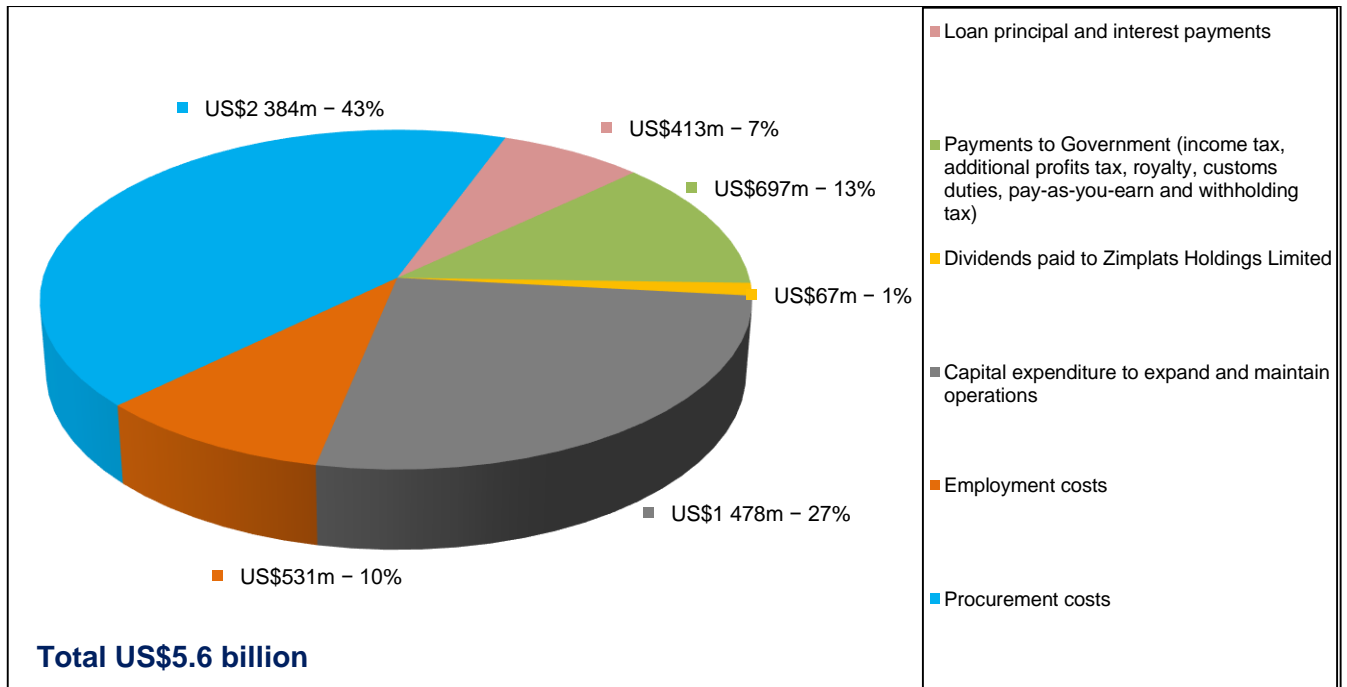




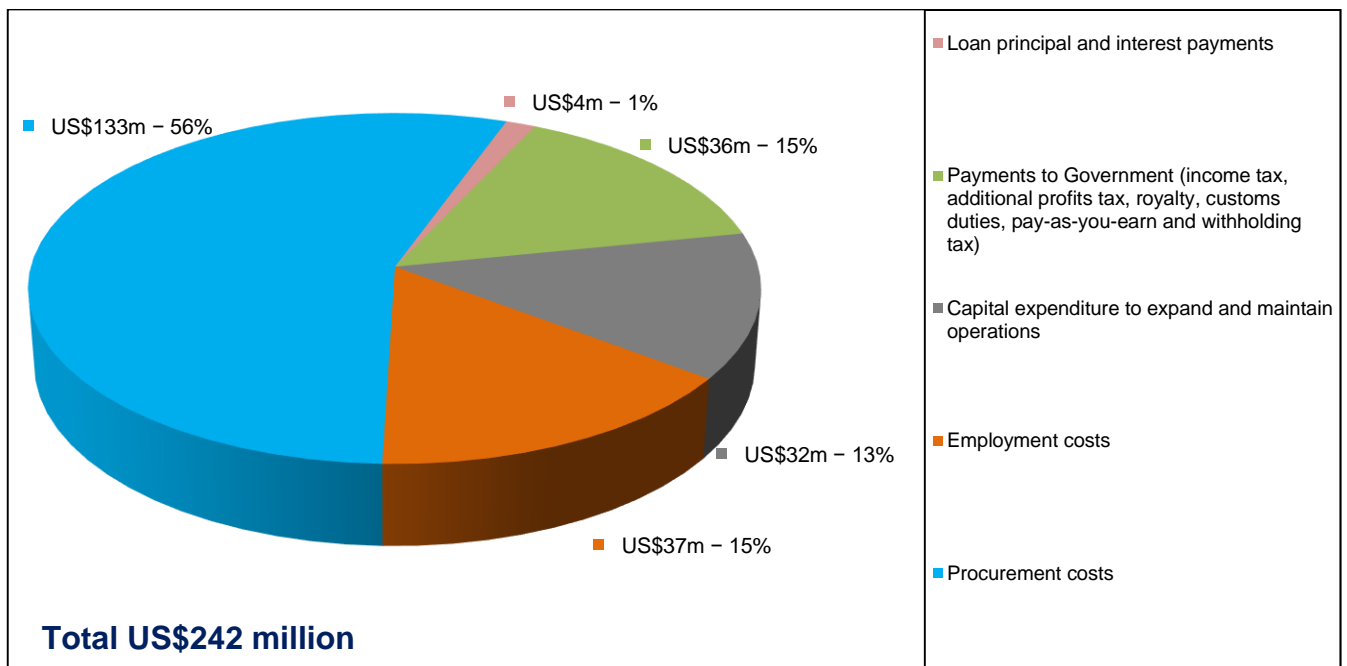
**REPORT FOR THE QUARTER ENDED 31 DECEMBER 2017**

**KEY FEATURES**

**Zimbabwe Platinum Mines (Private) Limited - Cash utilisation – 1 July 2001 to 31 December 2017 (US\$ millions)**



**Zimbabwe Platinum Mines (Private) Limited - Cash utilisation – for the half year ended 31 December 2017**



- Two lost-time injuries were recorded during the quarter
- No fatalities were reported during the quarter
- Tonnes mined increased by 2% from the previous quarter
- Tonnes milled decreased by 3% from the previous quarter
- Furnace reline work was successfully completed during the quarter with no safety incident
- Four elements (platinum, palladium, gold and rhodium) (4E) production in final product decreased by 2% from the previous quarter
- Gross revenue per 4E ounce increased by 4% from the previous quarter
- Revenue increased by 80% mainly due to the sale of concentrates accumulated from the previous quarter
- Bimha Mine re-development and Mupani Mine development projects are on schedule.

## SAFETY

Two lost-time injuries were recorded during the quarter compared to nil in the previous quarter.

The Group achieved a safety milestone of 7.8 million fatality free shifts.

## PRODUCTION

		December Quarter 2017	September Quarter 2017	% Change	December Quarter 2016	% Change
<b>Mining</b>						
Ore mined	Tonnes (000)	1 767	1 725	2	1 735	2
Head grade	4E g/t	3.24	3.24	-	3.24	-
<b>Processing</b>						
Ore milled	Tonnes (000)	1 643	1 690	(3)	1 603	3
Recovery	4E%	81.0	80.8	-	80.0	1
<b>Metal in final product</b>						
Platinum	Ounces	67 229	68 923	(2)	67 304	-
Palladium	Ounces	55 779	57 028	(2)	54 776	2
Gold	Ounces	7 215	7 299	(1)	6 983	3
Rhodium	Ounces	5 855	5 896	(1)	6 053	(3)
<b>4E total</b>	<b>Ounces</b>	<b>136 078</b>	<b>139 146</b>	<b>(2)</b>	<b>135 116</b>	<b>1</b>
Ruthenium	Ounces	5 005	5 341	(6)	5 474	(9)
Iridium	Ounces	2 408	2 378	1	2 673	(10)
Silver	Ounces	10 931	11 789	(7)	15 098	(28)
Nickel	Tonnes	1 203	1 302	(8)	1 195	1
Copper	Tonnes	915	999	(8)	905	1
Cobalt	Tonnes	26	23	15	15	68
<b>Metal sales</b>						
Platinum	Ounces	84 150	48 673	73	84 688	(1)
Palladium	Ounces	70 103	40 397	74	69 444	1
Gold	Ounces	9 308	5 187	79	8 815	6
Rhodium	Ounces	7 163	4 350	65	7 361	(3)
<b>4E total</b>	<b>Ounces</b>	<b>170 724</b>	<b>98 607</b>	<b>73</b>	<b>170 309</b>	<b>-</b>
Ruthenium	Ounces	6 839	3 862	77	6 828	-
Iridium	Ounces	3 117	1 837	70	3 329	(6)
Silver	Ounces	16 577	8 902	86	16 163	3
Nickel	Tonnes	1 609	924	74	1 497	8
Copper	Tonnes	1 231	716	72	1 139	8
Cobalt	Tonnes	31	13	135	25	26

Tonnes mined increased by 2% from the previous quarter due to the ramp-up in production at Bimha Mine and a better performance at the South Pit Mine.

Tonnes milled decreased by 3% from the previous quarter due to a seven-day mill reline shutdown at the Selous Metallurgical Complex concentrator.

4E head grade was maintained at 3.24g/t.

The furnace, which was switched back on in October 2017 after a successful planned 46-day sidewall reline shutdown, smelted 32 009 tonnes of concentrate, up from 22 654 tonnes smelted in the previous quarter.

Overall, 4E metal production in final product decreased by 2% from the previous quarter mainly due to the decrease in the volume of ore milled.

Concentrates produced and stockpiled during the furnace shutdown in the previous quarter were exported during the quarter under review.

## FINANCIAL

	December Quarter 2017 US\$000	September Quarter 2017 US\$000	% Change	December Quarter 2016 US\$000	% Change
Revenue	184 052	102 096	80	139 185	32
Net operating costs	(138 786)	(75 482)	( 84)	(115 170)	( 21)
<b>Profit from operations before royalties</b>	<b>45 267</b>	<b>26 614</b>	<b>70</b>	<b>24 015</b>	<b>88</b>
Royalties	(4 476)	(2 542)	( 76)	(3 401)	( 32)
<b>Profit from operations after royalties</b>	<b>40 790</b>	<b>24 072</b>	<b>69</b>	<b>20 614</b>	<b>98</b>

The table below shows the analysis of revenue by metal.

Metal	December Quarter 2017 US\$000	September Quarter 2017 US\$000	% Change	December Quarter 2016 US\$000	% Change
Platinum	68 588	43 259	59	64 634	6
Palladium	67 712	35 187	92	42 307	60
Gold	10 732	6 152	74	8 750	23
Rhodium	12 867	4 345	196	5 377	139
<b>4E total</b>	<b>159 899</b>	<b>88 943</b>	<b>80</b>	<b>121 068</b>	<b>32</b>
Nickel	15 306	8 519	80	12 132	26
Copper	6 361	3 544	80	4 686	36
Ruthenium	1 272	781	63	1 039	22
Iridium	902	136	564	108	733
Cobalt	234	126	85	87	170
Silver	78	47	65	65	19
<b>Grand total</b>	<b>184 052</b>	<b>102 096</b>	<b>80</b>	<b>139 185</b>	<b>32</b>

Revenue increased by 80% from the previous quarter mainly due to the sale of concentrates accumulated from the previous quarter and a 4% increase in the basket price of the metals sold.

Net operating costs increased by 84% compared to the previous quarter largely due to the increase in 4E sales volumes, an increase in selling expenses arising from the export of concentrate stockpiled in the previous quarter and an increase in smelter costs in line with increased running time.

Royalty and commission expenses increased by 76% from the previous quarter in line with the increase in revenue.

Cash and total cost of production	December Quarter 2017 US\$	September Quarter 2017 US\$	% Change	December Quarter 2016 US\$	% Change
Cash cost per 4E ounce	704	614	( 15)	600	( 17)
Net cash cost per 4E ounce	562	480	( 17)	493	( 14)
Amortisation and depreciation	117	118	1	131	11
Total cost per 4E ounce*	679	598	( 13)	624	( 9)
Gross revenue per 4E ounce	1 078	1 035	4	817	32

\*Net of by-product revenue.

Cash cost per 4E ounce increased by 15% from the previous quarter despite the increase in production volumes mainly due to selling expenses and smelting charges for the concentrates produced in the previous quarter but only exported during the current quarter.

Gross revenue per 4E ounce increased by 4% from the previous quarter due to higher metal prices. Net cash cost per 4E ounce increased by 17% from the previous quarter due to the increase in operating costs and a decrease in by-product revenue per 4E ounce.

Total payments to the Government of Zimbabwe in direct and indirect taxes increased to US\$19 million from the US\$16 million reported in the previous quarter.

The average platinum, palladium, rhodium, gold and nickel prices realised were as follows:

## METAL PRICES

	December Quarter 2017	September Quarter 2017	% Change	December Quarter 2016	% Change
Platinum (US\$ per oz)	920	952	(3)	945	(3)
Palladium (US\$ per oz)	992	901	10	685	45
Rhodium (US\$ per oz)	1 363	1 034	32	704	94
Gold (US\$ per oz)	1 275	1 278	-	1 219	5
Nickel (US\$ per tonne)	11 572	10 519	10	10 804	7

## CAPITAL PROJECTS

The redevelopment of Bimha Mine remains on schedule to reach full production in April 2018. A total of US\$46.8 million had been spent on the project as at 31 December 2017 against an approved total project budget of US\$101 million.

The development of Mupani Mine (the replacement mine for Ngwarati and Rukodzi mines) remains on schedule, targeting ore contact by May 2020 and full production in August 2025. A total of US\$20.1 million had been spent on the project as at 31 December 2017 against an approved total project budget of US\$264 million.

## RESOLUTION OF OUTSTANDING ISSUES WITH GOVERNMENT

### Indigenisation and economic empowerment

Discussions with the Government of Zimbabwe regarding the operating subsidiary's indigenisation implementation plan are continuing.

### Acquisition of a portion of the mining lease area

As reported previously, on 13 January 2017, the Government of Zimbabwe issued, through a Government Gazette Extraordinary, a preliminary notice in terms of which it gave fresh notice of its intention to compulsorily acquire land measuring 27 948 hectares within the operating subsidiary's special mining lease area. The operating subsidiary lodged an objection to the proposed acquisition. Following the objection being lodged, on 24 May 2017, the Government served the operating subsidiary with an order of compulsory acquisition and, on 26 June 2017, the Government filed a court application seeking confirmation of the acquisition. The operating subsidiary responded to the court application. The matter is pending in the courts but the operating subsidiary is also engaging the Government on the matter.

## SHAREHOLDER INFORMATION

### Share price

The average share price for the quarter was AU\$5.06 (previous quarter: AU\$4.46).

### Major shareholders as at 31 December 2017:

Impala Platinum BV	87.00%
JP Morgan Nominees Australia Limited	5.38%
Citicorp Nominees Pty Limited	3.75%
HSBC Custody Nominees (Australia) Limited	2.17%

### Shareholder enquiries

Matters relating to 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.

### Contact - Guernsey

Ms. Sara Bourne  
Tel: +44 1481 737 245  
Fax: +44 1481 711 220  
Email: sara.bourne@careygroup.gg

### Contact - Australia

Ms. Kathrine Brown  
Tel: +61 2 8920 1031  
Fax: +61 2 8920 2956  
Email: kathrine.brown@zimplats.com.au

### Contact - Zimbabwe

Mr. Stewart Mangoma  
Tel: +263 4 886 888  
Fax: +263 4 886 877  
Email: stewart.mangoma@zimplats.com

Website: [www.zimplats.com](http://www.zimplats.com)