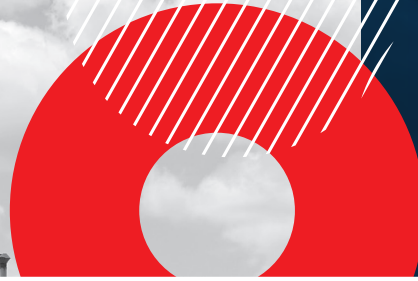




**RIO
ZIM**

RioZim Limited



RIOZIM LIMITED THIRD QUARTER TRADING UPDATE

OPERATING ENVIRONMENT

The volatile operating environment worsened in the third quarter with a marked weakening of the local currency as exchange rates skyrocketed in the alternative market. This propelled prices of inputs massively upwards as prices predominantly track rates in the parallel market. The auction rate, however, remained stagnant throughout the period which further widened the gap with the alternative market rates. The Company gave up circa 55% of its gross revenue to either the RBZ or other agencies of the Government of Zimbabwe in the form of surrender of foreign exchange, royalties, taxes, duties and utilities. The ZWL thus received, at the official exchange rate, had a purchasing power of almost half of what the Company receives. That means that the Company carries an additional cost of approximately 25% of revenue which comes from the current environment. In effect the Company loses about 25% of its revenue altogether.

Power supply challenges also persisted throughout the period resulting in acute load shedding across the country. The Group's mines were not spared from the load shedding and suffered considerable downtime, which negatively affected production and increased costs significantly. The Government relaxed lockdown restrictions during the period as the number of COVID-19 cases reduced significantly. This brought back some normalcy on the operations of the Group.

A combination of the inconsistent power supply and a mix of several factors resulted in the Group recording a 7% decline in gold production compared to the same period last year. The Group currently produces at a loss due to the foreign exchange and power situation.

PRODUCTION PERFORMANCE

Gold businesses

Cam & Motor Mine – The Mine processed low grade ores from its One Step Mine throughout the quarter. The grade of the ores at One Step sadly, continued to be depressed below planned grades. The Mine's production, therefore, declined by 31% from the same period last year.

BIOX Plant Project

Structural steel fabrications and equipment installations progressed during the quarter with most of the activities necessary to bring the plant to commissioning at an advanced stage. Notwithstanding the disruptions encountered on installations, mainly from power cuts and slow movement of cargo due to the cross border challenges, the Group is looking forward to commission the project end of Q4 2021.

Dalny Mine – Production for the quarter grew by 31% compared to the same period in the prior year. The growth in volumes was due to increased throughput as a result of plant process interventions that were implemented from the beginning of the current year. The Mine also opened new open pit mining areas during the year which contributed to a positive upturn in ore availability and throughput.

Renco Mine – Renco achieved a marginal 1% increase in production compared to the third quarter last year. The consistent production was due to stable ore grades as the accelerated exploration activities which the Mine undertook from the prior year continued to give the Mine more control on its feed grades.

Base Metals business

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

Diamond business

The Group's associate RZM Murowa (Private) Limited recorded a 43% decrease in production compared to Q3 2020. The low diamond production was as a result of processing low grade ores from the K1 pit after the high grade K2 pit reached pit life. The Associate's Crown Jewel Project which will increase the processing capacity of the plant is progressing albeit at a slower pace than desired due to lack of adequate foreign currency.

Outlook

The COVID-19 cases decreased during the quarter resulting in lockdown restrictions being relaxed. This improved movement of people and cargo both locally and internationally. The future, however, remains uncertain as the pandemic continues to evolve and mutate into different variants. The vaccination programme spearheaded by the government continues on an upward trajectory towards achieving herd immunity as the supply of vaccines remains consistent.

The Company remains focused on the completion of its BIOX Plant Project and the Company continues to channel all resources necessary to bring the project to completion within the current financial year.

By Order of the Board.

RioZim Management Services (Private) Limited (Secretaries)
Per T.A. Chiurayi

16 November 2021



BIOX Plant Project

Directors: S R Beebeejaun (Chairman), C Dengu (Deputy Chairman), *M M Shah (Chief Executive Officer)*,
G K Jain, M T Sachak, M S Bindra, *R Swami - Executive*