ZIMPLATS
Member of the Implats Group

Zimplats Holdings Limited

Integrated Annual Report 2014

MINING FOR A **SUSTAINABLE** FUTURE

HISTORY OF PGM MINING

Platinum group metals ("PGMs") are rare precious metals, which frequently occur together in nature as constituents of various ores and minerals. PGMs are a family of six metals: platinum, palladium, rhodium, iridium, ruthenium and osmium, all of which have similar chemical and physical properties and are grouped together in the periodic table.

MISSION

Zimplats' business is the production of platinum group and associated metals from the Great Dyke in Zimbabwe.

VISION

Our vision is to be the safety and cost leader in the platinum sector with sustainable growth in production, whilst generating superior returns, for the benefit of all our stakeholders.

OBJECTIVES

We will achieve our Mission and Vision through purposeful and focused attention on the:

- Extraction of mineral resources in a socially and environmentally friendly manner.
- Safety and health of all our employees, contractors and visitors at the workplace.
- Achievement of set production targets through the effective and efficient utilisation of all resources at our disposal.
- Establishment of effective systems and processes throughout the value chain to maximise stakeholder value.
- Capability development, recognition and appropriate reward of our people.

Contents

Zimplats Holdings Limited Integrated Annual Report

This Integrated Annual Report covers the financial year from 1 July 2013 to 30 June 2014 and is prepared for Zimplats Holdings Limited (Zimplats) and its subsidiaries in all regions. The reporting cycle is annual with the last report having been published in September 2013.




This integrated report can be viewed at
www.zimplats.com

ZIMPLATS

Scope of this Report

The report is the responsibility of the Company's directors and, in line with the recommendations of the King III Report on Corporate Governance, it integrates those material aspects of the Company's environmental, social and governance impacts with the operational and financial performance of the business. It also presents the risks and opportunities that the Company faces, whilst seeking to provide a concise and balanced account of performance over the reporting period as well as the approach taken to addressing those social, economic, environmental and governance issues that have a material impact on the long-term success of the business and that are important to key stakeholders

In addition, Zimplats is required to comply with the Australian Stock Exchange (ASX) Corporate Governance Principles and Recommendations, 2nd Edition and the requirements of the Company (Guernsey) Law 2008. Zimplats has complied with International Financial Reporting Standards (IFRS).

The sustainability report provides information on both financial and non-financial performance and has been compiled with reference to the Global Reporting Initiative (G3) guidelines level C+, which require independent assurance of selected indicators.

The reported Mineral Resources and Reserves Estimates are prepared in accordance with the requirements of the Australasian Code for reporting on Mineral Resources and Ore Reserves (JORC) and have been signed off by defined competent persons.

Production is reported in terms of 4E which includes platinum, palladium, rhodium and gold. Unless stated otherwise oz (ounces) or kg (kilograms) refers to 4E and in all cases $ refers to the US Dollar.

Prior year comparatives have been provided, while in some instances, in order to illustrate historical trends, statistics and graphical representation cover up to 10 years. Both historical and forward-looking data are provided.

There has been no significant change to the organisational or share structure or any material restatements of data or measurement methods during the year.

This Integrated Report is also available on the Company's website at www.zimplats.com

Please address any queries or comments on this report to info@zimplats.com or roy.shayahama@zimplats.com.

OVERVIEW

In 2015, the Company will focus on business optimization following completion of the Phase II project and commencement of the refurbishment of the Base Metal Refinery (BMR) at Selous. The Company made a strategic decision to embark on local beneficiation in line with Zimbabwe's national policy objectives and aspirations.

TOTAL WORKFORCE

3 268 people

Headcount increased by 12% from prior year to close the year at 3,268 employees. The increase in headcount was due to the recruitment of skills for Phase 2.

PLATINUM MATTE PRODUCED

▲21%

A total of 132,753 tonnes of concentrates were smelted in the year producing 239,660 ounces of platinum in converter matte, 21% above the 198,104 ounces produced in the previous year.

BUSINESS PROFILE

Zimplats Holdings Limited is registered in Guernsey and is listed on the Australian Stock Exchange. It is in the business of producing PGMs and is a subsidiary (87% shareholding) of one of the world's leading producers of PGMs, the South African based and listed Impala Platinum Holdings Limited (Implats), which contributes approximately 21% of global platinum output.

Business Profile

The Company's wholly owned operating subsidiary in Zimbabwe, Zimbabwe Platinum Mines (Private) Limited, is a significant producer of PGMs, exploiting the ore bodies located on the Great Dyke. The Company has a resource base of 225 M oz. 4E which is sufficient for approximately 30 years life of mine at current production levels based on the ore reserves.

Operations comprise three underground mines with a fourth under development and two concentrators at Ngezi as well as a concentrator and smelter located at Selous approximately 70 kilometres south of Harare.

At year end, Zimplats had a workforce of 6 017 comprising 3 268 permanent employees (an increase of 12% in the year) and a further 2 749 contractors (a decrease of 1% in the year).

Ore production in the year was 5.62 million tonnes (2013: 4.79 million tonnes). Converter matte sold during the year to the Group's sole customer, Impala Refining Services Limited, amounted to 477 905 4E oz. (2013: 388 850 4E oz.).

PLATINUM GROUP METALS – THE 'GREEN' METALS

PGMs are a vital component in autocatalytic converters and play a significant role in controling air pollution by reducing emissions in both gasoline and diesel engines.

PGMs are recyclable thereby ensuring not only a reduction in waste but also sustainability of supply. Their excellent resistance to corrosion and high melting points makes them ideal metals for a variety of industrial uses. PGMs are used in fuel cell development. Fuel cells are able to reduce air pollution considerably whilst curtailing demand for fossil fuels.

Where we came from

1980
Zimbabwe Independence

1986
Delta Gold obtained an Exclusive Prospecting Order from the Zimbabwe Government

1994
Delta-BHP JV starts to develop Hartley Mine

1996
The Hartley concentrator started operation

1998
Delta demerged its platinum assets to form Zimplats, ASX listed

1999
BHP closed Hartley Mine after failing to meet targets

2000
Zimplats took over BHP's share of Hartley

2001
Zimplats established open pit strip mine at Ngezi (2.2Mtpa) with investment from Implats

1980 1986 1994 1996 1998 1999 2000 2001 2002 2006 2009 2010 2013

2002
Zimplats' first converter matte exported

2003-5
Implats increased shareholding to 87%

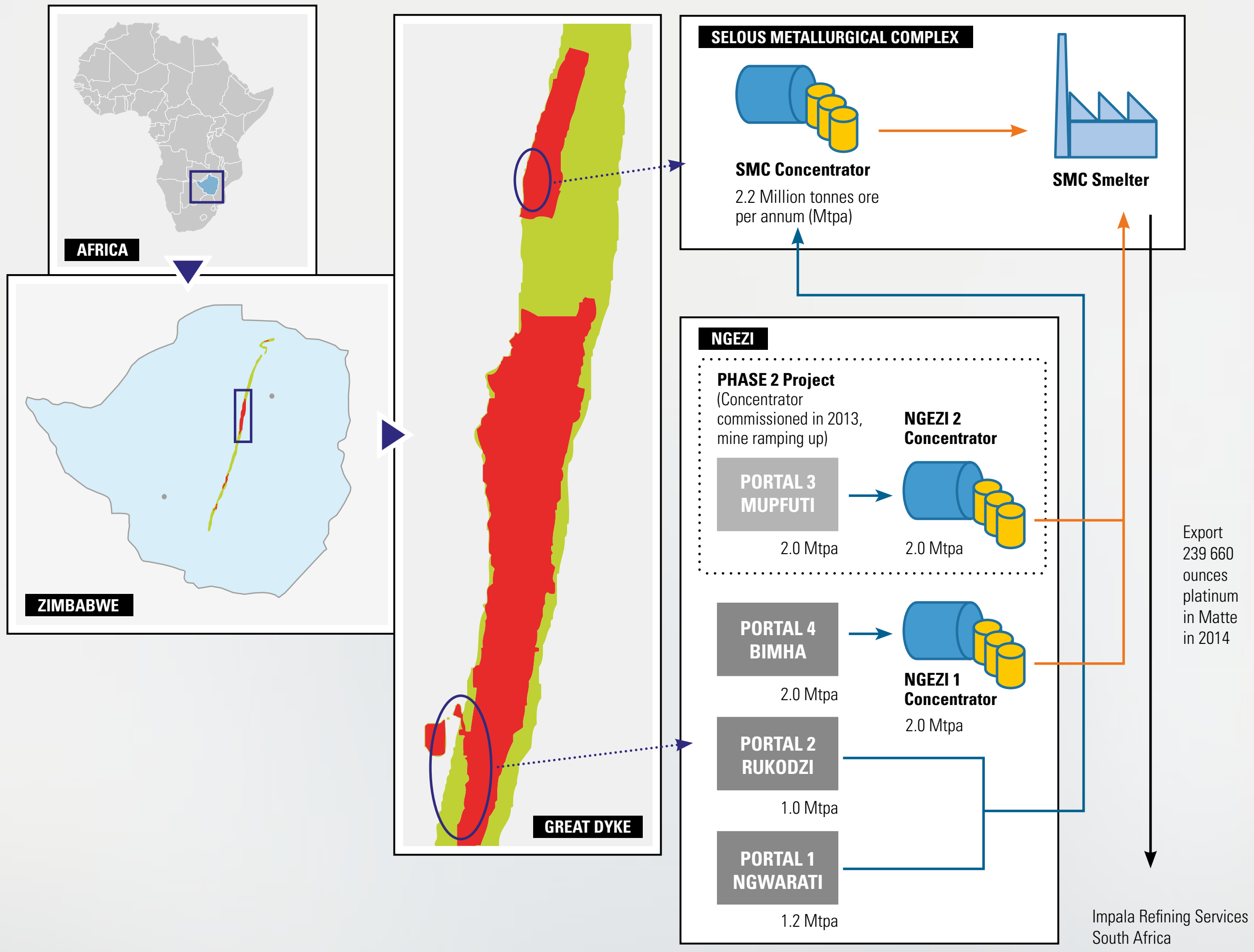
2006
- Zimplats released 36% of its ground to the Government of Zimbabwe in return for cash and empowerment credits
- Zimplats embarked on Phase 1 US$340m expansion increasing mining and concentrator capacity to 4.2Mtpa

2009
Phase 1 expansion to 4.2Mtpa successfully commissioned

2010
Zimplats embarked on Phase 2 expansion US$460m, development of 4th underground mine at Ngezi, to increase production to 6.2Mtpa

2013
Phase 2 Expansion plant commissioned on schedule

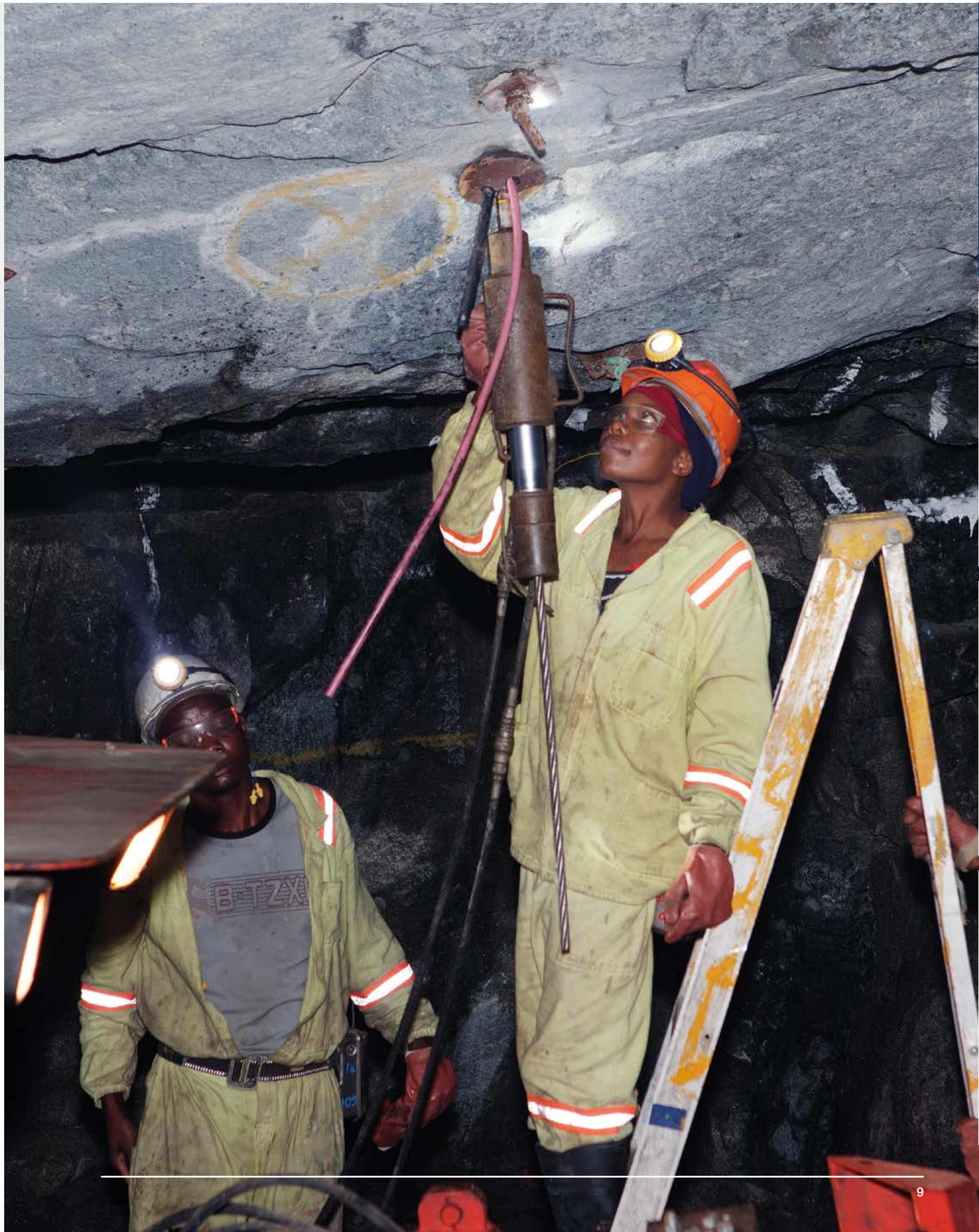
Locations and Operations



Zimbabwe Platinum Mines (Private) Limited

CASH UTILISATION (2002 - 2014)

US$308 million	8%	Loan repayments and loan interest payments
US$466 million	12%	Payments to Government (Income tax, Royalties, Customs Duties and PAYE)
US$34 million	1%	Advances to RBZ
US$63 million	2%	Dividends paid to Zimplats Holdings Limited
US$1,225 million	33%	Capital expenditure to expand and maintain operations
US$292 million	8%	Employment costs
US$1,348 million	36%	Operating expenses

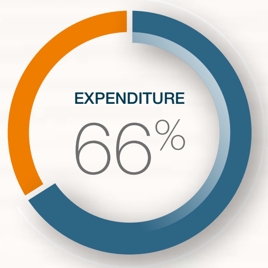


Chairman's Letter

LOCAL PROCUREMENT

US$215 million

Pursuant to its strategic thrust of sustainable contribution to the economic turnaround of Zimbabwe, Zimplats spent US$215 million on local procurement (or 66% of total expenditure - excluding payments to Government institutions).



In addition, the Group spent US$83 million on salaries and wages in the year, which was all spent in Zimbabwe, creating substantial buying power in the economy.

A business environment characterised by stagnant metal prices and rising operational costs led to implementation of extensive cost rationalisation measures. Consequently, costs were contained to US$1 319 per platinum ounce (only 2.5% up from prior year).

OVERVIEW
PERFORMANCE REVIEW
FINANCIAL REPORT
SHAREHOLDER INFORMATION

Chairman's Letter (continued)

DEAR STAKEHOLDER

Once again it gives me great pleasure to report yet another successful year in most areas of operations of your Company despite immense internal and external environmental business challenges. Whilst a slight improvement in metal prices was recorded, a liquidity crunch in Zimbabwe necessitated adoption of tight cost management regime and cash preservation measures as resources were channelled to the completion of the Phase II Expansion Project. I highlight below some of the major successes achieved in the year.

We remain committed to the laudable goal of sustainable development as defined by World Commission on Environment and Development which is to "meet the needs of the present without compromising the ability of future generations to meet their own needs." As a leading business enterprise operating in Zimbabwe, we believe that we have an important role to play in achieving this goal. To this end, we strive to operate in an economically, socially and environmentally friendly manner. We treasure the importance of stakeholder engagement in this regard.

INDIGENISATION IMPLEMENTATION PLAN

Following the rejection of the Indigenisation Implementation Plan (IIP) non-binding term sheet signed in January 2013 with the Government of Zimbabwe, your Company pursued further engagements with the relevant authorities with a view of finding a win win solution on the matter. I am happy to report that although slow, positive progress has been registered in this latter regard.

It is my sincere hope and belief that we will ultimately achieve a position that will be fair to all the parties and most importantly preserve the interests of all stakeholders.

Closely linked to the indigenisation matter is the Government's intention to compulsorily acquire about 50% of the mining claims owned by your Company as detailed in the Zimbabwe Government Gazette published on 1 March 2013. As you are aware, your Company filed an objection to the notification in terms of the laws of Zimbabwe and no response has been received as yet.

SAFETY, HEALTH AND ENVIRONMENT

It was a sad year for the Zimplats team as we recorded a fatal accident at one of our mines. We extend our most heartfelt condolences to the family, friends and colleagues of the deceased, Osika Chidhakwa.

While there is little comfort to be found after this tragedy, your Company's safety performance improved to 6 (2013: 12) lost time injuries during the year and a lost-time injury frequency rate of 0.41 (2013: 0.70) per million man hours worked.

The safety of all our employees and business partners is of paramount importance. A significant amount of time has been spent during the year by the Board and Executive Management on Health and Safety matters.

Chairman's Letter (continued)

OPERATIONS

The mining and processing operations increased production by 17% and 27% respectively from prior year despite the unplanned stoppages at the processing plant and the increase in challenging ground conditions at Bimha Mine. The strategic decision taken three years ago to embark on a Phase II expansion project is beginning to bear fruit. This provides for a strong platform for the Company to create sustainable value to shareholders going into the future as all the building blocks have been firmly laid down.

A business environment of stagnant metal prices and rising operational costs led to extensive cost rationalisation measures resulting in cost containment as the cost per platinum ounce of US$1 319 was achieved (7% only 2.5% up from prior year).

TAXATION ISSUES

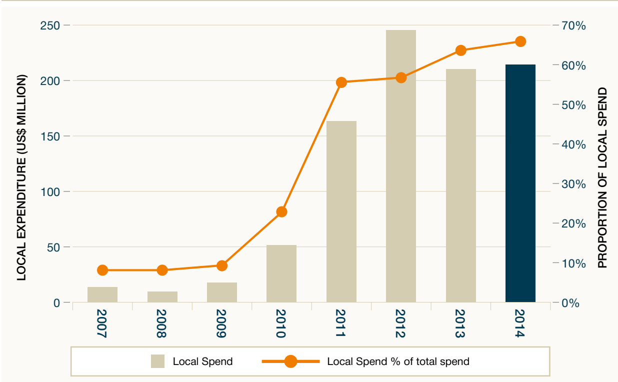
The long outstanding tax cases appealing against the levying by the Zimbabwe Revenue Authority (ZIMRA) of a penalty on the additional prior years' taxes and the Additional Profit Tax issue have now been set down for hearing during September 2014 before the Special Court for Income Tax Appeals. Hopefully, this will go a long way in resolving some of the tax challenges that the Company has been grappling with for some time now.

Another positive development is that the Government of Zimbabwe has initiated the process of taking over the Reserve Bank of Zimbabwe's (RBZ) debt by issuing the RBZ Debt Assumption Bill, 2014, which was published in the Zimbabwe Extraordinary Government Gazette of 6 June 2014. The US$34 million owed to your Company by RBZ is listed in the Bill's schedule of prior debts. In terms of the Bill, prior debts will have to be validated and reconciled by the Ministry of Finance and Economic Development before being assumed by the State. The Bill will have to be passed by Parliament and assented to by the President for it to become law.

ZIMPLATS CONTRIBUTION TO THE FISCUS AND ZIMBABWE

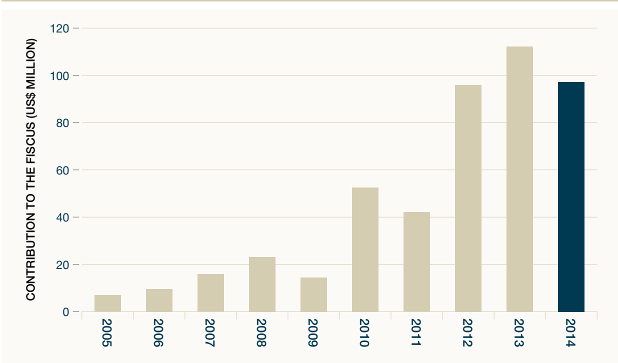
Zimplats continues to be a dominant player in the mining industry in Zimbabwe and one of the major contributors to the economic recovery of the country. In the year just ended, the Company spent US$215 million in local procurement excluding payments to Government institutions. In addition, the Company spent US$83 million on employment costs thereby enhancing consumer spending power in the economy.

Zimplats Expenditure (US$ Million)



Payments to the Government in respect of corporate tax, royalties, payroll taxes and customs duties for the year amounted to US$ 97 million.

Zimplats contribution to the fiscus (US$ Million)



OUTLOOK

A strategic decision was taken to refurbish the Base Metal Refinery(BMR) at Selous as a crucial first step in a multiphased plan for local beneficiation. A prefeasibility study was initiated in February 2014 to establish cost estimates and time frames for this work. As part of the study outcomes a recommendation has been made to pursue a truncated process flow sheet which will enhance plant capacity and simplify future process updates. The total project cost for the BMR refurbishment and sulphur dioxide abatement plant is estimated at US$192 million. The procurement of long lead items for the BMR as well as mass balancing and capacity confirmation on the preferred flow sheet have commenced. Mechanical completion and commissioning of the plant is scheduled for July 2016. The feasibility study on the acid plant, for sulphur dioxide abatement, has commenced. Installation of the acid plant is scheduled over three years starting in 2016.

The implementation of the BMR refurbishment project is consistent with the Company's broad objective of aligning to key national policies and objectives.

Once executed and fully operational, this initiative will have a positive impact on downstream industries. As usual, your Company will continue to play its positive part in helping resuscitate the Zimbabwean economy.

Post year end, there was an acceleration of the deterioration of ground conditions associated with the Mutambara Shear at one of the four portals namely the Bimha Mine. During July 2014, it was noted that there was increased pillar failure, footwall heaving and associated excavation closure. Investigations concluded that the conditions over a wide area (approximately 50% of the Bimha Mine) were no longer safe for normal operations and a decision was made to temporarily close Bimha to ensure safety of our employees. As a result of the safe withdrawal, there were no injuries or damage to mobile equipment although utility installations remain exposed and are being damaged in the affected area. A team of Company and independent advisors has been appointed to conduct detailed investigations to re-engineer and/or arrest the current mine stability concerns at Bimha.

ACKNOWLEDGEMENTS

On behalf of the Board I would like to once again offer my heartfelt thanks to the Zimplats team for their commitment and tireless efforts. The entire team deserves platinum medals for really stepping up to the plate in what are both challenging and rewarding times.

Andile Hesperus Sangqu was appointed as a non-executive director with effect from 1 April 2014. He joined Impala Platinum Holdings Limited as its Group Executive: Sustainability and Risk on 1 March 2014. During his professional career, he has served on the boards of various companies and public sector organisations. He was most recently employed as an Executive Director of Glencore South Africa. Both the Board and I extend a very warm welcome to him.

Mike Houston resigned from the Board on 15 August 2014. I would like to express our sincere gratitude to Mike for his pivotal and sterling service to the Company since 2001 in various capacities, initially as Chief Operating Officer, then as Chief Executive Officer, Chairman and, until his resignation, as Non-Executive Director and Chairman of the Remuneration Committee. The Board and Management wish Mike all the best in his future endeavours.

Thank you again, shareholders and stakeholders alike, for your continued encouragement and support. We look forward to continuing with the growth story of your Company in 2015 and beyond.

Muchadeyi Ashton Masunda
Acting Chairman of the Board
28 August 2014

Chief Executive Officer's Report

FINANCIAL HIGHLIGHTS

US$576 million

Cost of sales amounted to US$332 million, 34% higher than the previous year's US$248 million. The increase in cost of sales was driven by sales volume growth and higher cost of power following the full utilisation of the power units prepaid at low tariffs.

Revenue for the year increased by 22% from US$472 million to US$576 million as a result of improved sales volumes due to increased production capacity after the commissioning of the Phase II concentrator.

Metal prices improved marginally resulting in the gross revenue per platinum ounce increasing from US$2,432 to US$2,457.

Chief Executive Officer's Report (continued)

KEY PERFORMANCE FEATURES

- Regrettably, one▲ fatality (Osika Chidhakwa) was recorded at Ngwarati Mine following a fall of ground accident
- Total number of Lost Time Injuries (LTI) decreased by 50% from 12 in FY2013 to 6▲ in FY2014.
- Lost Time Injury Frequency Rate ("LTIFR") improved by 41% from 0.70 to 0.41▲
- Run of Mine (ROM) ore production increased by 17% to 5.62 million as a result of the ramping up of production at Mupfuti Mine to six teams.
- Platinum production increased by 21% to 239,660 ounces in tandem with an increase in milled tonnage.
- Favourable financial results mainly as a result of higher sales volumes and slightly improved metal prices.
- Portal 5 (replacement for Rukodzi Mine) feasibility studies commenced in the year, mine development likely to commence in the coming year.
- Phase II Expansion project implementation on schedule and progressing well

SAFETY, HEALTH AND ENVIRONMENT

One of the key challenges of sustainable development is that it demands new and innovative choices and ways of thinking. As part of our commitment to conducting business in a sustainable manner, we embrace this challenge and continuously examine the way in which we do business and the impact that we have on our stakeholders and the environment.

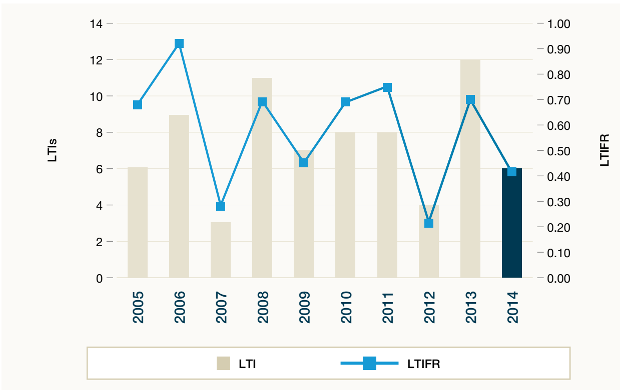
Safety

It is with regret that I have to report a fatality that occurred at Ngwarati Mine during the year arising from a Fall of Ground (FOG) incident. I extend my sincere condolences to the family, friends and workmates of the deceased, Osika Chidhakwa. This fatality occurred after the Company had accumulated 10.7 million fatality free shifts.

Notwithstanding this sad development, the total number of LTIs recorded in the year (including the fatality) decreased from 12 to 6. This resulted in the LTIFR improving by 41% compared to last year from 0.70 to 0.41▲. The total number of injuries at work for the year decreased from 38 to 20, a 47% improvement. As a result, the total injury frequency rate (TIFR) improved from 2.20 to 1.37▲. Management noted that one of the major causes of accidents at work was deviation from established basic standards and procedures by both employees and contractors. Consequently, focus will be directed at enforcing compliance to safe production rules as well as continued implementation of behaviour-based initiatives aimed at addressing behavioural issues such as the Zero Incident Process (ZIP).

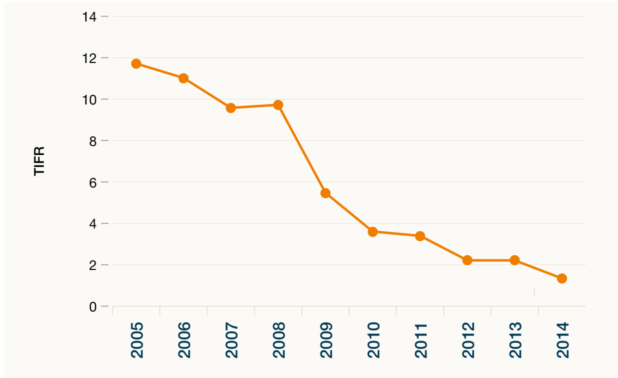
▲ *The number has been independently assured.*

Lost Time Injuries Trend



Initiatives that have been implemented to avert work place hazards include mechanised barring down, Electronic Centralised Blasting System (ECBS) and fitting of Proximity Detection Systems (PDS) devices to underground trackless vehicles. Management is committed to continue exploring new ways of improving safety at work until the target of zero harm is achieved on a sustainable basis.

Total Injuries Frequency Rate Trend



Health

Positive improvements were registered under the Employees Wellness Programme as evidenced by increases in the number of people recorded for voluntary counselling and testing compared to the previous year. In addition, the Wellness Programme was broadened in the year to include Non Communicable Diseases (NCDs).

The company continued with its collaborative work with the Ministry of Health and Child Care to prevent the spread of malaria to the Turf residential area. Studies carried out in the year showed that Turf and the surrounding areas remain as low risk malaria transmission zones.

The occupational health monitoring systems continued to work well during the year.

Environment

No major issues of environmental non-compliance were reported from the internal and external audits carried out during the year.

Rehabilitation of the closed open pit mine progressed well in the year with over 50% of the disturbed areas now rehabilitated. Work on the rehabilitation of the tailings dams progressed well.

Fresh water consumption increased from 5.78 mega litres to 6.39 mega litres due to the increase in production volumes. Water recycling for the year improved from 26% to 38% of fresh water consumption. As a result, water consumption per tonne milled at 1.10 litres was 11% better than the previous year's 1.23 litres. Water conservation will remain an area of management focus going forward.

The quality of the effluent discharged into the environment during the year was good. As part of compliance with the effluent and waste disposal regulations of 2007, the first and second phases of the Ngezi landfill-lining project were completed during the year. In addition, the installation of the leachate collection system at SMC commenced during the last quarter of the year under review and is scheduled for completion in the first quarter of FY2015. The company is cognisant of the need to reduce sulphur dioxide emissions from the SMC Smelter in line with international best practices. To this end, a Bankable Feasibility Study is in progress with a view of implementing the project at the earliest possible date.

OPERATIONS

Mining

Tonnes mined for the year at 5.62 million increased by 17% from last year as a result of the introduction of six production teams to ramp up production at Mupfuti Mine as well as deliberate steps undertaken to widen the mining height from 2.5 to 2.75 metres in some sections of Ngwarati, Rukodzi and Mupfuti mines. While the increase in mining height resulted in about 1% drop in head grade, the increase in the volume of ore milled more than compensated for the grade dilution.

Post year-end there was an acceleration of the deterioration of ground conditions associated with the Mutambara Shear at Bimha Mine, one of the Group's four portals. The shear was first observed in May 2011 and no significant ground control challenges were experienced until June 2013. Pillar scaling, fracturing and footwall heaves were noted on a regular basis and a full intervention programme was then put in place. This included monitoring programmes, quarantining certain areas, pillar rehabilitation, cutting new barrier pillars, installing grout packs and re-designing pillar placement and size. However, during the period May 2014 to July 2014 it was noted via extensive measurement and observation protocols that there was increased pillar failure, footwall heaving and associated excavation closure. Investigations concluded that the conditions, over a wide area, predominantly mined out areas, were no longer safe and a decision was made to temporarily close Bimha to ensure the safety of our employees. As a result of the safe withdrawal, there were no injuries or damage to mobile equipment.

At this stage, there is a possibility that the Group's overall production could be adversely affected by up to 70 000 platinum ounces as a result of closing the Bimha Mine.

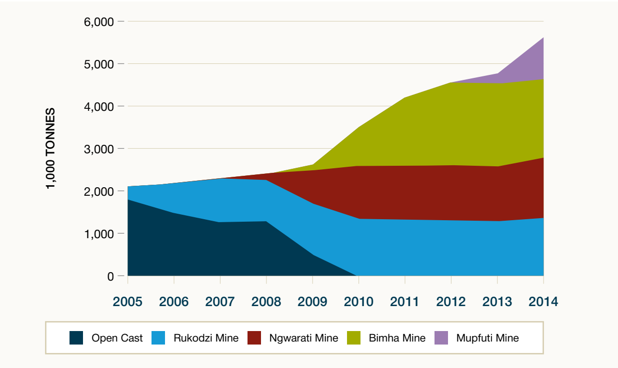
Chief Executive Officer's Report (continued)

Production from the other three mines is not expected to be affected and the ramp-up of Mupfuti Mine continues as planned. In addition two mining fleets from the Bimha Mine have already been deployed to the other mines to mitigate production losses.

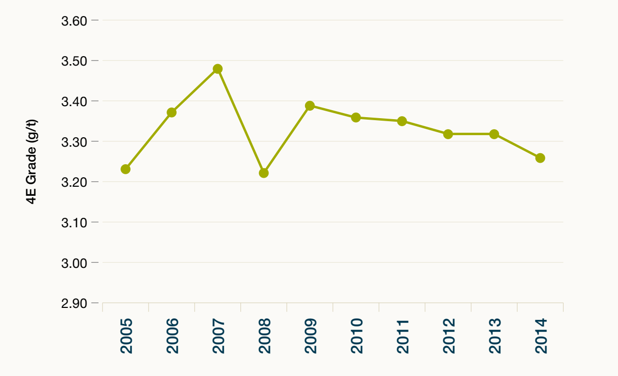
A team of Company and independent advisors has been appointed to conduct detailed investigations to re-engineer and/or arrest the current mine stability concerns at the Bimha Mine.

Further announcements will be made as soon as there is any clarity on the outlook for the mine.

Ore Mined



Head Grade



Head grade

Average 4E head grade for the year was 3.26g/t, 2% lower than the previous year's 3.32g/t mainly due to dilution arising from self-mining in areas affected by faulting and the Mutambara Shear. In addition, the increase in mining height from 2.5 metres to 2.75 metres in predetermined footprints at Ngwarati, Rukodzi and Mupfuti mines had a negative impact on head grade. A total of 134,000 tonnes low-grade partially oxidised ore from the old stockpiles was milled in the year further diluting head grade.

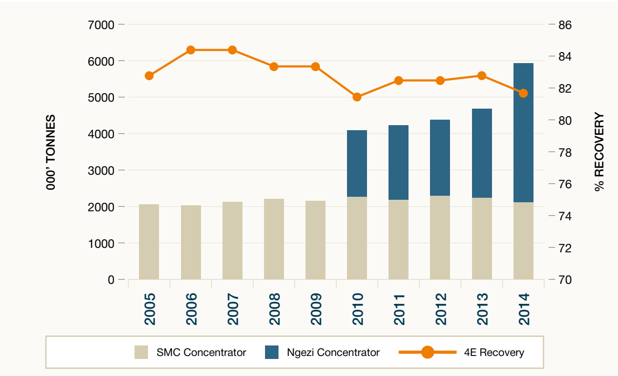
PROCESSING

Concentrators

The tonnes milled for the year at 5.94 million were 27% above the previous year's 4.68 million due to increased capacity from the Phase 2 Ngezi concentrator module which was commissioned in the final quarter of the previous year.

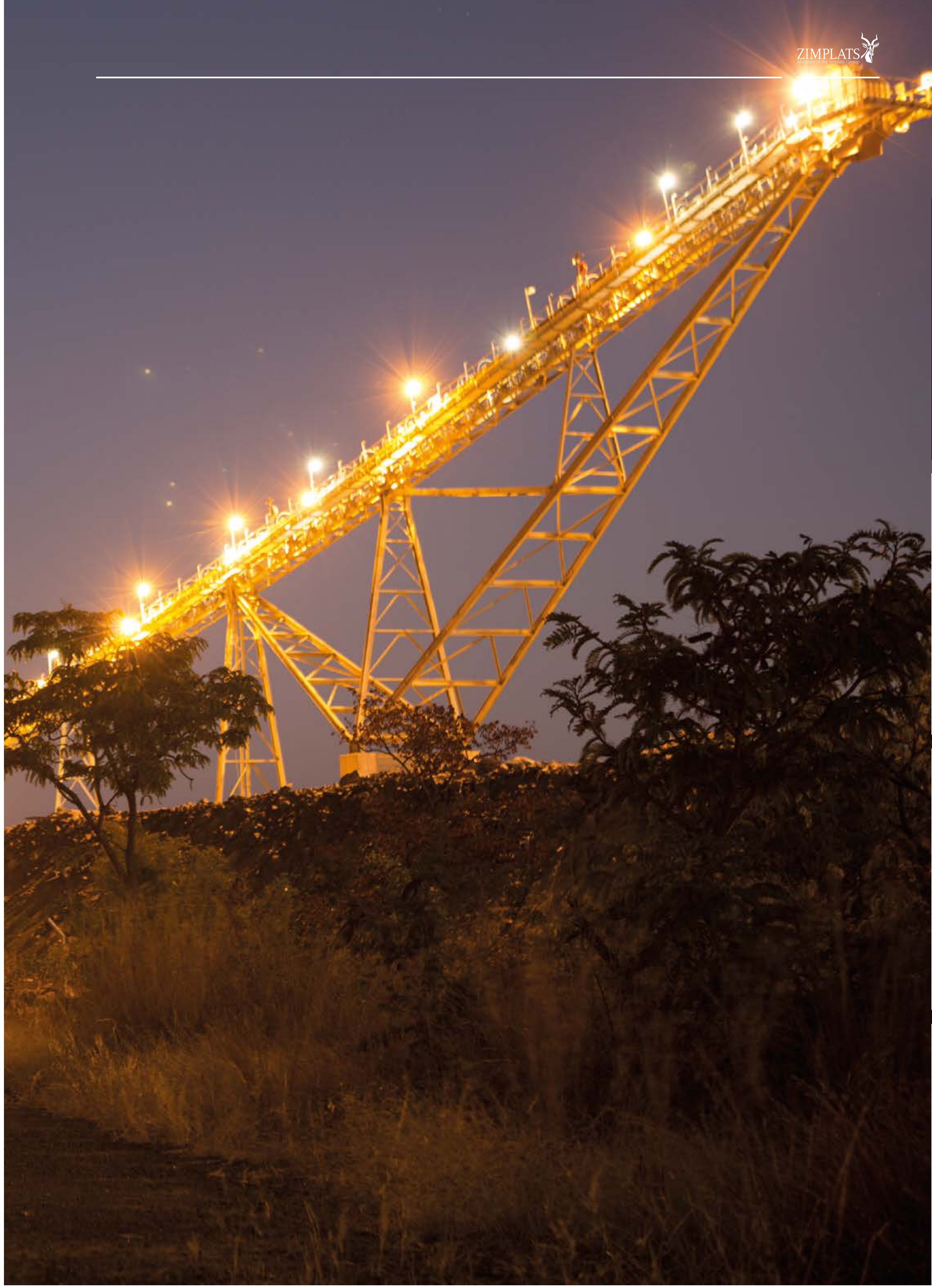
The overall recovery rates at 81.7% were 1% below the prior year's performance due to the impact of lower grades and reduction in mass pull from 2.4% to 2.3%. The overall impact of grades and mass pull was somewhat offset by increasing reagent dosages at both concentrators.

Ore Milled + Recovery



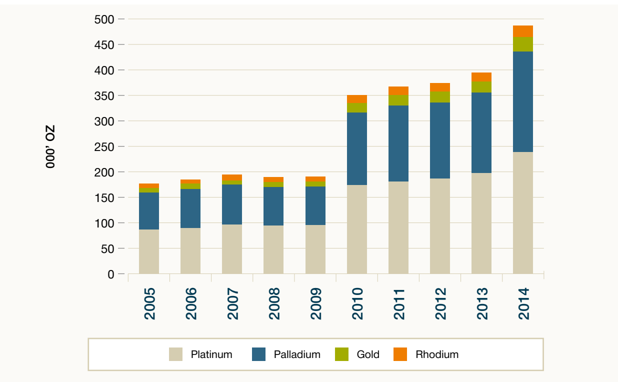
Smelter

On 17 December 2013 a localised explosion occurred at the smelter resulting in a tap block blow-out and eruption of molten material from the furnace. The furnace was repaired and put back on full power in the same month. Concentrator mass pulls were reduced to allow the smelter to process all the concentrates stockpiled during this outage. A total of 132,800 tonnes of concentrates were smelted in the year producing 239,700 ounces of platinum in converter matte, 21% above the 198,100 ounces produced in the previous year. 4E metal production for the year at 486,900 ounces was 23% above the prior year reflecting the benefit of higher throughput from the concentrators.



Chief Executive Officer's Report (continued)

Metal Production 4E Oz



CAPITAL PROJECTS

Expansion Projects

The implementation of the Ngezi Phase 2 Expansion Project is progressing well. To date, US$413 million of the project budget has been spent and US$26 million has been committed. A total of US$73 million was spent on expansion projects in the year compared to US$128 million in the previous year.

Stay in Business Projects

A total of US$37 million was spent on stay in business projects in the year, 28% higher than the US$29 million in prior year.

HUMAN RESOURCES

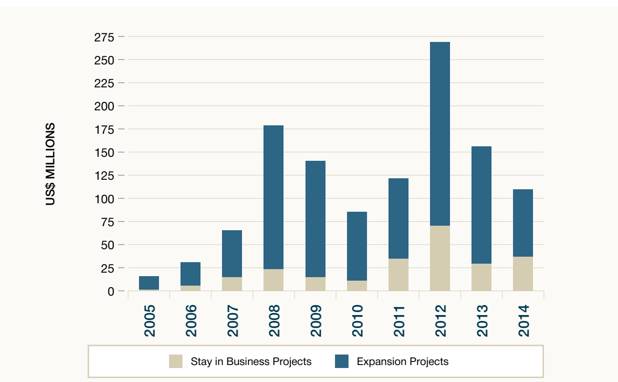
Staff turnover improved from 4% to 3.5% in the year. Labour market trends will continue to be monitored and responded to appropriately, should the current stable situation change.

Recruitment for Mupfuti Mine continued in the year resulting in the total number of permanent employees increasing by 12% to close the year at 3,268. The numbers of contractor employees decreased by 1% from 2,775 to 2,749 as more components of the Phase II Expansion Project were completed.

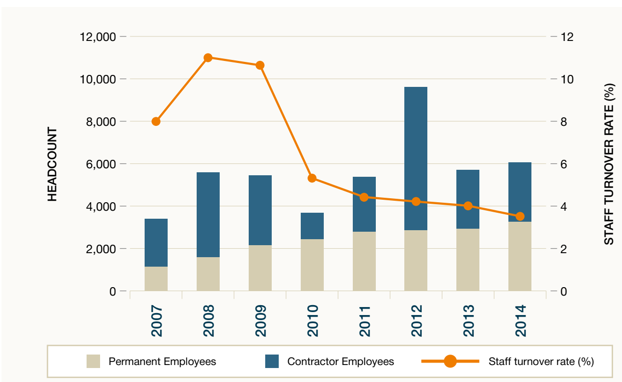
In addition to improving the effectiveness of our people through total employee wellness programmes, harmonious industrial relations and talent management, the company will also focus on skills retention by offering decent accommodation through the Employee Home Ownership Scheme and the implementation of the Government-approved Employee Share Ownership Scheme.

The company continued to embed its new values of Respect, Care and Deliver at all levels of the organisation. These values are now the foundation of the Company's philosophy with regards to people management.

Capital Expenditure



Labour Headcount and Turnover



Chief Executive Officer's Report (continued)

SOCIAL INVESTMENTS

I am pleased to report that the Group paid the final instalment of the US$10 million Community Share Ownership Trust (CSOT) donation in the year. Various development projects which will help improve the communities surrounding our operations have been implemented by the Trust and US$3.4 million has been spent to date.

In addition to funding the CSOT, the Group continues to fulfil its long term commitment to social development projects such as the building of schools and clinics.

During the year, a further US$15 million (2013: US$ 8 million) was spent on employee housing.

The company continued with its support programme for local suppliers in line with the Government Zim Asset programme. To this end, local suppliers accounted for 66% (2013: 64%) of the Company's annual expenditure on goods and services during the year under review.

FINANCIAL RESULTS

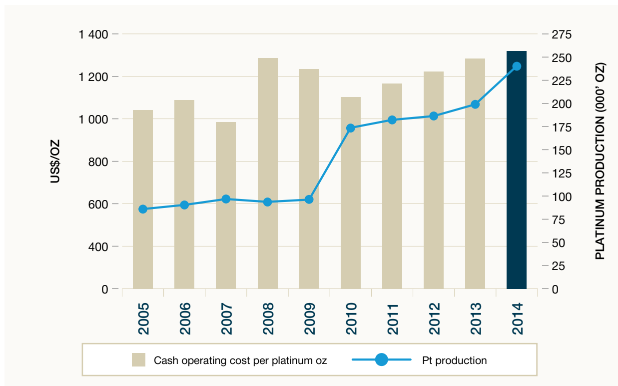
Revenue for the year increased by 22% from US$472 million to US$576 million as a result of improved sales volumes due to increased production capacity following the commissioning of the Phase II concentrator. Metal prices improved marginally resulting in the gross revenue per platinum ounce increasing from US$2,432 to US$2,457.

Cost of sales amounted to US$332 million, 34% higher than the previous year's US$248 million. The increase in cost of sales was driven by sales volume growth and higher cost of power following the full utilisation of the power units prepaid at low tariffs. This led to the reduction in gross profit margins from 47% in prior year to 43% in the current year

Administrative and other expenses for the year were 4% lower than the previous year mainly due to lower selling expenses as the previous year's selling expenses were affected by concentrate transported during furnace outages and the effect of the weaker South African Rand on services sourced from that country.

As a result, operating cash cost per platinum ounce increased by 2.5% to US$1,319.

Cash Operating Cost per Platinum Ounce



Royalties for the year amounted to US$44 million, 13% higher than the previous year's US$39 million mainly due to higher turnover.

Consequently, profit before income tax for the year amounted to US$129 million, 18% higher than the US$109 million for the previous year. The tax charge for the year at US$32 million was 23% lower than previous year mainly due to legacy tax charges that were incurred in prior year. Profit after income tax for the year thus amounted to US$97 million, an increase of 42% on the US$68 million recorded in the previous year.

Cash inflows from operating activities at US$146 million were 18% higher than the US$124 million realised in the previous year due to higher sales volumes and a marginal increase in metal prices. At year-end, Zimplats had bank borrowings amounting to US$105 million and the cash balance was US$39 million.

APPRECIATION

I would like to thank the management team and all Zimplats employees, our suppliers and contractors for their valued contribution.

I thank the board for their guidance and support during the past year.

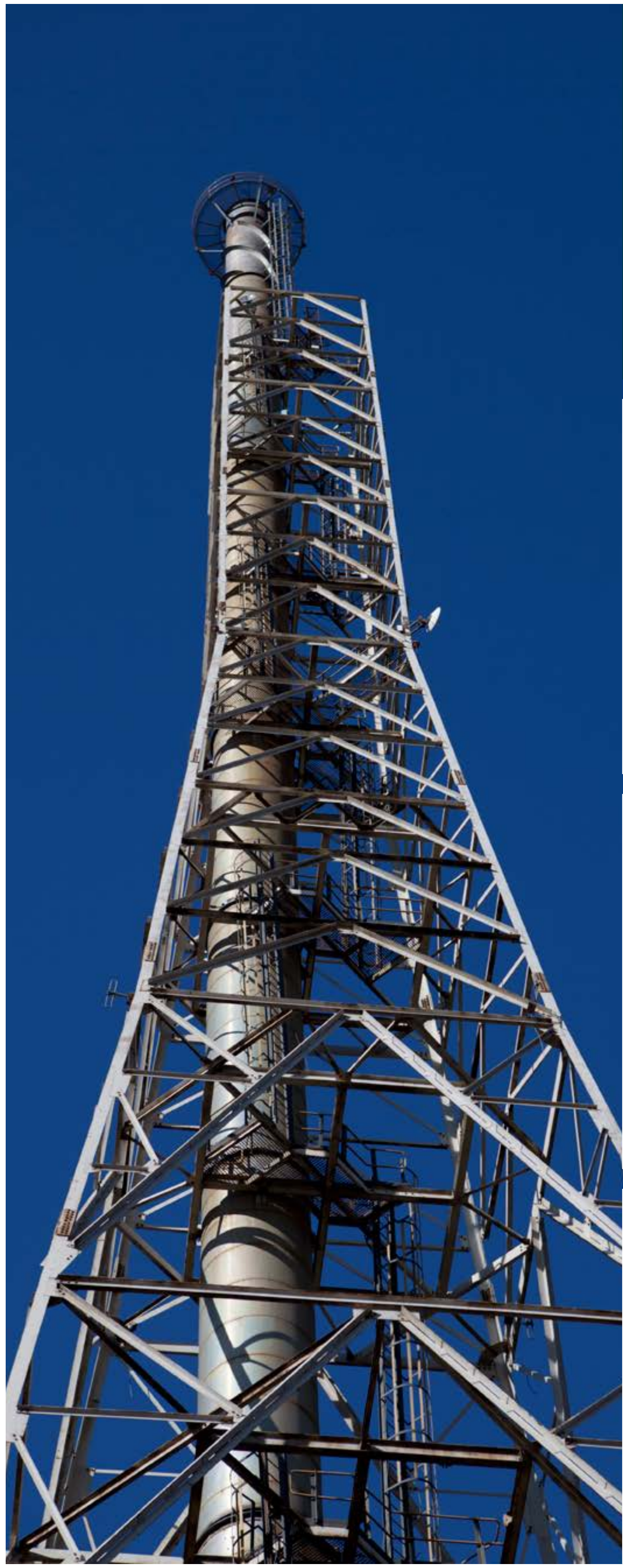
Alex Mhembere
Chief Executive Officer
28 August 2014

Achievements 2013/14

OBJECTIVES	STATUS
Improve safety culture and performance through the use of identified interventions, with no fatalities. Achieve an LTIFR of 0.38	Regrettably, there was one fatality during the year which occurred after the Group had accumulated more than 10 million fatality free shifts. Overall safety performance improved with LTIFR reducing from 0.70 to 0.41. However, this performance was worse than the targeted LTIFR of 0.38 with no fatality.
Cash preservation and in-house financing of working capital requirements.	Working capital requirements for the year were all funded from internal resources. No new loans were raised or required during the year.
Achieve planned 2013/14 production efficiencies and tonnages.	• Tonnes mined and milled were 2% and 3% above plan respectively. • Head grade was 4% below plan. • Concentrator recovery rates were 1% below target. • Platinum production was 4% less than target.
Retain Certification on the ISO9001 and OHSAS 18001 Systems	Certification retained.
Complete the roll out of the ISO31000 based Enterprise Risk Management Framework to all divisions.	The Group's Enterprise Risk Management Framework ("ERM") based on ISO31000 has now been rolled out to all divisions. The focus going into FY2015 will be to embed and entrench ERM in functional division's daily activities and key decision making processes to develop a robust risk awareness culture. This will be advanced during FY2015 through training and awareness.
Successfully defend the proposed compulsory acquisition of ground.	The Group filed an objection to the notification in terms of the laws of Zimbabwe and no response has been received as yet.
Remain in the lower cost quartile of platinum producers.	The Company retained its position as a low cost platinum producer with cash cost per platinum ounce marginally increasing by 2% to US$1 319.
Conclude the Indigenisation Implementation Plan agreed with the Government of Zimbabwe in January 2013	The Indigenisation Implementation Plan (IIP) agreed with the Government of Zimbabwe in January 2013 was not concluded following indications that it no longer met with Government expectations. Discussions with the Government of Zimbabwe on the IIP are still ongoing.
Maintain the local supply base at a minimum of 60% of annual spend, excluding government institutions.	During the year, local suppliers accounted for 66% (2013: 64%) of the Company's annual expenditure on goods and services.
Subject to cash availability, implement identified CSR development projects.	Several projects from 2013 were completed. Investment in new projects was subdued due to cash constraints.
Progress the remaining elements of the Ngezi Expansion Phase 2 project within the revised approved time schedule and revised budget.	Development of the 2 mtpa Mupfuti Mine (P3) progressed on schedule and on budget. The remaining elements are still on target.

Objectives 2014/15

- Improve safety culture and performance through the implementation of identified interventions and eliminate fatalities. Achieve target LTIFR of 0.30.
- Achieve planned 2014/15 production tonnages and efficiencies.
- Contain the effects of Mutambara Shear.
- Remain in the lower cost quartile of platinum producers.
- Initiate the Base Metal Refinery (BMR) project.
- Maintain the local supply base at a minimum of 64% of annual spend, excluding government institutions.
- Retain certification on the ISO9001 and OHSAS18001 Systems.
- Implement identified CSR development projects.
- Complete the remaining elements of the Phase 2 project within the approved revised budget.



ASX Announcements

Zimplats has promptly informed the public, through announcements to the Australian Stock Exchange, of matters that may affect the Company's share price. The publication of quarterly and other reports has kept the public informed of major developments within the Group.

Key announcements have included:

▪ **29 August 2013**	Integrated Report 2013 released
▪ **24 October 2013**	Release of results of Annual General Meeting
▪ **27 February 2014**	Release of results for the half year ended 31 December 2013
▪ **1 April 2014**	Mr A H Sangqu appointed as a Director

Ten Year Review

	2014 $000	2013 $000	2012 $000	2011 $000	2010 $000	2009 $000	2008 $000	2007 $000	2006 $000	2005 $000
GROUP STATEMENT OF COMPREHENSIVE INCOME										
Turnover	575 978	471 647	473 280	527 354	403 953	120 311	294 257	235 967	162 446	112 484
Platinum	306 693	263 234	261 681	284 991	233 929	81 807	153 868	102 253	84 755	64 948
Paladium	137 760	96 890	87 004	98 347	53 658	12 995	28 690	23 771	19 186	12 079
Gold	31 393	30 387	32 897	26 636	19 902	8 179	8 159	6 071	4 759	3 639
Rhodium	20 075	15 136	18 714	30 030	33 385	(1 985)	63 245	42 474	28 774	11 089
Nickel	59 220	46 579	52 921	66 135	48 418	14 835	31 509	52 655	19 559	17 657
Other	20 837	19 421	20 063	21 215	14 661	4 480	8 786	8 743	5 413	3 072
Cost of sales	(332 272)	(248 121)	(219 854)	(204 275)	(171 949)	(105 433)	(121 812)	(97 720)	(88 639)	(77 702)
Mining	(123 594)	(96 314)	(88 815)	(78 041)	(65 108)	(56 222)	(65 133)	(55 693)	(59 052)	(55 271)
Processing	(86 405)	(58 036)	(52 142)	(52 448)	(42 580)	(23 088)	(19 441)	(17 811)	(15 697)	(15 722)
Depreciation	(59 557)	(46 830)	(41 714)	(33 584)	(23 241)	(21 343)	(24 242)	(20 559)	(8 585)	(3 674)
Staff costs	(56 737)	(47 403)	(41 210)	(37 237)	(25 351)	(18 035)	(11 054)	(6 508)	(4 303)	(4 633)
Other	(5 979)	462	4 027	(2 965)	(15 669)	13 255	(1 942)	2 851	(1 002)	1 598
Gross Profit	243 706	223 526	253 426	323 079	232 004	14 878	172 445	138 247	73 807	34 782
Other (expense)/income	(27 064)	(19 102)	(7 349)	(12 414)	(7 838)	(7 256)	3 426	717	(444)	9 732
Operating costs	(88 152)	(93 841)	(91 098)	(66 056)	(51 239)	(32 522)	(30 482)	(24 224)	(16 385)	(18 945)
Net finance (expense)/income	177	(1 497)	(3 458)	(8 531)	(6 356)	(1 133)	125	2 667	274	(121)
Profit/(loss) before tax	128 667	109 086	151 521	236 078	166 571	(26 033)	145 514	117 407	57 252	25 448
Taxation	(31 534)	(40 832)	(29 162)	(35 656)	(44 501)	1 009	(21 136)	(17 823)	(9 516)	(4 221)
Profit/(loss) after tax	97 133	68 254	122 359	200 422	122 070	(25 024)	124 378	99 584	47 736	21 227
Attributable to minority interests	—	—	—	—	—	—	—	—	—	(2 428)
Net profit/(loss) to shareholders	97 133	68 254	122 359	200 422	122 070	(25 024)	124 378	99 584	47 736	18 799
GROUP STATEMENT OF FINANCIAL POSITION										
ASSETS										
Non-current assets	1 052 405	1 016 726	916 921	681 907	592 064	529 868	371 558	228 623	188 180	155 536
Property, plant and equipment	1 023 134	975 685	858 720	625 433	540 153	472 636	346 493	206 178	165 738	130 263
Mining interests	22 445	22 445	22 445	22 445	22 445	22 445	22 445	22 445	22 442	25 273
Financial assets and other receivables	6 826	20 596	35 756	34 029	29 466	34 787	2 620	—	—	—
Current assets	323 758	232 852	237 965	293 468	220 707	120 411	226 964	176 846	108 065	62 260
Total assets	1 376 163	1 249 578	1 154 886	975 375	812 771	650 279	598 522	405 469	296 245	217 796
EQUITY AND LIABILITIES										
Capital and reserves	1 027 126	929 993	861 739	739 381	538 959	415 167	442 655	329 400	230 593	183 934
Minority interests	—	—	—	—	—	—	—	—	—	—
Non-current liabilities	213 231	225 450	207 816	139 904	183 793	150 645	108 343	33 953	31 198	14 155
Deferred taxation	121 846	104 875	115 344	87 506	63 828	42 459	44 714	21 587	14 492	10 529
Borrowings	75 000	105 000	78 118	38 066	105 531	95 405	57 171	—	2 211	—
Mine rehabilitation provision	13 661	15 575	14 354	14 332	14 434	12 781	6 458	12 366	14 495	3 626
Other liabilities	2 724	1 148	4 317	2 913	—	—	—	—	—	—
Current liabilities	135 806	92 987	81 014	93 177	90 019	84 467	47 524	42 116	34 454	19 707
Total equity and liabilities	1 376 163	1 249 578	1 154 886	975 375	812 771	650 279	598 522	405 469	296 245	217 796

Ten Year Review

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
OPERATING STATISTICS										
Ore mined (tonnes)	5 624 872	4 794 657	4 586 012	4 236 700	3 543 722	2 648 070	2 445 767	2 312 783	2 205 680	2 137 468
Open cast	—	—	—	—	—	528 094	1 301 068	1 285 651	1 508 382	1 826 414
Ngwarati Mine	1 408 550	1 284 278	1 297 174	1 261 507	1 254 762	779 064	155 272	—	—	—
Rukodzi Mine	1 381 449	1 317 305	1 329 042	1 346 916	1 364 325	1 204 581	977 999	1 027 132	697 298	311 054
Mupfuti Mine	963 229	229 775								
Bimha Mine	1 871 644	1 963 299	1 959 797	1 628 277	924 635	136 331	11 428	—	—	—
Ore headgrade (g/t)	3.26	3.32	3.32	3.35	3.36	3.39	3.22	3.48	3.37	3.23
Ore milled (tonnes)	5 939 277	4 683 136	4 392 731	4 222 565	4 094 849	2 166 490	2 200 473	2 133 295	2 018 665	2 058 210
SMC concentrator	2 096 146	2 225 066	2 275 235	2 169 901	2 268 598	2 166 490	2 200 473	2 133 295	2 018 665	2 058 210
Ngezi concentrator	3 843 131	2 458 070	2 117 496	2 052 664	1 826 251	—	—	—	—	—
4E oz in matte produced	486 865	394 814	374 791	367 788	349 856	190 532	188 569	194 626	184 765	176 535
Platinum	239 660	198 104	187 086	182 093	173 883	95 965	94 403	96 518	90 318	86 755
Palladium	197 623	157 076	149 206	148 141	141 187	75 555	75 537	78 605	76 515	72 024
Gold	27 250	22 637	21 637	20 801	19 343	10 657	10 602	10 913	9 822	9 771
Rhodium	22 333	16 997	16 862	16 752	15 443	8 355	8 027	8 590	8 110	7 985
4E oz in matte sold	477 905	388 850	375 340	368 282	345 602	190 867	189 268	194 451	184 923	174 730
Platinum	234 396	193 901	187 227	182 244	171 474	96 014	94 318	96 624	90 414	85 763
Palladium	195 049	155 603	149 750	148 864	139 757	75 840	76 234	78 536	76 541	71 508
Gold	26 827	22 340	21 647	20 860	19 223	10 764	10 528	10 809	9 820	9 673
Rhodium	21 633	17 006	16 716	16 315	15 148	8 249	8 188	8 482	8 148	7 786
Financial ratios										
Gross margin (%)	42.3%	47.4%	53.5%	61.3%	57.4%	12.4%	58.6%	58.6%	45.4%	30.9%
Return on equity (%)	9.5%	7.3%	14.8%	27.1%	22.6%	-6.0%	28.1%	30.2%	20.7%	10.2%
Return on assets (%)	7.1%	5.5%	11.1%	20.5%	15.0%	-3.8%	20.8%	24.6%	16.1%	8.6%
Current ratio	2.4	2.5	3.0	3.1	2.5	1.4	4.8	4.2	3.1	3.2
Operational indicators										
Capital expenditure ($000)	110 214	156 686	269 514	121 874	85 814	140 665	179 830	64 501	31 435	26 961
Gross revenue per 4E oz ($)	1 205	1 213	1 259	1 432	1 169	630	1 555	1 213	878	644
Cash operating cost per 4E oz ($)	650	646	611	580	549	624	645	490	534	514
Cash operating cost per platinum oz ($)	1 319	1 287	1 223	1 171	1 104	1 239	1 288	988	1 093	1 047
Net cash cost per platinum oz ($)	170	212	93	(159)	112	838	(201)	(396)	233	492
Non-financial indicators										
Permanent employees	3 268	2 929	2 830	2 757	2 418	2 136	1 584	1 128	873	741
Local spend % of total spend	66%	64%	65%	60%						
Lost Time Injury Frequency Rate	0.41	0.70	0.21	0.75	0.69	0.45	0.69			
Total Injury Frequency Rate	1.37	2.20	2.22	3.39	3.61	5.49	9.69			
Effluent permits issued (red, high impact)	—	—	—	—	4	6	5			
Disturbed areas rehabilitated (ha)	1.5	4	5	—	—	305	—			

Board of Directors

CHAIRMAN

MUCHADEYI ASHTON MASUNDA (62)
BL (Hons), FCIArb (UK)
ACTING CHAIRMAN

Appointed to the Board in 2007 and Acting Chairman in 2012. Chairman of the Commercial Arbitration Centre in Harare and Chairman of several Zimbabwean companies and organisations, among them John Sisk & Son (Africa) Limited, Old Mutual Life Assurance Company Zimbabwe Limited and Zimbabwe Sugar Association.

Member and past Chairman of the Audit and Risk Committee.

EXECUTIVE DIRECTORS

ALEXANDER MHEMBERE (53)
ACIS, ACMA, MBA
CHIEF EXECUTIVE OFFICER

Appointed Chief Executive Officer in 2007. Formerly was the Managing Director of a Zimbabwean PGM producer. Chief Executive Officer of the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited.

Currently is the President of the Chamber of Mines Zimbabwe.

STEWART MAGASO MANGOMA (41)
BCompt (Hons) UNISA, CA (Z)
CHIEF FINANCE OFFICER

Joined the Group in March 2013 as Chief Finance Officer of both the Company and the operating subsidiary. Has held senior executive positions in a number of leading companies in Zimbabwe.

Chairman of the Procurement Committee and the IT Steering Committee and a member of the Project Steering Committee.

NON-EXECUTIVE DIRECTORS

BRENDA BERLIN (50)
BCom, BAcc, CA (SA)

Chief Finance Officer of Impala Platinum Holdings Limited. Joined the Board in 2010 and is a member of the Audit and Risk Committee.

TERENCE PHILIP GOODLACE (55)
NHD in Metalliferous Mining, BCom, MBA

Appointed to the Board in August 2012. Chief Executive Officer of Impala Platinum Holdings Limited.

MICHAEL JOHN HOUSTON (64)
MSc (Business Strategy)

Joined the Group in 2001 as Chief Operating Officer of the operating subsidiary and was for a period Chief Executive Officer of the Company. Chairman of the Board from 1 January 2005 to 28 February 2010 and is Chairman of the Remuneration Committee.

Resigned from the Board on 15 August 2014.

NON-EXECUTIVE DIRECTORS

DR KHOTSO DAVID KENNETH MOKHELE (59)
BSc (Agriculture), MSc (Food Science), PhD (Microbiology)

Appointed to the Board in 2007. Non-Executive Chairman of Impala Platinum Holdings Limited since 2009 and a Non-Executive Director of African Oxygen Limited and of Tiger Brands Limited.

LESLIE JOHN PATON (62)
BSc (Hons) Geology, BCom, Pr.SciNat FGSSA

Appointed to the Board in 2003. Executive Director of Impala Platinum Holdings Limited from 2003 until his retirement in 2010. Chairman of the Safety, Health, Environment and Community (SHEC) Committee and a member of the Remuneration Committee.

ANDILE HESPERUS SANGQU (47)
BCom (Acc) (Rhodes), BCompt Honours (WSU), EDP (Wits Business School), MBL (UNISA), AMP (INSEAD).

Appointed to the Board with effect from 1 April 2014. Joined Impala Platinum Holdings Limited as Group Executive: Sustainability and Risk on 1 March 2014. Has served on the boards of various companies and public sector organisations. Was most recently employed as an Executive Director of Glencore South Africa.

ROBERT GEORGE STILL (59)
BCom (Wits), BCom (Hons) (UCT), CTA (Wits), CA (SA)

Founding member of the Board of Directors in 1998 and Chairman from 2001 to 2004. Currently the Executive Chairman of an African mining private equity group. Member of the Remuneration Committee.

NYASHA PUZA SIYABORA ZHOU (61)
BAcc (Hons) (UZ), CA (Z), MBL (UNISA)

Appointed a Director of the operating company in 2007 and Chairman in 2013. Joined the Board of the Company in 2010. Past President of the Zimbabwe Institute of Chartered Accountants and sits on a number of other boards in Zimbabwe.

Chairman of the Audit and Risk Committee and a member of the SHEC Committee.

Corporate Structure

Independent Shareholders
13%

Impala Platinum Holdings Limited
Incorporated in South Africa
Listed on the Johannesburg Stock Exchange
87%

Zimplats Holdings Limited
Incorporated in Guernsey
Listed on the Australian Stock Exchange
100%

Zimbabwe Platinum Mines (Private Limited)
Main Operating Company
Incorporated in Zimbabwe

Management Structure

EXECUTIVE COMMITTEE
(EXCO)

- **OPERATIONS COMMITTEE** (Opco)
- **TECHNICAL COMMITTEE** (Techco)
- **FINANCE COMMITTEE** (Finco)
- **PEOPLE COMMITTEE** (Peopleco)

Management

Executive Committee

ALEXANDER MHEMBERE
ACIS, ACMA, MBA
Chief Executive Officer

Alex joined the Group as Chief Executive Officer on 1 October 2007, having formerly been the Managing Director of a Zimbabwean PGM producer.

STEWART MANGOMA
BCompt (Hons) UNISA, CA (Z)
Chief Finance Officer

Stewart joined the Group in March 2013 as Chief Finance Officer. He has held senior executive positions in a number of leading companies in Zimbabwe. Stewart is the Chairman of the Procurement Committee and the IT Steering Committee and a member of the Project Steering Committee.

STANLEY SEGULA
BSc (Mining Eng) (Hons) (UZ), MBA, MMCZ
Chief Operating Officer

Stanley joined the Group in April 2008 and was appointed Chief Operating Officer in March 2011. He is responsible for the mining and processing operations of the Company. He was appointed to the board of the operating subsidiary in February 2013. Stanley is the Chairman of the Operations Committee and is a member of the Project Steering Committee.

ROBSON NYABADZA
BSc (Hons) (UZ), CEng, MIET-UK, MZIE
Chief Technical Officer

Robson joined the Group in 2010 and was appointed Chief Technical Officer in January 2013. He is responsible for the Company's expansion programme as well as the engineering function. He was appointed to the board of the operating subsidiary in February 2013. Robson is the Chairman of the Technical Committee and of the Projects Steering Committee.

TAKAWIRA MASWISWI
MSc (Tourism & Hospitality), MIPM
General Manager – Human Resources

Taka joined the Group in February 2012 as General Manager – Human Resources.

SIBUSISIWE CHINDOVE
B. Admin Hons (UZ), MSc (Cork)
Head of Corporate Affairs

Busi joined the Group on 1 November 2008 as Head of Corporate Affairs.

ANDREW DU TOIT
BSc (Hons) (Geology) London, MAusIMM
General Manager – New Business Development

Andrew joined the Group in 2003 and was appointed General Manager – New Business Development in March 2011.

LYSIAS CHIWOZVA
B. Eng (Hons) Industrial (NUST), MBA (UZ)
Risk & Strategy Manager

Lysias joined the Group in September 2012 as Risk & Strategy Manager.

GARIKAI BERA
LLB (Hons) (UZ)
Legal Counsel and Company Secretary

Garikai joined the Group in April 2009 as the Legal Services Manager and was appointed Company Secretary of the operating subsidiary in April 2014.

PERFORMANCE OVERVIEW

The mining and processing operations increased production by 17% and 27% respectively from prior year despite the unplanned stoppages at the processing plant and the increase in challenging ground conditions at Bimha Mine. The strategic decision taken three years ago to embark on a Phase II expansion project is beginning to bear fruit.

TONNES MINED FOR THE YEAR

5,62 million

Tonnes mined for the year at 5.62 million increased by 17% from last year as a result of the introduction of six production teams to ramp production at Mupfuti Mine.

CASH FROM OPERATING ACTIVITIES

18%

Cash in flows from operating activities at $146 million were 18% higher than the $124 million realised in the previous year due to higher sales volumes and a marginal increase in metal prices.

OVERVIEW
PERFORMANCE REVIEW
FINANCIAL REPORT
SHAREHOLDER INFORMATION

Market Review

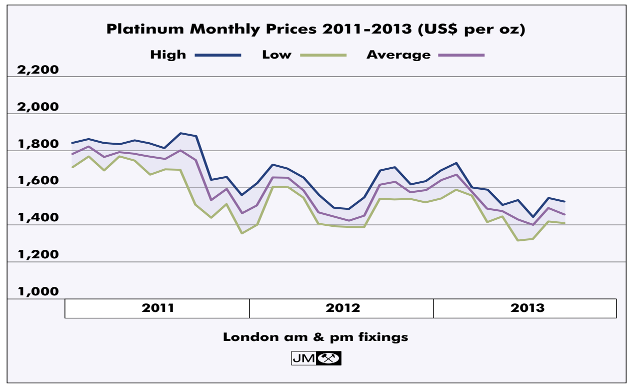
Platinum

- The deficit in the platinum market is set to increase to 605,000 oz in 2013, due to strong offtake by platinum exchange traded fund (ETF) investors and industrial users.
- Supplies of platinum will rise marginally to 5.74 million ounces, with hardly any recovery in South African output.
- Autocatalyst demand will fall by 2% to 3.13 million ounces, due to weakness in European diesel car markets.
- Industrial purchases will rebound strongly, up 12% to 1.79 million ounces, on strong chemical offtake and a recovery in the glass and electrical sectors.
- Gross purchases by jewellery makers will ease slightly but at 2.74 million ounces remain at historically high levels.
- Unprecedented offtake by ETF investors in South Africa will lift investment demand to a record 765,000 oz.

Gross demand for platinum is predicted to hit a record 8.42 million ounces in 2013, lifted by a strong recovery in sales to industrial users and unprecedented offtake by investors. This will more than compensate for a slight fall in purchases by the jewellery and autocatalyst sectors. With supplies recovering only very modestly from last year's steep decline, and little overall growth in recycling, the market is set to move further into deficit.

Global platinum supplies are expected to rise by 2% to 5.74 million ounces in 2013, with higher output in Zimbabwe contributing most of the increase. Based on information available to the end of September, our forecast envisages a marginal improvement in South African supplies. This could be jeopardised by strike action in the fourth quarter of 2013, unless producers maintain sales by dipping into inventories.

Operating conditions in the South African mining sector remain extremely challenging. Last year, some 750,000 oz of platinum were lost due to legal and illegal strikes, safety stoppages and shaft closures. Sporadic industrial action has continued during 2013, but to date has been less extensive than last year.



During 2013 the platinum price became increasingly unresponsive to supply side concerns. After rising above $1,700 in February, platinum was dragged below $1,400 following a sharp fall in the gold price.

Based on company data covering the January to June period, we estimate that production losses due to one-off factors such as strikes and safety stoppages totalled around 100,000 oz in the first half. However, disruption could rise in the final quarter: in October, Anglo American Platinum (Amplats) lost 44,000 oz of production during an 11 day strike over job cuts, and there is still a risk of industrial action over wage rises.

Underlying platinum production from South African mines was up an estimated 2% in the first six months of 2013. This gain was mainly due to higher output from Impala's Rustenburg lease area, which lost over six weeks of production due to strikes in the January to June 2012 period but suffered no comparable disruption this year. Output at Lonmin declined slightly, but there were marginal gains at Anglo American Platinum (Amplats), due to good performances from joint venture and associate mines such as Modikwa, Kroondal and Bokoni, and at Northam Platinum, whose Booysendal mine began producing in the second quarter.

Eastplats' Crocodile River ceased operations during the first half of 2013, and more mine closures are under way. Following consultations with stakeholders, Amplats' restructuring plan has been amended and will now result in the mothballing of three Rustenburg shafts and an eventual reduction of 350,000 oz in annual platinum production capacity.

Unusually, South Africa has also played an important role in the overall demand picture this year, with a new rand-denominated platinum exchange traded fund (ETF) accumulating 660,000 oz of metal between its launch in April and the end of September. This ETF is the first to be readily accessible to South African institutional investors, who are subject to limits on overseas investments, and it therefore benefited from considerable pent-up demand: over 360,000 oz of platinum were purchased in the first month. Including sales through ETFs in other regions, as well as bars and coins, we predict that total physical investment will reach 765,000 oz this year, an all-time record.

Market Review (continued)

Autocatalyst demand for platinum is set to decline by 3% to 3.13 million ounces in 2013, on the back of a 2% decline in world production of light duty diesel vehicles. Europe is by far the world's largest market for diesel cars, accounting for over half of global output; here, platinum consumption has been hit by a continued fall in new registrations in France, Germany and Italy, where diesels account for a large proportion of the fleet. However, there will be additional offtake from the European heavy duty segment, with increasing numbers of trucks meeting Euro VI limits being sold this year.

Consumption on gasoline vehicles will fall again, down 6% in response to lower output of light duty gasoline vehicles in Japan – the only region where platinum is still widely employed in three way catalysts (TWCs) – and some additional thrifting and substitution.

Global demand from the jewellery sector will fall slightly to 2.74 million ounces but remains at historically high levels. In China, sales to jewellery makers have been robust, albeit a little below last year's exceptional level. A sharp decline in the gold price has generated additional retail traffic which supported platinum jewellery sales. The price difference between platinum and gold jewellery remains relatively narrow, enabling retailers to 'up-sell' to platinum.

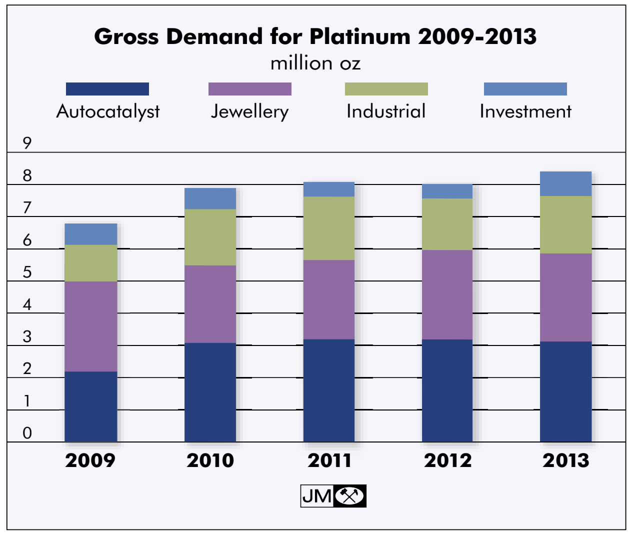
Industrial demand is forecast to rise by 12% to 1.79 million ounces, with chemical manufacturers buying large quantities of platinum catalysts for polymer intermediates such as paraxylene and propylene, and the glass and electrical sectors recovering from last year's inventory reductions. In 2013, net sales to fibre glass producers will increase five-fold, boosted by some capacity additions in Asia, while purchases by hard disk manufacturers will recover to more normal levels following a period of destocking.

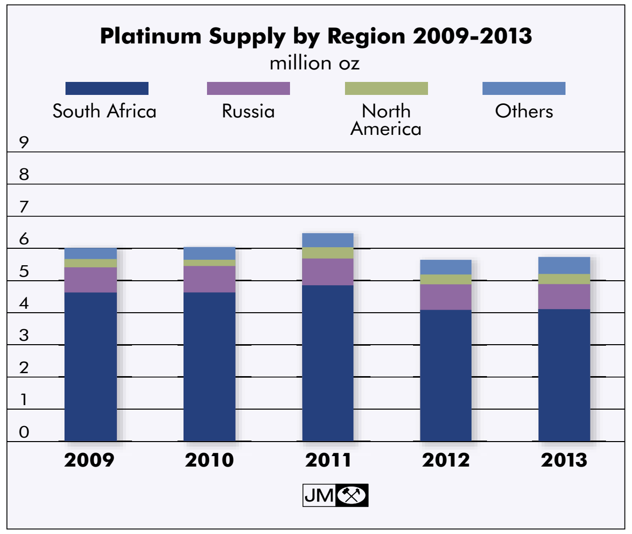
Recycling levels in 2013 will benefit from increasing availability of highly-loaded diesel catalyst scrap, improved collection efficiencies, and some destocking by collectors. Recoveries of platinum from end-of-life vehicles are expected to rise by 13%. However, this will be partly offset by lower returns of old platinum jewellery in China and Japan, leaving total secondary supply up only modestly at 2.08 million ounces.

Concerns about labour unrest and capacity rationalisation in South Africa lifted the platinum price above $1,700 in February. However, in April a sudden drop in the gold price dragged platinum downwards, after which the price became increasingly unresponsive to supply risks, hitting a low of $1,323 in June. In early October, despite an 11 day strike at Amplats, platinum again slipped below $1,400.

Platinum Supply and Demand
'000 oz

Supply	**2011**	**2012**	**2013**
South Africa	4,860	4,090	4,120
Russia	835	800	780
Others	790	760	840
Total Supply	**6,485**	**5,650**	**5,740**
Gross Demand			
Autocatalyst	3,185	3,190	3,125
Jewellery	2,475	2,780	2,740
Industrial	1,975	1,605	1,790
Investment	460	455	765
Total Gross Demand	**8,095**	**8,030**	**8,420**
Recycling	**(2,060)**	**(2,040)**	**(2,075)**
Total Net Demand	**6,035**	**5,990**	**6,345**
Movements in Stocks	**450**	**(340)**	**(605)**





JM Acknowledgements to **Johnson Matthey Platinum** 2014

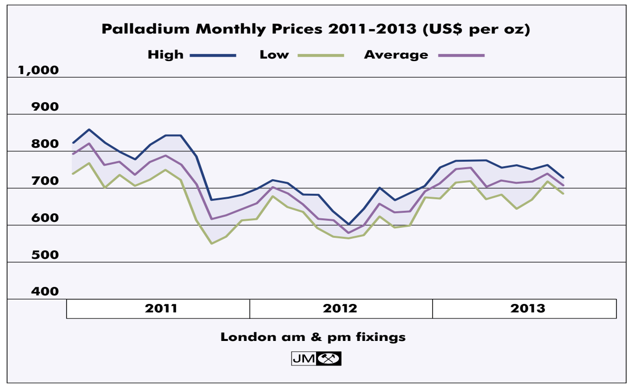
Market Review (continued)

Palladium

- The gap between palladium supply and demand will narrow in 2013, but the market will still be in a substantial deficit of 740,000 oz.
- Primary supplies of palladium will decline slightly to 6.43 million ounces, due to lower Russian stock sales, but recycling will grow by 7% to 2.40 million ounces.
- A return to boom conditions in the Chinese car market will lift global palladium usage in autocatalysts by 4% to 6.97 million ounces.
- Total palladium demand will fall by 4% to 9.63 million ounces, as investment contracts sharply and industrial offtake is reduced.

Primary supplies of palladium are forecast to decline slightly to 6.43 million ounces in 2013, mainly due to a drop in sales from Russian government stocks. With a 3% decrease in gross demand to 9.63 million ounces, and a 7% jump in recycling, the gap between supply and demand will narrow somewhat, although the market will remain in significant deficit.

Mine production of palladium in South Africa is expected to rise marginally this year. We expect improved output from Amplats' large Mogalakwena open-cast mine, which exploits the palladium-rich Platreef, and there should be a recovery in output at Atlatsa's Bokoni operation, where the UG2 has a relatively high palladium content. At Nkomati Nickel, a joint venture between Norilsk Nickel and African Rainbow Minerals, an expansion is ramping up and output of by-product palladium was up strongly in the first half of 2013. However, these gains will be mostly offset by the loss of output due to a number of mine and shaft closures since the beginning of 2012, and lower production from large mining complexes on the western Bushveld.



Palladium traded over $700 for most of the first nine months of 2013, supported by the prospect of long-term market deficits, and positive economic and auto sales data from the USA and China.

Zimbabwe platinum ores are also comparatively rich in palladium. With Zimplats' Phase 2 expansion beginning to contribute to production this year, Zimbabwean supplies of palladium will rise by 17% to exceed 300,000 oz for the first time. Elsewhere, North American output will be up, reflecting increased recovery of palladium as a by-product of nickel mining, but Russian supplies will drop, due to a combination of lower primary output from Norilsk Nickel and reduced stock sales. This year, we expect sales from Russian government controlled inventories to total 100,000 oz.

Gross demand for palladium is set to fall in 2013, as further gains in the autocatalyst sector are offset by lower industrial use and a sharp contraction in investment offtake. With continuing strong growth in the recovery of palladium from autocatalyst scrap, net palladium demand will be down by 7%, but the market will nevertheless remain in significant deficit.

With few legislative changes affecting palladium loadings this year, demand from the automotive industry will broadly follow trends in the light duty gasoline vehicle production. Outside Europe, we estimate that over 90% of autocatalyst demand for palladium is derived from its use in three way catalysts for the light duty gasoline sector, where most auto makers favour palladium-rhodium formulations. Thus, palladium consumption will be supported by higher output of gasoline vehicles in China, North America and some Rest of World countries. The biggest gain will be seen in China, where double digit growth in the light duty gasoline sector will lift purchases of palladium by local auto makers above 1.5 million ounces for the first time.

Tighter legislation will play only a minor role in this year's increase in demand, with changes to gasoline emissions limits restricted to the Rest of the World region. In 2013, Euro 4 equivalent legislation has been enforced on all light vehicles in both Thailand and Russia, with a resulting increase in palladium loadings in both countries.

Market Review (continued)

In Europe, palladium enjoys substantial use in the light duty diesel sector – in excess of half a million ounces in each of the last three years, more than a third of total automotive palladium usage in this region. There has been some further substitution of platinum with palladium in this segment, but weakness in European diesel sales has restricted demand growth. However, early sales of Euro VI compliant trucks, ahead of the January 2014 deadline, has boosted the use of palladium in heavy duty applications, albeit off a low base.

In other industries, demand has been lacklustre in 2013. Palladium jewellery has seen further erosion of its market share in China: gross sales to the jewellery trade are set to fall 23% to 185,000 oz and – after taking into account recycling of old stock – net demand will total just 20,000 oz this year. With consumer demand drying up, few retailers are prepared to stock palladium jewellery and manufacturers are cutting or ceasing production. Outside China, use of palladium – mainly as an alloying element in white gold and platinum alloys, and for men's wedding bands – will be stable.

Substitution will again be a key feature of industrial demand, with palladium being replaced by base metals as the electrode material for multi-layer ceramic capacitors (MLCC), and by ceramics and non-precious metal alloys in dentistry. However, purchases of palladium by the chemical industry remain unusually strong by historical standards, reflecting further investment in new capacity for the manufacture of PTA, a precursor of polyester.

Sales of palladium to investors are forecast to contract sharply this year. Although there were significant inflows into palladium ETFs in the first two months of 2013, there was a prolonged period of disinvestment in mid-year, leaving net investment in the nine months to September at just under 50,000 oz. For the full year we forecast that physical investment will total 75,000 oz.

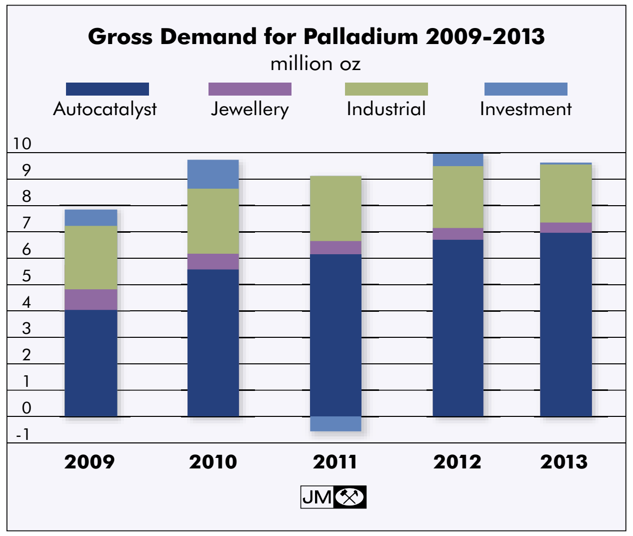
At present, there is no palladium equivalent of the Absa platinum ETF. However, in September 2013, Absa Capital received regulatory approval for a proposed Johannesburg listed palladium fund, which will be backed by palladium sourced in South Africa. At the time of writing, a launch date had not yet been fixed, and our forecast does not allow for any offtake via the new Absa product this year.

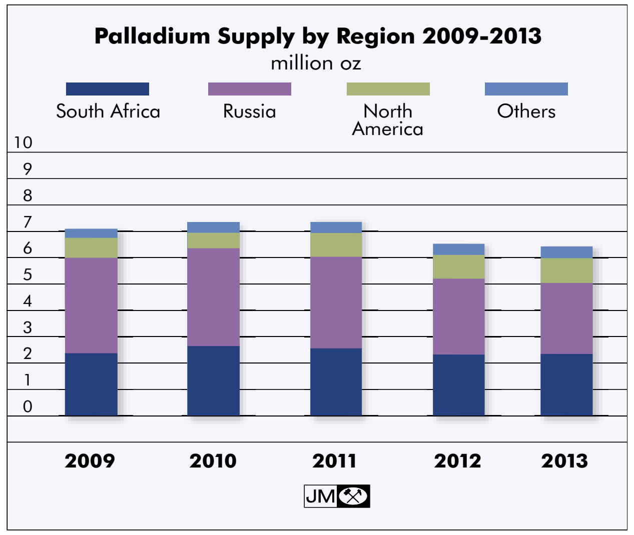
Palladium traded at over $700 for most of the first nine months of 2013, with strong speculative interest resulting in net longs on NYMEX reaching a series of all-time highs. Speculators were influenced by the belief that the market is in long-term deficit, and by shorter-term considerations including positive economic and auto sales data out of the USA and China. The price averaged $725 in the first nine months of the year, up 13% on the same period of 2012.

JM Acknowledgements to **Johnson Matthey Platinum** 2014

Palladium Supply and Demand
'000 oz

Supply	**2011**	**2012**	**2013**
South Africa	2,560	2,320	2,350
Russia	3,480	2,890	2,700
Others	1,320	1,320	1,380
Total Supply	**7,360**	**6,530**	**6,430**
Gross Demand			
Autocatalyst	6,155	6,705	6,970
Jewellery	505	445	390
Industrial	2,465	2,350	2,195
Investment	(565)	470	75
Total Gross Demand	**8,560**	**9,970**	**9,630**
Recycling	**(2,385)**	**(2,290)**	**(2,460)**
Total Net Demand	**6,175**	**7,680**	**7,170**
Movements in Stocks	**1,185**	**(1,150)**	**(740)**





Market Review (continued)

Other PGM

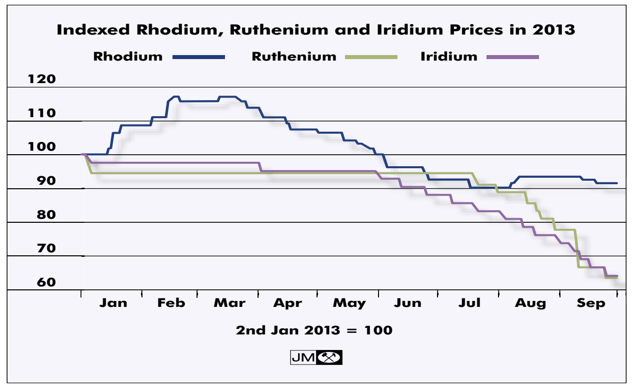
- The rhodium market will record a 14,000 oz deficit in 2013, as demand reaches a six year high.
- Gross rhodium consumption will exceed one million ounces, with auto makers, glass manufacturers and investors all buying more metal.
- Primary rhodium supplies will be flat at 721,000 oz, but recycling will grow at double digit rates.
- Despite some recovery in ruthenium and iridium demand both markets are in oversupply and prices have fallen to multi-year lows.

Rhodium

With mine production flat, recycling will assume greater significance than ever in the rhodium market, accounting for a record 28% of combined primary and secondary production. Nevertheless, supplies of rhodium will fall short of gross demand, which should exceed one million ounces for the first time since 2007.

Output of rhodium in South Africa is expected to decline slightly this year, reflecting sporadic industrial action and the closure of UG2 shafts in the last two years. (UG2 typically has a higher rhodium content than other platinum-bearing reefs mined in South Africa). Sales out of Russia are also expected to be lower in 2013, although the processing of stocks of rhodiumrich pyrrhotite concentrate continues to support production at Norilsk Nickel. These declines will be matched by higher output elsewhere, with an expansion at Zimplats beginning to contribute to supplies.

There is little immediate prospect of a return to growth in primary rhodium supplies, with more shaft closures being implemented in South Africa, and the gradual depletion of stored pyrrhotite concentrate at Norilsk.



Rhodium, ruthenium and iridium prices descended to multi-year lows in 2013, with all three markets suffering from overhangs of surplus metal from previous years.

However, the outlook for recycling of rhodium from secondary material is positive. We expect double digit growth in recoveries from spent autocatalysts both this year and next, as collection efficiencies improve in most regions, and as the rhodium content of catalyst scrap increases.

Gross demand for rhodium is forecast to increase by 4% to 1.02 million ounces this year, the highest level since 2007. In the last few years, there has been aggressive thrifting of rhodium by auto makers in North America, Europe and Japan, with the result that auto demand in these regions remains significantly below pre-financial crisis levels. In 2013, combined production of light duty gasoline vehicles in these markets will be about 8% lower than in 2007, but rhodium demand will be 37% below the level seen six years ago. There is now much less potential for thrifting, and total rhodium demand from these regions will stabilise in 2013. Sales to Rest of World auto makers will also stagnate, with lower demand in Korea and India offsetting small growth in other countries.

With consumption elsewhere flat, a return to boom conditions in the Chinese auto market will drive rhodium demand growth this year. Production of light duty gasoline vehicles is forecast to rise at double digit rates, and rhodium usage will expand accordingly.

Historically, the use of rhodium in light duty diesel applications has been almost non-existent. However, the introduction of Euro 6 legislation for new models from September 2014 will generate measurable use of rhodium in diesel catalysts for the first time. The new emissions limits specify a 55% reduction in NOx emissions for diesel-powered cars, and will usually require the addition of NOx aftertreatment to emissions control systems. Smaller vehicles are likely to use lean NOx traps containing rhodium, but many larger cars and light commercial vehicles will use base metal SCR catalysts in conjunction with pgm-containing oxidation catalysts.

Market Review (continued)

In 2012, net demand for rhodium from the glass sector was depressed by sales of metal from obsolete marble melt facilities. This year, purchases by the industry will rise by nearly a third, with the low rhodium price prompting glass fibre manufacturers to adopt platinum alloys with a higher rhodium content. Sales of rhodium to the chemicals sector will remain high, supported by purchases of rhodium process catalysts for use in new oxo-alcohol and acetic acid plants.

With the rhodium price weak, the Deutsche Bank rhodium ETF saw further net inflows during the first nine months of 2012: investors purchased an additional 41,000 oz during this period to lift total holdings to 94,000 oz at the end of September. There was also some fresh demand for small rhodium bars from North American and European investors. We include investment in our estimate of other demand.

Rhodium fell to a nine year low of $975 in July 2013 and remained below $1,000 at the time of writing in October. In a context of stagnating primary supplies and rising demand, the lacklustre price performance may appear surprising, but reflects the large hangover of surplus metal that accumulated between 2008 and 2011. While we are now recording small market deficits, this is entirely due to the movement of market stocks into physically-backed investment products; industrial consumption of rhodium remains below the level of combined primary and secondary supplies.

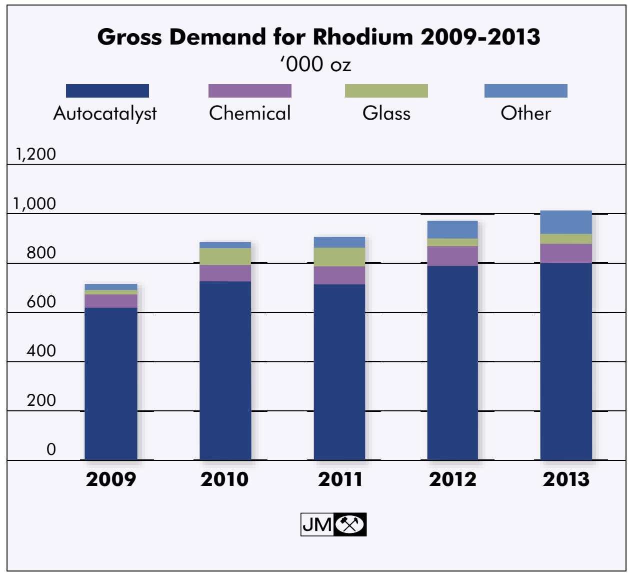
Other PGM

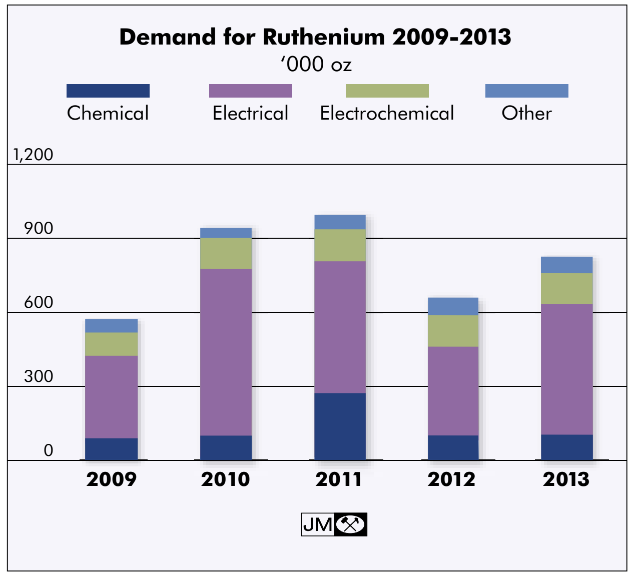
Despite a strong recovery in demand for ruthenium and a modest improvement in consumption of iridium, the prices of both metals have fallen steeply during 2013 due to a long-term imbalance between primary production and consumer offtake.

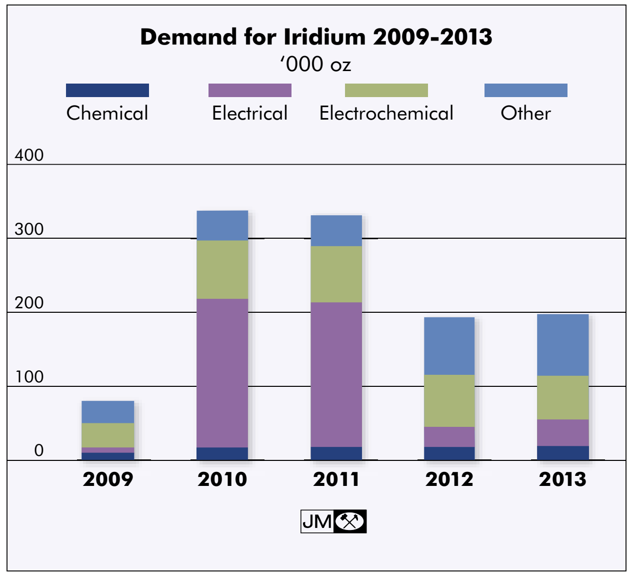
For most of the last decade, mine output of ruthenium and iridium has been more than sufficient to meet the needs of industrial consumers. Demand for ruthenium temporarily exceeded mine production when hard disk offtake peaked in 2006 and 2007, while that of iridium was propelled above the level of underlying supplies in 2010 and 2011, due to heavy buying of iridium crucibles. However, in the last two years both metals have been in oversupply despite considerable disruption to mining in South Africa.

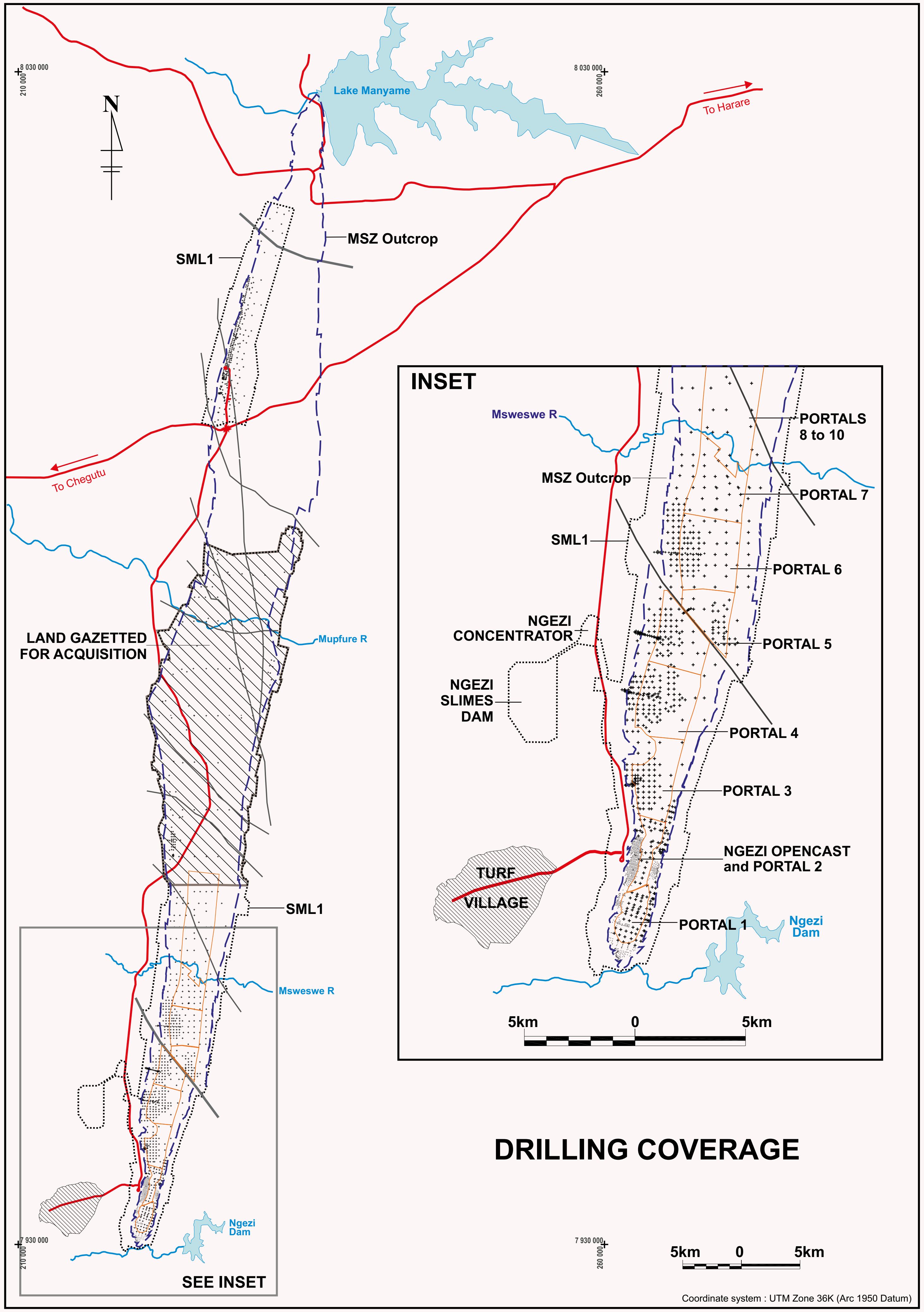
This year, there has been some recovery in sales of ruthenium to hard disk manufacturers, while iridium has benefited from good demand in the spark plug sector, but overall demand has been insufficient to soak up offers from producers. This has been reflected in a downward trend in the price of both metals. At the end of September ruthenium stood at an eight year low of $57, while iridium was at a three year low of $675.

JM Acknowledgements to **Johnson Matthey Platinum** 2014









Mineral Resources and Ore Reserves Summary

GREAT DYKE GEOLOGY

The Great Dyke is a layered mafic-ultramafic body intruded into Archaean granites and greenstone belts. It is highly elongate, slightly sinuous, 550km long, north-north-east trending with a maximum width of 12 km.

The Dyke developed as a series of initially discrete magma chamber compartments, which coalesced as the chambers filled. Each sub-chamber is divided into two major stratigraphic successions, a lower ultramafic sequence dominated from the base upwards by dunite, harzburgite and pyroxenite, and an upper mafic sequence consisting mainly of gabbro and gabbronorite. The platinum-bearing Main Sulphide Zone (MSZ) lies 5 to 50m below the base of the mafic sequence. Much of the MSZ and overlying mafic sequence have been removed by erosion. There are four remnants of MSZ and Zimplats owns approximately two thirds of the largest one, the Hartley Complex. The Hartley Complex is 100km long, straddles the boundary between the Sebakwe and Darwendale sub-chambers and contains approximately 80% of Zimbabwe's Platinum Group Metal (PGM) mineral resources.

The MSZ is a continuous layer between 2 and 10 metres thick that forms an elongate basin. Layers of igneous rocks within the basin dip at between 5° and 20° near the margins and flatten out near the centre to form a flat-lying floor.

Typically, the MSZ consists of a 2-10 metre thick zone containing 2-8 % of iron - nickel - copper sulphides disseminated in pyroxenite. The base of this nickel - copper - rich layer is straddled by a one to five metre thick zone of elevated precious metal values (Pt, Pd, Au, and Rh). The base metal zone contains up to 5% sulphides while the sulphide content of the PGM zone is less than 0.5%. This change in sulphide content is related to the metal distribution in a consistent manner and is used as a marker. It can normally be located visually in drill core and with careful observation it can also be located underground.

The PGM content and distribution within the mineralized zone is consistent from hole to hole over large areas. MSZ mineralisation is vertically gradational and distributed around a high-grade central zone. This gradation means that the selected cut on which mineral resources are based is dependent on a view on what is likely to be economically mineable rather than on a sharp geological boundary. Having a transitional boundary reduces the effect of dilution, particularly in the footwall where the gradation is more pronounced resulting in the diluting material still containing some metal.

Extensive faulting on all scales has modified the synformal shape of the MSZ. Given the difficulty of visually locating the MSZ, the smaller faults give rise to inherent dilution of the Mineral Resources. Location and efficient traversing of the larger faults is an important component of the mining operation. Shears, sub-parallel to the MSZ can have a significant negative effect on the geotechnical characteristics of the rock.

Post mineralisation intrusions of various types and scales also disrupt the mineralisation. Work to date has not located Bushveld style potholes. There are however, areas with disrupted metal profiles and washouts which have been located elsewhere in the MSZ.

PGM distribution within the Hartley Complex is asymmetric with higher grade, narrower profiles along the western margin. As a consequence much of the exploration work has focused on the western margin.

MINING METHOD

Zimplats employs mechanised bord and pillar mining to extract ore from stopes with a nominal width of 2.5m (expandable to 2.75m if there is spare mill capacity and geotechnical conditions are suitable) at dips of less than 9°. Each production team deploys a single boom face rig, a bolter, a 10t LHD and a 30t dump truck and mines 20-30 panels. This allows sufficient flexibility for the required grade control sampling and to negotiate faults and intrusions while still meeting the team's production target of 20 000t of ore per month. The default layout has 7m panels with 4m square pillars but spans decrease and pillar dimensions increase in bad ground and with depth. A combination of roof bolts and tendons is integral to the support design. Underground mining infrastructure is accessed through declines from surface portals.

During financial year ended 30 June 2014, three operational portals continued to operate at full capacity, Portal 1 (Ngwarati) at 1.2Mtpa Portal 2 (Rukodzi) at 1.2Mtpa with an extra (fifth) fleet and Portal 4 (Bimha) at 2Mtpa. The new Portal 3 (Mupfuti) continued its ramp up with production up to over 100Kt per month (60% of full capacity) by the end of the year. Early in FY15 there was a substantial pillar failure resulting in a significant loss in production at Bimha Mine. The effect of this on mine designs, extraction ratios and future production profiles is still being assessed.

Great Dyke Geology - Mineral Resources

Mineral Resources and Ore Reserves Summary (continued)

MINERAL RESOURCES (Inclusive of Ore Reserves)

		Tonnes Millions	Pt g/t	Pd g/t	Au g/t	Rh g/t	Ni (S)%	Cu %	4E g/t	6E g/t	Pt Moz	4E Moz	Thickness
Ngezi South Open Pit													
	Measured	11.0	1.75	1.29	0.26	0.14	0.10	0.07	3.44	3.62	0.6	1.2	2.5
a	**Total**	**11**	**1.75**	**1.29**	**0.26**	**0.14**	**0.10**	**0.07**	**3.44**	**3.62**	**0.6**	**1.2**	**2.5**
Ngezi Portals - Flat - P1-P5S													
	Measured	63.9	1.73	1.34	0.25	0.14	0.10	0.08	3.46	3.65	3.5	7.1	2.5
	Indicated	96.0	1.78	1.36	0.25	0.15	0.10	0.08	3.54	3.74	5.5	10.9	2.5
a	**Total**	**160**	**1.76**	**1.35**	**0.25**	**0.14**	**0.10**	**0.08**	**3.51**	**3.70**	**9.1**	**18.1**	**2.5**
Ngezi Portals - Flat P5N-P10													
	Measured	28.0	1.61	1.29	0.24	0.14	0.11	0.07	3.28	3.45	1.5	2.9	2.5
	Indicated	162.8	1.72	1.32	0.28	0.14	0.12	0.08	3.46	3.65	9.0	18.1	2.3
	Inferred	38	1.79	1.20	0.31	0.14	0.12	0.08	3.44	3.63	2.2	4.2	2.0
a	**Total**	**228**	**1.72**	**1.30**	**0.28**	**0.14**	**0.12**	**0.08**	**3.43**	**3.62**	**12.6**	**25.2**	**2.3**
Ngezi Portals - Steep P3-P10													
	Measured	41.8	1.56	1.33	0.23	0.14	0.10	0.09	3.25	3.44	2.1	4.4	2.5
	Indicated	179.1	1.63	1.33	0.26	0.14	0.11	0.09	3.36	3.55	9.4	19.3	2.4
	Inferred	62	1.79	1.17	0.31	0.14	0.12	0.08	3.41	3.60	3.6	6.8	2.0
a	**Total**	**283**	**1.66**	**1.29**	**0.26**	**0.14**	**0.11**	**0.09**	**3.35**	**3.54**	**15.1**	**30.5**	**2.3**
Ngezi Mining Lease north of Portal 10 - Ground Gazetted for Compulsory Acquisition													
e	Indicated	70.0	1.51	1.40	0.36	0.17	0.20	0.18	3.44	3.70	3.4	7.7	1.9
e	Inferred	1,021	1.53	1.30	0.23	0.16	0.12	0.09	3.22	3.50	50.2	105.7	2.4
b	**Total**	**1,091**	**1.53**	**1.31**	**0.24**	**0.16**	**0.13**	**0.10**	**3.23**	**3.51**	**53.6**	**113.4**	**2.4**
Hartley													
	Measured	28.3	2.24	1.77	0.33	0.19	0.14	0.12	4.53	4.78	2.0	4.1	1.6
	Indicated	143.1	2.01	1.49	0.31	0.16	0.13	0.11	3.97	4.19	9.3	18.3	1.9
	Inferred	46	1.99	1.44	0.30	0.16	0.13	0.10	3.89	4.10	3.0	5.8	1.9
b	**Total**	**218**	**2.04**	**1.51**	**0.31**	**0.17**	**0.13**	**0.11**	**4.03**	**4.25**	**14.2**	**28.2**	**1.9**
Oxides - all areas													
	Indicated	16.2	1.75	1.27	0.26	0.14	0.10	0.07	3.42	3.61	0.9	1.8	2.5
	Inferred	38	1.75	1.38	0.28	0.15	0.12	0.10	3.56	3.76	2.2	4.4	2.2
e	Inferred North of Portal 10	21	1.51	1.27	0.26	0.13	0.12	0.10	3.17	3.44	1.0	2.1	2.4
c	**Total**	**76**	**1.69**	**1.33**	**0.27**	**0.14**	**0.11**	**0.09**	**3.42**	**3.64**	**4.1**	**8.3**	**2.3**
Overall													
	Measured	172.9	1.75	1.40	0.26	0.15	0.11	0.09	3.55	3.75	9.7	19.8	2.3
	Indicated	667.3	1.75	1.37	0.28	0.15	0.13	0.10	3.55	3.75	37.5	76.2	2.2
	Inferred	1,226	1.57	1.30	0.24	0.16	0.12	0.09	3.27	3.54	62.1	129.0	2.3
d	**Total**	**2,066**	**1.65**	**1.33**	**0.26**	**0.15**	**0.12**	**0.09**	**3.39**	**3.63**	**109.3**	**224.9**	**2.3**

ORE RESERVES

	Tonnes Millions	Pt g/t	Pd g/t	Au g/t	Rh g/t	Ni (S)%	Cu %	4E g/t	6E g/t	Pt Moz	4E Moz	Thickness
Ngezi South Open Pit												
Ngezi Portals - Flat - P1-P5S												
Proved	54.9	1.65	1.33	0.23	0.14	0.10	0.07	3.35	3.54	2.9	5.9	2.7
Probable	77.9	1.68	1.33	0.23	0.14	0.10	0.07	3.39	3.58	4.2	8.5	2.7
Total	**132.8**	**1.67**	**1.33**	**0.23**	**0.14**	**0.10**	**0.07**	**3.37**	**3.56**	**7.1**	**14.4**	**2.7**
Ngezi Portals - Flat P5N-P10												
Ngezi Portals - Steep P3-P10												
Ngezi Mining Lease north of Portal 10 - Ground Gazetted for Compulsory Acquisition												
Hartley												
Oxides - all areas												
Overall												
Proved	54.9	1.65	1.33	0.23	0.14	0.10	0.07	3.35	3.54	2.9	5.9	2.7
Probable	77.9	1.68	1.33	0.23	0.14	0.10	0.07	3.39	3.58	4.2	8.5	2.7
Total	**132.8**	**1.67**	**1.33**	**0.23**	**0.14**	**0.10**	**0.07**	**3.37**	**3.56**	**7.1**	**14.4**	**2.7**

NOTES

a Thicknesses are discrete 2.5m or 2.0m over a whole portal footprint. The chosen width is based on economic cut off.

b Thicknesses based on variable composite widths

c Oxides have lower metallurgical recovery than sulphides with conventional technology and are currently marginal to sub economic. Oxides are rarely sampled directly therefore some elements, particularly Pd may be depleted relative to the figures quoted above.

d Mineral Resources have inherent dilution taken into account. Mining pillar losses are not accounted for in the resource estimates

e Resources gazetted for compulsory acquistion by Zimbabwe Government in March 2013

4E refers to Pt+Pd+Rh+Au combined grade, 6E refers to Pt+Pd+Rh+Au+Ir+Ru combined grade and in some cases Ir and Ru grades are assigned by prill split rather than separate estimation

Ni (S)% is nickel in sulphide. This is amenable to recovery by flotation.

Mineral Resources and Ore Reserves Summary (continued)

Figure 2 Relationship between mineral resources and ore reserves showing the Zimplats resources and reserves as at 30 June 2014

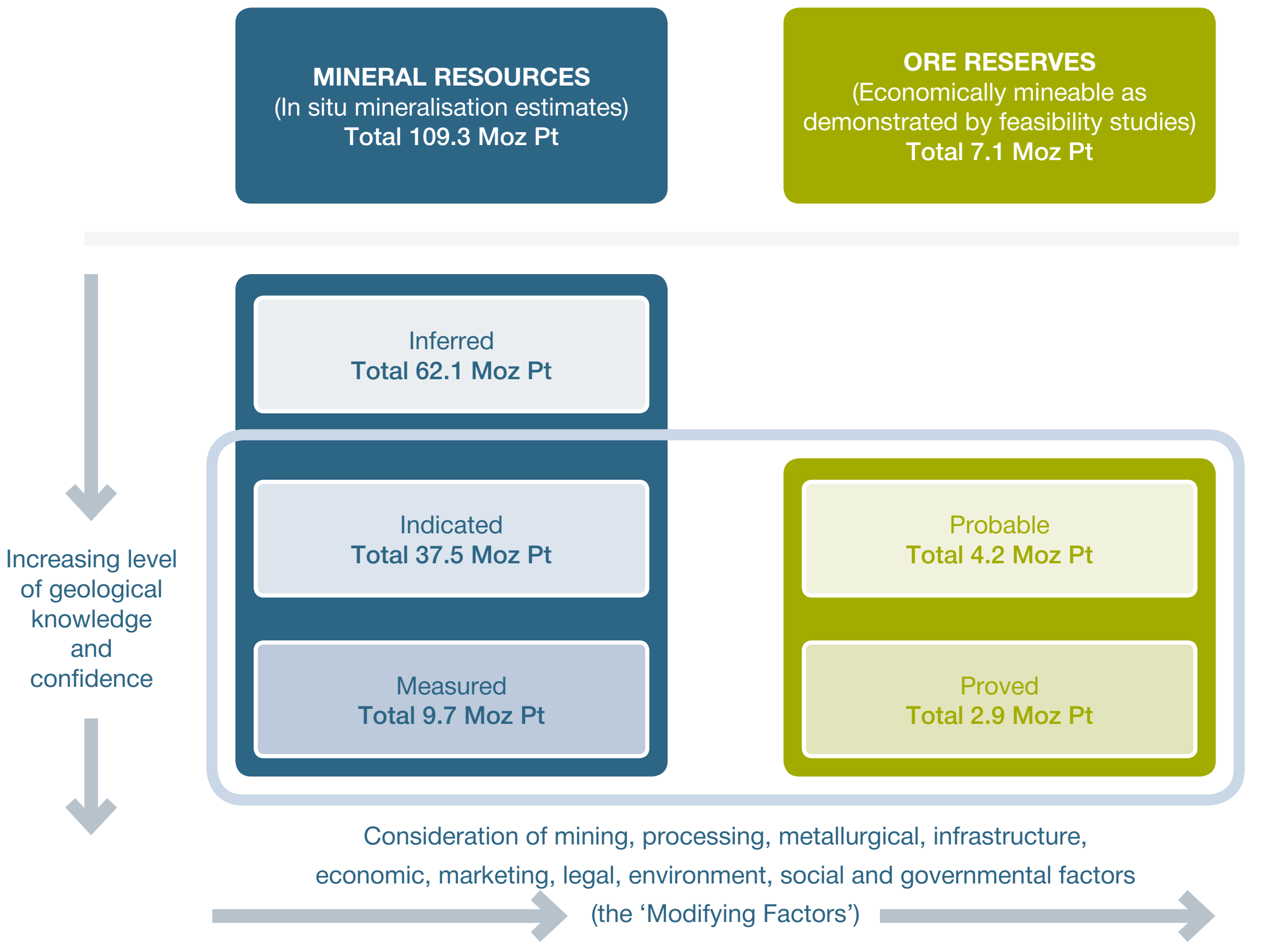


Table 2 Comparison with Previous Estimate

MINERAL RESOURCES (INCLUSIVE OF RESERVES)

Category	2014				2013			
	Tonnage (millions)	4E (g/t)	6E (g/t)	Pt oz (millions)	Tonnage (millions)	4E (g/t)	6E (g/t)	Pt oz (millions)
Measured	173	3.55	3.75	9.7	147	3.63	3.84	8.5
Indicated	667	3.55	3.75	37.5	697	3.55	3.76	39.2
Inferred	1,226	3.27	3.54	62.1	1,226	3.27	3.54	62.1
Total	**2,066**	**3.39**	**3.63**	**109.3**	**2,070**	**3.39**	**3.63**	**109.8**

ORE RESERVES

Category	2014				2013			
	Tonnage (millions)	4E (g/t)	6E (g/t)	Pt oz (millions)	Tonnage (millions)	4E (g/t)	6E (g/t)	Pt oz (millions)
Proved	54.9	3.35	3.54	2.9	70.7	3.34	3.53	3.7
Probable	77.9	3.39	3.58	4.2	166.8	3.33	3.54	8.7
Total	**132.8**	**3.37**	**3.56**	**7.1**	**237.5**	**3.33**	**3.53**	**12.5**

Mineral Resources and Ore Reserves Summary (continued)

The main change relative to the last statement was the decision to align the criteria for the conversion of mineral resources to ore reserves with the Implala Platinum Holdings Limited's group-wide protocol and to only reflect those portals where a feasibility study has been completed and the capital vote for development has been approved by the Board (or in the case of Portal 5 South is due to be presented to the Board). The result was that Portals 5 North, 6 and 7 were removed from the ore reserve inventory.

The changes to the ore reserve at the operating Portals 1 to 4, were due to new models, increased pillar losses to cater for poor ground conditions and annual mining depletion.

A low angle shear in the deeper sections of Bimha Mine, that has a deleterious effect on pillar strength, has resulted in the inclusion of large barrier and regional pillars at both Bimha and Mupfuti leading to a reduction in extraction percentages. Subsequent to 30 June 2014, the pillars in a significant part of Bimha failed. The implications of this are still being evaluated but this is likely to result in disruption to production and to further reductions in extraction percentages in future estimates.

The modifying factors revised in the previous year were applied once again and still result in acceptable reconciliation between ore reserve depletion and mill feed.

Overall, the ore reserve decreased in tonnage by 44% while the 4E grade increased by 1.3% due to the removal of slightly lower grade portals. This change has no impact on the future prospects of the Company. This is purely an alignment of protocols within the Implats Group and does not reflect any change in the view of the viability of the removed portals as they are still believed to be fundamentally viable and this has no impact on the associated mineral resource estimates. Therefore a JORC Code (2012) Table 1 disclosure is not considered to be required.

There are minimal changes to the overall mineral resource with a reduction of 0.2% in tonnage which was dominated by depletion. Overall the change in 4E grade was insignificant.

The re-estimation of the Portal 5 resources incorporating new data resulted in a shift in resource classification from Indicated to Measured (and a corresponding shift from Probable to Proven Ore Reserve) in the areas covered by the new drilling.

Mineral Resources and Ore Reserves Summary (continued)

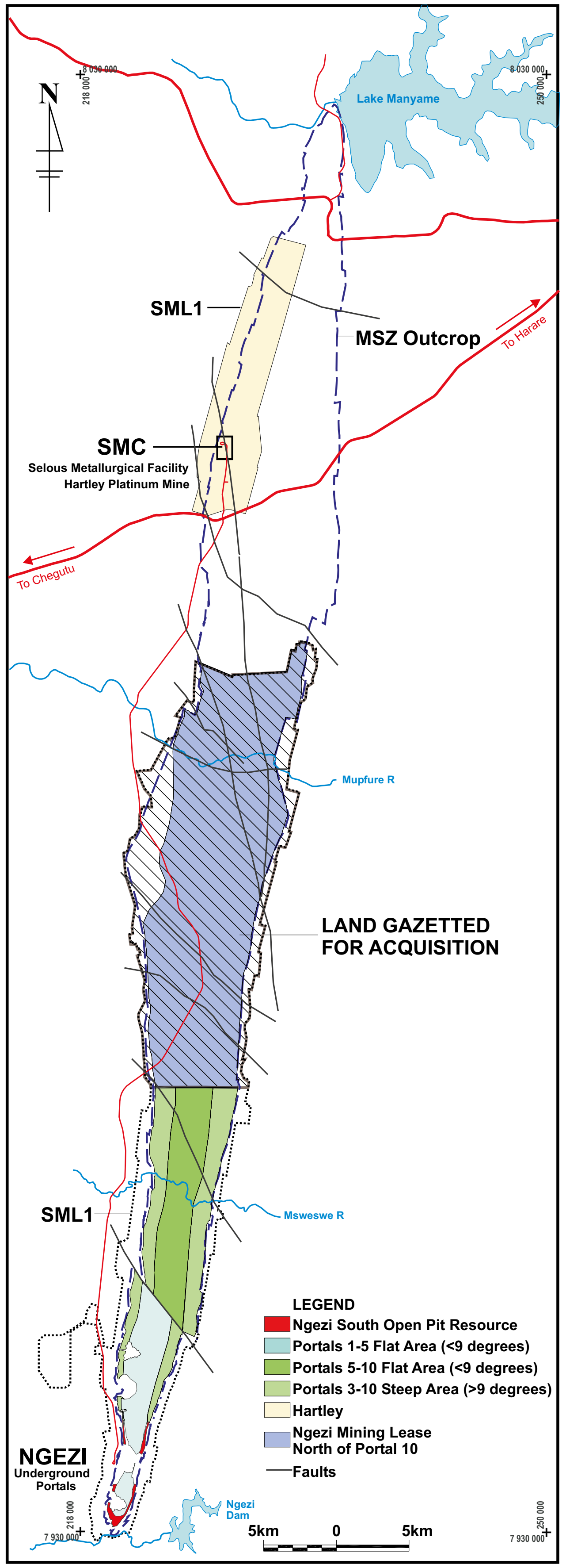
NOTES

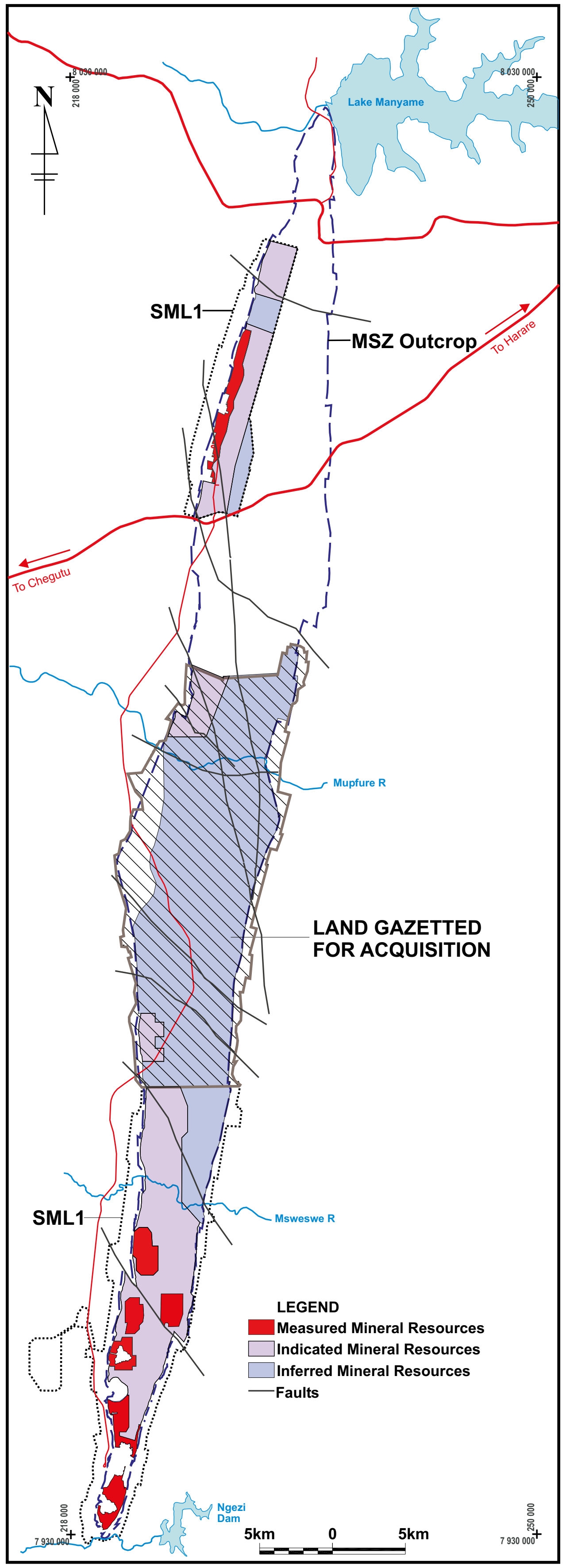
- Mineral resources are quoted inclusive of ore reserves.
- The ore reserves quoted reflect anticipated grades delivered to mill.
- Day to day operations are monitored using in-house lead collector fire assays with AA finish. The mineral resources and ore reserves in this statement are based largely on Intertek Genalysis nickel sulphide collector fire assays with ICP-MS finish. The differences between the methods are incorporated within the modifying factors that have been applied which mean that there may be slight distortions in recovery and other parameters.
- Resources have been estimated using kriging techniques on data derived from surface diamond drill holes. Estimates are based on composite widths that vary depending on cut off grades, which are based on appropriate economic conditions.
- The boundaries of the ore envelope are gradational, particularly in the footwall, so the choice of mining cut is affected by economic factors. The price of the suite of metals that is produced from the MSZ has fluctuated considerably in the last few years. It is, however, believed that the choice of mining cut is robust under a wide range of pricing conditions.
- Estimates are produced in accordance with Implats' group-wide protocol for the estimation, classification and reporting of Mineral Reserves and Mineral Resources. The objectives of the code are to improve standardisation, consistency and to facilitate auditing.
- These estimates are reported according to the JORC Code (2012). This is an annual update incorporating some new drilling, depletions and the current view on modifying factors, which are a development of previous estimates prepared under the JORC Code (2004).
- The maximum depth of these resources is 1250m and no part is more than 5km down dip from outcrop therefore any part is theoretically accessible to mining within a 10-15 year time frame.
- Zimplats' mineral resource is 100% owned by Zimplats through a subsidiary and is held under Special Mining Lease 1, the first 25 year period of which expires in 2019. The Mining Agreement allows for two extensions of ten years each.
- In March 2013, the government issued notice of its intention to compulsorily acquire ground north of Portal 10 which contains some 54.6 Moz platinum. Zimplats submitted a formal objection within the stipulated 30 days from the notice. As at 30 June 2014, the acquisition had neither been completed nor cancelled.
- The mineral resource and ore reserve estimates tabulated in this report are estimates and not calculations. They are subject to a wide range of factors, some of which are outside the Company's control which include:-
  - the quality and quantity of available data. Estimates are based on limited sampling and, consequently, there is uncertainty as the samples may not be representative of the entire ore body and mineral resource.
  - the quality of the methodologies employed
  - geological interpretation and the judgment of the individuals involved
  - economic conditions and market prices

  Changes in these factors along with developments in the understanding of the ore body and changes in recovery rates, production costs and other factors may ultimately result in a restatement of ore reserves and/or mineral resources and may adversely impact future cash flows.

  To mitigate this risk the Company appoints independent 3rd parties to review the mineral reserve and resource estimates on a regular basis and mining project feasibility studies are subject to independent review prior to applying to the Board for capital approval.
- As part of the bankable study for Portal 5, SRK Consulting (South Africa) (Pty) Limited (SRK) reviewed the latest available drill hole data and the processes involved in collecting it. They incorporated this data into their models and produced updated mineral resource estimates for Portal 5 North and South and the revised ore reserve estimate for Portal 5 South.
- AMEC Americas Limited (AMEC) completed an audit in FY2012 and concluded that there were no key issues with respect to the Mineral Resource or Ore Reserve estimates.
- Rounding-off of numbers may result in minor computational discrepancies.
- Zimplats Mineral Resources and Ore Reserves are also reported on in the Implats Integrated Annual Report and its mineral resource and mineral reserve supplement.

Plan of Ore Reserves and Mineral Resources





Coordinate system : UTM Zone 36K (Arc 1950 Datum)

Mineral Resources and Ore Reserves Summary (continued)

COMPETENT PERSONS

The information in this report was prepared in accordance with the JORC Code of 2012 by Competent Persons who are full time employees of the Company and have the required five years' experience relevant to the style of mineralisation and type of deposit described in this report.

The Competent Persons, listed below, have signed the required statement and consent for the release of this report in the form and context in which it appears.

Competent Person	Area of Responsibility	Professional Membership	Membership Number
Simbarashe Goto	Ore Reserves	The South African Institute of Mining and Metallurgy	705544
Andrew du Toit	Mineral Resources of the Exploration and Evaluation Areas	The Australasian Institute of Mining and Metallurgy	220426
Sydney Simango	Mineral Resources of the Ngezi Open Pit and Underground Operational Areas (Portals 1 to 4)	The Australasian Institute of Mining and Metallurgy	210416

Sustainability Matters

OUR SUSTAINABILITY APPROACH

Zimplats believes that operating in a socially and environmentally friendly manner is critical to its long term business success. To this end systems are in place to manage and address sustainability impacts arising from all its operations including its mining and processing operations at Ngezi and its processing operations at Selous. These systems include its Business Management System (BMS), Enterprise Risk Management (ERM) system, Enterprise Resource Planning (ERP) systems – SAP and CURA, Mineral Resource Management (MRM) systems, Mine Planning and Geological Modelling systems and Ore and Metallurgical Accounting systems among others that have been developed and adapted to support implementation of its business strategy.

The report reviews the Company's approach to addressing those social economic and environmental issues that are seen as having a material impact on the long term success of the company's business, on the sustainability of the environment and the communities in which it operates, or that are important to its key stakeholders.

The selection of indicators to report on was influenced by issues considered material by its stakeholders during engagement and in the context of its business and operating environment. Formal research was also carried out within the surrounding communities.

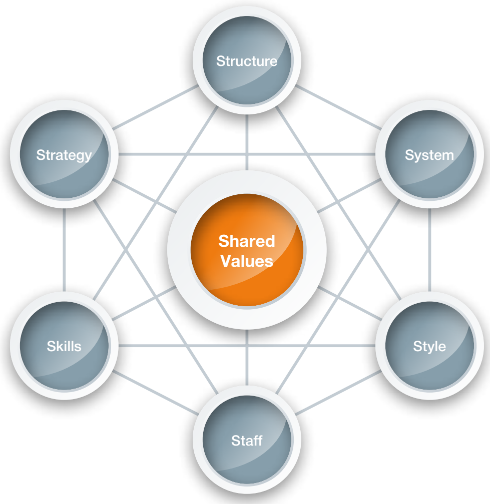
The sustainability report seeks to provide a response to each of the criteria of the Global Reporting Initiative (GRI) G3 guidelines. A GRI summary index is provided on page 170. The GRI G3 guidelines have been applied to attain the C+ application level; selected performance information has been independently assured on pages 172 to 175. The symbol (▲) denotes performance information that has been independently assured.

SUSTAINABILITY AND PERFORMANCE DATA

The data in this report is based on the Company's records. The report covers all the Group's operations. There were no limitations encountered in providing data for selected indicators in the report.

STRATEGY

McKinsey '7S' Model



Strategy

In developing its strategy, Zimplats conducted situational analysis on the industry and its competitive advantages as well as the analysis of the company's operating environment covering political, economic, social, technological, environmental and legal considerations.

Shared Values

The Company vision, mission and value statements were developed. The key values that underpin the Company's identity and how it does business are: **We respect, we care and we deliver.**

Structure

Zimplats recognises that in order to meet its strategic objectives, supporting structures must be in place to drive the strategy. These have been put in place to cover all business functions to enhance visible felt leadership.

Style

To support and live its values, the Company has developed and defined a management style and organisational culture that are consistent with its values. Zimplats has embarked on a cultural transformation journey which will result in enhanced employee commitment and engagement.

Staff

Human resource management systems have been developed to enhance staff effectiveness. These include advancement of employee education, attitudes and adoption of competitive staff policies and procedures.

Sustainability Matters (continued)

Skill
Critical skills have been identified and strategies developed to enhance these skills. The strategies range from succession planning to training and development initiatives. The skills profile covers the whole range of business activities including safety, financial management, engineering skills, mineral resource management, operations management, and project and contractor management.

Systems
Sound management systems have been developed and adopted in order to support strategy implementation. These systems include Business Management System (BMS), Enterprise Risk Management (ERM) system, Enterprise Resource Planning (ERP) systems – SAP and CURA, Mineral Resource Management (MRM) systems, Mine Planning and Geological Modelling systems and Ore and Metallurgical Accounting systems among others.

Sustainability
Zimplats thrives to conduct its business in a sustainable manner. As a result, it has targeted three pillars/dimensions of sustainability namely Economic, Social and Environmental sustainability that should be balanced in its business processes. The healthier the interconnections among the three levers of sustainability, the better they form strong, sustainable support systems for human communities and the ecosystems within which those communities are embedded.

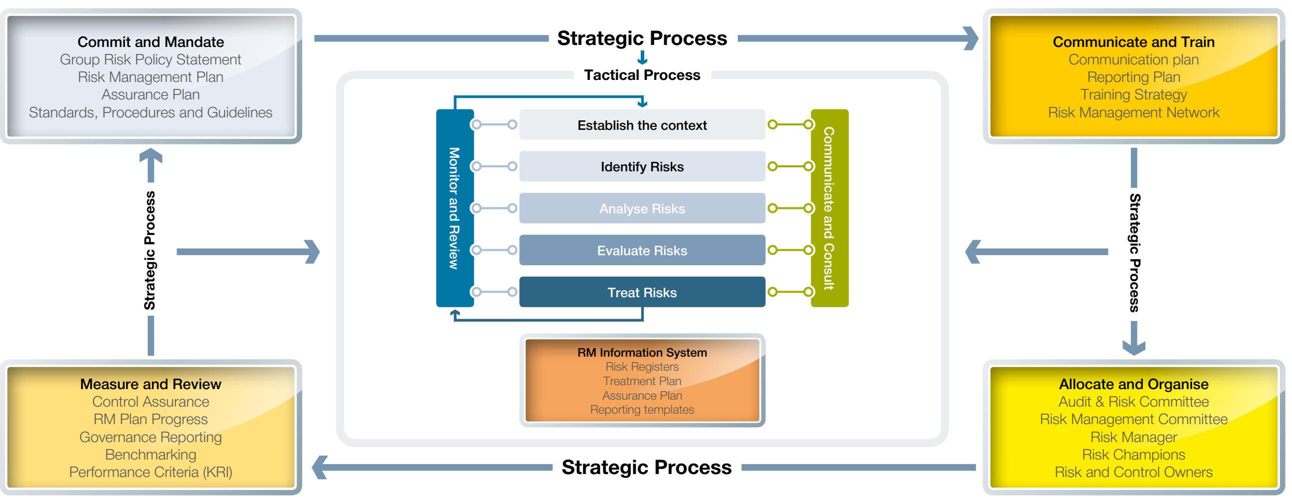
Key strategic Objectives
Short, medium and long term strategic objectives were identified through the process of situational analysis of the Company's operating environment and utilising the McKinsey '7S' Framework. These objectives relate to the company's operations, growth, Community Social Investment and management of enterprise risks.

ENTERPRISE RISK MANAGEMENT
Enterprise Risk Management provides a framework for managing risks, which typically involves identifying particular events or circumstances relevant to Zimplats' objectives (risks), assessing them in terms of likelihood and magnitude of impact (severity), determining a response strategy where necessary (risk mitigation and control measures) and monitoring progress (task status update). By identifying and proactively addressing these risks, Zimplats' operations are able to better protect and create value for its stakeholders.

Zimplats' approach to risk management is closely connected to strategy and business objectives. As a result, establishing the context and the understanding of the Company's strategic objectives has been adopted as the first step in identifying and managing the risks.

Effective risk management underpins the delivery of our strategic objectives. The Company has developed a framework to assist in identifying key risks at an early stage and to develop actions to eliminate them or mitigate their impact and likelihood to an acceptable level.

The Zimplats risk management process (based on ISO 31 000)



Sustainability Matters (continued)

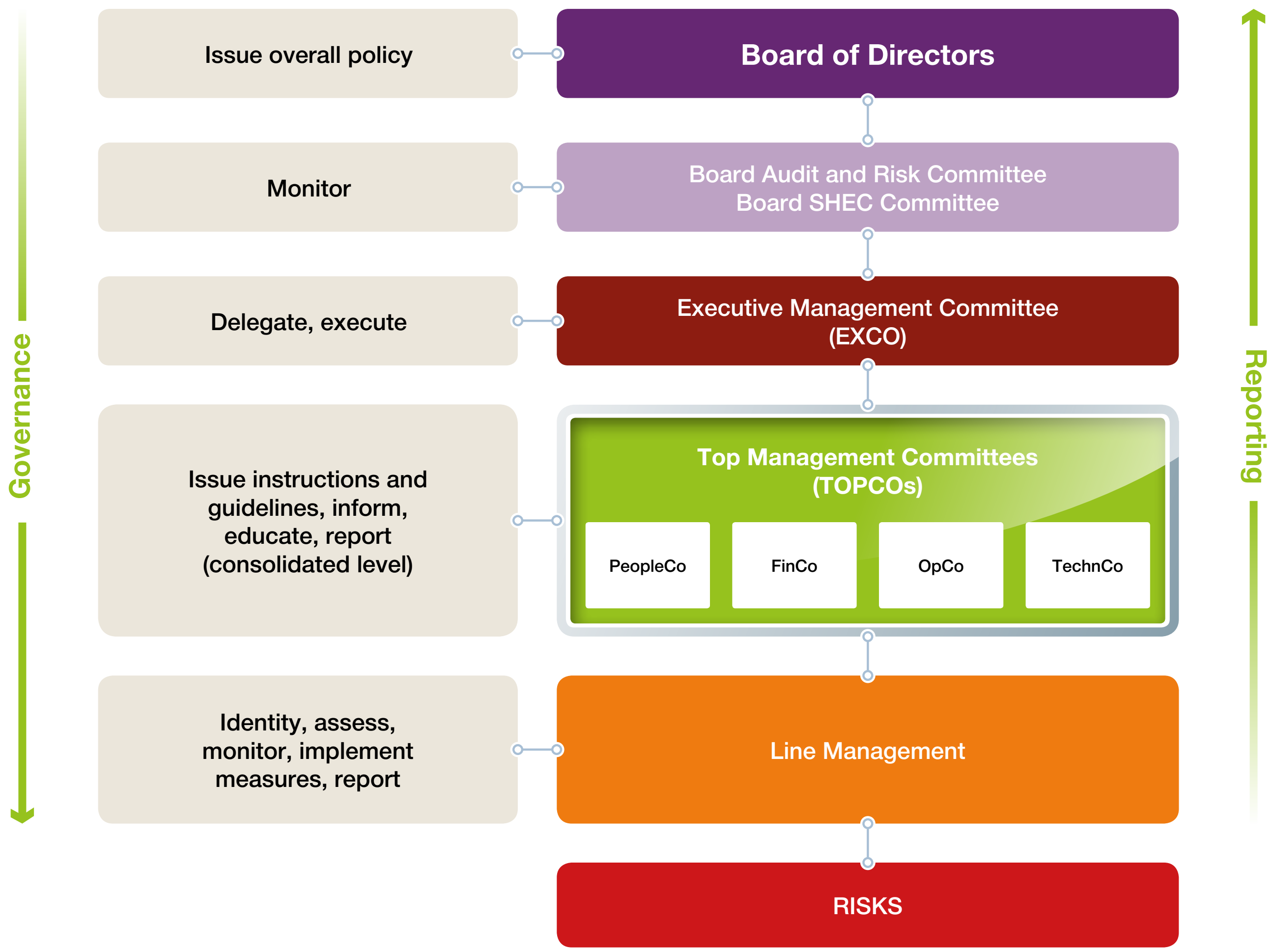
The Zimplats risk management system is based on the ISO 31 000-ERM framework. The diagram below shows how the ISO 31 000 risk management framework has been used to integrate strategic and tactical risk management in normal business processes. It provides for risk assessment tools, controls for risks that commonly occur in the Company and monitoring and reporting procedures and systems.

Key risk management practices
The key risk management practices adopted at Zimplats include those relating to risk assessment, measurement, monitoring, reporting, mitigation actions and integration with strategy and business planning.

Risk management processes have been embedded throughout the Company at all levels and form an integral part of day-to-day business activity.

Roles and responsibilities for risk management
The Zimplats risk management organizational structure is represented in the diagram below:

Zimplats Risk Governance Structure



Sustainability Matters (continued)

The key roles and responsibilities for risk management in the Company are summarized below:

LEVEL	KEY RISK MANAGEMENT ROLES AND RESPONSIBILITIES
Board of Directors (Board)	• Corporate governance oversight of risk management performed by the Executive Management • Review the performance of the Board committees (SHEC and Audit & Risk Committees)
Board Audit and Risk Committee	• Comprises independent non-executive directors • Assisting the Board in fulfilling its corporate governance oversight responsibilities with regard to identification, evaluation and mitigation of operational, strategic and external environment risks • Monitoring and reviewing risk management practices of the Company • Reviewing and approving risk-related disclosures
Board SHEC Committee	• Comprises independent non-executive directors • Review the adequacy and effectiveness of management of risks associated with health, safety, environment, corporate social responsibility and sustainability • Receive reports on implementation of safety, health, environment and corporate social responsibility and sustainability initiatives
Executive Management Committee (Exco)	• Chaired by the Chief Executive Officer (CEO) and comprised of all Heads of Functional Divisions (Finance, Operations, Human Resources, Technical, Risk and Strategy, New Business Development and Corporate Affairs) • Reviewing enterprise risks from time to time, initiating mitigation actions, identifying the owners and reviewing the progress and effectiveness of mitigation actions • Formulation and deployment of risk management policies • Deploying practices for the identification, assessment, monitoring, mitigation and reporting of risks
Top Management Committees (TopCos)	• Responsible for risk management and internal control within their divisions • Review and challenge the adequacy to manage risks of assurance plans development by functional management. • Responsible for managing their functions and unit level risk as per the Company risk management philosophy • Responsible for managing risks concomitant to the business decisions relating to their unit, span of control or area of operations
Line Management Employees	• Adhering to risk management policies and procedures • Implementation of prescribed risk mitigation actions • Reporting risk events and incidents in a timely manner

Sustainability Matters (continued)

RISK REPORTING

Identified risk events, their causes and possible consequences are recorded in risk registers maintained in Cura, the Company-preferred data depository risk information management system (RIMS) and reviewed at least monthly. Their likelihood and potential business impact and the control systems that are available to manage them are analysed for adequacy and effectiveness.

Tasks or action plans are developed for each control measure and responsibility for performance assigned to individuals and tracked on a regular basis. The risk and strategy division assists individual risk owners to evaluate and manage these risks to an agreed timescale.

Third party specialist audits are carried out by PricewaterhouseCoopers (auditing), DQS (Safety, Health, Environmental and Quality) and the International Mining Industries Underwriters (IMIU) for insurance risks covering all operations.

The board has analysed all the risk reports submitted from various sources and concluded that the Company has maintained sound risk management and internal control systems throughout the year and has reviewed its effectiveness.

STRATEGIC RISKS

Zimplats defines strategic risks as any event, occurrence or incident that may occur that has the potential to materially affect the achievement of strategic objectives of the Company - be they financial, operational, reputation, projects or otherwise. The Company has identified and continues to monitor its key strategic risks.

Some of the key strategic risks are outlined below:

ZIMPLATS STRATEGIC RISKS – FY2014		
RISK	**IMPACT**	**MITIGATION**
Managing the uncertainties that affect the operations	Failure to plan ahead effectively.	• Continue to engage government on the Indigenisation Implementation Plan (IIP). • Implement the Community Share Ownership Trust (CSOT). • Implement Employee Share Ownership Trust (ESOT). • Progress Local Enterprise Development (LED) programs. • Continue to monitor government policy reviews.
Taxation	Increased tax costs and reputational damage due to failure to manage tax issues and risks.	• Procure tax compliance health checks covering all tax heads. • Engage tax authorities (ZIMRA) to discuss prospective transactions and resolve historical tax matters. • Lobbying on taxation legislation
Mineral Beneficiation	• Loss of value (metal) due to inefficiencies if local refineries are not optimised. • Embargo or penalties on material that has not been beneficiated	• Refurbishment and commissioning of the Base Metal Refinery (BMR) at Selous Metallurgical Complex. • Smelting capacity expansion. • Continual engagement with government regarding beneficiation through the Chamber of Mines of Zimbabwe

Sustainability Matters (continued)

ZIMPLATS STRATEGIC RISKS – FY2014		
RISK	**IMPACT**	**MITIGATION**
Shear-induced ground instability at mining	• Loss of mining production • Safety concerns	• Geotechnical Modelling • Regional stabilisation • Risk training and awareness • Regular monitoring • Third Party Reviews
Inability to attain funding	Failure to meet growth and operational funding requirements	• Cash preservation initiatives • Explore alternative sources of funding • Treasury management policies
Safety	Injury to personnel and damage to property leading to failure to achieve ZERO HARM goal.	• Safety awareness and training • Safety audits and inspections • Monitoring off the job safety particularly road traffic accidents (RTA). • Technology interventions particularly to manage fall of ground (FOG) incidents. • Focus on leading indicators • Safety management systems, standards and procedures. • Safety information management system (Isometrix) for reporting on all safety incidents.
Metal price fluctuations	Loss of revenue	• Market intelligence (monitoring the global market) • Cost management • Cash preservation initiatives
Unavailability of reliable and secure power	Loss of production	• Forward power purchase agreement (PPA) with ZESA. • Hydro Cabora Bassa (HCB) as long term power supply alternative. • Independent Power Producers (IPPs) • Energy management and savings initiatives as part of demand side management (DSM).
Social licence to operate	Loss of social licence to operate	• Implement corporate social responsibility initiatives using ISO 26 000 as a guideline • Implement Local Enterprise Development (LED) initiatives to alleviate poverty in communities we operate. • Regular stakeholder engagement

Sustainability Matters (continued)

ZIMPLATS STRATEGIC RISKS – FY2014		
RISK	**IMPACT**	**MITIGATION**
Unsustainable cost increases	Reduced profitability	• Labour cost saving initiatives • Cost effective capital expenditure management systems • Review global procurement system (China and India) • Capacitate local producers to reduce import costs. • Review usage of consumables and review contracts for fuel supplies and trackless mining machinery maintenance
IT and information security risks	Exposure to information security risks (confidentiality, availability and integrity) of company information	• Information classification and coding • IT Security Policies
Environment	Damage to environment	• Sulphur dioxide abatement plant • Environmental audits • Energy efficient technologies • Rehabilitation of mined areas and contaminated areas
Non-delivery of projects	Failure to deliver projects on time, budget and specification.	• Management of projects according to principle of Project Management Body of Knowledge (PMBOK)
Industrial relations	Strained industrial relations with negative effect on productivity	• Housing development plan • Construct company and core houses for employees at Ngezi • Explore housing development model for SMC employees

Sustainability Matters (continued)

OPERATIONAL RISKS

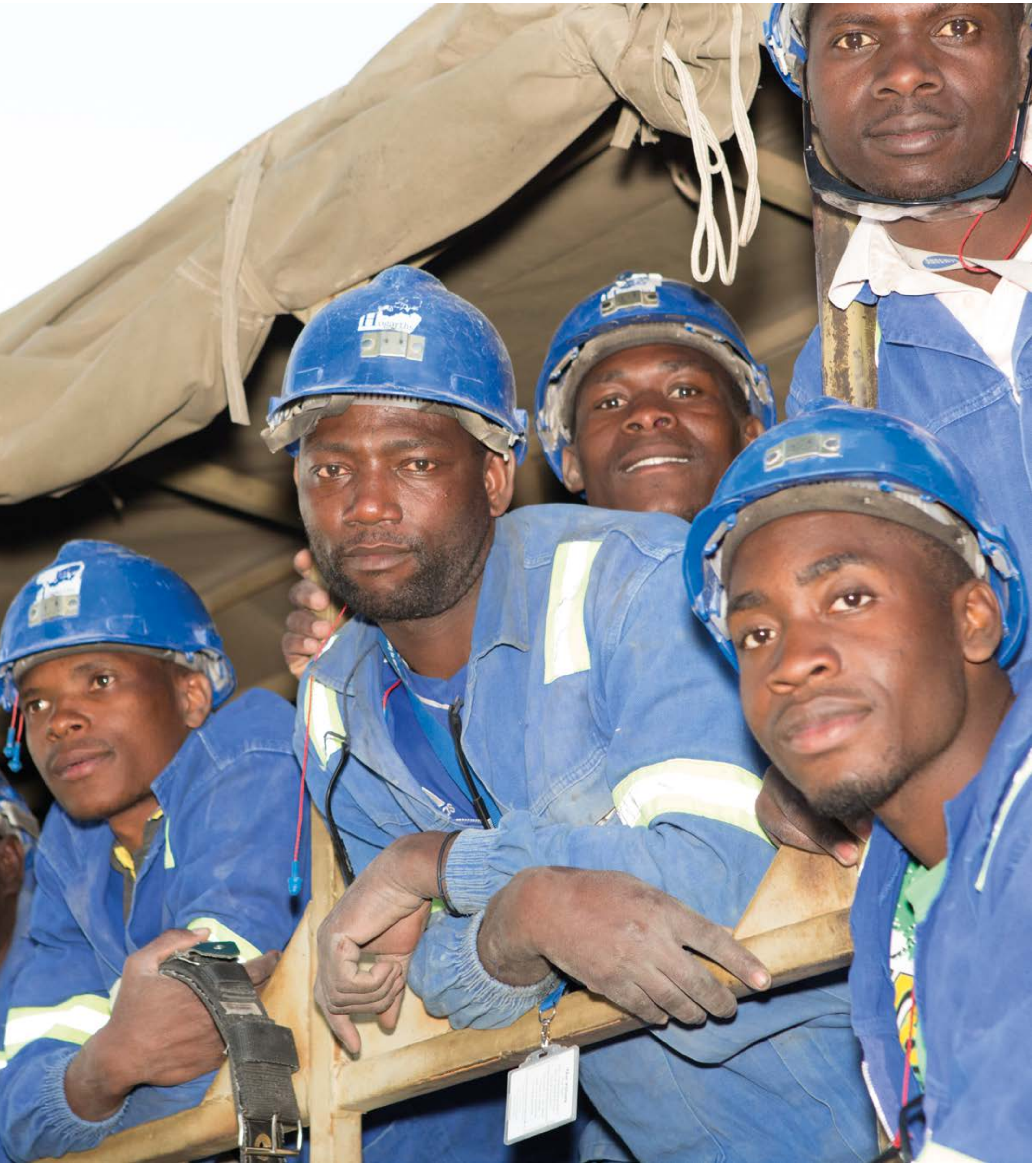
During FY2014, Zimplats strengthened its operational risk management by engaging the International Mining Industry Underwriters (IMIU) to conduct an operational risk audit at both mining and processing. The outcome of the audit has shown that operational risks at both mining and processing are being managed to acceptable international standards.

Materiality and stakeholder engagement

Zimplats acknowledges the importance of its key stakeholders and the impact that they may have on the business or the impact that the business may have on the stakeholders. To this end stakeholder engagement is an integral part of its business operations and is essential in managing risk and building social capital. The Company has both internal and external stakeholders.

Internal stakeholders are defined as employees, management and shareholders while external stakeholders include communities, regulatory authorities, suppliers, local authorities, government, media, financial institutions, analysts and lobby groups. Identification of stakeholders is achieved through a process of assessing how they impact on the Company both directly and indirectly. Consideration is also given as to whether the Company impacts on them directly or indirectly. Prioritisation of stakeholders is done following the Global Reporting Initiatives (GRI) guidelines.

To identify its material issues Zimplats uses a wide range of criteria, processes and stakeholder engagements. Stakeholder engagement allows the Company to understand and respond to stakeholder expectations. All material issues raised during engagement are captured and action plans are put in place to address the issues.



Sustainability Matters (continued)

The table below lists some of the key stakeholders identified using the stakeholder prioritisation method and the material issues that came out of the engagement process and the action taken.

STAKEHOLDER	METHOD OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	MATERIAL ISSUES	ACTION TAKEN
Investors and shareholders	Annual Report, quarterly and half yearly updates and or presentations	Quarterly	Indigenisation; Further release of ground; Business performance; Growth plans	Regular provision of information through reports, announcements on the ASX and presentations
Employees	Works Councils, briefings, CEO and COO updates, Leadership Summits, Regular meetings and briefings held with employees, internal magazine used as channel for information on key matters	Monthly meetings and ad hoc briefings as necessary	Employee share ownership, wage negotiations; home ownership; safety;	Negotiations with Government on the ESOT and Deed prepared,; wage negotiations carried out and agreement reached with Union; Home ownership scheme implemented in Ngezi with options being explored for SMC employees; Focused programmes on employee safety are implemented.
Suppliers	One on one meetings and business forums	Regular/ on-going	Business opportunities with Zimplats; local supplier development; fairness in the award of tenders and contracts	Specific department charged with responsibility for supplier development and local enterprise development; local supply targets set and monitored regularly to gauge performance against those targets. A cross functional committee is in place to manage tender process.

Sustainability Matters (continued)

STAKEHOLDER	METHOD OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	MATERIAL ISSUES	ACTION TAKEN
Communities	Stakeholder meetings; Direct meetings with communities facilitated by Rural District Council on specific issues	Quarterly	Employment of locals. Community development programmes; Need for more direct engagement; Community Share Ownership Trust (CSOT); Access to water from the pipes from Chitsuwa dam and access to dip tanks; Concern about dust from the tailings dam	Regular engagement takes place with the community leaders where issues raised are addressed and CSI programmes implemented; Direct meetings with communities facilitated by Rural District Council on specific issues The CSOT is fully functional and projects implemented; Off take points from the pipe have been put in place and the community is now accessing water from the pipeline; A programme has been implemented to refurbish non-functioning dip tanks; Management is exploring options to address the issue of dust from the tailings dam.
Central Government	Close liaison with and reporting to relevant government ministries through one-on-one meetings, conferences, facility visits and presentations	Monthly meetings and ad hoc briefings as necessary	Indigenisation; Beneficiation Taxation Further release of ground;	Regular engagement on key issues with government and regulatory officials. Plans put in place for resuscitation of Base Metal Refinery (BMR) at SMC Lobbying takes place with Government on key tax matters through the Chamber of Mines and directly;

Sustainability Matters (continued)

STAKEHOLDER	METHOD OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	MATERIAL ISSUES	ACTION TAKEN
Local government and traditional leaders	Close liaison with and reporting to relevant local government departments through one-on -one meetings, quarterly stakeholder meetings, tours and presentations	Bi-monthly and quarterly meetings	Indigenisation; Community Social Investment and Community Share Ownership Trust (CSOT); Employment of locals.	A working relationship is nurtured with local government and traditional leadership; Progress reports on indigenisation are given through regular meetings; community projects are identified and implemented as budget permits; Feedback on implementation of CSOT projects given; Regular feedback given on employment figures for locals.
Media	Electronic, print, radio and television	Regular/on-going dialogue; press releases, tours and briefings	Indigenisation; Beneficiation Further release of ground; Mining policy and regulations; Growth projects	Zimplats works closely with media stakeholders holding regular briefings, operations facility visits and one- on- one interface to ensure smooth flow of information on key issues raised; Communication campaign implemented.
Tertiary Institutions	One-on-one meetings, presentations	Ad hoc meetings	Capacity development to revive institutions Requests for financial and material support	Zimplats has assisted where possible in line with budget on requests for assistance in capacity development in cash and kind.
Chamber of Mines	One-on-one meetings, conferences, business forums; Participation in special interest committees	Monthly and ad hoc as required	Indigenisation; Beneficiation; Mining legislation and regulations including taxation	Zimplats continues to play a leading role in the Chamber of Mines, helping to ensure that it lobbies on key issues and for a consistent and stable regulatory environment
Lobby Groups	One-on-one meetings and participation in workshops and conferences	Ad hoc as situation demands	Environmental matters Community Share Ownership Trust	Zimplats responds to issues raised and participates in workshops and conferences to enhance mutual understanding

Some of the issues raised by stakeholders were addressed through the print and electronic media in a campaign that narrated the Company's key activities and investments in the community. Analysts and shareholders were addressed through statements realesed on the Australian Stock Exchange and during tours conducted at the Company's operations.

Sustainability Matters (continued)

Sustainability Matters (continued)

Some of the material issues raised by stakeholders are discussed below.

Indigenisation

In January 2013 the Company concluded a non- binding term sheet in respect of a proposed indigenisation implementation plan with the Government of Zimbabwe. This agreement has since been discarded following indications that it no longer met with Government expectations. Dialogue with government is on-going towards the conclusion of a substantive indigenisation implementation plan.

Loss of ground

Government published a Preliminary General Notice 123 of 2013 in the Zimbabwe Government Gazette Extraordinary of 1 March 2013 advising of the President's intention to acquire compulsorily 27 948 hectares, or approximately half of the land held by the operating subsidiary. Zimplats lodged an objection to the notice on 27 March 2013. The matter remains pending.

Local supplier development

Zimplats continued with its strategy of local supplier development so as to further assist in the broader economic recovery of the country. To this end, local suppliers contributed 66% of the Company's annual spend on goods and services. This is an improvement on previous year performance.

The Tip-Offs Anonymous system, in partnership with an independent audit company, remains in place so that suppliers, employees and other stakeholders can report on any incidents of corruption of any nature including the award of tenders.

Local enterprise development

Zimplats has embarked on a Local Enterprise Development programme. This has seen the company work with 7 Small and Medium Enterprises within the local community in Mashonaland West Province.

The enterprises supply Zimplats with goods and services such as protective clothing (work suits and overalls), silica, bricks, punch bars, housing maintenance services and ore transportation. To date $5 million has been paid to these enterprises and this is estimated to grow significantly over the 10 year horizon (starting in 2014). All of them have submitted a five-year plan and Zimplats is providing guidance to the enterprises on how to achieve planned targets.

Community Social Investment

Developing partnerships with communities around our operations is one of Zimplats' strategic objectives under management of enterprise risk.

Zimplats' strategy with regards to community engagement is informed by the research findings mainly from the perception and baseline studies and quarterly stakeholder meetings that include community leaders and local Chiefs.

Key perceptions coming out of that study include the need for Zimplats to address the following:

- Continued investment in community development initiatives
- Explore opportunities for greater direct engagement with community
- Consider investment in more infrustructural projects unrelated to the Company's operations

The community also identified and ranked their key development needs, including the need for the promotion of livelihood income generating activities to avert household poverty.

A community development plan is being implemented with the following objectives:

- To address community concerns
- Poverty alleviation through local enterprise development
- Provision of infrastructure relating to education and health
- To improve neighbourliness between Zimplats and the surrounding communities

The plan focuses on education, health and income generating projects and aims to narrow the gap in terms of community expectations relating to development needs such as clinics, agricultural activity, employment, construction of secondary and primary schools, clean water and sanitation, and food availability.

Sustainability Matters (continued)

Community Projects started in FY13 and completed during FY14 include:

- Refurbishment of Selous Clinic was completed and water tanks were installed to help solve water shortages at the clinic. Work at the clinic included painting of the interior and exterior, tiling the floors, converting a garage into a counselling room, fitting of new sinks in the sluice room and sinking a borehole. The project was embarked on to improve the quality of service offered to the community adjacent to SMC. The total cost of the project was $59 590. The clinic plays an important role in the community serving a population of 18 900 of whom 15 000 are 15 years old and below
- Refurbishment of the Selous Police Station adjacent to its operations. The scope included the addition of a child victim friendly office; offices and accommodation. The total cost of the project was US$270 685 of which US$248 867 was spent in 2014
- Refurbishment of a ward at Chitungwiza hospital at a cost of US$27 476▲.

COMMUNITY PROJECTS IMPLEMENTED IN FY14 INCLUDE:

Ngarava and Ngezi market garden projects

Zimplats launched two market gardening projects in Mhondoro Ngezi and Chegutu. Both have resulted in capacity development for members of the community to carry out horticultural projects, while earning an income for their families.

The Ngarava market garden project is located 20km outside Chegutu and is irrigated using water from a weir built by Zimplats as part of its Community Social Investment programme to assist small scale farmers in the area.

Training on land preparation, planting, fertilizer application, weeding and moisture conservation techniques, grading of produce, and value addition was conducted. As a result of the training, some of the produce is now sold on the export market. The farmer's contribution to the project is in the form of labour, fuel for irrigation and cost of transport to market. A market and input supplier's survey was conducted to link the farmer to the markets and input suppliers and empower her to look for markets and inputs on her own. Buyers include schools, supermarkets and structured produce markets. Since the project started, the farmer has sold in excess of 5, 5 tonnes of produce.

Sustainability Matters (continued)

The farmer is using the proceeds from the vegetable garden project to expand the venture and widen the range of produce grown. The project now employs 6 female casual workers.

Similarly the market gardening project at Mhondoro Ngezi is progressing well. Its target market is Turf Town market as well as Zimplats caterers. The project is located approximately 9km from the mine along Mungezi River in Turf Village 8 and has approximately 110 beneficiaries. The surrounding villagers are also benefitting indirectly as they purchase seedlings from the project.

The participants in the project are families relocated from Turf to make room for the construction of employee houses. Revenue from sale of produce is reinvested into the business in the form of inputs whilst the surplus is channelled towards meeting household expenses including school fees for children.

Zimplats' investment in the two market gardening projects was US$33 768▲.

Poultry Project

In December 2013 Zimplats assisted the Farehome Centre, which looks after 27 orphans, to establish a poultry project. Besides providing the children with nutrition it is also generating income for the home reducing its dependence on hand outs.

Apart from the projects detailed above Zimplats also made several donations to the community. These included textbooks, food, agricultural inputs and equipment. Zimplats also continues to sponsor two community sporting events involving more than 30 schools and contributes to all national events celebrated by the communities.

One of the schools that received a donation from Zimplats this year was Kutama Day School which received assistance in the form of library furniture and facilitation of internet access worth US$7,370.

St Michaels High school received a donation in the form of a borehole as well as the associated pumping infrastructure at a cost of US$15,280. The school had a perennial problem of access to potable water.

Members of the Mhondoro Ngezi community are benefiting in several ways from the Chitsuwa Dam including fishing and accessing water for livestock and domestic use from designated off take points from the pipeline.

Table below showing community social investments over the past 4 years:

	FY2014	FY2013	FY2012	FY2011
	US$	US$	US$	US$
Education	207 494	3 062 160	3 282 818	755 000
Sports development	93 975	53 779	35 000	26 856
Income generating projects	88 456	80 025	46 732	303 000
Health	91 009	668 050	873 471	223 000
Other	578 029	339 641	1 071 079	40 794
Total Company CSR	1 058 963▲	4 203 655	5 309 100	1 348 650
Direct donation to CSOT	4 200 000	2 500 000	3 300 000	—
Total CSR	5 258 963	6 703 655	8 609 100	1 348 650

▲ *The number has been independently assured.*

Sustainability Matters (continued)

Community share Ownership Trust

As part of the Company's indigenisation implementation plan, the Zimplats Mhondoro Ngezi Chegutu Zvimba Community Share Ownership Trust was formed in October 2011. The Trust is now operational and has implemented projects valued at more than US$3 million from the donation of US$10 million deposited into the Trust bank account by the Company.

Projects carried out by the Trust in the three districts include purchase of a grader for road construction (road construction and maintenance is a priority need identified by the community), rehabilitation of schools, construction of classroom blocks at more than 30 schools, sinking of boreholes to address access to potable water and infrastructure for income generating projects.

Going forward:

The focus going forward will be on identifying income generating and infrastructural projects in line with community needs and priorities. Areas of focus include animal husbandry and health and construction of legacy school projects.

Sustainability Matters (continued)

SAFETY AND ENVIRONMENT

Zimplats' vision in terms of Safety, Health and Environment is ZERO harm. In order to achieve the aforementioned vision, the organisation has made safety its first priority by providing a safe and healthy workplace for employees and for contractors. Continuously improving working conditions and monitoring the effectiveness of controls is fundamental to the Safety, Health, Environmental and Quality policy (commonly referred to as the Business Management Policy). Everyone in the organisation is responsible for compliance with legislative requirements and conformance with, ISO9001, ISO14001, OHSAS18001, ISO17025 and other internationally accepted standards that the Company subscribes to.

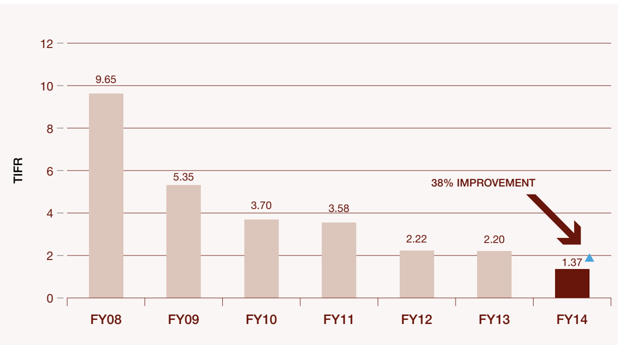
SAFETY HIGHLIGHTS

SUCCESSES	CHALLENGES	OBJECTIVE FY2015
• Significant reduction in total injuries from 38 for FY2013 to 20(47%) in FY2014. • Increasing LTI free days for the following clusters; Processing Shared Services 2172 days, Ngezi Concentrator 1825 days, Smelter 1522 days, SMC Concentrator 870 days, and Mining Shared Services 785 days • Retention of OHSAS 18001, ISO14001, and ISO 9001 Management Systems certification. • Zimplats attained 1 million fatality free shifts in the year. • Five Zimplats teams qualified to participate in the national first aid competitions following their success during zonal competitions. • Zimplats Fresh Air Mine Rescue team participated and came first in the preliminary round for fresh air rescue competitions.	• The major safety challenges for Zimplats relate to fall of ground (FOG), at risk behaviour and Supervision lapses. • Three LTIs (including a fatality) recorded during FY2014 were as a result of FOG. • An analysis of injuries revealed that supervision lapses and at risk behaviour by operatives are common causes of the injuries. • The young and inexperienced workforce also contributed to injuries incurred in FY2014.	• Finalise investigations on technology for barring down high risk zones • Full implementation of the Zero Incident Process (ZIP) programme. • Behaviour based Interventions (Visible felt leadership, planned job observations, peer to peer observations) tracking. • Extending installation of tagging and tracking devices on Trackless Mining Machines (TMM) to Mupfuti and Rukodzi Mine • Finalise investigations on automation to remove employees from high risk zones (including exploring use of Atlas Copco one-man bolter). • Contractor management internal compliance audits • Promote "Off the Job Safety" to cultivate a strong safety culture which stretches from home to the workplace.

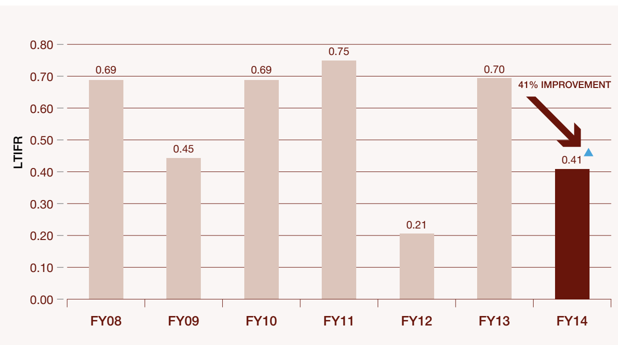
Sustainability Matters (continued)

SAFETY PERFORMANCE

Total Injury Frequency Rate (TIFR)

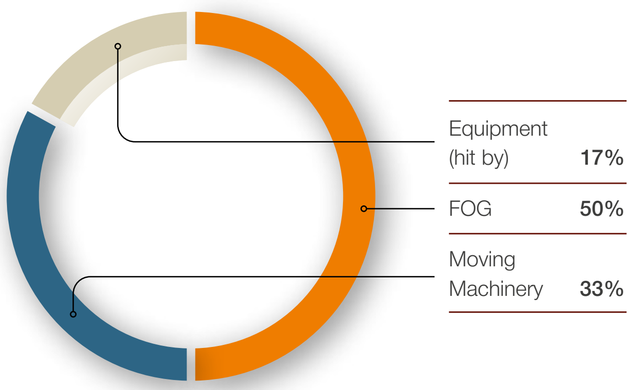


Lost Time Injury Frequency Rate (LTIFR)



The number has been independently assured.

FY2014 LTIs Agencies



OUR STRATEGY

Zimplats strategic thrust is premised on the need to change the safety culture develop effective supervision and adopt technology enhancements. The strategy assumes that the body, mind and emotions are paramount to achievement of zero harm. As such, it seeks to move one step beyond behaviour based safety to the underlying psychological causes of behaviour through implementation of a Zero Incident Process (ZIP) programme. The strategy also accepts that equipment and machinery should have up to date technology that minimises human interface with known hazards.

Fall of Ground (FOG)

Objective: Eliminate/reduce FOG incidents, accidents

There has been a slight improvement in Class D ground conditions from approximately 18% in FY2012 to approximately 17% in FY2013. The ground conditions are expected to deteriorate to approximately 20% Class D and are expected to remain at that level for the rest of the five year period. In FY2014 falls of ground resulted in a fatality and two LTIs. Intrinsically, it remains a challenge to the current zero harm journey. The exposure to the risk of fall of ground continues to grow in response to an increase in underground footprint and is worsened by existence of Class D ground conditions. In response to this risk investigations into technology for barring down high risk zones are underway with two options being considered. The options are; barring down cage and mechanical scaler. The organisation will also continue to explore opportunities for automation to remove employees from high risk jobs and this involves using a one man bolter which removes employees from installing rock bolts at the face.

Equipment / Machinery

Objective: Reduce accidents/ incidents related to TMM/Machinery.

Incidents and accidents involving machinery and equipment indicate gaps on application of appropriate technology and inadequate risk assessments prior and during equipment and machinery use. To mitigate incidents associated with equipment and machinery, the installation of tagging and tracking devices on Trackless Mining Machines (TMM) has been done for Ngwarati and Bimha. This will be extended to Rukodzi and Mupfuti. A trial fleet has been set up at Bimha Mine and currently being monitored for collision avoidance and reduction of machine to machine and machine to man accidents.

Sustainability Matters (continued)

At Risk Behaviour

Objective: Re-enforce Behaviour Based Interventions: Moving one step beyond behaviour based safety to the underlying psychological causes of behaviour through implementation of a Zero Incident Process (ZIP) programme.

Increasingly injuries causes continue to point at inattention to hazards. Irrespective of earlier hazard warning signs, employees have disregarded these warnings resulting in injuries. It is hoped that the Zero Incident Process (ZIP) programme whose initiatives are being rolled out will help entrench a strong safety culture in our employees. ZIP is a psychological-based safety process designed specifically to empower employees.

Gap in supervision

Objective: Close the supervision gap.

Accident investigations continue to indicate a supervision gap shown mainly by inadequate barring down and inadequate risk assessment. As much as procedures and protocols are in place there is a lack of effective supervision to ensure that employees adhere to these procedures. Inadequate experience of the supervision team has also been highlighted in the operations strategy. A training matrix has been developed for each level of supervision and more emphasis placed on SHEQ and supervisory skills development.

The training encompasses soft issues and daily management of high risk zones for example bad ground management dashboards.

Visible felt leadership observations will continue to be done by each member of top management once every quarter and by middle management on a monthly basis. Risk Management training will be conducted at all tiers of management and will form the basis of doing business. Training in Root Causes Analysis Techniques (Rcat) is being undertaken and will cover top and middle management employees to ensure prevention of repeat cases.

Contractor management

Objective: Enhance contractor management.

Although there is a noticeable reduction compared to previous years, injuries have been recorded from contractors within operations. This is attributed to strong focus on contractor management which resulted in the review of procedures, training and contractor leadership summits. The current thrust is on enforcement of contractor management procedures. In line with this thrust; a contractor management internal compliance audit was conducted to assess contractors' compliance with Zimplats contractor management procedures. Going forward, internal audits, visible felt leadership and enforcement of standards will remain as key strategic management tools.

Sustainability Matters (continued)

Sustainability Matters (continued)

ENVIRONMENTAL PERFORMANCE HIGHLIGHTS FY2014

Highlights - Environmental Performance

KEY PERFORMANCE INDICATOR	UNITS	ENVIRONMENTAL PERFORMANCE					
		QUARTER			YEAR TO DATE		
		Q3 FY14	Q4 FY14	% Var	FY14	FY13	% Var
Energy consumption	GJ/tonne milled	0.40	0.41	3	0.40 ▲	0.41	2
Carbon emissions	CO2 emitted/ Tonne milled	0.061	0.062	2	0.061▲	0.062	2
Fresh Water consumption	KL/tonne	1.00	1.08	8	1.08 ▲	1.23	12
Water recycled	%	49	43	12	38.1	26.5	44
Rehabilitation	Loose cubic metres (LCMs)	100,670	105,317	5	393,445	374,865	5

Key Desirable variance - ■ Green; Undesirable variance - ■ Red. ▲ *The number has been independently assured.*

Notes
Energy consumption – Increased for the quarter due to low production at Bimha mine.
Carbon emission – Due to improved energy efficiency and increased production.
Freshwater consumption – Seasonal for the quarter and more recycling in FY14.
Water recycled – More recycling due to installation of filtration plant thus allowing more recycling at Ngezi Concentrator.

Sustainability Matters (continued)

ENVIRONMENTAL CHALLENGES AND SUCCESSES

SUCCESSES	CHALLENGES	OBJECTIVES FY2015
• ISO 14001 Environment Management System re-certification in November 2013. • Processing Division won the Association of Mine Managers of Zimbabwe SHE audits for smelters and refineries. • Implementation of energy efficiency programmes resulting in improvement in energy efficiency by 2% from previous year. • Reduction in carbon emissions by 2% from previous year. • Reduction in freshwater consumption per tonne by 12% compared to the previous year. • Increase in recycled water by 44% compared to the previous year. • Ngezi open pit rehabilitation programme 5% above plan.	• Sulphur dioxide emissions from smelter operations. • High environment levies prescribed under Zimbabwean legislation. • Delays by environmental regulatory authority in issuing licences applied for. • Limited opportunities for recycling and reuse e.g. trackless mining machinery tyres and waste paper.	• Implement the sulphur abatement programme with a target to conduct a BFS study by FY2015. • Continue with the lobbying for the review of stringent environmental regulations through the Chamber of Mines. • Engage Environmental Management Agency on delays in permit issuance. • Continue with the investigations of options for the disposal of trackless mining equipment. • Implement the water conservation strategy. • Implement energy efficiency programmes.

Sustainability Matters (continued)

LEGISLATION AND COMPLIANCE

Legislative developments FY2014

The Radiation Protection (Naturally Occurring Radioactive Material-NORM) Regulations of 2013: SI99 of 2013; were gazetted in terms of Section 22 of the Radiation Protection Act (Chapter 15:15) during FY2014. The key provision of this regulation is that it sets limits for surface contamination, exposure to individuals and the public to NORM and radon levels. Zimplats engaged South Africa Nuclear Energy Corporation (NECSA) to conduct a radiological survey on its operations. The radiological report showed that exposures to NORM were within the regulatory limits and best practices. Zimplats is engaging the Radiation Protection Authority of Zimbabwe (RPAZ) with a view to seek exemption from NORM regulatory control as provided for in the regulations.

The other gazetted regulation is the Parks and Wildlife Management Authority By laws of 2014 (S.I 45 of 2014) replacing the Parks and Wildlife Management Authority By-Laws of 2013 (S.I 5 of 2013). However; there were no changes with respect to environmental provisions applicable to mining in the new regulations compared to the old regulations.

Environmental Authorizations

The environmental permits pertaining to pollution prevention and control issued under the various regulations in Zimbabwean have one year validity; thus requiring renewal annually. In light of this; Zimplats applied for the renewal of four Environmental Impact Assessment (EIA) certificates and two Environmental Management Plans (EMP) certificates. Applications for the renewal of expired permits were made for radiation sources, air emissions, effluent discharge points, solid waste sites and hazardous substances storage sites. The Environmental Management Agency (EMA) is currently being engaged to issue the remaining licences.

Sustainability Matters (continued)

In addition to the above; Zimplats submitted an application for the renewal of the Ngezi weir agreement to the Sanyati catchment in the last quarter of the year. The new permit applied for will replace the current Ngezi weir agreement with an allocation of 3,000 Mega Litres (ML) of raw water per year for a period of 10 years (October 2004 to September 2014) as stipulated in the Memorandum of Agreement (MoU) with the Zimbabwe National Water Authority (ZINWA). Likewise; an application for the issuance of the Chitsuwa dam water storage permit was submitted to the Sanyati catchment in the last quarter of the year. A final permit with a 20 year validity period will replace the existing provisional water storage permit.

Environmental Inspections

Environmental Management Agency

The Environmental Management Agency conducted three (3) inspections during the year. The purpose of the inspections was to measure the level of compliance to the permit conditions, determine the level of compliance to the Environmental Management Act (EMA) and the various environmental regulations in force and assess the extent to which Zimplats is complying with the Environmental Impacts Assessments (EIA) provisions set out in the EIA certificates. Zimplats was generally compliant to regulatory expectations from the environmental authorities.

Radiation Protection Authority of Zimbabwe

An official from the International Atomic Energy Agency (IAEA) and 15 senior officials from the RPAZ toured SMC operations during the year under review. The purpose of the visit was to identify potential sources for NORM exposure. The IAEA official commented that Zimplats mining and processing operations do not enhance the natural background levels of NORM. Two other visits by RPAZ inspectors were for the purpose of auditing radiation sources and physical inventory listing and inspection. The operation was generally compliant to the RPAZ authority expectations.

Sustainability Matters (continued)

ENVIRONMENTAL MANAGEMENT SYSTEM

Zimplats was issued with a new ISO14001 certificate valid from March 2014 to March 2017, replacing the certification to ISO14001 Environmental Management System (EMS) which expired in March 2014. This followed the DQS audit that was conducted in November 2013 when Zimplats was recommended for re-certification. In addition, an independent third party sustainability assurance audit was conducted by Integrated Reporting Assurance Services (IRAS) consultants.

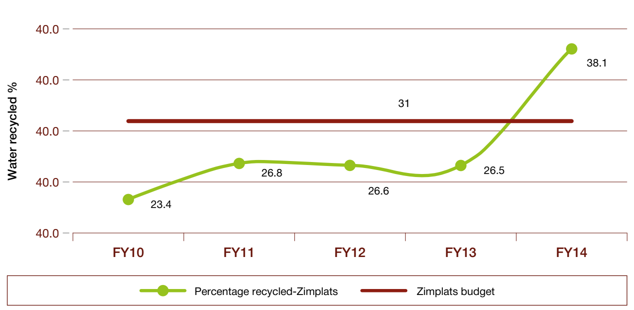
External environmental audits are conducted at Zimplats to promote continual improvement and strategic management of environmental risks. The material environmental aspects/risks for Zimplats include; sulphur and carbon emissions, energy and water resources use, land disturbance and compliance to legislation. Zimplats has set objectives to address these impacts. The Key Performance Indicators are as follows;

Water management

Objective: Promote effective water management through the Water Conservation Strategy.

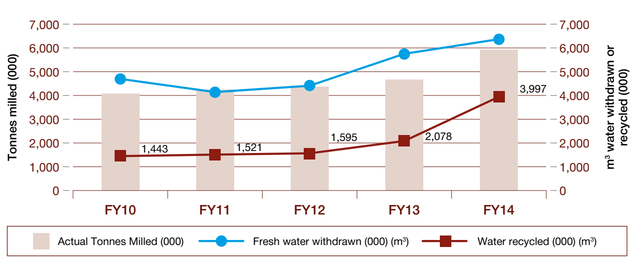
As shown in the Figure below, overall water recycling stood at 38% compared to 27% achieved in FY2013. Water recycling level of 38% achieved in FY2014 is above the Zimplats budget of 31% and the level of industrial water recycling in Australia which stood at 33% in 2012 (Water Education Corporation, 2012).

Zimplats Water Recycling FY10 - FY14



Fresh water consumption in FY2014 was 11% higher than in FY2013 in absolute terms. The graph below shows that the increase in fresh water withdrawn over the years is in line with the increase in production. However; fresh water consumption per tonne milled (1.08 kilolitres/tonnes milled) for FY2014 was 12% better than for FY2013 (1.23 kilolitres per tonnes milled). This is mainly attributed to more water recycling from the return water dams in FY14.

Freshwater withdrawn FY10 - FY14



The table below shows the ground water and surface water sources and associated abstraction rates for FY2014. Water consumption FY 2014

WATER CONSUMPTION FY 2014

KPI	UNIT	FY2014	FY2013	FY2012	FY2011
Water from dams	Kilo litres	4,947,160	4,400,768	4,094,674	3,886,968
Ground water (Underground mine + boreholes)	Kilo litres	1,442,195	1,374,447	313,071	265,986
Water Withdrawn	Kilo litres	6,389,355▲	5,775,215	4,407,745	4,152,954
Water Internally recycled	Kilo litres	3,996,533	2,078,294	1,595,078	1,521,130
Total Water consumption	Kilo litres	10,385,888	7,853,509	6,002,823	5,674,084
Ore milled	Tonnes	5,939,277	4,683,135	4,392,730	4,222,565

▲ *The number has been independently assured.*

Sustainability Matters (continued)

Air quality management

Objective: Monitor sulphur dioxide emissions and investigate opportunities for sulphur dioxide abatement.

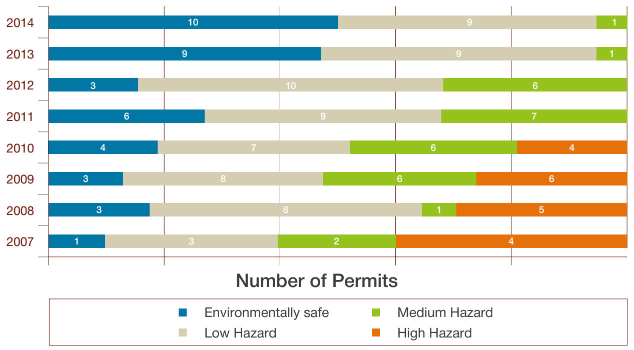
Sulphur dioxide emissions increased by 116% in FY2014 compared to FY2013. This is attributed to the recalibration of the Zimplats XRF to give accurate sulphur analysis in view of the SO2 management drive and of confirmatory sulphur in concentrates analysis from Mintex, SGS and Impala laboratories thus giving higher values. In an effort to further reduce the sulphur dioxide emissions to recommended levels, the acid plant route was selected as the best abatement option.

Effluent management

Objective: To reduce ground and surface water pollution.

A total of 19 out of 20 effluent discharge points were in the blue and green permit bands issued by the Environmental Management Agency during the year under review as shown in the figure below. The Zimbabwean legislation classifies waste and effluent quality into bands with blue and green permits representing effluent with low environmental impact whilst yellow and red signify effluent with medium and high environmental impact respectively. The business case for this improvement in permit classification includes legal compliance, reputational impact and reduced permit costs. Other effluent management activities implemented in the year include the harnessing of underground water for irrigating lawns at SMC and completion of Phase 3 of the Ngezi Landfill Lining Project.

Zimplats Effluent Permit trends 2007 - 2014



LAND STEWARDSHIP

Objective: Continue with the rehabilitation of the Ngezi open pit and tailings dams.

The Ngezi Open pit rehabilitation programme was implemented in FY2014 as per plan. The volume of waste material moved from the waste dumps to the pits was 3% better than budget whilst costs were 32% better than budget for FY2014. A total of 1,382,891 loose cubic metres (LCMs) have been moved against a budget of 1,326,746 LCMs thus reflecting 4% progress above plan. Project to date costs were 36% within plan. Rehabilitation work from FY2011 up to FY2014 reached the 55% mark to completion as shown in the pie chart below. A total of 1,117,109 LCMs equivalent to 45% of the total project work will be moved to complete the rehabilitation of the open pits by FY17.

Open Pit Rehabilitation Progress

Work done FY11	7%
Work done FY12	17%
Work done FY13	15%
Work done FY14	16%
Work Remaining	45%

Furthermore, all new surfaces of the tailings dams were re-vegetated during the year under review with 3.18ha having been re-vegetated at the Ngezi and SMC tailings dams.

REHABILITATION UPDATE 5 YEAR PERIOD

ISSUE	FY14	FY13	FY12	FY11	FY10
Disturbed areas rehabilitated (ha)	1.5	4	5	0	0
Rehabilitation current costs (US$)	808,197	639,414	914,584	282,211	16,856

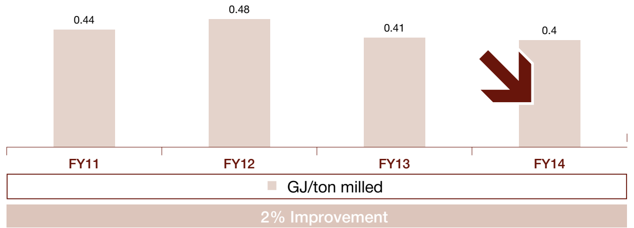
Sustainability Matters (continued)

CLIMATE CHANGE & ENERGY EFFICIENCY

Objective: Reduce energy consumption and carbon emissions by 2% from FY2013 baseline through the implementation of energy efficiency initiatives.

Direct energy consumption for FY2014 was 0.11▲ Giga joules per tonne (GJ/tonne) compared to 0.13 GJ/tonne the previous year (15% less energy consumed per tonne milled in FY2014 compared to FY13). Indirect energy consumption was 0.29▲ GJ/tonne in FY2014 compared to 0.28 GJ/tonne the previous year (4% more energy per tonne milled in FY2014 compared to the previous year). The total energy consumption for FY2014 was 0.40 Giga joules per tonne (GJ/tonne) compared to 0.41 GJ/tonne the previous year (2% less energy consumed per tonne milled in FY2014 compared to FY13). The slight improvement in energy efficiency is attributed to the implementation of initiatives such as the installation of energy saving lamps, awareness on energy conservation and improved monitoring as well as review of energy use.

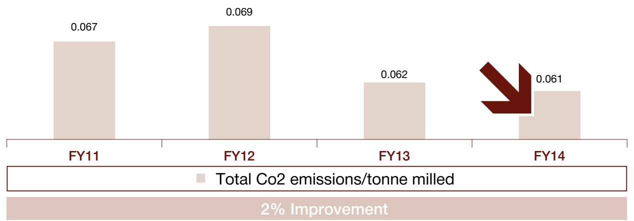
Total Energy Consumption (Direct and Indirect Energy)



Zimplats' carbon footprint includes scope 1, 2 and 3 carbon emissions. Scope 1 emissions are direct emissions from the use of fuel and coal, whilst scope 2 emissions are indirect emissions from purchased electricity. Scope 3 emissions result from indirect emissions from business travel. Direct carbon emissions for FY14 amounted to 49525▲ tonnes of CO2 in absolute terms compared to 43862 tonnes the previous year. Relative direct carbon emissions for FY14 amounted to 0.008 tonnes of CO2/tonne milled compared to 0.009 tonnes of CO2/tonne milled the previous year.

Indirect carbon emissions for FY14 amounted to 312 356▲ tonnes of CO2 in absolute terms compared to 244 327 tonnes the previous year. Relative indirect carbon emissions for FY14 and FY13 both amounted to 0.05 tonnes of CO2/tonne milled. Total carbon emissions for FY14 amounted to 361 881▲ tonnes of CO2 in absolute terms compared to 288 189 tonnes the previous year. Relative total carbon emissions for FY14 were 0.061 tonnes of CO2/tonne milled compared to 0.062 in the previous year and this is attributed to the implementation of energy efficiency programmes and increased production.

Total Carbon Emissions



Note: An emission factor of 0.66 tonnes of carbon dioxide per megawatt (CO2/MWh) has been adopted in the calculation of indirect emissions from electricity use. Figures from FY11 have been adjusted to ensure comparison. This new emission factor has been derived from International Energy Agency report of 2012.

MATERIALS CONSUMPTION

Diesel consumption for FY2014 was 2% more than the consumption in FY2013 in absolute terms. The increase in diesel consumption in FY2014 compared to FY2013 is attributed to the increase in mining production also associated with the increase in diesel underground fleets. However; overall efficiency in diesel consumption for the same period was 19% better and this is attributed to the increase in tonnes milled coupled with an increase in ore transportation by conveyor systems. Petrol consumption in FY2014 was 23% lower than the consumption in FY2013 mainly due to the scaling down of project activities. On the other hand; coal consumption in FY2014 was 47% more than in FY2013 mainly due to an increase in production at the Smelter (a 36% increase in tonnes of concentrates smelted).

MATERIAL CONSUMPTION STATISTICS

MATERIAL	UNIT OF MEASURE	FY2014	FY2013	FY2012	FY2011
Diesel	litre	12,010,548▲	11,731,857	13,628,102	9,850,533
Petrol	litre	250,183▲	326,645	330,456	291,789
Coal	ton	7,442▲	5,051	7,270	6,304
Tonnes ore milled	Million Ton	5.939277	4.683135	4.392730	4.222565

▲ *The number has been independently assured.*

Sustainability Matters (continued)

SOCIAL PERFORMANCE

HUMAN RESOURCES

The company enjoyed excellent industrial relations throughout the year emanating from a proactive approach of continuous engagement at all levels. The Company's Works Councils were fully functional and proved to be an effective pillar in the employee engagement process.

Skills retention performance was good, with overall staff turnover at 3.5%, an improvement on the previous year's 4%.

The skills development programmes enabled the Company to adequately resource the Phase 2 development project without any major challenges. The focus for the new financial year will be the enhancement of skills and competences in the various areas of the business. The resourcing of tertiary institutions remains below par and as such the Company played its role in capacitating some tertiary institutions so as to ensure continuous development and supply of key mining skills.

Headcount increased by 12% from prior year to close the year at 3,268▲ employees. The increase in headcount was due to the recruitment of skills for Phase 2. Female employees constituted 7% of the total workforce. Contractor employees were low at 2,749▲; of these 61% were opex contractors and 39% were capex contractors.

▲ *The number has been independently assured.*

ISSUE	HEADCOUNT JUNE 2014
Mining Operations	2 274
Mining Projects	229
Processing	545
Engineering	4
Human Resources	52
Group SHEQ	7
Human Resources Development	27
Commercial	83
ICT	16
Head Office	31
Total Zimplats Employees	3 268
Opex Contractors	1 678
Mining Capex Contractors	1 071
Total Contractors	2 749
Total Labour	6 017▲

Sustainability Matters (continued)

Employees by Location

Head Office	31
SMC	669
Ngezi	2 568
Total	3 268

Employee Groups

National Employment Council (NEC) members	3 007
Non NEC members	261
Total	3 268

Employees by Gender

Female	215
Male	3 053
Total	3 268

Contractors are defined as non-permanent employees who are contracted directly by the Company for a fixed term and/or those employees working for third parties that have been contracted by the Company for specific projects.

ENHANCING EMPLOYEE WELLNESS

Strategic objective 2014

RESOURCES AND PROGRAMMES

To realign the Wellness programme so as to cover emerging risk of Non Communicable Diseases (NCDs) over and above the existing thrust on HIV, AIDS and STIs.

1 To bring the real risk of NCDs to the fore throughout the organisation.
2 To include the surrounding communities in the thrust against NCDs.

Achievements

1. Managed to raise the risk profile of NCDs and put in place a monthly monitoring system at all levels.
2. Company Doctors now being seconded to Turf clinic to help manage health risks in the community.
3. Successfully lobbied for a private pharmacy to open at Turf shopping centre to improve access to drugs by the community.

Occupational Health Surveillance

The level of compliance to red tickets remains satisfactory with increased contractor compliance to surveillance programs. There were no cases of pneumoconiosis during the same period.

OCCUPATION HEALTH PERFORMANCE

Occupational health risks

Noise Induced Hearing Loss (NIHL)

Zimplats recorded 11 cases of Percentage Loss Hearing (PLH) this year compared to two in FY13. Of the 11▲ cases; two have a potential for compensation under the National Social Security Authority (NSSA) Workers Compensation Insurance Fund (WCIF). All employees exposed to noise levels above 85dBA have been issued with customised hearing protection for maximum noise attenuation and new employees shall be issued on engagement.

Respiratory Protection

Employees from workshops and laboratories who use respirators received intensive training on the use and care of respirators and a total of 214 employees were trained on proper use of respirators.

Biological Monitoring

Monitoring of employees and contractors exposed to lead was done and this year petrol pump attendants were enrolled into the programme and their results have been within acceptable levels.

A specialist Occupational Hygienist has been engaged to carry out base line air lead levels in the two laboratories in the first quarter of FY2015.

Radiation Monitoring

Employees exposed to radiation are monitored and all readings obtained, during the period under review the readings were below the threshold levels and therefore radiation exposure risk is low.

TUBERCULOSIS

Of all the cases diagnosed there was one relapse of a contractor at the Processing Division. Active case finding in high risk groups continued. We continue monitoring through DOTS to avoid resistance. The district reported a few cases of Multi drug resistant strains this year.

Sustainability Matters (continued)

NEW PULMONARY TB CASES TREATED

Operation	FY2014	FY2013	FY2012	FY2011	FY2010
Mining	7	2	5	4	8
Processing	1	0	1	1	3
Other	0	0	0	0	0
Total	8▲	2	6	5	11

▲ *The number has been independently assured.*

Malaria

Vector studies were conducted at Turf and Chitsuwa to determine the risk of malaria transmission in the two areas. The results showed a low transmission risk. It is pleasing to note that the current programmes of larviciding and Indoor Residual Spraying are adequate to keep the risk of transmission at almost zero. However, additional measures such as the use of mosquito nets in company villages will be adopted to further reduce the risk.

A total of 13 rapid test positive malaria cases were recorded in FY2014 and all were from the mining division. Of these, 2 were employees while the rest were contractors who all admitted to having visited malaria endemic areas prior to the illness.

This further confirms the success of the current malaria control initiatives.

HIV and AIDS

The main thrust of the HIV and AIDS programme was to integrate these programmes with NCD prevention and mitigation. To this end the year has seen rebranding of our Peer educators to Wellness Champions. A total of 44 SMC employees underwent one week retraining by PSI. Mining division community had 42 members trained by the same organization. This retraining will help spread the message on both NCDs and HIV and AIDS issues among the employees and dependants.

The Company witnessed a rise in the number of new ART initiations during the FY2014. This was mainly due to the adoption of the new WHO guidelines which now recommend starting Anti Retroviral Treatment at CD4 levels of 500. There were 8 ART terminations for various reasons one of whom was retired as a result of failing health. No AIDS related deaths were recorded during the year under review.

STI cases remain high in the mining division and the company has stepped up health education and free condom provision at all strategic points. Several awareness campaigns were held at the mining division and within the community.

ZIMPLATS ART PROGRAMME

NUMBER OF PATIENTS ON ART

Operation	FY2014	FY2013	FY2012	FY2011	FY2010
Mining	108	91	98	92	68
Process	28	28	31	35	21
Total	136	119	129	127	89

NEW PATIENTS ON ART

Operation	FY2014	FY2013	FY2012	FY2011	FY2010
Mining	25	11	19	31	24
Process	0	0	8	4	0
Total	25	11	27	35	24

A significant rise in Voluntary Counselling and Testing uptake in FY2014 compared to FY2013. The outreach programme attracted a total of 805 employees while the rest were done at the two clinics. The rise could be attributed to the education campaigns by our wellness champions as well as sensitization programmes prior to the VCT.

VCT UPTAKE

Operation	FY2014	FY2013	FY2012	FY2011	FY2010
Mining	1 778	1 233	2 213	635	131
Process	371	155	520	99	73
Total	2 149	1 388	2 733	734	204

WELLNESS PROGRAMME

Operation	FY2014	FY2013	FY2012	FY2011	FY2010
Mining	116	106	31	145	47
Process	29	29	98	24	21
Total	145	135	129	169	68

The Company has witnessed an increased focus on NCDs with a number of wellness talks conducted. Employees are getting more information on other health issues besides HIV and AIDS through their Wellness Champions in their respective departments.

Sustainability Matters (continued)

Employee Welfare

The first phase of the employee Home Ownership Scheme was completed with 680 core houses having been allocated to employees. The second phase will be in FY16. Out of the 261 company houses planned for FY14, 201 units were completed and handed over to employees and the remainder of the units will be completed in the first quarter of FY15. Also during the period under review the Company commissioned some recreational facilities at Ngezi i.e. a community hall and a club house in an attempt to make the location more attractive to skilled personnel.

As part of the indigenisation thrust, work on the Employee Share Ownership Trust (ESOT) is still in progress.

FUTURE FOCUS

As previously stated, in the medium term, the Company's people strategy will remain guided by the five (5) strategic pillars; leadership development, talent management, communication, systems effectiveness and cultural change.

In the new financial year focus will also be on the following areas:

(a) Skills retention

The Company has performed satisfactorily on skills retention. The target is to remain in the upper quartile of the market. The Company will continue to benchmark itself against the major players in the mining industry in order to remain competitive on the labour market.

(b) Skills development

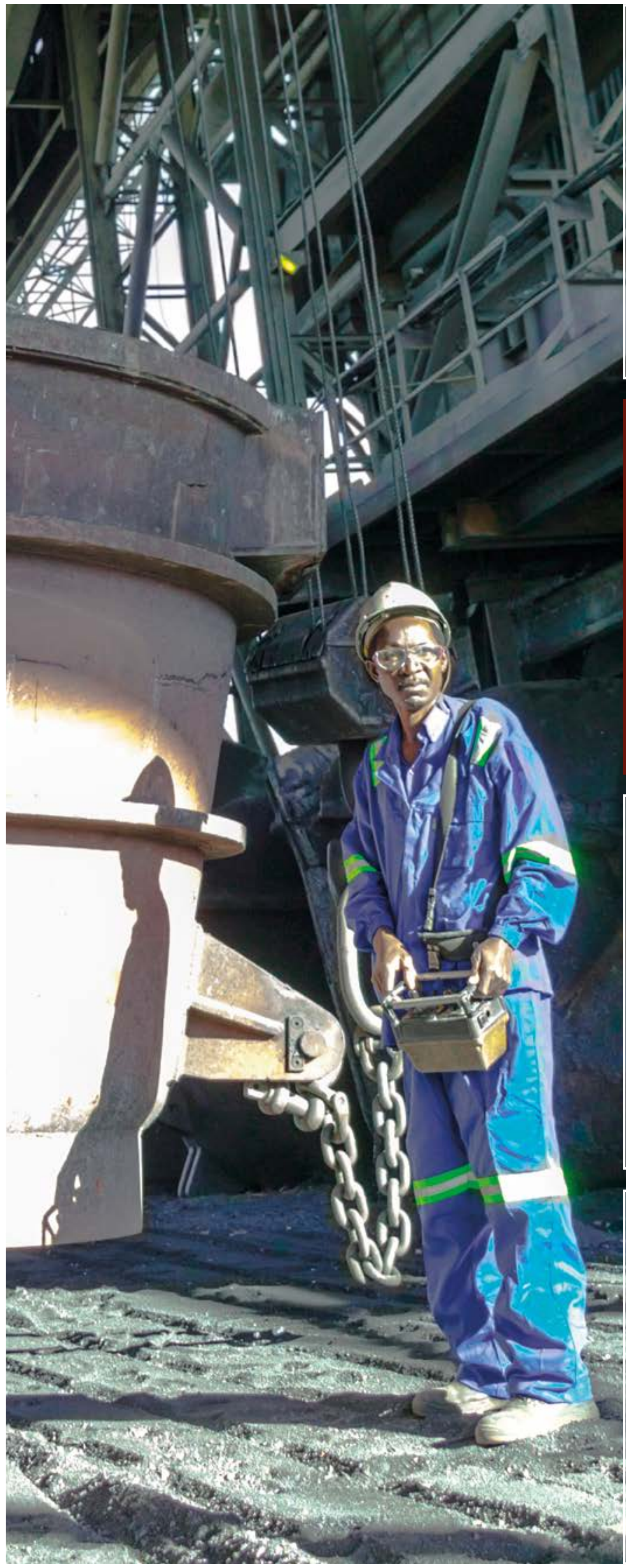
As the national capacity to develop adequate skills both in terms of quality and quantum remains suppressed, the strategy to grow skills internally will continue so as to ensure self-sufficiency. The focus will be to enhance the competencies in the critical skills areas of the business as well as training of the required skills for the BMR.

(c) Labour headcount and cost control

Labour is the biggest single cost contributor to operational costs. The thrust will be stringent headcount management and streamlining labour costs in order for the Company to maintain its cost leadership position. The strategy will also include outsourcing non-core activities, automation and multiskilling/multi-tasking.

(d) Organisational cultural transformation

The Company successfully launched its new values during the year under review. The focus will now be on embedding these new values.



Corporate Governance Report

The King III Report on Corporate Governance applicable to South African companies requires those entities to comply with the King III recommendations with effect from March 2010.

Implats holds 87% of the Company's issued shares. As a foreign subsidiary of a South African company, King III requires that Zimplats considers and, where practicable, implements the recommendations made in the report with an 'apply or explain' approach.

Where appropriate, non-compliance has been disclosed and explained in this report. Essentially the King III recommendations place additional responsibilities on the Board, management and stakeholders as well as expanding the extent of disclosures in the Integrated Report, giving greater credence to transparency.

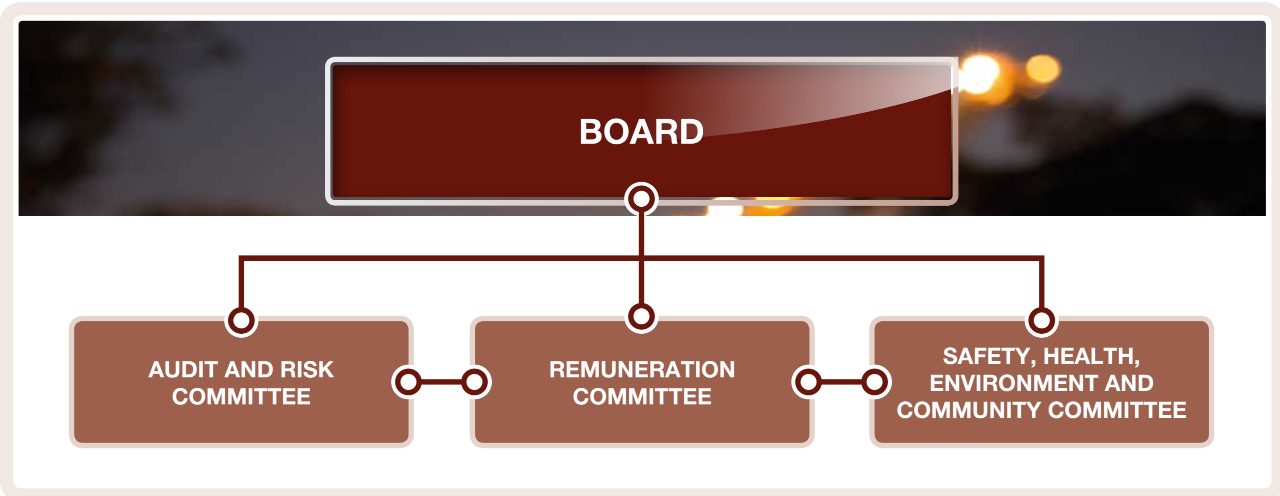
At each of its quarterly meetings, the Audit and Risk Committee reviews the status of those King III recommendations not yet closed off. During the course of the year a number of such recommendations were adopted and implemented.

Further, the Company has an obligation to comply with the requirements of the ASX Corporate Governance Principles and Recommendations, 2nd Edition.

Wherever practicable and appropriate – and considering the nature and scale of operations - the Company will consider and, if deemed appropriate, adopt the governance and compliance policies of the controlling shareholder, with suitable modifications.

BOARD OF DIRECTORS

The Board of Directors is cognizant of the important role that corporate governance plays in the delivery of sustainable growth, and fully supports the highest levels of governance standards by ensuring that solid and sustainable governance processes and structures are in place.



The Board is committed to the principles of openness, integrity and accountability in dealing with all stakeholders. In this regard, the Board believes that for the full duration of the year under review the Company's policies and practices have complied in all material respects with corporate governance 'best practice', including the King III principles and the ASX Corporate Governance Principles and Recommendations, 2nd Edition, save for as otherwise herein stated.

Non-executive Directors are paid a cash fee only and they do not receive any equity based remuneration, bonus payments or retirement benefits.

The Board fully recognises its responsibilities for setting the Company's strategic direction - providing the leadership to put this into effect, supervising the management of the business and reporting to the shareholders on its stewardship.

Corporate Governance Report (continued)

The Board meets, either in person or by conference call, at least six times a year. Apart from the four quarterly board meetings, a strategy planning session is held annually with the executive management team and a separate meeting is devoted to reviewing the annual budget and business plan. One third of the Board retires by rotation at the Annual General Meeting of the Company, and members may put themselves forward for re-election.

The responsibilities of the Board are defined in a Board Charter, which defines the rights, obligations, responsibilities and powers of the board. A board approval framework is in place, which identifies materiality thresholds on matters delegated by the Board to board committees and senior executives, in addition to those matters reserved for the Board. The framework is subject to annual review by the Board.

In order for the Board of Directors to discharge its responsibilities in setting strategic direction and providing leadership, the Board has established the following committees:

- Audit and Risk Committee
- Remuneration Committee
- Safety, Health, Environment & Community (SHEC) Committee

The Chairman of each of these committees is encouraged to attend the Annual General Meeting to answer questions from shareholders, and report on proceedings at quarterly board meetings.

These committees operate under Board approved terms of reference which are reviewed by the Board annually and which have been amended to take into account the requirements of King III, and which set out the role, responsibilities, scope of authority, composition and procedures for reporting to the Board.

The Board considered appointing a Nominations Committee to help ensure that the effectiveness and composition of the Board and its committees are regularly reviewed, meet sound governance dictates and comprise the requisite mix of skills. With an 87% controlling shareholding, Board nominations are the prerogative of Implats, which itself has a rigorous nominations procedure to which Zimplats nominees are subjected. Therefore, the Board considers it unnecessary to form a separate committee.

From a corporate perspective, Implats has the right to nominate a majority of directors. It is for this reason that the Company does not meet the requirements of either King III or Recommendation 2.1 of the ASX Corporate Governance Principles and Recommendations, which stipulate that the majority of directors are independent. Details of Board Members appear on page 30.

The Board which served throughout the financial year under review was made up as follows:

	IMPALA NOMINEES	INDEPENDENT	NON-EXECUTIVE	EXECUTIVE
M A Masunda		✓	✓	
B Berlin	✓		✓	
T P Goodlace	✓		✓	
M J Houston		✓	✓	
S M Mangoma				✓
A Mhembere				✓
K D K Mokhele	✓		✓	
L J Paton		✓	✓	
A H Sangqu	✓		✓	
R G Still		✓	✓	
N P S Zhou		✓	✓	
Totals	4/11	5/11	9/11	2/11

Corporate Governance Report (continued)

The Deputy Chairman, Mr. M A Masunda, has been Acting Chairman since 30 June 2012. Mr. A Mhembere is an executive director and the Chief Executive Officer, with the roles of the Chairman and Chief Executive Officer being distinctly separate.

In April 2014 Mr. A H Sangqu, the major shareholder's Group Executive: Sustainability and Risk, was appointed a non-executive director of the Company.

As reported earlier in this Integrated Report, Mr M J Houston resigned as a Director on 15 August 2014.

Messrs. Masunda, Paton, Still and Zhou are considered to be independent as they -

- are not substantial shareholders in the Company,
- have not been employed by the Group within the last three years,
- have not had a material contractual relationship within the Group, either directly or indirectly, other than as a Director,
- are not material suppliers or customers within the Group or officers of or otherwise associated with a material supplier or customer.

Attendance at Board Meetings during the year under review, including conference call meetings, is detailed below:

ATTENDEE	ATTENDED	AUG 13	NOV 13	FEB 14	MAY 14
M A Masunda	4/4	✓	✓	✓	✓
B Berlin	4/4	✓	✓	✓	✓
T P Goodlace	4/4	✓	✓	✓	✓
M J Houston*	3/4	✓	✓	A	✓
S M Mangoma	4/4	✓	✓	✓	✓
A Mhembere	4/4	✓	✓	✓	✓
K D K Mokhele	3/4	A	✓	✓	✓
L J Paton	4/4	✓	✓	✓	✓
A H Sangqu**	1/1	N/A	N/A	N/A	✓
R G Still	4/4	✓	✓	✓	✓
N P S Zhou	4/4	✓	✓	✓	✓

A = Apology
N/A = Not applicable; had not been appointed a Director
*** Appointed on 1 April 2014   * Resigned on 15 August 2014*

During the year, a process of board and retiring director performance evaluations was carried out with the assistance of an external service provider, PricewaterhouseCoopers. The results of the evaluations were tabled at a Board meeting where areas of concern were highlighted and corrective measures proposed.

The evaluation cycle adopted is every two years as opposed to annually as recommended by King III as the Board considers that the extended period between evaluations will allow for a more reasonable assessment of performance. In view of the sensitive nature of the process, the results of the evaluations will not be disclosed in the Integrated Report.

BOARD COMMITTEES

AUDIT AND RISK COMMITTEE

The Board considers that a separate Risk Committee would not add value and that the risk overview function is adequately addressed by having expanded the terms of reference of the Audit Committee to encompass matters of risk. The Committee operates in accordance with formal terms of reference that have been reviewed for King III compliance and that are annually reviewed and approved by the Board. The terms of reference are posted on the Company's website.

Corporate Governance Report (continued)

The Audit and Risk Committee assists the Board in fulfilling its corporate governance and oversight responsibilities by reviewing and making recommendations on the following:

- The financial, business risk and information technology reporting processes and governance.
- The risk management systems, both financial and non-financial.
- The systems and adequacy of internal controls and safeguarding of the Company assets.
- Monitoring the integrity of the financial statements, integrated report and sustainability report.
- The internal and external audit process.
- Recommending the appointment of both the external and internal auditors and approving their remuneration and terms of engagement, monitoring their independence, objectivity and effectiveness.
- Regulating the use of external auditors for non-audit duties.
- The Company's process for monitoring compliance with relevant laws and regulations.

The Committee is satisfied that it has adequately discharged its responsibilities in the past financial year.

The combined assurance model is now well embedded throughout the business. The process and reporting thereon is under the direction of the internal auditors. The model assists in facilitating, integrating and aligning the various assurance processes in the Company to maximise risk and governance oversight and control efficiencies which in turn increases the overall level of assurance to the Audit and Risk Committee.

The Committee has the authority to conduct or authorise investigations into any matters within its scope of responsibilities.

The Audit and Risk Committee presently comprises three members, two of whom are independent non-executive directors and one of whom is the Implats Executive Director: Finance. This is contrary to the King III recommendation that all members are independent and arises from the controlling interest of the majority shareholder.

The Board appoints Committee Members and the Chairman of the Audit and Risk Committee from amongst the Directors. The Board considers that members are suitably qualified to perform their roles and that members bring a sufficient mix of appropriate experience and skills to the Committee to enable it to satisfactorily carry out its function.

Details of members and their qualifications are reported on page 30.

The Chairman of this Committee is an independent non-executive director who is considered to have the appropriate qualifications and expertise to effectively carry out this role. The Audit and Risk Committee meets four times a year; attendance during the year under review was as follows:

ATTENDEE	CAPACITY	ATTENDED	AUG 13	NOV 13	FEB 14	MAY 14
N P S Zhou	Independent	4/4	✓	✓	✓	✓
B Berlin	Implats nominee	3/4	✓	✓	✓	A
M A Masunda	Independent	3/4	✓	✓	A	✓

A = Apology

REMUNERATION COMMITTEE

This Committee consists of three members, all of whom are independent non-executive directors of the Company. This is in accordance with the King III recommendation that the majority of members are independent non-executive directors. The Committee operates in accordance with formal terms of reference that has been reviewed for King III compliance and that is annually reviewed and approved by the Board.

Corporate Governance Report (continued)

The Chairman of the Board and the Chief Executive Officer are standing invitees to all meetings, except when their own remuneration is under consideration. The Committee assists the Board by reviewing and making recommendations in the following main areas:

- Establishing performance objectives for Executive Directors.
- Benchmark remuneration practices against both local and international best practice.
- Review of performance and remuneration of Executive Directors and Senior Management.
- Ensure the effectiveness of the succession planning and talent management process.
- Making recommendations to assist Management to achieve established objectives.
- Making recommendations to the Board on fees for Non-executive Directors.

With an 87% controlling interest and representation on the Committee, the majority shareholder in effect approves the remuneration policy of the Company and the remuneration of Executive Directors, as recommended by King III.

The Committee meets four times a year; attendance was as follows:

ATTENDEE	CAPACITY	ATTENDED	AUG 13	NOV 13	FEB 14	MAY 14
M J Houston	Independent	3/4	✓	✓	A	✓
L J Paton	Independent	4/4	✓	✓	✓	✓
R G Still	Independent	4/4	✓	✓	✓	✓

A = Apology

SAFETY, HEALTH, ENVIRONMENT & COMMUNITY (SHEC) COMMITTEE

The role of this Board-appointed Committee is to monitor and review the various pillars of sustainability: safety, health, community and environmental performance and standards. The Committee operates in accordance with a mandate that has been reviewed for King III compliance and approved by the Board.

The Committee gives support, advice and guidance on the effectiveness of Management's efforts on SHEC matters. The primary function of the Committee is to:

- Review the adequacy and appropriateness of the SHEC systems, codes of practice, policies and procedures of the Company.
- Monitor SHEC performance against predetermined goals, standards and international norms.
- Monitor the SHEC management function and recommend improvements when considered necessary.
- Institute investigations into matters where inadequacies are identified.

The SHEC Committee consists of four members, two of whom are independent and three of whom are Non-executive Directors. Dr. J C Andrews is a member of the operating subsidiary's board and Group Executive responsible for SHEC matters for the majority shareholder. Members of Executive Management are standing invitees.

The Committee meets four times a year. Attendance at meetings during the year was as follows:

ATTENDEE	CAPACITY	ATTENDED	AUG 13	NOV 13	FEB 14	MAY 14
L J Paton	Independent	4/4	✓	✓	✓	✓
Dr J C Andrews	Implats Nominee	4/4	✓	✓	✓	✓
T P Goodlace	Implats Nominee	4/4	✓	✓	✓	✓
N P S Zhou	Independent	4/4	✓	✓	✓	✓

Corporate Governance Report (continued)

KEY MANAGEMENT COMMITTEES

EXECUTIVE COMMITTEE (EXCO)

Responsibility for implementing Board policy and for overseeing the day-to-day management of the Company vests in EXCO whose membership consists of:

- Alexander Mhembere: Chief Executive Officer
- Stewart Mangoma: Chief Finance Officer
- Stanley Segula: Chief Operating Officer
- Robson Nyabadza: Chief Technical Officer
- Takawira Maswiswi: General Manager – Human Resources
- Sibusisiwe Chindove: Head of Corporate Affairs
- Andrew du Toit: General Manager – New Business Development
- Lysias Chiwozva: Risk and Strategy Manager
- Vaughan Langley: Company Secretary (retired 31 March 2014)
- Garikai Bera: Legal Counsel and Company Secretary (from 1 April 2014)

Reporting into EXCO are a number of other committees that are responsible for various aspects of the business, specifically growth, operations, people, finance and treasury.

The responsible member of EXCO chairs each of these committees, with membership drawn from appropriate executives and senior managers.

Project Steering Committee

This Committee has been established in order to ensure that all technical and commercial aspects of the planned expansions are subject to a high degree of scrutiny and review, so as to ensure the feasibility of proposed expansions.

This includes ensuring that all aspects of proposed expansions are subject to a full independent third party review.

The committee is chaired by the Chief Technical Officer. A senior executive of Implats responsible for project planning and implementation is a member of this Committee. Representatives from Zimplats, and also from Implats, as required, sit on this Committee and review ongoing progress in respect of all matters relating to expansion projects.

The Committee meets regularly as required by the progress of the various aspects.

Capital Steering Committee

The principal role of this Committee is to consider and assess, for approval or recommendation to the Board, all applications for both growth and stay-in-business capital expenditure.

The Committee operates within an approval framework and is mandated to approve expenditure to certain limits beyond which Board approval is required.

The Chief Technical Officer is chairman of the committee. Membership comprises executives from a variety of disciplines and an Implats representative is also a member.

Corporate Governance Report (continued)

Procurement Committee

The Procurement Committee operates to terms of reference and is tasked with implementing procurement best practice and company policy on identified and approved procurement objectives.

The Committee is responsible for adjudicating and awarding procurement contracts and tenders, with all contracts awarded in excess of US$1 million being reported at Board level.

The Committee is chaired by the Chief Finance Officer with two Zimplats executives and one Implats executive as members.

REMUNERATION REPORT

The philosophy of Zimplats is that it does not discriminate on the basis of race, religion, sex or disability and is committed to providing equal opportunities, safe working conditions and attractive remuneration to staff.

Policies on employment have been developed to suit prevailing conditions.

The Company endeavours to attract and retain talented and suitably qualified and experienced staff through performance-based reward systems that operate throughout the organisation, including an incentive scheme that is directly linked to key performance fundamentals for the Company.

The Company is an equal opportunity employer but does have a target of achieving a workforce complement of 10% women with representation across all levels, including the Board where currently one member (10%) is a woman. Currently the Company employs 217 women (2013: 196) and continues to work towards achieving the stated target.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive Directors are paid a cash fee only and they do not receive any equity based remuneration, bonus payments or retirement benefits.

The current approved annual aggregate limit of fees that can be paid to Non-executive Directors is US$600 000 which was approved by shareholders in 2012.

The non-executive Directors' annual board fees for the Group as a whole for the year were set at:

BOARD FEE	2014	2013
	US$	US$
Chairman	81 000	81 000
Deputy Chairman	55 600	55 600
Directors	40 500	40 500

Committee fees are payable based on attendance and for the year to 30 June 2014 were:

COMMITTEE FEE	AUDIT AND RISK	REMUNERATION AND SHEC
	US$	US$
Chairman	22 116	20 224
Member	11 552	11 028

Corporate Governance Report (continued)

Corporate Governance Report (continued)

Board fees are not based on attendance. In the opinion of the Board, the high level of interaction and consultation required on a continuous basis is such that regular and frequent application of thought to Company matters is required.

Total fees paid during the year of US$451 360 (2013: US$438 000) are within the limit approved by shareholders in 2012.

Non-executive Directors' remuneration for the Group for the year was split as follows:

TOTAL REMUNERATION	2014	2013
	US$	US$
Board Fees	343 440	319 000
Audit and Risk Committee Fees	39 444	41 000
SHEC Committee Fees	31 252	36 000
Remuneration Committee Fees	37 224	42 000
Total	**451 360**	**438 000**

EXECUTIVE AND SENIOR MANAGEMENT REMUNERATION

It is the remuneration policy of the Group that Executive Directors and Senior Managers receive an annual base salary with superannuation equal to 10% of that base. In addition, a housing loan scheme and a vehicle purchase scheme are in place, both of which are governed by carefully managed rules. Educational allowances are paid to predetermined levels, and full use of a company vehicle is provided, as is medical aid cover for the executives and their immediate families.

In addition and subject to the attainment of specific 'on target' performance goals, a performance incentive bonus is provided for each manager amounting to a maximum of 50% of annual basic salary in the case of the Executive Directors and E Band Managers and 40% in the case of D Band Managers.

Depending on the level of seniority, the constituent parts of the bonus incorporate a relative weighting for corporate targets, production and cost targets, safety performance and individual key performance measures. The performance of Senior Executives and managers was evaluated in accordance with the rules of the scheme during the course of the year.

Corporate Governance Report (continued)

The Board has considered carefully the requirements of King III and Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations 2nd Edition in relation to the disclosure of remuneration for specific persons, and believes that it is neither appropriate nor in the best interests of Zimplats and its shareholders to fully adopt this recommendation.

The retention of skills and the risk of a loss thereof remains a real threat for Zimplats. Accordingly the Board is not willing to disclose details of remuneration and associated benefits paid to individuals on the executive team.

The Board believes that the remuneration paid to Board Members and Executives is fair and reasonable, given Zimplats' market capitalisation and the remuneration required to be paid to attract and retain key personnel in Zimbabwe. The Company does, however, make the following aggregate disclosure with respect to the remuneration of Executive Directors and key management personnel, a total of 23 people (2013: 19):

	2014	2013
	US$000	US$000
Executive Directors and Senior Executives	9 121	8 706

LONG-TERM INCENTIVES

It is essential to retain critical skills over the longer term and to motivate and incentivise employees in a way that also aligns the interest of senior managers with those of shareholders, which is principally done through long-term incentive plans.

In view of the limited free-float availability of Zimplats' shares on the ASX, the Board considers it inappropriate that Executive Directors and Senior Managers should be incentivised with such shares, and has instead introduced a scheme whereby they are incentivised on the basis of the allocation of shares and notional shares in the ultimate majority shareholder.

It was reported in 2012 that the long term incentive Share Appreciation Reward Scheme (SARS) was under review as it is not related to specific performance conditions. To comply with King III corporate governance principles and remuneration best practice, the current SARS is now being phased out in favour of a new Long-Term Incentive Plan (LTIP).

Share Appreciation Reward Scheme (SARS)

The SARS is a cash-settled share appreciation rights plan that confers the conditional right on a participant to be paid a cash bonus equal to the appreciation in the share price from the date of allocation to the date of surrender of the notional share. Participants receive once-off allocations under the scheme, expressed as a multiple of their salary which is topped-up as awards vest. The rights vest in equal tranches from year two through to year five and lapse ten years after the grant date.

Long-Term Incentive Plan (LTIP)

The LTIP was introduced in 2013, and comprises both a Conditional Share Plan (CSP) and a Share Appreciation Rights Plan (SAR). In terms of the SAR, conditional rights will be awarded to participants to receive shares in Implats calculated with reference to the increase in the share price from the award date until the date on which the SAR is exercised by the participants. A three-year vesting period will apply, during which time the participants will have no rights in respect of the underlying shares. Vesting will be conditional on continued employment and a prescribed level of corporate performance. The participants will only be entitled to exercise the SARs subsequent to and to the extent that vesting has taken place. Participants will only become shareholders following the exercise of the SARs.

In terms of the CSP, fully paid shares are awarded free of charge to the participants at the end of a three-year vesting period. On the date of award, participants are only granted conditional rights to acquire these shares at a future date, and will only become shareholders with dividend and voting rights from vesting onwards. For the shares to vest participants must remain employed by the Company and for certain participants vesting of the shares will be subject to the achievement of defined Implats performance vesting conditions over the performance period.

The LTIP complies with the requirements of King III and emerging remuneration best practice in relation to share – based incentives.

Corporate Governance Report (continued)

RISK MANAGEMENT

The Company has adopted a policy on Risk Management which ensures an integrated approach to the management of risk in order that it becomes embedded in all business activities, and is more fully explained at page 56 of the report.

A risk-based approach is applied as an integral part of strategic and operational planning, including that of projects. Operationally, line managers take full responsibility for the processes and all risks under their control. The risk management processes and systems are in line with internationally recognised best practice, and are able to assess all internal and external forms of business risk. During the year the board reviewed and approved the risk tolerance and appetite levels related to strategic issues.

The Board is ultimately responsible for risk management and regularly reviews the strategic risks and assesses the effectiveness of Management's application of risk management. Risk is a standard agenda item on Board and Management meetings, with the Board and Audit and Risk Committee routinely appraised of the inherent risks and state of risk-management controls.

The Board sub-committees, external specialists and the internal and external audit functions assist the Board in providing independent assurance on the effectiveness of the management controls that are in place.

To this end the outsourced internal audit function is responsible for reporting to the Audit and Risk Committee on the combined assurance model. This model seeks to integrate and coordinate the various assurance processes that exist within the Company and provides a higher level of independent assurance to the Board on matters of compliance and risk management.

From an internal control perspective, all accounting and administrative control systems are designed to provide reasonable assurance that the Group's accounting records accurately reflect that all transactions are executed and recorded in accordance with sound business practices, that assets are safeguarded and that protection is provided against serious risk of error or loss in a cost-effective manner.

A delegated authority approval framework is in place, which enables employees to operate and act within clearly defined and communicated parameters.

Conventional insurance policies sufficient for the size and nature of the Group business provide additional cover and protection.

Whilst under continuous review and improvement, the Board is satisfied that the risk management and compliance processes that are in place are adequate to address the known risks and issues faced by the Group.

The Risk Management Policy is available on the Company's website.

SUSTAINABLE REPORTING

A detailed report on stakeholder engagement and non-financial performance indicators has been included in this report.

CODE OF ETHICS

Zimplats is committed to the highest ethical standards in all its dealings with all stakeholders and to this end has adopted a code of ethics with a zero tolerance stance on corruption, to which all directors, employees and suppliers are expected to adhere.

On joining the Company, all managers are required to sign a copy of the code of ethics and fraud policy. The policies provide clear guidance on business and personal conduct, conflicts of interest, the prevention of the dissemination of Company information, the acceptance of donations and gifts and the protection of the intellectual property and patents of the Company. Group policy prohibits political donations either directly or indirectly. The policy provides a channel through which breaches of the code can be dealt with without fear of victimization, and outlines the disciplinary action (including dismissal or prosecution) that will be taken on the event of any contravention.

Executive and line management are responsible and accountable for the implementation of the code of ethics, fraud policy and resultant procedures.

Corporate Governance Report (continued)

In order to further promote ethical behaviour and assure confidentiality, the Company subscribes to an independent and anonymous "whistleblower" programme administered by Deloitte and monitored by internal audit. Internal security systems provide a further avenue of information relating to ethical behaviour.

A number of allegations were reported during the year. In line with the fraud policy all reported allegations are fully investigated and, for tracking purposes, a register is maintained. 40 allegations were reported and investigated during the current year with 20 cases confirmed as relating to fraudulent activity.

An analysis of reports follows:

	2014	2013
Number of reports received	40	69
Number of employee dismissals	9	38
Number of rewards paid out	18	33
Total value of rewards paid out	US$5 400	US$9 700

The Company's code of ethics is available on the Company's website.

DEALINGS IN SECURITIES

The Company observes a closed period, from the end of the relevant accounting period to the announcement of the interim or year-end results, as the case may be, during which neither Directors nor officers may deal, either directly or indirectly, in the shares of the Company or its listed majority shareholder. Outside of any closed periods, the prior written approval of the Chief Executive Officer is required in order to deal in the said shares.
The securities trading policy is available on both the Company's website and on the Company's ASX page.

CONTINUOUS DISCLOSURE AND COMMUNICATIONS

As guided by the Company's Communication Policy, shareholders, investors, analysts, the media, the market and employees are kept fully and timeously informed of all developments in the Company through a variety of means, including:

- Engaging pro-actively and constructively with various stakeholders including shareholders, government bodies, labour organisations and non-governmental organisations, including briefings and the hosting of visits to the Company's operations. Company's website, of all material matters concerning the Group. The Chief Finance Officer has primary responsibility for ensuring that the Company complies with its disclosure obligations in terms of the Listing Rules.

- Designating authorised spokespersons within the Company as the only employees who may communicate with the media or other external parties, in relation to matters subject to the Continuous Disclosure Policy.

Audit and Risk Committee Report

INTRODUCTION

The Audit and Risk Committee presents its report for the financial year ended 30 June 2014.

The duties of the committee are delegated to it by the Board and the role of the Committee is governed by formal board approved terms of reference which are reviewed annually and which comply in all material respects with the King III Report on Governance and the ASX Corporate Governance Principles and Recommendations, 2nd Edition. Details of the membership, objectives and corporate governance practices of the committee can be found at page 90 and 91 of the integrated report.

ACTIVITIES

The committee has discharged all its responsibilities as contained in the terms of reference and is satisfied that it has fulfilled its obligations in respect of its areas of responsibility. Inter alia the following activities were performed in the year:

- Reviewed reports from both internal and external auditors concerning the effectiveness of the internal control environment, systems and processes.
- Reviewed the reports of both internal and external audit findings and their concerns arising out of their audits and requested appropriate responses from management. Where weaknesses in specific controls were identified, management undertook to implement appropriate corrective actions to mitigate the weakness identified.
- Considered the independence and objectivity of the external auditors and ensured that the scope of their additional services provided did not impair their independence.
- Reviewed and recommended for adoption by the board the financial information that is publicly disclosed, which included:
  - The integrated report of the year ended 30 June 2014.
  - The interim results for the six months ended 31 December 2013.
- Considered the performance and effectiveness of internal audit, reviewed the three-year operational strategic internal audit plan and monitored adherence of internal audit to its annual plan.
- In consultation with executive management, agreed to an audit fee for the 2014 financial year.
- Reviewed reports received through the 'whistle-blowing' system.
- Met with both the internal and external auditors where management was not present.
- Reviewed the performance of the external auditors and recommended for approval at the 2014 Annual General Meeting PricewaterhouseCoopers Chartered Accountants (Zimbabwe) as the external auditor for the 2015 financial year.
- Reviewed a documented assessment prepared by management on the going concern status of the Group, including the key assumptions, and accordingly made recommendations to the board.
- Reviewed the performance, appropriateness and expertise of the Chief Financial Officer and confirmed his suitability for the position.

Audit and Risk Committee Report (continued)

The board has delegated responsibility for obtaining assurance on the effectiveness of the Company's system of internal controls and risk management to the committee. This assurance has been obtained through a combination of independent ongoing reporting by the internal auditors, external auditors' reports and a peer review system that operates within the Company as the Business Management System (BMS). Further, the Company holds independent assurers certification for compliance with ISO14001, ISO9001:2008 and OHSAS18001:2007 in relation to safety and environmental matters respectively.

The Group has now embedded enterprise risk management into day-to-day activities and risks are now considered during strategy formulation and key decision making processes.

In respect of the internal audit function, the Committee has received written confirmation from the service provider of their fulfilment of the internal audit mandate during the year.

INTEGRATED REPORT

The Audit and Risk Committee has evaluated the integrated report incorporating the annual financial statements for the year ended 30 June 2014 and considers that it complies, in all material aspects, with the requirements of International Financial Reporting Standards (IFRS) and in the manner required by the Companies (Guernsey) Law, 2008.

The committee has considered the sustainability information as disclosed in the integrated report and has assessed its consistency with the operational and other information known to committee members and is satisfied that the information is reliable and consistent with the financial results. The Committee has also considered the external assurance providers report on sustainability and is satisfied that the information is reliable and consistent with the financial results

The committee has therefore recommended the annual financial statements as set out in the integrated report for approval to the Board which has subsequently approved the financial statements.

Based on the results of the formal documented review of the Company's system of internal financial controls which was performed by the internal audit function nothing had come to the attention of the audit and risk committee to indicate that the internal financial controls were not operating effectively.

The audit and risk committee has reported accordingly to the Board.

NPS Zhou
Chairman of the Audit and Risk Committee
28 August 2014

FINANCIAL REPORT

Administrative and other expenses for the year were 4% lower than the previous year mainly due to lower selling expenses as the previous year's selling expenses were affected by concentrate transported during furnace outages and the effect of the weaker South African Rand on services sourced from South Africa.

PROFIT BEFORE TAX

US$129 million

Profit before income tax for the year amounted to $129 million, 18% higher than the $109 million for the previous year. The tax charge for the year at $32 million was 23% lower than previous year.

REVENUE FOR THE YEAR

▲22%

Revenue for the year increased by 22% from $472 million to $576 million as a result of improved sales volumes due to increased production capacity after the commissioning of the Phase II concentrator.

OVERVIEW
PERFORMANCE REVIEW
FINANCIAL REPORT
SHAREHOLDER INFORMATION

Directors' Report

The directors have pleasure in presenting their report, together with the audited financial statements of Zimplats Holdings Limited (Zimplats) ("the Company) and its subsidiaries (together "the Group") for the year ended 30 June 2014.

PURPOSE OF THE COMPANY

Zimplats' main purpose is the production of platinum group metals from its reserves and resources on the Great Dyke in Zimbabwe. At present, the Company's mining activities are operated by Zimbabwe Platinum Mines (Private) Limited, a wholly owned subsidiary.

REPORTING CURRENCY AND ROUNDING OF AMOUNTS

The financial reports have been prepared in United States of America dollars (US$).

Zimplats is a company of a kind referred to in ASIC Class order 98/100 dated 10 July 1998. In accordance with that Class Order, amounts in the financial reports have been rounded off to the nearest thousand dollars, unless otherwise indicated.

CAPITAL

AUTHORISED SHARE CAPITAL

The authorised share capital of the Company remains unchanged since last year at 500 million ordinary shares of US$0.10 each.

ISSUED SHARE CAPITAL

The issued share capital of the Company remains unchanged at 107 637 649 shares.

UNISSUED SHARE CAPITAL

In terms of the Articles of Association of the Company, unissued shares are under the control of the directors subject to limitations imposed by the Companies (Guernsey) Law, 2008.

SHAREHOLDING IN THE COMPANY

The number of shares held by the majority shareholder was unchanged at 93 644 430 shares. Shareholder details are reported on at page 166.

EMPOWERMENT

Zimplats continues to support the Government of Zimbabwe in its endeavours to encourage indigenous Zimbabweans to acquire meaningful investments in major companies operating in key sectors of the economy.

Shareholders have been kept informed of ongoing discussions with the Government of Zimbabwe with regards to the Company's compliance with the Indigenisation and Economic Empowerment Regulations.

In March 2012, the Government of Zimbabwe accepted in principle the Company's indigenisation proposals towards achieving a 51% indigenous shareholding for transfer at fair value in the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited. This culminated in the parties jointly signing a non-binding term sheet in respect of an agreed Indigenisation Implementation Plan (IIP), details of which were notified to the market by way of an ASX Announcement on 11 January 2013.

The term sheet was subsequently not accepted by the Government and the Group continues to engage with the Government on the subject of indigenisation and how it can be implemented. Discussions on the IIP are still ongoing. Shareholders and other stakeholders will be kept updated of any significant progress.

LOSS OF GROUND

Government published a Preliminary General Notice 123 of 2013 in the Zimbabwe Government Gazette Extraordinary of 1 March 2013 advising of the intention to acquire compulsorily 27 948 hectares, or approximately half of the land held by the operating subsidiary. Zimplats lodged an objection to the notice on 27 March 2013 and no response has been received as yet.

Directors' Report (continued)

FINANCIAL AFFAIRS

The financial results for the year are set out on pages 109 to 163. The Company recorded satisfactory results against a background of deteriorating metal prices.

No dividend has been declared for the year in view of the pressure on cash and the need to conserve funds with metal prices forecast to remain at low levels.

The financial statements have been prepared using the appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The directors have a reasonable expectation that the Company has adequate resources to continue as a going concern in the foreseeable future. However in the current economic environment this expectation will need to be continuously reassessed to determine its reasonableness.

POST BALANCE SHEET EVENTS

Post year end, there was an acceleration of the deterioration of ground conditions associated with the Mutambara Shear at one of the four portals namely Bimha Mine. During July 2014, it was noted that there was increased pillar failure, footwall heaving and associated excavation closure. Investigations concluded that the conditions over a wide area (approximately 50% of Bimha Mine) were no longer safe for normal operations and a decision was made to temporarily close Bimha to ensure the safety of our employees. As a result of the safe withdrawal, no injuries or damage to mobile equipment was reported although utility installations remain exposed and are being damaged in the affected area.

At this stage, there is a possibility that the Group's overall production could be adversely affected by up to 70 000 platinum ounces as a result of closing Bimha Mine. Production from the other three mines is not expected to be affected and the ramp-up of Mupfuti Mine continues as planned. In addition two mining fleets from Bimha Mine have already been deployed to the other mines to mitigate production losses.

No material events have occurred since the date of these financial statements and the date of approval thereof, the knowledge of which would affect the ability of the user of these statements to make proper evaluations and decisions.

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION

The Chief Executive Officer and the Chief Finance Officer have made the following certification to the board on the basis that there is nothing that has come to their attention that would cause them to report otherwise:

- That the Group financial reports present a true and fair view, in all material respects, of the financial condition and operational results of the group and are in accordance with relevant accounting standards.
- That the Group has adopted an appropriate system of risk management and internal compliance and control which implements the policies adopted by the board and forms the basis of the statement given above.
- That the Group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

DIRECTORATE

COMPOSITION OF THE BOARD

The Deputy Chairman, Mr. M A Masunda, has been Acting Chairman since the resignation of Mr. D H Brown on 30 June 2012.

On 1 April 2014 Mr. A H Sangqu, the major shareholder's Group Executive: Sustainability and Risk, was appointed a non-executive director of the company.

Mr M J Houston resigned from the Board on 15 August 2014.

In terms of the Articles of Association of the Company, one third of the directors, excluding the Chief Executive Officer, will retire by rotation each year, and an appointment made during the year will be subject to shareholders confirmation and election.

The directors therefore retiring by rotation at the next Annual General Meeting are Messrs. L J Paton and R G Still. Having been appointed during the course of the year, Mr. A H Sangqu offers himself for election, and all the retiring directors, being eligible, offer themselves for re-election.

Directors' Report (continued)

DIRECTORS INTERESTS AND REMUNERATION

There are no shares or share options in the Company held by either non-executive or executive directors of Zimplats at the date of release of this report. None of the non-executive or executive directors had any interests in the shares of the Company's subsidiaries at any time during the year and up to the release of this report, nor did they have an interest in any significant contract with the Group during the year and up to the date of this report. In all the preceding instances the position is unchanged from that of the prior year.

Details of directors' remuneration are set out in the Remuneration Report on page 94.

INDEMNITY OF OFFICERS

The Company's Memorandum and Articles of Association includes indemnities in favour of persons who are or have been officers of the Company. To the extent permitted by law, Zimplats indemnifies every person who is or has been an officer against:

- Any liability to any person (other than Zimplats or related entities) incurred while acting in their official capacity and in good faith; and
- Costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters.

For this purpose, "officer" means any director or secretary of the Company or any of its controlled subsidiaries, and includes any other person who is concerned, or takes part in management of the Company, or is an employee of the Company or any controlled subsidiaries thereof.

The Company has given similar indemnities by Deed of Indemnity in favour of certain officers in respect of liabilities incurred by them whilst acting as an officer of the Company or any subsidiary of the Company.

No claims under the above mentioned indemnities have been made against Zimplats during or since the end of the financial year.

INSURANCE FOR OFFICERS

During and since the end of the financial year under review, Zimplats has paid premiums in respect of contracts insuring persons who are or have been officers of the Company against certain liabilities incurred in that capacity.

For this purpose, "officer" means any director or secretary of Zimplats or any of its controlled subsidiaries, and includes any other person who is concerned, or takes part in the management of Zimplats, or is an employee of Zimplats or any controlled subsidiaries thereof.

Under the above mentioned Deeds of Indemnity, Zimplats has undertaken to the relevant officer that it will insure them against certain liabilities incurred in their capacity as an officer.

AUDITORS

Messrs. PricewaterhouseCoopers Chartered Accountants (Zimbabwe) have indicated their willingness to continue as the Company's auditors. A resolution to authorize their re-appointment will be proposed at the forthcoming Annual General Meeting.

In line with best practice, the auditors to the Company are requested to attend the Annual General Meeting in order to be available to answer shareholder questions concerning the conduct of the audit and the preparation and content of the audit report.

ANNUAL GENERAL MEETING

The Annual General Meeting of the company will be held at The Protea Hotel Balalaika, 20 Maude Street, Sandown, Sandton, Johannesburg, South Africa, on Friday 17 October 2014 at 11:30am. Full details are given in the Notice of Meeting on page 168.

BY ORDER OF THE BOARD

The Directors' Statement of Responsibility

For the year ended 30 June 2014

The Company's directors are responsible for the preparation, integrity and objectivity of the financial statements, comprising the statement of financial position as at 30 June 2014, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies (Guernsey) Law 2008.

TO ENABLE THE DIRECTORS TO MEET THOSE RESPONSIBILITIES:

The Board and management set standards and management implements systems of internal control, accounting and information systems aimed at providing reasonable assurance that assets are safeguarded and the risk of error, fraud or loss is reduced in a cost effective manner, and make appropriate accounting estimates. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

The Group's internal audit function, which is outsourced and operates independently, appraises, evaluates and, when necessary, recommends improvements in the systems of internal control and accounting practices, based on audits carried out on various functions or aspects of the business.

The Audit and Risk Committee, together with the internal auditors, play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

Based on the results of a formal documented review of the system of internal controls and risk management, covering both the adequacy in design and effectiveness in implementation performed by the internal audit function during the year, the board of directors has considered:

- the information and explanations provided by line management;
- discussions held with the external auditors on the results of the year-end audit; and
- the assessment by the Audit and Risk Committee.

Nothing has come to the attention of the Board that caused it to believe that the Company's system of internal controls and risk management are not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The Board's opinion is underpinned by the Audit and Risk Committee's statement.

To their best knowledge and belief, based on the above, the directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the period under review.

The directors have reviewed the performance and financial position of the Group to the date of signing of these financial statements and the prospects, based on the budgets, and are satisfied that the Group is a going concern and therefore continue to adopt the going concern assumption in the preparation of these financial statements. However, the directors believe that under the current economic environment a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

It is the responsibility of the independent auditors to report on the financial statements. Their report to the members of the Group is set out on page 108.

APPROVAL OF FINANCIAL STATEMENTS

The directors' report and the financial statements were approved by the Board of Directors on 15 August 2014 and were signed by:

A Mhembere
Chief Executive Officer

S M Mangoma
Chief Finance Officer

28 August 2014

Independent Auditor's Report

pwc

TO THE SHAREHOLDERS OF ZIMPLATS HOLDINGS LIMITED

We have audited the consolidated financial statements of Zimplats Holdings Limited and its subsidiaries (the "Group"), and the separate financial statements of Zimplats Holdings Limited (the "Company") (together the "financial statements") which comprise the consolidated and separate statements of financial position as at 30 June 2014, and the consolidated and separate statements of comprehensive income, other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information set out on pages 109 to 163

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group and the Company as at 30 June 2014, and their performance and their cash flows for the year then ended, in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants (Zimbabwe)
Harare

28 August 2014

PricewaterhouseCoopers, Building No. 4, Arundel Office Park, Norfolk Road, Mount Pleasant
P O Box 453, Harare, Zimbabwe
T: +263 (4) 338362-8, F: +263 (4) 338395, www.pwc.com

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.

Statements of Financial Position

As at 30 June 2014

	Notes	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
ASSETS					
Non-current assets					
Property, plant and equipment	5	1 045 579	996 130	6 261	6 261
Investment in subsidiaries	6	—	—	113 438	113 213
Long term receivables	7	6 826	13 652	—	—
Prepayments	8	—	6 944	—	—
Inter-company receivables	9	—	—	46 959	47 415
Total non-current assets		1 052 405	1 016 726	166 658	166 889
Current assets					
Inventories	10	57 466	58 967	—	—
Trade and other receivables	11	203 211	150 788	—	—
Prepayments	8	24 481	16 741	—	—
Cash at bank and on hand	12	38 600	6 356	11 748	3 702
Total current assets		323 758	232 852	11 748	3 702
Total assets		1 376 163	1 249 578	178 406	170 591
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	13	10 763	10 763	10 763	10 763
Share premium	13	89 166	89 166	89 166	89 166
Accumulated profit		927 197	830 064	78 318	70 556
		1 027 126	929 993	178 247	170 485
Non-current liabilities					
Borrowings	14	75 000	105 000	—	—
Deferred taxation	15	121 846	104 875	—	—
Mine rehabilitation provision	16	13 661	15 575	—	—
Other liabilities	17	2 724	1 148	—	—
Total non-current liabilities		213 231	226 598	—	—
Current liabilities					
Borrowings	14	30 000	2 440	—	—
Trade and other payables	18	81 298	64 475	159	106
Current tax payable	19	22 785	20 409	—	—
Other liabilities	17	1 723	5 663	—	—
Total current liabilities		135 806	92 987	159	106
Total equity and liabilities		1 376 163	1 249 578	178 406	170 591

The notes on pages 113 to 163 form an integral part of these financial statements.

A Mhembere
Chief Executive Officer
28 August 2014

S M Mangoma
Chief Finance Officer

Statements of Comprehensive Income

For the year ended 30 June 2014

	Notes	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
Revenue	20	575 978	471 647	—	—
Cost of sales	21	(332 272)	(248 121)	—	—
Gross profit		243 706	223 526	—	—
Other (expenses)/income net	22	(27 064)	(19 102)	5 753	4 664
Other income		565	4 215	5 760	4 717
Other expenses		(27 629)	(23 317)	(7)	(53)
Administrative expenses	23	(43 775)	(54 431)	(964)	(1 400)
Royalty expense		(44 377)	(39 410)	—	—
Profit from operations		128 490	110 583	4 789	3 264
Net finance income/(expenses)	24	177	(1 497)	3 837	645
Finance cost		(1 461)	(2 973)	—	(56)
Finance income		1 638	1 476	3 837	701
Profit before income tax	25	128 667	109 086	8 626	3 909
Income tax expense	26	(31 534)	(40 832)	(864)	(707)
Profit for the year		97 133	68 254	7 762	3 202
Profit attributable to:					
Owners of the parent		97 133	68 254	7 762	3 202
Non controlling interest		—	—	—	—
Other comprehensive income:					
Items that will not be reclassified to profit or loss		—	—	—	—
Items that may be subsequently reclassified to profit or loss		—	—	—	—
Other comprehensive income for the year, net of tax		—	—	—	—
Total comprehensive income for the year		97 133	68 254	7 762	3 202
Basic earnings per share US$ (cents)	27	90.24	63.41		
Diluted earnings per share US$ (cents)	27	90.24	63.41		

The attached notes form an integral part of these financial statements.

Statements of Changes in Equity

For the year ended 30 June 2014

	Share capital US$000	Share premium US$000	Foreign currency translation reserve US$000	Acquisition equity reserve US$000	Revaluation reserve US$000	Accumulated profit US$000	Total US$000
GROUP							
Balance as at 1 July 2012	10 763	89 166	(18 219)	(10 045)	20 882	769 192	861 739
Transfer to accumulated profit	—	—	18 219	10 045	(20 882)	(7 382)	—
Total comprehensive income for the year	—	—	—	—	—	68 254	68 254
Profit for the year	—	—	—	—	—	68 254	68 254
Other comprehensive income for the year	—	—	—	—	—	—	—
Balance as at 30 June 2013	10 763	89 166	—	—	—	830 064	929 993
Total comprehensive income for the year	—	—	—	—	—	97 133	97 133
Profit for the year	—	—	—	—	—	97 133	97 133
Other comprehensive income for the year	—	—	—	—	—	—	—
Balance as at 30 June 2014	10 763	89 166	—	—	—	927 197	1 027 126
COMPANY							
Balance as at 1 July 2012	10 763	89 166	—	—	—	67 354	167 283
Total comprehensive income for the year	—	—	—	—	—	3 202	3 202
Profit for the year	—	—	—	—	—	3 202	3 202
Other comprehensive income for the year	—	—	—	—	—	—	—
Balance as at 30 June 2013	10 763	89 166	—	—	—	70 556	170 485
Total comprehensive income for the year	—	—	—	—	—	7 762	7 762
Profit for the year	—	—	—	—	—	7 762	7 762
Other comprehensive income for the year	—	—	—	—	—	—	—
Balance as at 30 June 2014	10 763	89 166	—	—	—	78 318	178 247

The attached notes form an integral part of these financial statements.

Statements of Cash Flows

For the year ended 30 June 2014

	Notes	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
Cash flows from operating activities					
Profit before income tax		128 667	109 086	8 626	3 909
Adjustments to profit before income tax	29	92 120	75 786	(3 830)	(592)
Cash from changes in working capital	29	(49 747)	(18 455)	53	1 076
Finance cost		(8 469)	(7 789)	—	(56)
Income tax and withholding tax paid	19	(16 162)	(35 035)	(864)	(707)
Net cash generated from operating activities		146 409	123 593	3 985	3 630
Cash flows from investing activities					
Purchase of property, plant and equipment	29	(110 184)	(156 715)	—	—
Proceeds from disposal of property, plant and equipment		239	317	—	—
Loan repayments from/(advanced to) subsidiary		—	—	3 617	(15 000)
Investment in subsidiaries		—	—	(225)	—
Finance income		291	130	676	701
Net cash (out)/in flows from investing activities		(109 654)	(156 268)	4 068	(14 299)
Cash flows from financing activities					
Finance lease liability repaid		(2 181)	(1 948)	—	—
Repayments of interest bearing borrowings		—	(30 000)	—	—
Proceeds of interest bearing borrowings		—	57 000	—	—
Net cash (out)/in flows from financing activities		(2 181)	25 052	—	—
Increase/(decrease) in cash and cash equivalents		34 574	(7 624)	8 053	(10 669)
Movement in cash and cash equivalents					
Cash and cash equivalents at beginning of the year		4 033	11 709	3 702	14 424
Exchange losses on cash and cash equivalents		(7)	(53)	(7)	(53)
Increase/(decrease) in cash and cash equivalents		34 574	(7 624)	8 053	(10 669)
Cash and cash equivalents at end of the year	12	38 600	4 033	11 748	3 702

The attached notes form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2014

1. GENERAL INFORMATION

Zimplats Holdings Limited is a public company domiciled in Guernsey, Channel Islands and is listed on the Australian Stock Exchange. The consolidated financial statements of the Group for the year ended 30 June 2014 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, ruthenium and osmium.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Group and Company financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Accounting policies that refer to 'Group', apply equally to the Company financial statements where relevant.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC) interpretations.

The consolidated financial statements have been prepared under the historical cost convention except for the following:

- Certain financial assets and financial liabilities that are measured at fair value; and
- Liabilities for cash-settled share-based payment arrangements are measured with a binomial option model

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management and the Board to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2.1.1 Changes in accounting policies and disclosures

New and amended standards and interpretations effective for the first time for 30 June 2014 year-end and relevant to the Group

Number	Effective date	Executive summary
Amendment to IFRS 7 Financial Instruments: Disclosures – Asset and Liability offsetting	1 January 2013	The International Auditing Standards Board (IASB) has published an amendment to IFRS 7, 'Financial instruments: Disclosures', reflecting the joint requirements with the FASB to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

New and amended standards and interpretations effective for the first time for 30 June 2014 year-end and relevant to the Group		
Number	**Effective date**	**Executive summary**
IAS 19, "Employee benefits"	1 January 2013	The IASB has issued an amendment to IAS 19, 'Employee benefits', which makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits.
IFRS 13 – Fair value measurement	1 January 2013	This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.
IAS 27 (revised 2011) – Separate financial statements	1 January 2013	This standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.
Amendments to IFRS 1, 'First time adoption of IFRS'	1 January 2013	The amendment clarifies that an entity may apply IFRS 1 more than once under certain circumstances.
		The amendment clarifies that an entity can choose to adopt IAS 23, 'Borrowing costs', either from its date of transition or from an earlier date.
		The consequential amendment (as a result of the amendment to IAS 1 discussed below) clarifies that a first-time adopter should provide the supporting notes for all statements presented.
Amendment to IAS 16, 'Property, plant and equipment'	1 January 2013	The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

New and amended standards and interpretations effective for the first time for 30 June 2014 year-end and relevant to the Group		
Number	**Effective date**	**Executive summary**
Amendment to IAS 32, 'Financial instruments: Presentation'	1 January 2013	The amendment clarifies the treatment of income tax relating to distributions and transaction costs. The amendment clarifies that the treatment is in accordance with IAS 12. So, income tax related to distributions is recognised in the income statement, and income tax related to the costs of equity transactions is recognised in equity.
IFRIC 20 - Stripping costs in the production phase of a surface mine	1 January 2013	In surface mining operations, entities may find it necessary to remove mine waste materials ('overburden') to gain access to mineral ore deposits. This waste removal activity is known as 'stripping'. The Interpretation clarifies there can be two benefits accruing to an entity from stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. The Interpretation considers when and how to account separately for these two benefits arising from the stripping activity, as well as how to measure these benefits both initially and subsequently.

New and amended standards and interpretations effective for the first time for 30 June 2014 year-end and not relevant to the Group		
Number	**Effective date**	**Executive summary**
Amendment to IAS 1, 'Presentation of financial statements'	1 January 2013	The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either: as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors'; or voluntarily.
Amendment to IAS 34, 'Interim financial reporting'	1 January 2013	The amendment brings IAS 34 into line with the requirements of IFRS 8, 'Operating segments'. A measure of total assets and liabilities is required for an operating segment in interim financial statements if such information is regularly provided to the CODM and there has been a material change in those measures since the last annual financial statements.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

New and amended standards and interpretations effective for the first time for 30 June 2014 year-end and not relevant to the Group

Number	Effective date	Executive summary
Amendment to the transition requirements in IFRS 10, 'Consolidated financial statements', IFRS 11, 'Joint Arrangements', and IFRS 12, 'Disclosure of interests in other entities'	1 January 2013	The amendment clarifies that the date of initial application is the first day of the annual period in which IFRS 10 is adopted - for example, 1 January 2013 for a calendar-year entity that adopts IFRS 10 in 2013. Entities adopting IFRS 10 should assess control at the date of initial application; the treatment of comparative figures depends on this assessment. The amendment also requires certain comparative disclosures under IFRS 12 upon transition.
IAS 28 (revised 2011) – Associates and joint ventures	1 January 2013	This standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.
IFRS 11 – Joint arrangements	1 January 2013	This standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.
IFRS 10 – Consolidated financial statements	1 January 2013	This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. This new standard might impact the entities that a group consolidates as its subsidiaries.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

New and amended standards and interpretations effective for the first time for 30 June 2014 year-end and not relevant to the Group

Number	Effective date	Executive summary
IFRS 12 – Disclosures of interests in other entities	1 January 2013	This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
Amendment to IFRS 1, 'First time adoption' on government loans	1 January 2013	This amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, which provides the same relief to first-time adopters granted to existing preparers of IFRS financial statements when the requirement was incorporated into IAS 20 in 2008.

New and amended standards and interpretations issued but not effective for 30 June 2014 year-end relevant but not early adopted by the Group

Number	Effective date	Executive summary
IFRS 9 – Financial Instruments (2009)	1 January 2018	This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value.
IFRS 9 – Financial Instruments (2010)	1 January 2018	The IASB has updated IFRS 9, 'Financial instruments' to include guidance on financial liabilities and derecognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and measurement', without change, except for financial liabilities that are designated at fair value through profit or loss.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

New and amended standards and interpretations issued but not effective for 30 June 2014 year-end relevant but not early adopted by the Group

Number	Effective date	Executive summary
Amendments to IFRS 9 – Financial Instruments (2011)	1 January 2018	The IASB has published an amendment to IFRS 9, 'Financial instruments',s that delays the effective date to annual periods beginning on or after 1 January 2015. The original effective date was for annual periods beginning on or after from 1 January 2013. This amendment is a result of the board extending its timeline for completing the remaining phases of its project to replace IAS 39 (for example, impairment and hedge accounting) beyond June 2011, as well as the delay in the insurance project. The amendment confirms the importance of allowing entities to apply the requirements of all the phases of the project to replace IAS 39 at the same time. The requirement to restate comparatives and the disclosures required on transition have also been modified.
Amendments to IAS 32 – Financial Instruments: Presentation	1 January 2014	The IASB has issued amendments to the application guidance in IAS 32, 'Financial instruments: Presentation', that clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. However, the clarified offsetting requirements for amounts presented in the statement of financial position continue to be different from US GAAP.
Amendment to IFRS 13, 'Fair value measurement'	1 July 2014	When IFRS 13 was published, paragraphs B5.4.12 of IFRS 9 and AG79 of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases.
IASB issues narrow-scope amendments to IAS 36, 'Impairment of assets'	1 January 2014	These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

New and amended standards and interpretations issued but not effective for 30 June 2014 year-end relevant but not early adopted by the Group

Number	Effective date	Executive summary
Amendment to IFRS 2, 'Share based payment'	1 July 2014	The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.
Amendment to IFRS 8, 'Operating segments'	1 July 2014	The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.
IFRS 15 – Revenue from contracts with customers	1 January 2017	Establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.
IFRIC 21 – Accounting for levies	1 January 2014	FRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses diversity in practice around when the liability to pay a levy is recognised.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

New and amended standards and interpretations issued but not effective for 30 June 2014 year-end and not relevant to the Group

Number	Effective date	Executive summary
IFRS 14	1 January 2016	The IASB has issued IFRS 14, 'Regulatory deferral accounts' ('IFRS 14'), an interim standard on the accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). Rate regulation is a framework where the price that an entity charges to its customers for goods and services is subject to oversight and/or approval by an authorised body.
Amendments to IFRS 10, consolidated financial statements', IFRS 12 and IAS 27 for investment entities	1 January 2014	The amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made in IFRS 12 to introduce disclosures that an investment entity needs to make.
Amendment to IAS 19 regarding defined benefit plan.	1 July 2014	These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
Amendment to IFRS 3, 'Business combinations'	1 July 2014	The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32, 'Financial instruments: Presentation'. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss. Consequential changes are also made to IFRS 9, IAS 37 and IAS 39.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

New and amended standards and interpretations issued but not effective for 30 June 2014 year-end and not relevant to the Group

Number	Effective date	Executive summary
Amendment to IAS 39 on novation of derivatives	1 January 2014	The IASB has amended IAS 39 to provide relief from discontinuing hedge accounting when novation of a hedging instrument to a CCP meets specified criteria. Similar relief will be included in IFRS 9, 'Financial Instruments'.
IAS 16, 'Property, plant and equipment', and IAS 38, 'Intangible assets'	1 July 2014	Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to the revalued amount. The split between gross carrying amount and accumulated depreciation is treated in one of the following ways: • either the gross carrying amount is restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses; or • the accumulated depreciation is eliminated against the gross.
IAS 24, 'Related party disclosures'	1 July 2014	The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity').

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

2.2 CONSOLIDATION

The consolidated financial statements include those of Zimplats Holdings Limited and its subsidiaries using uniform accounting policies.

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Accounting policy for investment in subsidiaries in separate financial statements of the Company

All investments in subsidiaries are carried at cost less accumulated impairment losses.

(c) Changes in ownership interests in subsidiary without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with owners in their capacity as owners. The difference between fair value of any consideration paid and relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

(d) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3 SEGMENT INFORMATION

An operating segment is a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- For which discrete financial information is available.

The Group operates within the mining industry. The activities of the Group are entirely related to the development and mining of platinum group metals in Zimbabwe.

The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, which is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Executive Committee, which makes strategic decisions.

2.4 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in United States of America dollars ('US$'), which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within "finance income or expense". All other foreign exchange gains and losses are presented in the statement of comprehensive income within other "expenses/income (net)".

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The present value of decommissioning cost, which is the dismantling and removal of the asset included in the environmental rehabilitation obligation, is included in the cost of the related assets and changes in the liability resulting from changes in the estimates are accounted for as follows:

- Any decrease in the liability reduces the cost of the asset. The decrease in the asset is limited to its carrying amount and any excess is accounted for in the statement of comprehensive income;
- Any increase in the liability increases the carrying amount of the asset. An increase to the cost of an asset is tested for impairment when there is an indication of impairment; and
- These assets are depreciated over their useful lives and are expensed in the statement of comprehensive income as a cost of production.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Assets are not depreciated while the residual value equals or exceeds the carrying value of the asset. Depreciation is calculated on the carrying amount less residual value of the assets or components of the assets where applicable. Depreciation methods and depreciation rates are applied consistently within each asset class except where significant individual assets have been identified which have different depreciation patterns. Residual values and useful lives are reviewed annually. The depreciation calculation is adjusted prospectively for changes in the residual value and useful lives.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other (loss)/gain – net', in the statement of comprehensive income.

Mining Claims

Mining claims not expensed are not depreciated until a claim is explored and a mine is operational. Depreciation is based on the units of production method. Mining claims are the right to extract minerals from a tract of public land.

Mining Assets

Individual mining assets are depreciated using the units-of-production method based on their respective estimated economically recoverable proved and probable mineral reserves, limited to the life of mine.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

Metallurgical Assets

Metallurgical assets are depreciated using the units-of-production method based on the expected estimated economically recoverable proved and probable mineral reserves to be concentrated or refined by that asset.

As at 30 June 2014, the life of mine was estimated as follows:

Mine	Estimated useful life
Rukodzi	6 years
Ngwarati	11 years
Bimha	22 years
Mupfuti	18 years
Ngezi Open Pit	3 years

Land and buildings

Assets in this category, excluding land which is not depreciated, are depreciated over the life of mine using the units-of-production method and the economically recoverable proved and probable mineral reserves.

Services assets

Services assets consist mainly of the Ngezi road, internal access roads and reticulation to staff housing, 330kV substation and sewage facilities. These assets provide services to the business as a whole, and are depreciated over the life of mine using the units-of-production method and the economically recoverable proved and probable mineral reserves.

Other assets

Other assets consist mainly of furniture and fittings, information technology equipment and vehicles. These assets are depreciated using the straight line method over the useful life of the asset as follows:

Asset type	Estimated useful life
Furniture fittings and office equipment	5 years
Information technology equipment	3 years
Vehicles (personally allocated company vehicles)	4 to 5 years

Mining exploration

Expenditure on mining exploration in new areas of interest is charged against income as incurred. Costs related to property acquisitions, surface and mineral rights are capitalised to mining assets and are recorded at cost less accumulated depreciation and impairment losses.

Assets under construction

Pre-production expenditure, including evaluation costs, incurred to establish or expand productive capacity, to support and maintain that productive capacity incurred on mines is capitalised to property, plant and equipment. The recognition of costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management.

Any net income earned while the item is not yet capable of operating as intended reduces the capitalised amount. Interest on borrowings, specifically to finance the establishment of mining assets, is capitalised during the construction phase.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

2.6 EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES

The Group expenses all exploration and evaluation expenditures until the directors conclude that a future economic benefit is more likely than not to be realised, i.e. probable. In evaluating if expenditures meet this criterion to be capitalised, the directors utilise several different sources of information depending on the level of exploration. While the criteria for concluding that expenditure should be capitalised are always the "probability" of future benefits, the information that the directors use to make that determination depends on the level of exploration.

- Exploration and evaluation expenditure on greenfield sites, being those where the Group does not have any mineral deposits which are already being mined or developed, is expensed as incurred until a final feasibility study has been completed, after which the expenditure is capitalised within development costs, if the final feasibility study demonstrates that future economic benefits are probable.
- Exploration and evaluation expenditure on brownfields sites, being those adjacent to mineral deposits which are already being mined or developed, is expensed as incurred until the directors are able to demonstrate that future economic benefits are probable through the completion of a prefeasibility study, after which the expenditure is capitalised as a mine development cost. A 'prefeasibility study' consists of a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating economic factors and the evaluation of other relevant factors.

The prefeasibility study, when combined with existing knowledge of the mineral property that is adjacent to mineral deposits that are already being mined or developed, allows the directors to conclude that it is more likely than not that the Group will obtain future economic benefit from the expenditures.

Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised as a mine development cost following the completion of an economic evaluation equivalent to a prefeasibility study. This economic evaluation is distinguished from a prefeasibility study in that some of the information that would normally be determined in a prefeasibility study is instead obtained from the existing mine or development. This information when combined with existing knowledge of the mineral property already being mined or developed allows the directors to conclude that more likely than not the Group will obtain future economic benefit from the expenditures.

Exploration and evaluation assets acquired in a business combination are initially recognised at fair value. Subsequently it is stated at cost less impairment losses. Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to assets under construction. No depreciation is charged during the exploration and evaluation phase.

For the purposes of assessing impairment, the exploration and evaluation assets subject to testing are grouped with existing cash-generating units of operating mines that are located in the same geographical region. Where the assets are not associated with a specific cash-generating unit, the recoverable amount is assessed using fair value less cost to sell for the specific exploration area.

One or more of the following facts and circumstances indicate need to test the exploration and evaluation assets for impairment;

- The period for which the Group has right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted for nor planned.
- Exploration for and evaluation of mineral resources in the specific are have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue the activities.
- Sufficient data exist to indicate that although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Care and maintenance

Projects that are transferred to care and maintenance are carried forward to the extent to which recoupment out of revenue following the return to production or sale of the mine is reasonably assured. Depreciation is provided in respect of properties in accordance with the policy.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to depreciation are tested for impairment, at least annually, on the same date and at the end of each reporting period when an indicator of impairment exists. Assets that are subject to depreciation are reviewed for impairment at the end of each reporting period whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets are considered to be impaired when the higher of the asset's fair value less cost to sell and its value-in-use is less than the carrying amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds the recoverable amount.

The recoverability of the long-term mining assets is based on estimates of future discounted cash flows. These estimates are subject to risks and uncertainties including future metal prices and exchange rates. It is therefore possible that changes can occur which may affect the recoverability of the mining assets. The recoverable amounts of non-mining assets are generally determined by reference to market values. Where the recoverable amount is less than the carrying amount, the impairment is charged against income to reduce the carrying amount to the recoverable amount of the asset. The revised carrying amounts are depreciated over the remaining lives of such affected assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.8 LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.9 FINANCIAL ASSETS

2.9.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise they are classified as non-current assets. At year end, the Group did not have any financial assets at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the reporting date which are classified as non-current assets. Loans and receivables include trade and other receivables, advances and cash and cash equivalents in the statement of financial position.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

2.9 FINANCIAL ASSETS (continued)

2.9.1 Classification (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting date. At year end, the Group did not have available-for-sale financial assets.

2.9.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the Group's right to receive payments is established.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of comprehensive income as part of other income. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

2.9.3 Impairment of financial assets

Assets carried at amortised cost

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.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying value of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that assets are impaired. If any such evidence exists 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 the separate consolidated income statement.

Impairment losses recognised in the separate consolidated income statement on equity instruments are not reversed through the separate consolidated income statement. If, in a subsequent period, the fair value of assets classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the separate consolidated income statement.

2.10 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.11 DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not use derivative financial instruments to manage its exposure to foreign exchange risk.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

2.12 INVENTORIES

Metal inventories (work in progress and finished goods)

Ore, concentrate and matte inventories are valued at the lower of cost (average cost of production) and estimated net realisable value. Quantities of in-process metals are based on latest available assays allocated to main products on a units produced basis.

Stores and materials

Stores and materials are stated at the lower of cost (on a weighted average basis) and net realisable value. The cost of stores and materials includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

2.13 TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected to be settled within one year or less, they are classified as current assets. If not they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment losses.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced by the impairment loss, and the amount of the loss is recognised in the statement of comprehensive income within operating costs.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating costs in the statement of comprehensive income.

2.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.15 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds. Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable to incremental transaction costs and the related income tax effects is included in equity attributable to the company's equity holders.

2.16 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of borrowings using the effective interest rate method.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

2.16.1 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such times are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.17 TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risk specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

2.18.1 Environmental rehabilitation obligations

These long term obligations result from environmental disturbances associated with the Group's mining operations. Estimates are determined by independent environmental specialists in accordance with environmental regulations.

Decommissioning costs

This cost will arise from rectifying damage caused before production commences. The net present value of future decommissioning cost estimates as at year-end is recognised and provided for in full in the financial statements. The estimates are reviewed annually to take into account the effects of changes in the estimates. Estimated cash flows have been adjusted to reflect risks and timing specific to the rehabilitation liability. Discount rates that reflect the time value of money are utilised in calculating the present value.

Changes in the measurement of the liability, apart from unwinding the discount, which is recognised in the income statement as a finance cost, are capitalised to property, plant and equipment.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

2.18.1 Environmental rehabilitation obligations (continued)

Rehabilitation costs

Restoration costs represent the cost of restoring site damage, caused after the start of production, incurred in the production of inventory. The present value of future rehabilitation cost estimated as at year end are recognised and provided for in full in the financial statements. The estimates are reviewed annually to take into account the effects of inflation and changes in estimates. Discount rates that reflect time value of money are utilised in calculating the present value. A change in the measurement of the liability, apart from unwinding the discount, is recognised in the statement of comprehensive income as a finance cost and is capitalised to the rehabilitation liability. Increases in this provision are charged to the income statement as a cost of production.

On-going rehabilitation costs

The cost of the on-going current programmes to prevent and control pollution is charged against income as incurred.

2.18.2 Employee benefits

Short-term employee benefits

Short - term benefits consist of salaries, accumulated leave payment, bonuses and any non-monetary benefits such as medical aid contributions.

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution retirement plans

The Group participates in defined contribution retirement plans for certain of its employees.

A defined contribution plan is a pension plan under which the Group pays fixed contribution into a separate entity. The Group has no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The pension plans are funded by payments from the employees and by the relevant group companies to independently managed funds and are governed by Zimbabwean law. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntarily redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Cash-settled share based payments

Long-term incentive plan – Share appreciation rights (LTIP – SAR)

Conditional rights are awarded to participants to receive shares in the ultimate majority shareholder. The number of shares awarded is calculated with reference to the increase in the share price from the award date until the date on which the share appreciation right ("SAR") is exercised by the participants. A three-year vesting period applies, during which time the participants have no rights in respect of the underlying shares. Vesting is conditional on continued employment and a prescribed level of corporate performance. The participants are only entitled to exercise the SARs subsequent to and to the extent that vesting has taken place. Participants become shareholders in the ultimate majority shareholder company following the exercise of the SARs. All unexercised SARs lapse after 6 years from date of allocation.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

The fair value, on grant date, of the employee services received in exchange for the grant of the SAR is recognised as an expense on a straight-line basis over the vesting period, with a corresponding increase in the share based compensation liability. The fair value is determined by using the binomial option valuation model and assumptions used to determine the fair value are detailed in note 4. At each reporting date, the total amount to be expensed is determined by the number of options that are expected to become exercisable, taking into account non-market vesting conditions.

Long-term incentive plan - Conditional share plan (LTIP - CSP)

Fully paid shares in the ultimate majority shareholder company are awarded free of charge to the participants at the end of a three-year vesting period. On the date of award, participants are only granted conditional rights to acquire these shares at a future date, and only become shareholders with rights from vesting onwards. There are two conditional share plans in effect. For the shares to vest in both instances participants must remain employed by the Company but, for certain of these shares, vesting of the shares are subject to the achievement of defined performance vesting conditions over the performance period.

Share appreciation rights (old scheme in run-off)

The Group allocates to executives and senior managers notional shares in the ultimate majority shareholder. These notional shares will confer the conditional right on a participant to be paid a cash bonus equal to the appreciation in the share price from the date of allocation to the date of vesting of the notional share. Notional shares vest after two years of allocation to a maximum of 25% of the allocation. In subsequent years an additional 25% becomes exercisable per year. All unexercised shares lapse after 10 years from date of allocation.

2.20 CURRENT AND DEFERRED INCOME TAX

The income tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax is realised or deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

2.20 CURRENT AND DEFERRED INCOME TAX (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.21 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable in respect of the sale of metals produced in the ordinary course of the Group's activities. Revenue, net of value added tax, returns, rebates and discounts is recognised when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below:

The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity.

Sale of goods – Matte

The Group sells white matte (a concentrate of metals) which primarily consists of platinum, palladium, rhodium, gold and nickel. All white matte is sold to one customer who is related to the Company-Impala Refining Services Limited (IRS) (fellow subsidiary) under the terms of a contract. Revenue from sale of white matte is recognised when white matte has been delivered to IRS where it is subject to further processing. Prices of the individual extracted minerals/metals are based on the market prices. Quantities of the metals contained in the white matte are obtained from the assay report results from both the Group and IRS and agreed by the two.

2.22 INTEREST INCOME

Interest income is recognised using the effective interest rate method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

2.23 DIVIDEND INCOME

Dividend income is recognised at the accrual date when the shareholders right to receive payment is established.

2.24 DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the board of directors and the shareholders.

2.25 EARNINGS PER SHARE

The Group presents basic and diluted earnings per share ('EPS') for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares during the year excluding ordinary shares purchased by the Group and held as treasury shares.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and then dividing by the weighted average number of outstanding shares during the year excluding ordinary shares purchased by the Group and held as treasury shares but taking into consideration, for the effects of all potential dilutive factors.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

2.26 ROYALTY

The Group recognises royalty as an expense in line with the provisions of the Zimbabwe Finance Act notwithstanding lower rates contained in the Mining Agreement. Royalty is determined by multiplying the stipulated percentage by the revenue generated by each metal. The royalty rates applicable in the year under review were as follows:

Metal	Royalty
Platinum	10%
Gold	7%
Other precious metals (palladium, rhodium, ruthenium, iridium and silver)	4%
Base metals (nickel, copper and cobalt)	2%

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including price risk, currency 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.

Risk management is carried out by the Audit and Risk Committee under the policies approved by the Board. The Audit and Risk Committee identifies and evaluates financial risks in close cooperation with management.

The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

3.1.1 Market risk

Price risk

The Group is exposed to equity securities price risk if it holds equity investments. These investments are classified on the statement of financial position either as available-for-sale or fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. The Group did not have any equity securities in the year under review (2013: nil).

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from entering into contracts with suppliers of goods and services mainly denominated in the South African Rand and Euro. The Group does not use forward exchange contracts to hedge its foreign currency risk. Currency risk as far as possible is managed by settling foreign denominated liabilities with foreign currency denominated liquid assets.

At 30 June 2014, if the currency had weakened/strengthened by 11% against the South African Rand (Rand) with all other variables held constant, post-tax profit for the year would have been $0.14 million (2013: $0.12 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Rand-denominated trade payables. Profit is more sensitive to movement in currency/Rand exchange rates in 2014 than 2013 because of the increased amount of Rand-denominated payables.

At 30 June 2014, if the currency had weakened/strengthened by 11% against the Euro with all other variables held constant, post-tax profit for the year would have been $0.03 million (2013: nil) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro-denominated trade payables. Profit is more sensitive to movement in currency/Euro exchange rates in 2014 than 2013 because of the increased amount of Euro-denominated payables.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

3.1.2 Credit risk

Financial assets which potentially subject the Group to concentrations of credit risk consist principally of cash and cash equivalents, trade and other receivables. The Group's cash and cash equivalents are placed with high credit quality financial institutions. The sole customer of the Group is Impala Refining Services Limited based in South Africa, which is a fellow wholly owned subsidiary of Impala Platinum Holdings Limited, the majority shareholder. Based on historic default rates and that there have been no impairments necessary (2013: nil) against trade receivables, the credit quality of the sole customer is considered to be sound. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in statement of financial position.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade receivables

	Group		Company	
Counterparties without external credit rating	2014 US$000	2013 US$000	2014 US$000	2013 US$000
Group 1	—	—	—	—
Group 2	167 697	140 826	—	—
Group 3	—	—	—	—
Unrated	—	—	—	—
Total unimpaired trade receivables	167 697	140 826	—	—

Group 1 – new customers/ related parties (less than 6 months).
Group 2 – existing customers/ related parties (more than 6 months) with no defaults in the past.
Group 3 – existing customers/ related parties (more than 6 months) with some defaults in the past. All defaults were fully recovered.

	Group		Company	
Cash at bank and short term deposits	2014 US$000	2013 US$000	2014 US$000	2013 US$000
BBB	14 515	4 705	11 748	3 702
AA-	24 044	1 628	—	—
Cash on hand	41	23	—	—
	38 600	6 356	11 748	3 702

External ratings for financial institutions are performed by Fitch and the Global Credit Rating Company, respectively. The Group assesses the quality of institutions it does business with. The Reserve Bank of Zimbabwe also monitors all financial institutions in the country.

Other financial assets

Credit risk relating to other financial assets consists of:

- Unsecured loan to the Reserve Bank of Zimbabwe with no fixed terms of repayment.
- Employee housing loans secured by a second bond over residential properties.
- Intercompany receivables issued by Zimplats Holdings Limited (the Company).

There is no credit risk associated with receivables from related parties and staff.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

3.1.3 Cash flow interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. All the Group's borrowings are at variable interest rates and are denominated in United States dollars. A treasury committee meets each month to discuss various issues including cash flow forecasts and projections, allocations of funds and other treasury related issues. The Board approves all loans, including the interest rate terms, which are benchmarked against either the London Inter-bank Offered Rate (LIBOR) or the Johannesburg Inter-bank Agreed Rate (JIBAR).

At 30 June 2014, if interest rates on currency-denominated borrowings had been 10 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been $0.11 million (2013: $0.11 million) lower/ higher.

3.1.4 Liquidity risk

The treasury committee meets every month to review cash flow forecast performed by the Finance Department. The Finance Department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities as well as ensure that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group has undrawn committed banking facility of US$24 million with Standard Bank of South Africa (2013: US$24 million).

The table below analyses the Group's non-derivative financial assets and liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows.

Group

At 30 June 2014	Less than 3 months US$000	Between 3 months & 1 year US$000	Between 1 & 2 years US$000	Between 2 & 5 years US$000	Over 5 years US$000	Total US$000
Liabilities						
Borrowings (excluding finance lease liabilities)	—	30 000	25 000	50 000	—	105 000
Trade and other payables (excluding statutory liabilities)	38 882	—	—	—	—	38 882
Total liabilities	38 882	30 000	25 000	50 000	—	143 882
Assets						
Trade receivables	163 760	3 937	—	—	—	167 697
Cash at bank and on hand	38 600	—	—	—	—	38 600
Other receivables (excluding prepayments and value added tax)	6 097	—	—	—	—	6 097
Total assets	208 457	3 937	—	—	—	212 394
Liquidity excess/(gap)	169 575	(26 063)	(25 000)	(50 000)	—	68 512
Cumulative liquidity excess/(gap)	169 575	143 512	118 512	68 512	68 512	

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

3.1.4 Liquidity risk (continued)

At 30 June 2013	Less than 3 months US$000	Between 3 months & 1 year US$000	Between 1 & 2 years US$000	Between 2 & 5 years US$000	Over 5 years US$000	Total US$000
Liabilities						
Borrowings (excluding finance lease liabilities)	—	—	30 000	75 000	—	105 000
Finance lease liabilities	—	117	—	—	—	117
Revolving debtor discounting facility	—	2 323	—	—	—	2 323
Trade and other payables (excluding statutory liabilities)	45 111	—	—	—	—	45 111
Total liabilities	**45 111**	**2 440**	**30 000**	**75 000**	**—**	**152 551**
Assets						
Trade receivables	136 558	4,269	—	—	—	140 827
Cash at bank and on hand	6 356	—	—	—	—	6 356
Other receivables (excluding prepayments and value added tax)	3 751	—	—	—	—	3 751
Total assets	**146 665**	**4 269**	**—**	**—**	**—**	**150 934**
Liquidity excess/(gap)	**101 554**	**1 829**	**(30 000)**	**(75 000)**	**—**	**(1 617)**
Cumulative liquidity excess/(gap)	**101 554**	**103 383**	**73 383**	**(1 617)**	**(1 617)**	**—**

3.2 CAPITAL RISK MANAGEMENT

The Group defines total capital as 'equity' in the consolidated statement of financial position plus debt. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure (capital structure that involves some debt but not 100% so as to achieve a minimum weighted average cost of capital) to reduce cost of capital. The Group monitors the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash at bank and on hand.

The gearing ratios at 30 June 2014 and 2013 were as follows:

	Group 2014 US$000	Group 2013 US$000
Total borrowings (note 18)	105 000	107 440
Less: Cash at bank and on hand	38 600	6 356
Net debt	66 400	101 084
Total equity	1 027 126	929 993
Total capital	1 093 526	1 031 077
Gearing ratio	6%	11%

3.3 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

IFRS 13 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: 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 market 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 hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires the Group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions and in some cases actuarial techniques.

Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant areas requiring the use of management estimates and assumptions which have a significant risk resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Carrying value of property plant and equipment

Various units-of-production (UOP) depreciation methodologies are available to management e.g. centares mined, tonnes mined, tonnes milled or ounces produced. Management elected to depreciate all mining and processing assets using the centares mined methodology.

For mobile and other equipment, the straight-line method is applied over the estimated useful life of the asset which does not exceed the estimated mine life based on proved and probable mineral reserves as the useful lives of these assets are considered to be limited to the life of the relevant mine.

The calculation of the UOP rate of depreciation will be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable mineral reserves. This would generally result from changes in any of the factors or assumptions used in estimating mineral reserves. Changes in mineral reserves will similarly have an impact on the useful lives of assets depreciated on a straight-line basis, as these lives are limited to the life of the mine.

Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the recoverable amount of tangible assets are inherently uncertain and could materially change over time.

They are significantly affected by resources, exploration potential and production estimates, together with economic factors such as spot and future metal prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

The Group has in place, as part of its skills retention policies, an employee housing scheme in terms of which it provides housing properties to eligible non-managerial employees at a purchase price payable in instalments over a period of up to 15 years. The present value of the future payments has been used to calculate the value in use based on the Group's incremental borrowing rate of 7.23% resulting in an impairment charge of US$4 725 000. In addition, US$1 525 000 was written off in connection with housing project contracts that were terminated during the year (notes).

Production start date

The Group assesses the stage of each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location. The Group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production stage.

Some of the criteria would include, but are not limited to the following:

- the level of capital expenditure compared to the construction cost estimates;
- completion of a reasonable period of testing of the mine plant and equipment;
- ability to produce metal in saleable form (within specifications); and
- ability to sustain on-going production of metal.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for costs related to mining asset additions or improvements; that are capitalised, underground mine development or mineable reserve development.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Income taxes (note 19 and 26)

Significant judgment 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. The current tax charge to the statement of comprehensive income is US$31.5 million (2013: US$40.8 million).

Metal in process and product inventories (note 10)

Costs that are incurred in or benefit the production process are accumulated as stockpiles, metal in process and product inventories. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing metal prices, less estimated costs to complete production and bring the product to sale.

Although the quantities of recoverable metal are reconciled by comparing the grades of ore to the quantities of metal actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time.

Environmental rehabilitation provisions (note 16)

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates can affect the carrying amount of this provision. The total provision for rehabilitation as at 30 June 2014 is US$13.7 million (2013: US$15.6 million).

The discount rate used was 7.3% (2013: 7.3%) at the time of the calculation. The net present value of the current rehabilitation estimates is based on the assumption of a long-term inflation rate of 2.1% (2013: 3.8%).

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental policy taking into account current technological, environmental and regulatory requirements. Provisions for future rehabilitation costs have been determined, based on calculations which require the use of estimates.

Mineral reserves

The estimation of reserves impact the amortisation of property, plant and equipment, the recoverable amount of property, plant and equipment, the timing of rehabilitation expenditure and purchase price allocation.

Factors impacting the determination of proved and probable reserves are:

- the grade of mineral reserves may vary significantly from time to time (i.e. differences between actual grades mined and resource model grades);
- differences between actual commodity prices and commodity price assumptions;
- unforeseen operational issues at mine sites;
- changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Revenue recognition (note 20)

The Group has recognised revenue amounting to US$576 million (2013: US$472 million) for metal sales to Impala Refining Services Limited ("IRS") in the financial year to June 2014. Sales to IRS are governed by a contract which stipulates when payments are received and the prices to be used. During the course of the year, assays done by the Group are compared against those by IRS and averages for the parties are used to determine sales volume. The Group believes that based on past experience, these assays will not vary much.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

At year end, deliveries to IRS not yet paid for (based on the lower of assays between IRS and Zimplats) are valued using spot prices at 30 June 2014. A 1% variation in assays will result in an adjustment of US$1.7 million (June 2013: US$1.4 million) in the income statement. Appropriate adjustments will be made in the following year when they fall due for payment. Total sales for the year comprise current year sales and prior year adjustments.

Long term incentive plan (note 17, 28)

During the period ended 30 June 2014, the Group had the following cash settled share-based payment arrangements, which are described below.

TYPE OF ARRANGEMENT	SHARE APPRECIATION CASH PLAN (OLD SCHEME) (1)	SHARE APPRECIATION CASH PLAN (NEW SCHEME) (2)	LONG TERM CONDITIONAL SHARE PLAN (3)
Date of grant	November 2006	November 2012	November 2012
Number granted	2 432 947	369 903	625 163
Average contractual life	4 years	3 years	3 years
Vesting conditions	Four years' service and achievement of a share price target.	Three years' service and achievement of a target Total Shareholder Return, Increase in earnings and measure of fatality frequency rates.	Three years' service and achievement of a target Total Shareholder Return.

1. *Unexercised share options lapse after ten years from grant date.*
2. *The share options have a contractual life of three years after vesting date.*
3. *The share options are full value shares, with a nil exercise price. The contractual life ends on the vesting date.*

Share appreciation rights

The Group issues cash-settled share-based payments to employees. Cash-settled share-based payments are valued on the reporting date and recognised over the vesting period. The fair value of share-based payments is calculated using the binomial option pricing model. The average inputs into this model for the share appreciation cash plans are as follows:

		NEW SCHEME		OLD SCHEME	
	Note	2014	2013	2014	2013
Weighted average option value (Rand)	1	24.35	17.41	13.16	13.55
Weighted average share price on valuation date (Rand)	2	106.88	93.00	106.88	93.00
Weighted average exercise price (Rand)	3	141.05	146.89	179.20	180.86
Volatility	4	36.25	34.35	36.25	34.35
Dividend yield (%)		0.56	1.02	0.56	1.02
Risk-free interest rate (%)		7.25	7.10	7.76	7.10

1. The weighted average option value for cash settled shares are calculated on reporting date.
2. The value of cash settled share appreciation rights are calculated at year end based on the year-end closing price.
3. The weighted average exercise price for cash settled shares is calculated taking into account the exercise price on each grant date.
4. Volatility for cash shares is the four hundred day average historical volatility on those major shareholders shares on each valuation date.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Further details of the share-based payment arrangements are as follows:

	2014		2013	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Share appreciation cash plan (old scheme)				
Outstanding at start of year	2 668 130	—	2 875 912	—
Granted	—	—	—	—
Forfeited	—	—	—	—
Exercised	(235 183)	ZAR179.20	(207 782)	ZAR180.86
Outstanding at end of year	2 432 947	ZAR179.20	2 668 130	ZAR180.86
Exercisable at end of year	1 076 393	ZAR179.20	—	—
Share appreciation cash plan (new scheme)				
Outstanding at start of year	189 453	ZAR146.89	—	—
Granted	180 450	ZAR134.91	189 453	ZAR146.89
Forfeited	—	—	—	—
Exercised	—	—	—	—
Outstanding at end of year	369 903	ZAR141.05	189 453	ZAR146.89
Exercisable at end of year	—	—	—	—
Long term conditional share plan				
Outstanding at start of year	290 661	—	—	—
Granted	384 502	—	290 661	—
Forfeited	—	—	—	—
Exercised	—	—	—	—
Outstanding at end of year	625 163	—	290 661	—
Exercisable at end of year	—	—	—	—

Contingencies (note 35)

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the use of significant judgement and estimation of the outcome of future events. The Group has an estimated contingent liability of approximately US$49.5 million (excluding interest) in respect of Additional Profit Tax (APT) as detailed in note 35.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

5 PROPERTY, PLANT AND EQUIPMENT

	Land, buildings and mining claims US$000	Mining assets US$000	Metallurgical assets US$000	Motor vehicles US$000	Information technology, services and environmental assets US$000	Assets under construction US$000	Total US$000
GROUP							
Year ended 30 June 2014							
Cost							
Balance as at 1 July 2013	115 612	202 978	410 845	147 118	113 581	251 227	1 241 361
Additions	—	425	14 548	32 724	2 222	68 206	118 125
Transfer from assets under construction	65 878	116 244	24 507	—	52 212	(258 841)	—
Disposals	—	—	(26)	(9 773)	(1 421)	—	(11 220)
Balance as at 30 June 2014	181 490	319 647	449 874	170 069	166 594	60 592	1 348 266
Accumulated depreciation and impairment losses							
Balance as at 1 July 2013	12 292	57 480	53 194	99 082	23 183	—	245 231
Depreciation charge	7 581	11 406	14 364	22 227	6 637	—	62 215
Impairment charge (note 4)	6 250	—	—	—	—	—	6 250
Disposals	—	—	(9)	(9 580)	(1 420)	—	(11 009)
Balance as at 30 June 2014	26 105	68 886	67 238	111 179	28 399	—	302 687
Carrying amount 2014	155 385	250 761	382 325	58 340	138 176	60 592	1 045 579
Carrying amount 2013	103 338	145 498	357 651	48 036	90 380	251 227	996 130

Assets under construction consists mainly of the Ngezi Phase 2 expansion project, bankable feasibility studies and exploration drilling costs. Borrowing costs of US$8 109 000 (2013: US$7 206 000) were capitalised during the year (refer to note 24). The capitalisation rate of borrowings is 7.7% (2013: 6.9%).

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

5 PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY	Mining claims US$000	Total US$000
Cost		
Balance as at 1 July 2013	6 261	6 261
Balance as at 30 June 2014	6 261	6 261
Accumulated depreciation		
Balance as at 1 July 2013	—	—
Balance as at 30 June 2014	—	—
Carrying amount 2014	6 261	6 261
Carrying amount 2013	6 261	6 261

	Group	
	2014 US$000	2013 US$000
Service assets include the following amounts where the group is a leasee under a finance lease:		
Cost - capitalised finance leases	2 498	8 618
Accumulated depreciation	(2 498)	(8 450)
Net book value	—	168

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

5A PROPERTY, PLANT AND EQUIPMENT

	Land, buildings and mining claims US$000	Mining assets US$000	Metallurgical assets US$000	Motor vehicles US$000	Information technology, services and environmental assets US$000	Assets under construction US$000	Total US$000
GROUP							
Year ended 30 June 2013							
Cost							
Balance as at 1 July 2012	103 800	182 844	291 630	137 081	87 719	276 249	1 079 323
Additions	1 265	169	—	12 345	3 873	146 695	164 347
Transfer from assets under construction	10 547	19 965	119 215	—	21 990	(171 717)	—
Disposals	—	—	—	(2 308)	(1)	—	(2 309)
Balance as at 30 June 2013	115 612	202 978	410 845	147 118	113 581	251 227	1 241 361
Accumulated depreciation							
Balance as at 1 July 2012	9 384	50 571	42 863	76 671	18 669	—	198 158
Depreciation charge	2 890	6 909	10 331	24 474	4 532	—	49 136
Disposals	—	—	—	(2 063)	—	—	(2 063)
Balance as at 30 June 2013	12 292	57 480	53 194	99 082	23 183	—	245 231
Carrying amount 2013	103 338	145 498	357 651	48 036	90 380	251 227	996 130
Carrying amount 2012	94 416	132 273	248 767	60 410	69 050	276 249	881 165

Assets under construction consists mainly of an additional underground mine and concentrator which form part of the Ngezi Phase 2 expansion project.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

5A PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY	Mining claims US$000	Total US$000
Cost		
Balance as at 1 July 2012	6 261	6 261
Balance as at 30 June 2013	6 261	6 261
Accumulated depreciation		
Balance as at 1 July 2012	—	—
Balance as at 30 June 2013	—	—
Carrying amount 2013	6 261	6 261
Carrying amount 2012	6 261	6 261

	Group		Company	
	2014 US$000	2013 US$000	2014 US$000	2013 US$000
6 INVESTMENT IN SUBSIDIARIES				
Investment in Hartley Minerals Zimbabwe Proprietary Limited	—	—	27 959	27 959
Investment in Mhondoro Holdings Limited	—	—	3 252	3 197
Investment in Zimbabwe Platinum Mines (Private) Limited	—	—	82 227	82 057
	—	—	113 438	113 213

The Company carries all its investments at cost less impairment losses. There were no impairment losses recognised in the current year (2013: nil).

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

	Group		Company	
	2014 US$000	2013 US$000	2014 US$000	2013 US$000
7 LONG TERM RECEIVABLES				
Reserve Bank of Zimbabwe loan:				
Beginning of the year	13 652	20 478	—	—
Effects of discounting	(6 826)	(6 826)	—	—
Carrying amount	6 826	13 652	—	—

Prior to the "dollarisation" of the Zimbabwe economy in February 2009, the operating company brought funds into Zimbabwe to meet its Zimbabwe dollar expenses, ahead of time. The funds were placed with the Reserve Bank of Zimbabwe until such time that they were required and drawings were then made in Zimbabwe dollars. In February 2009, the Zimbabwe dollar ceased to be a functional currency and at that time the outstanding balance of funds placed with the Reserve Bank of Zimbabwe amounted to US$34 130 000. The Reserve Bank of Zimbabwe has acknowledged the full indebtedness and has recommended to the Government of Zimbabwe to assume the debt. The long term receivable has been discounted to its present value. The maximum exposure to credit risk is the carrying amount. Fair value approximates the carrying amount.

	Group		Company	
	2014 US$000	2013 US$000	2014 US$000	2013 US$000
8 PREPAYMENTS				
Zimbabwe Electricity Transmission and Distribution Company (ZETDC)	6 944	15 323	—	—
Downpayments on capital items	13 908	4 011	—	—
Insurance	1 058	1 078	—	—
Other	2 571	3 273	—	—
	24 481	23 685	—	—
Short-term portion	(24 481)	(16 741)	—	—
Long-term portion	—	6 944	—	—

In May 2012, the Group made a US$25 million prepayment to the national power utility, (ZETDC) which it applied to reduce its indebtedness to Hidroelectrica De Cahora Bassa (HCB) of Mozambique for power imports. The principal amount and interest thereon were converted into power units at an agreed tariff. The power units are redeemable over a three year period starting in May 2012. The agreement is part of the arrangements made to secure continuous and reliable electricity supplies for current and future operations.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
9 INTER-COMPANY RECEIVABLES				
Non-current	—	—	46 959	47 415

A loan facility of US$60 million was availed to Zimbabwe Platinum Mines (Private) Limited by Zimplats Holdings Limited as part finance towards the Ngezi Phase II expansion project. The loan is repayable in twelve equal monthly instalments commencing in July 2015, with the final payment in June 2016. An early repayment of US$3 617 000 was made in November 2013. Interest is paid quarterly and is accrued daily at LIBOR plus 1.0% margin at the interest rate prevailing on the interest payment date. At the end of the period the undrawn portion of the facility amounted to $9 million.

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
Principal amount	—	—	51 383	55 000
Equity component	—	—	(4 424)	(7 585)
Fair value of receivable	—	—	46 959	47 415

The fair value of loans to related parties are based on discounted rates using a borrowing rate of 7.275% (2013:7.275%). The fair values are within level 2 of the fair value hierarchy. As at 30 June 2014, the non-current receivables of US$46 959 000 (2013:US$47 415 000) were fully performing. The difference between the principal amount and fair value of the receivable is accounted for as part of the investment in subsidiary. The maximum exposure to credit risk at the reporting date is the carrying value of the intercompany receivable.

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
10 INVENTORIES				
Ore, concentrate and matte stocks	8 494	14 473	—	—
Consumables	51 665	48 269	—	—
Less: provision for obsolete consumables	(2 693)	(3 775)		
	57 466	58 967	—	—
11 TRADE AND OTHER RECEIVABLES				
Trade receivables	167 697	140 826	—	—
Value added tax receivable	29 417	6 211	—	—
Other receivables	6 097	3 751	—	—
	203 211	150 788	—	—

As at 30 June 2014, the fair values of trade and other receivables approximated their carrying amounts.

Trade receivables consist of amounts due from Impala Refining Services Limited, a related party, for sales of matte. As payment terms are contractual, trade receivables were fully performing and none were past due or impaired as of 30 June 2014. There is no impairment on the trade and other receivables balance (2013: nil).

The carrying amounts of the Group's trade and other receivables are all denominated in United States of America dollars.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
12 CASH AND CASH EQUIVALENTS				
Cash at bank and on hand	38 600	6 356	11 748	3 702
Revolving debtor discounting facility (note 18)	—	(2 323)	—	—
Cash and cash equivalents	38 600	4 033	11 748	3 702
The net exposure to foreign currency denominated balances was:				
Bank balances (ZAR000's)	1 168	2 296	1 168	2 296
The exposure by country is as follows:				
Europe	12 751	4 705	11 748	3 702
Zimbabwe	25 849	1 651	—	—
	38 600	6 356	11 748	3 702

The carrying amount of the cash and cash equivalents approximates its fair value. Cash at bank and on hand include US$1 726 294 (2013: US$1 161 672) in short term deposits. The revolving debtor discounting facility operates as an overdraft. No debtors were factored during the year ended 30 June 2014 (2013: nil).

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
13 SHARE CAPITAL AND SHARE PREMIUM				
Authorised				
500 000 000 ordinary shares of US$0.10 each	50 000	50 000	50 000	50 000
Issued and fully paid				
107 637 649 (2013: 107 637 649) ordinary shares of US$0.10 each	10 763	10 763	10 763	10 763
Share premium	89 166	89 166	89 166	89 166
At the end of the year	99 929	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, the Articles and Memorandum of Association of the Company.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
14 BORROWINGS				
Non-current				
Bank borrowings	75 000	105 000	—	—
	75 000	105 000	—	—
Current				
Revolving debtor discount facility	—	2 323		
Bank borrowings	30 000	—		
Finance lease liability	—	117	—	—
	30 000	2 440	—	—
Total borrowings	105 000	107 440	—	—

The carrying amounts of the borrowings approximate fair value and are within level 2 of the fair value hierarchy.

The carrying amounts of the Group's borrowings are all denominated in United States Dollars.

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:

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
6 months or less	—	2 323	—	—
6-12 months	30 000	117	—	—
1-5 years	75 000	105 000	—	
Over 5 years	—	—	—	—
	105 000	107 440	—	—

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

14 BORROWINGS (continued)

Bank borrowings

A loan facility from Standard Bank of South Africa Limited to finance the Ngezi phase 2 expansion is in place. The loan is secured by a cession over cash, receivables and revenue. Impala Platinum Holdings Limited has provided political and commercial guarantees.

The loan is denominated in US dollars, is a revolving facility of US$105 million (2013: US$105 million) and bears interest at 3 months LIBOR plus 7% margin. Capital repayments are required if the loan balance exceeds the available facility. The facility has a final maturity date of 31 December 2017, with repayments scheduled to commence in January 2015. At the end of the reporting period the Group had no undrawn borrowing facility (2013: nil).

Revolving debtor discounting facility

A revolving debtor discounting facility of US$24 million was established to provide for the sale of a portion of the Company's debtors to Standard Bank of South Africa Limited, the proceeds of which will be used for general working capital purposes at a discount rate of LIBOR plus 3.5% per annum. Maturity date is 27 February 2015 and repayment is on demand. The facility is secured by a cession over the Company's cash and receivables. At year end, no receivables had been sold to Standard Bank of South Africa Limited (2013:nil). The facility operates as a bank overdraft.

Finance lease liabilities

This liability was in relation to two finance lease agreements in respect of ore and concentrate haulage vehicles. The ore haulage lease agreement, which was initially for five years, was extended by another year to 30 June 2014. The concentrate haulage lease agreement expired on 30 June 2014. The two agreements will be renewed for a five year period up to 30 June 2019.

On the ore haulage lease agreement, the effective interest rate was 12% per annum and minimum annual lease payments of US$2 064 000 were payable annually. Contingent rent payable was based on the standby rate per hour per truck. The concentrate haulage lease agreement was subject to interest at 8% per annum with minimum annual lease payments of US$94 000.

	Group 2014			Group 2013		
	Minimum lease payment US$000	Interest US$000	Principal US$000	Minimum lease payment US$000	Interest US$000	Principal US$000
Less than one year	—	—	—	358	241	117
Between 1 and 5 years	—	—	—	9	9	—
More than 5 years	—	—	—	—	—	—
	—	—	—	367	250	117

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
15 DEFERRED INCOME TAX				
Deferred tax assets and liabilities are attributable to the following items:				
Deferred tax assets				
Deferred tax assets to be recovered within 12 months	(519)	(615)	—	—
Deferred tax assets to be recovered after 12 months	(2 409)	(2 354)	—	—
Deferred tax liabilities				
Deferred tax liabilities to be settled within 12 months	9 363	8 375	—	—
Deferred tax liabilities to be settled after 12 months	115 411	99 469	—	—
Deferred tax liabilities, net	121 846	104 875	—	—
The gross movement on the deferred income tax account is as follows:				
At the beginning of the year	104 875	115 344	—	—
Charged/(credited) to the statement of comprehensive income (note 26)	16 971	(10 469)	—	—
At the end of the year	121 846	104 875	—	—
Deferred tax assets and liabilities are attributable to the following items:				
Deferred tax assets				
Rehabilitation provisions	(2 222)	(2 424)	—	—
Lease liabilities	—	(18)	—	—
Share based payments	(667)	(461)	—	—
Other - exchange rate differences	(38)	(66)	—	—
	(2 927)	(2 969)	—	—
Deferred tax liabilities				
Recognised directly in the statement of comprehensive income:				
Property, Plant and Equipment	116 883	100 844	—	—
Prepayment for goods	544	326	—	—
Consumables inventory	7 346	6 674		
	124 773	107 844	—	—
Net deferred tax liability	121 846	104 875	—	—

The deferred tax assets will be utilised against future profits.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
16 MINE REHABILITATION				
Rehabilitation obligation:				
At the beginning of the year	15 575	14 354	—	—
Change in estimate - rehabilitation asset	(2 232)	425	—	—
Interest accrued - present value adjustment	1 126	1 435	—	—
Utilised during the year	(808)	(639)		
At the end of the year	13 661	15 575	—	—

The provision is based on a mines and environmental rehabilitation plan that was approved by the Board. It is mandatory for mines operating in Zimbabwe to have a plan for the rehabilitation of the environment they operate in. The provision is the present value of the expected rehabilitation costs at the end of the life of the mine. The present value of the future rehabilitation obligation was calculated by inflating the current rehabilitation cost over 5 to 32 years for mining and processing operations.

The current cost of the rehabilitation estimate is $27.0 million (2013: US$25.0 million).

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
17 OTHER LIABILITIES				
Summary:				
Share based compensation	4 447	3 075	—	—
Community share ownership trust donation	—	3 736	—	—
	4 447	6 811	—	—
Short term payables portion	1 723	5 663	—	—
Long term payables portion	2 724	1 148	—	—
	4 447	6 811	—	—
Share based compensation				
At the beginning of the year	3 075	3 871	—	—
Expense	1 372	(767)	—	—
Paid to employees	—	(29)	—	—
At the end of the year	4 447	3 075	—	—
Short term payables portion	1 723	1 927	—	—
Long term payables portion	2 724	1 148	—	—
	4 447	3 075	—	—

The Group allocates to executives and senior managers notional shares in the ultimate majority shareholder. These notional shares will confer the conditional right on a participant to be paid a cash bonus equal to the appreciation in the share price from the date of allocation to the date of vesting of the notional share. Notional shares vest after two years of allocation to a maximum of 25% of the allocation. In subsequent years an additional 25% becomes exercisable per year. All unexercised shares lapse after 10 years from date of allocation. Refer to note 2 and 4 for details of assumptions used.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
17 OTHER LIABILITIES (continued)				
Community share ownership trust donation:				
At the beginning of the year	3 736	5 594	—	—
Interest accrued present day value adjustment	464	642	—	—
Paid	(4 200)	(2 500)	—	—
At the end of the year	—	3 736	—	—
Short term payables portion	—	3 736	—	—
Long term payables portion	—	—	—	—
	—	3 736	—	—

In 2011, the Group pledged an amount of US$10 million to the Zimplats Mhondoro-Ngezi Chegutu Zvimba Community Trust with payment to be spread over three years. The Trust serves the local community within which the Group's operating company operates and the donation is part of the corporate social investment programme.

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
18 TRADE AND OTHER PAYABLES				
Trade payables	30 027	37 356	159	106
Leave liability	6 288	5 182	—	—
Interest payables	—	489	—	—
Royalties and Minerals Marketing Corporation of Zimbabwe (MMCZ) commission payable	5 182	4 841	—	—
Amounts due to parent	5 583	1 219	—	—
Accruals	30 206	3 191	—	—
Other payables	4 012	12 197	—	—
	81 298	64 475	159	106

Leave liability

Employee entitlements to annual leave are recognised on an ongoing basis. The liability for annual leave as a result of services rendered by employees is accrued up to the reporting date.

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
19 CURRENT TAX PAYABLE				
Beginning of the year	20 409	—	—	—
Charge from the statement of comprehensive income	14 563	51 301	864	707
Interest and penalties	3 975	4 820	—	—
Payments made during the year	(16 162)	(35 035)	(864)	(707)
Tax receivable	—	(677)	—	—
End of the year	22 785	20 409	—	—

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
20 REVENUE				
Sale of matte				
Platinum	306 693	263 234	—	—
Palladium	137 760	96 890	—	—
Gold	31 393	30 387	—	—
Rhodium	20 075	15 136	—	—
Nickel	59 220	46 579	—	—
Other	20 837	19 421	—	—
Total revenue	575 978	471 647	—	—

Revenue consists entirely of matte sales to Impala Refining Services Limited, a fellow subsidiary company incorporated in South Africa.

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
21 COST OF SALES				
Included in cost of sales:				
On mine operations	165 776	130 613	—	—
Labour	42 181	34 299	—	—
Materials and other mining costs	116 960	93 141	—	—
Utilities	6 635	3 173	—	—
Concentrating and smelting operations	100 961	71 140	—	—
Labour	14 556	13 104	—	—
Materials and consumables	51 578	40 433	—	—
Utilities	34 827	17 603	—	—
Depreciation of operating assets	59 556	46 830	—	—
Decrease/(increase) in ore, concentrate and matte stocks	5 979	(462)	—	—
	332 272	248 121	—	—
22 OTHER EXPENSES/(INCOME)				
Gain on disposal of property, plant and equipment	(26)	(72)	—	—
Foreign exchange losses	1 909	1 044	—	—
Exchange losses on cash and cash equivalents	7	53	7	53
Discounting of long term receivable (note 7)	6 826	6 826	—	—
Impairment charge on property, plant and equipment (note 4 & 5)	6 250	—	—	—
Tax penalties and interest charges	12 637	15 394	—	—
Management fees	—	—	(5 760)	(4 717)
Other income	(539)	(4 143)	—	—
Total other net expenses/(income)	27 064	19 102	(5 753)	(4 664)

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

	Group		Company	
	2014 US$000	2013 US$000	2014 US$000	2013 US$000
23 ADMINISTRATIVE EXPENSES				
Administrative expenses comprise the following expenses by nature:				
Consulting fees	1 475	1 154	—	—
Corporate social responsibility costs	2 441	5 154	—	—
Depreciation of non operating assets	2 658	2 306	—	—
Employee benefit expense	23 350	23 439	7	53
Insurance	3 176	3 313	—	—
Non-executive directors' fees	451	438	432	365
Operating lease payments	125	130	—	—
Selling expenses	2 839	7 063	—	—
Share based compensation	1 372	(767)	—	—
Other corporate costs	5 888	12 201	525	982
	43 775	54 431	964	1 400
24 NET FINANCE (INCOME)/EXPENSES				
Finance cost				
Interest expense on bank borrowings (note 14)	7 821	7 861	—	56
Interest expense on finance leases (note 14)	159	241	—	—
Rehabilitation unwinding of the discount (note 16)	1 126	1 435	—	—
Community share ownership trust donation liability unwinding of the discount	464	642	—	—
Borrowing cost capitalised (note 5)	(8 109)	(7 206)	—	—
	1 461	2 973	—	56
Interest income	(1 638)	(1 476)	(3 837)	(701)
Short term bank deposits	(134)	(12)	(10)	(4)
Finance income on ZETDC prepayment	(1 347)	(1 347)	—	—
Unwinding of the discount on intercompany receivables (note 9)	—	—	(3 161)	—
Other	(157)	(117)	(666)	(697)
Net finance (income)/expenses	(177)	1 497	(3 837)	(645)

Interest payable of US$nil (2013: US$489 000) is included in trade and other payables (note 18).

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

	Group		Company	
	2014 US$000	2013 US$000	2014 US$000	2013 US$000
25 PROFIT BEFORE INCOME TAX				
The following disclosable items have been charged in arriving at profit before income tax:				
Auditors' fees	351	324	21	21
Directors' fees	451	438	432	365
Depreciation of property, plant and equipment (note 5)	62 215	49 136	—	—
Employee benefit expense (note 28)	83 067	70 334	53	64
Professional service fees	596	508	—	—
26 INCOME TAX EXPENSE				
Current income tax	14 563	51 301	864	707
Current year	7 370	5 541	—	—
Adjustment in respect of prior years	6 306	38 910	—	—
Additional profits tax	—	6 126	—	—
Withholding tax	887	724	864	707
Deferred tax - statement of comprehensive income charge (note 15)	16 971	(10 469)	—	—
Income tax expense	31 534	40 832	864	707
Reconciliation of tax charge:				
Profit before income tax	128 667	109 086	—	—
Notional tax on profit for the year	19 300	16 363	—	—
Tax effect of:				
Amounts not in profit which are taxable	24 246	(12 398)	—	—
Income not subject to tax	(30)	(27)	—	—
Expenses not tax deductible	14 828	12 656	—	—
Expenses not in profit which are tax deductible	(33 438)	(30 826)	—	—
Additional profits tax	—	6 126	—	—
Adjustment in respect of prior years	6 306	38 910	—	—
Other items	322	10 028	864	707
Tax charge	31 534	40 832	864	707
Statutory tax rate	15.00%	15.00%	—	—

In 2013, the adjustment in respect of prior years relates to a reassessment of previously filed tax returns, the effect of which is to spread capital development expenditure over four years and not 100% in the year incurred.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
27 EARNINGS PER SHARE				
Basic earnings per share				
Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue during the year.				
Profit attributable to equity holders of the Company	97 133	68 254		
Weighted average number of ordinary shares in issue	107 638	107 638		
Basic earnings per share US$ (cents)	90.24	63.41		

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 (2013: nil).

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
Diluted earnings per share US$ (cents)	90.24	63.41		
28 EMPLOYEE BENEFIT EXPENSES				
Wages and salaries	76 223	68 005	53	64
Share appreciation scheme	2 981	(766)	—	—
Pension costs - defined contribution plans	3 863	3 095	—	—
	83 067	70 334	53	64
Average number of employees during the year	3 155	2 845	1	1
29 CASH GENERATED FROM/(USED IN) OPERATIONS				
Adjustments to profit before income tax:				
Net finance income/(cost)	(177)	1 497	(3 837)	(645)
Depreciation	62 215	49 136	—	—
Tax penalties and interest charges	12 637	15 394	—	—
Foreign currency adjustment	1 916	1 097	7	53
Provision for obsolete inventories (note 9)	1 082	1 996	—	—
Provision for share appreciation rights (note 17)	1 372	(767)	—	—
Bad debts arising from other receivables written-off	25	679	—	—
Effect of discounting on the long-term receivables (note 7)	6 826	6 826	—	—
Impairment loss on property, plant and equipment (note 4 & 5)	6 250	—	—	—
Gain on disposal of property, plant and equipment	(26)	(72)	—	—
Total adjustment to profit before income tax:	92 120	75 786	(3 830)	(592)

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
29 CASH GENERATED FROM/(USED IN) OPERATIONS (continued)				
Changes in working capital:				
Trade and other receivables (including prepayments)	(53 244)	3 522	—	1 343
Per the statement of financial position	(53 219)	4 878	—	1 343
Transfer to current tax payable	—	(677)	—	—
Bad debts arising from other receivables written-off	(25)	(679)	—	—
Inventories	419	(3 564)	—	—
Per the statement of financial position	1 501	(1 568)	—	—
Provision for obsolete inventories	(1 082)	(1 996)	—	—
Liabilities	(4 200)	(2 529)	—	—
Per the statement of financial position	(2 364)	(2 654)	—	—
Provision for share appreciation rights	(1 372)	767		
Interest accrued present value adjustment	(464)	(642)	—	—
Mine rehabilitation	(808)	(639)	—	—
Per the statement of financial position	(1 914)	1 221	—	—
Change in estimate - rehabilitation asset (note 16)	2 232	(425)		
Interest accrued present day value adjustment	(1 126)	(1 435)	—	—
Tax penalties and interest charges	(8 664)	(10 573)		
Trade and other payables	16 750	(4 672)	53	(267)
Per the statement of financial position	16 823	(4 660)	53	(267)
Exchange adjustment	(1 909)	(1 044)		
Interest payable movement	489	(315)		
Finance income on ZETDC prepayment converted to power units	1 347	1 347	—	—
Cash from changes in working capital	(49 747)	(18 455)	53	1 076
In the statement of cash flows, the purchase of property, plant and equipment comprises of:				
Additions (including borrowing cost capitalised) (note 5)	118 125	164 346	—	—
Mine rehabilitation asset adjustment (note 16)	2 232	(425)	—	—
Leased assets capitalised	(2 064)	—	—	—
Borrowing cost capitalised (note 5)	(8 109)	(7 206)	—	—
	110 184	156 715	—	—

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

	Group 2014 US$000	Group 2013 US$000
30 CAPITAL COMMITMENTS		
Capital expenditure contracted for at the end of the reporting period but not yet incurred amounted to:	41 900	71 000

The capital commitments will be financed from internal resources and borrowings as referred to in note 14.

	Group 2014 US$000	Group 2013 US$000
31 PENSION OBLIGATIONS		
Mining Industry Pension Fund		
Pensions for certain employees are provided for through the Mining Industry Pension Fund in Zimbabwe. This is a defined contribution retirement fund. Contributions to the fund are 7.5% of pensionable remuneration. The Group's contributions for the year amounted to:	3 102	2 848
National Social Security Scheme		
This scheme was promulgated under the National Social Security Authority Act 1989. Contributions by all Zimbabwe employees are 3.5% of pensionable remuneration, which is capped at US$700 per annum for the purposes of this defined benefit scheme. The Group's contributions for the year amounted to:	761	247
	3 863	3 095

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

32 RELATED PARTIES

32.1 RELATED PARTY RELATIONSHIPS

a) **Controlling entities**

The immediate holding company is Impala Platinum BV which directly holds an 87% equity interest in Zimplats Holdings Limited (Guernsey). The ultimate holding company is Impala Platinum Holdings Limited (incorporated in South Africa) which directly holds a 100% equity interest in Impala Platinum BV.

b) **Group enterprises**

Subsidiaries	Country of incorporation	Ownership interest 2014 %	Ownership interest 2013 %
Hartley Platinum Mines Limited	United Kingdom	100	100
Mhondoro Holdings Limited	United Kingdom	100	100
Always Investments (Private) Limited	Zimbabwe	100	100
Baydonhill Investments (Private) Limited	Zimbabwe	100	100
Duckbrooke Mine (Private) Limited	Zimbabwe	100	100
Hartley Minerals Zimbabwe Proprietary Limited	Australia	100	100
Jalta Investments (Private) Limited	Zimbabwe	100	100
Matreb Investments (Private) Limited	Zimbabwe	100	100
Mhondoro Mining Company Limited	Zimbabwe	100	100
Mhondoro Platinum Holdings Limited	Zimbabwe	100	100
Ngezi Platinum Limited	Zimbabwe	100	100
Selous Platinum (Private) Limited	Zimbabwe	100	100
Zimbabwe Platinum Mines (Private) Limited	Zimbabwe	100	100
Zimplats Corporate Services (Private) Limited	Zimbabwe	100	100

c) **Directors and key management personnel**

The directors named in the Corporate governance report held office as directors of the Company during the years ended 30 June 2014 and 2013. Mr A H Sangqu was appointed a non-executive director on 1 April 2014. Mr M J Houston resigned from the Board on 15 August 2014.

Mr. D H Brown resigned as a director with effect from 1 July 2012 and Mr. T P Goodlace was appointed a non-executive director on 10 August 2012. Mr. P Maseva-Shayawabaya resigned as a director from 31 March 2013 and Mr. S M Mangoma was appointed as a director with effect from 1 March 2013.

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
32.2 RELATED PARTY TRANSACTIONS AND BALANCES				
a) Revenue				
Sales of matte to Impala Refining Services Limited (note 20)	575 978	471 647	—	—
The Group's only customer is Impala Refining Services Limited, which is a wholly owned subsidiary of Impala Platinum Holdings Limited. Sales thereto are based on a long term agreement.				
b) Inter-company receivables				
Impala Refining Services Limited	167 697	140 826	—	—
Due from related parties (note 11 and 32.2a)	167 697	140 826	—	—
c) Loans to/from related parties				
Beginning of the year	—	—	55 000	40 000
Loan advanced during the year	—	—	—	15 000
Loan repayments	—	30 000	(3 617)	30 000
Loan received	—	(30 000)	—	(30 000)
End of the year (note 9)	—	—	51 383	55 000
d) Inter-company payables				
Impala Platinum Holdings Limited	5 583	1 219	—	—
Due to parent (note 18)	5 583	1 219	—	—

e) **Transactions with directors and key management personnel**

In addition to their salaries, the Group also provides non-cash benefits to directors and executive officers. There were no loans extended to directors or executive officers during the year, nor were there any loans or transactions between the Company and companies linked to directors or executive officers.

Fees paid during the year to non-executive directors totalled US$451 360 (2013: US$438 000), and remuneration to executive directors and key management personnel amounted to US$9 121 000 (2013: US$8 706 000).

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
33 FINANCIAL INSTRUMENTS BY CATEGORY				
Loans and receivables				
Asset per consolidated statement of financial position				
Long term receivables	6 826	13 652	—	—
Intercompany receivables	—	—	46 959	47 415
Trade and other receivables (excluding prepayments)	203 211	144 577	—	—
Cash at bank and on hand	38 600	6 356	11 748	3 702
	248 637	164 585	58 707	51 117

Notes to the Financial Statements (continued)

For the year ended 30 June 2014

	Group 2014 US$000	Group 2013 US$000	Company 2014 US$000	Company 2013 US$000
33 FINANCIAL INSTRUMENTS BY CATEGORY (continued)				
Financial liabilities at amortised cost				
Liabilities per consolidated statement of financial position				
Borrowings (excluding finance lease liabilities)	105 000	107 323	—	—
Finance lease liability	—	117	—	—
Trade and other payables (excluding statutory liabilities)	76 116	60 053	159	106
	181 116	167 493	159	106

34 OPERATING SEGMENTS

	2014 US$000	2013 US$000
Analysis of revenue		
The Group derives its revenue from the following metal products:		
Platinum	306 693	263 234
Palladium	137 760	96 890
Gold	31 393	30 387
Rhodium	20 075	15 136
Nickel	59 220	46 579
Other	20 837	19 421
Total	575 978	471 647
Major customer:		
Revenue from the Group's sole customer, Impala Refining Services Limited, is:	575 978	471 647

The Group's sole product is matte which is sold to its sole customer, Impala Refining Services Limited. The Group's operations are based in one geographical location, Zimbabwe.

35 CONTINGENT LIABILITY

Additional Profits Tax (APT)

In December 2010, the Zimbabwe Revenue Authority (ZIMRA) issued an amended APT assessment to Zimbabwe Platinum Mines (Private) Limited for the period to 30 June 2007 on which the deduction of prior year income tax losses were disallowed as a deduction in the computation of APT. As a result of the disallowance, the previously assessed and paid APT liability for the period to June 2007 increased by US$26.9 million to US$50.4 million. An objection lodged by the Group against the amended assessment was dismissed after which the Group lodged an appeal at the Special Court of Tax Appeals. ZIMRA has however agreed that payment of the disputed liability be deferred until the court has ruled on the matter. The Group has an estimated contingent liability of US$49.5 million in respect of APT (excluding interest) based on the computation for the period 2007 to 2014.

36 EVENTS AFTER REPORTING PERIOD

Post year end, there was an acceleration of the deterioration of ground conditions associated with the Mutambara Shear at one of the four portals namely Bimha Mine. During July 2014, it was noted that there was increased pillar failure, footwall heaving and associated excavation closure. Investigations concluded that the conditions over a wide area (approximately 50% of Bimha Mine) were no longer safe for normal operations and a decision was made to temporarily close Bimha Mine to ensure the safety of the Group's employees. As a result of the safe withdrawal, no injuries or damage to mobile equipment was reported although utility installations remain exposed and are being damaged in the affected area.

At this stage, there is a possibility that the Group's overall production could be adversely affected by up to 70 000 platinum ounces as a result of closing Bimha Mine. Production from the other three mines is not expected to be affected and the ramp-up of Mupfuti Mine continues as planned. In addition, two mining fleets from Bimha Mine have already been deployed to the other mines to mitigate production losses.

A team of Company and independent advisors has been appointed to conduct detailed investigations to re-engineer and/or arrest the current mine stability concerns at the Bimha Mine.

SHAREHOLDER AND OTHER INFORMATION

Zimplats acknowledges the importance of its key stakeholders and the impact that they may have on the business or the impact that the business may have on the stakeholders. To this end, stakeholder engagement is an integral part of its business operations and is essential in managing risk and building social capital. The Company has both internal and external stakeholders.

TOTAL NUMBER OF SHARES

107 637 649

Analysis of Shareholders

SHAREHOLDING

Shareholding information is current at 30 June 2014.

Substantial Shareholders

The number of shares held by substantial shareholders is set out below:

Shareholder	Ordinary Shares
Impala Platinum BV	93 644 430

VOTING RIGHTS OF ORDINARY SHARES

Pursuant to the Law of the Island of Guernsey, Zimplats has determined that for the purpose of the Annual General Meeting, all shares held by Zimplats shall be taken to be held by the persons who held them as registered shareholders at "11.30am South African Standard Time" on Wednesday, 15 October 2014 ("entitlement time").

All shareholders of ordinary shares in Zimplats as at the "entitlement time" are entitled to attend and vote at the meeting.

On a show of hands, every member present or voting by proxy, attorney or representative shall have one vote.

On a poll, every member present or voting by proxy, attorney or representative, shall have one vote for each fully paid ordinary share held.

TOP 20 SHAREHOLDERS

RANK	NAME	UNITS	% OF UNITS
1.	IMPALA PLATINUM BV	93 644 430	87.00
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4 616 241	4.29
3.	CITICORP NOMINEES PTY LIMITED	3 261 588	3.03
4.	J P MORGAN NOMINEES AUSTRALIA LIMITED	2 692 265	2.50
5.	NATIONAL NOMINEES LIMITED	1 128 875	1.05
6.	MR PETER MARTIN VANDERSPUY	501 797	0.47
7.	PRIMEOAK LIMITED	320 000	0.30
8.	MR EMANUEL JOSE FERNANDES DIAS	183 615	0.17
9.	DR DAVID SAMUEL KLEINMAN	160 600	0.15
10.	MINERVA TRUST COMPANY LIMITED <R H KAIROUZ A/C>	100 606	0.09
11.	MONTANA FINANCE CORP PTY LTD	81 059	0.08
12.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	78 696	0.07
13.	MR JOHN RAVESTEYN + MRS HAZEL RAVESTEYN	47 500	0.04
14.	MR HUGH FARMER	47 000	0.04
15.	NATIONAL NOMINEES LIMITED <DB A/C>	44 020	0.04
16.	SWISS TRADING OVERSEAS CORP	40 516	0.04
17.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	31 151	0.03
18.	MR WILHELM KUHLMANN	30 000	0.03
19.	BNP PARIBAS NOMS PTY LTD <DRP>	26 509	0.02
20.	MR HUGH FARMER	25 000	0.02
Top 20 holders		**107 061 468**	**99.46**

Analysis of Shareholders (continued)

NAME	UNITS	% OF UNITS
Next 20	223 945	0.21
Next 20	110 385	0.10
Next 20	53 768	0.05
Next 20	38 460	0.04
Next 20	28 887	0.03
Next 20	23 927	0.02
Other	96 809	0.09
Total	**107 637 649**	**100.00**

SHAREHOLDING	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 1,000	254	64.14	97 809	0.09
1,001 - 5,000	93	23.48	197 209	0.18
5,001 - 10,000	20	5.05	154 122	0.14
10,001 - 100,000	19	4.80	578 492	0.54
100,001 - 10,000,000,0000	10	2.53	106 610 017	99.05
Total	**396**	**100.00**	**107 637 649**	**100.00**

In terms of the definition under ASX Listing rule 4.10.8, the number of shareholders holding less than marketable parcel ($500) of ordinary shares is 46 (2013: 40).

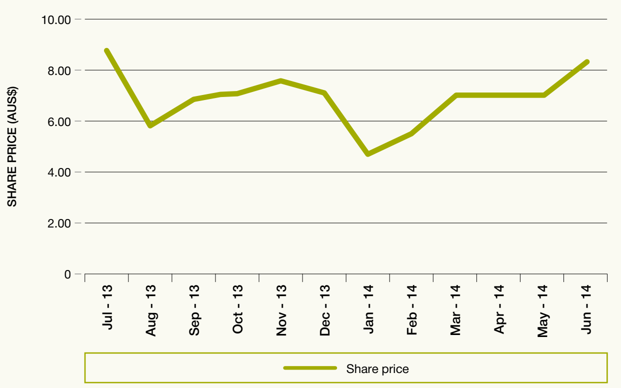
ON-MARKET BUY BACK

Zimplats has no current arrangements for an on-market buy-back of shares.

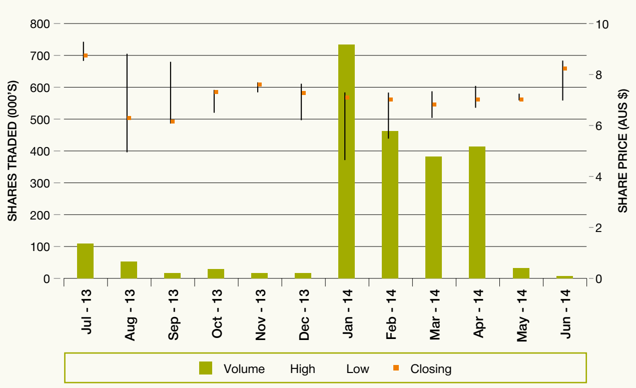
TRADING VOLUME

As a consequence of the Impala Platinum BV shareholding of 87.00% (2013: 87.00%), at the date of this report, the volume of free-float shares traded on the ASX has remained at a low level through-out the year.

Zimplats share price movement



Zimplats share performance on the ASX



Notice To Members of Annual General Meeting

Notice is hereby given that the fourteenth Annual General Meeting of the members of Zimplats Holdings Limited (Zimplats) will be held at The Protea Balalaika Hotel, 20 Maude Street, Sandown, Sandton, Johannesburg, South Africa, on Friday 17 October 2014 at 11:30am for the following purposes:

1. To receive and consider the Group and Company Annual Financial Statements, the Directors' Declaration and the Report of the Auditors for the year ended 30 June 2014.
2. To appoint Messrs. PricewaterhouseCoopers Chartered Accountants (Zimbabwe) as auditors for the ensuing year.
3. To approve the audit fees of $18 900 for the year.
4. Election of Directors:
   (a) To re-elect as a director Mr. L J Paton, who is retiring by rotation.
   (b) To re-elect as a director Mr. R G Still, who is retiring by rotation.
   (c) To elect Mr. A H Sangqu as a director to the Company.

NOTES

1. Pursuant to the Law of the Island of Guernsey, Zimplats has determined that for the purpose of the Annual General Meeting, all shares in Zimplats shall be taken to be held by the persons who held them as registered shareholders at 11:30am South African time (+2 GMT) on Wednesday 15 October 2014 (Entitlement Time).
2. All holders of ordinary shares in Zimplats at the Entitlement Time are entitled to attend and vote at the meeting. For further information on voting procedures, see the notes on the Proxy information sheet.

EXPLANATORY NOTE TO RESOLUTIONS

RESOLUTION 2 – APPOINTMENT OF MESSRS PRICEWATERHOUSE COOPERS CHARTERED ACCOUNTANTS (ZIMBABWE) AS AUDITORS FOR THE ENSUING YEAR.

Messrs PricewaterhouseCoopers Chartered Accountants (Zimbabwe) have indicated that they are in a position to accept appointment as external auditors of Zimplats Holdings Limited for the year ending 30 June 2015.

Directors' Recommendation

The Directors unanimously recommend that you vote in favour of the resolution.

RESOLUTION 3 – APPROVE THE AUDIT FEE OF US$18 900 FOR THE YEAR ENDED 30 JUNE 2014.

The audit fee is in respect of services rendered for the external audit of the Company.

Directors' Recommendation

The Directors unanimously recommend that you vote in favour of the resolution.

Notice To Members of Annual General Meeting (continued)

RESOLUTION 4 – ELECTION OF DIRECTORS

In terms of the Articles of Association of the Company, one third of the Directors, excluding the Chief Executive Officer, will retire by rotation each year.

(a) Re-election of Mr. L J Paton as a Director of the Company

BSc (Hons) Geology, BCom, Pr.SciNat FGSSA

Les Paton was appointed to the Board in 2003 and was an Executive Director of Impala Platinum Holdings Limited from 2003 until his retirement in 2010. He is Chairman of the Safety, Health, Environment and Community (SHEC) Committee and a member of the Remuneration Committee.

(b) Re-election of Mr. R G Still as a Director of the Company.

BCom (Wits), BCom (Hons) (UCT), CTA (Wits), CA (SA)

Rob Still is a founding member of the Board of Directors in 1998 and was Chairman from 2001 to 2004. He is currently the Executive Chairman of an African mining private equity group. He is a member of the Remuneration Committee.

(c) Election of Mr. A H Sangqu as a Director of the Company

BCom (Acc) (Rhodes), BCompt Honours (WSU), EDP (Wits Business School), MBL (UNISA), AMP (INSEAD).

Andile Sangqu was appointed to the Board with effect from 1 April 2014. He joined Impala Platinum Holdings Limited as Group Executive: Sustainability and Risk on 1 March 2014. He has served on the boards of various companies and public sector organisations. Was most recently employed as an Executive Director of Glencore South Africa.

Directors' Recommendation

All of the existing Directors of the Company, other than those Directors standing for re-election, recommend that you vote in favour of the re-election of Messrs. Paton and Still, and the election of Mr. A H Sangqu, having regard to their respective qualifications to act as Directors of your Company.

VOTING BY PROXY

To be effective, Proxy Forms (duly completed and signed) must be received at:

1. Computershare Investor Services Pty Ltd, GPO Box 242 Melbourne, Victoria 3001, Australia.
   Fax (within Australia) 1 800 783 447 or (outside Australia) +61 3 9473 2555 or
2. Carey Commercial Limited, Level 1 & 2, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey.
   Fax +44 1481 738917 or
3. CUSTODIANS – subscribers of Intermediary Online may lodge their votes electronically at www.intermediaryonline.com

by no later than 48 hours before the meeting (being 11:30am South African Standard Time on Wednesday 15 October 2014).

Global Reporting Initiative (GRI) Index

GRI INDICATOR	TOPIC	PAGE
1	STRATEGY AND ANALYSIS	
1.1	Statement from the most senior decision maker about the relevance of sustainability to the organisation and its strategy	12, 18
2	ORGANISATIONAL PROFILE	
2.1	Name of organisation	6
2.2	Primary product	6, 7, 104
2.3	Operational structure of organisation	8, 32
2.4	Location of organisations head office	6, 179
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in this report	7, 8
2.6	Nature of ownership and legal form	6, 104, 155, 167
2.7	Markets served including geographical breakdown, sectors served, and types of customers	7, 38-43
2.8	Scale of reporting organisation, including number of employees, net sales, capitalization broken down in terms of debt, and equity and quantity of products provided	6, 7, 17, 18, 28, 29, 84, 85
2.9	Significant changes during the reporting period regarding size, structure or ownership including: • The location of, or changes in operations, including facility opening, closings and expansion • Changes in the share capital structure and other capital information, maintenance, and alteration operations	3, 8, 12, 14, 15, 22, 104
2.10	Awards received during the reporting period	73, 78
3	REPORT PARAMETERS	
	Report Profile	
3.1	Reporting period for information provided	1
3.2	Date of the most recent previous report	1
3.3	Reporting cycle	1
3.4	Contact point for questions regarding the report content, including:	
	• Determining materiality	3, 179
	• Prioritizing topics within the report	3, 179
	• Identifying stakeholders the organisation expects to use the report	3, 179
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	7, 8 179
3.7	Any specific limitations on the scope or boundary of the report	3
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and between organisations (e.g. contractors and labour numbers)	122
3.10	Explanation of any effects of any restatement of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers, acquisitions, change of base years/periods, nature of business, measurement methods)	3
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	3
3.12	GRI Index	170, 171

Global Reporting Initiative (GRI) Index (continued)

GRI INDICATOR	TOPIC	PAGE
4	GOVERNANCE, COMMITMENTS AND ENGAGEMENTS	
	Governance	
4.1	Governance structure of the organisation including committees under the highest governance body	30-35, 88-94
4.2	Whether Chair of the Board is executive or non-executive	89, 90
4.3	Organisations with unitary board structure, state the number of members of the highest governance body that are independent or non-executive members	89
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance Board	89
	Stakeholder engagement	
4.14	List of stakeholders engaged by the organisation	65, 66, 67
4.15	Basis for identification of and selection of stakeholders with whom to engage	63
	Economic Performance Indicators	
	Economic performance	
EC1 (Core)	Direct economic value generated and distributed , including revenues, operating costs, employee compensation, donations and community investments, retained earnings, and payments to capital providers and government	8, 14, 22 23, 28, 29 69, 70, 71
EC6	Policy, practices and proportion of spending on locally–based suppliers at significant locations	14, 69
	ENVIRONMENTAL PERFORMANCE INDICATORS	
	Materials	
EN1 (Core)	Materials used by weight or volume	83
	Energy	
EN3 (Core)	Direct energy consumption by primary source	83
EN4 (Core)	Indirect energy consumption by primary source	83
	Water	
EN8	Total water withdrawn by source	81
En 10	Percentage and total volume of water recycled and reused	81, 82
	Emissions, effluent and Waste	
EN 16	Total direct and indirect greenhouse gas emissions by weight	82, 83
	Social performance indicators	
	Employment	
LA1 (Core)	Total workforce by employment type, employment contract and region	84, 85
LA7 (Core)	Rate of injury, occupational diseases, lost days and absenteeism, and number of work related fatalities by region	12, 73, 74, 85, 86

Independent Limited Assurance Report to the Directors of Zimplats Holdings Limited for the year ended 30 June 2014

SCOPE OF OUR ENGAGEMENTS

Part A

We have completed our independent limited assurance engagement to enable us to express our limited assurance conclusions on whether anything has come to our attention that causes us to believe that the Integrated Report ("the Report") for the year ended 30 June 2014 has not been prepared, in all material respects, in accordance with the Global Reporting Initiative (GRI) G3.1 C+ Reporting Guidelines; and whether the following specified performance indicators ("specified KPIs"), highlighted for identification purposes in the Report by the symbol (▲) have not been prepared, in all material respects, in accordance with the basis of measurement as described in the Report:-

- Statement about the relevance of sustainability to the organisation and its strategy, on page 55
- Name, primary product, operational structure, location of head office, number of countries organisation operations, nature of ownership, scale of reporting, significant changes and awards received during the period, as described on pages 6 – 8
- Reporting period, date of the most recent previous report, reporting cycle, report contact person, boundary of report, explanation of any effects of any restatement of information from previous reports and significant changes from previous reporting period, as described on pages 1 and 3
- Structure, Independence of Board Chair, Board composition, communication and stakeholder engagement.
- Total workforce by employment type, employment contract and region as described on pages 84 - 85
- Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region as described on pages 18, 74 and 85 - 86
- Direct economic value generated and distributed: donations and other community investments only, as described on pages 70 - 73
- Materials used by weight or volume, as described on page 83
- Direct energy consumption by primary source, as described on page 83
- Indirect energy consumption by primary source, as described on page 83
- Total water withdrawn by source, as described on pages 77 and 81

Zimplats Holdings Limited has elected to prepare the Report in accordance with the principles of the GRI G3.1 Guidelines to a C+ reporting level, published by the GRI, a full copy of which can be obtained from the GRI's website.

Part B

We have completed our independent limited assurance engagement to enable us to express our reasonable assurance conclusion on whether anything has come to our attention that causes us to believe that the total direct and indirect greenhouse gas emissions by weight ("specified carbon emissions KPIs"), as described on page 83 in the Report have not been prepared, in all material respects, in accordance with the basis of measurement as described in Section "Climate Change & Energy Efficiency" in the Report ("carbon emissions criteria") as highlighted by the symbol (▲).

Our responsibility in performing our independent limited assurance engagement is to Zimplats Holdings Limited only and in accordance with the terms of reference for this engagement as agreed with them. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Zimplats Holdings Limited for our work, for this report, or for the conclusions we have reached.

Independent Limited Assurance Report to the Directors of Zimplats Holdings Limited for the year ended 30 June 2014 (continued)

DIRECTORS' RESPONSIBILITY

The directors are responsible for implementing a stakeholder engagement process to identify all relevant stakeholders; to identify key issues; to respond appropriately to key issues identified; to determine those key performance indicators which may be relevant and material to the identified stakeholders; and to design and apply appropriate sustainability reporting policies. The directors are also responsible for the preparation and presentation of the Report, the information and assessments contained in the Report and for such internal control as the directors determines is necessary to ensure that the information and data reported meet the requirements of the relevant criteria, and contains all relevant disclosures that could materially affect any of the conclusions drawn.

The directors are also responsible for the preparation of the specified carbon emissions in accordance with the carbon emissions criteria as disclosed in the Performance Review Section of the Report. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the specified carbon emissions that is free from material misstatement, whether due to fraud or error. The quantification of the specified carbon emissions is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

In accordance with International Standard on Quality Control, Ernst & Young Inc. maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

ASSURANCE PROVIDER'S RESPONSIBILITY

Our responsibility is to express our limited or reasonable assurance conclusions on the Report and / or the specified KPIs based on our independent reasonable and limited assurance engagement. Our independent reasonable and limited engagement was performed in accordance with the International Federation of Accountants' (IFACs) International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information with regards to the scope described in part A and with the ISAE3410 Assurance Engagements on Greenhouse Gas Statements with regards to the specified carbon emissions KPIs in part B. This standard requires us to comply with ethical requirements and to plan and perform our engagement to obtain the assurance as required by the scope of our engagement, as expressed in this report.

BASIS OF WORK AND LIMITATIONS

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the subject matter and the purpose of our engagement. In making these assessments, we have considered internal control relevant to the entity's preparation and presentation of the Report and the information contained therein, in order to design procedures appropriate for gathering sufficient appropriate assurance evidence to determine that the information in the Report is not materially misstated or misleading as set out in the summary of work performed below. Our assessment of relevant internal control is not for the purpose of expressing a conclusion on the effectiveness of the entity's internal controls.

We planned and performed our work to obtain all the information and explanations that we considered necessary to provide a basis for our reasonable and limited assurance conclusions pertaining to the specified KPIs, the specified carbon emissions KPIs and the report, expressed below.

Where a limited assurance conclusion is expressed, our evidence gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

Our report does not extend to providing assurance on any prior periods' information or any other information specifically excluded from the scope of the engagement.

Independent Limited Assurance Report to the Directors of Zimplats Holdings Limited for the year ended 30 June 2014 (continued)

SUMMARY OF WORK PERFORMED

Set out below is a summary of the procedures performed pertaining to the specified KPIs, specific carbon emission KPIs and the Report which were included in the scope of our limited assurance engagement. We:-

- obtained an understanding of:
  - The entity and its environment;
  - Entity-level controls;
  - The stakeholder engagement process;
  - The selection and application of sustainability reporting policies;
  - How management has applied the principle of materiality in preparing the Report, the specified KPIs and specific carbon emissions KPIs;
  - The significant reporting processes including how information is initiated, recorded, processed, reported and incorrect information is corrected, as well as the policies and procedures within the reporting processes.
- made such enquiries of management, employees and those responsible for the preparation of the Report and the specified KPIs, as we considered necessary.
- inspected relevant supporting documentation and obtained such external confirmations and management representations as we considered necessary for the purposes of our engagement.
- performed analytical procedures and limited tests of detail responsive to our risk assessment and the level of assurance required, including comparison of judgementally selected information to the underlying source documentation from which the information has been derived.
- evaluated whether Zimplats Holdings Limited's methods for developing estimates are appropriate and had been consistently applied.
  However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Zimplats Holdings Limited's estimates.
- We considered whether Zimplats Holdings Limited has applied the GRI G3.1 C+ Reporting Guidelines.

We believe that the evidence obtained as part of our limited assurance engagement, is sufficient and appropriate to provide a basis for our findings and our limited assurance conclusion expressed below.

Independent Limited Assurance Report to the Directors of Zimplats Holdings Limited for the year ended 30 June 2014 (continued)

CONCLUSIONS

Part A

Based on the work performed and subject to the limitations described above, nothing has come to our attention that:-

- the following specified KPIs, marked by the symbol (▲) in the report, have not been prepared, in all material respects, in accordance with management's sustainability criteria as described in the Report for the year ended 30 June 2014:-
  - Statement about the relevance of sustainability to the organisation and its strategy, on page 55
  - Name, primary product, operational structure, location of head office, number of countries organisation operations, nature of ownership, scale of reporting, significant changes and awards received during the period, as described on pages 6 - 8
  - Reporting period, date of the most recent previous report, reporting cycle, report contact person, boundary of report, explanation of any effects of any restatement of information from previous reports and significant changes from previous reporting period, as described on pages 1 and 3
  - Structure, Independence of Board Chair, Board composition, communication and stakeholder engagement.
  - Total workforce by employment type, employment contract and region as described on pages 84 - 85
  - Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region as described on pages 18, 74 and 85 - 86
  - Direct economic value generated and distributed: donations and other community investments only, as described on pages 70 - 73
  - Materials used by weight or volume, as described on page 83
  - Direct energy consumption by primary source, as described on page 83
  - Indirect energy consumption by primary source, as described on page 83
  - Total water withdrawn by source, as described on pages 77 and 81
- the Report has been prepared in accordance with the GRI G3.1 C+ Reporting guidelines.

Part B

Based on the work performed and subject to the limitations described above, nothing has come to our attention that the specified carbon emissions KPIs disclosed on page 83 and by marked by the symbol (▲) in the Report, have not been prepared in all material respects in accordance with management's carbon criteria as described in the Performance Review Section of the Report for the year ended 30 June 2014.

OTHER MATTER

The maintenance and integrity of Zimplats Holdings Limited's website is the responsibility of Zimplats Holdings Limited's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our assurance report that may have occurred since the initial date of presentation on the Zimplats Holdings Limited website.

Ernst & Young Inc
Director – Jeremy Grist
Registered Auditor
Chartered Accountant (SA)
102 Rivonia Road
Sandton
2148

28 August 2014

General Information

- In this report any reference to "Zimplats", "Zimbabwe Platinum", "the Group" or "the Company" means Zimplats Holdings Limited and/or its subsidiaries.
- Zimplats is a company incorporated in Guernsey, British Isles, registration number 34014. As such, the main laws controlling the corporate operations of the Company are the laws of Guernsey.
- Zimplats is registered as a foreign company in Australia, number ARBN 083 463 058, and is listed on the Australian Stock Exchange with the code ZIM.
- Zimplats shares are freely transferable, subject to formal requirements and the registration of a transfer, which does not result in a contravention of, or failure to observe, a provision of law.
- Zimplats is not subject to Chapter 6 of the Australian Corporations Law dealing with the acquisition of shares, including substantial shareholdings and takeovers.
- Zimplats is not subject to the City Code on Takeovers and Mergers and the Rules Governing Substantial Acquisitions of Shares (UK) (the Code).
- All reported currency is expressed in United States dollars unless otherwise indicated.
- All weights expressed in ounces are troy ounces.

GLOSSARY OF TERMS

4E	Four Elements. The grade may be measured as the combined content of the four precious metals – platinum, palladium, rhodium and gold.
6E	Six Elements. The grade may be measured as the combined content of the six precious metals – platinum, palladium, rhodium, iridium, ruthenium and gold
Au	Chemical symbol for gold
Bankable standard	Capable of supporting an application to a recognised project financier for project finance.
Beneficiation	The separation of desired minerals from waste material during exploitation of a mineral deposit, by which the mineral is concentrated prior to refining.
Bord and pillar mining	Also known as room and pillar mining method. Mining takes place on the reef horizon only. The main access declines are mined on dip and from these access declines, drives (bords) are developed on strike. In-situ reef pillars are left between these bords for support purposes. A typical bord length can vary from six to twelve metres with pillar dimensions of four to six metres square.
BIS	Business Information System
Concentrate	Material that has been processed to increase the content of contained metal or mineral relative to the contained waste.
Converting	The final stage of matte production in which excess sulphur and iron are removed by blowing air through the molten green matte to produce white matte.
Cu	Chemical symbol for copper.
Cut-off grade	Lowest grade mineralised that qualifies as ore, i.e. will meet all further operating costs for a given deposit.
EMA	Environment Management Agency
FY	Financial year. The financial year for the group ends on 30 June of any year.
Gangue	The unwanted material.
Mafic	An igneous rock with high magnesium and iron content, usually dark in colour.
Matte	A mixture of various base metal sulphides, containing the precious metals, which is produced during smelting and converting. Green matte refers to the product from smelting, and contains high levels of iron sulphides, which are removed during converting to give a white matte containing minimal levels of iron.

General Information (continued)

Metallurgy	The science of extracting metals from ore and preparing them for sale.
Mineral Resource	Defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition a 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. Mineral Resources are subdivided into measured, indicated and inferred categories as follows:- A **'Measured Mineral Resource'** - is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes,and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve An **'Indicated Mineral Resource'** is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve. An **'Inferred Mineral Resource'** is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
MSZ	Main Sulphide Zone – a thin layer of crystalline igneous rock containing small amounts of sulphide minerals located near the top of the ultramafic igneous sequence which forms the lower part of the Hartley Geologic Complex.
Ni	Chemical symbol for nickel.
Ore grade	The average amount of the valuable metal or mineral contained in a specific mass of ore.

General Information (continued)

Ore Reserves	Defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition an 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Ore Reserves are subdivided into Proved and Probable categories as follows:- A **'Proved Ore Reserve'** is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors. A **'Probable Ore Reserve'** is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.
Pd	Chemical symbol for palladium.
Peak platinum value	This is the highest platinum value in the mineralisation and coincides with a sharp decrease in sulphide content and grain size.
PGMs	Platinum Group Metals, being six elemental metals of the platinum group generally found together. They are platinum, palladium, rhodium, ruthenium, osmium and iridium.
Pt	Chemical symbol for platinum.
Refining	The final stage of metal production in which the various base and precious metals contained in the white matte are separated from each other, by a wide variety of hydrometallurgical processes, to produce individual metals and/or metal salts of saleable purity.
Rh	Chemical symbol for rhodium.
ROM	Run-of-mine.
Room and pillar mining	Refer to bord and pillar mining method.
SAG	Semi autogenous grinding.
SMC	Selous Metallurgical Complex
Smelting	Thermal processing whereby the base metal sulphide and precious metal minerals contained in the concentrate are separated from the gangue minerals in the molten state. The base metal sulphides and precious metal minerals report as green matte, while the gangue minerals report as slag.
Tailings	A finely ground waste product from ore processing.
Toll refining	The process where the final stage of refining is performed by a third party and the costs met by the miner.
TMM	Trackeless mining machine

UNITS OF MEASURE

g/t	grams per tonne	micron	one millionth of a metre
kg	kilograms	moz	million ounces
km	kilometres	mt	million tonnes
kt	thousand tonnes	mw	megawatts
lcm	loose cubic metre	oz	troy ounces
m	metres	t	metric tonnes

SHAREHOLDERS CALENDAR 2014/2015

2014

2013/14 Year End	30 June
June 2014 Quarter Production Report Released	31 July
Integrated Report Mailed	September
September 2014 Quarter Production Report Released	October
Annual General Meeting	17 October

2015

December 2014 Quarter Production Report Released	January
March 2015 Quarter Production Report Released	April
2014/15 Year End	30 June
June 2015 Quarter Production Report Released	July
Integrated Report Mailed	September
September 2015 Quarter Production Report Released	October
Annual General Meeting	October

PRINCIPAL AND REGISTERED OFFICE

1st and 2nd Floors
Elizabeth House
Les Ruettes Brayes
St Peter Port
Guernsey GY1 1EW
Channel Islands

Tel: +44 1481 737217
Fax: +44 1481 738917
Email: info@zimplats.com

OTHER OFFICES

Australia
Suite 702, Alfred Street
North Sydney NSW 2060
Australia

Tel: +61 2 8920 1031
Fax: +61 2 8920 2956

Zimbabwe
1st Floor
South Block
Borrowdale Office Park
Borrowdale Road
Harare, Zimbabwe

P O Box 6380
Harare, Zimbabwe

Tel: +263 4 886 878-85/87
Fax: +263 4 886 876/7
Email: info@zimplats.com

MINE SITES

Ngezi Platinum Mine
Ward 10 & 11
Between Growth Points
Bumbe, Turf and Tyrone
Kadoma District, Zimbabwe

c/o P O Box 61
Selous, Zimbabwe

Tel: +263 628 44667
Fax: +263 628 44670

Selous Metallurgical Complex
Makwiro Road
Selous, Zimbabwe

P O Box 61
Selous, Zimbabwe

Tel: +263 628 44888-9
Fax: +263 628 44123
Email: info@zimplats.com

AUDITORS

Zimbabwe
PricewaterhouseCoopers
Building No. 4
Arundel Office Park
Norfolk Road
Mount Pleasant
Harare

SOLICITORS

Australia
Clayton Utz
Levels 1-15
1 Bligh Street
Sydney NSW 2000

British Isles
Carey Olsen
Carey House
Les Banques
St Peter Port
Guernsey GY1 4BZ
Channel Islands

Zimbabwe
Scanlen & Holderness
CABS Centre
74 Jason Moyo Avenue
Harare

Dube, Manikai & Hwacha
6th Floor, Goldbridge, Eastgate
Sam Nujoma Street, Harare

STOCK EXCHANGE

Australian Stock Exchange (ASX)

ASX Code: ZIM

SHARE REGISTRY

Computershare Investor
Services Pty Ltd
452 Johnston Street
Abbotsford VIC 3067
Australia

Tel: +61 3 9415 5000
Shareholder enquiries:
1 300 850 505
Fax: +61 3 9473 2500

WANTING TO BE KEPT UP TO DATE WITH ZIMPLATS NEWS?

1. Zimplats has a web page, which can be viewed at www.zimplats.com. Whilst visiting our page please register for e-mail alerts in order that you may be kept up to date with what is happening within the Company.
2. Stock exchange information and announcements can be viewed on line at www.asx.com.au. The ASX company code is ZIM.

ZIMPLATS
Member of the Implats Group

Elizabeth House
Les Ruettes Brayes
St Peter Port
Guernsey GY1 4LX
Channel Islands