

Zimplats Holdings Limited



REPORT FOR THE QUARTER ENDED 31 MARCH 2021

This ASX announcement was approved and authorised for release by the board of directors of Zimplats Holdings Limited.

KEY FEATURES

- 24 new COVID-19 cases were recorded during the quarter, all of whom have fully recovered
- One fatal and two non-fatal lost-time injuries were recorded during the quarter
- A portion of the Ngwarati Mine box-cut high wall collapsed during the quarter, fatally injuring Mr Kudzanayi Manyonganise who was employed by Eazi Access, a contractor company at the mine
- Tonnes mined decreased 4%, while tonnes milled improved by 1% from the December 2020 quarter
- Production of 6E (six elements) (platinum, palladium, rhodium, ruthenium, iridium and gold) declined by 7% from the December 2020 quarter
- Cash costs per 6E ounce produced increased by 10% to US\$710/oz

SAFETY

As previously announced through the ASX on 18 March 2021, the high wall of the Ngwarati Mine boxcut collapsed on Sunday, 14 February 2021, regrettably fatally injuring Mr Kudzanayi Manyonganise, an employee of Eazi Access, a company contracted at the mine. The board of directors and management team have extended their sincere condolences to the family, friends and colleagues of Mr Manyonganise.

In addition to the fatality, two more lost-time injuries were recorded during the quarter.

The Zimplats board of directors and management team remain committed to ensuring a safe working environment at all its operations.

PRODUCTION

		March quarter 2021	December quarter 2020	% change	March quarter 2020	% change
Mining						
Ore mined	Tonnes (000)	1 746	1 810	(4)	1 798	(3)
6E head grade	g/t	3.39	3.48	(3)	3.46	(2)
Processing						
Ore milled	Tonnes (000)	1 700	1 684	1	1 701	-
6E recovery	%	76.6	79.2	(3)	79.0	(3)
Metal in final product						
Platinum	Ounces	63 326	66 965	(5)	69 987	(10)
Palladium	Ounces	53 425	57 553	(7)	59 304	(10)
Gold	Ounces	7 584	7 839	(3)	8 051	(6)
Rhodium	Ounces	5 514	5 968	(8)	6 269	(12)
Ruthenium	Ounces	4 958	5 400	(8)	5 414	(8)
Iridium	Ounces	2 286	2 562	(11)	2 595	(12)
6E total	Ounces	137 093	146 287	(6)	151 620	(10)
Silver	Ounces	11 840	11 617	2	12 009	(1)
Nickel	Tonnes	1 223	1 200	2	1 315	(7)
Copper	Tonnes	949	947	-	950	-
Cobalt	Tonnes	21	15	40	17	24

Ore mined decreased by 4% from the December 2020 quarter due to the temporary closure of Ngwarati Mine after the incident on 14 February 2021. Production teams from Ngwarati Mine have been redeployed to Rukodzi, Bimha and Mupani mines. Ngwarati Mine is expected to be back in full production by the end of June 2021.

6E head grade decreased 3% from the previous quarter due to milling of stockpiled lower grade development ore from Mupani Mine after the temporary closure of Ngwarati Mine. The lower head grade had a negative impact on 6E recovery for the quarter which was 3% lower than the December 2020 quarter.

6E metal production in final product declined by 6% from the previous quarter due to the combination of lower grade and process recoveries. 6E metal production in final product was 10% lower than the prior comparable period (which benefitted from the treatment of furnace reverts stockpiled during the furnace rebuild in addition to higher 6E head grade and 6E recovery rate).

FINANCIAL

	March quarter 2021	December quarter 2020	% change	March quarter 2020	% change
Total operating cash costs (US\$000)	95 142	96 542	1	90 430	(5)
Transfer from/(to) closing stocks (US\$000)	2 245	(1 779)	(226)	2 157	(4)
Cash costs of metal produced (US\$000)	97 387	94 763	(3)	92 587	(5)
Operating cash costs per 6E ounce (US\$)	710	648	(10)	611	(16)

Total operating cash costs decreased by 1% from the previous quarter as a result of lower volumes of ore mined which was partly offset by the negative impact of the strengthening of the South African Rand against the United States Dollar on imported goods and services from South Africa and higher fuel prices in line with firming crude oil prices on the world market. A total of US\$2.2 million was transferred from opening stocks to operating costs during the quarter as concentrate stocks were reduced in the period. The combination of inflationary pressures and lower production volumes resulted in a 10% increase in operating cash costs per 6E ounce to US\$710 in the period.

EXPLORATION

A total of US\$0.7 million was spent on exploration projects and US\$0.9 million was committed as at 31 March 2021. Exploration activities undertaken included Mineral Resource evaluation work comprising approximately 7 613 metres of surface diamond drilling over existing projects on the two mining leases. The exploration activities improved geological and geotechnical confidence in scheduled production.

COVID-19 UPDATE

The Group recorded 24 positive COVID-19 cases during the quarter, resulting in cumulative confirmed cases since the inception of the pandemic rising to 31. All affected employees were managed in line with the Group's COVID-19 code of practice which incorporates both Zimbabwe Ministry of Health and Child Care and World Health Organisation protocols and had fully recovered by the end of the quarter. There were no COVID-19 related disruptions to operations.

Zimbabwe's second wave of infections which started towards the end of the December 2020 quarter had receded by end of the quarter under review. The workforce is adapting well to the current COVID-19 operating environment.

SHAREHOLDER INFORMATION

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.

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