickel (USD per tonne)	17,439	14,956	10,466	10,838

Some increases in metal prices were recorded in the quarter. Investor activity and the Chinese jewellery market demand have seen a further upward movement in prices since the end of the quarter. However, the long-term fortunes of the PGM sector remain closely linked to those of the automotive industry.

PHASE 1 EXPANSION PROJECT

The Ngezi concentrator was officially opened on 15 October 2009, but had reached full production by September 2009.

The development of the Portal 4 underground mine is on schedule to reach full production by May 2011. The project is still expected to be completed within the approved cost budget.

Preliminary evaluation work on the second phase of the expansion programme has commenced and is expected to be completed in the first quarter of 2010. This phase will consist of a 2 million tonne per annum underground mine, a concentrator module of the same capacity and related infrastructure.

SOCIO-POLITICAL ENVIRONMENT

Zimbabwe has continued to enjoy political and economic stability despite strained relations between the coalition partners in the Unity Government. However, the troubled relations between the coalition partners are a set back to the process of rebuilding investor and international community confidence without which economic recovery cannot succeed.

RESOLUTION OF OUTSTANDING ISSUES WITH GOVERNMENT

Discussions have been held with the relevant Government authorities on the issues of Additional Profits Tax and the Reserve Bank of Zimbabwe indebtedness to the operating subsidiary. The discussions are however still to be concluded, but remain a key focus area of management. Resolution of these long outstanding issues would help create a more certain investment climate.

SHAREHOLDER INFORMATION

Share price

The average share price for the quarter was A\$8.44 (previous quarter: A\$8.08).

Capital Structure

Major shareholders as at 30 September 2009:

Impala Platinum Holdings Limited	87.00%
Merrill Lynch (Australia)	3.79%
HSBC Custody Nominees	2.84%

Caution

Shareholders are advised to exercise extreme caution in their share dealings due to the 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.