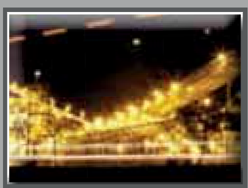


Zimplats

Holdings Limited Annual Report 2011

Mining for a sustainable future...

MISSION STATEMENT

Mission

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

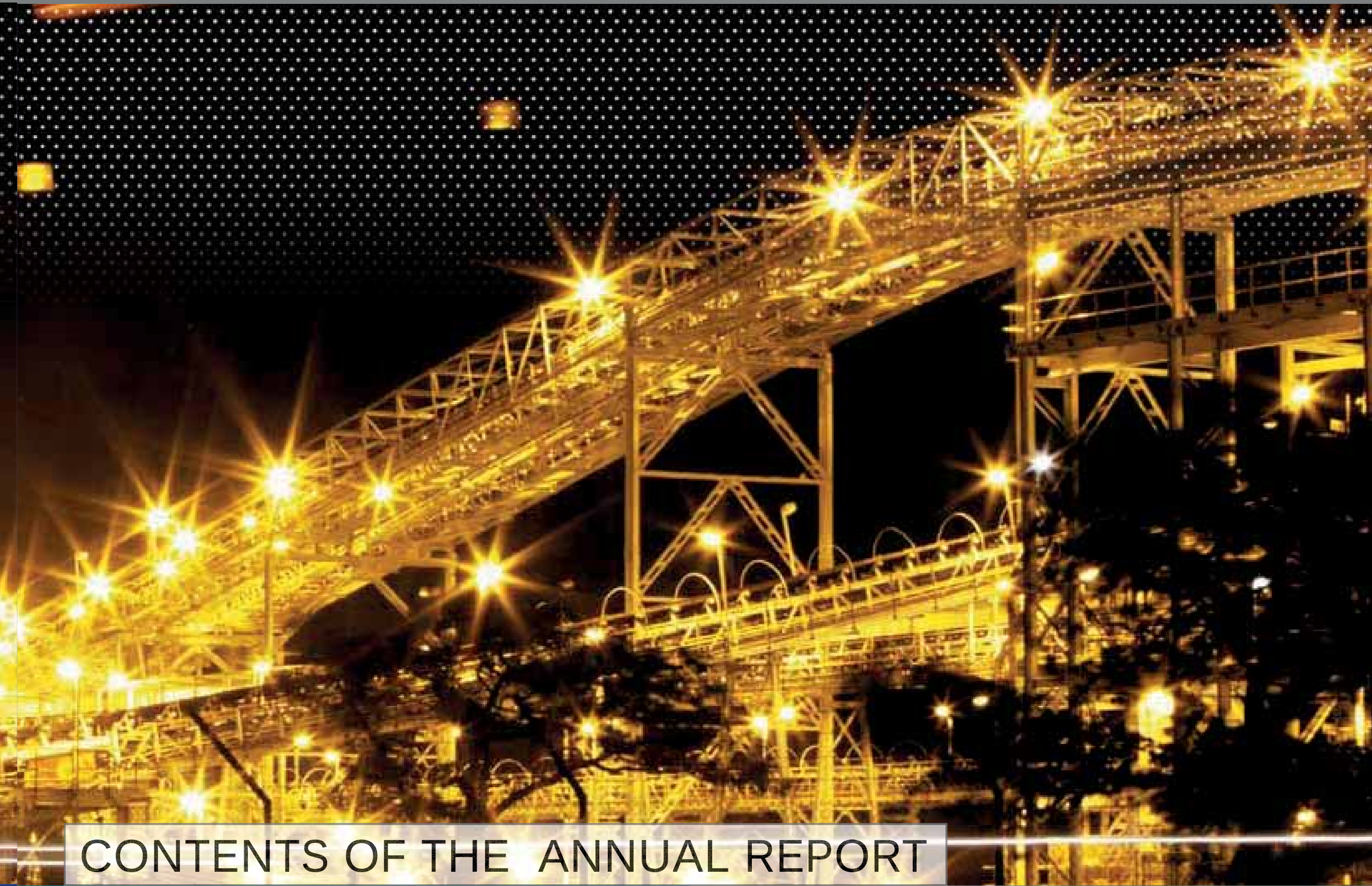
Vision

Our vision is to be the best platinum company with sustainable growth in production, whilst generating superior returns for the benefit of our shareholders, employees and Zimbabwe.

Objectives

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

- Extraction of mineral resources in a socially and environmentally friendly manner.
- Safety and health of all our employees and visitors at the workplace.
- Achievement of 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 achieve cost and technological leadership in the industry.
- Capability development, recognition and appropriate reward of our human resources.
- Aggressive implementation of projects to achieve organic growth targets on budget.



CONTENTS OF THE ANNUAL REPORT

Overview

04 Achievements 2010/11 and Objectives 2011/12

05 ASX announcements

06 Chairman's letter

10 Chief Executive Officer's report

18 Board of directors

20 Ten year review

24 Structure and management

Performance

28 Market review

35 Mineral resource and ore reserves summary

42 Sustainability matters

60 Corporate governance report

72 Audit and Risk Committee report

Financial Report

96 Directors' report

80 Directors' declaration

81 Auditors' report

82 Financial statements

Shareholder and Other Information

126 Analysis of shareholders

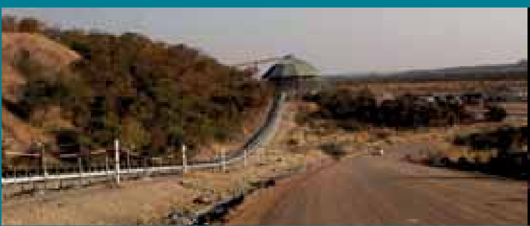
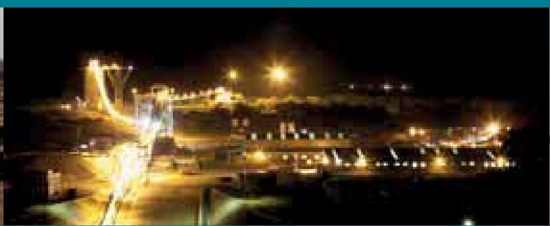
128 Notice of Annual General Meeting

130 General information

OVERVIEW

“The balancing act is to create a vibrant industry that attracts the large capital required but ensures sustainability and social relevance.”

Source : Chairman’s Letter 2011


ACHIEVEMENTS 2010/11

OBJECTIVES	STATUS
Improve safety performance by 88% to one LTI with zero fatalities and achieve zero harm by FY12.	There was no improvement in safety performance with 8 LTIs recorded, unchanged from the previous year. There were no fatalities and focus remains on achieving zero harm by 2012.
Retain certification on the ISO9001 and OHSAS 18001 systems.	Following audits during the year, certification was retained for both ISO9001:2008 and OHSAS 18001:2007. ISO14001 certification was also retained.
Remain in the lower cost quartile of platinum producers.	The company retained its position as a low cost platinum producer to end the year at a cash cost per platinum ounce of $1,171, a 6% increase on the prior year.
Finalise indigenisation proposals with the responsible authorities.	Indigenisation proposals have been submitted to the responsible authorities, with whom the company continues to be engaged in discussions.
Complete the Phase I Expansion Portal 4 development by May 2011.	Portal 4 achieved full production of 166,000 tpm in May 2011 as planned.
Execute the Ngezi Expansion Phase II project within the approved time schedule and budget.	The Phase II Expansion approved by the Board in 2010 at a cost of $460 million is being implemented and is on track, with a number of contracts having been awarded. Completion remains scheduled for 2014.

OBJECTIVES 2011/12

- **Improve safety culture and performance with no fatalities, and achieve a 25% reduction in LTIFR to 0.56. This will require a high level of commitment from all levels, considering the expected increase in activity stemming from the Phase II Expansion and housing projects.**
- **Retain Certification on the ISO9001 and OHSAS 18001 systems.**
- **Remain in the lower cost quartile of platinum producers.**
- **Finalise indigenisation proposals with the responsible authorities.**
- **Grow the local supply base to a minimum of 60% of annual spend.**
- **Engage with stakeholders and focus CSR projects on the developmental needs of communities that are proximal to our operations.**
- **Continue to execute the Ngezi Expansion Phase II project within the approved time and cost budget.**

ASX ANNOUNCEMENTS

During year ended 30 June 2011

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:

26 August 2010
Annual Report 2010 released

18 October 2010
Results of the Annual General Meeting

1 November 2010
Implats shareholder briefing on operational performance, risk issues and Ngezi Expansion Phase I and II growth objectives

22 December 2010
Securities Trading Policy

17 February 2011
Release of results for the half year ended 31 December 2010 and Appendix 4D

9 March 2011
Response to ASX share price rise query

30 March 2011
Update on Indigenisation and Economic Empowerment legislation applicable to foreign-owned mining businesses

3 June 2011
Change in Securities Trading Policy

CHAIRMAN'S LETTER

Dear Shareholder

I am pleased to report that your company produced another set of outstanding results during the past financial year. This set of results is particularly pleasing as it builds on our success during the 2010 financial year.

This year represented our first full year of operations after the commissioning of the Ngezi Phase I expansion project. We saw production exceeding expectations and costs benefitting from increased output. Even though our safety performance is still world class, we did not however see the improvement we had wished for and hence was still a disappointment for the team.

It is fair to say that the last financial year was dominated not by internal events but rather by external factors. The Zimbabwean government enacted legislation aimed at increasing ownership in your company by indigenous Zimbabweans. As we have said before – we are not opposed to this principle and in fact look forward to embracing local communities and staff as future shareholders. The issue is achieving the correct balance between risk and reward. The traditional suppliers of capital, the shareholders, need to receive a fair return on equity invested so as to compensate for the risk taken.

But there are a number of factors which get conveniently forgotten when the debate starts around the allocation of returns:

- The nature of the industry is a long term one and as such returns are generated by countries, companies and its people over many years.
- The significant amounts of capital needed in order to maintain and/or increase production – billions of dollars worth of investment is needed.
- Mining companies already contribute significantly to economies around the world.
- In Zimbabwe and Zimplats the following statistics are relevant. The company has invested $700 million in assets and $97 million of funds has been used to pay staff for employment, money that flows back into the economy. $190 million has been paid in the form of direct and indirect taxes to the fiscus and shareholders are yet to receive a dividend.

The balancing act is to create a vibrant industry that attracts the large capital required but ensures sustainability and social relevance.

Metal prices continued on an upward trend during the year, fuelled by recovery in the major economies of the world and to some extent, production constraints in the major producing countries.

SAFETY, HEALTH AND ENVIRONMENT

The achieved safety performance as measured by the number of lost time injuries was unchanged from the previous year, with eight injuries recorded. This is disappointing and remains an area of major focus for management. The board is confident that Zimplats is on track to achieve the goal of zero harm and to this end exhorts both management and employees to double their effort to realise it. The board congratulates the Zimplats team for retaining the ISO 9001:2008, OHSAS 18 001:2007 and ISO 14 001 certifications.

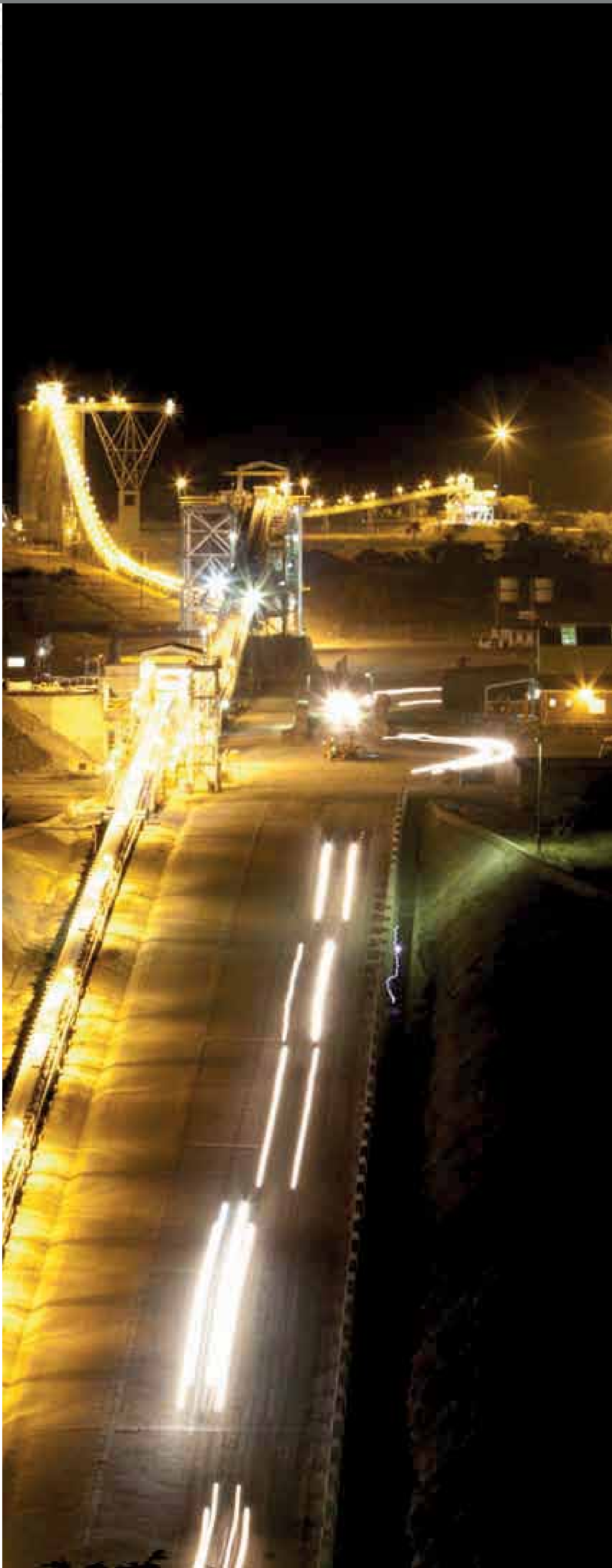
OPERATIONS

Bimha Mine (which was part of the Ngezi Phase I expansion project) achieved full production in May 2011 as scheduled contributing positively to the 19% increase in mining production. In addition, tonnes ore milled were 3% up on the previous year reflecting the fact that the Ngezi concentrator was in operation for a full year compared to the previous year. Metal production for the year increased by 5% in line with the increase in volume of ore processed as well as improved recoveries at the Ngezi concentrator. The board compliments management for a strong focus on improving production efficiencies and cost control enabling the company to consolidate its position as a cost leader in the industry. Whilst unit cost per platinum ounce increased by 6% compared to the previous year, Zimplats remains one of the lowest cost producers in the industry.

Metal prices continued on an upward trend during the year, although tempered in the last quarter by the slower than expected growth in the U.S and China. The favourable metal prices realized in the year combined with the increase in metal produced, resulted in revenue growth of 30%, which coupled with a good cost performance also resulted in an increase in profit before tax of 41%.

CORPORATE ACTVITIES

Regrettably and despite the best efforts of both your board and management, there has not been much progress on the various issues that we have been engaged with government over the past several years.



CHAIRMAN'S LETTER - CONTINUED

Shareholders were previously advised that on 25 March 2011, the government gazetted amended Indigenisation and Economic Empowerment Regulations in terms of which all foreign owned mining companies in Zimbabwe were required to submit their indigenization plans by 9 May 2011. These plans required companies to allocate 51% of their shareholding to designated local shareholders. Zimplats submitted its indigenization plan by the due date. This plan is anchored on the key principle of recognition of agreements entered into with the Government of Zimbabwe prior to the promulgation of the legislation and seeks to ensure broad based participation in the ownership of the operating subsidiary through employee and community trusts. This remains a work in progress.

During the year, the Zimbabwe Revenue Authority (ZIMRA) issued an amended Additional Profits Tax (APT) assessment, to the operating subsidiary, in respect of the period to June 2007. In terms of the amended assessment, the APT liability previously assessed and paid at $23.5 million was increased by $26.9 million to $50.4 million. An objection against the amended assessment was lodged and rejected, following which Zimplats referred the matter to the Special Court of Tax Appeals. The case is still pending.

With regards to the assumption and subsequent repayment by government of the $34 million owed by the Reserve Bank of Zimbabwe, there has been no indication from government with regards to repayment.

NGEZI PHASE II EXPANSION PROJECT

Implementation of the Ngezi Phase II Expansion project commenced during the year and the project is on schedule.

OUTLOOK

Zimbabwe's economic future remains very much linked to a speedy resolution of the political challenges facing the country. Political uncertainty together with the unresolved Indigenisation and Economic Empowerment Policies, have resulted in

many potential investors adopting a wait and see attitude with regards to investment in the country. Zimplats remains committed to implementing its Ngezi Phase II Expansion project on the basis that the government will honour its commitments as enshrined in the agreements signed in 2006 and earlier.

ACKNOWLEDGEMENTS

I wish to thank the Zimplats management team, employees and key suppliers for yet another excellent year's performance.

I also wish to thank my fellow directors for their wise counsel to both myself and the Zimplats team, during what was a highly successful year for the company.

David Brown
Chairman
15 August 2011

CHIEF EXECUTIVE OFFICER'S REPORT

HOW WE'VE DONE – THE KEY POINTS

- Excellent operational and financial results
- Unsatisfactory safety performance
- On-target Ngezi Phase II Expansion project

SAFETY, HEALTH AND ENVIRONMENT

Safety

No improvement on safety performance can be reported, with eight lost-time injuries recorded, the same as the previous year. Four of the lost time injuries were in the mining division, whilst the other four were in capital projects. Despite the lack of improvement in this area, 'Zero Harm' remains our goal and both management and all the employees rededicate themselves to its achievement.

I have confidence that the team will stand up to this challenge.

> *"'Zero Harm' remains our goal"*

We are pleased to have retained our ISO 9001:2008 and OHSAS 18001:2007 certifications.

Health

The workplace HIV and AIDS programmes performed well in the year with a significant improvement in voluntary counselling and testing (VCT) uptake.

> *"… a significant improvement in VCT uptake"*

Results from a survey carried out in June 2011 by an independent organisation show that HIV prevalence among our employees has dropped to 5.3%, which is well below the national average.

Environment

Pleasingly, no major environmental non-conformances or incidents were recorded in the year.

Rehabilitation of the closed open-pit mine commenced in the year, whilst the rehabilitation work at the tailings dams continued as planned.

We are pleased to have retained our ISO14001 certification.

OPERATIONS

Mining

Ore Mined

Mining production exceeded expectation, given the fact that requisite infrastructure for full output at Bimha Mine is still under development. Ore mined for the year at 4.24 million tonnes was 19% above the previous year; mainly reflecting increased production from Bimha Mine.

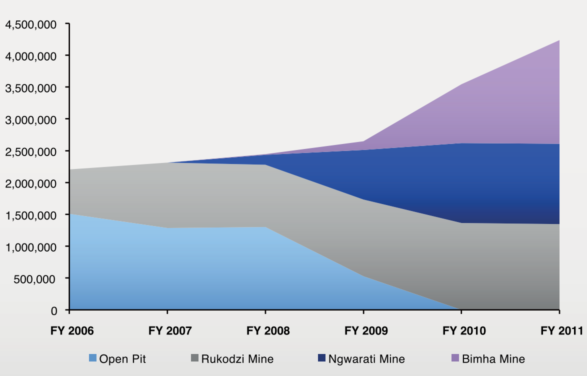
> *"Ore mined for the year… was 19% above the previous year."*

Ngwarati Mine production was steady at 1.26 million tonnes, a marginal increase on the previous year's 1.25 million tonnes. This was despite difficult mining conditions arising from a high incidence of faulting and barren intrusives.

Rukodzi Mine production at 1.35 million tonnes was 1% below prior year production of 1.36 million tonnes as a result of reduced overall mining widths in response to poor ground conditions in some sections of the mine.

Despite the fact that it is still under development, Bimha Mine, reached design production capacity in May 2011, as we'd expected in last year's report. The mine produced 1,63 million tonnes of ore, a massive 76% up on the previous year.

Ore Mined



Head grade

Average head grade for the year dropped marginally to 3.35 g/t resulting largely from deteriorating ground conditions at Rukodzi and Ngwarati mines.

Processing

Concentrators

Tonnes of ore milled for the year totalled 4.22 million, an increase of 3% on the previous year's 4.09 million tonnes. This mainly reflected the fact that this was the Ngezi concentrator's first full year of operation, whereas in the previous year, the plant had operated for just under a year.

The SMC concentrator had an unscheduled 11-day shutdown in the second quarter of the year due to SAG mill discharge end bearing failure. The problem was resolved and the process team worked exceptionally well to recover from this setback and exceeded the overall target.

As a result, 2.17 million tonnes were milled at SMC, which was in fact 4% lower than the previous year's 2.27 million tonnes. The Ngezi concentrator performed well, milling 2.05 million tonnes of

Overall recovery rates at 82.5% were 1% above prior year due to continuous improvement initiatives implemented by the Ngezi concentrator management team.

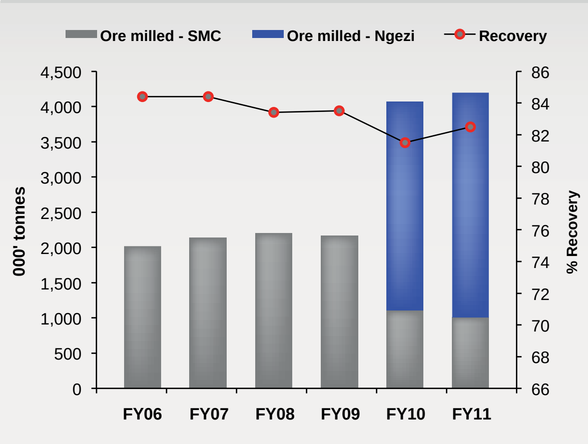
CHIEF EXECUTIVE OFFICER'S REPORT - CONTINUED

ore, 12% above the previous year's 1.83 million tonnes. Good milling rates were recorded at both concentrators.

> *"The Ngezi concentrator performed well, milling 2.05 million tonnes of ore, 12% above the previous year."*

Overall recovery rates at 82.5% were 1% above the prior year due to continuous improvement initiatives implemented by the Ngezi concentrator management team.

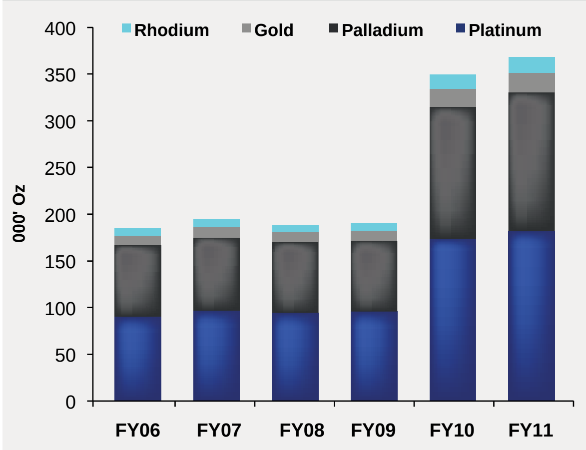
Ore Milled + Recovery



Smelter

The Smelter performed well throughout the year processing a record 120,433 tonnes of concentrates. Platinum and 4E production for the year at 182,093 oz and 367,788 oz was 5% above prior year, reflecting higher throughput and improved recovery rates.

Metal Production 4E Oz



EXPANSION PROJECTS

The bulk work for Ngezi Phase I Expansion project is now complete except for Bimha Mine's 3rd and 4th ore passes, now expected to be commissioned in September 2011 and March 2012 respectively. Modifications were done to the 1st and 2nd ore passes to enable the mine to attain design production capacity of 2 million tonnes per annum in the final quarter of the year.

Implementation of the Ngezi Phase II Expansion has begun with a number of the project contractors already site-established.

As previously reported, the project will increase ore mined and milled to 6.2 million tonnes per annum and platinum production to 270,000 ounces per annum.

To date, $46 million of the project budget has been spent whilst $154 million has been committed.

EXPLORATION

Limited exploration drilling resumed during the year. Work focused mainly on the replacement of depleted mineral reserves at Rukodzi and Bimha Mines. Exploration drilling resumed along grid lines spaced 8 kilometres apart in the areas north of Portal 10. This deep drilling program is planned to intensify in FY12, closing the pattern to 4 kilometres x 1 kilometre. The overall FY12 exploration budget has been increased tenfold on FY11 and also allows for further exploration of Portals 5 and 7.

HUMAN RESOURCES

The company enjoyed harmonious industrial relations throughout the year.

Skills retention remained an area of focus during the year.

Management continued to monitor the labour market and responded accordingly to ensure Zimplats remains an attractive employer. As a result staff turnover for the year was satisfactory at an average of 4.4%.

> *"Management continued to monitor the labour market and responded accordingly to ensure Zimplats remains an attractive employer."*

Skills development during the year focused on developing our own skills internally and supporting local tertiary institutions in order to improve the quality and supply of skills to the mining industry.

The indigenisation issue remains a source of anxiety among employees due to concerns about future employment prospects.

During the year, the number of employees increased by 14% to close the year at a total of 2 757. The increase was largely driven by recruitment at Bimha Mine and Mupfuti mine (Portal 3).

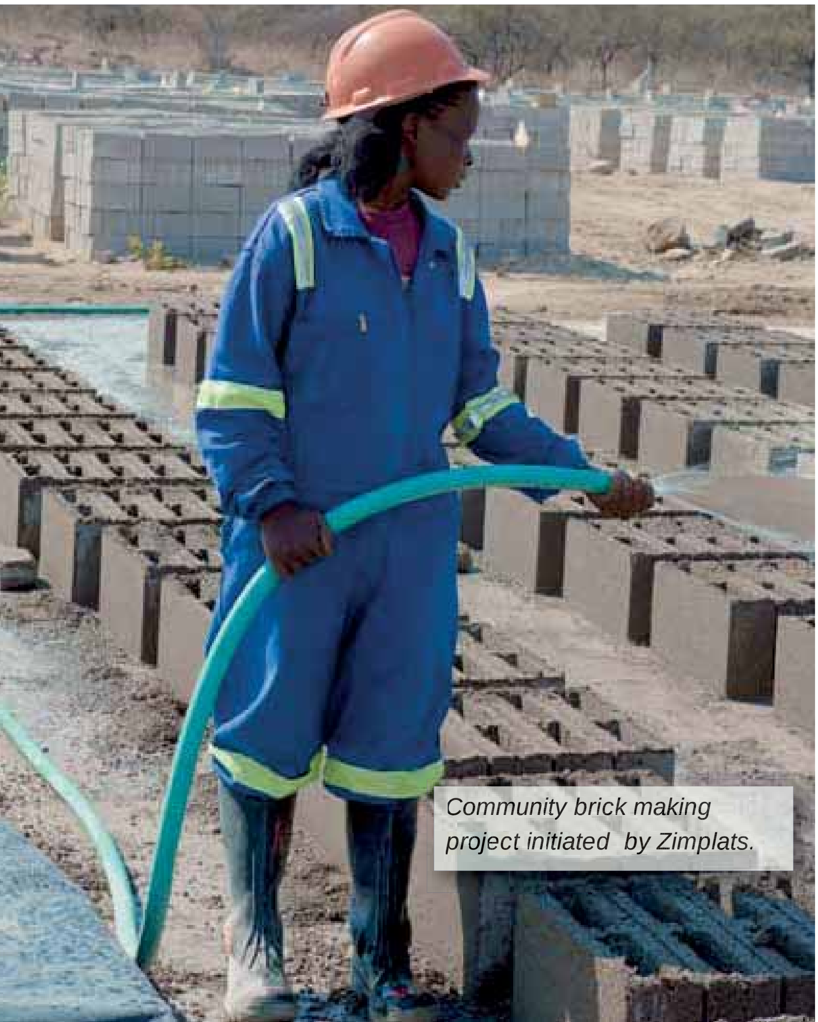
COMMUNITY DEVELOPMENT

Zimplats remains fully committed to ensure the long-term sustainability of the communities that surround our operations. During the year, the reconstruction of Nyangwene Primary School in Mhondoro was completed at a cost of $367,000 and handed over to the school authorities.

Other projects carried out for the benefit of the community during the year include:

- income-generating projects in Mhondoro and Musengezi, such as the community brick-making project for the Phase II housing project,
- purchase of an ambulance for St Michaels Mission Hospital,
- supply of books to several schools,
- the sponsorship of the Mhondoro-Ngezi District high schools sports tournament and
- the sinking and equipping of 18 boreholes.

Looking ahead, sustainability will continue to be a principle that underpins all our activities, processes and procedures with regard to our business operations, our environmental and social policies.



Community brick making project initiated by Zimplats.

Zimplats has committed to building David Guzuzu and Naemor Secondary Schools, construction of a science laboratory at St Michael's High School and refurbishment of Marshall Hartley Primary School as well as the establishment of several income generating projects.

Included in the $460 million Ngezi Phase II expansion project is $11 million, in respect of community development projects around the Ngezi area. Implementation of these projects, as reported in the previous year, began during the year.

Over the past year, we have taken significant steps to ensure that the impact of our work in the community is far-reaching.

As part of our drive to support local industry, Zimplats' local spend (excluding payments to government institutions) increased from 16% of total spend in the past year to 48% in the current year, a process aided by some recovery that has been recorded by the local manufacturing sector.

> *".... to continue to work with nearby communities to ensure that developmental needs are tackled with a focus on infrastructure development, education, health, entrepreneurial development and environmental management."*

FINANCIAL RESULTS

The company recorded an excellent financial result underpinned by increased metal production, higher metal prices as well as strict cost management.

Turnover for the year at $527 million was up 30% on the previous year's $404 million, due to a 4% increase in sales volumes and significant improvement in metal prices.

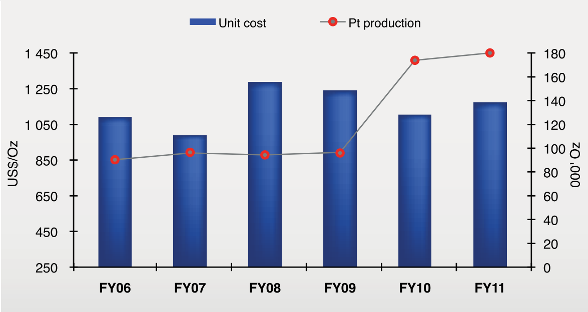
Total operating costs for the year, excluding share based payments, amounted to $264 million, up 18% on the previous year's $223 million. This reflected, in the main, the increase in production volumes, the effect of the strengthening South African Rand on the cost of inputs sourced from that country and significant increases in employment costs. Operating cash cost per platinum oz increased by 6% to $1,171.

Ngezi clinic in Turf Village: Zimplats aided in the rehabilitation of the infrastructure for the benefit of the community.

Pupils at Nyangwene Primary School, which was reconstructed by Zimplats.

CHIEF EXECUTIVE OFFICER'S REPORT - CONTINUED

Cash Operating Cost per Platinum Ounce



Profit before tax for the year amounted to $236 million compared to $167 million for the previous year.

The tax charge for the year amounted to $36 million, of which $12 million is a current charge.

Profit after tax for the year thus amounted to $200 million, an increase of 64% on the $122 million recorded in the previous year.

The increased metal production and improved metal prices resulted in strong cash generation, which was applied principally in funding operations, the capital expenditure programme, paying various taxes to the government and the servicing of debts. The total cash available for the year was applied as follows:

In total, cash generated from operations amounted to $194 million against the previous year's $175 million.

The ZAR500 million bank loan was converted into an $88 million revolving credit facility during the year. At year end, the company's total loans amounted to $51 million.

IN APPRECIATION – MY THANKS TO ALL

I would like to thank the management team and all Zimplats employees for their positive contributions during the past year. A special thanks goes to all our suppliers and contractors for the key roles that they played in our success.

Alex Mhembere
Chief Executive Officer
15 August 2011


ZIMPLATS
5 POINT SAFETY SYSTEM
PLATINUM RULES

BOARD OF DIRECTORS

Chairman
David Hugh Brown (49)
BCom, CTA, CA(SA)

David joined the board in 2001 and was appointed Chairman on 1 March 2010. David was appointed Chief Executive Officer of Implats in 2006, prior to which he was Finance Director.

Deputy Chairman
Muchadeyi (Much) Ashton Masunda (59)
BL (Hons), FCIArb (UK)

Much Masunda was appointed to the board in 2007. Much is the Chairman and founding executive director of the Commercial Arbitration Centre in Harare. He is also the Chairman of several Zimbabwean companies, among them Lafarge Cement Zimbabwe Limited, John Sisk & Son (Africa) Limited and Old Mutual Life Assurance company Zimbabwe Limited. He was elected ceremonial Mayor of Harare in 2008.

He is a member and past Chairman of the Audit and Risk Committee.

EXECUTIVE DIRECTORS

Chief Executive Officer
Alexander Mhembere (50)
ACIS, ACMA, MBA

Alex Mhembere was appointed Chief executive Officer in 2007 and has over eleven years experience in the platinum mining industry, 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.

Chief Financial Officer
Patrick Maseva-Shayawabaya (47)
BAcc (Hons) (UZ), CA (Z)

Patrick was appointed a director in 2004. He joined the group in 2001 prior to which he was the Financial Director of a multinational sugar growing and processing company in Zimbabwe. He is also Chief Financial Officer of the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited. He is Chairman of the Procurement Committee and the IT Steering Committee and a member of the Project Steering Committee.

Chief Technical Officer
Stanley Earl Frost (61)
City & Guilds (Electrical Engineering), Member of the Association of Mine Engineers

Stan joined the group in 2001 and was appointed to the board in 2010. He has been a member of the operating subsidiary board since 2004 and is responsible for the company's expansion programme as well as the engineering function. Stan is a member of the Procurement Committee and the Project Steering Committee.

NON-EXECUTIVE DIRECTORS

Brenda Berlin (47)
BCom, BAcc (Wits) CA (SA)

Brenda joined the board in 2010 and is Chief Finance Officer for Impala Platinum Holdings Limited. She is a member of the Audit and Risk Committee and the SHEQ Committee.

Michael John Houston (61)
MSc (Business Strategy)

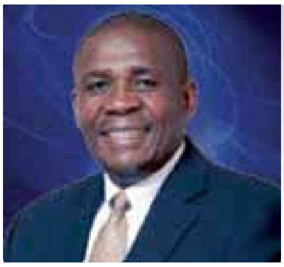
Mike Houston joined the group in 2001 as Chief Operating Officer of the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited and was appointed Chief Executive Officer of Zimplats Holdings Limited on 1 April 2004, a position from which he retired in December 2004.

Mike was Chairman of the board from 1 January 2005 to 28 February 2010 and is Chairman of the Remuneration Committee.

Leslie John Paton (59)
BSc (Hons) Geology, BCom, Pr.SciNat FGSSA

Les Paton was appointed to the board in 2003. He was an Executive Director of Implats from 2003 until his retirement in 2010. He is an independent non-executive director of Metorex Limited.

Les is a member of the Remuneration Committee and Chairman of the SHEQ Committee.

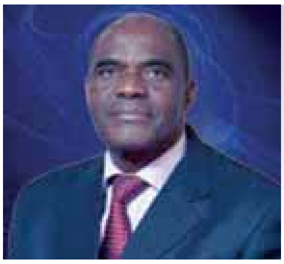


Dr Khotso Mokhele (55)
BSc (Agriculture), MSc, PhD

Dr Mokhele was appointed to the board in 2007. Dr Mokhele is the non-executive Chairman of Impala Platinum Holdings Limited. He is also non-executive Chairman of Adcock Ingram Holdings Limited and a non-executive director of Afrox Limited and of Tiger Brands Limited.

Robert George Still (56)
BCom (Wits), BCom (Hons) (UCT), CTA (Wits), CA (SA)

Rob Still is a founding member of the Board of Directors, to which he was appointed in 1998 and was elected Chairman on 30 March 2001, a position he resigned from in December 2004. He is currently the non-executive Chairman of a South African listed mining group. Rob is a member of the Remuneration Committee.



Nyasha Puza Siyabora Zhou (58)
BAcc (Hons) (UZ), CA (Z), MBL (UNISA)

Nyasha Zhou was appointed a director of the operating company in 2007 and joined the board 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 Chairman of the Audit and Risk Committee and a member of the SHEQ Committee.

TEN YEAR REVIEW - SUMMARISED FINANCIAL RESULTS

	2011 $000	2010 $000	2009 $000	2008 $000	2007 $000	2006 $000	2005 $000	2004 $000	2003 $000	2002 $000
INCOME STATEMENTS										
Turnover	**527 354**	**403 953**	**120 311**	**294 257**	**235 967**	**162 446**	**112 484**	**99 867**	**71 464**	**16 534**
Platinum	284 991	233 929	81 807	153 868	102 253	84 755	64 948	61 726	40 063	8 851
Palladium	98 347	53 658	12 995	28 690	23 771	19 186	12 079	13 375	15 513	4 460
Gold	26 636	19 902	8 179	8 159	6 071	4 759	3 639	3 228	2 474	575
Rhodium	30 030	33 385	(1 985)	63 245	42 474	28 774	11 089	3 416	3 932	1 147
Nickel	66 135	48 418	14 835	31 509	52 655	19 559	17 657	15 847	7 900	1 228
Other	21 215	14 661	4 480	8 786	8 743	5 413	3 072	2 275	1 582	188
Cost of sales	**(204 275)**	**(171 949)**	**(105 433)**	**(121 812)**	**(97 720)**	**(88 639)**	**(77 702)**	**(56 955)**	**(42 465)**	**(11 535)**
Mining	(78 041)	(65 108)	(56 222)	(65 133)	(55 693)	(59 052)	(55 271)	(35 330)	(27 342)	(7 205)
Processing	(52 448)	(42 580)	(23 088)	(19 441)	(17 811)	(15 697)	(15 722)	(12 587)	(10 069)	(2 653)
Depreciation	(33 584)	(23 241)	(21 343)	(24 242)	(20 559)	(8 585)	(3 674)	(2 722)	(1 980)	(899)
Staff costs	(37 237)	(25 351)	(18 035)	(11 054)	(6 508)	(4 303)	(4 633)	(2 485)	(1 024)	(237)
Other	(2 965)	(15 669)	13 255	(1 942)	2 851	(1 002)	1 598	(3 831)	(2 050)	(540)
Gross Profit	**323 079**	**232 004**	**14 878**	**172 445**	**138 247**	**73 807**	**34 782**	**42 912**	**28 999**	**4 999**
Other (expense)/income	(12 414)	(7 838)	(7 256)	3 426	717	(444)	9 732	892	644	176
Operating costs	(66 056)	(51 239)	(32 522)	(30 482)	(24 224)	(16 385)	(18 945)	(12 418)	(11 646)	(3 311)
Net finance (expense)/income	(8 531)	(6 356)	(1 133)	125	2 667	274	(121)	(1 282)	(1 675)	(452)
Profit/(loss) before tax	**236 078**	**166 571**	**(26 033)**	**145 514**	**117 407**	**57 252**	**25 448**	**30 104**	**16 322**	**1 412**
Taxation	(35 656)	(44 501)	1 009	(21 136)	(17 823)	(9 516)	(4 221)	(2 747)	(4 577)	(618)
Profit/(loss) after tax	**200 422**	**122 070**	**(25 024)**	**124 378**	**99 584**	**47 736**	**21 227**	**27 357**	**11 745**	**794**
Attributable to minority interests	-	-	-	-	-	-	(2 428)	(8 770)	(3 844)	(580)
Net profit/(loss) to shareholders	**200 422**	**122 070**	**(25 024)**	**124 378**	**99 584**	**47 736**	**18 799**	**18 587**	**7 901**	**214**
BALANCE SHEETS										
ASSETS										
Non-current assets	**681 907**	**592 064**	**529 868**	**371 558**	**228 623**	**188 180**	**155 536**	**136 636**	**132 442**	**135 669**
Property,plant and equipment	625 433	540 153	472 636	346 493	206 178	165 738	130 263	112 406	109 607	113 416
Mining interests	22 445	22 445	22 445	22 445	22 445	22 442	25 273	24 230	22 835	22 253
Financial assets and other receivables	34 029	29 466	34 787	2 620	-	-	-	-	-	-
Current assets	293 468	220 707	120 411	226 964	176 846	108 065	62 260	57 265	42 138	27 306
Total assets	**975 375**	**812 771**	**650 279**	**598 522**	**405 469**	**296 245**	**217 796**	**193 901**	**174 580**	**162 975**
EQUITY AND LIABILITIES										
Capital and reserves	**739 381**	**538 959**	**415 167**	**442 655**	**329 400**	**230 593**	**183 934**	**131 753**	**111 096**	**103 337**
Minority interests	-	-	-	-	-	-	-	31 037	25 267	23 223
Non-current liabilities	**142 817**	**183 793**	**150 645**	**108 343**	**33 953**	**31 198**	**14 155**	**7 550**	**13 480**	**22 483**
Deferred taxation	87 506	63 828	42 459	44 714	21 587	14 492	10 529	6 950	5 143	655
Borrowings	38 066	105 531	95 405	57 171	-	2 211	-	-	8 337	21 828
Mine rehabilitation provision	17 245	14 434	12 781	6 458	12 366	14 495	3 626	600	-	-
Current liabilities	93 177	90 019	84 467	47 524	42 116	34 454	19 707	23 561	24 737	13 932
Total equity and liabilities	**975 375**	**812 771**	**650 279**	**598 522**	**405 469**	**296 245**	**217 796**	**193 901**	**174 580**	**162 975**

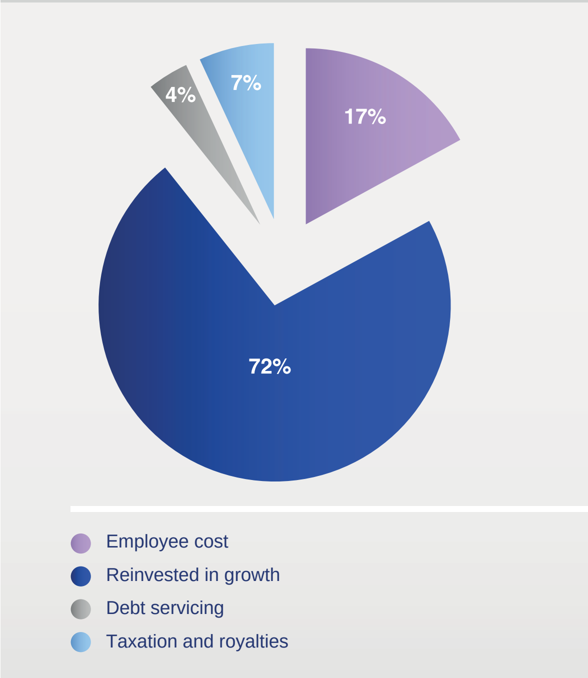
TEN YEAR REVIEW - SUMMARISED FINANCIAL RESULTS

STATISTICS REVIEW	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Operating statistics										
Ore mined (tonnes)	**4 236 700**	**3 543 722**	**2 648 070**	**2 445 767**	**2 312 783**	**2 205 680**	**2 137 468**	**2 122 097**	**1 999 443**	**670 275**
Open cast	-	-	528 094	1 301 068	1 285 651	1 508 382	1 826 414	1 937 760	1 966 876	670 275
Ngwarati Mine	1 261 507	1 254 762	779 064	155 272	-	-	-	-	-	-
Rukodzi Mine	1 346 916	1 364 325	1 204 581	977 999	1 027 132	697 298	311 054	184 337	32 567	-
Bimha Mine	1 628 277	924 635	136 331	11 428	-	-	-	-	-	-
Ore headgrade (g/t)	3.35	3.36	3.39	3.22	3.48	3.37	3.23	3.23	3.20	2.88
Ore milled (tonnes)	**4 222 565**	**4 094 849**	**2 166 490**	**2 200 473**	**2 133 295**	**2 018 665**	**2 058 210**	**2 006 328**	**1 937 118**	**377 172**
SMC concentrator	2 169 901	2 268 598	2 166 490	2 200 473	2 133 295	2 018 665	2 058 210	2 006 328	1 937 118	377 172
Ngezi concentrator	2 052 664	1 826 251	-	-	-	-	-	-	-	-
4E oz in matte produced	**367 788**	**349 856**	**190 532**	**188 569**	**194 626**	**184 765**	**176 535**	**176 075**	**169 260**	**43 771**
Platinum	182 093	173 883	95 965	94 403	96 518	90 318	86 755	85 263	82 382	21 209
Palladium	148 141	141 187	75 555	75 537	78 605	76 515	72 024	73 065	70 469	18 194
Gold	20 801	19 343	10 657	10 602	10 913	9 822	9 771	9 927	8 799	2 375
Rhodium	16 752	15 443	8 355	8 027	8 590	8 110	7 985	7 820	7 610	1 994
4E oz in matte sold	**368 282**	**345 602**	**190 867**	**189 268**	**194 451**	**184 923**	**174 730**	**177 782**	**166 501**	**36 774**
Platinum	182 244	171 474	96 014	94 318	96 624	90 414	85 763	86 099	80 193	18 080
Palladium	148 864	139 757	75 840	76 234	78 536	76 541	71 508	73 981	70 025	15 192
Gold	20 860	19 223	10 764	10 528	10 809	9 820	9 673	9 801	8 808	1 860
Rhodium	16 315	15 148	8 249	8 188	8 482	8 148	7 786	7 901	7 475	1 641
Financial ratios										
Gross margin (%)	61.3%	57.4%	12.4%	58.6%	58.6%	45.4%	30.9%	43.0%	40.6%	30.2%
Return on equity (%)	27.1%	22.6%	-6.0%	28.1%	30.2%	20.7%	10.2%	14.1%	7.1%	0.2%
Return on assets (%)	20.5%	15.0%	-3.8%	20.8%	24.6%	16.1%	8.6%	9.6%	4.5%	0.1%
Current ratio	3.1	2.5	1.4	4.8	4.2	3.1	3.2	2.4	1.7	2.0
Operational indicators										
Capital expenditure ($000)	121 874	85 814	140 665	179 830	64 501	31 435	26 961	11 635	3 542	30 494
Gross revenue per 4E oz ($)	1 432	1 169	630	1 555	1 213	878	644	568	432	450
Cash operating cost per 4E oz ($)	580	549	624	645	490	534	514	335	278	183
Cash operating cost per platinum oz ($)	1 171	1 104	1 239	1 288	988	1 093	1 047	693	572	378
Net cash cost per platinum oz ($)	(159)	112	838	(201)	(396)	233	492	495	182	169

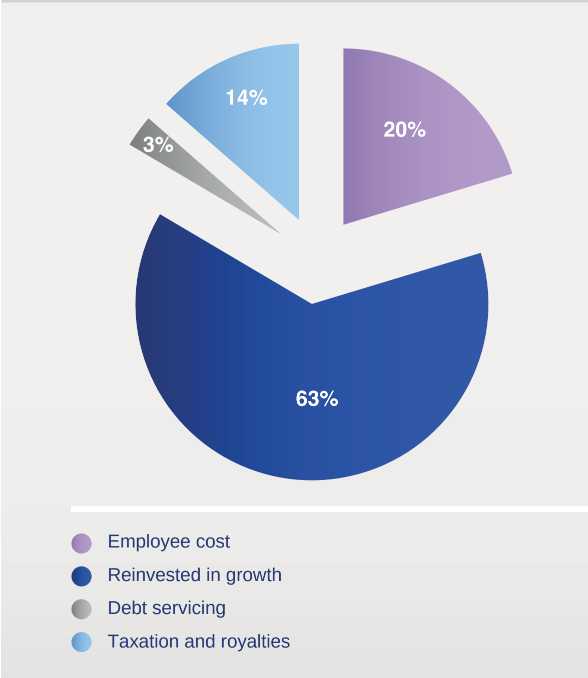
TEN YEAR REVIEW - CONTINUED

GROUP VALUE ADDED STATEMENT	2011 $000	2010 $000	2009 $000	2008 $000	2007 $000	2006 $000	2005 $000	2004 $000	2003 $000	2002 $000
Sales	527 354	403 953	120 311	294 257	235 967	162 447	112 484	99 867	71 464	16 534
Net cost of products and services	174 790	140 428	88 371	92 735	79 658	84 069	67 126	54 066	43 442	11 111
Value added by operations	352 564	263 525	31 940	201 522	156 309	78 378	45 358	45 801	28 022	5 423
Income from interest	4 977	1 427	412	3 191	5 286	2 015	813	593	803	186
Total value added	357 541	264 952	32 352	204 713	161 595	80 393	46 171	46 394	28 825	5 609
Applied as follows to :										
Employees as salaries										
wages and benefits	60 905	53 840	30 717	19 203	13 428	8 403	8 097	4 432	2 109	1 524
The state as direct taxes	4 186	23 485	893	(1 991)	10 728	5 534	642	2 746	4 577	-
The state as royalty recipients	20 523	12 455	3 170	8 193	6 302	4 474	3 040	2 695	1 510	145
Providers of capital	13 508	7 783	1 545	3 066	2 619	1 527	934	4 875	4 278	638
Financing costs	13 508	7 783	1 545	3 066	2 619	1 527	934	1 875	2 478	638
Dividends	-	-	-	-	-	-	-	3 000	1 800	-
Total value distributed	99 122	97 563	36 325	28 471	33 077	19 938	12 713	14 748	12 474	2 307
Re-invested in the group	258 429	167 389	(3 973)	176 242	128 518	60 455	33 458	31 646	16 351	3 302
Amortisation and depreciation	34 330	24 303	22 953	28 737	21 839	8 736	8 652	7 289	6 406	1 890
Reserves retained	224 099	143 086	(26 926)	147 505	106 679	51 719	24 806	24 357	9 945	1 412
	357 551	264 952	32 352	204 713	161 595	80 393	46 171	46 394	28 825	5 609

FY 2011



FY 2010

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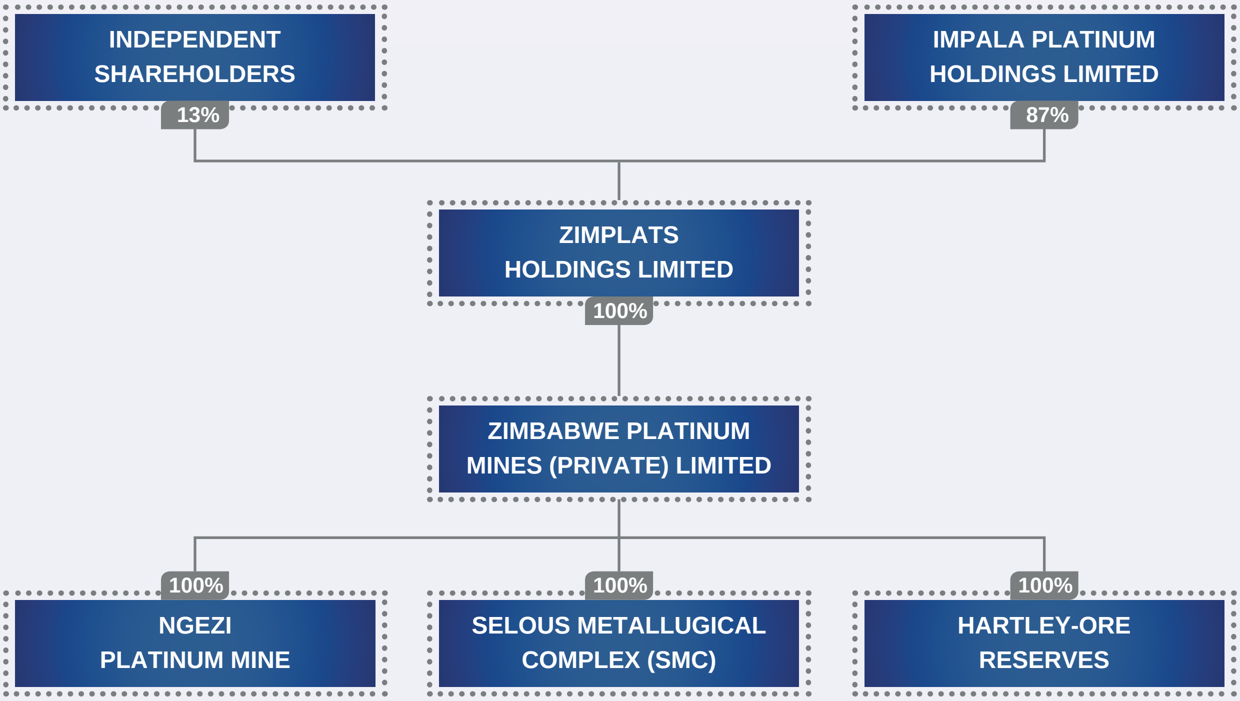
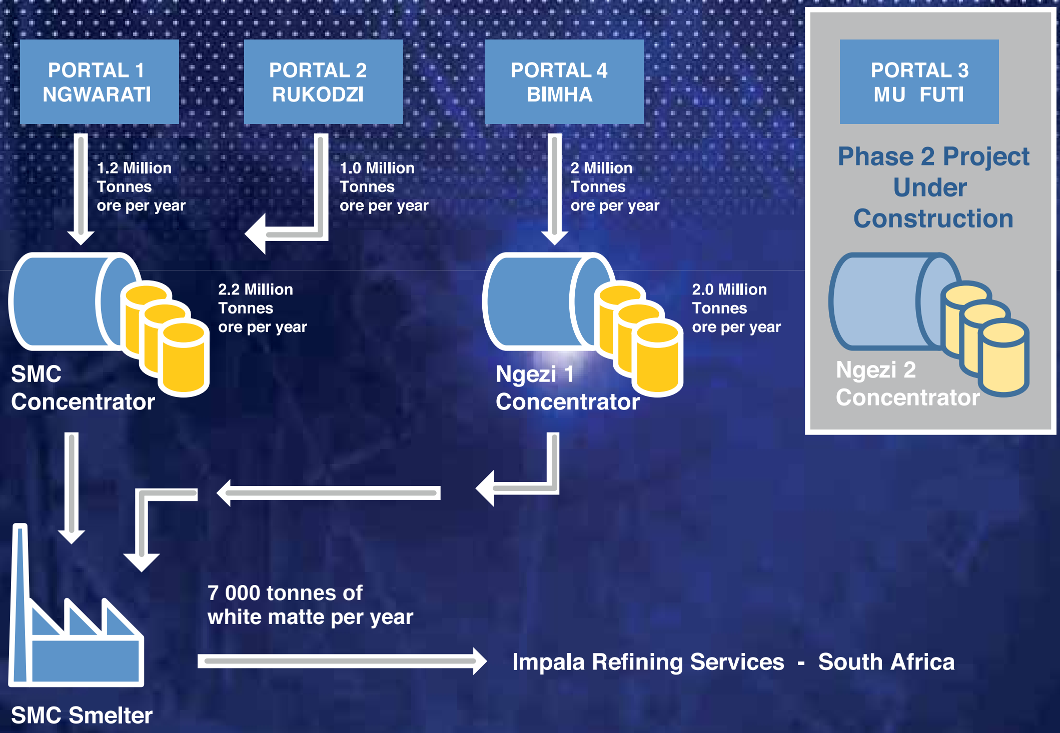
CORPORATE STRUCTURE

The corporate structure of the company and its principle assets are shown in the diagram below



PRODUCTION FLOW CHART



MANAGEMENT

EXECUTIVE COMMITTEE

Alexander Mhembere
ACIS, ACMA, MBA
Chief Executive Officer

Alex joined the group on 1 October 2007, having formerly been the Managing Director of a Zimbabwean PGM producer.

Patrick Maseva-Shayawabaya
BAcc (Hons) (UZ), CA(Z)
Chief Financial Officer

Patrick was appointed Chief Finance Officer on 1 April 2004, having joined the group in 2001 as Finance Manager.

Stanley Earl Frost
City & Guilds (Electrical Engineering), Member of the Association of Mine Engineers
Chief Technical Officer

Stan joined the group in 2001 as Chief Engineer and has been a member of the operating subsidiary board since 2004. He is responsible for the company's expansion programme as well as the engineering function.

Stanley Segula
BSc (Mining Eng) Hons UZ, MBA, MMCCZ.
Chief Operating Officer

Stanley joined the Zimplats Group in April 2008 and was appointed to his current position in March 2011, where he is responsible for the mining and processing operations of the company.

Aaron Mudhuwiwa
MIPM
General Manager - Human Resources

Aaron joined the Zimplats Group in December 2008.

Sibusisiwe (Busi) Chindove
B. Admin Hons (UZ), MSc (Cork)
Head of Corporate Affairs

Busi was appointed Head of Corporate Affairs on 1 November 2008.

Andrew du Toit
BSc Hons (Geology) London, MAusIMM
General Manager – New Business Development

Andrew joined the company in 2003 and was appointed to his current position in March 2011.

Vaughan Langley
ACIS
Group company Secretary

Vaughan joined the Group in 2003.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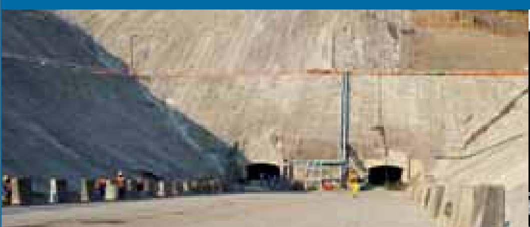
19
ABNORMAL

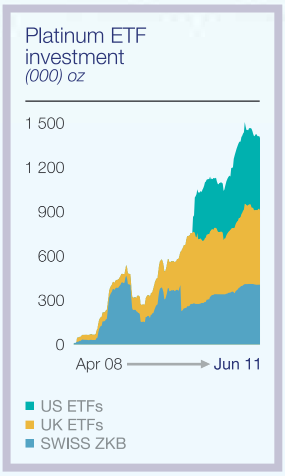
PERFORMANCE

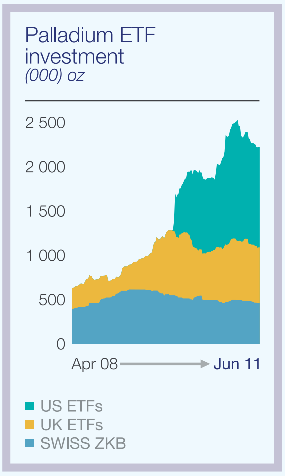
"Despite the welcome recovery in metal prices experienced during 2010, the current and future environment is not without challenges."

Source : Market review 2011



MARKET REVIEW





The global macro-economy showed tentative signs of recovery in late 2009 and throughout 2010, following the world economic crisis of 2008. Developed markets have remained under pressure while emerging markets such as China and India continued to demonstrate strong growth rates. The automotive industry as a result recovered dramatically during the past year. Light and heavy-duty vehicle production, which had fallen to around 65 million units in 2009, rebounded to exceed 81 million units in 2010. China once again cemented its position as the world's largest vehicle market with passenger car sales growing beyond the 13 million level for the first time; 32% higher than 2009 and more than double the figure for 2008. Despite these positive developments in the vehicle market during the past year, it was physical investment demand in metal commodities that pushed overall average prices to new highs. The launch of the US platinum and palladium Equity Traded Funds (ETFs) at the beginning of the year saw a massive uptake of physical metal into these products.

Platinum

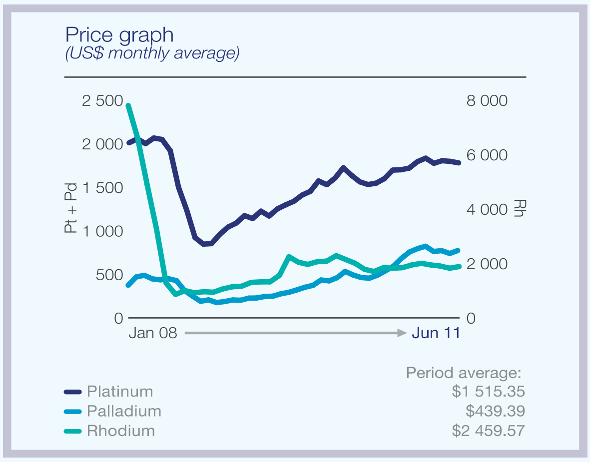
There was renewed optimism in the metals market following the announced launch of the US based ETFs for both platinum and palladium. Prices for platinum climbed throughout the financial year from just over $1 500 per ounce to end at approximately $1 800 per ounce, leaving an average for the year of $1 610 – 34% higher than the prior year. A major sell off during the annual Platinum Week activities in May, due to renewed economic fears interrupted this rising price trend, but this soon reasserted itself as the US decision to launch Quantitative Easing 2 (QE2) in the midst of a slow economic recovery, triggered increased investment demand for commodities.

In the automotive markets, a significant recovery in worldwide production and sales stimulated increased usage of PGMs. The recovery of the diesel market share in Europe, which resulted in diesel engine sales once again exceeding those of petrol engines, was particularly beneficial to platinum demand. European platinum usage as a result grew by nearly 50% over the prior year.

Notwithstanding the emergence of China as the world's largest vehicle market and production facility, and the restoration of US vehicle inventories to more normal levels, total platinum usage in the automotive sector still fell short of 2007 levels. Encouragingly usage exceeded 3 million ounces once again, supported also by increased fitment of catalysts in heavy duty applications. Government incentives offered in China – which ended at the end of 2010, have clearly had a beneficial effect for the year but may as a consequence dampen sales for 2011.

The uncertain macro-economic environment stimulated a flurry of activity into physical and paper investment products, with the US-based platinum ETF adding half a million ounces during the year. This substantial rise in investment demand had a greater influence on prices for the year than fundamental activity.

Sustained higher platinum prices throughout 2010 resulted in significantly reduced Chinese jewellery demand. This has been, in part, due to the strong retail performance and high levels of inventory build in 2009, which at the time provided great support to the platinum market. It should be noted that the price tolerance of the Chinese people is rising all the time, which is a very encouraging development.



World vehicle production

Million	2008	2009	2010	2011 Forecast
Asia	32.3	32.5	41.7	**42.3**
Western Europe	16.2	12.9	14.7	**15.0**
North America	13.3	9.0	12.5	**13.6**
East Europe	6.7	5.0	6.1	**6.7**
South America	4.1	3.9	4.4	**4.9**
Other	1.7	1.7	2.0	**2.3**
Total	74.3	65.0	81.4	**84.8**

Palladium

Palladium prices began the year at just above $400 per ounce and hit a high of $797, a level not seen since 2001. Prices averaged $525 per ounce for the year, which is double the price achieved for 2009.

The fundamental driver of the palladium price has been the dramatic rise in vehicle production in Asia and continued production increases in the US, both of which are gasoline markets and carry predominantly palladium catalysts. This drove usage for the year beyond the five million ounce level. Increased substitution of platinum by palladium in diesel applications added further demand for this metal.

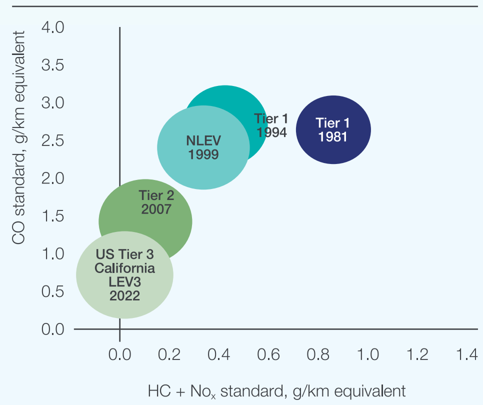
Investment demand also increased during the year and this, in combination, with the launch of the US ETF for palladium resulted in an additional million ounces of demand, providing further impetus to the rising price. The probable end to Russian destocking of palladium, which has added roughly one million ounces per year for the last six years, has also benefited sentiment in this market.

Rhodium

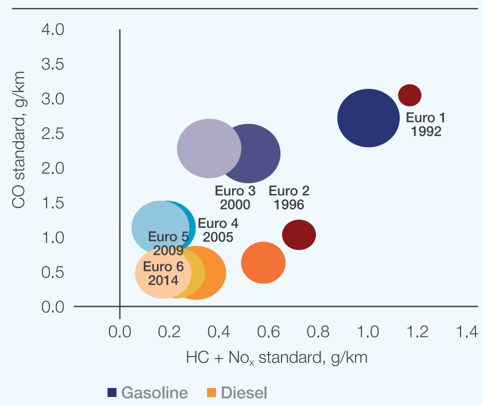
In comparison to both platinum and palladium, fluctuations in the price of rhodium have been more modest, as the increase in demand on the back of growing automotive production was met by adequate supplies of the metal. The average price for the year was over $2 400, approximately $800 higher than the previous period reflecting the rebound in vehicle build.

MARKET REVIEW - CONTINUED

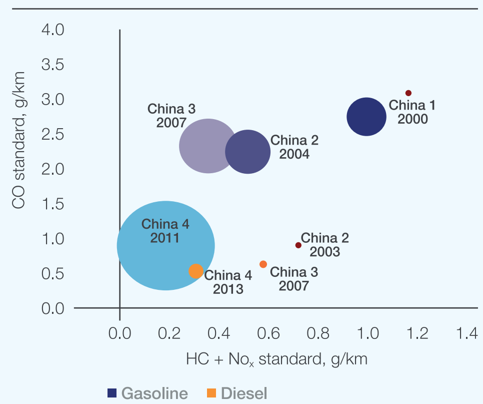
Vehicle sales and emission standards
– United States
Key Regions, 1980 to 2015

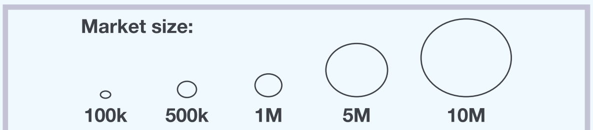


Vehicle sales and emission standards
– European Union
Key Regions, 1980 to 2015



Vehicle sales and emission standards
– China
Key Regions, 1980 to 2015

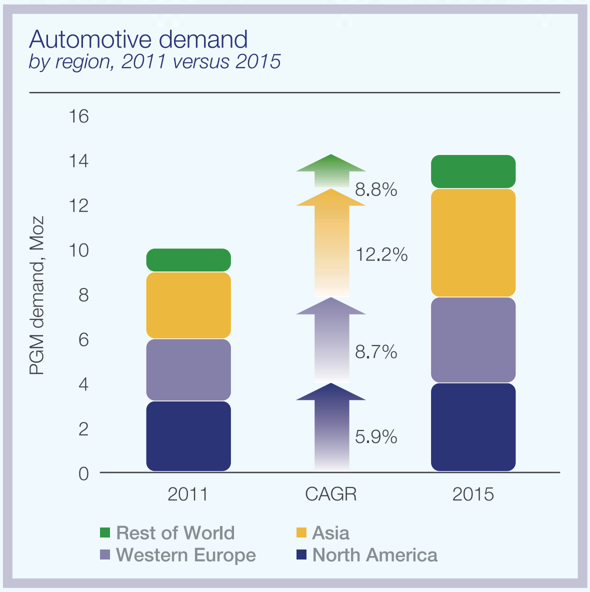




Outlook

Despite the recovery in metal prices experienced during 2010, the current and future environment is not without its challenges. 2011 has seen the re-emergence of EU debt concerns and austerity measures undertaken by government are expected to dampen demand for goods and services in large parts of Europe. The US is also showing little sign of recovery with rising debt and stubbornly high unemployment. These challenges along with persistently higher oil prices and the threat of inflation will continue to exert a negative influence on the prospects of further economic recovery.

Notwithstanding the macro challenges faced by the developed economies, the resilience displayed in emerging markets, particularly the Brazil, Russia, India, China (BRIC) economies, should continue to drive demand for all commodities. Whilst efforts to cool China's economy have proven successful, this region could be re-stimulated given the massive infrastructural programme envisaged over the next five to ten years and the risk of social unrest in a weakening economy. Pent up demand for vehicles is growing in all regions of China and the developing world and expectations are that this demand will only begin to be satisfied during the next five years. Growing vehicle demand in emerging economies and tighter emission legislation throughout the world is, therefore, likely to underpin strong fundamental demand for PGMs in the medium term. Efforts by the Chinese authorities to limit new car registrations in some cities to curb both congestion and pollution may impact on demand for new vehicles, but the inclusion of emission control devices in heavy duty and off-road vehicles China 4 should more than compensate.



This forecast growth in demand, particularly for palladium, is likely to be confronted by serious metal deficits as the growth in recycled and newly mined metal proves insufficient to compensate for the end of Russian destocking.

Numerous challenges facing the South African PGM producers will require of management a huge effort to ensure sufficient supply of these metals are available to meet the world's growing demand for them.

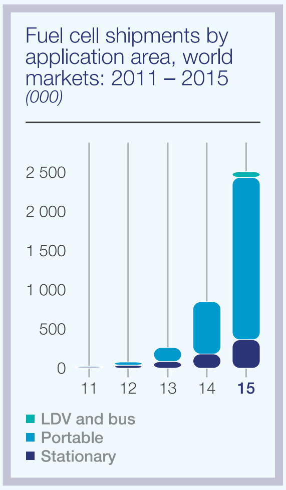
Fuel cells review 2011

With the world's attention focused on climate change and reducing its dependence on fossil fuels and CO2 emissions, fuel cells appear to be back on the radar screen after many years in the shadows. Although currently a small contributor to energy generation when compared to other technologies, the anticipated growth path to the 2017 horizon is projected to be exponential. The current story of fuel cells is all about a robust and clean contributor to the energy mix of the future. While the different fuel cell technologies advance simultaneously, it is the polymer electrolyte membrane (PEM) fuel cell that is the most important to the PGM industry as they utilise PGMs exclusively, consuming about 20 000 ounces in 2010.

More than 90% of units shipped last year, were low temperature PEM fuel cells and direct methanol fuel cells (DMFCs). In terms of Megawatt (MW) shipped, PEM fuel cells make up about 43 MW of the total 90 MW shipped overall. About 15 000 fuel cell units were shipped in 2010, logging a compounded annual growth rate of 27% since 2008. Approximately 70% of this growth was recorded in the stationary fuel cell market.

The US, Japan, Germany and South Korea dominate world markets overall, with PEM fuel cell manufacturers primarily based in the US and Japan. The forecast projects exponential growth expanding beyond the two million unit mark by 2015. Growth in the initial years is driven primarily by the stationary and portable sectors. Strong growth in fuel cell vehicles emerges by 2015, boosting the transport fuel cell sector. Significant resources are being directed at reducing PGM loadings, with nanotechnology expected to play a vital role in reducing the amount of platinum per fuel cell unit, helping to make fuel cells commercially viable. The reduction of the overall cost of a fuel cell system as well as hydrogen supply infrastructure is gaining momentum.

Sales of fuel cells in Japan for residential heat and power generation rose by 60% on a year-on-year basis after the March 2011 earthquake. A subsidy granted by the government to sustain purchases over the fiscal year was completely used within three months. Overall, PGMs are expected to maintain their edge over competing materials. With the pace of fuel cell adoption expected to rapidly increase over the intervening period, we are confident that a new era of industrial PGM demand is dawning.

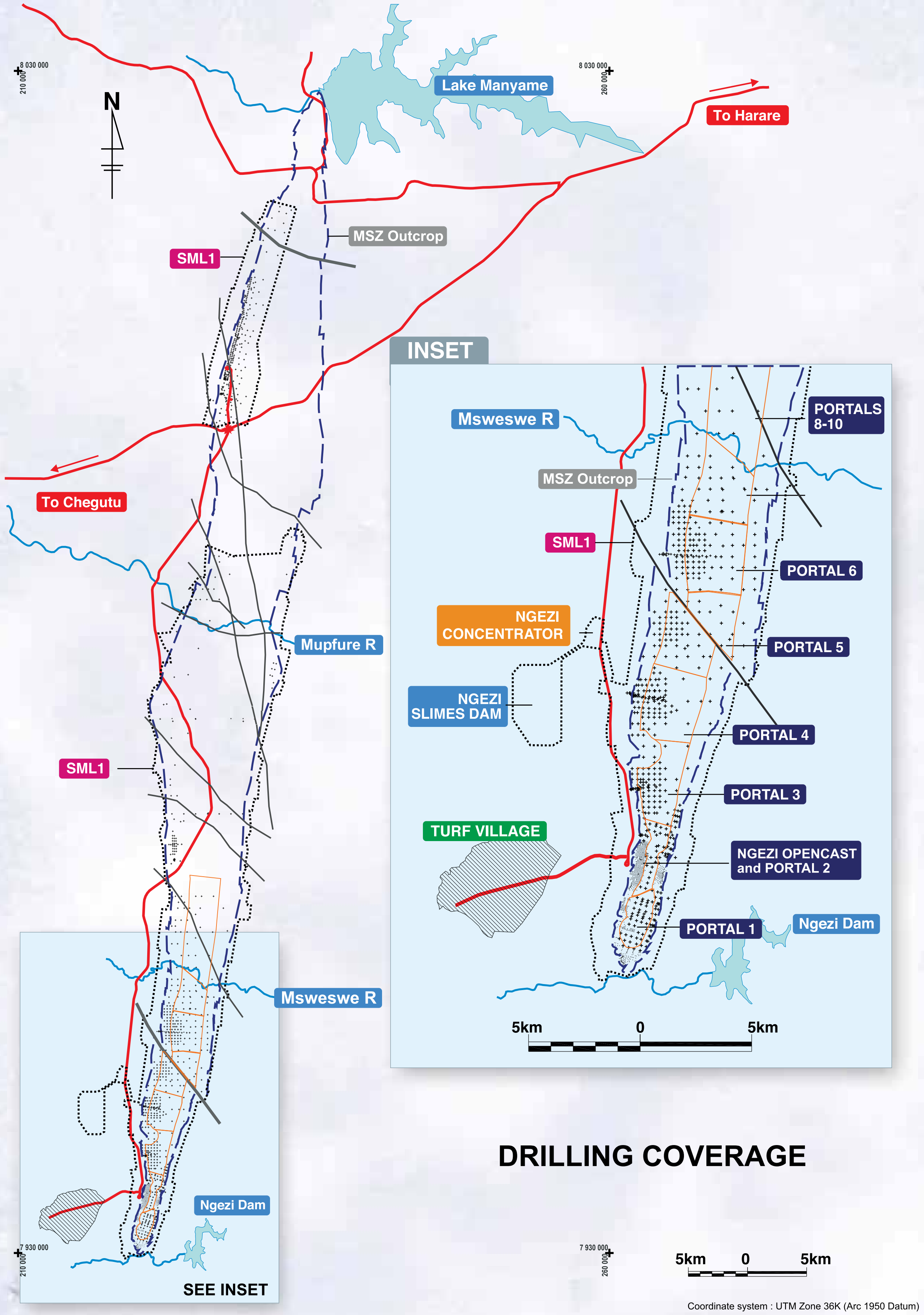


MARKET REVIEW - CONTINUED

(000 toz)	2007	2008	2009	2010	Forecast 2011	Forecast 2012
Platinum supply/demand balances						
Demand						
Automobile	4 080	3 830	2 950	3 270	**3 630**	**4 070**
Jewellery	1 545	1 355	2 410	2 160	**2 180**	**2 270**
Industrial	1 850	1 755	1 230	1 695	**1 725**	**1 780**
Investment	170	425	650	650	**250**	**150**
Total demand	7 645	7 365	7 240	7 775	**7 785**	**8 270**
Supply						
South Africa	5 185	4 485	4 580	4 735	**4 740**	**4 970**
North America	350	330	260	230	**360**	**370**
Other	280	745	665	1 015	**840**	**880**
Recycle	925	970	850	1 020	**1 100**	**1 130**
Russian sales	800	800	775	800	**790**	**785**
Total supply	7 540	7 330	7 130	7 800	**7 830**	**8 135**
Balance	(105)	(35)	(110)	25	**45**	**(135)**

(000 toz)	2007	2008	2009	2010	Forecast 2011	Forecast 2012
Palladium supply/demand balances						
Demand						
Automobile	5 075	4 940	4 170	5 200	**5 510**	**6 100**
Industrial	3 305	3 620	3 365	3 155	**3 220**	**3 150**
Investment				1 055	**200**	**200**
Total demand	8 380	8 560	7 535	9 410	**8 930**	**9 450**
Supply						
South Africa	2 670	2 355	2 472	2 530	**2 635**	**2 735**
North America	980	870	655	665	**865**	**930**
Other	287	310	1 287	1 360	**645**	**665**
Recycle	928	1 085	986	1 370	**1 530**	**1 800**
Russian sales (production from 2009)	4 250	3 750	2 805	2 850	**2 850**	**2 750**
Total supply	9 115	8 370	8 205	8 775	**8 525**	**8 880**
Balance	735	(190)	670	(635)	**(405)**	**(570)**

(000 toz)	2007	2008	2009	2010	Forecast 2011	Forecast 2012
Rhodium supply/demand balances						
Demand						
Automobile	845	759	682	750	**810**	**880**
Industrial	150	136	113	150	**170**	**180**
Total demand	995	895	795	900	**980**	**1 060**
Supply						
South Africa	665	580	640	650	**670**	**710**
North America	20	20	10	15	**20**	**20**
Other	20	15	25	25	**30**	**30**
Recycle	205	220	185	230	**240**	**260**
Russian sales	70	70	65	70	**70**	**65**
Total supply	980	905	925	990	**1 030**	**1 085**
Balance	(15)	10	130	90	**50**	**25**



DRILLING COVERAGE

MINERAL RESOURCE AND ORE RESERVES SUMMARY

GREAT DYKE GEOLOGY

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

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

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

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

The PGE content and distribution within the mineralized zone is consistent from hole to hole over large areas. The MSZ mineralisation is vertically gradational and distributed around a high-grade central zone. This gradation means that the selected cut on which 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 as the diluting material is not completely devoid of metals.

Extensive faulting on all scales has modified the synformal shape of the MSZ. Given the difficulty of visually locating the MSZ, the smaller faults give rise to inherent dilution of the Mineral Resources. Location and efficient traversing of the larger faults is an important component of the mining operation.

Post mineralization intrusions of various types and scales also disrupt the mineralization. Work to date has not located Bushveld style potholes but washouts have been located elsewhere in the MSZ.

PGE 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 and relatively little is known of the deeper zones and eastern areas.

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	Pt Moz	4E Moz	Thick m
Ngezi South - Open Pit												
	Measured	14.0	1.74	1.29	0.26	0.14	0.10	0.07	3.43	0.8	1.5	2.50
c	**Total**	**14**	**1.74**	**1.29**	**0.26**	**0.14**	**0.10**	**0.07**	**3.43**	**0.8**	**1.5**	**2.50**
Ngezi Portals - Flat - P1-P7												
	Measured	69.7	1.73	1.35	0.25	0.14	0.10	0.08	3.47	3.9	7.8	2.5
	Indicated	226.9	1.73	1.34	0.26	0.15	0.11	0.07	3.48	12.6	25.4	2.5
c	**Total**	**297**	**1.73**	**1.34**	**0.26**	**0.14**	**0.11**	**0.08**	**3.5**	**16.5**	**33.1**	**2.5**
Ngezi Portals - Flat P8-P10												
	Indicated	66.7	1.80	1.32	0.30	0.14	0.13	0.09	3.57	3.9	7.7	2.0
	Inferred	56	1.79	1.24	0.31	0.14	0.13	0.08	3.48	3.2	6.3	2.0
c	**Total**	**123**	**1.80**	**1.28**	**0.31**	**0.14**	**0.13**	**0.08**	**3.53**	**7.1**	**13.9**	**2.0**
Ngezi Portals - Steep P3-P10												
	Measured	32.0	1.57	1.39	0.22	0.14	0.10	0.09	3.33	1.6	3.4	2.5
	Indicated	186.1	1.64	1.33	0.26	0.14	0.11	0.09	3.38	9.8	20.2	2.4
	Inferred	78	1.74	1.21	0.31	0.14	0.13	0.09	3.40	4.3	8.5	2.0
c	**Total**	**296**	**1.66**	**1.31**	**0.27**	**0.14**	**0.12**	**0.09**	**3.38**	**15.8**	**32.1**	**2.3**
Ngezi Mining Lease north of Portal 10												
	Indicated	53.8	2.11	1.85	0.42	0.18	0.22	0.18	4.56	3.6	7.9	1.3
	Inferred	829	1.69	1.45	0.30	0.15	0.15	0.13	3.59	45.1	95.8	1.8
c	**Total**	**883**	**1.72**	**1.48**	**0.31**	**0.15**	**0.15**	**0.13**	**3.65**	**48.8**	**103.7**	**1.8**
Hartley												
	Measured	28.3	2.24	1.77	0.33	0.19	0.14	0.12	4.53	2.0	4.1	1.6
	Indicated	143.1	2.01	1.49	0.31	0.16	0.13	0.11	3.97	9.3	18.3	1.9
	Inferred	46	1.99	1.44	0.30	0.16	0.13	0.10	3.89	3.0	5.8	1.9
	Total	**218**	**2.04**	**1.51**	**0.31**	**0.17**	**0.13**	**0.11**	**4.03**	**14.2**	**28.2**	**1.9**
Oxides - all areas												
	Indicated	16.2	1.75	1.27	0.26	0.14	0.10	0.07	3.42	0.9	1.8	2.5
	Inferred	63	1.69	1.37	0.28	0.14	0.12	0.10	3.48	3.5	7.1	2.2
b	**Total**	**80**	**1.71**	**1.35**	**0.27**	**0.14**	**0.12**	**0.10**	**3.47**	**4.4**	**8.9**	**2.3**
Overall												
	Measured	**143.9**	**1.79**	**1.43**	**0.26**	**0.15**	**0.11**	**0.09**	**3.64**	**8.3**	**16.8**	**2.3**
	Indicated	**692.7**	**1.80**	**1.41**	**0.29**	**0.15**	**0.12**	**0.10**	**3.65**	**40.2**	**81.2**	**2.2**
	Inferred	**1,072**	**1.71**	**1.42**	**0.30**	**0.15**	**0.14**	**0.12**	**3.6**	**59.1**	**123.4**	**1.9**
a	**Total**	**1,909**	**1.75**	**1.41**	**0.29**	**0.15**	**0.13**	**0.11**	**3.6**	**107.6**	**221.5**	**2.0**

Notes

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

b Oxides have lower metallurgical recovery than sulphides with conventional technology and are currently marginal to sub economic

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

d Thicknesses based on variable composite widths.

4E refers to Pt+Pd+Rh+Au combined grade

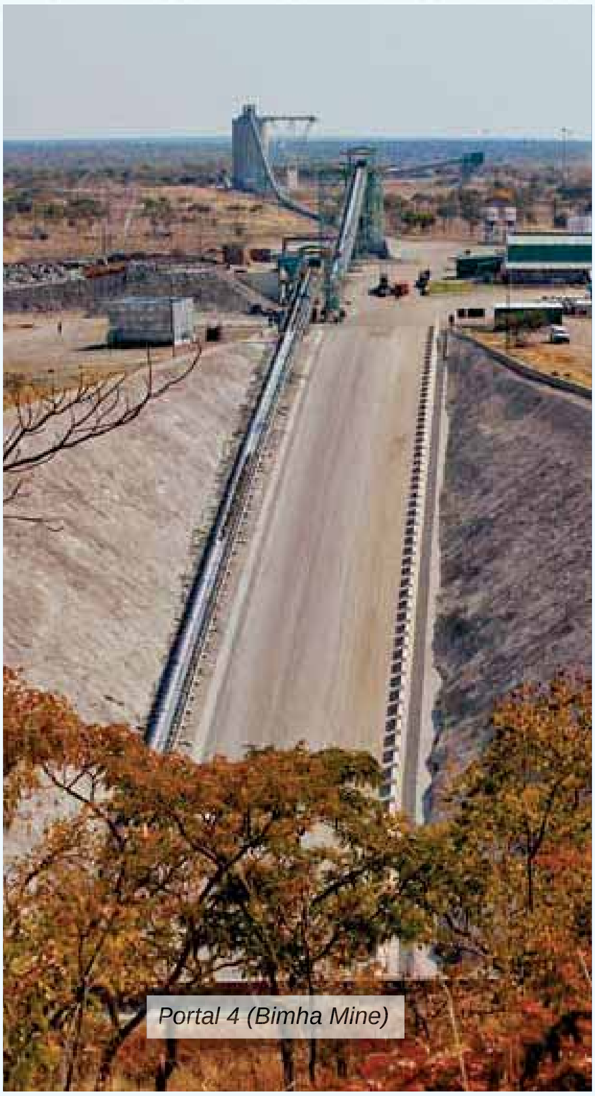
Ni (S)% is nickel in sulphide. This is amenable to recovery by floatation.

	ORE RESERVES												
			Tonnes Millions	Pt g/t	Pd g/t	Au g/t	Rh g/t	Ni (S)%	Cu %	4E g/t	Pt Moz	4E Moz	Thick m
		Proved	55.87	1.68	1.32	0.24	0.14	0.10	0.07	3.39	3.0	6.1	2.6
		Probable	164.43	1.69	1.32	0.25	0.14	0.10	0.07	3.40	9.0	18.0	2.6
		Total	**220.3**	**1.69**	**1.32**	**0.25**	**0.14**	**0.10**	**0.07**	**3.40**	**12.0**	**24.1**	**2.6**
		Proved	**55.9**	**1.68**	**1.32**	**0.24**	**0.14**	**0.10**	**0.07**	**3.39**	**3.0**	**6.1**	**2.6**
		Probable	**164.4**	**1.69**	**1.32**	**0.25**	**0.14**	**0.10**	**0.07**	**3.40**	**9.0**	**18.0**	**2.6**
		Total	**220.3**	**1.69**	**1.32**	**0.25**	**0.14**	**0.10**	**0.07**	**3.40**	**12.0**	**24.1**	**2.6**

Major changes since annual report 2010

Portals 1 and 2 (Ngwarati and Rukodzi) continued to produce at full capacity. Portal 4 (Bimha) completed its ramp up to full production. Following Board approval, construction of the new 2 million tonne per annum mine at Portal 3 (Mupfuti Mine) commenced, the box cut is complete and initial underground access established.

In FY2011 SRK Consulting was commissioned to prepare a feasibility study for Portal 6 and pre-feasibility studies for Portals 5 and 7. The resource estimates for these areas were updated with the latest drilling results. Detailed analysis of the structure led to refinements in the estimate of the position of the eastern 9 degree contour and provided a more detailed model of the faulting in these areas. Trade off studies indicated that for each Portal the optimum mining width is 2.5m which is an increase on the previous width of 2.25m. At Portal 6, new drilling data allowed the area of measured mineral resource to be increased. The combination of these changes resulted in an overall increase in resource tonnage of 30 million tonnes, some 1.6% with a 0.5% decrease in 4E grade. Experience, mainly at Portal 4 (Bimha) indicates that previously estimated extraction losses have not been realized so this modifying factor was adjusted downwards for the new estimate which, combined with depletion, and the resource changes leads to a 6.7 million tonne or 3.1% increase in ore reserves.



Portal 4 (Bimha Mine)

MINERAL RESOURCES (Inclusive of Reserves)								
Category	2011				2010			
	Tonnage (millions)	4E (g/t)	6E g/t	Pt oz (millions)	Tonnage (millions)	4E (g/t)	6E g/t	Pt oz (millions)
Measured	144	3.64	3.85	8.3	137	3.69	3.90	8.1
Indicated	693	3.65	3.85	40.2	670	3.70	3.90	39.6
Infered	1. 072	3.58	3.78	59.1	1. 072	3.58	3.78	59.1
Total	1.909	3.61	3.81	107.6	1. 879	3.63	3.83	106.8

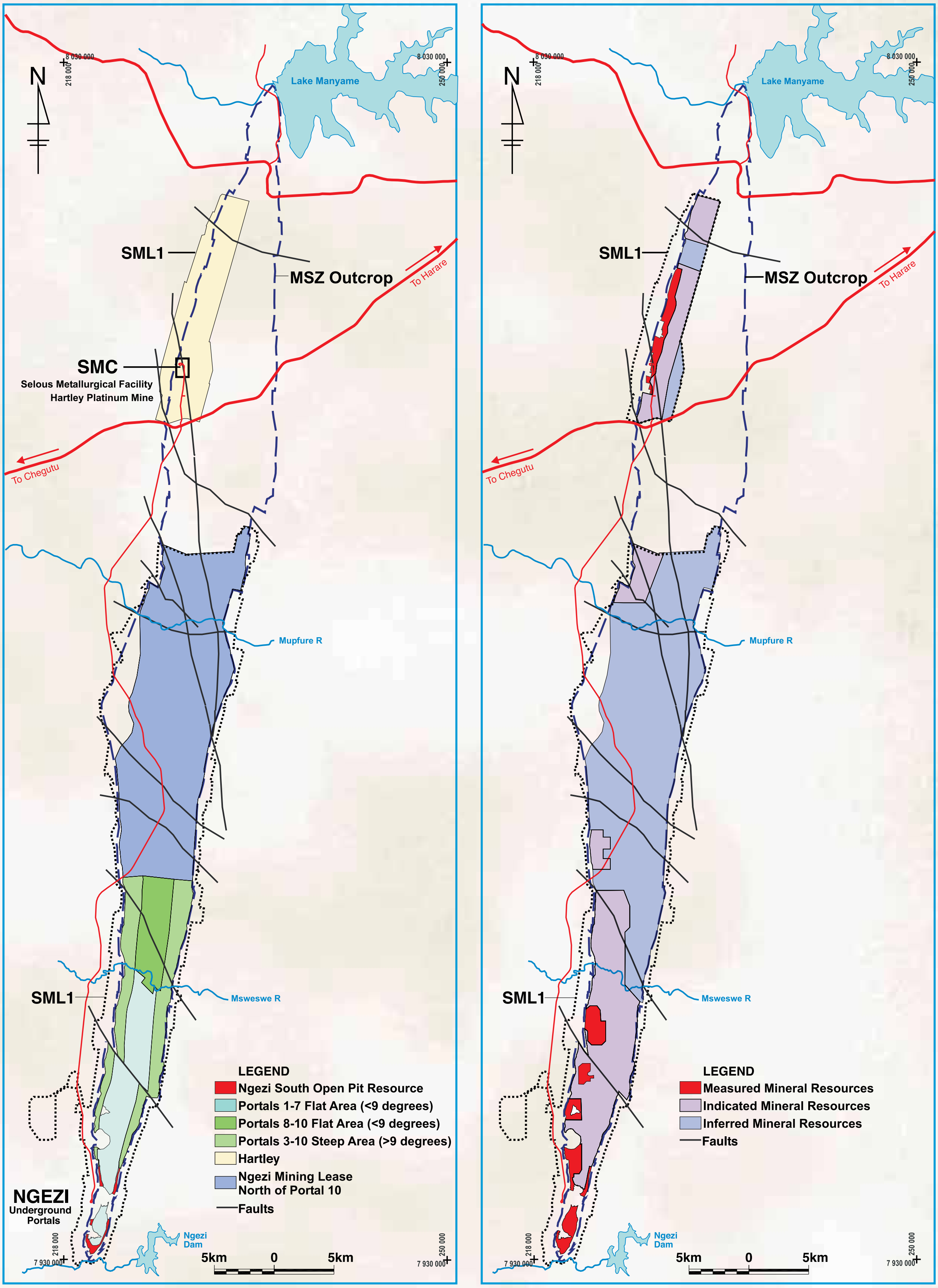
ORE RESERVES								
Category	2011				2010			
	Tonnage (millions)	4E (g/t)	6E g/t	Pt oz (millions)	Tonnage (millions)	4E (g/t)	6E g/t	Pt oz (millions)
Proved	55.9	3.39	3.58	3.0	52.0	3.41	3.60	2.8
Probable	164.4	3.40	3.60	9.0	161.6	3.44	3.63	9.0
Total	220.3	3.40	3.59	12.0	213.6	3.43	3.62	11.8

Notes

- Mineral resources are quoted inclusive of ore reserves.
- The ore reserves quoted reflect anticipated grades delivered to mill.
- Day to day operations are monitored using in-house lead collector fire assays with AA finish. The mineral resources and ore reserves in this statement are based largely on 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 means that there may be slight distortions in recovery and other parameters.
- Resources have been estimated using kriging techniques on data derived from surface diamond drill holes. Estimates are based on composite widths that vary depending on cut off grades, which are based on appropriate economic conditions.
- The boundaries of the ore envelope are gradational, particularly in the footwall, so the choice of mining cut is affected by economic factors. The price of the suite of metals that is produced from the MSZ has fluctuated considerably in the last few years. It is still believed that the choice of mining cut is robust under a wide range of pricing conditions.
- Estimates are produced in accordance with Implats' group-wide protocol for the estimation, classification and reporting of Mineral Reserves and Mineral Resources. The objectives of the code are to improve standardisation, consistency and to facilitate auditing.
- AMEC Americas Limited (AMEC) completed an audit in FY2010 in which they reviewed how the procedures carried out at the sites across the Group conform to the Group protocol and looked at how these procedures comply with international reporting codes, namely the SAMREC Code and the JORC Code. The Main findings by AMEC were that:
    - There are no material discrepancies with the regulatory codes.
    - The estimates reported are representative of the ore bodies.

  They indentified several areas for improvement and reviewed the progress of implementing these in May 2011.
- Rounding-off numbers may result in minor computational discrepancies.

FIGURE 2 PLAN OF ORE RESERVES AND MINERAL RESOURCES



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

COMPETENT PERSONS

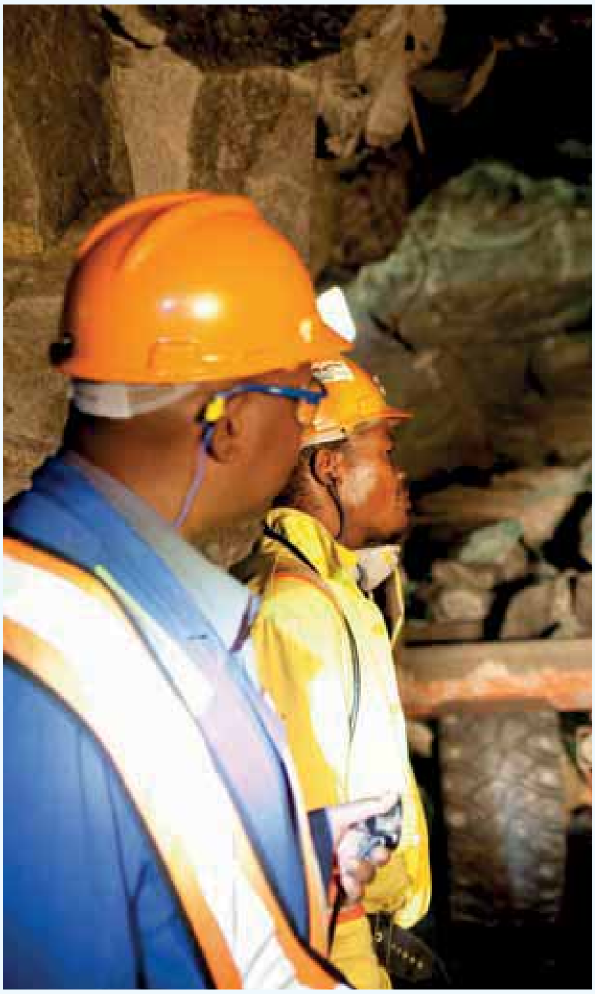
The information in this report that relates to Mineral Resources and Ore Reserves of the Exploration and Evaluation Areas is based on information compiled by Andrew du Toit who is a Member of The Australasian Institute of Mining and Metallurgy.

Andrew du Toit is a full time employee of the company. Andrew du Toit has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Andrew du Toit consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources and Ore Reserves of the Ngezi Open Pit and Underground Operational Areas (Portals 1, 2 and 4) is based on information compiled by Sydney Simango who is a Member of The Australasian Institute of Mining and Metallurgy.

Sydney Simango is a full time employee of the company.

Sydney Simango has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Sydney Simango consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



SUSTAINABILITY MATTERS

Creating Value

- Our ability to create and sustain business value is dependent on our capacity to:
- Build positive relationships with our key stakeholders
- Understand our business risks and ensure mitigation
- Understand our material sustainability business drivers
- Create opportunities where possible in each of these spheres

Engaging with Stakeholders

Zimplats has a range of stakeholders who either have a direct interest in the organisation or are affected by its activities. Various structures are in place to facilitate dialogue with both internal and external identified stakeholders.

The nature and frequency of engagement varies depending on the nature of issues raised and their legitimacy and material impact on both the organisation and the affected or interested party.

The stakeholders have been identified using the Global Reporting Initiatives (GRI) materiality guidelines.

An FY12 objective is to meet GRI Reporting level C. The stakeholders were prioritised according to those who are significantly impacted by our business and who also influence the long-term viability of the organisation. This process was undertaken through the Corporate Affairs department, with final approval and endorsement of the findings by the Executive Committee (Exco).

Zimplats recognises the importance of maintaining both its social and legal licence to operate by recognising the significant impacts it has on its communities and its responsiveness to these stakeholder concerns, adhering to all legal requirements, and conducting its business in a manner that mitigates risk and avoids harm to its stakeholders.

Key stakeholder groupings have been evaluated against their impact on the ability of the organisation to create and sustain value over the medium to long term. Although all stakeholders are important and are all engaged according to their needs, our key strategic relations are with communities, government - both local and central, employees, investors, regulatory authorities and suppliers, all of whom remain central in sustaining the business over the long term.

Stakeholders	Type of Engagements	Material Issues Raised	Actions taken
Shareholders and Investors	Facility visits, Annual and Interim presentations, one-on-one meetings	Indigenisation and Economic Empowerment legislation. Financial performance. Growth plans.	Explanation extended on the legislation and submissions made to Government. Updates on performance and growth plans made available.
Media	Facility visits, presentations, one-on-one discussions	Impact of Indigenisation and Economic Empowerment legislation. Quarterly results. Growth plans.	Information given through press releases, presentations and one on one discussions to ensure enhanced understanding.
Government	Meetings, forums and national conferences.	Indigenisation and Economic Empowerment legislation, local procurement, community investment programmes	Give feedback on information required and attend focused meetings; also participate in relevant forums. Implement community development programmes with relevant departments.
Non-Government Organisations	Facility visits, presentations and workshops	Environmental and community development issues	Give feedback on information required and participated at relevant workshops giving presentations where requested.
Traditional leaders	Community stakeholder meetings, one-on-one meetings	Employment and community development opportunities	Addressed in stakeholder meetings or one –on-one discussion. Some community projects implemented upon mutual agreement. Company policy position explained to avoid expectations on individual requests.
Communities	Community stakeholder meetings, community events	Indigenisation and Economic Empowerment opportunities, employment, community development projects. Compensation for resettlement	Addressed issues in stakeholder meetings, employment statistics provided, some community projects implemented by mutual agreement. Compensation and resettlement arrangements under discussion.
Advocacy Group (Chamber of Mines)	Meetings and Workshops to discuss common concerns and collaborative projects	Proposed amendments to existing Mining regulations; Indigenisation and Economic Empowerment	Meetings, presentations and workshops provided opportunities to share information.
Suppliers	One on one meetings, presentations, facility visits	Local procurement opportunities, pricing	company position explained, a number of new local suppliers taken on board, discussions on pricing to mutual agreement.
Employees and Trade Unions	Works council meetings and collective bargaining, agreement meetings	Employee welfare.	Wage negotiations, and discussions on other areas of dispute.

Management Approach to materiality

Accountability for organisational performance and for strategy implementation begins at operational level with established operational committees, forums and structures that report to the Executive Committee, and ultimately to the Board through various Board sub-committees.

Each sub-committee at operational level has a defined mandate and comprises a cross section of divisional heads that represent the different facets of the business. Details of some of these can be found on page 65.

The operational committees are tasked with implementing strategic imperatives, identifying relevant material issues and mitigating such risks and, where relevant, bring these to the attention of Exco and ultimately to the Board.

Sustainability objectives form part of the key performance indicators of management and the executives, against which performance is measured and remunerated. Exco is charged with ensuring the implementation of strategies relating to sustainability, overseeing the overall performance of the company's non-financial indicators and lends support to the Board's SHEQ, Remuneration and Audit and Risk Committees. Details of these Board committees are given on page 63.

Governance and Ethics

The Board is fully cognizant of the imperative role corporate governance plays in the delivery of sustainable growth to all our stakeholders, and as such it remains one of the top priorities of the Board and of the company's Executive Management.

Governance and ethics related matters are reported in detail under the corporate governance section of this report at page 60.

Human Rights

The respect for human rights is an integral part of the company's code of ethics and values, guided by the constitution of labour-related statutes in our country, and is incorporated into our own policies and procedures. Zimplats participates at national level in the negotiation (with the union) and implementation of resolutions of the National Employment Council for the mining industry.

These agreements cover the following aspects relating to human rights:

- Minimum employment age
- Rights to freedom of association and collective bargaining
- Prevention of forced or compulsory labour
- Equality and fair treatment of all individuals free from discrimination, irrespective of race, gender, creed or place of origin
- The right to workplace representation
- Procedures to ensure that there are channels to deal with unfair practices
- Contracted labour is expected to abide by the company's code of conduct and procedures regarding human rights and labour practices.

While contractor agreements do not specifically contain human rights clauses, contractors are expected to abide by our company policies, practices and standards and to abide by the constitution of the country.

Through stakeholder engagement processes, material community issues as pertaining to human rights are addressed in the community stakeholder forums.

No alleged incidences of human rights abuses were brought against the company in the year under review.

Understanding Our Sustainability Foot Print

Zimbabwe holds 11% of the world's platinum resources (source Johnson Matthey), with Zimplats being the largest producer in Zimbabwe. Of significance is the potential for the organisation to impact global PGM markets. As such, all aspects of sustainability are fundamental to the business, bearing in mind the risks and hazards associated with the activity of mining.

Our impact and risk assessment spans the entire mining value chain, from exploration to the final sale of our product, taking into account all environmental, health, safety, social and financial impacts. We do not control our products through their life cycle after sales.

SUSTAINABILITY MATTERS - CONTINUED

Our impacts relate to:

- Environmental issues – water, air, land and noise pollution as well as the depletion of natural resources.
- Social issues – that arise as a consequence of our operations through the sourcing of labour at national level and from our surrounding communities. This has, in some cases, led to the occurrence of informal dwellings and associated health risks. Despite the measures we put in place to preserve human life, the risks of mining can negatively impact on employees, their families, the society and communities from which they come from, through injury.
- Economically – through the loss of income through mining activities on land that would otherwise be available for subsistence farming and the generation of income.
- Notwithstanding these, there are positive contributions that can be derived. These are in the form of:
- Employment and job creation by mining activities
- The contribution of mining towards economic development in host communities and areas from which labour is drawn
- Social upliftment programs and infrastructure development in the form of schools, clinics and roads
- Working jointly with government to ensure delivery to communities
- The use of our metals towards technological advancement and emission control
- Our approach to managing these sustainability issues is derived through the business strategic risk analysis.

Strategic Risks and Material Sustainability Issues

Our vision with regard to risk management is:

To provide a structured and consistent approach that aligns strategy, processes, people, technology and knowledge, and to enhance our understanding of the uncertainties that Zimplats faces in order to improve our confidence in creating stakeholder/shareholder value.

This vision will be achieved through an enterprise-wide risk management framework made up of two cycles.

The first is the well-known process that is at the core of risk management, day-to-day risk identification and evaluation. Surrounding these tactical processes is the strategic envelope within which Zimplats drives and focuses risk management according to:

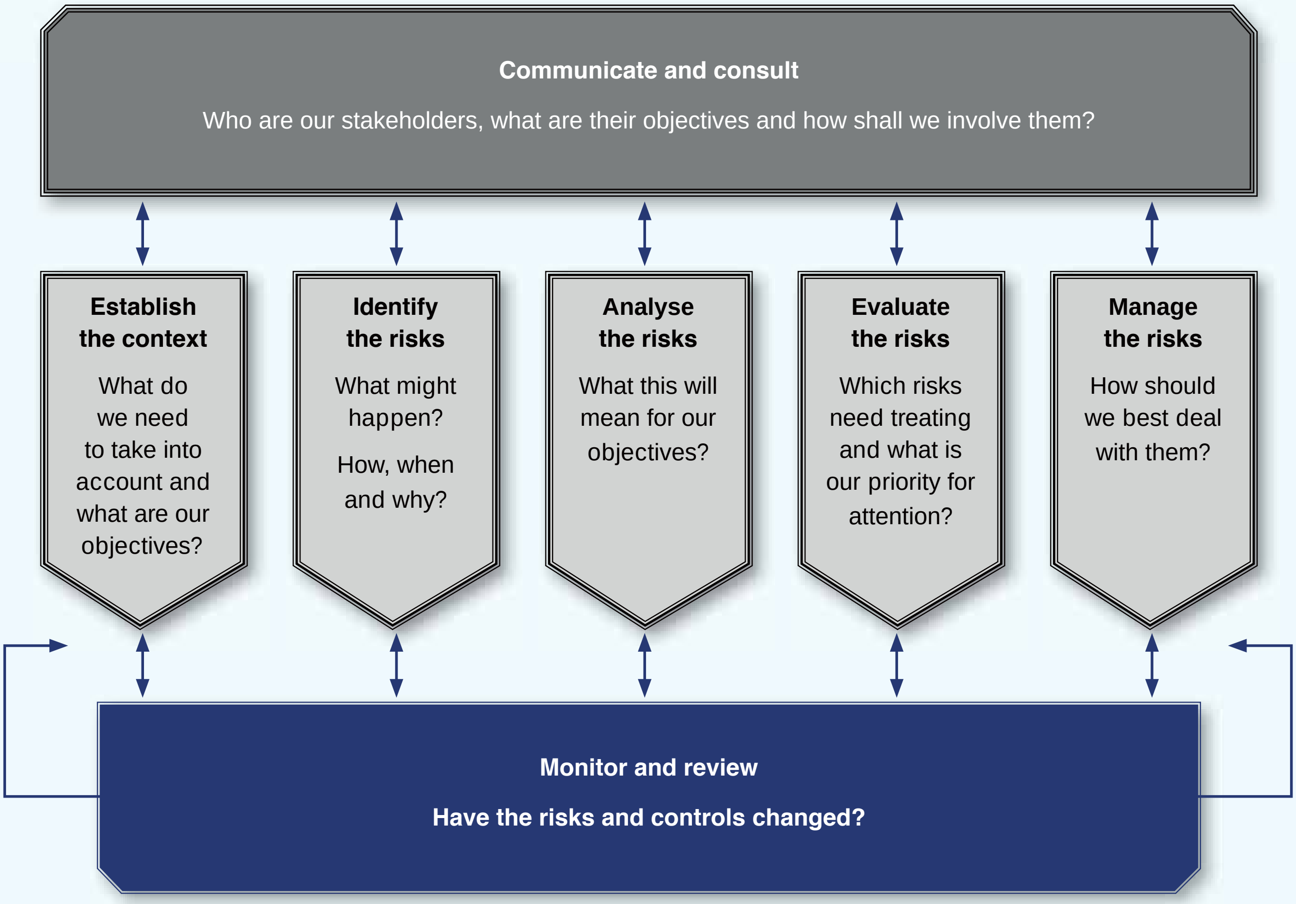
- Business and strategic objectives
- Stakeholders' and shareholders' needs
- The desired risk culture
- Company structure
- A formal process to define risk appetite and risk tolerance levels
- The need for control assurance
- The Governance requirements of King III
- GRI (Global Reporting Initiative) guidelines

This approach encourages ownership by giving control of the pace of implementation to each operation of Zimplats. The responsible individuals will then be held accountable for the achievement of their implementation plans. This also implies an approach that gives credit for and consolidates and builds upon what has been done before.

Arising from this process is a series of Objective-based Risk Assessments (ORAs), which cover the critical aspects of the Zimplats business. Each risk identified, and its associated controls, have a clearly defined line management owner.

Ongoing review ensures that the information remains relevant. Factors that may affect consequences and the likelihood of an outcome, and the factors that affect the suitability or cost of treatment options, may change. Zimplats continuously reviews the risk management cycle. All information is captured into the risk repository system, feeding into the company's risk profile. Risk reports are presented to the appropriate bodies and escalated as required, culminating with the Executive Committee (monthly), Board Audit and Risk Committee and the Board (quarterly).

The process of risk management can be diagrammatically represented as follows:



Source based on ISO 31000: 2009, risk management-PRINCIPLES AND GUIDELINES GENEVA: INTERNATIONAL STANDARD ORGANISATION 2009

Risk Management is also guided by the Zimplats' integrated business management systems policy. This creates a clear link with strategic objectives and therefore requires an objective-based approach. Our aim is for risk management to become embedded in everything the company does. Success in this process will result in the following:

- The Board and Senior Managers can make informed decisions regarding the trade-off between risk and reward
- Strategic growth opportunities can be pursued with greater speed, robustness and confidence for the benefit of Zimplats and its shareholders
- All stakeholders can have greater confidence that the organisation's strategic objectives will be achieved
- Business decisions can be made within the context of the company's risk appetite and risk tolerance levels
- The company can manage the risks associated with non-tangible assets such as employees, suppliers, partners, other stakeholders, intellectual and knowledge capital, processes and systems, just as fully as physical and financial assets
- Material Sustainability Issues
- Through the risk process and an in-depth analysis of these strategic risks, the key sustainability issues that are imperative for Zimplats to create and sustain value over the long-term, were identified through a formal process, which involved the following:

SUSTAINABILITY MATTERS - CONTINUED

- A survey and analysis on the material risks outlined above
- An analysis of stakeholder issues raised through on-going engagements
- A scan of media reports during the year relating to industry issues and information relevant to the business
- The findings of this process were debated by Exco, which identified the key sustainability strategic drivers.

The strategic risks issues currently facing the Group and which inform Zimplats' business planning, risk management and resources allocation priorities are noted below.

Risk area	Opportunities
Safety, health and Environment	Continual improvement in safety, health and environment performance with an ultimate goal of zero harm.
Production	Improving and maintaining reliable and effective production processes and delivering product on time and to specification.
Project delivery	Maintaining effective project management processes and improving skills to ensure successful projects and delivery.
Mineral resource management	Continually identify, delineate, measure and optimize our mineral resources and reserves.
Unit costs	Sustaining unit production costs in the lowest quartile of the industry.
Effective people	Attracting, developing, retaining and motivating the requisite management, operational, technical and business skills and pool of talent. Achieving organisational diversity and improved employee engagement and participation in all business activities.
Growth	Retaining a focused and sustainable growth portfolio of assets and ensure Zimplats remains in the top quartile of performers in its area of core competence.
Cash preservation	Focused on cash management as a key to preserving the financial value of the business.
Country risk	Managing the uncertainties that affect the operations. Addressing relevant issues on sustainability, corporate responsibility and being recognised as a good corporate citizen in the areas and communities where we operate. Maintaining sound and mutually beneficial relationships with these and the general public. Retaining permission to operate, with full legal and regulatory compliance, in a continually changing environment.
Infrastructure	Continually monitoring the condition and future availability of infrastructure (power, water, roads) in Zimbabwe.

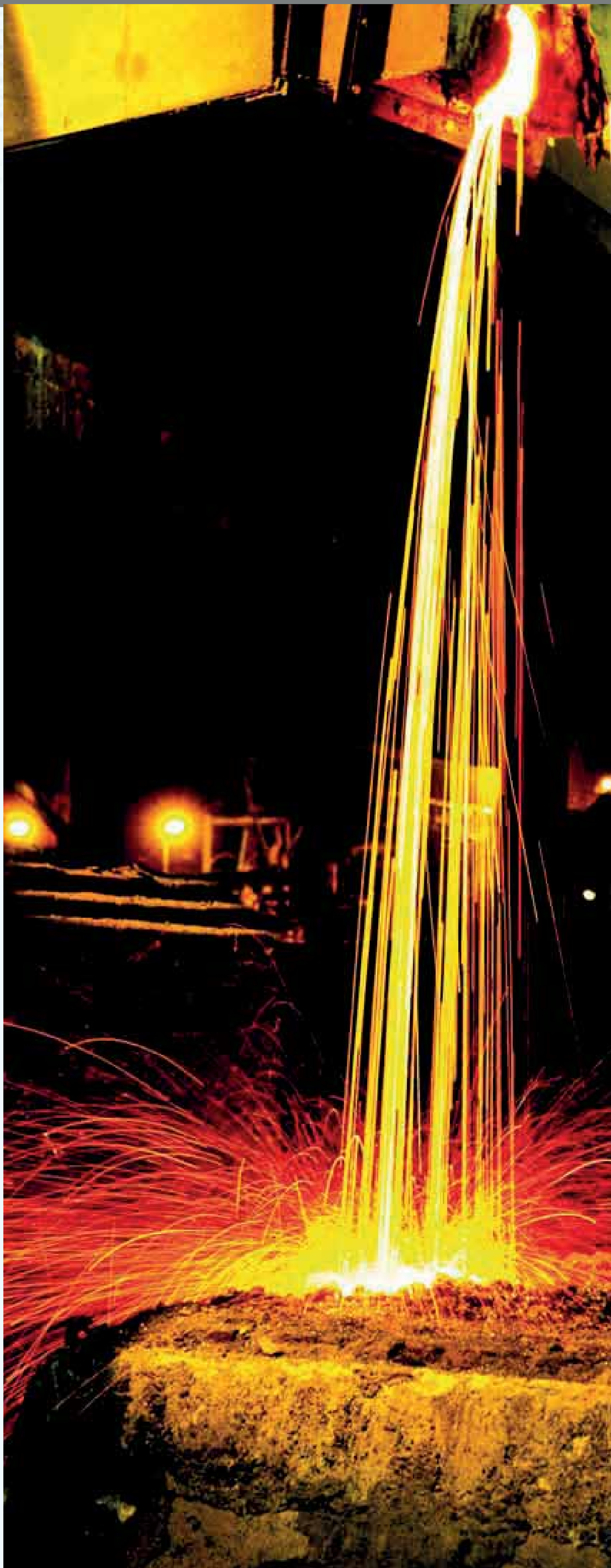
Safety

Due to the nature of mining, safety remains one of our material strategic risks as it impacts on human health and life.

Highlights FY11	Disappointments FY11
Celebrated four million fatality-free shifts.	Worrying number of lost time incidents still being recorded.
Majority of departments have attained Platinum status of 365 days without a lost time incident.	Contractors not yet totally integrated into the SHEQ management system.
Won Surface Teams title in the National First Aid Competition.	
The Process Division won two awards during the National Social Security Authority (NSSA) Safety Awards ceremony.	
National Winners Mine Rescue Team	
Retention of OHSAS 18001 Certification	

Over the medium to long-term, our strategic safety goals continue to focus on:

- Leadership development in creating a culture of compliance and a belief that it is possible to mine without fatalities
- Changing behaviour of employees by monitoring and measuring lead indicators in order to enforce full compliance with rules and fostering a culture of zero tolerance for unsafe behaviour



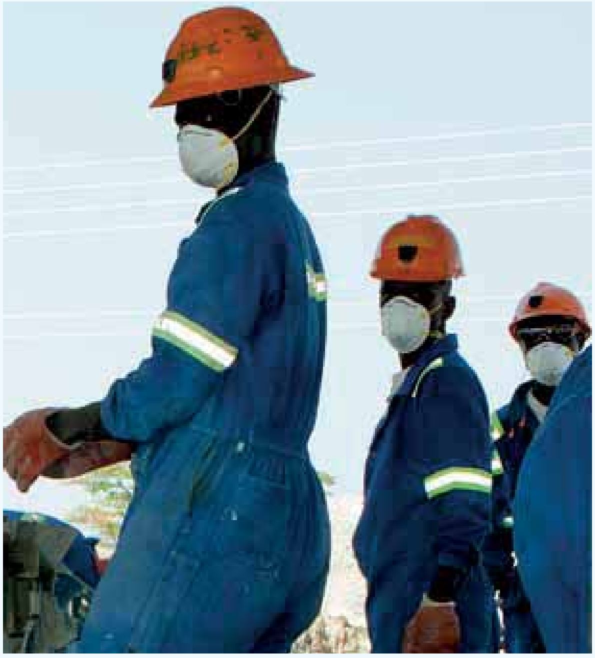
SUSTAINABILITY MATTERS - CONTINUED

Safety Objectives FY12

Change safety behaviour – make it 'life changing'.	Develop and implement a BMS training program for various vertical slices in the organisation. Re-align our safety programs using learning points from benchmarking.
Close the ''Supervision Gap"	Develop all supervisors to ensure that a schedule of planned task observations is drawn and implemented. Train all supervisors in accident investigation and responsibilities.
Close the ''Management Gap"	Review, formulate and rollout BMS policies and standards. Draw up change management program for implementation. Carryout a risk based audit across Zimplats to create a baseline star grading system.

Health

Part of our "People" strategy is to ensure the general physical health of employees in order to ensure productivity. The prevalence and maturity of HIV with associated Tuberculosis (TB) within the Zimbabwean environment has had a general negative effect on employee productivity, compounding employee absenteeism, and cost associated with recruitment, retraining and provision of salaries, while individuals are medically unfit to work. A variety of illnesses also impact productivity. As a standard practice, the company runs a variety of health care awareness campaigns and provides medication and medical care on a sustained basis for its employees and their dependants.



Effective people

Highlights FY11	Disappointments FY11
Low turnover on critical skills	Performance Management System's results were not fully implemented.
Sound industrial relations maintained	Failed to meet our LTI targets.
A satisfactory safety record achieved	
Management of costs within budget	

Part of our strategy to ensure long-term business sustainability revolves around ensuring a safe working environment and a productive workforce.

This is done by ensuring that we:

- Have an effective attraction and skills retention mechanism
- Manage employee health
- Provide training and development at all levels, particularly at leadership and critical skills levels

Our People strategy focuses on:

- Reducing absenteeism due to illness
- Reduce employee turnover
- Increase expenditure on skills development
- Retention of high performers and talent
- Promotion of the team-based approach to achievement of targets

Performance in 2011

This approach to human capital management has helped Zimplats achieve most of its business targets.

We managed to meet our production budgets, although we did not achieve the LTI targets.

At 5% the staff turnover remained within budget.

The period under review also saw the commencement of the employee-housing scheme, which will result in the construction of 1,300 core houses for junior staff by project end.

Staff costs are the largest single contributor to Zimplats operational costs and therefore remain a key focus area for management.

Availing of equal employment opportunities for males and females remains a Zimplats imperative. With a total headcount of 2,822 permanent employees, 4% of whom are female, we achieved a female employment ratio of 11.4% against a budget of 15% of all vacancies filled during the period under review, and will continue to improve this ratio on a yearly basis.

FY12 objectives

- To ensure that the company is manned by the right skills in every department at all times
- To improve the effectiveness of the performance management system
- To manage the labour cost at levels below 30% of total cost

Environmental

The management approach regarding the environment is anchored on an understanding that our business is dependent on the extraction of minerals and the use of natural resources in various forms and, as such, our strategy focuses on striking a balance between the impacts we have on the environment and mitigating these risks - and profitability.

Highlights for Zimplats during the period under review include the following:

- Retention of ISO 14001 certification following audit.
- Mining Division was the winner of the Association of Mine Managers of Zimbabwe (AMMZ) National Competition for Mining Operations.
- Selous Metallurgical Complex (SMC) Processing were First Runners-Up in the AMMZ Environmental Competition for Mineral Processing Plants.
- Acquisition of earthmoving equipment valued at $2.38 million to resume the Open Pit Rehabilitation Programme at Ngezi.

Zimplats recognises the importance of managing environmental issues, which not only impact ecosystems and communities in the vicinity of our operations, but have also become important longer-term risks for our business. As a result, Zimplats has embarked on a comprehensive proactive environmental stewardship programme that has been certified to the international standard ISO 14001 Environmental Management System by a third party certification body, DQS South Africa.

In compliance with the requirements of the ISO 14001 Standard, Zimplats has done a comprehensive identification of potential environmental impacts at all stages of the Mining, Processing and ancillary activities. Measures to manage environmental impacts are in the following broad categories:

- Air quality management
- Water management
- Land and rehabilitation management

SUSTAINABILITY MATTERS - CONTINUED

- Waste management
- Biodiversity management
- Resource conservation
- Energy management

The following are the key principles that have guided the formulation of plans and programs to manage environmental issues and ensure the sustainability of our business:

- Ensuring compliance with current and proposed environmental legislation
- Responsible management of resources and achieving and maintaining ISO-compliant environmental management systems across all operations
- Optimising energy usage and ensuring security of supply
- Ensuring access to water and the efficient and responsible management of this resource in a water-scarce environment
- Preventing pollution by reducing and minimising emissions - land, air and water
- Ensuring our land management and rehabilitation program is in line with our environmental management plans.
- Developing an effective waste management strategy and ensuring that effective and compliant waste management systems are in place.

Political risk and Society

Part of our sustainability strategy is to be able to maintain both our legal and social licence to operate. Thus having a clear understanding of legal requirements, as well as managing relationships within the communities in which we operate, is paramount and integral to our business strategy for sustainability.

The material issues that influence business viability are:

Government policy. The new Indigenisation and Economic Empowerment Act and regulations came into effect in the year under review, resulting in the submission of proposed plans to comply with this new legislation. Government is yet to respond to the proposals submitted.

Environmental Objectives FY12

Climate change & energy efficiency	Develop an Energy Efficiency Plan for Zimplats. Measures to improve energy efficiency will include: improved efficiency of vehicle fleets and all transportation functions; installation of variable speed drives (VSDs); installation of high efficiency motors; high performance fans; low energy lights; power factor correction equipment etc.
Hydro-geological modelling & pollution study	Complete Phase 2 of the Hydrogeological Modelling and Pollution Study for SMC. The phase will include the drilling of at least 16 more monitoring boreholes & hydrogeological modelling of the whole SMC area including the new BMR Site and the proposed extended Slag Disposal Area.
Oil separator construction	Construct a bigger capacity oil separator at Ngwarati Mine to manage larger volumes of effluent
Ngezi open-pit rehabilitation	Continue with the Ngezi Open pit rehabilitation pit programme that began in January 2011 following the acquisition of earth moving equipment for the purpose. Target is 390 000 bcm by the end of FY12.
Hazardous waste silos	Construct waste silos for the disposal of hazardous waste at SMC.
Environmental Management System (EMS)	Extend scope of EMS to cover the Projects division. Adequate human and material resources to cater for this to be provided.
Environmental Impact Assessments	Revisit previous and current EIAs in order to ensure that they comply with the Equator Principles and that appropriate Environmental and Social Management Plans (ESMP) are put in place.
Technical	Empower and ensure the quality of SHEQ practitioners meet the international requirements. Maintain a world-class BMS management system.

Amendments to the Mines and Minerals Act are also being crafted.

Transformational issues that are receiving attention include the following:

As a mining company we recognise the impacts we have on communities and continue to engage while taking remedial action to mitigate our risks. As such, our socio-economic programs are geared towards the development of communities.

Community relations have a strategic significance on the long-term outlook of the organisation due to the impact the organisation has on these role players, as well as the contributions made in the sphere of employment created, development of enterprises and procurement from local businesses by the organisation. As such, we recognise that the viability of our operations is, to some extent, dictated by the health of the relationships between the operations and host communities.

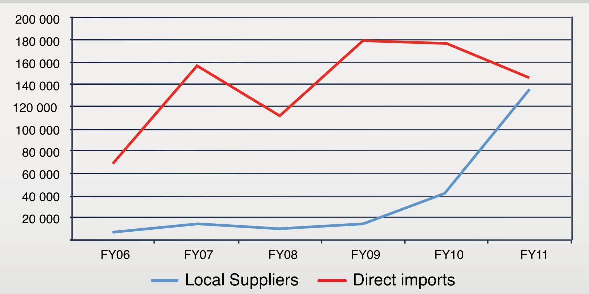
Community engagements are conducted through formal structures at the different operations guided by the stakeholder engagement policy. Each structure comprises community representatives, local government representatives and traditional leaders. This allows for inputs to be drawn from the community and to disseminate information from the organisation.

Material issues that are common to most communities revolve around employment opportunities, infrastructure development, education, access to health facilities, and the development of local enterprises.

Contribution to local ecconomy

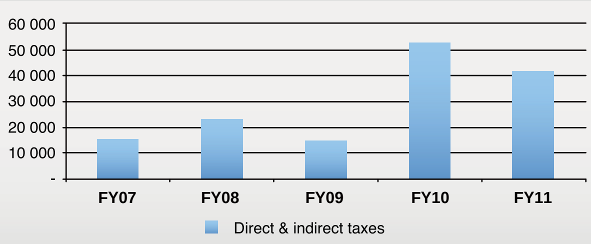
As the company has invested in expanding its production over the past six years, so has its spend on procurement grown from $77 million to a total of $283 million in FY11. An increasing proportion of this spend has been going into the local market, with the current years $136 million representing 48% of the total.

Contribution to economic recovery:
Total spend on procurement - $000



As with the procurement profile, the growth of the company has seen a concommitant increase in payments to the fiscus in the form of various taxes, royalties, levies and duties. Over the last five years a total of $148 million has been paid out.

Contribution to fiscus : $000



Community Development

Zimplats believes in adding value in the communities around its operations. We see ourselves as playing a role in investing in economic, social and cultural development in the communities in which we operate.

As a responsible corporate citizen we strive to work together with the community to develop value-adding programmes in the spheres of health, education, enterprise development and sport.

Sustainable community development is an integral part of our business strategy and implies constant stakeholder dialogue and attention to the needs and aspirations of the community.


Nyangwene Primary School before reconstruction


Nyangwene Primary School after reconstruction

In response to community needs the following community focused projects were launched during the period under review.

Reconstruction of Nyangwene Primary School

Nyangwene Primary School which is located at Mhondoro Mubaira 35km from Zimplats' Ngezi operations was destroyed during a rainstorm in February 2010. When the school authorities contacted Zimplats with a request to rehabilitate the classrooms, the buildings were no longer habitable and the children were learning in tents provided by UNICEF. Zimplats considered the request given that education is a key issue within its community investment initiatives.

After assessment by Zimplats and in consultation with the community a decision was made to rebuild the school as this was deemed to be more sustainable and safe than the option of repairing the buildings. The classrooms were demolished and 15 new classrooms, a teacher's office and a storeroom were built.

The more than 740 students now have a modern school that has access for children with disabilities. 500 new desks and chairs were purchased to augment the existing school furniture some of which was destroyed during the storm.

The school rebuilding and furnishing project was completed at a cost of $367 000 and handed over to the community at a colourful ceremony in April 2011. Zimplats has pledged to sink a borehole for the school to ensure adequate water supplies, and work on this is underway.

Community brick-making co-operative

In an effort to integrate the community into the organisations development plans, to provide employment and develop local skills, Zimplats assisted members of the community to form a brick making co-operative that would mould bricks for the housing project that is part of the Phase II Expansion. The housing project will see the construction of 2 000 employee houses scheduled for completion in 2013.

The co-operative membership of 120 consists principally of women, which was a deliberate effort to empower women in the community. Members were taught how to mould the bricks using modern brick making equipment purchased by Zimplats, most of which will be donated to the co-operative on completion of the housing project.

It is estimated that on completion of the housing project in 2013, the co-operative will have earned close to $500 000 from Zimplats alone. Beyond that, the co-operative intends to continue moulding bricks for sale in the region using the equipment and infrastructure donated to it by Zimplats. The co-operative intends to diversify into other projects such as poultry, piggery and other small enterprises.

Zimplats is organising business skills training for the cooperative members in FY12.

Poultry projects

Two poultry projects, at Mubaira and Musengezi, were started by Zimplats at a cost of $55 000 and are aimed at empowering communities to be self reliant in regard to food security and income generation, both of which arose from community requests. Through the Mubaira project Zimplats donated 3 000 chickens to 100 families living in Mhondoro about 35km from Zimplats Ngezi operations. The recipients, who are all women, were trained in animal health, vaccination techniques and proper feeding of the birds. It is envisaged that the project will not only benefit the 100 recipients but will also benefit the surrounding communities who will now have easier access to meat and eggs for purchase.

A similar project was also launched at Musengezi High School which is situated 30km from the Zimplats Selous Metallurgical Complex (SMC). In line with the request from the School Development Council, comprised of both parents and teachers, the school received 2 000 chickens 400 of which were layers. The school of more than 600 pupils will use the chickens and eggs for own consumption and the excess will be sold to the surrounding communities. Zimplats provided the initial drugs and feedstock.

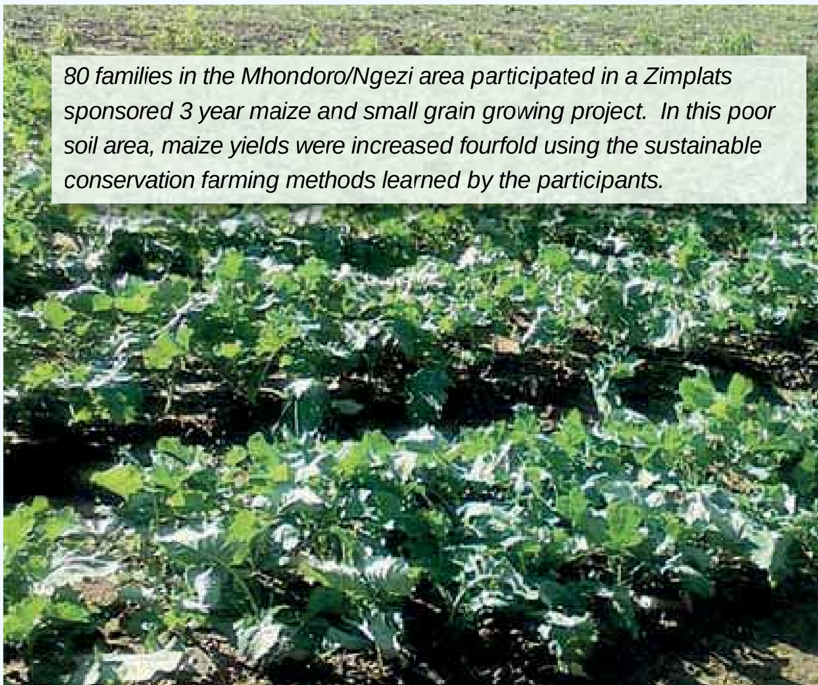
Ambulance for St Michaels Hospital

St Michaels Mission Hospital in Ngezi, situated about 30km from the Ngezi operations engaged Zimplats on their need for an ambulance to ferry passengers from their homes in Mhondoro communal lands to the hospital, and in some cases to carry referral cases to the nearest town as necessary. Hitherto, some patients had been transported to the hospital in wheel barrows and scotch-carts.

Zimplats responded by purchasing a $45 000 four-wheel drive all terrain ambulance fitted with modern equipment for pre-hospital care. The ambulance was handed over to the hospital administrators at a colourful ceremony attended by a large cross section of the community.

Mhondoro Ngezi is a labour catchment area for Zimplats.

The table below highlights some of the community development projects that Zimplats embarked on in 2011.



80 families in the Mhondoro/Ngezi area participated in a Zimplats sponsored 3 year maize and small grain growing project. In this poor soil area, maize yields were increased fourfold using the sustainable conservation farming methods learned by the participants.

SUSTAINABILITY MATTERS - CONTINUED

Community development projects 2011

Project	Need identified	Beneficiaries	$	Duration and Status
Construction of Nyangwene Primary School at Mubaira Mhondoro	Shelter for students. Re-construction of school after storm damage	740 students	367 000	July 2010-February 2011 Complete
Conservation farming project Ward 11 Mhondoro Ngezi	Food security	80 families	119 500	June 2009-June 2011 Complete
Purchase and supply of ambulance	Health (transportation of patients to rural hospital and to referral hospitals)	St Michaels Mission Hospital patients	43 000	August 2010 Complete
Chegutu Hospital X Ray machine	Improved and convenient patient care	Chegutu Hospital patients	223 00	June 2010-July 2010 - Complete
Installation of transformer at Turf business centre	Electricity for cold chain products and enhanced sustainability of business following introduction of supermarket chain store	Small scale business enterprises at Turf Village and their customers	23 000	June 2010-September 2010 Complete
Installation of borehole at Twin Lakes primary school in Norton	Need for safe drinking water and water for irrigation	300 primary school students	4 152	October 2010-March 2011 Complete
Provision of books to Chingondo and David Guzuzu secondary schools in Mhondoro	Enhancement of pupil to book ratio for better standard of learning	320 secondary school students	10 500	September 2010-November 2010 Complete
Poultry project (meat and eggs) at Musengezi High School	Improved nutrition and income generation	600 high school students and the School Development Council (SDC)	4 100	November 2010-June 2011 Complete
Mubaira /Mhondoro poultry project (meat and eggs)	Food security and income generation	100 Families	49 167	October 2010-February 2011 - Complete
Construction of small weir in Musengezi Chegutu District	Food security and income generation	8 small scale farmers once fully operational	4 900	October 2010 - January 2012 Work in progress
Mhondoro Ngezi District High Schools Sports Tournament	Sport development	14 high Schools	26 856	June 2010- August 2010 - Complete
Zimbabwe Republic Police - Chingondo	Infrastructure development (offices, houses charge office and furniture	Surrounding community of about 10000 people	29 335	2009-June 2011 Complete

Project	Need identified	Beneficiaries	$	Duration and status
Construction of David Guzuzu Secondary School	Access to secondary School (secondary school students currently using primary school facilities)	68 current secondary school students with potential to accommodate three times that number	240 000	June 2011-October 2011 - WIP
18 Boreholes for Mhondoro Ngezi and Chegutu District communities	Access to safe drinking water	360 families	94 000	October 2010-August 2011 -WIP
Construction of St Michaels High Science laboratory	Improved learning through access to science laboratory	300 high school students	90 000	May 2010- October 2011 WIP
Other small projects in Mhondoro Ngezi and Selous	Access to water; access to school stationery; access to medication	Various	20 140	July 2010- June 2011-Complete
Total investment			**1 348 650**	

Pupils at Nyangwene Primary School, which was reconstructed by Zimplats.

SUSTAINABILITY MATTERS - CONTINUED

Community Development Projects FY12

Zimplats has commissioned a baseline study of the communities around its operations, the findings of which will form the backbone of a three to five-year community development plan, crafted relating to those matters targeted for support. In this respect, the Board has approved a policy committing 2% of annual after tax profits towards Corporate Social Responsibility (CSR) projects.

In the interim, the following projects have had funds committed of $22.2 million, and are planned for completion over the next two years. Several of the projects are related to the growth of the company, whilst others are specifically community-related:

Project	Need	Beneficiaries	Estimated Cost US$
Complete the construction of a primary school in Mhondoro Ngezi, a new secondary school in Mhondoro Ngezi and a new dormitory for a primary school in Musengezi.	Improved access to education	650 students from the neighbouring communities in Mhondoro Ngezi and Musengezi	80 000
Expansion of Turf Primary School and Wanganui Secondary School.	Accommodation and classrooms to ease current congestion at the schools	School students	2 900 000
Resettle families to enable the construction of the new housing development programme and the new 35000ML Island Dam.	Decent accommodation and agricultural facilities for resettled families	50 families in two separate locations.	1 600 000
Construction of sewer reticulation at Turf.	Expanded infrastructure to accommodate growth	Employees and their families	3 800 000
Construction of a medical facility at Ngezi.	Increase in health care facilities in line with growth	Primarily employees and their families.	6 200 000
Construction of Turf social facilities	Recreational facilities for an increasing population.	Employees and neighbouring community.	1 000 000
Construction of a new secondary and primary school at Turf	Access to education	Primarily children of employees	6 600 000
Total committed			**22 180 000**

Bricks being made by the local community for purchase by Zimplats.

Growth

Zimplats core business remains in mining and as such, long-term business success is dependent on our ability to acquire resources and access reserves necessary to grow our ounce profile to 270 000 by 2016.

As such, project delivery on mine development is critical and is a strategic imperative for the organisation. The need to meet our milestones for the Phase II Expansion Project thus remains imperative.

Current delays on the housing and Island Dam projects continue to constrain timely delivery on targets in the short to medium term; remedial action is being taken to address these shortcomings.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

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 June 2011.

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 for the 2011 financial year 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 Annual Report, giving greater credence to transparency.

During the course of the year, a number of such recommendations were adopted and implemented with an ongoing analysis in place to consider addressing those matters not yet closed off. Further, the company has an obligation to comply with the requirements of the ASX Corporate Governance Principles and Recommendations, 2nd Edition.

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

Board of Directors

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

The Board is committed to the principles of openness, integrity and accountability in dealing with all stakeholders.

In this regard, the Board believes that for the full duration of the year under review the company's policies and practices have complied in all material respects with corporate governance 'best practice', including the King III principles and the ASX Corporate Governance Principles and Recommendations 2nd Edition, except for as otherwise herein stated.

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, either in person or by conference call, at least four times a year. 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 matters reserved for Board approval. The Charter is currently being reviewed for King III compliance and will be submitted to the Board for approval during the year. Subsequently, it will be posted on the company website.

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 to the Board.

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

- Audit and Risk Committee
- Remuneration Committee
- Safety, Health and Environmental Quality Audit Committee

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

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

The Board considered appointing a Nominations Committee to help ensure that the effectiveness and composition of the Board and its committees are regularly reviewed, meet sound governance dictates and comprise the requisite mix of skills.

With an 87% controlling shareholding, board nominations are the prerogative of Implats, which itself has a rigorous nominations procedure to which Zimplats nominees are subjected; therefore, the Board considers it unnecessary to form a separate committee.

From a corporate perspective, Implats has the right to nominate a majority of directors. It is for this reason that the company does not meet the requirements of either King III or Recommendation 2.1 of the ASX Corporate Governance Principles and Recommendations, which requires that the majority of directors are independent.

Details of Board Members appear on page 18.

The Board currently comprises eleven members, made up as follows:

	Implats Nominees	Independent	Non-executive	Executive
D H Brown (Chairman)	•		•	
M A Masunda (Deputy Chairman)		•	•	
B Berlin	•		•	
S E Frost				•
M J Houston		•	•	
P Maseva-Shayawabaya				•
A Mhembere				•
Dr. K Mokhele	•		•	
L J Paton	•		•	
R G Still		•	•	
N P S Zhou		•	•	
Totals	4/11	4/11	8/11	3/11

During 2010, several changes were made to the Board giving cognizance to the strategic importance of the company in relation to the growth objectives of the major shareholder.

To this end the Chief Executive Officer of the major shareholder, Mr. D H Brown, was appointed Chairman. Mr. Brown is therefore not considered independent, and whilst this is contrary to both King III and Recommendation 2.2 of the ASX Corporate Governance Principles' recommendations, the Board believes that the appointment facilitates the closer alignment of the company with Implats and bring additional synergies and value into play for the benefit of all stakeholders.

Mr. A Mhembere is an Executive Director and the Chief Executive Officer, with the roles of the Chairman and CEO being distinctly separate.

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

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

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

Attendee	Attended	Aug 10	Nov 10	Feb 11	Apr 11	May 11
D H Brown	5/5	•	•	•	•	•
M A Masunda	5/5	•	•	•	•	•
B Berlin	5/5	•	•	•	•	•
S E Frost	5/5	•	•	•	•	•
M J Houston	5/5	•	•	•	•	•
P Maseva-Shayawabaya	5/5	•	•	•	•	•
A Mhembere	5/5	•	•	•	•	•
Dr. K Mokhele	5/5	•	•	•	•	•
L J Paton	5/5	•	•	•	•	•
R G Still	4/5	•	•	x	•	•
N P S Zhou	4/5	•	•	•	x	•

Board Committees

Audit and Risk Committee

During the course of the year, the Committee was renamed the Audit and Risk Committee. This followed a review of the King III recommendation that a separate Risk Committee be established.

Having considered this recommendation in light of the company's operations and management and risk control practices, the Board considered that a separate committee would not add value and that the risk overview functions could be adequately addressed by expanding the terms of reference of the existing Audit Committee.

The Committee operates in accordance with a formal Charter that has been reviewed for King III compliance and approved by the Board of Directors. The Charter is 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.
- The risk management systems, both financial and non-financial.
- The systems and adequacy of internal controls and safeguarding of the company assets.
- Monitoring the integrity of the financial statements, integrated report and sustainability report.
- The internal and external audit process.
- Recommending the appointment of both the external and internal auditors and approving their remuneration and terms of engagement, monitoring their independence, objectivity and effectiveness.
- The company's process for monitoring compliance with relevant laws and regulations.

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

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

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

Details of members and their qualifications are reported on page 18.

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. Members are appointed for a three-year term of office. The Audit Committee meets four times a year; attendance during the year under review was as follows:

Attendee	Capacity	Attended	Aug 10	Nov 10	Feb 11	Apr 11
N P S Zhou	Independent	4/4	•	•	•	•
B Berlin	Implats nominee	1/4	-	-	-	•
D Earp	Implats nominee	2/2	-	-	•	•
M A Masunda	Independent	4/4	•	•	•	•

Remuneration Committee

This Committee consists of three members, all of whom are non-executive directors of the company and two of whom are independent. This is in accordance with the King III recommendation that the majority of members are independent non-executive directors.

The Chairman of the Board and the CEO 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
- Recommend fees for non-executive directors to the Board

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

The Committee operates in accordance with a formal Charter that has been reviewed for King III compliance and approved by the Board of Directors.

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

Attendee	Capacity	Attended	Aug 10	Nov 10	Feb 11	Apr 11
MJ Houston	Independent	4/4	•	•	•	•
LJ Paton	Implats nominee	4/4	•	•	•	•
RG Still	Independent	3/4	•	•	x	•

Safety, Health and Environmental Quality Audit Committee (SHEQ)

The role of this Board-appointed Committee is to monitor and review safety, health and environmental performance and standards.

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

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

The SHEQ Committee consists of three members, one of whom is independent and all of whom are non-executive directors of the company. Members of Executive Management are standing invitees. The Committee operates in accordance with a mandate that has been reviewed for King III compliance and approved by the Board of Directors.

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

Attendee	Capacity	Attended	Aug 10	Nov 10	Feb 11	Apr 11
LJ Paton	Implats nominee	4/4	•	•	•	•
B Berlin	Implats nominee	4/4	•	•	•	•
NPS Zhou	Independent	4/4	•	•	•	•

Key Management Committees

Executive Committee (Exco)

Responsibility for implementing Board policy and for overseeing the day-to-day management of the company vest in Exco whose membership consists of:

- Alex Mhembere: Chief Executive Officer
- Patrick Maseva-Shayawabaya: Chief Finance Officer
- Stanley Frost: Chief Technical Officer
- Stanley Segula: Chief Operating Officer
- Aaron Mudhuwiwa: General Manager – Human Resources
- Busi Chindove: Head of Corporate Affairs
- Andrew du Toit: General manager – New Business Development
- Vaughan Langley: Company Secretary

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

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

Project Steering Committee

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

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

A Senior Executive of Implats, responsible for project planning and implementation, chairs 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 the proposed expansion.

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.

Membership comprises executives from a variety of disciplines and is chaired by an Implats representative.

Procurement Committee

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

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

The Committee is chaired by the Chief Financial Officer with two Zimplats Senior Executives and one Implats Senior 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.

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 $480 000 which was approved by shareholders at the Annual General Meeting held in October 2010.

The Non-executive Directors' annual board fees for the Group as a whole are currently:

Chairman $60 000

Deputy Chairman $47 252

Directors $34 652

Committee fees are payable based on attendance, with a Chairman's fee of $10 500 per annum and a member fee of $8 500 per annum.

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

Total fees paid during the year of $443 000 (2010: $274 000) are within the limit approved by shareholders:

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

	$000
Board fees	328
Audit and Risk committee fees	40
SHEQ committee fees	37
Remuneration committee fees	38
Total	443

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 and a vehicle purchase scheme are in place, both of which are governed by carefully managed rules. Educational allowances are paid to predetermined levels, and full use of a company vehicle is provided, as is medical aid cover for the executives and their immediate families. The company may terminate the appointment of Executive Directors' and Senior Managers at any time with three months' written notice or the payment of three months' salary in lieu of notice.

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 30% 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.

The Board has considered carefully the requirements of King III and Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations 2nd Edition in relation to disclosure of remuneration - and has decided that it is in the best interests of Zimplats and its shareholders not 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 disclosures with respect to the remuneration and benefits of Executive Directors and key management personnel, a total of 18 people (2010:15) :

	2011	2010
	$ 000	$ 000
Remuneration to executive directors and senior executives	6 550	3 808

Share Appreciation Reward Scheme

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 notional shares in the ultimate majority shareholder.

These notional shares 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 surrender of the notional share.

Notional shares may first be surrendered after two years from allocation to a maximum of 25% of the allocation. In subsequent years, an additional 25% becomes exercisable per year. Allocations may be topped-up to approved salary multiples twice per year and are subject to Board approval. All outstanding notional shares lapse after 10 years from date of allocation.

Details of notional share appreciation based rights of executive directors and senior managers										
	ADDITIONS			DISPOSALS			BALANCE			
	Balance at 1 July 2010	Allocated during the year	Date of allocation	Forfeited	No of shares sold	Date sold	Balance at 30 June 2011	No of shares	Allocation price: Rand	First release date
Executive Directors	-	209,645	10-Nov-10				209,645	47,590	167.19	Nov-08
	-	27,686	11-May-11				27,686	32,616	214.62	Nov-08
								562	162.88	Nov-09
								1,612	227.13	Nov-09
								4,534	329.44	May-10
								8,492	116.76	Nov-10
								-	162.88	May-11
								-	176.92	Nov-11
								70,971	209.09	May-12
								43,268	193.83	Nov-12
								27,686	192.98	May-13
Senior Managers	-	1,715,650	10-Nov-10				1,715,650	177,099	167.19	Nov-08
	-	333,955	11-May-11		37,717	Various	296,238	0	214.62	Nov-08
								3,114	162.88	Nov-09
								9,389	227.13	Nov-09
								48,977	329.44	May-10
								162,447	116.76	Nov-10
								323,153	162.88	May-11
								24,152	176.92	Nov-11
								685,213	209.09	May-12
								244,390	193.83	Nov-12
								333,955	192.98	May-13
Total scheme	**-**	**2,286,935**			**37,717**		**2,249,218**	**2,249,218**		

RISK MANAGEMENT

The company has adopted the Implats Group 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 46 of the report.

A risk-based approach is applied as an integral part of strategic and operational planning, including that of projects. Operationally, line managers take full responsibility for the processes and all risks under their control, and it is standard practice for employees to complete pre-work risk assessments before the start of their daily operational tasks. 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.

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.

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.

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 a self-assessment basis. A goal for the next reporting year is that the non-financial performance indicators relating to sustainability are audited and assured by an independent third party.

LEGISLATIVE DEVELOPMENTS

In March 2011, the Government of Zimbabwe issued amended Indigenisation and Economic Empowerment Regulations detailing the minimum compliance requirements by foreign-owned mining businesses. Through ASX Announcements, stakeholders have been kept informed of any developments on this front. Additional commentary on the matter can be found at page 6 and 76 in this report.

CODE OF ETHICS AND FRAUD

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

On joining the company, all managers are required to sign a copy of the 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. The policy provides a channel through which breaches of the code can be dealt with without fear of victimization, and outlines the disciplinary action (including dismissal or prosecution) that will be taken 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 'whistleblower' programme administered by Deloitte. 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. 25 allegations were reported and investigated during the current year, with 18 confirmed as relating to fraudulent activity.

An analysis of reports follows:

	Whistleblower / Internal reports
Number of reports received	25
Number of employee dismissals	3
Number of rewards paid	18
Total value of rewards paid out	$2 550

The company's code of ethics and the fraud policy are available on the company's website.

DEALINGS IN SECURITIES

In compliance with ASX requirements, the company released its securities trading policy to the market during the year.

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 the company's website.

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.

The Continuous Disclosure Policy will be available on the company's website in 2011.

AUDIT AND RISK COMMITTEE REPORT

Background

The role of the committee is governed by a formal charter which complies in all material respects with the King III Report on Governance. Details of the membership, objectives and corporate governance practices of the committee can be found at page 57 of the report.

The committee has discharged all its responsibilities as contained in the charter and it is considered that the objectives of the committee were met during the year. 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 annual report of the year ended 30 June 2011

– The interim results for the six months ended 31 December 2010

- 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 2011 financial year.
- Satisfied itself that the external auditor is independent of the company.
- 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 Annual General Meeting, PricewaterhouseCoopers, as the external auditor for the 2012 financial year.
- Reviewed a documented assessment, including, key assumptions, prepared by management on the going concern status of the company, and accordingly made recommendations to the board.

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

In respect of the internal audit function, the committee is satisfied that the service provider has fulfilled their internal audit mandate during the year.

Financial director review

In accordance with the requirements of King III, the committee reviewed the performance, appropriateness and expertise of the Chief Financial Officer and confirms his suitability for the role of financial director.

Annual report

The Audit and Risk Committee has evaluated the annual report incorporating the annual financial statements for the year ended 30 June 2011 and considers that it complies, in all material aspects, with the requirements of International Financial Reporting Standards.

The committee has also considered the sustainability information as disclosed in the 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 therefore recommended the annual financial statements as set out in the 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, covering the adequacy in design and effectiveness in implementation performed by the internal audit function during the year 2011, the audit and risk committee:

- considered the information and explanations provided by management;
- held discussions with the external auditors on the results of the year-end audit.

Nothing has come to the attention of the audit and risk committee that caused it to believe that the company's system of internal control is not effective in implementation and that the internal controls do not form a sound basis for the preparation of reliable financial statements.

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

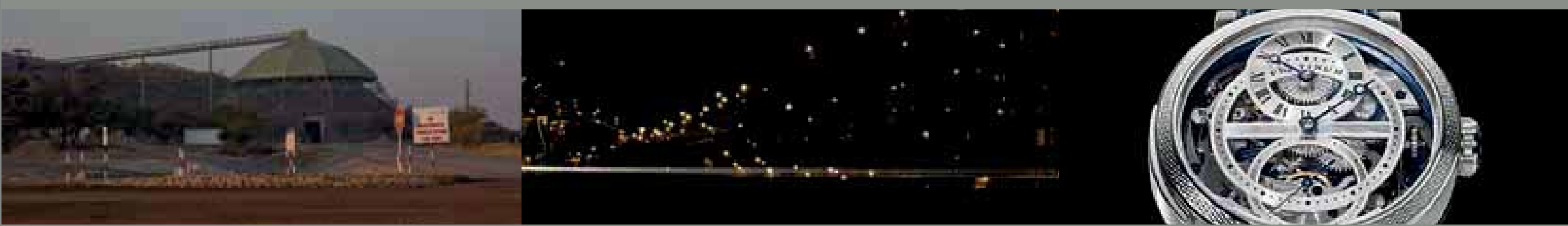
NPS Zhou
Chairman of the Audit and Risk Committee

15 August 2011

FINANCIAL REPORT

"The company recorded pleasing results largely attributable to the firmer metal prices and increase in tonnages following the successful commissioning of the Ngezi Phase I Expansion."

Source : Directors' report



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 controlled entities, for the year ended 30 June 2011.

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 controlled subsidiary.

REPORTING CURRENCY AND ROUNDING OF AMOUNTS

The financial reports have been prepared in United States 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 at page 126.

EMPOWERMENT

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

Shareholders have regularly been advised that the company is in discussion with the Government of Zimbabwe with regards to the company's compliance with the Indigenisation and Economic Empowerment Act, and that the company's indigenisation plan has the following elements:

(i) Issue of equity.

(ii) Empowerment credits for the release of mineral rights to the Government in terms of an agreement entered into in 2006.

(iii) Empowerment credits in respect of investment in social projects.

On 25 March 2011, in a Government Gazette Extraordinary, the Government issued amended Indigenisation and Economic Empowerment Regulations detailing the minimum compliance requirements by foreign owned mining businesses. In summary the regulations provide for the following:

1. A controlling interest or 51% of any foreign owned mining company with a net asset value of at least US$1 is required to be held by the following designated entities:

(a) the National Indigenisation and Economic Empowerment Fund; or

(b) the Zimbabwe Mining Development Corporation; or

(c) any company or other entity incorporated by the Zimbabwe Mining Development Corporation or the National Indigenisation and Economic Empowerment Fund; or

(d) a statutory sovereign wealth fund that may be created by law; or

(e) an employee share ownership scheme or trust, management share ownership scheme or trust or community share ownership scheme or trust

2. All foreign owned mining companies were required to submit indigenization plans in compliance with the regulations within 45 days of the issue of the regulations.

3. The approved indigenization plan should be achieved within a period of 6 months i.e. issue of shares or interests to the designated entities. The Minister responsible for indigenization may however grant a 3 month extension for compliance.

4. The value of the shares required to be disposed of to the Government agencies - the National Indigenisation and Economic Empowerment Fund, the Zimbabwe Mining Development Corporation and sovereign wealth fund when created, shall be calculated on the basis of valuation agreed to between the Minister and the company concerned and shall take into account the State's sovereign ownership of the mineral or minerals exploited or proposed to be exploited by the company.

Zimplats has submitted its indigenisation proposals within the permitted time and awaits Government response.

INTERNAL CONTROLS AND RISK MANAGEMENT

Based on the results of a formal documented review of the company's 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 2011, the board of directors has considered:

- the information and explanations provided by line management;
- discussions held with 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 control 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 committee's statement.

FINANCIAL AFFAIRS

The financial results for the year are set out on pages [82] to [122]. The company recorded pleasing results largely attributable to the firmer metal prices and increase in production following the successful commissioning of the Ngezi Phase I Expansion project.

No dividend has been declared for the year in view of the requirement to fund the $460 million Ngezi Phase II Expansion approved by the board in 2010.

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.

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION

The Chief Executive Officer and Chief Financial Officer have made the following certification to the board:

- 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

There were no changes in the year to either the board of the company or to the board of the operating subsidiary.

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.

The directors therefore retiring by rotation at the next Annual General Meeting are Messrs. D H Brown, L J Paton and R G Still. All 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 director's remuneration are set out in the Remuneration report on page 66 and 67.

INDEMNITY OF OFFICERS

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

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

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

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 insuring persons who are or have been officers of the company against certain liabilities incurred in that capacity.

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

Under the 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 authorize their re-appointment will be proposed at the forthcoming Annual General Meeting.

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

ANNUAL GENERAL MEETING

The Annual General Meeting of the company will be held at The Protea Hotel Balalaika, 20 Maude Street, Sandown, Sandton, Johannesburg, South Africa, on Friday 7 October 2011 at 11:30am. Full details are given in the Notice of Meeting on page [128].

By order of the board

DIRECTORS' DECLARATION

IN THE OPINION OF THE DIRECTORS OF ZIMPLATS HOLDINGS LIMITED:

The Company's directors are responsible for the preparation, integrity and objectivity of financial statements, comprising the statement of financial position as at 30 June 2011, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies (Guernsey) Law 2008.

To enable the directors to meet those responsibilities:

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

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

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

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 81.

Approval of financial statements

The directors' report and the financial statements were approved by the Board of Directors on 15 August 2011 and were signed by:

A Mhembere
Chief Executive Officer

P Maseva-Shayawabaya
Chief Finance Officer

15 August 2011

AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT

To the shareholders

OF ZIMPLATS HOLDINGS LIMITED

We have audited the accompanying consolidated financial statements of Zimplats Holdings Limited and its subsidiaries (together, the Group), and those of Zimplats Holdings Limited the "company" standing alone, together the "financial statements" which comprise the consolidated and separate statements of financial positions as of 30 June 2011 and the consolidated and separate income statement and statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes set out on pages 82 to 122.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and in the manner required by the Company (Guernsey) Law, 2008 and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated 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 consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated and separate financial position of Zimplats Holdings Limited as at 30 June 2011, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Company (Guernsey) Law, 2008.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
Harare
23 August 2011

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

STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Group		Company	
		As at Jun-11 US$ 000	As at Jun-10 US$ 000	As at Jun-11 US$ 000	As at Jun-10 US$ 000
ASSETS					
Non-current assets					
Property, plant and equipment	5	647 878	562 598	6 261	6 261
Investments in subsidiaries	6	-	-	106 300	103 151
Available-for-sale-financial assets	6	-	63	-	-
Long term receivables	7	27 304	29 403	-	-
Total non-current assets		675 182	592 064	112 561	109 412
Current assets					
Inventories	8	49 423	45 380	-	-
Trade and other receivables	9	196 760	94 148	238 -	7 349
Inter-company receivables	10	-	-	-	30 000
Cash and cash equivalents	11	54 010	81 179	48 799	11 858
Total current assets		300 193	220 707	49 037	49 207
Total assets		975 375	812 771	161 598	158 619
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and share premium	12	99 929	99 929	99 929	99 929
Other reserves	13	639 451	439 030	61 155	53 789
		739 380	538 959	161 084	153 718
Non-current liabilities					
Deferred taxation	14	87 506	63 828	-	-
Mine rehabilitation provision	15	14 332	14 434	-	-
Other long term payables	16	2 913	-	-	-
Interest bearing loans and borrowings	17	38 066	105 531	-	-
Total non-current liabilities		142 817	183 793	-	-
Current liabilities					
Other short term payables	16	3 305	-	-	-
Interest bearing loans and borrowings	17	16 806	26 811	-	-
Trade and other payables	18	65 275	63 208	514	4 901
Tax payable	18	7 792	-	-	-
Total current liabilities		93 178	90 019	514	4 901
Total equity and liabilities		975 375	812 771	161 598	158 619

A Mhembere
Chief Executive Officer

P Maseva-Shayawabaya
Chief Financial Officer

15 August 2011

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

		Group		Company	
	Notes	As at Jun-11 US$ 000	As at Jun-10 US$ 000	As at Jun-11 US$ 000	As at Jun-10 US$ 000
Revenue	19	527 354	403 953	-	-
Cost of sales	20	(204 275)	(171 949)	-	-
Gross profit		323 079	232 004	-	-
Other net (expenses)/income	21	(12 414)	(7 838)	8 604	66
Operating expenses	22	(66 056)	(51 239)	(1 437)	(1 853)
Profit/(loss) from operations		244 609	172 927	7 167	(1 787)
Net finance (expenses)/income	23	(8 531)	(6 356)	199	501
Interest expense		(13 508)	(7 783)	-	-
Interest income		4 977	1 427	199	501
Profit/(loss) before taxation		236 078	166 571	7 366	(1 286)
Taxation	24	(35 657)	(44 501)	-	-
Net profit/(loss) for the year		200 421	122 070	7 366	(1 286)
Other comprehensive income:					
Exchange differences on translating foreign operations		-	(9)	-	(2 929)
Available-for-sale-financial assets:					
Gains arising during the year		1 659	408	-	-
Reclassification of adjustments for (gains)/losses included in profit/loss		(1 659)	1 676	-	-
Income tax relating to components of other comprehensive income		-	(353)	-	-
Other comprehensive income, net of tax		-	1 722	-	(2 929)
Total comprehensive income/(loss) for the year		200 421	123 792	7 366	(4 215)
Basic earnings per share (cents)	28	186.20	113.41		
Diluted earnings per share (cents)	28	165.60	100.86		

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	Share capital	Share premium	Foreign currency translation reserve	Acquisition equity reserve	Revaluation reserve	Available for sale investments reserve	Accumulated profit	Total
	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000
GROUP								
Balances at 30 June 2009	10 763	89 166	(18 210)	(10 045)	26 026	(1 731)	319 198	415 167
Capital reserve release	-	-	-	-	(1 491)	-	1 491	-
Total comprehensive income/(loss) for the year	-	-	(9)	-	-	1 731	122 070	123 792
Profit for the year	-	-	-	-	-	-	122 070	122 070
Other comprehensive (loss)/income	-	-	(9)	-	-	1 731	-	1 722
Balances at 30 June 2010	10 763	89 166	(18 219)	(10 045)	24 535	-	442 759	538 959
Capital reserve release	-	-	-	-	(1 843)	-	1 843	-
Total comprehensive income for the year	-	-	-	-	-	-	200 421	200 421
Profit for the year	-	-	-	-	-	-	200 421	200 421
Other comprehensive income	-	-	-	-	-	-	-	-
Balances at 30 June 2011	10 763	89 166	(18 219)	(10 045)	22 692	-	645 023	739 380
COMPANY								
Balances at 30 June 2009	10 763	89 166	-	-	-	-	58 004	157 933
Total comprehensive loss for the year	-	-	(2 929)	-	-	-	(1 286)	(4 215)
Loss for the year	-	-	-	-	-	-	(1 286)	(1 286)
Other comprehensive income	-	-	(2 929)	-	-	-	-	(2 929)
Balances at 30 June 2010	10 763	89 166	(2 929)	-	-	-	56 718	153 718
Transfer to retained earnings	-	-	2 929	-	-	-	(2 929)	-
Total comprehensive income for the year	-	-	-	-	-	-	7 366	7 366
Profit for the year	-	-	-	-	-	-	7 366	7 366
Other comprehensive income	-	-	-	-	-	-	-	-
Balances at 30 June 2011	10 763	89 166	-	-	-	-	61 155	161 084

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Group As at Jun-11 US$ 000	Group As at Jun-10 US$ 000	Company As at Jun-11 US$ 000	Company As at Jun-10 US$ 000
Operating activities					
Cash generated from operations	26	198 800	175 398	6 748	5 689
Interest received		4 977	1 427	199	501
Interest paid		(13 508)	(7 662)	-	-
Income tax and withholding taxation paid		(4 186)	(23 485)	-	-
Cash inflows from operating activities		186 083	145 678	6 947	6 190
Investing activities					
Proceeds from disposal of assets		213	336	-	-
Proceeds from disposal of available-for-sale financial assets		66	1 337	-	-
Acquisition of property, plant and equipment excluding movement in the rehabilitation asset		(121 502)	(90 704)	-	-
Cash outflows from investing activities		(121 223)	(89 031)	-	-
Financing activities					
Finance lease liability repayments		(1 551)	(1 379)	-	-
Repayment of interest bearing loans and borrowings		(118 474)	(12 632)	-	-
Proceeds of interest bearing loans and borrowings		36 000	28 589	30 000	3 847
Cash (out)/inflows from financing activities		(84 025)	14 578	30 000	3 847
(Decrease)/increase in cash and cash equivalents		(19 165)	71 225	36 947	10 037
Movement in cash and cash equivalents					
Cash and cash equivalents at beginning of the year		81 179	16 406	11 858	1 751
(Decrease)/increase in cash and cash equivalents		(19 165)	71 225	36 947	10 037
Exchange gains/(losses) on cash and cash equivalents		(8 004)	(6 452)	(6)	70
Cash and cash equivalents at end of the year	11	54 010	81 179	48 799	11 858

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1. General information

Zimplats Holdings Limited is a company domiciled in Guernsey, Channel Islands. The consolidated financial statements of the group for the year ended 30 June 2011 comprise the company and its subsidiaries (together referred to as the group).

The financial statements were authorised for issue by the Directors on 15 August 2011.

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 consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board (IASB) and applicable Guernsey law. International Financial Reporting Standards (IFRSs) include standards and interpretations approved by the IASB as well as International Accounting Standards (IASs) and Standing Interpretations Committee interpretations issued under previous constitutions.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and financial liabilities that are measured at fair value.

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

The principal accounting policies have been consistently applied by the group and are consistent with those of the previous year, unless otherwise stated.

2.1.1 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the company

- Amendments to IFRS 2: 'Group cash-settled share-based payment transactions '. Effective 1 January 2010

The amendment clarifies the accounting for group cash-settled share-based payment transactions. The entity receiving the goods or services shall measure the share-based payment transaction as equity-settled only when the awards granted are its own equity instruments, or the entity has no obligation to settle the share-based payment transaction. The entity settling a share-based payment transaction when another entity in the group receives the goods or services recognises the transaction as equity-settled only if it is settled in its own equity instruments. In all other cases, the transaction is accounted for as cash-settled.

- IAS 24: 'Related Party Disclosure'. Effective from 1 January 2011.

The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government related entities to disclose details of all transactions with the government and other government-related entities.

(b) Standards, amendments and interpretations to existing standards that are effective but not relevant to the company (although they may affect the accounting for future transactions and events)

- IFRIC 14:'Pre-payments of a Minimum Funding Requirement (amendments)'. Effective 1 January 2011.

The amendment removes an unintended consequence of IFRIC 14 related to voluntary pension prepayments when there is as a minimum funding requirement. The amendment will have no impact as it applies only to companies that are required to make minimum funding contributions to a defined benefit pension plan.

- IFRIC 19: 'Extinguishing Financial Liabilities with Equity Instruments'. Effective from 1 July 2010.

The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. It is not expected to have any impact on the company or the parent entity's financial statements.

- Amendments to IFRS 1, 'First time adoption' on hyperinflation and fixed dates Effective from 1 July 2011.

The first amendment replaces references to a fixed date of '1 January 2004' with 'the date of transition to IFRSs', thus eliminating the need for companies adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation.

(c) Standards, amendments and interpretations to existing standards issued or revised not yet effective but relevant to the company, and not early adopted by the company:

The company is still assessing the impact of these new standards, amendments and interpretations set out below.

- IAS 12,'Income Taxes' effective 1 January 2012.

Currently IAS 12, 'Income taxes', requires an entity to measure the deferred 'tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. Hence this amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes- recovery of revalued non-depreciable assets', would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is accordingly withdrawn

- Amendments to IFRS 7 Disclosures – 'Transfer of financial assets' effective 1 July 2011

The amendments are intended to address concerns raised during the financial crisis by the G20, among others, that financial statements did not allow users to understand the ongoing risks the entity faced due to derecognised receivables and other financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

- IFRS 9: 'Financial Instruments' effective 1 January 2013.

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.

2.1.2 Improvements to IFRS

Improvements to IFRS were issued in April 2009 and May 2010. They contain numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2011, respectively, with earlier application permitted. No material changes to accounting policies are expected as a result these amendments.

2.1.3 Going concern

The Directors assess the ability of the Group to continue operating as a going concern at the end of each financial year. As at 30 June 2011, the Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concernbasis is still appropriate.

However, the Directors believe that under the current Zimbabwe 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.

2.2 Consolidation

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

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another 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 acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of any non controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Statement of Comprehensive Income.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Segment reporting

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.
- 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 (Exco).

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 dollars, which is the functional and presentation currency of Zimplats Holdings Limited.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Monetary assets and liabilities are translated at year-end exchange rates.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of foreign currency monetary assets and liabilities are recognised in the statement of comprehensive income except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

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

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 statement of comprehensive income, and other changes in carrying amount are recognised in equity - other comprehensive income.

2.5 Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and less any accumulated impairment losses.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

- 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.
- These assets are depreciated over their useful lives.

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 written-off over the remaining useful life. Depreciation methods and depreciation rates are applied consistently within each asset class except where significant individual assets have been identified which have different patterns. Residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

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' in the income statement.

Other assets consist mainly of furniture and fittings, information technology equipment, and vehicles.

Land, buildings and infrastructure

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.

Mining claims

Mining claims not expensed are not depreciated.

Shafts, mining development and infrastructure (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 and refining assets

Metallurgical and refining 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 2011 the life of mine was estimated as follows:

Rukodzi Mine	9 years
Ngwarati Mine	13 years
Bimha Mine	23 years
Ngezi Open Pit	6 years

Other assets

These assets are depreciated using the straight line method over the useful life of the asset as follows:

Asset type	Estimated useful life
• Furniture fittings and office equipment	5 years
• Information technology	3 years
• Vehicles (personally allocated company vehicles)	4 years
• Other assets (including other company vehicles)	5 years

Mining exploration

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

Assets under construction

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

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

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, ie probable. In evaluating if expenditures meet this criterion to be capitalised, the directors utilise several different sources of information depending on the level of exploration. While the criteria for concluding that expenditure should be capitalised are always the “probability” of future benefits, the information that the directors use to make that determination depends on the level of exploration.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

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

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

Exploration and evaluation assets acquired in a business combination are initially recognised at fair value. Subsequently it is stated at cost less impairment 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.

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. Amortisation is provided in respect of properties in accordance with the policy stated under “Mining assets”.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life which are not subject to amortisation are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds the recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The recoverability of the long-lived 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 amortised over the remaining lives of such affected assets.

An impairment previously recognised will be reversed when changes in circumstances, that have an impact on estimates, occur after the impairment was recognised. The reversal of impairment will be limited to the lower of the newly calculated recoverable amount or the book value that would have existed if the impairment was not recognised. The reversal of an impairment is recognised in the income statement.

2.8 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the 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 the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the 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 Inventories

Ore, concentrate and matte inventories

Platinum, palladium and rhodium are considered as main products while other platinum group and base metals produced are by-products. 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.

Consumable inventories

Consumable inventories are stated at the lower of cost (on a weighted average basis) and net realisable value. The cost of consumable inventories 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.

2.10 Trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

2.11 Financial Assets

2.11.1 Classification

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

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 12 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.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity, and are included in non-current assets, except for those with maturities within 12 months from the reporting date which are classified as current assets.

Held to maturity investments are subsequently carried at amortised cost using the effective interest method less any accumulated impairment loss.

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 12 months of the reporting date. Available-for-sale financial assets are subsequently carried at fair value which is determined using period end bid rates.

2.11.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value, and transaction costs are expensed in the income statement. 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 and loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest rate method less any accumulated impairment loss.

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 income statement within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the group's right to receive payments is established.

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

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

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 refined to reflect the issuer's specific circumstances.

2.11.3 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.

The group first assesses whether objective evidence of impairment exists. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

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.

2.12 Offsetting financial instruments

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

2.13 Derivative financial instruments

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

2.14 Cash and cash equivalents

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

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of borrowings using the effective interest method.

When borrowings are utilised to fund qualifying capital expenditure, the borrowing costs that are directly attributable to the capital expenditure (an asset that necessarily takes a substantial period of time to get ready for its intended use or sale), are capitalised from the point at which the capital expenditure and related borrowing costs are incurred until completion of construction. All other borrowing costs are charged to finance costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

2.16 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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.

Provisions are not recognised for future operating losses. Provisions are recognised as the best estimate of the expenditure required to settle the present obligation at reporting date taking into account the time value of money where relevant.

The present value of the expenditures is determined using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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 the environmental rehabilitation asset.

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 estimates 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 which is recognised in the statement of comprehensive income as a finance cost, is capitalised to the rehabilitation asset.

Ongoing rehabilitation costs

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

Employee benefits

Short-term employee benefits

Remuneration to employees is charged to profit or loss on an on-going basis. Provision is made for accumulated leave, incentive bonuses and other short-term employee benefits.

Defined contribution retirement plans

The group participates in defined contribution retirement plans for certain of its employees. The pension plans are funded by payments from the employees and by the relevant group companies and contributions to these are expensed as incurred. The group has no further payment obligations once the contributions have been paid. The assets of the funds are held by independently managed funds and are governed by Zimbabwean law. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Long term service benefits

The group net obligation in respect of long term service leave is based on the projected unit credit method.

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 either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

Bonus plans

The group recognises a liability and an expense for bonuses based on a formula that takes into consideration production and safety performance. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Cash settled share based payments

Share based payments

The Group operates a share-based compensation plan under which the Group receives services from employees as consideration for notional shares in the ultimate majority shareholder that confer a conditional right on a participant to be paid a cash bonus equal to the appreciation in the share price from date of allocation to date of surrender.

The fair value of the employee's service received in exchange for the grant of the rights is recognised as an expense. The fair value determined as at each period end is recognised as a liability and the corresponding movement expensed over the vesting period. Fair value is measured by use of the binomial model, excluding non-market vesting conditions.

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 balance sheet date in the countries where the company's subsidiaries and

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

associates 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, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a 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 of substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the 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 is provided on temporary differences arising on investments in subsidiaries and associates, except where 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 comprises the fair value of the consideration received or 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 risks and rewards of ownership are transferred.

Sale of matte

The group recognises revenue when the amount of revenue and costs associated with the transaction can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue is recognised when the risk and rewards of ownership has been transferred and when the entity has no longer any managerial involvement over goods that would constitute control. Consequently sales are recognised when the group has delivered products to the customer and collectability of the related receivables is reasonably assured.

The group sells white matte (a concentrate of metals) which primarily consists of platinum, palladium, gold, rhodium and nickel. All white matte is sold to one customer which is a related company – Impala Refinery Services (fellow subsidiary) under the terms of a contract.

Revenue is recognised at fair value recovered or receivable. The fair value is the market price of the individual metals.

Interest and dividend income

Interest income is recognised on a time-proportion basis using the effective interest method. Interest income on impaired loans is recognised as cash is collected or on a cost recovery basis as conditions warrant. Dividend income is recognised at the accrual date when the shareholder's right to receive payment is established.

2.20 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.

2.21 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.

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 policies approved by the board of directors. The Audit and Risk Committee identifies and evaluates financial risks in close cooperation with the group's operating units.

3.1.1 Market risk

Price Risk

The group is exposed to equity securities price risk because of investments held by the group and classified on the statement of financial position either as available-for-sale or fair value through profit or loss. The group's investments are publicly traded on the Zimbabwe Stock Exchange. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. During the year the group disposed of all its remaining listed securities.

Foreign exchange risk

The group is exposed to foreign exchange risk in entering contracts of supply and borrowings mainly denominated in the South African Rand. To minimise this risk borrowings that were initially denominated in South African Rand were converted during the year to a US$ based facility. The group does not use forward exchange contracts to hedge its foreign currency risk. Currency risk as far as possible is managed by settling foreign denominated liabilities with foreign currency denominated liquid assets.

At 30 June 2011, if the South African Rand had strengthened by 10% with all other variables held constant, post-tax profit would have been $1.7 million (2010:$9.1 million) lower, mainly as a result of foreign exchange losses on translation of Rand-denominated creditors.

3.1.2 Credit risk

Financial assets which potentially subject the group to concentrations of credit risk consist principally of cash and cash equivalents and trade receivables and other receivables. The group's cash and cash equivalents are placed with high credit quality 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Based on historic default rates and that there have been no impairments necessary (2010: 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 the 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

Counterparties without external credit rating	2011 US$000	2010 US$000
Group 1	-	-
Group 2	153 925	54 660
Group 3	-	-
Unrated	-	-
Total unimpaired trade receivables	**153 925**	**54 660**

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	2011 US$000	2010 US$000
BBB+	5 375	68 723
AA-	47 997	12 418
Cash on hand	638	38
	54 010	**81 179**

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

Other financial assets

Credit risk relating to other financial assets consists of:
- Unsecured loan to the Reserve Bank of Zimbabwe with no fixed terms of repayment

3.1.3 Cash flow and interest rate risk

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. All the group's borrowings are at variable interest rates and are denominated in United States dollars.

A treasury committee meets each month to discuss various issues including cash flow forecasts and projections, allocations of funds and other treasury related issues. The Board approves all loans, including the interest rate terms, which are benchmarked against either the London Inter-bank Offered Rate (LIBOR) or the Johannesburg Inter-bank Agreed Rate (JIBAR).

Based on simulations, if there is a shift in the interest rate of +/-1% the impact on the statement of comprehensive income would be as follows:

	Floating interest rate exposure		Profit/ Loss effect	
	2011 US$000	2010 US$000	2011 US$000	2010 US$000
Financial liabilities				
Borrowings (note 17)	13 508	7 783	135	78

3.1.4 Liquidity risk

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 an undrawn committed banking facility with Standard Bank of South Africa amounting to US$52 million (June 2010: Nil).

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.

	Less than 1 year	Between 1&2 years	Between 2&5 years	Over 5 years
At 30 June 2011				
Borrowings				
(excluding finance lease liabilities)	15 079 380	-	36 000 000	-
Finance lease liabilities	4 018 683	5 184 000	2 592 000	-
Trade and other payables	48 396 939	-	-	-
Total	67 495 002	5 184 000	38 592 000	-

	Less than 1 year	Between 1&2 years	Between 2&5 years	Over 5 years
At 30 June 2010				
Borrowings				
(excluding finance lease liabilities)	76 088 755	62 119 007	66 745 504	27 958 812
Finance lease liabilities	2 183 207	2 173 428	2 315 446	-
Trade and other payables	55 821 631	-	-	-
Total	134 093 593	64 292 435	69 060 950	27 958 812

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

cost of capital. The Group trade receivables are valued at market prices. Loans and receivables are issued at prevailing market interest rates and long term receivables are discounted at market rates.

The group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as total debt divided by total equity.

The gearing ratios at 30 June 2011 and 2010 were as follows:

	2011 US$000	2010 US$000
Total borrowings (note15)	54 872	132 342
Less: Cash and cash equivalents	(54 010)	(48 799)
Net debt	862	83 543
Total equity	729 953	538 959
Gearing ratio	0.1%	15.5%

3.3 Fair value estimates

The fair value of the Group's financial assets and liabilities approximate their carrying values.

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 judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Carrying value of property plant and equipment

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

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

The calculation of the UOP rate of amortisation 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 impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the mine.

The recoverable amounts of cash generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

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 goodwill and 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); and
- ability to sustain ongoing 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 capitalisable costs related to mining asset additions or improvements, underground mine development or mineable reserve development.

Income taxes (note 24)

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 year tax change to the statement of comprehensive income is $35 657 000 (2010 : $44 501 000). The tax rate is fixed by the Mining Lease Agreement at 15%.

Metal in process and product inventories

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

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

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.

Refer to note 15 for assumptions used in calculating the provision.

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

The group has recognised revenue amounting to $527 million (2010:$404 million) for metal sales to Impala Refining Services Limited ("IRS") in the financial year to June 2011. 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 2011. A 1% variation in assays will result in an adjustment of $1.5 million (June 2010: $1.2 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.

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 exercise of significant judgement and estimates of the outcome of future events.

Long-term receivables

The fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The group has used discounted cash flow analysis for the long-term receivable as it is not traded in an active market.

Share based payments

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 are as follows:

	Note	Cash-settled share appreciation scheme	
Weighted average option value (rand)	1	41.97	-
Weighted average share price on valuation date (rand)	2	182.19	-
Weighted average exercise price (rand)	3	169.17	-
Volatility	4	33.29	-
Dividend yield (%)		2.31	-
Risk-free interest rate (%)		7.70	-

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

Impairment of available for sale equity investments

The group follows the guidance of IAS39 to determine when an available for sale equity investment is impaired. This determination requires significant judgement. In making this judgement, the group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee.

Additional Profits Tax (APT) contingent liability (note 34)

The group has an APT contingent liability of $36.3 million. This is based on an amended tax assessment issued by the Zimbabwe Revenue Authority (Zimra) of $26.9 million in respect of the period to June 2007. An objection lodged against the amended assessment was dismissed after which the company lodged an appeal at the Special Court of Tax Appeals. The case is still to be heard. Zimra has however agreed that payment of the disputed liability be deferred until the court has ruled on the matter.

For the year ended 30 June 2011, there is no APT liability. However, if the tax losses brought forward from the year to 30 June 2010 are not allowed as deductions in the APT computation as argued by Zimra, there will be an APT liability in the sum of $9.4 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

5 Property, plant and equipment

	Land, buildings & mining claims	Mining assets	Metallurgical assets	Vehicles	Information technology, services & environm-ental assets	Assets under construction	Total
	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000
GROUP							
Cost/valuation							
Opening balances at 1 July 2010	91 124	127 983	248 860	83 989	76 418	58 822	687 196
Additions	2 323	40 868	6 723	16 196	805	61 631	128 546
Disposals	-	-	-	(1 252)	(9 327)	-	(10 579)
Balances at 30 June 2011	93 447	168 851	255 583	98 933	67 896	120 453	805 163

Assets under construction consist mainly of capital expenditure on the Ngezi Phase 2 expansion project.

	Land, buildings & mining claims	Mining assets	Metallurgical assets	Vehicles	Information technology, services & environm-ental assets	Assets under construction	Total
Accumulated depreciation							
Opening balances at 1 July 2010	3 970	37 030	25 789	43 972	13 837	-	124 598
Depreciation charge	2 464	5 786	7 555	16 342	2 155	18	34 320
Disposals	-	-	-	(1 106)	(527)	-	(1 633)
Balances at 30 June 2011	6 434	42 816	33 344	59 208	15 465	18	157 285
Carrying amount 2011	87 013	126 035	222 239	39 725	52 431	120 435	647 878
Carrying amount 2010	87 154	90 953	223 071	40 017	62 581	58 822	562 598

COMPANY	Mining claims US$ 000	Information technology & services US$ 000	Vehicles US$ 000	Total US$ 000
Cost				
Opening balances at 1 July 2010	6 261	-	138	6 399
Balances at 30 June 2011	6 261	-	138	6 399
Accumulated depreciation				
Opening balances at 1 July 2010	-	-	138	138
Balances at 30 June 2011	-	-	138	138
Carrying amount 2011	6 261	-	-	6 261
Carrying amount 2010	6 261	-	-	6 261

Service assets include the following amounts where the group is a lesee under a finance lease:	Group Jun-11 US$ 000	Group Jun-10 US$ 000
Cost - Capitalised finance leases	8 618	8 618
Accumulated depreciation	(5 388)	(3 857)
Net book value	3 230	4 761

5A Property, plant and equipment

	Land, buildings & mining claims	Mining assets	Metallurgical assets	Vehicles	Information technology, services & environm-ental assets	Assets under construction	Total
	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000
GROUP							
Cost/valuation							
Opening balances							
at 1 July 2009	53 210	93 843	73 229	73 854	71 660	235 159	600 955
Additions	37 914	34 140	175 631	15 820	5 084	(176 337)	92 252
Disposals	-	-	-	(5 685)	(326)	-	(6 011)
Balances at 30 June 2010	91 124	127 983	248 860	83 989	76 418	58 822	687 196
Accumulated depreciation							
Opening balances							
at 1 July 2009	2 364	33 153	23 093	34 680	12 584	-	105 874
Depreciation charge	1 606	3 877	2 696	14 853	1 271	-	24 303
Disposals	-	-	-	(5 561)	(18)	-	(5 579)
Balances at 30 June 2010	3 970	37 030	25 789	43 972	13 837	-	124 598
Carrying amount 2010	87 154	90 953	223 071	40 017	62 581	58 822	562 598
Carrying amount 2009	50 846	60 690	50 136	39 174	59 076	235 159	495 081

Assets under construction consist mainly of capital expenditure on the Ngezi Phase 1 expansion project.

COMPANY	Mining claims US$ 000	Information technology & services US$ 000	Vehicles US$ 000	Total US$ 000
Cost				
Opening balances				
at 1 July 2009	6 261	23	138	6 422
Disposals	-	(23)	-	(23)
Balances at 30 June 2010	6 261	-	138	6 399
Accumulated depreciation				
Opening balances				
at 1 July 2009	-	18	96	114
Depreciation charge	-	-	42	42
Disposals	-	(18)	-	(18)
Balances at 30 June 2010	-	-	138	138
Carrying amount 2010	6 261	-	-	6 261

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

			Group		Company	
			Year to Jun-11 US$ 000	Year to Jun-10 US$ 000	Year to Jun-11 US$ 000	Year to Jun-10 US$ 000
6	**Investments in subsidiaries**	a)				
	Hartley Minerals Zimbabwe (Pty) Ltd		-	-	27 959	27 959
	Ngezi/SMC Project		-	-	25 730	25 730
	Mhondoro Holdings Limited		-	-	3 129	3 102
	Zimbabwe Platinum Mines (Private) Limited		-	-	49 482	46 360
	Available-for sale-financial assets					
	Investments in listed shares					
	Ordinary shares at fair value	b)	-	63	-	-
			-	63	106 300	103 151

a) The percentage shareholding in all subsidiaries is 100%. (refer note 30.1)

b) During the year all remaining listed shares were disposed of.

7	**Long term receivables**					
	Non-current					
	RBZ loan amount due	a)	29 403	34 130	-	-
	Unwinding of interest		4 727	1 308	-	-
	Fair value loss		-	(6 035)	-	-
	Impairment loss		(6 826)	-	-	-
	RBZ loan carrying amount		27 304	29 403	-	-

a) Prior to the "dollarisation of" the Zimbabwe economy in February 2009, the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited brought funds into the country to fund Zimbabwe dollar expenses, ahead of time. The funds were placed with the Reserve Bank of Zimbabwe (RBZ) 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 $34 130 000 ($29 403 288 after fair value adjustment). The Reserve Bank of Zimbabwe has acknowledged the full indebtedness and has recommended to the Government of Zimbabwe to assume the debt. Given the circumstances, provision has been made for the long-term real value of the outsanding amount.

8	**Inventories**				
	Ore, concentrate and matte stocks	9 987	12 920	-	-
	Consumables	41 802	35 230	-	-
	Less: provision for obsolete inventories	(2 366)	(2 770)		
		49 423	45 380	-	-

The cost of inventories recognised as an expense and included in the cost of sales amounted to $29 million (2010: $48 million).

The group wrote off a total of $1.5 million from inventories to 'other operating expenses' in the income statement due to obsolescence resulting from technological changes. This amount includes $403,650 which was reversed from a previous provision for obsolete inventories and charged to 'other operating expenses' after confirmation that the inventory had become redundant.

		Group		Company	
		Year to Jun-11 US$ 000	Year to Jun-10 US$ 000	Year to Jun-11 US$ 000	Year to Jun-10 US$ 000
9	**Trade receivables**				
	Trade receivables due from related parties (refer note 30)	153 925	54 660	238	7 349
	Other receivables	1 568	8 200	-	-
	Prepayments a)	32 115	19 314	-	-
	Zimbabwe Revenue Authority	9 152	11 974	-	-
		196 760	94 148	238	7 349

As at 30 June 2011, the fair values of trade and other receivables were equal to their carrying amounts summarised above.

Receivables from related parties consist of trade receivables from Impala Refinery Services Limited. As of 30 June 2011, all trade receivables and other receivables were fully performing and none were past due or impaired. Loans (note 17) are secured by a cession over cash and debtors. There were no defaults and breaches in the current year and prior year.

The fair value of the receivables equals their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flow discounted using a rate based on the borrowing rate of 8% (2010: 8%)

The carrying amounts of the group's trade and other receivables are all denominated in the United States 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.

a) Prepayments include the unrecovered portion of payment advanced by the company to the national power utility (Zesa) to construct the Selous 330KV substation. In total $26 million was spent on the project of which 40% is recoverable through power credits against power consumption by the operating subsidiary at its operations, that were determined using an agreed power tariff. No interest is charged on the amount not yet recovered. The agreement for the construction of the Selous substation is part of the arrangements made to secure continuous and reliable electricity supplies for current and future operations.

		Group Jun-11	Group Jun-10	Company Jun-11	Company Jun-10
10	**Inter-company receivables**				
	Current	-	-	-	30 000

A loan denominated in US$ of $30 000 000 was extended to Zimbabwe Platinum Mines (Private) Limited as part finance towards the Ngezi Phase 1 expansion project. The loan was repayable in twelve equal instalments commencing in January 2011 with the final payment in December 2011, and is subject to interest at LIBOR plus 1% per annum. The loan was fully repaid in the current year in view of the strong cash position of the operating subsidiary.
The loan was subordinated in favour of Standard Bank of South Africa with whom the operating subsidiary has loan facilities (refer note 17).

		Group Jun-11	Group Jun-10	Company Jun-11	Company Jun-10
11	**Cash and cash equivalents**				
	Bank balances	54 010	81 179	48 799	11 858
	The net exposure to foreign currency denominated balances was:				
	Bank balances (ZAR000's)	2 137	2 078	2 137	2 076
	The exposure by country is as follows:				
	South Africa	16	231	-	-
	Europe	54 158	80 350	48 799	11 858
	Zimbabwe	(164)	598	-	-
		54 010	81 179	48 799	11 858

Loans (note 17) are secured by a cession over cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

		Group		Company	
		Year to Jun-11 US$ 000	Year to Jun-10 US$ 000	Year to Jun-11 US$ 000	Year to Jun-10 US$ 000
12	**Share capital and share premium**				
	a) Authorised				
	500 000 000 ordinary shares of 10 cents each	50 000	50 000	50 000	50 000
	b) Issued and fully paid				
	107 637 649 (2009: 107 637 649) ordinary shares of 10 cents each	10 763	10 763	10 763	10 763
	c) Share premium	89 166	89 166	89 166	89 166
	At the end of the year	99 929	99 929	99 929	99 929

86 594 482 shares were issued at a premium of 52 cents per share on 27/28 July 1998, giving rise to a share premium of $45 029 131. On 28 July 1998, a bonus issue of 1 767 236 shares was effected utilising $176 724 of the share premium reserve. On 18 March 2005, a further 14 873 160 shares were issued to Impala at a premium of $2.83 per share resulting in a share premium of $42 022 254.

d) The unissued shares are under the control of the directors. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

			Group Jun-11	Group Jun-10	Company Jun-11	Company Jun-10
13	**Other reserves**					
	Foreign currency translation reserve	a)	(18 219)	(18 219)	(2 929)	(2 929)
	Asset revaluation reserve	b)	22 692	24 535	-	-
	Acquisition equity reserve	c)	(10 045)	(10 045)	-	-
	Retained earnings	d)	645 023	442 759	64 084	56 718
			639 451	439 030	61 155	53 789

a) This comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the Group.

b) This reserve arose in 2002 through the initial fair valuing of the SMC surface plant at $73 480 000.

c) This is a negative premium on aquisition of a non controlling interest held stake in subsidiary Zimbabwe Platinum Mines (Private Limited). On 5 November 2004, shareholders approved the acquisition of Impala Platinum Holding Limited's 30% interest in Zimbabwe Platinum Mines (Private) Limited (formerly Makwiro Platinum Mines (Private) Limited) in exchange for 14 873 160 shares in Zimplats Holdings Limited at an issue price of AU$3.75 each. The effective premium on the share purchase was $10 044 750.

d) Represents accumulated profits to 30 June 2011.

	Group		Company	
	Year to Jun-11 US$ 000	Year to Jun-10 US$ 000	Year to Jun-11 US$ 000	Year to Jun-10 US$ 000
14 Deferred taxation				
Deferred tax assets and liabilities are attributable to the following items:				
Deferred tax assets				
Deferred tax assets to be recovered within 12 months	(727)	(2 064)	-	-
Deferred tax assets to be recovered after 12 months	(3 941)	(12 435)	-	-
Deferred tax liabilities				
Deferred tax liabilities to be settled within 12 months	3 875	2 897	-	-
Deferred tax liabilitiesto be settled after 12 months	88 299	75 430	-	-
Deferred tax liabilities, net	87 506	63 828	-	-
Deferred income taxes are calculated using a principal tax rate of 15% (2010: 15%). The gross movement on the deferred income tax account is as follows:				
Beginning of the year	63 828	42 459	-	-
Charge to statement of comprehensive income	23 678	21 016	-	-
Taxation charge/(credit) relating to components of other comprehensive income	-	353	-	-
	87 506	63 828	-	-
Deferred tax assets and liabilities are attributable to the following items:				
Deferred tax assets				
Rehabilitation provisions	(2 149)	(2 166)	-	-
Lease liabilities	(560)	(802)	-	-
Share based payments	(933)	-	-	-
Impairment loss	(1 024)	-	-	-
Fair value adjustments	-	(986)	-	-
Assessed tax losses	-	(10 071)	-	-
Other - exchange rate differences	(2)	(474)	-	-
	(4 668)	(14 499)	-	-
Deferred tax liabilities				
Charge to statement of comprehensive income:				
Property plant and equipment	88 299	75 430	-	-
Prepayment for goods	3 166	2 897	-	-
Other	709		-	-
	92 174	78 327	-	-
Net deferred tax liability	87 506	63 828	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

		Group Year to Jun-11 US$ 000	Group Year to Jun-10 US$ 000	Company Year to Jun-11 US$ 000	Company Year to Jun-10 US$ 000
15	**Mine rehabilitation provision**				
	Rehabilitation obligation:				
	At the beginning of the year	14 434	12 781	-	-
	Current year provision	(1 257)	1 014	-	-
	Unwinding of discount	1 443	639	-	-
		14 620	14 434	-	-
	Less: utilised during the year	(288)	-	-	-
	At the end of the year	14 332	14 434	-	-
	Assumptions used in calculating the provision:				
	US inflation rates	5%	5%		
	US interest rates	10%	10%		

The provision is based on a mines and environmental rehabilitation plan that was approved by the board. The present value of the future rehabilitation obligation was calculated by inflating the current rehabilitation cost over 3 to 33 years for mining operations.

		Group Year to Jun-11 US$ 000	Group Year to Jun-10 US$ 000	Company Year to Jun-11 US$ 000	Company Year to Jun-10 US$ 000
16	**Other long term payables**				
	Share appreciation rights liability				
	Non-current	2 913			
	Current	3 305			
		6 218			
	At the beginning of the year	-	-	-	-
	Expense	6 558	-	-	-
	Paid to employees	(340)	-	-	-
	At the end of the year	6 218	-	-	-

Refer to note 4 and the Remuneration report for details of assumptions used and share-based payment rights outstanding at the end of the year.

The group allocates to executives and senior managers notional shares in the ultimate majority shareholder. These notional shares 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 surrender of the notional share. Notional shares are first surrenderable after two years of allocation to a maximum of 25% of the allocation. In subsequent years an additional 25% becomes exercisable per year. All outstanding notional shares lapse after 10 years from date of allocation.

		Group		Company	
		Year to Jun-11 US$ 000	Year to Jun-10 US$ 000	Year to Jun-11 US$ 000	Year to Jun-10 US$ 000
17	**Borrowings**				
	Non-current				
	Standard Bank of South Africa	36 000	101 739	-	-
	Finance lease liability	2 066	3 792	-	-
		38 066	105 531	-	-
	Current				
	Standard Bank of South Africa	15 079	25 260	-	-
	Finance lease liability	1 727	1 551	-	-
		16 806	26 811	-	-
	Total borrowings	54 872	132 342	-	-

Bank borrowing

Zimbabwe Platinum Mines (Private) Limited has two loan facilities from the Standard Bank of South Africa Limited to finance the completion of the Ngezi Phase 1 and Phase 2 Expansion Projects. Loan # 1 is denominated in US$ for $80 million and bears interest at LIBOR plus 700 basis points. No drawings have been made in the year and an accelerated repayment of $16.5 million was made during the year. Consequently the remaining balance is repayable in five equal quarterly instalments and will be fully repaid in April 2012.

Loan # 2 was denominated in ZAR for ZAR500 million. This loan was fully repaid during the year and converted to a US$88 million revolving credit facility which bears interest at LIBOR plus 700 basis points. Capital repayments are only required if the loan balance exceeds the available facilty. The final maturity date is December 2014. At the end of the period the undrawn borrowing facilty amounted to $52 million. The amount drawn down by year end was $36 million.

Both loans are secured by cessions over cash, debtors and revenues. Impala Platinum Holdings Limited has provided political and commercial guarantees in favour of the Standard Bank of South Africa for both loan facilities.

The carrying amount of the group's borrowings are denomonated in the following currencies:

	US$ 000	US$ 000	US$ 000	US$ 000
US$	54 872	5 343	-	-
ZAR	-	126 999	-	-
	54 872	132 342	-	-

Finance lease liabilities

This liabilility is secured by two finance lease agreements in respect of ore haulage vehicles. On the first agreement, the effective interest rate is 12% per annum with annual instalments of $2 081 676 which commenced on 1 November 2007 with the final payment on 30 June 2013. Contingent rent is payable based on the standby rate per hour per truck. The second lease is subject to interest at 8% per annum with a minimum annnual instalment of $94 362 which commenced on 1 July 2009 with the final payment on 30 June 2014.

Reconciliation between total minimum lease payments and their present value

At 30 June 2011	Up to 1 Year	1 to 5 Years	Total
Amount at balance sheet date	2 173	2 315	4 488
Finance cost	(446)	(249)	(695)
Present value	1 727	2 066	3 793
At 30 June 2010			
Amount at balance sheet date	2 183	4 488	6 671
Finance cost	(632)	(696)	(1 328)
Present value	1 551	3 792	5 343

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

		Group		Company	
		Year to Jun-11 US$ 000	Year to Jun-10 US$ 000	Year to Jun-11 US$ 000	Year to Jun-10 US$ 000
18	**Trade and other payables**				
	Trade payables	39 480	40 571	-	-
	Leave lability	5 894	4 052	-	-
	Royalties	14 688	3 805	-	-
	Other payables	5 213	14 780	514	4 901
		65 275	63 208	514	4 901
	Tax payable	7 792	-	-	-
		73 067	63 208	514	4 901
19	**Revenue**				
	Current year sales	527 089	402 816	-	-
	Pipeline sales adjustments	265	1 137	-	-
	Total	527 354	403 953	-	-

Revenue consists entirely of matte sales to Impala Refinery Services Limited, a related party. Pipeline adjustments arise from value changes between year end and actual amounts received in consequence of market price fluctuations and the results of assays.

Loans (note 17) are secured by cessions over revenue.

		Group Year to Jun-11 US$ 000	Group Year to Jun-10 US$ 000	Company Year to Jun-11 US$ 000	Company Year to Jun-10 US$ 000
20	**Cost of sales**				
	Mining	78 041	65 108	-	-
	Processing	52 448	42 580	-	-
	Stock movement	2 965	15 669	-	-
	Staff costs	37 237	25 351	-	-
	Depreciation of property, plant and equipment	33 584	23 241	-	-
	Total cost of sales	204 275	171 949	-	-
21	**Other net (expenses)/income**				
	Gain/(loss) on disposal of plant and equipment	60	64	-	(4)
	Foreign exchange (losses)/gains	(8 004)	(6 452)	(6)	70
	Impairment of long term receivable	(6 826)	-	-	-
	Other	2 356	(1 450)	8 610	-
	Total other net (expenses)/income	(12 414)	(7 838)	8 604	66
22	**Operating expenses**				
	Auditors' remuneration-current	806	644	22	22
	Depreciation of property, plant and equipment	736	1 062	-	42
	Charge for the year	34 320	24 303	-	42
	Amount allocated to cost of sales	(33 584)	(23 241)	-	-
	Directors' remuneration	1 527	1 137	763	697
	Fees	443	314	332	274
	Emoluments	1 084	823	431	423
	Royalties	20 513	12 455	-	-
	Staff costs	22 584	27 352	393	320
	Other operating costs	19 890	8 589	259	772
	Total operating costs	66 056	51 239	1 437	1 853

		Group		Company	
		Year to Jun-11 US$ 000	Year to Jun-10 US$ 000	Year to Jun-11 US$ 000	Year to Jun-10 US$ 000
23	**Net finance expenses**				
	Interest expense:				
	Interest paid on borrowings	11 636	16 696	-	-
	Interest paid on finance leases	632	797	-	-
	Rehabilitation unwinding of the discount	1 443	639	-	-
	Borrowing cost capitalised	(203)	(10 349)	-	-
		13 508	7 783	-	-
	Interest income:				
	Interest received	250	119	199	501
	Long term receivable: unwinding of the discount	4 727	1 308	-	-
		4 977	1 427	199	501
	Net finance expenses/(income)	8 531	6 356	(199)	(501)
24	**Income tax expense**				
	Current income tax	11 979	23 485	-	-
	Current year	11 974	-	-	-
	Prior years - Additional Profits Tax	-	23 485	-	-
	Withholding tax	5	-	-	-
	Deferred tax	23 678	21 016	-	-
	Taxation provided	35 657	44 501	-	-
	Reconciliation of tax charge:				
	Profit before tax	236 078	166 571	-	-
	Notional tax on profit for the year	35 412	24 986		
	Tax effect of:				
	Income not subject to tax	(718)	(197)		
	Expenses not tax deductible	6 940	5 492		
	Additional profits tax	-	23 485		
	Other items	5 977	9 265	-	-
	Taxation provided	35 657	44 501	-	-
	Company tax rate	15.00%	15.00%		
25	**Employee benefit expenses**				
	Wages and salaries	51 997	51 510	393	320
	Share appreciation scheme	6 558	-	-	-
	Pension costs - defined contribution plans	2 350	2 016	-	-
		60 905	53 526	393	320
	Average number of employees during the year	2 629	2 348	4	4

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

26 Cash generated from/(used in) operations

Reconciliation of profit before taxation to cash generated from/(used in) operations:

	Group Year to Jun-11 US$ 000	Group Year to Jun-10 US$ 000	Company Year to Jun-11 US$ 000	Company Year to Jun-10 US$ 000
Profit/(loss) before taxation	236 078	166 571	7 366	(1 286)
Adjustments for :	63 837	45 344	(193)	(3 454)
Depreciation of property, plant and equipment	34 320	24 303	-	42
Net finance expense/(income)	8 531	6 356	(199)	(501)
Fair value gain of available-for-sale financial assets	-	1 731	-	-
Fair value loss	(2)	6 575	-	-
Foreign currency translation reserve	-	(9)	-	(2 929)
Foreign exchange losses/(gains) on operating activities	8 004	6 452	6	(70)
Impairment loss on long-term recievables	6 826	-	-	-
Share appreciation rights expense	6 558	-	-	-
Share appreciation rights payments	(340)	-	-	-
(Gain)/loss on disposal of property, plant and equipment	(60)	(64)	-	4
Changes in working capital	(101 115)	(36 517)	(425)	10 429
Trade and other receivables	(102 612)	(38 964)	7 110	5 329
Inter-company receivables (non-current)	-	-	(3 148)	2 891
Inventories	(4 043)	3 441	-	-
Trade and other payables	5 540	(994)	(4 387)	2 209
Cash generated from operations	198 800	175 398	6 748	5 689

27.1 Capital commitments

The Group has entered into contracts for the following and is committed to incur capital expenditure in respect thereof:

	Contract Length Months	Group Year to Jun-11 US$ 000	Group Year to Jun-10 US$ 000
General capital replacement	6	72 004	18 915
Ngezi Phase I expansion	12	18 167	41 088
Ngezi Phase II expansion	6	403 160	-
Ngezi Phase III feasability study	12	8 722	13 430
		502 053	73 433

In May 2010 the board authorised a total of $460 million to be incurred on the Ngezi Expansion Phase II project over the period to 2014. Funding arrangements are in place.

The capital commitments will be financed from internal resources and borrowings as referred to in notes 10 and 17.

		Group	
		Year to Jun-11 US$ 000	Year to Jun-10 US$ 000
27.2	**Operating lease commitments**		
	The Group leases an office accomodation facility. The lease is for one year and is renewable annually. The minimum lease payments are as follows:		
	Not later than one year	78 287	78 287
	Later than 1 year and below 5 years	-	-
	Total lease commitments	78 287	78 287
28	**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	200 421	122 070
	Weighted average number of ordinary shares in issue	107 638	107 638
	Basic earnings per share US$(cents)	186.20	113.41

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares as a result of shares available to the Government of Zimbabwe nominated empowerment partner. A calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to the outstanding shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the empowerment shares had been taken up.

The empowerment agreement signed with the Government of Zimbabwe in September 2003 will result in the issue of 13 390 423 ordinary shares once the requisite funding is available.

	Year to Jun-11 US$ 000	Year to Jun-10 US$ 000
Profit attributable to equity holders of the company	200 421	122 070
Weighted average number of ordinary shares in issue	107 638	107 638
Adjustment for empowerment shares	13 390	13 390
Weighted average number of ordinary shares for diluted earnings per share	121 028	121 028
Diluted earnings per share US$(cents)	165.60	100.86

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

		Group	
		Year to Jun-11 US$ 000	Year to Jun-10 US$ 000
29	**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:	2 164	1 439
	National Social Security Scheme		
	This scheme was promulgated under the National Social Security Authority Act 1989. Contributions by all Zimbabwe employees are 3% of pensionable remuneration, which is capped at $200 per annum for the purposes of this defined benefit scheme. The Group's contributions for the year amounted to:	186	577
		2 350	2 016

30 Operating segments

Vertically integrated operations

Management has determined that the chief operating decision-maker is the Executive Committee.

The Group operates as a vertically integrated mining concern and is managed as a single segment. The chief operating decision maker makes strategic decisions based on internal reports on the Group's performance as a whole.

	2011 US$000	2010 US$000
Analysis of Revenue		
The Group derives its revenue from the following metal products:		
Platinum	284 991	233 929
Palladium	98 347	53 658
Gold	26 636	19 902
Rhodium	30 030	33 585
Nickel	66 135	48 418
Other	21 215	14 661
Total	527 354	403 953
Major Customer:		
Revenue from Group's sole customer is:		
Impala Refinery Services	527 354	403 953

31 Related parties

31.1 Related party relationships

a) Controlling entities

The immediate holding company is Impala Platinum BV which directly holds an 87% equity interest in Zimplats Holdings Limited (Guernsey). The ultimate holding company is Impala Platinum Holdings Limited (incorporated in South Africa) which directly holds a 100% equity interest in Impala Platinum BV.

b) Group enterprises

Subsidiaries	Country of incorporation	Ownership interest 2011 %	Ownership interest 2010 %
Mhondoro Holdings Limited	United Kingdom	100	100
Always Investments (Private) Limited	Zimbabwe	100	100
Baydonhill Investments (Private) Limited	Zimbabwe	100	100
Duckbrooke Mine (Private) Limited	Zimbabwe	100	100
Hartley Minerals Zimbabwe Proprietary Limited	Australia	100	100
Jalta Investments (Private) Limited	Zimbabwe	100	-
Matreb Investments (Private) Limited	Zimbabwe	100	100
Ngezi Platinum Limited	Zimbabwe	100	100
Selous Platinum (Private) Limited	Zimbabwe	100	100
Zimbabwe Platinum Mines (Private) Limited	Zimbabwe	100	100
Zimplats Corporate Services (Private) Limited	Zimbabwe	100	100

c) Directors and key management personnel

The directors named in the directors' report held office as directors of the company during the years ended 30 June 2011 and 2010 except as follows: Mr. F Roux resigned on 6 November 2009 and Mr. G Sebborn resigned on 10 February 2010. Mr. D H Brown replaced Mr. M Houston as Chairman on 1 March 2010 and Ms. B Berlin and Mr. S E Frost and Mr. N P S Zhou were appointed as directors with effect from the same date. Mr Houston remains on the board as a non-executive director.

	Group		Company	
	Year to Jun-11 US$ 000	Year to Jun-10 US$ 000	Year to Jun-11 US$ 000	Year to Jun-10 US$ 000
31.2 Related party transactions and balances				
a) Revenue				
Sales of matte to Impala Refining Services Limited (note 19)	527 354	403 953	-	-

The Group's only customer is Impala Refining Services Limited, which is a fellow wholly owned subsidiary of Impala Platinum Holdings Limited. Sales thereto are based on a long term agreement.

	Group Jun-11	Group Jun-10	Company Jun-11	Company Jun-10
b) Inter-company receivables				
Impala Refinery Services Limited	153 925	54 660	-	-
Zimbabwe Platinum Mines (Private) Limited	-	-	5 863	2 741
	153 925	54 660	5 863	2 741

c) 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 $443 000 (2010: $314 000), and remuneration to executive directors and key management personnel amounted to $6 550 000 (2010: $3 808 000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Group Year to Jun-11 US$ 000	Group Year to Jun-10 US$ 000	Company Year to Jun-11 US$ 000	Company Year to Jun-10 US$ 000
32 Financial instruments				
32.1 Loans and borrowings				
This note provides information about the contractual terms of the Group's interest bearing loans and borrowings, which are measured at amortised cost.				
Non-current liabilities				
Secured bank loans	36 000	101 739	-	-
Finance lease liability	2 066	3 792	-	-
	38 066	105 531	-	-
Current liabilities				
Secured bank loans	15 079	25 260	-	-
Finance lease liability	1 727	1 551	-	-
	16 806	26 811	-	-

The terms and conditions of outstanding loans were as follows:

		Nominal interest rate	Year of maturity	Face value	Carrying amount
30 June 2011					
Secured bank loans	US$	LIBOR +700bp	2012	51 079	51 079
Finance lease liabilities	US$	12%: 8%	2013: 2014	3 793	3 793
Total interest bearing liabilities				54 872	54 872
30 June 2010					
Secured bank loans	US$	LIBOR +700bp	2012	63 159	63 159
Secured bank loans	ZAR	JIBAR +700bp	2015	7 813	7 813
Finance lease liabilities	US$	12%: 8%	2013: 2014	5 343	5 343
Total interest bearing liabilities				76 315	76 315

33 Financial instruments by category

	Group Loans and receivables US$ 000	Group Available for sale US$ 000	Group Total US$ 000
At 30 June 2011			
Asset per consolidated statement of financial position			
Long term receivable	22 508	-	22 508
Short-term portion of long term receivable	4 796	-	4 796
Available-for-sale financial assets	-	-	-
Trade and other receivables (excluding prepayments)	180 962	-	180 962
Cash and cash equivalents	54 010	-	54 010
	262 276	-	262 276

	Liabilities at fair value through profit & loss	Financial liabilities amortised at cost	Total
Liabilities per consolidated statement of financial position			
Borrowings (excluding finance lease liabilities)	-	51 079	51 079
Finance lease liability	-	3 793	3 793
Trade and other payables (excluding statutory liabilities)	-	50 981	50 981
	-	105 853	105 853

	Loans and receivables	Available for sale	Total
At 30 June 2010			
Asset per consolidated statement of financial position			
Long term receivable	29 403	-	29 403
Available-for-sale financial assets	-	63	63
Trade and other receivables (excluding prepayments)	74 834	-	74 834
Cash and cash equivalents	81 179	-	81 179
	185 416	63	185 479

	Liabilities at fair value through profit & loss	Financial liabilities amortised at cost	Total
Liabilities per consolidated statement of financial position			
Borrowings (excluding finance lease liabilities)	-	126 999	126 999
Finance lease liability	-	5 343	5 343
Trade and other payables (excluding statutory liabilities)	-	59 955	59 955
	-	192 297	192 297

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

34 Contingent liability

Additional Profits Tax (APT)

The group has a contingent liability of $36.3 million in respect of additional profits tax (APT) made up as follows:	**US$ 000**
i. Disputed additional APT liability arising from amended assessment for the period to 30 June 2007	26 900
ii. APT that would be payable for the year to 30 June 2011 in the event that appeal case fails	9 400
Total APT Contingent Liability	36 300

In December 2010, the Zimbabwe Revenue Authority (Zimra) issued an amended APT assessment for the period to 30 June 2007 on which the deduction of prior year income tax losses were disallowed as a deduction in the computation of APT. As a result of the disallowance, the previously assessed and paid APT liability for the period to June 2007 increased by $26.9 million to $50.4 million. An objection lodged against the amended assessment was dismissed after which the company lodged an appeal at the Special Court of Tax Appeals. The case is still to be heard. Zimra has however agreed that payment of the disputed liability be deferred until the court has ruled on the matter.

For the year ended 30 June 2011, there is no APT liability. However, if the income tax losses brought forward from the year to 30 June 2010 are not allowed as deductions in the APT computation as argued by Zimra, there will be an APT liability in the sum of $9.4 million.

35 Events after reporting period

There are no significant post balance sheet events that were noted that require disclosure in the financial statements or adjustments to be effected on the reported amounts.


36

SHAREHOLDER AND OTHER INFORMATION

Zimplats is a company incorporated in Guernsey, British Isles.



ANALYSIS OF SHAREHOLDERS

Shareholding

Shareholding information is current at 30 June 2011.

Substantial Shareholders

The number of shares held by substantial shareholders is set out below:

Shareholder	Ordinary Shares
Impala Platinum BV	93 644 430

Voting Rights of Ordinary Shares

Pursuant to the Law of the Island of Guernsey, Zimplats has determined that for the purpose of the Annual General Meeting, all shares held in Zimplats shall be taken to be held by the persons who held them as registered shareholders at "11.30am GMT + 11:00 Sydney, Australian time", on Wednesday, 5 October 2011 ("entitlement time").

All shareholders of ordinary shares in Zimplats as at the "entitlement time" are entitled to attend and vote at the meeting.

On a show of hands, every member present or voting by proxy, attorney or representative shall have one vote.

On a poll, every member present or voting by proxy, attorney or representative, shall have one vote for each fully paid ordinary share held.

Top Twenty Shareholders

Name	Number of shares	%
Impala Platinum BV	93 644 430	87.00
HSBC Custody Nominees (Australia) Ltd	5 243 323	4.87
Merrill Lynch (Australia) Nominees Pty Ltd	2 728 050	2.53
National Nominee Ltd	1 115 692	1.04
J P Morgan Nominees Australia Ltd	580 864	0.54
Citicorp Nominees Pty Ltd	542 909	0.50
JP Morgan Nominees Australia Ltd: Cash Income a/c	470 589	0.44
Primeoak Ltd	320 000	0.30
Credit Suisse Securities (Europe) Ltd	310 000	0.29
Minerva Trust Company Ltd	204 500	0.19
E J F Dias	204 104	0.19
W Ravesteyn & R A Ravesteyn	194 990	0.18
R A Ravesteyn	184 564	0.17
HSBC Custody Nominees (Australia) Ltd GSCO	169 119	0.16
Dr D S Kleinman	160 600	0.15
The Ravesteyn Super Fund	113 739	0.11
N D Hutchens Super Fund	94 809	0.09
M D Hutchens	94 363	0.09
Berne No 132 Nominees Pty Ltd	74 306	0.07
N D Hutchens	67 000	0.06
Top twenty	**106 517 951**	**98.97**

Name	Number of shares	%
Next 20	525 048	0.49
Next 20	184 427	0.17
Next 20	107 806	0.10
Next 20	63 120	0.06
Other	239 297	0.21
Total	**107 637 649**	**100.00**

Shareholdings	Number of holders	%	Number of shares	%
1-1 000	216	48.67	66 643	0.06
1 000 - 10 000	3	0.66	415 907	0.39
10 000 - 100 000	8	1.80	967 626	0.90
100 000 - 1 000 000	36	8.11	3 455 978	3.21
1 000 000 - 10 000000	180	40.54	9 087 065	8.44
10 000 000 and over	1	0.22	93 644 430	87.00
Total	444	100.00	107 637 649	100.00

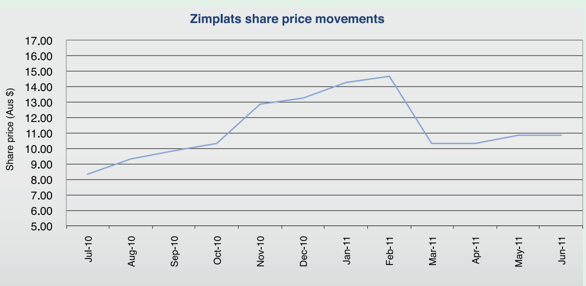
In terms of the definition under ASX Listing Rule 4.10.8, the number of shareholders holding less than a marketable parcel of ordinary shares is 30 (2010: 28).

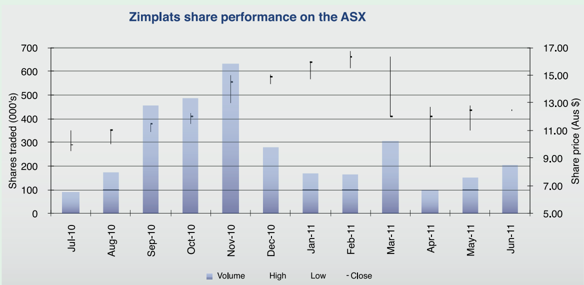
On-market Buy-back

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

Trading Volume

As a consequence of Implats shareholding of 87.00% (2010 = 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 eleventh Annual General Meeting of the members of Zimplats Holdings Limited (Zimplats) will be held at The Protea Balalaika Hotel, 20 Maude Street, Sandown, Sandton, Johannesburg, South Africa on Friday 7 October 2011 at 11:30am for the following purposes:

1. To receive and consider the Group and company Annual Financial Statements, the Directors' Declaration and the Report of the Auditors for the year ended 30 June 2011.
2. To appoint Messrs. PricewaterhouseCoopers as auditors for the ensuing year.
3. To approve the audit fees of $20 000 for the year.
4. Election of Directors:
    (a) To re-elect as a director Mr. D H Brown, who is retiring by rotation.
    (b) To re-elect as a director Mr. L J Paton, who is retiring by rotation.
    (c) To re-elect as a director Mr. R G Still, who is retiring by rotation.

NOTES

1. Pursuant to the Law of the Island of Guernsey, Zimplats has determined that for the purpose of the Annual General Meeting, all shares in Zimplats shall be taken to be held by the persons who held them as registered shareholders at 11.30am South African time (+2 GMT) on Wednesday 5 October 2011 (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 NOTES TO RESOLUTIONS

Resolution 2 – Appointment of Messrs PricewaterhouseCoopers as auditors for the ensuing year.

Messrs PricewaterhouseCoopers have indicated that they are in a position to accept appointment as external auditors of Zimplats Holdings Limited for the year ending 30 June 2012.

Directors' Recommendation

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

Resolution 3 – Approve the audit fee of US$20 000 for the year ended 30 June 2011.

The audit fee is in respect of services rendered for the external audit of Zimplats Holdings Limited, and certain controlled subsidiary companies.

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 Mr. D H Brown as a Director of the company.

BCom, CTA, CA(SA)

David Brown was appointed Chief Executive Officer of Implats in 2006, prior to which he was Finance Director. David was appointed Chairman of the Board on 1 March 2010.

(b) Re-election of Mr. L J Paton as a Director of the company.

BSc (Hons) Geology, BCom, Pr.SciNat FGSSA

Les Paton was appointed to the Board in 2003 and was an Executive Director of Implats from 2003 until his retirement in 2011. He is an independent non-executive Director of Metorex Limited. Les is a member of the Remuneration Committee and Chairman of the SHEQ Committee.

(c) Re-election of Mr. R G Still as a director of the company.

BCom (Wits), BCom (Hons) (UCT), CTA (Wits), CA (SA)

Rob Still is a founding member of the Board of Directors and was appointed Chairman on 30 March 2001, a position he resigned from in December 2004. He is currently the non-executive Chairman of a South African listed mining group. Rob is a member of the Remuneration Committee.

Directors' Recommendation

All of the existing Directors of the company, other than those Directors standing for re-election, recommend that you vote in favour of the re-election of Messrs. D H Brown, L J Paton and R G Still having regard to their respective qualifications to act as Directors of your company.

GENERAL INFORMATION

- In this report any reference to “Zimplats”, “Zimbabwe Platinum”, “the Group” or “the company” means Zimplats Holdings Limited and/or its subsidiaries.
- Zimplats is a company incorporated in Guernsey, British Isles, registration number 34014. As such, the main laws controlling the corporate operations of the company are the laws of Guernsey.
- Zimplats is registered as a foreign company in Australia, number ARBN 083 463 058, and is listed on the Australian Stock Exchange with the code ZIM.
- Zimplats shares are freely transferable, subject to formal requirements and the registration of a transfer, which does not result in a contravention of, or failure to observe, a provision of law.
- Zimplats is not subject to Chapter 6 of the Australian Corporations Law dealing with the acquisition of shares, including substantial shareholdings and takeovers.
- Zimplats is not subject to the City Code on Takeovers and Mergers and the Rules Governing Substantial Acquisitions of Shares (UK) (the Code).
- All reported currency is expressed in United States dollars unless otherwise indicated.
- All weights expressed in ounces are troy ounces.

TECHNICAL TERMS

4E	Four Elements. The grade may be measured as the combined content of the four precious metals – platinum, palladium, rhodium and gold.
Au	Chemical symbol for gold
bankable standard	Capable of supporting an application to a recognised project financier for project finance.
beneficiation	The separation of desired minerals from waste material during exploitation of a mineral deposit, by which the mineral is concentrated prior to refining.
bord and pillar mining	Also known as room and pillar mining method. Mining takes place on the reef horizon only. The main access declines are mined on dip and from these access declines, drives (bords) are developed on strike. In-situ reef pillars are left between these bords for support purposes. A typical bord length can vary from six to twelve metres with pillar dimensions of four to six metres square.
concentrate	Material that has been processed to increase the content of contained metal or mineral relative to the contained waste.
converting	The final stage of matte production in which excess sulphur and iron are removed by blowing air through the molten green matte to produce white matte.
Cu	Chemical symbol for copper.
cut-off grade	Lowest grade mineralised that qualifies as ore, i.e. will meet all further operating costs for a given deposit.
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.
metallurgy	The science of extracting metals from ore and preparing them for sale.

Mineral Resource	Defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves as "an identified in-situ mineral occurrence from which valuable or useful minerals may be recovered". **Mineral resources are subdivided in measured, indicated and inferred categories as follows:** Measured mineral resource – means a mineral resource intersected and tested by drill holes, underground openings or other sampling procedures at locations, which are spaced closely enough to confirm continuity and where geo-scientific data are reliably known. A measured mineral resource estimate will be based on a substantial amount of reliable data, interpretation and evaluation which allows clear determination to be made of shapes, sizes, densities and grades; Indicated mineral resource – means a mineral resource sampled by drill holes, underground openings or other sampling procedures at locations too widely spaced to ensure continuity but close enough to give a reasonable indication of continuity and where geo-scientific data are known with a reasonable level of reliability. An indicated mineral resource estimate will be based on more data, and therefore be more reliable, than an inferred mineral resource estimate; Inferred mineral resource – means mineral resource inferred from geo-scientific evidence, drill holes, underground openings or other sampling procedures where the lack of data are such that continuity cannot be predicted with confidence and where geo-scientific data may not be known with a reasonable level of reliability.
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 Reserves	Defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves as "that part of measured or indicated mineral resource which could be mined, inclusive of dilution, and from which valuable minerals could be recovered economically under conditions realistically assumed at the time of reporting". Ore Reserve estimates are derived from estimates of Mineral Resources modified by economic, mining, metallurgical, marketing, legal, environmental, social and governmental factors. **Ore Reserves are subdivided into Proved Ore Reserves and Probable Ore Reserves as follows:** Proved ore reserve – an ore reserve stated in terms of mineable tonnes/volume and grade in which the corresponding identified mineral resource has been defined in three dimensions by excavation or drilling (including minor extensions beyond actual openings and drill holes), and where the geological factors that limit the ore body are known with sufficient confidence that the mineral resource is categorised as "measured"; Probable ore reserve – means an ore reserve stated in terms of mineable tonnes/volume and grade where the corresponding identified mineral resource has been defined by drilling, sampling or excavation (including extensions beyond actual openings and drill holes), and where the geological factors that control the ore body are known with sufficient confidence that the mineral resource is categorised as "indicated'.

Pd	Chemical symbol for palladium.
peak platinum value	This is the highest platinum value in the mineralisation and coincides with a sharp decrease in sulphide content and grain size.
PGMs	Platinum Group Metals, being six elemental metals of the platinum group generally found together. They are platinum, palladium, rhodium, ruthenium, osmium and iridium.
Pt	Chemical symbol for platinum.
refining	The final stage of metal production in which the various base and precious metals contained in the white matte are separated from each other, by a wide variety of hydrometallurgical processes, to produce individual metals and/or metal salts of saleable purity.
Rh	Chemical symbol for rhodium.
room and pillar mining	Refer to bord and pillar mining method.
SAG	Semi autogenous grinding.
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.

UNITS OF MEASURE

g/t	grams per tonne
kg	kilograms
km	kilometres
kt	thousand tonnes
m	metres
micron	one millionth of a metre
moz	million ounces
mt	million tonnes
mw	megawatts
oz	troy ounces

SHAREHOLDERS CALENDAR 2011/12

2011	
2010/11 Year End	30 June
June 2011 Quarter Production Report Released	31 July
Annual Report Mailed	September
September Quarter Production Report Released	October
Annual General Meeting	7 October
2012	
December 2011 Quarter Production Report Released	January
March 2012 Quarter Production Report Released	April
2011/12 Year End	30 June
June 2012 Quarter Production Report Released	July
Annual Report Mailed	September
September 2012 Quarter Production Report Released	October
Annual General Meeting	October

PRINCIPAL AND REGISTERED OFFICE

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Member of the Implats Group

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Australian Stock Exchange (ASX)

ASX Code: ZIM

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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.