



## NEWS RELEASE

*For immediate release*

### **Approval of new US\$264 million Mupani underground mine at Zimplats**

**(30 November 2016):** Following completion of a bankable feasibility study, the Implats and Zimplats Boards of Directors have given their respective approvals to proceed with the development of the US\$264 million Mupani Mine (Portal 6) at Zimplats. The new underground mining complex will replace production from Rukodzi Mine and Ngwarati Mine once they are mined out and closed.

*Project highlights and key assumptions:*

- Design capacity of 2.2-million tonnes per annum targeted in 2025
- Life-of-mine expected to be 25 years
- Increase Zimplats mineral reserves to approximately 9 million ounces of platinum
- Low-cost mechanised room and pillar mining method
- Financed through Zimplats' internal resources
- First mining teams to be deployed from January 2021
- Full-time employment of 1 000 people at full production
- Local ore beneficiation at the Ngezi/Selous processing facilities

Mupani Mine is 7km north of the existing Ngezi concentrator plant, in the northern part of Zimbabwe in the Mashonaland West Province. Early project work, including mining the box cut and constructing the main access road, project offices and other essential project infrastructure, started in June 2016. The box cut will be completed in November 2016 and preparations to start developing the main underground access has been initiated.

Developing the main underground access infrastructure (1 105 meters) to the position of the first planned reef panels is expected to take 37 months to complete, which will allow the first mining teams to be deployed from early 2021. Design capacity of 2.2-million tonnes per annum (Mtpa) is targeted in 2025 when the full complement of ten mining teams (nine

production and one development team) will be deployed. At this rate, the new mine will have a life expectancy of some 25 years extracting only the relatively flat ore reserves (0 – 9 degrees). The project will increase Zimplats' mineral reserves by 3 million to 9 million platinum ounces.

Alex Mhembere, CEO at Zimplats says: "Approval to construct Mupani Mine is a significant development for Zimplats and will ensure we can deliver on our target to mine 6.2Mtpa and maintain production of 260 000 ounces of platinum and 220 000 ounces of palladium per annum. This investment is an important development for Zimbabwe and will provide much needed support to the local economy at an extremely difficult time, reinforcing our commitment to sustain and grow our investments in the country."

Mupani Mine will employ approximately 1 000 people at full production and a substantial number of contractors will be employed during the development, construction and commissioning period to complete the project.

The mine design builds on the successful, modern, safe, low-cost mechanised room and pillar mining method that are in place at all of the existing Zimplats mines.

Mhembere says: "While this project was commissioned against the backdrop of depressed metal prices, the estimated capital investment of some US\$264 million will be deployed over the next nine years with much of the underground development work being done on-reef and the required capital expenditure financed through Zimplats' own internal resources. This significantly decreases the capital intensity and peak funding requirements of the project, while ensuring that Zimplats is perfectly positioned to capitalise on the anticipated turnaround in the PGM market and stronger metal prices in the future."

Once commissioned, the mined ore will be beneficiated in the state-of-the-art Ngezi/Selous processing facilities and smelted in the 12.5MW Zimplats furnace, which was recently equipped with modern remote-controlled hydraulic mud guns for safe furnace tapping and upgraded furnace automation for online condition monitoring and safe process control.

Terence Goodlace, CEO of Implats commented: "Zimplats continues to deliver excellent results in terms of its safety performance, record volumes of tonnage and PGM production. The operation has also ensured that all costs are kept to a minimum in the constrained PGM price environment, which has necessitated cash preservation strategies across the entire industry. Against this backdrop, we are delighted to approve and advance the new Mupani

Mine. Mupani will sustain the mining operation well into the future and will ultimately support our beneficiation strategy through securing the required future pipeline feedstocks. Zimplats has invested US\$23 million to date in advancing a base metal processing facility in Zimbabwe, whose pace of development is being matched to the availability of cash resources as a result of current low commodity prices.”

**-ENDS-**

### **Note to the editors**

### **Additional information**

Zimplats has been steadily investing in Zimbabwe since operations began in 2001 when it developed its first open pit mine.

- In 2002 the company exported its first converter matte.
- In 2006 the company released 36% of the ground within its claims in response to a request from the Zimbabwean government, to allow a broader base of participation in the mining of platinum group metals (PGMs), including indigenous participation.
- In the same year Zimplats embarked on the Phase 1, US\$340m, expansion which increased mining and concentrator capacity to 4.2Mtpa and constructed 960 employee houses.
- In 2009 the Phase 1 expansion to 4.2Mtpa was successfully commissioned.
- In 2010 Zimplats embarked on the US\$453m Phase 2 expansion, which included the development of a fourth underground mine at Ngezi, to increase production to 6.2Mtpa. The Phase 2 expansion project included a second concentrator module, a 30500ML dam and 1130 employee houses. Phase 2 was commissioned in 2013.
- In 2015 Zimplats embarked on the refurbishment of the base metal refinery (BMR) at Selous in response to the national aspiration to achieve further local beneficiation of PMGs. The project scope entails refurbishing the existing BMR at Selous and seeks to refine current Zimplats converter matte.

## **About Zimplats**

Zimplats is 87% owned by Implats and its operations are situated on the Zimbabwean Great Dyke, south-west of Harare. Zimplats operates four underground mines and a concentrator at Ngezi. The Selous Metallurgical Complex (SMC), located some 77 kilometres north of the underground operations, comprises a concentrator and a smelter.

## **About Implats**

Implats is one of the world's foremost producers of platinum and associated platinum group metals (PGMs). The group produces approximately a quarter of the world's supply of primary platinum. Implats is structured around five main operations located on the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, the two most significant PGM-bearing ore bodies in the world.

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