

RioZim Limited Trading Update Third Quarter 2023

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OPERATING ENVIRONMENT

The quarter saw a marked improvement in power supply following the ZETDC's commissioning of additional capacity at Hwange. The significant improvement in power supply subsequently improved gold production for the quarter by 13% to 307kg from 272kg achieved in the comparative period last year.

Exchange rates remained volatile thus causing price distortions on production inputs which continued to drive up the Group's cost base and exert pressure on the Group's profitability during the period.

PRODUCTION PERFORMANCE

Gold Businesses

- **Cam & Motor Mine:** Cam produced 166kg of gold which was a 14% increase from 146kg recorded in the same period last year, mainly driven by an increased milling throughput. The significant capital expenditure interventions on the crushing plant positively impacted plant performance resulting in the recorded improved milling throughput.
- **Dalny Mine:** The Mine remained under full care and maintenance throughout the quarter.
- **Renco Mine:** Renco produced 141kg of gold in the current period; a 12% increase in gold production from 126kg achieved in the same period in 2022. This was due to improved power supply to the mine which enabled upscaling of milling throughput as well as plant availability at near optimal levels.

Base Metals Business

- **Empress Nickel Refinery (ENR):** The Refinery remained under care and maintenance throughout the quarter.

Diamond Business

- **RZM Murowa (Private) Limited:** The business unit experienced plant break downs, mainly on the heavy mobile equipment, which negatively affected plant throughput resulting in a slump in diamond production. 100 000 carats were produced in Q3, 2023; a 12% reduction from 130 000 carats produced in Q3, 2022.

The Mine's key focus remains to stabilise its support equipment to enable consistent processing of high volumes as per the new 500TPH plant design.

OUTLOOK

Despite improved power supply during the period, the unreliable provision of power remains a significant risk to the Company. It is anticipated that power challenges will be exacerbated by the onset of the rainy season expected in the last quarter of the year. In order to mitigate the impact of power outages, the Company invested in back-up generators across its mines. However, these come with high production costs due to excessively high levels of fuel consumption.

A refurbishment project on one of the ball mills at Cam & Motor Mine commenced towards the end of the quarter. These works will reduce the processing capacity of the plant, as the Mine will be running on one mill. Refurbishment works are expected to be complete in Q4, 2023.

The Group has embarked on an optimisation and improvement of processes drive that will enhance plant recoveries that were subdued throughout the quarter.



By Order of the Board.

RioZim Management Services (Private) Limited (Secretaries)

Per T.A. Chiurayi

21 November 2023