

ZIMPLATS QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2023

- This ASX announcement was approved and authorised for release by the board of directors of Zimplats Holdings Limited ('Zimplats' or the 'Company')
- The report covers the consolidated entity of Zimplats and its subsidiaries (together the 'Group')
- The report is presented in United States dollars (US\$)
- FY in this report refers to the Group's financial year, which ends on 30 June.



KEY FEATURES

Two lost-time injuries were recorded during the quarter

Mined volumes increased by 6% from the prior quarter and 4% year-on-year

Milled volumes increased by 3% from the prior quarter and 10% year-on-year

6E (platinum, palladium, rhodium, ruthenium, iridium and gold) head grade and 6E metal in concentrate production increased by 2% and 9%, respectively, compared to the prior quarter

6E metal in final product increased by 9% from prior quarter

Cash costs per 6E ounce of US\$831 were 4% lower than the prior quarter

SAFETY

Two lost-time injuries were recorded at the mining division during the quarter under review, both of which related to fall-of-ground incidents at Bimha Mine. The implementation of remedial action plans from the accident investigations is ongoing.

PRODUCTION

Mined tonnage rose 6% from the prior quarter, as the number of operating days increased from 90 in the prior quarter to 92 in the period under review and the availability of trackless mining machinery improved. Mined volumes increased by 4% from the prior comparable quarter which was negatively impacted by poor equipment availability at Mupfuti Mine.

Ore milled increased by 3% from the prior quarter to 1.94 million tonnes and benefited from the increase in operating days and improved availability of power during the period. The third concentrator at Ngezi was commissioned in September 2022 and increased milling capacity resulted in a 10% increase in milled throughput from the prior comparable quarter.

A direct 50MW power import agreement was concluded with the Zambia Electricity Supply Company at the beginning of the period and resulted in improved power stability and availability in the quarter under review.

6E head grade improved by 2% from the prior quarter due to improved ore mix but was 4% lower than the prior comparable quarter due to the higher volume of milled throughput sourced from low-grade stockpiles.

The combination of improved milling, grade and recovery resulted in a 9% increase in 6E metal in final product volumes. Metal volumes increased by 7% from the prior comparable quarter as the impact of higher milled throughput and the marginal improvement in process recoveries was offset by the decrease in 6E head grade.

		JUNE QUARTER 2023	MARCH QUARTER 2023	% CHANGE	JUNE QUARTER 2022	% CHANGE
MINING						
Ore mined	Tonnes (000)	1 940	1 835	6	1 860	4
6E head grade	g/t	3.30	3.25	2	3.44	(4)
PROCESSING						
Ore milled	Tonnes (000)	1 943	1 883	3	1 769	10
6E concentrator recovery	%	78.6	75.5	4	78.1	1
6E in concentrate	Ounces	162 019	148 488	9	152 804	6
METAL IN FINAL PRODUCT						
Platinum	Ounces	75 477	68 273	11	68 911	10
Palladium	Ounces	62 547	57 792	8	59 252	6
Gold	Ounces	8 520	7 638	12	8 436	1
Rhodium	Ounces	6 164	5 702	8	6 048	2
Ruthenium	Ounces	6 345	5 942	7	5 793	10
Iridium	Ounces	3 180	2 908	9	2 685	18
6E TOTAL		162 233	148 254	9	151 125	7
Silver	Ounces	12 531	11 365	10	12 889	(3)
Nickel	Tonnes	1 506	1 420	6	1 396	8
Copper	Tonnes	1 170	1 051	11	1 018	15
Cobalt	Tonnes	39	15	160	16	144

FINANCIAL

Higher mined and milled volumes resulted in a 6% increase in total operating cash costs from the prior quarter. A total of US\$2.6 million was transferred from inventories to operating costs, a decrease of 43% from the previous quarter and in line with the changes in inventory movement in the value chain. In total, the gross cash costs of metal produced increased by 5% compared to the prior quarter. Unit costs per 6E ounce benefitted from higher volumes and decreased by 4% to US\$831/oz.

Total operating costs increased by 19% from the prior comparable quarter with high prevailing inflation for consumables and utilities compounded by the 4% increase in mined volumes, the 10% increase in milled volumes and the cost of commissioning and operating the third concentrator. The benefit of higher final production volumes was largely offset by inflation and the lower milled head grade and unit costs increased by 14% from those in the June 2022 quarter.

	JUNE QUARTER 2023	MARCH QUARTER 2023	% CHANGE	JUNE QUARTER 2022	% CHANGE
Total operating cash costs (US\$000)	132 134	124 371	(6)	110 806	(19)
Transfer from closing stocks (US\$000)	2 625	4 568	43	(1 106)	(337)
Cash costs of metal produced (US\$000)	134 759	128 939	(5)	109 700	(23)
Operating cash costs per 6E ounce (US\$)	831	869	4	726	(14)

EXPLORATION

Exploration activities during the quarter related mainly to surface diamond drilling to upgrade the Group's Mineral Resources, geotechnical assessments of the rock mass properties and collecting samples for geo-metallurgical test work to support current and future mining operations in Ngezi (ML37) and the technical studies currently underway at Hartley (ML36). A total of 28 862 metres were drilled as part of the exploration work during the quarter at a total cost of US\$3 million and an additional US\$3 million was committed as at 30 June 2023.

MAJOR PROJECTS UPDATE

The projects to develop Mupani Mine and upgrade Bimha Mine will replace Rukodzi Mine, which was depleted in FY2022, and the Ngwarati and Mupfuti mines, which will be depleted in FY2025 and FY2028, respectively. The Mupani and Bimha mine projects progressed as planned during the quarter. Cumulatively, US\$318.8 million has been spent on these projects, with an additional US\$59.1 million committed, against a total project budget of US\$468 million.

The smelter expansion and the SO₂ abatement plant project progressed as planned during the quarter with US\$112.2 million spent to date and a further US\$329.3 million committed.

In FY2022, Zimplats obtained a 185MW power generation licence. By the end of the quarter under review, a cumulative US\$1.1 million had been spent on the first phase of its solar project, a 35MW solar plant at the Selous Metallurgical Complex, and US\$35.4 million had been committed, against a budget of US\$37 million. The first of the project's four implementation phases is progressing as planned, with the final phase scheduled for completion in FY2027, at a total project cost estimate of US\$201 million.

Implementation of the base metal refinery refurbishment project progressed well during the quarter with US\$10.9 million spent to date, and a further US\$18.4 million committed, against a total budget of US\$189.9 million.

SHAREHOLDER INFORMATION

Shareholder Enquiries

Matters relating to shareholdings should be directed to the share registry at:

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