

ZCI Limited

(Bermudian registration number 661:1969

(South African registration number 1970/000023/10)

JSE share code: ZCI ISIN: BMG9887P1068

Euronext share code: BMG9887P1068

("ZCI")

Production Update

Production report for the first quarter of fiscal 2014

Mr Tom Kamwendo, the ZCI Group CEO expressed satisfaction with the continuing improvements in production being made at ZCI's principal asset, African Copper Plc. ("African Copper" or the "Company"), and conveyed his thanks and appreciation to all the staff for their contribution and hard work during the quarter.

The Company announced production figures of 3,075Mt of copper in concentrate for the first quarter of fiscal 2014 from its 100% owned operating mines in Botswana.

First Quarter Production Highlights

- During the quarter, ore processed went up by 5% to 181,233 Mt compared to 171,908 Mt over the same period. Copper recovery increased by 65% to 83.6% compared to 50.7% during Q1 2012/2013 FY.
- During Q1 of the 2013/2014 FY production of copper in concentrate went up by 91% to 3,075Mt compared to 1,609Mt achieved during Q1 2012/2013 FY
- During April 2013 following a mill re-lining, vibrations were experienced in the mill that necessitated a production halt for three days to rectify which affected production for that month. Recoveries in April were 61.8% as a result of a small quantity of stockpiled oxide ore being processed.
- May results were considerably better with 89.9% recovery and production of 1,408 Mt of copper in concentrate following a return to only sulphide ore being processed. In June ore processed fell due to a shortage of process water.

Mr Jordan Soko, Acting Chief Executive of African Copper, said: *"In May 2013, we reported strong final year results with record copper production from the Mowana facilities. I am delighted to say that this has been maintained in the first quarter of fiscal year 2014. We continue to improve the plant and operations and this is being demonstrated by the production reported today."*

All of the ore processed at the Mowana facilities during the quarter was sourced from the higher grade sulphide rich ore Thakadu Mine. During the first week of July, we successfully installed and commissioned a new primary crusher, which is now running at design capacity of 350 tph. In the three months reported below, the proportion of sulphide ore processed increased to 92% of the total from 80% in Q4 FY 2013 due to mining a consistent sulphide area of the Thakadu pit. Trucking operations from Thakadu to the Mowana Mine processing facilities, a distance of 70km, ran smoothly throughout the quarter.

Production levels for the three months ended 30 June 2013 are set out below:

Description	April 2013	May 2013	June 2013	Total Q1 2013/ 2014	Total Q1 2012/ 2013	Total Q4 2012/ 2013
Ore processed (Mt)	50,409	77,885	52,939	181,233	171,908	164,588
Cu grade (%)	1.79	2.01	2.29	2.03	1.91	1.67
Recovery (%)	61.8	89.9	91.6	83.6	49	88.2
Concentrate produced (Mt)	2,477	6,100	4,426	13,003	6,888	11,358
Copper produced in concentrate (Mt)	556	1,408	1,111	3,075	1,609	2,429

In April, there were some production issues around the performance of the mill, which was subject to vibrations following a routine production halt for three days for mill re-lining. April recoveries were 61.8% as a result of a small quantity of stockpiled oxide ore being processed. We identified the source of the vibrations and as a result have ordered new mill gear mechanisms which are expected to be available for installation in September 2013 with resultant necessary mill downtime. May results were considerably better with 89.9% recovery and production of 1,408 Mt of copper in concentrate following a return to only sulphide ore being processed.

In June, we experienced a shortage of process water, with resulting lower throughput to the mill and ore processed. However, this was offset by the higher grade of ore treated. Process water issues have been addressed by the drilling of two additional boreholes in the nearby Dukwe wellfield.

Mining operations at the Mowana Mine pit are planned to commence during Q2, with a production ramp up linked to mining volume reduction at Thakadu as the Thakadu resource moves towards depletion around the middle of calendar year 2014. As volumes drop at Thakadu Mine, the mining equipment will be moved across to the Mowana mine to effect the pre-stripping and ramp up.

Exploration drilling has continued during the fourth quarter in the greater Nakalakwana area targeting Iron Oxide Copper Gold mineralisation within the Matsitama Exploration Licence PL 17/2004; and in the near vicinity of Thakadu Mine to find additional mineable resources to add to the Company's existing reserves. The Company expects to provide an update later in the year.

The technical information in this announcement has been reviewed and approved by David De'Ath, BSc (Hons), MSc, GDE-Mining, MIMM and MAusIMM, the Company's Manager, Geology, of the Mowana Mine for the purposes of the current Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in June 2009.

Bermuda
22 July 2013

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