

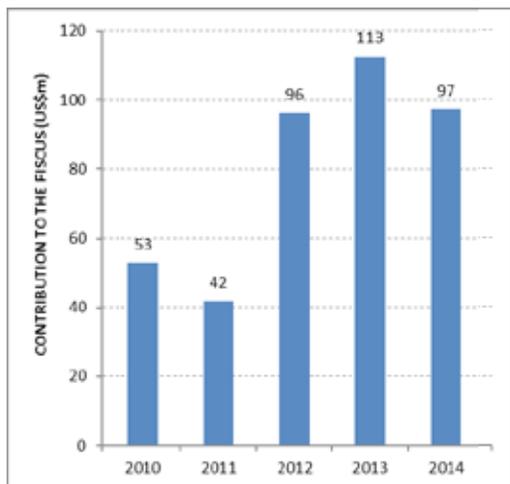
ZIMPLATS SETS THE RECORD STRAIGHT



An article entitled "The US\$100m sweetheart deal", published in the business section of The Sunday Mail edition of 7 February 2016, contained a number of factual inaccuracies which we would like to correct for the benefit of all our stakeholders. It is important for us to state that Zimplats did not receive any payment from Zimra. The company - published second quarter results indicate that the company did not receive any payment of \$102m in the period to 31 December 2015. It is also factually incorrect to state that all the royalties collected from the mining sector last year were routed to Zimplats.

The facts of the matter are as follows: In 2015 there were two significant judgments that were issued by the courts on matters which were in dispute between Zimplats and ZIMRA. One case involved the issue of royalties and the other the issue of additional profits tax (APT).

ZIMRA won the APT case whilst Zimplats won the royalties case. As a result of these two judgments, ZIMRA became liable to pay Zimplats US\$105 million arising from the royalties judgment. On the other hand, Zimplats was liable to pay to ZIMRA US\$124 million arising from the APT judgment and the tax effects of the royalties judgment.



ZIMRA agreed with Zimplats to set-off the amount that Zimplats owed to ZIMRA in terms of the judgment in the APT case against the amount that ZIMRA owed to Zimplats under the judgment in the royalties case.

As can be noted from the above facts, contrary to the assertion by the Sunday Mail that Zimplats does not pay APT, Zimplats is obliged to pay APT and actually does pay this tax. The matter in dispute was the method of calculation and not the principle of whether or not Zimplats should pay APT.

Zimplats is a responsible corporate citizen that remains committed to contribute positively towards the sustainable recovery of Zimbabwe's economy, to operate within the laws of the land and to pay its taxes.

The table above shows that the company has contributed significantly to the fiscus over the past five years through payments to the Government in respect of income tax, APT, royalties, payroll taxes and customs duties, despite falling metal prices.