

## **ZIMBABWE PLATINUM MINES (PRIVATE) LIMITED**

### **DRAFT PRESS STATEMENT**

#### **ZIMPLATS GOING AHEAD WITH NGEZI PHASE II EXPANSION PROJECT**

Zimbabwe Platinum Mines (Zimplats) appreciates and is keenly aware of the interest in its operations by various stakeholders both locally and internationally. It is with this in mind that the company wishes to highlight a few issues some of which have been the subject of media attention.

Some recent press reports have erroneously suggested that Zimplats has stopped its US\$445 million Ngezi Phase II Expansion Project. The correct position is that, at a meeting held on 30 April 2010, the Zimplats board authorized management to immediately proceed with implementation of the expansion project. Accordingly, the Ngezi Phase II Expansion project which is scheduled to be completed in 2014 officially commenced on 3 May 2010. The project will result several initiatives including the following :

- The establishment of a new underground mine in Ngezi with a capacity of producing 2 million tonnes per annum
- Construction of a new concentrator to process the same volume of ore
- Construction of a 35000 mega litre dam on Munyati River with capacity to provide irrigation water for the community in the area
- Construction of new schools
- Creation of more than 1000 new jobs

The project has certainly not been 'mothballed' or halted.

This is notwithstanding the fact that management are still engaged in discussions with the relevant Government authorities on the implementation of the Indigenisation & Economic Empowerment Act, the assumption by Government of the US\$34 million RBZ debt and review by independent experts of the Additional Profits Tax provisions of the Income Tax Act.

Since 2001 when it commenced operations, Zimplats has invested nearly US\$500 million to develop its mining and processing operations as well as in social infrastructure that has benefited the wider Zimbabwean community.

Zimplats remains committed to the full development of its resource base in Zimbabwe for the benefit of all stakeholders. The Ngezi Phase II Expansion project is the second stage in a planned large scale investment that will result in not only a significant increase in Platinum Group Metals (PGM) production, but also PGM beneficiation in Zimbabwe. It will be one of Zimbabwe's most significant investments in the mining industry.