

Zimbabwe Platinum Mines Limited



REPORT FOR THE QUARTER ENDED 30 JUNE 2003

HIGHLIGHTS

- Implats to make an offer to minorities @ A\$4.08/share.
- Implats acquires Absa's Zimplats shareholding.
- Record quarter 4E production.
- Increased power and fuel costs constrain profits.
- Positive cash flow of US\$5.7 million.
- Good progress with Ngezi trial underground mine.

PRODUCTION – Makwiro Platinum Mines (Private) Limited – "Makwiro"

Makwiro is 70% owned by Zimplats and 30% by Impala Platinum Holdings Limited.

Ngezi Platinum Mine

		June Quarter 2003	March Quarter 2003	December Quarter 2002	September Quarter 2002
Total volume mined	BCMs (million)	2.1	2.1	2.3	2.1
Ore mined	Tonnes (000's)	474	455	545	511
Grade	4E (average) g/t	3.25	3.23	3.19	3.14

Selous Metallurgical Complex

The new SAG mill liners installed in the previous quarter resulted in the SMC operating well during the quarter. However, subsequent to the end of the quarter, a furnace break out occurred on 12 July 2003, resulting in the discharge of matte and slag below one of the tapholes. Management has not yet been able to fully assess the extent of the damage, but an early evaluation indicates that the damage is serious and that the furnace may be out of commission for between one or two months. Five people sustained minor injuries, none of which resulted in a lost time incident. Shareholders will be advised of the final implications of this incident when a full assessment of the damage is concluded.

Concentrator

	June Quarter 2003	March Quarter 2003	December Quarter 2002	September Quarter 2002
Production days	91	81	83	91
Tonnes milled	516,404	463,971	461,710	495,034
Grade g/t	3.25	3.21	3.18	3.14
Recovery	82.3	82.7	82.5	79.7
Metal 4E ounces	43,726	39,674	39,122	39,989

Repairs to the SAG mill bearings and the girth gear lubrication system constrained milling volumes in April. In May and June the milling volumes improved significantly, averaging 6,000 tonnes per day. Management is now focussing on the ore blasting method in order to improve fragmentation, which should increase daily milling volumes.

Smelter

	June Quarter 2003	March Quarter 2003	December Quarter 2002	September Quarter 2002
Production days	91	89	91	91
Concentrate filtered – tonnes	21,972	22,850	21,282	20,598
Concentrate to furnace – tonnes	24,168	21,031	22,819	24,424
Recovery	99.5	99.7	98.4	99.2
Metal 4E ounces in matte	51,981	35,534	41,290	40,455

The smelter operated extremely well in the quarter under review with the metal output reflecting the processing of concentrate stock built up during quarter three as a consequence of the repairs to the furnace matte tap-holes..

Metal Sales

	June Quarter 2003	March Quarter 2003	December Quarter 2002	September Quarter 2002	Y.T.D.
Platinum – ounces	24,358	17,693	19,373	18,769	80,193
Palladium – ounces	21,269	15,142	16,870	16,744	70,025
Gold – ounces	2,773	1,961	2,131	1,943	8,808
Rhodium – ounces	<u>2,273</u>	<u>1,656</u>	<u>1,831</u>	<u>1,715</u>	<u>7,475</u>
4E total – ounces	50,673	36,452	40,205	39,171	166,501
Nickel – tonnes	400	306	335	307	1,348
Copper – tonnes	281	219	233	212	945

NGEZI UNDERGROUND TRIAL MINE

The underground trial mine was fully mechanised during the quarter with the introduction of an electro-hydraulic jumbo and roof-bolter. The machines have performed as planned with tonnage extraction rates and costs in line with estimates.

The introduction of longer drill rounds has further improved the condition and profile of the hanging-wall, which is expected to reduce dilution.

An initial batch of 17,500 tonnes of ore was processed through the SMC concentrator with a grade of 3.25 grammes per tonnes 4E being realised. This is in line with reserve estimates but further modification to the grade control protocol will endeavour to lift this grade by between 5-10%.

The next quarter will see the trial mine ramp up to full production of an estimated 20,000 tonnes per month ore.

RESERVES AND RESOURCES

There has been no change to the Ore Reserve and Mineral Resource statement during the quarter.

NGEZI EXPANSION

The bankable study for the Phase One expansion has continued on schedule. There are no significant variations to date compared to the original scoping study.

EXPLORATION

No further exploration work was undertaken during the quarter as all efforts by the project team are currently focussed on the feasibility study for the proposed underground mine.

FINANCIAL

The Makwiro revenue and operating cost for the June quarter, which is 70% attributable to Zimplats, is tabled below:

Operating cash flow	June Quarter 2003 US\$ 000's	March Quarter 2003 US\$ 000's	December Quarter 2002 US\$ 000's	September Quarter 2002 US\$ 000's
Revenue	21,133	16,187	17,244	16,900
Operating Cost	15,377	9,948	9,021	9,448
Operating Cash Flow	5,756	6,239	8,223	7,452

The operating cost in the quarter reflects the volume increase and the higher power, fuel and explosive costs.

The power tariff was adjusted in April and backdated to February and is now in US\$ terms in line with power costs applicable to the mining industry in South Africa.

The backdated charge of US\$800,000 together with the new increased tariff resulted in an additional US\$2 million being incurred in the quarter under review. During the quarter the company was also obliged to import its total fuel requirements at a higher US\$ cost.

On a positive note the new cash cost for 4E ounce, as detailed below, was 3% down on the previous quarter.

Cash and total cost of production	June Quarter 2003 US\$	March Quarter 2003 US\$	December Quarter 2002 US\$	September Quarter 2002 US\$
Cash cost of production per 4E ounce	304	304	250	250
Less by-product credits	(65)	(62)	(42)	(51)
Net cash cost per 4E ounce	239	242	208	199
Amortisation and depreciation	36	43	36	37
Total cost per 4E ounce	275	285	244	236
Surplus per 4E ounce*	141	159	186	190

*(Revenue, less total cost per 4E ounce).

The reduced surplus per ounce is a consequence of a US\$27 per ounce drop in the 4E revenue. This is mainly a result of the lower palladium price.

PGM PRICES

The average pgm and gold prices for the past 4 quarters are as follows:

	June 2003 Quarter	March 2003 Quarter	December 2002 Quarter	September 2002 Quarter
Platinum	648	665	598	559
Palladium	172	247	244	330
Rhodium	521	597	598	749

Source: Johnson Matthey, monthly average price.

Gold	328	345	333	313
------	-----	-----	-----	-----

Source: Monthly average of the daily London am/pm fixes.

EMPOWERMENT PLACEMENT

A 90-day option has been granted to an empowerment group approved by the Government of Zimbabwe and Zimplats. A progress report is scheduled for the end of July 2003, and subject to adequate progress in establishing an appropriate funding structure, the remaining 60-day period of the option will apply.

OFFER TO MINORITIES

Implats has increased its shareholding in Zimplats to 50.53% through the acquisition of Absa's shareholding in Zimplats. In terms of the agreement entered into on the 20 November 2002 between Zimplats and Implats, Implats will be making an offer to minorities at A\$4.08 per share. The offer document from Implats and the Zimplats recommendation to shareholders will be sent to shareholders in the third week of July 2003.

INVESTMENT INFORMATION

Capital Structure

As at the 30 June 2003, 89,285,360 fully paid and quoted shares were on issue. The options, with the exception of the 1999 options, which vested in 2000, vest over a 3-year period, and must be exercised within 5 years of the date of issue. The share options outstanding, plus the exercise price, are tabled below. During the quarter 100,000 new options were issued, and 135,541 were exercised.

Share Options Outstanding

Quantity	Exercisable Price	Expiry
120,000	A\$0.40	31/12/2004
721,667	A\$0.50	31/12/2005
259,166	A\$0.66	28/09/2006
1,033,294	A\$0.88	23/11/2006
1,020,000	A\$1.60	29/10/2007
275,000	A\$1.43	20/11/2007
60,000	A\$2.30	17/03/2008
40,000	A\$2.43	02/04/2008

As a consequence of Implats' shareholding increasing to 50.53% following the acquisition of the shares formerly held by Absa, an arrangement with respect to the advance vesting of employee options has been reached. Further details will be included in the circular to be sent to shareholders.

Major shareholders

Impala Platinum Holdings Limited	50.53%
National Nominees Limited	8.24%
Citicorp Nominees Pty Limited	6.73%

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 2 8234 5222, Fax: +61 2 8234 5070.

INFORMATION ON ZIMPLATS

Contact – Guernsey

Mr Tony Link
Tel: +44 1481 727 272
Fax: +44 1481 711 220
Email: info@carey-langlois.com

Contact – Zimbabwe

Mr Roy Pitchford or Mr Greg Sebborn
Tel: +263 4 332 590
Fax: +263 4 332 496
Email: info@zimplats.co.zw

Contact – Australia

Ms Kathrine Brown
Tel: +61 2 9252 7880
Fax: +61 2 9252 7882
Email: info@zimplats.com

Contact – United Kingdom

Mr Ron Marshman
Tel: +44 20 7628 5518
Fax: +44 20 7628 8555
Email: ron@mining-investor.com

Website: www.zimplats.com

In the report Zimplats refers to Zimbabwe Platinum Mines Limited and/or its subsidiaries.