

Zimplats Holdings Limited



REPORT FOR THE QUARTER ENDED 30 JUNE 2010

KEY FEATURES

- Less than satisfactory safety performance.
- Excellent operational and financial performance.
- Implementation of Ngezi Phase II Expansion Project commenced.
- Ngezi Phase II Expansion Project funding finalised.

SAFETY

Safety performance for the quarter and year was well below expectation. Five lost time injuries were recorded bringing the total number of lost time injuries for the year to eight. Efforts have been stepped up to improve on safety performance going forward.

PRODUCTION – Zimbabwe Platinum Mines (Private) Limited

| | | June Quarter 2010 | March Quarter 2010 | December Quarter 2009 | September Quarter 2009 |
|--------------------------|----------------|-------------------------|--------------------------|-----------------------------|------------------------------|
| Mining | | | | | |
| Ore mined – underground | Tonnes (000's) | 967 | 917 | 863 | 797 |
| Head grade | 4E g/t | 3.37 | 3.37 | 3.34 | 3.32 |
| Processing | | | | | |
| Ore milled | Tonnes (000's) | 1,074 | 1,053 | 1,100 | 869 |
| Recovery | 4E% | 81.9 | 82.3 | 80.9 | 80.6 |
| Metal in concentrate | 4E oz | 95,144 | 93,845 | 94,670 | 74,389 |
| Metal in converter matte | 4E oz | 93,380 | 92,985 | 91,463 | 72,027 |
| Nickel | Tonnes | 898 | 884 | 802 | 597 |
| Copper | Tonnes | 647 | 632 | 573 | 426 |
| Metal sales | | | | | |
| 4E | Oz | 90,418 | 93,842 | 90,081 | 71,261 |
| Nickel | Tonnes | 853 | 890 | 794 | 594 |
| Copper | Tonnes | 613 | 632 | 566 | 420 |

Mining and processing operations recorded excellent results in the quarter.

Ore mined was 5% higher than the previous quarter as the Bimha Mine ramp up in production continued.

Ore milled was 2% above the previous quarter. Recovery was marginally lower than the previous quarter reflecting lower recoveries being achieved at the Ngezi concentrator due to a lower mass pull.

4E metal sales volume was lower than production as well as the prior quarter, due to year end pipeline adjustments.

FINANCIAL – Zimbabwe Platinum Mines (Private) Limited

| Operating Income Statement | June Quarter 2010 US\$ 000's | March Quarter 2010 US\$ 000's | December Quarter 2009 US\$ 000's | September Quarter 2009 US\$ 000's |
|----------------------------|---------------------------------------|--|---|--|
| Revenue | 115,293 | 116,633 | 107,425 | 64,602 |
| Operating Costs | (58,820) | (59,622) | (57,404) | (43,875) |
| Operating Profit | 56,473 | 57,011 | 50,021 | 20,727 |

Revenue and operating costs for the quarter were marginally lower than the previous quarter in line with the decrease in sales volumes. Consequently, an operating profit of US\$56 million was recorded, 1% lower than the previous quarter.

| Cash and total cost of production | June Quarter 2010 US\$ | March Quarter 2010 US\$ | December Quarter 2009 US\$ | September Quarter 2009 US\$ |
|--------------------------------------|---------------------------------|----------------------------------|-------------------------------------|--------------------------------------|
| Cash cost of production per 4E ounce | 536 | 561 | 559 | 560 |
| Net cash cost per 4E ounce | 325 | 365 | 393 | 410 |
| Amortisation and depreciation | 83 | 77 | 78 | 72 |
| Total cost per 4E ounce * | 408 | 444 | 471 | 482 |
| Total revenue per 4E ounce | 1,275 | 1,243 | 1,193 | 907 |
| Surplus per 4E ounce** | 656 | 605 | 556 | 274 |

Cash cost of production per 4E ounce were 4% lower than previous quarter reflecting the impact of higher production volumes.

*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:

| | June 2010 Quarter | March 2010 Quarter | December 2009 Quarter | September 2009 Quarter |
|------------------------|-------------------------|--------------------------|-----------------------------|------------------------------|
| Platinum (USD per oz) | 1,644 | 1,565 | 1,393 | 1,237 |
| Palladium (USD per oz) | 501 | 442 | 349 | 273 |
| Rhodium (USD per oz) | 2,707 | 2,568 | 2,000 | 1,608 |
| Gold (USD per oz) | 1,224 | 1,049 | 1,102 | 958 |
| Nickel (USD per tonne) | 22,469 | 19,953 | 17,695 | 17,522 |

Although average metal prices realised were higher than the previous quarter, the prices have since softened considerably reflecting market concerns over the general health of the European economies.

EXPANSION

Development of Bimha Mine remains on course for completion by May 2011.

Implementation of the Ngezi Phase II Expansion Project has commenced. The funding arrangements for the project are now in place.

RESOLUTION OF OUTSTANDING ISSUES WITH GOVERNMENT

The Government has appointed an independent expert to review the Additional Profits Tax provisions of the Income Tax Act. The review is scheduled to be completed by end of December 2010 as part of an on-going overhaul of the Income Tax Act.

Discussions on the repayment of the Reserve Bank of Zimbabwe debt of \$34 million by the Government are still to be concluded.

The Indigenisation and Economic Empowerment Act regulations have been amended to take into account stakeholder input. The amended regulations provide for the appointment of sectoral committees whose role will be to make, in respect of each relevant sector of the economy, recommendations to Government on, inter alia, the following:

1. Minimum net asset threshold above which businesses in the sector should comply with Act;
2. Minimum shareholding that indigenous Zimbabweans can hold in a business operating in the sector;
3. Maximum period that businesses in the sector may continue to operate with a shareholding that is below the indigenisation and empowerment quota;
4. Weightings to be assigned to social and other community investments that a business will have undertaken.

Sectoral committees are expected to be appointed shortly.

SHAREHOLDER INFORMATION

Share price

The average share price for the quarter was A\$11.26 (previous quarter: A\$12.16).

Capital Structure

Major shareholders as at 30 June 2010

| | |
|--|--------|
| Impala Platinum Holdings Limited | 87.00% |
| HSBC Custody Nominees (Australia) Ltd | 3.64% |
| Merrill Lynch (Australia) Nominees Pty Ltd | 3.52% |

Caution

Shareholders are advised to exercise 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.

INFORMATION ON ZIMPLATS

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In the report Zimplats refers to Zimplats Holdings Limited and/or its subsidiaries.