ZIMPLATS
Member of the Implats Group

ZIMPLATS HOLDINGS LIMITED

INTEGRATED REPORT 2012

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 all stakeholders and the country.

OBJECTIVES

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

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

SCOPE OF THIS REPORT

This report covers the financial year I July 2011 to 30 June 2012 and is prepared for Zimplats Holdings Limited and its subsidiaries. In line with the recommendations of the King III Report on Corporate Governance it integrates those material aspects of the company's environmental, social and governance impacts with the operational and financial performance of the business. It also presents the risks and opportunities that the company faces.

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

The sustainability report provides information on both financial and non-financial performance and has been compiled with reference to the Global Reporting Initiative (G3) guidelines (level C).

The reported Mineral Resources and Reserves estimates conform to the requirements of the Australasian Code for reporting on Mineral Resources and Ore Reserves (JORC) and has been signed off by defined competent persons.

Production is reported in terms of platinum group metals (PGM's) which includes platinum, palladium, rhodium, and gold, also referred to as 4E. Unless stated otherwise in the report oz. (ounces) or kg (kilograms) refers to 4E and in all cases $ refers to the US Dollar.

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

There has been no significant change to the organizational structure or any material restatements of data during the year.

This integrated report is also available on the company's website at **www.zimplats.com**

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OVERVIEW

"Since your company commenced operations in 2001, it has invested nearly $1 billion in historical terms in productive assets as well as the country's infrastructure."

Source :
Chairman's Letter 2012

BUSINESS PROFILE

The company is registered in Guernsey and is listed on the Australian Stock Exchange. It is in the business of producing PGM's and is a subsidiary (87% shareholding) of one of the world's leading producers of PGM's , the South African based Implats, which contributes approximately 25% of global platinum output.

The company's wholly owned operating subsidiary , Zimbabwe Platinum Mines (Private) Limited which has been in operation for eleven years, is a significant producer of PGM's with ore bodies located on the Great Dyke in Zimbabwe. The company has a resource base of 222 M oz. 4E with approximately 50 years life of mine.

It has three underground mines with a fourth under development, and two concentrators and a smelter, all situated in the Mhondoro Ngezi and Selous rural areas approximately 100 kilometres south of Harare. The company has a workforce of 4 000 people (and a further 5 000 contractors).

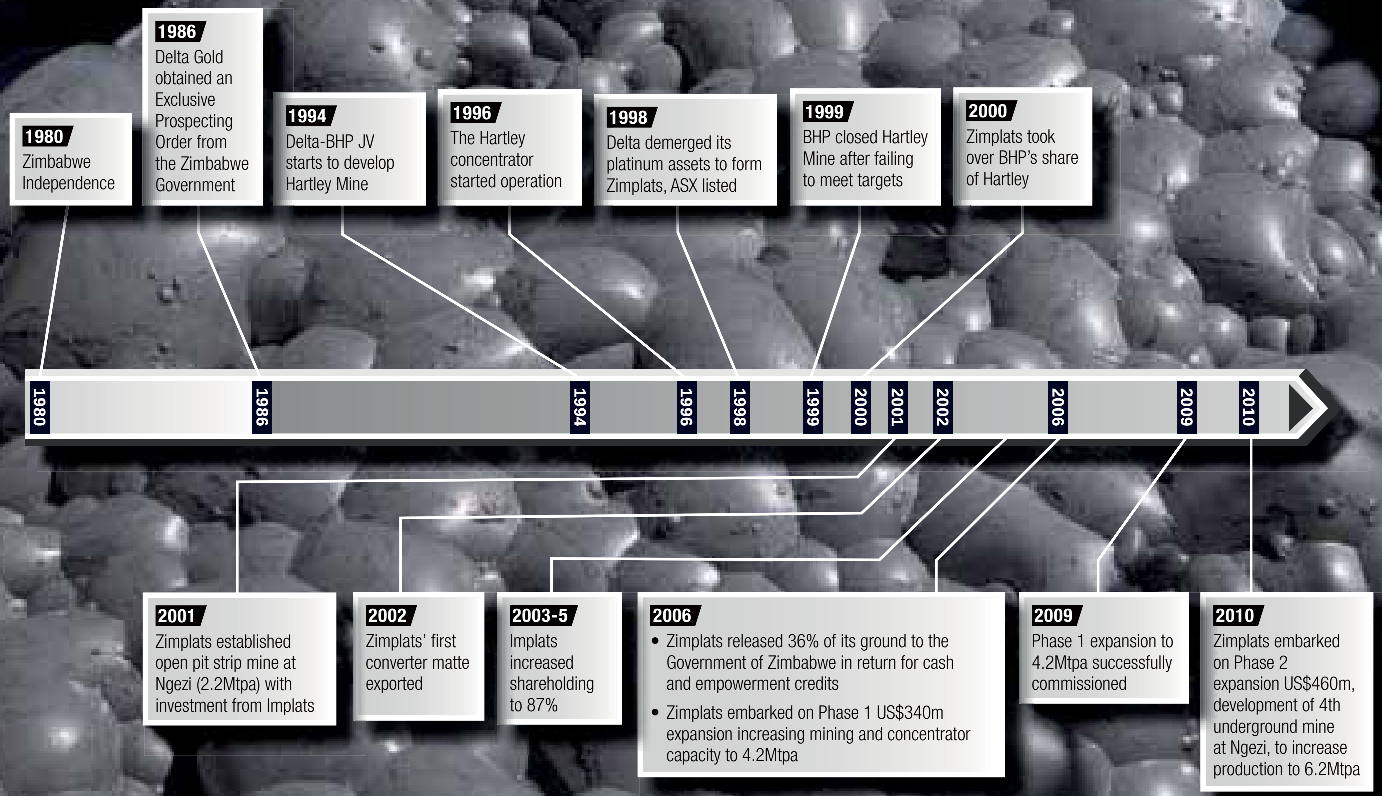
Through its value chain 4.59 million tonnes of mined ore was converted during FY2012 to matte sales to Implats of 375 340 4E oz. (2011:368 282).

Platinum Group Metals-The 'Green' Metals

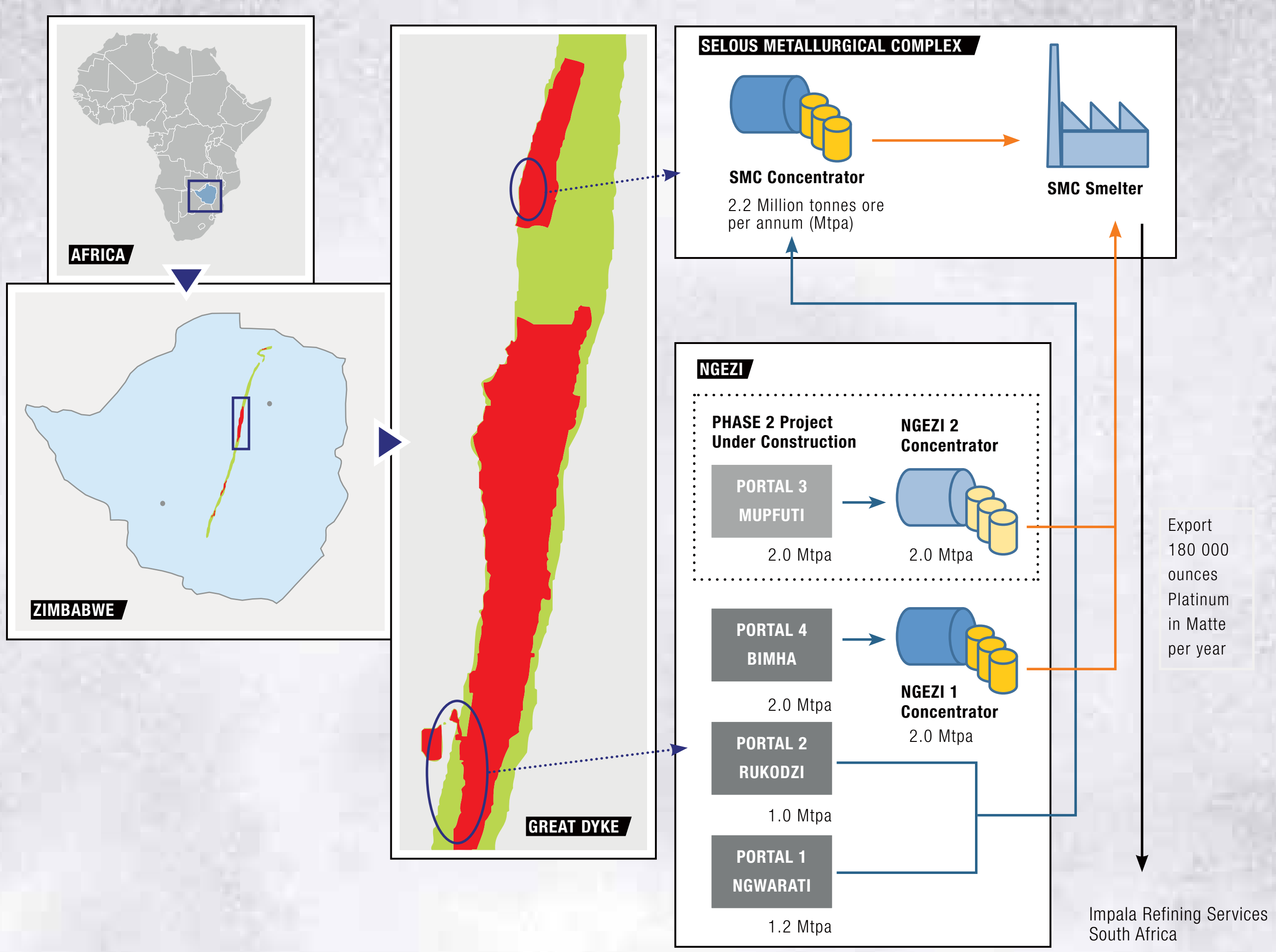
PGM's are a vital component in auto catalytic converters, and play a significant role in reducing air pollution by limiting the discharge of carbon monoxide and other emissions in both gasoline and diesel engines.

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

WHERE WE CAME FROM



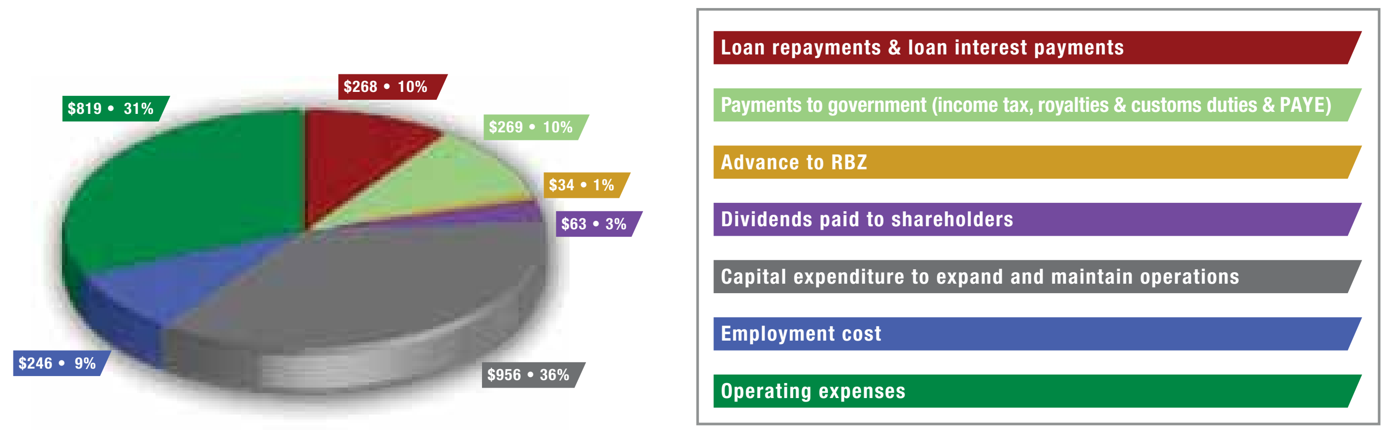
LOCATION AND OPERATIONS



ZIMBABWE PLATINUM MINES (PRIVATE) LIMITED

CASH UTILISATION (2002 -2012) $ MILLIONS

Over the course of the last 10 years the operating subsidiary Zimbabwe Platinum Mines (Pvt) Ltd has spent $2.6 billion in financing the operations and growth of the business and in payments to the national fiscus, making it the single largest investment in Zimbabwe in the last decade.



ACTING CHAIRMAN'S LETTER

DEAR SHAREHOLDER

I am pleased to report that your company recorded an outstanding safety and operational performance in the past financial year. The good operational performance was however marred by low metal prices, resulting in a reduced profit for the year.

The year was particularly tough for your Board and management as they grappled with issues regarding the implementation of the requirements of the indigenisation legislation. Although this remains work in progress, your company is committed to complying with Zimbabwean laws while safeguarding and respecting shareholders interests.

The concept of long-term sustainability and development are now key aspects of our business, and along with good governance and ethics have a clear linkage to creating long-term shareholder value. This year's report therefore strives to reflect the social, environmental and economic considerations that impact on your company, in an all-encompassing manner.

SAFETY, HEALTH AND ENVIRONMENT

Zimplats safety performance in the past year was exceptional with four lost time injuries recorded, a 50% improvement from the eight injuries recorded in the previous year. This performance was particularly pleasing given the very large number of people employed by the various Ngezi Phase 2 project contractors.

Zimplats also celebrated the achievement of seven million fatality free shifts during the year.

The Zimplats team is to be congratulated for the world class safety performance and for retaining the ISO 9001:2008, OHSAS 18 001:2007 and ISO 14 001 certifications.

OPERATIONS

Both mining and processing operations performed above expectation, with Bimha Mine achieving its first full year's production. Mined tonnage was 8% above the previous year despite difficult ground conditions in some sections. This contributed to the head grade being 1% lower than the previous year but consistent with the plan for the year. The two concentrators operated well during the year resulting in tonnes milled increasing by 4% year on year.

The smelter also operated well, processing all available concentrates. Thus metal production for the year was 2% above the previous year in line with the milled tonnage and the lower head grade.

Clearly demonstrating the company's commitment to the country and it's people.

Despite significant increases in power tariffs and employment costs, Zimplats maintained its position in the lower quartile of the industry cost curve. Cost per platinum ounce amounted to $1 226, an increase of 5% on the previous year. Zimplats management is to be commended for its continued focus on cost management and for the improvement in operational efficiencies.

CHAIRMAN'S LETTER - CONTINUED

Metal prices were on a downward trajectory for most of the year which has continued post year end and is driven mainly by uncertainty over the Eurozone economies. As a result, Zimplats gross revenue per platinum ounce was 12% lower than the previous year.

The lower metal prices negated the higher production volume and good cost performance. Consequently, revenue and profit before tax were 10% and 36% lower respectively.

CORPORATE ACTIVITIES

In a notice dated 14 March 2012, shareholders were advised that Zimplats had reached agreement with the Government of Zimbabwe in terms of which 51% of the shareholding in the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, would be disposed of at fair value to a Community Share Ownership Trust, an Employee Share Ownership Trust and broad based indigenous participants, under the Indigenisation and Economic Empowerment legislation. A Joint Technical Committee comprising Government of Zimbabwe representatives and management has been set up to work through material issues pertaining to the agreement. Shareholders will be briefed on major developments going forward.

There has been no progress on the Additional Profits Tax (APT) and Reserve Bank of Zimbabwe (RBZ) debt issues. The APT case is still to be heard by the Special Court of Income Tax Appeals. Government is yet to indicate when and the terms under which it would assume the $34 million debt due by the RBZ to the operating subsidiary.

During the year, the RBZ issued a directive instructing the operating subsidiary to localise its bank accounts which hitherto had been domiciled off-shore in terms of the Mining Agreement with the Government of Zimbabwe. The directive has been complied with and the localisation of the bank accounts has thus far not had an adverse effect on operations.

The Government of Zimbabwe gazetted new mining fees which have been set at unsustainably high levels. Management in conjunction with the Chamber of Mines of Zimbabwe, has appealed to Government for a review of the fees that certainly are detrimental to the entire industry.

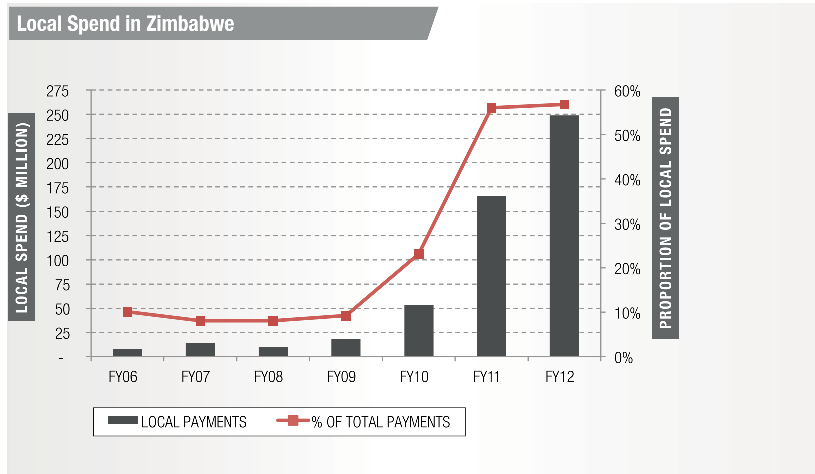
NGEZI PHASE 2 EXPANSION PROJECT

Good progress has been made on the implementation of the Ngezi Phase 2 Expansion project with $223 million spent and $109 million committed on the project by year end. Due to severe cash constraints, management has taken a decision to reschedule aspects of the project relating to support infrastructure, to subsequent years.

ZIMPLATS CONTRIBUTION TO ZIMBABWE

Since your company commenced operations in 2001, it has invested nearly $1 billion in historical terms in productive assets as well as on the country's infrastructure. In the process, Zimplats has created direct permanent employment for 4 000 Zimbabweans clearly demonstrating the company's commitment to the country and it's people.

Following the dollarization of the Zimbabwean economy, management with the support of your Board, made a deliberate decision that Zimplats must play its full part in the country's economic recovery by increasing, to the maximum extent possible, the proportion of the company's inputs that are procured from Zimbabwean suppliers and service providers. I am pleased to report that in the year to June 2012, your company spent $247 million or 57% of its total spend on goods and services in Zimbabwe (excluding employment costs and payments to Government) compared to $164 million (56%) for the previous year. The company's net employment costs amounted to $42 million making a total of $289 million spent in Zimbabwe, with obvious downstream benefits.

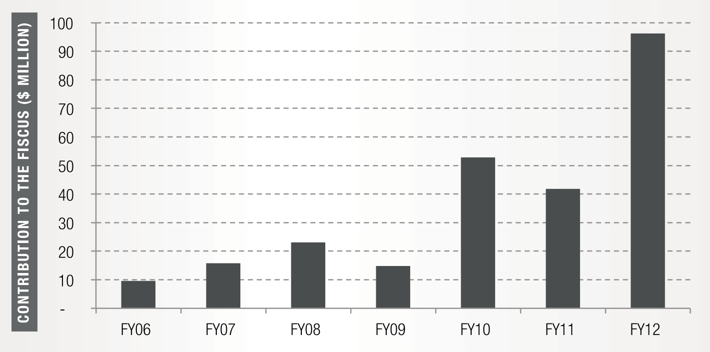


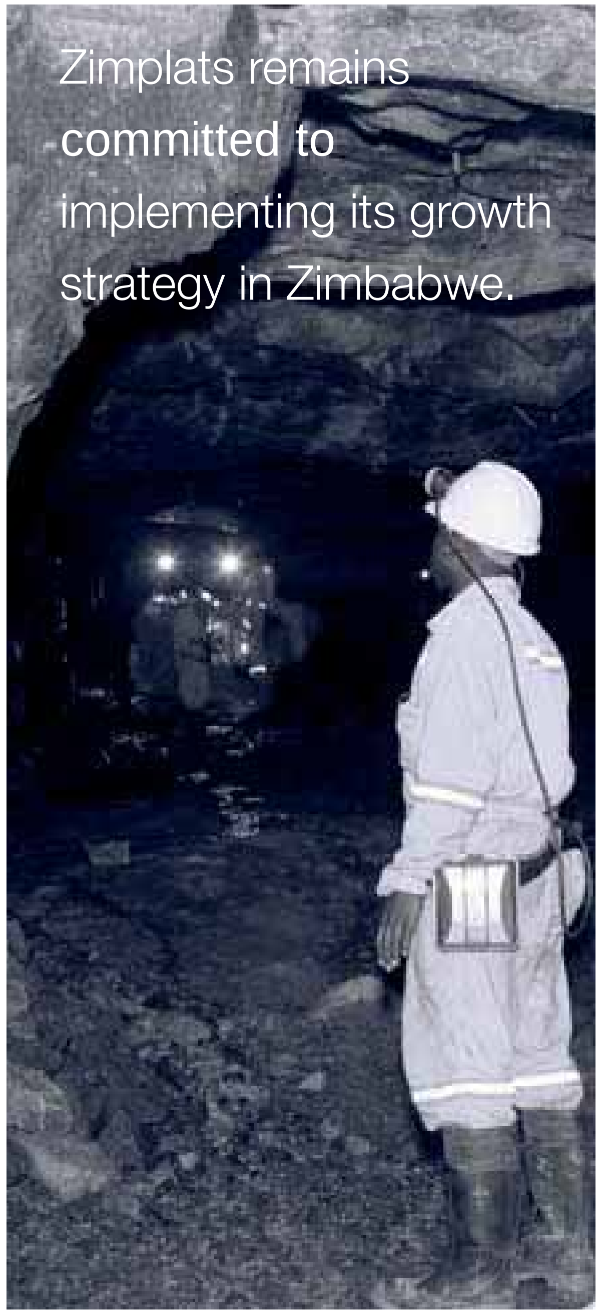
CHAIRMAN'S LETTER - CONTINUED

As your company has grown, so has its contribution to the fiscus. In the past year, payments to Government in respect of corporate tax, royalties, payroll taxes and customs duty amounted to $96 million (previous year - $42 million) making your company one of the biggest contributors to the fiscus.

As the expansion programme unfolds, your company's contribution to the Zimbabwean economy will continue to grow.

Contributuon to the Fiscus





OUTLOOK

Zimplats remains committed to implementing its growth strategy in Zimbabwe. However, an investment of the magnitude envisaged requires a supportive socio-economic environment to attract the necessary funding. Whilst the country has enjoyed relative stability since the Government of National Unity took over three years ago, policy inconsistency remains an issue of great concern to investors.

The Ngezi Phase 2 concentrator is scheduled to be commissioned in April 2013 and will operate untill June 2013 to facillitate handover. Thereafter the plant will be closed untill November 2013. Production for the year to June 2013 is therefore forecast to be marginally higher than for the year to June 2012. The outlook for metal prices however remains subdued and therefore cash generation will remain constrained.

ACKNOWLEDGEMENTS

On behalf of the board, I would like to thank the Zimplats team for a very good year's performance even if the financial results may not adequately reflect so.

David Brown resigned from the board on 30 June 2012. As Deputy Chairman, I will be Acting Chairman until such time as a substantive chairman is appointed. I would like to thank David for his immense contribution to the growth and success of Zimplats during the eleven years he served on the board, the last two as Chairman. David was instrumental in getting Impala Platinum Holdings Limited to invest in Zimplats in 2001 and was a strong supporter of the company's growth strategy. The board and management wish David well in his future endeavours.

Last but not least, I would like to thank my fellow directors for their stewardship of the company during another challenging but successful year.

M A MASUNDA
ACTING CHAIRMAN
10 AUGUST 2012

CHIEF EXECUTIVE OFFICER'S REPORT

KEY PERFORMANCE FEATURES

- Excellent safety and operational performances
- Profits adversely affected by depressed metal prices
- Some components of the Ngezi phase 2 Expansion project deferred to future years

Sustainability and sustainable development are key to Zimplats' long term success. To this end, stakeholder engagement remains important.

I am pleased that this report has continued the process of aligning with the requirements of the King III code of corporate governance for integrated reporting on the economic, environmental, social and governance issues that have a bearing on the future of the company.

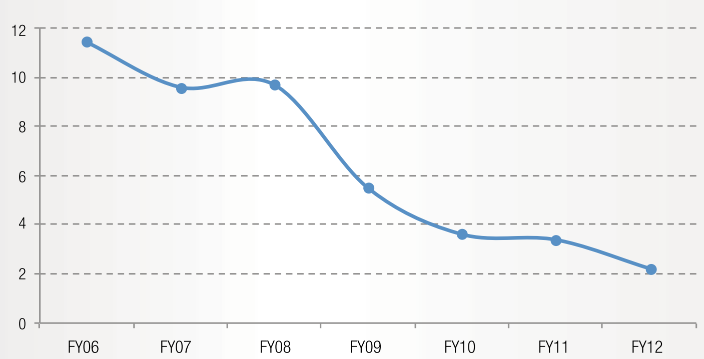
SAFETY, HEALTH AND ENVIRONMENT

SAFETY

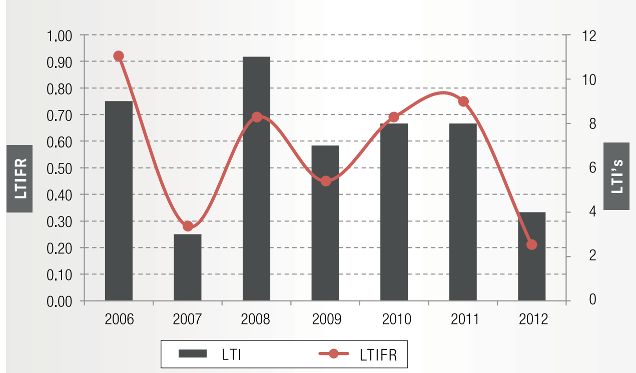
There was a marked improvement in safety performance with four lost time injuries recorded, 50% better than the previous year. Three of the lost time injuries recorded were in the mining division (down from four in the previous year) whilst one was in the processing division. Significant improvement was recorded on the Ngezi Phase 2 Expansion project which had no lost time injuries compared to four in the previous year. The lost time injury frequency rate (LTIFR) and total injuries frequency rate (TIFR) improved by 72% and 35% to 0.21 and 2.22 respectively reflecting a combination of reduced injuries and increased number of shifts in line with increased activity on the expansion project.

I am pleased to report that we celebrated the achievement of seven million fatality free shifts during the year.

Total Injuries Frequency Rate Trend



Lost Time Injuries Trend



Looking ahead, Team Zimplats remains focused on achieving the goal of "Zero Harm". In pursuing this goal, management will ensure adequate training of both own and contractor employees; continuously review process designs as well as ensuring that the attendant procedures and systems are revamped to support and sustain the step-up in safety performance. The recruitment and retention strategy will be managed to ensure that appropriate skills are attracted and retained at all levels in the organisation.

I am pleased that we retained our ISO 9001:2008 and OHSAS 18001:2007 certifications.

HEALTH

The workplace HIV and AIDS programmes continued to perform well. Zimplats entered into partnership with external stakeholders who specialise in HIV and AIDS voluntary counselling and testing (VCT) resulting in VCT uptake improving by 207%.

I am pleased to report that Zimplats won the Zimbabwe National Chamber of Commerce "Best Social Responsibility Award in HIV Management".

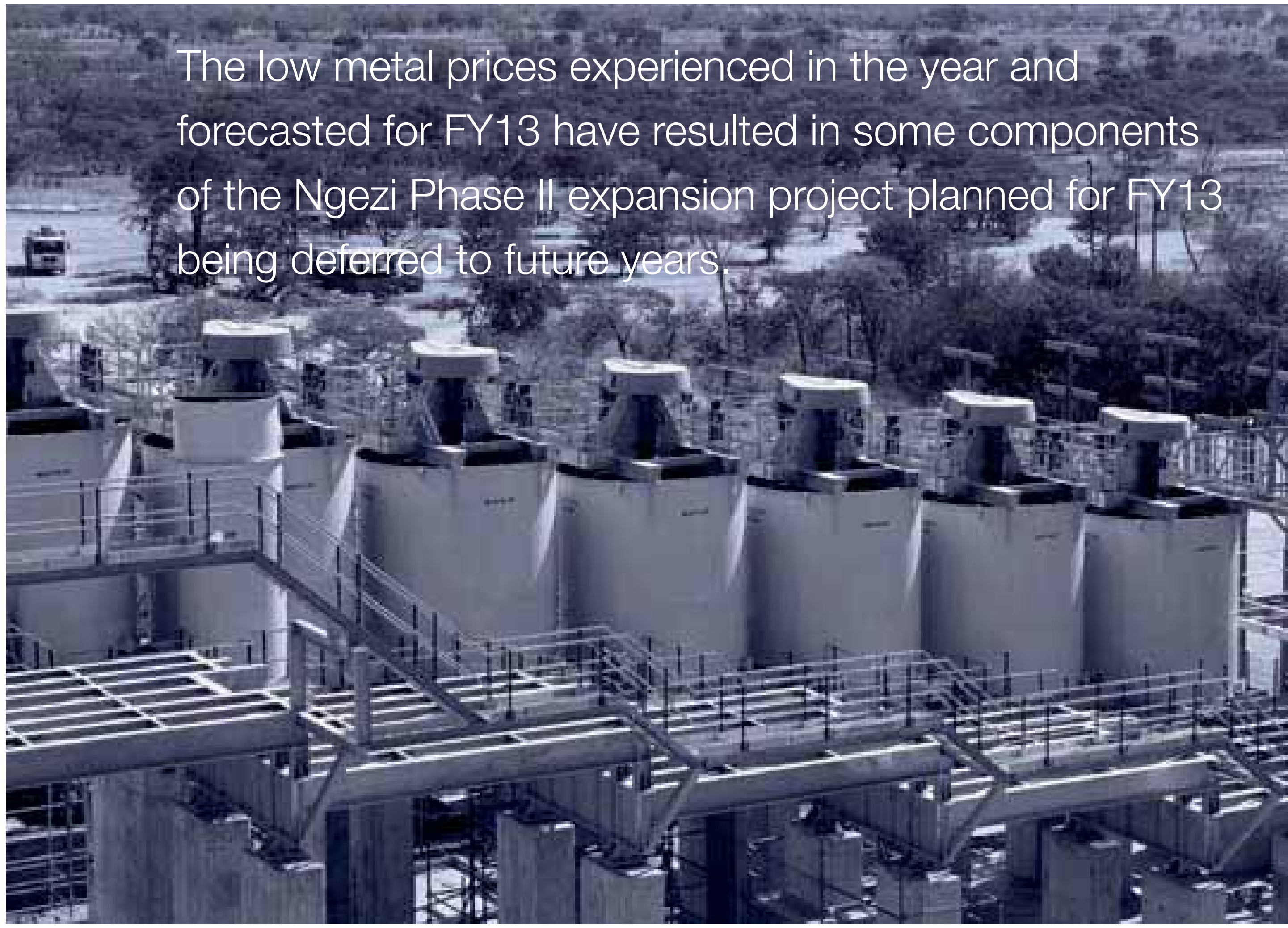
Malaria control programmes performed well focussing on educational campaigns, indoor residual spraying of households and larviciding of ponds in the Turf residential area.

Looking ahead, Zimplats plans to put up a bigger medical facility as part of the Ngezi Phase II Expansion project. In the short term, Zimplats will fund the upgrading of the Government owned Turf Clinic to improve health delivery for the Turf community.

ENVIRONMENT

The environmental performance for the year as measured by the number of environmental non-conformances and incidents was good. A number of both internal and external environmental audits were conducted in the year and no major non-conformances were reported.

Rehabilitation of the closed open pit mine progressed well in the year with 19% of the disturbed areas rehabilitated by end of year at a total cost of $1 million using equipment purchased in the



previous year. Work on the tailings dams rehabilitation continued as planned.

Water consumption increased by 12% in the year in line with higher production volumes and increased activity at the Ngezi Phase 2 Expansion project. Water recycling improved by 5% in the year.

Effluent and waste management programmes performed well. Construction of hazardous waste silos at SMC was completed, reducing potential land contamination from hazardous waste. The internal effluent discharge monitoring system has shown significant improvement in the quality of the effluent discharged into the environment. Sulphur dioxide emissions from the smelter main stack are, however, still above recommended levels. Feasibility studies for sulphur abatement facilities are in progress with project implementation expected in the next five years.

Zimplats participated in the Association of Mine Managers of Zimbabwe National Competition for Mining and Processing Operations. Both the mining and processing divisions came first in these competitions.

The company retained its ISO14001 certification.

OPERATIONS

MINING

ORE MINED

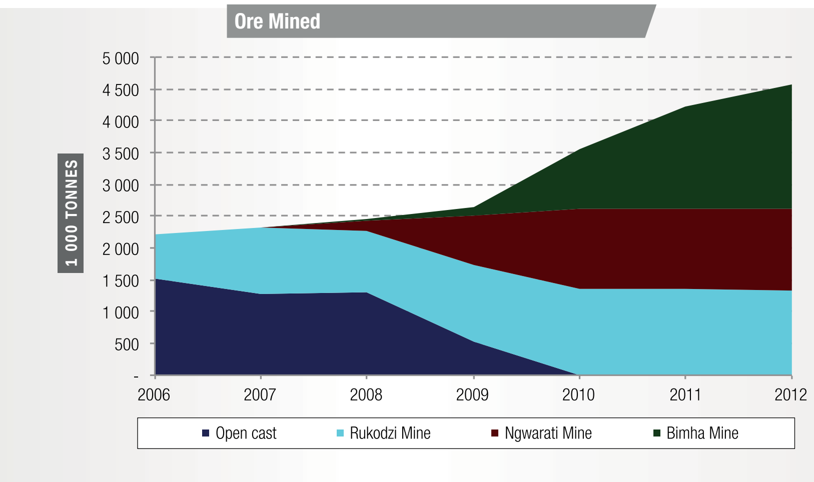
Ore mined at 4.59 million tonnes was 8% above the previous year; mainly reflecting increased production from Bimha Mine in its first full year of operation.

Ngwarati Mine production was good at 1.30 million tonnes, 3% up on the previous year's 1.26 million tonnes. This was despite difficult mining conditions arising from high incidence of faulting and barren intrusives.

Rukodzi Mine which continued to operate with five fleets produced 1.33 million tonnes, 1% below prior year production of 1.35 million tonnes as a result of reduced overall mining widths in response to poor ground conditions in some sections of the mine. Rukodzi Mine ore reserves are forecast to be depleted in FY20. Development of a replacement mine (Portal 5) is expected to commence within the next five years.

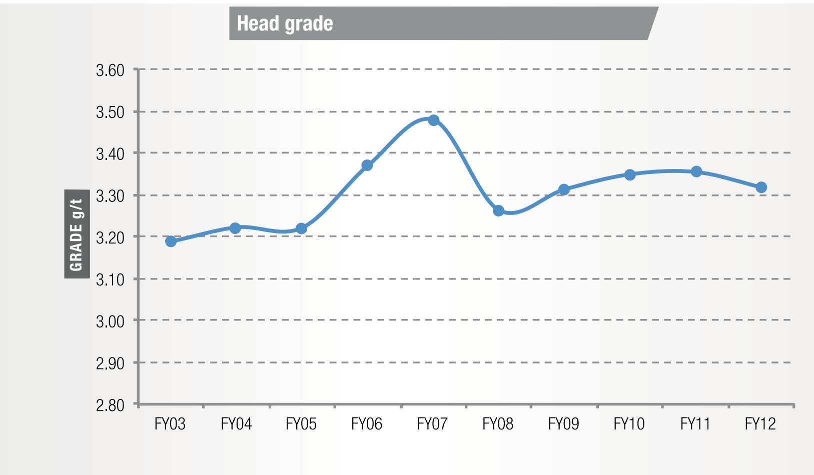
CHIEF EXECUTIVE OFFICER'S REPORT - CONTINUED

Bimha Mine which reached design production capacity in May 2011 performed well throughout the year producing 1.96 million tonnes, a 20% increase on the previous year's 1.63 million tonnes.



HEAD GRADE

Average 4E head grade for the year dropped 1% to 3.32 g/t resulting largely from deteriorating ground conditions at all the mines as well as treatment of higher proportion of low grade ore from Ngwarati mine. We expect to come out of the worst ground condition areas by end of FY13.



PROCESSING

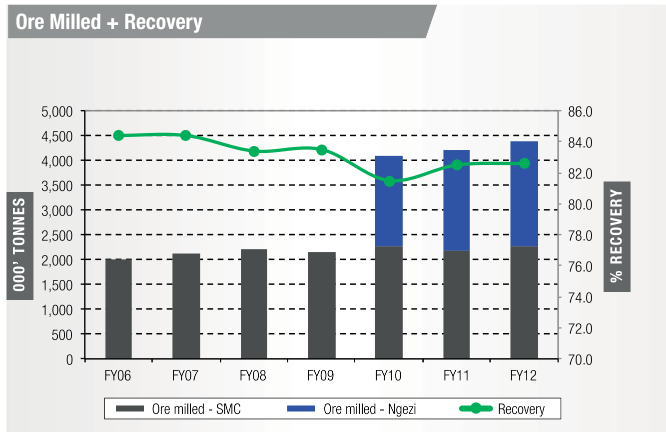
CONCENTRATORS

Tonnes ore milled totalled 4.39 million tonnes, 4% above the previous year's 4.22 million tonnes, reflecting mainly higher milling rates achieved at both concentrators and higher running time at the SMC concentrator.

The SMC concentrator milled a record 2.28 million tonnes, 5% ahead of the previous year's performance, reflecting the combined effect of higher milling rates and running time. Previous year running time was affected by the mill bearing failure.

The Ngezi concentrator performed well milling 2.12 million tonnes, 3% above the previous year's 1.83 million tonnes mainly due to higher milling rates.

Overall recovery rate at 82.6% was in line with prior year performance.

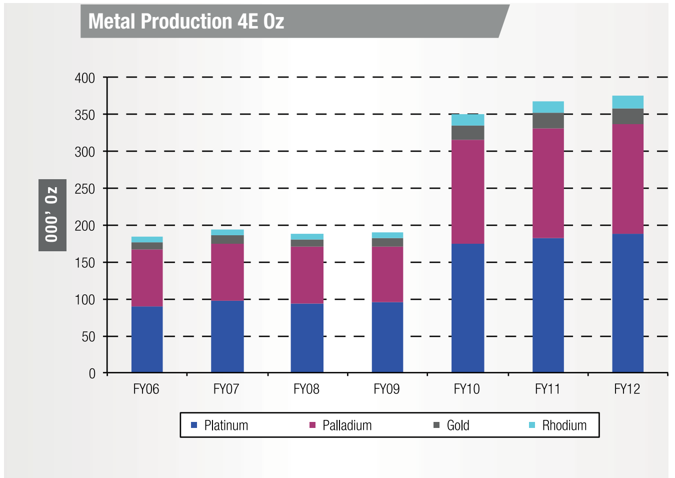


SMELTER

The smelter performed well throughout the year processing a record 126,391 tonnes of concentrates despite fifteen days of power load shedding in the third quarter which resulted in the furnace operating at less than half its capacity. Platinum

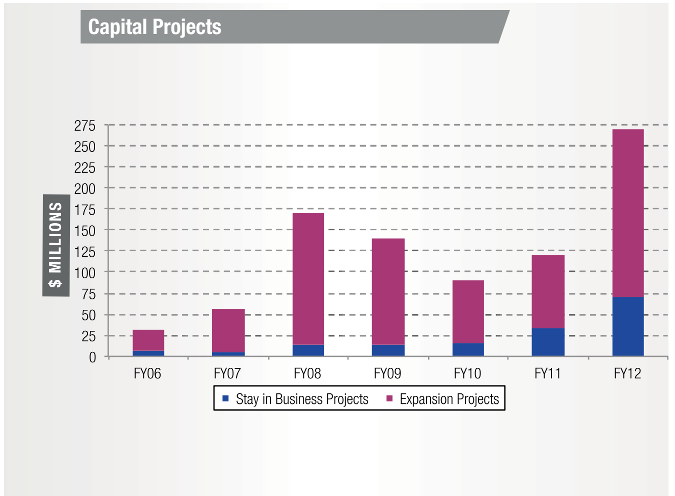
CHIEF EXECUTIVE OFFICER'S REPORT - CONTINUED

production at 187,086 oz, was 3% ahead of prior year. 4E metal production at 374,791 oz, was 2% above prior year. Overall metal production was in line with throughput from the concentrators.



CAPITAL PROJECTS

Capital expenditure at $269 million was 122% above prior year's $121 million largely arising from increased activity at the Ngezi Phase 2 Expansion project.



EXPANSION PROJECTS

The Ngezi Phase I Expansion project is substantially complete except for the 4th ore pass at Bimha Mine which will be completed in FY13.

Implementation of the Ngezi Phase 2 Expansion project is progressing well with Mupfuti Mine reaching the ore horizon in June 2012. Work on the concentrator plant is progressing well with commissioning scheduled for the fourth quarter of FY13. Mupfuti Mine is expected to reach design production of 168,000 tonnes per month in March 2015.

The low metal prices experienced in the year and forecast for FY13 have resulted in some components of the Ngezi Phase 2 Expansion project planned for FY13 being deferred to future years. These components will however not affect the commissioning date for the concentrator. Mupfuti Mine development will however be slowed down and consequently ore production will be delayed by three months. As a result, the new concentrator will stop operating after commissioning in June 2013, and only resume operations in November 2013 to allow for ore stock build up.

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, $223 million of the project budget has been spent whilst $109 million has been committed.

STAY IN BUSINESS PROJECTS

A total of $70 million was spent on stay in business projects. Major projects undertaken during the year were underground and mobile equipment replacement ($24 million), ventilation shafts raise boring ($3 million), by-pass silo for the SMC concentrator ($6 million), rehabilitation of the SMC/Ngezi road ($7 million), SMC SAG mill shell and girth gear replacement ($2 million), and employee housing ($9 million).

EXPLORATION

The exploration programme was stepped up during the year with detailed drilling at Portals 5W and 5E in preparation for feasibility studies. At Portals 7 to 10, a one km grid of boreholes was completed, and north of Portal 10 widely spaced drilling continued (4 by 1 km). Evaluation work in FY13 will focus on consolidating the work completed so far. The close spaced drilling pattern at Bimha Mine was extended to replace ore reserves depleted by mining. Geotechnical drilling for ventilation shafts and underground crusher positions at Portal 3 was also undertaken.

HUMAN RESOURCES

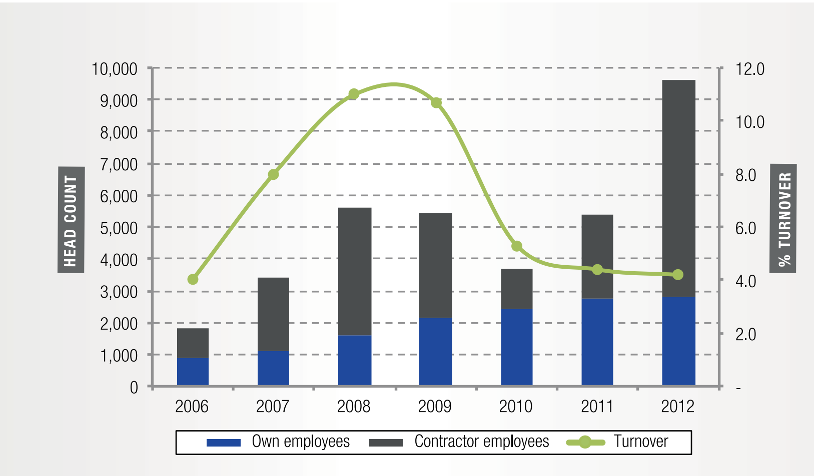
A minority of mining division employees engaged in an illegal industrial action in the third quarter which affected production for two and half shifts. The situation has since improved but is still closely monitored.

Skills retention remained an area of focus during the year. Management continued to monitor the labour market and respond accordingly to ensure Zimplats remained an employer of choice. Staff turnover was good at 4.2%, marginally lower than the previous year's 4.4%.

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

During the year, the total number of own and permanent contractor employees increased by 3% and 17% to close the year at 2 830 and 1 139 respectively. The increase in own employees was largely driven by recruitment at Mupfuti Mine. A total of 5 073 people were employed by the various Ngezi Phaze II Expansion and core housing projects contractors.

CHIEF EXECUTIVE OFFICER'S REPORT - CONTINUED



COMMUNITY DEVELOPMENT

Zimplats remains fully committed to ensuring the long term sustainability of the communities that surround it's operations. Engagements with key stakeholders were undertaken to identify developmental needs in the communities proximal to our operations. Various community development projects were identified from these engagements and implementation of some of the projects commenced in the year.

In our last report we committed to the launch of a number of projects and I am pleased to report positive progress on the following projects:

- Construction of a science laboratory at St Michaels School at a cost of $95,000. The new laboratory was handed over to the school authorities during the year.
- Construction of David Guzuzu School is underway and will cost $270,000 to complete.
- Construction of a boarding hostel at Marshall Hartley School has also commenced and will cost $500,000 to complete.
- Implementation of the $11 million community development projects which are part of the $460 million Ngezi Phase 2 expansion project progressed well with $3 million spent by year end on the following major projects:
- Wanganui Primary School expansion ($895,000). Zimplats is constructing two classroom blocks with seven classrooms each, two ablution blocks and fifteen teachers' houses.
- Wanganui Secondary School expansion ($1,513,000). This project involves the construction of two classroom blocks, two ablution blocks and ten teachers' houses.
- Turf Clubhouse/Community Centre ($575,000).

A successful poultry project has been implemented at Musengezi High School; while a further ten boreholes have been sunk as part of the on-going project to address access to clean drinking water, bringing to twenty-eight the number of boreholes sunk over the past two years.

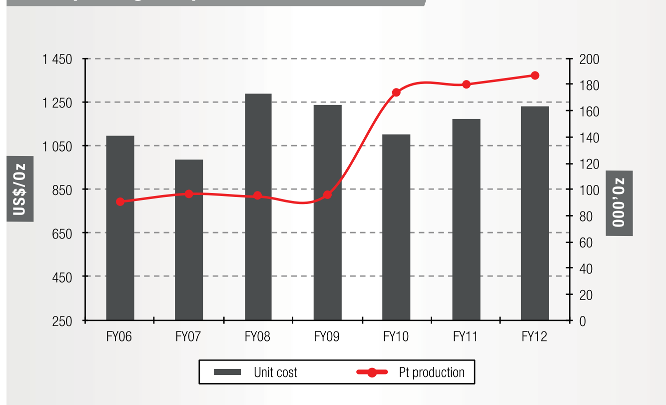
FINANCIAL RESULTS

The Company's financial results did not, unfortunately, mirror the excellent operational and cost performance due to a significant drop in metal prices in the second half of the year. Gross revenue per platinum ounce at $2 528 was 13% lower than the previous year. Consequently and despite a 9% increase in sales volume, turnover for the year at $473 million was down 10% on the previous year's $527 million.

Total operating costs for the year, excluding share based payments and community share ownership trust contribution amounted to $305 million, up 16% on the previous year's $264 million reflecting mainly the net effect of increase in production volumes, effect of the weakening South African Rand on the cost of inputs sourced from that country, significant increase in employment costs and the effect of a 60% power tariff increase effective from September 2011. As a result, operating cash cost per platinum ounce increased by 5% to $1,226.

Profit before tax amounted to $152 million compared to $236 million for the previous year. The tax charge amounted to $29 million, of which $1 million is a current charge. Profit after tax thus amounted to $122 million, a decrease of 39% on $200 million recorded in the previous year.

Cash Operating Cost per Platinum Ounce



The drop in metal prices also negatively affected cash generation. In total, cash generated from operations amounted to $240 million against the previous year's $198 million. The total cash available was applied principally in funding operations, the capital expenditure programme, paying various taxes to Government and the servicing of debts. At year end, bank borrowings amounted to $83 million. Despite the depressed metal prices, management will endeavour to implement the capital expenditure program within the limits of existing borrowing facilities.

CHIEF EXECUTIVE OFFICER'S REPORT - CONTINUED

Zimplats remains fully committed to ensuring the long term sustainability of the communities that surround our operations.

APPRECIATION

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

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

ALEX MHEMBERE
CHIEF EXECUTIVE OFFICER
10 AUGUST 2012

MATERIAL SUSTAINABILITY ISSUES

OUR APPROACH TO REPORTING

The report covers all mining and processing operations at Ngezi and processing operations at Selous. It provides information relating to our sustainable development practices and performances and our objectives for the coming financial year.

The report reviews our approach to addressing those social, economic and environmental issues that have a material impact on the long term success of our business, on the sustainability of the economy, the environment and the communities in which we operate, or that are important to our key stakeholders.

Our approach to identifying the issues that we regard as being material is based on stakeholder engagement and enterprise wide risk management.

In addition to this report we have provided a response to each of the criteria of the Global Reporting Initiative (GRI) G3 guidelines. These include comments on direct economic value generated and distributed, local supplier development, community development and environmental impacts of the business and employee safety and wellness. A GRI summary index is provided on page 62. The GRI G3 guidelines have been applied to attain the C application level; selected performance information has been self-assured.

MATERIALITY AND STAKEHOLDER ENGAGEMENT

To identify its material issues Zimplats uses a wide range of criteria, processes and stakeholder engagements. The table below details material issues identified by analysing internal and external factors.

INTERNAL FACTORS	EXTERNAL FACTORS
Company mission, vision, policies, strategies, operational management systems, objectives and targets.	Challenges and emerging industry issues.
Expectation of key stakeholders including employees, shareholders, suppliers, and communities.	Relevant laws, regulations e.g. indigenisation, air quality and emissions bye laws, policy changes.
Underlying strategic risks to the business as defined by enterprise wide risk management methodologies; project delivery; effective people; safety; mineral resource management; country risk.	Infrastructure including energy supplies; country perceptions.

Zimplats acknowledges the importance of key stakeholders and the impact that they may have on the business or the impact that the business may have on their interests. To this end stakeholder engagement is an integral part of its business operations.

GOVERNANCE AND MANAGEMENT APPROACH

Zimplats' commitment to sustainable development and to the promotion of sound safety, health and environmental performance is reflected in the structure and support functions that are in place at executive and operational level.

At Board level, sustainability issues are addressed through the Audit and Risk Committee and the Safety, Health, Environmental and Quality Committee.

Sustainability objectives form part of the key performance indicators against which the performance of Zimplats management is measured and remunerated.

SUSTAINABILITY AIMS

We aim to run our mining and processing operations in a responsible and sustainable manner such that:

- Our business and investments are economically sound and financially profitable
- Our business practices are technically appropriate and socially responsible
- Our business processes are inherently safe and environmentally sound

CONSISTENT WITH THIS, THE COMPANY AIMS TO:

- Have a culture in which all forms of loss, whether they are human, material, financial or environmental are eliminated or kept at a minimum.
- Comply with applicable laws, regulations and standards that reflect the company's commitment to safety, health, environment, stakeholder engagement, quality and good corporate governance requirements.
- Establish programs to conserve resources, minimise waste, personal injury, ill health and emissions, prevent pollution and improve processes, thereby protecting health and safety of people, the environment, as well as the business interest.

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

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MATERIAL SUSTAINABILITY ISSUES - CONTINUED

STAKEHOLDER	METHOD OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	MATERIAL ISSUES	ACTION TAKEN
Investors and shareholders.	Annual report, quarterly and half yearly updates and or presentations.	Quarterly.	Indigenisation; Business performance; Growth plans.	Regular provision of information.
Employees.	Works Councils, briefings, CEO updates.	Monthly meetings and ad hoc briefings as necessary.	Indigenisation; wage negotiations; payment for utilities; Safety; HIV and AIDS; Fairness at the workplace.	Regular meetings and briefings are held. Focused programmes on employee safety and wellness are implemented. Company observes labour laws on non-discrimination.
Suppliers.	One on one meetings and business forums.	Regular/on-going.	Local supplier development.Fairness in the award of tenders and contracts.	Regular meetings and updates are made. Strategies have been put in place to grow the local supplier base with a monitoring mechanism to ensure that targets are met. Cross functional committee in place to manage tender process.
Communities.	Stakeholder meetings.	Quarterly.	Community development programmes; Community Share Ownership Trust; Access to clean drinking water; Environmental impact of the operations	Regular dialogue takes place with the communities and CSI programmes are implemented. Boreholes have been sunk to provide access to safe water. Rehabilitation programme initiated to close open pit.
Central Government.	Close liaison with and reporting to relevant government ministries through one on one meetings, conferences, facility visits and presentations.	Monthly meetings and ad hoc briefings as necessary.	Indigenisation; Mining contribution to the fiscus;	Relationships have been developed with government at local and national level. Dialogue is on-going on material issues at company level and through the Chamber of Mines.
Local government and traditional leaders.	Close liaison with and reporting to relevant local government departments through one on one meetings, quarterly stakeholder meetings and presentations	Bi-monthly.	Indigenisation; Employee housing development; community social investment and Community Share Ownership Trust (CSOT)	A working relationship is nurtured with local government and traditional leadership. Through regular meetings community projects are identified and smooth implementation of CSOT achieved.
Media.	Electronic, print, radio and television.	Regular/on-going dialogue; press releases and briefings.	Indigenisation; Mining policy and regulations; Growth projects; Local supplier development.	Zimplats works closely with media stakeholders, holding regular briefings, facility visits and one on one interface to ensure smooth flow of information.
Tertiary Institutions.	One on one meetings, presentations.	Ad hoc meetings.	Capacity development to revive institutions.	Zimplats is involved in the rehabilitation of the School for Mines and Universities for sustainable development of relevant skills.
Chamber of Mines.	One on one meetings, conferences, business forums.	Monthly	Indigenisation; Mining legislation and regulations.	Zimplats continues to play a leading role in the Chamber of Mines ensuring that it lobbies for a consistent and stable regulatory environment.

ACHIEVEMENTS 2011/12

OBJECTIVES	STATUS
Improve safety culture and performance with no fatalities, and achieve a 25% reduction in LTIFR to 0.56.	Safety performance improved with the LTIFR decreasing to 0.21, an improvement of 72%. The number of LTI decreased to 4 compared to 8 in the prior year. There were no fatalities and focus remains on ultimately achieving zero harm.
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 $1 226, a 5% increase on the prior year.
Finalise indigenisation proposals with the responsible authorities.	Whilst not yet finalised, in March 2012 the Government accepted in principle proposals by the company to achieve the required 51% indigenous shareholding at fair value. Work on the implementation thereof is in progress.
Grow the local supply base to a minimum of 60% of annual spend.	The target was not achieved, with payments to local suppliers totalling 57% (2011: 56%) of spend for the year, excluding payments to government institutions.
Engage with stakeholders and focus CSR projects on the developmental needs of communities that are proximal to our operations.	An independent baseline study on the needs of the communities was commissioned. A number of CSR projects were identified and concluded during the year.
Continue to execute the Ngezi Expansion Phase II project within the approved time and cost budget.	The Phase II Expansion approved by the Board in 2010 is progressing satisfactorily and remains scheduled for the concentrator start up in April 2013.

OBJECTIVES 2012/13

- Improve safety culture and performance through the use of identified interventions based on people, processes and systems, with nofatalities. Achieve an LTIFR of 0.38.
- Retain Certification on the ISO9001 and OHSAS 18001 Systems.
- Adopt and implement the ISO31000 approach to risk management.
- Remain in the lower cost quartile of platinum producers.
- Implement indigenisation proposals agreed in principle with government on 12 March 2012.
- Grow the local supply base to a minimum of 60% of annual spend on goods and services, excluding government institutions.
- Implement identified CSR development projects.
- Execute the Ngezi Expansion Phase 2 project within the approved revised time schedule and budget.

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ASX ANNOUNCEMENTS

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

KEY ANNOUNCEMENTS HAVE INCLUDED:

- **25 AUGUST 2011**
  Annual Report 2011 released
- **11 OCTOBER 2011**
  Results of the Annual General Meeting
- **16 FEBRUARY 2012**
  Release of results for the half year ended 31 December 2011 and Appendix 4D
- **15 MARCH 2012**
  Agreement in principle with the Government on proposals by the company for the 51% indigenisation of the shareholding of the operating subsidiary at fair value.
- **28 MAY 2012**
  Localisation of off-shore bank accounts of the operating subsidiary.
- **3 JULY 2012**
  Resignation of Mr. D H Brown as a non-executive director and Chairman of the company.

TEN YEAR REVIEW

SUMMARISED FINANCIAL RESULTS

	2012 $000	2011 $000	2010 $000	2009 $000	2008 $000	2007 $000	2006 $000	2005 $000	2004 $000	2003 $000
INCOME STATEMENTS										
Turnover	473 280	527 354	403 953	120 311	294 257	235 967	162 446	112 484	99 867	71 464
Platinum	261 681	284 991	233 929	81 807	153 868	102 253	84 755	64 948	61 726	40 063
Paladium	87 004	98 347	53 658	12 995	28 690	23 771	19 186	12 079	13 375	15 513
Gold	32 897	26 636	19 902	8 179	8 159	6 071	4 759	3 639	3 228	2 474
Rhodium	18 714	30 030	33 385	(1 985)	63 245	42 474	28 774	11 089	3 416	3 932
Nickel	52 921	66 135	48 418	14 835	31 509	52 655	19 559	17 657	15 847	7 900
Other	20 063	21 215	14 661	4 480	8 786	8 743	5 413	3 072	2 275	1 582
Cost of sales	(219 854)	(204 275)	(171 949)	(105 433)	(121 812)	(97 720)	(88 639)	(77 702)	(56 955)	(42 465)
Mining	(88 815)	(78 041)	(65 108)	(56 222)	(65 133)	(55 693)	(59 052)	(55 271)	(35 330)	(27 342)
Processing	(52 142)	(52 448)	(42 580)	(23 088)	(19 441)	(17 811)	(15 697)	(15 722)	(12 587)	(10 069)
Depreciation	(41 714)	(33 584)	(23 241)	(21 343)	(24 242)	(20 559)	(8 585)	(3 674)	(2 722)	(1 980)
Staff costs	(41 210)	(37 237)	(25 351)	(18 035)	(11 054)	(6 508)	(4 303)	(4 633)	(2 485)	(1 024)
Other	4 027	(2 965)	(15 669)	13 255	(1 942)	2 851	(1 002)	1 598	(3 831)	(2 050)
Gross Profit	253 426	323 079	232 004	14 878	172 445	138 247	73 807	34 782	42 912	28 999
Other (expense)/income	(7 349)	(12 414)	(7 838)	(7 256)	3 426	717	(444)	9 732	892	644
Operating costs	(91 098)	(66 056)	(51 239)	(32 522)	(30 482)	(24 224)	(16 385)	(18 945)	(12 418)	(11 646)
Net finance (expense)/income	(3 458)	(8 531)	(6 356)	(1 133)	125	2 667	274	(121)	(1 282)	(1 675)
Profit/(loss) before tax	151 521	236 078	166 571	(26 033)	145 514	117 407	57 252	25 448	30 104	16 322
Taxation	(29 162)	(35 656)	(44 501)	1 009	(21 136)	(17 823)	(9 516)	(4 221)	(2 747)	(4 577)
Profit/(loss) after tax	122 359	200 422	122 070	(25 024)	124 378	99 584	47 736	21 227	27 357	11 745
Attributable to minority interests	-	-	-	-	-	-	-	(2 428)	(8 770)	(3 844)
Net profit/(loss) to shareholders	122 359	200 422	122 070	(25 024)	124 378	99 584	47 736	18 799	18 587	7 901
BALANCE SHEETS										
ASSETS										
Non-current assets	916 921	681 907	592 064	529 868	371 558	228 623	188 180	155 536	136 636	132 442
Property,plant and equipment	858 720	625 433	540 153	472 636	346 493	206 178	165 738	130 263	112 406	109 607
Mining interests	22 445	22 445	22 445	22 445	22 445	22 445	22 442	25 273	24 230	22 835
Financial assets and other receivables	35 756	34 029	29 466	34 787	2 620	-	-	-	-	-
Current assets	237 965	293 468	220 707	120 411	226 964	176 846	108 065	62 260	57 265	42 138
Total assets	1 154 886	975 375	812 771	650 279	598 522	405 469	296 245	217 796	193 901	174 580
EQUITY AND LIABILITIES										
Capital and reserves	861 739	739 381	538 959	415 167	442 655	329 400	230 593	183 934	131 753	111 096
Minority interests	-	-	-	-	-	-	-	-	31 037	25 267
Non-current liabilities	212 133	142 817	183 793	150 645	108 343	33 953	31 198	14 155	7 550	13 480
Deferred taxation	115 344	87 506	63 828	42 459	44 714	21 587	14 492	10 529	6 950	5 143
Borrowings	78 118	38 066	105 531	95 405	57 171	-	2 211	-	-	8 337
Mine rehabilitation provision	18 671	17 245	14 434	12 781	6 458	12 366	14 495	3 626	600	-
Current liabilities	81 014	93 177	90 019	84 467	47 524	42 116	34 454	19 707	23 561	24 737
Total equity and liabilities	1 154 886	975 375	812 771	650 279	598 522	405 469	296 245	217 796	193 901	174 580

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TEN YEAR REVIEW

SUMMARISED FINANCIAL RESULTS

STATISTICS REVIEW	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Operating statistics										
Ore mined (tonnes)	4 586 012	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
Open cast	-	-	-	528 094	1 301 068	1 285 651	1 508 382	1 826 414	1 937 760	1 966 876
Ngwarati Mine	1 297 174	1 261 507	1 254 762	779 064	155 272	-	-	-	-	-
Rukodzi Mine	1 329 042	1 346 916	1 364 325	1 204 581	977 999	1 027 132	697 298	311 054	184 337	32 567
Bimha Mine	1 959 797	1 628 277	924 635	136 331	11 428	-	-	-	-	-
Ore headgrade (g/t)	3.32	3.35	3.36	3.39	3.22	3.48	3.37	3.23	3.23	3.20
Ore milled (tonnes)	4 392 731	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
SMC concentrator	2 275 235	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
Ngezi concentrator	2 117 496	2 052 664	1 826 251	-	-	-	-	-	-	-
4E oz in matte produced	374 791	367 788	349 856	190 532	188 569	194 626	184 765	176 535	176 075	169 260
Platinum	187 086	182 093	173 883	95 965	94 403	96 518	90 318	86 755	85 263	82 382
Palladium	149 206	148 141	141 187	75 555	75 537	78 605	76 515	72 024	73 065	70 469
Gold	21 637	20 801	19 343	10 657	10 602	10 913	9 822	9 771	9 927	8 799
Rhodium	16 862	16 752	15 443	8 355	8 027	8 590	8 110	7 985	7 820	7 610
4E oz in matte sold	375 340	368 282	345 602	190 867	189 268	194 451	184 923	174 730	177 782	166 501
Platinum	187 227	182 244	171 474	96 014	94 318	96 624	90 414	85 763	86 099	80 193
Palladium	149 750	148 864	139 757	75 840	76 234	78 536	76 541	71 508	73 981	70 025
Gold	21 647	20 860	19 223	10 764	10 528	10 809	9 820	9 673	9 801	8 808
Rhodium	16 716	16 315	15 148	8 249	8 188	8 482	8 148	7 786	7 901	7 475
Financial ratios										
Gross margin (%)	53.5%	61.3%	57.4%	12.4%	58.6%	58.6%	45.4%	30.9%	43.0%	40.6%
Return on equity (%)	14.8%	27.1%	22.6%	-6.0%	28.1%	30.2%	20.7%	10.2%	14.1%	7.1%
Return on assets (%)	11.1%	20.5%	15.0%	-3.8%	20.8%	24.6%	16.1%	8.6%	9.6%	4.5%
Current ratio	3.0	3.1	2.5	1.4	4.8	4.2	3.1	3.2	2.4	1.7
Operational indicators										
Capital expenditure ($000)	269 571	121 874	85 814	140 665	179 830	64 501	31 435	26 961	11 635	3 542
Gross revenue per 4E oz ($)	1 259	1 432	1 169	630	1 555	1 213	878	644	568	432
Cash operating cost per 4E oz ($)	612	580	549	624	645	490	534	514	335	278
Cash operating cost per platinum oz ($)	1 226	1 171	1 104	1 239	1 288	988	1 093	1 047	693	572
Net cash cost per platinum oz ($)	96	(159)	112	838	(201)	(396)	233	492	495	182
Non-financial indicators										
Permanent employees	2 830	2 757	2 418	2 136	1 584	1 128	873	741	629	572
Local spend % of total spend	65%	60%								
Lost Time Injury Frequency Rate	0.21	0.75	0.69	0.45	0.69					
Total Injury Frequency Rate	2.22	3.39	3.61	5.49	9.69					
Effluent permits issued (red, high impact)	-	-	4	6	5					
Disturbd areas rehabilitated (ha)	5	-	-	305	-					

BOARD OF DIRECTORS

ACTING CHAIRMAN

MUCHADEYI (MUCH) ASHTON MASUNDA (60) BL (Hons), FCIArb (UK)

As Deputy Chairman Much Masunda has been Acting Chairman since the resignation of David Brown on 30 June 2012. He 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 (51) *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 (48) *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 Finance 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 (62) *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 Chairman of the Project and Capital Steering Committee.

NON-EXECUTIVE DIRECTORS

BRENDA BERLIN (48) *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.

BOARD OF DIRECTORS - CONTINUED

NON-EXECUTIVE DIRECTORS

TERENCE GOODLACE (53) *NHD in Metalliferous Mining, BCom, MBA*

Terence was appointed to the board on 10 August 2012. He has been a non-executive director of Impala Platinum Holdings Limited since 2010 and was appointed as Chief Executive Officer of Implats on 1 July 2012. Prior to that he was Chief Executive Officer of Metorex Limited before which he was Chief Operating Officer of Gold Fields Limited.

MICHAEL JOHN HOUSTON (62) *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.

DR KHOTSO MOKHELE (56) *BSc (Agriculture), MSc, PhD*

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

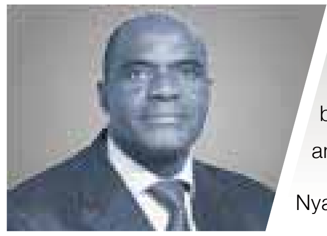
LESLIE JOHN PATON (60) *BSc (Hons) Geology, BCom, Pr.SciNat FGSSA*

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

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

ROBERT GEORGE STILL (57) *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 executive Chairman of an African mining private equity group. Rob is a member of the Remuneration Committee.

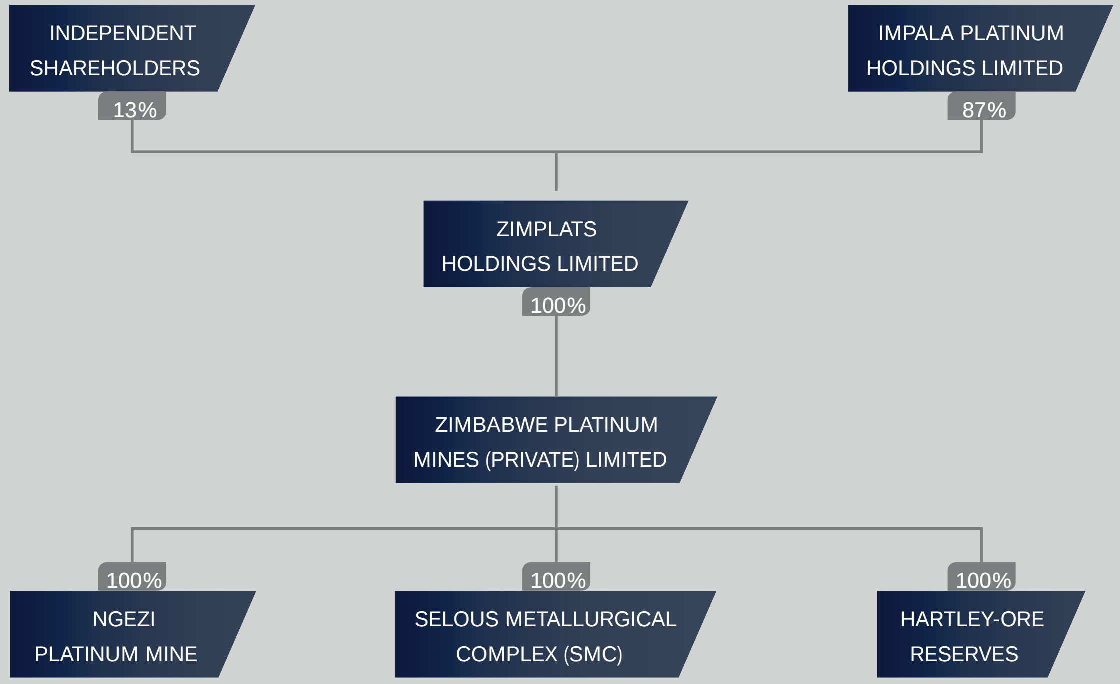


NYASHA PUZA SIYABORA ZHOU (59) *BAcc (Hons) (UZ), CA (Z), MBL (UNISA)*

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.

CORPORATE STRUCTURE



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MANAGEMENT

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 was appointed to the board in 2010. 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.

TAKAWIRA MASWISWI: *MSc (Tourism & Hospitality), MIPM*

General Manager - Human Resources

Taka joined the Zimplats group in February 2012 prior to which he was Group HR Director of a major regional hospitality group.

SIBUSISIWE 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 group in 2003 and was appointed to his current position in March 2011.

VAUGHAN LANGLEY: *ACIS*

Group Company Secretary

Vaughan joined the group in 2003.

PERFORMANCE

"Zimplats achieved an exceptional safety performance in the past year."

Source :
Chairman's Letter 2012

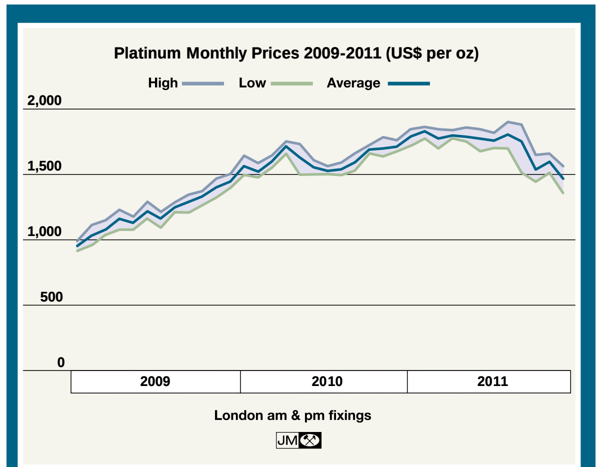
MARKET REVIEW

PLATINUM

- Demand for platinum for use in heavy duty diesel autocatalysts was strong but this was partly offset by lower use in light duty diesel emissions control and reduced buying by Japanese auto manufacturers. Autocatalyst demand grew by 1% to 3.11 million ounces.
- Purchasing last year by jewellery manufacturers was 2% higher than in 2010 at 2.48 million ounces.
- Investment demand declined by 30% year-on-year but remained positive at 460,000 oz.
- The platinum market swung into an oversupply of 430,000 oz last year.
- Supplies of platinum rose by 7% to 6.48 million ounces due to inventory releases from South Africa as well as higher output in North America and Zimbabwe. Recycling increased by 12% to 2.05 million ounces.
- Gross demand for platinum rose by 2% to 8.1 million ounces largely as a result of heavy purchasing by the glass and petrochemical industries.

Gross platinum demand rose by a modest 2% in 2011 to just under 8.1 million ounces, with growth in every sector apart from investment. Supplies increased to a four-year high, supplemented by a pipeline drawdown in South Africa in the second half, while recycling also rose. As a result, the platinum market swung into a surplus of 430,000 oz last year. The price of platinum partly reflected these weaker fundamentals but was also dragged down by a wider asset sell-off by investors in the fourth quarter, falling to a two-year low of $1,364 by the end of 2011. Net long speculative platinum positions reached the lowest level since the second half of 2009 by the year-end. However, platinum traded on average at $1,721 for the year as a whole, 7% higher than the previous year.

Global supplies of platinum grew by 7% to 6.48 million ounces last year as a result of higher sales from all of the major producing regions. Supplies from South Africa rose by 5% to 4.86 million ounces – this increase was entirely due to releases of metal from in-process and refined inventories, and in fact underlying mine production in South Africa fell by 3%, or around 120,000 oz, in 2011. The loss was largely attributable to safety stoppages, which under Section 54 of the Mines Health and Safety Act can be ordered by a government inspector if conditions are deemed to be dangerous. The South African industry was also affected by a number of labour disruptions and stoppages last year, including a three-week strike at Lonmin's Karee mine. Overall, the cost of production in South Africa continued to rise faster than inflation.



The platinum price reached a three-year high in August 2011, but suffered a severe downwards correction in September as investors turned away from risk assets.

Supplies of platinum from Russia remained almost flat at 835,000 oz. PGM output from Russian operations has been maintained despite the depletion of the richest ore reserves and increased reliance on relatively lower grade ore, by the refining of surface sources of material including pyrrhotite concentrate.

Platinum supplies from North America increased by 75% to 350,000 oz as output recovered following shutdowns that had affected production at North American Palladium and Vale in 2010. Supplies from Zimbabwe increased by 21% to 340,000 oz due to the commissioning of Anglo American Platinum's Unki mine and slightly higher output at existing operations run by Zimplats and Aquarius.

The heady rates of growth in global vehicle output seen in 2010, when the automotive industry was in a recovery phase, moderated last year as expected. Estimated total vehicle production worldwide rose by around two million units to just under 80 million in 2011. Light duty vehicle production and sales recovered well in the USA in 2011 and premium European carmakers did extremely well in domestic and export markets. However, a number of factors affected vehicle production around the world last year. The Great East Japan Earthquake reduced Japanese vehicle output by 13%, while government measures in China, such as restrictions on vehicle registrations and tighter credit, had the desired effect of slowing growth rates. The eurozone debt crisis resulted in lower vehicle sales in southern Europe and high interest rates in some emerging markets affected consumer demand for new vehicles.

The heavy duty diesel sector was the star performer of the autocatalyst sector last year. Globally, purchasing of platinum for use in heavy duty emissions control grew by 27% to 515,000 oz. Much of the growth was due to pent-up demand for large trucks in North America as fleet operators returned to the market following

MARKET REVIEW - CONTINUED

the recession. Some European manufacturers began to release small numbers of vehicles fitted with Euro VI-compliant emissions systems. These typically consist of platinum-containing diesel oxidation catalysts (DOCs) and diesel particulate filters (DPFs) designed to meet the more stringent oxides of nitrogen (NOx) and particulate matter (PM) limits due to come into force from 2013.

Growth in platinum use in the heavy duty diesel sector was largely offset by continuing substitution of platinum by palladium in light duty diesel vehicles, particularly in Europe (the biggest market for diesel cars). This, together with the effects of the Great East Japan Earthquake, which disrupted vehicle production in Japan and elsewhere, meant that gross platinum demand across the autocatalyst sector was just 30,000 oz higher than in 2010 at 3.11 million ounces.

Recovery from recession in developed markets and rapid growth in emerging ones drove a period of capacity-building in a number of industrial sectors. Purchasing of platinum across various industrial applications rose for the second year in a row, by 17% to 2.05 million ounces. Demand for liquid crystal display (LCD) panels in consumer electronics led to the installation of a number of new platinum–rhodium melting tanks in Asia, used in the manufacture of LCD glass. Demand, which grew by 44% to reach a new high of 555,000 oz, was augmented by pre-buying of metal in advance of future expansion.

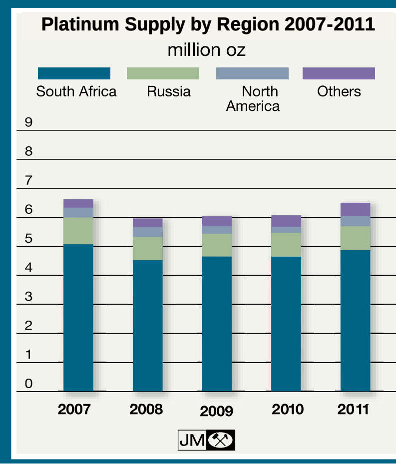
Demand for fuel and lubricant oil in emerging markets and the building of fuel refining plants in Europe and North America led to purchasing of platinum for use in refining catalysts. In the electrical sector, demand for platinum in hard disk drives remained flat last year due to the effects of flooding in Thailand in October, which disrupted hard disk production.

Jewellery manufacturers worldwide purchased 2.48 million ounces of platinum last year, 60,000 oz more than in 2010. Demand in China remained robust in the first half despite higher prices than in the previous year. In the second half, when platinum prices dropped and gold began to trade at a premium to platinum, there was a surge in buying as Chinese manufacturers took advantage of lower prices to build stock. Consumer purchasing in China was overall not greatly affected by the price movements. The middle market in Europe and North America suffered as a result of higher prices, on average, compared with the previous year, but high-end manufacturers had an excellent year catering for domestic and export demand. In India, an increase in retail outlets offering platinum and rising consumer purchases drove platinum jewellery demand up by a third to 80,000 oz.

Net physically-backed platinum investment demand decreased by 30% in 2011 to 460,000 oz, although compared with palladium investment (which moved sharply into negative territory) demand was impressive. There was net investment into exchange traded funds (ETFs) for the year as a whole, with inflows into funds tending to coincide with periods of rising prices. A peak in platinum ETF holdings in September was followed by some selling as the price fell in the fourth quarter. Substantial purchasing of large platinum bars by Japanese investors once again occurred during price dips.

Platinum Supply and Demand
'000 oz

Supply	2009	2010	2011
South Africa	4,6354	,635	4,855
Russia	7858	25	835
Others	6055	90	790
Total Supply	**6,0256**	**,050**	**6,480**
Gross Demand			
Autocatalyst	2,1853	,075	3,105
Jewellery	2,8102	,420	2,480
Industrial	1,1401	,755	2,050
Investment	6606	55	460
Total Gross Demand	**6,7957**	**,905**	**8,095**
Recycling	**(1,405)**	**(1,830)**	**(2,045)**
Total Net Demand	**5,3906**	**,075**	**6,050**
Movement in Stocks	**635**	**(25)**	**430**



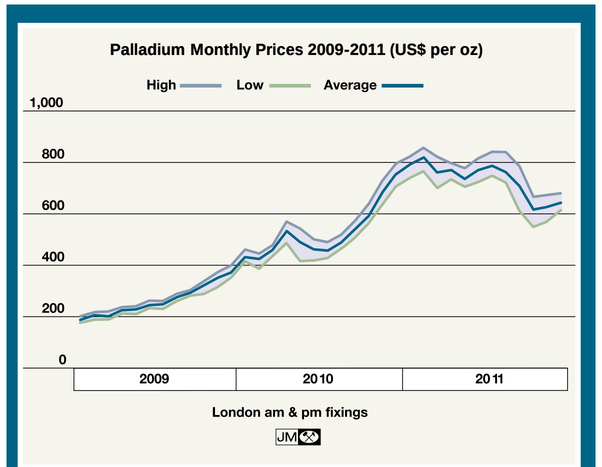
MARKET REVIEW - CONTINUED

PALLADIUM

- The palladium market was in surplus by 1.26 million ounces last year. Gross demand fell by 13% to 8.45 million ounces, mainly due to net selling by investors. Further Russian state stock sales and higher recycling also helped push the market into oversupply
- Supplies of palladium remained almost flat at 7.36 million ounces as rising output from North America and Zimbabwe was largely offset by lower sales from Russian state inventories.
- Gross demand for palladium in autocatalysts reached a new high in 2011 of 6.03 million ounces, driven by growth in vehicle output in all regions apart from Japan, and greater use of palladium in light duty diesel aftertreatment systems. Industrial demand for the metal remained strong.
- Purchases of palladium by the jewellery industry fell last year, while investment demand for palladium turned sharply negative.

Although autocatalyst and industrial demand for palladium rose, the sale of metal from Russian government-controlled inventories, together with a large amount of metal released from ETFs and higher recycling, meant that the palladium market moved into oversupply last year. Due to higher average year-on-year prices, many investors in palladium ETFs were in a position to take profit in 2011; others may have liquidated their positions to cover losses elsewhere. A deep sell-off in the ETF market, together with a perception of weaker fundamentals, led the palladium price, having tested the $850 level, to shed all of its gains since late 2010 in August and September 2011 and trade below $700 for the rest of last year.

There was growth in supplies of newly-refined palladium last year due to higher output from North America and Zimbabwe as the two regions approached full production. Supplies from South Africa fell slightly as producers put some mined metal to stock. Shipments of palladium from current Russian mining operations were very marginally down on 2010 levels. Once again, substantial quantities of palladium were sold from Russian state stocks last year. This was sufficient to keep total palladium supplies largely flat



Palladium traded at ten-year highs during the eight months to September 2011 before succumbing to negative investor sentiment.

in 2011, although the volume of these shipments, at 775,000 oz, was the lowest since 2006.

The prospective exhaustion of Russian state stocks has been the source of much speculation over recent years, and the anticipation of lower future supplies from Russia was one of the driving factors in palladium's remarkable price performance in 2010. Last year, there was a degree of investor fatigue on this aspect of the palladium 'story' and the eventual sale of Russian state stocks in the fourth quarter served to confirm that the palladium market was likely to be in surplus. We expect that there will be one further year of sales from Russian state stocks in 2012, albeit at a much reduced level than previously, which will represent the bulk of the remaining government-controlled inventories.

The palladium market was more industrially-driven in 2011 than for several years. Although total demand fell by 13% last year to 8.45 million ounces, gross demand strengthened in the core autocatalyst and industrial markets. As well as growing in absolute terms, autocatalyst and industrial applications took the highest relative share (94%) of the palladium market excluding investment since 2003. The year-on-year decline in total demand in 2011 was primarily due to the investment sector switching from extremely high offtake in 2010 (of over one million ounces) to effectively supplying over half a million ounces back to the market last year.

In the autocatalyst sector, higher vehicle output in all regions, apart from Japan, as well as the greater use of palladium in light duty diesel autocatalyst formulations, helped spur purchasing of palladium to a record high level of 6.03 million ounces in 2011. Japanese domestic and overseas manufacturing plants suffered interruptions to output and component supply in the wake of the March disaster. As a result, there was a 14% decline in passenger car production in Japan compared with 2010. Since gasoline cars (which use palladium-based emissions control) dominate the domestic market, the impact on palladium demand was not insignificant.

Several regions saw considerably higher output of gasoline-fuelled vehicles. A combination of an ageing vehicle fleet, pent-up demand, attractive pricing and improved economic conditions led light duty vehicle sales in North America to rise to a three-year high. Lean inventories meant that higher vehicle sales translated into higher production levels. In China, the removal of subsidies and the imposition of limits on new car registrations resulted in a slowing of growth in the car market. However, the implementation of China 4 emissions standards nationwide from mid-2011 led to the use of more highly pgm-loaded gasoline autocatalysts. Manufacturers in South Korea had a good year supplying small, inexpensive vehicles to domestic and export customers, while in Russia output of light duty vehicles set a new record. Inflationary pressures led to slower growth in vehicle sales in certain emerging markets – including India and Brazil – though palladium demand for emissions aftertreatment in the Rest of the World region grew strongly overall.

Palladium demand in industrial applications increased marginally in 2011 to 2.48 million ounces. Rising levels of personal wealth in China and other emerging markets helped drive the expansion of bulk chemical production in 2011, in which palladium-containing catalysts are used to manufacture ingredients for synthetic fibres and plastics. Recovering demand in export markets as well as government strategy in China to increase domestic consumption led to increased demand for process catalyst charges.

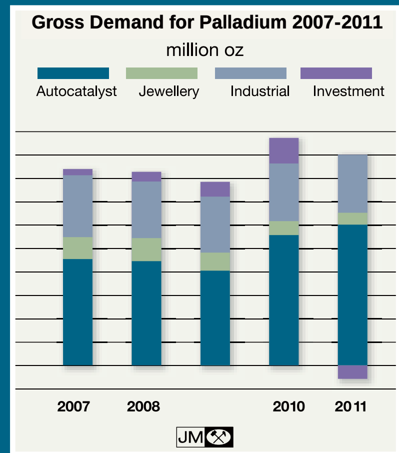
In the electrical sector, purchasing of palladium softened as competition from cheaper alternatives eroded palladium's market share. Palladium continues to be used where the metal's unique properties, allowing higher durability and reliability than other materials, are essential. The increasing complexity of devices has led to a rise in the number of electronic components per device over several years, but this has not ultimately benefitted palladium demand due to substitution with base metals and miniaturisation of components, which has reduced the amount of metal used. Palladium continues to be used in plating and in components employed in high-end electronics and fail-safe systems. Although purchasing for use in the electrical sector weakened by 2% to 1.38 million ounces last year, the greater use of palladium in lead-free plating and soldering helped shore up demand.

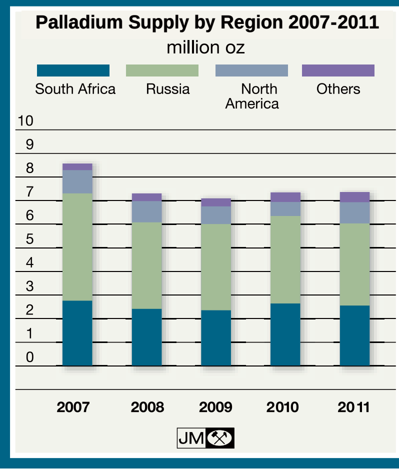
Purchasing of palladium by the jewellery industry globally declined once again in 2011, to 505,000 oz, as the metal continued to suffer from a lack of positioning and effective marketing in the key Chinese market. In Europe and North America, the price elasticity of demand was demonstrated – palladium traded on average 39% higher than in 2010, leading manufacturers to offer lower weight and lower fineness palladium alloys to meet retail price points, and increasing the exposure of palladium to competition from base metal alternatives. The high price of gold, which reduced manufacturers' and retailers' margins on white gold, made it more attractive to stock palladium in some instances.

The most price elastic demand sector last year was investment: elevated palladium prices for much of 2011 put many investors in ETFs in a position to sell at a profit. There were deep sell-offs in many of the funds during periods of falling prices in March, August, and between late September and early October, which suggests there may have been some selling as investors covered losses in other markets. With net disinvestment in the ETF market from late February onwards, total net ETF investment for 2011 was in negative territory by 530,000 oz. Together with liquidation in the coin and small bar market, the investment sector supplied 565,000 oz back to the market last year.

Palladium Supply and Demand

Supply	2009	2010	2011
South Africa	2,3702	,640	2,560
Russia	3,6353	,720	3,480
Others	1,0959	95	1,320
Total Supply	**7,1007**	**,355**	**7,360**
Gross Demand			
Autocatalyst	4,0505	,580	6,030
Jewellery	7755	95	505
Industrial	2,4002	,465	2,480
Investment	6251	,095	(565)
Total Gross Demand	**7,8509**	**,735**	**8,450**
Recycling	**(1,430)**	**(1,850)**	**(2,345)**
Total Net Demand	**6,4207**	**,885**	**6,105**
Movement in Stocks	**680**	**(530)**	**1,255**





MARKET REVIEW - CONTINUED

OTHER PGM

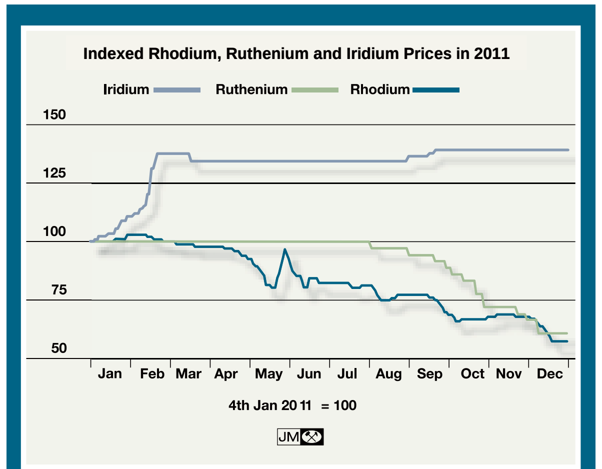
- Despite growth in demand, the rhodium market remained in surplus last year by 139,000 oz as a result of higher supplies and recycling.
- Rhodium supplies rose by 4% to 765,000 oz due mainly to higher output from North America and Zimbabwe.
- Demand for rhodium increased by 2% to 906,000 oz as a result of capacity building in the glass industry and investment in a new rhodium ETF.
- Gross demand for rhodium in autocatalysts softened by 2% to 712,000 oz due to lower output by Japanese car manufacturers.
- Ruthenium demand fell by 14% to 809,000 oz as purchasing by the hard disk drive sector declined.
- Demand for iridium, dampened by the electrical sector buying lower volumes of metal compared with 2010, fell by 14% to 301,000 oz.

RHODIUM

The rhodium market was once again oversupplied in 2011 as modest growth in demand was outpaced by a rise in supplies and higher volumes of metal recovered from scrap autocatalysts. As a result, the market surplus increased to 139,000 oz. The price reflected the weaker fundamentals, trading on average 18% lower than in the previous year and reaching a two-and-a-half-year low of $1,400 by the end of 2011.

Primary supplies of rhodium increased by 31,000 oz to 765,000 oz last year. Sales of rhodium from South Africa were below the level of mined output, but nonetheless increased slightly to 641,000 oz. Growth in supplies was greatest in North America where, as a result of the resumption of normal operations, rhodium shipments doubled to 20,000 oz. A ramping-up of production capacity in Zimbabwe meant that output rose by 10,000 oz to 29,000 oz.

Disruption from the Japanese earthquake in March 2011 was felt in purchasing of rhodium for use in autocatalysts. Japanese manufacturers are the largest users of rhodium in gasoline aftertreatment and lower output as a result of the disaster reduced demand. With depressed demand also in Europe and North America, resulting partly from long-term efforts to thrift rhodium on the basis of cost and partly from disruption to Japanese car plants in those regions, purchasing fell by 2% to 712,000 oz last year.



Rhodium gave back most of its gains from the last two years by the end of 2011. Ruthenium softened in the second half of the year while iridium remained at historic highs.

Industrial buying of rhodium grew last year partly thanks to expansion in the glass manufacturing industry. Driven by strong consumer demand for LCD panels in consumer electronics, over a dozen new platinum–rhodium melting tanks were installed for the manufacturing of LCD glass, mainly in Asia. Demand for rhodium was also boosted by pre-buying in advance of future expansion. Low prices encouraged some switching to higher rhodium-content alloys in the glass fibre sector.

Demand for rhodium for use in the chemical industry was again strong as a result of expansion of Chinese oxo-alcohol and acetic acid production, which stimulated purchases of rhodium for use in process catalysts. Downstream demand for products such as paints and adhesives ultimately drove this expansion of upstream manufacturing capacity.

The first-ever physically-backed rhodium ETF was launched by Deutsche Bank in May 2011 and attracted steady net investment throughout the year, resulting in 17,000 oz of aggregate investment in the year as a whole.

Rhodium prices softened for much of last year. Weighed down by weak fundamentals, as well as the general negative sentiment towards industrial commodities, by the end of 2011 rhodium was trading at a two-year low of $1,400. In an illustration of how physical demand can affect the relatively small, illiquid market for rhodium, prices surged in late May as the launch of the ETF, backed by physical rhodium sponge, caused traders and speculators to scramble to cover their positions. This brief spike aside, a surfeit of sellers in the market dragged prices down for the remainder of the year, and although some bargain hunting industrial users were tempted back to the market, this was insufficient to give sustained upward momentum.

MARKET REVIEW - CONTINUED

RUTHENIUM

Ruthenium demand declined by 14% in 2011 to 809,000 oz largely due to a drop in demand from the electrical sector.

In the first half of 2011, demand for ruthenium was buoyant. The chemical sector bought strongly to cover refurbishments as the end of production campaigns generated a number of orders for new catalyst. Demand fell markedly in the second half of the year, as purchasing for use in the chemical sector returned to normal levels, leaving demand for the year 9% higher than in 2010.

Hard disk drive industry purchases, which make up the majority of the electrical demand category, reflected normal production requirements in the first half of the year. A focus on inventory management by manufacturers in the second half was compounded by some companies re-pressing ruthenium sputtering targets rather than refining them. In the fourth quarter, purchasing was also affected by the flooding disaster in Thailand, which reduced output of disks. Overall demand for ruthenium in electrical applications softened by 26% to 502,000 oz.

There was some further growth in ruthenium demand in the electrochemical sector last year. Ruthenium is used together with iridium in membrane cell technology in the chlor-alkali industry, where it is gradually replacing older mercury and diaphragm-based technology worldwide on environmental grounds. Although demand in this application has slowed in China, the biggest market, purchasing continues to come from other countries.

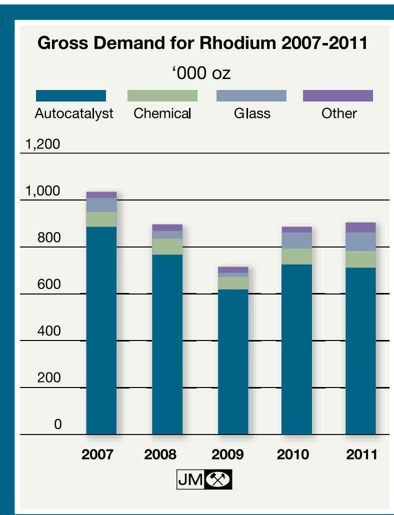
Ruthenium demand was met last year by a combination of primary mine output and releases of speculative holdings of metal. With buyers in the electrical and chemical sectors staying away from the market in the second half of 2011, there was downward pressure on the price and ruthenium lost $70 to reach a two-year low of $110 by the close of 2011. This followed an eight-month period from December 2010 when the price remained unchanged as selling was met by a steady stream of industrial buying.

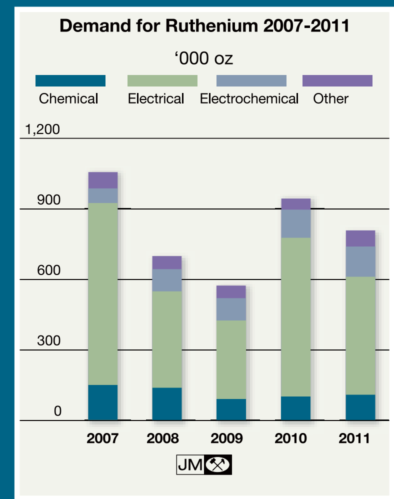
IRIDIUM

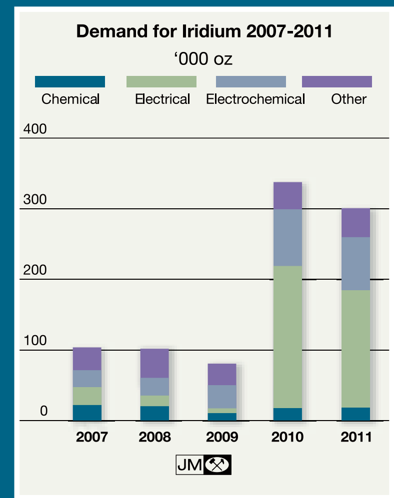
Iridium demand moderated slightly compared with 2010, but remained at elevated levels due to strong purchasing of crucibles in the early part of last year.

Offtake by the electrical sector declined by 18% year-on-year to 165,000 oz; this was still the second highest level of demand we have recorded in this sector and represented more than half of the iridium market. Fabrication of iridium crucibles was once again the largest single application area, with strong demand coming from Japan for the manufacture of light-emitting diodes (LEDs).

Iridium's price reflected the strong demand fundamentals by reaching a high of $1,075 in February last year. It remained close to this level until September when further buying in electrical and electrochemical applications helped the price to achieve a new record high of $1,085. Industrial purchases of iridium once again exceeded primary mined supply and metal was drawn from above-ground stocks in order to balance the market.







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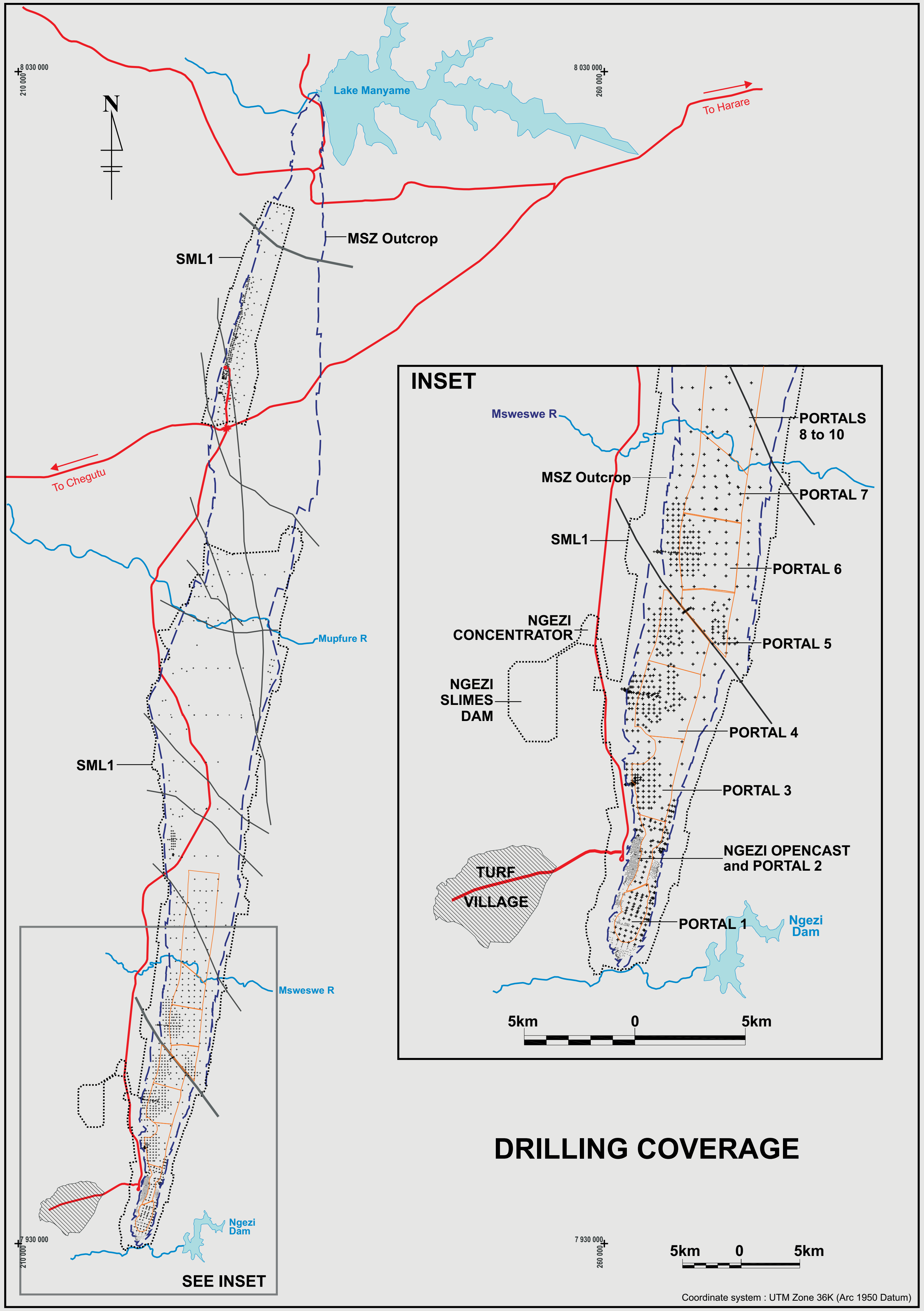


MINERAL RESOURCES & ORE RESERVES SUMMARY

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.

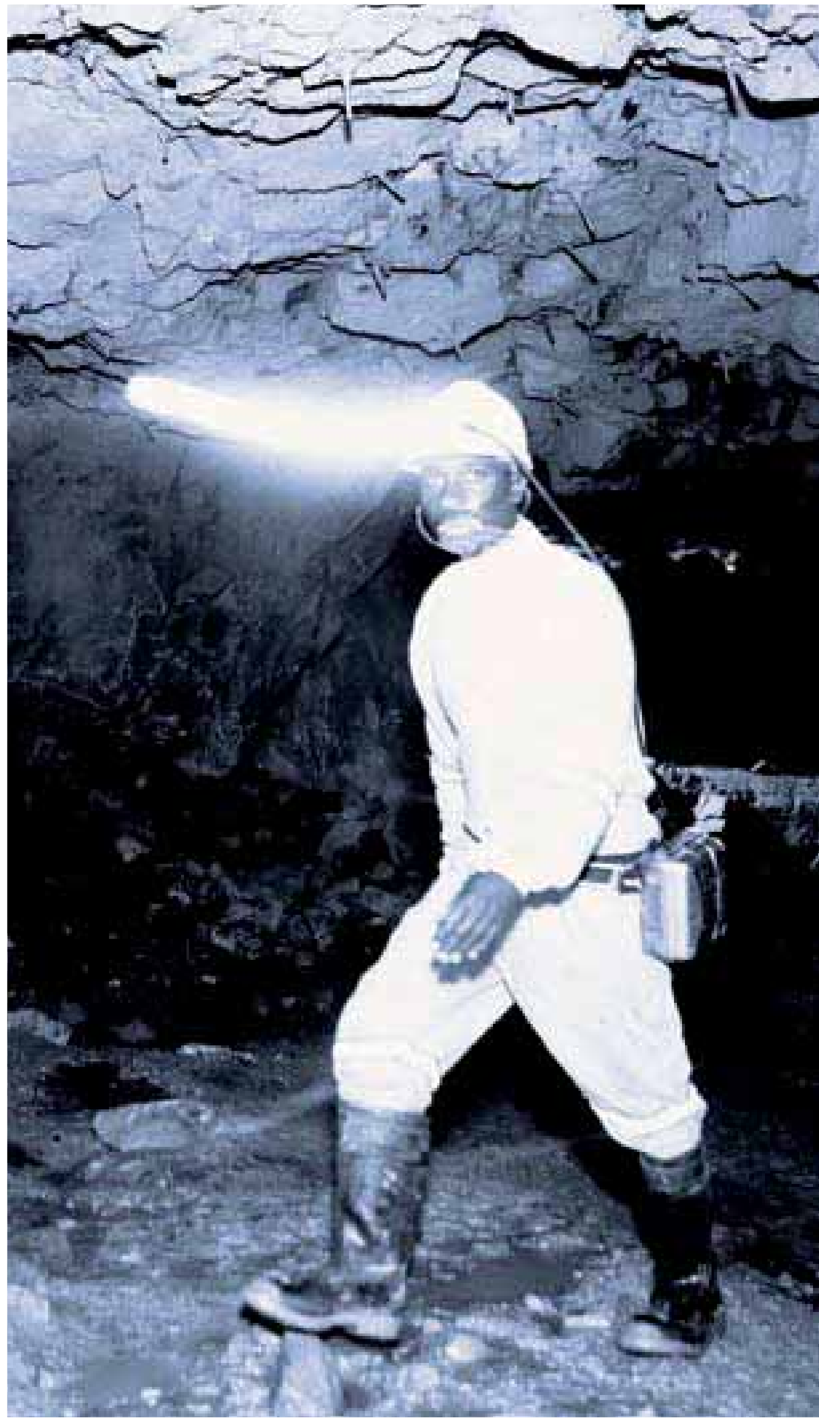
The Dyke developed as a series of initially discrete magma chamber compartments, which coalesced as the chambers filled. Each sub-chamber is divided into two major stratigraphic successions, a lower ultramafic sequence dominated from the base upwards by dunite, harzburgite and pyroxenite, and an upper 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 Platinum Group Metal (PGM) Mineral Resources.

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

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

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

PGM distribution within the Hartley Complex is asymmetric with higher grade, narrower profiles along the western margin. As a consequence much of the exploration work has focused on the western margin and relatively little is known of the deeper zones and eastern areas.

ZIMPLATS HOLDINGS LIMITED » INTEGRATED REPORT 2012 » PLATINUM PALLADIUM RHODIUM GOLD

GREAT DYKE GEOLOGY - MINERAL RESOURCES

MINERAL RESOURCES - CONTINUED

MINERAL RESOURCES (Inclusive of Ore Reserves)												
		Tonnes Millions	Pt g/t	Pd g/t	Au g/t	Rh g/t	Ni (S)%	Cu %	4E g/t	Pt Moz	4E Moz	Thick m
Ngezi South - Open Pit												
	Measured	13.2	1.74	1.29	0.26	0.14	0.10	0.07	3.43	0.7	1.5	2.5
c	**Total**	**13**	**1.74**	**1.29**	**0.26**	**0.14**	**0.10**	**0.07**	**3.43**	**0.7**	**1.5**	**2.5**
Ngezi Portals - Flat - P1-P7												
	Measured	80.0	1.73	1.35	0.25	0.14	0.10	0.07	3.47	4.5	8.9	2.5
	Indicated	212.3	1.74	1.34	0.26	0.14	0.11	0.08	3.49	11.9	23.8	2.5
c	**Total**	**292**	**1.74**	**1.34**	**0.26**	**0.14**	**0.11**	**0.08**	**3.5**	**16.4**	**32.8**	**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	31.7	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**	**295**	**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	**153.3**	**1.79**	**1.43**	**0.26**	**0.15**	**0.11**	**0.09**	**3.63**	**8.8**	**17.9**	**2.3**
	Indicated	**678.2**	**1.81**	**1.41**	**0.29**	**0.15**	**0.13**	**0.10**	**3.65**	**39.4**	**79.7**	**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**	**1,904**	**1.75**	**1.42**	**0.29**	**0.15**	**0.13**	**0.11**	**3.6**	**107.4**	**221.0**	**2.0**

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 Portals - Flat - P1-P7											
Proved	66.34	1.67	1.31	0.24	0.14	0.10	0.07	3.36	3.6	7.2	2.6
Probable	160.86	1.65	1.31	0.23	0.16	0.10	0.08	3.35	8.5	17.3	2.7
Total	**227.2**	**1.65**	**1.31**	**0.23**	**0.15**	**0.10**	**0.07**	**3.35**	**12.1**	**24.5**	**2.7**
Overall											
Proved	**66.3**	**1.67**	**1.31**	**0.24**	**0.14**	**0.10**	**0.07**	**3.36**	**3.6**	**7.2**	**2.6**
Probable	**160.9**	**1.65**	**1.31**	**0.23**	**0.16**	**0.10**	**0.08**	**3.35**	**8.5**	**17.3**	**2.7**
Total	**227.2**	**1.65**	**1.31**	**0.23**	**0.15**	**0.10**	**0.07**	**3.35**	**12.1**	**24.5**	**2.7**

NOTES

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

b Thicknesses based on variable composite widths

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

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

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

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

MINERAL RESOURCES - CONTINUED

MAJOR CHANGES SINCE ANNUAL REPORT 2011

During financial year FY12 all three operational portals continued to operate at full capacity, Portal 1 (Ngwarati) at 1.2 million tonnes per year, Portal 2 (Rukodzi) at 1.2 million tonnes per year with it capacity extended by an extra (fifth) fleet and Portal 4 (Bimha) at 2 million tonnes per year. The third ore pass at Portal 4 was commissioned and the full footprint for 2million tonnes per year was opened up.

Construction of the new 2 million tonne per annum mine at Portal 3 (Mufuti Mine) continued with 60 metres of slow sink through soft ground complete and development of the declines continuing.

TABLE 6 COMPARISON WITH PREVIOUS ESTIMATE

MINERAL RESOURCES (INCLUSIVE OF RESERVES)								
Category	2012				2011			
	Tonnage (millions)	4E (g/t)	6E g/t	Pt oz (millions)	Tonnage (millions)	4E (g/t)	6E g/t	Pt oz (millions)
Measured	153	3.63	3.84	8.8	144	3.64	3.85	8.3
Indicated	678	3.65	3.86	39.4	693	3.65	3.85	40.2
Inferred	1. 072	3.58	3.78	59.1	1. 072	3.58	3.78	59.1
Total	1.904	3.61	3.81	107.4	1. 909	3.61	3.81	107.6

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	66.3	3.36	3.55	3.6	55.9	3.39	3.58	3.0
Probable	160.9	3.35	3.56	8.5	164.4	3.40	3.60	9.0
Total	227.2	3.35	3.55	12.1	220.3	3.40	3.59	12.0

The main changes were at the operating Portals 1, 2 & 4 where annual mining depletion reduced ore reserves while new models based on new drilling and the current mining extraction plans, increased the ore reserves as a whole and reclassification transferred reserves from the probable to the proven class. At Portal 2 ground that was previously included in the open pit resource was transferred to the Portal 2 underground reserve reflecting the mine's confidence that underground mining can proceed to depths as shallow as 45m below surface.

During the year, SRK Consulting was contracted to update and revalidate the full feasibility study on Portal 6 and pre-feasibility studies on Portals 5 and 7. A re-estimate of the modifying factors applicable to these Portals resulted in an increased stope height from 2.65m to 2.73m on average and this combined with an increase in mining extraction resulted in a 3% lower grade and 4% higher metal content for these portals combined.

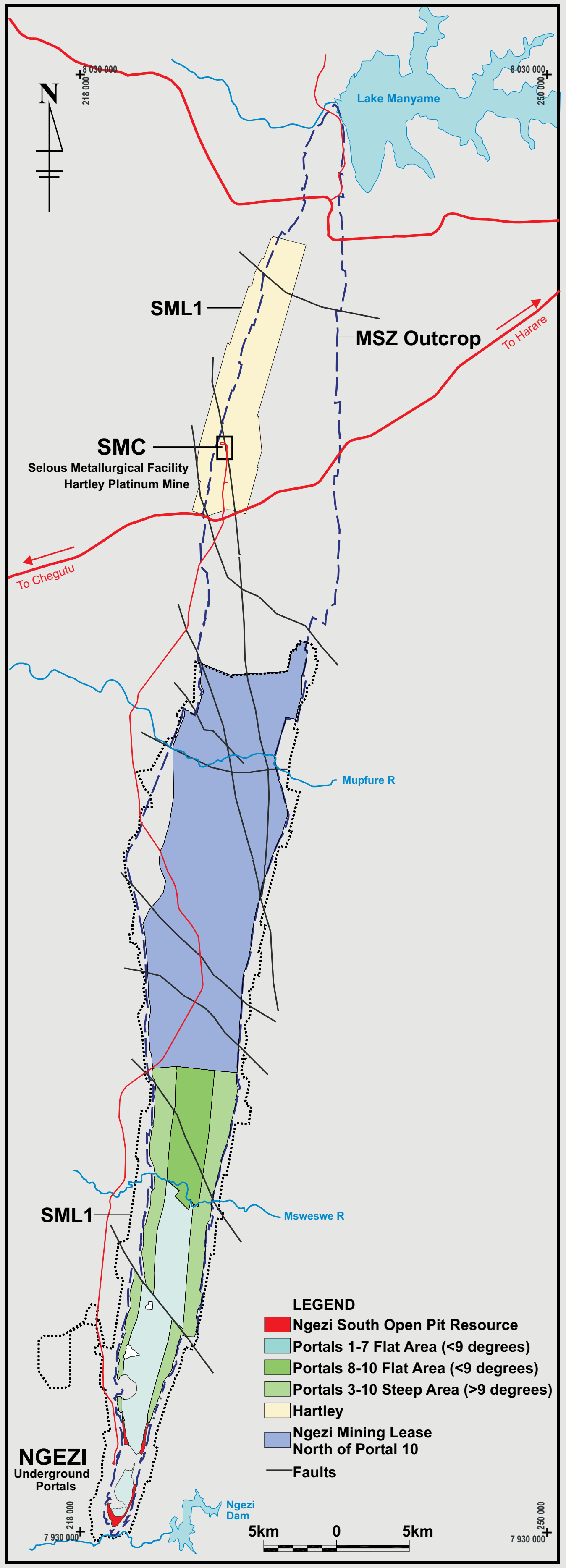
MINERAL RESOURCES - CONTINUED

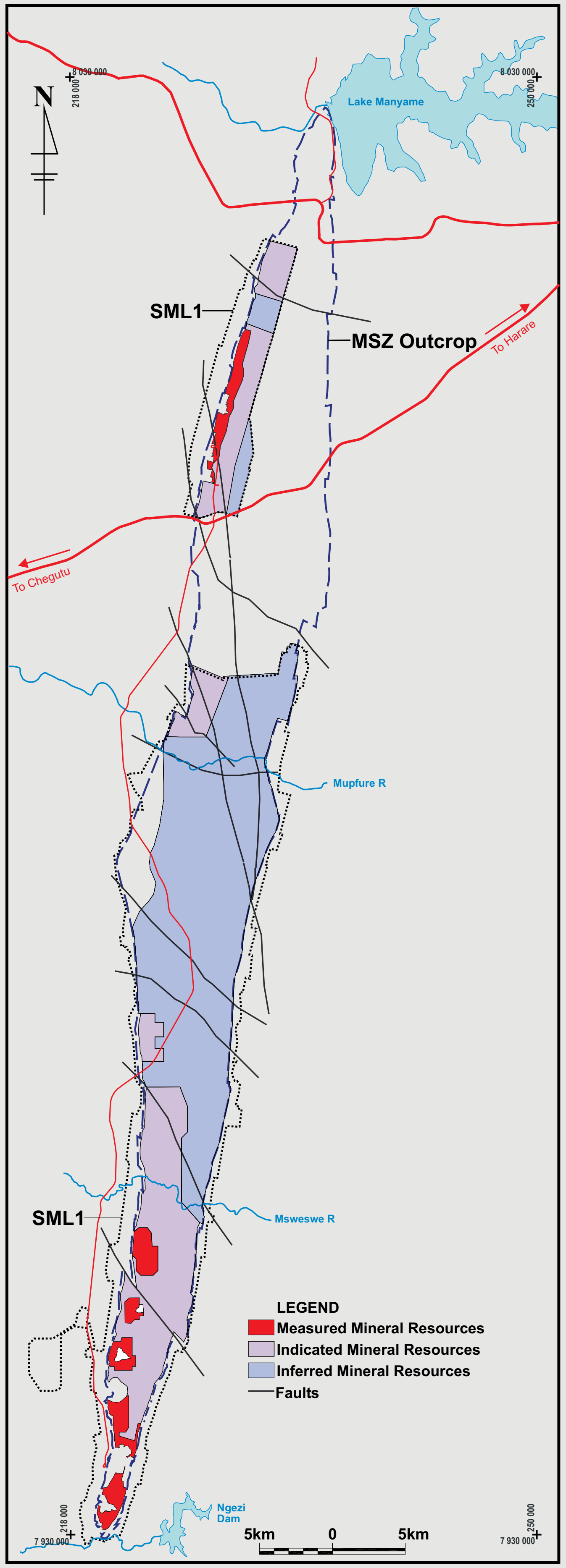
NOTES

- Mineral resources are quoted inclusive of ore reserves.
- The ore reserves quoted reflect anticipated grades delivered to mill.
- Day to day operations are monitored using in-house lead collector fire assays with AA finish. The mineral resources and ore reserves in this statement are based largely on 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 early 2012 in which they concluded that based on their review, AMEC believes that the methodology used for estimating mineral resources and ore reserves was reasonable and that the current figures are in compliance with the JORC Code. However AMEC recommends that the grade and tonnage reconciliation problem at the Portal 4 operation, which exists between the production figures and the resource and reserve estimate, should be investigated and resolved.

  AMEC provided recommendations for all non-material issues that were identified and these are discussed in detail in the AMEC review reports along with the limitations on the scope of the review, a description of the checks performed and qualifiers on AMEC's opinion.
- Rounding-off numbers may result in minor computational discrepancies.

Plan of Ore Reserves and Mineral Resources





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

MINERAL RESOURCES - CONTINUED

COMPETENT PERSONS

The information in this report that relates to Ore Reserves is based on information compiled by Simbarashe Goto who is a Member of The South African Institute of Mining and Metallurgy.

Simbarashe Goto is a full time employee of the company.

Simbarashe Goto 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”. Simbarashe Goto 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 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 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

KEY SUSTAINABILITY RISKS

At Zimplats, our approach to risk is based on managing risk within a broad understanding of our objectives - and by following a standard process of objective-based risk assessment to identify and evaluate risks across the group.

ZIMPLATS RISK MANAGEMENT FRAMEWORK

The board establishes the process of risk management and systems of internal controls and sets the criteria regarding risk decisions - then effectively communicates on all matters of risk across the operation.

This means that both opportunities and threats need to be identified, understood and managed on an on-going basis so that we meet our obligations to customers, shareholders, employees, suppliers, communities and society in sustainable ways.

The board has instructed the Audit and Risk Committee to ensure that the Zimplats' risk management system is in line with King III and ISO 31000 requirements.

In addition, a management risk steering committee and internal audit team put together a combined risk assurance to the Audit and Risk Committee on key risk areas.

Zimplats' approach to risk management is connected to corporate strategy. Without an objective, it stands to reason that there are no associated risks. So, the understanding of the company's objectives and the related aims of each layer below becomes a must in identifying and managing the associated risks.

Risks are therefore identified by examining defined objectives, and are then linked to these objectives. These are in turn managed using specific controls and follow-up actions. It is an approach that links all the risks to the company objectives and it generates positive, accountable risk management at every level within the organisation.

Zimplats has established the following measures in an effort to ensure that the risk management system is applied consistently:

- Management committees are in place - namely Executive, Operations, Financial, Technical and People
- Central risk depository database (CURA software) is maintained
- A Risk Coordinator (Group SHEQ Manager) has been appointed to harmonise risk assessment inputs and outcomes

The roll-out of the whole programme will also see the training and the appointment of functional and area risk champions.

KEY RISK AREAS AND THE PROCESS FOLLOWED BY ZIMPLATS

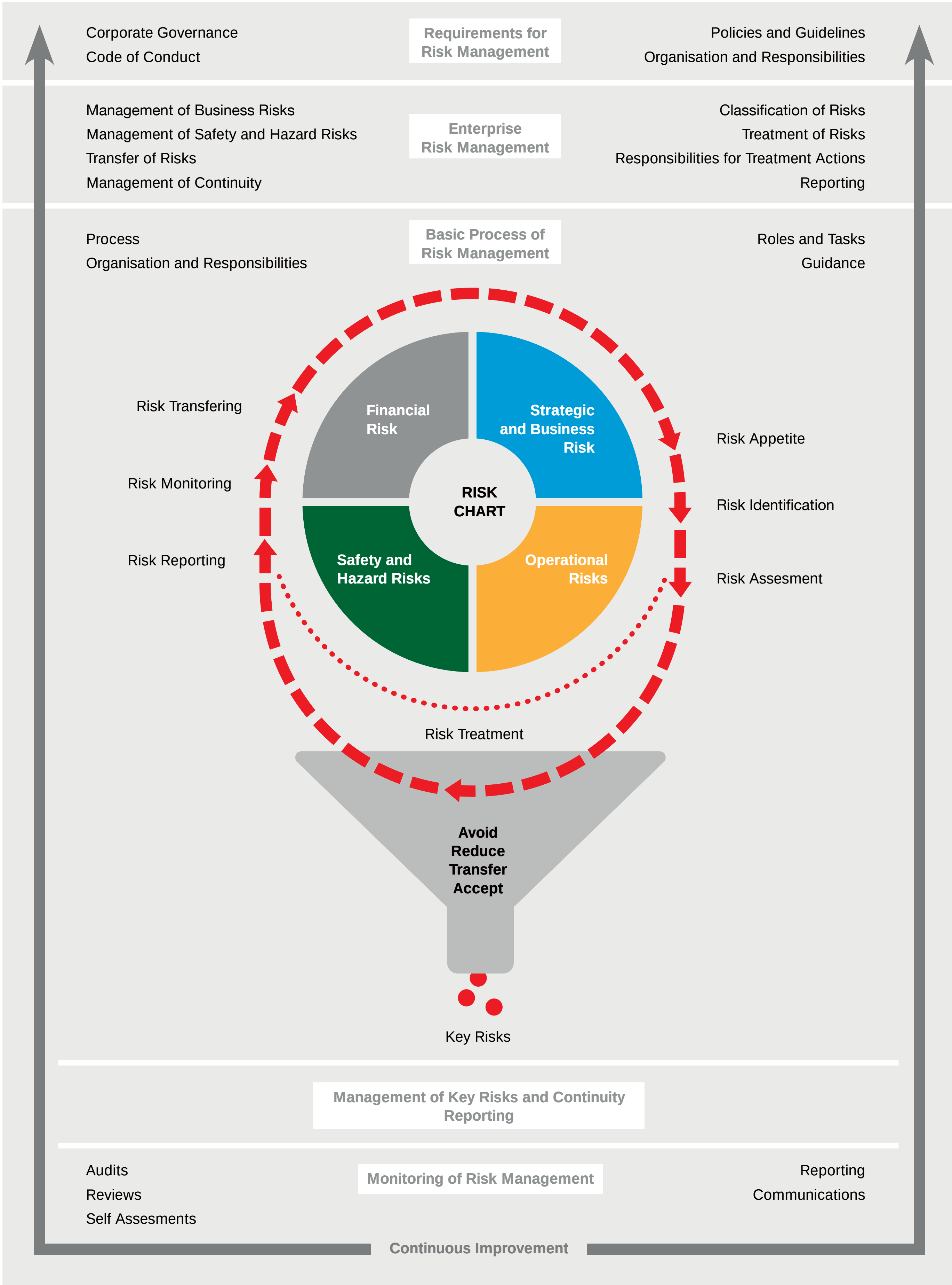
The risk management system, by its very nature, requires the level, approach and form of risk assessment to be considered. From here, the appropriate standard methodology can be selected.

The risk methodology is set in the context of common dimensions or Meta Data, which have been defined and selected in the system.

- The goals, objectives, strategies, scope and parameter of the activity or effected part of the organisation are established.
- The risk management process is taken on with full consideration of the need to balance costs, benefits and opportunities.
- The resources that are needed and the records that should to be kept are also specified.

The diagram opposite depicts the process followed by Zimplats:

SUSTAINABILITY MATTERS - CONTINUED



SUSTAINABILITY MATTERS - CONTINUED

STRATEGIC RISK FY2012

The strategic risks issues that are currently facing the group and which influence Zimplats business planning, risk management and resource allocation priorities are noted below:

RISK AREA	MITIGATION STRATEGIES
SAFETY, HEALTH AND ENVIRONMENT	
Continual improvement in safety, health and environment performance with an ultimate goal of zero harm.	**Technology based** • Tagging & Tracking , Collision Avoidance and Automation (to address underground equipment incidents) • New launder technology and Mud-gun sealing to minimise occurrence and exposure to explosions respectively. • Upgrade Turf Clinic to cater for maternity and community health including VCT. • A sulphur abatement plant earmarked for commissioning within five years. • Hydrogeological modelling. • Construction of hazardous waste silos. • Ambient monitoring. **People based** • Behaviour based Interventions (Visible felt leadership, planned job observations, peer to peer observations) tracking leading indictors. • SHE competence based training. • Simulator training to enhance competence on machinery operating • Management of leave liabilities/fatigue. • Lobbying for the review of Statutory instruments through Chamber of Mines for amendments to emissions, landfills and tailings dam requirements and fee structures (EIA, waste disposal and rehabilitation). **System based** • Contractor management (incorporating all contractors into Business Management Systems). • Off the Job Safety to cultivate a strong safety culture which emanates from home to the workplace. • External and Internal Audits. • Heat stress Management. • Alcohol & drug testing. • Long term partnerships with external stakeholders e.g., Population Services International for VCT. Zimplats runs a well-structured VCT/ART programme for its employees and dependants whilst for contractors this facility is obtainable from the surrounding government institutions. Key will be to ensure that these institutions are able to provide the drugs on a sustainable. • Reviewing of current EIAs and gradual alignment to the Equator Principles. • Apply 4Rs- Re-engineering, Re-use, Recycle and Reduce.

SUSTAINABILITY MATTERS - CONTINUED

RISK AREA	MITIGATION STRATEGIES
PRODUCTION	
Improving and maintaining reliable and effective production processes and delivering product on time and to specification.	• The construction of the new by-pass silo to support the ore movement infrastructure. • Ngezi Concentrator power drive train set up reviewed. • SMC sag & ball mills girth gear repairs and replacement on track.
PROJECT DELIVERY	
Maintaining effective project management processes and improving skills to ensure successful projects and delivery.	• Relocation of villagers in progress. • Continuous community engagement on compensation and updating villagers on progress • Processing of servitudes.
MINERAL RESOURCE MANAGEMENT	
Continually identify, delineate, measure and optimize mineral resources and reserves.	• Drilling and analysis to support future growth and replacement plans continues.
UNIT COSTS	
Sustaining unit production costs in the lowest quartile of the industry.	• Labour-continuous headcount and productivity reviews. • Power-continuous review of utilisation efficiencies and power tariffs. • Consumables & maintenance- capacity building of local suppliers. • Trackless mobile equipment- continuous review of contract cost and performance.
METAL PRICES	
Understanding future demands for the products, and corresponding industry supply-side profile.	• Improve operational efficiencies. • Continuous monitoring of market developments.
RAND/ DOLLAR EXCHANGE RATE	
Closely monitoring the effect of the rand/dollar exchange rate as a source of significant volatility for our business.	• Develop local suppliers to minimise the effect of the USD/ZAR Exchange Rate. • Broaden supplier base.
EFFECTIVE PEOPLE	
Attracting , developing, retaining and motivating the requisite management, operational, technical and business skills and pool of talent. Achieving organizational diversity and improved employee engagement and participation in all business activities.	• Key areas of focus: Leadership, Talent Management, Systems Effectiveness and Communication.

SUSTAINABILITY MATTERS - CONTINUED

RISK AREA	MITIGATION STRATEGIES
GROWTH	
COUNTRY RISK	
Managing the uncertainties that affect the operations.	• Lobbying and engagement with relevant authorities on a variety of issues including indigenisation and empowerment, new mining fees and proposed changes to the mines and minerals legislation.
Addressing relevant issues on sustainability, corporate responsibility and being recognized as a good corporate citizen in the areas and communities where we operate.	• Community surveys and Engagement.
Retaining licence to operate , and full legal and regulatory compliance in a continually changing environment.	• Audits by third parties. • Legal Audits.
INFRASTRUCTURE	
Continually monitoring the condition and future availability of infrastructure (power, water, roads) in Zimbabwe.	• Initiatives including, funding ZESA's external commitments in return for guaranteed power; building 35 000 megalitre Island Dam to secure future water supplies; major renovation of the national road from Selous to Ngezi.

SOME KEY ISSUES ARE DISCUSSED IN FULLER DETAIL BELOW:

INDIGENISATION

The major issue that arose out of stakeholder engagement during the year under review was related to Zimbabwe's indigenisation laws and regulations and Zimplats' response to compliance.

On 13 March 2012, the company entered into a memorandum of understanding with the Government of Zimbabwe. The government has agreed in principle that Zimplats' indigenisation plan is acceptable and compliant with the law.

In terms of the proposal, 10% of Zimplats shareholding will be sold to a Community Trust and 10% to an Employee Share Ownership Trust.

Zimplats will also make available for sale a further 31% fully contributory stake in Zimplats for cash at an independently determined fair value, to broad-based indigenous Zimbabwean groupings.

Management remains in negotiations with the Government of Zimbabwe to finalise implementation of the plan.

COMMUNITY SHARE OWNERSHIP TRUST

As part of the company's indigenisation implementation plan, the Zimplats Mhondoro Ngezi Chegutu Zvimba Community Share Ownership Trust was formed in October 2011 and was registered in December 2011.

To date, capacity development has been carried out to ensure that all Trustees, including twelve traditional chiefs, a representative of Zimplats, a government representative and three District Administrators, understand the objectives and mandate of the Trust.

A donation of $10 million was pledged to the Trust by the company, which will be disbursed over a 3-year period. Communities at district levels are now currently identifying projects that will benefit them - these will be funded by the Trust.

LOCAL SUPPLIER DEVELOPMENT

Recognising the importance of local supplier development in the broader economic recovery of the country, Zimplats has implemented a strategy to ensure that local businesses are given the opportunity to supply goods and services to the company in line with set vendor requirements and standards. As a result, 57% of the company's annual spend was on goods and services in Zimbabwe, up from 56% in FY2011 - and mechanisms have been put in place to monitor the growth of local supplier partnerships.

In accordance with the company's transparency position, an internal cross-functional committee has been set up to review and approve the award of tenders.

In addition, a Tip- Offs Anonymous system, in partnership with an independent audit company, is in place so that suppliers, employees or members of the public can report any incidents of corruption of any nature, including the award of tenders.

SUSTAINABILITY MATTERS - CONTINUED

BASELINE STUDY AS A FOUNDATION FOR COMMUNITY DEVELOPMENT INITIATIVES

A baseline study was conducted to identify the development priorities of communities living in a 30km radius around the Zimplats operational area. Developmental needs were categorised in the areas of - education, water and sanitation, agriculture and food security and livelihood options. The study also focused on the priorities of households who are going to be relocated to make way for the housing development project and a new dam. The information from the study will help Zimplats implement community-based development projects to address needs.

The findings will also act as a benchmark for monitoring and evaluating the interventions that are being undertaken by Zimplats. The actual study employed both qualitative and quantitative research methods and most of the area covered included communal areas (Mhondoro Ngezi district) with an assortment of resettlement areas, occupied by both small and large-scale farmers - approximately 45 000 households.

This information complements the EIAs carried out at the inception of mining operations and prior to commencement of Island Dam construction.

Quarterly stakeholder meetings with community leaders and local government officials also assisted in identifying and prioritising development initiatives. Some of these are discussed further in this report.

PEOPLE MANAGEMENT

This is regarded as a vital function within Zimplats because of its enormous impact on the success of the business. A dedicated General Manager heads Human Resources management. His scope of work includes remuneration, human resources development and talent management.

MANAGEMENT OF SAFETY, HEALTH, ENVIRONMENT AND QUALITY ISSUES

A Group Safety, Health, Environment and Quality (SHEQ) Manager is a member of the Operations Committee (OPCO) and is responsible for guiding the organisation on SHEQ issues. Policies, procedures and standards have been set, with the aim of ensuring that at the very least, all the organisation's activities comply with legislative requirements, ISO 9001, ISO 14001, OHSAS 18001, ISO 17025 and other internationally accepted standards.

This is all in line with the company's Total Quality Management philosophy as a business technique - to integrate safety, health, environment, community affairs, quality and other business management systems.

Regular compliance audits are conducted both internally by the SHEQ team and external auditors. The company retained all its certificates in FY2012.

PROMOTING GOOD GOVERNANCE

Zimplats is committed to promoting good governance and to ensuring that its processes are aligned with the expectations of the King III Code of Governance. The company endeavours to promote and ensure a strong ethical environment in which all employees are expected to act with integrity, honesty and fairness.

The Zimplats Board assumes overall responsibility for managing the systems of internal control and for ensuring that controls are effective in providing reasonable assurance that governance, risk management and controls are in place and that business objectives are met.

COMBATING CORRUPTION AND FRAUD

Zimplats has a zero tolerance approach to fraud and corruption. All employees, business partners and contractors are required to conduct themselves with integrity.

An anonymous reporting system, whereby employees, business partners, contractors and members of the public can report any incidents of corruption or fraud to independent auditors, is in place.

HUMAN RIGHTS

Respect for human rights is an integral part of the company's code of ethics and values; it is guided by the constitution of labour related statutes in the country and is incorporated into Zimplats' 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: -

- Minimum employment age
- Rights to freedom of association
- Prevention of forced or compulsory labour
- Equality and fair treatment of all individuals
- Right to workplace representation
- Procedures to ensure that there are channels to deal with unfair labour practices
- Compliance by contractors to abide by the company's code of conduct and procedures

There were no complaints received relating to discrimination during the period under review.

SUSTAINABILITY MATTERS - CONTINUED

PEOPLE MANAGEMENT

The company experienced stable industrial relations for most of the year, the exception being a brief, illegal work stoppage for two and a half shifts at the mines during the third quarter of the year.

Management continues to engage positively with the employees to ensure that sound industrial relations are upheld.

Staff turnover for the year averaged 4.2% compared to 4.4% during the previous year. While this was a satisfactory level of turnover, the loss of key expertise remained an area of concern during the year due to a skills shortage in the market. In response, the company continued to monitor the trends in the labour market and responded accordingly to ensure the attraction and retention of critical skills.

During the year under review, the number of permanent employees increased to 2 830. This represents a 3% increase on last year's headcount, mainly driven by additional recruitment at Mupfuti Mine (Portal 3), which is under development.

The number of contractors increased by 159% compared to the previous year and, at close of year, stood at 6 212. This increase can be put down to to the Phase 2 expansion project, which is in progress.

INVESTING IN EFFECTIVE PEOPLE

Skills development during the year under review focused on operational training to make sure that adequate personnel requirements for Phase 2 are in place. The company also partnered the Faculty of Engineering at the University of Zimbabwe to help improve the output of engineering skills from the faculty.

PROMOTING EMPLOYEE SAFETY

SUCCESSES	CHALLENGES	OBJECTIVE FY13
• 72% improvement in Lost Time Injury Frequency Rate. • 35% improvement in the Total Injury Frequency Rate. • Celebrated attainment of seven million fatality free shifts. • Ngwarati mine achieved 1 058 LTI free days as at the end of FY12. • Three clusters namely Ngwarati and Rukodzi mines as well as Projects attained Platinum status (365 Lost Time Injury free days). • Winner of the Implats Group CEO Safety award. • Zimplats Processing Division achieved 1st runner up position in the National Premium Award, received Provincial Gold and Sectoral Gold Trophies in Occupational Health & Safety by the National Social Security Authority (NSSA). • Zimplats Mining Division received the 3M Best use of PPE Award. • Retention of OHSAS 18001 and ISO 9001 Management Systems certification.	• Contractor management: Significant increase in new contractor employees thereby introducing more inexperienced workforce into the system. • At Risk Behaviour by employees and contractors. • Four Lost Time Injuries recorded during the financial year.	**People** • Behaviour based Interventions (Visible felt leadership, planned job observations, peer to peer observations) tracking. • SHE competence based training. • Simulator training to enhance competence on machinery operation. **Processes** • Tagging & Tracking, Collision Avoidance and Automation (to address TMM incidents). • New launder Technology and Mud-gun sealing to minimise occurrence and exposure to explosions respectively. **Systems** • Contractor management control - incorporate all contractors to Business Management Systems. • Promote "Off the Job Safety" to cultivate a strong safety culture which emanates from home to the workplace. • External and Internal Audits. • Heat stress management. • Alcohol testing.

SUSTAINABILITY MATTERS - CONTINUED

SAFETY PERFORMANCE

Objective: Change Behaviour to 'safety first'.

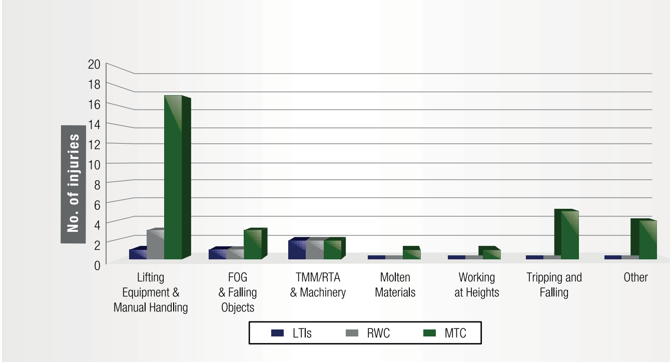
Emphasis has been on compliance to company rules on safety (Platinum rules), standards & procedures and legal requirements. In addition incentives and reward schemes were reviewed to align with the theme. The current bonus scheme incorporates the safety element in order to reward safe production.

The scheme which is team based is regularly reviewed to keep it aligned to desired safety outcomes. In the Mining and Processing Divisions, Behaviour Based Interventions Coach Training was conducted with 1in 10 employees trained in all teams and sections, including contractors.

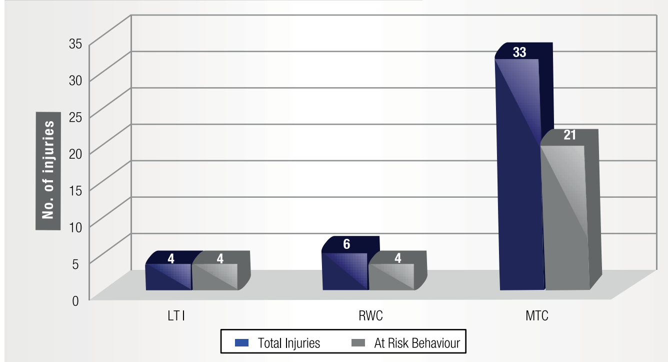
Objective: Close the Supervision Gap.

Analysis of the FY12 injuries as depicted in the graph below has shown that most of the incidents were attributable to equipment lifting and manual handling.

Zimplats Injury Analysis FY12



Zimplats Injury Analysis FY12 at Risk Behaviour



'At Risk Behaviour" is the top most basic cause. To address the current trend in injuries, Zimplats is reinforcing Behaviour Based Interventions and implementing quarterly campaigns targeting major causes.

Objective: Close the Management Gap.

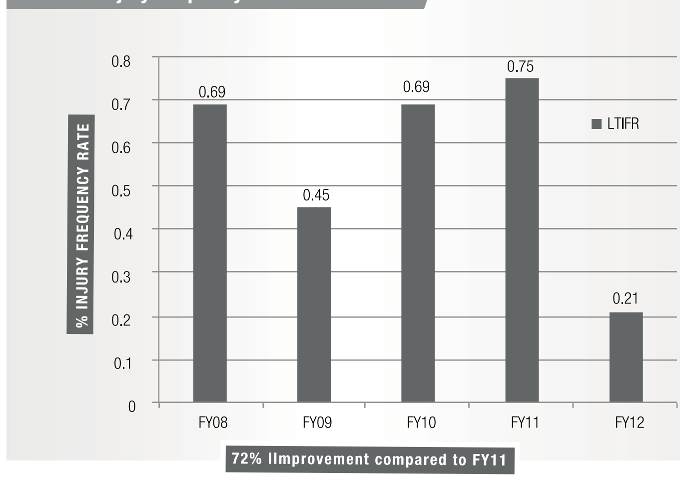
with emphasis on change management, mentoring, coaching, maturing the BMS, ownership, accountability and Contractor management.

The HAZOPs (Hazard and Operability Studies) now being undertaken on key projects have also gone a long way in ensuring that process and plant designs eliminate accidents from the onset.

The influx of contractors coming from diverse safety cultures has necessitated the need to have effective structures to manage them in order to achieve the target of zero harm. The external SHERQ audits conducted by DQS in FY12 have shown a positive step change in terms of contractor compliance to Business Management System requirements.

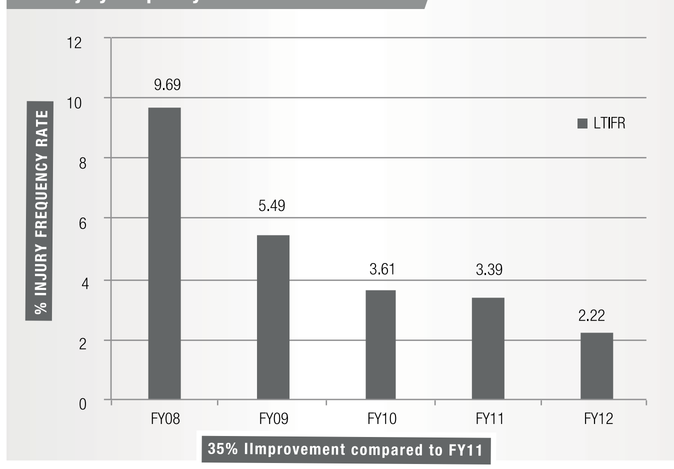
Generally, Zimplats' safety performance has shown a positive trend over the past 5 years as shown in the following graphs.

Lost Time Injury Frequency rate 5 Year Period



72% IImprovement compared to FY11

Total Injury Frequency Rate 5 Year Period



35% IImprovement compared to FY11

The organization largely complied with leading indicator targets on SHEQ meetings, trainings, breathalyzer tests, peer to peer observations and planned job observations. There were no litigations associated with Safety breaches during the year under review.

SUSTAINABILITY MATTERS - CONTINUED

ENHANCING EMPLOYEE WELLNESS

SUCCESSES	CHALLENGES	OBJECTIVE FY13
• Broadened the medical surveillance programmes to include Hepatitis A & B vaccination and radiation monitoring. • Awarded the ''Best Social Responsibility Award in HIV Management" by the Zimbabwe National Chamber of Commerce. • 25% decrease in malaria cases due to residual indoor spraying and larviciding programmes. • Enhanced the medical surveillance plan through acquisition of modern occupational health equipment.	• Inadequate medical facility at Ngezi to cope with increased population of employees, contractors and dependants.	**Processes** • Upgrade Turf Clinic to cater for maternity and community health including VCT. **People** • Training of behavioural change facilitators to promote campaigns within and outside the company. • Leave management (to address fatigue) and heat stress management. **Systems** • Long term partnerships with external stakeholders e.g. Population Services International (PSI) for voluntary counseling and testing. • Outdoor larviciding and Indoor residual spraying for mosquitoes. • Planned mid shift breaks. • Planned wellness and occupational health awareness campaigns.

SUSTAINABILITY MATTERS - CONTINUED

OCCUPATIONAL HEALTH SURVEILLANCE

State-of-the-art occupational health equipment, comprising audiometers, audio booths, vision screeners and spirometers, were purchased and installed. In addition, a digital X-ray was acquired to cater for the large number of employees, contractors and their dependents that visit Ngezi clinic, thus avoiding the need to transport employees from Ngezi to SMC for X-rays.

The level of compliance to red tickets was satisfactory owing to the improved service delivery in the issuance of pneumoconiosis certificates by NSSA. Contractor compliance to pneumoconiosis certification improved in FY12. Furthermore, there were no cases of pneumoconiosis during the same period.

OCCUPATIONAL HEALTH PERFORMANCE

OCCUPATIONAL HEALTH RISKS

- A heat stress management programme was extended to contractors working at the tailings dams. No cases of heat stress were recorded during the year under review.
- Hepatitis A and B vaccination for health care workers and other contractors exposed to biological hazards was introduced.
- As part of biological monitoring for nickel and lead exposure, a total of 67 employees had blood samples taken. The results were within the acceptable exposure limits.

SUSTAINABILITY MATTERS - CONTINUED

OCCUPATIONAL HEALTH

TUBERCULOSIS

There was a 20% increase in diagnosed pulmonary TB during the year under review.

NEW PULMONARY TB CASES TREATED

Operation	FY 2012	FY2011	FY2010
Mining	5	4	8
Processing	1	1	3
Total	6	5	11

NOISE-INDUCED HEARING LOSS

No cases of Noise Induced Hearing Loss were reported during the period under review. Zimplats is making efforts to improve case identification so that cases are not omitted in reporting.

Health Officers received training in audiometry and spirometry during the period under review. The Processing Division issued 151 Noise Bans (personalised Hearing Protection Devices) in order to increase noise attenuation to exposed employees. This will continue in FY13 in phases.

MALARIA

A total of 6 malaria cases were recorded in FY12, of which 4 were contractors. The Mining Division introduced a malaria control programme after the mine site was discovered to be harbouring the female Anopheles mosquito. The programme included education campaigns, indoor residual spraying of households and larviciding of ponds in and around the Turf residential area.

HIV/AIDS

Awareness campaigns were conducted during the year with support from external partners namely Population Services International (PSI) and New Start Centres. HIV/AIDS awareness campaigns were conducted by external people living with HIV.

However, the programme continues to lack internal volunteers with testimonies.

- A total of 46 employees from the Mining Division participated in the Behaviour Change Facilitators Course, which was conducted by National Aids Council (NAC) and Batsirayi Group.
- Population Services International (PSI) conducted awareness on Multiple Concurrent Sexual relationships.
- In order to encourage employees and dependants to undergo Voluntary Counselling and Testing (VCT), an outreach campaign covering Chegutu and Norton was carried out. The campaign covered employees and dependents.
- There were two AIDS-related deaths and no medical incapacitation in FY12.

A significant increase in VCT uptake was noted in FY12 compared to the previous year as illustrated opposite. This is attributed to the involvement of external partners to augment the internal efforts.

VCT UPTAKE

Operation	FY 2012	FY2011	FY2010
Mining	2 213	635	131
Process	520	99	73
Total	2 733	889	204

WELLNESS PROGRAMME

Operation	FY 2012	FY2011	FY2010
Mining	31	145	47
Process	98	24	21
Total	129	169	68

The company continues to invest in HIV/AIDS programmes and this has seen a marked decline in the company's prevalence rate. The company won the 2011 Zimbabwe National Chamber of Commerce Award for the Best Corporate initiative in HIV/AIDS programmes. The programme is now being extended to cover the communities surrounding our operations as well as contractors working for Zimplats.

ZIMPLATS ANTI-RETROVIRAL TREATMENT PROGRAMME

	NUMBER OF PATIENTS ON ART			NEW PATIENTS ON ART		
Operation	FY 2012	FY 2011	FY 2010	FY 2012	FY2011	FY2010
Mining	98	92	68	19	31	24
Process	31	35	21	8	4	0
Total	113	127	89	27	35	24

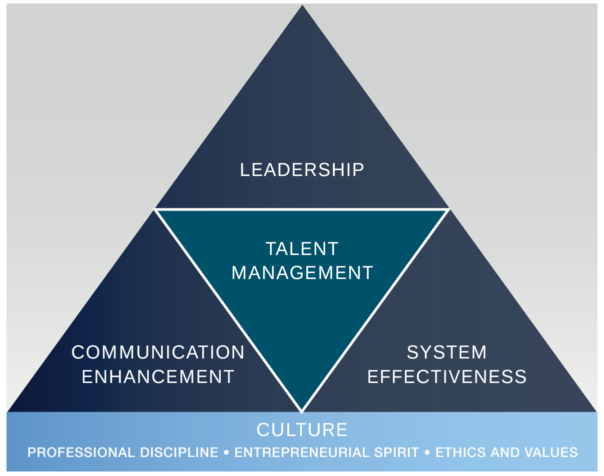
* Zimplats: FY 2012: 64 dependants on ART

SUSTAINABILITY MATTERS - CONTINUED

EMPLOYEE WELFARE

The company embarked on a home ownership scheme, which will result in the construction of 1 325 core houses for junior staff at Ngezi. During the period under review 325 Core Houses were completed and allocated to staff.

FUTURE FOCUS



Over the next five years, the company's human resources strategy will be driven by five key pillars, which are essential in sustaining and growing the company.

Zimplats will centre all human resources activities on the following:-

- Leadership development to ensure a strong and sustainable source of future leaders for Zimplats.
- Talent Management attracting only the best skills on the market. Systems will be designed to identify and adequately nurture key performers. Reward structures will be geared towards the need to retain talent.
- Communication will be enhanced at all levels.
- Systems and processes will be enhanced so that levels of work output increase with less effort.

MAINTAINING ACCESS TO STRATEGIC NATURAL RESOURCES AND MINIMISING OUR IMPACTS

Zimplats is involved in the extraction and processing of mineral resources and inevitably it has an impact on the natural environment. Through responsible environmental management practices and investments in social and human capital, the company has a net positive impact on society. This contribution is further enhanced by the fact that PGMs play a positive role in the drive towards a greener economy.

SUSTAINABILITY MATTERS - CONTINUED

ENVIRONMENTAL HIGHLIGHTS

SUCCESSES	CHALLENGES	OBJECTIVE FY13
• Retention of ISO 14001 Environment Management System certification. • Successfully completed Hazardous waste silos and Ngezi landfill lining projects. • The Mining & Processing Divisions were awarded the Association of Mine Managers of Zimbabwe (AMMZ) trophies by the Chamber of Mines Zimbabwe. • Satisfactory performance in effluent discharge quality with no red permits issued by the Environmental Management Agency (EMA). • The Mining and Processing Divisions commemorated the National Tree Planting Day in December 2011 by planting 802 indigenous tree species. • Zimplats exported 15 radiation isotopes from the BMR to Process Automation South Africa for disposal thus saving US$15, 000 in permit fees.	• Sulphur dioxide emissions from the Smelter main stack in red permit category. • The Zimbabwean emission standards are out of line with internationally recognized standards as they only apply to point source emissions and not ground level concentrations. • High environment levies prescribed under Zimbabwean legislation. • Zimbabwean regulations require all waste disposal sites to be lined.	**Processes** • Implement the sulphur dioxide emission reduction program: A sulphur abatement plant is earmarked for commissioning in the next expansion phase. • Improve the hydro-geological modelling of pollution from waste sites at Zimplats. This includes the construction of monitoring boreholes at the non-hazardous waste landfill (site for bioremediation of soils contaminated with petroleum hydrocarbons). • Continue upgrading landfills to incorporate lining requirements and leachate collection systems as stipulated under the Waste and Effluent regulations of 2007 (SI 6 of 2007). • Develop energy management action plans to address findings from the external energy audit conducted during the third quarter of FY12. Implement the recommendations from the audit in order to improve energy efficiency. • Continue with the Ngezi Open pit rehabilitation programme targeting to move 390 000BCMs of material by the end of FY13. **People** • Lobbying for the review of Statutory instruments through the Chamber of Mines for amendments to emissions, landfills and tailings dam requirements and fee structures (EIAs, waste disposal and rehabilitation). **Systems** • Review the current EIAs and gradually align to the Equator Principles. • Apply 4Rs- Re-engineering, Re-use, Recycle and Reduce.

SUSTAINABILITY MATTERS - CONTINUED

LEGISLATION AND COMPLIANCE

LEGISLATIVE DEVELOPMENTS FY12

The Minister of Environment and Natural Resources Management gazetted 3 regulations during the year. These were: -

- SI 129 of 2011- Environmental Management (Hazardous Substances, Pesticides and Other Toxic substances) (Amendment) Regulations, 2011 (No.3)
- SI 130 of 2011- Environmental Management (Environmental Impact Assessment and Ecosystems Protection) (Amendment) Regulations, 2011 (No.2).
- SI 84 of 2012 Plastic Packaging and Plastic bottles Amendment regulations, 2012, (No1)

Zimplats has taken steps to comply with these new regulations. During the period under review, the Environmental Management Authority (EMA), with respect to the new regulations and the already existing environmental laws, raised no legal fines.

In addition, the Minister of Water Resources Development and Management gazetted the Sub Catchment Councils Amendment Regulations of 2011. These regulations stipulate new rates for surface and ground water abstraction as follows: -

- Raw water use for industry and mines now costs US$2 per ML.
- Authority to drill borehole = US$60
- Ground water permit application = US$30

ENVIRONMENTAL AUTHORISATIONS

In terms of Zimbabwean legislation, most environmental permits are valid for up to 12 months, with the exception of water abstraction agreements and National Park leases. Zimplats therefore applied for the renewal of the various environmental permits that are applicable to its operations. In light of these applications, the environmental authorities issued different types of environmental permits in 2012.

COMPLIANCE TO LINING REQUIREMENTS

The Effluent and Waste regulations gazetted in 2007 prohibit organisations from using unlined waste disposal sites from January 2012.

Zimplats' landfill facilities are largely compliant following lining projects, which were implemented - and also due to low permeability of in-situ clays at the slag and tailings dams. During the year under review, the Environmental Management Agency (EMA) did not raise any concerns pertaining to lining during their quarterly inspections of effluent and waste disposal sites.

ENVIRONMENTAL MANAGEMENT SYSTEM

Zimplats is certified to ISO14001 Environmental Management System (EMS). No environmental non-conformities (NCs) were raised during the certification audit conducted by DQS in December FY12 compared to 3 NCs raised in the previous year. The system enables Zimplats to identify and evaluate environmental aspects within its scope of influence, thereby enabling us to mitigate the negative environmental impacts and enhance the positive impacts.

In order to support the EMS, the following audits were conducted during the year under review: -

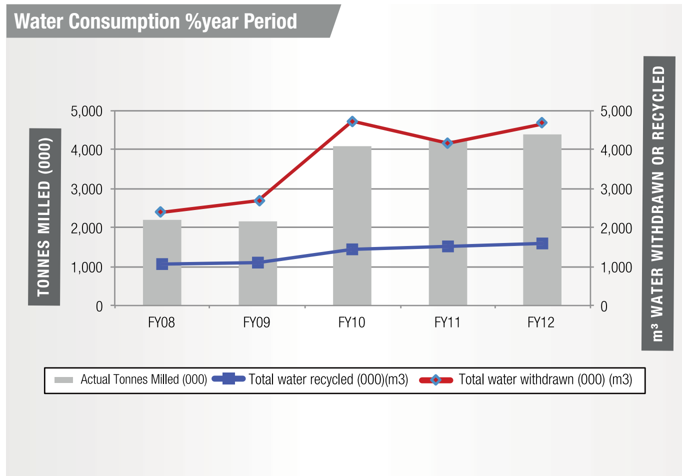
ENVIRONMENTAL PERFORMANCE INDICATORS

WATER MANAGEMENT

Objective: Complete Phase 2 of the Hydro-geological Modelling and Pollution Study for Zimplats by end of FY12.

A total of eleven boreholes were drilled at SMC to help appreciate the groundwater pollution impact from the slimes dam and the slag dump. At the Mining Division, boreholes were sited at the land farm. The drilling of these boreholes commenced in FY12.

Zimplats is highly reliant on water for its operations, expansion activities and human consumption. Water utilisation figures for FY12 increased slightly because of an upsurge in production. Zimplats has successfully identified a number of water conservation strategies and these include the recycling of process water, mining effluent, sewage effluent and discharges passing through oil separators. During the year under review, a 5% increase in recycled water was achieved, as shown in the graph below.



As part of FY13 objectives on water management, Zimplats is exploring opportunities for zero discharges to the environment; this, to increase volumes of water recycled and thereby reduce overall fresh water consumption.

SUSTAINABILITY MATTERS - CONTINUED

THE TABLE BELOW SHOWS THE GROUND AND SURFACE WATER SOURCES AND ASSOCIATED ABSTRACTION RATES FOR FY12

SUCCESSES	Q4 FY12	Q3 FY12	Q2 FY12	Q1 FY12	FY12
UNIT	Kilometres	Kilometres	Kilometres	Kilometres	Kilometres
1. Water from rivers					
2. Water from dams	1,021,795	1, 087,962	1,055,496	929,421	4,094,674
3. Ground water (For FY11U/G Mine + Residential Boreholes)	91,500	83,486	69,623	68,462	313,071
4. Waste water from other organisations	-	-	-	-	-
5. Water from water service providers/municipalities	-	-	-	-	-
6. Water Withdrawn	1,113,295	1,171,448	1,125,119	997,883	4,407,745
7. Water internally recycled (tailings return.)	464, 967	396,590	302, 285	423,198	1,122,073
8. Water internally recycled (effluent irrigation.)	2,264	2,264	2,086	1,426	8,038
9. Total water recycled	467,231	398,854	304,369	424,624	1,595,078
10. Total water consumption	1,580,526	1,570,302	1,429,488	1,422,507	6,002,823
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes
11. Tonnes ore milled	1,153,242	1,069,290	1,109,975	1,060,223	3,239,489

REHABILITATION UPDATE 5 YEAR PERIOD

ISSUE	FY12	FY11	FY10	FY09	FY08
Disturbed areas rehabilitated (ha)	5.1	0	0	305	-
Rehabilitation current costs (R'000)	7923	164	166	122	122
Rehabilitation Provisions ((R' 000)	9412	99	111	99	51

EFFLUENT AND WASTE MANAGEMENT

EFFLUENT

Objective: Construct a bigger capacity oil separator at Ngwarati Mine to manage larger volumes of effluent by the end of the second quarter of FY12.

A decision was made to shelve the oil interceptor construction and instead built a storm water diversion system to reduce influent load into the interceptor. The storm water diversion was constructed in FY12.

The Ngwarati mine oil interceptor performance improved as a result of the aforementioned intervention.

The implementation of effluent management programmes has led to the complete elimination of red permits (permits for effluent discharges with high environmental impact) in FY11 and FY12. The FY12 objective of eliminating yellow permits (licenses for discharges with medium environmental impact) has largely been successful - as shown by the current performance of the discharge points.

In the year under review, Zimplats engaged the services of specialists (Metago Water Sciences) to conduct a Geochemistry study focusing on the Acid Rock Drainage potential (ARD) from tailings dams and the slag dump. The study showed that the Zimplats tailings are non-acid generating. The ARD potential from the slag dump was classified as low.

REHABILITATION UPDATE 5-YEAR PERIOD TABLE

WASTE

Objective: Construct Silos for the disposal of hazardous waste at SMC by the end of 2nd quarter FY12.

The hazardous waste silos were constructed at a cost of US$66,000.00 and allow the operation to prevent potential land contamination from the disposal of hazardous waste.

Significant progress was made in rehabilitating the open pits and tailings dams as shown in the table below. Concurrent rehabilitation of the open pits was done from 2002 to 2008.

Pit rehabilitation ceased in 2008 when open pit operations were stopped after a fall in metal prices, resulting in the contractor relocating to South Africa with its equipment.

In FY11, Zimplats acquired new rehabilitation equipment - three dump trucks, a bulldozer and an excavator. Additionally, a dedicated rehabilitation crew was set up. As a direct result,

SUSTAINABILITY MATTERS - CONTINUED

rehabilitation activity was more pronounced in FY12 compared to previous years.

A total of 445 016 BCMs were tipped into the open pit by the end of FY12, thereby showing 15% rehabilitation progress above that predicted. As part of local community involvement, women from surrounding villages were engaged in the tailings dams' re-vegetation programmes.

CLIMATE CHANGE AND ENERGY EFFICIENCY

Zimplats generates - Scope 1 (direct emissions) from fuel and coal usage, Scope 2 (indirect emissions from purchased electricity and Scope 3 emissions (indirect emissions from business travel).

Zimplats quantifies its carbon footprint covering all three scopes. Direct carbon emissions for FY12 amounted to 534 480 tonnes compared to 41 190 tonnes the previous year. Higher direct emissions in FY12 are consistent with increased production intensities and the inclusion of emissions from expansion activities.

Energy security and higher electricity tariffs in Zimbabwe have necessitated the development of energy conservation strategies at Zimplats. To this end, we set an objective to develop an energy efficiency plan in FY12.

An external consultant conducted an energy audit during the 3rd Quarter of FY12 to identify opportunities for energy efficiency. The audit findings will certainly provide a basis for future performance comparison.

DEVELOPING SOCIAL CAPITAL

Zimplats' approach to socio-economic development is based on the understanding that the prosperity and wellbeing of communities living in an environmentally sound manner is integral to the company's operations and success.

Investing in the sustainable development of Zimbabwe and working with partners in the private and public sector means that Zimplats is investing in the sustainability of its business and the country, doing this responsibly and with accountability.

In addition to the significant socio-economic value added from core activities, the company makes further specific social investments into the communities that are home to its employees and their families through an extensive corporate social investment programme.

The various activities contribute to the establishment of communities that are viable - economically, socially and environmentally - beyond the life of the mines. These activities are important in retaining the organisations social license to operate.

Zimplats' Corporate Affairs department manages the socio-economic development initiatives. A technical team is responsible for implementing the projects, working together with a community relations officer who assists with managing community relations.

The identification of community projects is undertaken at quarterly community stakeholder meetings, in consultation with stakeholder representatives from the communities, local government and through written requests direct from the community. The Operations Committee reviews project proposals and, once approved at operational level, are submitted for approval to the Executive Committee. Over the past four years, expenditure in this area has grown from $360 000 to $5 309 100 in FY12, reflecting Zimplats' wholehearted commitment to investing in surrounding communities.

Zimplats' investment strategy focuses primarily on education, health, income-generating projects and related infrastructure.

The strategy also aims to complement the company's housing initiatives, through the provision of schools, clinics, and other amenities.

In the past financial year the focus was on projects that included: -

- The construction of a science laboratory at St Michael's High School in Mhondoro-Ngezi.
- The provision of clean drinking water through the sinking of 25 boreholes in the Montero-Ngezi and Chegutu districts.
- The establishment of a rural nursery project at Nyangwene Primary School.
- The construction of David Guzuzu High School.
- The construction of a boarding hostel at Marshall Hartley School in Musengezi.
- The provision of a generator and related equipment to electrify a local school.
- The consolidation of a gum tree plantation project at Turf Village.

During FY2012, overall expenditure on socio-economic development projects amounted to $5,3 million, up from $1,348 million in FY2011. An additional $85m was spent on housing development initiatives for augmenting employee housing, including home ownership facilitation.

A detailed breakdown of our community investments is presented in the table below:

Some of the projects are described in detail below:

PROGRAMME	FY2012	FY2011
	$	$
Education	3 282 818	755 000
Sport development	35 000	26 856
Income generating and Enterprise development	46 732	303 000
Health	873 471	223 000
Other	1 071 079	40 794
Total	5 309 100	1 348 650

ENTERPRISE DEVELOPMENT

Promoting enterprise development provides a mechanism for encouraging entrepreneurship and contributing to the longer-term viability of local communities.

TURF GUM TREE PROJECT

Zimplats has established a gum tree plantation in partnership with the Mhondoro Ngezi Rural District Council (MNRDC). The project was set up partly to provide the MNRDC with a source of income, as it was heavily reliant on the company to help fulfil its mandate. The project will assist the council to be self-sufficient.

ZIMPLATS HOLDINGS LIMITED » INTEGRATED REPORT 2012 » PLATINUM PALLADIUM RHODIUM GOLD

SUSTAINABILITY MATTERS - CONTINUED

This is an example of a Public Private sector Partnership (PPP).

The 3-year partnership will see the establishment of a gum tree plantation at Turf Village in Mhondoro Ngezi. To date 4 420 gum seedlings have been transplanted out of a total 23 000 seedlings. A total area of 10 hectares will have been covered by the end of the 3rd year. Once the trees are harvested they will be cured and sold for construction and other purposes such as electricity and telephone poles. An assessment will be made after 3 years on the ability of the MNRDC to run the project sustainably without further assistance from Zimplats.

MUSENGEZI POULTRY PROJECT

Musengezi High School is located less than 20km from Zimplats' Selous Metallurgical Complex (SMC) and is a co-ed school with an enrolment of 470 pupils. Zimplats has established a poultry project to enable the school to provide food for the students and make additional income through the sale of surplus chickens.

In its original design, the project was meant to be self-sufficient as far as rearing chickens and eggs for own consumption by the pupils was concerned. In less than a year the project has not only met that objective of self-sustenance but is now generating enough income to support other agricultural projects on site. The funds from the project have been used to buy more chicks, poultry feed, new chicken sheds, and pigs for the school's piggery project.

The school has also been able to use funds from the project to rehabilitate an existing borehole, sink two new boreholes and fit an electric pump to provide pupils with access to clean water and water for use in the poultry and piggery projects.

Going forward, the school also intends to buy dairy cows so that the school is self-sufficient in milk production.

EDUCATIONAL INFRASTRUCTURE

ST MICHAEL'S' SCIENCE LABORATORY

Zimplats built a science laboratory at St Michael's High School in Mhondoro Ngezi, in response to a request from the school authorities. The school had a record of good results in non-science subjects and wanted to improve science learning by giving pupils access to laboratory facilities.

During the year Zimplats carried out a baseline study which

SUSTAINABILITY MATTERS - CONTINUED

showed that there is a shortage of secondary schools in the surrounding communities and those that were there had very limited science learning facilities.

DAVID GUZUZU SECONDARY SCHOOL

Zimplats has embarked on the construction of David Guzuzu Secondary School in Mhondoro Ngezi District. The school is located close to the area in which the company is contracting the 35 000 ML Island Dam as part of the Phase II expansion project. The community in the area asked the company to construct the school because the secondary and primary school pupils were sharing facilities, a situation which was not conducive to effective learning.

The project consists of two classroom blocks, ablution facilities, a library, offices and houses for the teachers.

MARSHALL HARTLEY BOARDING SCHOOL

Pupils at Marshall Hartley School in Musengezi area in Chegutu District will benefit from the construction of boarding facilities by Zimplats. The boarding hostel project was requested by the school authorities, which were concerned that young learners were walking extremely long distances to school and back home every day. The project comprises two separate boarding hostels with bathroom facilities for 32 boys and girls. A dining room and kitchen facilities for the boarders will also be built.

Zimplats will, in addition, assist in the repairs needed in existing classrooms. Marshall Hartley is close to the company's SMC processing plant and is one of the oldest schools in the country with a rich history.

RURAL FORESTRY PROJECT AT MHONDORO MUBAIRA

Zimplats has entered into a partnership with a non-governmental organisation called Friends of the Environment. The partnership will see the establishment of two rural nurseries at a cost of $50 000. The nurseries have been created at Nyangwene Primary School at Mhondoro Mubaira and at Turf Village. The project came about following a request by Friends of the Environment for assistance in setting up rural nurseries to replace trees that have been cut down for firewood and to slow down deforestation in the areas concerned.

By setting up the projects within schools, the young students are directly involved in the establishment and maintenance of the nurseries; the desired outcome is that there is "ownership" of the concept of re-forestation. The project will teach the children the importance of trees and the significance of trees in ecosystems.

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SUSTAINABILITY MATTERS - CONTINUED

There is a full time forester working in the nurseries, imparting his knowledge to the students and ensuring that the project is technically sound.

The nursery at Nyangwene ensures a strengthening of the relationship that was first formed between Zimplats and the school after we rebuilt the school last year following a storm. Zimplats not only rebuilt the school, but also provided furniture for the classrooms and headmaster's office and sunk a borehole to ensure access to clean water for 700 pupils.

PROVIDING ACCESS TO CLEAN WATER

The communities surrounding Zimplats' operations have shown concern regarding the lack of access to clean drinking water. Some of them used to source water from nearby rivers, but they are no longer confident about the quality of the water drawn from those rivers. To this end, Zimplats engaged community leaders and the local government officials and agreed on the extension of the borehole-drilling project that was initiated in FY2011. Since then, a total of 25 boreholes have been drilled over the past 18 months at a cost of more than $100 000. Locations of the boreholes were recommended by the communities and were confirmed by the local government authorities as compliant with the district development plans.

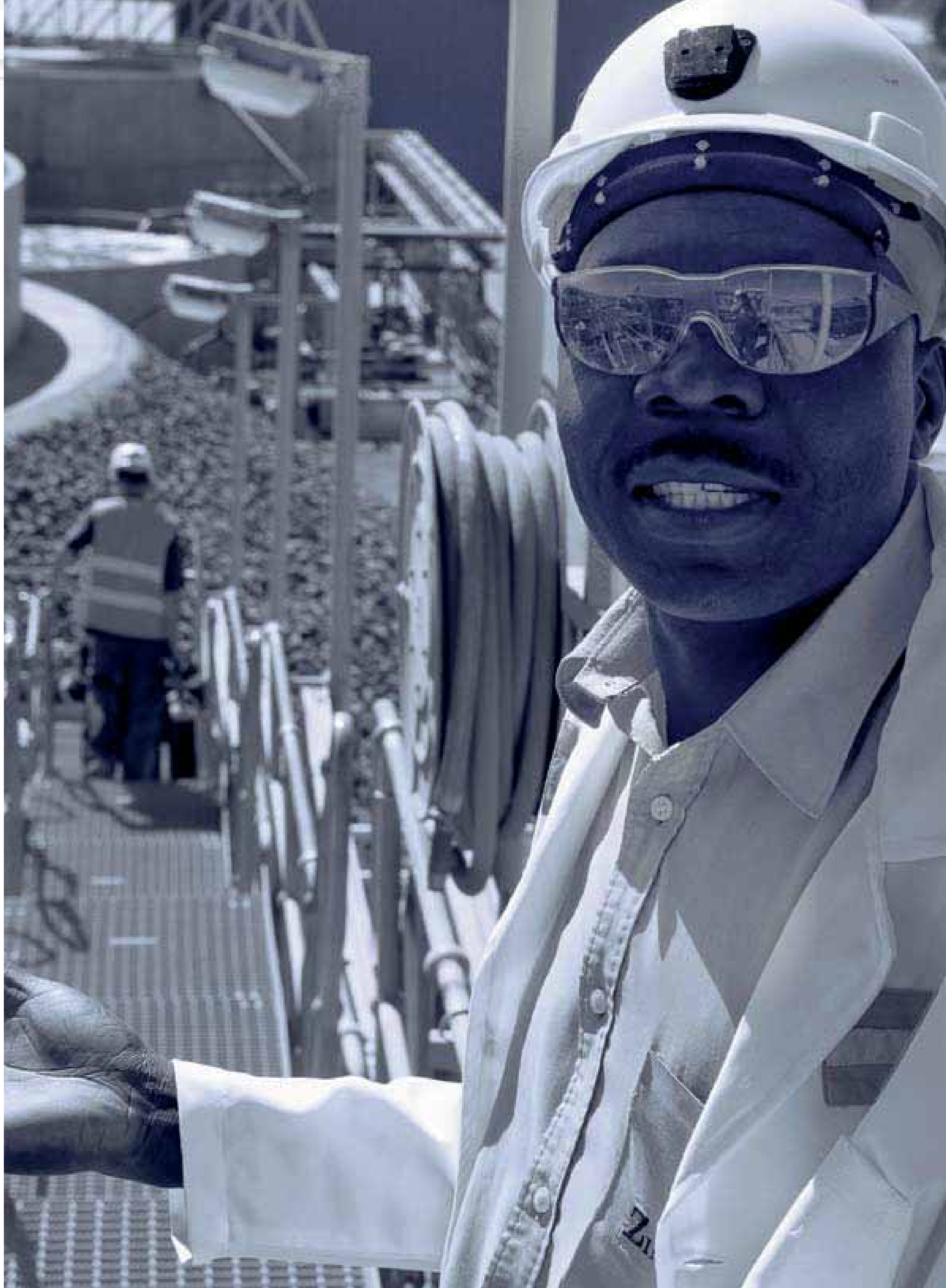
FUTURE PLANS

Zimplats will implement a number of community and enterprise development projects in line with approved budgets. Consideration will be given to the families who were relocated to make way for the housing development project and the construction of the new dam.

INDEX TO GLOBAL REPORTING INITIATIVE INDICATORS

The entry point for GRI reporting is on a self- assured basis which ranks as a 'C' rating and which requires reporting on a minimum of 10 specified indicators. As an initial step it is on this basis that the company has elected to report – with plans in place to obtain a C+ rating in the next reporting period which requires independent assurance.

GRI INDICATOR	TOPIC	PAGE
EC1	Direct economic value generated and distributed including revenues, operating costs, employee compensation, donations, and other community investments, retained earnings and payments to capital providers and governments.	5,7,8,14
EC4	Significant financial assistance received from Government.	Not applicable to Zimplats
EC6	Policy, practices and proportion of spending on locally based suppliers at significant locations of operation.	7,16,18,46
EN8	Total water withdrawn by source.	55,56
EN26	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation.	54-57
LA7	Rates of injury , occupational diseases, lost days, and absenteeism and total number of fatalities by region.	49-53
LA8	Education, training, counselling, prevention and risk control programs in place to assist workforce members, their families or community members regarding serious diseases.	52,53
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	56-59
S04	Actions taken in response to incidents of corruption.	74
HR4	Total number of incidents of discrimination and actions taken.	47



CORPORATE GOVERNANCE REPORT

The King III Report on Corporate Governance applicable to South African companies requires those entities to comply with the King III recommendations with effect from June 2012.

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

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

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

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

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

BOARD OF DIRECTORS

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

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

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

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

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

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. 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. The framework is subject to annual review by the Board.

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

- Audit and Risk Committee
- Remuneration Committee
- Safety, Health 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 are reviewed by the board annually and which have been amended to take into account the requirements of King III, and which set out the role, responsibilities, scope of authority, composition and procedures for reporting to the Board.

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

Zimplats nominees are subjected; therefore, the Board considers it unnecessary to form a separate committee.

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

Details of Board Members appear on page 22.

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

	IMPALA NOMINEES	INDEPENDENT	NON-EXECUTIVE	EXECUTIVE
M A Masunda (Acting Chairman)		•	•	
B Berlin	•		•	
S E Frost				•
M J Houston		•	•	
P Maseva-Shayawabaya				•
A Mhembere				•
K Mokhele	•		•	
T Goodlace	•		•	
L J Paton		•	•	
R G Still		•	•	
N P S Zhou		•	•	
Totals	3/11	5/11	8/11	3/11

As reported earlier in this report, Mr. D H Brown resigned as a director and non-executive Chairman on 30 June 2012. He was succeeded in his capacity as Chief Executive Officer of the major shareholder by Mr. T Goodlace who was appointed to the board in August 2012.

Siince the resignation of Mr. D H Brown the Deputy Chairman Mr. M A Masunda, has been Acting Chairman until such time as a substantive appointment is made. 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 material suppliers or customers within the Group or officers of or otherwise associated with a material supplier or customer.

Mr. L.J. Paton is not yet fully independent as he has been employed within the Group within the last three years.

CORPORATE GOVERNANCE REPORT - CONTINUED

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

ATTENDEE	ATTENDED	AUG 11	NOV 11	FEB 12	MAY 12
D H Brown	4/4	•	•	•	•
M A Masunda	4/4	•	•	•	•
B Berlin	4/4	•	•	•	•
S E Frost	4/4	•	•	•	•
M J Houston	4/4	•	•	•	•
P Maseva-Shayawabaya	4/4	•	•	•	•
A Mhembere	4/4	•	•	•	•
Dr. K Mokhele	4/4	•	•	•	•
L J Paton	2/4	x	•	•	x
R G Still	4/4	•	•	•	•
N P S Zhou	4/4	•	•	•	•

During the course of the year a process of board and retiring director evaluations was initiated using an external service provider, PricewaterhouseCoopers. The evaluation cycle will be every two years as opposed to annually as recommended by King III as the board considers that the extended period between evaluations will allow for a more reasonable assessment of performance. The Remuneration Committee will make recommendations for improvement as identified and implement action plans accordingly. In view of the sensitive nature of the process the results of the evaluations will not be disclosed in the Integrated Report.

BOARD COMMITTEES

AUDIT AND RISK COMMITTEE

The Board considers that a separate risk committee would not add value and that the risk overview function is adequately addressed by having expanded the terms of reference of the audit committee to encompass matters of risk.

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

CORPORATE GOVERNANCE REPORT - CONTINUED

During the course of the year progress has been made towards enhancing the internal control environment by the introduction of a combined assurance model under the direction of the internal auditors. Whilst still in the process of being rolled out, the model will assist in facilitating, integrating and aligning the various assurance processes in the company to maximise risk and governance oversight and control efficiencies. In turn this will optimise the overall level of assurance to the Audit and Risk Committee.

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

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

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

Details of members and their qualifications are reported on page 22.

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 and Risk Committee meets four times a year; attendance during the year under review was as follows:

ATTENDEE	CAPACITY	ATTENDED	AUG 11	NOV 11	FEB 12	MAY 12
NPS Zhou	Independent	4/4	•	•	•	•
B Berlin	Implats nominee	3/4	•	•	•	x
MA Masunda	Independent	3/4	x	•	•	•

REMUNERATION COMMITTEE

This Committee consists of three members, all of whom are independent Non-executive Directors of the Company. This is in accordance with the King III recommendation that the majority of members are independent non-executive directors, although Mr.L.J.Paton is not yet fully independent as he has been employed within the Group within the last three years.

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 11	NOV 11	FEB 12	MAY 12
MJ Houston	Independent	4/4	•	•	•	•
LJ Paton	Independent	3/4	X	•	•	•
RG Still	Independent	4/4	•	•	•	•

SAFETY, HEALTH AND ENVIRONMENTAL QUALITY AUDIT COMMITTEE (SHEQ)

The role of this Board-appointed Committee is to monitor and review the various pillars of sustainability: 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 11	NOV 11	FEB 12	MAY 12
LJ Paton	Independent	4/4	•	•	•	•
B Berlin	Implats nominee	3/4	•	•	•	X
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:

- Alexander Mhembere: Chief Executive Officer
- Patrick Maseva-Shayawabaya: Chief Finance Officer
- Stanley Frost: Chief Technical Officer
- Stanley Segula: Chief Operating Officer
- Takawira Maswiswi: General Manager – Human Resources
- Sibusisiwe 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.

The committee is chaired by the Chief Technical Officer. A senior executive of Implats responsible for project planning and implementation is a member of this Committee.

Representatives from Zimplats, and also from Implats as required, sit on this Committee and review ongoing progress in respect of all matters relating to 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.

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

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 Finance 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.

The company is an equal opportunity employer but does have a target of achieving a workforce complement of 10% women with representation across all levels, including the board where currently one member (9%) is a women. Currently the company employs 154 women (2011: 131) and continues to work towards achieving the stated target.

NON-EXECUTIVE DIRECTORS' REMUNERATION

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

The current approved annual aggregate limit of fees that can be paid to Non-executive Directors is $480 000 which was approved by shareholders in 2010. Shareholders will be asked at the October 2012 Annual General Meeting to approve an increase in the maximum annual aggregate fee to $600 000.

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

	2012	2011
	$000	$000
Chairman	77 250	73 500
Deputy Cahirman	51 510	47 252
Directors	37 576	34 652

Committee fees are payable based on attendance and for the year to June 2012 were set at a maximum payable of:

	AUDIT RISK	REMUNNERATION	SHE
	$000	$000	$000
Chairman	20 508	19 562	19 562
Member	11 026	10 764	10 764

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

	2012	2011
	$000	$000
Board fees	354	328
Audit and risk committee fees	43	40
SHE committee fees	41	37
Remuneration committee fees	41	38
Total	479	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 the disclosure of remuneration for specific persons, and believes that it is neither appropriate nor in the best interests of Zimplats and its shareholders to fully adopt this recommendation.

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

The Board believes that the remuneration paid to Board Members and Executives is fair and reasonable, given Zimplats' market capitalisation and the remuneration required to be paid to attract and retain key personnel in Zimbabwe.

The Company does, however, make the following aggregate disclosure with respect to the remuneration of Executive Directors and key management personnel, a total of 19 people (2011: 18):

	2012	2011
	$000	$000
Executive directors and senior executives	7 864	6 759

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. Whilst linked to the overall performance of the major shareholder, the award of notional shares is currently not related to specific performance conditions as recommended by King III, which is an aspect of the scheme under review.

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 2011	Allocated during the year	Date of allocation	Lapsed	No of shares sold	Date sold	Balance at 30 June 2012	No of shares	Allocation price: Rand	First release date
Executive Directors	237 331						237 331			
		123 315	7 Nov 11				123 315	47 590	167.19	Nov-08
		27 686	7 May 12				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	193.83	May-12
								43 268	192.98	Nov-12
								27 686	192.98	May-13
								123 315	171.86	Nov-13
								27 686	145.48	May-14
Senior Managers	2 011 887			159 614	34 530	Various	1 817 743	165 199	167.19	Nov-08
		257 700	5 Nov 11				257 700	0	214.62	Nov-08
		408 197	14 May 12				408 197	3 081 .55	162.88	Nov-09
								9 297.27	227.13	Nov-09
								46 140.31	329.44	May-10
								128 701	116.76	Nov-10
								275 536	162.88	May-11
								19 238	176.92	Nov-11
								647 305	209.09	May-12
								219 534	193.83	Nov-12
								309 117	192.98	May-13
								252 296	171.76	Nov-13
								408 197	145.48	May-14
Total scheme	**2 249 218**	**817 898**			**34 530**		**2 871 972**	**2 871 972**		

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 42 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. During the year the board reviewed and approved the risk tolerance and appetite levels related to strategic issues.

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

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

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

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

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

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

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

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

SUSTAINABLE REPORTING

A detailed report on stakeholder engagement and non-financial performance indicators has been included in this report on a self-assessment basis as required by level C of the Global Reporting Initiative (GRI) guidelines. This is the first year of having adopted the GRI methodology, and whilst the target of having the GRI report audited and assured by an independent third party was not implemented in 2012, it is now planned to have this achieved for the next reporting year.

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 developments on this front including the March 2012 agreement in principle that has been reached with the Government on achieving 51% indigenous Zimbabwean ownership of the operating subsidiary. Additional commentary on the matter can be found at page 7 and 80 in this report.

CODE OF ETHICS AND FRAUD

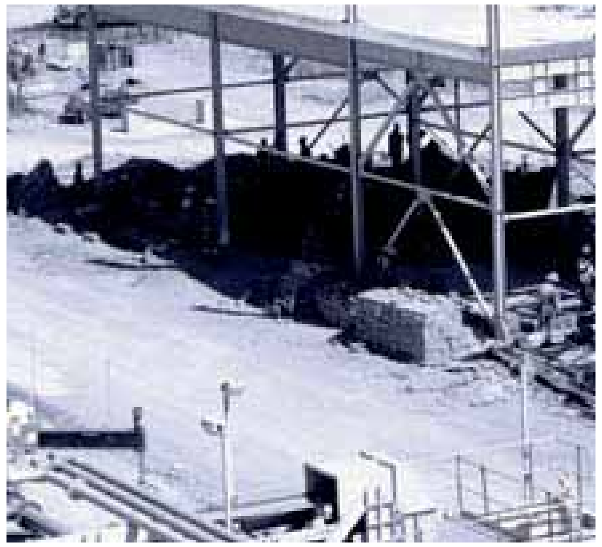
Zimplats is committed to the highest ethical standards in all its dealings with all stakeholders and to this end has adopted a code of ethics with a zero tolerance stance on corruption, to which all directors, employees and suppliers are expected to adhere.

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.

CORPORATE GOVERNANCE REPORT - CONTINUED



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. 71 allegations were reported and investigated during the current year with 27 cases confirmed as relating to fraudulent activity.

	2012	2011
Number of reports received	71	25
Number of employee dismissals	18	3
Number of rewards paid	24	18
Total value of rewards paid out	$15 800	$2 550

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

DEALINGS IN SECURITIES

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

The securities trading policy is available on both the company's website and on the company's ASX page.

CONTINUOUS DISCLOSURE AND COMMUNICATIONS

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

- Engaging pro-actively and constructively with various stakeholders including shareholders, government bodies, labour organisations and non-governmental organisations, including briefings and the hosting of visits to the Company's operations.
- The timely and balanced continuous disclosure to the Australian Stock Exchange, with subsequent posting on the Company's website, of all material matters concerning the Group. The Chief Finance Officer has primary responsibility for ensuring that the Company complies with its disclosure obligations in terms of the Listing Rules.
- Designating authorised spokespersons within the Company as the only employees who may communicate with the media or other external parties, in relation to matters subject to the Continuous Disclosure Policy.

The Continuous Disclosure Policy will be available on the company's website in 2012.

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 66 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 integrated report of the year ended 30 June 2012.
    - The interim results for the six months ended 31 December 2011.
- 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 2012 financial year.
- Satisfied itself that the external auditor is independent of the company.
- Reviewed reports received through the ‘whistle-blowing’ system.
- Met with both the internal and external auditors where management was not present.
- Reviewed the performance of the external auditors and recommended for approval at the Annual General Meeting PricewaterhouseCoopers as the external auditor for the 2013 financial year.
- Reviewed a documented assessment prepared by management on the going concern status of the company, including the key assumptions, and accordingly made recommendations to the board.
- Reviewed the performance, appropriateness and expertise of the Chief Finance Officer and confirmed his suitability for the position.

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

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

INTEGRATED REPORT

The Audit and Risk Committee has evaluated the integrated report incorporating the annual financial statements for the year ended 30 June 2012 and considers that it complies, in all material aspects, with the requirements of International Financial Reporting Standards.

AUDIT AND RISK COMMITTEE REPORT - CONTINUED

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

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

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

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

NPS ZHOU

CHAIRMAN OF THE AUDIT AND RISK COMMITTEE

10 AUGUST 2012

FINANCIAL REPORT

"As the expansion programme unfolds, your company's contribution to the Zimbabwean economy will continue to grow."

Source :
Chairman's Letter 2012

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 2012.

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 124.

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

In summary the 25 March 2011 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.

In March 2012 Government accepted in principle the company's indigenization proposals towards achieving a 51% indigenous shareholding for transfer at fair value in the operating subsidiary Zimbabwe Platinum Mines (Private) Limited. The company's indigenisation plan has the following key elements:

(i) 10% equity to be issued to the Zimplats Mhondoro-Ngezi Chegutu Zvimba Community Share Ownership Trust.

(ii) 10% equity to be issued to an Employee Share Ownership Trust.

(iii) 31% equity to be issued to the National Indigenisation Economic Empowerment Fund.

A joint task group has been mandated to prepare a roadmap towards fulfilling the above matters which hinge on an agreed valuation model, and which are at various stages of implementation.

FINANCIAL AFFAIRS

The financial results for the year are set out on pages 85 to 122. The company recorded satisfactory results against a background of deteriorating metal prices.

No dividend has been declared for the year in view of the pressure on cash and the need to 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

Following his resignation as Chief Executive Officer of Impala Platinum Holdings Limited, Mr. D H Brown resigned as non-executive chairman and as a director of both the company and operating subsidiary boards with effect from 30 June 2012.

The Deputy Chairman, Mr. M A Masunda, is Acting Chairman until such time as a substantive chairman is appointed.

Subsequent to his appointment as Chief Executive Officer of Implats, Mr. T Goodlace was appointed as a non-executive and director of Zimplats Holdings Limited with effect from 10 August 2012.

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

The directors therefore retiring by rotation at the next Annual General Meeting are Ms. B Berlin and Messrs. M J Houston and P Maseva-Shayawabaya. Having been appointed during the course of the year Mr. T Goodlace offers himself for election, and 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 70.

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 12 October 2012 at 11:30am. Full details are given in the Notice of Meeting on page 128.

BY ORDER OF THE BOARD

THE DIRECTORS' STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2012

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 2012, 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, recommend improvements in the systems of internal control and accounting practices, based on audits carried out on various functions or aspects of the business.

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

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

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

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

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

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

It is the responsibility of the independent auditors to report on the financial statements. Their report to the members of the group is set out on page 84.

APPROVAL OF FINANCIAL STATEMENTS

The directors' report and the financial statements were approved by the Board of Directors on 10 August 2012 and were signed by:

A MHEMBERE	P. MASEVA-SHAYAWABAYA
CHIEF EXECUTIVE OFFICER	CHIEF FINANCE OFFICER

10 AUGUST 2012

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT
To the shareholders of
ZIMPLATS HOLDINGS LIMITED

We have audited the consolidated and separate financial statements of Zimplats Holdings Limited set out on pages 85 to 122, which comprise the statements of financial position as at 30 June 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Zimplats Holdings Limited as at 30 June 2012, 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 Companies (Guernsey) Law, 2008.

PricewaterhouseCoopers 22 August 2012
Chartered Accountants (Zimbabwe)
Harare

PricewaterhouseCoopers, Building No. 4, Arundel Office Park, Norfolk Road, Mount Pleasant
P O Box 453, Harare, Zimbabwe
T: +263 (4) 338362-8, F: +263 (4) 338395, www.pwc.com
T I Rwodzi – Senior Partner
The Partnership's principal place of business is at Arundel Office Park, Norfolk Road, Mount Pleasant, Harare, Zimbabwe where a list of the Partners' names is available for inspection.

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STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2012

		Group		Company	
	Notes	As at Jun-12 US$ 000	As at Jun-11 US$ 000	As at Jun-12 US$ 000	As at Jun-11 US$ 000
ASSETS					
Non-current assets					
Property, plant and equipment	5	881 165	647 878	6 261	6 261
Investments	6	-	-	106 108	106 300
Long term receivables	7	20 478	27 304	-	-
Prepayments	8	15 278	6 725	-	-
Inter-company receivables	9	-	-	40 000	-
Total non-current assets		916 921	681 907	152 369	112 561
Current assets					
Inventories	10	57 399	49 423	-	-
Trade and other receivables	11	133 376	164 130	863	238
Prepayments	8	30 697	25 905	-	-
Cash and cash equivalents	12	16 493	54 010	14 424	48 799
Total current assets		237 965	293 468	15 287	49 037
Total assets		1 154 886	975 375	167 656	161 598
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and share premium	13	99 929	99 929	99 929	99 929
Other reserves	14	761 810	639 451	67 354	61 155
		861 739	739 380	167 283	161 084
Non-current liabilities					
Deferred taxation	15	115 344	87 506	-	-
Mine rehabilitation provision	16	14 354	14 332	-	-
Other long term payables	17	4 317	2 913	-	-
Borrowings	18	78 118	38 066	-	-
Total non-current liabilities		212 133	142 817	-	-
Current liabilities					
Other short term payables	17	5 148	3 305	-	-
Borrowings	18	6 732	16 806	-	-
Trade and other payables	19	69 134	65 275	373	514
Current tax payable	20	-	7 792	-	-
Total current liabilities		81 014	93 178	373	514
Total equity and liabilities		1 154 886	975 375	167 656	161 598

A Mhembere
Chief Executive Officer
10 August 2012

P Maseva-Shayawabaya
Chief Financial Officer

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Group As at Jun-12 US$ 000	Group As at Jun-11 US$ 000	Company As at Jun-12 US$ 000	Company As at Jun-11 US$ 000
Revenue	21	473 280	527 354	-	-
Cost of sales	22	(219 854)	(204 275)	-	-
Gross profit		253 426	323 079	-	-
Other net (expenses)/income	23	(7 349)	(12 414)	7 610	8 604
Administrative expenses	24	(91 098)	(66 056)	(1 605)	(1 437)
Profit from operations		154 979	244 609	6 005	7 167
Net finance (expenses)/income	25	(3 458)	(8 531)	194	199
Interest expense		(3 987)	(13 508)	-	-
Interest income		529	4 977	194	199
Profit before taxation	26	151 521	236 078	6 199	7 366
Income tax expense	27	(29 162)	(35 657)	-	-
Net profit for the year		122 359	200 421	6 199	7 366
Other comprehensive income:					
Available-for-sale-financial assets:					
Gains arising during the year		-	1 659	-	-
Reclassification of adjustments for (gains)/losses included in profit/loss		-	(1 659)	-	-
Income tax relating to components of other comprehensive income		-	-	-	-
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year		122 359	200 421	6 199	7 366
Basic earnings per share (cents)	28	113.68	186.20		

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	Share capital US$ 000	Share premium US$ 000	Foreign currency translation reserve US$ 000	Acquisition equity reserve US$ 000	Revaluation reserve US$ 000	Accumulated profit US$ 000	Total US$ 000
GROUP							
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
Capital reserve release	-	-	-	-	(1 810)	1 810	-
Total comprehensive income for the year	-	-	-	-	-	122 359	122 359
Profit for the year	-	-	-	-	-	122 359	122 359
Other comprehensive income	-	-	-	-	-	-	-
Balances at 30 June 2012	10 763	89 166	(18 219)	(10 045)	20 882	769 192	861 739
COMPANY							
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
Total comprehensive income for the year	-	-	-	-	-	6 199	6 199
Profit for the year	-	-	-	-	-	6 199	6 199
Other comprehensive income	-	-	-	-	-	-	-
Balances at 30 June 2012	10 763	89 166	-	-	-	67 354	167 283

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

		Group		Company	
	Notes	As at Jun-12 US$ 000	As at Jun-11 US$ 000	As at Jun-12 US$ 000	As at Jun-11 US$ 000
Operating activities					
Profit before tax		151 521	236 078	6 199	7 366
Adjustments to profit before tax	30	57 660	64 718	(158)	(199)
Cash from changes in working capital	30	37 711	(109 372)	676	(425)
Payments made for mine rehabilitation		(915)	(288)	-	-
Payments made for community share ownership trust liability		(3 300)	-	-	-
Payments made for share appreciation rights		(112)	(340)	-	-
Finance cost		(6 795)	(13 508)	-	-
Income tax and withholding tax paid		(9 586)	(4 186)	(1 212)	-
Cash in flows from operating activities		226 184	173 102	5 505	6 742
Investing activities					
Acquisition of property, plant and equipment		(269 571)	(121 502)	-	-
Proceeds from disposal of assets		503	213	15	-
Proceeds from disposal of available-for-sale financial assets		-	66	-	-
Power supply prepayment		(25 000)	-	-	-
Finance income		389	4 977	105	199
Cash (out)/in flows from investing activities		(293 679)	(116 246)	120	199
Financing activities					
Finance lease liability repaid		(1 727)	(1 551)	-	-
Repayments of interest bearing loans and borrowings		(25 079)	(118 474)	-	-
Proceeds of interest bearing loans and borrowings		52 000	36 000	-	30 000
Loan advanced to subsidiary		-	-	(40 000)	-
Cash in/(out) flows from financing activities		25 194	(84 025)	(40 000)	30 000
(Decrease)/increase in cash and cash equivalents		(42 301)	(27 169)	(34 375)	36 941
Movement in cash and cash equivalents					
Cash and cash equivalents at beginning of the year		54 010	81 179	48 799	11 858
(Decrease)/increase in cash and cash equivalents		(42 301)	(27 169)	(34 375)	36 941
Cash and cash equivalents at end of the year		11 709	54 010	14 424	48 799

ZIMPLATS HOLDINGS LIMITED » INTEGRATED REPORT 2012 » PLATINUM PALLADIUM RHODIUM GOLD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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 2012 comprise the company and its subsidiaries (together the group).

The financial statements were authorised for issue by the Directors on 10 August 2012.

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 (IFRS) promulgated by the International Accounting Standards Board (IASB) and applicable Guernsey law.

Basis of measurement

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

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

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

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

The following standards, amendments to standards and interpretations have been early adopted in prior years:

STANDARDS AMENDMENTS INTERPRETATIONS	NATURE OF CHANGE	EFFECTIVE DATE	SALIENT FEATURES OF THE CHANGE AND IMPACT	IMPACT
Improvements to IFRS (Issued May 2010)			Annual improvements project is a collection of amendments issued under the annual improvements process, which is designed to make necessary, but non-urgent, amendments to IFRSs.	No Impact
IAS 12 - Income Taxes	Amendment	1 January 2012	The amendment provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 Investment Property.	No Impact
IFRS 7 - Financial Instruments: Disclosure	Amendment	1 July 2011	The amendment will allow users of financial statements to improve their understanding of transfer transactions of financial assets.	No Impact
IFRIC 14 - Prepayment of a Minimum Funding Requirement	Amendment	1 January 2011	This amendment applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements.	No Impact

STANDARDS AMENDMENTS INTERPRETATIONS	NATURE OF CHANGE	EFFECTIVE DATE	SALIENT FEATURES OF THE CHANGE AND IMPACT	IMPACT
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments	Amendment	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).	No Impact

The following standards, amendments to standards and interpretations have become effective or have been early adopted:

STANDARDS AMENDMENTS INTERPRETATIONS	NATURE OF CHANGE	EFFECTIVE DATE	SALIENT FEATURES OF THE CHANGE AND IMPACT	IMPACT
IAS 1 - Presentation of Financial Statements	Amendment	1 July 2012	The amendment requires items presented in other comprehensive income (OCI) being grouped into those that will subsequently not be reclassified to profit or loss and those that will. This amendment requires disclosure in the statement of comprehensive income indicating that all items will subsequently be reclassified to profit and loss.	No impact
IAS 19 - Employee Benefits	Amendment	1 January 2013	The amendments eliminates the option to defer the recognition of actuarial gains and losses, streamlines the presentation of changes in assets and liabilities arising from defined benefit plans including the requirement that re-measurements be presented in other comprehensive income, and enhances the disclosure requirements for defined benefit plans to provide better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.	No Impact
IAS 34 - Interim Financial Reporting (effective 1 January 2013).	Amendment	1 January 2013	Consequential amendment from IFRS 13 requiring additional disclosure for Financial Instruments in the Interim Financial Report.	No impact
IFRS 13 - Fair Value Measurement.	New standard	1 January 2013	The new standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.	No Impact
Improvements to IFRSs: 2009 - 2011 Cycle.		1 January 2013	Annual improvements project is a collection of amendments issued under the annual improvements process, which is designed to make necessary, but non-urgent, amendments to IFRSs.	No Impact
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine	New interpretation	1 January 2013	The interpretation applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine.	No Impact

The following standards, amendments to standards and interpretations are not effective yet and have not been early adopted:

STANDARDS AMENDMENTS INTERPRETATIONS	NATURE OF CHANGE	EFFECTIVE DATE	SALIENT FEATURES OF THE CHANGE AND IMPACT	IMPACT
IAS 27 - Separate Financial Statements	Amendment	1 January 2013	This amendment contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity elects or is required by local regulations to present separate financial statements. The standard requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments.	No Impact
IAS 28 - Investments in Associates and Joint Ventures	Amendment	1 January 2013	The amended standard prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard is expected to result in any 50% investment being equity accounted, instead of being proportionately consolidated.	No impact
IFRS 9 Financial Instruments (2010)	New standard	1 January 2013		No impact

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 of these amendments.

2.2 CONSOLIDATION

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

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has 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. The group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

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

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

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

(b) Changes in ownership interests in subsidiary without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with owners in their capacity as owners. The difference between fair value of any consideration paid and relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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

2.3 SEGMENT INFORMATION

An operating segment is a component of an entity:

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

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

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

2.4 FOREIGN CURRENCY TRANSLATION

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

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

of Comprehensive Income within "finance income or cost". All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within other "losses or gains".

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

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

2.5 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to non-distributable reserves in shareholders' equity net of deferred income tax. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity; all other decreases are charged to the Statement of Comprehensive Income. When revalued assets are sold, the amounts included in non-distributable reserves are transferred to distributable reserves.

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

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

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

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

As at 30 June 2012, the life of mine was estimated as follows:

MINE	ESTIMATED USEFUL LIFE
Rukodzi Mine	8 years
Ngwarati Mine	11 years
Bimha Mine	22 years
Ngezi Open Pit	6 years

Land and buildings

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

Services Assets

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

Other assets

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

ASSET TYPE	ESTIMATED USEFUL LIFE
Furniture fittings and office equipment	5 years
Information technology	3 years
Vehicles (personally allocated company vehicles)	4 years
Vehicles (personally allocated 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, i.e. probable. In evaluating if expenditures meet this criterion to be capitalised, the directors utilise several different sources of information depending on the level of exploration. While the criteria for concluding that expenditure should be capitalised are always the “probability” of future benefits, the information that the directors use to make that determination depends on the level of exploration.

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

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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.

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

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.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

2.8 LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the 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 FINANCIAL ASSETS

2.9.1 CLASSIFICATION

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, 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 if expected to be settled within 12 months; otherwise they are classified as non-current assets.

Loans and receivables

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

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 twelve 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 twelve months of the reporting date.

2.9.2 RECOGNITION AND MEASUREMENT

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

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

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

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

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

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

2.9.3 IMPAIRMENT OF FINANCIAL ASSETS

Assets carried at amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

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

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

Assets classified as available-for-sale

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the separate consolidated income statement.

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

2.10 OFFSETTING FINANCIAL INSTRUMENTS

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2.11 DERIVATIVE FINANCIAL INSTRUMENTS

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

2.12 INVENTORIES

Metal inventories (WIP and Finished goods)

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

Stores and materials

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

2.13 TRADE RECEIVABLES

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

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

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

2.14 CASH AND CASH EQUIVALENTS

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

2.15 SHARE CAPITAL

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

2.16 BORROWINGS

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

2.16.1 BORROWING COSTS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2.17 TRADE AND OTHER PAYABLES

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

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

2.18 PROVISIONS

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

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

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

Provisions are not recognised for future operating losses.

2.19 ENVIRONMENTAL REHABILITATION OBLIGATIONS

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

Decommissioning costs

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

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

Rehabilitation costs

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

On-going rehabilitation costs

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

2.20 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.

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

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

Termination benefits

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

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 appreciation rights

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

2.21 CURRENT AND DEFERRED INCOME TAX

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

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2.22 REVENUE RECOGNITION

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

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

Sale of goods – Matte

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

Interest Income

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

Dividend income

Dividend income is recognised when the right to receive payment is established.

2.23 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 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.

2.24 DIVIDEND DISTRIBUTION

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

3 FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

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

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

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

3.1.1 MARKET RISK

Price risk

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

Foreign exchange risk

The group is exposed to foreign exchange risk arising from entering into contracts of supply and borrowings mainly denominated in the South African Rand. To minimise this risk borrowings are denominated in United States Dollars. The

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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 2012, if the currency had weakened/strengthened by 11% against the South African Rand (Rand) with all other variables held constant, post-tax profit for the year would have been $0.63 million (2011: $0.81 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Rand-denominated trade payables. Profit is less sensitive to movement in currency/Rand exchange rates in 2012 than 2011 because of the decreased amount of Rand-denominated payables.

At 30 June 2012, if the currency had weakened/strengthened by 4% against the Euro with all other variables held constant, post-tax profit for the year would have been $0.01 million (2011: $0.8 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro-denominated trade payables. Profit is less sensitive to movement in currency/Euro exchange rates in 2012 than 2011 because of the decreased amount of Euro-denominated payables.

3.1.2 CREDIT RISK

Financial assets which potentially subject the group to concentrations of credit risk consist principally of cash and cash equivalents and trade receivables and other receivables. The group's cash and cash equivalents are placed with high credit quality financial institutions. The sole customer of the group is Impala Refining Services Limited based in South Africa, which is a fellow wholly owned subsidiary of Impala Platinum Holdings Limited, the majority shareholder. Based on historic default rates and that there have been no impairments necessary (2011: 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

	2012 US$000	2011 US$000
Counterparties without external credit rating		
Group 1	123 006	153 925
Group 2	-	-
Group 3	-	-
Unrated	-	-
Total unimpaired trade receivables	123 006	153 925

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.

	2012 US$000	2011 US$000
Cash at bank and short-term deposits		
BBB+	15 647	5 375
AA-	(3 982)	47 997
Cash on hand	44	638
	11 709	54 010

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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Other financial assets

Credit risk relating to other financial assets consists of:

- Unsecured loan to the Reserve Bank of Zimbabwe with no fixed terms of repayment
- Employee housing loans secured by a second bond over residential properties.

3.1.3 CASH FLOW INTEREST RATE RISK

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

At 30 June 2012, if interest rates on Currency-denominated borrowings had been 10 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been $0.08 million (2011: $0.05 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings

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 no undrawn committed banking facility with Standard Bank of South Africa (2011: $52 million).

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

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

	Less than 3 Months	Between 3 months & 1 Year	Between 1 & 2 Years	Between 2 & 5 Years	Over 5 Years
At 30 June 2012					
Borrowings (excluding finance lease liabilities)	2 000 000	19 000 000	29 000 000	28 000 000	-
Finance lease liabilities	487 004	1 461 012	117 545	-	-
Trade and other payables	30 726 000	-	-	-	-
Total	33 213 004	20 461 012	29 117 545	28 000 000	-

	Less than 3 Months	Between 3 months & 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	431 665	1 294 996	1 948 016	117 545	-
Trade and other payables	14 686 000	-	-	-	-
Total	30 197 045	1 294 996	1 948 016	36 117 545	-

3.2 CAPITAL RISK MANAGEMENT

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

The gearing ratios at 30 June 2012 and 2011 were as follows:

	2012 US$000	2011 US$000
Total borrowings (note 18)	84 850	54 872
Less: Cash and cash equivalents	16 493	(54 010)
Net debt	68 357	862
Total equity	861 739	739 380
Total capital	930 096	740 242
Gearing ratio	8%	0%

3.3 FAIR VALUE ESTIMATES

The fair value of the group's 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 judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Carrying value of property plant and equipment

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

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

The calculation of the UOP rate of 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 have an impact on the useful lives of assets depreciated on a straight-line basis, as these lives are limited to the life of the mine.

Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the recoverable amount of 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 on-going production of metal.

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

Income taxes (note 27)

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

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

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The current tax charge to the statement of comprehensive income is $29.2 million (2011:$35.7 million).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 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. The total provision for rehabilitation as at 30 June 2012 is $14.4 million (2011: $14.3 million).

Refer to note 16 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 $473 million (2011:$527 million) for metal sales to Impala Refining Services Limited ("IRS") in the financial year to June 2012. 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 2012. A 1% variation in assays will result in an adjustment of $1.2 million (June 2011: $1.5 million) in the income statement. Appropriate adjustments will be made in the following year when they fall due for payment. Total sales for the year comprise current year sales and prior year adjustments.

Long-term 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. The RBZ balance as at 30 June 2012 is $20.5 million ($2011: $27.3 million).

Share appreciation rights

The group issues cash-settled share-based payments to employees. Cash-settled share-based payments are valued on the reporting date and recognised over the vesting period. The fair value of share-based payments is calculated using the binomial option pricing model.

The average inputs into this model are as follows:

	Cash-settled share appreciation scheme (5)		
	Note	2012	2011
Weighted average option value (Rand)	1	21.30	41.97
Weighted average share price on valuation date (Rand)	2	135.25	182.19
Weighted average exercise price (Rand)	3	179.53	169.17
Volatility	4	31.62	33.29
Dividend yield (%)		4.10	2.31
Risk-free interest rate (%)		6.64	7.70

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

Contingencies (note 35)

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the use of significant judgement and estimation of the outcome of future events. The group has no APT contingent liability in the current year (2011:$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 2012, 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.

5 PROPERTY, PLANT AND EQUIPMENT

	Land, buildings & mining claims	Mining assets	Metallurgical assets	Vehicles	Service and other 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 2011	93 447	168 851	255 583	98 933	67 896	120 453	805 163
Additions	10 353	13 993	36 047	40 053	19 825	155 796	276 067
Disposals	-	-	-	(1 905)	(2)	-	(1 907)
Balances at 30 June 2012	103 800	182 844	291 630	137 081	87 719	276 249	1 079 323

Assets under construction consists mainly of capital expenditure on the Ngezi Phase 2 expansion project. Borrowing costs of US$ 4 771 000 were capitalised to assets under construction during the year. Refer to note 25. The capitalisation rate of borrowing costs is 55%.

	Land, buildings & mining claims	Mining assets	Metallurgical assets	Vehicles	Service and other assets	Assets under construction	Total
Accumulated depreciation							
Opening balances at 1 July 2011	6 434	42 816	33 344	59 208	15 465	18	157 285
Depreciation charge	2 950	7 755	9 519	19 154	3 188	-	42 566
Disposals	-	-	-	(1 691)	(2)		(1 693)
Balances at 30 June 2012	9 384	50 571	42 863	76 671	18 651	18	198 158
Carrying amount 2012	94 416	132 273	248 767	60 410	69 068	276 231	881 165
Carrying amount 2011	87 013	126 035	222 239	39 725	52 431	120 435	647 878

	Mining claims	Vehicles	Total
	US$ 000	US$ 000	US$ 000
COMPANY			
Cost			
Opening balances at 1 July 2011	6 261	138	6 399
Disposals	-	(138)	(138)
Balances at 30 June 2012	6 261	-	6 261
Accumulated depreciation			
Opening balances at 1 July 2011	-	138	138
Disposals	-	(138)	(138)
Balances at 30 June 2012	-	-	-
Carrying amount 2012	6 261	-	6 261
Carrying amount 2011	6 261	-	6 261

	GROUP	
	Year to	Year to
Service assets include the following amounts where the group is a lessee under a finance lease:	Jun-12	Jun-11
	US$ 000	US$ 000
Cost - Capitalised finance leases	8 618	8 618
Accumulated depreciation	(6 919)	(5 388)
Net book value	1 699	3 230

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5A PROPERTY, PLANT AND EQUIPMENT

	Land, buildings & mining claims	Mining assets	Metallurgical assets	Vehicles	Service and other 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 consists mainly of capital expenditure on the Ngezi Phase 2 expansion project.

	Land, buildings & mining claims	Mining assets	Metallurgical assets	Vehicles	Service and other 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

	Mining claims	Vehicles	Total
	US$ 000	US$ 000	US$ 000
COMPANY			
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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-12	Year to Jun-11	Year to Jun-12	Year to Jun-11
		US$ 000	US$ 000	US$ 000	US$ 000
6	INVESTMENTS				
	Investment in Hartley Minerals Zimbabwe Pty Ltd	-	-	27 959	27 959
	Investment in the Ngezi/SMC Project	-	-	25 730	25 730
	Investment in Mhondoro Holdings Limited (UK)	-	-	3 158	3 129
	Investment in Zimbabwe Platinum Mines (Private) Limited	-	-	49 261	49 482
		-	-	106 108	106 300

The entity carries all its investments at cost less impairment losses. There were no impairment losses recognised in the year (2011:NIL)

		Group Year to Jun-12	Group Year to Jun-11	Company Year to Jun-12	Company Year to Jun-11
7	LONG TERM RECEIVABLES				
	Reserve Bank of Zimbabwe loan:				
	Beginning of the year	27 304	29 403	-	-
	Unwinding of interest	-	4 727	-	-
	Impairment loss	(6 826)	(6 826)	-	-
	Carrying amount	20 478	27 304	-	-

Prior to the ''dollarisation" of the Zimbabwe economy in February 2009, the company brought funds into the country to meet its Zimbabwe dollar expenses, ahead of time. The funds were placed with the Reserve Bank of Zimbabwe until such time that they were required and drawings were then made in Zimbabwe dollars. In February 2009, the Zimbabwe dollar ceased to be a functional currency and at that time the outstanding balance of funds placed with the Reserve Bank of Zimbabwe amounted to $34 130 000 ($29 403 289 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 outstanding amount.

		Group Year to Jun-12	Group Year to Jun-11	Company Year to Jun-12	Company Year to Jun-11
8	PREPAYMENTS				
	Zesa Holdings (Pvt) Ltd	27 849	11 521	-	-
	Other vendors	18 126	21 109	-	-
		45 975	32 630	-	-
	Short-term portion	(30 697)	(25 905)	-	-
	Long-term portion	15 278	6 725	-	-

Prepayments include the unrecovered portion of the cost incurred by the company in constructing the 330KV Selous Substation for the national power utility (Zesa Holdings) and a loan to the national power utility which it applied to reduce its indebtedness to Hidroelectrica De Cahora Bassa (HCB) of Mozambique for power imports. For the Selous substation $26 million was spent on the project of which 40% is recoverable through power credits against power consumption. The power credits were determined using an agreed power tariff. A $25 million loan was availed to Zesa Holdings during the 2012 financial year and was used to reduce the power utility's indebtedness to HCB. The loan principal and interest thereon were converted into power units at an agreed tariff. The power units will be redeemed over a three year period starting in May 2012. Both agreements are part of the arrangements made to secure continuous and reliable electricity supplies for current and future group operations.

		Group Year to Jun-12	Group Year to Jun-11	Company Year to Jun-12	Company Year to Jun-11
9	INTER-COMPANY RECEIVABLES				
	Non-current	-	-	40 000	-

A loan denominated in US$ of US$50 million was extended to Zimbabwe Platinum Mines (Private) Limited by Zimplats Holdings Limited as part finance towards the Ngezi Phase II expansion project. The loan is repayable in twelve equal monthly instalments commencing in January 2015, with the final payment in December 2015. Interest is paid quartely and is accrued daily at LIBOR plus 1.0% margin at the interest rate prevailing on the interest payment date. At the end of the period the undrawn portion of the facility amounted to $10 million.

The loan is subordinated in favour of Standard Bank of South Africa with whom the operating subsidiary has loan facilities (refer note 18).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-12	Year to Jun-11	Year to Jun-12	Year to Jun-11
		US$ 000	US$ 000	US$ 000	US$ 000
10	INVENTORIES				
	Ore, concentrate and matte stocks	14 011	9 987	-	-
	Consumables	45 167	41 802	-	-
	Less: provision for obsolete consumables	(1 779)	(2 366)	-	-
		57 399	49 423	-	-
11	TRADE AND OTHER RECEIVABLES				
	Receivables from related parties	123 006	153 925	-	-
	Zimbabwe Revenue Authority	7 460	9 152	-	-
	Other receivables	2 910	1 053	863	238
		133 376	164 130	863	238

As at 30 June 2012, the fair values of trade and other receivables were equal to their carrying amounts.

Receivables from related parties consist of trade receivables from Impala Refining Services Limited. As payment terms are contractual, trade receivables were fully performing and none were past due or impaired as of 30 June 2012. There is no impairment of the trade and other receivables balance (2011:NIL).

The carrying amounts of the group's trade and other receivables are all denominated in 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 company does not hold any collateral as security.

		Group		Company	
		Year to Jun-12	Year to Jun-11	Year to Jun-12	Year to Jun-11
12	CASH AND CASH EQUIVALENTS				
	Cash and cash equivalents include the following for the purposes of the statement of cash flows:				
	Cash and cash equivalents	16 493	54 010	14 424	48 799
	Revolving debtor discounting facility (note 18)	(4 784)	-	-	-
		11 709	54 010	14 424	48 799
	The net exposure to foreign currency denominated balances was:				
	Bank balances (ZAR000's)	2 241	2 137	2 241	2 137
	The exposure by country is as follows:				
	Europe	15 426	53 412	14 424	48 799
	Zimbabwe	1 067	598	-	-
		16 493	54 010	14 424	48 799

The carrying amount of the cash and cash equivalents approximates its fair value. Cash and cash equivalents comprise US$ 11 114 086 (2011:US$ 35 151 000) in short term deposits.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-12	Year to Jun-11	Year to Jun-12	Year to Jun-11
		US$ 000	US$ 000	US$ 000	US$ 000
13	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 (2011:107 637 649) 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-12	Group Jun-11	Company Jun-12	Company Jun-11
14	OTHER RESERVES				
	Foreign currency translation reserve (a)	(18 219)	(18 219)	-	-
	Asset revaluation reserve (b)	20 882	22 692	-	-
	Acquisition equity reserve (c)	(10 045)	(10 045)	-	-
	Retained earnings (d)	769 192	645 023	67 354	61 155
		761 810	639 451	67 354	61 155

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 arises from the fair values assigned to assets acquired in a business combination. The assets were purchased from BHP at a notional fee and amounts set to give assets value.

c) 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 2012.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

	Group		Company	
	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
15 DEFERRED INCOME TAX				
Deferred tax assets and liabilities are attributable to the following items:				
Deferred tax assets				
Deferred tax assets to be recovered within 12 months	(12 679)	(727)	-	-
Deferred tax assets to be recovered after 12 months	(2 393)	(3 941)	-	-
Deferred tax liabilities				
Deferred tax liabilities to be settled within 12 months	6 864	3 875	-	-
Deferred tax liabilities to be settled after 12 months	123 552	88 299	-	-
Deferred tax liabilities, net	115 344	87 506	-	-
The gross movement on the deferred income tax account is as follows:				
Beginning of the year	87 507	63 828	-	-
Statement of comprehensive income	27 837	23 678	-	-
End of the year	115 344	87 506	-	-
Deferred tax assets and liabilities are attributable to the following items:				
Deferred tax assets				
Rehabilitation provisions	(2 153)	(2 149)	-	-
Lease liabilities	(301)	(560)	-	-
Share based payments	(581)	(933)	-	-
Impairment loss	-	(1 024)	-	-
Assessed tax losses	(12 088)	-	-	-
Other - exchange rate differences	51	(2)	-	-
	(15 072)	(4 668)	-	-
Deferred tax liabilities				
Recognised directly in the statement of comprehensive income:				
Property, plant and equipment	123 552	88 299	-	-
Prepayment for goods	6 864	3 166	-	-
Other	-	709	-	-
	130 416	92 174	-	-
Net deferred tax liability	115 344	87 506	-	-

The deferred tax assets will be utilised against future profits.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

	Group		Company	
	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
16 MINE REHABILITATION PROVISION				
Rehabilitation obligation:				
At the beginning of the year	14 332	14 434	-	-
Change in estimate - rehabilitation asset	(492)	(1 257)	-	-
Interest accrued - present value adjustment	1 429	1 443	-	-
Utilised during the year	(915)	(288)		
At the end of the year	14 354	14 332	-	-

The provision is based on a mines and environmental rehabilitation plan that was approved by the board. It is mandatory for mines operating in Zimbabwe to have a plan for the rehabilitation of the environment they operate in. The provision is the present value of the expected rehabilitation costs at the end of the life of the mine. The present value of the future rehabilitation obligation was calculated by discounting the current rehabilitation cost over 3 to 33 years for mining and processing operations.

The current cost of the rehabilitation estimate is $14.4 million (2011: US$14.3 million).

	Group		Company	
	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
17 OTHER LONG TERM PAYABLES				
Summary:				
Share appreciation rights	3 871	6 218	-	-
Community share ownership trust donation	5 594	-	-	-
	9 465	6 218	-	-
Short term payables portion	5 148	3 305		
Long term payables portion	4 317	2 913	-	-
	9 465	6 218	-	-
Share appreciation rights:				
At the beginning of the year	6 218	-	-	-
Expense	(2 235)	6 558	-	-
Paid to employees	(112)	(340)	-	-
At the end of the year	3 871	6 218	-	-
Short term payables portion	2 534	3 305	-	-
Long term payables portion	1 337	2 913	-	-
	3 871	6 218	-	-

The group allocates to executives and senior managers notional shares in the ultimate majority shareholder. These notional shares will confer the conditional right on a participant to be paid a cash bonus equal to the appreciation in the share price from the date of allocation to the date of vesting of the notional share. Notional shares vest after two years of allocation to a maximum of 25% of the allocation. In subsequent years an additional 25% becomes exercisable per year. All unexercised shares lapse after 10 years from date of allocation. Refer to note 4 for details of assumptions used.

	Group		Company	
	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
Community share ownership trust donation:				
At the beginning of the year	-	-	-	-
Expense	8 141	-	-	-
Interest accrued present value adjustment	753	-	-	-
Paid	(3 300)	-	-	-
At the end of the year	5 594	-	-	-
Short term payables portion	2 614	-	-	-
Long term payables portion	2 980	-	-	-
	5 594	-	-	-

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
18	BORROWINGS				
	Non-current				
	Bank borrowings	78 000	36 000	-	-
	Finance lease liability	118	2 066	-	-
		78 118	38 066	-	-
	Current				
	Revolving debtor discounting facility	4 784	-		
	Bank borrowings	-	15 079	-	-
	Finance lease liability	1 948	1 727	-	-
		6 732	16 806	-	-
	Total borrowings	84 850	54 872	-	-

The carrying amounts and the corresponding fair values for the non-current borrowings for which fair values can be established for the group are as follows:

	Carrying amount		Fair value	
	2012	2011	2012	2011
Bank borrowings	78 000	36 000	65 845	29 728
Finance lease liability	118	2 066	104	1 664
Total borrowings	78 118	38 066	65 949	31 392

The fair values are based on cash flows rate based on the borrowing rate of 7.4% (7.4%: 2011). The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The carrying amounts of the group's borrowings are all denominated in the United States Dollars.

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

	June '12'	June '11'
6 months or less	-	-
6-12 months	4 784	15 079
1-5 years	80 066	39 783
Over 5 years	-	-
	84 850	54 872

Bank borrowing

A loan facility from Standard Bank of South Africa Limited to finance the Ngezi phase 2 expansion is in place. The loan is secured by a cession over cash, debtors and revenue. Impala Platinum Holdings Limited has provided political and commercial guarantees.

The loan is denominated in US dollars, is a revolving facility of $88 million and bears interest at 3 months LIBOR plus 7% margin. Capital repayments are required if the loan balance exceeds the available facility. The final maturity date is 31 December 2014. At the end of the reporting period the outstanding balance amounted to $78 million and the group had no undrawn borrowing facility.

Revolving debtor discounting facility

A 12 month revolving debtor discounting facility was established on 15 June 2012 to provide for the sale of a portion of Zimbabwe Platinum Mines (Private) Limited's debtors to Stanbic Bank Zimbabwe Limited, the proceeds of which will be used for general working capital purposes at a discount rate of LIBOR plus 2.6% per annum. The facility is secured by a cession over the company's cash and debtors. At year end no debtors had been sold to Stanbic Bank Zimbabwe Limited.

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 $2 064 183 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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

	2012			2011		
Finance lease liabilities continued	Minimum Lease Payment	Interest	Principal	Minimum Lease Payment	Interest	Principal
Less than one year	2 189	241	1 948	2 176	447	1 727
Betweed 1 and 5 years	126	9	118	2 315	250	2 065
More than 5 years	-	-	-	-	-	-
	2 315	250	2 066	4 491	697	3 792

		Group		Company	
		Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
19	TRADE AND OTHER PAYABLES				
	Trade payables	30 726	14 686	373	514
	Employee payables	10 240	11 993	-	-
	Leave liability	5 214	5 894	-	-
	Other payables	2 489	2 636	-	-
	Accruals - Utilities	17 549	15 378	-	-
	Royalties	2 916	14 688	373	514
		69 134	65 275	373	514

Leave liability

Employee entitlements to annual leave are recognised on an ongoing basis. The liability for annual leave as a result of services rendered by employees is accrued up to the reporting date.

20	CURRENT TAX PAYABLE				
	Beginning of the year	7 792	-	-	-
	Charge from the income statement	1 325	11 978	-	-
	Payments made during the year	(9 117)	(4 186)	-	-
	End of the year	-	7 792	-	-
21	REVENUE				
	Current year sales	470 683	527 089	-	-
	Pipeline sales adjustments	2 597	265	-	-
	Total	473 280	527 354	-	-

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.

22	COST OF SALES				
	Included in cost of sales:				
	On mine operations	118 312	104 322	-	-
	Labour	29 497	26 283	-	-
	Materials and other mining costs	85 497	75 085	-	-
	Utilities	3 318	2 954	-	-
	Concentrating and smelting operations	63 856	63 404	-	-
	Labour	11 713	10 954	-	-
	Other costs	35 597	35 525	-	-
	Utilities	16 546	16 925	-	-
	Depreciation of operating assets	41 714	33 584	-	-
	Decrease in inventories	(4 028)	2 965	-	-
		219 854	204 275	-	-

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
23	OTHER NET (EXPENSES)/INCOME				
	Gain on disposal of plant and equipment	301	60	15	-
	Foreign exchange gain/(losses)	250	(8 004)	(51)	(6)
	Impairment of long term receivable (note 7)	(6 826)	(6 826)	-	-
	Other expenses/(income)	(1 074)	2 356	7 646	8 610
	Total other net (expenses)/income	(7 349)	(12 414)	7 610	8 604
24	ADMINISTRATIVE EXPENSES				
	Other costs comprise the following principal categories:				
	Royalties	37 733	20 513	-	-
	Community share ownership trust donation	8 141	-	-	-
	Staff costs	24 188	22 213	341	393
	Other corporate costs	21 036	23 330	1 264	1 044
		91 098	66 056	1 605	1 437
25	NET FINANCE EXPENSES/(INCOME)				
	Interest expense:				
	Interest paid on bank borrowings (note 18)	6 129	11 636	-	-
	Interest paid on finance leases (note 18)	447	632	-	-
	Rehabilitation unwinding of the discount (note 16)	1 429	1 443	-	-
	Community share ownership trust donation unwinding of the discount (note 17)	753	-	-	-
	Borrowing cost capitalised (note 5)	(4 771)	(203)	-	-
		3 987	13 508	-	-
	Interest income:				
	Interest received	(529)	(250)	(194)	(199)
	Long term receivable: unwinding of the discount	-	(4 727)	-	-
		(529)	(4 977)	(194)	(199)
	Net finance expenses/(income)	3 458	8 531	(194)	(199)
26	PROFIT BEFORE INCOME TAX				
	The following disclosable items have been charged in arriving at profit before tax:				
	Auditors' fees	312	262	22	22
	Directors' fees	471	443	355	332
	Depreciation of property, plant and equipment (note 5)	42 566	34 320	-	-
	Employee benefit expense (note 29)	63 003	60 905	341	393
	Professional service fees	507	544	-	-

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
27	INCOME TAX EXPENSE				
	Current income tax	1 325	11 979	-	-
	Current year	-	11 974	-	-
	Prior year	(110)			
	Withholding tax	1 435	5	-	-
	Deferred tax - statement of comprehensive income charge (note15)	27 837	23 678	-	-
	Income tax expense	29 162	35 657	-	-
	Reconciliation of tax charge:				
	Profit before tax	151 521	236 078	-	-
	Notional Tax on profit for the year	22 728	35 412		
	Tax effect of:				
	Amounts not in profit which are taxable	51 211	-		
	Income not subject to tax	(798)	(718)		
	Expenses not tax deductible	9 621	6 940		
	Expenses not in profit which are tax deductible	(54 016)	-		
	Adjustment in respect of prior years	(111)	-		
	Other items	527	5 977		
	Tax charge	29 162	36 567		
	Company tax rate	15.00%	15.00%		
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			122 359	200 421
	Weighted average number of ordinary shares in issue			107 638	107 638
	Basic earnings per share US$(cents)			113.68	186.20
29	EMPLOYEE BENEFIT EXPENSES				
	Wages and salaries	62 215	51 997	341	393
	Share appreciation scheme	(2 235)	6 558	-	-
	Pension costs - defined contribution plans	3 023	2 350	-	-
		63 003	60 905	341	393
	Average number of employees during the year	2 848	2 629	4	4

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
30	CASH GENERATED FROM/(USED IN) OPERATIONS				
	Adjustments to profit before tax:				
	Net finance cost/(income)	3 458	8 531	(194)	(199)
	Depreciation	42 566	34 320	-	-
	Foreign currency adjustment	(250)	8 004	51	-
	Provision for obsolete inventories	(587)	(404)	-	-
	Provision for share appreciation rights (note 17)	(2 235)	6 558	-	-
	Provision for community trust donation	8 141	-	-	-
	Bad debts	42	945	-	-
	Impairment loss on long-term receivables	6 826	6 826	-	-
	Gain on disposal of property, plant and equipment	(301)	(60)	(15)	-
	Fair value gain	-	(2)	-	-
	Total adjustment to profit before tax:	57 660	64 718	(158)	(199)
	Changes in working capital :				
	Trade and other receivables	40 195	(111 273)	817	3 962
	Per the statement of financial position	40 237	(110 328)	817	7 110
	Bad debts	(42)	(945)	-	-
	Inter company receivables	-	-	-	(3 148)
	Inventories	(7 389)	(3 639)	-	-
	Per the statement of financial position	(7 976)	(4 043)	-	-
	Provision for obsolete inventories	587	404	-	-
	Trade and other payables	4 905	5 540	(141)	(4 387)
	Cash from changes in working capital	37 711	(109 372)	676	(425)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group	
		Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
31	CAPITAL COMMITMENTS		
	The Group has entered into contracts for the following and is committed to incur capital expenditure in respect thereof:		
	Commitments contracted for	113	204
	Approved expenditure	128	298
		241	502

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.

The capital commitments will be financed from internal resources and borrowings as referred to in note 18.

		Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
32	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:	2 514	2 164
	National Social Security Scheme This scheme was promulgated under the National Social Security Authority Act 1989. Contributions by all Zimbabwe employees are 4% of pensionable remuneration, which is capped at $1 000 per annum for the purposes of this defined benefit scheme. The Group's contributions for the year amounted to:	509	186
		3 023	2 350

33 RELATED PARTIES

33.1 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 2012 %	Ownership interest 2011 %
Mhondoro Holdings Limited	United Kingdom	100	100
Always Investments (Private) Limited	Zimbabwe	100	100
Baydonhill Investments (Private) Limited	Zimbabwe	100	100
Duckbrooke Mine (Private) Limited	Zimbabwe	100	100
Hartley Minerals Zimbabwe Proprietary Limited	Australia	100	100
Jalta Investments (Private) Limited	Zimbabwe	100	100
Matreb Investments (Private) Limited	Zimbabwe	100	100
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

The functional currency of all subsidiaries is the United States Dollar.

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 2012 and 2011. Mr. D H Brown resigned as a director with effect from 1 July 2012 and Mr. T Goodlace was appointed a non-executive director on 10 August 2012.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

	Group		Company	
	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
33.2 RELATED PARTY TRANSACTIONS AND BALANCES				
a) Revenue				
Sales of matte to Impala Refining Services Limited (note 21)	473 280	527 354	-	-

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 Year to Jun-12	Group Year to Jun-11	Company Year to Jun-12	Company Year to Jun-11
b) Inter-company receivables				
Impala Refinery Services Limited	123 006	153 925	-	-
Zimbabwe Platinum Mines (Private) Limited	-	-	-	-
Due from subsidiaries (refer note 11)	123 006	153 925	5 673	5 863

The Group had an outstanding trade receivable balance as at 30 June 2012 amounting to $123 005 593 (2011: $153 925 009) with one of its fellow subsidiary companies (refer notes 11 and 33.2a).

The receivable arises mainly from sale transactions and are due within 5 months of year end/date of sale. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties. (2011: $NIL).

	Group Year to Jun-12	Group Year to Jun-11	Company Year to Jun-12	Company Year to Jun-11
c) Loans to related parties				
Beginning of the year	-	-	-	30 000
Loan advanced during the year (refer note 9)	-	-	40 000	-
Loan repayments	-	-	-	(30 000)
Interest charged	-	-	62	43
Interest paid	-	-	-	(43)
End of the year	-	-	40 062	-

d) 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 $471 000 (2011: $443 000), and remuneration to executive directors and key management personnel amounted to $7 864 000 (2011: $6 759 000).

ZIMPLATS HOLDINGS LIMITED » INTEGRATED REPORT 2012 » PLATINUM PALLADIUM RHODIUM GOLD

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

34 FINANCIAL INSTRUMENTS BY CATEGORY

	Group	
	Loans and recievables US$ 000	Total US$ 000
At 30 June 2012		
Asset per consolidated statement of financial position		
Long term receivable	20 478	20 478
Trade and other receivables (excluding prepayments)	133 376	133 376
Cash and cash equivalents	16 493	16 493
	170 347	170 347
	Financial liabilities at amortised cost	Total
Liabilities per consolidated statement of financial position		
Borrowings (excluding finance lease liabilities)	78 000	78 000
Finance lease liability	2 066	2 066
Trade and other payables (excluding statutory liabilities)	55 916	55 916
	135 982	135 982
	Loans and recievables	Total
At 30 June 2011		
Asset per consolidated statement of financial position		
Long term receivable	27 304	27 304
Trade and other receivables (excluding prepayments)	164 130	164 130
Cash and cash equivalents	54 010	54 010
	245 444	245 444
	Financial liabilities at amortised 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)	38 594	38 594
	93 466	93 466

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

35 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.

Analysis of Revenue

The Group derives its revenue from the following metal products:	2012 US$ 000	2011 US$ 000
Platinum	261,681	284,991
Palladium	87,004	98,347
Gold	32,896	26,636
Rhodium	18,714	30,030
Nickel	52,921	66,135
Other	20,064	21,215
Total	473,280	527,354
Major Customer:		
Revenue from Group's sole customer, Impala Refinery Services, is:	473,280	527,354

36 CONTINGENT LIABILITY

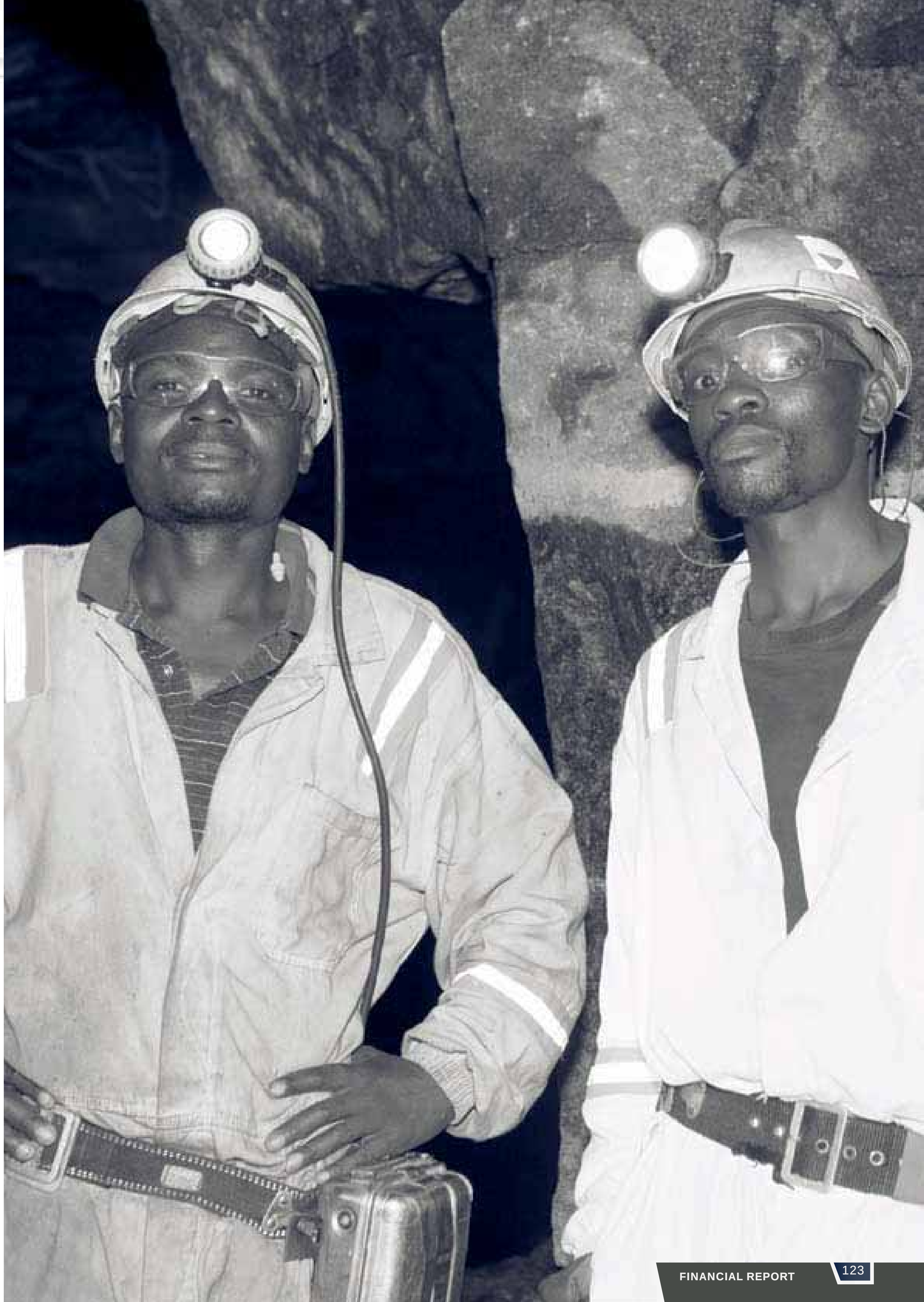
	US$ 000
Additional Profits Tax (APT)	
The group has a contingent liability of $33.9 million in respect of additional profits tax (APT) made up as follows:	
i. Disputed additional APT liability arising from amended assessment for the period to 30 June 2007	26 900
ii. APT that would be payable for the year to 30 June 2011 in the event that appeal case fails	6 994
Total APT Contingent Liability	33 894

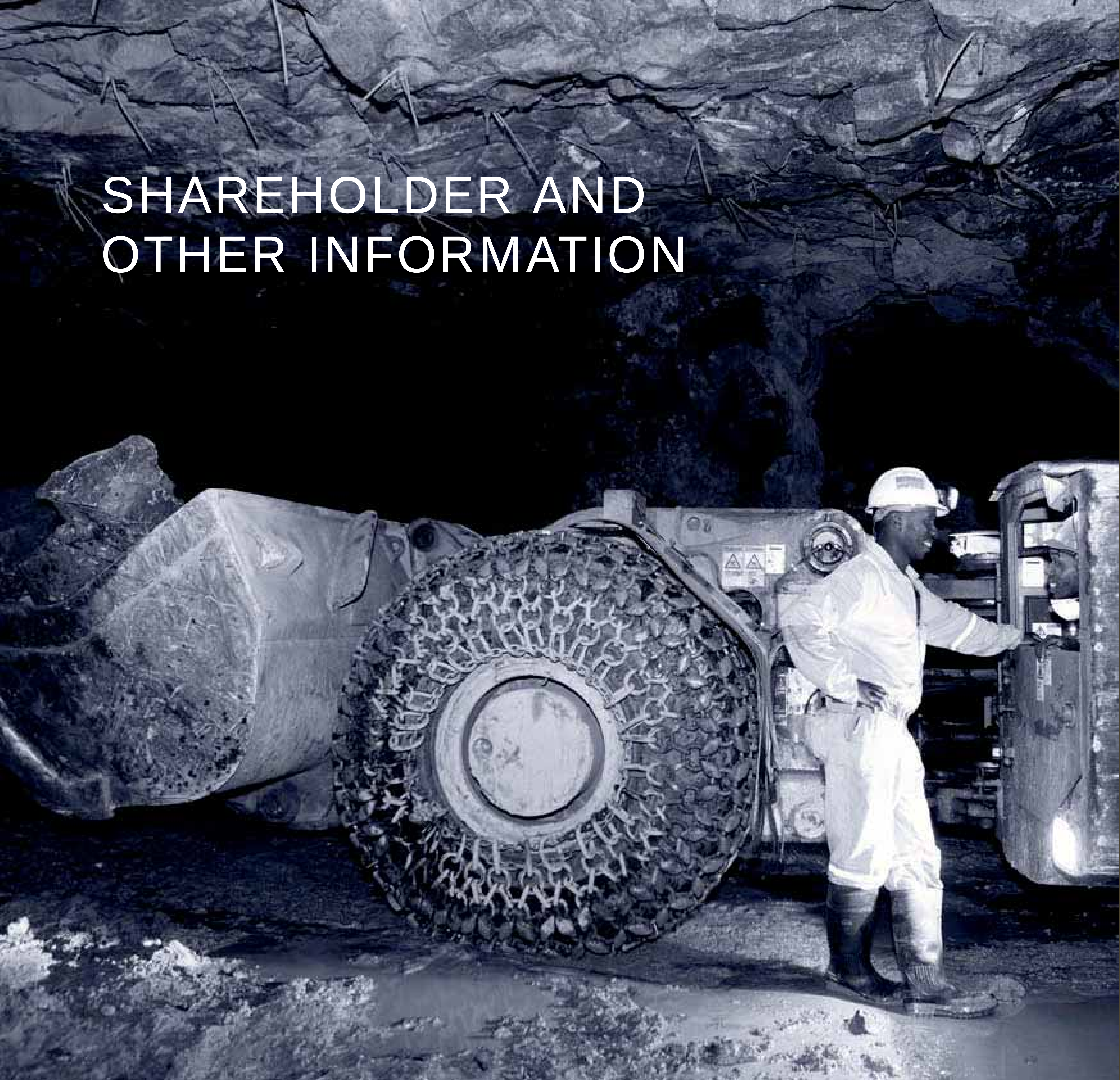
In December 2010, the Zimbabwe Revenue Authority (ZIMRA) issued an amended APT assessment for the period to 30 June 2007 on which the deduction of prior year income tax losses were disallowed as a deduction in the computation of APT. As a result of the disallowance, the previously assessed and paid APT 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. ZIMRA has however agreed that payment of the disputed liability be deferred until the court has ruled on the matter. The court hearing is expected to be set down in the near future.

For the year ended 30 June 2012, there is no APT liability. However, for the year ended 30 June 2011, 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 $7 million. The potential additional APT for the year to 30 June 2011 has been revised from the provisional $9.4 million to $7 million to adjust for changes made in the final computation for 2011.

37 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.





SHAREHOLDER AND OTHER INFORMATION

"... we celebrated the achievement of 7 million fatality free shifts during the year."

Source :
CEO's Report 2012

ANALYSIS OF SHAREHOLDERS

SHAREHOLDING
Shareholding information is current at 30 June 2012.

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 10 October 2012 ("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.

NAME	NO. OF SHARES	%
IMPALA PLATINUM BV	93,644,430	87.00
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,764,145	5.36
NATIONAL NOMINEES LIMITED	1,444,946	1.34
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,425,186	1.32
J P MORGAN NOMINEES AUSTRALIA LIMITED	838,963	0.78
CITICORP NOMINEES PTY LIMITED	682,514	0.63
JP MORGAN NOMINEES AUSTRALIA LIMITED CASH INCOME A/C	521,270	0.48
MR PETER MARTIN VANDERSPUY	501,802	0.47
PRIMEOAK LIMITED	320,000	0.30
MINERVA TRUST COMPANY LIMITED: R H KAIROUZ	198,000	0.18
MR WILLEM RAVESTEYN + MRS ROSEMARY ANNE RAVESTEYN	194,990	0.18
MRS ROSEMARY ANNE RAVESTEYN	184,564	0.17
MR EMANUEL JOSE FERNANDES DIAS	183,615	0.17
DR DAVID SAMUEL KLEINMAN	160,600	0.15
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	123,596	0.11
MR W and MRS R A RAVESTEYN: THE W RAVESTEYN S/FUND	113,739	0.11
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	78,696	0.07
MR MARK DAVID HUTCHENS	75,363	0.07
BERNE NO 132 NOMINEES PTY LTD	75,306	0.07
MR NEIL DAVID HUTCHENS	67,000	0.06
TOP TWENTY	**106,598,725**	**99.02**

ANALYSIS OF SHAREHOLDERS - CONTINUED

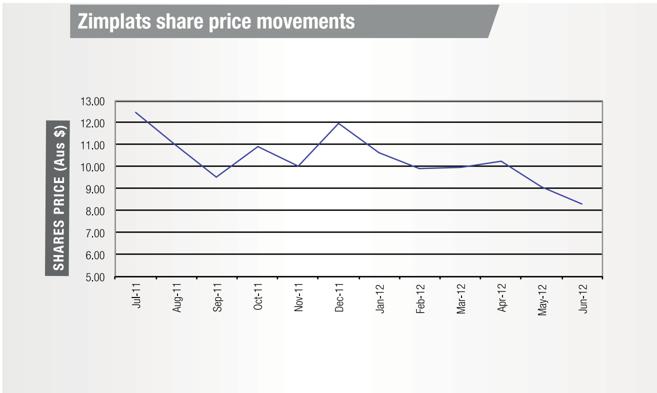
NAME	NO. OF SHARES	%
NEXT 20	525 048	0.49
NEXT 20	184 427	0.17
NEXT 20	107 806	0.10
NEXT 20	63 120	0.06
OTHER	239 297	0.21
TOTAL	**107 637 649**	**100.00**

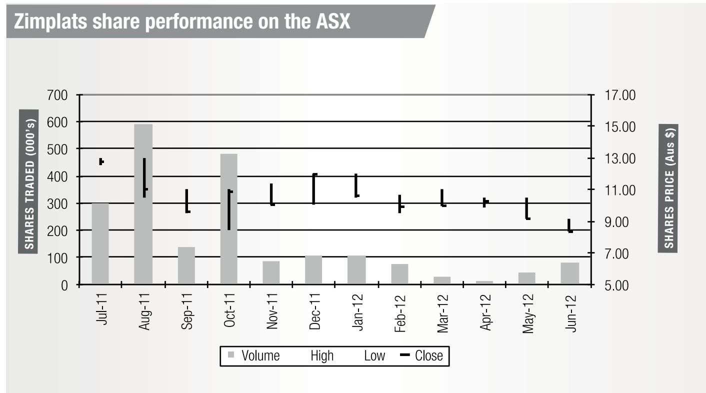
SHAREHOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 1 000	249	54.25%	71,664	0.07%
1 000 - 10 000	162	35.29%	386,621	0.36%
10 000 - 100 000	32	6.97%	877,004	0.81%
100 000 - 1 000 000	12	2.61%	4,023,653	3.74%
1 000 000 - 10 000000	3	0.65%	8,634,277	8.02%
10 000 000 and over	1	0.22%	93,644,430	87.00%
Total	**459**	**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 40 (2011: 30).

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% (2011 = 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 twelfth 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 12 October 2012 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 2012.
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 Ms. B Berlin, who is retiring by rotation.
   - (b) To re-elect as a director Mr. M J Houston, who is retiring by rotation.
   - (c) To re-elect as a director Mr. P Maseva-Shayawabaya, who is retiring by rotation.
   - (d) To elect Mr T Goodlace as a director of the company.
5. To determine that the maximum annual fees that may be payable to non-executive directors of the company with effect from 1 July 2012 be increased by $120 000 to $600 000 per annum.

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 10 October 2012 (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 2013.

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 2012.

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 Ms. B Berlin as a Director of the Company.

BCom, BAcc (Wits),CA(SA)

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

(b) Re-election of Mr. M J Houston as a Director of the Company.

MsC (Business Strategy)

Mike 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.

(c) Re-election of Mr. P Maseva-Shayawabaya as a Director of the Company.

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.

(d) Election of Mr. T Goodlace as a Director of the Company.

Terence has been a non-executive director of Impala Platinum Holdings Limited since 2010. He was appointed as Chief Executive Officer of Implats on 1 July 2012 prior to which he was Chief Executive Officer of Metorex Limited. Previously he was Chief Operating Officer of Gold Fields Limited. Terence was appointed as a non-executive director of Zimplats Holdings Limited on 10 August 2012.

Directors' Recommendation

All of the existing Directors of the Company, other than those Directors standing for re-election, recommend that you vote in favour of the re-election of Ms. B Berlin and Messrs. M J Houston and P Maseva-Shayawabaya and the election of Mr. T Goodlace having regard to their respective qualifications to act as Directors of your Company.

RESOLUTION 5 – APPROVAL OF FEES PAYABLE TO DIRECTORS

An increase in the annual maximum aggregate limit of fees that can be paid to non-executive directors is sought from the existing limit of $480 000 to a new limit of $600 000, which constitutes an increase of $120 000.

Directors' Recommendation

Directors are excluded from voting on their increases and accordingly make no recommendation to shareholders.

VOTING BY PROXY

To be effective, Proxy Forms (duly completed and signed) must be received at:

(i) Computershare Investor Services Pty Ltd, GPO Box 242 Melbourne, Victoria 3001, Australia. Fax (within Australia) 1 800 783 447 or (outside Australia) +61 3 9473 2555 or

(ii) Carey Commercial Limited, Level 1&2, Elizabeth House, Les Ruettes Brayes, St Peter Port. Fax +44 1481 738917 or

(iii) CUSTODIANS - subscribers of intermediary Online may lodge their votes electronically at www.intermediaryonline.com

by no later than 48hours before the meeting (being 11:30am (South African Standard Time) on Wednesday 10 October 2012).

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.

ZIMPLATS HOLDINGS LIMITED » INTEGRATED REPORT 2012 » PLATINUM PALLADIUM RHODIUM GOLD

GENERAL INFORMATION - CONTINUED

metallurgy	The science of extracting metals from ore and preparing them for sale.
Mineral Resource	Defined in the Australasian Code for Reporting of 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.

GENERAL INFORMATION - CONTINUED

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
t	metric tonnes

SHAREHOLDERS CALENDAR 2012/2013

2012	
2011/12 Year End	30 June
June 2012 Quarter Production Report Released	31 July
Annual Report Mailed	September
September Quarter Production Report Released	October
Annual General Meeting	11 October

2013	
December 2012 Quarter Production Report Released	January
March 2013 Quarter Production Report Released	April
2012/13 Year End	30 June
June 2013 Quarter Production Report Released	July
Annual Report Mailed	September
September 2013 Quarter Production Report Released	October
Annual General Meeting	October

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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.

DESIGN : FUTURE COMMUNICATIONS ZIMBABWE

INTEGRATED REPORT 2012

Member of the Implats Group

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