Appendix 4E

Preliminary Final Report
Zimplats Holdings Limited
ARBN: 083 463 058
Australian Stock Exchange code: **ZIM**

Year ended 30 June 2015

Results for announcement to the market

			2015 US$000	**2014 US$000**
1.	Revenue	29% ↓	408 391	575 978
2.	Profit before income tax	56% ↓	56 138	128 667
3.	(Loss)/profit for the year attributable to members	177% ↓	(74 329)	97 133

The audited financial statements of Zimplats Holdings Limited and its subsidiaries ("together the Group") for the year ended 30 June 2015, which include the independent auditor's report, have been released and are available on the company's website (www.zimplats.com).

Finance

- Revenue for the financial year decreased by 29% from US$576 million in the previous year to US$408 million mainly due to a 20% reduction in four elements (platinum, palladium, rhodium and gold) (4E) sales volumes from 477 905 ounces to 381 849 ounces and a 12% fall in gross revenue per platinum ounce from US$2 457 to US$2 167 arising from declining metal prices.

- Cost of sales of US$316 million was 5% lower than the previous year's US$332 million mainly due to the decrease in sales volumes which was partly offset by higher costs associated with underground roof support in bad ground areas. Gross profit margins deteriorated from 42% in the prior year to 23% in the current year due to lower metal prices and the impact of lower production and sales volumes on fixed costs.

- Administrative expenses for the year at US$44.1 million were marginally higher than the US$43.8 million reported in the previous year.

- Operating cash cost per platinum ounce for the year increased by 18% from US$1 319 in the prior year to US$1 551 mainly due to the impact of the lower production volumes on fixed costs.

- The collapse of a section of the underground working area of Bimha Mine triggered by the accelerated deterioration of ground conditions associated with the Mutambara Shear and the precautionary closure of Bimha Mine in August 2014 resulted in damage and inaccessibility of certain underground infrastructure and equipment with a net carrying amount of US$22.9 million, which has been written-off during the year ended 30 June 2015. In addition, costs incurred on the greenfield Phase 3A Base Metal Refinery (BMR) feasibility studies amounting to US$15.6 million were written off in the year after the Group made a decision to refurbish the existing BMR at the Selous Metallurgical Complex (SMC).

- The High Court of Zimbabwe issued its judgment in the case involving a dispute between Zimbabwe Platinum Mines (Private) Limited (the 'operating subsidiary') and the Zimbabwe Revenue Authority (ZIMRA) over which mining royalty provisions are applicable to the operating subsidiary. The judge ruled that the royalty provisions in the operating subsidiary's mining agreement take precedence over the royalty provisions set out in the Finance Act and that accordingly the operating subsidiary is liable to pay royalties at the rate of 2.5% of the value of all minerals produced and not at the higher Finance Act rates. The effect of the judgment was that the operating subsidiary overpaid royalties by US$108 million in respect of the period between January 2004 and December 2014 (US$95.8 million from January 2004 to June 2014).

- The Special Court for Income Tax Appeals delivered its judgment in the case involving a dispute between the operating subsidiary and ZIMRA on the issue of whether income tax assessed losses are allowable deductions for purposes of calculating additional profits tax (APT). The judge found that an assessed income tax loss carried forward from a previous year of assessment is not allowable as a deduction in computing APT. The effect of this judgment is that the operating subsidiary has an additional liability of US$55.3 million for APT for the period from July 2004 to June 2014.

- Consequently, profit before income tax for the year amounted to US$56.1 million, 56% lower than the US$129 million for the previous year. Taxation for the year at US$130.5 million was 314% higher than the previous year mainly due to the impact of the two court judgments. This resulted in loss after tax for the year of US$74.3 million compared to US$97.1 million profit recorded in the previous year.

- Net cash inflows from operating activities marginally decreased from US$146.4 million in the prior year to US$142.2 million. The marginal decrease was due to the tight cash preservation strategy in response to the decrease in sales volumes and metal prices and also due to the royalty overpayment refund. At year-end, the Group had bank borrowings amounting to US$82.0 million and a cash balance of US$73.5 million.

Safety, Health and Environment

- The total number of lost-time injuries (LTIs) increased from six in the prior year to eight in the current year. As a result, lost-time injury frequency rate (LTIFR) deteriorated from 0.41 to 0.59. Although the severity of injuries was high, the Group recorded an improvement in the total number of injuries at work from 20 in the prior year to 18 in the current year. The total injury frequency rate (TIFR) improved from 1.37 to 1.33.

- The Group's employee wellness programmes (including non-communicable diseases) were effective during the year.

- The rehabilitation of the mined out open-pit areas is progressing well with approximately 69% of the pit rehabilitated by the end of the financial year under review. The Group's water conservation improved during the year. A total of 4 278 mega litres were recycled in the current year compared to 3 997 mega litres in the prior year.

Operations

- Bimha Mine was closed as a precautionary measure to safeguard employees and assets in August 2014 following subsidence of ground and continued deterioration of ground conditions in a section of the mine. Six of the affected eight production fleets at Bimha Mine were successfully redeployed in order to offset potential production losses.

- The board approved the redevelopment of Bimha Mine after extensive risk assessments had been done, using two fleets in safe areas in the second quarter of the year, with a view to ramp up production back to design capacity in the second half of the financial year ending 30 June 2018. Ground movement monitoring continued throughout the year by means of closure meters, an extensometer and geophones. Readings from these instruments showed significant stabilisation of the mine in the North with the South reporting infrequent activity. The same monitoring system was also implemented at the other mines which were not affected by the Mutambara Shear and no ground movement was observed. Mine designs were also reviewed with the help of independent geotechnical experts which resulted in new pillar layouts and reduced extraction ratios at Mupfuti and Bimha mines.

- The discontinued Ngezi South open-pit operation was resuscitated in the year to fill the ore supply gap, contributing 105 692 tonnes to the ore mined during the current year.

- As a result of the above, run of mine ore production for the year decreased by 7% from the previous year's 5.62 million tonnes to 5.23 million tonnes. However, by end of the financial year, the Group had managed to recover mining production volumes back to the installed milling capacity of 6.2 million tonnes per annum.

- 4E mill head grade for the year at 3.24g/t was 1% lower than the previous year's 3.26g/t mainly due to barren geological intrusions and internal dilution arising from mining across areas affected by faulting. In addition, the partial substitution of higher grade Bimha Mine ore with lower grade ore from Ngwarati Mine and the Ngezi South open-pit further diluted the average grade for the year.

- A breakout occurred on the furnace shell on 18 May 2015 resulting in the furnace being offline for 15 days. There were no injuries. The furnace was repaired and put back on full power towards the end of June 2015. Investigations into the possible causes of the furnace failure involving the furnace designers, furnace reline specialist and internal technical teams are in progress. As a result, 11 413 tonnes of concentrates produced during the smelter outage were stockpiled.

- A total of 119 500 tonnes of concentrates (2014: 132 800 tonnes) were smelted during the year producing 190 027 ounces of platinum in converter matte, 21% lower than the 239 660 ounces produced in the previous year. 4E metal production for the year also fell by 21% from 486 865 ounces in the prior year to 383 962 ounces.

<u>Capital Projects</u>

- The Ngezi Phase 2 Expansion Project implementation is progressing well with a total of US$441 million of the project budget having been spent to date. In addition, a total of US$11 million had been committed at year end.

- A strategic decision was taken to refurbish the mothballed BMR at SMC to further beneficiate from the current final product of converter matte. Feasibility studies for the refurbishment of the BMR were completed during the year. The BMR will produce a platinum group metals (PGM) cake, copper cathode and nickel sulphate. The PGM cake will still need to be processed further in the precious metal refinery (PMR) and this will continue to be done in South Africa. While the copper cathode will be sold directly to the final customer, the nickel sulphate will need to be processed further in a metalliser and this will be outsourced to other refineries in Zimbabwe.

- A total of US$38 million was spent on expansion projects in the year compared to US$73 million in the previous year.

- A total of US$47 million was spent on stay in business projects in the year, 30% higher than the US$37 million in the prior year.

<u>Mineral Resources and Ore Reserves</u>

- As at 30 June 2015, the overall mineral resources of approximately 108.3 million ounces of platinum were 0.9% less than prior due to depletion. Mineral resources 4E grade changed from 3.39g/t in the prior year to 3.36g/t due to inclusion of new assay data received in 2015.

- As at 30 June 2015, ore reserves estimates of approximately 80.6 million tonnes were 39% lower than the prior year mainly due to mining depletion, the exclusion of Portal 5 from the reserves and the reduction in extraction percentage at Bimha and Mupfuti mines. Ore reserves 4E grade decreased by 0.3% to 3.36g/t due to the assimilation of new assay data into the resource and reserve models.

- The material reduction in ore reserves was fully explained in the half year update for December 2014 published in February 2015.

- The ore extraction ratios were reduced to 66% at Mupfuti Mine and 68% at Bimha Mine from a previous average of 82%. This was as a result of new pillar layouts in line with revised geotechnical recommendations following the partial collapse and temporary precautionary closure of Bimha Mine.

Dividend

- Post year end, the board declared a final dividend of US$13.0 million (equating to 12.08 US cents per share) for the financial year ended 30 June 2015.
- The ex-dividend and record dates for the final dividend are 7 and 9 September 2015 respectively.

This report is based on the audited financial statements for the year ended 30 June 2015.