ZIMPLATS
Member of the Implats Group

INTEGRATED ANNUAL REPORT 2015

MINING FOR A SUSTAINABLE FUTURE

CONTENTS

OVERVIEW

PERFORMANCE REVIEW

FINANCIAL REVIEW

SHAREHOLDER AND OTHER INFORMATION

ABOUT THIS REPORT

This integrated annual report covers the financial year from 1 July 2014 to 30 June 2015 and is prepared for Zimplats Holdings Limited (Zimplats) and its subsidiaries (together 'the Group') in all regions. The reporting cycle is annual with the last report having been published in August 2014.

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

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 sustainable, 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.

SCOPE OF THIS REPORT

The report is the responsibility of the company's directors. In line with the recommendations of the King III Report on Corporate Governance, the report 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. The report also covers the approach taken to addressing those social, economic, environmental and governance issues which not only have a material impact on the long term success of the business but are also important to key stakeholders.

In addition, Zimplats is required to comply with the Australian Stock Exchange (ASX) Corporate Governance Principles and Recommendations, Third Edition and the requirements of The Companies (Guernsey) Law, 2008. Zimplats has also 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.

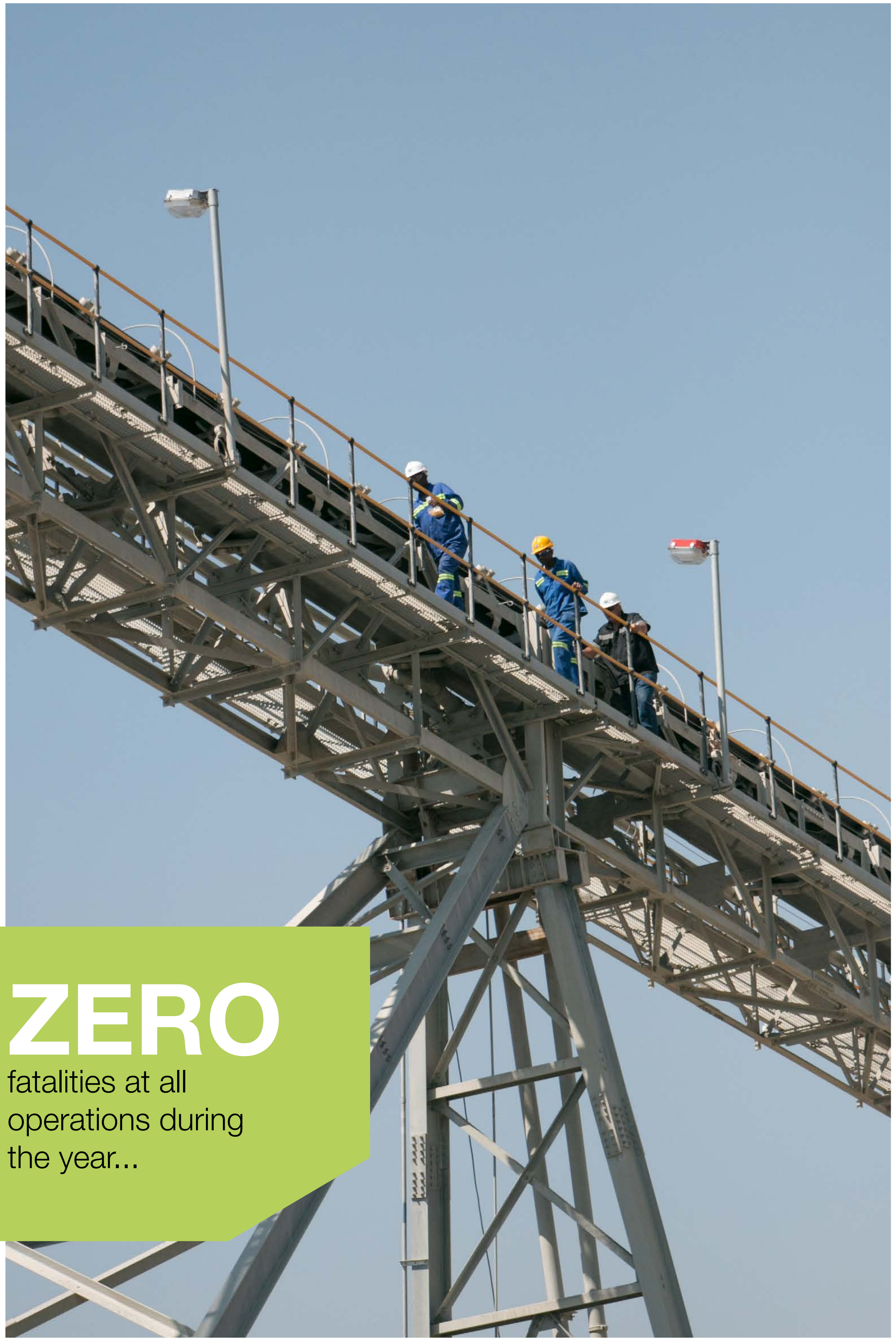
Production is reported in terms of 4E which includes platinum, palladium, rhodium and gold. Unless stated otherwise oz (ounces) or kg (kilograms) refers to 4E and in all cases US$ refers to the United States of America dollars.

Prior year comparatives have been provided, while in some instances, in order to illustrate historical trends, statistics and graphical representation cover up to five 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 annual 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.



ZERO
fatalities at all operations during the year...

OVERVIEW

01

BUSINESS PROFILE

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

The company's wholly owned operating subsidiary in Zimbabwe is Zimbabwe Platinum Mines (Private) Limited which is a significant producer of PGMs, exploiting the ore bodies located on the Great Dyke. The company has a mineral resource base of 222.5 M oz. 4E.

The operating subsidiary operates four underground mines and one open pit mine which supply ore to three concentrators (two at Ngezi and the third one at Selous).

Three of the four underground mines are operating at full production while the fourth one is currently under re-development. Production from the mining operations is processed by the three concentrators and then further refined at Selous where the smelter is located.

BUSINESS PROFILE (CONTINUED)

At year end, Zimplats had a workforce of 5 819▲ comprising 3 214▲ permanent employees (a decrease of 2% in the year) and a further 2 605▲ contractors (a decrease of 5% in the year).

Ore production in the year was 5.2 million tonnes (2014: 5.6 million tonnes). Converter matte sold during the year to the operating company's sole customer, Impala Refining Services Limited, amounted to 382 568 4E oz. (2014: 477 905 4E oz.).

▲*This number has been independently assured.*

PLATINUM GROUP METALS – THE 'GREEN' 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.

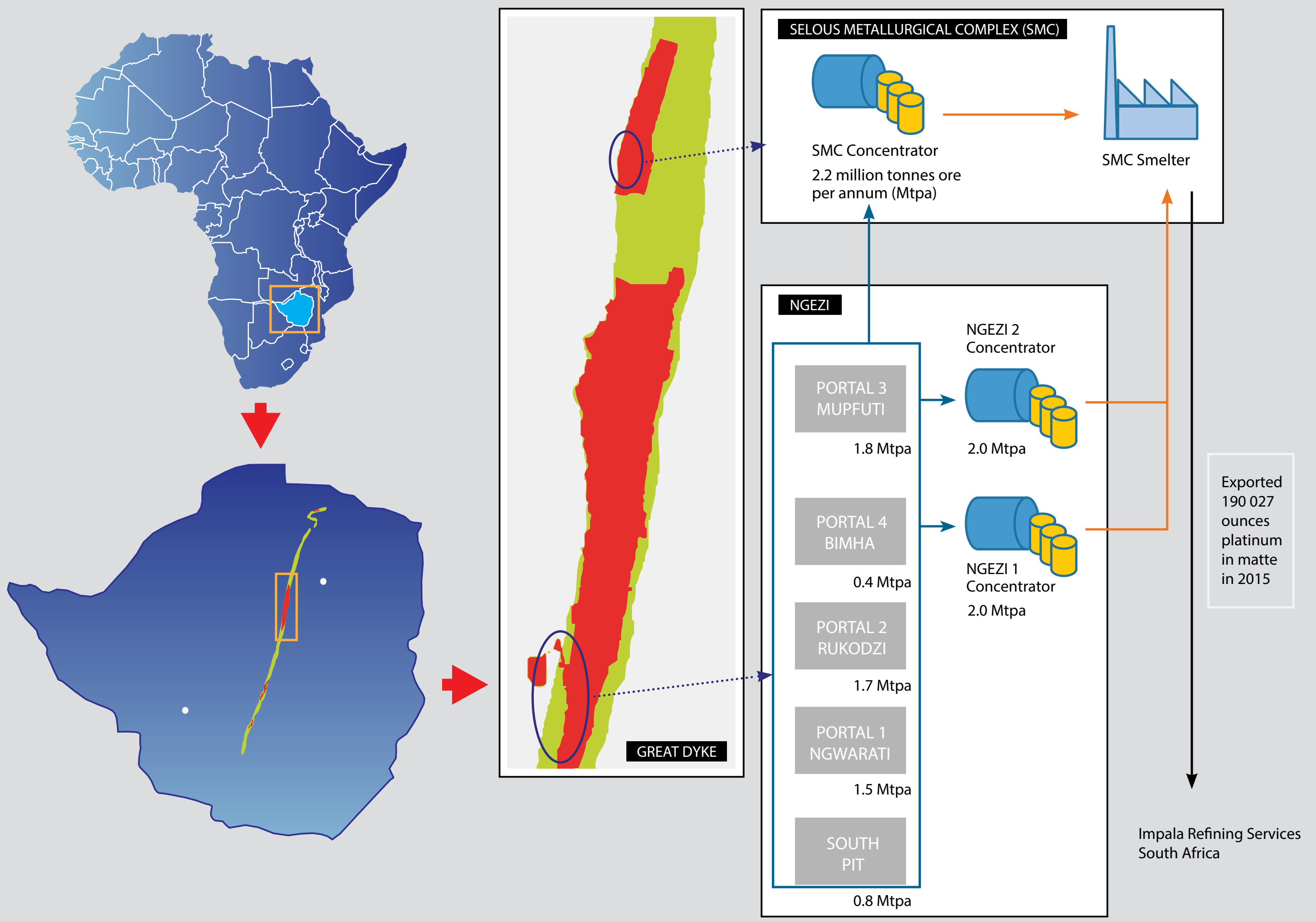
PGMs are a vital component in autocatalytic converters which play a significant role in controlling air pollution by reducing emissions in both gasoline and diesel engines.

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 while curtailing demand for fossil fuels.

WHERE WE CAME FROM

- **1980** – Zimbabwe independence
- **1986** – Delta Gold obtained an exclusive prospecting order from the Government of Zimbabwe
- **1994** – Delta-BHP JV starts to develop Hartley Mine
- **1996** – The Hartley concentrator started operation
- **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
- **2003-5** – Implats increased shareholding to 87%
- **2006**
  - Zimplats released 36% of its ground to the Government of Zimbabwe in return for anticipated cash and empowerment credits
  - Zimplats embarked on the US$340m Phase 1 expansion project, increasing mining and concentrator capacity to 4.2Mtpa
- **2010** – Zimplats embarked on the US$460m Phase 2 expansion, development of 4th underground mine at Ngezi, to increase production to 6.2Mtpa
- **2013** – Phase 2 expansion plant commissioned on schedule
- **2015**
  - Bimha Mine partial collapse and redevelopment
  - Resuscitation of open-pit operations

LOCATIONS AND OPERATIONS



ZIMBABWE PLATINUM MINES (PRIVATE) LIMITED

CASH UTILISATION (2002 - 2015)

US$1 596 million	38%	Operating expenses
US$1 310 million	31%	Capital expenditure to expand and maintain operations
US$513 million	12%	Payments to Government (income tax, royalties, customs duties and pay as you earn)
US$396 million	9%	Loan principal and interest payments
US$361 million	8%	Employment costs
US$63 million	1%	Dividends paid to Zimplats Holdings Limited
US$34 million	1%	Advances to The Reserve Bank of Zimbabwe

CHAIRMAN'S LETTER

Fholisani Sydney Mufamadi | *Chairman of the board*

> *Post year-end, metal prices continue to decline to unprecedented levels, with no clear indication of when they will bottom out. Management is being exhorted to develop and implement appropriate response strategies to ensure that the company stays afloat.*

CHAIRMAN'S LETTER (CONTINUED)

DEAR STAKEHOLDER

We remain committed to the worthy goal of sustainable development as defined by the 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 constructive stakeholder engagement in this regard.

Your company's safety, operating and financial performance for the financial year ended 30 June 2015 (FY2015) was worse than what was achieved in the financial year ended 30 June 2014 (FY2014). The operating environment remained harsh with a significant drop in metal prices being experienced which was exacerbated by the collapse of part of Bimha Mine in July 2014 and the smelter incident in May 2015. We are pleased to advise that there were no injuries to people as a result of these two incidents. Your company instituted stringent measures to contain costs and preserve cash to create fiscal space for the base metal refinery (BMR), Bimha Mine redevelopment project and the completion of the Ngezi Phase 2 expansion project. Nevertheless, some successes which were achieved in the year are highlighted below.

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 has continued to engage with the government with a view to agreeing on a mutually acceptable IIP. In this regard, Zimplats and the government have agreed on the sale of a 10% equity stake to the Zimplats Employee Share Ownership Trust (ESOT) as part of Zimplats' IIP. The process for the sale of this 10% equity stake to the ESOT is now awaiting approval by the Reserve Bank of Zimbabwe (RBZ) of the vendor financing arrangements pertaining to the sale. Once the RBZ approval has been obtained, Zimplats will proceed with the implementation of the sale of the 10% shareholding to the ESOT. It is my sincere hope and belief that we will ultimately achieve a position on Zimplats' IIP that will be fair and equitable to all the parties and, most importantly, that will preserve the interests of all stakeholders.

SAFETY, HEALTH AND ENVIRONMENT

I am pleased to report that we had no fatalities in all our operations during the year. Our total injury frequency rate (TIFR) improved from 1.37 in FY2014 to 1.33▲ in FY2015, an indication that the company's safety programmes are working well. However, it is regrettable that the number of lost time injuries reported in the year was worse than the previous year resulting in the lost time injury frequency rate (LTIFR) increasing from 0.41 to 0.59▲ per million hours worked. Your board and management have remained focused on the safety of all employees and business partners.

OPERATIONS

Regrettably, mining and milling volumes decreased by 7% and 13% respectively from the previous year. Mining production was affected by suspension of production operations at Bimha Mine in August 2014 as reported in our FY2014 integrated annual report. Milling volumes were affected by the constrained ore supply from the

▲*This number has been independently assured.*

CHAIRMAN'S LETTER (CONTINUED)

mines. I am however delighted to report that following extensive risk assessment, your board authorised management to commence safe redevelopment of Bimha Mine in November 2014. Significant progress on the redevelopment had been made at the end of the year with full production expected to be achieved in April 2018.

Platinum production decreased by 21% from the previous year due to ore supply shortages mentioned above as well as the furnace shell break-out which occurred on 18 May 2015 and resulted in the furnace being offline for 15 days. I am relieved to report that no people were injured as a result of the furnace shell breakout as they managed to evacuate in time. The damage to the furnace and some ancillary equipment has since been repaired.

The financial results were adversely affected by the sustained decrease in metal prices from the beginning of the year and the lower sales volumes. Cost per platinum ounce produced increased by 18% to US$1 551 mainly due to the decrease in production volumes.

TAXATION ISSUES

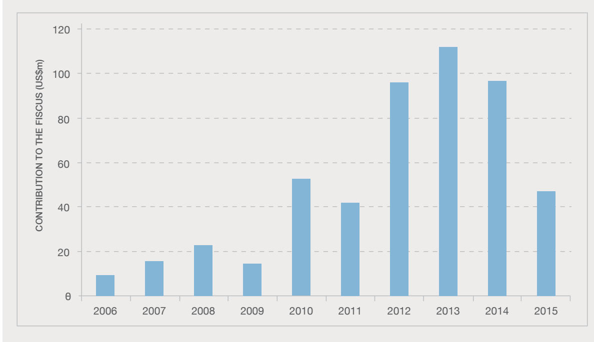
I am happy to advise that your company has made substantial progress in resolving some of the legacy tax issues that we have been grappling with for some time now. This has been achieved through engagements with the Zimbabwe Revenue Authority (ZIMRA) and also through judgments which have been handed down in three cases in which the operating subsidiary was involved. The judgments have provided determinations on matters which were historically in dispute between the operating subsidiary and ZIMRA. The first case concerned mining royalties in which the court confirmed that the company was entitled to pay royalties at the rates set out in its mining agreement. The second case had to do with additional profits tax (APT) in which the court ruled that assessed losses are not deductible in the determination of APT. The last case involved the levying of penalty on additional prior years' taxes, in which the court upheld the levying of the penalty.

We remain committed to working with ZIMRA on the resolution of the legacy tax issues and any ancillary matters which may arise. Our preferred option will always be constructive engagement before seeking judicial determination should the need to do so arise.

ZIMPLATS CONTRIBUTION TO THE ZIMBABWEAN ECONOMY

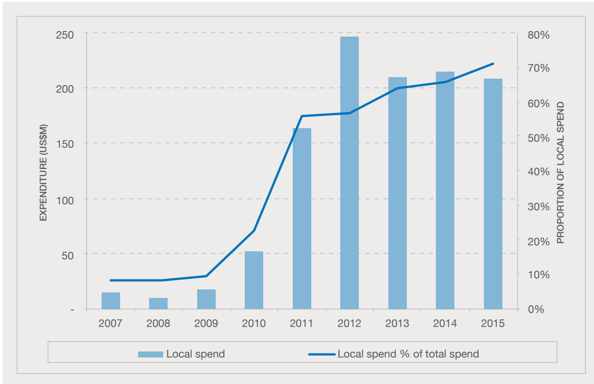
Your company has continued with its drive to contribute positively towards the sustainable recovery of Zimbabwe's economy. As a result, the company's local procurement (excluding payments to Government institutions) increased from 66% of total purchases in FY2014 to 71% in FY2015. The total value of local payments decreased slightly from US$215 million in FY2014 to US$209 million due to reduced activity on the Ngezi Phase 2 project and the employee housing scheme. In addition, Zimplats contributed indirectly towards the enhancement of consumer spending power in the country by paying its employees a total of US$85 million in wages and salaries.

CONTRIBUTION TO THE FISCUS



Payments to the Government in respect of corporate tax, royalties, payroll taxes and customs duties for the year amounted to US$47 million. The additional APT liability was largely offset by the refund of over paid royalties in prior years.

LOCAL SPEND



OUTLOOK

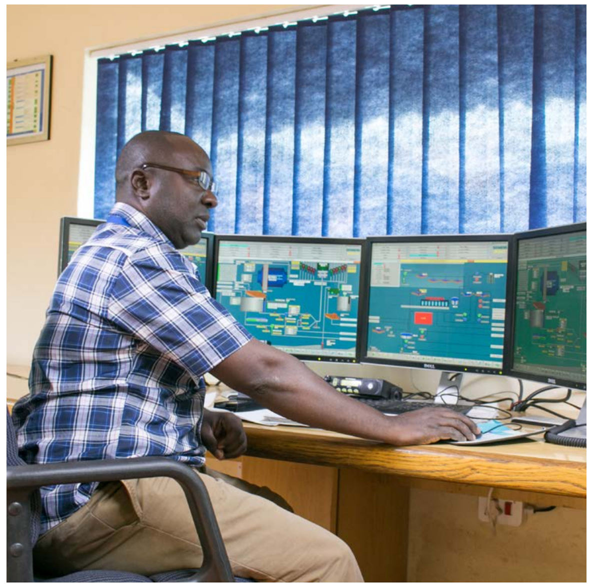
The company remains committed to the aspirations of the government and people of Zimbabwe on the issue of further beneficiation of minerals mined in Zimbabwe and platinum in particular.

Post year-end, metal prices continued to decline to unprecedented levels, with no clear indication of when they will bottom out. Management will be exhorted to develop and implement appropriate response strategies to ensure that the company stays afloat. Shareholders and other stakeholders will be updated of any major developments arising from this situation. I would also want to assure all our employees and contractors that the board will work tirelessly in protecting jobs for our employees and supply contracts with our suppliers.

Your board remains committed to complying with the country's laws. Good results have come out of the constructive engagements which the management team has had with the tax authorities in the current year. It is my sincere hope that the good relationship will continue going forward.

The fiscal environment has also remained tight with the liquidity situation in Zimbabwe worsening. This calls for a concerted effort from the various stakeholders to help the company ride the storm.

"I am happy to advise that your company has made substantial progress in resolving some of the legacy tax issues that we have been grappling with for some time now."



CHAIRMAN'S LETTER (CONTINUED)

ACKNOWLEDGEMENTS

On behalf of the board, I would like to offer my heartfelt thanks to the Zimplats team for their commitment and tireless efforts in these challenging times.

There have been changes within your company's board of directors. Andile Hesperus Sangqu resigned from the board on 9 June 2015. Andile joined the board on 1 April 2014 and served as a member of the audit and risk committee as well as the safety, health, environment and community committee. The board extends its sincere appreciation to Andile for his valuable contribution to the company during his stint as a director of the company and wishes him every success in the future.

Robert George Still retired as a director on 30 June 2015. He was appointed as a director in 1998 as part of the founding board of directors of the company. He served as the company's chairman between 2001 and 2004 and over the years has helped the company to achieve a number of very important milestones. The board extends its sincere appreciation to Rob for his significant and valuable contribution to the company and wishes him all the best in his future endeavours.

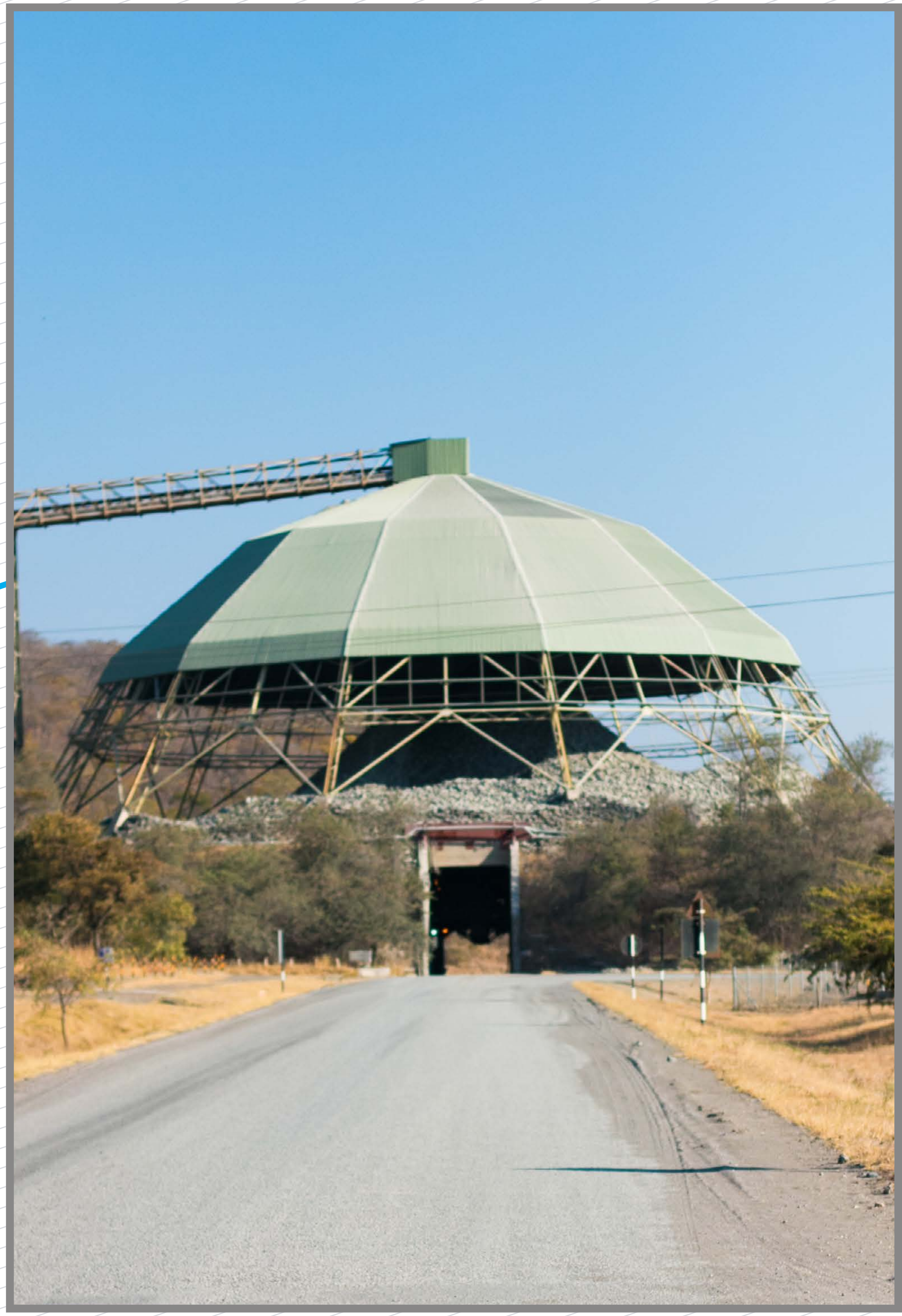
Zacharias Bernardus Swanepoel was appointed to the board on 1 July 2015 following his appointment as an independent non-executive director of Impala Platinum Holdings Limited on 5 March 2015. Both the board and I extend a very warm welcome to Bernard.

I was appointed to the board on 1 May 2015 and assumed the chairmanship of the board on 1 July 2015. On behalf of the board, I wish to thank Muchadeyi Ashton Masunda, the deputy chairman of the board, for his leadership of the board prior to my appointment as chairman.

I look forward to working on the board with Muchadeyi and the other directors.

Fholisani Sydney Mufamadi
Chairman of the board

14 August 2015



CHIEF EXECUTIVE OFFICER'S REPORT

Alex Mhembere | *Chief Executive Officer*

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.

KEY PERFORMANCE FEATURES

- No fatality was recorded in the year
- Total number of lost-time injuries (LTIs) increased from six in FY2014 to eight▲ in FY2015
- Lost-time injury frequency rate (LTIFR) deteriorated from 0.41 to 0.59▲
- Number of permanent employees marginally decreased from 3 269 to 3 214▲
- A shear-induced major ground collapse in July 2014 at Bimha Mine leading to the suspension of production operations at the mine. No people were injured
- Open-pit operations were resuscitated in the year and first ore was delivered in April 2015
- Run of mine (ROM) ore production decreased by 7% from 5.62 million tonnes to 5.23 million
- The furnace was down for 15 days due to a furnace shell breakout on 18 May 2015
- Platinum in converter matte production decreased by 21% from 239 660 ounces to 190 027 ounces
- A favourable court ruling on the royalties case was handed down in the year reducing the royalty rates from the Finance Act rates to the 2.5% Mining Agreement rate and a refund of overpaid royalties amounting to US$108 million for the period January 2004 to December 2014
- An unfavourable court ruling on the APT case was handed down in the year increasing the Group tax charge for the year by US$55.3 million
- Feasibility studies for the refurbishment of the mothhalled SMC BMR were commenced and completed in the year and implementation is in progress. Project commissioning is planned to commence in July 2016.Costs incurred on the greenfield BMR feasibility and other technical studies amounting to US$15.6 million were written off in the year
- Implementation of the outstanding components of the Ngezi Phase 2 expansion project is progressing well
- Financial results were affected by lower sales volumes, depressed metal prices, equipment write-offs and the increase in APT arising from the unfavourable ruling on the APT case.

SAFETY, HEALTH AND ENVIRONMENT

Safety

I am pleased to report that the Group managed to finish the year with no fatality. By end of year, the Group had accumulated just over 3.29 million fatality free shifts.

The total number of LTIs recorded in the year increased from six in FY2014 to eight▲ in FY2015. As a result, LTIFR increased 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 FY2014 to 18 in FY2015. The total injury frequency rate (TIFR) as a result improved from 1.37 to 1.33▲. Deviation from established standards and procedures by both employees and contractors remained the major cause for injuries at work. The resuscitation of the contracted open-pit operations also changed the Group's risk profile. Therefore, compliance with safe production rules and implementation of behaviour-based initiatives aimed at addressing behavioural issues such as the zero incident process (ZIP) will remain central in the Group's safety strategy.

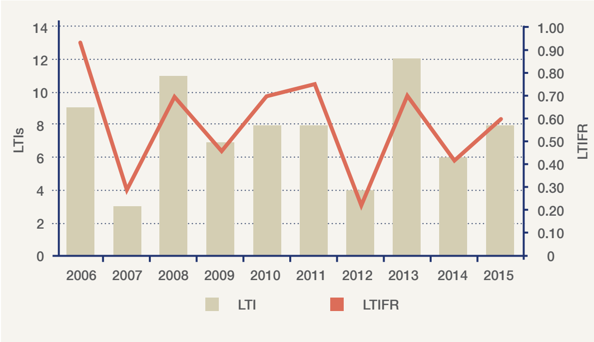
▲*This number has been independently assured.*

CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

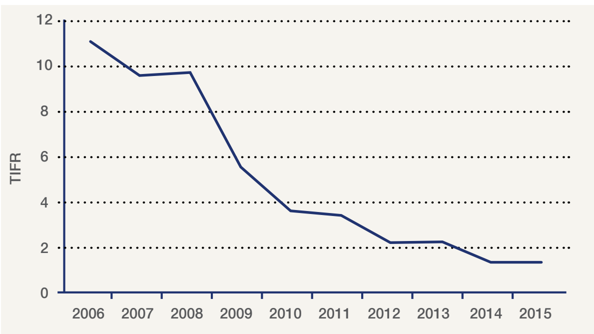
"The occupational health monitoring systems continued to work effectively..."

The Group experienced a major ground collapse within a section of Bimha Mine in July 2014 which subsequently led to the precautionary closure of the operation on 23 August 2014. No people were injured.

Lost Time Injuries Trend



Total Injuries Frequency Rate Trend



Health

Non-communicable diseases (NCDs) were brought under focus during the year with increased awareness programmes and screening for common cancers in employees, dependents and some members of the surrounding community. Positive cases were referred to private and government institutions for appropriate management. There was a dip in HIV tests done compared to the previous year. HIV, AIDS and NCD programmes were integrated into one wellness programme.

Indoor residual spraying and larviciding were done in line with the Zimbabwean National Malaria Control programme. The absence of locally transmitted malaria cases is testimony for the success of the current efforts. In addition, all of the operating subsidiary's villages were supplied with insecticide-treated mosquito nets and pamphlets with information on malaria.

CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

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

Environment

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

Significant progress has been made in rehabilitating the closed open-pit mine. Approximately 69% of the disturbed areas had been rehabilitated by the end of the year. The rehabilitation of the tailings dams was satisfactory for the year.

Water performance at Zimplats operations improved as a result of the implementation of a water resource strategy focusing on enhancing water accounting and recycling. A total of 4 273 mega litres were recycled, 7% up from 3 997 mega litres recycled in FY2014. Total water recycled was 40.5% of the total water consumed and was better than the set target of 31%. Water withdrawn from dams and underground amounted to 6 291 mega litres, a 2% improvement from 6 389 mega litres for FY2014. Zimplats will continue with the current water recycling initiatives and explore new opportunities with a view to achieve a budget of 40% water recycling for FY2016. Fresh water consumption per tonne milled for the year at 1.25 kilo litres was 16% higher than the previous year's 1.08 kilo litres. The deterioration is attributed to less tonnage milled during the year.

Zimplats implemented projects to attain 100% compliance with waste and effluent regulations through constructing leachate collection systems and landfill lining for both Ngezi and Selous Metallurgical Complex (SMC) landfills. The projects were successfully completed and comply with national solid waste and effluent regulations. In addition, Zimplats' blue (safe) effluent permits increased from 10 to 12 during FY2015. The most significant air quality emission for Zimplats relates to sulphur dioxide (SO_2) emissions from the smelting operations. A feasibility study for SO_2 abatement plant commenced during FY2015 and is set to be finalised in FY2016.

OPERATIONS

Mining

There was an acceleration of the deterioration of ground conditions associated with the Mutambara Shear in the first quarter 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. However, prior to the major collapse, pillars started to show signs of stress. As the stress in the pillars increased, rock fracturing and scaling were observed on the pillars. These early signs of failure were used to visually assess the stability of pillars in underground workings at Bimha Mine. Instrumentation was installed to monitor closure, seismicity, ground movement and subsidence. A number of interventions were instituted and these included pillar rehabilitation, cutting new barrier pillars, installing grout packs and re-designing pillar layouts as well as quarantining deteriorated areas. However, during the period May 2014 to July 2014 it was noted from the extensive monitoring data and observation protocols that there was an increase in pillar failures, footwall heaving and associated excavation closures as the peak load-bearing capacity of the pillars was exceeded. Investigations concluded that the underground conditions, over a wide area, predominantly mined out areas, were no longer safe and employees had to be removed from the workings. On 8 July 2014 a major collapse occurred at Bimha Mine rendering 50% of the mine footprint inaccessible. A decision was then made to temporarily close Bimha Mine to ensure the safety of employees and machinery. As a result of the safe withdrawal, there were no injuries or damage to mobile equipment. However, material handling and other fixed underground infrastructure were either damaged or rendered inaccessible. Six mining fleets from Bimha Mine were subsequently redeployed to the other underground mines with a view to reducing the overall effect of Bimha Mine's closure on production albeit at reduced productivity due to constrained redundancy.

The board approved the redevelopment of Bimha Mine after extensive risk assessments had been done,

CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

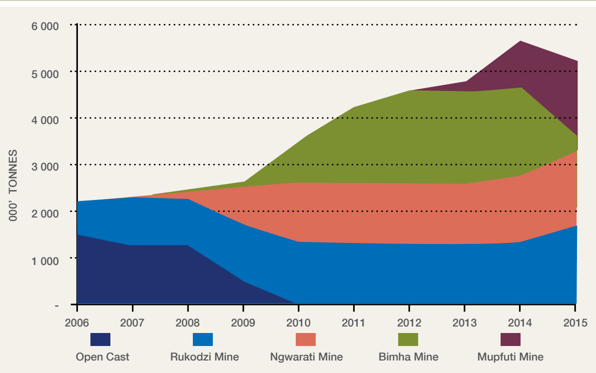
using two fleets in safe areas in the second quarter of the year with a view to ramp production back to design capacity in the second half of FY2018. Ground movement monitoring continued throughout the year by means of closure meters, an extensometer and geophones. Readings from these instruments showed 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 open-pit operation was also resuscitated in the year to reduce the ore supply gap, contributing 105 692 tonnes to the current year ore mined. The open-pit is expected to increase production to 830 000 tonnes per annum from FY2016 and will be stopped when Bimha Mine is back to full design production capacity.

I am pleased to report that by the end of the year, the Group had managed to recover mining production volumes back to the 520 000 tonnes per month or 6.2 million tonnes per annum which match the installed milling capacity.

Consequently, ROM ore mined for the year at 5.23 million tonnes decreased by 7% from last year's 5.62 million tonnes.

Ore Mined



Head grade

Average 4E 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 operation further diluted the average grade for the year under review.

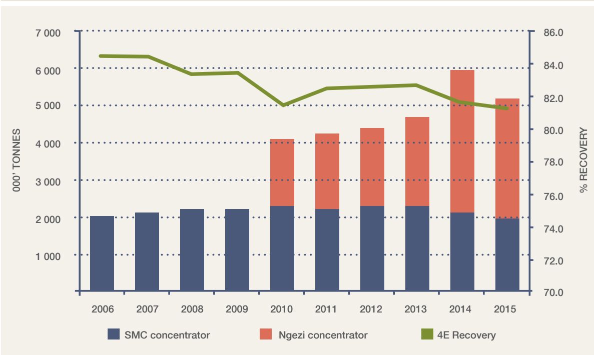
PROCESSING

Concentrators

The tonnes milled for the year at 5.16 million (13% lower than the previous year's 5.94 million) matched ore supply from the mines which was affected by the precautionary closure of Bimha Mine in the first quarter of the year.

The overall 4E recovery rate for the year was 1% down from 81.7% reported in the previous year to 81.3% due to the impact of 1% lower 4E mill feed grades. Mass pull for the year was increased to 2.5 % from 2.3% in FY2014 in order to improve recovery as well as ensuring stable and power efficient furnace operations.

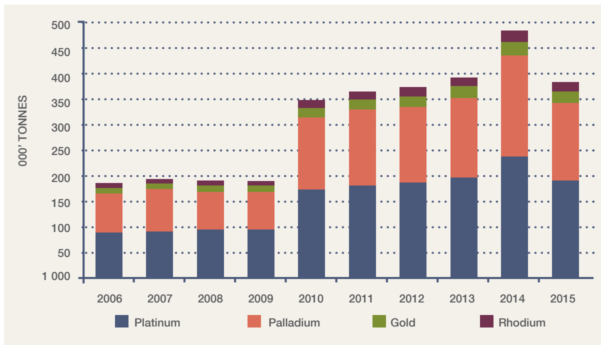
Ore Milled + Recovery



Smelter

A breakout occurred on the furnace sidewall from approximately 300mm above the top right hand side of number 2 matte tap block on 18 May 2015. Molten material flowed from the furnace onto the tapping platform and into the converter aisle and damaged some ancillary equipment in the process. No people were injured as they managed to evacuate in time. 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, a 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 and will be smelted in FY2016. A total of 119 500 tonnes of concentrates (FY2014: 132 800 tonnes) were smelted in 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 FY2014 to 383 962 ounces in FY2015.

Metal Production 4E Oz



CAPITAL PROJECTS

Expansion Projects

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.

The Group commenced and completed feasibility studies for the refurbishment of the mothballed SMC BMR to further beneficiate from the current final product of converter matte. 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. Procurement of long lead items has commenced and project commissioning is expected to commence in July 2016. The amount spent and committed on this project is US$4.5 million and US$10.2 million respectively as at 30 June 2015. The project is expected to cost approximately US$131 million to completion.

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

Stay in Business Projects

The Bimha Mine redevelopment's actual expenditure and committed amounts were US$6.3 million and US$3.6 million respectively as at 30 June 2015 against a project budget of US$92.0 million.

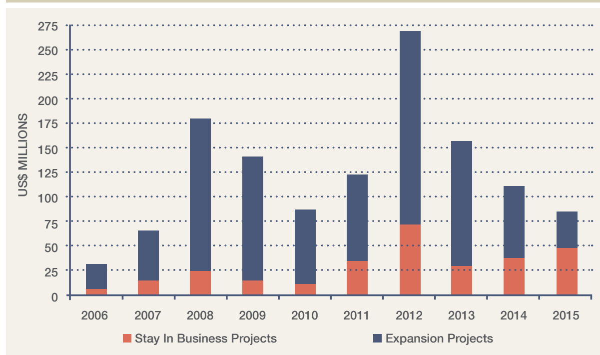
The open-pit resuscitation project was commenced in the year with a total of US$7.3 million (US$1.7 million committed) spent on pre-stripping of the overburden and equipping of the surface ore crushing and handling system. The project is expected to be completed in the first quarter of FY2016 at a total capital expenditure cost of US$10 million.

In line with the current replacement plan, US$14 million was spent on the replacement of mining mobile equipment.

The SMC concentrator semi autogenous grinding (SAG) mill which had developed cracks was replaced in the year at a total cost of US$3.5 million.

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 previous year.

Capital Expenditure



HUMAN RESOURCES

The industrial relations for the year were generally stable and the Group continues to monitor the general market trends. Staff turnover marginally worsened from 3.5% to 4.3% in the year, driven mainly by resignations and retirements. National Employment Council (NEC) wage negotiations for the mining industry were concluded

▲*This number has been independently assured.*

CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

successfully for the period 1 January 2015 to 31 December 2015.

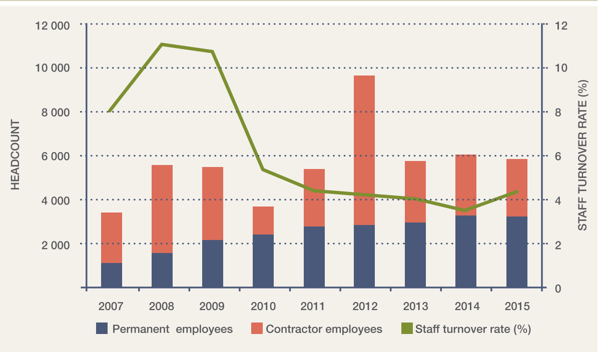
The precautionary closure of Bimha Mine resulted in a slow-down in recruitment with the total number of permanent employees decreasing by 2% to close the year at 3 214▲. Contractor employees decreased by 5% from 2 749 to 2 605▲ due to completion of significant components of the Phase 2 expansion project. The reduction in Phase 2 project contractors was partly offset by the contractors engaged on the open-pit operation which commenced production in the final quarter of the year.

The operating subsidiary embarked on a labour rationalisation exercise at supervisory and management levels. Consequently, 21 non-NEC employees were given notice of retrenchment. The exercise will result in at least 10% savings on non-NEC payroll costs.

Zimplats continues to focus on improved employee productivity and employee retention through various strategies which include benchmarking conditions of employment with mining industry competitors, employee training and development, wellness programmes, promotion of harmonious industrial relations at the workplace. A perception survey was carried out in the year with the assistance of external consultants. The results of the survey showed a generally positive rating by employees in terms of employee engagement.

The lower level employees' home ownership scheme for employees based at Ngezi has been effective. Most of the eligible employees have now been allocated houses. The Employee Share Ownership Trust is also being pursued with some progress being noted.

Labour Headcount and Turnover



SOCIAL INVESTMENTS

I am pleased to report that despite the pressures on the Group's cash flows on the back of declining metal prices and the impact of the Bimha Mine collapse, engagement with local communities on the development agenda continued. Several social development projects have been undertaken covering health, education and local enterprise development albeit on a reduced scale compared to prior year.

Investment in employee housing was US$5.5 million compared to US$15 million in FY2014. The company continued to register good progress in its support of local suppliers in line with Zimbabwe's economic development thrust. To this end local suppliers accounted for 71% (FY2014: 66%) of the Company's annual expenditure on goods and services during the year under review.

FINANCIAL RESULTS

Revenue for the year decreased by 29% from US$576 million in FY2014 to US$408 million in FY2015 due to a 20% decrease in 4E sales volumes from 477 905 ounces to 381 849 ounces and a 12% decrease in gross revenue per platinum ounce from US$2 457 to US$2 167 arising from declining metal prices.

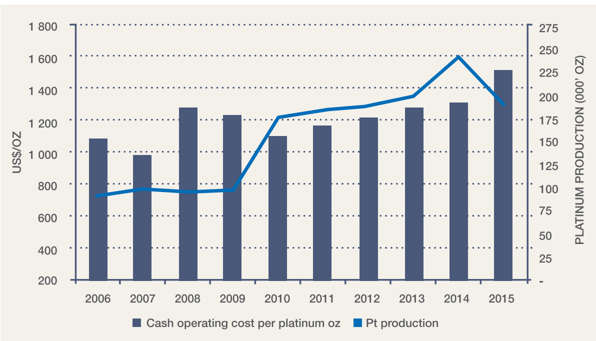
Cost of sales of US$316 million was 5% lower than the previous year's US$332 million mainly due to the decrease in sales volumes which was partly offset by higher underground roof support costs in bad ground areas. Gross profit margins deteriorated from 42% in prior year to 23% in the current year due 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 increased by 18% from US$1 319 in FY2014 to US$1 551 in FY2015 mainly due to the impact of the lower production volumes on fixed costs.

CHIEF EXECUTIVE OFFICER'S REPORT (CONTINUED)

Cash Operating Cost per Platinum Ounce



The collapse within 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 the 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 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 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 rates stipulated in the Finance Act. 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 in Zimbabwe 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. 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$128.7 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 a 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 for the current year 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.

APPRECIATION

I would like to thank the management team, 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

14 August 2015

ACHIEVEMENTS
FY2015

OBJECTIVE	STATUS
Improve safety culture and performance through the implementation of identified interventions and eliminate fatalities. Achieve target LTIFR of 0.30	• There were no fatalities reported in the year • TIFR improved from 1.37 in FY2014 to 1.33▲ in FY2015 • LTIs increased from six in FY2014 to eight▲ in FY2015 • LTIFR increased from 0.41 in FY2014 to 0.59▲ in FY2015
Achieve planned FY2015 production tonnages and efficiencies	• Tonnes mined and milled were 17% and 14% below plan respectively • Head grade was 1% below plan • Concentrator recovery rates were 0.4% below target • Platinum production was 25% less than target
Contain the effects of Mutambara Shear	• Production operations at Bimha Mine were suspended due to the major fall of ground associated with Mutambara Shear • Equipment worth US$22.9 million was either damaged or rendered inaccessible and written off due to Mutambara Shear related fall of ground • Potential production losses reduced by redeployment of fleets from Bimha Mine to the other underground mines and resuscitation of open-pit operations • Net production loss of 1 million tonnes of ore and 37 000 ounces of platinum
Remain in the lower cost quartile of platinum producers	The company's cash cost performance was affected by lower production volumes due to the suspension of production operations at Bimha Mine and the furnace breakout incident which happened towards the end of the year. Consequently, unit cost increased from US$1 319 per platinum ounce to US$1 551
Initiate the Base Metal Refinery (BMR) project	The BMR project pre-feasibility and bankable feasibility studies were completed in the year at a total cost of US$4 million. Procurement of long lead items commenced in the year with US$5.8 million having been committed by year-end
Maintain the local supply base at a minimum of 64% of annual spend, excluding government institutions	Purchases from local suppliers in FY2015 accounted for 71% (2014: 64%) of the company's annual expenditure on goods and services
Retain certification on the ISO 9001, ISO 14001 and OHSAS 18001 Systems	Certification retained
Implement identified corporate social responsibility (CSR) development projects	CSR projects expenditure for the year was less than planned due to cash constraints arising from Bimha Mine collapse and declining metal prices
Complete the remaining elements of the Ngezi Phase 2 project within the approved revised budget	Some of the Ngezi Phase 2 project components were deferred to future years due to cash constraints. These elements are now expected to be completed in FY2016

▲*This number has been independently assured.*

OBJECTIVES
FY2016

- Improve safety culture and performance through the implementation of identified interventions and eliminate fatalities. Achieve target LTIFR of 0.30
- Achieve planned FY2016 production volumes and efficiencies
- Achieve planned FY2016 cost performance
- Cash preservation
- Contain the effects of shear-induced ground instability at all the underground mines
- Maintain the local supply base at a minimum of 65% of annual spend, excluding government institutions
- Complete refurbishment of the BMR for commissioning to commence in July 2016
- Retain certification on the ISO 9001, ISO 14001 and OHSAS 18001 Systems
- Comply with the existing tax legislation to minimize risks of non-compliance penalties and interests
- Complete capital expenditure projects within approved budgets.

Complete refurbishment of the BMR for commissioning to commence in July 2016

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:

18 July 2014	Bimha Mine partial underground collapse
20 August 2014	Precautionary closure of Bimha Mine
25 August 2014	Resignation of Mr M J Houston as a non-executive director
29 August 2014	Release of Integrated Annual Report 2014
20 October 2014	Release of results of annual general meeting
11 December 2014	Commencement of Bimha Mine redevelopment
26 February 2015	Release of results for the half-year ended 31 December 2014
26 March 2015	Results of court decisions in Zimbabwe
1 May 2015	Appointment of Dr F S Mufamadi as a non-executive director
12 June 2015	Resignation of Mr A H Sangqu as a non-executive director
26 June 2015	Directorate changes: • appointment of Dr F S Mufamadi as chairman of the board • appointment of Mr Z B Swanepoel as a non-executive director • resignation of Mr R G Still as a non-executive director

FIVE YEAR REVIEW

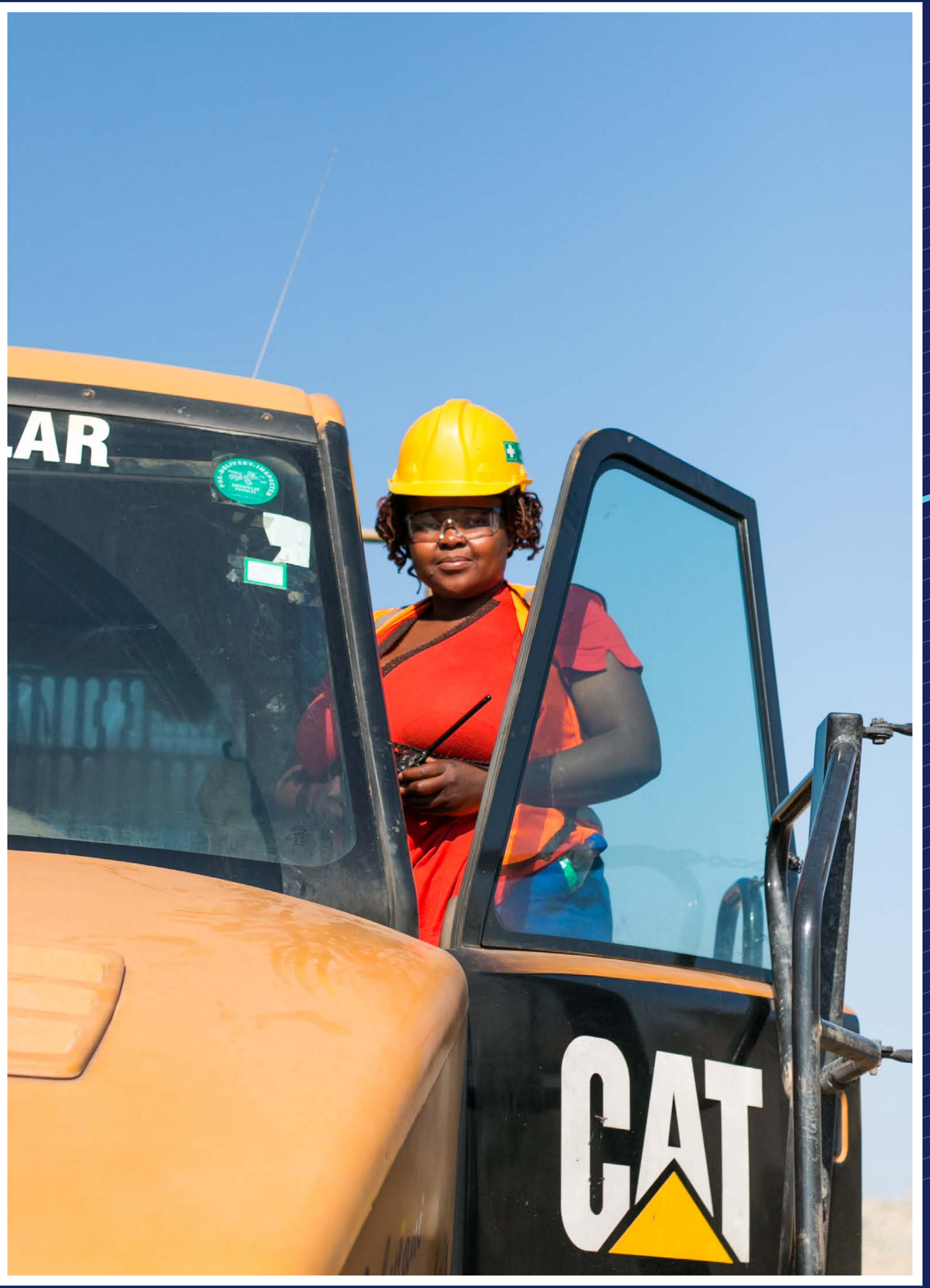
SUMMARISED FINANCIAL RESULTS

	2015 US$000	2014 US$000	2013 US$000	2012 US$000	2011 US$000
GROUP STATEMENT OF COMPREHENSIVE INCOME					
Turnover	408 391	575 978	471 647	473 280	527 354
Platinum	201 957	306 693	263 234	261 681	284 991
Paladium	108 699	137 760	96 890	87 004	98 347
Gold	23 400	31 393	30 387	32 897	26 636
Rhodium	16 782	20 075	15 136	18 714	30 030
Nickel	42 880	59 220	46 579	52 921	66 135
Other	14 673	20 837	19 421	20 063	21 215
Cost of sales	(315 727)	(332 272)	(248 121)	(219 854)	(204 275)
Mining	(130 384)	(123 594)	(96 314)	(88 815)	(78 041)
Processing	(81 890)	(86 405)	(58 036)	(52 142)	(52 448)
Depreciation	(69 086)	(59 557)	(46 830)	(41 714)	(33 584)
Staff costs	(60 621)	(56 737)	(47 403)	(41 210)	(37 237)
Stock movement	26 254	(5 979)	462	4 027	(2 965)
Gross profit	92 664	243 706	223 526	253 426	323 079
Other expenses	(9 644)	(8 177)	(3 708)	(7 349)	(12 414)
Operating costs	(54 245)	(88 152)	(93 841)	(91 098)	(66 056)
Exceptional items	29 539	(18 887)	(15 394)	-	-
Net finance (expense)/income	(2 176)	177	(1 497)	(3 458)	(8 531)
Profit before tax	56 138	128 667	109 086	151 521	236 078
Income tax expense	(130 467)	(31 534)	(40 832)	(29 162)	(35 656)
(Loss)/profit after tax	(74 329)	97 133	68 254	122 359	200 422
Attributable to minority interests	-	-	-	-	-
Net (loss)/profit to shareholders	(74 329)	97 133	68 254	122 359	200 422
GROUP STATEMENT OF FINANCIAL POSITION					
ASSETS					
Non-current assets	1 029 047	1 052 405	1 016 726	916 921	681 907
Property,plant and equipment	1 007 760	1 023 134	975 685	858 720	625 433
Mining interests	21 287	22 445	22 445	22 445	22 445
Financial assets and other receivables	-	6 826	20 596	35 756	34 029
Current assets	316 916	323 758	232 852	237 965	293 468
Total assets	1 345 963	1 376 163	1 249 578	1 154 886	975 375
EQUITY AND LIABILITIES					
Capital and reserves	952 797	1 027 126	929 993	861 739	739 381
Minority interests	-	-	-	-	-
Non-current liabilities	205 383	213 231	226 598	212 133	142 817
Deferred income tax	135 122	121 846	104 875	115 344	87 506
Borrowings	50 000	75 000	105 000	78 118	38 066
Mine rehabilitation provision	19 423	13 661	15 575	14 354	14 332
Share based compensation	838	2 724	1 148	4 317	2 913
Current liabilities	187 783	135 806	92 987	81 014	93 177
Total equity and liabilities	1 345 963	1 376 163	1 249 578	1 154 886	975 375

FIVE YEAR REVIEW (CONTINUED)

STATISTICS REVIEW	2015	2014	2013	2012	2011
Operating statistics					
Ore mined (tonnes)	5 234 507	5 624 872	4 794 657	4 586 012	4 236 700
Open cast	105 693	-	-	-	-
Ngwarati Mine	1 560 369	1 408 550	1 284 278	1 297 174	1 261 507
Rukodzi Mine	1 619 035	1 381 449	1 317 305	1 329 042	1 346 916
Mupfuti Mine	1 599 693	963 229	229 775	-	-
Bimha Mine	349 717	1 871 644	1 963 299	1 959 797	1 628 277
Ore headgrade (g/t)	3.24	3.26	3.32	3.32	3.35
Ore milled (tonnes)	5 163 499	5 939 277	4 683 136	4 392 731	4 222 565
SMC concentrator	1 936 967	2 096 146	2 225 066	2 275 235	2 169 901
Ngezi concentrator	3 226 532	3 843 131	2 458 070	2 117 496	2 052 664
4E oz in matte produced	383 962	486 865	394 814	374 791	367 788
Platinum	190 027	239 660	198 104	187 086	182 093
Palladium	154 846	197 623	157 076	149 206	148 141
Gold	21 692	27 250	22 637	21 637	20 801
Rhodium	17 397	22 333	16 997	16 862	16 752
4E oz in matte sold	381 849	477 905	388 850	375 340	368 282
Platinum	188 760	234 396	193 901	187 227	182 244
Palladium	154 403	195 049	155 603	149 750	148 864
Gold	21 621	26 827	22 340	21 647	20 860
Rhodium	17 065	21 633	17 006	16 716	16 315
Financial ratios					
Gross margin (%)	22.7%	42.3%	47.4%	53.5%	61.3%
Return on equity (%)	(7.8%)	9.5%	7.3%	14.8%	27.1%
Return on assets (%)	(5.5%)	7.1%	5.5%	11.1%	20.5%
Current ratio	1.7	2.4	2.5	3.0	3.1
Operational indicators					
Capital expenditure (US$000)	84 526	110 214	156 686	269 514	121 874
Gross revenue per 4E oz (US$)	1 070	1 205	1 213	1 259	1 432
Cash operating cost per 4E oz (US$)	767	650	646	611	580
Cash operating cost per platinum oz (US$)	1 551	1 319	1 287	1 223	1 171
Net cash cost per platinum oz (US$)	457	170	212	93	(159)
Non-financial indicators					
Permanent employees	3 214▲	3 268	2 929	2 830	2 757
Local spend % of total spend	71%	66%	64%	65%	60%
Lost Time Injury Frequency Rate	0.59▲	0.41	0.70	0.21	0.75
Total Injury Frequency Rate	1.33▲	1.37	2.20	2.22	3.39
Effluent permits issued (red, high impact)	-	-	-	-	-
Disturbed areas rehabilitated (ha)	2.5	1.5	4	5	-

▲This number has been independently assured.



BOARD OF DIRECTORS

BOARD OF DIRECTORS

01

CHAIRMAN
Dr Fholisani Sydney Mufamadi
MSc, PhD

Appointed to the board on 1 May 2015 and appointed as the chairman of the board with effect from 1 July 2015. Dr Mufamadi is an independent non-executive director of Impala Platinum Holdings Limited. He is the current director of the School of Leadership at the University of Johannesburg, South Africa. He serves on the subsidiary boards of the Barclays Bank Africa group in Mozambique and Tanzania.

02

DEPUTY CHAIRMAN
Muchadeyi Ashton Masunda
BL (Hons), FCIArb (UK)

Appointed to the board in 2007 and appointed as deputy chairman of the board with effect from 1 March 2010. Was acting chairman of the board from 1 July 2012 until 30 June 2015. Much is the chairman of the Commercial Arbitration Centre in Harare. He is also the chairman of several Zimbabwean companies, among them Atlas Copco Zimbabwe, John Sisk & Son (Africa) Limited and Zimbabwe Sugar Association. He is a member of the audit and risk committee.

03

CHIEF EXECUTIVE OFFICER
Alexander Mhembere
ACIS, ACMA, MBA

Appointed chief executive officer in 2007, having formerly been the managing director of a Zimbabwean PGM producer. Alex is also the chief executive officer of the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, and is the immediate past president of the Chamber of Mines Zimbabwe.

04

CHIEF FINANCE OFFICER
Stewart Magaso Mangoma
BCompt (Hons) UNISA, CA (Z)

Joined the Zimplats group in March 2013 as a director and the chief finance officer of both Zimplats Holdings Limited and the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited. Stewart has held senior executive positions in a number of leading companies in Zimbabwe. He is the chairman of the procurement committee and of the IT steering committee and is a member of the project steering committee.

05

Brenda Berlin
BCom (Wits), BAcc (Wits), CA (SA)

Joined the board in 2010 and is the chief finance officer of Impala Platinum Holdings Limited. Brenda is a member of the audit and risk committee.

06

Terence Philip Goodlace
NHD in Metalliferous Mining, BCom, MBA

Appointed to the board in August 2012. Terence is the chief executive officer of Impala Platinum Holdings Limited.

07

Dr Khotso David Kenneth Mokhele
BSc (Agriculture), MSc, PhD

Appointed to the board in 2007. Dr Mokhele is the non-executive chairman of Impala Platinum Holdings Limited and a non-executive director of Afrox Limited and Tiger Brands Limited.

08

Leslie John Paton
BSc (Hons) Geology, BCom, Pr.Sci Nat FGSSA

Appointed to the board in 2003. Les was an executive director of Impala Platinum Holdings Limited from 2003 until his retirement in 2010. He is the chairman of the safety, health, environment and community (SHEC) committee and is a member of the remuneration committee.

09

Zacharias Bernardus Swanepoel
BSc (Mining Engineering), BCom (Hons)

Appointed to the board on 1 July 2015. Bernard is an independent non-executive director of Impala Platinum Holdings Limited and is currently a Partner at To-The-Point Growth Specialists. He is the non-executive chairman of Village Main Reef and serves as a non executive director on the boards of Sanlam Limited and African Rainbow Minerals Limited.

10

Nyasha Puza Siyabora Zhou
BAcc (UZ), CA (Z), CIMA (UK), MBL (Unisa)

Appointed a director of the main operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, in 2007 and chairman of the operating subsidiary in 2013. Nyasha joined the board of Zimplats Holdings Limited in 2010. He is a past president of the Zimbabwe Institute of Chartered Accountants and sits on a number of other boards in Zimbabwe. Nyasha is the chairman of the audit and risk committee and is a member of the safety, health, environment and community (SHEC) as well as the remuneration committees.

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%

Zimplats 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)
- PROJECT STEERING COMMITTEE
- CAPITAL STEERING COMMITTEE
- PROCUREMENT COMMITTEE

MANAGEMENT
EXECUTIVE COMMITTEE

01

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.

02

STEWART MANGOMA
BCompt (Hons) UNISA, CA (Z)
Chief Finance Officer
Stewart joined the Group in March 2013 as chief finance officer. Stewart is the chairman of the finance committee, the procurement committee and the information technology steering committee and is a member of the project steering committee.

03

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 main operating company. He was appointed to the board of the operating subsidiary in February 2013. Stanley is the chairman of the operations committee and a member of the procurement committee and the project steering committee.

04

TAKAWIRA MASWISWI
MSc (Tourism and Hospitality), MIPM
General Manager - Human Resources
Taka joined the Group in February 2012 as general manager – human resources. He is the chairman of the people committee.

05

AMEND CHIDUMA
BSc (Electrical Eng) (Hons), Mine Engineer's Diploma, General Management Diploma
General Manager – Engineering
Amend joined the Group in 2008 and was appointed general manager – engineering in 2013. He assumed responsibility for all engineering and projects activities for the Group in May 2015. He is the chairman of the technical committee.

06

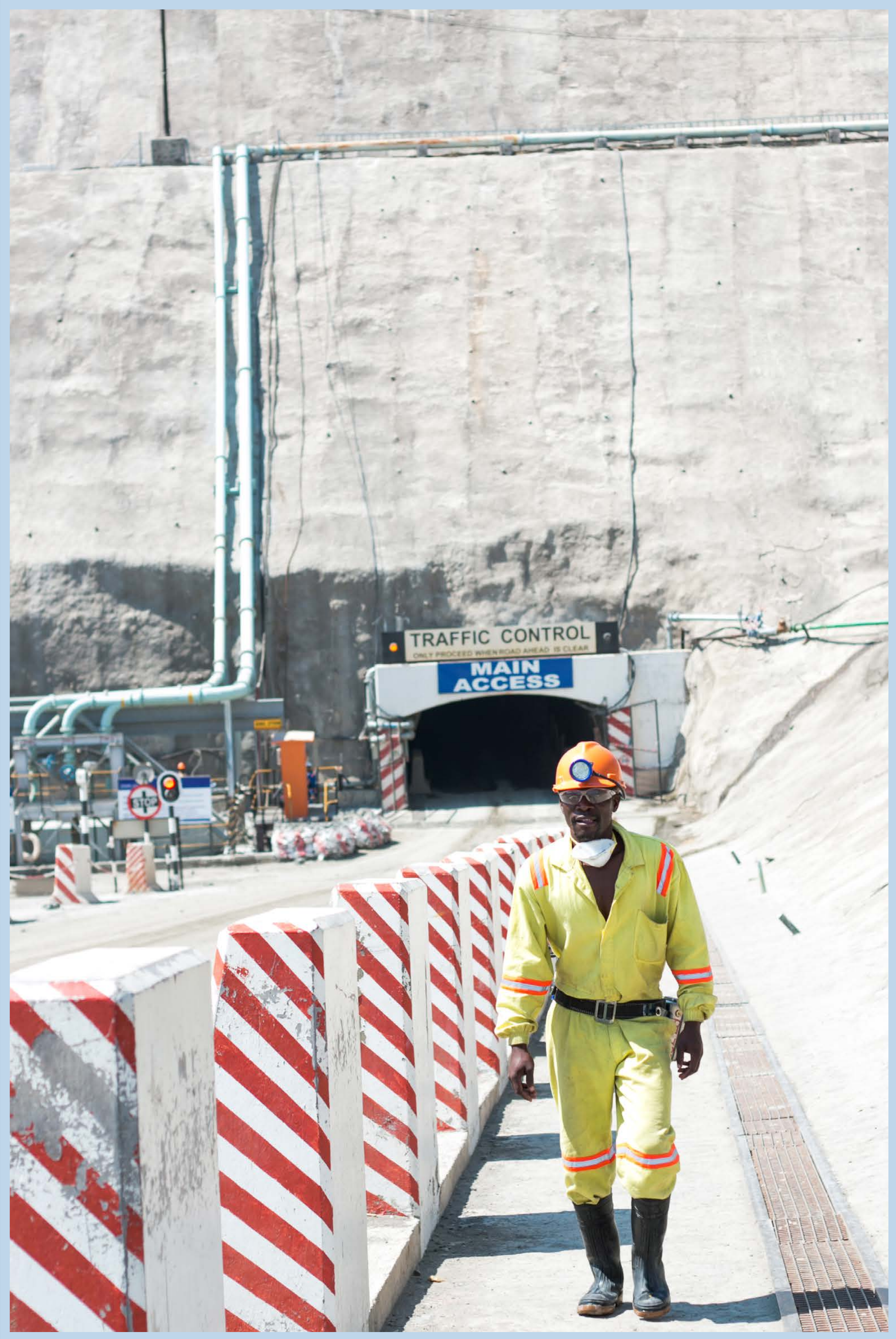
SIBUSISIWE CHINDOVE
B. Admin Hons (UZ), MSc (Cork)
Head of Corporate Affairs
Busi joined the Group on 1 November 2008 as head of corporate affairs.

07

LYSIAS CHIWOZVA
B. Eng (Hons) Industrial (NUST), MBA (UZ)
Risk and Strategy Manager
Lysias joined the Group in September 2012 as risk and strategy manager.

08

GARIKAI BERA
LLB (Hons) (UZ)
Legal Counsel and Company Secretary
Garikai joined the Group in April 2009 and was appointed company secretary of the operating subsidiary in May 2014.



PERFORMANCE REVIEW

02

MARKET REVIEW

Note: Periods referred to in this section are mostly calendar years, except if stated otherwise

An economy poised for growth?

International Monetary Fund (IMF) data show continued global economic growth levels of 3.4% in 2014 and an estimated 3.5% for 2015. The main drivers of growth in 2014 were the emerging markets and developing economies, which grew at 4.6%, boosted by China which recorded 7.4%. While the developed countries achieved only 1.8% growth in 2014 (up from 1.4% in 2013) there are signs that they will break the 2% growth mark in 2015 and maintain this growth level in 2016. This should be able to keep the global economic growth rate above 3.5% in 2016.

These growth figures, however, disguise a growing divergence between economies, in part due to uncertainty as a result of a host of risks, including the varying impacts of currency fluctuations, lower oil prices, geopolitical tensions and financial volatility. Despite its fragility, the global economy's expected modest improvement this year will be helped in part by the boost to global demand from lower oil prices and policy changes.

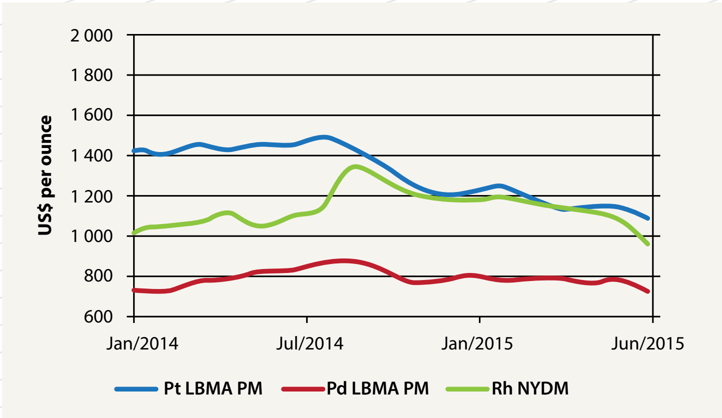
In contrast, the decline seen in metal prices - including PGMs - may suggest some weakening in demand. However, a closer review shows that PGM prices have been driven more by sentiments on above-ground stocks rather than underlying fundamentals despite these stocks being eroded every year without much appreciation in the price. To further complicate the matter, the expected market supply from South Africa, without taking into account increased labour costs, increased stoppages due to section 54s and power and water constraints shows a market that is not unduly concerned about the future of South African supply. The market may be fatigued by the bad press that has been emanating from South Africa and may have decided not to consider supply side constraints due to the industry's decent performance in the past.

Market performance

The platinum, palladium and rhodium markets were in deficit for 2014 due to overall demand growth and the five-month strike in South Africa. However, sentiment - particularly that of short term players - rather than fundamentals drove prices down during 2014 and the first half of 2015. The unwillingness to trade on the back of platinum's medium- to long-term fundamentals is very much reflected in the lack of interest to buy at low prices.

Prices for platinum declined throughout the financial year from a July 2014 average of US$1 493 per ounce to an average of US$1 089 per ounce in June

2015, leaving an average for the financial year at US$1 246 – 13% lower than the prior year's US$1 431 per ounce. Palladium prices averaged US$ 872 per ounce at the beginning of the financial year and reached a high of US$911 per ounce in September 2014, a level not seen in more than 13 years. Regrettably, since then, prices have been declining, only averaging US$727 per ounce in June 2015, resulting in the average for the financial year at US$799 per ounce - 6% higher than the preceding financial year. In comparison to both platinum and palladium, fluctuations in the price of rhodium have been a tale of two halves. In the first half of the financial year, prices averaged US$1 226 per ounce due to healthy Asian demand, while oversupply in the second half saw a far lower average at US$1 111 per ounce. Rhodium was the best performer for the financial year after achieving a 15% price appreciation compared to the previous reporting period.



Source: Impala Platinum Holdings Limited

MARKET REVIEW (CONTINUED)

Automotive

Overall, 2014 was another relatively positive year for the global automotive industry, which achieved 3% growth for light-duty vehicle sales and exceeded 86 million vehicle sales against a backdrop of increased sales in North America, Western Europe, China and Japan. The first half 2015 calendar year-to-date sales were similarly encouraging. Growing concerns about financial volatility in the markets may result in the second half being flatter.

Light-duty vehicles sales

			Forecast
Calendar year	2013	2014	2015
	Millions	Millions	Millions
North America	15.6	16.5	16.8
Western Europe	11.6	12.1	12.5
China	17.9	19.7	21.1
Japan	5.3	5.6	5.0
Rest of the world	33.5	32.6	33.1
	83.9	86.5	88.5

Source: Impala Platinum Holdings Limited

Jewellery

The slowing Chinese gross domestic product (GDP) growth and a cautious consumer attitude towards luxury goods - especially given the Chinese government's clampdown on gifting - worked against platinum jewellery sales in China. Increasing business and consumer confidence in other markets offset these losses. The Indian market continued to post double digit growth in 2014, albeit on a low base. Despite the April 2014 sales tax hike in Japan, the platinum jewellery market continued to show positive signs of growth, with consumers purchasing higher purity pieces. The US market delivered good growth on the back of lower price point pieces and increased marketing efforts by retailers.

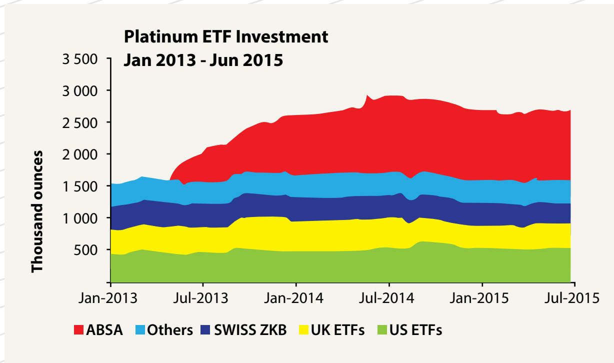
2015 will be a challenging year, especially in China where the platinum jewellery market is expected to fall by 5%. However, the losses in the Chinese market are expected to be partially offset by the robust growth in India, which is largely driven by the Platinum Guild International Evara programme.

Industrial

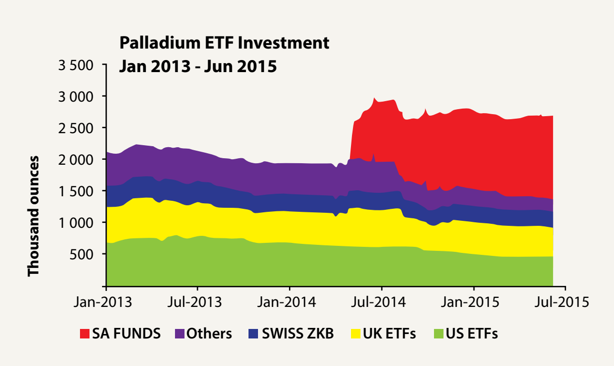
The cumulative reduction in the use of platinum in glass and hard disk drives over the last few years has meant decreased demand from these sectors. The glass industry was a net supplier of platinum in 2014. Nevertheless, overall industrial requirements were strong in 2014 largely driven by chemical, electrical and other applications, for example oxygen sensors.

Investment

Both platinum and palladium exchange traded funds (ETFs) grew during 2014, recording growth of 155 000 and 940 000 ounces respectively – mainly driven by South African funds. There has been little movement during the first half of 2015, with an increase of only 50 000 ounces of platinum since the beginning of the year and palladium 86 000 ounces lower.



MARKET
REVIEW (CONTINUED)



On the paper markets, the gross long interest for platinum on the NYMEX has dropped to its lowest level since November 2014. The gross long interest in palladium has followed suit. In contrast, short interest in both platinum and palladium has climbed into record territories – highlighting that investors are not impressed with the performance of prices in the short term.

To this end and to increase transparency on platinum investing, Impala and the other South African platinum producers launched the World Platinum Investment Council (WPIC) in 2014. The aim is to stimulate investor demand for physical platinum. The WPIC will provide investors with information to support informed decisions regarding platinum, and will work with financial institutions and market participants to develop the products and channels needed by investors.

Outlook

In our view, most of the general bearishness in the short-term price performance is driven by factors other than fundamentals. Two of these factors are: above-ground stocks; and the expected South African supply.

There is currently no verifiable data on the quantity of above-ground stocks, who holds them, in what form or how liquid they are, yet analysts still expect these unquantified stocks to adequately cover any fundamental deficits. Whatever their quantum, they are certainly lower than they were in 2008 when the metal price was twice what it is today.

There is broad consensus amongst different analysts regarding the growth in demand for PGMs. The views are rather divergent when it comes to South African supply. Few analysts are taking cognisance of the problems facing South African PGM miners and due to the sector's good performance over the last few years, the market expects South Africa to produce more than 4.5 million ounces of platinum per annum by 2016 - hence some analysts believe that the market will be in surplus within the next year. We are of the view that South African supply will not reach 4.5 million ounces per annum during the next two years largely due to the difficult operating environment, which has been compounded by scant capital investment into the sector over the last four years. We have premised our view on possible labour stoppages in South Africa in 2017 and every two years thereafter. We expect section 54s to be frequent, while power and water constraints are expected to continue. These factors, combined with the difficulty of raising capital in a low price environment underpin our bearish view on South African supply.

Zimbabwean PGM production was impacted by the partial collapse of Zimplats' Bimha Mine in 2014. However, the impact of the precautionary closure of Bimha Mine was mitigated by relocating mine teams to other mines and the gain in production at Mimosa.

Platinum

Platinum demand is expected to grow by 2% in 2015 driven by growth in automotive and industrial applications, while jewellery is expected to drop slightly to 2.930 million ounces. Growth in primary and secondary supplies is not expected to sufficiently cover the growth in demand, hence we expect platinum to be in a fundamental deficit in 2015.

Platinum supply/demand outlook

		Forecast
Calendar year	2014	2015
	000 oz	000 oz
DEMAND		
Automotive	3 210	3 515
Jewellery	3 030	2 930
Industry	1 955	2 030
Investment	155	50
Total demand	**8 350**	**8 525**
SUPPLY		
South Africa	3 340	3 970
Zimbabwe	400	425
North America	300	320
Recycle	2 230	2 450
Russia	730	760
Others	130	130
Total supply	**7 130**	**8 055**
Movement in stocks	**(1 220)**	**(470)**

Source: Impala Platinum Holdings Limited

MARKET
REVIEW (CONTINUED)

Palladium

We anticipate a 7% decline in palladium demand for 2015, driven mainly by declining industrial use, jewellery and matured investment uptake. We do, however, expect that the increasing demand for gasoline vehicles and tightening legislative requirements - especially California LEV III – will be positive for palladium demand. The palladium market is likely to remain in fundamental deficit during 2015.

Palladium Supply/Demand Outlook

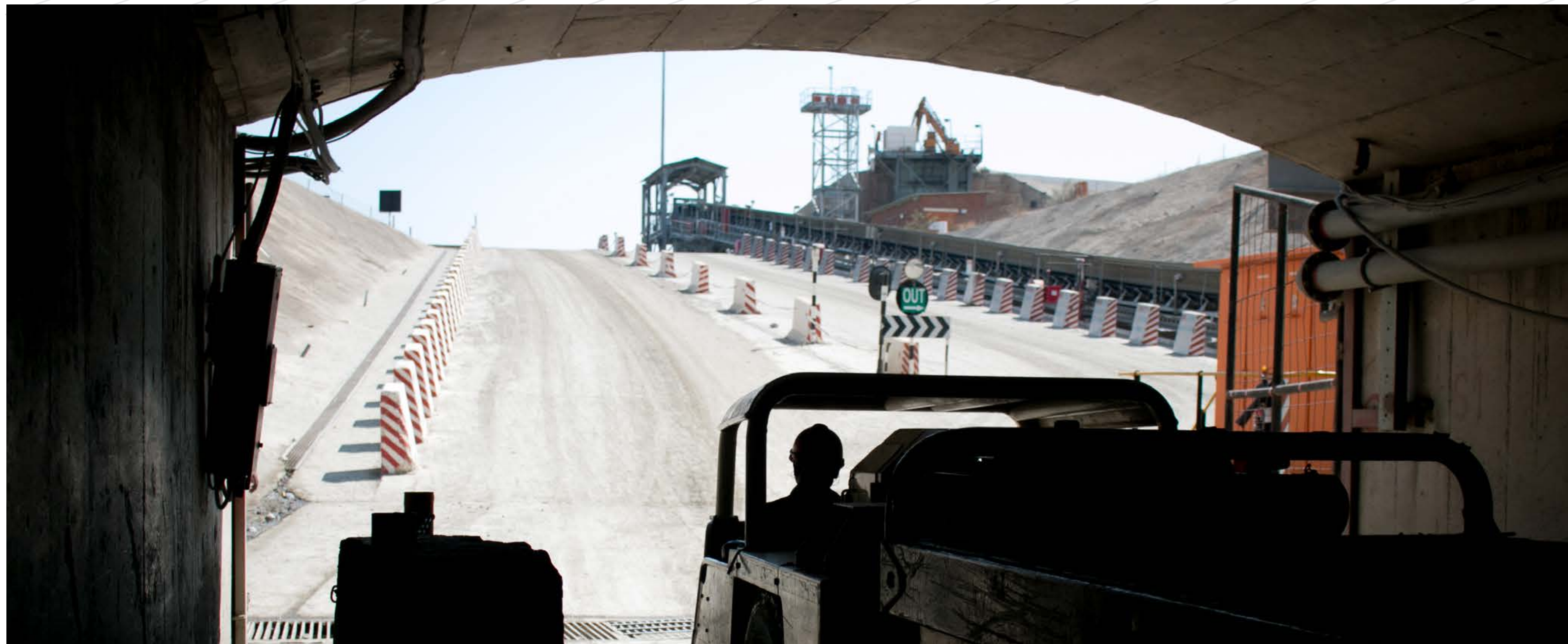
		Forecast
Calendar year	2014	2015
	000 oz	000 oz
DEMAND		
Automotive	7 100	7 900
Industrial	2 155	1 700
Investment	940	(86)
Jewellery	165	130
Total demand	**10 360**	**9 644**
SUPPLY		
South Africa	1 930	2 390
Zimbabwe	280	300
North America	905	930
Recycle	2 510	2 470
Russian Sales	2 645	2 850
Others	120	125
Total supply	**8 390**	**9 065**
Movement in stocks	**(1 970)**	**(579)**

Rhodium

Growing automotive and industrial demand, especially in the Asian markets, should be positive for rhodium demand in 2015. Oversupply should keep this metal in surplus during 2015.

Rhodium Supply /Demand Outlook

		Forecast
Calendar year	2014	2015
	000 oz	000 oz
DEMAND		
Automotive	825	880
Industrial	160	165
Investment	10	-
Total demand	**995**	**1 045**
SUPPLY		
South Africa	505	650
Zimbabwe	30	35
North America	25	25
Russian Sales	70	65
Recycle	320	330
Others	5	5
Total supply	**955**	**1 110**
Movement in stocks	**(40)**	**65**



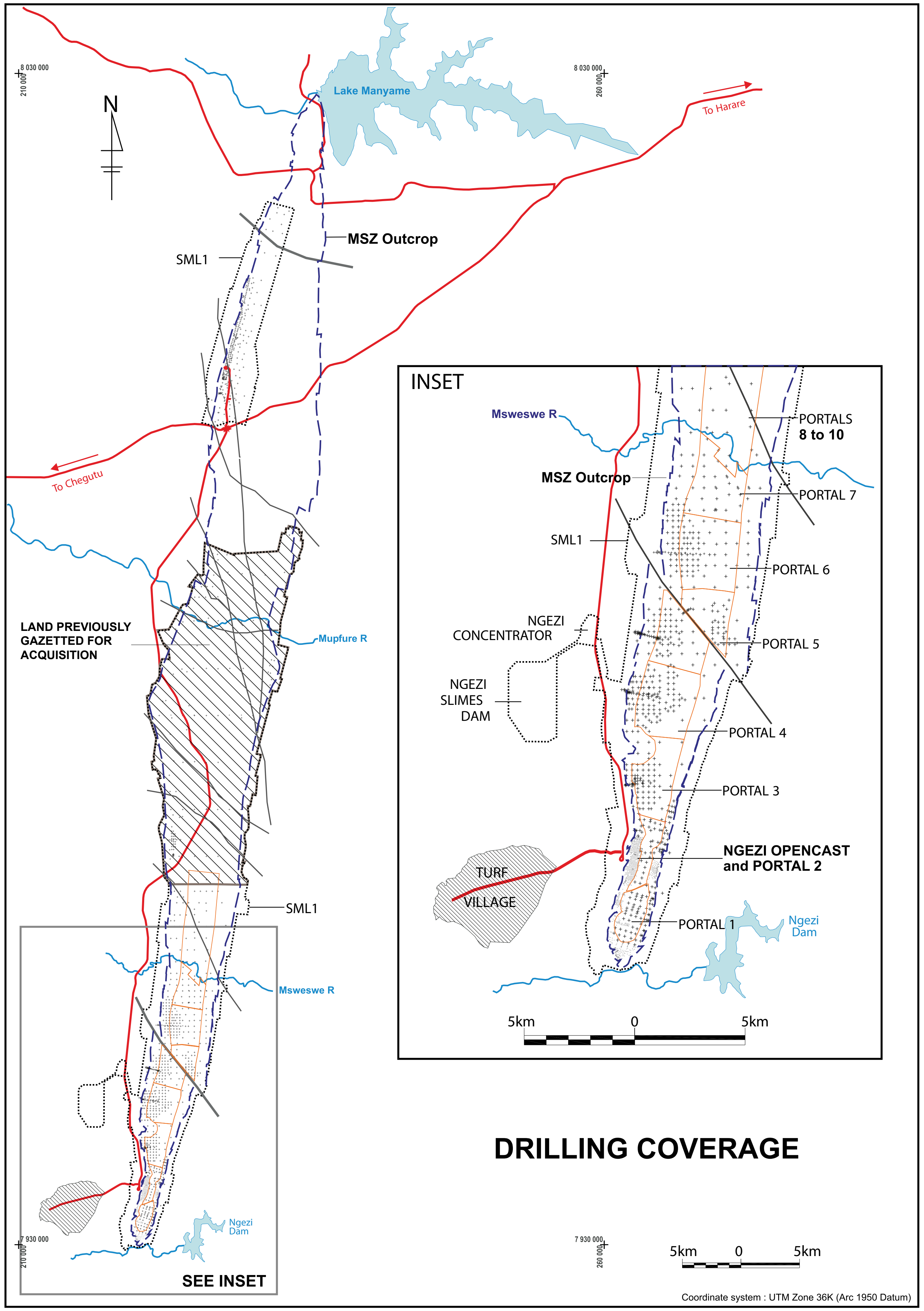


Figure 1: Drilling Summary

MINERAL RESOURCES AND RESERVES SUMMARY

Great Dyke Geology

The Great Dyke is a layered, 2.58 billion-year old, igneous intrusion into granites and greenstone belts of the Zimbabwe Craton. It is sinuous, layered and elongate, intrusion running 550 kilometres along practically the full north-south axis of Zimbabwe and ranging in width from four to eleven kilometres. The Great Dyke consists of the north and south chambers, which are sub-divided into the Wedza, Selukwe (Shurugwi), Sebakwe, Darwendale and Musengezi sub-chambers.

The Great 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. The 100 kilometre long Hartley Complex, straddles the boundary between the Sebakwe and Darwendale sub-chambers. It is the largest and most important segment of the Great Dyke, containing approximately 80 per cent of Zimbabwe's total PGM resources.

The MSZ is a thin, persistent, stratiform zone of very high sulphide enrichment in the upper layer, and occurs in all sub-chambers of the Great Dyke. It ranges from 2 to 10 m thick and overlaps the bronzitite/ websterite contact, containing 2 to 8 % of iron - nickel - copper sulphides disseminated in pyroxenite. 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. 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 various 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 mineralization 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 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 room and pillar mining method to extract ore from stopes with a nominal width of 2.5m at dips of less than 9°. Each production team consists of 20 to 30 rooms and its length is dependent on the sizes (widths) of the pillars and rooms. In general, the declines are centralised in each resource area and any asymmetry is accounted for in the mine production scheduling. This allows sufficient flexibility for the required grade control sampling and to negotiate faults and intrusions while still meeting the team's production targets. Each production team deploys a single boom face rig for drilling, a roof bolter for support drilling, a 10t load, haul and dump machine (LHD) and a 30t dump truck. The broken rock is trucked to surface at Portals 1 (Ngwarati) and 2 (Rukodzi) while, at Portals 3 (Mupfuti) and 4 (Bimha), the broken rock is trucked on the reef horizon by 30t dump trucks to a central ore-pass/ crushing facility where it is crushed and conveyed to surface using the footwall decline conveyor.

The production target for each fleet varies from 17 500 to 20 000 tonnes of ore per month depending on the particular mine, mine design and the pillar layout. The default layout has 7 metre panels with 5 metre square pillars. However, spans may decrease and pillar dimensions may increase in bad ground and in deeper sections of the mine. A combination of roof bolts and tendons is integral to the support design.

GREAT DYKE GEOLOGY - MINERAL RESOURCES

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	6E Moz	Thickness (metres)
Ngezi South Open Pit														
	Measured	11	1.75	1.29	0.26	0.14	0.10	0.07	3.44	3.62	0.6	1.2	1.3	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**	**1.3**	**2.5**
Ngezi Portals - Flat - P1-P4														
	Measured	54	1.74	1.33	0.25	0.14	0.10	0.07	3.46	3.64	3.0	6.0	6.3	2.5
	Indicated	50	1.74	1.30	0.25	0.14	0.10	0.08	3.43	3.61	2.8	5.5	5.8	2.5
a	**Total**	**104**	**1.74**	**1.32**	**0.25**	**0.14**	**0.10**	**0.07**	**3.45**	**3.63**	**5.8**	**11.5**	**12.1**	**2.5**
Ngezi Portals - Flat P5S-P10														
	Measured	43	1.60	1.29	0.23	0.14	0.11	0.08	3.26	3.44	2.2	4.5	4.8	2.5
	Indicated	224	1.68	1.28	0.25	0.14	0.11	0.08	3.35	3.53	12.1	24.2	25.4	2.4
	Inferred													
a	**Total**	**267**	**1.67**	**1.28**	**0.25**	**0.14**	**0.11**	**0.08**	**3.34**	**3.51**	**14.3**	**28.7**	**30.2**	**2.4**
Ngezi Portals - Steep P3-P10														
	Measured	41	1.56	1.31	0.22	0.14	0.10	0.09	3.23	3.42	2.1	4.3	4.5	2.5
	Indicated	181	1.63	1.33	0.24	0.14	0.11	0.09	3.33	3.52	9.4	19.3	20.4	2.4
	Inferred	72	1.75	1.08	0.29	0.12	0.12	0.08	3.25	3.41	4.1	7.5	7.9	2.0
a	**Total**	**294**	**1.65**	**1.27**	**0.25**	**0.13**	**0.11**	**0.09**	**3.30**	**3.48**	**15.6**	**31.2**	**32.9**	**2.3**
Ngezi Mining Lease north of Portal 10														
e	Indicated	70	1.51	1.40	0.36	0.17	0.20	0.18	3.44	3.70	3.4	7.7	8.3	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	114.9	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**	**123.2**	**2.4**
Hartley														
	Measured	28	2.24	1.77	0.33	0.19	0.14	0.12	4.53	4.78	2.0	4.1	4.3	1.6
	Indicated	143	2.01	1.49	0.31	0.16	0.13	0.11	3.97	4.19	9.3	18.3	19.3	1.9
	Inferred	46	1.99	1.44	0.30	0.16	0.13	0.10	3.89	4.10	3.0	5.8	6.1	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**	**29.7**	**1.9**
Oxides - all areas														
	Indicated	16	1.75	1.27	0.26	0.14	0.10	0.07	3.42	3.61	0.9	1.8	1.9	2.5
	Inferred	38	1.75	1.38	0.28	0.15	0.12	0.10	3.56	3.76	2.2	4.4	4.6	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	2.3	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**	**8.8**	**2.3**
Overall														
	Measured	177	1.74	1.38	0.25	0.15	0.11	0.09	3.53	3.72	9.9	20.1	21.2	2.4
	Indicated	684	1.72	1.35	0.27	0.15	0.12	0.10	3.49	3.69	37.9	76.8	81.2	2.2
	Inferred	1 199	1.57	1.29	0.24	0.16	0.12	0.09	3.26	3.53	60.4	125.6	135.9	2.3
d	**Total**	**2 060**	**1.64**	**1.32**	**0.25**	**0.15**	**0.12**	**0.09**	**3.36**	**3.60**	**108.3**	**222.5**	**238.3**	**2.3**

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 previously gazetted for compulsory acquisition by the Government of Zimbabwe

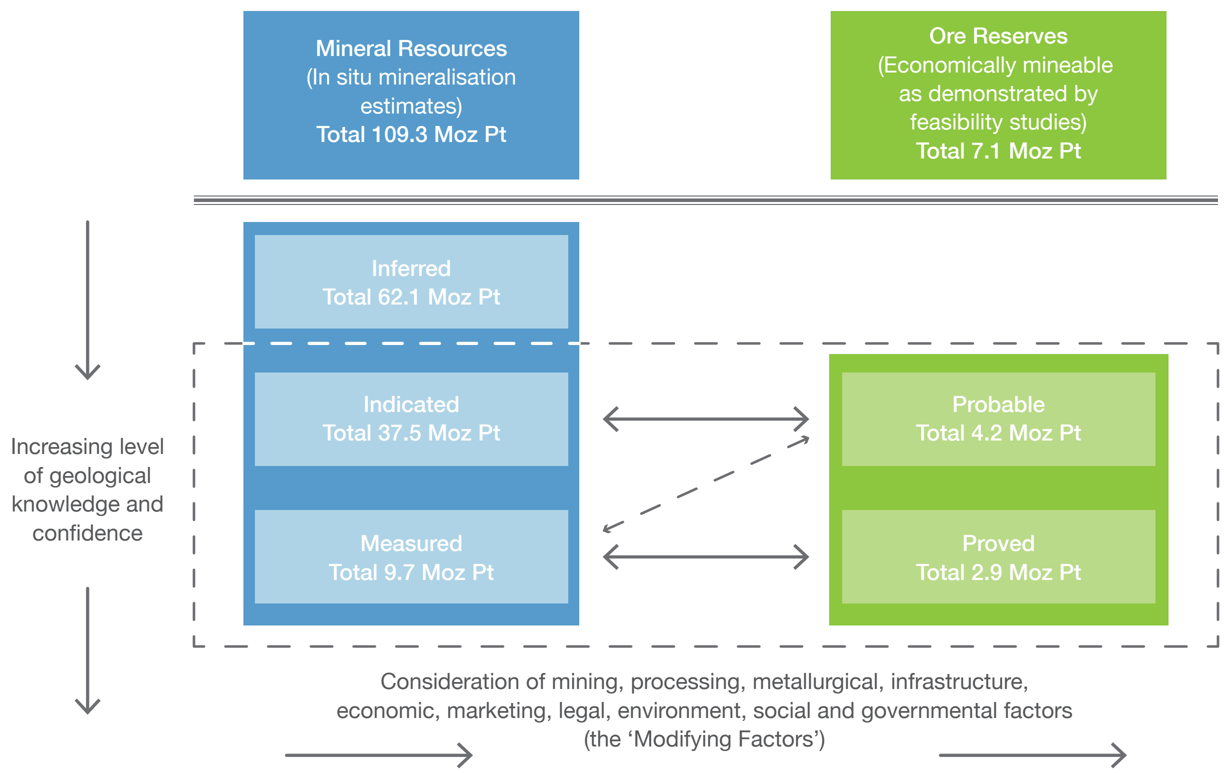
MINERAL RESOURCES AND RESERVES SUMMARY (CONTINUED)

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	6E Moz	Thickness (metres)
Ngezi South Open Pit														
	Proved	2.7	1.50	1.26	0.21	0.13	0.09	0.05	3.10	3.27	0.13	0.3	0.3	3.0
a	**Total**	**2.7**	**1.50**	**1.26**	**0.21**	**0.13**	**0.09**	**0.05**	**3.10**	**3.27**	**0.1**	**0.3**	**0.3**	**3.0**
Ngezi Portals - Flat - P1-P4														
	Proved	18.3	1.67	1.31	0.23	0.14	0.10	0.06	3.34	3.53	0.98	1.97	2.08	2.70
	Probable	59.6	1.67	1.33	0.23	0.14	0.10	0.07	3.37	3.56	3.21	6.46	6.82	2.74
a	**Total**	**77.9**	**1.67**	**1.32**	**0.23**	**0.14**	**0.10**	**0.07**	**3.37**	**3.55**	**4.19**	**8.43**	**8.90**	**2.73**
Ngezi Portals - Flat P5S-P10														
Ngezi Portals - Steep P3-P10														
Ngezi Mining Lease north of Portal 10														
Hartley														
Oxides - all areas														
Overall														
	Proved	21.0	1.65	1.30	0.23	0.14	0.09	0.06	3.31	3.50	1.1	2.2	2.4	2.74
	Probable	59.6	1.67	1.33	0.23	0.14	0.10	0.07	3.37	3.56	3.2	6.5	6.8	2.74
	Total	**80.6**	**1.67**	**1.32**	**0.23**	**0.14**	**0.09**	**0.07**	**3.36**	**3.54**	**4.3**	**8.7**	**9.2**	**2.74**

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)

Relationship between mineral resources and ore reserves as at 30 June 2015



Mineral resources (inclusive of reserves)

Category	2015				2014			
	Tonnage (millions)	4E (g/t)	6E g/t	Pt oz (millions)	Tonnage (millions)	4E (g/t)	6E g/t	Pt oz (millions)
Measured	177	3.53	3.72	9.9	173	3.55	3.75	9.7
Indicated	684	3.49	3.69	37.9	667	3.55	3.75	37.5
Inferred	1 199	3.26	3.53	60.4	1 226	3.27	3.54	62.1
Total	**2 060**	**3.36**	**3.60**	**108.3**	**2 066**	**3.39**	**3.63**	**109.3**

Ore reserves

Category	2015				2014			
	Tonnage (millions)	4E (g/t)	6E g/t	Pt oz (millions)	Tonnage (millions)	4E (g/t)	6E g/t	Pt oz (millions)
Proved	21	3.31	3.50	1.1	54.9	3.35	3.54	2.9
Probable	59.6	3.37	3.56	3.2	77.9	3.39	3.58	4.2
Total	**80.6**	**3.36**	**3.54**	**4.3**	**132.8**	**3.37**	**3.56**	**7.1**

MINERAL RESOURCES AND ORE RESERVES SUMMARY (CONTINUED)

An updated mineral resources and ore reserves statement was published as part of the Zimplats half year results in February 2015. The above tabulation compares the annual reporting periods. The main change relative to the June 2014 position was the revision of modifying factors that were applied to Bimha and Mupfuti mines following the adoption of a new pillar layout and the completion of the mine design work. The ore extraction ratios were reduced to 66% at Mupfuti Mine and 68% at Bimha Mine from a previous average of 82%. Independent geotechnical engineers have been engaged to carry out a numeric modelling exercise in order to better understand the rock mass behaviour and its impact on ground stability in the operations. It is expected that the modelling work will be completed by the end of the first quarter of FY2016, and that the findings from these studies will be used to firm up on the pillar layout that has been adopted at the mines. The new pillar layouts will also be applied on the mine design for new projects.

Ore reserves for the Portal 5S project, which were included in the June 2014 statement, were excluded from the December 2014 statement to enable the completion of geotechnical investigations that will lead to a revision of mine design work based on a new pillar layout. As of the end of June 2015, this work had not been completed. Because of the need to firm up on the new pillar layout, only the measured mineral resources scheduled for mining in FY2016 at Bimha and Mupfuti mines have been converted to proved ore reserves as a conservative measure, with the remainder of the measured and indicated mineral resources in these areas converted to probable ore reserves.

The reduction in ore reserves was also a result of the recommendation by independent geotechnical engineers to leave a protective barrier pillar to stop the propagation of the Bimha Mine ground failure into the re-development area. Mupfuti and Bimha mines have similar geotechnical ground conditions and, therefore, independent geotechnical engineers recommended a new pillar layout for both mines, as well as the adjacent Portal 5S project. This resulted in a reduction in the extraction ratio for these mines.

Overall, the ore reserves decreased in tonnage by 39% while the 4E grade decreased by 0.3% due to the inclusion of new assay data. The material decrease in the restated ore reserves due to the change in pillar layout and exclusion of barrier pillars described above was explained in February 2015 as part of the Zimplats half year reporting with an expanded section on the mineral resources and ore reserves update.

There are minimal changes to the overall mineral resources with a reduction of 0.9% in tonnage which was dominated by depletion. Overall, the change in 4E grade was due to inclusion of new data from the 2012 drilling campaign and is being investigated.

Notes

- Zimplats' standard is to report mineral resources inclusive of ore reserves.
- The ore reserves figures are estimated based on the diluted grades delivered to the processing plants.
- 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 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.
- Mineral 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 and ore reserves. The objectives of the code are to improve standardisation, consistency and to facilitate auditing.

MINERAL RESOURCES AND ORE RESERVES SUMMARY (CONTINUED)

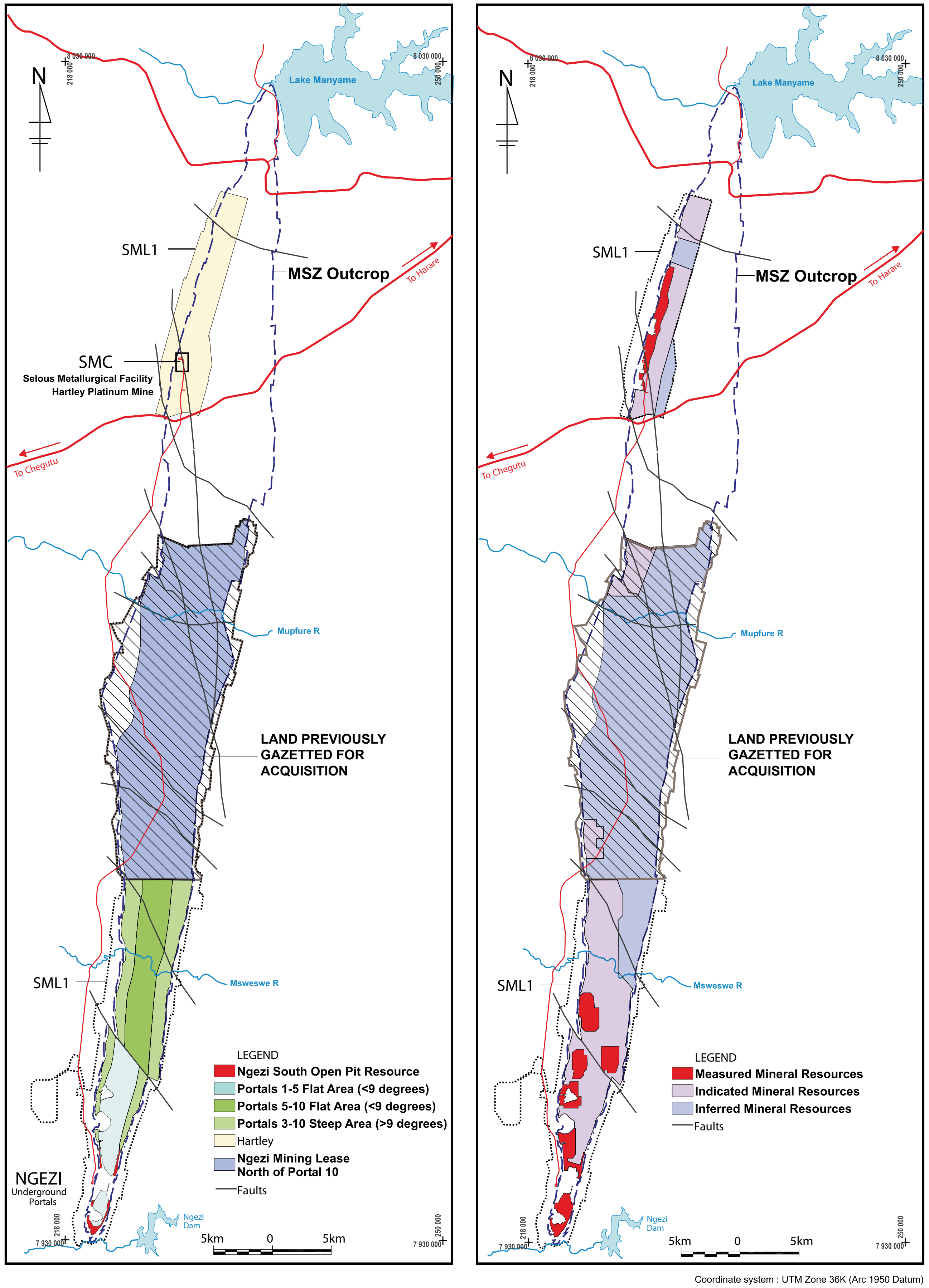


Figure 2: Plan of ore reserves and mineral resources

MINERAL RESOURCES AND ORE RESERVES SUMMARY (CONTINUED)

The mineral resources and ore reserves estimates tabulated in this report are estimates and not calculations.

- The maximum depth of these resources is 1 250m and no part is more than 5km down dip from outcrop therefore any part is theoretically accessible to mining within a 10-15year time frame.
- Zimplats' mineral resources are held under Special Mining Lease 1, the first 25 year period of which expires in August 2019. The special mining lease agreement allows for two extensions of ten years each.
- The mineral resources and ore reserves 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 resources
  - The quality of the methodologies employed
  - Economic conditions and commodity prices.
- Geological interpretation and the judgment of the individuals involved. 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 third parties to review the mineral resources and ore reserves estimates on a regular basis and mining project feasibility studies are subject to independent review prior to applying to the board for capital approval.
- Mineral Corporation Consultancy (Pty) Limited (The Mineral Corporation) of South Africa completed an audit of the current estimates and concluded that there were no key issues identified with respect to the mineral resources or ore reserves estimates.
- Rounding-off of numbers may result in minor computational discrepancies.

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
Caston Mutevhe	Ore reserves	The South African Institute of Mining and Metallurgy	704612
Steven Duma	Mineral resources and exploration	The Australasian Institute of Mining and Metallurgy	991294

SUSTAINABILITY MATTERS

Sustainability

Zimplats strives 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 thrive.

The sustainability report seeks to provide a response to each of the criteria of the Global Reporting Initiative (GRI) G3 guidelines. A GRI summary is provided on page 158. The GRI guidelines have been applied to attain the C+ application level. Selected performance information has been independently assured on pages 160 to 162. The symbol (▲) denotes performance information that has been independently assured.

Sustainability performance data

The data in this report is based on the company's records. The report covers all the Group's operations. Prioritisation of data selected for this report was based on the risk register and material issues raised by stakeholders during engagement.

OUR STRATEGY

In developing our strategy, to identify and manage risks we conducted a situational analysis of the industry and our competitive advantages as well as an analysis of the company's operating environment covering political, economic, social, technological, environmental and legal (PESTEL) considerations.

Seven pillars, anchored with sound risk management practices, define our strategic thrust. Achievement of these pillars ensures that the organisation survives this period of down turn in metal prices, which are expected to remain lower for longer, coupled with a generally difficult operating environment.

Strategic Objectives

In support of our strategy, the following strategic objectives were identified as key drivers necessary to navigate the current harsh operating environment to ensure

SUSTAINABILITY MATTERS (CONTINUED)

sustainability of the business:

- Relentlessly drive the safety of our people
- Manage costs and judiciously preserve cash
- Consistently deliver production volumes and grade
- Always strive to be a good corporate citizen
- Continually improve operational efficiency

Strategy implementation, monitoring and review are conducted through the preferred risk information managements system, Cura, and actions to achieve specific strategic objectives are tracked in the system on an on-going basis.

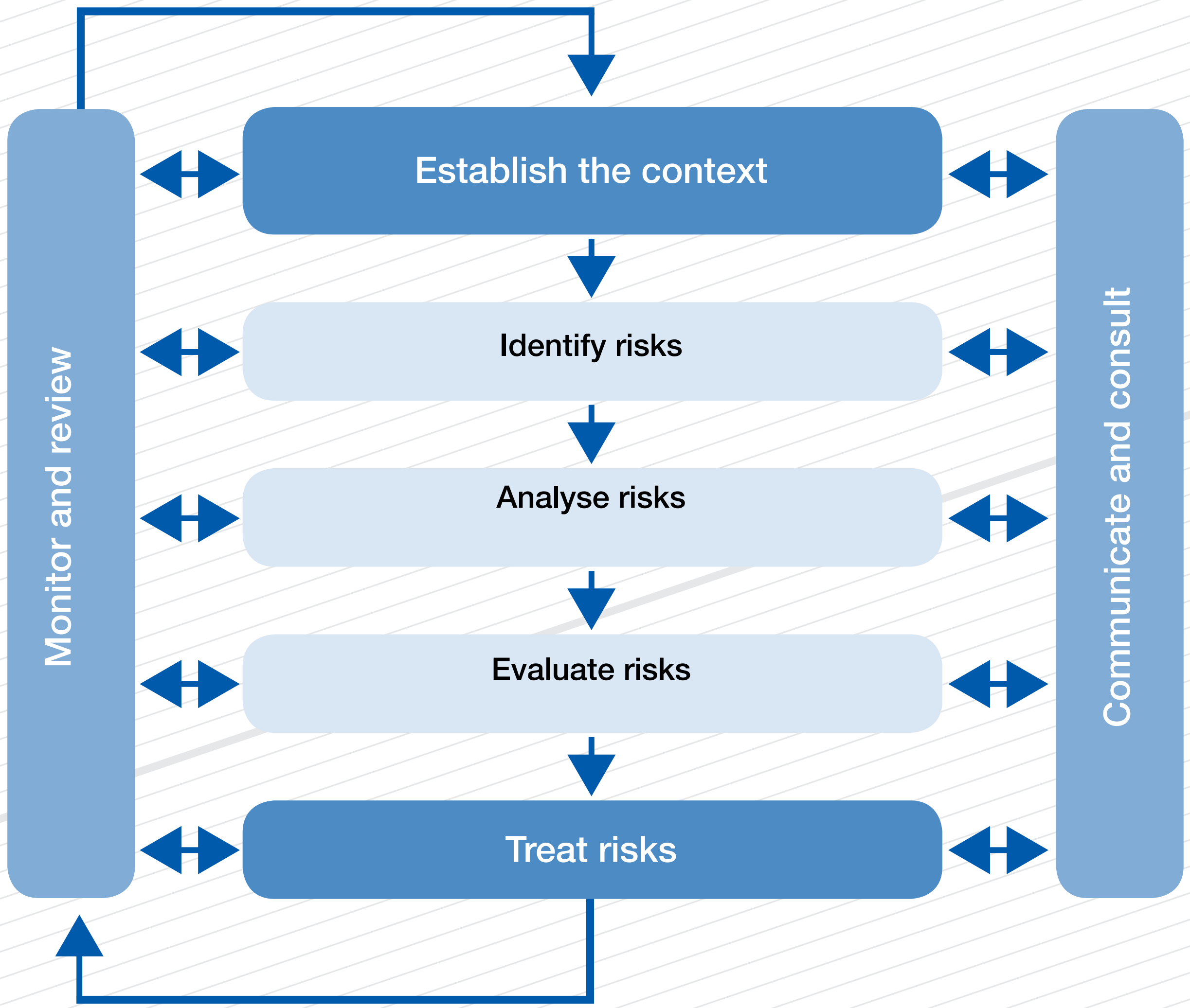
ENTERPRISE RISK MANAGEMENT

The purpose of the enterprise risk management policy is to align Zimplats with risk management best practices and to ensure the consistent application of risk management through the organisation. Our enterprise risk management framework is premised on ISO 31 000 and it follows the following structured processes:

Effective risk management underpins the delivery of our strategic objectives and the framework that we have developed for managing risks assists us to identify key risks at an early stage and develop actions to eliminate them or mitigate their impact and likelihood to an acceptable level.

Roles and responsibilities for risk management

Our risk management policy states that all Zimplats employees are responsible for acknowledging and managing the risks that are taken as part of their daily work. The board has appointed the audit and risk committee, the remuneration committee (Remco) and the safety health environment and community (SHEC) committee to assist with the oversight and monitoring of risk management activities by the executive management.



SUSTAINABILITY MATTERS (CONTINUED)

The key roles and responsibilities for risk management in our organisation are summarised 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 (Remco, SHEC and audit and risk committees)
Board audit and risk committee	• Assists 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	• Reviews the adequacy and effectiveness of management of risks associated with safety, health, environment, corporate social responsibility and sustainability • Receives reports on implementation of safety, health, environment and corporate social investment and sustainability initiatives
Board remuneration committee (Remco)	• Monitors trends in the Group and mining industry's salary and bonus structures, policies and practices. • Monitors the incentive programs to ensure that they promote people effectiveness, retention of critical skills as well as on-going long term shareholder value
Executive management committee	• Reviews risks from time to time, initiates mitigation actions, identifies the risk owners and reviews the progress and effectiveness of mitigation actions • Formulates and deploys risk management policies • Deploys practices for the identification, assessment, monitoring, mitigation and reporting of risks
Top management committees	• Responsible for risk management and internal control within their divisions • Review and challenge the adequacy to manage risks of assurance plans developed by functional management
Line management	• Responsible for managing their functions as per the Group risk management philosophy • Responsible for managing risks relating to the business decisions in their units, span of control or area of operations • Manage risks that may arise from time to time at the unit level
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)

OUR RISK REPORTING SYSTEM

We have adopted the Isometrix computerised risk information management system for capturing, analysing and reporting of all operational risks covering safety health and environmental risks as well as the Cura system for all strategic risks. Isometrix enables us to record all safety, health and environment (SHE) incidents and action plans developed to manage the risks as well as act as a database for all SHE baseline risk assessments.

In Cura, tasks or action plans for all strategic risks are developed for each control measure and responsibility for performance is assigned to individuals and tracked on a regular basis.

Various risk reports, dashboards and risk management protocols are drawn from the system for the board's attention. 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 adequacy and 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. Shear-induced ground instability was the top risk for the first half of FY2015, however, towards the end of FY2015, depressed metal prices became the top ranked risk. The company developed a wide range of control measures to manage the ground instability risks at Ngezi which resulted in the precautionary closure of Bimha Mine in August 2014. Following the development of the control measures, Bimha Mine redevelopment project was approved. Meanwhile, an audit of all the operating mines to establish the extent of shear-induced ground instability was conducted and remedial action plans were implemented across all the operating mines where necessary.

Other risks in the top 20 of the Group risk profile are detailed below:

DETAILS OF STRATEGIC RISKS

Risk description	Impact	Mitigation / Control measures
Metal price fluctuations	Loss of revenue	• Market intelligence (monitoring the global market) • Cost management • Cash preservation initiatives
Taxation risks	Increased tax costs and reputational damage due to failure to manage tax issues and risks	• Conducting tax compliance health checks covering all tax heads • Lobbying on taxation legislation • Tax training and awareness to operational and accounting staff. • Engage tax authorities to discuss prospective transactions and resolution of historical tax matters.
Inability to attain funding	Failure to meet growth and operational funding requirements	• Cash preservation initiatives - Capital rationalisation - Deferring some stay-in-business capital - Major contracts renegotiation • Explore alternative sources of funding • Treasury management policies
Failure to progress local beneficiation of PGMs	Embargo or penalties on export of unbeneficiated platinum	• Refurbishment and commissioning of the mothballed SMC BMR • Smelting capacity upgrade studies • Roadmap to local beneficiation • Continual engagement with the Government of Zimbabwe regarding beneficiation.
Uncertainties regarding the Government of Zimbabwe policy on indigenisation	Failure to plan ahead in an uncertain environment	• Continue to engage the government on the IIP • Implement agreed aspects of indigenisation • Progress local enterprise development (LED) programmes to obtain indigenisation credits. • Construct vocational training centres (VTCs) to obtain indigenisation credits. • Regularly monitor changes to government policy.

SUSTAINABILITY MATTERS (CONTINUED)

Risk description	Impact	Mitigation / Control measures
Unsustainable cost increases leading to loss in cost leadership position.	Reduced profitability	• Implement cost saving strategies: - Labour cost saving initiatives - Electricity cost saving initiatives - Consumables cost saving initiatives - Capital cost saving initiatives • Capacitate local producers to reduce import costs • Review major consumables and contract costs
Safety and loss of production risks posed by shear induced ground instability at mining	• Loss of production • Increased safety risks	• Pillar re-design • Blasting control and increasing yield per blast • Pillar support and rehabilitation programme • Ground monitoring system • Mining practices enhancement • Mining profile monitoring • Ground water management system • Third party audits and reviews • Geotechnical control measures • Predictive measures • Risk training and awareness • Emergency preparedness and response plan.
Safety health and environment risks	• Injury to personnel and damage to property leading to failure to achieve the zero harm goal • Negative effects on employee health • Damage to environment	• Technology deployment • Robust SHE systems • Human behaviour modelling • Employee wellness programs [HIV/AIDS at the workplace, TB, non-communicable diseases (NCDs) management] • Environmental management systems
Failure to consistently deliver production targets and quality	Failure to meet target production and grade	• Bimha Mine re-development • Resuscitation of open pit mining • Redeployment of production fleets from Bimha Mine • Use of XRF machine for reef marking • Grade control audits • Smelter reline (to manage the bottleneck)
Unavailability of reliable and secure power	Loss of production	• Power supply securitisation arrangements with national power supply utility, Zimbabwe Electricity Supply Authority (ZESA), to ensure stable and reliable power supply to operations. • Sign-off forward power purchase agreement (PPA) with ZESA • Investigate alternative sources of power from local and regional sources • Explore opportunities for power supply from licensed independent power producers (IPPs) • Demand side management (DSM) and energy savings initiatives
Social license to operate	Loss of social license to operate	• Implement corporate social investment programmes • Regular engagement with all stakeholders on pertinent community development issues • Implement local enterprise development programmes • Social impact assessments (SIA)
Information security risks	Exposure to information security risks (confidentiality, availability and integrity) of company information	• Information communication and technology (ICT) Strategy • ICT disaster recovery plans • ICT security policies

SUSTAINABILITY MATTERS (CONTINUED)

Risk description	Impact	Mitigation / Control measures
Inability to attract and retain effective people	Loss of skill	• Talent management programmes • Progress construction of houses for employees at Ngezi • Investigate and implement housing development model for SMC employees • Reward management system
Failure to comply with legal and other requirements	Loss of regulatory licence to operate and financial loss from penalties	• Legal other compliance registers • Monitoring changes in legislation • Legal compliance audits

OPERATIONAL RISKS

During FY2015, we engaged the International Mining Industry Underwriters (IMIU) to conduct an operational risk assessment at both mining and processing operations. The outcome of the assessment has shown that operational risks at all operations are being managed to acceptable international standard resulting in Zimplats being ranked better than 99% of similar operations assessed by IMIU in terms of percentage risk reduction adopted.

However, the Bimha Mine partial collapse experienced in July 2014 resulted in the worsening of the Zimplats risk ranking which pushed Zimplats from a low risk operation to a moderate risk operation before current controls have been considered. Control measures that have been designed to mitigate shear-induced ground instability which caused the mine collapse have been implemented and it is expected that the risk exposure number will improve in the next IMIU audit planned for October 2015.

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 company 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 recognises and works with both internal and external stakeholders.

Its internal stakeholders are employees, management and shareholders while external stakeholders include communities, regulatory authorities, suppliers, local authorities, governments, media, financial institutions and 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 to whether the company impacts on the stakeholders directly or indirectly. Prioritisation of stakeholders is done following the company's strategic objectives and risk register.

SUSTAINABILITY MATTERS (CONTINUED)

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 identified during engagement are captured and action plans are put in place to address the issues.

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	Integrated annual report, quarterly and half yearly updates and/or presentations	Quarterly and ad hoc ASX announcements as necessary	• Indigenisation • Beneficiation • Further release of ground • Business performance • Growth plans	Regular provision of information through reports, announcements on the ASX and presentations
Central Government and regulatory authorities	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 • Environmental impact	• Regular engagement on key issues with government and regulatory officials • Significant progress made on ESOT • Work on the resuscitation of mothballed BMR at SMC has started • Lobbying takes place with the Government of Zimbabwe on key tax matters through the Chamber of Mines and directly • Liaison with authorities on environmental compliance
International rock mechanics	One on one and conferencing	Ad hoc	Management of geological faults, specifically the Mutambara Shear at Bimha Mine	Regular consultation leading to improved mining methods
Employees	• Works councils, briefings • Chief executive officer and chief operating officer 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 • Home ownership • Wage negotiations • Crime and security concerns at Turf Township • Safety	• Negotiations with Government of Zimbabwe on the ESOT, transaction approved and now under consideration by the RBZ • Wage negotiations carried out and agreement reached with the trade unions • Home ownership scheme implemented in Ngezi with options being explored for SMC employees • Zimplats signed agreement with police to build a police post at Turf Township • Focused programmes on employee safety are implemented.

SUSTAINABILITY MATTERS (CONTINUED)

Stakeholder	Method of Engagement	Frequency of engagement	Material issues	Action taken
Suppliers	One on one meetings and business fora	Regular / on-going	• Business opportunities with Zimplats • Local supplier development • Fairness in the award of tenders and contracts	• Specific department has been set up and staff 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.
Communities	• Stakeholder meetings • Direct meetings with communities facilitated by the Ngezi Rural District Council on specific issues	Quarterly	• Employment of locals • Community development programmes • Need for more direct engagement • CSOT • 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 the Ngezi Rural District Council on specific issues • The CSOT is fully functional and projects are being implemented; • The programme to refurbish non-functioning dip tanks is underway with two nearing completion • Trees have been planted as a physical barrier to address the issue of dust from the tailings dam while efforts are made to keep the dam moist to supress dust
Local government and traditional leaders	Close liaison with and reporting to relevant local government departments through one-on -one meetings, quarterly stakeholder meetings and tours and presentations	Bi-monthly and quarterly meetings	• Indigenisation • Beneficiation • Community social investment and CSOT • Employment of locals.	• A working relationship is nurtured with local government and traditional leadership • Progress reports on indigenisation and beneficiation 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.

SUSTAINABILITY MATTERS (CONTINUED)

Stakeholder	Method of Engagement	Frequency of engagement	Material issues	Action taken
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	In response to requests for support, Zimplats has assisted where possible in line with budget 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 • CSOT	Zimplats responds to issues raised and participates in workshops and conferences to enhance mutual understanding

Besides the one on one interaction 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 released on the ASX and during tours conducted at the company's operations.
Some of the material issues raised by stakeholders are discussed below.

Indigenisation

Dialogue with government is on-going towards the conclusion of a substantive and sustainable indigenisation implementation plan. In this regard, Zimplats and the government have agreed on the sale of a 10% equity stake to the ESOT. The process for the sale of this 10% equity stake to the ESOT is now awaiting approval by the RBZ of the vendor financing arrangements relating to the sale.

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 71% of the company's annual spend on goods and services, up from 66% last year. The cross functional tender adjudicating committee remains in place.

SUSTAINABILITY MATTERS (CONTINUED)

The tip-offs anonymous system, in partnership with an independent audit company, remains in place allowing suppliers, employees and other stakeholders to 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 several small and medium enterprises (SMEs) within the local community in Mashonaland West Province, where Zimplats' operations are located.

The enterprises supply Zimplats with goods and services such as protective clothing (work suits and overalls), silica, bricks, pinch bars, housing maintenance services and ore transportation. They receive technical, financial and skills development support and are now at different levels of development.

Community social investment (CSI)

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
- Consideration of opportunities for greater direct engagement with the community
- Consideration of investment in more infrastructural projects unrelated to the company's operations

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

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
- Improved relations 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 primary and secondary schools, clean water and sanitation, and food security.

Community projects implemented in FY2015 include:

Herd development project

Zimplats has launched a three year community herd development project that will benefit communities in two wards adjacent to Zimplats' operations in Ngezi.
The project aims to improve genetics and herd health and ultimately to contribute towards household nutrition and income generation. Current investment in this project is US$58 000▲.

Library extension

Zimplats has constructed an extension to the library at Chinhoyi University of Technology. The university has more than 7 000 students. The project scope comprised infrastructural extension to an existing library and provision of furniture at a cost of US$83 800▲.

Table below shows CSI over the past five financial years:

	2015 US$	2014 US$	2013 US$	2012 US$	2011 US$
Education	299 527	207 474	3 062 160	3 282 818	755 000
Sports development	52 271	93 975	53 779	35 000	26 856
Income generating projects	530 102	88 456	80 025	46 732	303 000
Health	22 957	91 009	668 050	873 471	223 000
Other	68 752	578 029	339 641	1 071 079	40 794
Total company CSI	973 610	1 058 963	4 203 655	5 309 100	1 348 650
Direct donation to CSOT	-	4 200 000	2 500 000	3 500 000	-
Total CSI	973 610▲	5 258 963	6 703 655	8 609 100	1 348 650

▲This 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 (CSOT) was formed in October 2011. The Trust is now operational and has implemented grass roots driven projects valued at more than US$4.5 million from the donation of US$10 million deposited into the CSOT bank account by the company.

More than 100 projects are now at various stages of implementation.

Going forward

The focus going forward will be on continued identification of income generating and infrastructural projects in line with community needs and priorities. Areas of focus include education, health and local enterprise development.

Safety and environment

Our safety performance ended on a pleasing note with no work related fatalities incurred in FY2015 contrary to FY2014 where one fatality was experienced. A number of safety successes were recorded and these include achievement of three million fatality free shifts and a reduction in total injuries.

Our LTI performance was below expectation although total injuries improved by 10%. An analysis of the accidents experienced revealed that our major challenges relate to fall of ground (FOG) and interface between man and equipment / machinery. Root cause analysis revealed gaps in leadership, at risk behaviour, contractor management gaps, inadequacy of pre-placement checks and induction training as the contributing factors.

Conscious of our experience, our response strategy focused on the need to stabilise the teams, understand their input to the causes or contributory factors to the recent trends in LTIs, filter and adapt our systems to cater for the undesirable LTI performance. Our primary strategies focusing on technological enhancement, systems approach and people issues continue to be implemented across the operation. The system approach is based on the Business Management System (BMS) which forms the basic structured and systematic framework that Zimplats uses to address and manage safety and other business risks that are inherent in the operation. The BMS is aligned to and certified to four management system standards namely:

- Quality Management System - ISO 9001
- Environmental Management System - ISO 14001
- Occupational Health and Safety Management System – OHSAS 18001
- Laboratory Accreditation System - ISO 17025

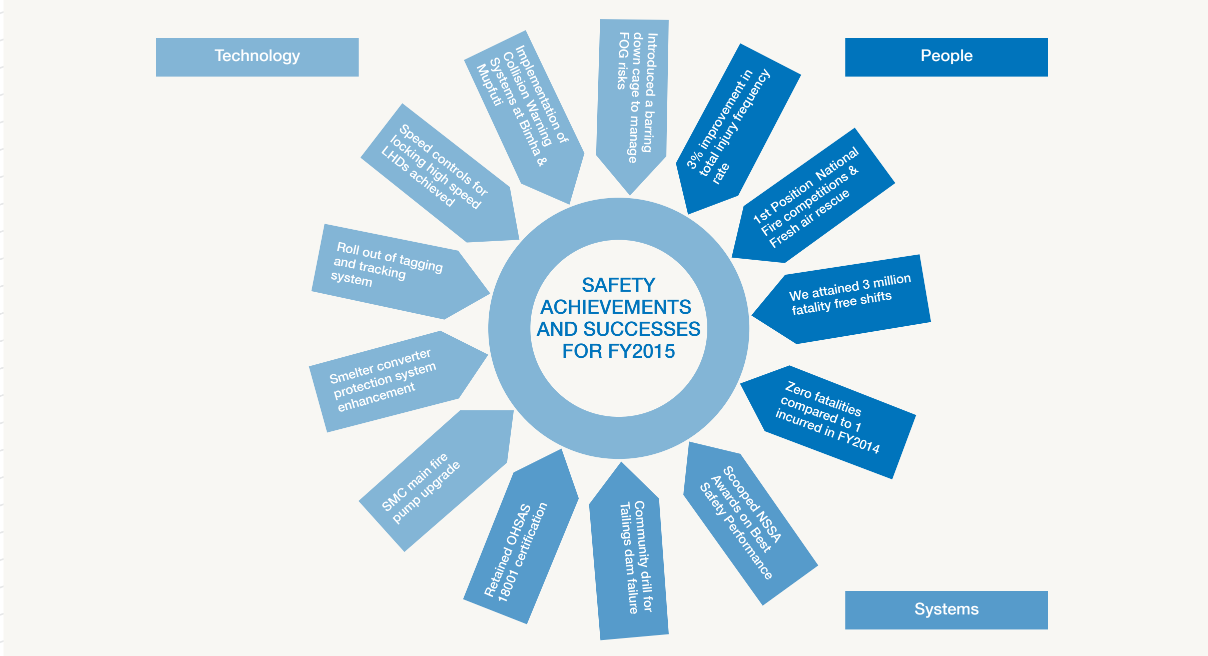
Our major challenges for FY2015 pertain to:

- FOG
- Interface between man and machinery/equipment.
- At risk behaviour amongst our employees.
- Contractor management
- Leadership/supervision gap

As a result of the above our LTIs increased from six in FY2014 to eight▲ in FY2015.

▲This number has been independently assured.

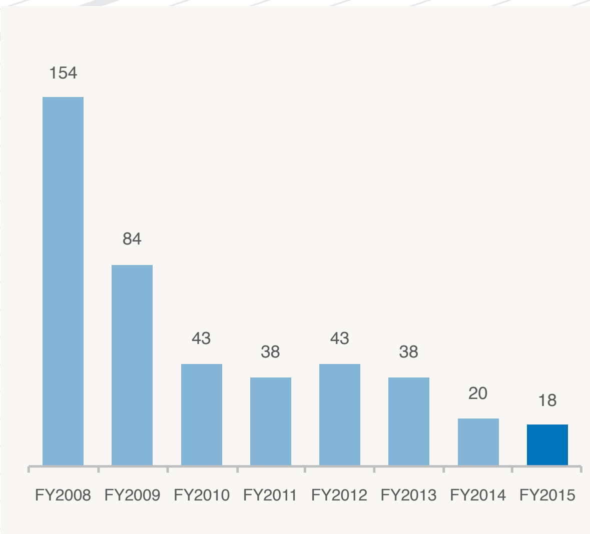
Safety success and achievements



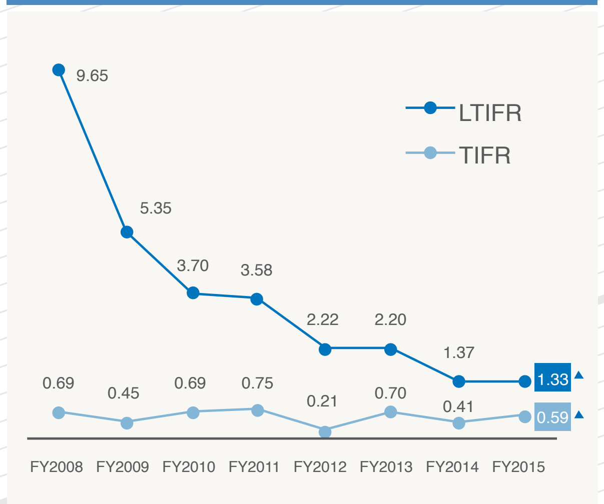
SUSTAINABILITY MATTERS (CONTINUED)

Our experience in FY2015

Total injuries

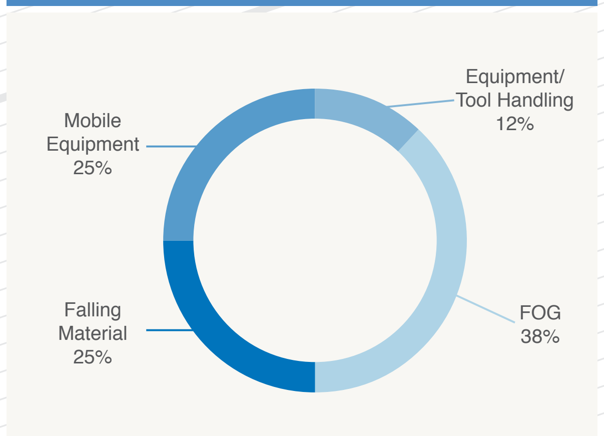


Total injury frequency rate (TIFR) and lost time Injury frequency rate (LTIFR)

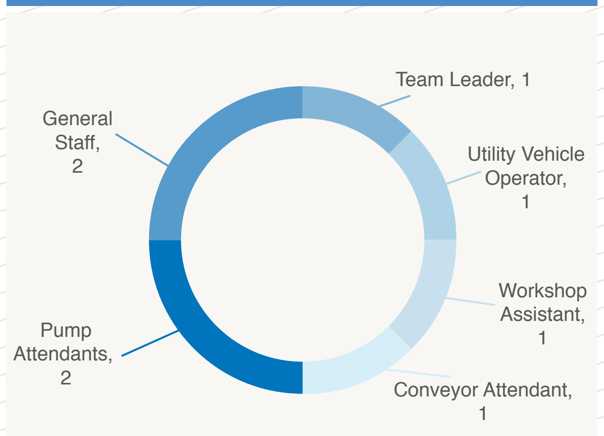


▲This number has been independently assured.

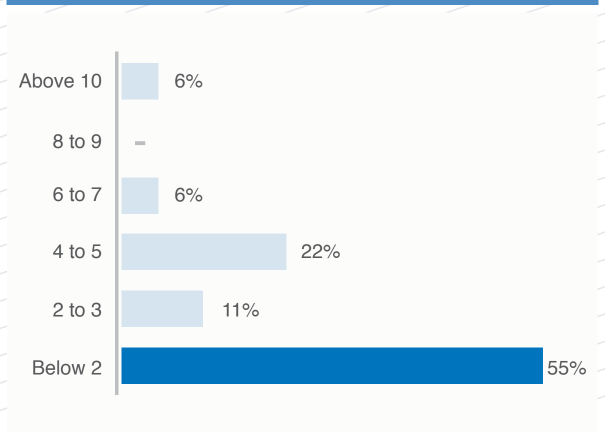
FY2015 main injury causation agencies



FY2015 occupations involved in LTIs



FY2015 the injured`s work experience (years)



SUSTAINABILITY MATTERS (CONTINUED)

OUR STRATEGIES

Our safety strategy is based on the three pillars - namely technology, people and systems. Our journey towards sustainable zero harm has been supported by investment in these three pillars. Total injuries have responded downwards to these initiatives although we still have a challenge on the number of lost time injuries.

Our FY2015 interventions were underpinned by a need to change the safety culture, develop effective supervision and adopt technology enhancements. The strategies assumed that equipment, machinery and tools should have up to date technology that minimises human interface with known hazards. The strategies assumed that the body, mind and emotions are paramount to achievement of zero harm. We believe that technology and human aspects need to be supported by a vibrant safety, health, environment and quality (SHEQ) system.

Key technological interventions

Technological interventions are being implemented in line with the following key objectives:

1. Elimination/reduction of FOG related incidents and accidents
2. Reducing accidents/ incidents related to trackless mining machinery (TMM).

Key strategic initiative	FY2015 progress	Plan for FY2016
Investigation of technology for barring down high risk zones	In response to the risk of fall of ground during barring down we successfully completed trials of the barring down cage and commissioned the unit at one of our mines (Mupfuti Mine).	Our plan is to introduce a second barring down cage
	In addition to the barring down cage, a mechanical scaler is being mobilised for trial. An order has been placed for the Manitou scaler.	The rock scaler is scheduled to be delivered in FY2016. The correct technology mix between the barring down cages and rock scaler will be determined after the trial in FY2016.
Automation to remove man from high risk jobs	The organisation is exploring opportunities of automation to remove employees from high risk jobs and this involves a one man bolter which removes employees from installing rock bolts at the face. Sandvik is developing the Cobra Bolter which can drill 6 metre anchors.	Our plan is to continue exploring and finalise our position on the use of the Cobra Bolter.
Reduce accidents / incidents related to TMM by: 1. Installing the tagging and tracking system 2. Proximity warning systems.	To mitigate incidents associated with equipment and machinery, three of our mines; Ngwarati, Mupfuti and Bimha, are now on full tagging and tracking.	The plan for FY2016 is to install a tagging and tracking system at the remaining Rukodzi Mine.
	In addition to the tagging and tracking, the introduction of Collision Warning Systems (CWS) and ultimately Collision Avoidance Systems (CAS) has significant benefits in accident reduction and associated costs, improvement in equipment productivity and reduction in capital and operating expenditure. In line with this, all TMM and underground vehicles at Bimha and Rukodzi mines have fully operational proximity warning system units installed.	Our plan for FY2016 is to install a proximity warning system at Ngwarati Mine.

SUSTAINABILITY MATTERS (CONTINUED)

People related interventions

Our plans with respect to people issues are aimed at addressing supervision lapses and at risk behaviour. At risk behaviour elements were evident in 72% of accidents we incurred in FY2015. Employee engagement sessions to understand the driving factors on the behaviour and accident trends were conducted. The sessions revealed a number of issues that relate to leadership style, fatigue, production pressure and psycho-socio issues as contributory factors to unsafe behaviours. While further investigations are underway on some of the issues, management has drawn a number of targeted interventions to redress the trend including review of leave rosters, alignment of daily targets and retraining management on conducting visible felt leadership (VFL). Interaction between management and employees on safety matters was enhanced to include weekend VFLs aimed at reinforcing safe behaviours and encourage workers to report unsafe conditions and contribute towards establishing a safe working environment.

Leadership/Supervision gap has been a contributing factor in LTIs incurred during FY2015. Root cause analysis of the injuries revealed leadership/supervision gaps in the form of; inadequacy in pre-task risk assessment and identification of hazards, inadequate initial training/orientation and controls. This is regardless of availability of procedures and standards. To address the gap, a two pronged approach strategy has been adopted:

1. Empowerment of the supervisor: This is aimed at reinforcing the role of the miner as “the miner in charge”. The miners have been tooled with all accessories to enable them to function and instruct accordingly.
2. In support of Zero Incident Process (ZIP), SHL, a consultant company, was engaged to do a sample assessment of the supervisory team. The results revealed gaps in our supervisory teams, the main one being failure to follow through on actions. The non-closure of critical action plans by this group has seen repeat incidents occur more frequently than expected. 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 and good mining practices.

To support and buttress the development of the supervisor, VFL observations will continue to be done by each member of top management once every quarter and by middle management on a monthly basis.

Our plan for FY2016 is to:
- Reinforce behaviour based interventions through consolidation and internalisation of the ZIP
- Continue training supervisors on leadership issues and empower the supervisor to be the ‘miner-in-charge’
- To support and buttress the development of the supervisor, VFL observations will continue to be done by each member of top management once every quarter and by middle management on a monthly basis.

System interventions

Accident investigations also revealed inadequacy of pre-placement checks and induction training as the contributing factors. In response, pre-placement procedures and induction procedures were revised. The thrust is to enhance pre-placement checks and inductions, ensuring robust verifications by the receiving division/manager. In addition, focused external and internal audits on mining practices and other high risk facilities will continue in our operations.

SUSTAINABILITY MATTERS (CONTINUED)

Progress on system interventions and FY2016 plan

Key strategic initiative	FY2015 progress	Plan for FY2016
FOG initiatives	Quarterly FOG campaigns were carried out. These involved support audits, whistle blowing; strata control training and certification, awareness on barring down and sources of FOG (sidewall, shoulder, hanging wall and face), job observations, management lead VFLs, inspections and BBI coaches/SHEQ representatives’ observations.	Focused external and internal audits on mining practices and other high risk facilities.
BMS system implementation and continuous improvement	OHSAS 18001 certification maintained Safe production rules were reviewed taking into consideration our previous experiences. The revised rules were issued to all employees.	Our FY2016 plan is to retain BMS certification status, conduct BMS internal audits and SHE legal compliance verification audit.
SHEQ information management tool ISOMetrix	ISOMetrix has been adopted for operational risks recording, analysis and reporting together with the management of SHE information in line with ISO standards.	Our focus for FY2016 is to train users and review BMS procedures to align with ISOMetrix modules as well as uploading information into the relevant modules. Full utilisation of the system is expected by end of FY2016.
Contractor management	Contractor pre-placement procedures and induction programs were reviewed	Our plan is to implement a robust pre-qualification safety assessment, employee competence verification, thorough pre-work induction, equipment inspections, contractor compliance inspections and audits.

We believe that “An investment in the three facets - technology, people and systems - will create a sustainable zero harm safety culture”

SUSTAINABILITY MATTERS (CONTINUED)

Environmental performance highlights FY2015

Key performance indicators (KPI)		Environmental performance						
		Quarter				Year to date		
		Q1 FY2015	Q2 FY2015	Q3 FY2015	Q4 FY2015	FY2015	FY2014	% Var
Energy consumption	GJ/tonne milled	0.43	0.46	0.43	0.38	0.42	0.40	5
Carbon emissions	CO2 emitted/ tonne	0.066	0.070	0.066	0.058	0.065	0.061	7
Fresh water consumption	KL/tonne	1.49	1.49	1.05	1.04	1.25	1.08	16
Water recycled	%	38	28	47.2	47.4	39.9	38.1	6
Rehabilitation	(LCMs)	99 936	84 377	85 969	50 155	320 437	393 445	19

Key: Desirable variance - Green ■ Undesirable variance - Red ■

Notes:

- Energy consumption, carbon emissions and fresh water consumption per tonne were affected by lower tonnage milled in FY 2015 compared to FY 2014 due to the Bimha Mine collapse
- Loose cubic metres (LCMs) moved were 19% lower than FY 2014 due to low rehabilitation equipment availabilities.

Environmental objectives

Environmental objectives progress: FY2015

FY2015 environmental objectives progress

SYSTEMS
Retained ISO14001 certification

EFFLUENT
Drilled 17 monitoring dams at Ngezi Tailings dam

WATER
Achieved 39.9% recycling against a target of 31%

WASTE
Landfill clay lining and leachate collection constructed

ENERGY
Energy consumption increased by 5%

AIR QUALITY
Feasibility study for SO_2 abatement commenced

FOOTPRINT
Carbon emissions increased by 7%

LAND STEWARDSHIP
Open pit rehabilitation was 16% below plan

Key: Desirable variance - Green ■ Undesirable variance - Red ■ Achieved - Green ✓

SUSTAINABILITY MATTERS (CONTINUED)

Legislative developments

No new environmental legislation with a potential to adversely impact Zimplats operations was gazetted during FY2015.

Environmental authorisations / agreements

Two memoranda of agreement between Zimplats and Zimbabwe National Water Authority (ZINWA) relating to water abstraction from national dams were renewed during FY2015.

Status of environmental agreements

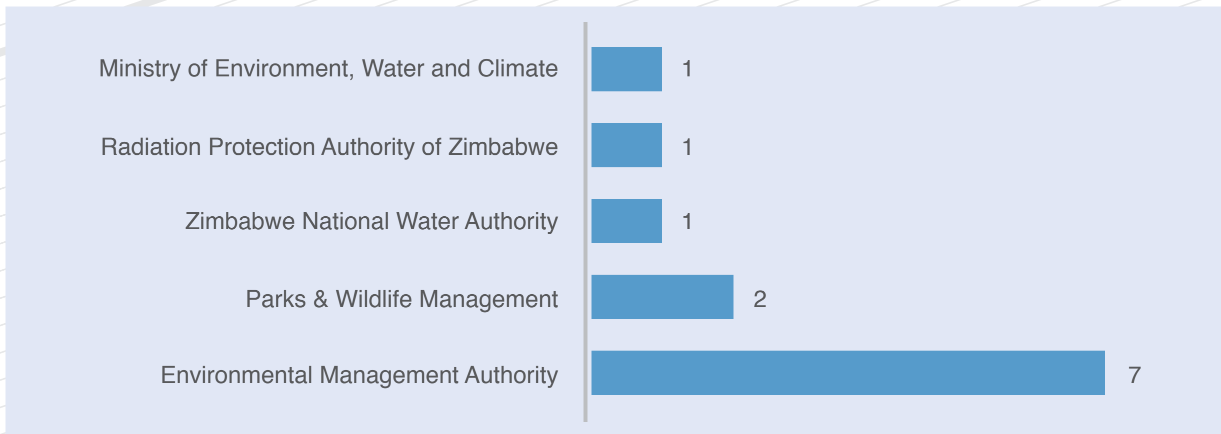
Valid (green) — Renewal Process (yellow) — Expired (red)

TYPE OF AGREEMENT	ISSUING AUTHORITY	STATUS	COMMENT
Memorandum of agreement to abstract 5 000 mega litres (ML) of water per annum from Lake Manyame	ZINWA	Green	The agreement is valid until year 2025.
Memorandum of agreement to abstract 3 000ML of water per annum from Ngezi Dam	ZINWA	Green	The agreement is valid until year 2024.
Chitsuwa cha Mandizadza Dam final water storage permit	ZINWA	Yellow	The provisional permit was issued in November 2011 and is still valid until the final permit is issued. Engagement in progress.
Memorandum of agreement of lease of Ngezi mining claims within the Ngezi National Parks boundary.	Minister of Environment, Water and Climate	Yellow	The current agreement expires in FY2016. Work is in progress to renew the agreement.

Environmental regulatory inspections

A total of 12 regulatory inspections were conducted during FY2015. No major environmental non- conformities were raised. The regulatory authorities who inspected our operations include the Environmental Management Authority (EMA), ZINWA, Radiation Protection Authority of Zimbabwe (RPAZ) and representatives from the Ministry of Environment, Water and Climate (MEWC).

FY2015 Environmental regulatory authorities inspections



No legal nonconformities and stop notes were identified.

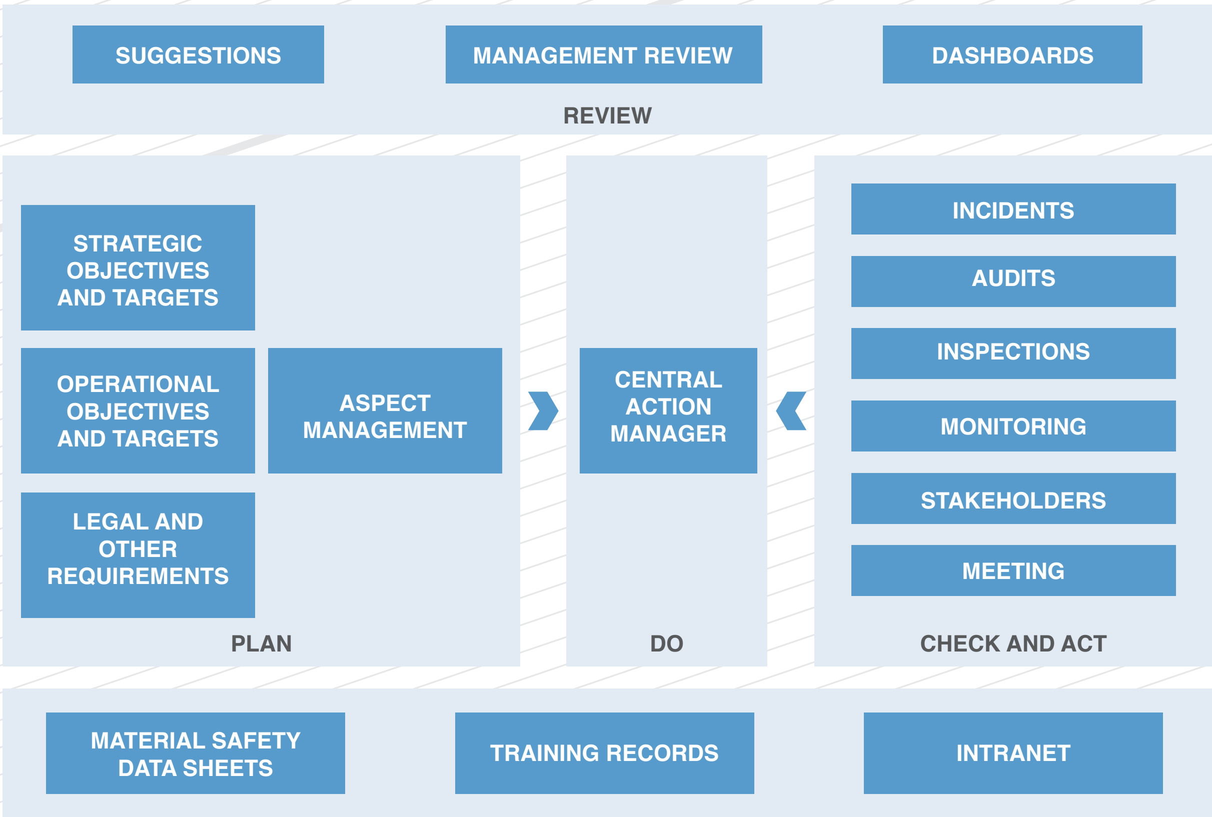
SUSTAINABILITY MATTERS (CONTINUED)

Environmental management system (EMS)

Zimplats has a certified ISO 14001 EMS since 2004. Our EMS is subjected to annual surveillance audits by external auditors. The last surveillance audit was conducted in September 2014 and no nonconformities were raised resulting in Zimplats being recommended to maintain its current EMS certificate. Zimplats has managed to maintain the EMS through implementation of continual improvement programmes aimed at preventing pollution, conserving resources at the same time complying with applicable legal and other requirements. Our system is regularly audited and is subjected to quarterly top management reviews. The plan for FY2016 is to upgrade the EMS to comply with the new standard; ISO14001:2015.

The organisation commenced the use of ISOMetrix software as part of EMS continual improvement initiative. ISOMetrix is an all-encompassing platform with domains which include but not limited to; objectives and programmes, risk management, legal compliance, inspections, incidents, meetings, audits, stakeholder management and the central action manager. The thrust for FY2016 is to ensure full utilisation of the ISOMetrix system in order to derive maximum benefits.

Zimplats ISOMetrix environmental module



Water stewardship

Water performance at Zimplats operations improved as a result of the implementation of a water resource strategy focusing on enhancing water accounting and recycling. Critical meters were installed at strategic positions across the operation in line with the water management strategy. A total of 4 278ML was recycled and this represents 39.9% of total water consumed. The recycled water is 7% more than FY2014 where 3 997ML was recycled. We surpassed FY2015 water recycling target of 31%. Total water withdrawn from dams and underground during the year amounted to 6 447ML▲ up from 6 389 ML for FY2014.

▲This number has been independently assured.

SUSTAINABILITY MATTERS (CONTINUED)

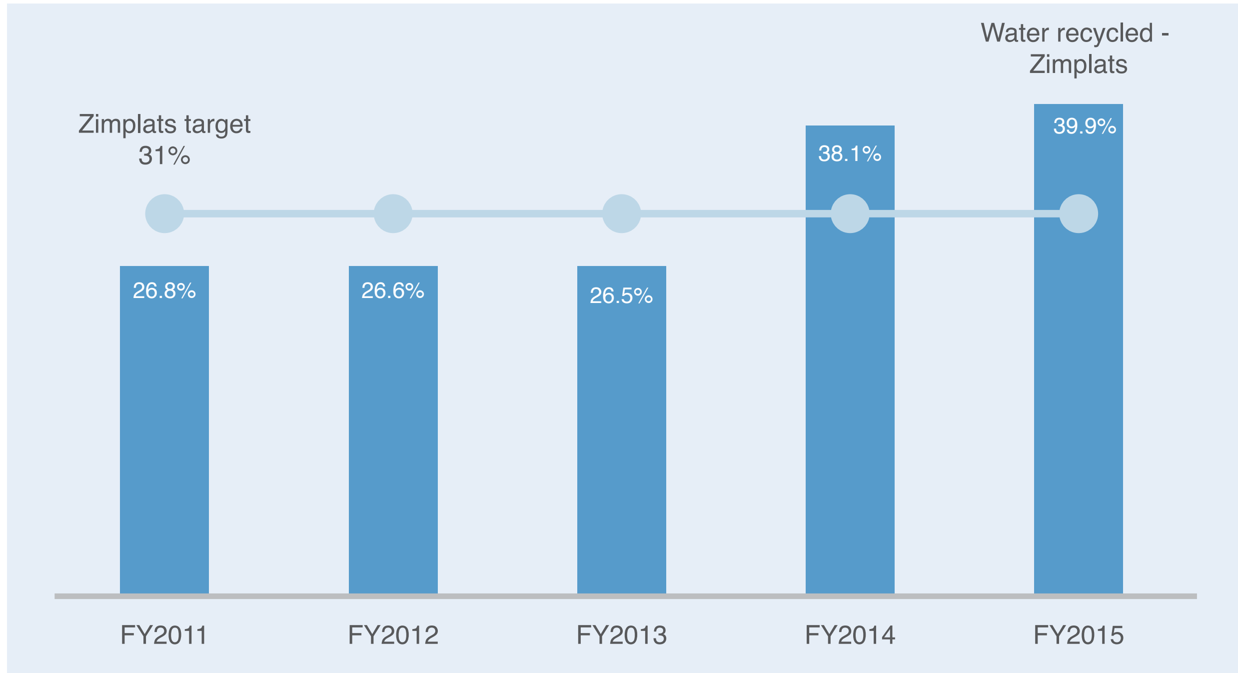
Water consumption - five year history

	FY2015	FY2014	FY2013	FY2012	FY2011
Dams / lakes (ML)	4 106▲	4 947	4 401	4 095	3 887
Ground water (ML)	2 341▲	1 442	1 374	313	266
Water withdrawn	6 447▲	6 389	5 775	4 408	4 153
Water recycled	4 278	3 997	2 078	1 595	1 521
Total water consumption	10 725	10 386	7 854	6 003	5 674

**The increase in ground water is attributed to improved water accounting due to installation of water meters to measure water withdrawn from all the mines.*

▲This number has been independently assured.

Water recycling - five year history



Water focus for FY2016 and beyond

Zimplats is committed to promoting effective water management through improved water accounting, recycling and improving the water balance. The focus is to;

- Continue with current water recycling initiatives and explore new opportunities with a view to achieve a new budget of 40% recycling for the operation
- Improve water accounting by installing additional water meters.

SUSTAINABILITY MATTERS (CONTINUED)

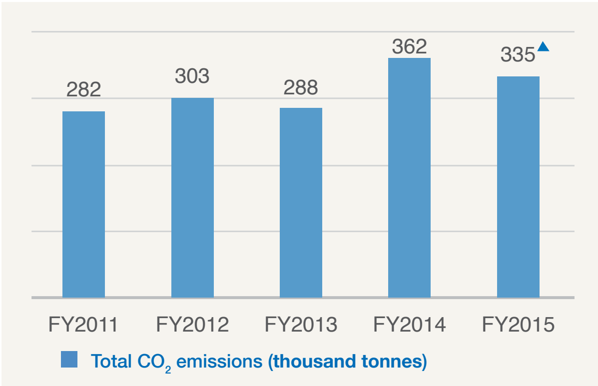
CLIMATE CHANGE AND ENERGY MANAGEMENT

Performance on carbon and energy management

Zimplats carbon footprints include 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.

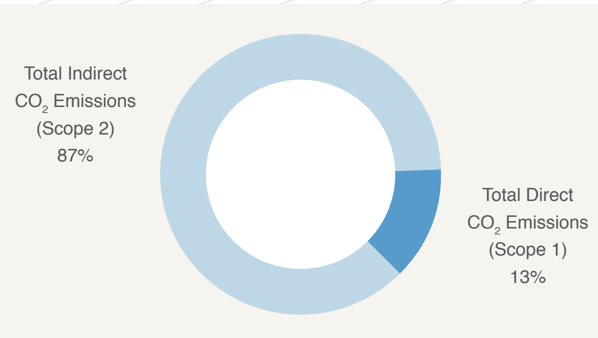
Total CO_2 emissions for FY2015 amounted to 335 258 tonnes, compared to 361 881 for FY2014. Relative carbon emissions for FY2015 were 0.065 tonnes of CO_2 per tonne milled up from 0.061 for FY2014. The increase is attributed to lower production for FY2015 due to the Bimha precautionary closure.

The bulk of our emissions (87%) fall under scope 2 emissions and the remainder (13%) arise from burning fossil fuels; diesel, petrol and coal.

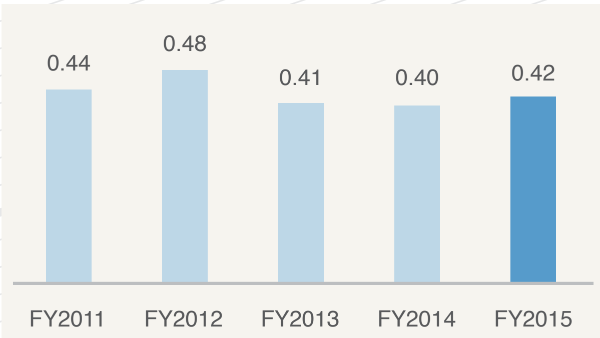


Our carbon and energy management strategy remained on implementing energy efficient initiatives across the operation. Electricity consumption accounted for 72% of our total energy consumption in FY2015. Total energy consumption for FY2015 was 0.42 Giga joules per tonne (GJ/tonne) compared to 0.40 GJ/tonne for the previous year. The slight deterioration in energy efficiency is attributed to lower tonnage milled in FY2015 compared to FY2014.

FY2015 emissions



Total GJ/tonne milled



Climate Change Indicators	Units	FY2015	FY2014	FY2013	FY2012	FY2011	Trend
Direct CO_2 emissions	(t000)	44▲	50	44	54	41	
Indirect CO_2 emissions	(t000)	291▲	312	244	249	241	
Electricity purchased	(MWh000)	441	473	370	378	365	
Direct energy	(GJ000)	606▲	680	607	740	553	
Indirect energy	(GJ000)	1 587▲	1 704	1 333	1 360	1 315	

Material consumption statistics

	Unit of Measure	FY2015	FY2014	FY2013	FY2012	FY2011
Diesel	litre	11 395 912▲	12 010 548	11 731 857	13 628 102	9 850 533
Petrol	litre	104 034▲	250 183	326 645	330 456	291 789
Coal	tonne	5 846▲	7 442	5 051	7 270	6 304
Ore milled	tonne	5 163 499▲	5 939 277	4 683 135	4 392 730	4 222 565

Diesel, petrol and coal consumption was lower than the previous year due to lower production in FY2015.

▲*This number has been independently assured.*

SUSTAINABILITY MATTERS (CONTINUED)

Our carbon and energy management focus for FY2016 and beyond

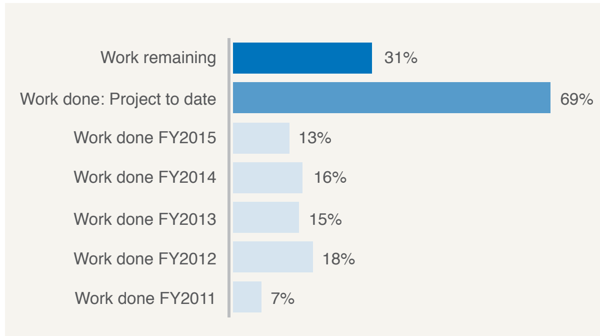
Our plan for FY2016 is to improve carbon and energy management through

- installation of energy efficient equipment such as motors and energy efficient lights
- power factor correction and load shifting
- solar heating initiatives
- diesel combustion efficiency trials
- carbon off-setting initiatives

Land stewardship

Rehabilitation activities for FY2015 focused on open pit backfilling as well as grass and tree planting on tailings dams. The open pit rehabilitation commenced in FY2011 following cessation of open cast operations in 2008. A total of 320 437 LCMs were backfilled in FY15 against a target of 381 832 LCMs. The LCMs moved were below plan due to low rehabilitation equipment availability attributed to machinery breakdowns. A dedicated maintenance and breakdown recovery team was put in place to improve rehabilitation equipment availabilities. Project to date LCMs moved amounted to 1 703 328 LCMs reflecting 69% of work done at a cumulative total cost of US$3.3 million.

Open pit rehabilitation progress



Tree planting and grassing of Ngezi and SMC tailings dams progressed well during FY2015. The current tailings dam rehabilitation targets new surfaces created as the tailings dam continues to rise. A total of 2.5 hectares of the tailings dam new rising were rehabilitated through grassing and tree planting.

Rehabilitation focus for FY2016 and beyond

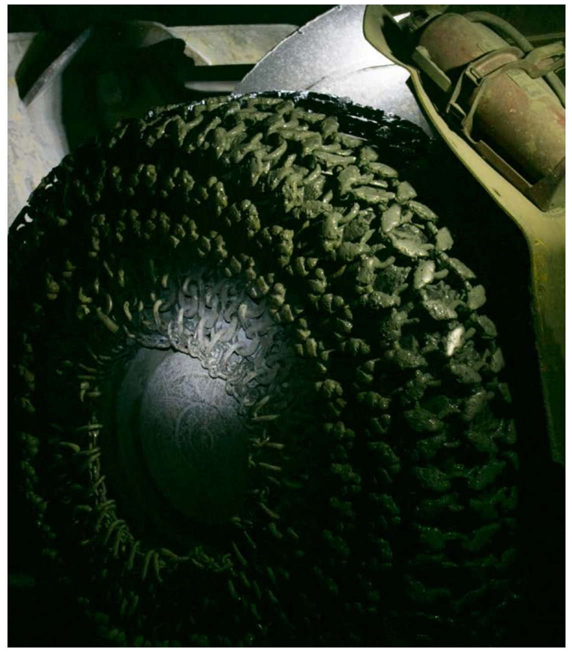
Our aim is to continue backfilling Ngezi open pit voids with waste rock and re-establish indigenous grass and tree species by end of FY2017.

We also aim to plant trees and continue grassing activities on the tailings dams' new risings.

Managing our waste

Our approach to waste and effluent management seeks to ensure compliance with the Environmental Management Act and its regulations pertaining to waste and effluent. The most significant implications for Zimplats from 2007 were associated with EMA regulations on landfill clay lining. The waste and effluent regulations of 2007 requires lining of all landfills and construction of leachate collection systems. During FY2015, Zimplats completed projects to attain 100% compliance with the landfill lining requirements through construction of leachate collection systems and landfill lining for both Ngezi and SMC landfills.

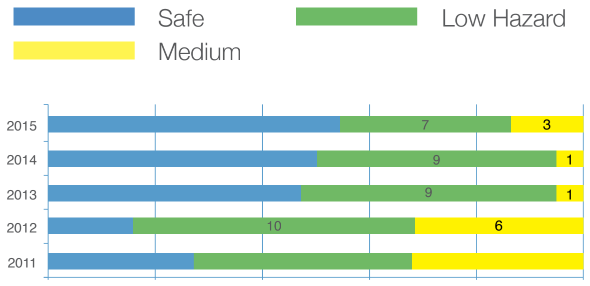
In an effort to find the best tyre disposal options, trial of re-lugged tyres was done during FY2015 and indications were that tyres can be re-lugged successfully. Cost benefit analysis for solid tyres shows positive returns hence the focus for FY2016 is to further explore and finalise re-lugging opportunities.



SUSTAINABILITY MATTERS (CONTINUED)

Zimplats renewed its solid waste and effluent licences for FY2015 in line with Environmental Management Act regulations. It is worth noting that the permit class for the effluent licences improved since 2007 as the organisation eliminated red effluent discharge permits and maintained the status in FY15. The blue permits increased from 10 in FY2014 to 12 for FY2015. The improvement is attributed to effluent management initiatives implemented over the years.

Zimplats effluent permit trends - five year history



Number of effluent permits

Note: *Two new permits were applied for in FY2015 and were placed into the yellow category.*

Our focus is to continue improving the quality of our effluent and reduce number of permits in the yellow classes through implementation of effluent management initiatives.

In terms of solid waste the plan for FY2016 is to further explore and finalise tyre re-lugging opportunities.

Air quality management

The most significant air quality emission for Zimplats relates to sulphur dioxide (SO_2) emissions from smelting operations. Air emissions in Zimbabwe are subject to the air emissions regulations administered by EMA. Zimplats applied for and was issued with air emission licences for FY2015. In an effort to reduce SO_2 emissions, a feasibility study for an SO_2 abatement plant commenced during FY2015 and is set to be finalised in FY2016. In addition, the operation is currently improving its ambient air quality monitoring stations to ensure reliable and timeous air quality monitoring data. The three air quality monitoring stations measures SO_2, nitrogen dioxide and particulates.

Our focus for FY2016 and beyond

Our main plan for FY2016 is to:

- finalise the sulphur dioxide abatement studies and
- improve the performance of our air quality monitoring units to ensure increased data availability and accuracy.

Human resources

The company's employee relations for the period under review were cordial. Positive employee engagement continues to be the company's thrust with regard to employee relations. The company's Works Council platform continues to be a key engagement platform with members of the workers' committee.

On the skills development front the focus was on the continued enhancement of skills and competences in the various areas of the business. The resourcing of institutions of tertiary education remains below par and as such the company will continue to assist in capacitating some of those key institutions so as to ensure continuous development and supply of key mining, metallurgy and engineering skills.

Headcount decreased by 2% from prior year to close the year at 3 214▲ employees. The decrease was mainly due to a tighter management of staffing levels in response to the operating environment. Female employees constituted 6% of the total workforce. A total of 2 605▲ contractor employees were employed, 94% being operating expenditure contractors and 6% capital expenditure contractors. Operating expenditure contractors are mainly due to open-pit mining activities and the Bimha Mine redevelopment project.

▲This number has been independently assured.

SUSTAINABILITY MATTERS (CONTINUED)

Division	Headcount June 2015
Mining	2 471
Processing	528
Projects	15
Engineering	4
Human resources	49
Group SHEQ	7
Human resources development	22
Commercial	79
ICT	15
Head Office	24
Total Zimplats employees	**3 214▲**
Operating expenditure contractors	2 458
Capital expenditure contractors	147
Total contractors	**2 605▲**
Total labour	**5 819▲**

Employees by location	
Head Office	20
SMC	645
Ngezi	2 549
Total	**3 214▲**

Employee groups	
National Employment Council (NEC) members	2 962
Non NEC members	252
Total	**3 214**

Employees by gender	
Female	207
Male	3 007
Total	**3 214**

▲This number has been independently assured.

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 who have been contracted by the company for specific projects.

ENHANCING EMPLOYEE WELLNESS

Strategic objectives 2015

To reinforce the wellness programmes so as to fully merge the management of NCDs as well as HIV, AIDS and STIs.

NCDs goals

1. To bring the real risk of NCDs to the fore among all employees
2. To raise awareness of the threat of NCDs in the Group
3. To increase participation of employees and their dependents in NCD awareness
4. To include the surrounding communities in the company's NCD programmes.

Achievements

1. Follow up of NCDs now being tracked monthly at all levels
2. Company doctors seconded to Turf Clinic have made a huge impact in follow up and care of NCD cases and patients who are on ART
3. Cancer screening (Visual inspection under acetic acid (cervix), prostate cancer screening for the over 45s and breast examination. This was extended to the surrounding community
4. Private pharmacy at Turf has made drugs more available to employees, dependents and the community at large at reasonable prices.

Occupational health surveillance

The level of compliance to red ticket applications remains satisfactory with increased contractor compliance to surveillance programmes. There were two cases of pneumoconiosis during the period under review.

SUSTAINABILITY MATTERS (CONTINUED)

Occupational health risks

Noise induced hearing loss (NIHL) is a significant risk within the business. Heavy equipment, drilling and confined work environments are some of the factors that contribute to high noise levels.

The introduction of customized hearing protection (noise bans) has been extended to all employees exposed to noise levels above 85dB.

In areas where it is not possible to reduce noise to an acceptable level through the implementation of engineering controls, the company has adopted a hearing conservation approach incorporating the provision of personal protective equipment, education and audiometric testing to effectively control noise exposure and its impact. Zimplats recorded 7▲ cases of NIHL during the year as compared to 11 in the previous year. Two Zimplats employees and one contractor had percentage disabilities with potential for compensation under the Workmen's Compensation Insurance Fund and were referred accordingly.

▲*This number has been independently assured.*

Biological monitoring

Monitoring of employees and contractors exposed to lead was done and a total of 146 employees and contractors were tested this year. No major deviations were detected during the year under review.

Pulmonary tuberculosis

All cases of pulmonary tuberculosis were submitted to the National Social Security Authority (NSSA) for possible compensation. The company monitors treatment compliance through directly observed treatments.

Malaria

Vector control continued in and around the mining area. All the operating company's villages were supplied with treated mosquito nets. Information on malaria is now being given to all visitors to the villages as part of their induction.

A total of 9 malaria cases were subjected to the rapid test and found positive in FY2015. All the cases were from the mining division and five were employees while 4 were contractors. They had visited malaria endemic areas prior to contracting the illness.

There were no local malaria cases.

HIV and AIDS

The HIV and AIDS and NCD programmes were integrated into one wellness programme. Wellness champions also continue to drive campaigns within the community and at various contractor camps. The company continues to follow World Health Organisation (WHO) anti-retroviral treatment (ART) guidelines.

Two AIDS related deaths were recorded during the year under review.

Sexually transmitted infections cases remain high in the mining division and the company has stepped up the awareness programmes and the provision of free condoms at all strategic points.

New pulmonary tuberculosis cases treated

Operation	FY2015	FY2014	FY2013	FY2012	FY2011
Mining	4	6	2	5	4
Processing	1	1	-	1	1
Total	5	7	2	6	5

Zimplats ART programme: total number of patients on ART

Operation	FY2015	FY2014	FY2013	FY2012	FY2011
Mining	122	108	91	98	92
Process	27	28	28	31	35
Total	**149**	**136**	**119**	**113**	**127**

Total new patients on ART

Operation	FY2015	FY2014	FY2013	FY2012	FY2011
Mining	22	25	11	19	31
Process	1	-	-	8	4
Total	**23**	**25**	**11**	**27**	**35**

Voluntary counselling and testing (VCT) uptake

Operation	FY2015	FY2014	FY2013	FY2012	FY2011
Mining	1 278	1 778	1 233	2 213	635
Process	186	371	155	520	99
Total	**1 464**	**2 149**	**1 288**	**2 733**	**734**

A significant drop in VCT uptake was noted in FY2015 compared to FY2014. This was mainly due to logistical problems on the part of the service provider in the first quarter of the year under review.

Wellness programme

Operation	FY2015	FY2014	FY2013	FY2012	FY2011
Mining	130	116	106	31	145
Process	28	29	29	98	24
Total	**158**	**145**	**135**	**129**	**169**

Employee welfare

Employee housing is a key aspect of the company's employee welfare programmes. It is the company's philosophy that all employees must reside in decent accommodation. The company is exploring low cost housing solutions so as to deliver the next phase of the employee home ownership scheme at both SMC and Ngezi.

ESOT

The ESOT is now in the final stages of approval by the Reserve Bank of Zimbabwe.

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 annual 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.

Further, the company has an obligation to comply with the requirements of the ASX Corporate Governance Principles and Recommendations, Third 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 cognisant 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, Third Edition, save as otherwise stated herein. 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. The board meets 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 company has a written agreement with each director and senior executive setting out the terms of their appointment.

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 and community (SHEC) committee

CORPORATE GOVERNANCE REPORT (CONTINUED)

The chairman of each of these committees is encouraged to attend the annual general meeting to answer questions from shareholders. Each committee chairman reports on the proceedings of his/her committee at the 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 nominations committee.

From a corporate governance 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 31.

The board has a programme for inducting new directors in order to familiarise incoming directors with the Zimplats operations, its business environment and the sustainability issues relevant to the business.

The board currently comprises ten members, made up as follows:

	IMPLATS NOMINEES	INDEPENDENT	NON-EXECUTIVE	EXECUTIVE
F S Mufamadi	√		√	
M A Masunda		√	√	
A Mhembere				√
S M Mangoma				√
B Berlin	√		√	
T P Goodlace	√		√	
K D K Mokhele	√		√	
L J Paton		√	√	
Z B Swanepoel	√		√	
N P S Zhou		√	√	
Totals	**5/10**	**3/10**	**8/10**	**2/10**

Dr F S Mufamadi and Mr Z B Swanepoel, who had been appointed as independent non-executive directors of Implats on 5 March 2015, were appointed as non-executive directors of the company on 1 May 2015 and 1 July 2015 respectively. Dr Mufamadi was appointed as chairman of the board with effect from 1 July 2015. The deputy chairman, Mr M A Masunda, was acting chairman until 30 June 2015. Mr A Mhembere is an executive director and the chief executive officer. The roles of the chairman and chief executive officer are distinctly separate. The chairman however is not independent as he is an Implats nominee.

Messrs. Masunda, Paton 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Attendance at board meetings during the year under review, is detailed below:

ATTENDEE	ATTENDED	AUG 2014	NOV 2014	FEB 2015	MAY 2015
F S Mufamadi*	1/4	N/A	N/A	N/A	√
M A Masunda	4/4	√	√	√	√
A Mhembere	4/4	√	√	√	√
S M Mangoma	4/4	√	√	√	√
B Berlin	4/4	√	√	√	√
T P Goodlace	3/4	√	Ap	√	√
M J Houston**	1/4	√	N/A	N/A	N/A
K D K Mokhele	3/4	√	√	Ap	√
L J Paton	4/4	√	√	√	√
A H Sangqu***	4/4	√	√	√	√
R G Still****	3/4	√	√	Ap	√
N P S Zhou	4/4	√	√	√	√

Ap = Apology
N/A = Not applicable; had not been appointed a director or was no longer a director
* Appointed on 1 May 2015 ** Resigned on 15 August 2014 *** Resigned on 9 June 2015
**** Resigned on 30 June 2015

The board has in place a process of board and retiring director performance evaluations. 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 annual report. In line with the evaluation cycle, evaluations are being undertaken in the first quarter of FY2016.

C. L. Secretaries Limited, a company incorporated in Guernsey, is the company secretary for the company. C. L. Secretaries Limited is accountable to the board, through the chairman, on matters to do with the proper functioning of the board.

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 expanding 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.

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
- 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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.

During the year under review the audit and risk committee was composed of four members, two of whom are independent non-executive directors, one of whom is the Implats chief finance officer and the other was the Implats group executive: sustainability and risk. 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 31.

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 at meetings of the committee during the year under review was as follows:

ATTENDEE	CAPACITY	ATTENDED	AUG 2014	NOV 2014	JAN 2015	APR 2015
N P S Zhou	Independent	4/4	√	√	√	√
B Berlin	Implats nominee	3/4	√	Ap	√	√
M A Masunda	Independent	3/4	√	√	√	Ap
A H Sangqu	Implats nominee	4/4	√	√	√	√

Ap = Apology

REMUNERATION COMMITTEE

During the year under review this committee consisted of three members, all of whom were 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. The terms of reference are posted on the company's website. The chief executive officer and the human resources executive 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The committee meets four times a year. Attendance at meetings of the committee was as follows during the year under review:

ATTENDEE	CAPACITY	ATTENDED	AUG 2014	NOV 2014	JAN 2015	MAY 2015
M J Houston	Independent	1/4	√	N/A	N/A	N/A
L J Paton	Independent	4/4	√	√	√	√
R G Still	Independent	4/4	√	√	√	√
N P S Zhou	Independent	3/4	N/A	√	√	√

Ap = Apology
N/A = Not applicable; had not been appointed to the committee or was no longer a director

SAFETY, HEALTH, ENVIRONMENT AND COMMUNITY (SHEC) COMMITTEE

The role of this board-appointed committee is to monitor and review the various pillars of sustainability: safety, health, environmental and community (SHEC) 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.

During the year under review the SHEC committee consisted of five members, two of whom are independent and four of whom are non-executive directors. Dr J C Andrews is a member of the operating subsidiary's board and the Implats group executive responsible for SHEC matters. Members of executive management are standing invitees. The committee meets four times a year. Attendance at meetings of the committee during the year was as follows:

ATTENDEE	CAPACITY	ATTENDED	AUG 2014	NOV 2014	JAN 2015	MAY 2015
L J Paton	Independent	4/4	√	√	√	√
Dr J C Andrews	Implats Nominee	3/4	√	Ap	√	√
T P Goodlace	Implats Nominee	4/4	√	√	√	√
A H Sangqu	Implats Nominee	4/4	√	√	√	√
N P S Zhou	Independent	4/4	√	√	√	√

Ap = Apology

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
- Takawira Maswiswi: General Manager – Human Resources
- Amend Chiduma: General Manager – Engineering
- Sibusisiwe Chindove: Head of Corporate Affairs
- Lysias Chiwozva: Risk and Strategy Manager
- Garikai Bera: Legal Counsel and Company Secretary

CORPORATE GOVERNANCE REPORT (CONTINUED)

Reporting into Exco are a number of committees that are responsible for various aspects of the business, specifically, operations (the operations committee), growth and engineering (the technical committee) finance (the finance committee) and people (the people committee).

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

In addition to these functional committees, there are also the following specialist management committees:

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 General Manager – Engineering. 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 General Manager – Engineering is chairman of the committee. Membership comprises executives from a variety of disciplines and an Implats representative.

Procurement Committee

The procurement committee operates on 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. There is currently one woman at senior executive level (E band on the Paterson job grading system) out of 26. Currently the company employs 207 women (2014: 217) and continues to work towards achieving the stated target.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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	FY2015	FY2014
	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 2015 were:

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

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 to non-executive directors for the Group during the year of US$446 249 (2014: US$451 360) are within the limit approved by shareholders in 2012.

These fees were split as follows:

TOTAL REMUNERATION	FY2015	FY2014
	US$	US$
Board Fees	319 815	343 440
Audit and Risk Committee Fees	42 332	39 444
SHEC Committee Fees	31 252	31 252
Remuneration Committee Fees	52 850	37 224
Total	**446 249**	**451 360**

EXECUTIVE AND SENIOR MANAGEMENT REMUNERATION

It is the remuneration policy of the company 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 which is governed by carefully managed rules is in place. 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 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 Third 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 26 people (2014: 22):

	FY2015	FY2014
	US$ 000	US$ 000
Executive directors and senior executives	8 964	8 552

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 FY2013, 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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

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 52 of this 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 company's business provide additional cover and protection.

While 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 company. 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 on pages 51 to 75.

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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 victimisation, and outlines the disciplinary action (including dismissal or prosecution) that will be taken in 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.

In order to further promote ethical behaviour and assure confidentiality, the company subscribes to an independent and anonymous 'whistle-blower' 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. A total of 37 allegations were reported and investigated during the current year with 23 cases confirmed as relating to fraudulent activity.

An analysis of reports follows:

	FY2015	FY2014
Number of reports received	37	40
Number of employee dismissals	13	9
Number of rewards paid out	17	18
Total value of rewards paid out	**US$10 200**	**US$5 400**

Six awards are pending payment.

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
- The timely and balanced continuous disclosure to the Australian Stock Exchange, with subsequent posting on the 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 2015.

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 Corporate Governance and the ASX Corporate Governance Principles and Recommendations, Third Edition. Details of the membership, objectives and corporate governance practices of the committee can be found on pages 78 to 79 of this integrated annual 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 annual report of the year ended 30 June 2015
  - The interim results for the six months ended 31 December 2014
- 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 2015 financial year
- Satisfied itself that the external auditor is independent of the company
- 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 2015 Annual General Meeting PricewaterhouseCoopers Chartered Accountants (Zimbabwe) as the external auditor for the 2016 financial year
- Reviewed a documented assessment prepared by management on the going concern status of the company, including the key assumptions, and accordingly made recommendations to the board
- Reviewed the performance, appropriateness and expertise of the chief finance 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 ISO14001:2004, ISO9001:2008 and OHSAS18001:2007 in relation to environmental, quality and occupational safety and health matters respectively.

The company 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 fulfillment of the internal audit mandate during the year.

Integrated annual report
The audit and risk committee has evaluated the integrated annual report incorporating the annual financial statements for the year ended 30 June 2015 and considers that it complies, in all material aspects, with the requirements of International Financial Reporting Standards.

The committee has considered the sustainability information as disclosed in the integrated annual 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.

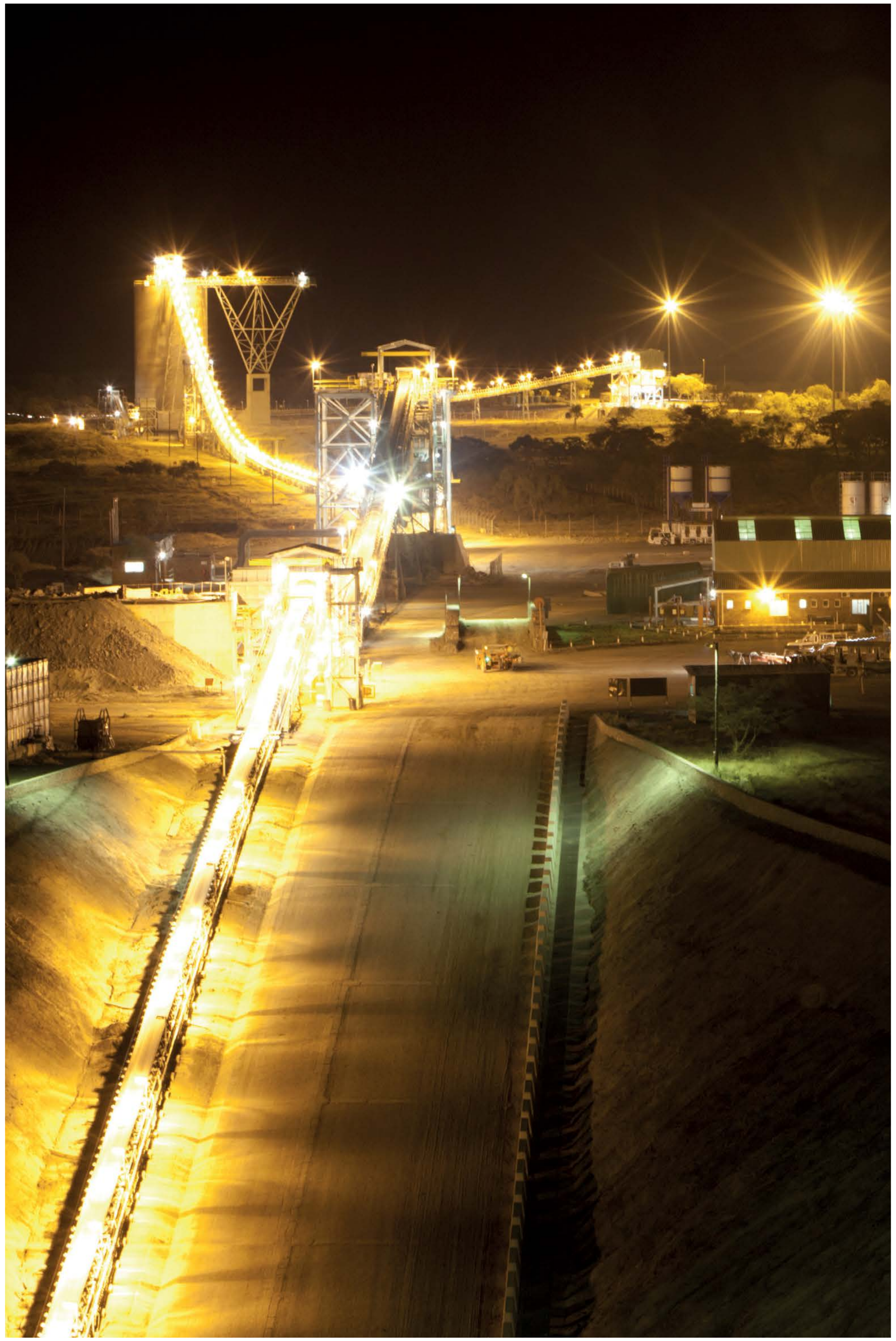
The committee has therefore recommended the annual financial statements, as set out in this integrated annual report, for approval to the board which has subsequently approved the financial statements.

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

14 August 2015



FINANCIAL REVIEW

03

DIRECTORS' REPORT

The directors have pleasure in presenting their report, together with the financial report of Zimplats Holdings Limited (Zimplats) and the consolidated financial report of the Group, being Zimplats and its subsidiaries, for the year ended 30 June 2015.

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 10 cents 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.

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 page 154.

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 regard to the company's compliance with the Indigenisation and Economic Empowerment Act in Zimbabwe.

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 of Zimbabwe.

Following the rejection of the term sheet, Zimplats has continued to pursue further engagements with the Government on a mutually acceptable IIP. In this regard, Zimplats and the Government have agreed on the sale of a 10% equity stake to the Zimplats Employee Share Ownership Trust (ESOT) as part of Zimplats' IIP. The process for the sale of this 10% equity stake to the ESOT has reached the stage of seeking the approval by the Reserve Bank of Zimbabwe (RBZ) of the vendor financing arrangements pertaining to the sale. Once the RBZ approval has been obtained, Zimplats will proceed with the implementation of the sale of the 10% shareholding to the ESOT.

FINANCIAL AFFAIRS

The financial results for the year are set out on pages 95 to 151. The company had a challenging year mainly due to deteriorating metal prices, lower sales volumes, asset write-offs and the unfavourable court judgment on the additional profits case albeit offset by the favourable judgment on the royalties case.

Post year end, the company declared a final dividend of US$13.0 million (equating to US$0.1208 per share) for the financial year ended 30 June 2015. These financial statements do not reflect this dividend payable in accordance with the requirements of International Accounting Standard ("IAS") 10, Events after the Reporting period and IAS 1, Presentation of Financial Statements.

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.

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.

DIRECTORS' REPORT (CONTINUED)

EVENTS AFTER REPORTING PERIOD

Post year end, the company entered into an agreement with the Standard Bank of South Africa to increase the revolving facility to US$95 million. The increased facility bears interest at 3 months LIBOR plus 7% and is repayable in two equal instalments of US$47.5 million on 31 December 2017 and 31 December 2018.

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

During the year under review, the following changes to the board occurred:

- Mr M J Houston resigned from the board on 15 August 2014
- Dr F S Mufamadi was appointed to the board on 1 May 2015
- Mr A H Sangqu resigned from the board on 9 June 2015
- Mr R G Still resigned from the board on 30 June 2015
- Mr Z B Swanepoel was appointed to the board on 1 July 2015.

The deputy chairman, Mr. M A Masunda, has been acting chairman since 30 June 2012. On 1 July 2015, Dr F S Mufamadi was appointed as the new chairman of the company's board 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, 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 Ms B Berlin and Mr T P Goodlace. Following their appointment during the course of the year, Dr F S Mufamadi and Mr Z B Swanepoel offer themselves for election and both the retiring directors, being eligible, offer themselves for re-election.

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 82.

INDEMNITY OF OFFICERS

Zimplats' Memorandum and Articles of Association include 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

- 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 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.

DIRECTORS' REPORT (CONTINUED)

Zimplats 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 Zimplats or any subsidiary of Zimplats.

No claims under the abovementioned 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 to provide insurance cover for 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 abovementioned 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 have indicated their willingness to continue as the company's auditors. A resolution to authorise 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 Wanderers Club, 21 North Street, Illovo, Johannesburg, South Africa, on Friday 16 October 2015 at 11:30am South African time (+1 GMT). Full details are given in the notice of the meeting on page 156.

BY ORDER OF THE BOARD

THE DIRECTORS' STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2015

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 2015, 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).

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
- 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 94.

APPROVAL OF FINANCIAL STATEMENTS

The directors' report and the financial statements were approved by the board of directors on 14 August 2015 and were signed by:

A Mhembere
Chief Executive Officer

S M Mangoma
Chief Finance Officer

14 August 2015

INDEPENDENT AUDITORS' REPORT

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 2015, 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 95 to 151.

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.

Auditors' 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 2015, 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 2015

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 2015

	Notes	Group 2015 US$ 000	Group 2014 US$ 000	Company 2015 US$ 000	Company 2014 US$ 000
ASSETS					
Non-current assets					
Property, plant and equipment	5	1 029 047	1 045 579	5 945	6 261
Investment in subsidiaries	6	-	-	112 923	113 438
Long term receivables	7	-	6 826	-	-
Inter-company receivables	8	-	-	-	46 959
Total non-current assets		1 029 047	1 052 405	118 868	166 658
Current assets					
Inventories	9	79 508	57 466	-	-
Trade and other receivables	10	130 453	203 211	-	-
Prepayments	11	33 476	24 481	-	-
Cash at bank and on hand	12	73 479	38 600	66 576	11 748
Total current assets		316 916	323 758	66 576	11 748
Total assets		1 345 963	1 376 163	185 444	178 406
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		852 868	927 197	85 338	78 318
		952 797	1 027 126	185 267	178 247
Non-current liabilities					
Borrowings	14	50 000	75 000	-	-
Deferred taxation	15	135 122	121 846	-	-
Mine rehabilitation provision	16	19 423	13 661	-	-
Share based compensation	17	838	2 724	-	-
Total non-current liabilities		205 383	213 231	-	-
Current liabilities					
Borrowings	14	32 000	30 000	-	-
Trade and other payables	18	103 354	81 298	177	159
Current tax payable	19	51 110	22 785	-	-
Share based compensation	17	1 319	1 723	-	-
Total current liabilities		187 783	135 806	177	159
Total equity and liabilities		1 345 963	1 376 163	185 444	178 406

The notes on pages 99 to 151 form an integral part of these financial statements.

A Mhembere
Chief Executive Officer

S M Mangoma
Chief Finance Officer

14 August 2015

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

		Group		Company	
	Notes	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
Revenue	20	408 391	575 978	-	-
Cost of sales	21	(315 727)	(332 272)	-	-
Gross profit		92 664	243 706	-	-
Management fees		-	-	4 084	5 760
Administrative expenses	22	(44 093)	(43 775)	(1 136)	(964)
Royalty and commission expense		(10 152)	(44 377)	-	-
Royalty refund	23	95 787	-	-	-
Derecognition of property, plant and equipment	24	(38 538)	-	-	-
Other operating expenses	25	(37 979)	(27 629)	(16)	(7)
Other operating income		625	565	-	-
Profit from operations		58 314	128 490	2 932	4 789
Finance (cost)/income - net	26	(2 176)	177	4 701	3 837
Finance cost		(3 472)	(1 461)	-	-
Finance income		1 296	1 638	4 701	3 837
Profit before income tax	27	56 138	128 667	7 633	8 626
Income tax expense	28	(130 467)	(31 534)	(613)	(864)
(Loss)/profit for the year		(74 329)	97 133	7 020	7 762
(Loss)/profit attributable to:					
Owners of the parent		(74 329)	97 133	7 020	7 762
Non controling 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 (loss)/income for the year		(74 329)	97 133	7 020	7 762
Basic earnings per share (cents)	29	(69)	90		
Diluted earnings per share (cents)	29	(69)	90		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Share capital US$ 000	Share premium US$ 000	Accumulated profit US$ 000	Total US$ 000
GROUP				
Balance as at 1 July 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
Total comprehensive loss for the year	-	-	(74 329)	(74 329)
Loss for the year	-	-	(74 329)	(74 329)
Other comprehensive income for the year	-	-	-	-
Balance as at 30 June 2015	10 763	89 166	852 868	952 797
COMPANY				
Balance as at 1 July 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
Total comprehensive income for the year	-	-	7 020	7 020
Profit for the year	-	-	7 020	7 020
Other comprehensive income for the year	-	-	-	-
Balance as at 30 June 2015	10 763	89 166	85 338	185 267

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

		Group		Company	
	Notes	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
Cash flows from operating activities					
Profit before income tax		56 138	128 667	7 633	8 626
Adjustments to profit before income tax	31	148 030	92 120	(4 369)	(3 830)
Cash from changes in working capital	31	49 660	(49 747)	18	53
Finance cost		(6 856)	(8 469)	-	-
Income tax and withholding tax paid	19	(104 686)	(16 162)	(613)	(864)
Net cash generated from operating activities		142 286	146 409	2 669	3 985
Cash flows from investing activities					
Purchase of property, plant and equipment	31	(84 526)	(110 184)	-	-
Proceeds from disposal of property, plant and equipment		351	239	-	-
Loan repayments from subsidiary undertaking		-	-	51 383	3 617
Investment in subsidiaries		-	-	515	(225)
Finance income		(216)	291	277	676
Net cash (out)/in flows from investing activities		(84 392)	(109 654)	52 175	4 068
Cash flows from financing activities					
Finance lease liability repaid		-	(2 181)	-	-
Repayments of interest bearing borrowings		(30 000)	-	-	-
Net cash outflows from financing activities		(30 000)	(2 181)	-	-
Increase in cash and cash equivalents		27 895	34 574	54 844	8 053
Movement in cash and cash equivalents					
Cash and cash equivalents at beginning of the year		38 600	4 033	11 748	3 702
Exchange losses on cash and cash equivalents		(16)	(7)	(16)	(7)
Increase in cash and cash equivalents		27 895	34 574	54 844	8 053
Cash and cash equivalents at end of the year	12	66 479	38 600	66 576	11 748

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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 2015 comprise the Company and its subsidiaries.

The Group's principal business is producing platinum group and associated metals, which primarily include platinum, palladium, rhodium, iridium, ruthenium, osmium, gold and nickel.

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

Statement of compliance

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

Basis of measurement

The Group and Company 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
- 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 their 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

2.1.1 Changes in accounting policies and disclosures

New and amended standards and interpretations effective for the first time for 30 June 2015 year-end and relevant to the Group:

Number	Effective date	Executive summary
Amendments to International Accounting Standards (IAS) 32 – Financial Instruments: Presentation on Financial instruments asset and liability offsetting	1 January 2014	The International Accounting Standard Board (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 Generally Accepted Accounting Principles (United States).
IASB issued narrow-scope amendments to IAS 36, 'Impairment of assets' on recoverable amount disclosures	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.
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.
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.
IFRS 13, 'Fair value measurement'	1 July 2014	The amendment clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9.

New and amended standards and interpretations effective for the first time for 30 June 2015 year-end and not relevant to the Group:

Number	Effective date	Executive summary
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 39 on novation of derivatives and hedge accounting	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 40, 'Investment property'	1 July 2014	The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination.
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 2015

New and amended standards and interpretations effective for the first time for 30 June 2015 year-end and not relevant to the Group:

Number	Effective date	Executive summary
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')
IFRS 1, 'First-time adoption of International Financial Reporting Standards'	1 July 2014	The basis for conclusions on IFRS 1 is amended to clarify that, where a new version of a standard is not yet mandatory but is available for early adoption; a first-time adopter can use either the old or the new version, provided the same standard is applied in all periods presented.
IFRS 3, 'Business combinations'	1 July 2014	The standard is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

New and amended standards and interpretations effective for the first time for 30 June 2015 year-end and not relevant to the Group:

Number	Effective date	Executive summary
IFRIC 21, 'Levies' (effective 1 January 2014)	1 January 2014	IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date. The IASB has issued IFRIC 21, 'Levies', an interpretation on the accounting for levies imposed by governments. IFRIC 21 is an interpretation of IAS 37, 'Provisions, contingent liabilities and contingent assets'. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

New and amended standards and interpretations issued but not effective for 30 June 2015 year-end, relevant but not early adopted by the Group:

Number	Effective date	Executive summary
Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative	1 January 2016	In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.
Amendment to IAS 16, 'Property, plant and equipment' and IAS 38,'Intangible assets', on depreciation and amortisation.	1 January 2016	In this amendment the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
Amendments to IAS 27, 'Separate financial statements' on equity accounting	1 January 2016	In this amendment the IASB has restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

New and amended standards and interpretations issued but not effective for 30 June 2015 year-end, relevant but not early adopted by the Group:

Number	Effective date	Executive summary
IFRS 15 – Revenue from contracts with customers.	1 January 2018	The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer.
IFRS 9 – Financial Instruments (2009 & 2010) • Financial liabilities • Derecognition of financial instruments • Financial assets • General hedge accounting	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. 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.

New and amended standards and interpretations issued but not effective for 30 June 2015 year-end and not relevant to the Group:

Number	Effective date	Executive summary
Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28,'Investments in associates and joint ventures' on sale or contribution of assets	1 January 2016	The IASB has issued this amendment to eliminate the inconsistency between IFRS 10 and IAS 28. If the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business', then the full gain or loss will be recognised by the investor. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28,'Investments in associates and joint ventures' on applying the consolidation exemption	1 January 2016	The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

New and amended standards and interpretations issued but not effective for 30 June 2015 year-end and not relevant to the Group:

Number	Effective date	Executive summary
Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation.	1 January 2016	This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.
IFRS 14 – Regulatory deferral accounts	1 January 2016	The IASB has issued IFRS 14, 'Regulatory deferral accounts' specific to first time adopters (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 IAS 16, 'Property, plant and equipment' and IAS 41, 'Agriculture' on bearer plants	1 January 2016	In this amendment to IAS 16 the IASB has scoped in bearer plants, but not the produce on bearer plants and explained that a bearer plant not yet in the location and condition necessary to bear produce is treated as a self-constructed asset. In this amendment to IAS 41, the IASB has adjusted the definition of a bearer plant include examples of non-bearer plants and remove current examples of bearer plants from IAS 41.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

New and amended standards and interpretations issued but not effective for 30 June 2015 year-end and not relevant to the Group:

Number	Effective date	Executive summary
Amendment to IFRS 9 - 'Financial instruments', on general hedge accounting	1 January 2018	The IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. Early adoption of the above requirements has specific transitional rules that need to be followed. Entities can elect to apply IFRS 9 for any of the following: • The own credit risk requirements for financial liabilities. • Classification and measurement requirements for financial assets. • Classification and measurement requirements for financial assets and financial liabilities. • The full current version of IFRS 9 (that is, classification and measurement requirements for financial assets and financial liabilities and hedge accounting). • The transitional provisions described above are likely to change once the IASB completes all phases of IFRS 9.
IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'	1 January 2016	This is an amendment to the changes in methods of disposal – Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

New and amended standards and interpretations issued but not effective for 30 June 2015 year-end and not relevant to the Group:

Number	Effective date	Executive summary
IFRS 7 – 'Financial Instruments: Disclosures'	1 January 2016	Applicability of the offsetting disclosures to condensed interim financial statements. The amendment removes the phrase 'and interim periods within those annual periods' from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the Board noted that IAS 34 requires an entity to disclose an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period'. Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the Board would expect the disclosures to be included in the entity's condensed interim financial report.
IFRS 7 – 'Financial Instruments: Disclosures'	1 January 2016	Servicing contracts - The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.
IAS 19 – 'Employee Benefits'	1 January 2016	Discount rate: regional market issue - The amendment to IAS 19 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
IAS 34 – 'Interim Financial Reporting'	1 January 2016	Disclosure of information 'elsewhere in the interim financial report' The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

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 values 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 related 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 "Financial Instruments: Recognition and Measurement" 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 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.

(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 remeasured. 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 are presented in the statement of comprehensive income within other income or expense.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

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.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation and less accumulated 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 income statement;
- 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. Depreciation on core houses and related assets is limited to the lease contract and policy.

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 income or expense, 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.

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 2015, the life of mine was estimated as follows:

Mine	Estimated useful life
Rukodzi Mine	5 years
Ngwarati Mine	10 years
Bimha Mine	21 years
Mupfuti Mine	13 years
Ngezi Open Pit	6 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, limited to the life of mine.

Mobile equipment

This category includes trackless mining machinery (TMM) and motor vehicles. These assets are depreciated using the straight line method over the useful life of the asset as follows:

Asset type	Estimated useful life
Trackless mining machinery	5 years
Motor vehicles	4 to 5 years

Service and other assets

Service 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, limited to the life of mine.

Other assets consist of the mine rehabilitation assets, information technology equipment, furniture and fittings. The mine rehabilitation assets and are depreciated over the life of mine using the units-of-production method. Information technology equipment, furniture and fittings are depreciated using the straight line method over the useful life of the asset as follows:

Asset type	Estimated useful life
Information technology equipment	3 years
Furniture fittings and office equipment	5 years

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

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.

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.

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 pre-feasibility study, after which the expenditure is capitalised as a mine development cost. A 'pre-feasibility 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 pre-feasibility 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 pre-feasibility study. This economic evaluation is distinguished from a pre-feasibility study in that some of the information that would normally be determined in a pre-feasibility 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 provision. Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to assets under construction. No amortisation 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.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS
Assets that have an indefinite useful life are not subject to depreciation and 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). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

2.8 LEASES
Leases in which a significant portion of the risks and rewards of ownership is 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 income statement 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 commencement of the lease 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 income statement 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.

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 ie 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.

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 flows (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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.11 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.

2.12 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.

2.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include 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.

2.14 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.

2.15 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 method.

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.

2.15.1 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.

2.16 TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. 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.

2.17 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

2.17.1 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.

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.

2.17.2 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 voluntary 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 – new)

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 six years from the date of allocation.

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 is subject to the achievement of defined performance vesting conditions over the performance period.

Long term incentive plan - share appreciation rights (LTIP - SAR - 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. After 10 years from date of allocation, all unexercised shares lapse.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

2.18 CURRENT AND DEFERRED INCOME TAX
The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, 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.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current 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.

2.19 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:

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 Company and IRS and agreed by the two parties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

2.20 INTEREST INCOME
Interest income is recognised using the effective interest 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.

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

2.22 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.

2.23 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.

2.24 EXCEPTIONAL ITEMS
Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

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 of directors. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

3.1.1 Market risk

Price risk

The Group is exposed to commodity price risk as receivables include pipeline sales which will be revalued using future metal prices according to the contract with IRS. Matte sold, for which actual prices are not yet certain, is valued using spot prices at year-end with reference to the international market and the Group is exposed to the risk of external price volatility (price taken).

The following demonstrates the sensitivity of pipeline sales included in trade receivables at the end of the year to a 5% decline/increase in metal prices on profitability:

Effect on profit before income tax	2015 US$ 000	2014 US$ 000
Platinum	1 679	4 228
Palladium	889	2 082
Gold	215	409
Rhodium	243	463
Nickel	346	899
Copper	112	227
Total	3 484	8 308

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.

At 30 June 2015, 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 US$0.59 million (2014: US$0.14 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 2015 than 2014 because of the increased amount of rand-denominated payables.

At 30 June 2015, 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 US$0.32 million (2014:US$0.03 million) 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 2015 than 2014 because of the increased amount of Euro-denominated payables.

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 receivables 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 (2014: 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

Trade receivables for the Group and Company are as follows;

	Group		Company	
Counterparties without external credit rating	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
Group 1	-	-	-	-
Group 2	70 471	167 697	-	-
Group 3	-	-	-	-
Unrated	-	-	-	-
Total unimpaired trade receivables	70 471	167 697	-	-

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.

Cash at bank and short-term deposits for the Group and Company are as follows;

	Group		Company	
Cash at bank and short term deposits	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
BBB	69 314	14 515	66 576	11 748
BB+	78	-	-	-
AA-	3 961	24 044	-	-
A	102	-	-	-
Cash on hand	24	41	-	-
	73 479	38 600	66 576	11 748

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

Other financial assets

Credit risk relating to other financial assets consists of:

- Employee housing loans secured by a second bond over residential properties. Ownership is only transferred after the loan has been paid in full
- Intercompany receivables issued by Zimplats Holdings Limited

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

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 of America dollars. The 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 the London Inter-Bank Offered Rate (LIBOR).

At 30 June 2015, if interest rates on currency-denominated borrowings had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been US$0.8 million (2014: US$1.1 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$17 million with Standard Bank of South Africa (2014: US$24 million).

The table below analyses the Group's non-derivative financial 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 2015	Less than 3 months US$ 000	Between 3 months and 1 year US$ 000	Between 1 and 2 years US$ 000	Between 2 and 5 years US$ 000	Over 5 years US$ 000	Total US$ 000
Liabilities						
Borrowings	7 000	25 000	50 000	-	-	82 000
Trade and other payables (excluding statutory liabilities)	65 106	-	-	-	-	65 106
Total liabilities	**72 106**	**25 000**	**50 000**	**-**	**-**	**147 106**
Assets						
Trade receivables	69 119	1 352	-	-	-	70 471
Cash at bank and on hand	73 479	-	-	-	-	73 479
Other receivables (excluding prepayments and value added tax)	10 196	-	-	-	-	10 196
Total assets	**152 794**	**1 352**	**-**	**-**	**-**	**154 146**
Liquidity excess/(gap)	**80 688**	**(23 648)**	**(50 000)**	**-**	**-**	**7 040**
Cumulative liquidity excess	**80 688**	**57 040**	**7 040**	**7 040**	**7 040**	

Post year end, the company entered into an agreement with the Standard Bank of South Africa to increase the US$75 million revolving credit facility to US$95 million. The increased facility is payable in two equal instalments of US$47.5 million on 31 December 2017 and 31 December 2018.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

Group At 30 June 2014	Less than 3 months US$ 000	Between 3 months and 1 year US$ 000	Between 1 and 2 years US$ 000	Between 2 and 5 years US$ 000	Over 5 years US$ 000	Total US$ 000
Liabilities						
Borrowings	-	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	**169 575**	**143 512**	**118 512**	**68 512**	**68 512**	

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 and cash equivalents.

The gearing ratios at 30 June 2015 and 2014 were as follows:

	2015 US$ 000	2014 US$ 000
Total borrowings (note 14)	82 000	105 000
Less: Cash at bank and on hand (note 12)	(73 479)	(38 600)
Net debt	8 521	66 400
Total equity	952 797	1 027 126
Total capital	961 318	1 093 526
Gearing ratio	0.9%	6%

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

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.

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)
- 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.

Income taxes (note 19 and 28)
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$130.5 million (2014: US$31.5 million).

Metal in process and product inventories (note 9)
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 2015 is US$19.4 million (2014: US$13.6 million).

The discount rate used was 7.3% (2014: 7.2%) 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 United States of America rate of 2.1% (2014: 2.1%).

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$408 million (2014: US$576 million) for metal sales to Impala Refining Services Limited (IRS). 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.

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 2015. A 1% variation in assays will result in an adjustment of US$0.7 million (2014: US$1.7 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

Cash settled share based payments (note 17, 30)
During the period ended 30 June 2015, the Company had the following cash settled share-based payment arrangements, which are described below.

TYPE OF ARRANGEMENT	LTIP - SAR - run off	LTIP - SAR - new	LTIP - CSP
Date of grant	Various since November 2006	Various since November 2012	Various since November 2012
Number granted	2 432 947	757 116	1 216 443
Average contractual life	All lapse ten years after issue: • First 25% lapse five years after vesting • Second 25% lapse six years after vesting • Third 25% lapse seven years after vesting • Fourth 25% lapse eight years after vesting	Three years before vesting and another three years before lapse	3 years The conditional shares are full value shares, with a nil exercise price. The contractual life ends on the vesting date.
Vesting conditions	• First 25% after two years' service • Second 25% after three years' service • Third 25% after four years' service • Fourth 25% after five years' service	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

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:

		LTIP - SAR - new		LTIP - SAR - run off	
	Note	2015	2014	2015	2014
Weighted average option value (Rand)	1	7.63	24.35	3.59	13.16
Weighted average share price on valuation date (Rand)	2	54.30	106.88	54.30	106.88
Weighted average exercise price (Rand)	3	112.33	141.05	112.33	179.2
Volatility	4	35.94	36.25	35.94	36.25
Dividend yield (%)		-	0.56	-	0.56
Risk-free interest rate (%)		7.86	7.25	7.86	7.76

1. *The weighted average option value for cash settled shares are calculated on the 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.*

Further details of the share based payment arrangement are as follows:

	2015		2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Share appreciation cash plan (old scheme)				
Outstanding at the start of the year	2 432 947	-	2 668 130	-
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	(235 183)	ZAR 179.20
Outstanding at end of year	2 432 947	ZAR 179.20	2 432 947	ZAR 179.20
Exercisable at end of year	1 904 454	ZAR 179.20	1 076 393	ZAR 179.20
Share appreciation cash plan (new scheme)				
Outstanding at start of year	369 903	ZAR 146.89	189 453	ZAR 146.89
Granted	387 213	ZAR 134.91	180 450	ZAR 134.91
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at end of year	757 116	ZAR 141.05	369 903	ZAR 141.05
Exercisable at end of year	-	-	-	-
Long term conditional share plan				
Outstanding at start of year	625 163	-	290 661	-
Granted	628 632	-	384 502	-
Forfeited	(28 772)	-	-	-
Exercised	(8 580)	-	-	-
Outstanding at end of year	1 216 443	-	625 163	-
Exercisable at end of year	-	-	-	-

Contingencies
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 had no contingent liability as at 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

5 Property, plant and equipment

GROUP	Land, buildings and mining claims US$ 000	Mining assets US$ 000	Metallurgical assets US$ 000	Mobile equipment US$ 000	Service and other assets US$ 000	Assets under construction US$ 000	Total US$ 000
Year ended 30 June 2015							
Cost							
Balance as at 1 July 2014	181 490	319 647	449 874	170 069	166 594	60 592	1 348 266
Additions	-	-	-	27 115	407	67 201	94 723
Transfer from assets under construction	2 686	29 459	19 603	-	6 975	(58 723)	-
Derecognition of property, plant and equipment	-	(24 534)	(15 748)	-	(34)	-	(40 316)
Disposals	-	-	-	(6 078)	(15)	-	(6 093)
Balance as at 30 June 2015	184 176	324 572	453 729	191 106	173 927	69 070	1 396 580
Accumulated depreciation and impairment							
Balance as at 1 July 2014	26 123	68 886	67 549	111 729	28 400	-	302 687
Depreciation charge	7 459	14 775	15 298	25 237	9 630	-	72 399
Derecognition of property, plant and equipment	-	(1 443)	(308)	-	(27)	-	(1 778)
Disposals	-	-	-	(5 762)	(13)		(5 775)
Balance as at 30 June 2015	33 582	82 218	82 539	131 204	37 990	-	367 533
Carrying amount 2015	150 594	242 354	371 190	59 902	135 937	69 070	1 029 047
Carrying amount 2014	155 367	250 761	382 325	58 340	138 194	60 592	1 045 579

At 30 June 2015 and 2014, assets under construction consist mainly of the Ngezi Phase 2 expansion project, bankable feasibilty studies and exploration drilling costs. Borrowing costs of US$4 771 000 (2014: US$8 109 000) were capitalised to assets under construction during the year (refer to note 26). The capitalisation rate of borrowing costs is 7.0% (2014: 7.7%)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

5 Property, plant and equipment (continues)

COMPANY	Mining claims US$ 000	Total US$ 000
Year ended 30 June 2015		
Cost		
Balance as at 1 July 2014	6 261	6 261
Balance as at 30 June 2015	6 261	6 261
Accumulated depreciation		
Balance as at 1 July 2014	-	-
Depreciation charge	316	316
Balance as at 30 June 2015	316	316
Carrying amount 2015	5 945	5 945
Carrying amount 2014	6 261	6 261

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

5 Property, plant and equipment

GROUP	Land, buildings and mining claims US$ 000	Mining assets US$ 000	Metallurgical assets US$ 000	Mobile equipment US$ 000	Service and other assets US$ 000	Assets under construction US$ 000	Total US$ 000
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							
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	6 250	-	-	-	-	-	6 250
Disposals	-	-	(9)	(9 580)	(1 420)	-	(11 009)
Balance as at 30 June 2014	26 123	68 886	67 549	111 729	28 400	-	302 687
Carrying amount 2014	155 367	250 761	382 325	58 340	138 194	60 592	1 045 579
Carrying amount 2013	103 320	145 498	357 651	48 036	90 398	251 227	996 130

Assets under construction consist mainly of the Ngezi Phase 2 expansion project, bankable feasibilty studies and exploration drilling costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

5 Property, plant and equipment (continued)

COMPANY	Mining claims US$ 000	Total US$ 000
Year ended 30 June 2014		
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	Group 2013 US$ 000
Service assets include the following amounts where the Group is a lessee 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 2015

		Group		Company	
		2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
6	**INVESTMENT IN SUBSIDIARIES**				
a)	**Equity**				
	Investment in Mhondoro Holdings Limited	-	-	2 666	2 666
	Investment in Zimbabwe Platinum Mines (Private) Limited	-	-	76 934	76 934
		-	-	79 600	79 600
b)	**Long term inter-company loans**				
	Hartley Minerals Zimbabwe Proprietary Limited	-	-	27 959	27 959
	Mhondoro Holdings Limited	-	-	634	586
	Zimbabwe Platinum Mines (Private) Limited	-	-	4 730	5 293
		-	-	33 323	33 838
	Total investment in subsidiaries	-	-	112 923	113 438

The Company carries all its investments at cost less impairment losses. There were no impairment losses recognised in the current year (2014: nil).

		Group		Company	
		2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
7	**LONG TERM RECEIVABLES**				
	Reserve Bank of Zimbabwe loan:				
	Beginning of the year	6 826	13 652	-	-
	Effects of discounting	(6 826)	(6 826)	-	-
	Carrying amount	-	6 826	-	-

Prior to the ''dollarisation" of the Zimbabwe economy in February 2009, the main operating company, Zimbabwe Platinum Mines (Private) Limited, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

		Group		Company	
		2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
8	**INTER-COMPANY RECEIVABLES**				
	Non-current	-	-	-	46 959

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 2 expansion project. According to the agreement, the loan was repayable in twelve equal monthly instalments commencing in July 2015, with the final payment in June 2016. However, an early repayment of US$3 617 000 was made in November 2013 and the balance of US$51 383 000 was repaid in November 2014.

	Group		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
Principal amount	-	-	-	51 383
Equity component	-	-	-	(4 424)
Fair value of receivable	-	-	-	46 959

As at 30 June 2014, the non-current receivables of US$46 959 000 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 inter-company receivable. The fair value of loans to related parties in prior year are based on discounted rates using a borrowing rate of 7.3%. The fair values were within level 2 of the fair value hierarchy.

		Group		Company	
		2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
9	**INVENTORIES**				
	Ore, concentrate and matte stocks	34 748	8 494	-	-
	Consumables	46 802	51 665	-	-
	Less: provision for obsolete consumables	(2 042)	(2 693)	-	-
		79 508	57 466	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

	Group 2015 US$ 000	Group 2014 US$ 000	Company 2015 US$ 000	Company 2014 US$ 000
10 TRADE AND OTHER RECEIVABLES				
Trade receivables from related parties (note 34.2b)	70 471	167 697	-	-
Value added tax receivable	49 786	29 417	-	-
Other receivables	10 196	6 097	-	-
	130 453	203 211	-	-

As at 30 June 2015, the fair values of trade and other receivables were equal to 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 2015. There is no impairment on the trade and other receivables balance (2014: 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.

	Group 2015 US$ 000	Group 2014 US$ 000	Company 2015 US$ 000	Company 2014 US$ 000
11 PREPAYMENTS				
Zimbabwe Electricity Transmission and Distribution Company (ZETDC)	-	6 944	-	-
Downpayments on capital items	22 278	13 908	-	-
Insurance	990	1 058	-	-
Consumables and other operating expenditure	10 208	2 571	-	-
	33 476	24 481	-	-

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 2015

	Group 2015 US$ 000	Group 2014 US$ 000	Company 2015 US$ 000	Company 2014 US$ 000
12 CASH AND CASH EQUIVALENTS				
Cash at bank	20 267	36 833	15 151	11 611
Cash on hand	24	41	-	-
Short term deposits	53 188	1 726	51 425	137
Cash at bank and on hand	73 479	38 600	66 576	11 748
Revolving facility (note 14)	(7 000)	-	-	-
Cash and cash equivalents	66 479	38 600	66 576	11 748
The exposure by country is as follows:				
Europe	67 579	12 751	66 576	11 748
Zimbabwe	5 900	25 849	-	-
	73 479	38 600	66 576	11 748
The net exposure to foreign currency denominated balances was:				
Bank balances (Thousand rands)	657	1 168	657	1 168

The carrying amount of the cash and cash equivalents approximates its fair value. The revolving debtor discounting facility operates as an overdraft. US$7 million worth receivables had been ceded to Standard Bank of South Africa Limited as at 30 June 2015 (2014: nil).

	Group 2015 US$ 000	Group 2014 US$ 000	Company 2015 US$ 000	Company 2014 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 (2014: 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 2015

	Group		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
14 BORROWINGS				
Non-current				
Bank borrowings	50 000	75 000	-	-
	50 000	75 000	-	-
Current				
Revolving facility	7 000	-		
Bank borrowings	25 000	30 000		
	32 000	30 000	-	-
Total borrowings	82 000	105 000	-	-

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 of America 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		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
6 months or less	7 000	-	-	-
6 - 12 months	25 000	30 000	-	-
1 - 5 years	50 000	75 000	-	-
	82 000	105 000	-	-

Bank borrowing

A loan facility from Standard Bank of South Africa Limited for general business purposes is in place. The loan is secured by a cession over cash, trade receivables and revenue. Impala Platinum Holdings Limited has provided political and commercial guarantees.

The loan, denominated in United States of America dollars, is a revolving facility of US$75 million (2014: US$105 million) and bears interest at 3 months LIBOR plus a 7% margin. Capital repayments are required if the loan balance exceeds the available facility amount. The facility has a final maturity date of 31 December 2017. US$30 million was repaid in January 2015. At the end of the reporting period, the Group had no undrawn borrowing facility (2014: nil).

Revolving facility

The Group has a US$24 million revolving facility with the Standard Bank of South Africa Limited which is used for general working capital purposes. The facility bears interest at the rate of LIBOR plus 2.6% per annum and it is secured by a cession of a portion of the Group's trade receivables. At the end of the reporting period, the Group had an undrawn revolving facility of US$17 million (2014: US$24 million).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

	Group		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 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	(844)	(519)	-	-
Deferred tax assets to be recovered after 12 months	(2 977)	(2 409)	-	-
	(3 821)	(2 928)		
Deferred tax liabilities				
Deferred tax liabilities to be settled within 12 months	10 460	9 363	-	-
Deferred tax liabilities to be settled after 12 months	128 483	115 411	-	-
	138 943	124 774		
Deferred tax liabilities, net	135 122	121 846	-	-
The gross movement on the deferred income tax account is as follows:				
At the beginning of the year	121 846	104 875	-	-
Charged/(credited) to the statement of comprehensive income (note 28)	13 276	16 971	-	-
At the end of the year	135 122	121 846	-	-
Deferred tax assets and liabilities are attributable to the following items:				
Deferred tax assets				
Rehabilitation provisions	(3 164)	(2 222)	-	-
Retrenchments provision	(324)	-	-	-
Share based payments	(333)	(667)	-	-
Other - exchange rate differences	-	(39)	-	-
	(3 821)	(2 928)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

	Group		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
15 DEFERRED INCOME TAX (continued)				
Deferred tax liabilities				
Recognised directly in the statement of comprehensive income:				
Property plant and equipment	130 378	116 884	-	-
Prepayment for goods	1 583	544	-	-
Consumables inventory	6 916	7 346	-	-
Exchange gain	66	-		
	138 943	124 774	-	-
Net deferred tax liability	135 122	121 846	-	-

The deferred tax assets will be utilised against future profits.

	Group		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
16 MINE REHABILITATION				
Rehabilitation obligation:				
At the beginning of the year	13 661	15 575	-	-
Change in estimate - rehabilitation asset	5 426	(2 232)	-	-
Interest accrued - present value adjustment (note 26)	994	1 126	-	-
Utilised during the year	(658)	(808)	-	-
At the end of the year	19 423	13 661	-	-

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 in which they operate. 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 US$33.9 million (2014: US$27.0 million).

	Group		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
17 SHARE BASED COMPENSATION				
At the beginning of the year	4 447	3 075	-	-
Expense	(2 245)	1 372	-	-
Paid to employees	(45)	-	-	-
At the end of the year	2 157	4 447	-	-
Short term payables portion	1 319	1 723	-	-
Long term payables portion	838	2 724	-	-
	2 157	4 447	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

	Group		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
18 TRADE AND OTHER PAYABLES				
Trade payables	34 682	30 027	177	159
Leave liability	6 994	6 288	-	-
Interest payables	3	-	-	-
Royalty and Minerals Marketing Corporation of Zimbabwe (MMCZ) commission payable	1 587	5 182	-	-
Amounts due to parent	8 673	5 583	-	-
Accruals	48 477	30 206	-	-
Other payables	2 938	4 012	-	-
	103 354	81 298	177	159

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		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
19 CURRENT TAX PAYABLE				
Beginning of the year	22 785	20 409	-	-
Charge from the statement of comprehensive income (note 28)	117 191	14 563	613	864
Interest and penalties	15 820	3 975	-	-
Payments made during the year	(104 686)	(16 162)	(613)	(864)
End of the year	51 110	22 785	-	-
20 REVENUE				
Sale of matte				
Platinum	201 957	306 693	-	-
Palladium	108 699	137 760	-	-
Gold	23 400	31 393	-	-
Rhodium	16 782	20 075	-	-
Nickel	42 880	59 220	-	-
Other	14 673	20 837	-	-
Total revenue	408 391	575 978	-	-

Revenue consists entirely of matte sales to Impala Refining Services Limited, a fellow subsidiary company incorporated in South Africa.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

	Group 2015 US$ 000	Group 2014 US$ 000	Company 2015 US$ 000	Company 2014 US$ 000
21 COST OF SALES				
Included in cost of sales:				
On mine operations	175 853	165 776	-	-
Labour	45 469	42 181	-	-
Materials and other mining costs	123 731	116 960	-	-
Utilities	6 653	6 635	-	-
Concentrating and smelting operations	97 042	100 961	-	-
Labour	15 152	14 556	-	-
Other costs	50 704	51 578	-	-
Utilities	31 186	34 827	-	-
Depreciation of operating assets	69 086	59 556	-	-
(Increase)/decrease in ore, concentrate and matte stocks	(26 254)	5 979	-	-
	315 727	332 272	-	-

	Group 2015 US$ 000	Group 2014 US$ 000	Company 2015 US$ 000	Company 2014 US$ 000
22 ADMINISTRATIVE EXPENSES				
Administrative expenses comprise the following principal categories:				
Consulting fees	3 197	1 475	-	-
Corporate social responsibility costs	1 091	2 441	-	-
Depreciation of non operating assets	3 468	2 658	316	-
Insurance	3 347	3 176	-	-
Non-executive directors' fees	446	451	427	432
Employee benefit expense	23 260	24 722	49	53
Operating lease expenses	193	125	-	-
Selling expenses	2 305	2 839	-	-
Other corporate costs	6 786	5 888	344	479
	44 093	43 775	1 136	964
23 ROYALTY REFUND				
Refund of royalty overpayment in prior years	95 787	-	-	-

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$95.8 million in respect of the period between January 2004 and June 2014.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

	Group 2015 US$ 000	Group 2014 US$ 000	Company 2015 US$ 000	Company 2014 US$ 000
24 DERECOGNITION OF PROPERTY, PLANT AND EQUIPMENT				
Asssets written off during the year	38 538	-	-	-

Property, plant and equipment with a total net book value of US$38.5 million was written off during the year as a result of the following:

a) The collapse within 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 the 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.

b) The decision to refurbish the mothballed Base Metal Refinery (BMR) at Selous resulted in the US$15.6 million incurred for the bankable feasibility and technical studies of a new BMR becoming impaired as no future economic benefits are expected to flow to the entity. Consequently, the full amount has been written off during the year.

	Group 2015 US$ 000	Group 2014 US$ 000	Company 2015 US$ 000	Company 2014 US$ 000
25 OTHER OPERATING EXPENSES				
Foreign exchange losses	771	1 916	16	7
Discounting of long term receivable (note 7)	6 826	6 826	-	-
Impairment charge on property, plant and equipment (note 5)	-	6 250	-	-
Tax penalties and interest charges	27 710	12 637	-	-
Other expenses	2 672			
Total other net (income)/expenses	37 979	27 629	16	7
26 NET FINANCE EXPENSES/(INCOME)				
Finance cost				
Interest expense on bank borrowings (note 14)	6 859	7 821	-	-
Interest expense on finance leases	-	159	-	-
Rehabilitation unwinding of the discount (note 16)	994	1 126	-	-
Community share ownership trust donation liability unwinding of the discount	-	464	-	-
Other	390	-	-	-
Borrowing cost capitalised (note 5)	(4 771)	(8 109)	-	-
	3 472	1 461	-	-
Interest income	(1296)	(1 638)	(4 701)	(3 837)
Short term bank deposits	(174)	(134)	(55)	(10)
Finance income on ZETDC prepayment	(1 122)	(1 347)	-	-
Unwinding of the discount on intercompany receivables	-	-	(4 424)	(3 161)
Other	-	(157)	(222)	(666)
Net finance (income)/expenses	2 176	(177)	(4 701)	(3 837)

Interest payable of US$3 000 (2014:US$ nil) is included in trade and other payables (note 18).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

	Group		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
27 PROFIT BEFORE INCOME TAX				
The following disclosable items have been charged in arriving at profit before income tax.				
Auditors' fees	216	365	21	21
Directors' fees	446	451	427	432
Depreciation of property, plant and equipment (note 5)	72 399	62 215	316	-
Employee benefit expense (note 30)	87 600	83 067	49	53
Professional service fees	596	508	-	-
28 INCOME TAX EXPENSE				
Current income tax (note 19)	117 191	14 563	613	864
Corporate tax:	7 463	13 676	-	-
Current year	7 056	7 370	-	-
Adjustment in respect of prior years	407	6 306	-	-
Additional profits tax:	109 115	-	-	-
Current year	53 829	-	-	-
Adjustment in respect of prior years	55 286	-	-	-
Withholding tax	613	887	613	864
Deferred tax - statement of comprehensive income charge (note 15)	13 276	16 971	-	-
Income tax expense	130 467	31 534	613	864
Reconciliation of tax charge:				
Profit before income tax	56 138	128 667	7 633	8 626
Notional tax on profit for the year	8 673	19 300	-	-
Tax effect of:				
Income not subject to tax	-	(30)	-	-
Expenses not tax deductible	6 712	4 236	-	-
Deferred tax adjustment due to change in tax rate	3 695	-	-	-
Prior year deferred tax adjustments	1 314	-	-	-
Additional profits tax	109 115	-	-	-
Adjustment in respect of prior years	407	7 706	-	-
Withholding tax	613	-	613	864
Other items	(62)	322	-	-
Tax charge	130 467	31 534	613	864
Statutory tax rate	15.45%	15.00%	0.00%	0.00%

The Special Court for Income Tax Appeals in Zimbabwe delivered its judgement 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

	Group		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
29 EARNINGS PER SHARE				
Basic earnings per share				
Basic earnings per share is calculated by dividing the net profit by the weighted average number of ordinary shares in issue during the year.				
Profit attributable to equity holders of the Company	(74 329)	97 133	-	-
Weighted average number of ordinary shares in issue	107 638	107 638	-	-
Basic earnings per share US$ (cents)	(69)	90	-	-

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 (2014: nil).

	Group		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
Diluted earnings per share US$ (cents)	(69)	90	-	-
30 EMPLOYEE BENEFIT EXPENSE				
Wages and salaries	85 679	76 223	49	53
Share based payments	(2 245)	2 981	-	-
Pension costs - defined contribution plans	4 166	3 863	-	-
	87 600	83 067	49	53
Average number of employees during the year	3 270	3 155	1	1

	Group		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
31 CASH GENERATED FROM/(USED IN) OPERATIONS				
Adjustments to profit before income tax:				
Net finance (income)/cost	2 176	(177)	(4 701)	(3 837)
Depreciation	72 399	62 215	316	-
Tax penalties and interest charges	27 710	12 637	-	-
Foreign currency adjustment	771	1 916	16	7
Provision for obsolete inventories	(651)	1 082	-	-
Provision for share based payments (note 17)	(2 245)	1 372	-	-
Bad debts arising from other receivables written-off	2 539	25	-	-
Effect of discounting on the long-term receivables (note 7)	6 826	6 826	-	-
Derecognition of property, plant and equipment (note 24)	38 538	-	-	-
Impairment loss on property, plant and equipment (note 5)	-	6 250	-	-
Gain on disposal of property, plant and equipment	(33)	(26)	-	-
Total adjustment to profit before income tax:	148 030	92 120	(4 369)	(3 830)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

	Group 2015 US$ 000	Group 2014 US$ 000	Company 2015 US$ 000	Company 2014 US$ 000
31 CASH GENERATED FROM/(USED IN) OPERATIONS				
Changes in working capital :				
Trade and other receivables (including prepayments)	61 224	(53 244)	-	-
Per the statement of financial position	63 763	(53 219)	-	-
Bad debts arising from other receivables written-off	(2 539)	(25)	-	-
Inventories	(21 391)	419	-	-
Per the statement of financial position	(22 042)	1 501	-	-
Provision for obsolete inventories	651	(1 082)	-	-
Liabilities	(45)	(4 200)	-	-
Per the statement of financial position	(2 290)	(2 364)	-	-
Provision for share appreciation rights	2 245	(1 372)		
Interest accrued present day adjustment	-	(464)		
Provision for funeral benefit	-	-	-	-
Mine rehabilitation	(658)	(808)	-	-
Per the statement of financial position	5 762	(1 914)	-	-
Change in estimate - rehabilitation asset (note 16)	(5 426)	2 232		
Interest accrued present day value adjustment	(994)	(1 126)	-	-
Tax penalties and interest charges	-	(8 664)		
Trade and other payables	10 530	16 750	18	53
Per the statement of financial position	22 056	16 823	18	53
Exchange adjustment	(755)	(1 909)	-	-
Interest payable movement	(3)	489	-	-
Tax penalties and interest charges	(11 890)	-	-	-
Finance income on ZETDC prepayment converted to power units	1 122	1 347	-	-
Cash from changes in working capital	49 660	(49 747)	18	53
In the statement of cash flows, the purchase of property, plant and equipment comprises of:				
Additions (including borrowing cost capitalised) (note 5)	94 723	118 125	-	-
Mine rehabilitation asset adjustment (note 16)	(5 426)	2 232	-	-
Leased assets capitalised	-	(2 064)	-	-
Borrowing cost capitalised (note 5)	(4 771)	(8 109)	-	-
	84 526	110 184	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

	Group 2015 US$ 000	Group 2014 US$ 000
32 CAPITAL COMMITMENTS		
Capital expenditure contracted for at the end of the reporting period but not yet incurred.	36 645	41 900
The capital commitments will be financed from internal resources and borrowings as referred to in note 14.		
33 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:	3 411	3 102
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:	755	761
	4 166	3 863

34 RELATED PARTIES

34.1 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. 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

		Ownership interest 2015	2014
	Country of incorporation	%	%
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
Hartley Platinum Mines (Private) Limited	Zimbabwe	100	100
Jalta Investments (Private) Limited	Zimbabwe	100	100
Matreb Investments (Private) Limited	Zimbabwe	100	100
Mhondoro Holdings Limited	United Kingdom	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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

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 2015 and 2014. Dr F S Mufamadi was appointed as a non-executive director on 1 May 2015. Mr A H Sangqu and Mr R G Still resigned from the board on 9 June 2015 and 30 June 2015 respectively.

Mr A H Sangqu had been appointed a non-executive director on 1 April 2014. Mr M J Houston resigned from the board on 15 August 2014.

	Group		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
34.2 RELATED PARTY TRANSACTIONS AND BALANCES				
a) Revenue				
Sales of matte to Impala Refining Services Limited (note 20)	408 391	575 978	-	-

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.

	Group		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
b) Inter-company receivables				
Impala Refining Services Limited	70 471	167 697	-	-
Due from related parties (refer note 10 and 34.2a)	70 471	167 697	-	-
c) Loans to related parties				
Beginning of the year	-	-	51 383	55 000
Loan repayments	-	-	(51 383)	(3 617)
End of the year (note 8)	-	-	-	51 383
d) Inter-company payables				
Impala Platinum Holdings Limited	8 673	5 583	-	-
Due to parent (refer note 18)	8 673	5 583	-	-

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$446 000 (2014: US$451 000), and remuneration to executive directors and key management personnel amounted to US$8 964 000 (2014: US$8 552 000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

	Group		Company	
	2015 US$ 000	2014 US$ 000	2015 US$ 000	2014 US$ 000
35 FINANCIAL INSTRUMENTS BY CATEGORY				
Loans and receivables				
Assets per consolidated statement of financial position				
Long term receivables	-	6 826	-	-
Intercompany receivables	-	-	-	46 959
Trade and other receivables (excluding prepayments)	130 453	203 211	-	-
Cash at bank and on hand	73 479	38 600	66 576	11 748
	203 932	248 637	66 576	58 707
Financial liabilities at amortised cost				
Liabilities per consolidated statement of financial position				
Borrowings	82 000	105 000	-	-
Trade and other payables (excluding statutory liabilities)	65 106	76 116	177	159
	147 106	181 116	177	159

	Company	
	2015 US$ 000	2014 US$ 000
36 OPERATING SEGMENTS		
Analysis of revenue		
The Group derives its revenue from the following metal products:		
Platinum	201 957	306 693
Palladium	108 699	137 760
Gold	23 400	31 393
Rhodium	16 782	20 075
Nickel	42 880	59 220
Other	14 673	20 839
Total	408 391	575 980
Major customer:		
Revenue from the Group's sole customer, Impala Refining Services Limited, is:	408 391	575 980

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

37 EVENTS AFTER REPORTING PERIOD

a) **Revolving facility**

The company entered into an agreement with the Standard Bank of South Africa to increase the revolving facility to US$95 million after the reporting period. The increased facility bears interest at 3 months LIBOR plus 7% and is repayable in two equal instalments of US$47.5 million on 31 December 2017 and 31 December 2018.

b) **Dividends**

Post year end, the company declared a final dividend of US$13 million (equating to US$0.1208 per share) for the financial year ended 30 June 2015. These financial statements do not reflect this dividend payable in accordance with the requirements of International Accounting Standard ("IAS") 10, Events after the Reporting period and IAS 1, Presentation of Financial Statements.

SHAREHOLDER AND OTHER INFROMATION

04

ANALYSIS OF SHAREHOLDERS

SHAREHOLDING

Shareholding information at 30 June 2015.

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 Holdings Limited (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 time (+2 GMT) on Wednesday 14 October 2015 (Entitlement Time).

All holders of ordinary shares in Zimplats 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	5 303 038	4.93
3.	J P Morgan Nominees Australia Limited	3 118 200	2.90
4.	Citicorp Nominees Pty Limited	2 786 711	2.59
5.	National Nominees Limited	1 122 702	1.04
6.	Mr Peter Martin Vanderspuy	221 797	0.21
7.	Mr Emanuel Jose Fernandes Dias	183 615	0.17
8.	Dr David Samuel Kleinman	160 600	0.15
9.	HSBC Custody Nominees (Australia) Limited - A/C 3	101 993	0.09
10.	Mr Roy Shehedi	100 000	0.09
11.	Montana Finance Corp Pty Ltd	76 000	0.07
12.	Mr Hugh Farmer	72 000	0.06
13.	BNP Paribas Noms Pty Ltd <Drp>	56 286	0.05
14.	Primeoak Limited	50 000	0.05
15.	Swiss Trading Overseas Corp	40 516	0.04
16.	ABN AMRO Clearing Sydney Nominees Pty Ltd <Custodian A/C>	22 171	0.02
17.	Mr Wilhelm Kuhlmann	20 000	0.02
18.	Mr William Grove	15 400	0.01
19.	Mr Christopher Philip Harding	15 391	0.01
20.	Mr Ian F MacKenzie	14 896	0.01
Top 20 holders		107 125 746	99.51

ANALYSIS OF SHAREHOLDERS (CONTINUED)

Analysis of shareholders (continued)

NAME	UNITS	% OF UNITS
Next 20	185 208	0.18
Next 20	99 011	0.09
Next 20	53 650	0.05
Next 20	38 260	0.04
Next 20	26 822	0.03
Next 20	22 243	0.02
Other	86 709	0.08
Total	107 637 649	100.00

SHAREHOLDING	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 1 000	238	63.47	89 709	0.08
1 001 - 5 000	90	24.00	194 845	0.18
5 001 - 10 000	22	5.87	169 319	0.16
10 001 - 100 000	16	4.27	540 690	0.50
100 001 - 10 000 000 000	9	2.40	106 643 086	99.08
Total	375	100.00	107 637 649	100.00

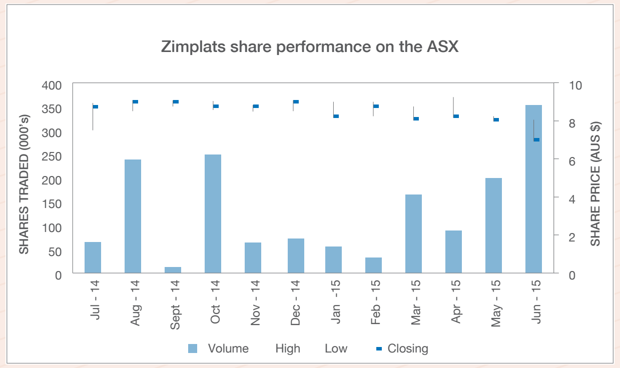
In terms of the definition under ASX Listing rule 4.10.8, the number of shareholders holding less than marketable parcel (US$500) of ordinary shares is 50 (2014:46).

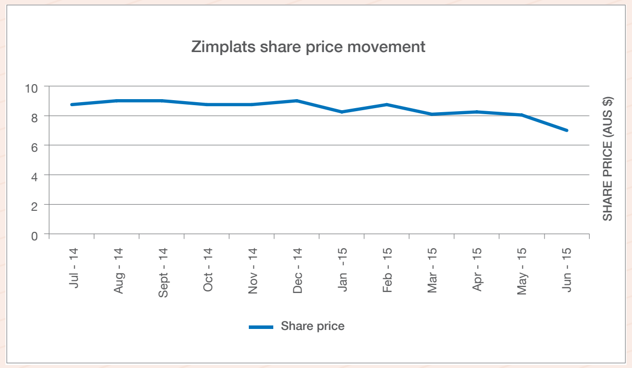
ON-MARKET BUY BACK

Zimplats has no current arrangements for an on-market buy-back of shares.

TRADING VOLUME

As a consequence of Implats shareholding of 87.00% (2014:87.00%) at the date of this report, the volume of free-float shares traded on the ASX has remained at a low level throughout the year.





NOTICE TO MEMBERS OF ANNUAL GENERAL MEETING

Notice is hereby given that the fifteenth Annual General Meeting of the members of Zimplats Holdings Limited (Zimplats) will be held at The Wanderers Club, 21 North Street, Illovo, Johannesburg, South Africa, on Friday 16 October 2015 at 11:30am South African time (+1 GMT) for the following purposes:

1. To receive and consider the company's annual financial statements, the directors' declaration and the report of the auditors for the year ended 30 June 2015.

2. To appoint Messrs. PricewaterhouseCoopers Chartered Accountants (Zimbabwe) as auditors for the ensuing year.

3. To approve the audit fees of US$20 790 for the year.

4. Election of directors:
   (a) To re-elect as a director Ms B Berlin, who is retiring by rotation.
   (b) To re-elect as a director Mr T P Goodlace, who is retiring by rotation.
   (c) To elect Dr F S Mufamadi as a director of the company.
   (d) To elect Mr Z B Swanepoel as a director of 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 (+1 GMT) on Wednesday 14 October 2015 (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 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 2016.

Directors' recommendation

The directors unanimously recommend that you vote in favour of the resolution.

RESOLUTION 3 – APPROVE THE AUDIT FEE OF US$20 790 FOR THE YEAR ENDED 30 JUNE 2015

The audit fee is in respect of services rendered for the external audit of the company for the year ended 30 June 2015.

Directors' recommendation

The directors unanimously recommend that you vote in favour of the resolution.

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 Ms B Berlin as a director of the company**
BCom, BAcc, CA (SA)
Ms Brenda Berlin joined the board in 2010. She is a member of the audit and risk committee and she is the chief finance officer for Impala Platinum Holdings Limited.

NOTICE TO MEMBERS OF ANNUAL GENERAL MEETING (CONTINUED)

(b) **Re-election of Mr T P Goodlace as a director of the company**
NHD in Metalliferous Mining, BCom, MBA
Mr Terence Goodlace was appointed to the board in August 2012. He is the chief executive officer of Impala Platinum Holdings Limited.

(c) **Election of Dr F S Mufamadi as a director of the company**
MSc, PhD
Dr Sydney Mufamadi was appointed to the board on 1 May 2015 and he was appointed chairman of the board with effect from 1 July 2015. Dr Mufamadi was appointed as an independent non-executive director of Impala Platinum Holdings Limited on 5 March 2015. Dr Mufamadi holds MSc and PhD degrees and he is the current director of the School of Leadership at the University of Johannesburg.

(d) **Election of Mr Z B Swanepoel as a director of the company**
BSc (Mining Engineering), BCom (Hons)
Mr Bernard Swanepoel was appointed to the board on 1 July 2015. He was appointed as an independent non-executive director of Impala Platinum Holdings Limited on 5 March 2015. He holds BSc (Mining Engineering) and BCom (Hons) Degrees. He is currently a Partner at To-The-Point Growth Specialists, is the non-executive chairman of Village Main Reef and serves as a non-executive director on the boards of Sanlam Limited and African Rainbow Minerals Limited.

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 Ms Berlin and Mr Goodlace, and the election of Dr Mufamadi and Mr Swanepoel, 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. C.L. Secretaries 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 wwwintermediaryonline.com

by no later than 48 hours before the meeting (being 11:30am South African Standard Time) on Wednesday 14 October 2015.

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	11, 16
2	ORGANISATIONAL PROFILE	
2.1	Name of organisation	6
2.2	Primary product	6, 90
2.3	Operational structure of organisation	32
2.4	Location of organisation's head office	6, 167
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	6, 8
2.6	Nature of ownership and legal form	6, 32, 76, 149, 154, 155
2.7	Markets served including geographical breakdown, sectors served, and types of customers	7, 143, 150, 151
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	7, 17, 28, 29, 73
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	2, 6, 8, 12, 19, 21, 90
2.10	Awards received during the reporting period	61
3	REPORT PARAMETERS	
	Report profile	
3.1	Reporting period for information provided	Inside front cover
3.2	Date of the most recent previous report	Inside front cover
3.3	Reporting cycle	Inside front cover
3.4	Contact point for questions regarding the report content, including: • Determining materiality • Prioritizing topics within the report • Identifying stakeholders the organisation expects to use the report	2,167
3.6	Boundary of the report (e.g countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	6, 8, 167
3.7	Any specific limitations on the scope or boundary of the report	2
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)	108
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)	2
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	2
3.12	GRI Index	158,159

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, 76-81
4.2	Whether chairman of the board is executive or non-executive	77
4.3	Organisations with unitary board structure, state the number of members of the highest governance body that are independent or non-executive members	77
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance Board	77
	Stakeholder engagement	
4.5	List of stakeholders engaged by the organisation	57, 58, 59
4.6	Basis for identification of and selection of stakeholders with whom to engage	56
5	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	9, 13, 22, 28, 29, 60, 61
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations	12, 13, 59, 60
6	ENVIRONMENTAL PERFORMANCE INDICATORS	
	Materials	
EN1 (Core)	Materials used by weight or volume	70
	Energy	
EN3 (Core)	Direct energy consumption by primary source	70
EN4 (Core)	Indirect energy consumption by primary source	70
	Water	
EN8	Total water withdrawn by source	69
EN10	Percentage or total water recycled	69
	Emissions, effluent and waste	
EN 16	Total direct and indirect greenhouse gas emissions by weight	66, 70
7	SOCIAL PERFORMANCE INDICATORS	
	Employment	
LA1 (Core)	Total workforce by employment type, employment contract and region	73
LA7 (Core)	Rate of injury, occupational diseases, lost days and absenteeism, and number of work related fatalities by region	11, 17, 18, 29, 61, 62, 74, 75

INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF ZIMPLATS HOLDINGS LIMITED
FOR THE YEAR ENDED 30 JUNE 2015

We have completed our independent 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 Annual Report ("the Report") for the year ended 30 June 2015 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"), have not been prepared, in all material respects, in accordance with the basis of measurement identified by Zimplats Holdings Limited and is provided where the specified KPIs are reported (management's sustainability criteria):-

1. Statement about the relevance of sustainability to the organisation and its strategy, on page 51
2. Name, primary product, operational structure, location of head office, number of countries the organisation operates in, nature of ownership, scale of reporting, significant changes and awards received during the period, as described on pages 6 to 8 and 61
3. 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 2, 167 and inside front cover
4. Structure, independence of board chair, board composition, communication and stakeholder engagement on page 56 to 59, 76 and 77
5. Total workforce by employment type, employment contract and region as described on pages 7, 72 and 73
6. Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region as described on pages 11, 17, 18, 29, 61, 62, 74 and 75
7. Direct economic value generated and distributed: donations and other community investments only, as described on page 60
8. Materials used by weight or volume, as described on page 70
9. Direct energy consumption by primary source, as described on page 70
10. Indirect energy consumption by primary source, as described on page 70
11. Total water withdrawn by source, as described on page 69
12. Total direct and indirect greenhouse gas emissions by weight on page 70

The specified KPIs noted above have been highlighted for identification purposes in the Report through the symbol "▲".

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

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.

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 presentation of the Report and the information and assessments contained in the Report in accordance with the relevant criteria. This responsibility includes: designing, implementing and maintaining appropriate performance management and systems to record, monitor and improve the accuracy, completeness and reliability of the sustainability data and 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 greenhouse gas emissions that is free from material misstatement, whether due to fraud or error. The quantification of

INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF ZIMPLATS HOLDINGS LIMITED
FOR THE YEAR ENDED 30 JUNE 2015 (CONTINUED)

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 Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA), which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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 assurance conclusions on the specified KPIs in the Report based on our independent limited assurance engagement. Our independent limited assurance engagement was performed in accordance The International Framework for Assurance Engagements and International Standards on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000) developed by the International Auditing and Assurance Standards Board and in accordance with The International Standard on Assurance Engagements 3410: Assurance Engagements on Greenhouse Gas Statements under the auspices of the International Federation of Accountants (IFAC). This standard requires us to comply with ethical requirements and to plan and perform our engagements to obtain limited assurance regarding the specified KPIs contained in the 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 limited assurance conclusion pertaining to the specified KPIs, 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.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Report in the context of the criteria applied for the specified KPIs that are identified by Zimplats Holdings Limited, and which are provided where the specified KPIs are reported.

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 2015 (CONTINUED)

Summary of Work Performed

Set out below is a summary of the procedures performed pertaining to the specified KPIs 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 and the specified 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.
- We made such enquiries of management, employees and those responsible for the preparation of the Report and the specified KPIs, as we considered necessary.
- We inspected relevant supporting documentation and obtained such external confirmations and management representations as we considered necessary for the purposes of our engagement.
- We 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.
- We evaluated whether Zimplats 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 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 limited assurance conclusions expressed below.
Conclusions

Based on the work performed and subject to the limitations described above, nothing has come to our attention that causes us to believe that the Integrated Report ("the Report") for the year ended 30 June 2015 has not been prepared, in all material respects, in accordance with the Global Reporting Initiative (GRI) G3.1 C+ Reporting Guidelines or that the specified KPIs have not been prepared, in all material respects, in accordance with management's sustainability criteria for the year ending 30 June 2015.

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 reporting website.

Ernst & Young Inc.

Director – Jeremy Grist
Registered Auditor
Chartered Accountant (SA)
102 Rivonia Road
Sandton
2196

28 August 2015

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 Corporation 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 of America 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, iridium, rhodium, 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.
BIS	Business Information System
Concentrate	Material that has been processed to increase 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)

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.

GENERAL INFORMATION (CONTINUED)

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.
Ore reserve	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.
RL	Chemical symbol for rhodium
ROM	Run-of-mine

GENERAL INFORMATION (CONTINUED)

Room and pillar mining	As practised at Zimplats, mining takes place on the reef horizon only. The main access declines are mined on dip and from these access declines, drives (rooms) are developed on strike. A series of in-situ reef pillars are left between these mined out rooms to help support the mine roof and control the flow of air. Generally, rooms are five to seven metres wide and the pillars up to 35 metres wide. As mining advances, a grid-like pattern of rooms and pillars is formed.
SAG	Semi autogeous 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	Trackless mining machinery

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
		ML	mega litres

SHAREHOLDER CALENDAR 2015/2016

2015 calendar year	
FY2015 year-end	30 June
June 2015 quarterly activities report released	31 July
Integrated annual report mailed	September
September 2015 quarterly activities report released	31 October
Annual general meeting	16 October
2016 calendar year	
December 2015 quarterly activities report released	31 January
December 2015 half yearly report and accounts released	29 February
March 2016 quarterly activities report released	30 April
FY2016 year-end	30 June
June 2015 quarterly activities report released	31 July
Integrated annual report mailed	September
September 2016 quarterly activities report released	31 October
Annual general meeting	October

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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.

NOTES

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