ZIMPLATS HOLDINGS LIMITED

ARBN : 083 463 058

Directors' Report and Condensed Consolidated Interim Financial Statements

Half Year Ended 31 December 2015

ZIMPLATS HOLDINGS LIMITED
INDEX TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

ZIMPLATS HOLDINGS LIMITED
DIRECTORS' REPORT

The directors present the condensed consolidated interim financial statements of Zimplats Holdings Limited ("the Company") and its subsidiaries (together "the Group") for the half year ended 31 December 2015, as well as the review report for the period.

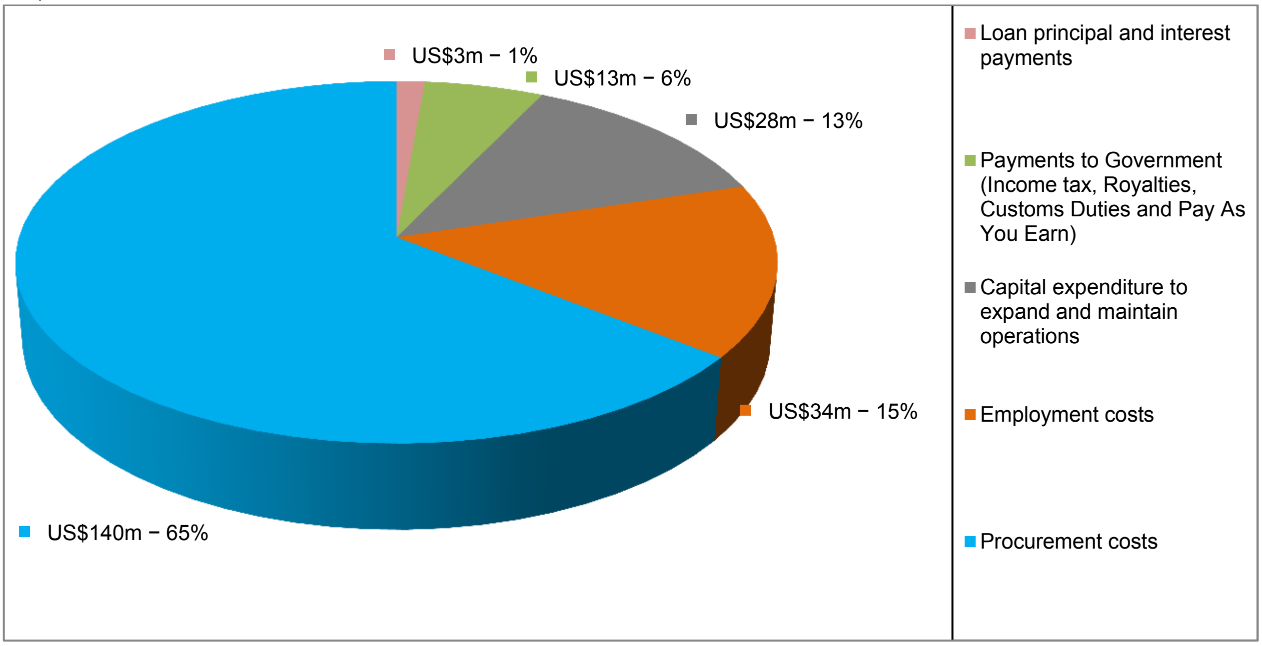
Directors

The directors of the Company during and since the end of the half year are:

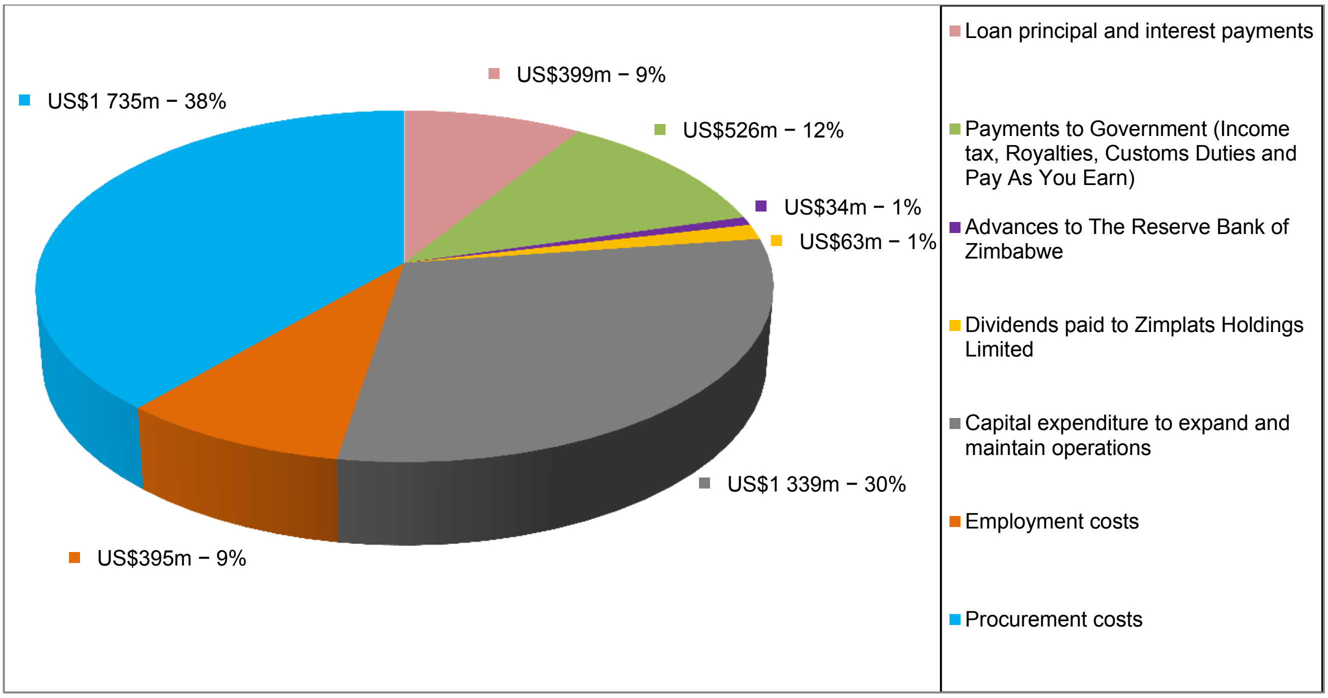
Name	Period of directorship
Dr. Fholisani Sydney Mufamadi – Chairman (non-executive)	Appointed 1 May 2015
Muchadeyi Ashton Masunda - Deputy Chairman (non-executive)	Appointed 8 February 2007
Alexander Mhembere (Chief Executive Officer)	Appointed 1 October 2007
Stewart Magaso Mangoma (Chief Finance Officer)	Appointed 1 March 2013
Brenda Berlin (non-executive)	Appointed 1 March 2010
Terence Philip Goodlace (non-executive)	Appointed 10 August 2012
Dr. Khotso David Kenneth Mokhele (non-executive)	Appointed 8 February 2007
Leslie John Paton (non-executive)	Appointed 4 February 2003
Zacharius Bernadus Swanepoel (non-executive)	Appointed1 July 2015
Nyasha Puza Siyabora Zhou (non-executive)	Appointed 1 March 2010

Review of performance

Zimbabwe Platinum Mines (Private) Limited cash utilisation (Half year ended 31 December 2015) – US$ millions



Zimbabwe Platinum Mines (Private) Limited cash utilisation (FY2002 to FY2016 – year to date) – US$ millions



Safety, Health and Environment

Three lost-time injuries (LTIs) were reported during the half year compared to four incurred during the same period last year resulting in the lost-time injury frequency rate (LTIFR) improving from 0.59 to 0.44.

The Group's employee wellness programmes (including non-communicable diseases) were effective during the half year as demonstrated by a 25% increase in the turnout for voluntary counselling and testing.

The rehabilitation of the closed open-pit mine is progressing well with approximately 76% of the pit rehabilitated by the end of the half year under review.

The Group's water conservation programmes were affected by the delayed rainfall which led to return water dams for both Ngezi and Selous Metallurgical Complex (SMC) concentrators running empty resulting in no water to recycle.

Operations

Tonnes mined for the half year increased by 30% to 3.27 million tonnes compared to the same period last year mainly due to the ore supply contribution from the Ngezi South open-pit (which started in the quarter ended 30 June 2015) of 423 000 tonnes and increased production from underground mines following the redeployment of fleets from the collapsed Bimha Mine. Ore mined in the comparative period was lower owing to the Bimha Mine closure in August 2014 as a precautionary measure to safeguard employees and assets following the subsidence of ground and continued deterioration of ground conditions in a section of the mine.

Consequently, tonnes milled increased by 26% to 3.12 million tonnes compared to the same period last year owing to improved ore supply as highlighted above.

Four elements (platinum, palladium, rhodium and gold) (4E) mill head grade at 3.223g/t was 1% lower than the previous year's 3.253g/t mainly due to barren geological intrusions, internal dilution arising from mining across areas affected by faulting and lower grade ore from the Ngezi South open-pit.

ZIMPLATS HOLDINGS LIMITED
DIRECTORS' REPORT (continued)

Platinum and 4E metal production for the half year at 130 342 ounces and 262 749 ounces were 27% and 26% above the same period last year respectively due to higher mills throughput. The table below shows the total metal production for the half year.

Metal	Half year ended 31 December 2015	Half year ended 31 December 2014	Variance	Year ended 30 June 2015
Platinum (oz)	130 342	102 420	27%	190 027
Palladium (oz)	106 712	84 631	26%	154 846
Gold (oz)	13 725	11 588	18%	21 692
Rhodium (oz)	11 970	9 504	26%	17 397
Ruthenium (oz)	10 219	8 313	23%	7 097
Iridium (oz)	4 900	3 869	27%	14 946
Silver (oz)	22 119	18 399	20%	35 236
Nickel (t)	2 489	2 039	22%	3 887
Copper (t)	1 767	1 416	25%	2 724
Cobalt (t)	35	25	40%	46

Sales

Platinum sales volumes increased by 25% during the half year to 128 431 ounces compared to 103 092 ounces in the same period last year. The table below shows the metal sales volumes for the half year.

Metal	Half year ended 31 December 2015	Half year ended 31 December 2014	Variance	Year ended 30 June 2015
Platinum (oz)	128 431	103 092	25%	188 760
Palladium (oz)	107 064	84 986	26%	154 403
Gold (oz)	13 712	11 588	18%	21 621
Rhodium (oz)	11 647	9 320	25%	17 065
Ruthenium (oz)	10 269	8 310	24%	15 055
Iridium (oz)	4 871	3 873	26%	7 052
Silver (oz)	22 742	18 799	21%	35 487
Nickel (t)	2 441	2 012	21%	3 833
Copper (t)	1 787	1 434	25%	2 742
Cobalt (t)	32	24	33%	45

Metal Prices

There was a sharp decrease in metal prices during the period under review with average platinum prices dropping by 29% compared to the same period last year. The table below depicts that there was a slump in metal prices across the board compared to prior period.

Metal	Half year ended 31 December 2015 (Average)	Half year ended 31 December 2014 (Average)	Variance	Year ended 30 June 2015 (Average)
Platinum (oz)	948	1 332	(29%)	1 246
Palladium (oz)	610	825	(26%)	799
Gold (oz)	1 114	1 242	(10%)	1 224
Rhodium (oz)	721	1 188	(39%)	1 136
Ruthenium (oz)	36	56	(36%)	51
Iridium (oz)	476	541	(12%)	540
Silver (oz)	15	18	(17%)	17
Nickel (t)	9 979	17 179	(42%)	15 432
Copper (t)	5 068	6 806	(26%)	6 370
Cobalt (t)	25 982	30 857	(16%)	30 028

Financial

Revenue for the half year decreased by 12% to US$204.4 million compared to the same period last year mainly due to the collapse in metal prices despite the increase in sales volumes (for example, platinum sales increased from 103 092 ounces to 128 431 ounces). The gross revenue per platinum ounce of US$1 591 for the half year was 30% lower than US$2 265 reported during the same period last year.

Cost of sales of US$185.7 million was 14% higher than the same period last year's US$162.4 million mainly due to the increase in sales volumes. Gross profit margins deteriorated from 30% in the prior period to 9% in the current half year mainly due to lower metal prices. This was however partly offset by the impact of price reductions achieved on consumables and procurement contracts.

Administrative expenses for the half year ended 31 December 2015 at US$15.0 million were 30% lower than the US$21.4 million reported during the same period last year due to cost saving initiatives in response to the decrease in metal prices.

Royalty and commission expense of US$5.1 million reported for the half year ended 31 December 2015 was 72% lower than the US$17.8 million reported for the same period last year. The decrease was mainly due to the revenue decline and The High Court of Zimbabwe judgment in the case involving a dispute between Zimbabwe Platinum Mines (Private) Limited (the 'operating subsidiary') and the Zimbabwe Revenue Authority (ZIMRA) over which mining royalty provisions are applicable to the operating subsidiary. The judge ruled that the royalty provisions in the operating subsidiary's mining agreement take precedence over the royalty provisions set out in the Finance Act (Chapter 23:04) and that accordingly the operating subsidiary is liable to pay royalties at the rate of 2.5% of the value of all minerals produced and not at the higher Finance Act rates.

A full and final settlement of US$4.2 million was confirmed as receivable by the Group's insurers in respect of certain property, plant and equipment which were damaged as a result of the partial collapse of Bimha Mine in 2014.

Cash operating cost per platinum ounce produced decreased by 17% to US$1 235 compared to the same period in the prior year due to stringent cost management measures adopted following the collapse in metal prices.

Consequently, profit before income tax for the period amounted to US$0.6 million, 88% lower than US$4.7 million achieved in the same period last year, largely due to the drop in metal prices. Taxation for the half year at US$1.2 million (2014: US$0.8 million) resulted in a loss after tax for the period of US$0.6 million compared to a profit of US$3.9 million recorded in the same period last year.

Net cash inflows from operating activities for the period decreased from US$107.8 million recorded during the same period last year to US$6.5 million mainly due to the impact of lower metal prices and the furnace breakout which occurred in May 2015 on sales proceeds.

A dividend of US$13 million (equating to US$0.1208 per share) for the year ended 30 June 2015 was declared and paid during the half year ended 31 December 2015 to shareholders on record as at 7 September 2015. No dividend has been proposed for the half year ended 31 December 2015.

At the end of the half year, the Group had bank borrowings of US$101 million (30 June 2015: US$82.0 million and 31 December 2014: US$105.0 million) and a cash balance of US$58.9 million (30 June 2015: US$73.5 million and 31 December 2014: US$97.1 million).

Capital Projects

The Ngezi Phase 2 expansion project implementation is progressing well with a total of US$447 million of the project budget having been spent as at 31 December 2015. Implementation of the outstanding components of the Phase 2 expansion project remains on schedule for overall project completion in 2016.

A total of US$12.2 million was spent on the refurbishment of the Selous Metallurgical Complex base metal refinery (BMR) project and US$9.9 million was committed as at 31 December 2015.

Bimha Mine re-development is on schedule to reach full production in April 2018 as planned.

ZIMPLATS HOLDINGS LIMITED
DIRECTORS' REPORT (continued)

Capital Projects (continued)

The Group spent a total of US$27.2 million on capital expenditure during the half year under review compared to US$49.4 million in the same period last year.

The impact of the declining metal prices on cash flows has resulted in the reprioritisation of capital projects with some projects being deferred to future periods.

The Reserve Bank of Zimbabwe Debt

As indicated in the report for the quarter ended 30 September 2015, the Reserve Bank of Zimbabwe (Debt Assumption) Act, 2015 (No.2 of 2015) became law in Zimbabwe in August 2015. This Act provides for the assumption by the State of certain debts incurred by the Reserve Bank of Zimbabwe (RBZ), subject to those debts having been validated and reconciled by the Government of Zimbabwe's Ministry of Finance and Economic Development.

The amount of US$34 million owed by the RBZ to Zimbabwe Platinum Mines (Private) Limited (the operating subsidiary) is listed in this Act as one of the debts which is to be assumed by the State, subject to the debt being validated and reconciled by the Ministry of Finance and Economic Development. The operating subsidiary is engaging the relevant authorities in Zimbabwe so that the validation and reconciliation of the US$34 million debt can be finalised. Stakeholders will be updated on any developments on this issue.

Indigenisation and Economic Empowerment

As reported previously, the company was awaiting approval from the RBZ of the sale of a 10% equity stake in the operating subsidiary to the Zimplats Employee Share Ownership Trust (ESOT) as part of the company's indigenisation implementation plan (IIP). The RBZ, in December 2015, advised the company that it had deferred making a decision on the matter until the Government of Zimbabwe's Ministry of Youth, Indigenisation and Economic Empowerment had finalised and announced the new indigenisation implementation modalities which that Ministry was working on at the time.

The Minister of Youth, Indigenisation and Economic Empowerment on 8 January 2016 issued guidelines for the implementation of the Indigenisation and Economic Empowerment Act (Chapter 14:33) in Zimbabwe. The company is presently considering the implications of these guidelines on the sale of the 10% equity stake in the operating subsidiary to the ESOT and also on the operating subsidiary's IIP in general. The company will be engaging the Government of Zimbabwe further on the matter.

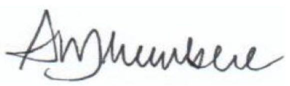
Acquisition of Portion of Mining Lease Area

As previously reported, on 1 March 2013 the Government of Zimbabwe issued a preliminary notice of its intention to compulsorily acquire land measuring 27 948 hectares within the operating subsidiary's special mining lease area. On 27 March 2013 the operating subsidiary lodged a formal objection to the preliminary notice to compulsorily acquire the land.

On 28 December 2015 the Government of Zimbabwe wrote to the operating subsidiary requesting the release of the 27 948 hectares of ground referred to in the preliminary notice that was issued on 1 March 2013. The operating subsidiary responded to the Government of Zimbabwe reiterating its previous position and also seeking constructive dialogue in an endeavour to resolve the matter amicably.

Outlook

Metal prices continue to decline to unprecedented levels, with no clear indication of when they will bottom out. This will continue to exert serious pressure on the Group's cash flows and therefore management continues to develop and implement appropriate response strategies to ensure that the Group stays afloat.



A Mhembere
Chief Executive Officer
9 February 2016

ZIMPLATS HOLDINGS LIMITED
APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation of the condensed consolidated interim financial statements and related information in a manner that fairly presents the state of the affairs of the Company. These interim financial statements are prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The directors are also responsible for the maintenance of effective systems of internal control which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the financial statements, and to prevent and detect material misstatement and loss.

The condensed consolidated interim financial statements have been prepared on a going-concern basis as the directors believe that the Company and its subsidiaries will continue to be in operation in the foreseeable future.

The condensed consolidated interim financial statements, as set out on pages 9 to 20 have been approved by the Board of Directors and are signed on its behalf by:

A Mhembere
Chief Executive Officer

S M Mangoma
Chief Finance Officer

9 February 2016

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

to the shareholders of **Zimplats Holdings Limited**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Zimplats Holdings Limited and its subsidiaries (the 'Group') as at 31 December 2015 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Financial Reporting Standard (IAS) 34, Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standard (IAS) 34, Interim Financial Reporting.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants (Zimbabwe)
Harare

22 February 2016

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

ZIMPLATS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

ASSETS	Notes	31 December 2015 (Reviewed) US$ 000	30 June 2015 (Audited) US$ 000	31 December 2014 (Reviewed) US$ 000
Non-current assets				
Property, plant and equipment	8	1 015 930	1 029 047	1 043 159
Long term receivables	9	-	-	3 413
Total non-current assets		1 015 930	1 029 047	1 046 572
Current assets				
Inventories	10	80 019	79 508	56 997
Trade and other receivables	11	124 101	130 453	162 564
Prepayments	12	23 095	33 476	18 208
Cash at bank and on hand	13	58 944	73 479	97 132
Total current assets		286 159	316 916	334 901
Total assets		1 302 089	1 345 963	1 381 473
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	14	10 763	10 763	10 763
Share premium	14	89 166	89 166	89 166
Retained earnings		839 248	852 868	931 111
		939 177	952 797	1 031 040
Non-current liabilities				
Borrowings	15	85 000	50 000	50 000
Deferred income tax liabilities		135 986	135 122	123 751
Share based compensation		288	838	1 390
Mine rehabilitation provision		19 906	19 423	13 831
Total non-current liabilities		241 180	205 383	188 972
Current liabilities				
Trade and other payables		60 981	103 354	83 470
Borrowings	15	16 000	32 000	55 000
Current income tax payable		44 658	51 110	20 609
Share based compensation		93	1 319	2 382
Total current liabilities		121 732	187 783	161 461
Total equity and liabilities		1 302 089	1 345 963	1 381 473

The notes on pages 13 to 20 form an integral part of these financial statements.

A Mhembere
Chief Executive Officer

S Mangoma
Chief Finance Officer

9 February 2016

ZIMPLATS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Notes	Half year ended 31 December 2015 (Reviewed) US$ 000	Half year ended 31 December 2014 (Reviewed) US$ 000	Year ended 30 June 2015 (Audited) US$ 000
Revenue		204 393	233 526	408 391
Cost of sales		(185 702)	(162 395)	(315 727)
Gross profit		18 691	71 131	92 664
Administrative expenses		(14 954)	(21 359)	(44 093)
Royalty and commission expense		(5 079)	(17 807)	(10 152)
Royalty refund	16	-	-	95 787
Derecognition of property, plant and equipment	17	-	(22 905)	(38 538)
Other operating expenses		-	(5 077)	(37 979)
Other operating income	18	5 540	349	625
Profit from operations		4 198	4 332	58 314
Finance cost	19	(3 689)	(404)	(3 472)
Finance income	20	44	782	1 296
Profit before income tax		553	4 710	56 138
Income tax expense	21	(1 170)	(796)	(130 467)
(Loss)/profit for the period		(617)	3 914	(74 329)
Other comprehensive income:				
Items that will not be reclassified to profit or loss		-	-	-
Items that may be subsequently reclassified to profit or loss		-	-	-
Other comprehensive income for the period, net of tax		-	-	-
Total comprehensive (loss)/income for the period		(617)	3 914	(74 329)
Attributable to:				
Owners of the parent		(617)	3 914	(74 329)
Non controlling interest		-	-	-
Total comprehensive (loss)/income for the period		(617)	3 914	(74 329)
Basic earnings per share (cents)	22	(1)	4	(69)
Diluted earnings per share (cents)	22	(1)	4	(69)

The notes on pages 13 to 20 form an integral part of these financial statements.

ZIMPLATS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Share capital US$ 000	Share premium US$ 000	Retained earnings US$ 000	Total US$ 000
Balance as at 1 July 2015	10 763	89 166	852 868	952 797
Total comprehensive loss for the period	-	-	(617)	(617)
Loss for the period	-	-	(617)	(617)
Other comprehensive income for the period	-	-	-	-
Transactions with owners: Dividends (note 24)	-	-	(13 003)	(13 003)
Balance as at 31 December 2015 (reviewed)	10 763	89 166	839 248	939 177
Balance as at 1 July 2014	10 763	89 166	927 197	1 027 126
Total comprehensive income for the period	-	-	3 914	3 914
Profit for the period	-	-	3 914	3 914
Other comprehensive income for the period	-	-	-	-
Balance as at 31 December 2014 (reviewed)	10 763	89 166	931 111	1 031 040
Balance as at 1 July 2014	10 763	89 166	927 197	1 027 126
Total comprehensive loss for the year	-	-	(74 329)	(74 329)
Loss for the year	-	-	(74 329)	(74 329)
Other comprehensive income for the year	-	-	-	-
Balance as at 30 June 2015 (audited)	10 763	89 166	852 868	952 797

The notes on pages 13 to 20 form an integral part of these financial statements.

ZIMPLATS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Notes	Half year ended 31 December 2015 (Reviewed) US$ 000	Half year ended 31 December 2014 (Reviewed) US$ 000	Year ended 30 June 2015 (Audited) US$ 000
Cash flows from operating activities				
Profit before income tax		553	4 710	56 138
Adjustments to profit before income tax	23	42 619	59 169	148 030
Changes in working capital	23	(26 345)	48 277	49 660
Finance costs paid		(3 550)	(3 883)	(6 856)
Income tax and withholding tax paid		(6 758)	(517)	(104 686)
Net cash generated from operating activities		6 519	107 756	142 286
Cash flows from investing activities				
Purchase of property, plant and equipment	23	(27 197)	(49 438)	(84 526)
Proceeds from disposal of property, plant and equipment		112	116	351
Finance income		44	109	(216)
Net cash utilised in investing activities		(27 041)	(49 213)	(84 391)
Cash flows from financing activities				
Proceeds from bank borrowings		10 000	-	-
Repayments of interest bearing borrowings		-	-	(30 000)
Dividends paid	24	(13 003)	-	-
Net cash utilised in financing activities		(3 003)	-	(30 000)
(Decrease)/increase in cash and cash equivalents		(23 525)	58 543	27 895
Cash and cash equivalents at beginning of the period		66 479	38 600	38 600
Exchange losses on cash and cash equivalents		(10)	(11)	(16)
Cash and cash equivalents at end of the period	13	42 944	97 132	66 479

The notes on pages 13 to 20 form an integral part of these financial statements.

ZIMPLATS HOLDINGS LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

1. GENERAL INFORMATION

Zimplats Holdings Limited (the "Company") is a public company domiciled in Guernsey, Channel Islands and is listed on the Australian Stock Exchange ("ASX"). The address of its registered office is Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW, Channel Islands.

The principal business of Zimplats Holdings Limited (the "Company") and its subsidiaries (together "the Group") is producing platinum group metals (which primarily include platinum, palladium, rhodium, iridium, ruthenium and osmium) and associated metals from the Great Dyke in Zimbabwe.

These condensed consolidated interim financial statements were approved for issue on 9 February 2016. The condensed consolidated interim financial statements have been reviewed, not audited.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the half year ended 31 December 2015 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The condensed consolidated interim financial statements have been prepared on a going-concern basis as the directors believe that the Company and its subsidiaries will continue to be in operation in the foreseeable future.

The condensed consolidated interim financial statements do not include all the notes of the type normally included in the annual financial statements for the year ended. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2015 which were prepared in accordance with International Financial Reporting Standards ("IFRS") and any public announcements made by the Company during the period under the ASX Listing Rules.

The condensed consolidated interim financial statements are expressed in United States dollars ("US$"). The condensed consolidated interim financial statements have been prepared under the historical cost convention except for the following:

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

3. SEGMENT REPORTING

The activities of the Group are entirely related to the mining and processing of platinum group and associated metals in Zimbabwe. The risks and rewards associated with the individual operations are not sufficiently dissimilar to warrant identification of separate business segments.

4. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss. Additional profits tax in the interim periods is accrued based on the expected annual accumulated net cash positions.

There are no new IFRS or International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations that are effective for the first time this interim period that are expected to have a material effect on the Group. Management continuously assesses the impact of the new Standards on the financial statements.

5. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2015, with the exception of changes in estimates that are required in determining the provision for income taxes.

6. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should therefore be read in conjunction with the Group's annual financial statements for the year ended 30 June 2015.

There have been no significant changes in the risk management department or in any risk management policies since the year end.

7. EXCEPTIONAL ITEMS

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

		31 December 2015 US$ 000	30 June 2015 US$ 000	31 December 2014 US$ 000
8	**PROPERTY PLANT AND EQUIPMENT**			
	Opening net book amount	1 029 047	1 045 579	1 045 579
	Additions	27 810	94 723	53 410
	Disposals	(88)	(318)	(97)
	Derecognition (note 17)	-	(38 538)	(22 905)
	Depreciation charge	(40 839)	(72 399)	(32 828)
	Closing net book amount	1 015 930	1 029 047	1 043 159
9	**LONG TERM RECEIVABLES**			
	Reserve Bank of Zimbabwe loan:			
	Beginning of the period	-	6 826	6 826
	Effects of discounting	-	(6 826)	(3 413)
	Carrying amount	-	-	3 413
10	**INVENTORIES**			
	Ore, concentrate and matte stocks	33 246	34 748	10 463
	Consumables	48 815	46 802	49 621
	Less: provision for obsolete consumables	(2 042)	(2 042)	(3 087)
		80 019	79 508	56 997
11	**TRADE AND OTHER RECEIVABLES**			
	Trade receivables due from related parties (note 26b)	100 610	70 471	114 306
	Value added tax receivable	8 673	49 786	40 143
	Other receivables	14 818	10 196	8 115
		124 101	130 453	162 564

As at 31 December 2015, the fair values of trade and other receivables were equal to their carrying amounts.

Trade receivables comprise of amounts due from Impala Refining Services Limited, a related party, for sales of matte. As payment terms are contractual, trade receivables were fully performing and none were past due or impaired as at 31 December 2015. There is no impairment on the trade and other receivables balance (30 June 2015: US$ nil and 31 December 2014: US$ 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 Group does not hold any collateral as security.

		31 December 2015 US$ 000	30 June 2015 US$ 000	31 December 2014 US$ 000
12	**PREPAYMENTS**			
	Deposits on capital items	17 965	22 278	9 526
	Insurance	489	990	420
	Zimbabwe Electricity Transmission and Distribution Company (ZETDC)	-	-	2 778
	Consumables and other operating expenditure	4 641	10 208	5 484
		23 095	33 476	18 208
13	**CASH AND CASH EQUIVALENTS**			
	Cash at bank	5 135	20 267	44 045
	Cash on hand	33	24	31
	Short term deposits	53 776	53 188	53 056
	Cash at bank and on hand	58 944	73 479	97 132
	Revolving facility (note 15)	(16 000)	(7 000)	-
	Cash and cash equivalents	42 944	66 479	97 132

	31 December 2015 US$ 000	30 June 2015 US$ 000	31 December 2014 US$ 000
13 CASH AND CASH EQUIVALENTS (continued)			
The exposure by country (excluding borrowings) is as follows:			
Europe	53 793	67 579	66 108
Zimbabwe	5 151	5 900	31 024
	58 944	73 479	97 132

	31 December 2015 ZAR 000	30 June 2015 ZAR 000	31 December 2014 ZAR 000
The net exposure to foreign currency denominated balances was:			
Bank balances (Thousand rands - ZAR 000)	119	657	675

The carrying amount of the cash and cash equivalent approximates its fair value. The revolving facility operates as an overdraft. US$16 million worth of trade receivables had been ceded to Standard Bank of South Africa Limited as at 31 December 2015 (30 June 2015: US$7 million and 31 December 2014: US$ nil).

	31 December 2015 US$ 000	30 June 2015 US$ 000	31 December 2014 US$ 000
14 SHARE CAPITAL AND SHARE PREMIUM			
Authorised			
500 000 000 ordinary shares of US$0.10 each	50 000	50 000	50 000
Issued and fully paid			
107 637 649 ordinary shares of US$0.10 each	10 763	10 763	10 763
Share premium	89 166	89 166	89 166
	99 929	99 929	99 929

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

15 BORROWINGS

	31 December 2015 US$ 000	30 June 2015 US$ 000	31 December 2014 US$ 000
Non-current			
Bank borrowings	85 000	50 000	50 000
	85 000	50 000	50 000
Current			
Revolving facility	16 000	7 000	-
Bank borrowings	-	25 000	55 000
	16 000	32 000	55 000
Total borrowings	101 000	82 000	105 000

The carrying amounts of the borrowings approximate fair value and are within level 2 of the fair value hierarchy.

The carrying amounts of the Group's borrowings are all denominated in United States 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:

15	BORROWINGS (continued)	31 December 2015 US$ 000	30 June 2015 US$ 000	31 December 2014 US$ 000
	On demand and up to 6 months	16 000	7 000	30 000
	6 months to 1 year	-	25 000	25 000
	1 year to 2 years	37 500	50 000	25 000
	2 years to 5 years	47 500	-	25 000
		101 000	82 000	105 000

Bank borrowings

A loan facility from Standard Bank of South Africa Limited for general business purposes is in place.
Impala Platinum Holdings Limited has provided political and commercial guarantees.

The loan is denominated in United States dollars. It is a revolving facility of US$95 million (30 June 2015: US$75 million and 31 December 2014: US$105 million) and bears interest at 3 months LIBOR plus a 7% margin. Capital repayments are required if the loan balance exceeds the available facility amount. The Group entered into an agreement with Standard Bank of South Africa Limited in October 2015 to increase the revolving facility to US$95 million. The increased facility is repayable in two equal instalments of US$47.5 million on 31 December 2017 and 31 December 2018. At the end of the reporting period the Group had US$10 million undrawn on the borrowing facility (30 June 2015: US$ nil and 31 December 2014: US$ nil).

Revolving facility

The Group has a US$24 million revolving facility with Standard Bank of South Africa Limited which is used for general working capital purposes. The facility bears interest at the rate of LIBOR plus 2.6% per annum and it is secured by a cession of a portion of the Group's trade receivables. The revolving facility matures on 30 November 2016. At the end of the reporting period, the Group had an undrawn revolving facility of US$8 million (30 June 2015: US$17 million and 31 December 2014: US$ nil).

16	ROYALTY REFUND	Half year ended 31 December 2015 US$ 000	Half year ended 31 December 2014 US$ 000	Year ended 30 June 2015 US$ 000
	Refund of royalty overpayment in prior years	-	-	95 787

The High Court of Zimbabwe issued its judgment in the case involving a dispute between Zimbabwe Platinum Mines (Private) Limited (the 'operating subsidiary') and the Zimbabwe Revenue Authority (ZIMRA) over which mining royalty provisions are applicable to the operating subsidiary. The judge ruled that the royalty provisions in the operating subsidiary's mining agreement take precedence over the royalty provisions set out in the Finance Act (Chapter 23:04) and that accordingly the operating subsidiary is liable to pay royalties at the rate of 2.5% of the value of all minerals produced and not at the higher Finance Act rates. The effect of the judgment was that the operating subsidiary overpaid royalties by US$95.8 million in respect of the period between January 2004 and June 2014 which was recognised in the financial statements for the year ended 30 June 2015.

17	DERECOGNITION OF PROPERTY, PLANT AND EQUIPMENT	Half year ended 31 December 2015 US$ 000	Half year ended 31 December 2014 US$ 000	Year ended 30 June 2015 US$ 000
	Bimha Mine infrastructure and equipment	-	22 905	22 905
	Base Metal Refinery bankable feasibility and technical studies	-	-	15 633
		-	22 905	38 538

The collapse within a section of the underground working area of Bimha Mine triggered by the accelerated deterioration of ground conditions associated with the Mutambara Shear and the precautionary closure of Bimha Mine in August 2014, resulted in the damage and inaccessibility of certain underground infrastructure and equipment with a net carrying amount of US$22.9 million, which was written-off during the half year ended 31 December 2014.

The decision to refurbish the mothballed Base Metal Refinery (BMR) at Selous resulted in the US$15.6 million incurred for the bankable feasibility and technical studies of a new BMR becoming impaired as no future economic benefits are expected to flow to the entity. Consequently, a total of US$38.5 million was written off during the year ended 30 June 2015.

	Half year ended 31 December 2015 US$ 000	Half year ended 31 December 2014 US$ 000	Year ended 30 June 2015 US$ 000
18 OTHER OPERATING INCOME			
Gain on disposal of property, plant and equipment	23	19	33
Foreign exchange gain	305	6	-
Insurance claim	4 212	-	-
Other income	1 000	324	592
	5 540	349	625

The insurance claim relates to a full and final settlement amount of US$4.2 million confirmed as receivable by the Group's insurers in respect of certain property, plant and equipment which were damaged as a result of the partial collapse of Bimha Mine in 2014 (note 17).

19 FINANCE COST

Interest expense on bank borrowings (note 15)	3 595	3 882	6 859
Rehabilitation unwinding of the discount	707	494	994
Other	-	-	390
Borrowing cost capitalised	(613)	(3 972)	(4 771)
	3 689	404	3 472

Interest payable of US$1 200 is included in trade and other payables (30 June 2015: US$3 000 and 31 December 2014:US$ nil).

20 FINANCE INCOME

Short term bank deposits	(44)	(99)	(174)
Finance income on ZETDC prepayment	-	(673)	(1 122)
Other	-	(10)	-
	(44)	(782)	(1 296)

21 INCOME TAX EXPENSE

Current income tax			
Corporate tax:	-	(1 471)	7 463
Current year	-	-	7 056
Adjustment in respect of prior periods	-	(1 471)	407
Additional profits tax:	-	-	109 115
Current year	-	-	53 829
Adjustment in respect of prior periods	-	-	55 286
Withholding tax	307	361	613
Total current income tax	307	(1 110)	117 191
Deferred income tax	863	1 906	13 276
Income tax expense	1 170	796	130 467

22 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	(617)	3 914	(74 329)
Weighted average number of ordinary shares in issue	107 638	107 638	107 638
Basic earnings per share US cents	(1)	4	(69)

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group did not have any shares with a potential dilutive impact (30 June 2015: US$ nil and 31 December 2014:US$ nil).

Diluted earnings per share US cents	(1)	4	(69)

		Half year ended 31 December 2015 US$ 000	Half year ended 31 December 2014 US$ 000	Year ended 30 June 2015 US$ 000
23	**STATEMENT OF CASH FLOWS**			
23.1	**Cash flows from operating activities**			
23.1.1	**Adjustments to profit before income tax:**			
	Finance cost (note 19)	3 689	404	3 472
	Finance income (note 20)	(44)	(782)	(1 296)
	Depreciation (note 8)	40 839	32 828	72 399
	Tax penalties and interest charges	-	1 653	27 710
	Foreign currency adjustment	(305)	5	771
	Provision for obsolete consumable inventories	-	393	(651)
	Provision for share based compensation	(1 537)	(1 631)	(2 245)
	Bad debts arising from other receivables written-off	-	-	2 539
	Effect of discounting on the long-term receivables (note 9)	-	3 413	6 826
	Derecognition of property, plant and equipment (note 8)	-	22 905	38 538
	Gain on disposal of property, plant and equipment	(23)	(19)	(33)
	Total adjustment to profit before income tax:	42 619	59 169	148 030
23.1.2	**Changes in working capital :**			
	Trade and other receivables (including prepayments)	16 733	46 920	61 224
	Per the statement of financial position	16 733	46 920	63 763
	Bad debts arising from other receivables written-off	-	-	(2 539)
	Inventories	(511)	76	(21 391)
	Per the statement of financial position	(511)	469	(22 042)
	Provision for obsolete inventories	-	(393)	651
	Share based compensation	(239)	956	(45)
	Per the statement of financial position	(1 776)	(675)	(2 290)
	Provision for share appreciation rights	1 537	1 631	2 245
	Mine rehabilitation	(224)	(324)	(658)
	Per the statement of financial position	483	170	5 762
	Change in estimate - rehabilitation asset	-	-	(5 426)
	Interest accrued present day value adjustment	(707)	(494)	(994)
	Tax penalties and interest charges	-	(1 653)	-
	Trade and other payables	(42 104)	2 302	10 530
	Per the statement of financial position	(42 373)	2 172	22 056
	Exchange adjustment	315	6	(755)
	Interest payable movement	(46)	-	(3)
	Tax penalties and interest charges	-	(549)	(11 890)
	Finance income on ZETDC prepayment converted to power units	-	673	1 122
		(26 345)	48 277	49 660
23.2	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment:			
	Additions (including borrowing cost capitalised) (note 8)	(27 810)	(53 410)	(94 723)
	Mine rehabilitation asset adjustment	-	-	5 426
	Borrowing cost capitalised	613	3 972	4 771
		(27 197)	(49 438)	(84 526)
24	**DIVIDENDS**			
	Dividends paid	13 003	-	-

A dividend of US$ 13 million equating to US$ 0.1208 per share for the year ended 30 June 2015 was declared and paid during the half year ended 31 December 2015 to shareholders on record as at 7 September 2015.

	Half year ended 31 December 2015 US$ 000	Half year ended 31 December 2014 US$ 000	Year ended 30 June 2015 US$ 000
25 CAPITAL COMMITMENTS			
The Group has entered into contracts for the following and is committed to incur capital expenditure in respect of:			
Commitments contracted for	37 380	30 200	36 645

26 RELATED PARTY TRANSACTIONS AND BALANCES

a) Revenue			
Sales of matte to Impala Refining Services Limited	204 393	233 526	408 391

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

b) Amounts due from related parties			
Impala Refining Services Limited (note 11)	100 610	70 471	114 306
c) Amounts due to related parties			
Impala Platinum Holdings Limited	3 811	8 673	6 127

27 EVENTS AFTER REPORTING PERIOD

There are no significant events after the statement of financial position date that have a bearing on the understanding of these interim financial statements.