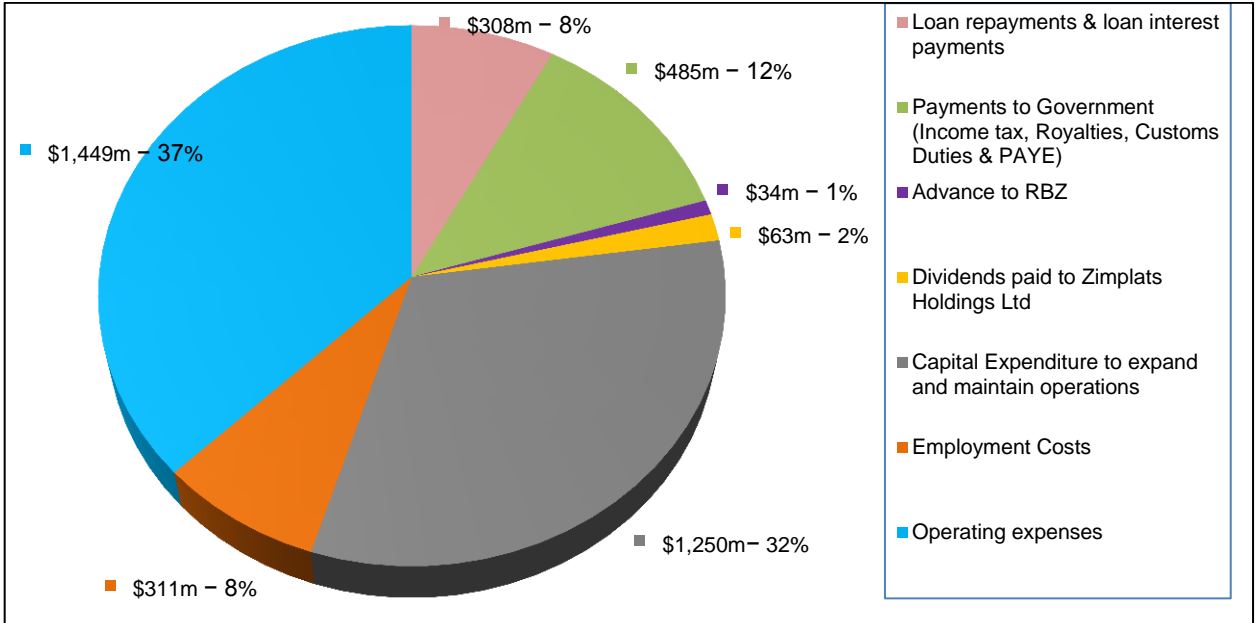




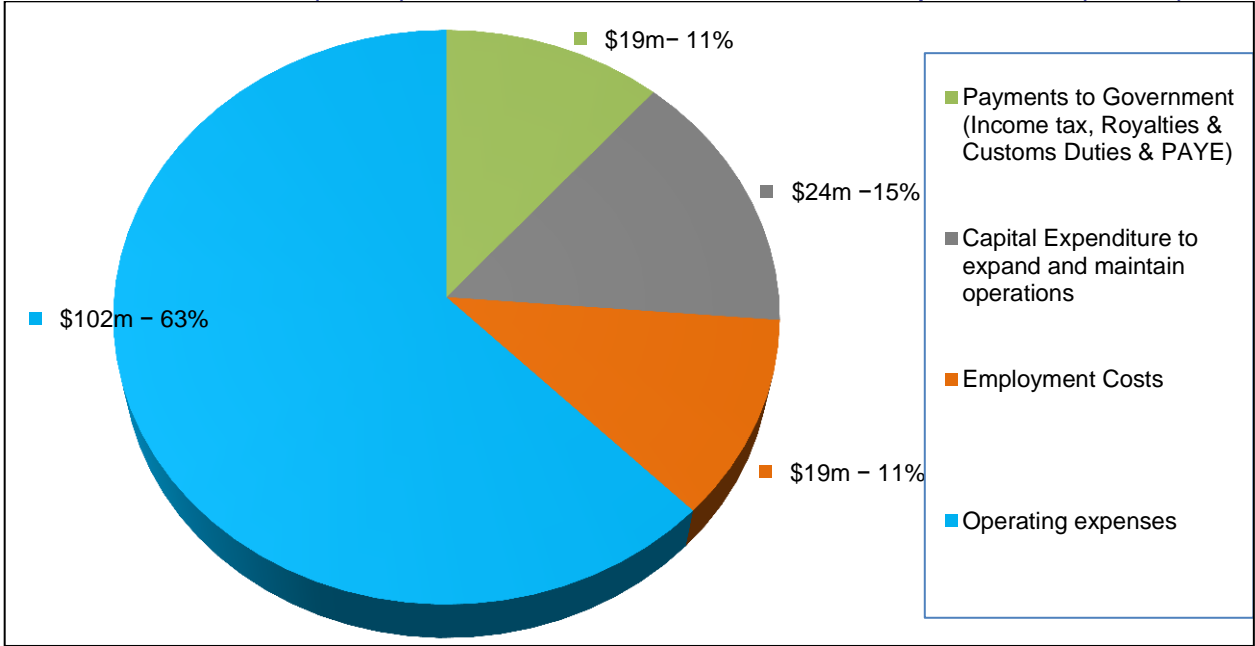
REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2014

KEY FEATURES

Zimbabwe Platinum Mines (Private) Limited Cash Utilisation – 2002 to 2015 YTD (Millions)



Zimbabwe Platinum Mines (Private) Limited Cash Utilisation – Quarter Ended September 2014 (Millions)



- Two lost time injuries (LTI) recorded in the quarter were the same as the last quarter.
- Bimha Mine closed as a precautionary measure:
  - Production fleets redeployed to other mines.
  - Monitoring of ground stability at Bimha on-going.
  - A number of investigative studies on general and structural geology under way.
- Operational and financial performance negatively impacted by the precautionary closure of Bimha Mine and low platinum prices.
- Ngezi Phase II Expansion project progressing well.
- The Indigenisation Implementation Plan is still under review.

## SAFETY

The main operating company, Zimbabwe Platinum Mines (Private) Limited, achieved 2 million fatality free shifts in the quarter under review in addition to achieving the following accolades:

- Four gold awards for Best Safety Performance from the National Social Security Authority (NSSA)
- First position in the Chamber of Mines First Aid Competition
- First position in the National Fire Competition
- First position in the Fresh Air Rescue Competition
- First position for SHE audits from the National Association of Mine Managers of Zimbabwe (AMMZ).

Two LTIs were recorded in the quarter, a similar performance to the previous quarter, while the Lost Time Injury Rate (LTIFR) is 0.54 per million man hours worked for the period.

## PRODUCTION

		September Quarter 2014	June Quarter 2014	% Change	September Quarter 2013	% Change
<b>Mining</b>						
Ore mined	Tonnes (000's)	1,351	1,539	(12)	1,294	4
Head grade	4E g/t	3.25	3.27	(1)	3.25	0
<b>Processing</b>						
Ore milled	Tonnes (000's)	1,315	1,536	(14)	1,509	(13)
Recovery	4E%	81.1	81.5	(1)	82.0	(1)
Metal in concentrate	4E oz	111,536	131,639	(15)	129,333	(14)
Metal in converter matte	4E oz	105,667	135,696	(22)	119,821	(12)
Nickel	Tonnes	1,081	1,287	(16)	1,244	(13)
Copper	Tonnes	768	912	(16)	915	(16)
<b>Metal sales</b>						
In converter matte						
4E	Oz	108,544	130,557	(17)	118,908	(9)
Nickel	Tonnes	1,044	1,234	(15)	1,244	(16)
Copper	Tonnes	738	901	(18)	910	(19)

The Bimha Mine was closed on 23 August 2014 as a precautionary measure following the subsidence of ground and associated continued ground deterioration affecting largely the south section of the mine. Six production fleets were re-deployed from Bimha Mine to the remaining three mines albeit at reduced productivity levels due to constrained redundancy (mining space) across these operations. As a result, tonnes mined in the quarter decreased by 12% from the previous quarter.

Work within Bimha Mine has been limited to monitoring of ground conditions and equipment reclamation in safe areas. A number of initiatives are underway to understand the nature and extent of the collapse and the structural geological setting and to ensure effective monitoring.

Head grade (4E) at 3.25g/t was marginally lower than the previous quarter.

Tonnes milled decreased by 14% from previous quarter due to lower ore supply resulting in a 15% decrease in 4E metal in concentrate production.

The metal recovery rate (4E) was marginally lower decreasing by 1% from the previous quarter to 81.1% in line with the decrease in head grade.

Metal in converter matte decreased by 22% from 135,696 ounces (4E) to 105,667 ounces (4E) mainly as a result of the decrease in ore milled and lower mill grades.

## FINANCIAL

	September Quarter 2014 US\$ 000's	June Quarter 2014 US\$ 000's	% Change	September Quarter 2013 US\$ 000's	% Change
Revenue	132,935	166,687	(20)	145,532	(9)
Operating Costs*	(94,439)	(105,223)	10	(95,074)	1
<b>Operating Profit before royalties</b>	<b>38,496</b>	<b>61,464</b>	<b>(37)</b>	<b>50,458</b>	<b>(24)</b>
Royalties	(9,051)	(11,413)	21	(10,622)	15
<b>Operating Profit after royalties</b>	<b>29,445</b>	<b>50,051</b>	<b>(41)</b>	<b>39,836</b>	<b>(26)</b>

\*Excluding fair value adjustments and tax penalties

Revenue decreased by 20% from the previous quarter due to a 17% decrease in 4E sales volumes and a 4% decrease in gross revenue received per 4E ounce. Operating costs were 10% lower than the previous quarter due to lower production and sales volumes. Consequently, operating profit before royalties decreased by 37% from the previous quarter to US\$38.5 million. Royalties decreased by 21% from the previous quarter due to the decrease in revenue. As a result operating profit after royalties was 41% lower than the previous quarter.

Cash and total cost of production	September Quarter 2014 US\$	June Quarter 2014 US\$	% Change	September Quarter 2013 US\$	% Change
Cash cost per 4E ounce	728	595	(22)	685	(6)
Net cash cost per 4E ounce	549	396	(39)	525	(5)
Amortisation and depreciation	148	160	8	110	(35)
Total cost per 4E ounce *	697	556	(25)	635	(10)
Total revenue per 4E ounce	1,225	1,277	(4)	1,224	0

\*Net of by-product revenue.

Cash cost per 4E ounce increased by 22% from the previous quarter due to the lower production.

The main operating company's local spend (excluding payments to government and related institutions) decreased by 21% to US\$50 million due to reduced activity on the Phase II Project. Total payments to the Government of Zimbabwe in direct and indirect taxes remained constant at US\$19 million.

## PGM PRICES

The average PGM, gold and nickel prices are as follows:

	September Quarter 2014	June Quarter 2014	% Change	September Quarter 2013	% Change
Platinum (US\$ per oz)	1,435	1,447	(1)	1,456	(1)
Palladium (US\$ per oz)	863	815	6	724	19
Rhodium (US\$ per oz)	1,213	1,045	16	983	23
Gold (US\$ per oz)	1,283	1,289	(0)	1,329	(3)
Nickel (US\$ per tonne)	18,565	18,458	1	13,919	33

## EXPANSION

Development at the Mupfuti Mine remains on schedule to reach design production in early 2015.

## RESOLUTION OF OUTSTANDING ISSUES WITH GOVERNMENT

### Taxation Issues

#### Additional Profits Tax Court case

This case was heard in the Special Court for Income Tax Appeals on 15 September 2014. The Judge reserved judgment after hearing arguments from both parties.

#### Penalty on Prior Year Income Tax case

The operating subsidiary's appeal against the levying of a penalty on the additional prior years' income taxes by the Zimbabwe Revenue Authority (ZIMRA) was heard in the Special Court for Income Tax Appeals on 24 September 2014. The Judge also reserved judgment after hearing arguments from both parties.

### RBZ Debt

The Bill that will facilitate the assumption of the RBZ debt by the State is still to be passed by Parliament.

### Indigenisation and Economic Empowerment

The company continues to engage with the Ministry of Youth Development, Indigenisation and Economic Empowerment with regard to the company's indigenisation implementation plan.

## SHAREHOLDER INFORMATION

### Share price

The average share price for the quarter was AU\$8.72 (previous quarter: AU\$7.14).

### Capital Structure

#### Major shareholders as at 30 September 2014:

Impala Platinum Holdings Limited	87.00%
HSBC Custody Nominees (Australia) Ltd	4.29%
Citicorp Nominees Pty Ltd	3.03%

#### 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.

#### Contact - Guernsey

Ms. Ceris Graham  
Tel: +44 1481 737 217  
Fax: +44 1481 738 917  
Email: [carey.graham@careygroup.gg](mailto:carey.graham@careygroup.gg)

#### Contact - Australia

Ms. Kathrine Brown  
Tel: +61 2 8920 1031  
Fax: +61 2 8920 2956  
Email: [kathrine.brown@zimplats.com.au](mailto: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](mailto:stewart.mangoma@zimplats.com)

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