

Zimplats Holdings Limited



REPORT FOR THE QUARTER ENDED 30 JUNE 2021

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

KEY FEATURES

- Four new Covid-19 cases were recorded during the quarter, all of whom have fully recovered
- Zimplats operated without a lost-time injury during the quarter
- Tonnes mined increased by 2%, while tonnes milled improved by 4% from the March 2021 quarter
- Production of 6E (platinum, palladium, rhodium, ruthenium, iridium and gold) was 12% higher than the prior quarter
- Cash costs per 6E ounce produced improved by 8% to US\$655/oz

SAFETY

No lost-time injuries were recorded during the fourth quarter. This was a pleasing improvement from the three lost-time injuries (including a fatality) recorded in the prior quarter ended 31 March 2021.

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

PRODUCTION

		June quarter 2021	March quarter 2021	% change	June quarter 2020	% change
Mining						
Ore mined	Tonnes (000)	1 787	1 746	2	1 829	(2)
6E head grade	g/t	3.40	3.39	-	3.49	(3)
Processing						
Ore milled	Tonnes (000)	1 767	1 700	4	1 676	5
6E recovery	%	77.9	76.6	2	78.7	(1)
Metal in final product						
Platinum	Ounces	70 688	63 326	12	73 785	(4)
Palladium	Ounces	59 544	53 425	11	63 563	(6)
Gold	Ounces	8 533	7 584	13	8 576	(1)
Rhodium	Ounces	6 358	5 514	15	6 727	(5)
Ruthenium	Ounces	5 803	4 958	17	5 772	1
Iridium	Ounces	2 717	2 286	19	2 767	(2)
6E total	Ounces	153 643	137 093	12	161 190	(5)
Silver	Ounces	13 285	11 840	12	13 982	(5)
Nickel	Tonnes	1 391	1 223	14	1 402	(1)
Copper	Tonnes	1 080	949	14	1 058	2
Cobalt	Tonnes	15	21	(29)	18	(17)

Ore mined increased by 2% from the prior quarter due to the increase in operating days and improved productivity from the teams redeployed to other mines following the precautionary closure of Ngwarati Mine after the high-wall collapse incident on 14 February 2021. While the productivity of the redeployed teams improved on the previous quarter, it remained lower than their capacity at Ngwarati Mine resulting in production being 2% lower than the fourth quarter last year. Ngwarati Mine reopened for production on 1 July 2021.

6E head grade of 3.4 g/t and 6E recovery of 77.9% improved from the prior quarter as the ore mix stabilised. However, milling of lower-grade development ore from Mupani Mine after the precautionary closure of Ngwarati Mine resulted in a 3% decline

from that processed in the prior comparable quarter in 2020. As a result of the lower mill grade, 6E recovery was marginally lower year-on-year due to the decrease in head grade.

6E metal production in final product increased by 12% from the third quarter due to the combination of higher throughput and increased process recoveries. 6E metal production in final product declined by 5% from the prior June quarter when volumes benefitted from both the treatment of furnace reverts stockpiled during the furnace rebuild and higher 6E head grade and recoveries.

FINANCIAL

	June quarter 2021	March quarter 2021	% change	June quarter 2020	% change
Total operating cash costs (US\$000)	99 544	95 142	(5)	92 683	(7)
Transfer from/(to) closing stocks (US\$000)	1 013	2 245	55	(1 240)	(182)
Cash costs of metal produced (US\$000)	100 557	97 387	(3)	91 443	(10)
Operating cash costs per 6E ounce (US\$)	655	710	8	567	(16)

Total operating cash costs increased 5% from the previous quarter due to higher volume of ore mined and milled. In addition, costs were negatively impacted by additional Covid-19 related expenditure. A total of US\$1 million was transferred from opening stocks to operating costs during the quarter, as concentrate stocks were reduced in the period. The increase in production volumes resulted in an 8% quarter-on-quarter decrease in operating cash costs per 6E ounce to US\$655. Unit costs in the June 2020 quarter benefitted from the volume gains realised from the treatment of furnace reverts.

EXPLORATION

A total of US\$1.3 million was spent on exploration projects, with a further US\$0.1 million committed as at 30 June 2021. Exploration activities included mineral resource evaluation work, comprising approximately 10 171 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 four positive Covid-19 cases during the quarter, bringing the total number of confirmed cases since the start of the pandemic to 35. All affected employees, who had fully recovered by quarter end, were managed in accordance with the Group's Covid-19 code of practice, which incorporates protocols from the Zimbabwe Ministry of Health and Child Care and the World Health Organisation. There were no operational disruptions caused by the Covid-19 pandemic. Employee vaccination progressed well in the quarter.

The third wave of infections in Zimbabwe began near the end of the quarter under review and positive cases were still increasing at the end of the quarter. In response, Zimbabwe was placed on level four lockdown, with business hours shortened and stricter localised restrictions imposed in identified Covid-19 hot spots. The Group's operations continue to be designated as "essential services" allowing continued operation.

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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