ZIMPLATS HOLDINGS LIMITED

ARBN : 083 463 058

Directors' Report and Condensed Consolidated Interim Financial Statements

Half Year Ended 31 December 2016

ZIMPLATS HOLDINGS LIMITED
INDEX TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

ZIMPLATS HOLDINGS LIMITED
DIRECTORS' REPORT

The directors present the condensed consolidated interim financial statements of Zimplats Holdings Limited (the 'Company') and its subsidiaries (together the 'Group') for the half year ended 31 December 2016, as well as the review report for the period.

Directors

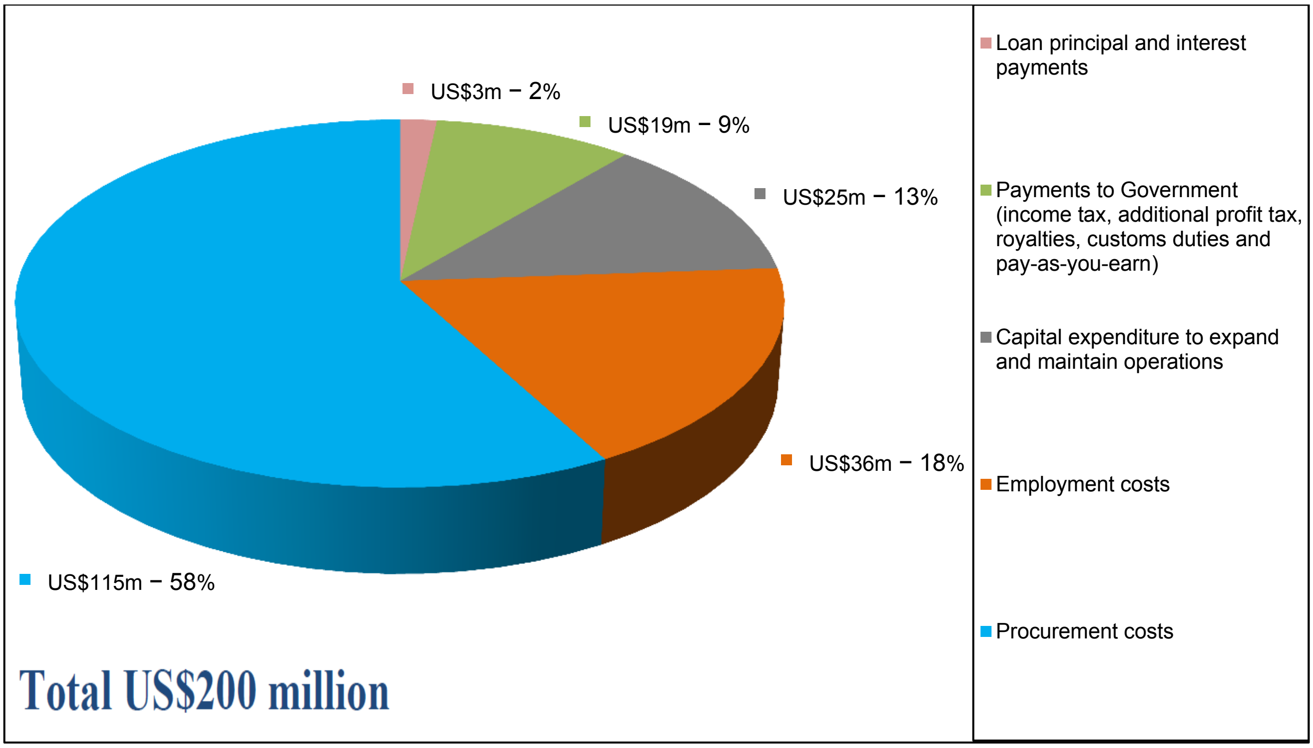
The directors of the Company during and since the end of the half year are set out below:

Dr. Fholisani Sydney Mufamadi	Chairman - Non-executive	
Muchadeyi Ashton Masunda	Deputy Chairman - Non-executive	Resigned 14 October 2016
Alexander Mhembere	Chief Executive Officer	
Stewart Magaso Mangoma	Chief Finance Officer	
Brenda Berlin	Non-executive	
Terence Philip Goodlace	Non-executive	Resigned 1 February 2017
Dr. Khotso David Kenneth Mokhele	Non-executive	Resigned 14 October 2016
Alec Muchadehama	Non-executive	Appointed 17 October 2016
Leslie John Paton	Non-executive	Resigned 17 October 2016
Dr. Dennis Servious Madenga Shoko	Non-executive	Appointed 17 October 2016
Zacharius Bernadus Swanepoel	Non-executive	
Nyasha Puza Siyabora Zhou	Non-executive	

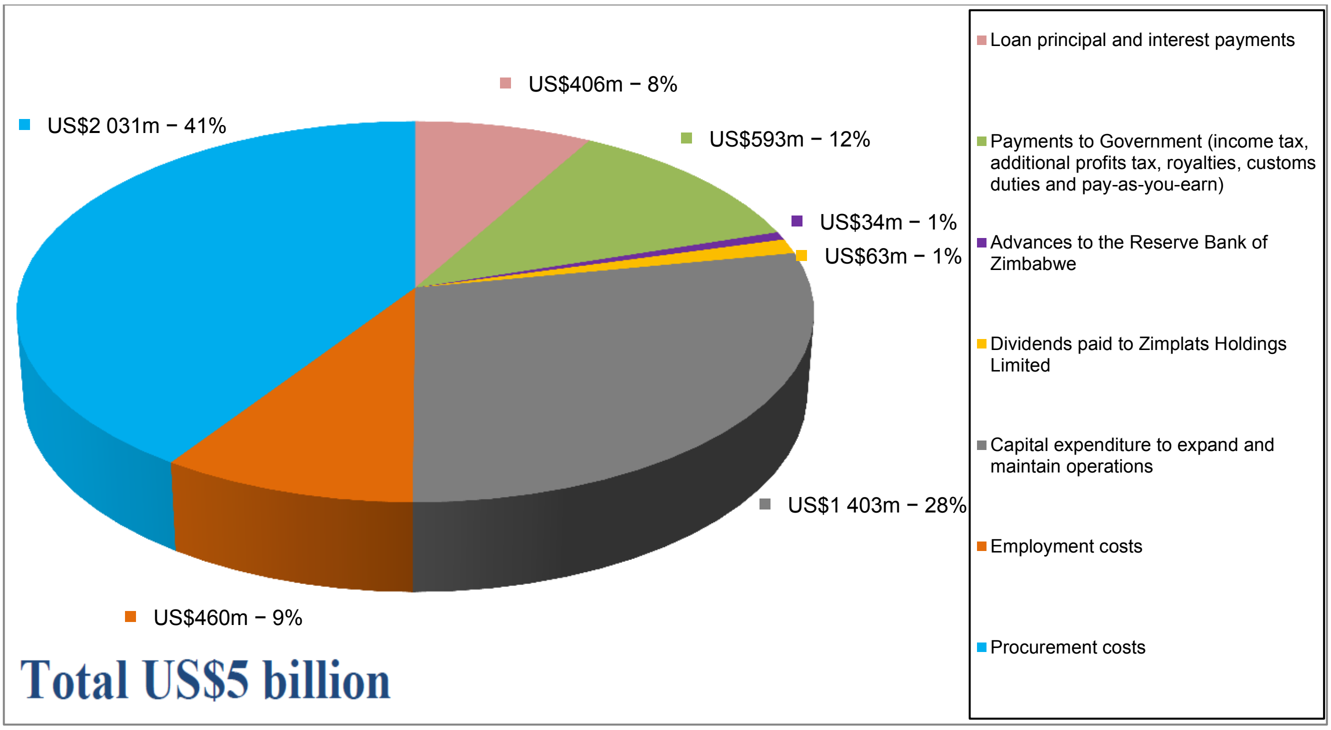
Review of performance

The Group's main purpose is the production of platinum group metals and associated metals from its Mineral Resources and Ore Reserves on the Great Dyke in Zimbabwe. At present, the Group's mining activities are operated by Zimbabwe Platinum Mines (Private) Limited (the 'operating subsidiary').

Zimbabwe Platinum Mines (Private) Limited cash utilisation (Half year ended 31 December 2016)



Zimbabwe Platinum Mines (Private) Limited cash utilisation (1 July 2001 to 31 December 2016)



Safety, Health and Environment

There were no fatalities or lost-time injuries reported during the half year resulting in the lost-time injury frequency rate improving from 0.44 to 0.

The Group's employee wellness programmes have continued to be effective during the half year with turnout for voluntary counselling and testing increasing by 5% from the same period last year.

Rehabilitation of the closed open-pit mine progressed well with approximately 85% of the pit rehabilitated by the end of the half year under review.

The Group's water conservation programmes were effective in the half year with water recycled increasing to 33% from 28% recorded in the same period last year. This improvement was largely due to the increase in the amount of rainfall received.

Operations

Tonnes mined during the half year increased by 6% to 3.47 million tonnes compared to the same period last year mainly due to the ramping up of production at Mupfuti and Bimha mines. In addition, South Pit Mine recorded an increase of 18% from 423 000 tonnes reported for the same period last year to 500 000 tonnes.

Tonnes milled increased by 6% to 3.21 million tonnes compared to the same period last year in line with improved ore supply highlighted above.

Four elements (platinum, palladium, rhodium and gold) (4E) mill head grade at 3.239g/t was marginally better than the 3.223g/t achieved for the same period last year reflecting sustained grade control at the Group's operations.

Platinum and 4E metal production for the half year increased by 4% to 135 824 ounces and 273 905 ounces from 130 342 ounces and 262 749 ounces respectively due to higher mills throughput.

The table below shows the total metal production for the half year.

Metal	Half year ended 31 December 2016	Half year ended 31 December 2015	Variance	22 June 2015 to 30 June 2016
Platinum (oz)	135 824	130 342	4%	290 410
Palladium (oz)	111 897	106 712	5%	236 375
Gold (oz)	14 018	13 725	2%	30 578
Rhodium (oz)	12 166	11 970	2%	25 808
Ruthenium (oz)	10 714	10 219	5%	22 710
Iridium (oz)	5 202	4 900	6%	10 625
Silver (oz)	23 238	22 119	5%	44 753
Nickel (t)	2 434	2 489	(2%)	5 454
Copper (t)	1 813	1 767	3%	3 901
Cobalt (t)	36	35	3%	83

Sales

Platinum sales volumes for the half year at 133 937 ounces were 4% higher than the 128 431 ounces reported in the same period last year. The table below shows the metal sales volumes for the half year.

Metal	Half year ended 31 December 2016	Half year ended 31 December 2015	Variance	22 June 2015 to 30 June 2016
Platinum (oz)	133 937	128 431	4%	288 063
Palladium (oz)	110 930	107 064	4%	238 009
Gold (oz)	13 920	13 712	2%	30 715
Rhodium (oz)	11 914	11 647	2%	26 047
Ruthenium (oz)	10 696	10 269	4%	23 057
Iridium (oz)	5 177	4 871	6%	10 764
Silver (oz)	23 803	22 742	5%	51 257
Nickel (t)	2 368	2 441	(3%)	5 402
Copper (t)	1 772	1 787	(1%)	3 946
Cobalt (t)	35	32	9%	78

Metal Prices

Prices for most of the metals improved compared to what was reported for the same period last year as shown in the table below.

Metal	Half year ended 31 December 2016 (Average)	Half year ended 31 December 2015 (Average)	Variance	22 June 2015 to 30 June 2016 (Average)
Platinum (US$/oz)	1 015	948	7%	953
Palladium (US$/oz)	680	610	11%	578
Gold (US$/oz)	1 277	1 114	15%	1 167
Rhodium (US$/oz)	661	721	(8%)	684
Ruthenium (US$/oz)	36	36	-	36
Iridium (US$/oz)	605	476	27%	484
Silver (US$/oz)	18	15	20%	15
Nickel (US$/t)	10 533	9 979	6%	9 317
Copper (US$/t)	5 027	5 068	(1%)	4 884
Cobalt (US$/lb)	12	12	-	11

Financial

Revenue for the half year increased by 16% to US$237.7 million compared to the same period last year due to the increase in metal prices and higher sales volumes. Platinum ounces sold increased by 4% to 133 937 ounces compared to same period last year. The gross revenue per platinum ounce for the half year at US$1 745 was 10% higher than the US$1 591 reported during the same period last year.

Cost of sales of US$179 million was 4% better than the same period last year's US$185.7 million mainly due to the decrease in depreciation (arising from the increase in life of Bimha Mine due to extension of boundaries) and price reductions achieved on consumables and procurement contracts.

Resultantly, gross profit margins gained from 9% in the prior period to 25% in the current half year.

Administrative expenses for the half year ended 31 December 2016 at US$22 million were 61% higher than the US$13.7 million reported during the same period last year mainly driven by the following:

- Labour cost for the six months ended 31 December 2015 benefited from the reversal of FY2015 bonus and retrenchment costs over provision
- Share based payments for the half year were higher than the same period last year in line with the improvement in the price of the underlying shares
- Insurance premiums for the half year were increased to reduce the insurance excess in the event of property damage or business interruption.

Selling and distribution expenses for the half year at US$3.5 million were 182% higher than same period last year due to the export of concentrates which attract higher transport charges.

Royalty and commission expense for the half year increased by 16% from US$5.1 million reported in the same period last year to US$5.9 million in line with the increase in sales revenue.

The half year ended 31 December 2016 benefited from export incentive of US$6.6 million and a reversal of impairment of US$13 million on the previously written off Reserve Bank of Zimbabwe (RBZ) debt. The Government of Zimbabwe issued to the Group's main operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, treasury bills with a total nominal value of US$34 million in settlement of the principal amount owed by the RBZ. The treasury bills have been discounted using a rate of 27.5% to arrive at a fair value of US$13 million which has been recognised in the income statement.

Cash operating cost per platinum ounce produced decreased by 4% to US$1 185 compared to the same period last year due to higher production volumes and benefit of the sustained cost management measures adopted starting from the second quarter of the financial year ended 30 June 2016 in response to the collapse in metal prices.

Consequently, profit before income tax for the period at US$37.2 million was significantly higher than US$0.6 million loss recorded in the same period last year. Income tax for the half year at US$21 million (2015: US$1.2 million) resulted in a profit after tax for the period of US$16.2 million compared to a loss of US$0.6 million incurred in the same period last year.

Net cash inflows from operating activities increased from US$6.5 million recorded during the same period last year to US$46.1 million mainly due to higher sales proceeds (US$217.5 million compared to US$174.3 million received in the same period last year). The sales receipts for prior year period were affected by the 15 days furnace shutdown resulting from the furnace shell breakout incident which happened on 18 May 2015.

At the end of the half year, the Group had bank borrowings of US$85 million (30 June 2016: US$109 million and 31 December 2015: US$101 million) and a cash balance of US$52.9 million (30 June 2016: US$55.7 million and 31 December 2015: US$58.9 million).

Capital Expenditure

The Group spent a total of US$25.1 million on capital expenditure during the half year compared to US$27.2 million spent during the same period last year.

The redevelopment of Bimha Mine remains on schedule to reach full production in April 2018. A total of US$24 million had been spent on the project as at 31 December 2016 against an approved total project budget of US$92 million.

The bankable feasibility study for (Portal 6) Mupani Mine (replacement mine for Ngwarati and Rukodzi mines) was approved by the board in November 2016. The development of Mupani Mine commenced and the box cut was completed during the period under review. Mupani Mine is scheduled to reach full production in August 2025 at an estimated total project cost of US$264 million.

Employee Share Ownership Trust

Zimbabwe Platinum Mines (Private) Limited, concluded a transaction in terms of which it issued a 10% equity stake to the Zimplats Employee Share Ownership Trust (the 'ESOT'). The ESOT was established in Zimbabwe and its beneficiaries are the permanent employees (excluding the executive directors and company secretary) of the operating subsidiary.

The subscription price payable by the ESOT for the 10% equity stake is US$95 million which has been vendor financed through a loan advanced by the operating subsidiary to the ESOT. The ESOT will repay the loan from dividends declared by the operating subsidiary.

Indigenisation and Economic Empowerment

The operating subsidiary is still in discussions with the Government of Zimbabwe regarding its indigenisation implementation plan.

Acquisition of Portion of Mining Lease Area

On 13 January 2017 the Government of Zimbabwe issued, through a Government Gazette Extraordinary, a preliminary notice in terms of which the Government has given fresh notice that it intends to compulsorily acquire land measuring 27 948 hectares within the operating subsidiary's special mining lease area. The new notice has repealed all previous notices issued by the Government of Zimbabwe in respect to its proposed compulsory acquisition of this portion of the operating subsidiary's mining lease area. The operating subsidiary lodged an objection to the proposed compulsory acquisition. The operating subsidiary is engaging the Government of Zimbabwe on the matter.

Outlook

Despite the pressures from soft commodity prices on the world market and the challenging Zimbabwean operating environment, the future of the Company remains bright. Management continues to focus on achieving production volumes, cash preservation and management of costs. The Company will continue to foster cordial working relationship with all its stakeholders.

A Mhembere
Chief Executive Officer
21 February 2017

ZIMPLATS HOLDINGS LIMITED
APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation of the condensed consolidated interim financial statements and related information in a manner that fairly presents the state of the affairs of the Company. These interim financial statements are prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

The directors are also responsible for the maintenance of effective systems of internal control which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the financial statements, and to prevent and detect material misstatement and loss.

The condensed consolidated interim financial statements have been prepared on a going-concern basis as the directors believe that the Group will continue to be in operation in the foreseeable future.

The condensed consolidated interim financial statements, as set out on pages 9 to 24 have been approved by the Board of Directors and are signed on its behalf by:

A Mhembere
Chief Executive Officer
21 February 2017

S M Mangoma
Chief Finance Officer

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

to the shareholders of Zimplats Holdings Limited

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Zimplats Holdings Limited and its subsidiaries (the "Group") as at 31 December 2016 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes, set out on pages 9 to 24. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Financial Reporting Standards (IAS) 34, Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standard (IAS) 34, Interim Financial Reporting.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants (Zimbabwe)
Harare

22 February 2017

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T I Rwodzi – Senior Partner
The Partnership's principal place of business is at Arundel Office Park, Norfolk Road, Mount Pleasant, Harare, Zimbabwe where a list of the Partners' names is available for inspection.

ZIMPLATS HOLDINGS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

		31 December 2016	30 June 2016	31 December 2015
ASSETS	**Notes**	**US$ 000**	**US$ 000**	**US$ 000**
		(Reviewed)	**(Audited)**	**(Reviewed)**
Non-current assets				
Property, plant and equipment	7	1 010 458	1 024 233	1 015 930
Current assets				
Inventories	8	54 191	47 421	80 019
Available-for-sale financial assets	9	13 286	-	-
Prepayments	10	37 270	59 488	23 095
Trade and other receivables	11	169 782	134 710	124 101
Cash and balances with banks	12	52 872	55 665	58 944
		327 401	297 284	286 159
Total assets		1 337 859	1 321 517	1 302 089
EQUITY AND LIABILITIES				
EQUITY				
Capital and reserves				
Share capital	13	10 763	10 763	10 763
Share premium	13	89 166	89 166	89 166
Retained earnings		863 361	847 192	839 248
		963 290	947 121	939 177
LIABILITIES				
Non-current liabilities				
Borrowings	14	47 500	85 000	85 000
Share based compensation		1 918	1 870	288
Deferred income taxes		144 992	140 549	135 986
Environmental rehabilitation provision		22 258	21 668	19 906
		216 668	249 087	241 180
Current liabilities				
Trade and other payables	15	62 167	58 283	60 981
Current income tax payable		57 872	42 795	44 658
Borrowings	14	37 500	24 000	16 000
Share based compensation		362	231	93
		157 901	125 309	121 732
Total equity and liabilities		1 337 859	1 321 517	1 302 089

The notes on pages 13 to 24 form an integral part of these financial statements.

The financial statements were authorised for issue by the board of directors and were signed on its behalf by:

A Mhembere
Chief Executive Officer

S Mangoma
Chief Finance Officer

21 February 2017

ZIMPLATS HOLDINGS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Notes	Half year ended 31 December 2016 US$ 000 (Reviewed)	Half year ended 31 December 2015 US$ 000 (Reviewed)	22 June 2015 to 30 June 2016 US$ 000 (Audited)
Revenue	6	237 688	204 393	471 778
Cost of sales		(179 041)	(185 702)	(390 650)
Gross profit		58 647	18 691	81 128
Administrative expenses	16	(22 015)	(13 702)	(35 864)
Selling and distribution expenses		(3 525)	(1 252)	(5 221)
Royalty and commission expense		(5 854)	(5 079)	(11 664)
Other operating expenses	17	(6 312)	-	(1 135)
Other operating income	18	20 211	5 540	9 302
Operating profit		41 152	4 198	36 546
Finance cost		(4 332)	(3 689)	(7 289)
Finance income		331	44	97
Profit before income tax		37 151	553	29 354
Income tax expense	21	(20 982)	(1 170)	(22 027)
Profit/(loss) for the period		16 169	(617)	7 327
Other comprehensive income for the year, net of tax:				
Items that will not be reclassified to profit or loss		-	-	-
Items that may be subsequently reclassified to profit or loss		-	-	-
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive income/(loss) for the period		16 169	(617)	7 327
Attributable to:				
Owners of the parent		16 169	(617)	7 327
Non controling interest		-	-	-
Total comprehensive income/(loss) for the period		16 169	(617)	7 327
Earnings per share from continuing operations attributable to owners of the parent during the period:				
Basic earnings/(loss) per share (cents)	22	15	(1)	7
Diluted earnings/(loss) per share (cents)	22	15	(1)	7

The notes on pages 13 to 24 form an integral part of these financial statements.

ZIMPLATS HOLDINGS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Share capital US$ 000	Share premium US$ 000	Retained earnings US$ 000	Total US$ 000
Balance as at 1 July 2016	10 763	89 166	847 192	947 121
Total comprehensive income for the period	-	-	16 169	16 169
Profit for the period	-	-	16 169	16 169
Other comprehensive income for the period	-	-	-	-
Balance as at 31 December 2016 (reviewed)	10 763	89 166	863 361	963 290
Balance as at 1 July 2015	10 763	89 166	852 868	952 797
Total comprehensive loss for the period	-	-	(617)	(617)
Loss for the period	-	-	(617)	(617)
Other comprehensive income for the period	-	-	-	-
Transactions with owners in their capacity as owners:				
Dividends paid (note 23)	-	-	(13 003)	(13 003)
Balance as at 31 December 2015 (reviewed)	10 763	89 166	839 248	939 177
Balance as at 1 July 2015	10 763	89 166	852 868	952 797
Total comprehensive income for the period	-	-	7 327	7 327
Profit for the period	-	-	7 327	7 327
Other comprehensive income for the period	-	-	-	-
Transactions with owners in their capacity as owners:				
Dividends paid (note 23)	-	-	(13 003)	(13 003)
Balance as at 30 June 2016 (audited)	10 763	89 166	847 192	947 121

The notes on pages 13 to 24 form an integral part of these financial statements.

ZIMPLATS HOLDINGS LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Notes	Half year ended 31 December 2016 US$ 000 (Reviewed)	Half year ended 31 December 2015 US$ 000 (Reviewed)	22 June 2015 to 30 June 2016 US$ 000 (Audited)
Cash flows from operating activities				
Operating profit		41 152	4 198	36 546
Adjustments for:				
Depreciation	7	38 745	40 839	75 003
Provision for obsolete inventories	8	23	(651)	2 128
Provision for share based compensation		490	(1 537)	190
Foreign currency adjustment		372	(305)	804
Reversal of impairment of a long-term receivable	9	(12 996)	-	-
Tax penalties and interest refund	18	-	-	(2 745)
(Gain)/loss on disposal of property, plant and equipment	17,18	(16)	(23)	309
Changes in working capital				
(Increase)/decrease in inventories		(6 793)	140	29 959
(Increase)/decrease in trade and other receivables		(35 072)	16 733	(4 257)
Decrease/(increase) in prepayments		22 218	-	(26 012)
Decrease in share based compensation		(311)	(239)	(246)
Decrease in environmental rehabilitation provision		(198)	(224)	(412)
Increase/(decrease) in trade and other payables	15	3 517	(42 104)	(43 202)
Net cash generated from operations		51 131	16 827	68 065
Finance costs paid	14	(3 546)	(3 550)	(7 196)
Income taxes and withholding tax paid		(1 462)	(6 758)	(24 833)
Net cash generated from operating activities		46 123	6 519	36 036
Cash flows from investing activities				
Purchase of property, plant and equipment	7	(25 125)	(27 197)	(68 072)
Proceeds from disposal of property, plant and equipment		171	112	137
Finance income		41	44	97
Net cash utilised in investing activities		(24 913)	(27 041)	(67 838)
Cash flows from financing activities				
Proceeds from bank borrowings	14	-	10 000	10 000
Dividends paid	23	-	(13 003)	(13 003)
Net cash utilised in financing activities		-	(3 003)	(3 003)
Increase/(decrease) in cash and cash equivalents		21 210	(23 525)	(34 805)
Cash and cash equivalents at beginning of the period		31 665	66 479	66 479
Exchange losses on cash and cash equivalents		(3)	(10)	(9)
Cash and cash equivalents at end of the period	12	52 872	42 944	31 665

The notes on pages 13 to 24 form an integral part of these financial statements.

1 GENERAL INFORMATION

Zimplats Holdings Limited (the 'Company') is a limited liability company domiciled in Guernsey, Channel Islands and listed on the Australian Stock Exchange (ASX). The condensed consolidated interim financial statements of the Group for the half year ended 31 December 2016 comprise the Company and its subsidiaries (together the 'Group').

The Group's principal business is producing platinum group metals (which primarily include platinum, palladium, rhodium, iridium and ruthenium) and associated metals (nickel, gold, copper, cobalt and silver) mined from the Great Dyke in Zimbabwe.

2 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the half year ended 31 December 2016 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

The condensed consolidated interim financial statements have been prepared on a going-concern basis as the directors believe that the Group will continue in operation for the foreseeable future.

The condensed consolidated interim financial statements do not include all the notes of the type normally included in the annual financial statements for the period ended. Accordingly, these financial statements should be read in conjunction with the annual financial statements for the period ended 30 June 2016 which were prepared in accordance with International Financial Reporting Standards (IFRS) and any public announcements made by the Company during the interim period under the ASX Listing Rules.

The condensed consolidated interim financial statements are expressed in United States Dollars (US$). The condensed consolidated interim financial statements have been prepared under the historical cost convention except for:

- available-for-sale financial assets that are measured at fair value; and
- liabilities for cash-settled share-based payment arrangements which are measured using a binomial option model.

3 ACCOUNTING POLICIES

3.1 The accounting policies adopted are consistent with those of the previous financial year, except for the following:

a. Income taxes

Taxes on income in the interim periods are accrued using the effective tax rate that would be applicable to expected total annual profit or loss. Additional profits tax in the interim periods is accrued based on the expected annual accumulated net cash positions.

b. Available-for-sale financial assets

Classification

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long-term. Financial assets that are not classified into any of the other categories (at fair value through profit or loss, loans and receivables or held-to-maturity investments) are also included in the available-for-sale category.

The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

3 ACCOUNTING POLICIES (Continued)

b Available-for-sale financial assets (continued)

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Available-for-sale financial assets are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

- for available-for-sale financial assets that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortised cost of the security are recognised in profit or loss and other changes in the carrying amount are recognised in other comprehensive income
- for other monetary and non-monetary securities classified as available-for-sale – in other comprehensive income.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

3.2 New and amended standards

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the period ended 30 June 2016, with the exception of changes in estimates that are required in determining the provision for income taxes and the recognition of treasury bills.

4.1 Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Fair value of financial instruments

The fair values of financial assets where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar assets or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including price risk, currency risk, fair value interest risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should therefore be read in conjunction with the Group's annual financial statements for the period ended 30 June 2016.

There have been no significant changes in the risk management department or in any risk management policies since year end.

5.2 Fair value estimation

IFRS 13, 'Fair value measurement' specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities traded on active markets.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This level includes non-listed equity investments.

The table below analyses financial instruments that are measured at fair value at 31 December 2016.

	Level 1 US$ 000	Level 2 US$ 000	Level 3 US$ 000	Total US$ 000
Assets				
Available-for-sale financial assets				
Treasury bills (note 9)	-	-	13 286	**13 286**

Financial instruments in level 3

The fair value of the treasury bills on initial recognition and at 31 December 2016, was calculated using a discount rate of 27.5% based on the Group's market assumptions. The treasury bills are classified as level 3 in the fair value hierarchy due to the use of unobservable inputs.

The effect of a change in discount rate by +/- 10% on fair value is shown below:

	10% Increase US$ 000	10% Decrease US$ 000
Effect on fair value	(3 291)	4 904

6 OPERATING SEGMENTS

	Half year ended 31 December 2016 US$ 000	Half year ended 31 December 2015 US$ 000	22 June 2015 to 30 June 2016 US$ 000
Analysis of revenue			
The Group derives its revenue from the following metal products:			
Platinum	115 916	103 650	247 197
Palladium	70 590	55 993	122 153
Gold	7 792	6 306	14 677
Rhodium	196	201	444
Nickel	1 617	1 027	2 341
Ruthenium	14 931	13 412	33 237
Iridium	116	93	249
Silver	19 575	17 348	37 607
Copper	6 824	6 251	13 628
Cobalt	131	112	245
Total	237 688	204 393	471 778
Major customer:			
Revenue from the Group's sole customer, Impala Refining Services Limited, is:	237 688	204 393	471 778

The Group's operations are based in one geographical location, Zimbabwe.

7 PROPERTY, PLANT AND EQUIPMENT

	31 December 2016 US$ 000	30 June 2016 US$ 000	31 December 2015 US$ 000
Opening net book amount	1 024 233	1 029 047	1 029 047
Additions	25 125	69 316	27 197
Borrowing costs capitalised	-	1 319	613
Disposals	(1 488)	(39 821)	(88)
Accumulated depreciation on disposals	1 333	39 375	-
Depreciation charge	(38 745)	(75 003)	(40 839)
Closing net book amount	1 010 458	1 024 233	1 015 930

In the statement of cash flows, purchase of property, plant and equipment comprises:

	31 December 2016 US$ 000	30 June 2016 US$ 000	31 December 2015 US$ 000
Additions	25 125	69 316	27 197
Mine rehabilitation asset adjustment	-	(1 244)	-
	25 125	68 072	27 197

8 INVENTORIES

	31 December 2016 US$ 000	30 June 2016 US$ 000	31 December 2015 US$ 000
Ore, concentrate and matte stocks	11 426	7 754	33 246
Consumables	46 958	43 837	48 815
Less: provision for obsolete consumables	(4 193)	(4 170)	(2 042)
	54 191	47 421	80 019

The movement in the provision for obsolete consumables is as follows:

	31 December 2016 US$ 000	30 June 2016 US$ 000	31 December 2015 US$ 000
At the beginning of the period	4 170	2 042	2 693
Charged/(credited) to the income statement during the period	23	2 128	(651)
At the end of the period	4 193	4 170	2 042

9 AVAILABLE-FOR-SALE FINANCIAL ASSETS	31 December 2016 US$ 000	30 June 2016 US$ 000	31 December 2015 US$ 000
Treasury bills received during the period	12 996	-	-
Accrued interest	290	-	-
	13 286	-	-

During the half year ended 31 December 2016, the Government of Zimbabwe issued to the Group’s main operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, treasury bills with a total nominal value of US$34 million in settlement of the principal amount owed by the Reserve Bank of Zimbabwe to the operating subsidiary.The Group had fully discounted the debt in prior periods. Consequently, the issuance of the treasury bills has resulted in a reversal of impairment of US$13 million being recognised through the income statement.

The salient terms of the treasury bills issued and held at 31 December 2016 are as follows:

Treasury bill number	ZTB1095 20161031A	ZTB1461 20161031B	ZTB1826 20161031C
Issue date	31 October 2016	31 October 2016	31 October 2016
Coupon	5%	5%	5%
Principal amount	US$ 11 376 667	US$ 11 376 667	US$ 11 376 667
Maturity date	31 October 2019	31 October 2020	31 October 2021

10 PREPAYMENTS	31 December 2016 US$ 000	30 June 2016 US$ 000	31 December 2015 US$ 000
Deposits on property, plant and equipment	15 281	20 762	17 965
Consumables and other operating expenditure	20 845	37 291	4 641
Insurance premiums	1 144	1 435	489
	37 270	59 488	23 095
11 TRADE AND OTHER RECEIVABLES			
Trade receivables due from related parties (note 24.1b)	146 122	125 920	100 610
Value added tax receivable	15 040	4 642	8 673
Export incentive	4 387	-	-
Other receivables	4 233	4 148	14 818
	169 782	134 710	124 101

Trade receivables comprise amounts due from Impala Refining Services Limited, a related party, for sales of metal products.

As all contractual terms and conditions have been complied with, trade receivables were fully performing as at 31 December 2016, 30 June 2016 and 31 December 2015.

The other classes within trade and other receivables do not contain impaired assets. Based on the credit history of these classes, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

The carrying amounts of the Group's trade and other receivables are all denominated in US$.

The fair value of trade and other receivables approximate the carrying values due to their short term nature.

	31 December 2016 US$ 000	30 June 2016 US$ 000	31 December 2015 US$ 000
12 CASH AND BALANCES WITH BANKS			
Cash at bank	2 397	1 839	5 135
Cash on hand	31	19	33
Short term deposits	50 444	53 807	53 776
Cash and balances with banks	52 872	55 665	58 944
The exposure of cash and balances with banks by country is as follows:			
Australia	16	2	18
Isle of Man	1 003	1 003	1 003
Jersey	50 951	52 388	52 771
Zimbabwe	902	2 272	5 152
	52 872	55 665	58 944
Cash and bank balances are denominated in US$ except the net exposures to foreign currency detailed below:			
	ZAR 000	ZAR 000	ZAR 000
Balances with banks (South African Rands - ZAR)	43	94	120
	AUD 000	AUD 000	AUD 000
Balances with banks (Australian Dollars - AUD)	23	3	26
	EUR 000	EUR 000	EUR 000
Balances with banks (Euro - EUR)	-	3 847	-

	31 December 2016 US$ 000	30 June 2016 US$ 000	31 December 2015 US$ 000
Cash and cash equivalents include the following for the purposes of the statement of cash flows:			
Cash and balances with banks	52 872	55 665	58 944
Revolving facility (note 14)	-	(24 000)	(16 000)
Cash and cash equivalents	52 872	31 665	42 944
13 SHARE CAPITAL AND SHARE PREMIUM			
Authorised			
500 000 000 ordinary shares of US$0.10 each	50 000	50 000	50 000
Issued and fully paid			
107 637 649 ordinary shares of US$0.10 each	10 763	10 763	10 763
Share premium	89 166	89 166	89 166
	99 929	99 929	99 929

The unissued shares are under the control of the directors subject to limitations imposed by the Companies (Guernsey) Law 2008 and the Memorandum and Articles of Incorporation.

14 BORROWINGS

	31 December 2016 US$ 000	30 June 2016 US$ 000	31 December 2015 US$ 000
Non-current			
Bank borrowings	47 500	85 000	85 000
Current			
Revolving facility	-	7 000	16 000
Bank borrowings	37 500	17 000	-
	37 500	24 000	16 000
Total borrowings	85 000	109 000	101 000

The movement in borrowings is as follows:

	31 December 2016 US$ 000	30 June 2016 US$ 000	31 December 2015 US$ 000
At the beginning of the period	109 000	82 000	82 000
Proceeds from bank borrowings	-	10 000	10 000
Interest accrued	3 544	7 195	3 595
(Decrease)/increase in revolving facility	(24 000)	17 000	9 000
Repayments	(3 546)	(7 196)	(3 550)
Capital	-	-	-
Interest	(3 546)	(7 196)	(3 550)
Movement in interest included in trade and other payables	2	1	(45)
At the end of the period	85 000	109 000	101 000

The fair values of non-current borrowings are based on discounted cash flows using the current borrowing rate. They are classified as level 3 in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The carrying amounts of the Group's borrowings are all denominated in US$.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

	31 December 2016 US$ 000	30 June 2016 US$ 000	31 December 2015 US$ 000
On demand and up to 6 months	-	24 000	16 000
6 months to 1 year	37 500	-	-
1 year to 2 years	47 500	42 500	37 500
2 years to 5 years	-	42 500	47 500
	85 000	109 000	101 000

14 BORROWINGS (continued)

Bank borrowings

Bank borrowings comprise a loan facility for general business purposes from Standard Bank of South Africa Limited. The loan is guaranteed by Impala Platinum Holdings Limited.

It is a revolving facility of US$95 million and bears interest at 3 months LIBOR plus 7% per annum. Capital repayments are required if the loan balance exceeds the available facility amount.

The Group entered into an agreement with Standard Bank of South Africa Limited in October 2015 to increase the revolving facility to US$95 million and change of repayment terms. The loan facility is repayable in two equal instalments of US$47.5 million on 31 December 2017 and 31 December 2018. The undrawn balance on the borrowing facility amounted to US$10 million at 31 December 2016, 30 June 2016 and 31 December 2015.

The Group entered into an amendment agreement with Standard Bank of South Africa Limited which became effective after the reporting period (see note 27).

Revolving facility

The Group had a US$24 million revolving facility with Standard Bank of South Africa Limited which was used for general working capital purposes that matured on 30 November 2016. The facility accrued interest at 3 months LIBOR plus 2.6% per annum and it was secured by a cession of a portion of the Group's trade receivables. At the reporting date, the undrawn balance on the revolving facility amounted to US$ nil (30 June 2016: US$ nil and 31 December 2015: US$8 million).

A US$34 million revolving facility with Standard Bank of South Africa Limited became effective after the reporting date (see note 27).

15 TRADE AND OTHER PAYABLES

	31 December 2016 US$ 000	30 June 2016 US$ 000	31 December 2015 US$ 000
Trade payables	33 685	22 515	25 848
Leave pay liability	6 240	6 800	6 953
Royalty and Minerals Marketing Corporation of Zimbabwe commission payable	3 359	3 312	2 437
Amounts due to related parties (note 24.1c)	7 388	4 591	3 856
Accruals	7 068	20 164	19 798
Other payables	4 427	901	2 089
	62 167	58 283	60 981

	Half year ended 31 December 2016 US$ 000	Half year ended 31 December 2015 US$ 000	22 June 2015 to 30 June 2016 US$ 000
Movements in the statement of cash flows comprise:			
Trade and other payables	3 517	(42 104)	(43 202)
Per the statement of financial position	3 884	(42 373)	(45 071)
Foreign currency adjustment	(369)	315	(795)
Interest payable movement	2	(46)	1
Tax penalties and interest refund	-	-	2 663

		Half year ended 31 December 2016 US$ 000	Half year ended 31 December 2015 US$ 000	22 June 2015 to 30 June 2016 US$ 000
16	**ADMINISTRATIVE EXPENSES**			
	Consulting fees	194	471	1 731
	Auditors' remuneration	38	38	308
	Corporate social responsibility costs	703	23	324
	Depreciation	364	1 760	1 719
	Insurance	2 395	1 380	2 739
	Non -executive directors' fees	208	227	451
	Employee benefit expenses	11 660	6 981	19 803
	Operating lease expenses	93	124	241
	Other corporate costs	6 360	2 698	8 548
		22 015	13 702	35 864
17	**OTHER OPERATING EXPENSES**			
	Loss on disposal of property, plant and equipment	-	-	309
	Foreign exchange losses	372	-	804
	Tax penalties and interest charges	5 935	-	-
	Other expenses	5	-	22
		6 312	-	1 135
18	**OTHER OPERATING INCOME**			
	Gain on disposal of property, plant and equipment	16	23	-
	Foreign exchange gain	-	305	-
	Tax penalties and interest refund	-	-	2 745
	Insurance claim	559	4 212	3 725
	Reversal of impairment of a long-term receivable (note 9)	12 996	-	-
	Export incentive	6 588	-	1 141
	Other income	52	1 000	1 691
		20 211	5 540	9 302

The insurance claim relates to a settlement received from the Group's insurers in respect of certain property, plant and equipment which were damaged as a result of the Bimha Mine partial collapse in 2014.

In May 2016, the Reserve Bank of Zimbabwe introduced an export incentive scheme to promote the export of goods and services in order for the economy to benefit from the liquidity derived from exports. The Group is entitled to a 2.5% export incentive on the export proceeds received in Zimbabwe.

		Half year ended 31 December 2016 US$ 000	Half year ended 31 December 2015 US$ 000	22 June 2015 to 30 June 2016 US$ 000
19	**FINANCE COSTS**			
	Interest expense on bank borrowings (note 14)	3 544	3 595	7 195
	Unwinding of the rehabilitation provision	788	707	1 413
	Borrowing costs capitalised (note 7)	-	(613)	(1 319)
		4 332	3 689	7 289

Interest payable of US$ nil (30 June 2016: US$2 000 and 31 December 2015: US$48 600) is included in trade and other payables (note 15).

	Half year ended 31 December 2016 US$ 000	Half year ended 31 December 2015 US$ 000	22 June 2015 to 30 June 2016 US$ 000
20 FINANCE INCOME			
Interest earned on short term bank deposits	35	44	97
Interest accrued on treasury bills (note 9)	290	-	-
Other	6	-	-
	331	44	97
21 INCOME TAX EXPENSE			
Current income tax	16 539	307	16 600
Corporate tax:	3 331	-	(446)
-Current period	3 331	-	7
-Adjustment in respect of prior periods	-	-	(453)
Additional profits tax:	12 851	-	16 338
-Current period	12 851	-	13 366
-Adjustment in respect of prior periods	-	-	2 972
Withholding tax	357	307	708
Deferred income tax	4 443	863	5 427
Income tax expense	20 982	1 170	22 027

22 EARNINGS PER SHARE

22.1 Basic earnings per share

Basic earnings per ordinary share is calculated by dividing the profit or loss for the period by the weighted average number of ordinary shares in issue during the period.

Profit/(loss) attributable to equity holders of the Company	16 169	(617)	7 327
Weighted average number of ordinary shares in issue	107 638	107 638	107 638
Basic earnings per share (cents)	15	(1)	7

22.2 Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group did not have any shares with a potential dilutive impact (30 June 2016:US$ nil and 31 December 2015:US$ nil).

Profit/(loss) attributable to equity holders of the Company	16 169	(617)	7 327
Weighted average number of ordinary shares in issue	107 638	107 638	107 638
Diluted earnings per share (cents)	15	(1)	7

		Half year ended 31 December 2016 US$ 000	Half year ended 31 December 2015 US$ 000	22 June 2015 to 30 June 2016 US$ 000
23	**DIVIDENDS**			
	Dividends paid	-	13 003	13 003

A final dividend of US$13 million equating to US$0.1208 per ordinary share for the year ended 30 June 2015 was declared and paid to shareholders on record as at 7 September 2015.

24 RELATED PARTIES

The Company is controlled by Impala Platinum BV which owns 87% of the ordinary shares of Zimplats Holdings Limited. The remaining 13% is widely held. The ultimate holding company is Impala Platinum Holdings Limited (incorporated in South Africa) which owns a 100% equity interest in Impala Platinum BV.

		Half year ended 31 December 2016 US$ 000	Half year ended 31 December 2015 US$ 000	22 June 2015 to 30 June 2016 US$ 000
24.1	**Related party transactions and balances**			
a)	**Revenue**			
	Sales of metal products to Impala Refining Services Limited	237 688	204 393	471 778
	The Group's only customer is Impala Refining Services Limited, which is a wholly owned subsidiary of Impala Platinum Holdings Limited.			
b)	**Amounts due from related parties**			
	Impala Refining Services Limited	146 122	100 610	125 920
	The amounts due from Impala Refining Services Limited are due three to five months after the date of sale and bear no interest.			
c)	**Amounts due to related parties**			
	Impala Platinum Holdings Limited	7 388	3 856	4 591
	The amounts due to Impala Platinum Holdings Limited bear no interest and have no fixed repayment terms.			

25 CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the reporting period but not yet incurred	60 450	37 380	36 645

The capital commitments will be financed from internal resources and borrowings as referred to in note 14. The capital commitments will be incurred in the next 12 months from the reporting date.

26 CONTINGENCIES

The Group filed legal proceedings in the Special Court for Income Tax Appeals and the High Court of Zimbabwe in relation to various historical tax and customs duties matters and these cases are pending in the courts. The Group has on a without prejudice basis settled the disputed liabilities involved in these cases.

27 EVENTS AFTER THE REPORTING PERIOD

27.1 Borrowings

The Group entered into agreements with Standard Bank of South Africa to change the structure of the Group's borrowings. The agreements became effective after the reporting period, upon satisfaction of the conditions precedent. The changes in terms are as follows:

Loan facility

The US$95 million loan facility was reduced to US$85 million and is repayable in two equal instalments of US$42.5 million on 31 December 2018 and 31 December 2019.

Revolving facility

The US$24 million revolving facility was increased to US$34 million for an indefinite period, however, it is subject to annual exchange control approval. The facility was granted exchange control approval up to 8 January 2018.

27.2 Employee Share Ownership Trust

Zimbabwe Platinum Mines (Private) Limited, concluded a transaction in terms of which it issued a 10% equity stake to the Zimplats Employee Share Ownership Trust (the ‘ESOT’). The ESOT was established in Zimbabwe and its beneficiaries are permanent employees (excluding the executive directors and company secretary) of the operating subsidiary.

The subscription price payable by the ESOT for the 10% equity stake is US$95 million which has been vendor financed through a loan advanced by the operating subsidiary to the ESOT. The ESOT will repay the loan from dividends declared by the operating subsidiary.