ZIMPLATS
Member of the Implats Group

2016
INTEGRATED ANNUAL REPORT
MINING FOR A SUSTAINABLE FUTURE

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ABOUT THIS REPORT

This integrated annual report covers the financial period from 22 June 2015 to 30 June 2016 and is prepared for Zimplats Holdings Limited (Zimplats or the Company) and its subsidiaries (together 'the Group') in all regions.

The reporting cycle is annual with the last report having been published in August 2015.

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

MISSION

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

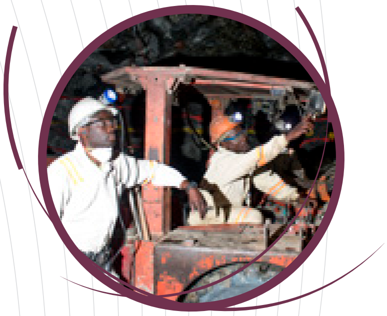
VISION

Our vision is to be the safety and cost leader in the platinum sector with sustainable growth in production, whilst generating superior returns, for the benefit of all our stakeholders.

OBJECTIVES

We will achieve our mission and vision through sustainable, purposeful and focused attention on the:

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



Scope of this Report

The report is the responsibility of the Company's directors. In line with the recommendations of the King III Report on Corporate Governance, the report integrates those material aspects of the Group's environmental, social and governance impacts with the operational and financial performance of the business. It also presents the risks and opportunities that the Group faces, whilst seeking to provide a concise and balanced account of performance over the reporting period. The report also covers the approach taken to address those social, economic, environmental and governance issues which not only have a material impact on the long term success of the business but are also important to key stakeholders.

In addition, Zimplats is required to comply with the Australian Stock Exchange (ASX) Corporate Governance Principles and Recommendations, Third Edition and the requirements of the Companies (Guernsey) Law, 2008 (as amended). Zimplats has also complied with International Financial Reporting Standards (IFRS).

The Global Reporting Initiative G4 (GRI G4) Guidelines have been adopted as the basis for disclosure of sustainability information in this integrated annual report. The Company has reported in accordance with the core option. Ernst & Young (EY) has performed a limited assurance engagement for selected sustainability information and disclosures included in this integrated annual report as can be seen in the EY assurance report on pages 163 to 166 of this integrated annual report.

The reported Mineral Resources and Ore Reserves estimates are prepared in accordance with the requirements of the Australasian Code for reporting on Mineral Resources and Ore Reserves (JORC) and have been signed off by defined competent persons.

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

Prior year comparatives have been provided, while in some instances, in order to illustrate historical trends, statistics and graphical representation cover up to five years. Both historical and forward-looking data are provided.

There has been no change to the organisational or share structure. Use of a revised reporting definition for the reported performance information for historical lost-time injury and lost-time-injury frequency rate data has resulted in the inclusion of injuries previously classified as restricted work cases, to align with the ultimate holding company's practice. There has been no material restatements of data or measurement methods during the year.

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

Please address any queries or comments on this report to info@zimplats.com or stewart.mangoma@zimplats.com.

OVERVIEW

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Business Profile

Zimplats Holdings Limited is a limited liability company which is registered in Guernsey and is listed on the Australian Stock Exchange. It is in the business of producing platinum group and associated metals. The Company is a subsidiary (87% shareholding) of one of the world's leading producers of platinum group metals (PGMs), the South African based and listed Impala Platinum Holdings Limited (Implats), which contributes approximately 25% of global platinum output.

The Company's wholly owned operating subsidiary is Zimbabwe Platinum Mines (Private) Limited, which is a significant producer of PGMs, exploiting the ore bodies located on the Great Dyke in Zimbabwe. The Company has a Mineral Resource base of approximately 223.6 M oz. 4E.

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

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

At year end, Zimplats had a workforce of 5 444▲ comprising 3 041▲ permanent employees (a decrease of 6% in the year) and a further 2 397▲ contractors (a decrease of 8% in the year).

Ore production in the period was 6.6 million tonnes (Mt) (2015: 5.2 Mt). Converter matte sold during the period to the operating company's sole customer, Impala Refining Services Limited, amounted to 582 833 4E oz. (2015: 381 849 4E oz.).

PLATINUM GROUP METALS – THE 'GREEN' METALS

PGMs are precious metals, which frequently occur together in nature as constituents of various ores and minerals. PGMs are a family of six metals: platinum, palladium, rhodium, iridium, ruthenium and osmium, all of which have similar chemical and physical properties and are grouped together in the periodic table.

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

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

▲*This item was the subject of the limited assurance engagement performed by EY.*

Where We Came From

1980 – Zimbabwe independence

1986 – Delta Gold obtained an exclusive prospecting order from the Government of Zimbabwe

1994 – Delta-BHP joint venture starts to develop Hartley Mine

1996 – The Hartley concentrator started operating

1999 – BHP closed Hartley Mine after failing to meet targets

2000 – Zimplats took over BHP's share of Hartley

2001 – Zimplats established open-pit mine at Ngezi (2.2Mtpa) with investment from Implats

2003-5 – Implats increased shareholding to 87%

2006
- Zimplats released 36% of its ground to the Government of Zimbabwe in return for anticipated cash and empowerment credits
- Zimplats embarked on the US$340 million Phase 1 expansion project, increasing mining and concentrator capacity to 4.2Mtpa

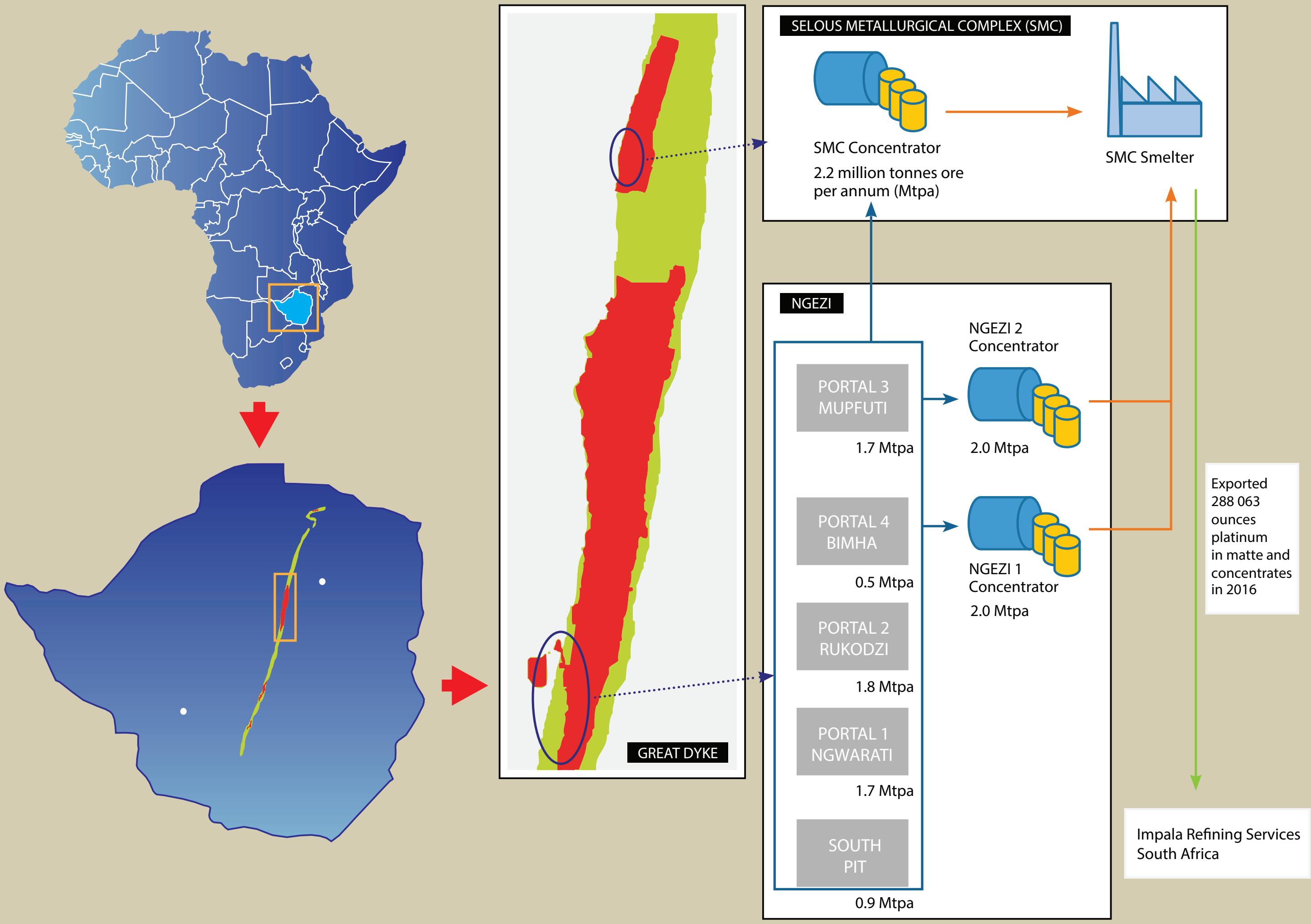
2010 – Zimplats embarked on the US$492 million Phase 2 expansion, development of 4th underground mine at Ngezi, to increase production to 6.2Mtpa

2013
- Phase 2 expansion plant commissioned on schedule
- Attained 10 million fatality free shifts

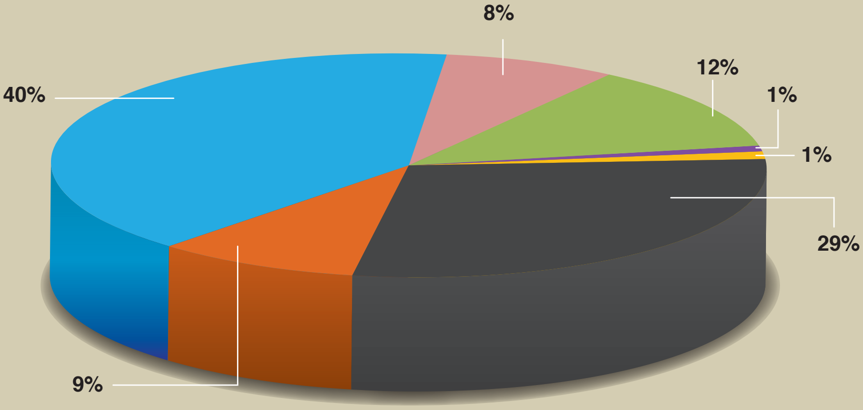
2015
- Bimha Mine partial collapse and redevelopment
- Resuscitation of open-pit operations

2016
- Surpassed Phase 2 (6.2Mtpa) mining and milling production capacity
- Attained five million fatality free shifts

Location and Operations



Zimbabwe Platinum Mines (Private) Limited
Cash Utilisation (FY2002 to FY2016)



Total US$4.8 billion

US$1 915 million	40%	Procurement costs
US$1 378 million	29%	Capital expenditure to expand and maintain operations
US$575 million	12%	Payments to Government (income tax, royalties, customs duties and pay as you earn)
US$424 million	9%	Employment costs
US$403 million	8%	Loan principal and interest payments
US$63 million	1%	Dividends paid to Zimplats Holdings Limited
US$34 million	1%	Advances to the Reserve Bank of Zimbabwe

Chairman's Letter

"I am delighted to report that your Company completed yet another year without any fatality."

DEAR STAKEHOLDER

We remain committed to the worthy goal of sustainable development as defined by the World Commission on Environment and Development which is to "meet the needs of the present without compromising the ability of future generations to meet their own needs." As a leading business enterprise with an operating subsidiary in Zimbabwe, we believe that we have an important role to play in achieving this goal. To this end, we strive to operate in an economically, socially and environmentally friendly manner. We treasure the importance of stakeholder engagement in this regard.

Your Company's safety and operating performance for the financial period ended 30 June 2016 (FY2016) was exceptional and better than what was achieved in FY2015. The harsh operating environment characterised by depressed metal prices, resulted in your Company doing much more to maintain more or less the same financial performance as was achieved during the previous period. In response to the challenges posed by the depression in metal prices, your Company instituted a number of survival strategies with stringent measures to contain costs and preserve cash. I am glad to report that the survival strategies implemented have so far yielded positive results.

Chairman's Letter (continued)

INDIGENISATION IMPLEMENTATION PLAN

In FY2015, the operating subsidiary reached an agreement with the Government of Zimbabwe on the sale of a 10% stake to the Employee Share Ownership Trust (ESOT) as part of its indigenisation implementation plan (IIP). The operating subsidiary then sought approval from the Reserve Bank of Zimbabwe (RBZ) for the vendor financing arrangements involved in the sale. In December 2015, the RBZ advised the operating subsidiary 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 the Ministry was working on at the time.

On 8 January 2016, The Minister of Youth, Indigenisation and Economic Empowerment issued guidelines for the implementation of the Indigenisation and Economic Empowerment Act (Chapter 14:33) in Zimbabwe. A new IIP was then developed and submitted to the Government of Zimbabwe on the strength of these guidelines. His Excellency the President of Zimbabwe subsequently issued a statement clarifying the government's position on the indigenisation and economic empowerment policy.

The Company, through the operating subsidiary, continues to engage the government with a view to finalising the IIP.

COMPULSORY ACQUISITION OF PORTION OF MINING LEASE AREA

As reported previously, in March 2013, the Government of Zimbabwe gazetted a preliminary notice of its intention to compulsorily acquire a large portion of ground (constituting approximately 50% of the remaining ground) held under the operating subsidiary's special mining lease after the first surrender of 36% of ground in 2006. As you are aware, in March 2013 the operating subsidiary lodged a formal objection to the preliminary notice to compulsorily acquire the land.

The operating subsidiary has been involved in discussions with the government in an endeavour to achieve an amicable resolution of this matter. However, on 29 June 2016, the operating subsidiary was served with an application filed in the Administrative Court of Zimbabwe in which the government was seeking an order authorising the acquisition, by the government, of the portion of the operating subsidiary's mining lease area as described in the preliminary notice that was issued by the government in 2013. Zimplats Holdings Limited was cited as the respondent in the application. Papers opposing the application were filed on behalf of Zimplats Holdings Limited and the operating subsidiary. The matter is therefore pending in the Administrative Court of Zimbabwe. The operating subsidiary will however still seek to engage the government in constructive dialogue in an endeavour to have the matter resolved amicably.

SAFETY, HEALTH AND ENVIRONMENT

I am delighted to report that your Company completed yet another year without any fatality. Your operations achieved more than five million fatality free shifts during the year. Both the total injury frequency rate (TIFR) and lost-time injury frequency rate (LTIFR) improved by 24% (from 1.33 in FY2015 to 1.01▲ in FY2016) and 34% (from 0.88 in FY2015 to 0.58▲ in FY2016) respectively, an indication that the Company's safety programmes are working well. Your board and management remain committed to achieving the ultimate objective of zero harm.

▲*This item was the subject of the limited assurance engagement performed by EY.*

Chairman's Letter (continued)

Your Company continued striving to improve the health of its workforce and their dependents through the implementation of a workplace health programme that focuses on:
- the management of HIV and AIDS
- the management of and awareness on non-communicable diseases
- malaria control
- occupational health monitoring.

I am also happy to report that your Company had another good year in terms of environmental management performance. There were no major environmental non-conformances reported in the year. The rehabilitation work on both the tailings dams and the closed open pit sites progressed well in the year. Great effort was seen in resource conservation and waste management throughout the year as evidenced by the growth in waste recycling across the operations and an improvement in water and energy efficiencies. Reduction of emissions of greenhouse gases remains an area of focus for Zimplats.

OPERATIONS

I am pleased to report that your Company achieved record mining, milling and metal production in the period. Volumes achieved in the period surpassed the Phase 2 design capacity of 6.2Mtpa ore (mined and milled).

Ore mined increased by 26% from 5.2 million tonnes to a record 6.6 million tonnes in FY2016. The redevelopment of Bimha Mine is on course to reach design production in April 2018. The feasibility study for the development of Portal 6 (replacement mine for Rukodzi and Ngwarati mines which will be depleted in FY2022 and FY2025 respectively) is nearing completion.

I am happy to report that preliminary mine box cut development works have already commenced and, once the full feasibility study has been presented and approved by the board, the Zimplats teams will work to deliver the mine on time and on budget.

The concentrator plants operated well in the period milling a record 6.4 million tonnes (FY2015: 5.2 million tonnes). The concentrates stockpiled during the furnace outage last year were all sold during the period. As a result, platinum produced and sold (including concentrate sales) increased by 53%.

The financial results for the period were however not reflective of the excellent operational performance due to depressed metal prices which continued from the previous period. The cost per platinum ounce produced improved by 23% from US$1 551 to US$1 197 mainly due to the increase in production volumes and the cost containment initiatives implemented during the period.

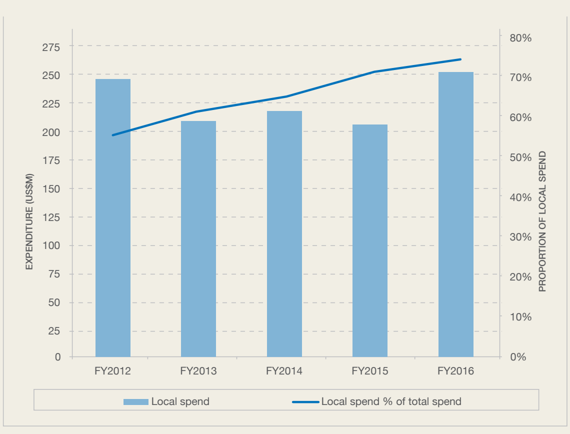
TAXATION ISSUES

I am happy to report that the operating subsidiary continues to have constructive engagement with the Zimbabwe Revenue Authority (ZIMRA) in resolving legacy tax issues. Our preferred option will always be constructive engagement before seeking judicial determination should the need to do so arise.

ZIMPLATS' CONTRIBUTION TO THE ZIMBABWEAN ECONOMY

Zimplats continued to contribute positively towards the Zimbabwean fiscus and the economic development of Zimbabwe. The operating subsidiary's local procurement (excluding payments to government institutions) increased from 71% of total purchases in FY2015 to 75% in FY2016. The total value of local payments increased from US$209 million in FY2015 to US$252 million in FY2016. In addition, the operating subsidiary contributed indirectly towards enhancing the consumer spending power in the country by paying its employees a total of US$79 million in wages and salaries.

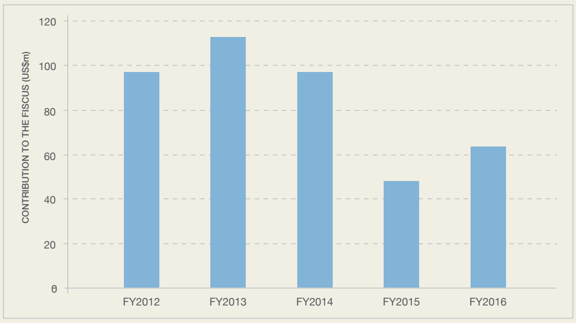
LOCAL SPEND



Chairman's Letter (continued)

Payments to the government in respect of corporate tax, royalties, payroll taxes and customs duties for the period increased from US$47 million in FY2015 to US$62 million in the current period.

CONTRIBUTION TO THE FISCUS



Overall, the operating subsidiary spent 83% of its sales proceeds in Zimbabwe with 17% having been paid to foreign suppliers and providers of loans and capital.

OUTLOOK

The Company remains committed to exploring, extracting and beneficiating the Zimplats Mineral Resource. To this end, feasibility plans are being advanced to expand the mining footprint through the potential development of the new mining portal (Portal 6) to replace two other portals which are being depleted. In addition, the Group conducted feasibility studies for the construction of a second furnace to reduce the beneficiation risk.

The future of the Company remains bright despite the pressures from the deteriorating liquidity situation in Zimbabwe and soft commodity prices on the world market. Your Company's management and the board will continue focusing on achieving production volumes, containing costs and preserving cash as the Company rides the storm arising from low metal prices and the harsh Zimbabwean operating environment.

Your Company will continue to foster cordial working relationships with all stakeholders including the Government of Zimbabwe, its suppliers, employees, the community and the tax authorities. The board and management remain committed to complying with the laws of the country.

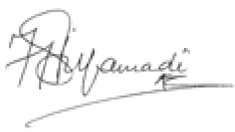
ACKNOWLEDGMENTS

On behalf of Zimplats, I would like to thank my colleagues on the board, management, employees, suppliers and other stakeholders for their commitment and resilience which enabled the Company to achieve excellent operational performance and satisfactory financial results in a period of an unprecedented decline in metal prices.

We shall soon be bidding farewell to two of our colleagues on the board. Muchadeyi Ashton Masunda and Dr Khotso David Kenneth Mokhele will retire as directors of your Company at the annual general meeting to be held on 14 October 2016.

- Muchadeyi was appointed as a director of Zimplats in 2007. He was subsequently appointed as deputy chairman of the board with effect from 1 March 2010. He was acting chairman of the board from 1 July 2012 until 30 June 2015. On behalf of the board, and on my own behalf, I would like to express our sincere gratitude to Muchadeyi for his valuable contribution to the Company and for his leadership of the board during his period as acting chairman. The board and management wish Muchadeyi all the best in the future.
- Khotso was appointed to the board in 2007. He served as the non-executive chairman of Impala Platinum Holdings Limited from 2009 until his retirement from that position in 2015. The board and I extend our sincere appreciation to Khotso for his significant contribution to the Company and for the guidance that he provided to the board over the years. The board and management wish Khotso every success in the future.

I look forward to a brighter FY2017.



Fholisani Sydney Mufamadi

Chairman of the board of directors

12 August 2016

Chief Executive Officer's Report

"One of the key challenges of sustainable development is that it demands new and innovative choices and ways of thinking. As part of our commitment to conducting business in a sustainable manner, we embrace this challenge and continuously examine the way in which we do business and the impact that we have on our stakeholders and the environment."

KEY PERFORMANCE FEATURES

The Group achieved excellent results in all areas of operations despite the challenges associated with depressed metal prices. Highlights of the major achievements for FY2016 include the following:

- No fatalities▲
- Five million fatality free shifts milestone achieved on 17 June 2016
- A 33% reduction in the number of lost-time injuries (LTIs) from 12* in FY2015 to eight▲ in FY2016
- Lost-time injury frequency rate (LTIFR) reduced by 34% from 0.88* to 0.58▲
- The run-of-mine (ROM) ore production increased by 26% from 5.2 million tonnes to a record 6.6 million tonnes
- A record 6.4 million tonnes of ore were milled during the period
- Platinum in converter matte produced and in concentrate sold increased by 53% from 190 027 ounces in the previous period to 290 410 ounces
- Bimha Mine redevelopment is on schedule to attain the design capacity by the fourth quarter of FY2018
- Portal 6 (a replacement for Ngwarati and Rukodzi mines) initial mine development commenced in the period
- A profit of US$7.3 million was recorded during the period compared to a loss of US$74.3 million in the prior period.

** Applying the revised FY2016 reporting definition for LTIs – see page 2 of this report - as a result of which four injuries previously classified as restricted work cases are included.*

▲This item was the subject of the limited assurance engagement performed by EY.

Chief Executive Officer's Report (continued)

SAFETY, HEALTH AND ENVIRONMENT

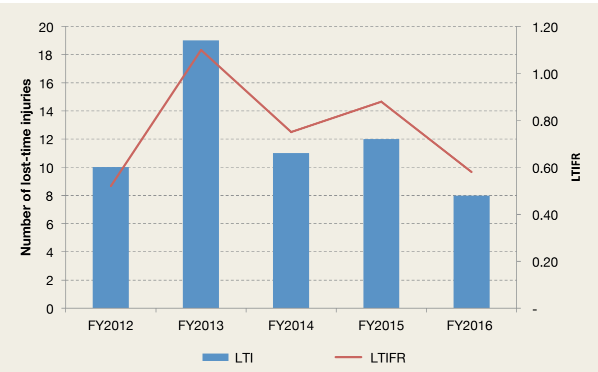
Safety

Key Performance Indicator	FY2016	FY2015	Variance
Fatalities	-▲	-	-
Lost-time injuries	8▲	12	33%
Total injuries	14▲	18	22%
Fatal injury frequency rate	-	-	-
Lost-time injury frequency rate	0.58▲	0.88	34%
Total injury frequency rate	1.01▲	1.33	24%

The Group managed to complete yet another year without a fatality. By 30 June 2016, the Group had achieved over 5 million fatality free shifts.

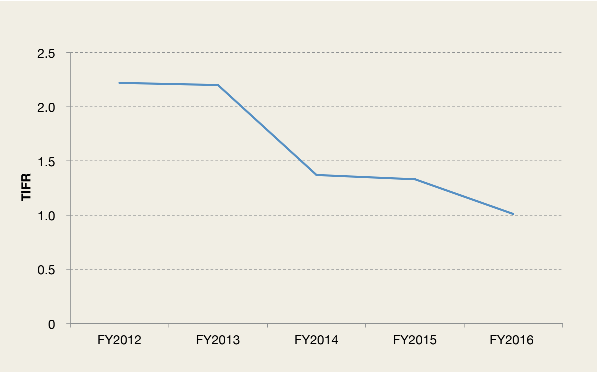
The total number of LTIs recorded in the period decreased from 12 in FY2015 (applying the revised reporting definition of LTIs, four injuries were included which in the past were classified as restricted work cases) to eight▲ in FY2016. This resulted in the LTIFR improving by 34% from 0.88 (after inclusion of the restricted work cases) to 0.58▲. The total number of reported injuries decreased by 22% from 18 in FY2015 to 14▲ in FY2016 resulting in the total injury frequency rate (TIFR) improving by 24% from 1.33 to 1.01▲. The Group remains committed to the 'zero harm' objective. Management will strive to achieve this objective through behaviour-based initiatives and adoption of proven technology designed to reduce exposure of employees to a hazardous working environment.

Lost Time Injuries Trend



Note - FY2012 to FY2015 have been changed to include injuries previously classified as restricted work cases (refer to page 65).

Total Injuries Frequency Rate Trend



Health

Management continued with the roll out of the integrated wellness programme that focuses on the reduction of HIV/AIDS and non-communicable diseases (NCDs). Unfortunately in the last quarter of the period, the external service provider of counselling and testing services scaled down its involvement in workplace programmes to concentrate on perceived high-risk areas in line with the national thrust. This resulted in a decrease in the number of HIV tests compared to the previous period. Management is in the process of identifying an alternative service provider to continue with this initiative. External service providers have proved to be more acceptable to employees and more effective in HIV/AIDS testing and counselling programmes compared to internal providers.

As part of the wellness programme, management introduced stress monitoring and control. By the end of the period, the specialist service provider of stress management counselling services had completed training of management and supervisors and is currently rolling out the programme to the entire workforce.

The malaria monitoring and control programme was implemented in accordance with the plan and there were no cases of locally transmitted malaria in the period.

▲*This item was the subject of the limited assurance engagement performed by EY.*

Chief Executive Officer's Report (continued)

Follow up of employees who defaulted in terms of the process of monitoring occupational health was tightened during the period, resulting in improved compliance among employees.

Environment

Key Performance Indicator	Unit of measure	FY2016	FY2015	Variance
Major environmental non-conformance	Number	-	-	-
Area rehabilitated at the tailings dams	Hectares (ha)	16.0	2.5	540%
Open-pit rehabilitation progress (project to date)	Percentage (%)	77%	69%	12%
Water abstracted from dams and underground	Mega litres (ML)	7 777	6 291	(24%)
Water recycled	%	35.2	40.5	(13%)
Fresh water consumption	Kilo litres (KL)/ tonne ore	1.22▲	1.25	2%
Carbon emission	Carbon dioxide (CO_2)/ tonne ore	0.059	0.065	9%
Energy consumption	Giga joules (GJ)/tonne ore	0.39	0.42	7%

▲*This item was the subject of the limited assurance engagement performed by EY.*

There were no major issues of environmental non-compliance reported from the internal and external audits carried out during the period.

The rehabilitation of the closed open-pit mine continued as scheduled during the period. Approximately 77% of the disturbed areas had been rehabilitated by the end of the period compared to 69% as at the end of the previous period. Good progress was made in the rehabilitation of the tailings dams where a total of 16 hectares (FY2015: 2.5 hectares) were re-vegetated and a total of 2 700 trees were planted during the period.

The Group's water conservation strategy remained focused on enhancing water accounting and recycling. Water abstracted from dams and underground increased by 24% from 6 291 mega litres in FY2015 to 7 777 mega litres in FY2016 in line with the increase in tonnes of ore milled. A total of 4 226 mega litres of water was recycled in the period (35.2% of total water used), marginally lower than 4 273 mega litres recycled in FY2015 (40.5% of total water used in the period).

The Group's waste management strategy seeks to ensure compliance with the Zimbabwean Environmental Management Act (Chapter 20:27) and its regulations pertaining to waste generated from mining and processing activities. Waste recycling is carried out as part of our commitment to reduce waste disposal. A total of 1 718 tonnes of scrap metal were sent off-site for recycling compared to 981 tonnes for the previous period. Waste paper recycling is being promoted and a total of 10 waste paper and plastics storage cages were erected to temporarily store the waste pending transportation to recycling companies. Used oil recycling is being done through licensed recycling companies. Trials on a vermiculture project which involves composting of biodegradable waste commenced at one of our operations. These trials will be continued in FY2017.

Zimplats` most significant air quality environmental aspect relates to sulphur dioxide (SO_2) emissions from the smelting operations. All point source air emissions discharge points are licensed by the Environmental Management Agency as required by the national environmental regulations on air emissions. Feasibility studies for a sulphur dioxide emission reduction project commenced in the previous period and continued in FY2016. Air dispersion models were also undertaken as part of the feasibility studies.

OPERATIONS

I am delighted to report that the Group achieved record mining, milling and metal production in the period as shown in the table below.

Key Performance Indicator	FY2016	FY2015	Variance
Ore mined (Mt)	6.6	5.2	26%
4E head grade (g/t)	3.23	3.24	-
Ore milled (Mt)	6.4	5.2	24%
Concentrator 4E recovery rate (%)	80.8	81.3	(1%)
Platinum produced (000 oz)	290.4	190.0	53%
In converter matte	*269.5*	*190.0*	*42%*
In concentrate sold	*20.9*	*-*	*n/a*

Mining

Following the precautionary closure of production operations at Bimha Mine in August 2014, I am happy to report that the response plan to mitigate the loss in production, which included the

Chief Executive Officer's Report (continued)

redeployment of fleets, resuscitation of the discontinued open-pit operations and the redevelopment of Bimha Mine was successfully implemented, resulting in record run-of-mine ore production of 6.6 million tonnes in FY2016 (FY2015: 5.2 million tonnes).

The South Pit Mine performed ahead of expectation, producing 874 000 tonnes in the period (FY2015: 106 000 tonnes). This mine will continue to bridge the ore supply gap until such time when the underground mines are producing at the Phase 2 design capacity of 6.2Mtpa.

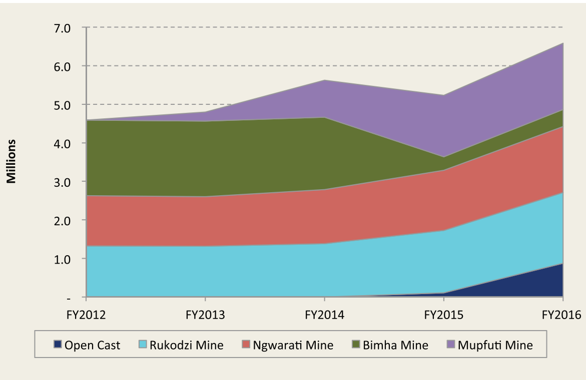
The redevelopment of Bimha Mine is on schedule to achieve design capacity by the fourth quarter of FY2018. Ore production from this mine increased from 350 000 tonnes in FY2015 to 442 000 tonnes in FY2016.

Ground monitoring systems instituted at all the underground mines recorded no ground movements except where some activity was reported in the old footprint of Bimha Mine. The general conditions in the new footprint are stable.

The table below shows run-of-mine (ROM) ore production by mine.

Mine	FY2016	FY2015
Ngwarati Mine (Mt)	1.7	1. 6
Rukodzi Mine (Mt)	1.8	1.6
Mupfuti Mine (Mt)	1.7	1.6
Bimha Mine (Mt)	0.5	0.3
Total underground ore (Mt)	5.7	5.1
South Pit Mine (Mt)	0.9	0.1
Total ROM ore (Mt)	**6.6**	**5.2**

Ore Mined

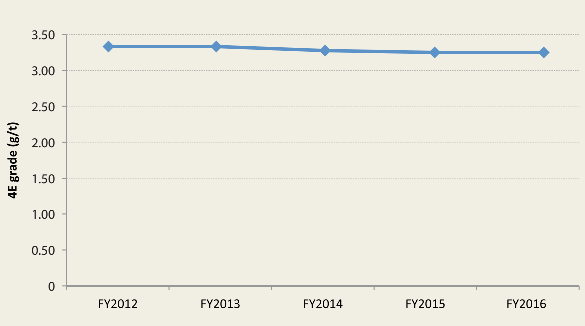


Head Grade

Mine	FY2016	FY2015
Ngwarati Mine	3.25	3.14
Rukodzi Mine	3.38	3.43
Mupfuti Mine	3.24	3.17
Bimha Mine	3.02	3.20
Total underground ore	3.27	3.24
South Pit Mine	3.01	2.91
Total ROM ore	**3.23**	**3.24**

Average 4E head grade essentially remained the same at 3.24g/t in FY2015 and 3.23g/t in FY2016.

Head Grade Five Year Trend



PROCESSING

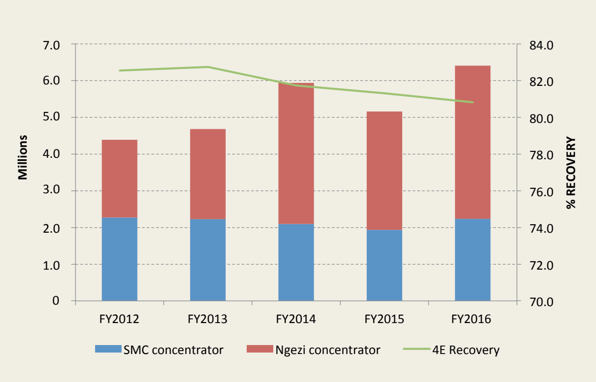
Concentrators

A record 6.4 million tonnes were milled in the period compared to 5.2 million tonnes milled in the previous period. This was made possible by excellent plant availabilities achieved in the period and improved ore supply from the mines.

The overall 4E recovery rate for the period decreased by 1% from 81.3% in FY2015 to 80.8% in FY2016 due to the decrease in mass pull from 2.5% to 2.1%. Mass pull was reduced to match the volume of concentrate produced with the existing smelter capacity.

Chief Executive Officer's Report (continued)

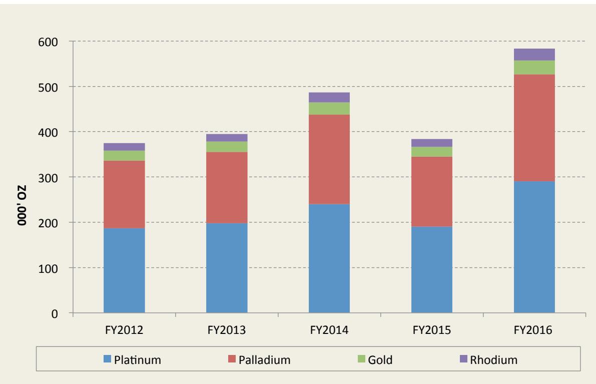
Ore Milled and Recovery Rates



Smelter

A total of 135 843 tonnes of concentrate (FY2015: 119 500 tonnes) were smelted during the period to produce 269 547 ounces of platinum in converter matte, 42% higher than the 190 027 ounces achieved in the previous period. 4E metal production for the period also increased from 383 962 ounces in FY2015 to 541 396 ounces in FY2016. A further 20 863 ounces of platinum (41 775 ounces of 4E) was realised from the sale of 11 413 tonnes of concentrate stockpiled in the previous period due to the furnace break-out incident. This resulted in total platinum ounces produced and sold in the period increasing from 190 027 and 188 760 ounces in FY2015 to 290 410 ounces and 288 063 ounces respectively in FY2016.

Metal Production 4E Oz



CAPITAL PROJECTS

Expansion Projects

Implementation of the Ngezi Phase 2 Expansion Project is progressing well and project completeion is targeted in FY2017. A total of US$453 million has been spent to date on this project against a budget of US$492 million.

As was reported in our previous integrated annual report, the Group commenced the refurbishment of the SMC BMR in FY2015 with a view of commissioning it in July 2016. I regret to report that the rate of implementation of this project was affected by the availability of cash following the low metal price environment which has persisted since FY2015. As a result, US$22 million has been spent to date against a budget of US$131 million. The project was therefore not commissioned in July 2016 as originally communicated.

The furnace at SMC is operating at full Phase 2 capacity of 6.2Mtpa and the facility has been derisked through operating it at reduced power. A bankable feasibility study for a second 15MW rectangular furnace to manage risks associated with the existing circular furnace was carried out and completed in July 2016. Once approved, it is anticipated that the second furnace could be ready for commissioning by the first quarter of FY2019.

A total of US$27 million was spent on expansion projects in the period compared to US$38 million in the previous period.

Stay in Business Projects

The implementation of the Bimha Mine redevelopment project progressed on schedule in the period and the project is on course to achieve design production capacity by April 2018. A total of US$16.3 million has been spent to date and US$15.2 million has been committed.

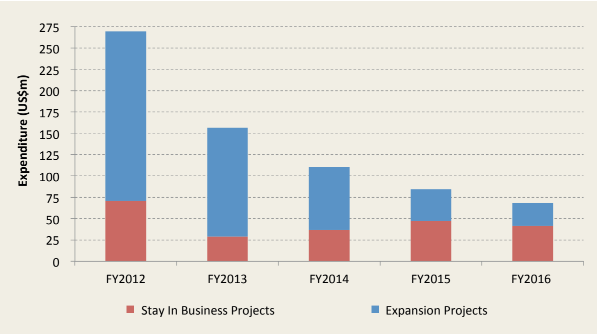
A total of US$16 million was spent on the replacement of trackless mining machinery in line with the current replacement plan.

The initial development of the box cut for Portal 6 mine, targeting to replace Rukodzi and Ngwarati mines that deplete in FY2022 and FY2025 respectively, commenced in June 2016. Once the project has been approved, the proposed mine is scheduled to reach full production of 2.2Mtpa in August 2025 at a total cost of US$266 million.

A total of US$42 million was spent on stay in business projects during the period, 11% lower than the US$47 million in the previous period.

Chief Executive Officer's Report (continued)

Capital Expenditure



HUMAN RESOURCES

Staff turnover increased from 4.3% to 6.3% during the period, driven mainly by the implementation of a labour rationalisation exercise and retirements. The Group's industrial relations for the period were stable and the general market trends are continuously being monitored.

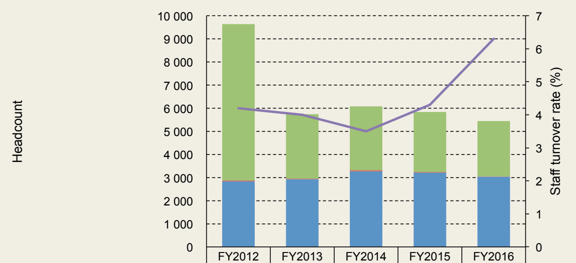
The Group implemented a labour rationalisation exercise in response to the difficult operating environment. As a result, the total number of permanent employees decreased by 5% to close the period at 3 041▲. The average number of contractor employees also decreased by 8% from 2 605 to 2 397▲ due to reduced activity on the BMR project.

Satisfactory progress was made in the period on the home ownership scheme for the employees based at SMC. Title surveys for the land earmarked for the housing development were submitted for approval by the Surveyor-General's Office and model houses have been completed and approved by the employees. Funding options for the delivery of the houses are currently under consideration.

Local enterprise development

Work on the employee share ownership trust (ESOT) continued during the period under review with a view to concluding the transaction in the new financial period.

Labour Headcount and Turnover



	FY2012	FY2013	FY2014	FY2015	FY2016
Contractors (annual average)	6 762	2 775	2 749	2 605	2 397▲
Casual employees	40	32	57	22	6
Permanent Employees	2 830	2 929	3 268	3 214	3 041▲
Staff turnover	4.2	4	3.5	4.3	6.3

SOCIAL INVESTMENTS

Despite depressed metal prices, an investment of US$2 million (FY2015: US$1 million) in social development was made during the period. Key to the development projects undertaken during the period was the construction of a community stadium at Turf. The stadium has enhanced sporting activities in the town with Premier League Soccer now being played in the area, a development that has brought much excitement to the Turf community. Several social development projects have also been undertaken covering health, livestock development, education and local enterprise development.

Local procurement increased from 71% in FY2015 to 75% in FY2016. The Group continues to play a pivotal role in terms of national development and on local enterprise development.

The Group is committed to spending more funds towards social investments as the operating environment improves.

FINANCIAL RESULTS

The financial results of the Group were adversely affected by the significant decline in metal prices experienced during the period. Revenue for the period increased by 16% from US$408 million in FY2015 to US$472 million despite the 53% increase in 4E sales volumes from 381 849 ounces to 582 833 ounces. This was due to lower metal prices which saw gross revenue per platinum ounce decrease from US$2 167 to US$1 638.

▲*This item was the subject of the limited assurance engagement performed by EY.*

Chief Executive Officer's Report (continued)

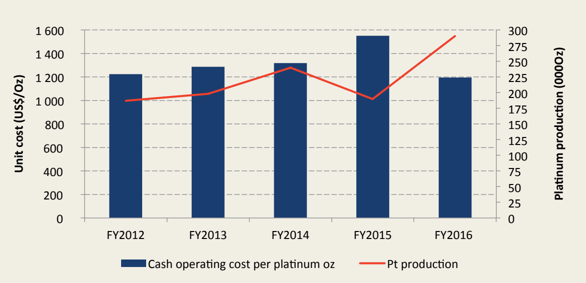
Cost of sales increased by 24% from US$316 million in FY2015 to US$391 million despite the 53% increase in 4E sales volumes, reflecting the benefit of the cost containment initiatives implemented in response to the declining metal prices.

Gross profit margins deteriorated from 23% in the prior period to 17% in the current period due to the net effect of lower metal prices and the impact of higher production and sales volumes.

Administrative expenses decreased by 14% from US$41.8 million in FY2015 to US$35.9 million in the current period due to the implementation of various cost rationalisation measures. Selling and distribution expenses increased by 126% from US$2.3 million in FY2015 to US$5,2 million in FY2016 mainly due to the sale of concentrates which attract higher transport charges.

Operating cash cost per platinum ounce improved by 23% from US$1 551 in FY2015 to US$1 197 in FY2016 due to a 53% increase in platinum produced (including metal in concentrate sold) and cost savings realised from the cost rationalisation initiatives.

Cash Operating Cost per Platinum Ounce



The prior period results benefited from the US$95.8 million royalty overpayment refund as a result of the High Court of Zimbabwe judgment in the case involving a dispute between the operating subsidiary and ZIMRA over royalty provisions applicable to the operating subsidiary.

The prior period results were also negatively affected by the write-off of assets worth US$38.5 million (US$22.9 million in respect of Bimha Mine equipment which was either damaged or rendered irretrievable by the collapse of a section of the underground working area and US$15.6 million costs incurred on the greenfield Phase 3A BMR feasibility studies).

Insurance proceeds of US$3.7 million, received in full and final settlement of the Bimha Mine partial collapse claim, were recognised in FY2016.

In May 2016, the RBZ introduced an export incentive scheme to promote the export of goods and services to enhance inflows of foreign currency. The Group was awarded a 2.5% export incentive (amounting to US1.1 million) on the export proceeds received in Zimbabwe for the month of May 2016.

As a result of these factors, profit before income tax for the period decreased from US$56.1 million in FY2015 to US$29.4 million.

Income tax expense for the period at US$22 million was 83% lower than the previous period. The previous period's income tax was higher than usual due to a US$55.6 million additional profits tax (APT) adjustment in respect of prior periods arising from the disallowance of assessed income tax losses in computing APT and the US$45.8 million APT on the refund of overpaid royalties. This resulted in a profit after tax for the period of US$7.3 million compared to a US$74 million loss recorded in the previous period.

Net cash generated from operating activities decreased from US$142.2 million in FY2015 to US$36 million. Cash generated from operating activities in the prevous period benefited from the royalty refund, which was used to offset some of the prior periods' tax obligations. At period-end, the Group had bank borrowings amounting to US$109 million (2015: US$82 million) and a cash balance of US$56 million (2015: US$73.5 million).

APPRECIATION

I would like to thank the management team, all Zimplats employees, our suppliers and contractors for their commitment and valued contribution during this difficult period.

I thank the board for their guidance and support during the period.

Alex Mhembere
Chief Executive Officer
12 August 2016

Achievements FY2016

OBJECTIVE	STATUS
Improve safety culture and performance through the implementation of identified interventions and eliminate fatalities. Achieve target LTIFR of 0.60 (applying the revised reporting definition of LTIFR to include restricted work cases in the definition of lost-time – see page 2 of this report)	• There were no▲ fatalities reported in the year • Eight▲ lost-time injuries recorded, down from 12 in FY2015 (applying the revised reporting definition of LTIs to include restricted work cases) • LTIFR improved from 0.88 in FY2015 (applying the revised reporting definition to include restricted work cases) to 0.58▲ in FY2016 • TIFR improved from 1.33 in FY2015 to 1.01▲ in FY2016
Achieve planned FY2016 production volumes and efficiencies	• Record production volumes were achieved • Tonnes mined and milled were 4% and 3% above plan respectively • Head grade was 2% below plan • Concentrator recovery rates were on plan • Platinum production was 4% above target
Achieve planned FY2016 cost performance	Cash operating cost per platinum ounce at US$1 197 was 11% and 23% better than target and prior year respectively
Cash preservation	• Operating cash cost per platinum ounce was 11% below plan • Capital expenditure was 31% below plan • Cash net of debt was 82% above target • Consumable stocks holding reduction by US$3 million
Contain the effects of shear-induced ground instability at all the underground mines	• Bimha Mine re-development on schedule to reach design production in April 2018 • Signs of ground movement are being monitored at all mines • Stable ground conditions prevailed throughout the year • 100% compliance with the set pillar width to height ratio at all mines
Maintain the local supply base at a minimum of 65% of annual spend, excluding government institutions	Purchases from local suppliers in FY2016 accounted for 75% (2015: 71%) of the Group's annual expenditure on goods and services, excluding government institutions.
Complete refurbishment of the BMR for commissioning to commence in July 2016	The refurbishment of the BMR was affected by cash availability in a low metal price environment, which has persisted since 2015. As a result, US$22 million has been spent to date against a budget of US$131 million.
Retain certification on the ISO 9001, ISO 14001 and OHSAS 18001 Systems	Certification retained.
Comply with the existing tax legislation to minimise risks of non-compliance penalties and interests	Tax compliance audits were carried out by external tax experts in the year and no major compliance issues were raised. All the known prior years' tax obligations are now either agreed with the tax authorities or before the courts.
Complete capital expenditure projects within approved budgets	Capital votes closed during the year were within budget.

▲*This item was the subject of the limited assurance engagement performed by EY.*

Objectives FY2017

- Improve safety performance through the implementation of identified interventions and remain fatality free. Achieve target LTIFR of 0.48
- Achieve planned FY2017 production volumes and efficiencies
- Achieve planned FY2017 cost performance
- Cash preservation
- Contain the effects of shear induced ground instability at all the underground mines
- Commence Portal 6 development (replacement mine for Ngwarati and Rukodzi Mines)
- Commence construction of a new 15MW rectangular furnace to manage the risks associated with operating the existing circular furnace at full capacity
- Facilitate construction of employee houses under the employee home ownership scheme
- Maintain the local supply base at a minimum of 65% of annual spend, excluding government institutions
- Retain certification on the ISO 9001, ISO 14001 and OHSAS 18001 Systems
- Comply with the existing tax legislation to minimise risks of non-compliance penalties and interests
- Complete capital expenditure projects within approved budgets

Improve safety performance through the implementation of identified interventions and remain fatality free.

ASX Announcements

Zimplats has promptly informed the public, through announcements to the ASX, 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:

31 July 2015	Quarterly activities report for the quarter ended 30 June 2015
31 August 2015	Release of integrated annual report 2015
1 September 2015	Notification of dividend
19 October 2015	Results of annual general meeting
30 October 2015	Quarterly activities report for the quarter ended 30 September 2015
29 January 2016	Quarterly activities report for the quarter ended 31 December 2015
24 February 2016	Release of results for the half-year ended 31 December 2015
26 April 2016	Quarterly activities report for the quarter ended 31 March 2016
29 July 2016	Quarterly activities report for the quarter ended 30 June 2016

Five Year Review

SUMMARISED FINANCIAL RESULTS

	FY2016 US$ 000	FY2015 US$ 000	FY2014 US$ 000	FY2013 US$ 000	FY2012 US$ 000
GROUP STATEMENT OF COMPREHENSIVE INCOME					
Turnover	471 778	408 391	575 978	471 647	473 280
Platinum	247 197	201 957	306 693	263 234	261 681
Paladium	122 153	108 699	137 760	96 890	87 004
Gold	33 237	23 400	31 393	30 387	32 897
Rhodium	14 677	16 782	20 075	15 136	18 714
Nickel	37 607	42 880	59 220	46 579	52 921
Other	16 907	14 673	20 837	19 421	20 063
Cost of sales	(390 650)	(315 727)	(332 272)	(248 121)	(219 854)
Mining	(148 451)	(130 384)	(123 594)	(96 314)	(88 815)
Processing	(82 750)	(81 890)	(86 405)	(58 036)	(52 142)
Depreciation	(73 283)	(69 086)	(59 557)	(46 830)	(41 714)
Staff costs	(59 172)	(60 621)	(56 737)	(47 403)	(41 210)
Stock movement	(26 994)	26 254	(5 979)	462	4 027
Gross profit	81 128	92 664	243 706	223 526	253 426
Other expenses	(1 135)	(9 644)	(8 177)	(3 708)	(7 349)
Operating costs	(47 172)	(54 245)	(88 152)	(93 841)	(91 098)
Exceptional items	3 725	29 539	(18 887)	(15 394)	-
Net finance (expense)/income	(7 192)	(2 176)	177	(1 497)	(3 458)
Profit before income tax	29 354	56 138	128 667	109 086	151 521
Income tax expense	(22 027)	(130 467)	(31 534)	(40 832)	(29 162)
Profit/(loss) for the period	7 327	(74 329)	97 133	68 254	122 359
Attributable to minority interests	-	-	-	-	-
Net profit/(loss) to shareholders	7 327	(74 329)	97 133	68 254	122 359
GROUP STATEMENT OF FINANCIAL POSITION					
ASSETS					
Non-current assets	1 024 233	1 029 047	1 052 405	1 016 726	916 921
Property, plant and equipment	1 003 925	1 007 760	1 023 134	975 685	858 720
Mining interests	20 308	21 287	22 445	22 445	22 445
Financial assets and other receivables	-	-	6 826	20 596	35 756
Current assets	297 284	316 916	323 758	232 852	237 965
Total assets	1 321 517	1 345 963	1 376 163	1 249 578	1 154 886
EQUITY AND LIABILITIES					
Capital and reserves	947 121	952 797	1 027 126	929 993	861 739
Minority interests	-	-	-	-	-
Non-current liabilities	249 087	205 383	213 231	226 598	212 133
Deferred income tax liabilities	140 549	135 122	121 846	104 875	115 344
Borrowings	85 000	50 000	75 000	105 000	78 118
Environmental rehabilitation provision	21 668	19 423	13 661	15 575	14 354
Share based compensation	1 870	838	2 724	1 148	4 317
Current liabilities	125 309	187 783	135 806	92 987	81 014
Total equity and liabilities	1 321 517	1 345 963	1 376 163	1 249 578	1 154 886

Five Year Review (continued)

STATISTICS REVIEW	FY2016	FY2015	FY2014	FY2013	FY2012
Operating statistics					
Ore mined (tonnes)	6 579 686	5 234 507	5 624 872	4 794 657	4 586 012
Ngwarati Mine	1 712 920	1 560 369	1 408 550	1 284 278	1 297 174
Rukodzi Mine	1 838 432	1 619 035	1 381 449	1 317 305	1 329 042
Mupfuti Mine	1 712 848	1 599 693	963 229	229 775	-
Bimha Mine	442 292	349 717	1 871 644	1 963 299	1 959 797
South Pit Mine	873 194	105 693	-	-	-
Ore headgrade (g/t)	3.23	3.24	3.26	3.32	3.32
Ore milled (tonnes)	6 406 187	5 163 499	5 939 277	4 683 136	4 392 731
SMC concentrator	2 236 893	1 936 967	2 096 146	2 225 066	2 275 235
Ngezi concentrator	4 169 294	3 226 532	3 843 131	2 458 070	2 117 496
4E oz in matte produced	583 171	383 962	486 865	394 814	374 791
Platinum	290 410	190 027	239 660	198 104	187 086
Palladium	236 375	154 846	197 623	157 076	149 206
Gold	30 578	21 692	27 250	22 637	21 637
Rhodium	25 808	17 397	22 333	16 997	16 862
4E oz in matte sold	582 833	381 849	477 905	388 850	375 340
Platinum	288 063	188 760	234 396	193 901	187 227
Palladium	238 008	154 403	195 049	155 603	149 750
Gold	30 715	21 621	26 827	22 340	21 647
Rhodium	26 047	17 065	21 633	17 006	16 716
Financial ratios					
Gross margin (%)	17.2%	22.7%	42.3%	47.4%	53.5%
Return on equity (%)	0.8%	(7.8%)	9.5%	7.3%	14.8%
Return on assets (%)	0.6%	(5.5%)	7.1%	5.5%	11.1%
Current ratio	2.4	1.7	2.4	2.5	3.0
Operational indicators					
Capital expenditure (US$000)	68 071	84 526	110 214	156 686	269 514
Gross revenue per 4E oz (US$)	809	1 070	1 205	1 213	1 259
Cash operating cost per 4E oz (US$)	596	767	650	646	611
Cash operating cost per platinum oz (US$)	1 197	1 551	1 319	1 287	1 223
Net cash cost per platinum oz (US$)	417	457	170	212	93
Non-financial indicators					
Permanent employees	3 041▲	3 214	3 268	2 929	2 830
Local spend % of total spend	75%	71%	66%	64%	65%
Lost-time-injury frequency rate (previously reported)	-	0.59	0.41	0.70	0.21
Lost-time-injury frequency rate (revised)	0.58▲	0.88	0.75	1.10	0.52
Total injury frequency rate	1.01▲	1.33	1.37	2.20	2.22
Effluent permits issued (red, high impact)	-	-	-	-	-
Disturbed areas rehabilitated (ha)	16.0	2.5	1.5	4	5

Lost-time-injury frequency rate has been revised to include restricted work cases in the definition of lost-time-injury (refer to page 2).

▲*This item was the subject of the limited assurance engagement performed by EY.*

Board of Directors

Chairman

Dr Fholisani Sydney Mufamadi

MSc, PhD

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

Deputy Chairman

Muchadeyi Ashton Masunda

BL (Hons), FCIArb (UK)

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

Board of Directors (continued)

Chief Executive Officer

Alexander Mhembere

ACIS, ACMA, MBA

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

Chief Finance Officer

Stewart Magaso Mangoma

BCompt (Hons), CA (Z)

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

Board of Directors (continued)

Brenda Berlin

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

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

Terence Philip Goodlace

NHD in Metalliferous Mining, BCom, MBA

Appointed to the board in August 2012. Terence is the chief executive officer of Impala Platinum Holdings Limited. Terence is a member of the safety, health, environment and community (SHEC) committee.

Dr Khotso David Kenneth Mokhele

BSc (Agriculture), MSc, PhD

Appointed to the board in 2007. Dr Mokhele is the immediate past non-executive chairman of Impala Platinum Holdings Limited. He is the lead independent non-executive director of African Oxygen Limited and a non-executive director of Tiger Brands Limited. Dr Mokhele is the chairman of the remuneration committee.

Board of Directors (continued)

Leslie John Paton

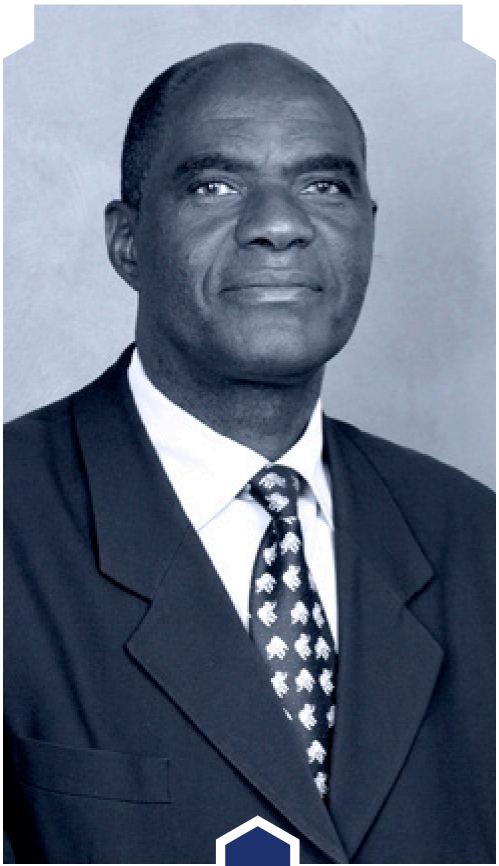
BSc (Hons) Geology, BCom, Pr.Sci Nat FGSSA

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

Zacharias Bernardus Swanepoel

BSc (Mining Engineering), BCom (Hons)

Appointed to the board on 1 July 2015. Bernard is an independent non-executive director of Impala Platinum Holdings Limited and a director at To The Point Growth Specialists (Proprietory) Limited. He serves as a non-executive director on the boards of Sanlam Limited and African Rainbow Minerals Limited. Bernardus is a member of the safety, health, environment and community (SHEC) committee.

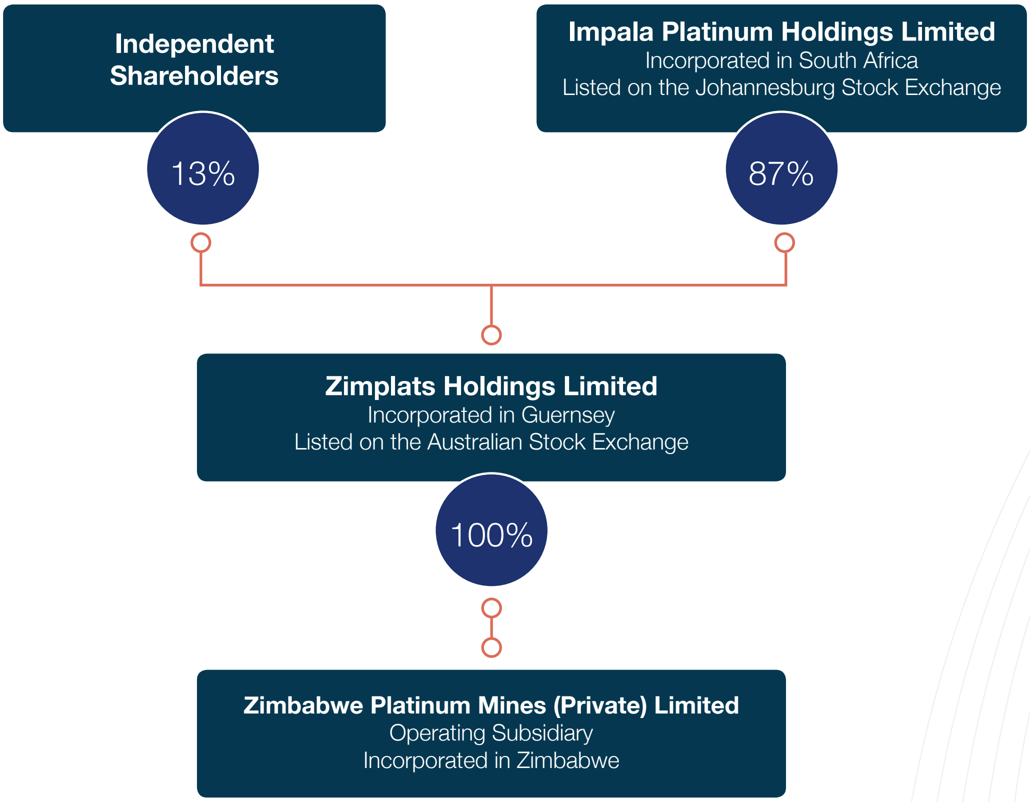


Nyasha Puza Siyabora Zhou

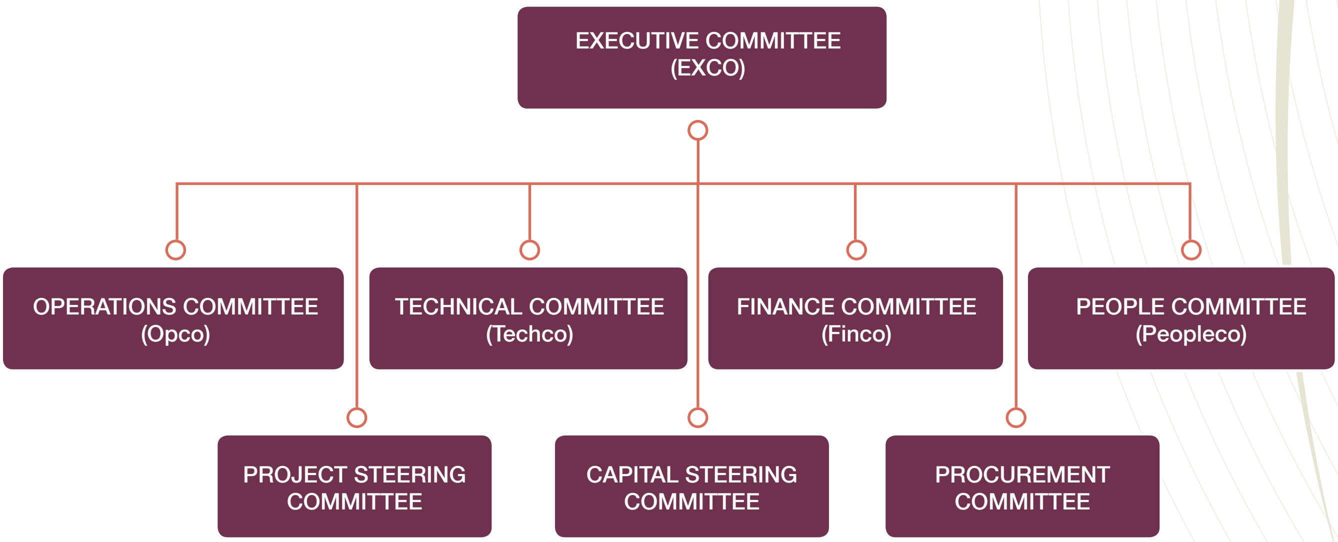
BAcc (UZ), CA (Z), CIMA (UK), MBL (UNISA)

Appointed a director of the main operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, in 2007 and was chairman of the operating subsidiary from 1 March 2013 to 27 October 2015. Nyasha joined the board of Zimplats Holdings Limited in 2010. He is a past president of the Zimbabwe Institute of Chartered Accountants and sits on a number of other boards in Zimbabwe. Nyasha is the chairman of the audit and risk committee and is a member of the remuneration committee.

Corporate Structure



Management Structure



Management Executive Committee

Alexander Mhembere
ACIS, ACMA, MBA
Chief Executive Officer

Alex joined the Group as chief executive officer on 1 October 2007, having formerly been the managing director of a Zimbabwean PGM producer. He is the chief executive officer of Zimplats Holdings Limited and the chairman of the operating subsidiary.

Stewart Mangoma
BCompt (Hons), CA (Z)
Chief Finance Officer

Stewart joined the Group in March 2013 as chief finance officer. Stewart is the chief finance officer of both Zimplats Holdings Limited and the operating subsidiary. He is chairman of the operating subsidiary's finance committee, procurement committee and information technology steering committee and he is a member of the operating subsidiary's project steering committee.

Stanley Segula
BSc (Mining Eng) (Hons) (UZ), MBA, MMCZ
Managing Director

Stanley joined the Group in April 2008 and was appointed chief operating officer of the operating subsidiary in March 2011 and then managing director of the operating subsidiary in November 2015. He was appointed to the board of the operating subsidiary in February 2013.

Takawira Maswiswi
MSc (Tourism & Hospitality), MIPM
General Manager – Human Resources

Takawira joined the Group in February 2012 as general manager – human resources of the operating subsidiary. He is the chairman of the operating subsidiary's people committee.

Management Executive Committee (continued)

Amend Chiduma
BSc (Electrical Eng) (Hons), Mine Engineer's Diploma, General Management Diploma
General Manager – Engineering

Amend joined the Group in 2008 and was appointed general manager – engineering of the operating subsidiary in 2013. He assumed responsibility for all engineering and projects activities for the operating subsidiary in May 2015. He is the chairman of the operating subsidiary's technical committee.

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

Busi joined the Group on 1 November 2008 as the operating subsidiary's head of corporate affairs.

Lysias Chiwozva
B. Eng (Hons) Industrial (NUST), MBA (UZ), MIRM (UK)
Risk and Strategy Manager

Lysias joined the Group in September 2012 as the operating subsidiary's risk and strategy manager.

Garikai Bera
LLB (Hons) (UZ)
Legal Counsel and Company Secretary

Garikai joined the Group in April 2009 and was appointed company secretary of the operating subsidiary in May 2014.

PERFORMANCE REVIEW

02

Market Review

Note: *Periods referred to in this section are mostly calendar years, unless stated otherwise*

Business context

Globally, the mining and minerals sector has faced a challenging few years characterised by depressed commodity prices, sluggish gross domestic product (GDP) growth rates across developed and emerging markets, rising production costs and high levels of exchange rate volatility. The reduction in economic activity, rising geopolitical tensions and economic uncertainty in many regions, compounded by the recent Brexit vote in the United Kingdom, has heightened pressure on governments across the world. There has been increased pressure in particular on resource-dependent middle-income countries, many of which are seeking to extract greater value from resource companies in an effort to deliver on the social expectations of an increasingly frustrated electorate.

These pressures on the global mining sector have been accompanied by market challenges specific to the platinum industry, as well as by the difficult operating conditions in South Africa and Zimbabwe. In the context of subdued global PGM prices, platinum miners are facing heightened stakeholder expectations on a range of fronts: communities are making increasingly vocal demands for economic opportunities and improved local service delivery; governments continue to push for rapid transformation, indigenisation and employment creation; labour unions exert pressure for higher wages and jostle for power; while a cautious investment community maintains its call for enhanced cost efficiencies, capital management and dividends. Regulatory uncertainty continues in South Africa and Zimbabwe and the region faces on-going challenges in electricity supply, pressure on water availability following the El Niño drought, rising input costs, depreciating local currencies and a challenging labour relations environment.

The global macroeconomic picture remains uncertain

Uncertainty about how the global economy will grow this year and next remains. This is reflected in the continued growth downgrades by the International Monetary Fund (IMF). The IMF's release of its World Economic Outlook update in July 2016 highlighted a modest 3.1% baseline projection for global growth in 2016. However, this was a 0.3% downward revision relative to the January 2016 update and 0.5% down against the October 2015 report. Economic growth is projected to strengthen in 2017 to 3.4%, driven primarily by emerging markets and developing economies, as conditions in stressed economies start to gradually normalise. However, the uncertainty caused by the Brexit vote may lead to lower economic growth in general.

Despite the global macroeconomic uncertainty, overall demand for PGMs from major sectors remained healthy during 2015 and continued to hold its ground during the first half of 2016. Secondary PGM supply was affected by the low PGM and steel price environment, which led to some hoarding by collectors. Primary PGM supply continues to be at risk due to the continued lack of capital investment and the challenging mining environment in Southern Africa. The low price environment has meant some unprofitable shafts have been closed, while

Source: Impala Platinum Holdings Limited

Market Review (continued)

challenges in terms of section 54 safety stoppages, the increasing cost of production and tragic safety incidents remain.

Market performance

The platinum and palladium markets remained in a fundamental deficit during 2015, while the rhodium market showed a small surplus. For platinum and palladium, the fundamental deficits have remained since 2012, driven by a healthy demand being unmet by both primary and secondary supply as accumulated above ground stocks continued to satisfy the market. The rhodium surplus in 2015 was mainly driven by major producers and traders selling their holdings to the automotive and industrial sectors during the year. For all three metals, these trends continued during the first half of 2016 and are expected to continue during the second half. Platinum and palladium markets are expected to remain in fundamental deficit during 2016 and the rhodium market is expected to remain in surplus. Accumulated above ground stocks will continue to provide some measure of support during this period.

Platinum prices started the financial year (July 2015) at US$1 085 per ounce and continued their decline reaching a low of US$ 814 per ounce in January 2016. This was driven by the pervasive negative sentiment towards industrial metals, rather than their fundamentals. However, prices bounced back after January 2016, to reach US$1 084 per ounce during May 2016. The price increase was on the back of positive investor sentiment, healthy demand and tight supply conditions from South Africa during the first quarter of calendar year 2016. Platinum sponge shortages during this period mainly affected the premium paid for sponge over ingots and did not sustain any upward price movement and prices closed lower at US$ 999 per ounce at the end of June 2016. At last practicable date of this annual report the platinum price was US$1 048 per oz.

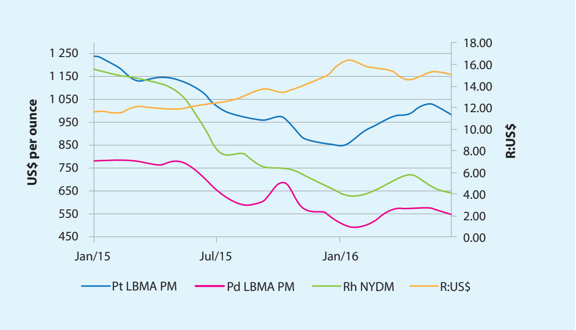
Palladium prices opened the financial year at US$687 per ounce reaching a high of US$723 per ounce in September 2015 a level not reached again during the period under review. Palladium closed the financial year at US$589 after reaching a low of US$465 per ounce in January 2016. As with platinum, the palladium price tracked macroeconomic factors, in particular the news of the cooling Chinese economy and negative investor sentiment, rather than demonstrating the metal's fundamentals.

Source: Impala Platinum Holdings Limited

At last practicable date of this annual report the palladium price was US$668 per oz.

In contrast to platinum and palladium, rhodium prices reflected market fundamentals of supply and demand throughout the period under review. The overall price of rhodium declined from US$813 per ounce in July 2015, to close at US$650 per ounce at the end of June 2016 on the back of a generally oversupplied market.

The 23% depreciation of the rand dollar exchange rate and some restricted appreciation of prices post January 2016 did support rand prices for PGMs, giving partial relief to cash-constrained South African platinum miners.



Automotive

Overall, 2015 was a relatively positive year for the global automotive industry, which achieved 1.8% growth for light-duty vehicle sales, reaching 88 million units. This was the slowest growth rate since 2009 due to declines in units sold in Japan, South America and Russia. However, these declines were offset by record sales in North America, Western Europe and China. Concerns over the sustainability of diesel demand in Western Europe have proven to be largely unfounded and sales remain robust. Diesel is a key part of automakers' strategy in meeting stringent carbon dioxide emissions targets. Issues around the "cheat devices" have served to tighten emissions test protocols, potentially boosting PGM demand in this application.

The first half year-to-date sales in North America, Western Europe and China were similarly encouraging at growth rates of 1.4%, 8.4% and 9.2% respectively. However, growing concerns about financial volatility in these markets may result in the second half being flatter, with estimated global light-duty vehicle sales reaching 90 million units in 2016.

Market Review (continued)

Light-duty vehicle sales				
			Forecast	Forecast
Units: Millions	**2014**	**2015**	**2016**	**2016 Growth**
North America	16.5	17.4	17.8	2%
Western Europe	12.1	13.2	13.9	5%
China	19.7	21.2	22.5	6%
Japan	5.6	5.1	4.6	(10%)
Rest of the world	32.5	31.2	31.5	1%
Total	**86.5**	**88.1**	**90.2**	**4%**

Despite the on-going substitution of platinum with palladium in gasoline and some diesel autocatalysts, platinum demand continued to benefit from growing use in light- and heavy-duty diesel vehicles, which exceeded 3.2 million ounces in 2015. The growth in vehicle sales and the substitution of platinum by palladium resulted in palladium demand from the automotive sector reaching 7.7 million ounces in 2015. For rhodium, the use in autocatalysts amounted to 0.83 million ounces during 2015, autocatalyst thrifting was offset by increased requirements for rhodium in diesel vehicles.

Jewellery

The 2015 PGI retail barometer showed the economic slow-down in China affecting the jewellery industry, resulting in Chinese platinum jewellery demand declining by 4% during 2015. This was partially offset by growth in other regions. India recorded a 24% increase on the back of the "Platinum Day of Love" programme and better market penetration, while the "Evara" programme drove demand for heavier jewellery for both men and women. The 10% growth in the US was largely driven by low platinum prices, which incentivised manufacturers and retailers to stock and sell platinum. The 2.7% growth seen in Japan was due to the trend of bridal couples buying matching platinum wedding rings instead of buying one ring for the bride, while non-bridal platinum demand benefited from an increase in purchases of heavier items, such as necklaces and pendants. Global platinum jewellery demand declined by just 5 000 ounces, reaching 3.025 million ounces during 2015.

The first half of 2016 has been challenging, especially in China where retailers experienced a slow start during the first quarter due largely to a short sales season caused by an overlap of the Chinese New Year and Valentine's Day. However, there were robust sales in India and the US, and the Japanese preference for platinum (under favourable metal prices) over white gold meant that first half sales in 2016 were similar to the previous comparable period.

Industrial

Industrial demand remained healthy in 2015 and into the first half of 2016, driven largely by chemical, electrical and fuel cell applications. Industrial demand amounted to 2 million platinum ounces, 1.95 million palladium ounces and 0.16 million rhodium ounces.

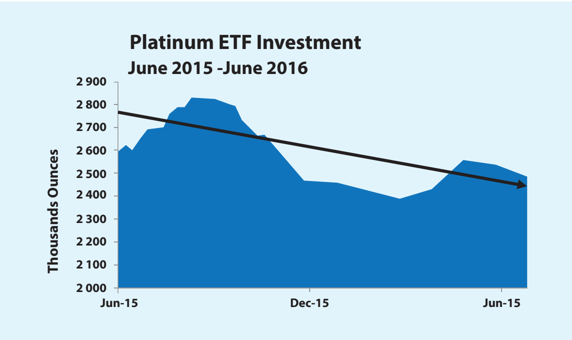
The first half of 2016 saw moderate gains in demand for platinum from the industrial sector, driven by growth in new plants and plant expansions in the petroleum industry and by projects in the chemicals and glass sectors. Palladium demand during the first half of the year remained comparatively flat, while demand for rhodium was moderately higher.

Source: Impala Platinum Holdings Limited

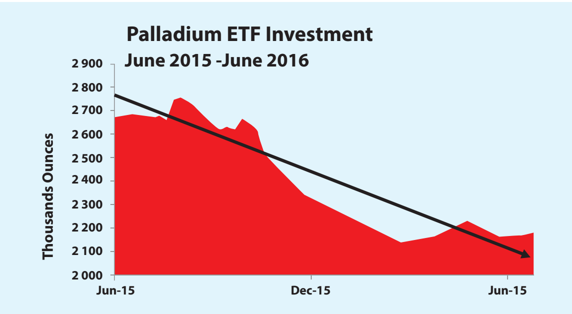
Market Review (continued)

Investment

Platinum and palladium exchange traded funds (ETFs) sales in the second half of 2015 continued during the first half of 2016. For platinum, the net liquidations amounted to 40 000 ounces, primarily due to South African funds liquidating 160 000 ounces during the first half of 2016. This was on the back of rand weakness, which prompted profit-taking, with some investors swapping into producer equities, as seen in share price gains and the high level of trading volumes during the first half of 2016.



There were net ETF liquidations of 130 000 palladium ounces during the first half of 2016. These liquidations were more pronounced than platinum due to concerns about the Chinese economy and its effect on palladium demand.



The wider spread of gold to platinum prices and falling local platinum prices continued to generate general public interest in buying platinum mini-bars in Japan during the first half of the year. The 325 000 ounces bought offset liquidations in the platinum ETFs.

Changes in New York Merchantile Exchange (NYMEX) Tokyo Commodity Exchange (TOCOM) positioning were divergent during the first half of the year. While platinum increased by 140 000 ounces, palladium declined by 375 000 ounces. The increase in the platinum net position was driven by reductions in shorts, while the decline in the palladium net position was due to reductions in long positions and increased short positions on NYMEX. The short positioning in palladium remains high relative to historic levels and is expected to drive palladium prices in the medium term.

Outlook

In our view, the platinum and palladium markets will remain in another fundamental deficit during 2016, the fifth year in a row. Rhodium will remain in a small fundamental surplus.

We expect growth in automotive and industrial demand for platinum and palladium, with relatively flat demand from the jewellery sector. The demand will not be fully met by primary and secondary supply. We expect, in the low price environment, that recycling will remain sluggish. In addition, primary South African producers now have less flexibility to supplement supplies with metal from stocks as these have been depleted to supplement cash flows. We expect diminishing above-ground stocks to continue to satisfy fundamental deficits during 2016.

The continued and growing preference for palladium over platinum in gasoline and diesel catalyst systems remains a concern. The current use on some gasoline systems is at a ratio of 7:1 Pd:Pt and higher, while global supply is at a ratio of around 1.2:1 Pd:Pt, a significant mismatch. Our view, and that of several PGM analysts, is that the palladium market will remain in a significant fundamental deficit over the next 10 years. Above-ground liquid stocks and increasing autocatalyst recycling are not expected to sufficiently cover the deficits. Absent any expected increase in primary supply, the picture is clearly not sustainable.

Platinum

Platinum demand (excluding investment) is expected to grow at 1.3% in 2016 driven by modest growth in automotive and industrial applications, while jewellery demand is expected to remain relatively subdued. Primary and secondary supplies are not expected to fully match the growth in demand, hence we expect platinum to be in fundamental deficit in 2016.

Source: Impala Platinum Holdings Limited

Market Review (continued)

Platinum supply/demand outlook '000 oz	2016 (Forecast)	2015
Demand		
Automotive	3 350	3 295
Jewellery	3 025	3 025
Industrial	2 050	2 000
Investment	285	220
Total demand	**8 710**	**8 540**
Supply		
South Africa	3 985	4 210
Zimbabwe	450	415
North America	360	320
Recycle	2 220	1 955
Russian sales	680	700
Others	115	100
Total supply	**7 810**	**7 700**
Movement in stocks	(900)	(840)

Palladium

We expect relatively flat palladium demand during 2016 compared to 2015, if palladium investment is excluded. As with platinum, primary and secondary supplies of palladium are not expected to meet demand, hence we expect palladium to be in a fundamental deficit in 2016.

Palladium supply/demand outlook '000 oz	2016 (Forecast)	2015
Demand		
Automotive	7 730	7 700
Industrial	1 940	1 950
Investment	(130)	(660)
Jewellery	100	130
Total demand	**9 640**	**9 120**
Supply		
South Africa	2 290	2 350
Zimbabwe	420	400
North America	955	930
Russian sales	2 400	2 605
Recycle	2 930	2 510
Others	100	120
Total supply	**9 095**	**8 915**
Movement in stocks	(545)	(205)

Source: Impala Platinum Holdings Limited

Rhodium

Growing automotive and industrial demand, especially in the Asian markets, should be modestly positive for rhodium demand in 2016. The availability of the metal in the market should keep rhodium in surplus during 2016.

Rhodium supply/demand outlook '000 oz	2016 (Forecast)	2015
Demand		
Automotive	830	820
Industrial	170	160
Investment	-	(5)
Total demand	**1 000**	**975**
Supply		
South Africa	600	610
Zimbabwe	40	35
North America	25	25
Russian sales	65	65
Recycle	345	280
Others	5	5
Total supply	**1 080**	**1 020**
Movement in stocks	80	45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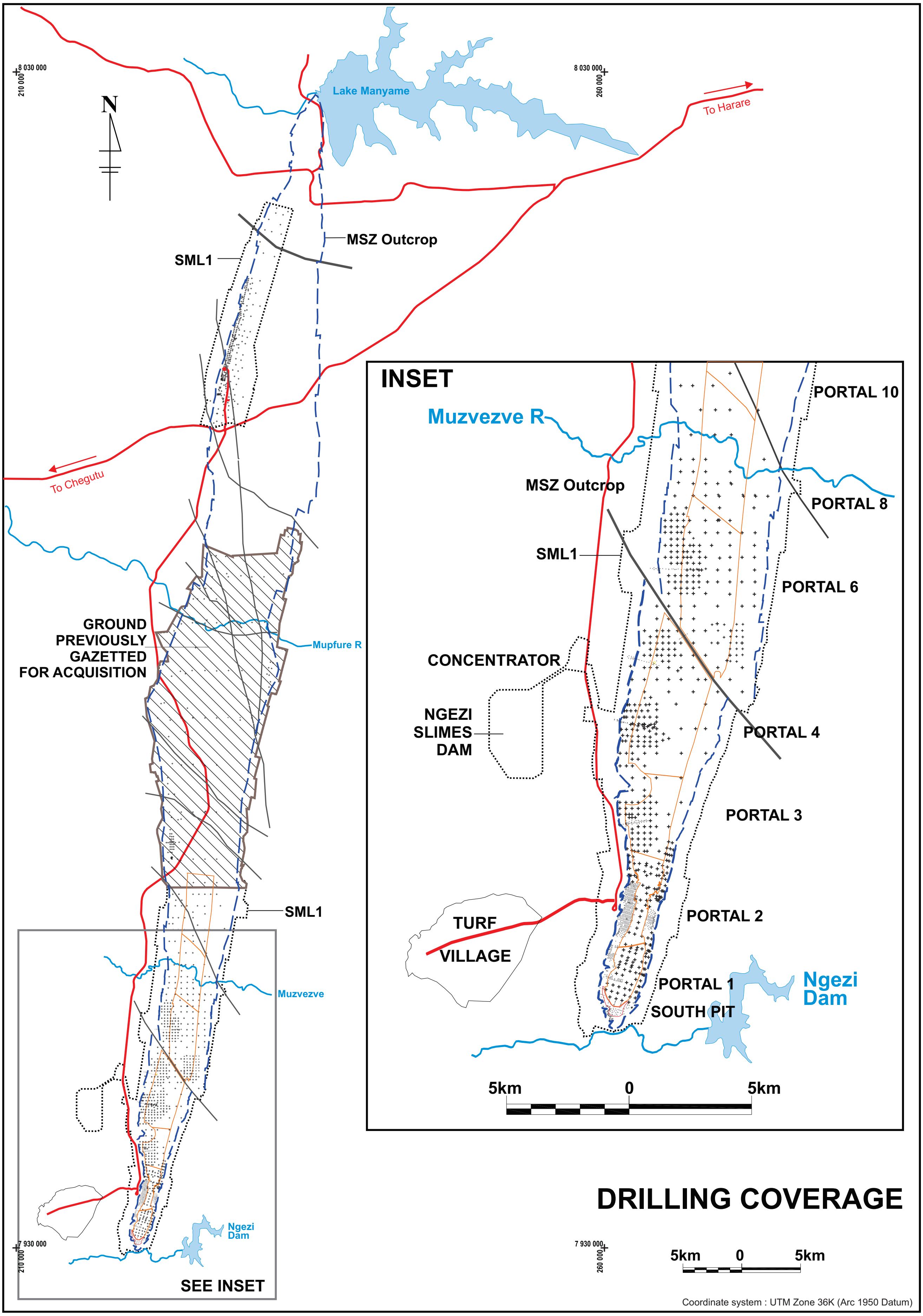


Figure 1: Drilling Summary

Mineral Resources and Ore Reserves Summary

Geology

The 2.58 billion-year old Great Dyke is located on the Zimbabwe Craton and is described as an elongate layered igneous intrusion into the Archean granites and greenstone belts. It is a structure that runs along practically the full north-south axis of Zimbabwe, measuring approximately 550 kilometres in length and ranging in width from four to eleven kilometres. It is a very prominent feature of the geology of Zimbabwe and it outcrops as a series of hills on the generally flat terrain. On satellite photos the "concentric" elongate layered units are distinct and visible even to the untrained eye.

The Great Dyke developed as a series of initially discrete magma chambers, which coalesced as the chambers filled. On the basis of structure, style of layering and continuity of layers, the Great Dyke has been sub-divided into five sub-chambers namely the Wedza, Selukwe (Shurugwi), Sebakwe, Darwendale and Musengezi subchambers and the stratigraphic units in each sub-chamber are classified into the ultramafic (lower) and the mafic (upper) sequence. The ultramafics are dominated from the base upwards by dunite, harzburgite and pyroxenite while the mafics consist mainly of gabbro and gabbronorite. Narrow layers of chromitite occur at the base of cyclic units throughout the ultramafic sequence. The most important segment of the Great Dyke is the Hartley Complex which is the 100 kilometre long portion that straddles the boundary between the Sebakwe and Darwendale sub-chambers. It contains approximately 80 per cent of the total PGM resources in Zimbabwe. PGM distribution within the Hartley Complex is asymmetric with higher grade, narrower profiles along the western margin.

The platinum-bearing horizon is known as the Main Sulphide Zone (MSZ) which is part of the lower sequence and is located from about 5m up to 50m below the contact with the mafic sequence. Much of the MSZ and overlying mafic sequence have been eroded away and part of the Mafic sequences remain as the hills of the Great Dyke and outcrops of the MSZ have been mapped adjacent to the hills. The MSZ is a thin, continuous, stratiform zone whose upper layers have a high sulphide enrichment of 2 to 8 % of iron - nickel - copper sulphides and is remarkably persistent in all subchambers. It occurs all along the Great Dyke where it overlaps the bronzitite/ websterite contact and ranges from 2 to 10 m thick 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) and contains up to 5% disseminated sulphides while the sulphide content of the rest of the PGM zone is less than 0.5%. This drop in sulphide content with depth in the MSZ is related to the distribution of metal grades in the ore body so it is generally used as a grade marker to identify the ore zone during mining and exploration activities. It can normally be located visually in drill core and with careful observation it can also be identified underground.

The experience at Zimplats is that the distribution of metal grades in the MSZ is fairly consistent across the mines and also on wide spaced drill holes. The Great Dyke has however been affected by extensive faulting of various magnitudes and it is important for the mining operations to locate larger faults ahead of mining and plan efficient strategies to mine across any reef displacements. Reef parallel shears can have a significant negative effect on the geotechnical characteristics of the rock including regional ground stability.

The mineralisation is vertically gradational and distributed around this high-grade pivot zone which is the marker horizon. The selected cut on which Mineral Resources are based is determined by economic cut off within the MSZ and not based on a geological boundary. Given the difficulty of visually locating the MSZ, the smaller faults and related jointing give rise to inherent dilution of ore during mining. The effect of dilution is minimised because of the gentle transition from economic to sub economic grades especially in the footwall. Other disruptions to the mineralisation include post mineralisation intrusions into the MSZ such as large areas of disrupted metal profiles and washouts have been located elsewhere in the MSZ though no Bushveld style potholes have been mapped at Ngezi.

Mineral Resources and Ore Reserves Summary (continued)

Mining Method

Production at Zimplats is from trackless mechanised underground operations and one contractor operated open-pit mine. The four underground mines use a room and pillar mining method which is designed to extract ore from a 2.5 metre (m) cut in the production stoping sections and up to 3.5m in the main development roadways. The underground mines are set out on dips of less than 9° while the open pit is operating on dips less than 6°. Work is underway to establish an equally efficient means of mining the resources which exceed 9° up to an initial target of 14° using appropriate low profile trackless mining machinery (TMM).

The mining envelope for the underground operations has been increased from 3km on strike to 6km while using the same equipment and maintaining the same efficiencies as on the shorter strike. The access declines (incline shafts) are centralised in each of the mines' resource boundaries, which splits each of the mines into a North and South Section. The position of the declines is governed by the local geology and ground conditions therefore there is invariably some asymmetry between the 2 sections of the mine and this is regularised during the mine production sequencing and scheduling. The TMM consist of a low profile (LP) single boom face rig, for production drilling, and an LP roof bolter ,for support drilling, a 10t load and haul (LHD) and a 30t dump truck.

At the various portals, the broken rock is either trucked out to a surface crusher or tipped into an underground ore pass and then conveyed to surface using the footwall decline conveyor. Some portals employ the use of an underground crushing plant and the crushed ore is conveyed to surface.

Mining operations are conducted by self–directed work teams (SDWT) which are allocated about twenty rooms and the total face length is dependent on the size (width) of the pillars and rooms. This enables the SDWT to adhere to a production mining cycle consisting of face drilling, support installation, loading and hauling with adequate panel redundancy to achieve set production targets. This also allows sufficient flexibility for the required grade control sampling and to negotiate faults and barren intrusions while still meeting the SDWT's production targets. Mining is guided by face sampling which is carried out using various methods including cut channels or X-Ray fluorescence analysis at the face to allow each team to achieve its production target which ranges from 17 500 tonnes to above 20 000 tonnes of ore per month. The production targets are governed by face geometry, operational factors as well as ground conditions and the pillar layout in the particular mining area. The typical layout comprises 7m panels with different sizes of in-stope pillars which are determined by depth below surface. These are surrounded by large barrier pillars setting out and 200m by 200m 'paddock'. This pillar layout is meant to contain the likelihood of cascading pillar failure should in-stope pillars fail. Portals 1 and 2 do not have barrier pillars or paddocks owing to their shallow depth below surface.

At all the mines, the spans of rooms may decrease and pillar dimensions may increase in bad ground. A combination of roof bolts and tendons is integral to the support design.

Mineral Resources and Ore Reserves Summary (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	6E g/t	Pt Moz	4E Moz	6E Moz	Thickness (metres)
Ngezi South Open Pit														
	Measured	11	1.75	1.30	0.26	0.14	0.10	0.07	3.44	3.62	0.6	1.2	1.3	2.5
a	Total	11	1.75	1.30	0.26	0.14	0.10	0.07	3.44	3.62	0.6	1.2	1.3	2.5
Ngezi Portals - Flat - P1-P4N														
	Measured	63	1.72	1.34	0.24	0.14	0.10	0.07	3.44	3.62	3.5	7.0	7.4	2.5
	Indicated	81	1.72	1.30	0.24	0.14	0.10	0.08	3.40	3.58	4.5	8.8	9.3	2.5
a	Total	144	1.72	1.32	0.24	0.14	0.10	0.08	3.41	3.60	8.0	15.8	16.7	2.5
Ngezi Portals - Flat P6 - P10														
	Measured	27	1.65	1.30	0.24	0.14	0.11	0.07	3.33	3.52	1.4	2.9	3.0	2.5
	Indicated	193	1.71	1.26	0.27	0.13	0.12	0.08	3.37	3.55	10.6	21.0	22.1	2.3
	Inferred													
a	Total	220	1.70	1.27	0.27	0.14	0.12	0.08	3.37	3.55	12.0	23.8	25.1	2.3
Ngezi Portals - Steep P2-P10														
	Measured	45	1.57	1.31	0.23	0.14	0.11	0.09	3.25	3.43	2.3	4.7	4.9	2.5
	Indicated	192	1.64	1.31	0.25	0.14	0.11	0.09	3.33	3.52	10.1	20.6	21.7	2.4
	Inferred	72	1.75	1.08	0.29	0.12	0.12	0.08	3.25	3.41	4.1	7.5	7.9	2.0
a	Total	309	1.65	1.26	0.25	0.13	0.11	0.09	3.30	3.48	16.4	32.8	34.6	2.3
Ngezi Mining Lease north of Portal 10 - Ground Previously Gazetted for Compulsory Acquisition														
e	Indicated	70	1.51	1.40	0.36	0.17	0.20	0.18	3.44	3.70	3.4	7.7	8.3	1.9
e	Inferred	1 021	1.53	1.30	0.23	0.16	0.12	0.09	3.22	3.50	50.2	105.7	114.9	2.4
b	Total	1 091	1.53	1.31	0.24	0.16	0.13	0.10	3.23	3.51	53.6	113.4	123.2	2.4
Hartley														
	Measured	28	2.24	1.77	0.33	0.19	0.14	0.12	4.53	4.78	2.0	4.1	4.3	1.6
	Indicated	143	2.01	1.49	0.31	0.16	0.13	0.11	3.97	4.19	9.3	18.3	19.3	1.9
	Inferred	46	1.99	1.44	0.30	0.16	0.13	0.10	3.89	4.10	3.0	5.8	6.1	1.9
b	Total	218	2.04	1.51	0.31	0.17	0.13	0.11	4.03	4.25	14.2	28.2	29.7	1.9
Oxides - all areas														
	Indicated	16	1.75	1.27	0.26	0.14	0.10	0.07	3.42	3.61	0.9	1.8	1.9	2.5
	Inferred	38	1.75	1.38	0.28	0.15	0.12	0.10	3.56	3.76	2.2	4.4	4.6	2.2
e	Inferred North of Portal 10	21	1.51	1.27	0.26	0.13	0.12	0.10	3.17	3.44	1.0	2.1	2.3	2.4
c	Total	75	1.68	1.33	0.27	0.14	0.11	0.09	3.42	3.64	4.1	8.3	8.8	2.3
Overall														
	Measured	174	1.76	1.39	0.25	0.15	0.11	0.09	3.55	3.74	9.8	19.9	21.0	2.4
	Indicated	695	1.73	1.34	0.28	0.15	0.13	0.10	3.50	3.69	38.7	78.2	82.6	2.2
	Inferred	1 199	1.57	1.29	0.24	0.16	0.12	0.09	3.26	3.53	60.4	125.6	135.9	2.3
d	Total	2 068	1.64	1.32	0.25	0.15	0.12	0.09	3.36	3.60	109.0	223.6	239.4	2.3

Notes

a Thicknesses are discrete 2.5m or 2.0m over a whole portal footprint. The chosen width is based on economic cut off
b Thicknesses based on variable composite widths
c Oxides have lower metallurgical recovery than sulphides with conventional technology and are currently marginal to sub economic. Oxides are rarely sampled directly therefore some elements, particularly Pd, may be depleted relative to the figures quoted above
d Mineral Resources have inherent dilution taken into account. Mining pillar losses are not accounted for in the resource estimates
e Resources previously gazetted for compulsory acquistion by Government of Zimbabwe in March 2013

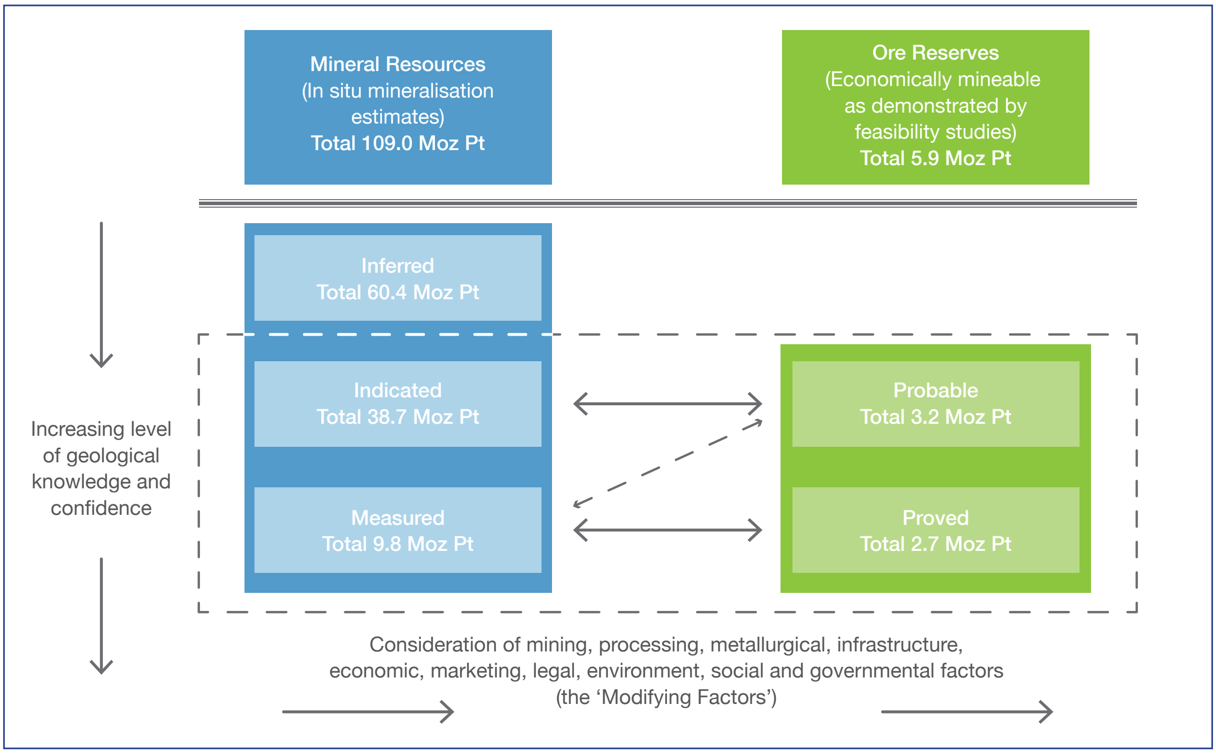
4E refers to Pt+Pd+Rh+Au combined grade, 6E referes to Pt+Pd+Rh+Au+Ir+Ru combined grade and in some cases Ir and Ru grades are assigned by prill split rather than separate estimation Ni (S)% is nickel in sulphide. This is amenable to recovery by flotation.

Mineral Resources and Ore Reserves Summary (continued)

		Tonnes Millions	Pt g/t	Pd g/t	Au g/t	Rh g/t	Ni (S)%	Cu %	4E g/t	6E g/t	Pt Moz	4E Moz	6E Moz	Thickness (metres)
ORE RESERVES														
Ngezi South Open Pit														
	Proved	2.2	1.49	1.26	0.21	0.13	0.09	0.05	3.09	3.26	0.11	0.2	0.2	3.0
a	Total	2.2	1.49	1.26	0.21	0.13	0.09	0.05	3.09	3.26	0.1	0.2	0.2	3.0
Ngezi Portals - Flat - P1-P4N														
	Proved	49.1	1.64	1.33	0.22	0.14	0.10	0.07	3.32	3.51	2.6	5.2	5.5	2.7
	Probable	60.1	1.64	1.31	0.22	0.14	0.10	0.07	3.31	3.43	3.2	6.4	6.6	2.8
a	Total	109.2	1.64	1.31	0.22	0.14	0.10	0.07	3.32	3.46	5.8	11.6	12.2	2.7
Ngezi Portals - Flat P6 - P10														
Ngezi Portals - Steep P2-P10														
Ngezi Mining Lease north of Portal 10 - Ground Previously Gazetted for Compulsory Acquisition														
Hartley														
Oxides - all areas														
Overall														
	Proved	51.3	1.63	1.32	0.22	0.14	0.10	0.07	3.31	3.50	2.7	5.5	5.8	2.76
	Probable	60.1	1.64	1.31	0.22	0.14	0.10	0.07	3.31	3.43	3.2	6.4	6.6	2.75
	Total	111.5	1.64	1.31	0.22	0.14	0.10	0.07	3.31	3.46	5.9	11.9	12.4	2.75

Mineral Resources and Ore Reserves Summary (continued)

Relationship between Mineral Resources and Ore Reserves as at 30 June 2016



Mineral Resources (inclusive of reserves)

Category	2016				2015			
	Tonnage (millions)	4E (g/t)	6E (g/t)	Pt oz (millions)	Tonnage (millions)	4E (g/t)	6E (g/t)	Pt oz (millions)
Measured	174	3.55	3.74	9.8	177	3.53	3.72	9.9
Indicated	695	3.50	3.69	38.7	684	3.49	3.69	37.9
Inferred	1 199	3.26	3.53	60.4	1 199	3.26	3.53	60.4
Total	**2 068**	**3.36**	**3.60**	**109.0**	**2 060**	**3.36**	**3.60**	**108.3**

Ore Reserves

Category	2016				2015			
	Tonnage (millions)	4E (g/t)	6E (g/t)	Pt oz (millions)	Tonnage (millions)	4E (g/t)	6E (g/t)	Pt oz (millions)
Proved	51.3	3.31	3.50	2.7	21.0	3.31	3.50	1.1
Probable	60.1	3.31	3.43	3.2	59.6	3.37	3.56	3.2
Total	**111.5**	**3.31**	**3.46**	**5.9**	**80.6**	**3.36**	**3.54**	**4.3**

Mineral Resources and Ore Reserves Summary (continued)

There has been an increase of the Mineral Resources relative to the 30 June 2015 position mainly as a result of the re-estimation of the Portal 6 Mineral Resources in the bankable feasibility study. Overall, the Mineral Resources marginally increased in tonnage by 1% while there was no change in the 4E grade.

The numeric modelling exercise carried out by independent geotechnical engineers to firm up on the pillar layout that has been adopted at the mines has been completed and the average ore extraction ratios of 66% at Mupfuti Mine and 68% at Bimha Mine will continue to apply. The new pillar layouts will also be applied to mine designs for new projects.

Ore Reserves for Portal 4N (formerly Portal 5S), which had been excluded in the June 2015 statement to enable the completion of geotechnical investigations that would lead to a revision of mine design based on a new pillar layout, have been re-included in this statement. The conclusion of the geotechnical investigations has also enabled a return to the policy of converting all measured Mineral Resources at Bimha and Mupfuti mines to proved Ore Reserves while converting the indicated Mineral Resources in these areas to probable Ore Reserves. Overall, the Ore Reserves increased in tonnage by 38% while the 4E grade decreased by 1%.

Assurance

The Mineral Corporation has undertaken an audit of Zimplats as part of the Implats group-wide Mineral Resources and Ore Reserves statement, as at 30 June 2016. A review of Zimplats' policies and procedures with respect to the estimation and reporting of Mineral Resources and Ore Reserves was undertaken as well as audits to assess adherence of the Portal 6 Mineral Resources estimates to these policies and procedures. The Mineral Corporation then reviewed the consolidated Mineral Resources and Ore Reserves statements for Zimplats. The Mineral Corporation concluded that Zimplats has demonstrated to their satisfaction that the Company policies and procedures, if followed, would result in the reporting of Mineral Resources and Ore Reserves estimates which are compliant with the 2012 Edition of the JORC Code. No material issues were identified in the audits and hence The Mineral Corporation is of the view that Zimplats' policies and procedures have been followed. The Mineral Resources estimates satisfy the JORC Code requirement for reasonable prospects for eventual economic extraction. The Ore Reserves estimates are based on life of mine plans, with their extraction having been demonstrated to be financially viable and justifiable under a set of realistically assumed production levels, modifying factors and economic inputs. There were no issues identified in the source and consolidated statements in relation to summation, rounding off and presentation of the estimates.

Notes

- Mineral Resources tonnages and grades are estimated in situ over a minimum mining width. Measured and Indicated Mineral Resources are reported inclusive of those Mineral Resources modified to produce Ore Reserves.
- Historical statistics are used as the basis of the unavoidable dilution to the mine grades and the Ore Reserves figures are estimated based on the diluted grades.
- 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.
- The main grade interpolation methodology utilised Kriging techniques on data derived from surface diamond drill holes. Estimates are based on composite widths that vary depending on cut off grades, which are based on appropriate economic conditions.
- The boundaries of the ore envelope are gradational, particularly in the footwall, so the choice of mining cut is affected by economic factors. The price of the suite of metals that is produced from the MSZ has fluctuated considerably in the last few years. It is, however, believed that the choice of mining cut is robust under a wide range of pricing conditions.
- Estimates are produced in accordance with Implats' group-wide protocol for the estimation, classification and reporting of Mineral Resources and Ore Reserves. The objectives of the code are to improve standardisation, consistency and to facilitate auditing.
- The maximum depth of these resources is 1 250m and no

Mineral Resources and Ore Reserves Summary (continued)

part is more than 5km down dip from outcrop; therefore any part is theoretically accessible to mining within a 10 to 15 year time frame.

- The Zimplats operations are entitled to mine all declared Mineral Resources located under Special Mining Lease 1 and all necessary statutory mining authorisation and permits are in place. The first tenure of 25 years will expire in 2019. The agreement allows for two extensions of ten years each.
- In March 2013, the Government of Zimbabwe gazetted a preliminary notice of its intention to compulsorily acquire a large portion of ground (measuring 27 948 hectares) held under the operating subsidiary's special mining lease and situated on the North of Portal 10 which amounts to 54.6 Moz Pt. In March 2013 the operating subsidiary lodged a formal objection to the preliminary notice to compulsorily acquire the land. From June 2015 the operating subsidiary was actively engaged in discussions with the Ministry of Mines and Mining Development in an endeavour to resolve the matter amicably. However, on 29 June 2016 the operating subsidiary was served with an application filed in the Administrative Court of Zimbabwe in which the Government of Zimbabwe is seeking an order authorising the acquisition by the Government of Zimbabwe of the land described in the preliminary notice referred to above. The Company was cited as the respondent in the application. Papers opposing the application were filed on behalf of the Company and the operating subsidiary. The matter is therefore pending in the Administrative Court of Zimbabwe. The operating subsidiary will however still seek to have the matter resolved amicably. Depending on the outcome of the matter in the Administrative Court, or the outcome of any further discussions that the operating subsidiary may have with the Government of Zimbabwe on the matter, the Zimplats Mineral Resources may be significantly reduced.
- Zimplats operations have documented the guidelines and modifying factors that underpin the life-of-mine (LOM) plans which are supported by mine designs and production schedules.
- The Mineral Resources and Ore Reserves tabulated in this report are estimates and not calculations. They are subject to a wide range of factors, some of which are outside the Company's control, which include:-
  - The quality and quantity of available data. Estimates are based on limited sampling and, consequently, there is uncertainty as the samples may not be representative of the entire ore body and Mineral Resources.
  - The quality of the methodologies employed.
  - Economic conditions and commodity prices.
- Geological interpretation and the judgment of the individuals involved. Changes in these factors along with developments in the understanding of the ore body and changes in recovery rates, production costs and other factors may ultimately result in a restatement of Ore Reserves and/or Mineral Resources and may adversely impact future cash flows.
- To mitigate this risk, the Company appoints independent third parties to review the Mineral Resources and Ore Reserves estimates on a regular basis and mining project feasibilities studies are subject to independent review prior to applying to the board for capital approval.
- Rounding-off of numbers may result in minor computational discrepancies.

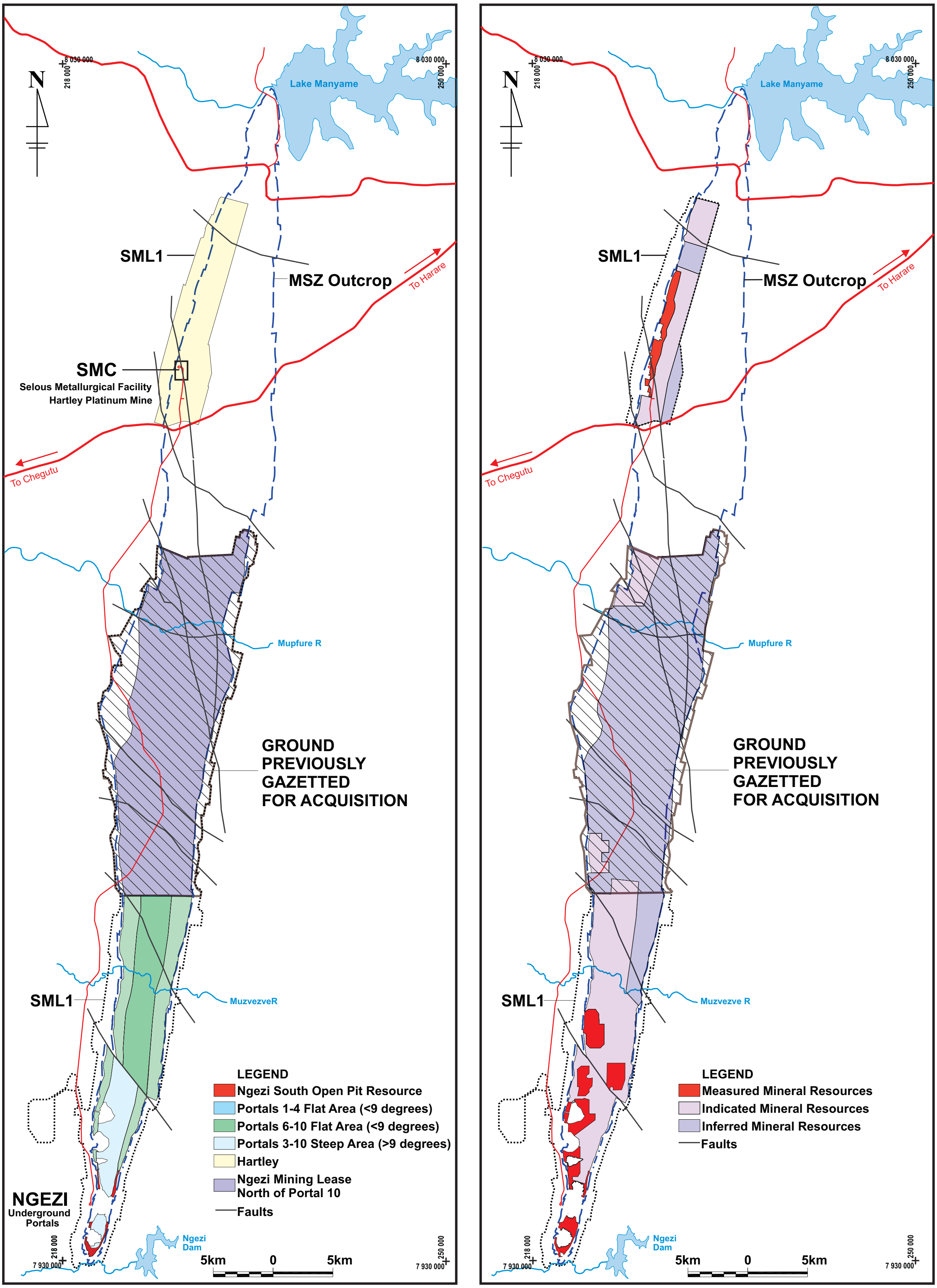
Competent Persons

The information in this report was prepared in accordance with the JORC Code of 2012 by competent persons who are full time employees of the Company and have the required five years' experience relevant to the style of mineralisation and type of deposit described in this report.

The competent persons, listed below, have signed the required statement and consent for the release of this report in the form and context in which it appears.

Competent Person	Area of Responsibility	Professional Membership	Membership Number
Caston Mutevhe	Ore Reserves	The South African Institute of Mining and Metallurgy	704612
Steven Duma	Mineral Resources and Exploration	The Australasian Institute of Mining and Metallurgy	991294

Mineral Resources and Ore Reserves Summary (continued)



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

Figure 2: Plan of Ore Reserves and Mineral Resources

Sustainability Matters

Management approach

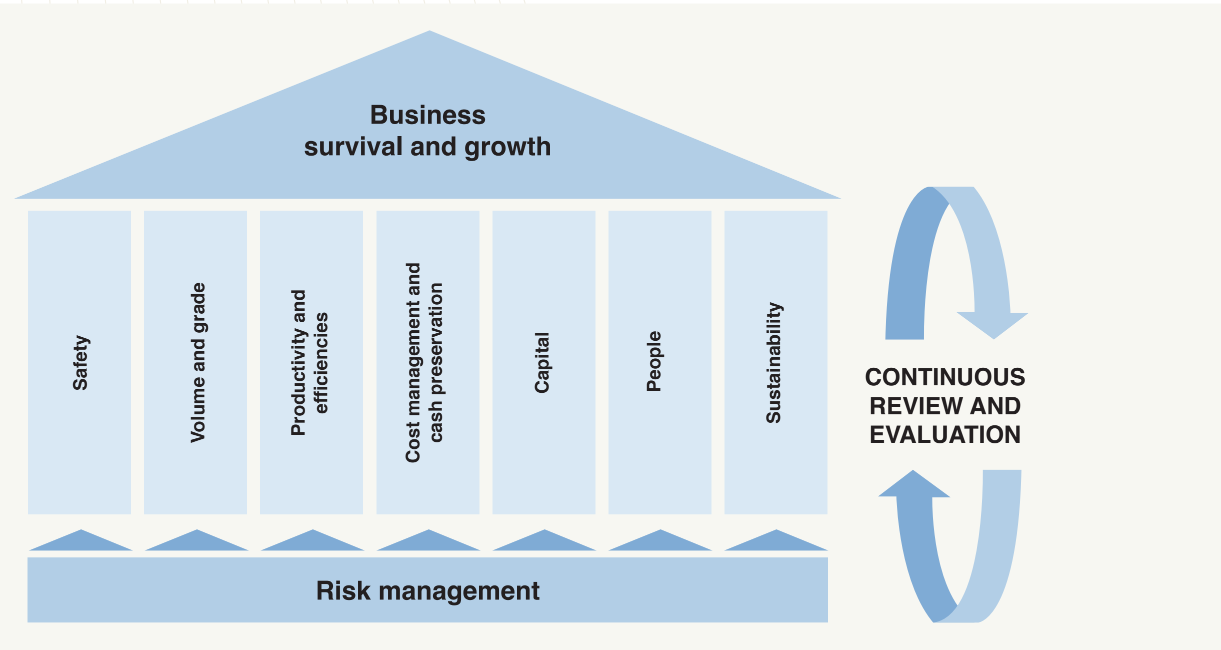
The sustainability programme upon which Zimplats' business is anchored has economic, social and environmental considerations as the three pillars of strategic focus. Success in these three strategic areas ensures sustainable symbiotic relationships between the organisation, its communities and ecosystems.

This sustainability report addresses the key tenets of the Global Reporting Initiative (GRI) G4 guidelines as detailed in the GRI index provided on page 158. Zimplats has prepared the sustainability report in accordance with the GRI G4 "Core" reporting guidelines. Selected key performance information has been independently assured (limited assurance basis) by EY on pages 162 to 165. The symbol (▲) denotes performance information that has been independently assured by EY (limited assurance basis).

Sustainability performance data

The data in this report is based on the Group's records and prioritised on the basis of the risk register and key outcomes of the stakeholders engagement report.

Our strategy



Sustainability Matters (continued)

Strategic objectives

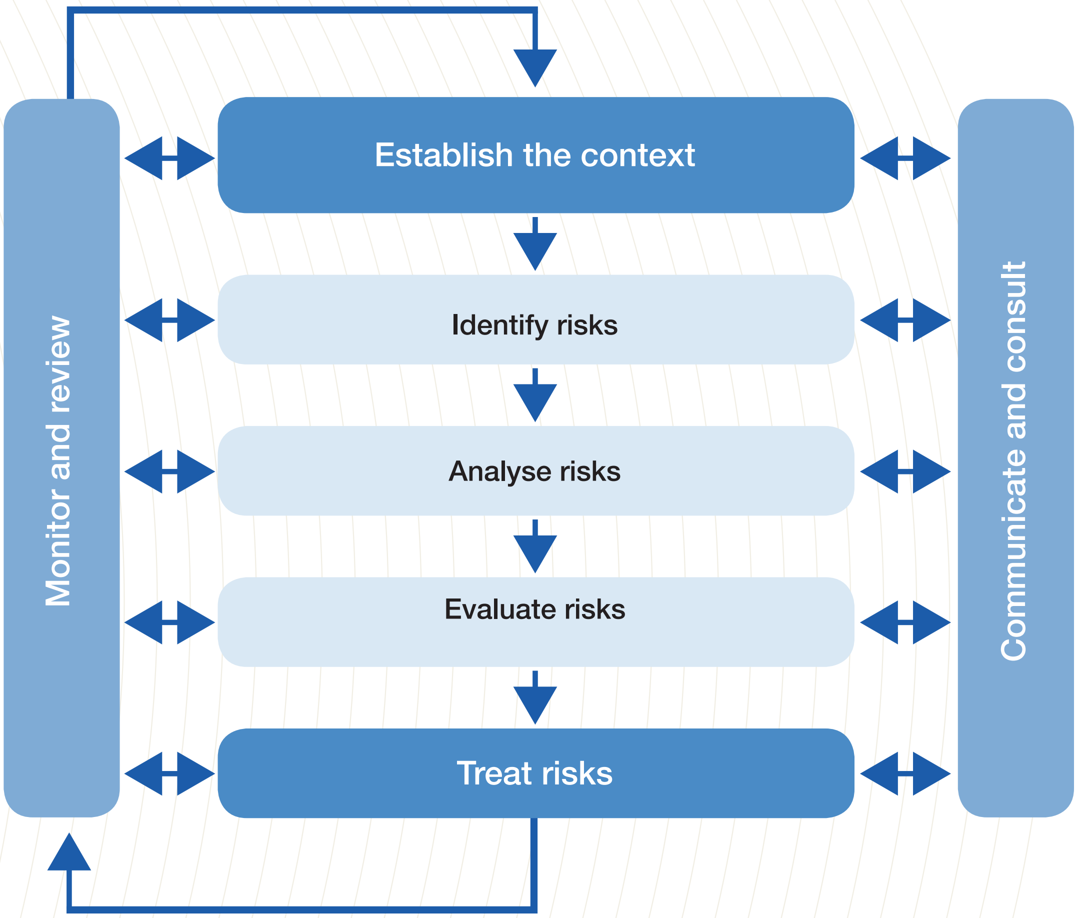
The strategy is driven through seven pillars (strategic objectives) that are anchored on sound risk management practices. Because of the dynamic internal and external environment under which the business operates, success of the strategy requires a continuous review and evaluation of these seven strategic objectives individually and as a whole. The strategic objectives are:

- Relentlessly drive the safety of our people
- Consistently deliver production volumes and grade
- Continually improve operational efficiency
- Manage costs and wisely preserve cash
- Delivery of capital projects on time and within budget
- Retention of critical skills and developing our people to be world class champions
- Business sustainability driven by the desire to be a good corporate citizen

Our approach to risk management

An enterprise risk management (ERM) framework has been established to address strategic, operational, legal and compliance risks inherent in the business. Risk management, together with an effective internal control framework helps management focus on operations, stakeholder management, safety, health environment and sustainability.

The risk management framework is premised on the ISO 31000 standard depicted below:



Sustainability Matters (continued)

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

Governance structure of risk management

Under the business management systems policy, the Group has established an integrated risk management system that mandates all employees and contractors to acknowledge and manage specific risks inherent in their daily work. In addition the board has tasked each of its committees, that is, the audit and risk committee, the remuneration committee (REMCO) and the safety, health, environment and community (SHEC) committee, responsibilities for oversight and monitoring of risk management activities by management. These are shown in the risk governance structure below:

Our risk reporting system

An IsoMetrix system has been established for capturing, analysing and reporting all operational risks covering safety, health and environment (SHE) while the Cura system has been retained to cover strategic risks. IsoMetrix tracks all SHE incidents and action plans developed to manage the risks as well as act as a database for all SHE baseline risk assessments.

Cura provides a depository of all strategic risks, identified control measures, individuals assigned with the responsibility to accomplish the control measures and their performance monitoring and control.

Various risk reports, dashboards and risk management protocols are drawn from the system for the board's attention. The board has analysed all the risk reports submitted from various sources and concluded that the Group has maintained sound risk management and internal control systems throughout the year and has reviewed their adequacy and effectiveness.

Our key strategic risks

Strategic risks are any events, occurrences or incidents that may occur that have the potential to materially affect the achievement of strategic objectives of the Group. Depressed metal prices have remained the top risk for the Group throughout the financial period under review. A new set of risks that featured in the top 20 strategic risks includes the smelter operations risks as well as risk of failure of the tailings storage facilities particularly at our SMC plant. These and some risks in the top 20 group risk profile are detailed in the table below:

Sustainability Matters (continued)

Risk description	Impact	Mitigation / control measures
Metal price fluctuations	Loss of revenue	• Market intelligence (monitoring the global market) • Cost management • Cash preservation initiatives
Unavailability of reliable and secure power	Loss of production	• Power supply securitisation arrangements with the Zimbabwe Electricity Transmission and Distribution Company • Investigating alternative sources of power from local and regional sources • Exploring opportunities for power supply from licenced independent power producers (IPPs) • Demand side management (DSM) and energy savings initiatives
Penalties and other financial loss due to failure to comply with taxation regulations.	Increased tax cost and reputational damage due to failure to manage tax issues and risks.	• Conducting tax compliance health checks covering all tax heads • Tax training and awareness for operational staff • Engagement with tax authorities to discuss prospective transactions and resolution of historical tax matters
Failure to preserve cash resulting in inability to fund operations.	Failure to meet growth and operational funding requirements	• Cash preservation initiatives - Capital rationalisation - Deferring some stay-in-business capital expenditure - Re-negotiation of major supply contracts • Exploring alternative sources of funding • Treasury management policies
Uncertainties regarding government policy on indigenisation	Failure to plan ahead in an uncertain environment	• Continue to engage government on the IIP • Implementing agreed aspects of indigenisation • Progress Local Enterprise Development (LED) programs • Regular monitoring of changes to government policy
Catastrophic failure of tailings storage facility resulting in uncontrolled flooding on the zone of influence of the dam.	Injury to personnel, damage to property and negative environmental impact	• Operation and maintenance of tailings storage facility according to good practice • Third party audits of condition of tailings dams • Engagement of authorities to relocate communities in the zone of influence of the tailings storage facility • Access control system • Emergency preparedness plan • Regular training and awareness • Stakeholder consultation
Disruption of operations due to unplanned significant outages arising from furnace taphole blow-outs, explosions and run-outs.	Loss of production, injury to personnel and damage to property and environment	• Regular monitoring • Installation of remote operated hydraulic mud guns • Installation of additional smelting capacity • Matte tap block upgrade • Slug tapping upgrade
Failure to progress beneficiation of PGMs	Reputational risks, embargo or penalties on export of PGMs	• Refurbishment and commissioning of the mothballed SMC BMR. • Continual engagement with the Government of Zimbabwe regarding beneficiation.
Unsustainable cost increases leading to loss in cost leadership position.	Reduced profitability and threat to survival	• Implement cost saving strategies: - Labour cost saving initiatives - Electricity cost saving initiatives - Consumables cost saving initiatives - Capital cost saving initiatives • Capacitate local producers to reduce import costs. • Review major consumables and contract costs.

Sustainability Matters (continued)

Risk description	Impact	Mitigation / control measures
Shear-induced ground instability at mining.	Safety and loss of production risks posed by shear induced ground instability at Ngezi.	• Pillar re-design • Blasting control • Pillar support and rehabilitation program • Ground monitoring system • Mining practices enhancement • Mining profile monitoring • Ground water management system • Third party audits and reviews • Geotechnical control measures • Predictive measures • Risk training and awareness • Emergency preparedness and response plan
Safety, health and environment risks	• Injury to personnel and damage to property leading to failure to achieve zero harm goal. • Negative effects on employee health • Damage to environment	• Technology deployment • Robust SHE systems • Human behaviour modelling • Employee wellness programs (HIV/AIDS at the workplace, TB, non-communicable diseases (NCDs) management • Environmental managements systems
Failure to consistently deliver production targets and quality	Failure to meet target production and grade	• Bimha Mine redevelopment • Use of XRF machine for reef marking • Grade control audits
Social licence to operate	Loss of social licence to operate	• Implementing corporate social investment programs • Regular engagement with all stakeholders on community development issues • Implementing LED programmes
Information security risks	Exposure to information security risks (confidentiality, availability and integrity) of company information	• Information, communication and technology (ICT) strategy • ICT disaster recovery plans • ICT security policies
• Inability to attract and retain effective people. • Strained industrial relations	• Loss of skills • Operational disruptions due to strained industrial relations	• Talent management programmes • Progress construction of houses for employees at Ngezi • Investigate and implement housing development model for SMC employees • Reward management system • Engagement through works council meetings
Failure to comply with legal and other requirements	Loss of regulatory licence to operate and financial loss from penalties	• Legal and other compliance registers • Monitoring changes in legislation • Legal compliance audits

Our operational risk management

During the period (FY2016), the International Mining Industry Underwriters (IMIU) conducted an operational risk assessment at both the mining and processing operations. The IMIU assessors were satisfied with the effectiveness of control measures that have been successfully implemented at international standards (including after the collapse of Bimha Mine) and rated the operation as a moderate to low risk. Consequently, the Group was able to retain the high percentage risk reduction adopted rating.

Having identified underground fire risk as a top operational risk, all underground conveyor belts were replaced with F-Type belts that have fire retardant characteristics.

Materiality and stakeholder engagement

Management approach

The Group acknowledges the importance of its key stakeholders and the impact that they may have on the business or alternatively the impact that the Group may have on the stakeholders. To this end, stakeholder engagement is an integral part of business operations and it is essential in managing risk and building social capital. The Group recognises and works with both internal and external stakeholders.

Key stakeholders

Zimplats' internal stakeholders are employees, management and shareholders while external stakeholders include communities, regulatory authorities, suppliers, local authorities,

Sustainability Matters (continued)

government, media, financial institutions and analysts and lobby groups. Identification of stakeholders is achieved through a process of assessing how they impact on the Group both directly and indirectly. Consideration is also given as to whether the Group impacts on them directly or indirectly. Prioritisation of stakeholders is done following the Group's strategic objectives and risk register.

To identify its material issues, Zimplats uses a wide range of criteria, processes and stakeholder engagements. Stakeholder engagement allows the Group to understand and respond to stakeholder expectations. All material issues identified during engagement are captured and action plans are put in place to address the issues.

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

Stakeholder	Method of engagement	Frequency of engagement	Material issues	Action taken
Investors and shareholders	Integrated annual report, quarterly and half yearly updates and/or presentations	Quarterly and ad hoc ASX announcements as necessary	• Compliance with indigenisation laws • Impact of beneficiation policy on business sustainability • Government demand for the release of additional ground • Business performance growth plans • Impact of the business operations on the environment • Community relations	• Regular provision of information through quarterly reports, ASX announcements and analysts briefings
Employees	• Works councils, briefings • Chief executive officer and managing director updates • Leadership summits • Regular meetings and briefings held with employees • Internal magazine used as channel for information on key matters	Monthly meetings and ad hoc briefings as necessary	• Employee share ownership • Wage negotiations • Home ownership schemes • Safety and health issues • Fairness at work • Personal development programmes	• Implementation of ESOT in progress • Wage negotiations carried out with the National Employment Council (NEC) and agreement reached with trade union • Home ownership scheme implemented in Ngezi with various options being explored for SMC employees • Focused programmes on employee safety are implemented
Suppliers	One on one meetings and business forums	Regular/ on-going	• Business opportunities with Zimplats • Involvement of locals in the supply chain • Fairness in the award of tenders and contracts	• A procurement policy is in place together with detailed standard operating procedures. • A resource person appointed to spearhead small scale enterprises in the local communities, under the local enterprise development scheme (LEDs) • Local supply targets set and monitored regularly to gauge performance against those targets • A procurement committee is in place at the top that is supported by a tender adjudication committee at the operational level.

Sustainability Matters (continued)

Stakeholder	Method of engagement	Frequency of engagement	Material issues	Action taken
Communities	• Stakeholder meetings • Direct meetings with communities facilitated by Mhondoro-Ngezi Rural District Council on specific issues	Quarterly	• Employment of locals • Community investment programmes • Impact of the business on community life and environment • Community Share Ownership Trust (CSOT) • Access to dip tanks • Concern about dust from the tailings dam • Complaints about blasting causing structural damage to infrastructure • Resettlement of communities within the tailings dam zone of influence • Movement of communities settled illegally within mining claims	• Regular engagement takes place with the community leaders where issues raised are addressed and agreed corporate social investments (CSI) programmes implemented • Direct meetings with communities facilitated by the Mhondoro-Ngezi Rural District Council on specific issues • The CSOT is fully functional and projects identified by the community are being implemented • The programme to refurbish non-functioning dip tanks is under way with two now completed and handed over to the community • Trees have been planted as a physical barrier to address the issue of dust from the tailings dam while efforts are made to keep the dam moist to supress dust • Testing involving experts took place to ascertain whether or not blasting from the open pit operations is causing structural damage • Community feedback will be undertaken • Engagement is taking place with the authorities regarding resettlement and legal eviction of affected community members
Central government and regulatory authorities	Close liaison with and reporting to relevant government ministries through one-on-one meetings, conferences, facility visits and presentations	Monthly meetings and ad hoc briefings as necessary	• Indigenisation • Beneficiation • Taxation • Further release of ground • Environmental impact • Business performance	• Regular engagement on key issues with government and regulatory officials • Discussions on indigenisation on-going • Work on the resuscitation of mothballed SMC BMR has started. However, progress and completion will be aligned to available cash flows • Lobbying taking place with government on key tax matters through the Chamber of Mines and directly • The matter regarding the government's request for further release of ground is pending in the Administrative Court. The operating subsidiary will however still seek to engage the government in constructive dialogue in an endeavour to have the matter resolved amicably • Liaison with authorities on environmental compliance on-going

Sustainability Matters (continued)

Stakeholder	Method of engagement	Frequency of engagement	Material issues	Action taken
Local government and traditional leaders	Close liaison with and reporting to relevant local government departments through one- on -one meetings, quarterly stakeholder meetings and tours and presentations	Bi-monthly and quarterly meetings	• Indigenisation • Beneficiation • Community Social Investment and CSOT • Employment of locals	• A working relationship is nurtured with local government and traditional leadership • Progress reports on indigenisation and beneficiation are given through quarterly meetings • Community projects are identified and implemented as budget permits • Feedback on implementation of CSOT projects given • Regular feedback given on employment figures for locals.
Media	Electronic, print, radio and television	Regular/on-going dialogue; press releases and tours and briefings	• Indigenisation • Beneficiation • Further release of ground • Mining policy and regulations • Growth projects	• Zimplats works closely with media stakeholders through one- on- one interface to ensure smooth flow of information on key issues raised • Communication campaign implemented
Chamber of Mines	• Regular meetings, conferences and business forums • Participation in special interest committees	Monthly and ad hoc as required	• Development and promotion of the mining industry • Mining legislation and regulations including taxation • Lobbying on special interests	The Company continues to play a leading role in the Chamber of Mines, helping to ensure that it lobbies on key issues and for a consistent and stable regulatory environment
Lobby Groups	One-on-one meetings and participation in workshops and conferences	Ad hoc as situation demands	Environmental matters Community Share Ownership Trust	The Group responds to issues raised and participates in workshops and conferences to enhance mutual understanding

Ngezi footbridge

Sustainability Matters (continued)

Communities and community social investment

Developing partnerships with communities around our operations is one of Zimplats' strategic objectives under management of enterprise risk.

Zimplats' strategy with regards to community engagement is informed by the research findings mainly from the perception and baseline studies and quarterly stakeholder meetings that include community leaders and local chiefs.

Key perceptions that came out of that study include the need for Zimplats to address the following:

- Continued investment in community development initiatives
- Consideration of opportunities for greater direct engagement with the community
- Consideration of investment in more infrastructural projects unrelated to the Group's operations.

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

A community development plan is being implemented with the following objectives:

- addressing community concerns
- alleviating poverty through local enterprise development
- enhancing infrastructure relating to education and health
- improving relations between Zimplats and the surrounding communities

Local enterprise development

Rubwe silica mine

Table below shows corporate social investments over the past five financial periods:

	FY2016	FY2015	FY2014	FY2013	FY2012
	US$	US$	US$	US$	US$
Education	161 507	299 527	207 474	3 062 160	3 282 818
Sports development	1 492 508	52 271	93 975	53 779	35 000
Income generating projects	66 657	530 102	88 456	80 025	46 732
Health	119 353	22 957	91 009	668 050	873 471
Other	91 078	68 752	578 029	339 641	1 071 079
Total company CSI	1 931 104	973 610	1 058 963	4 203 655	5 309 100
Direct donation to CSOT	-	-	4 200 000	2 500 000	3 300 000
Total CSI	**1 931 104**	**973 610**	**5 258 963**	**6 703 655**	**8 609 100**

Sustainability Matters (continued)

Community projects implemented in FY2016 include:

Herd of cattle development project

Zimplats has launched a three year community herd of cattle development project that will benefit communities in two wards adjacent to Zimplats' operations in Ngezi.

The project aims to improve genetics as well as the health of the herd and ultimately to contribute towards household nutrition and income generation.

Education

The Company continues to support educational activities in the communities and in FY2016 this included structural repairs and supply of computers at Mutukwa School in Mhondoro.

Health

Zimplats has assisted the community to complete and equip a maternity ward as well as the supply of piped water at Gora Clinic in Mhondoro Mubaira. Financial assistance was also given to St Michael's Hospital, located in Mhondoro Ngezi and the purchase of sunglasses, sun screen lotions and other medical accessories for children living with albinism.

Turf community stadium (Baobab stadium)

The Company constructed a community sports stadium at Turf in Ngezi.

Settlers within Zimplats' special mining lease area

There are 31 families settled without the necessary authority within Zimplats' special mining lease area in Ngezi. Dialogue with the affected families to vacate the area to make way for new mining projects has failed. As a result, Zimplats has handed over the matter to the authorities who have in turn referred the matter to the courts.

There are also 20 families settled within the Selous Metallurgical Complex tailings dam zone of influence. Zimplats is working with the authorities to identify land for the safe resettlement of these families

Community share ownership trust

The now well established Zimplats Mhondoro Ngezi Chegutu Zvimba Community Share Ownership Trust (CSOT) continued with its community development programme with more than 100 projects at various stages of implementation. Since inception in October 2011, the CSOT has implemented grass roots driven projects valued at more than US$5 million from the US$10 million donation made to it by the Group.

The CSOT is now focusing on implementing income generating projects to ensure continuity.

Baobab stadium

Gora clinic maternity ward

Sustainability Matters (continued)

Safety

The Company is on track in its quest for zero harm with several improvements and achievements registered in FY2016. There was a significant reduction in the number and severity of injuries incurred during the year. There was also a significant drop in the number of incidents involving trackless mining equipment during the same period.

Management approach

The approach to safety management follows the Business Management System (BMS) that is anchored on the following international standards:

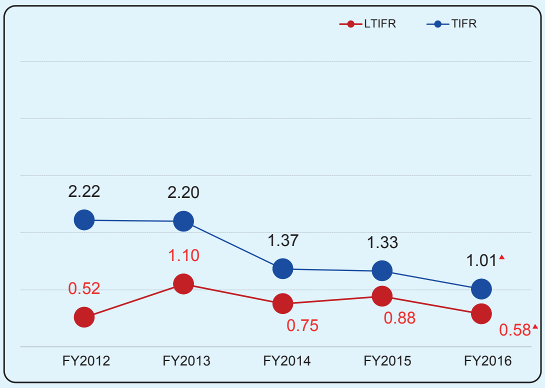
- Quality Management System - ISO 9 001
- Environmental Management System - ISO 14 001
- Safety and Health Management System - OHSAS 18 001
- Laboratory Accreditation System – ISO 17025

Safety performance

The Group recorded a significant improvement in safety performance in FY2016 compared to the previous year. Applying the revised FY2016 reporting definitions for LTIs and LTIFR – refer to page 2 of this report: the lost time injury frequency rate (LTIFR) that measures the number of lost time injuries per million man-hours, decreased by 34% from 0.88 in FY2015 to 0.58▲ in FY2016, and the total injury frequency rate (TIFR) decreased by 24% from 1.33 in FY2015 to 1.01▲ in FY2016. There were no▲ fatalities during the year and the Group achieved five million fatality free shifts in June 2016.

The following graphs show the improved safety performance during the year.

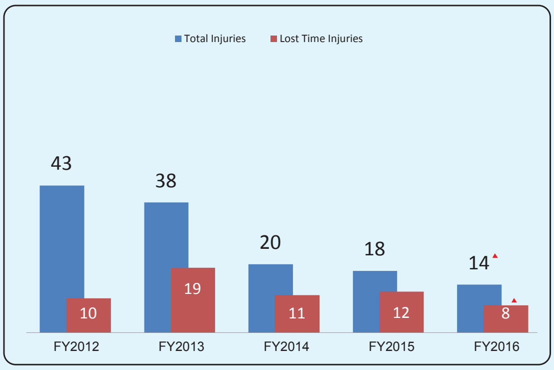
TIFR and LTIFR graphs FY2012 – FY2016



Due to a change in the FY2016 reporting definitions for LTIs and LTIFR, restricted work cases (RWCs) were retrospectively reclassified to LTIs as shown below:

	FY2012	FY2013	FY2014	FY2015
LTIFR (as previously reported)	0.21	0.70	0.41	0.59
LTIFR (revised)	0.52	1.10	0.75	0.88

Total injuries and lost time injuries FY2012 to FY2016

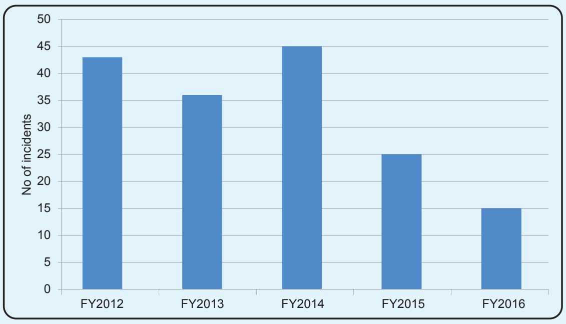


Due to a change in the FY2016 reporting definitions for LTIs and LTIFR, RWCs were retrospectively reclassified to LTIs as shown below:

	FY2012	FY2013	FY2014	FY2015
LTIs (as previously reported)	4	12	6	8
LTIs (revised)	10	19	11	12

The graph above shows a 22% and 33% reduction on the number of total injuries and lost time injuries respectively in FY2016.

TMM incidents FY2012 to FY2016

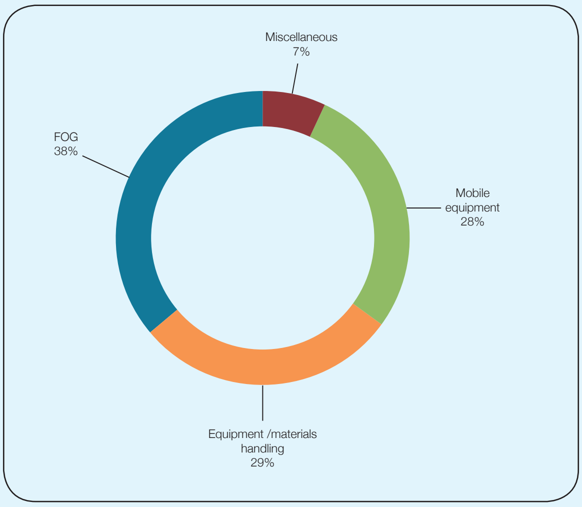


▲*This item was the subject of the limited assurance engagement performed by EY.*

Sustainability Matters (continued)

There was a 40% reduction in the total number of incidents involving TMM between FY2015 and FY2016. The reduction is attributable to the installation of over-speed control (OSCONS) and proximity detection units on the TMMs.

FY2016 injury causation agents



Fall of ground (FOG) continues to be the highest risk followed by equipment and materials handling underground mobile equipment. The Group is focusing on the development of proven technology to ameliorate inherent risks in these areas.

Key successes in FY2016

Accidents/Incidents

- No▲ fatalities
- LTIFR reduction from 0.88 for FY2015 to 0.58▲ in FY2016 - 34% improvement*
- TIFR reduction from 1.33 for FY2015 to 1.01▲ in FY2016 - 24% improvement*
- A 33% reduction in the number of lost time injuries from 12 in FY2015 to eight▲ in FY2016*
- Reduction in the total injuries from 18 for FY2015 to 14▲ in FY2016
- 88% of operational teams are now in the platinum status – that is more than 365 LTI free days.

*Calculated on the basis of the revised FY2016 reporting definitions for LTIs and LTIFR – refer to page 2 of this report

Group and national awards

- Zimplats has maintained its leadership in safety performance for the third consecutive year in the annual National Social Security Authority (NSSA) Occupational Health and Safety competition as evidenced by the following awards;

National Social Security Authority safety awards

- Processing:
  - Gold - National Awards
  - Gold - Employers Confederation of Zimbabwe (EMCOZ) Award
  - Gold - Provincial
  - Gold - Manufacturing Sector
- Ngwarati Mine:
  - Gold - Mining Sector Award
  - Silver - National Awards
  - Silver - Provincial Award.
- Rukodzi: Silver:
  - Mining Sector Award
  - Bronze Provincial Award

- Ngwarati, Rukodzi and Bimha mines came first, second and third respectively in the national first aid competitions underground category while the mining engineering services team came second in the surface category
- Ngwarati Mine came first and Mupfuti Mine third in the Association of Mine Managers of Zimbabwe (AMMZ) SHE audits
- Processing division fire fighting team came first position in the National Industrial Fire Control Association (NIFCA) competitions
- Both mining and processing rescue teams came first positions in the national proto and fresh air mine rescue competitions respectively.

▲This item was the subject of the limited assurance engagement performed by EY.

Sustainability Matters (continued)

Our journey towards zero harm and safety excellence

The table below summarises key safety focus areas; either implemented or in the process of being implemented in order to sustain the momentum of continual improvement towards zero harm. The initiatives continue to be tackled under the three broad categories of: (i) People (ii) Systems and (iii) Technology.

People

The people related interventions included leadership development, behaviour focused campaigns, capacity development targeting safety, health, environment and quality (SHEQ) representatives and development of individualised team pacts addressing key risks for specific areas.

Systems

The following are the highlights of systems related interventions during the year:

Business Management System (BMS)

The operating subsidiary retained the three management system certifications; OHSAS 18001, ISO14001, and ISO 9001 The key principles of our BMS include:

- Zero harm mind-set
- No repeats: Learning organisation. All incidents are investigated to prevent recurrences
- Non-negotiable standards and rules: BMS is about conformance to requirements
- Compliance with legal and other requirements.

IsoMetrix

The integrated SHE information management system (IsoMetrix) was implemented in the year,

Contractor management

Strict contractor management procedure enforcement during the year resulted in a significant reduction in accidents involving contractors

Trigger action response plan (TARP)

This strategy was introduced during the year and the steps involved are:

- Identify hazards
- Classify the levels of risk
- Escalate issues to the required level of decision making
- Rectify or treat the hazard.

Technology

The technology related interventions included introduction of the following:

- Intensive ground monitoring in order to reduce impact of a sudden pillar collapse
- Rock Shield barring down cages are currently in use at Mupfuti and Bimha mines. Two more cages for the other two mines are expected in FY2017.
- A Manitou mechanical scaler that enables remote controlled mechanical barring down is currently undergoing trials on site.
- A proximity detection system (PDS) or collision warning system (CWS) that gives directional warning of potential collision of vehicle to persons and vehicle to vehicle.
- Measures to control TMM speed.
- Procurement of a remote operated mud gun which removes operators from the danger zone during matte tapping at the smelter is in progress.
- Migration from manual spanners to pneumatic and hydraulic power tools for improved safety, efficiencies and accuracy.

Environment

Management approach to the environment

The Group's operational activities result in the unavoidable disturbance of land, the consumption of resources, generation of waste as well as atmospheric and water pollutants. To ensure business sustainability, the Group actively focuses its attention on activities that minimise the impact of its operations on natural resources and surrounding communities.

Sustainability Matters (continued)

Our strategic approach

The environmental mitigation activities focus on the following areas:

Through our environmental policy, we are committed to running our operations in exploration, mining and processing in an environmentally responsible manner, and ensuring the wellbeing of all our stakeholders. Through our policy commitments, we undertake to integrate environmental management into all aspects of the business with the aim of achieving world-class environmental performance in a sustainable manner.

We are committed to retaining ISO 14001-certified environmental management system (EMS). In line with this commitment, regular compliance audits are conducted by both internal and external auditors. This year, we retained ISO 14001 certification with no major non-conformities raised. We are in the process of upgrading our EMS to a revised version of ISO 14001: 2015 published in September 2015.

In keeping with our commitment to comply with applicable legislation, we align our environmental standards and practices accordingly and actively participate in relevant governmental forums to keep abreast of future changes. We engage regularly with authorities to ensure that all applicable licences and permits requirements are met and are obtained.

We strive to maintain the alignment of environmental communication with relevant stakeholders and to communicate effectively on environmental issues at all operations. All new employees receive environmental awareness and competency training.

Sustainability Matters (continued)

The following table provides an overview of environmental key performance indicators relating to Zimplats operations.

Key Performance Indicators		FY2016	FY2015	% Var.
Energy Consumption	GJ / tonne milled	0.38▲	0.42	10% ●
Carbon Emissions	CO_2 emitted / tonne	0.059▲	0.065	9% ●
Fresh Water Consumption	KL/tonne	1.23▲	1.25	2% ●
Water Recycled	%	34.8	39.9	13% ●
Rehabilitation	LCM	237 066	320 437	26% ●

Key: Desirable variance ● Undesirable variance ●

Comments

- Water recycled was 13% below FY2015 performance due to low availability of recycled water at our return water dams
- Loose cubic meters (LCM) moved as part of the old open-pit rehabilitation was 26% lower than FY2015 due to temporary reallocation of rehabilitation equipment to other tasks.

Environmental objectives

The following table provide a summary of objectives for FY2016 and progress made in achieving them.

Lagging On plan Significant progress Achieved

Category	Objective	Status
1. Systems	*a) Implementation and maintenance of a world class environmental management system* Zimplats retained ISO14001 certification following a surveillance audit conducted by DQS Management Systems company.	Achieved
	b) Upgrading the EMS to comply with ISO14001:2016. Work is in progress to align the current EMS to the new standard.	On plan
2. Water Stewardship	*a) Implementation of the water strategy* 34.8% of the total water used was recycled water. Our target is 40%.	Lagging
	b) Construction of Chitsuwa cha Mandizadza dam gauging stations. Zimplats constructed an upstream gauging station and renovated downstream gauging stations to measure water flow in and out of the dam in line with water permit regulations	Achieved
3. Land stewardship	*a) Open-pit rehabilitation* Rehabilitation of the old open pits was 36% below plan.	Lagging
	b) Progressive rehabilitation of the South Pit Mine In-pit dumping commenced as part of the active open-pit progressive rehabilitation.	On plan
	c) Tailings Storage Facilities (TSF) rehabilitation. A total of 2 450 trees were planted on the TSF new risings.	Achieved
4. Waste	*a) Waste management improvement initiatives* Tyre re-lugging implemented.	Achieved
	b) Compositing of biodegradable waste Trials on compositing of biodegradable (vermiculture) are in progress.	On plan

▲*This item was the subject of the limited assurance engagement performed by EY.*

Sustainability Matters (continued)

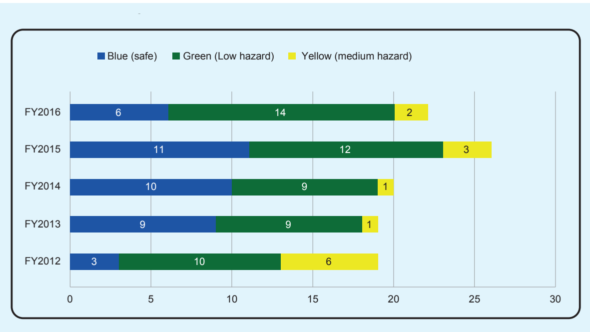
Category	Objective	Status
	c) Promote waste recycling Waste recycling being done through licensed dealers.	
5. Climate Change/ Carbon footprint	*a) Carbon emissions reduction initiatives* A 9% reduction in carbon emissions per tonne was achieved compared to FY2015.	
6. Energy	*b) Energy efficient initiatives* A 10% improvement in energy efficiency was achieved.	
7. Air Quality (SO_2 Emissions)	*a) Implement SO_2 abatement programme* SO_2 abatement bankable feasibility study is underway.	
8. Legal Compliance	*a) Environmental licences renewal* Effluent discharge, waste, air emission, hazardous waste/substances and radiation licences were renewed.	
	b) Chitsuwa cha Mandizadza dam final water permit The final permit was issued.	
	c) Memorandum of agreement of lease of Ngezi mining claims within the National Parks boundary Agreement being renewed.	

Environmental legislative developments

Along with Zimplats internal environmental standards, we are subjected to national environmental regulations. A system is in place to monitor legislative developments and ensure that applicable environmental licenses, permits and agreements are valid and renewed on time. Changes in environmental legislation are tracked and implemented accordingly.

Effluent permit trends

The operating subsidiary's effluent discharge licences were renewed in line with the Environmental Management Act (Chapter 20: 27) and its regulations. A total of 22 effluent discharge licences were issued during the year. The effluent management initiatives being considered include constructing wetlands and opportunities for recycling the effluent. The graph below shows the effluent permit trends for a five year period.



Plan for FY2017 and beyond - Our plan is to improve the licences in yellow to green/blue.

Environmental Management System (EMS)

The FY2016 objective with regard to the environmental management system was to retain ISO14001 certification status and commence upgrading the EMS to ISO 14001:2015 standard. DQS Management Systems auditors conducted an ISO14001:2004 surveillance audit during the period. No major non-conformities were raised. Review of procedures aligning them to the new standard commenced. In line with our commitment to continual improvement, we have enhanced and aligned the IsoMetrix system to the new ISO 14001:2015 standard.

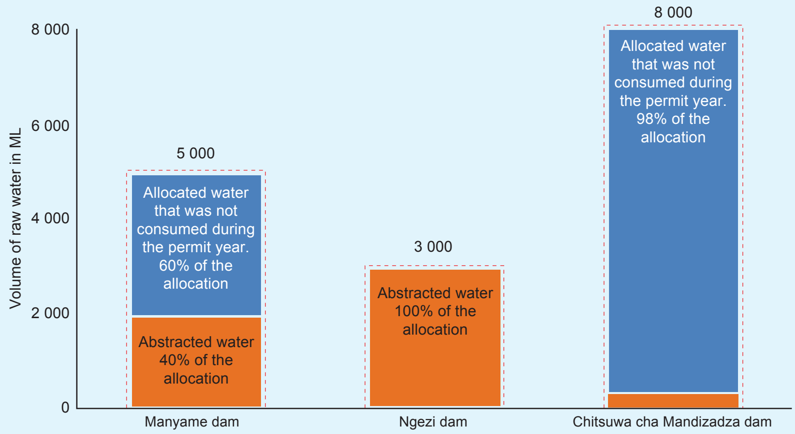
Focus for FY2017 - Our plan is to align our environmental management system to the new standard (ISO 14001:2015) by end of FY2017

Water Stewardship

The Group uses water at each stage in mineral extraction and processing and acknowledges that water has to be used responsibly. Our operations in Ngezi and SMC have two different catchments which have different sets of water risks and opportunities. The Group also monitors water use, demand and supply as well as environmental legislation relating to water.

Sustainability Matters (continued)

Water consumed per source against allocation



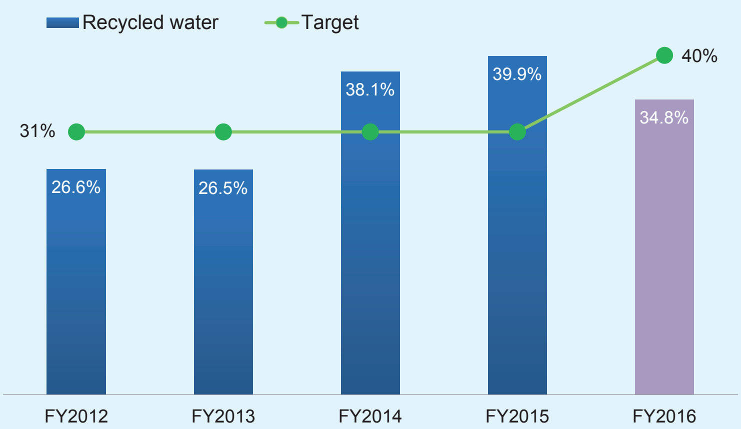
The total raw water abstracted from dams in FY2016 amounted to 5 569ML compared to 4 106ML for the previous year. The amount of water abstracted from dams increased by 36% due to low volumes of recycled water. A total of 4 218ML of recycled water was used and this represents 34.8% of the total water used compared to 39.9% recycled in FY2015. The hot and dry weather conditions experienced during the year negatively affected water recycling performance. Water losses were experienced at Ngezi tailings storage facility due to tailings deposition on new ground. Consequently, total water consumption amounted to 12 121ML up from 10 725 ML for the previous year.

Water Consumption

	FY2016	FY2015	FY2014	FY2013	FY2012	Trend
Dams / lakes (ML)	5 569▲	4 106	4 947	4 401	4 095	
Ground water (ML)	2 333▲	2 341	1 442	1 374	313	
Water withdrawn*	7 903▲	6 447	6 389	5 775	4 408	
Water recycled	4 218	4 278	3 997	2 078	1 595	
Total water consumption	**12 121**	**10 725**	**10 386**	**7 854**	**6 003**	

*Withdrawn water refers to ground and surface water.

Water Recycling



▲*This item was the subject of the limited assurance engagement performed by EY.*

Sustainability Matters (continued)

Plan for FY2017 - Our plan is to continue with effluent recycling initiatives to achieve 40% recycling for the operation. In line with this thrust we will explore opportunities for recycling treated effluent from Turf town.

Management approach to climate change

The Group is committed to reducing carbon emissions emanating from both direct and indirect emissions. The carbon footprints include scope 1, 2 and 3 carbon emissions. Scope 1 emissions are direct emissions from the use of fuel and coal, whilst scope 2 emissions are indirect emissions from purchased electricity. Scope 3 emissions result from indirect emissions from business travel. Total carbon dioxide (CO_2) emissions for FY2016 amounted to 375 726 tonnes compared to 335 258 tonnes reported in the previous year. An increase in the absolute CO_2 emitted is attributed to increased production in the current year compared to FY2015. Our relative carbon emissions stood at 0.059▲ per tonne of ore reflecting an improved performance from 0.065 tonnes of CO_2 emitted per tonne milled. The bulk of our emissions (87%) fall under scope 2 emissions and the remainder 13% arise from burning fossil fuels, diesel, petrol and coal.

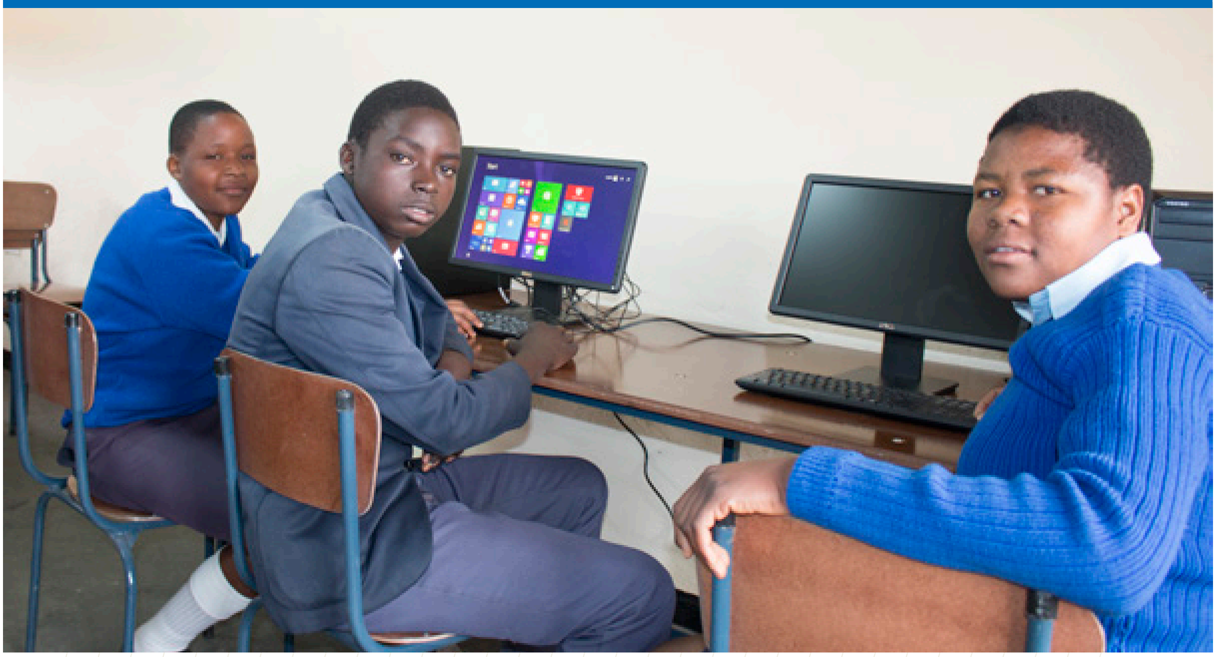
▲*This item was the subject of the limited assurance engagement performed by EY.*

The approach to climate change is underpinned by the need to accelerate efforts to drive energy efficient initiatives. Some of these initiatives were implemented during FY2016 include energy efficient equipment and lighting, power factor correction and solar water heating. Energy efficient improvement projects were implemented as part of our climate change response strategy. A total 37 energy efficient electric motors were installed during FY2016. The new motors are specified IE3 which is the latest generation of premium efficiency motors.

Since inception of the energy efficient lighting programme in February 2014, a total of 2 884 megawatt-hours (MWh) were saved. FY2016 annualised savings amounted to 1 387 MWh. Installation of energy efficient motors resulted in total savings of 8 268MWh in FY2016 up from 6 841MWh in FY2015. Other initiatives which include load scheduling, power factor correction and transformer tap setting reduction resulted in total savings of 6 841MWh. The combined tonnes of CO_2 emission savings achieved as a result of implementation of energy efficient programmes is 16 391 tonnes of carbon dioxide.

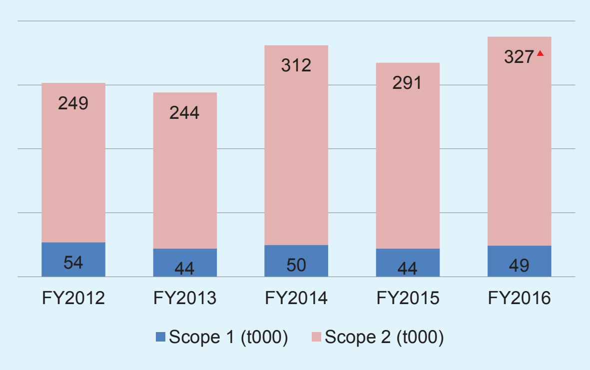
Total energy consumption for FY2016 was 0.38▲ Giga joules per tonne (GJ/tonne) compared to 0.42 GJ/tonne for the previous year.

Mutukwa school computer donation

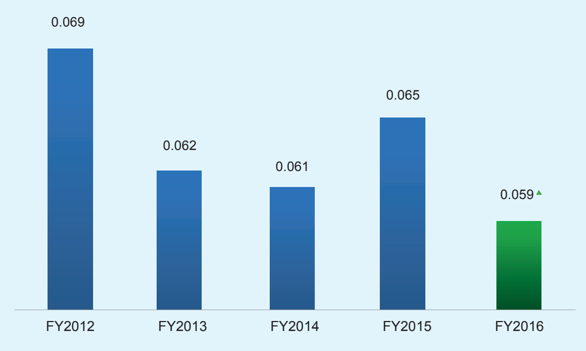


Sustainability Matters (continued)

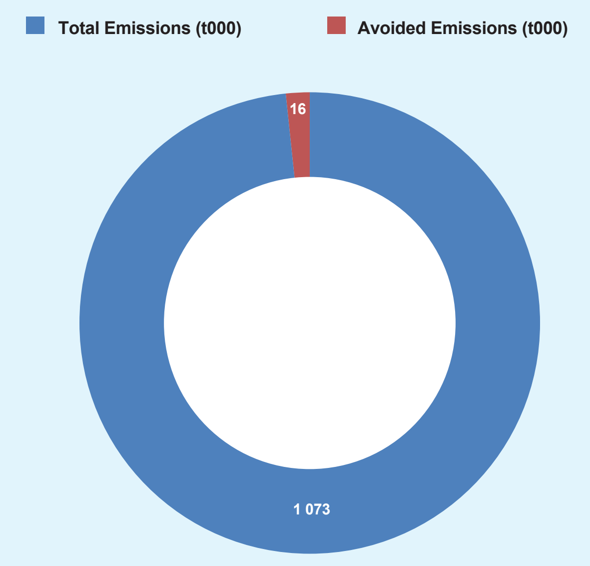
CO_2 emissions



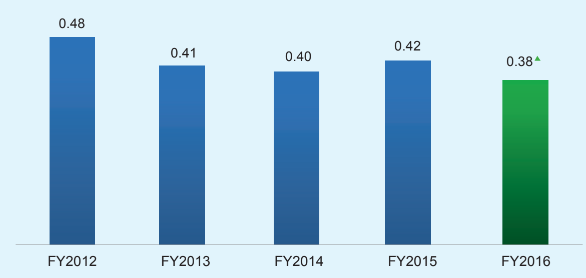
CO_2 emitted /tonne



Tonnes of CO_2 emitted and avoided through energy efficiency initiatives (FY2014 to FY2016)



Energy GJ/tonne



This item was the subject of the limited assurance engagement performed by EY.

Sustainability Matters (continued)

Climate Change Indicators	Units	FY2016	FY2015	FY2014	FY2013	FY2012	Trend
Direct CO_2 emissions	(t000)	49▲	44	50	44	54	
Indirect CO_2 emissions	(t000)	327▲	291	312	244	249	
Electricity purchased	(MWh000)	495▲	441	473	370	378	
Direct energy*	(GJ000)	668▲	606	680	607	740	
Indirect energy**	(GJ000)	1 782▲	1 587	1 704	1 333	1 360	

*Direct energy consumption refers to energy from coal, diesel and petrol used.

**Indirect energy refers to electricity used at Ngezi, Manyame pumps and SMC.

Material consumption statistics

	Unit of Measure	FY2016	FY2015	FY2014	FY2013	FY2012	Trend
Diesel	litre	12 371 876▲	11 395 912	12 010 548	11 731 857	13 628 102	
Petrol	litre	104 082▲	104 034	250 183	326 645	330 456	
Coal	tonne	6 703▲	5 846	7 442	5 051	7 270	
Ore milled	tonne	6 406 187▲	5 163 499	5 939 277	4 683 135	4 392 730	
Diesel	litre / tonne milled	1.93▲	2.21	2.02	2.51	3.10	
Petrol	litre / tonne milled	0.02▲	0.02	0.04	0.07	0.08	
Coal	tonne / tonne milled	0.001▲	0.001	0.001	0.001	0.002	

Plan for FY2017 - Our thrust is to continue implementing energy efficient programmes to reduce CO_2 emissions.

A total of US$0.93 million is included in the FY2017 budget for the energy efficient electric motors installation.

Land stewardship

The approach to managing mining and processing impacts on land and biodiversity is the on-going rehabilitation of open-pits, tailings storage facilities new risings and any other disturbed areas. The rehabilitation approach is consistent with the pre-disturbance land use taking into account regulatory requirements and stakeholder expectations. As at the end of FY2016, old open-pits rehabilitation/ backfilling had a total of 237 066 loose cubic meters (LCM) moved. This was 36% below our plan due to temporary reassignment of rehabilitation equipment and team to other critical tasks. Project to date LCM moved amounted to 1 940 394 LCM reflecting 78% of work done at a total cost of US$3.5 million. In-pit dumping commenced at the active South Pit Mine with a total of 1 157 213 bulk cubic meters (BCM) having been backfilled as part of the progressive rehabilitation plan. Progressive rehabilitation of the South Pit Mine will continue during the life of the open-pit operation. This reduces the overall liability for rehabilitation works particularly decommissioning of the open-pit.

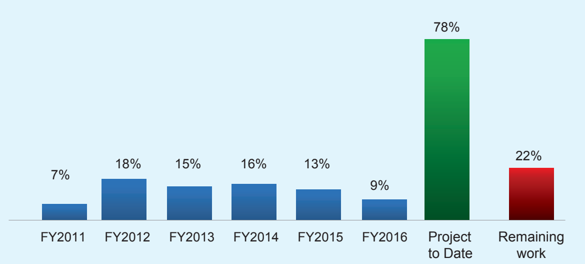
▲*This item was the subject of the limited assurance engagement performed by EY.*

The total area re-vegetated on the tailings storage facilities (TSF) is 16 hectares, up from 2.5 hectares for FY2015. This is attributed to an increase in areas requiring tree and grass planting at Ngezi tailings storage facility. A total of 2 450 trees were planted at the two TSF during FY2016 planting season. The progressive re-vegetation of the TSF increases stability of the slopes, prevents erosion and dust generation at the same time restoring vegetation which existed before the construction of the facilities as local provenance species of native plants are planted.

Tailings storage facilities re-vegetation

	Area covered (ha)
Ngezi Concentrator Temporary TSF	10
Ngezi Concentrator Mega TSF Starter Wall	5
SMC TSF New Surface Risings	1
Total	16

Old open-pits rehabilitation progress



Sustainability Matters (continued)

Eradication of the invasive species, lantana camara, was also undertaken during the year. This is part of our commitment to maintaining stable ecosystems in areas we operate at the same time complying with the Environmental Management Act (Chapter 20: 27) and its ecosystems protection regulations.

A closure liability estimation exercise was undertaken during the year. The Company recognise the risks associated with ineffective closure and seeks to reduce these through the closure governance framework. Information on closure liability provisions can be found under the environmental rehabilitation provision disclosures in the financial statements.

Rehabilitation focus for FY2017 and beyond - Our focus for FY2017 is to continue with the Ngezi open-pit rehabilitation programme and achieve FY2017 budget. Our plan is to plant 500 indigenous trees on backfilled open pit areas.
TSF tree and grass planting will continue in FY2017. Our focus is on revegitating 50 hectares at Ngezi TSF and 1 hectare at SMC.
Eradication of invasive/alien species (lantana camara) encroaching into our operations will continue in FY2017 and beyond.
Zimplats intends to review and update closure and rehabilitation plans in line with the changes taking place in the existing operations.

Waste management

The Company's waste management strategy seeks to ensure compliance with the Environmental Management Act (Chapter 20: 27) and its regulations pertaining to waste generated from mining and processing activities. In line with this strategy, waste management plans were compiled and submitted to the Environmental Management Agency. Solid waste licences were also renewed. Waste recycling is being done as part of our commitment to reduce waste disposal. In 2016, a total of 1 718 tonnes of scrap metal were sent off-site for recycling compared to 981 tonnes in the previous year. Waste paper recycling is being promoted and a total of 10 waste paper and plastics storage cages were erected to temporarily store the waste pending transportation to recycling companies. Trials on a vermiculture project which involves compositing of biodegradable waste commenced at one of our operations and these trials will be continued in FY2017.

Plan for FY2017 - Zimplats will explore options for the disposal of old Base Metal Refinery chemicals. Engagement with the Environemtal Management Agency commenced and will continue until the best disposal options are established
The organisation will continue with the investigations of options for the disposal of scrap trackless mining equipment.
Trials for a vermiculture project to compost biodegradable waste will continue in FY2017.

Air quality management

The Company's` most significant air quality environmental aspect relates to SO_2 emissions from the smelting operations. All point source air emissions discharge points are licensed by the Environmental Management Agency in line with environmental regulations on air emissions. SO_2 emission reduction feasibility studies commenced in the previous year and continued in FY2016. Air dispersion models were also undertaken as part of the feasibility studies. The operation is pursuing the extension of its smelter chimney stack, with a view to improving air dispersion and minimising ground level emission levels. In the longer-term, the installation of an acid plant is planned to ensure both smelter stack point source and ground level concentrations around the SMC communities fall within acceptable limits.

Human Resources

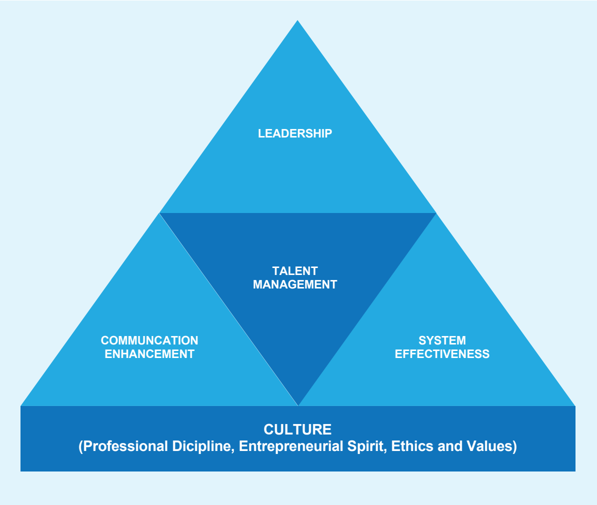
Management approach

The people management approach to human resources aims to ensure that we acquire and retain the best possible skills which we can deploy safely and efficiently. We promote the ideals of a learning organisation and promote a harmonious working environment characterised by growth, fair reward and positive employee engagement.

Our values of care, respect and deliver form the basis of our people management practices. Accordingly, the following continue to act as the core pillars of our people strategy;

- Developing our leadership capacity.
- Continuous improvement in our systems effectiveness.
- Communication enhancement to promote open and positive employee engagement.
- Talent management to ensure the best possible deployment of our skills.
- A strong culture based on our values.

Sustainability Matters (continued)



The year under review was characterised by positive and harmonious employee relations. The Group's employee engagement platforms continue to function well thereby enabling an environment of open two-way communication.

The operating subsidiary concluded a retrenchment exercise at supervisory and management levels during the period under review. This exercise, in conjunction with other labour rationalisation initiatives, resulted in significant savings in employment costs.

The Group's labour turnover increased slightly from 4.3% in the prior year to 6.3% in the year under review. The increase was caused by a combination of retrenchments and medical retirements. Consequently, Zimplats own employees' headcount decreased by 6% from the prior year to close the year at 3 047 employees. Turnover in the coming year is projected to reduce as no further labour rationalisation is anticipated at this stage.

The resourcing of institutions of tertiary education remains below par and consequently, the Group continues to invest in the resourcing of tertiary institutions. Of key note this year was the Group's sponsorship of a professorial chair in mining engineering at the University of Zimbabwe.

The contractor headcount decreased by 8% from prior year to 2,397 and of this total, 89% were operating expenditure (opex) contractors and 11% were capital expenditure (capex) contractors. In operations, contractors were mainly engaged for the open pit mining activities and Bimha Mine redevelopment. Contractors are defined as non-permanent employees who are contracted directly by the Company for a fixed term and/or those employees working for third parties that have been contracted by the Company for specific projects. It is conditional for companies contracted to the Group to practise fair and equitable labour standards in line with our values towards people management.

Table 1: Headcount by division

Division	Headcount June 2016
Mining	2 306
Processing	436
Technical services	98
Commercial	77
Human resources	56
Operating subsidiary's head office	22
Trainees	17
ICT	14
Projects	10
Group SHEQ	6
Engineering	4
Sydney office	1
Total own employees	**3 047**▲
Opex contractors	2 123
Capex contractors	274
Total contractors	**2 397**▲
Total labour	**5 444**▲

Table 2: Headcount by location

Employees by location	
Ngezi	2 407
SMC	619
Harare	20
Sydney	1
Total	**3 047**▲

▲*This item was the subject of the limited assurance engagement performed by EY.*

Sustainability Matters (continued)

Table 3: Headcount by employee groups

Employee groups	
National Employment Council (NEC) members	2 813
Non NEC members	234
Total	**3 047▲**

Table 4: Headcount by gender

Employees by Gender	
Female	211
Male	2 836
Total	**3 047▲**

ENHANCING EMPLOYEE WELLNESS

Strategic approach to wellness

The Group believes that total wellness is essential in order for our people to enjoy a healthy life and to be meaningfully productive at work. The Group therefore seeks to reinforce the Group's wellness programmes in order to enhance employee total wellbeing and productivity in line with goal number three of the United Nations Sustainable Development Goals.

Goals

1. To encourage and promote personal health and wellness among employees, their dependents and the community.
2. To support employees and their dependents in managing personal stress and mental health.
3. To ensure disease prevention awareness among employees and their dependents.
4. To include the surrounding communities in the thrust to manage NCDs.
5. To strengthen programmes for effective management of sexually transmitted infections (STI), HIV and AIDS.

Achievements

1. Quarterly wellness programmes were carried out for all staff to increase awareness of personal health maintenance.
2. External counsellors are stationed at both sites. The programme also covered employee dependents.
3. Company doctors continued to assist the community at Turf Town clinic.
4. Disease prevention education continued with no outbreak reported during FY2016.
5. The Company won the 2016 Zimbabwe National Chamber of Commerce (ZNCC) Best Corporate Social Responsibility award in the field of HIV awareness.

Occupational health surveillance

The level of compliance with respect to red ticket applications remains excellent.

There were two▲ cases of pneumoconiosis during the period under review.

Noise induced hearing loss (NIHL)

No▲ cases of NIHL were recorded during the year. This represents a significant improvement compared to seven cases recorded last year. The hearing conservation programme shall continue to receive full attention in order to minimise cases of NIHL.

Counselling and health education is offered to employees who experience percentage loss hearing (PLH). These are placed on a bi-annual monitoring programme to track any deterioration of their hearing abilities.

Engineering and other controls are being put in place to mitigate the incidence of NIHL.

Biological monitoring

Monitoring of employees and contractors exposed to lead continued with a total of 72 employees and contractors being tested during the year. No cases of abnormal lead levels were identified during the period.

Tuberculosis

Screening of both presumptive and contact cases was carried out during the year. Confirmed cases were commenced on treatment using Ministry of Health and Child Care guidelines. These cases were notified to the health ministry and reported to NSSA for compensation purposes and statistics. Contact tracing includes employees in the same work team as the index case.

▲*This item was the subject of the limited assurance engagement performed by EY.*

Sustainability Matters (continued)

New pulmonary tuberculosis cases treated

Operation	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010
Mining	5	4	6	2	5	4	8
Processing	-	1	1	-	1	1	3
Total	**5**	**5**	**7**	**2**	**6**	**5**	**11**

Malaria

All malaria cases that were treated at the operating subsidiary's facilities gave a positive history of prior travel to malaria endemic areas. From the five rapid test positive malaria cases, four were from the mining division while one was from the processing division. Contractor employees accounted for four cases and one was a Zimplats employee. This bears testimony to the effectiveness of our internal malaria programme with no cases of local transmission recorded in the year.

HIV and AIDS

HIV and AIDS awareness campaigns aimed at employees, dependents and the community were run throughout the year. The number of new anti-retroviral treatment initiation stood at 30 for FY2016. A total of 12 anti-retro viral treatment (ART) terminations for various reasons were recorded. There were no AIDS related deaths during the year.

Interventions to address STIs included discussions at SHEQ and works council meetings. A questionnaire survey and focus group discussions covering employees, spouses and commercial sex workers were also carried out. The recommended actions from these engagements formed the basis of some of the FY2017 action plans.

In recognition of the Company's achievements in the on-going work in the area of HIV and AIDS, the operating subsidiary was awarded the Zimbabwe National Chamber of Commerce Best Corporate Social Responsibility - HIV Awareness Award 2016.

ANTIRETROVIRAL TREATMENT PROGRAMME

Total number of patients on antiretroviral treatment

Operation	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010
Mining	138	122	108	91	98	92	68
Process	29	27	28	28	31	35	21
Total	**167**	**149**	**136**	**119**	**129**	**127**	**89**

New patients on antiretroviral treatment

Operation	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010
Mining	27	22	25	11	19	31	24
Process	3	1	-	-	8	4	-
Total	**30**	**23**	**25**	**11**	**27**	**35**	**24**

Sustainability Matters (continued)

Voluntary counselling and testing (VCT) uptake

The number of employees and dependents who underwent VCT in FY2016 was lower in comparison to FY2015. This is partly due to the fact that the programme is now being run biannually as compared to quarterly in the previous years. The VCT programme is run through an external partner. Uptake of VCT using internal resources remains very low.

Operation	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010
Mining	1 057	1 278	1 778	1 233	2 213	635	131
Processing	186	186	371	155	520	99	73
Total	**1 243**	**1 464**	**2 149**	**1 388**	**2 733**	**734**	**204**

Wellness programme

The table below shows the total number of people on the Group wellness programme.

Operation	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010
Mining	159	130	116	106	31	145	47
Processing	30	28	29	29	98	24	21
Total	**189**	**158**	**145**	**135**	**129**	**169**	**68**

The focus on NCDs has been elevated in response to current disease trends where the re-emergence of NCDs poses a major health threat to the Group and Zimbabwe. An all-encompassing wellness policy has been drafted which is expected to guide the implementation of the Group's wellness programme. Information on these conditions is disseminated through bulletins, commemorations and through wellness champions during departmental talks. Health officers also take turns to visit the operations disseminating information on NCD's.

Employee welfare

In line with the national thrust towards housing the Group remains committed to ensuring that all employees live in decent accommodation. Due to funding challenges, the Group's housing delivery programme was slower than desired. Low cost housing solutions have been pursued and it is anticipated that housing delivery under the home ownership scheme will recommence in the short to medium term.

Corporate Governance Report

The King III Report on Corporate Governance (King III) applicable to South African companies requires those entities to comply with the King III recommendations with effect from March 2010.

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

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

The Company also has an obligation to comply with the requirements of the ASX Corporate Governance Principles and Recommendations, Third Edition. The Company has complied with the requirements of the ASX Corporate Governance Principles and Recommendations, except were explanations have been provided.

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

BOARD OF DIRECTORS

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

The board is committed to the principles of openness, integrity and accountability in dealing with all stakeholders. In this regard, the board believes that for the full duration of the period under review the Company's policies and practices have complied in all material respects with corporate governance 'best practice', including the King III principles and the ASX Corporate Governance Principles and Recommendations, Third Edition, except as stated herein. Non-executive directors are paid a cash fee only and they do not receive any equity based remuneration, bonus payments or retirement benefits. Recommendation 8.3 ASX Corporate Governance Principles and Recommendations is therefore not applicable.

The board fully recognises its responsibilities for setting the Company's strategic direction, providing the leadership to put this into effect, supervising the management of the business and reporting to the shareholders on its stewardship. The board meets at least six times a year. Apart from the four quarterly board meetings, a strategy planning session is held annually with the executive management team and a separate meeting is devoted to reviewing the annual budget and business plan. One-third of the board members retire by rotation at the annual general meeting of the Company, and members may put themselves forward for re-election.

The responsibilities of the board are defined in a board charter, which defines the rights, obligations, responsibilities and powers of the board. A board approval framework is in place, which identifies materiality thresholds on matters delegated by the board to board committees and senior executives, in addition to those matters reserved for the board. The Company has a written agreement with each director and senior executive setting the terms of their appointment.

Corporate Governance Report (continued)

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

- audit and risk committee
- remuneration committee
- safety, health, environment and community (SHEC) committee.

The chairpersons of each of these committees are encouraged to attend the annual general meeting to answer questions from shareholders. Each committee chairperson reports on the proceedings of his/her committee at the quarterly board meetings.
These committees operate under board approved terms of reference which are reviewed by the board annually and which have been amended to take into account the requirements of King III, and which set out the role, responsibilities, scope of authority, composition and procedures for reporting to the board.

The board considered appointing a nominations committee to help ensure that the effectiveness and composition of the board and its committees are regularly reviewed, meet sound governance dictates and comprise the requisite mix of skills. With an 87% controlling shareholding, board nominations are the prerogative of Implats, which itself has a rigorous nominations procedure to which Zimplats nominees are subjected. Therefore, the board considers it unnecessary to form a separate committee. The Company does not therefore fully meet the requirements of either King III or Recommendation 2.1 of the ASX Corporate Governance Principles and Recommendations with regard to the appointment of a nominations committee.

From a corporate governance perspective, Implats has the right to nominate a majority of directors. It is for this reason that the Company does not meet the requirements of either King III or Recommendation 2.4 of the ASX Corporate Governance Principles and Recommendations, which stipulate that the majority of directors should be independent. Details of board members appear on pages 28 to 31. The board has a programme for inducting new directors in order to familiarise them with the Zimplats operations, its business environment and the sustainability issues relevant to the business.

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

	Implats Nominees	Independent	Non-executive	Executive
F S Mufamadi	•		•	
M A Masunda		•	•	
A Mhembere				•
S M Mangoma				•
B Berlin	•		•	
T P Goodlace	•		•	
K D K Mokhele	•		•	
L J Paton		•	•	
Z B Swanepoel	•		•	
N P S Zhou		•	•	
Totals	**5/10**	**3/10**	**8/10**	**2/10**

Dr F S Mufamadi, a non-executive director, was appointed as chairman with effect from 1 July 2015. Mr A Mhembere is an executive director and the chief executive officer. The roles of the chairman and chief executive officer are therefore distinctly separate. The chairman however is not independent as he is an Implats nominee. In this regard, the Company does not therefore fully meet the requirements of either King III or Recommendation 2.5 of the ASX Corporate Governance Principles and Recommendations.

Corporate Governance Report (continued)

Messrs Masunda, Paton and Zhou are considered to be independent as they:

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

Attendance at board meetings during the period under review, including conference call meetings, is detailed below:

Attendee	Attended	Aug 15	Nov 15	Feb 16	May 16
F S Mufamadi	4/4	•	•	•	•
M A Masunda	4/4	•	•	•	•
A Mhembere	4/4	•	•	•	•
S M Mangoma	4/4	•	•	•	•
B Berlin	4/4	•	•	•	•
T P Goodlace	4/4	•	•	•	•
K D K Mokhele	3/4	Ap	•	•	•
L J Paton	4/4	•	•	•	•
Z B Swanepoel	4/4	•	•	•	•
N P S Zhou	4/4	•	•	•	•

Ap = Apology

The board has in place a process of board and retiring director performance evaluations. The evaluation cycle adopted is every two years as opposed to annually as recommended by King III as the board considers that the extended period between evaluations will allow for a more reasonable assessment of performance. In line with the evaluation cycle, evaluations were undertaken in the first quarter of FY2016. There were no material issues arising from the evaluations.

CL Secretaries Limited, a company incorporated in Gurnsey, is the Company secretary. CL Secretaries Limited is accountable to the board, through the chairman, on matters to do with the proper functioning of the board.

BOARD COMMITTEES

AUDIT AND RISK COMMITTEE

The board considers that a separate risk committee would not add value and that the risk overview function is adequately addressed by having expanded the terms of reference of the audit committee to encompass matters of risk. The audit and risk committee operates in accordance with formal terms of reference that have been reviewed for King III compliance and that are annually reviewed and approved by the board. The terms of reference are posted on the Company's website.

The audit and risk committee assists the board in fulfilling its corporate governance and oversight responsibilities by reviewing and making recommendations on the following:

- The financial, business risk and information technology reporting processes and governance
- The risk management systems, both financial and non-financial
- The systems and adequacy of internal controls and safeguarding of the Company assets
- Monitoring the integrity of the financial statements, integrated annual report and sustainability report

Corporate Governance Report (continued)

- The internal and external audit process
- The appointment of both the external and internal auditors and approving their remuneration and terms of engagement, monitoring their independence, objectivity and effectiveness
- Regulating the use of external auditors for non-audit duties
- The Company's process for monitoring compliance with relevant laws and regulations.

The committee is satisfied that it has adequately discharged its responsibilities in the past financial period.

The combined assurance model is now well embedded throughout the business. The model assists in facilitating, integrating and aligning the various assurance processes in the Company to maximise risk and governance oversight and control efficiencies which, in turn, increases the overall level of assurance to the audit and risk committee.

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

During the period under review, the audit and risk committee was composed of three members, two of whom are independent non-executive directors and one of whom is the Implats chief finance officer. 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 pages 28 to 31.

The chairman of this committee is an independent non-executive director who is considered to have the appropriate qualifications and expertise to effectively carry out this role. The audit and risk committee meets four times a year. Attendance during the period under review was as follows:

Attendee	Capacity	Attended	Aug 15	Nov 15	Jan 16	Apr 16
N P S Zhou	Independent	4/4	•	•	•	•
B Berlin	Implats nominee	3/4	•	Ap	•	•
M A Masunda	Independent	4/4	•	•	•	•

Ap = Apology

REMUNERATION COMMITTEE

During the period under review, save for the first quarter of the financial period when there were only two members, this committee consisted of three members, two of whom were independent non-executive directors of the Company. This is in accordance with the King III recommendation that the majority of members are independent non-executive directors. The committee operates in accordance with formal terms of reference that have been reviewed for King III compliance and that are annually reviewed and approved by the board.

Corporate Governance Report (continued)

The chairman of the board and the chief executive officer are standing invitees to all meetings, except when their own remuneration is under consideration. The committee assists the board by reviewing and making recommendations in the following main areas:

- Establishing performance objectives for executive directors
- Benchmark remuneration practices against both local and international best practice
- Review of performance and remuneration of executive directors and senior management
- Ensure the effectiveness of the succession planning and talent management process
- Making recommendations to assist management to achieve established objectives
- Making recommendations to the board on fees for non-executive directors.

The committee meets four times a year; attendance was as follows during the period under review:

Attendee	Capacity	Attended	Aug 15	Nov 15	Feb 16	May 16
K D K Mokhele	Independent	3/4	N/A	•	•	•
L J Paton	Independent	4/4	•	•	•	•
N P S Zhou	Independent	4/4	•	•	•	•

Ap = Apology

N/A = Not applicable; he had not been appointed to the committee

SAFETY, HEALTH, ENVIRONMENT AND COMMUNITY (SHEC) COMMITTEE

The role of this board-appointed committee is to monitor and review the various pillars of sustainability: safety, health, environment and community (SHEC) performance and standards. The committee operates in accordance with a mandate that has been reviewed for King III compliance and approved by the board.

The committee gives support, advice and guidance on the effectiveness of management's efforts on SHEC matters. The primary function of the committee is to:

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

During the period under review the SHEC committee consisted of five members, two of whom are independent and four of whom are non-executive directors. Dr J C Andrews is a member of the operating subsidiary's board and the Implats group executive responsible for SHEC matters. Members of executive management are standing invitees.

Corporate Governance Report (continued)

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

Attendee	Capacity	Attended	Aug 15	Nov 15	Jan 16	Apr 16
L J Paton	Independent	4/4	•	•	•	•
Dr J C Andrews	Implats Nominee	4/4	•	•	•	•
T P Goodlace	Implats Nominee	4/4	•	•	•	•
Z B Swanepoel	Implats Nominee	3/4	N/A	•	•	•
N P S Zhou	Independent	1/4	•	N/A	N/A	N/A

Ap = Apology

N/A = Not applicable; had not been appointed to the committee or was no longer a member of the committee

KEY MANAGEMENT COMMITTEES

EXECUTIVE COMMITTEE (EXCO)

Responsibility for implementing board policy and for overseeing the day-to-day management of the operating subsidiary vests in Exco whose membership consists of:

- Alexander Mhembere: Chairman
- Stanley Segula: Managing Director
- Stewart Mangoma: Chief Finance Officer
- Takawira Maswiswi: General Manager – Human Resources
- Amend Chiduma: General Manager – Engineering
- Sibusisiwe Chindove: Head of Corporate Affairs
- Lysias Chiwozva: Risk and Strategy Manager
- Garikai Bera: Legal Counsel and Company Secretary

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

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

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

Project Steering Committee

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

Corporate Governance Report (continued)

expansions are subject to a full independent third party review. The committee is chaired by the General Manager – Engineering. A senior executive of Implats responsible for project planning and implementation is a member of this committee. Representatives from the operating subsidiary, and also from Implats as required, sit on this committee and review ongoing progress in respect of all matters relating to expansion projects. The committee meets regularly as required by the progress of the various aspects.

Capital Steering Committee

The principal role of this committee is to consider and assess, for approval or recommendation to the board, all applications for both growth and stay-in-business capital expenditure. The committee operates within an approval framework and is mandated to approve expenditure to certain limits beyond which board approval is required. The General Manager – Engineering is chairman of the committee. Membership comprises representatives from a variety of disciplines within the operating subsidiary's operations 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 US$1 million being reported at board level. The committee is chaired by the chief finance officer with senior executives of the operating subsidiary and one Implats executive as members.

REMUNERATION REPORT

The philosophy of Zimplats is that it does not discriminate on the basis of race, religion, sex or disability and is committed to providing equal opportunities, safe working conditions and attractive remuneration to staff. Policies on employment have been developed to suit prevailing conditions.

The operating subsidiary 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.

Zimplats is an equal opportunity employer but does have a target of achieving a workforce complement of 10% women with representation across all levels, including the board, where currently one member (10%) is a woman. There is currently one woman at senior executive level (E band on the Paterson job grading system) out of 21. Currently the operating subsidiary employs 210 women (2015: 207) 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.

Corporate Governance Report (continued)

The current approved annual aggregate limit of fees that can be paid to non-executive directors is US$600 000 which was approved by shareholders in 2012.

A 5% reduction in directors' fees and committee fees was effected in the third quarter of FY2016 as part of cost rationalisation measures.

The non-executive directors' annual board fees for the Group were as follows:

Board fees	2016	2015
	US$	US$
Chairman	76 950	81 000
Deputy Chairman	52 820	55 600
Directors	38 475	40 500

Committee fees are payable based on attendance and the annual fees were as follows:

Committee fees	Audit and risk		Remuneration and SHEC	
	2016	2015	2016	2015
	US$	US$	US$	US$
Chairman	21 010	22 116	19 213	20 224
Member	10 974	11 552	10 477	11 028

Board fees are not based on attendance; in the opinion of the board, the high level of interaction and consultation required on a continuous basis is such that regular and frequent application of thought to Company matters is required. Total fees paid during the period of US$451 022 (2015: US$446 249) are within the limit approved by shareholders in 2012.

Non-executive directors' remuneration for the Group for the period was split as follows:

	2016	2015
Total remuneration	**US$**	**US$**
Board Fees	343 182	319 815
Audit and Risk Committee Fees	41 204	42 332
SHEC Committee Fees	30 470	31 252
Remuneration Committee Fees	36 166	52 850
Total	**451 022**	**446 249**

EXECUTIVE AND SENIOR MANAGEMENT REMUNERATION

It is the remuneration policy of the Group 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 up to predetermined levels and full use of a company vehicle is provided to executives and senior management. There is also provision of medical aid cover for the executives and senior management and their immediate families.

In addition and subject to the attainment of specific 'on target' performance goals, a performance incentive bonus is provided for each manager amounting to a maximum of 56% of basic annual salary in the case of the executive directors and E band managers and 43% in the case of D band managers.

Corporate Governance Report (continued)

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 period.

The board has considered carefully the requirements of King III and Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations, Third Edition in relation to the disclosure of remuneration for specific persons, and believes that it is neither appropriate nor in the best interests of Zimplats and its shareholders to fully adopt this recommendation.

The retention of skills and the risk of a loss thereof remains a real threat for Zimplats. Accordingly the board is not willing to disclose details of remuneration and associated benefits paid to individuals on the executive team. The board believes that the remuneration paid to board members and executives is fair and reasonable, given Zimplats' market capitalisation and the remuneration required to be paid to attract and retain key personnel in Zimbabwe. The Company does, however, make the following aggregate disclosure with respect to the remuneration of executive directors and key management personnel of the operating subsidiary, a total of 21 people (2015: 26):

	2016	2015
	US$ 000	US$ 000
Executive directors and senior executives	8 091	8 964

LONG-TERM INCENTIVES

It is essential to retain critical skills over the longer term and to motivate and incentivise employees in a way that also aligns the interest of senior managers with those of shareholders, which is principally done through long-term incentive plans.

In view of the limited free-float availability of Zimplats' shares on the ASX, the board considers it inappropriate that executive directors and senior managers should be incentivised with such shares, and has instead introduced a scheme whereby they are incentivised on the basis of the allocation of shares and notional shares in the ultimate majority shareholder.

It was reported in 2012 that the long term incentive share appreciation reward scheme (SARS) was under review as it is not related to specific performance conditions. To comply with King III corporate governance principles and remuneration best practice, the current SARS is now being phased out in favour of a new long-term incentive plan (LTIP).

Share Appreciation Reward Scheme (SARS)

The SARS is a cash-settled share appreciation rights plan that confers the conditional right on a participant to be paid a cash bonus equal to the appreciation in the share price from the date of allocation to the date of surrender of the notional share. Participants receive once-off allocations under the scheme, expressed as a multiple of their salary which is topped-up as awards vest. The rights vest in equal tranches from year two through to year five and lapse ten years after the grant date.

Long-Term Incentive Plan (LTIP)

The LTIP was introduced in FY2013, and comprises both a conditional share plan (CSP) and a share appreciation rights plan (SAR). In terms of the SAR, conditional rights will be awarded to participants to receive shares in Implats calculated with reference to the increase in the share price from the award date until the date on which the SAR is exercised by the participants. A three-year vesting

Corporate Governance Report (continued)

period will apply, during which time the participants will have no rights in respect of the underlying shares. Vesting will be conditional on continued employment and a prescribed level of corporate performance. The participants will only be entitled to exercise the SARs subsequent to and to the extent that vesting has taken place. Participants will only become shareholders following the exercise of the SARs.

In terms of the CSP, fully paid shares are awarded free of charge to the participants at the end of a three-year vesting period. On the date of award, participants are only granted conditional rights to acquire these shares at a future date, and will only become shareholders with dividend and voting rights from vesting onwards. For the shares to vest participants must remain employed by the Company and for certain participants vesting of the shares will be subject to the achievement of defined Implats performance vesting conditions over the performance period.

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

RISK MANAGEMENT

The Company has adopted a policy on risk management which ensures an integrated approach to the management of risk in order that it becomes embedded in all business activities, and is more fully explained on page 56 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. 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 period 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 the executive team's application of risk management. Risk is a standard agenda item on board and management meetings, with the board and audit and risk committee being routinely apprised of the inherent risks and state of risk-management controls.

Corporate Governance Report (continued)

The board committees, external specialists and the internal and external audit functions assist the board in providing independent assurance on the effectiveness of the management controls that are in place. To this end, the audit and risk committee receives reports on the combined assurance model. This model seeks to integrate and co-ordinate the various assurance processes that exist within the Group and provides a higher level of independent assurance to the board on matters of compliance and risk management.

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

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

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

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

The risk management policy is available on the Company's website.

SUSTAINABLE REPORTING

A detailed report on stakeholder engagement and non-financial performance indicators has been included in this report on pages 55 to 79.

CODE OF ETHICS

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

On joining the Group, all managers are required to sign a copy of the code of ethics and fraud policy. The policies provide clear guidance on business and personal conduct, conflicts of interest, the prevention of the dissemination of Company information, the acceptance of donations and gifts and the protection of the intellectual property and patents of the Company. Group policy prohibits political donations, either directly or indirectly. The policy provides a channel through which breaches of the code can be dealt with without fear of 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 "whistle-blower" programme administered by Deloitte and monitored by internal audit. 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 period. In line with the fraud policy all reported allegations are fully investigated and, for tracking purposes, a register is maintained. A total of 29 allegations were reported and 14 were confirmed as relating to unethical practices. Two cases are still under investigation and three awards are pending payment.

An analysis of reports follows:

	2016	2015
Number of reports received	29	37
Number of employee dismissals	4	13
Number of rewards paid out	11	17
Total value of rewards paid out	**US$3 300**	**US$10 200**

The code of ethics is available on the Company's website.

DEALINGS IN SECURITIES

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

The securities trading policy is available on the Company's website.

CONTINUOUS DISCLOSURE AND COMMUNICATIONS

As guided by the Company's communication policy, shareholders, investors, analysts, the media, the market and employees are kept fully and timeously informed of all developments in the Group 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 Group'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 Group as the only employees who may communicate with the media or other external parties, in relation to matters subject to the continuous disclosure policy.

Audit and Risk Committee Report

Introduction

The audit and risk committee presents its report for the financial period ended 30 June 2016.

The duties of the committee are delegated to it by the board and the role of the committee is governed by formal board approved terms of reference which are reviewed annually and which comply in all material respects with the King III Report on Corporate Governance and the ASX Corporate Governance Principles and Recommendations, Third Edition. Details of the membership, objectives and corporate governance practices of the committee can be found on pages 82 to 83 of this integrated annual report.

Activities

The committee has discharged all its responsibilities as contained in the terms of reference and is satisfied that it has fulfilled its obligations in respect of its areas of responsibility. The following activities were, amongst other activities, performed in the period:

- 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 auditors 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 weaknesses 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 interim results for the six months ended 31 December 2015
  - The integrated annual report for the period ended 30 June 2016
- 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 2016 financial period
- 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 2016 annual general meeting, PricewaterhouseCoopers as the external auditor for the 2016 financial period
- 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 systems 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

Audit and Risk Committee Report (continued)

(BMS). Further, the operating subsidiary holds independent assurers' certification for compliance with ISO14001:2004, ISO9001:2008 and OHSAS18001:2007 in relation to environmental, quality and occupational health and safety management matters respectively.

The Company has now embedded enterprise risk management into day-to-day activities and risks are now considered during strategy formulation and key decision making processes.

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

Integrated annual report

The audit and risk committee has evaluated the integrated annual report incorporating the annual financial statements for the period ended 30 June 2016 and considers that it complies, in all material aspects, with the requirements of international financial reporting standards.

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

The committee has therefore recommended the annual financial statements, as set out in the integrated annual report, for approval by 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

NPS Zhou
Chairman of the Audit and Risk Committee
12 August 2016

FINANCIAL REVIEW

03

Directors' Report

The directors have pleasure in presenting their annual report, together with the financial statements for Zimplats Holdings Limited (Zimplats or the Company) and the consolidated financial statements of Zimplats Holdings Limited and its subsidiaries (together the 'Group'), for the period ended 30 June 2016.

PURPOSE OF THE COMPANY

Zimplats' main purpose is the production of platinum group metals and associated metals from its reserves and resources on the Great Dyke in Zimbabwe. At present, the Group's mining activities are operated by Zimbabwe Platinum Mines (Private) Limited, a wholly-owned subsidiary.

REPORTING CURRENCY AND ROUNDING OF AMOUNTS

The financial reports have been prepared in United States 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 period 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 150.

EMPOWERMENT

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

Shareholders have been kept informed of ongoing discussions with the Government of Zimbabwe with regards to the operating subsidiary's compliance with the Indigenisation and Economic Empowerment Act (Chapter 14:33) in Zimbabwe.

In March 2012, the Government of Zimbabwe accepted in principle the Company's indigenisation proposals towards achieving a 51% indigenous shareholding for transfer at fair value in the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited. Zimplats has continued to pursue engagements with the government on a mutually acceptable indigenisation implementation plan (IIP) for the operating subsidiary. In this regard, the operating subsidiary submitted a new proposed IIP to the government in March 2016. The Group is engaging the government on the IIP.

LOSS OF GROUND

The Government of Zimbabwe published a preliminary notice (under General Notice 123 of 2013 in the Zimbabwe Government Gazette Extraordinary of 1 March 2013) advising of its intention to acquire compulsorily 27 948 hectares, or approximately half of the land held by the operating subsidiary. The operating subsidiary lodged an objection to the notice on 27 March 2013.

From June 2015, the operating subsidiary was actively engaged in discussions with the government in an endeavour to resolve the matter amicably. However, on 29 June 2016, the operating subsidiary was served with an application filed in the Administrative Court of Zimbabwe in which the government is seeking an order authorising the acquisition by the government of the land described in the preliminary notice. The Company was cited as the respondent in the application. Papers opposing the application were filed on behalf of the Company and the

Directors' Report (continued)

operating subsidiary. The matter is therefore pending in the Administrative Court of Zimbabwe. The operating subsidiary will however still seek to have the matter resolved amicably.

FINANCIAL AFFAIRS

The financial results for the period are set out on pages 102 to 147. The Company performed well under the backdrop of a challenging period mainly due to low metal prices.

No dividend has been declared for the period in view of the pressure on cash and the need to conserve funds with metal prices forecast to remain at low levels.

No significant events have occurred, since the date of these financial statements and the date of approval thereof, the knowledge of which would affect the ability of the user of these statements to make proper evaluations and decisions.

The financial statements have been prepared using the appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The directors have a reasonable expectation that the Company has adequate resources to continue as a going concern in the foreseeable future. However, in the current economic environment this expectation will need to be continuously reassessed to determine its reasonableness.

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER CERTIFICATION

The chief executive officer and the chief finance officer have made the following certification to the board on the basis that there is nothing that has come to their attention that would cause them to report otherwise:

- That the Group financial reports present a true and fair view, in all material respects, of the financial condition and operational results of the Group and are in accordance with relevant accounting standards
- That the Group has adopted an appropriate system of risk management and internal compliance and control which implements the policies adopted by the board and forms the basis of the statement given above
- That the Group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

DIRECTORATE

COMPOSITION OF THE BOARD

During the period under review, there were no changes to the composition of the board and the following were the members of the board of directors:

- Dr F S Mufamadi
- Mr M A Masunda
- Mr A Mhembere
- Mr S M Mangoma
- Ms B Berlin
- Mr T P Goodlace
- Dr K D K Mokhele
- Mr L J Paton
- Mr Z B Swanepoel
- Mr N P S Zhou

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 at the annual general meeting.

The directors that are retiring by rotation this year at the next annual general meeting are Mr M A Masunda, Mr S M Mangoma, Dr K D K Mokhele and Mr N P S Zhou. Mr M A Masunda and Dr K D K Mokhele will not be offering themselves for re-election and they will therefore retire as directors of the Company at the annual general meeting. Mr S M Mangoma and Mr N P S Zhou, 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 period and up to the release of this report, nor did they have an interest in any significant contract with the Group during the period and

Directors' Report (continued)

up to the date of this report. In all the preceding instances the position is unchanged from that of the prior period.

Details of directors' remuneration are set out in the remuneration report on page 87.

INDEMNITY OF OFFICERS

Zimplats' memorandum and articles of association include indemnities in favour of persons who are or have been officers of the Company. To the extent permitted by law, Zimplats indemnifies every person who is or has been an officer against:

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

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

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 period.

INSURANCE FOR OFFICERS

During and since the end of the financial period 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 officers that it will insure them against certain liabilities incurred in their capacity as an officer.

INDEPENDENT AUDITORS

Messrs PricewaterhouseCoopers Chartered Accountants (Zimbabwe) have indicated their willingness to continue as the Company's auditor. A resolution to authorise their re-appointment will be proposed at the forthcoming annual general meeting.

In line with best practice, the auditors of the Company are requested to attend the annual general meeting in order to be available to answer shareholder questions concerning the conduct of the audit and the preparation and content of the audit report.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at The Wanderers Club, 21 North Street, Illovo, Johannesburg, South Africa, on Friday 14 October 2016 at 11:30am. Full details are given in the notice of the meeting on page 152.

By order of the board

The Directors' Statement of Responsibility

For the Period Ended 30 June 2016

The Company's directors are responsible for the preparation, integrity and objectivity of the financial statements, comprising the statement of financial position as at 30 June 2016, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS).

To enable the directors to meet those responsibilities:

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

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

- The audit and risk committee, together with the internal auditors, play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

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

- the information and explanations provided by line management
- discussions held with the independent auditors on the results of the audit
- the assessment by the audit and risk committee.

Nothing has come to the attention of the board that caused it to believe that the Group's systems 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' Statement of Responsibility

For the Period Ended 30 June 2016 (continued)

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 shareholders of the Company is set out on page 101.

APPROVAL OF FINANCIAL STATEMENTS

The directors' report and the financial statements were approved by the board of directors on 12 August 2016 and were signed on its behalf by:

A Mhembere	**S M Mangoma**
Chief Executive Officer	**Chief Finance Officer**
12 August 2016	

pwc

Independent Auditors' Report

to the shareholders of
ZIMPLATS HOLDINGS LIMITED

Report on the financial statements

We have audited the consolidated and separate financial statements of Zimplats Holdings Limited, which comprise the statements of financial position as at 30 June 2016, and the statements of comprehensive income, changes in equity and cash flows for the period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, set out on pages 102 to 147.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards, 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 consolidated and separate 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 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the period then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants (Zimbabwe) **31 August 2016**
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.

Statements of Financial Position

As at 30 June 2016

	Notes	Group 2016 US$ 000	Group 2015 US$ 000	Company 2016 US$ 000	Company 2015 US$ 000
ASSETS					
Non-current assets					
Property, plant and equipment	6	1 024 233	1 029 047	5 671	5 945
Investment in subsidiaries	7	-	-	112 970	112 923
		1 024 233	1 029 047	118 641	118 868
Current assets					
Inventories	8	47 421	79 508	-	-
Trade and other receivables	9	134 710	130 453	4 022	-
Prepayments	10	59 488	33 476	-	-
Cash and balances with banks	11	55 665	73 479	52 390	66 576
		297 284	316 916	56 412	66 576
Total assets		1 321 517	1 345 963	175 053	185 444
EQUITY AND LIABILITIES					
EQUITY					
Capital and reserves					
Share capital	12	10 763	10 763	10 763	10 763
Share premium	12	89 166	89 166	89 166	89 166
Retained earnings		847 192	852 868	74 918	85 338
		947 121	952 797	174 847	185 267
LIABILITIES					
Non-current liabilities					
Borrowings	13	85 000	50 000	-	-
Share based compensation	14	1 870	838	-	-
Deferred income taxes	15	140 549	135 122	-	-
Environmental rehabilitation provision	16	21 668	19 423	-	-
		249 087	205 383	-	-
Current liabilities					
Trade and other payables	17	58 283	103 354	206	177
Current income tax payable	18	42 795	51 110	-	-
Borrowings	13	24 000	32 000	-	-
Share based compensation	14	231	1 319	-	-
		125 309	187 783	206	177
Total equity and liabilities		1 321 517	1 345 963	175 053	185 444

The notes on pages 106 to 147 form an integral part of these financial statements.

The financial statements were authorised for issue by the board of directors and were signed on its behalf by:

A Mhembere
Chief Executive Officer
12 August 2016

S M Mangoma
Chief Finance Officer

Statements of Comprehensive Income

For the Period Ended 30 June 2016

	Notes	Group 2016 US$ 000	Group 2015 US$ 000	Company 2016 US$ 000	Company 2015 US$ 000
Revenue	5	471 778	408 391	-	-
Cost of sales	19	(390 650)	(315 727)	-	-
Gross profit		81 128	92 664	-	-
Management fees		-	-	4 718	4 084
Administrative expenses	20	(35 864)	(41 788)	(1 490)	(1 136)
Selling and distribution expenses		(5 221)	(2 305)	-	-
Royalty and commission expense		(11 664)	(10 152)	-	-
Royalty refund	22	-	95 787	-	-
Derecognition of property, plant and equipment	23	-	(38 538)	-	-
Other operating expenses	24	(1 135)	(37 979)	(9)	(16)
Other operating income	25	9 302	625	-	-
Profit from operations		36 546	58 314	3 219	2 932
Finance costs	26	(7 289)	(3 472)	-	-
Finance income	27	97	1 296	72	4 701
Profit before income tax		29 354	56 138	3 291	7 633
Income tax expense	28	(22 027)	(130 467)	(708)	(613)
Profit/(loss) for the period		7 327	(74 329)	2 583	7 020
Other comprehensive income for the period, net of tax					
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 income/(loss) for the period		7 327	(74 329)	2 583	7 020
Attributable to:					
Owners of the parent		7 327	(74 329)	2 583	7 020
Non controling interest		-	-	-	-
Total comprehensive income/(loss) for the period		7 327	(74 329)	2 583	7 020
Earnings per share from continuing operations attributable to owners of the parent during the period					
Basic earnings/(loss) per share (cents)	29	7	(69)		
Diluted earnings/(loss) per share (cents)	29	7	(69)		

The notes on pages 106 to 147 form an integral part of these financial statements.

Statements of Changes in Equity

For the Period Ended 30 June 2016

GROUP	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 income for the period	-	-	7 327	7 327
Profit for the period	-	-	7 327	7 327
Other comprehensive income for the period	-	-	-	-
Transactions with owners in their capacity as owners:				
Dividends paid (note 30)	-	-	(13 003)	(13 003)
Balance as at 30 June 2016	10 763	89 166	847 192	947 121
Balance as at 1 July 2014	10 763	89 166	927 197	1 027 126
Total comprehensive loss for the period	-	-	(74 329)	(74 329)
Loss for the period	-	-	(74 329)	(74 329)
Other comprehensive income for the period	-	-	-	-
Balance as at 30 June 2015	10 763	89 166	852 868	952 797
COMPANY				
Balance as at 1 July 2015	10 763	89 166	85 338	185 267
Total comprehensive income for the period	-	-	2 583	2 583
Profit for the period	-	-	2 583	2 583
Other comprehensive income for the period	-	-	-	-
Transactions with owners in their capacity as owners:				
Dividends paid (note 30)	-	-	(13 003)	(13 003)
Balance as at 30 June 2016	10 763	89 166	74 918	174 847
Balance as at 1 July 2014	10 763	89 166	78 318	178 247
Total comprehensive income for the period	-	-	7 020	7 020
Profit for the period	-	-	7 020	7 020
Other comprehensive income for the period	-	-	-	-
Balance as at 30 June 2015	10 763	89 166	85 338	185 267

The notes on pages 106 to 147 form an integral part of these financial statements.

Statements of Cash Flows
For the Period Ended 30 June 2016

		Group		Company	
	Notes	2016 US$ 000	2015 US$ 000	2016 US$ 000	2015 US$ 000
Cash flows from operating activities					
Profit before income tax		29 354	56 138	3 291	7 633
Adjustments for:					
Depreciation	6	75 003	72 399	274	316
Provision for obsolete inventories	8	2 128	(651)	-	-
Provision for share based compensation	14	190	(2 245)	-	-
Other receivables written-off		-	2 539	25	-
Derecognition of property, plant and equipment	23	-	38 538	-	-
Effect of discounting on the long-term receivables	24	-	6 826	-	-
Foreign currency adjustment	24	804	771	9	16
Loss/(gain) on disposal of property, plant and equipment	24	309	(33)	-	-
Tax penalties and interest charges	25	(2 745)	27 710	-	-
Finance costs	26	7 289	3 472	-	-
Finance income	27	(97)	(1 296)	(72)	(4 701)
Changes in working capital					
Decrease/(increase) in inventories	8	29 959	(21 391)	-	-
(Increase)/decrease in trade and other receivables	9	(4 257)	70 219	(4 047)	-
Increase in prepayments	10	(26 012)	(8 995)	-	-
Decrease in share based compensation	14	(246)	(45)	-	-
Decrease in environmental rehabilitation provision	16	(412)	(658)	-	-
(Decrease)/increase in trade and other payables	17	(43 202)	10 530	29	53
Net cash generated from/(utilised in) operations		68 065	253 828	(491)	3 317
Finance costs paid		(7 196)	(6 856)	-	-
Income taxes and withholding tax paid	18	(24 833)	(104 686)	(708)	(613)
Net cash generated from/ (utilised in) operating activities		36 036	142 286	(1 199)	2 704
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(68 072)	(84 526)	-	-
Proceeds from disposal of property, plant and equipment		137	351	-	-
Loan repayments from subsidiary undertaking		-	-	-	51 383
Movement in loans to subsidiaries		-	-	(47)	515
Finance income		97	(216)	72	277
Net cash (utilised in)/generated from investing activities		(67 838)	(84 391)	25	52 175
Cash flows from financing activities					
Proceeds from bank borrowings	13	10 000	-	-	-
Repayments of borrowings	13	-	(30 000)	-	-
Dividends paid	30	(13 003)	-	(13 003)	-
Net cash utilised in financing activities		(3 003)	(30 000)	(13 003)	-
(Decrease)/increase in cash and cash equivalents		(34 805)	27 895	(14 177)	54 844
Cash and cash equivalents at beginning of the period		66 479	38 600	66 576	11 748
Exchange losses on cash and cash equivalents		(9)	(16)	(9)	(16)
Cash and cash equivalents at end of the period	11	31 665	66 479	52 390	66 576

The notes on pages 106 to 147 form an integral part of these financial statements.

Notes to the Financial Statements
For the Period Ended 30 June 2016

1. GENERAL INFORMATION

Zimplats Holdings Limited (the 'Company') is a limited liability company domiciled in Guernsey, Channel Islands and listed on the Australian Stock Exchange. The consolidated financial statements for the period ended 30 June 2016 comprise the Company and its subsidiaries (together the 'Group').

The Group's principal business is producing platinum group metals (which primarily include platinum, palladium, rhodium, iridium and ruthenium) and associated metals (nickel, gold, copper, cobalt and silver) mined from the Great Dyke in Zimbabwe.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. Accounting policies that refer to the Group, apply equally to the Company financial statements where relevant.

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and the International Financial Reporting Standards Interpretations Committee ('IFRS IC') interpretations, applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention except for the liabilities for cash-settled share-based payment arrangements which are measured using a binomial option model.

The financial statements have historically been prepared based on an internal cut-off date for financial information ending on 21 June in line with the metallurgical cut-off date each year. The Group has decided to align the internal cut-off date and the date of the financial statements by moving the internal month end date of 21 June to 30 June. The current consolidated statement of comprehensive income resultantly includes a period of one year and nine days with no significant impact. Refer to revenue recognition under note 4(f).

The financial statements have been prepared on a going concern basis, which assumes that the Company and the Group will continue in existence for the foreseeable future. The directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate.

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

2.1.1 Changes in accounting policy and disclosures

a) New standards, amendments and interpretations effective for the first time for 30 June 2016 year ends
There are no new standards, amendments and interpretations effective for the first time for 30 June 2016 year ends that are relevant to the Group.

b) New Standards, amendments and interpretations issued but not effective for 30 June 2016 year ends that are relevant to the Group but have not been early adopted

Standard / Interpretation	Effective date	Executive summary
Amendments to IAS 7, 'Cash flow statements'	1 January 2017	In January 2016, the International Accounting Standards Board (IASB) issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment responds to requests from investors for information that helps them better understand changes in an entity's debt. The amendment will affect every entity preparing IFRS financial statements. However, the information required should be readily available. Preparers should consider how best to present the additional information to explain the changes in liabilities arising from financing activities.

Notes to the Financial Statements

For the Period Ended 30 June 2016 (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

b) New Standards, amendments and interpretations issued but not effective for 30 June 2016 year ends that are relevant to the Group but have not been early adopted (continued)

Standard / Interpretation	Effective date	Executive summary
Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative	1 January 2016	In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.
IFRS 15 – 'Revenue from contracts with customers'	1 January 2018	The Financial Accounting Standards Board (FASB) and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of a good or service transfers to a customer.
IFRS 16, 'Leases'	1 January 2019	After ten years of joint drafting by the IASB and FASB, they decided that lessees should be required to recognise assets and liabilities arising from all leases (with limited exceptions) on the statement of financial position. Lessor accounting has not substantially changed in the new standard. The model reflects that, at the start of a lease, the lessee obtains the right to use an asset for a period of time and has an obligation to pay for that right. In response to concerns expressed about the cost and complexity to apply the requirements to large volumes of small assets, the IASB decided not to require a lessee to recognise assets and liabilities for short-term leases (less than 12 months), and leases for which the underlying asset is of low value (such as laptops and office furniture). A lessee measures lease liabilities at the present value of future lease payments. A lessee measures lease assets, initially at the same amount as lease liabilities, and also includes costs directly related to entering into the lease. Lease assets are amortised in a similar way to other assets such as property, plant and equipment. This approach will result in a more faithful representation of a lessee's assets and liabilities and, together with enhanced disclosures, will provide greater transparency of a lessee's financial leverage and capital employed. One of the implications of the new standard is that there will be a change to key financial ratios derived from a lessee's assets and liabilities (for example, leverage and performance ratios). IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an arrangement contains a lease', SIC 15, 'Operating leases – Incentives' and SIC 27, 'Evaluating the substance of transactions Involving the legal form of a lease'.
Amendments to IAS 27, 'Separate financial statements' on equity accounting	1 January 2016	In this amendment the IASB has restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

The Group is still assessing the impact of these new standards, amendments and interpretations and the timing of their adoption.

Notes to the Financial Statements

For the Period Ended 30 June 2016 (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

c) New standards, amendments and interpretations issued but not yet effective for 30 June 2016 year ends that are not relevant to the Group

Standard / Interpretation	Effective date	Executive summary
Amendments to IFRS 10, 'Consolidated financial statements' and International Accounting Standard (IAS) 28, 'Investments in associates and joint ventures' on sale or contribution of assets	Postponed (initially 1 January 2016)	The postponement applies to changes introduced by the International Accounting Standards Board (IASB) in 2014 through narrow-scope amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'. Those changes affect how an entity should determine any gain or loss it recognises when assets are sold or contributed between the entity and an associate or joint venture in which it invests. The changes do not affect other aspects of how entities account for their investments in associates and joint ventures. The reason for making the decision to postpone the effective date is that the IASB is planning a broader review that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.
Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28,'Investments in associates and joint ventures' on applying the consolidation exemption	1 January 2016	The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.
Amendment to IAS 12 – 'Income taxes'	1 January 2017	The amendments were issued to clarify the requirements for recognising deferred tax assets on unrealised losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify other aspects of accounting for deferred tax assets. The amendments clarify the existing guidance under IAS 12. They do not change the underlying principles for the recognition of deferred tax assets.
Amendment to IAS 16, 'Property, plant and equipment' and IAS 38,'Intangible assets', on depreciation and amortisation.	1 January 2016	In this amendment the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

Notes to the Financial Statements

For the Period Ended 30 June 2016 (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

c) New standards, amendments and interpretations issued but not yet effective for 30 June 2016 year ends that are not relevant to the Group (continued)

Standard / Interpretation	Effective date	Executive summary
IFRS 9 – 'Financial instruments' (2009 and 2010) • Financial liabilities • Derecognition of financial instruments • Financial assets General hedge accounting	1 January 2018	This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The IASB has updated IFRS 9, 'Financial instruments' to include guidance on financial liabilities and derecognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and measurement', without change, except for financial liabilities that are designated at fair value through profit or loss.
Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation	1 January 2016	This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.
IFRS 14 – 'Regulatory deferral accounts'	1 January 2016	The IASB has issued IFRS 14, 'Regulatory deferral accounts' specific to first time adopters ('IFRS 14'), an interim standard on the accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). Rate regulation is a framework where the price that an entity charges to its customers for goods and services is subject to oversight and/or approval by an authorised body.
Amendments to IAS 16, 'Property, plant and equipment' and IAS 41, 'Agriculture' on bearer plants	1 January 2016	In this amendment to IAS 16 the IASB has scoped in bearer plants, but not the produce on bearer plants and explained that a bearer plant not yet in the location and condition necessary to bear produce is treated as a self-constructed asset. In this amendment to IAS 41, the IASB has adjusted the definition of a bearer plant to include examples of non-bearer plants and remove current examples of bearer plants from IAS 41.

(d) Improvements to IFRS

Annual improvements 2014, issued September 2014

The IASB issued annual improvements to IFRSs 2012 - 2014 Cycle, which contains five amendments to four standards, excluding consequential amendments. The amendments are effective for annual periods beginning on or after 1 January 2016.

Annual improvements	Effective date	IFRS
Annual improvements 2014	1 January 2016	IFRS 5, 'Non-current assets held for sale and discontinued operations IFRS 7, 'Financial instruments disclosures' IAS 19, 'Employee benefits' IAS 34, 'Interim financial reporting'

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

2.2 PRINCIPLES OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations.

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

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interests in the subsidiary. A difference between the amount of the adjustment to non-controlling interest in any consideration paid or received is recognised in a separate reserve within equity attributable to the owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, 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 becomes 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.

Accounting policy for investment in subsidiaries in separate financial statements of the Company

All investments in subsidiaries are carried at cost less accumulated allowance for impairment.

2.3 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The executive committee has been identified as the chief operating decision maker and is responsible for making strategic decisions, allocating resources and assessing the performance of the operating segments.

An operating segment is a component of an entity:

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

The Group operates within the mining industry. The activities of the Group are entirely related to the mining and processing of platinum and associated metals from the Great Dyke in Zimbabwe.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of each of the Group's entities 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.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within income or other expenses.

Foreign exchange gains and losses are presented in the income statement within other "expenses or 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 costs, which is the cost of dismantling and removal of the asset included in the environmental rehabilitation provision, 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 income statement 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 measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the income statement during the reporting period in which they are incurred.

Assets are not depreciated when 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. Depreciation methods and depreciation rates are applied consistently within each asset class. The depreciation calculation is adjusted prospectively for changes in the residual value and useful lives.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

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 proceeds with the carrying amount and are recognised within other operating income or expense in the income statement.

Mining claims

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

Mining assets

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

Metallurgical assets

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

At 30 June 2016, the life of mine was estimated as follows:

Mine	Estimated useful life
Rukodzi Mine	6 years
Ngwarati Mine	9 years
Bimha Mine	31 years
Mupfuti Mine	13 years
South Pit Mine	3 years

Land and buildings

Land is not depreciated. Buildings are depreciated over the life of mine using the units-of-production method and the economically recoverable proved and probable mineral reserves, limited to the life of mine.

Mobile equipment

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

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

Service and other assets

Service assets comprise mainly the Ngezi Road, internal access roads and reticulation to staff housing, a 330kV substation and sewage facilities. These assets are depreciated over the life of mine using the units-of-production method and the economically recoverable proved and probable mineral reserves, limited to the life of mine.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

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

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

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.

Stripping costs

Waste removal costs incurred during the production phase of an open-pit mine to provide improved access to future ore (to be mined over a period of more than 12 months) are recognised as stripping activity assets in property, plant and equipment. The stripping costs incurred in the ordinary course of operations in an open-pit mine are expensed as incurred. The stripping activity asset is depreciated over the expected useful life of the identified component of the ore body to which access has been improved as a result of the stripping activity using the units-of-production method.

There were no stripping costs meeting the capitalisation criteria as at 30 June 2016 (2015: US$nil).

Care and maintenance

Projects that are transferred to care and maintenance are carried forward to the extent to which recoupment out of revenue following the return to production or sale of the mine is reasonably assured. Depreciation is provided in respect of properties in accordance with the policy.

2.6 EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES

The Group expenses all exploration and evaluation expenditure until the directors conclude that a future economic benefit is more likely than not to be realised, i.e. probable, thereafter, exploration and evaluation expenses are capitalised. 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.

Notes to the Financial Statements

For the Period Ended 30 June 2016 (continued)

- Exploration and evaluation expenditure on brownfield 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.

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

- Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised as a mine development cost following the completion of an economic evaluation equivalent to a 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.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

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 purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

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.

2.9 FINANCIAL ASSETS

Classification

The Group classifies its financial assets in the loans and receivables category. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and balances with banks in the statement of financial position.

Recognition and derecognition

Regular way 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. 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.

Measurement

At initial recognition, the Group measures financial assets at fair value plus, in the case of financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Interest on loans and receivables calculated using the effective interest method is recognised in the income statement.

Impairment of financial assets

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

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

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying value of the asset is reduced and the amount of the loss is recognised in the 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 income statement.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

2.10 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.11 INVENTORIES

Ore, concentrate and matte stocks

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

Consumable stocks

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

2.12 TRADE AND OTHER RECEIVABLES

Trade and other receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected to be settled within one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet identified. For these receivables the estimated impairment losses are recognised in a separate allowance for impairment account.

The Group considers that there is evidence of impairment if any of the following indicators are present:
- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 30 days overdue).

Receivables for which an impairment allowance was recognised are written off against the allowance when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within administrative expenses. Subsequent recoveries of amounts previously written off are credited against administrative expenses.

2.13 CASH AND BALANCES WITH BANKS

Cash and balances with banks comprise cash held with banks and cash on hand. Balances with banks are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in fair value.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

2.14 CASH AND CASH EQUIVALENTS

In the statement of cash flows, cash and cash equivalents comprise cash and balances with banks and the revolving facility which operates as a bank overdraft. The revolving facility is shown within borrowings in 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 initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured 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 rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

2.17 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 capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

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

Other borrowing costs are expensed in the period in which they are incurred.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

2.18 TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured and usually paid within two months of recognition. Trade and other payables are classified as current liabilities unless payment is not due within twelve months after the reporting date.

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

2.19 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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 management's best estimate of the expenditures required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Environmental rehabilitation provision

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

Decommissioning costs

These costs will arise from rectifying damage caused before production commences. The net present value of future decommissioning cost estimates as at period-end are 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.

Restoration costs

Restoration costs represent the cost of restoring site damage caused after the start of production. The net present value of future rehabilitation costs estimated as at period 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. Changes in the measurement of the liability, apart from unwinding the discount which is recognised in the income statement as a finance cost, are capitalised to the environmental rehabilitation asset. 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.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

2.20 EMPLOYEE BENEFITS

Short-term employee benefits

Short-term benefits comprise wages and salaries, accumulated leave pay, bonuses and any non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. Short term benefits are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as current employee benefit obligations in the statement of financial position. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Pension obligations

The Group participates in defined contribution retirement plans for certain employees.

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

Contributions paid to independently managed funds are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits

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

Cash-settled share based payments

Long-term incentive plan – share appreciation rights (LTIP – SAR-new)

Conditional rights are awarded to participants to receive shares in Impala Platinum Holdings Limited. The number of shares awarded is calculated with reference to the increase in the share price from the award date until the date on which the share appreciation right (SAR) is exercised by the participants. A three-year vesting period applies, during which time the participants have no rights in respect of the underlying shares. Vesting is conditional on continued employment and a prescribed level of corporate performance. The participants are only entitled to exercise the SARs subsequent to and to the extent that vesting has taken place. Participants become shareholders of Impala Platinum Holdings Limited following the exercise of the SARs. All unexercised SARs lapse after six years from date of allocation

The fair value, on grant date, of the employee services received in exchange for the grant of the SAR is recognised as an expense on a straight-line basis over the vesting period, with a corresponding increase in the share based compensation liability. The fair value is determined by using the binomial option valuation model and assumptions used to determine the fair value are detailed in note 4. At each reporting date, the total amount to be expensed is determined by the number of options that are expected to become exercisable, taking into account non-market vesting conditions.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

Long-term incentive plan - share appreciation rights (LTIP – SAR- run-off)

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

Long-term incentive plan - conditional share plan (LTIP - CSP)

Fully paid shares in Impala Platinum Holdings Limited are awarded free of charge to the participants at the end of a three-year vesting period. On the date of award, participants are only granted conditional rights to acquire these shares at a future date, and only become shareholders with rights from vesting onwards. There are two conditional share plans in effect. For the shares to vest in both instances participants must remain employed by the Company but, for certain of these shares, vesting of the shares are subject to the achievement of defined performance vesting conditions over the performance period.

2.21 CURRENT AND DEFERRED INCOME TAX

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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 Group'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 in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the 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 asset is realised or deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred income tax liabilities are provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liabilities 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 are recognised on deductible temporary differences arising from investments in subsidiaries, only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority. Current income tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends to settle the balance on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

Current and deferred income 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.

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 is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results.

The Group sells white matte or concentrates which primarily consists of platinum, palladium, rhodium, iridium, ruthenium and associated metals (nickel, gold, copper, cobalt and silver) mined from the Great Dyke in Zimbabwe. The products are sold to one customer, Impala Refining Services Limited (IRS), a fellow subsidiary, under the terms of a contract. Revenue from the sale of white matte and concentrates is recognised when the product has been delivered to IRS where it is subject to further processing. Prices of the individual extracted minerals/metals are based on market prices. Quantities of the metals contained in the white matte and concentrates are obtained from the assay report results from both the Group and IRS and agreed by the two parties.

2.23 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 is recognised using the original effective interest rate.

2.24 DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting date but not distributed at the reporting date.

Dividends declared after the reporting date but before the financial statements are issued are not recognised in the financial statements but are disclosed in the notes to the financial statements.

2.25 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit or loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; by
- the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

2.26 COMPARATIVES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

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 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 future financial performance. The primary objective of the financial risk management function is to establish risk limits and to ensure that risk stays within limits.

Risk management is carried out by the audit and risk committee under the policies approved by the board of directors. The audit and risk committee identifies and evaluates financial risks in close cooperation with management.

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

3.1.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from open positions in foreign currencies, interest bearing liabilities and commodity prices to the extent that these are exposed to general and specific market movements.

(i) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk and currency risk whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all financial instruments traded in the market.

The Group is exposed to commodity price risk as trade receivables include pipeline sales amounting to US$125.9 million (2015: US$70.5 million) which will be revalued at future metal prices according to the sales contract with IRS. Metals sold, for which actual prices are not yet certain, are valued using spot prices at the reporting date with reference to the international market. The Group is therefore exposed to the risk of external price volatility (price takers).

The following demonstrates the sensitivity of pipeline sales included in trade receivables at the reporting date to a 10% (2015:5%) decrease/increase in metal prices to a possible change in prices on profitability:

Effect on profit before income tax	2016 US$ 000	2015 US$ 000
Platinum	6 462	1 679
Palladium	3 102	889
Gold	905	215
Rhodium	695	243
Nickel	938	346
Copper	337	112
Other	154	42
Total	12 593	3 526

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

(ii) Foreign exchange risk

Foreign exchange risk is the risk arising from fluctuations in foreign exchange rates and their effect on future commercial transactions or recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures on purchases that are denominated in currencies other than the US$, primarily with respect to contracts with suppliers of goods and services mainly denominated in the South African Rand (ZAR). The Group does not use forward exchange contracts to hedge its foreign currency risk.

At 30 June 2016, if the currency had weakened/strengthened by 20% (2015:11%) against the South African Rand with all other variables held constant, post-tax profit for the period would have been US$1.18 million (2015: US$0.59 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of rand-denominated trade payables. Profit is more sensitive to movement in ZAR exchange rates in 2016 than 2015 because of the increased amount of ZAR denominated payables.

Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

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. Borrowings issued at fixed rates expose the Group to fair value 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 scenarios including cash flow forecasts and projections, allocations of funds and other treasury related issues. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. The board approves all loans, including the interest rate terms, which are benchmarked against the London Inter- Bank Offered Rate (LIBOR).

Interest rate risk sensitivity analysis

The table below indicates the sensitivity to a +/-100 basis points change in interest rates, with all other variables held constant, of the Group's profit before income tax.

	Effect on profit before income tax	
	2016	**2015**
	US$ 000	**US$ 000**
Interest rate change		
100 basis points increase	850	750
100 basis points decrease	(850)	(750)

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

3.1.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge a contract. Credit risk potentially arises from cash and cash equivalents, deposits with banks or financial institutions and trade and other receivables. The Group's cash and balances with banks 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, there have been no impairments necessary (2015: US$ nil) against trade receivables, the credit quality of the sole customer is considered to be sound and management does not expect any losses from non-performance.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Group's maximum exposure to credit risk by class of financial asset is as follows:

	Group		Company	
	2016 US$ 000	2015 US$ 000	2016 US$ 000	2015 US$ 000
Trade and other receivables (excluding prepayments and value added tax)	130 068	80 667	4 022	-
Cash and balances with banks	55 646	73 455	52 390	66 576
	185 714	154 122	56 412	66 576

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

As all contractual terms have been complied with, trade receivables were fully performing and none were past due nor impaired as at 30 June 2016 (2015:US$nil).

Other financial assets

Credit risk relating to other financial assets comprises employee housing and car loans secured by a second bond over residential properties and certificate of title respectively. Ownership is only transferred after the loan has been paid in full. There is limited credit risk associated with loans and receivables from employees as repayments are deducted through payroll.

Cash and balances with banks

The Group holds accounts with large financial institutions with sound capital and financial cover. The financial institutions holding cash and balances with banks have the following credit ratings:

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

	Group		Company	
	2016 US$ 000	2015 US$ 000	2016 US$ 000	2015 US$ 000
BBB	55 484	69 314	52 388	66 576
BB+	60	78	-	-
AA-	-	3 961	2	-
A	102	102	-	-
	55 646	73 455	52 390	66 576

External ratings for financial institutions were based on Fitch and Moody and the Global Credit Rating Company ratings.

3.1.3 Liquidity risk

Liquidity risk is the risk that the Group may fail to meet its obligations when they fall due, the consequences of which may be the failure to meet obligations to creditors. The Group identifies this risk through periodic liquidity gap analysis and the maturity profile of assets and liabilities. Where major gaps appear, action is taken in advance to close or minimise the gaps.

The treasury committee meets every month to review cash flow forecasts performed by the finance department. The finance department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities as well as ensure that the Group does not breach borrowing limits or covenants (where applicable). Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

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 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. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant. For borrowings, the cash flows have been estimated using the three months LIBOR applicable at the end of the reporting period.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

Group At 30 June 2016	On demand and up to 6 months US$ 000	6 months to 1 year US$ 000	1 to 2 years US$ 000	2 to 5 years US$ 000	Total contractual cash flows US$ 000	Total carrying amount US$ 000
Liabilities						
Borrowings	27 325	3 271	47 461	44 163	122 220	109 000
Trade and other payables (excluding statutory liabilities)	31 011	-	-	-	31 011	31 011
Total liabilities	**58 336**	**3 271**	**47 461**	**44 163**	**153 231**	**140 011**
Assets						
Trade and other receivables (excluding prepayments and value added tax)	127 508	507	1 403	650	130 068	130 068
Cash and balances with banks	55 665	-	-	-	55 665	55 665
Total assets	**183 173**	**507**	**1 403**	**650**	**185 733**	**185 733**
Liquidity gap	**124 837**	**(2 764)**	**(46 058)**	**(43 513)**	**(32 502)**	**(45 722)**
Cumulative liquidity gap	**124 837**	**122 073**	**76 015**	**32 502**		
At 30 June 2015						
Liabilities						
Borrowings	34 792	1 841	27 777	25 931	90 341	82 000
Trade and other payables (excluding statutory liabilities)	65 106	-	-	-	65 106	65 106
Total liabilities	**99 898**	**1 841**	**27 777**	**25 931**	**155 447**	**147 106**
Assets						
Trade and other receivables (excluding prepayments and value added tax)	76 990	1 093	1 453	1 131	80 667	80 667
Cash and balances with banks	73 479	-	-	-	73 479	73 479
Total assets	**150 469**	**1 093**	**1 453**	**1 131**	**154 146**	**154 146**
Liquidity gap	**50 571**	**(748)**	**(26 324)**	**(24 800)**	**(1 301)**	**7 040**
Cumulative liquidity gap	**50 571**	**49 823**	**23 499**	**(1 301)**		

The Group determines ideal weights for maturity time buckets which are used to benchmark the actual maturity profile. Maturity mismatches arising across the time buckets are managed through sales or advances from related parties. Mismatches arising from financing mismatches are managed through renewal of existing facilities.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

3.2 CAPITAL RISK MANAGEMENT

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 to reduce cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

The Group monitors capital on the basis of 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 balances with banks. Total capital is calculated as 'equity' in the statement of financial position plus net debt.

The gearing ratios at 30 June 2016 and 2015 were as follows:

	2016 US$ 000	2015 US$ 000
Total borrowings (note 13)	109 000	82 000
Less: Cash and balances with banks (note 11)	(55 665)	(73 479)
Net debt	53 335	8 521
Total equity	947 121	952 797
Total capital	1 000 456	961 318
Gearing ratio	5.3%	0.9%

3.3 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

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

The hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible. The Group had no financial assets or financial liabilities carried at fair value as at 30 June 2016 (2015:US$nil).

Comparison of carrying amounts and fair values for assets and liabilities not held at fair value

The fair value is an estimate of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following table summarises the fair value of financial assets and liabilities not measured at fair value on the entity's statement of financial position.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

Group	2016		2015	
	US$ 000	US$ 000	US$ 000	US$ 000
	Carrying value	Fair value	Carrying value	Fair value
Trade and other receivables (excluding prepayments and value added tax)	130 068	130 068	80 667	80 667
Cash at bank and on hand	55 665	55 665	73 479	73 479
	185 733	185 733	154 146	154 146

The carrying amount of trade and other receivables closely approximates its fair value as the instruments are short term in nature.

Group	2016		2015	
	US$ 000	US$ 000	US$ 000	US$ 000
	Carrying value	Fair value	Carrying value	Fair value
Borrowings	109 000	109 000	82 000	82 000
Trade and other payables (excluding statutory liabilities)	31 011	31 011	65 106	65 106
	140 011	140 011	147 106	147 106

The carrying amounts of financial liabilities carried at amortised cost closely approximate their fair values. The impact of discounting is not significant due to the market terms (rates and tenor) available (borrowings) and because the instruments are short term in nature (trade and other payables).

3.4 FINANCIAL INSTRUMENTS BY CATEGORY

	Group		Company	
	2016	2015	2016	2015
Loans and receivables	US$ 000	US$ 000	US$ 000	US$ 000
Asset per statement of financial position				
Trade and other receivables (excluding prepayments and value added tax)	130 068	80 667	37 392	33 323
Cash and balances with banks	55 665	73 479	52 390	66 576
	185 733	154 146	89 782	99 899
Financial liabilities at amortised cost				
Liabilities per statement of financial position				
Borrowings	109 000	82 000	-	-
Trade and other payables (excluding statutory liabilities)	31 011	65 106	206	177
	140 011	147 106	206	177

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

The preparation of the financial statements requires the Group's management to make estimates and assumptions that affect the reported amounts of assets, 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.

(a) 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 depreciation will be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable mineral reserves. This would generally result from changes in any of the factors or assumptions used in estimating mineral reserves. Changes in mineral reserves will similarly have an impact on the useful lives of assets depreciated on a straight-line basis, as these lives are limited to the life of the mine.

Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the recoverable amount of tangible assets are inherently uncertain and could materially change over time.

They are significantly affected by resources, exploration potential and production estimates, together with economic factors such as spot and future metal prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

Impairment review

The decline in metal prices during the year triggered an impairment assessment of property, plant and equipment. No impairment charge arose from the review. The recoverable amount of the cash generating unit (CGU) was determined based on value-in-use calculation for the existing mines which requires the use of assumptions regarding production volumes, costs of production, capital expenditure, metal prices and market forecasts for inflation and foreign exchange rates. The calculations used cash flow projections based on financial budgets approved by the board covering a five-year period.

Cash flows beyond the five-year period were extrapolated using the estimated inflation rate stated below.

The discount rate is a risk adjusted discount rate, taking into account specific risks relating to the CGU.

Mineral Resources outside the approved mine plans were valued based on the in situ 4E ounce value. Comparable market transactions were used as a source of evidence adjusting specifically for the nature of each underlying ore body and the prevailing platinum price.

All the above 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 property, plant and equipment.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

The key financial assumptions used in the impairment calculations are:
- Long-term real revenue per platinum ounce sold of US$1 262
- Long-term discount rate - a range of 14% to 17%
- Inflation rate of 2% per annum beyond the five-year period

Sensitivity analysis
- A change of 10% in the value-in-use calculation would not result in impairment.

Change in estimates

During the course of the year, a desktop study was conducted to optimise the mining envelope and improve capital efficiency of the mines. The study recommended the extension of various mines so that more ore can be mined from the existing portals without compromising the stability of the mines. As a result, ore reserves for the former Portal 5S will now be mined from Bimha Mine main declines. The life of Bimha Mine has thus increased from 21 years at the beginning of the period ended 30 June 2016 to 31 years.

The effects of the change in estimates on the Group's depreciation expense charged in cost of sales and administration expenses during the period and future periods is shown below:

	US$ 000
Depreciation for the year based on old estimates	83 075
Depreciation for the year based on new estimates	74 016
Decrease in depreciation	9 059

(b) Production start date

The Group assesses the stage of each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location. The Group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production stage.

Some of the criteria would include, but are not limited to the following:
- the level of capital expenditure compared to the construction cost estimates
- completion of a reasonable period of testing of the mine plant and equipment
- ability to produce metal in saleable form (within specifications)
- ability to sustain on-going production of metal.

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

(c) Income taxes (note 18, 28 and 34)

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 income tax assets and liabilities in the period in which such determination is made.

(d) Ore, concentrates and matte inventories (note 8)

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 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.

Notes to the Financial Statements

For the Period Ended 30 June 2016 (continued)

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.

(e) Environmental rehabilitation provisions (note 16)

The Group's mining and processing 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.

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.

The discount rate used was 7.6% (2015: 7.3%) at the time of the calculation. The net present value of the current rehabilitation estimates is based on the assumption of a long-term inflation rate of 2.0% (2015: 2.1%).

(f) Ore Reserves estimation

The estimation of Ore Reserves impact the depreciation of property, plant and equipment, the recoverable amount of property, plant and equipment and the timing of environmental rehabilitation expenditure.

Factors impacting the determination of proved and probable reserves are:

- the grade of Ore 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.

(g) Revenue recognition (note 5)

The Group has recognised revenue amounting to US$471.8 million (2015: US$408.4 million) for metal sales to Impala Refining Services Limited (IRS). Sales to IRS are governed by a contract which stipulates when payments are to be received and the prices to be used. During the course of the year, assays performed by the Group are compared against those done by IRS and averages for both parties are used to determine sales volume. The Group believes that, based on past experience, these assays will not vary significantly.

In previous years, sales and cost of sales were measured over the year to 21 June in line with the Group's metallurgical cut-off date. The Group decided to align the sales and cost of sales numbers with the financial year end of 30 June in the current period. This resulted in the current period consisting of 366 plus an extra 9 days of sales being included in revenue totalling US$3.5 million and US$3 million in cost of sales. The additional nine days sales of US$3.5 million had a 0.6% impact on gross profit of the Group.

At year end, deliveries to IRS not yet paid for (based on the lower of assays between IRS and the Group) are valued using spot prices at 30 June 2016. A 1% variation in assays will result in an adjustment of US$1.3 million (2015: US$0.7 million) in the income statement. The sensitivity of pipeline sales to changes in commodity prices is analysed above under 3.1.1. Appropriate adjustments will be made in the following year when they fall due for payment. Total sales for the year comprise current year sales and prior year adjustments.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

(h) Long term incentive plan (note 14, 21)

During the year ended 30 June 2016, the Group had the following cash settled share-based payment arrangements, which are described below:

Type of arrangement	LTIP – SAR – run off	LTIP – SAR - new	LTIP - CSP
Date of grant	**Various since November 2006**	**Various since November 2012**	**Various since November 2012**
Number granted	2 432 947	757 116	1 216 443
Average contractual life	Lapse ten years after issue: • First 25% lapse eight years after vesting • Second 25% lapse seven years after vesting • Third 25% lapse six years after vesting • Fourth 25% lapse five years after vesting	Three years before vesting and another three years before lapse	Three years. The conditional shares are full value shares, with a nil exercise price. The contractual life ends on the vesting date
Vesting conditions	• First 25% after two years service • Second 25% after three years' service • Third 25% after four years service • Fourth 25% after five years service	Three years service and achievement of a target total shareholder return, increase in earnings and measure of fatality frequency rates	Three years service and achievement of a target total shareholder return for the CSP 2 plan. There are no performance conditions under the CSP 1 plan

Share appreciation rights

The Group issues cash-settled share-based payments to employees. Cash-settled share-based payments are valued on the reporting date and recognised over the vesting period. The fair value of share-based payments is calculated using the binomial option pricing model. The average inputs into this model for the share appreciation cash plans are as follows:

		LTIP – SAR - New		LTIP – SAR – Run off	
	Note	2016	2015	2016	2015
Weighted average option value (Rand)	1	19.59	7.63	6.36	3.59
Weighted average share price on valuation date (Rand)	2	47.2	54.3	47.2	54.3
Weighted average exercise price (Rand)	3	62.4	112.33	179.2	112.33
Volatility	4	62.79	35.94	62.79	35.94
Risk-free interest rate (%)		7.94	7.25	8.32	7.76

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

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

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

	2016		2015	
	Number of options	Weighted average exercise price ZAR	Number of options	Weighted average exercise price ZAR
Share appreciation rights (run-off)				
Outstanding at the start of the year	2 432 947	179.20	2 432 947	179.20
Outstanding at end of period	2 432 947	179.20	2 432 947	179.20
Exercisable at end of period	2 314 430	179.20	1 904 454	179.20
Share appreciation rights (new)				
Outstanding at start of period	757 116	141.05	369 903	146.89
Granted	913 669	35.16	387 213	80.97
Forfeited	(272 694)	146.89	-	-
Outstanding at end of period	1 398 091	57.08	757 116	141.05
Exercisable at end of period	-	-	-	-
Conditional share plan				
Outstanding at start of period	1 216 443	-	625 163	-
Granted	1 789 901	-	628 632	-
Forfeited	(314 634)	-	(28 772)	-
Exercised	(78 709)	-	(8 580)	-
Outstanding at end of period	2 613 001	-	1 216 443	-
Exercisable at end of period	-	-	-	-

	Group	
	2016 US$ 000	2015 US$ 000
5. OPERATING SEGMENTS		
Analysis of revenue		
The Group derives its revenue from the following metal products:		
Platinum	247 197	201 957
Palladium	122 153	108 699
Gold	33 237	23 400
Rhodium	14 677	16 782
Nickel	37 607	42 880
Ruthenium	444	342
Iridium	2 341	1 647
Silver	249	164
Copper	13 628	12 315
Cobalt	245	205
Total	471 778	408 391
Major customer:		
Revenue from the Group's sole customer, Impala Refining Services Limited, is:	471 778	408 391

The Group's sole product is white matte which is sold to its sole customer, Impala Refining Services Limited,a fellow subsidiary company incorporated in South Africa. The Group's operations are based in one geographical location, Zimbabwe.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

6 PROPERTY, PLANT AND EQUIPMENT

	Group						
	Land, buildings and mining claims US$ 000	Mining assets US$ 000	Metallurgical assets US$ 000	Mobile equipment US$ 000	Information technology, services and environmental assets US$ 000	Assets under construction US$ 000	Total US$ 000
Period ended 30 June 2016							
Opening net book amount	150 594	242 354	371 190	59 902	135 937	69 070	1 029 047
Additions	27	1 768	513	17 662	19	49 327	69 316
Borrowing costs capitalised	-	-	-	-	-	1 319	1 319
Transfer from assets under construction	2 001	31 331	19 950	-	2 119	(55 401)	-
Disposals	-	(30 550)	(4 503)	(4 762)	(6)	-	(39 821)
Accumulated depreciation on disposals	-	30 259	4 503	4 609	4	-	39 375
Depreciation charge	(5 032)	(17 293)	(17 882)	(25 178)	(9 618)	-	(75 003)
Closing net book amount	147 590	257 869	373 771	52 233	128 455	64 315	1 024 233
At 30 June 2016							
Cost	186 204	327 121	469 689	204 006	176 059	64 315	1 427 394
Accumulated depreciation	(38 614)	(69 252)	(95 918)	(151 773)	(47 604)	-	(403 161)
Net book amount	147 590	257 869	373 771	52 233	128 455	64 315	1 024 233
Period ended 30 June 2015							
Opening net book amount	155 367	250 761	382 325	58 340	138 194	60 592	1 045 579
Additions	-	-	-	27 115	407	62 430	89 952
Borrowing costs capitalised	-	-	-	-	-	4 771	4 771
Transfer from assets under construction	2 686	29 459	19 603	-	6 975	(58 723)	-
Derecognition of property, plant and equipment	-	(24 534)	(15 748)	-	(34)	-	(40 316)
Depreciation charge on derecognised property, plant and equipment	-	1 443	308	-	27	-	1 778
Disposals	-	-	-	(6 078)	(15)	-	(6 093)
Accumulated depreciation on disposals	-	-	-	5 762	13	-	5 775
Depreciation charge	(7 459)	(14 775)	(15 298)	(25 237)	(9 630)	-	(72 399)
Closing net book amount	150 594	242 354	371 190	59 902	135 937	69 070	1 029 047
At 30 June 2015							
Cost	184 176	324 572	453 729	191 106	173 927	69 070	1 396 580
Accumulated depreciation	(33 582)	(82 218)	(82 539)	(131 204)	(37 990)	-	(367 533)
Net book amount	150 594	242 354	371 190	59 902	135 937	69 070	1 029 047

At 30 June 2016 and 2015, assets under construction consists mainly of the Ngezi Phase 2 expansion project, bankable feasibilty studies, exploration and drilling costs. The capitalisation rate of borrowing costs is 7.4% (2015: 7.0%).

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

6 PROPERTY, PLANT AND EQUIPMENT (continued)

	Company	
	2016 US$ 000	2015 US$ 000
Period ended 30 June		
Opening net book amount	5 945	6 261
Depreciation charge	(274)	(316)
Closing net book amount	5 671	5 945
At 30 June		
Cost	6 261	6 261
Accumulated depreciation	(590)	(316)
Net book amount	5 671	5 945

In the statement of cash flows, purchase of property, plant and equipment comprises:

	Group		Company	
	2016 US$ 000	2015 US$ 000	2016 US$ 000	2015 US$ 000
Additions	69 316	89 952	-	-
Mine rehabilitation asset adjustment (note 16)	(1 244)	(5 426)	-	-
	68 072	84 526	-	-

7. INVESTMENT IN SUBSIDIARIES

The Group's principal subsidiaries as at 30 June 2016 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group.

Name	Country of incorporation	2016 %	2015 %
Always Investments (Private) Limited	Zimbabwe	100	100
Baydonhill Investments (Private) Limited	Zimbabwe	100	100
Duckbrook Mine (Private) Limited	Zimbabwe	100	100
Hartley Minerals Zimbabwe (Proprietary) Limited	Australia	100	100
Hartley Platinum Mines (Private) Limited	Zimbabwe	100	100
Jalta Investments (Private) Limited	Zimbabwe	100	100
Matreb Investments (Private) Limited	Zimbabwe	100	100
Mhondoro Holdings Limited	United Kingdom	100	100
Mhondoro Mining Company Limited	Zimbabwe	100	100
Mhondoro Platinum Holdings Limited	Zimbabwe	100	100
Ngezi Platinum Limited	Zimbabwe	100	100
Selous Platinum (Private) Limited	Zimbabwe	100	100
Zimbabwe Platinum Mines (Private) Limited (includes preference shares)	Zimbabwe	100	100
Zimplats Corporate Services (Private) Limited	Zimbabwe	100	100

	Group		Company	
	2016 US$ 000	2015 US$ 000	2016 US$ 000	2015 US$ 000
Equity				
Mhondoro Holdings Limited	-	-	2 666	2 666
Zimbabwe Platinum Mines (Private) Limited	-	-	76 934	76 934
	-	-	79 600	79 600
Long term inter-company loans				
Hartley Minerals Zimbabwe (Proprietary) Limited	-	-	27 963	27 959
Mhondoro Holdings Limited	-	-	683	634
Zimbabwe Platinum Mines (Private) Limited	-	-	4 724	4 730
	-	-	33 370	33 323
Total investment in subsidiaries	-	-	112 970	112 923

There were no impairment losses recognised in the current period (2015: US$nil). The long term inter-company loans bear no interest and have no fixed repayment terms.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

	Group		Company	
	2016 US$ 000	2015 US$ 000	2016 US$ 000	2015 US$ 000
8 INVENTORIES				
Ore, concentrate and matte stocks	7 754	34 748	-	-
Consumables	43 837	46 802	-	-
Less: provision for obsolete consumables	(4 170)	(2 042)	-	-
	47 421	79 508	-	-
The movement in provision for obsolete consumables is as follows:				
At the beginning of the period	2 042	2 693	-	-
Charged to the income statement during the period	2 128	(651)	-	-
At the end of the period	4 170	2 042	-	-
9 TRADE AND OTHER RECEIVABLES				
Trade receivables due from related parties (note 32.2c)	125 920	70 471	4 022	-
Value added tax receivable	4 642	49 786	-	-
Other receivables	4 148	10 196	-	-
	134 710	130 453	4 022	-

Trade receivables comprise amounts due from Impala Refining Services Limited, a related party, for sales of white matte.

As all contractual terms and conditions have been complied with, trade receivables were fully performing as at 30 June 2016 (2015: US$ nil).

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these classes, it is expected that these amounts will be received when due.

The Group does not hold any collateral in relation to these receivables.

The carrying amounts of the Group's trade and other receivables are all denominated in US$.

The fair value of trade and other receivables approximate the carrying values due to their short term nature.

	Group		Company	
	2016 US$ 000	2015 US$ 000	2016 US$ 000	2015 US$ 000
10 PREPAYMENTS				
Deposits on property, plant and equipment	20 762	22 278	-	-
Insurance premiums	1 435	990	-	-
Consumables and other operating expenditure	37 291	10 208	-	-
	59 488	33 476	-	-

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

	Group 2016 US$ 000	Group 2015 US$ 000	Company 2016 US$ 000	Company 2015 US$ 000
11 CASH AND BALANCES WITH BANKS				
Cash at bank	1 839	20 267	910	15 151
Cash on hand	19	24	-	-
Short term deposits	53 807	53 188	51 480	51 425
Cash and balances with banks	55 665	73 479	52 390	66 576
Cash and cash equivalents include the following for the purposes of the statement of cash flows:				
Cash and balances with banks	55 665	73 479	52 390	66 576
Revolving facility (note 13)	(24 000)	(7 000)	-	-
Cash and cash equivalents	31 665	66 479	52 390	66 576
The exposure of cash and balances with banks by country is as follows:				
Australia	2	29	2	29
Isle of Man	1 003	1 003	-	-
Jersey	52 388	66 547	52 388	66 547
Zimbabwe	2 272	5 900	-	-
	55 665	73 479	52 390	66 576
Cash and bank balances are denominated in US$ except the net exposures to foreign currency detailed below:				
	ZAR 000	ZAR 000	ZAR 000	ZAR 000
Balances with banks (South African Rands - ZAR)	94	657	94	657
	AUD 000	AUD 000	AUD 000	AUD 000
Balances with banks (Australian Dollars - AUD)	3	37	3	37
	EUR 000	EUR 000	EUR 000	EUR 000
Balances with banks (Euro - EUR)	3 847	-	-	-

	Group 2016 US$ 000	Group 2015 US$ 000	Company 2016 US$ 000	Company 2015 US$ 000
12 SHARE CAPITAL AND SHARE PREMIUM				
Authorised				
500 000 000 ordinary shares of US$0.10 each	50 000	50 000	50 000	50 000
Issued and fully paid				
107 637 649 ordinary shares of US$0.10 each	10 763	10 763	10 763	10 763
Share premium	89 166	89 166	89 166	89 166
At 30 June	99 929	99 929	99 929	99 929

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

Notes to the Financial Statements

For the Period Ended 30 June 2016 (continued)

	Group 2016 US$ 000	Group 2015 US$ 000	Company 2016 US$ 000	Company 2015 US$ 000
13 BORROWINGS				
Non-current				
Bank borrowings	85 000	50 000	-	-
	85 000	50 000	-	-
Current				
Revolving facility	24 000	7 000	-	-
Bank borrowings	-	25 000	-	-
	24 000	32 000	-	-
Total borrowings	109 000	82 000	-	-
The movement in borrowings is as follows:				
At the beginning of the period	82 000	105 000	-	-
Proceeds from bank borrowings	10 000	-	-	-
Interest charged to the income statement (note 26)	7 195	6 859	-	-
Increase in revolving facility	17 000	7 000	-	-
Repayments	(7 196)	(36 856)	-	-
Capital	-	(30 000)	-	-
Interest	(7 196)	(6 856)	-	-
Movement in interest accrued included in trade and other payables	1	(3)	-	-
At the end of the period	109 000	82 000	-	-

The fair values of non-current borrowings are based on discounted cash flows using the current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (note 3.3) due to the use of unobservable inputs, including own credit risk.

The carrying amounts of the Group's borrowings are all denominated in US$.

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

	Group 2016 US$ 000	Group 2015 US$ 000	Company 2016 US$ 000	Company 2015 US$ 000
On demand and up to 6 months	24 000	7 000	-	-
6 months to 1 year	-	25 000	-	-
1 year to 2 years	42 500	50 000	-	-
2 years to 5 years	42 500	-	-	-
	109 000	82 000	-	-

Bank borrowings

Bank borrowings comprise a loan facility from Standard Bank of South Africa Limited for general business purposes. The loan is guaranteed by Impala Platinum Holdings Limited.

It is a revolving facility of US$95 million (2015:US$75 million) and bears interest at three months LIBOR plus 7% per annum. Capital repayments are required if the loan balance exceeds the available facility amount.

The Group renegotiated its agreement with Standard Bank of South Africa Limited in October 2015 to increase the revolving facility to US$95 million and change the repayment terms. This was not deemed a substantial modification of the terms of the existing financial liability to warrant accounting as an extinguishment of the original loan and recognition of a new loan in accordance with the provisions of IAS 39: Financial instruments: Recognition and measurement. The loan facility is repayable in two equal installments of US$47.5 million on 31 December 2017 and 31 December 2018 respectively. At the reporting date, the undrawn balance on the borrowing facility amounted to US$10 million (2015: US$ nil).

Revolving facility

The Group has a US$24 million revolving facility with Standard Bank of South Africa Limited for general working capital purposes. The facility bears interest at three months LIBOR plus 2.6% per annum and is secured by a cession of a portion of the Group's trade receivables. The revolving facility matures on 30 November 2016. At the reporting date, the undrawn balance amounted to US$nil (2015: US$17 million).

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

	Group 2016 US$ 000	Group 2015 US$ 000	Company 2016 US$ 000	Company 2015 US$ 000
14 SHARE BASED COMPENSATION				
At the beginning of the period	2 157	4 447	-	-
Charged / (credited) to the income statement	190	(2 245)	-	-
Payments to employees during the period	(246)	(45)	-	-
At the end of the period	2 101	2 157	-	-
Current	231	1 319	-	-
Non-current	1 870	838	-	-
	2 101	2 157	-	-
15 DEFERRED INCOME TAXES				
The analysis of deferred income tax assets and liabilities is as follows:				
Deferred income tax assets				
Deferred income tax assets to be recovered within 12 months	(3 427)	(844)	-	-
Deferred income tax assets to be recovered after 12 months	(3 419)	(2 977)	-	-
	(6 846)	(3 821)	-	-
Deferred income tax liabilities				
Deferred income tax liabilities to be settled within 12 months	14 266	10 460	-	-
Deferred income tax liabilities to be settled after 12 months	133 129	128 483	-	-
	147 395	138 943	-	-
Deferred income tax liabilities (net)	140 549	135 122	-	-
The gross movement on the deferred income tax account is as follows:				
At the beginning of the period	135 122	121 846	-	-
Charged to the income statement (note 28)	5 427	13 276	-	-
At the end of the period	140 549	135 122	-	-

The movement in deferred income tax assets and liabilities during the period without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

Group Deferred income tax assets	Environmental rehabilitation provision US$ 000	Retrenchment provision US$ 000	Share based compensation US$ 000	Assessed losses US$ 000	Other US$ 000	Total US$ 000
At 1 July 2014	(2 222)	-	(667)	(38)	9	(2 918)
(Charged) / credited to the income statement	(942)	(324)	334	38	(9)	(903)
At 30 June 2015	(3 164)	(324)	(333)	-	-	(3 821)
(Charged) / credited to the income statement	(313)	324	8	(3 044)	-	(3 025)
At 30 June 2016	(3 477)	-	(325)	(3 044)	-	(6 846)

Notes to the Financial Statements

For the Period Ended 30 June 2016 (continued)

	Group				
	Accelerated tax depreciation US$ 000	Prepayments US$ 000	Inventory consumables US$ 000	Exchange gains US$ 000	Total US$ 000
15 DEFERRED INCOME TAXES (continued)					
Deferred tax liabilities					
At 1 July 2014	116 874	544	7 346	-	124 764
(Charged) / credited to the income statement	13 503	1 039	(431)	67	14 178
At 30 June 2015	130 377	1 583	6 915	67	138 942
(Charged) / credited to the income statement	5 027	4 126	(786)	86	8 453
At 30 June 2016	135 404	5 709	6 129	153	147 395

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group recognised deferred income tax assets of US$3 million (2015: US$nil) in respect of tax losses amounting to US$19 million (2015: US$nil) that can be carried forward against future taxable income.
Tax losses arising from mining operations in Zimbabwe do not expire in accordance with the Income Tax Act (Chapter 23:06).

	Group		Company	
	2016 US$ 000	2015 US$ 000	2016 US$ 000	2015 US$ 000
16 ENVIRONMENTAL REHABILITATION PROVISION				
At the beginning of the period	19 423	13 661	-	-
Change in estimate - rehabilitation asset	1 244	5 426	-	-
Interest accrued - present value adjustment (note 26)	1 413	994	-	-
Utilised during the period	(412)	(658)	-	-
At the end of the period	21 668	19 423	-	-

The provision is based on a mines and environmental rehabilitation plan that was approved by the board. It is mandatory for mines operating in Zimbabwe to have a plan for the rehabilitation of the environment in which they operate. The provision comprises the present value of the expected rehabilitation costs at the end of the life of the mine.

The current undiscounted cost of the rehabilitation estimate is US$37.9 million (2015: US$33.9 million).

	Group		Company	
	2016 US$ 000	2015 US$ 000	2016 US$ 000	2015 US$ 000
17 TRADE AND OTHER PAYABLES				
Trade payables	22 515	34 682	206	177
Leave pay provision	6 800	6 994	-	-
Royalty and Minerals Marketing Corporation of Zimbabwe (MMCZ) commission	3 312	1 587	-	-
Amounts due to related parties (note 33.2d)	4 591	8 673	-	-
Accruals	20 164	48 477	-	-
Other payables	901	2 941	-	-
	58 283	103 354	206	177

Trade payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short term nature.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

	Group 2016 US$ 000	Group 2015 US$ 000	Company 2016 US$ 000	Company 2015 US$ 000
17 TRADE AND OTHER PAYABLES (continued)				
The payables are denominated in the following currencies:				
United States Dollars	50 124	85 655	195	153
South African Rands	8 069	14 335	-	-
Euro	-	3 262	-	-
Other	90	102	11	24
	58 283	103 354	206	177
Leave pay provision				
Movement in the provision for leave pay is as follows:				
At the beginning of the period	6 994	6 288	-	-
Utilised in the current period	(4 505)	(4 089)	-	-
Charged to the income statement	4 311	4 795	-	-
At the end of the period	6 800	6 994	-	-
Employee entitlements to annual leave are recognised on an ongoing basis. The leave pay provision as a result of services rendered by employees is accrued up to the reporting date.				
Movements in trade and other payables in the statement of cash flows comprise:				
Trade and other payables	(43 202)	10 530	29	53
Per the statement of financial position	(45 071)	22 056	29	53
Foreign currency exchange adjustment	(795)	(755)	-	-
Interest payable movement	1	(3)	-	-
Tax penalties and interest charges	2 663	(11 890)	-	-
Finance income on Zimbabwe Electricity Transmission and Distribution Company (ZETDC) prepayment converted to power units	-	1 122	-	-
18 CURRENT INCOME TAX PAYABLE				
At the beginning of the period	51 110	22 785	-	-
Charge to the income statement (note 28)	16 600	117 191	708	613
Interest and penalties	(82)	15 820	-	-
Payments made during the period	(24 833)	(104 686)	(708)	(613)
At the end of the period	42 795	51 110	-	-
19 COST OF SALES				
Mining operations	193 287	175 853	-	-
Employee benefit expenses	44 896	45 469	-	-
Materials and other mining costs	141 288	123 731	-	-
Utilities	7 103	6 653	-	-
Concentrating and smelting operations	97 086	97 042	-	-
Employee benefit expenses	14 341	15 152	-	-
Materials and consumables	47 728	50 704	-	-
Utilities	35 017	31 186	-	-
Depreciation charge for operating assets	73 283	69 086	-	-
Decrease/(increase) in ore, concentrate and matte stocks	26 994	(26 254)	-	-
	390 650	315 727	-	-

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

	Group 2016 US$ 000	Group 2015 US$ 000	Company 2016 US$ 000	Company 2015 US$ 000
20 ADMINISTRATIVE EXPENSES				
Consulting fees	1 731	3 197	312	42
Auditors' remuneration	308	216	21	21
Corporate social responsibility costs	324	1 091	-	-
Depreciation charge for non operating assets	1 719	3 468	274	316
Insurance	2 739	3 347	-	-
Non-executive directors' fees	451	446	438	427
Employee benefit expense	19 803	23 260	58	49
Operating lease expenses	241	193	-	-
Other corporate costs	8 548	6 570	387	281
	35 864	41 788	1 490	1 136
21 EMPLOYEE BENEFIT EXPENSE				
Wages and salaries	74 652	81 960	58	49
Share based payments (note14)	190	(2 245)	-	-
Pension costs (note 31)	4 198	4 166	-	-
	79 040	83 881	58	49
Employee benefit expenses have been disclosed as follows:				
Cost of sales				
Mining operations	44 896	45 469	-	-
Concentrating and smelting operations	14 341	15 152	-	-
Administrative expenses	19 803	23 260	58	49
	79 040	83 881	58	49
Average number of employees during the period	3 123	3 270	1	1
22 ROYALTY REFUND				
Refund of royalty overpayment in prior periods	-	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) on the mining royalty provisions 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 a rate of 2.5% of the value of all minerals produced and not at the higher rates prescribed by the Finance Act (Chapter 23:04). 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. The refund was realised during the period ended 30 June 2015.

	Group 2016 US$ 000	Group 2015 US$ 000	Company 2016 US$ 000	Company 2015 US$ 000
23 DERECOGNITION OF PROPERTY, PLANT AND EQUIPMENT				
Bimha Mine infrastructure and equipment	-	22 905	-	-
Base Metal Refinery bankable feasibility and technical studies	-	15 633	-	-
	-	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 period ended 30 June 2015.

The decision to refurbish the mothballed base metal refinery at Selous Metallurgical Complex resulted in the impairment of US$15.6 million incurred for the bankable feasibility and technical studies of a new base metal refinery becoming impaired as no future economic benefits were expected to flow to the entity.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

	Group		Company	
	2016 US$ 000	2015 US$ 000	2016 US$ 000	2015 US$ 000
24 OTHER OPERATING EXPENSES				
Loss on disposal of property, plant and equipment	309	-	-	-
Foreign exchange losses	804	771	9	16
Discounting of long term receivables	-	6 826	-	-
Tax penalties and interest charges	-	27 710	-	-
Other expenses	22	2 672	-	-
	1 135	37 979	9	16
25 OTHER OPERATING INCOME				
Gain on disposal of property, plant and equipment	-	33	-	-
Tax penalties and interest charges	2 745	-	-	-
Insurance claim (net of output value added tax)	3 725	-	-	-
Export incentive	1 141	-	-	-
Other income	1 691	592	-	-
	9 302	625	-	-

The insurance claim relates to a full and final settlement amount of US$3.7 million received from the Group's insurers in respect of certain property, plant and equipment which were damaged as a result of the Bimha Mine partial collapse (note 23).

In May 2016, the Reserve Bank of Zimbabwe introduced an export incentive scheme to promote the export of goods and services. The Group was awarded a 2.5% export incentive on the export proceeds received in Zimbabwe for the month of May 2016.

	Group		Company	
	2016 US$ 000	2015 US$ 000	2016 US$ 000	2015 US$ 000
26 FINANCE COSTS				
Interest expense on bank borrowings (note 13)	7 195	6 859	-	-
Unwinding of the rehabilitation provision (note 16)	1 413	994	-	-
Other	-	390	-	-
Borrowing costs capitalised (note 6)	(1 319)	(4 771)	-	-
	7 289	3 472	-	-
Interest payable of US$2 032 (2015:US$3 000) is included in trade and other payables (note 17).				
27 FINANCE INCOME				
Short term bank deposits	97	174	72	55
Finance income on ZETDC prepayment	-	1 122	-	-
Unwinding of the discount on intercompany receivables	-	-	-	4 424
Other	-	-	-	222
	97	1 296	72	4 701

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

	Group		Company	
	2016 US$ 000	2015 US$ 000	2016 US$ 000	2015 US$ 000
28 INCOME TAX EXPENSE				
Current income tax	16 600	117 191	708	613
Corporate tax:	(446)	7 463		
- Current period	7	7 056	-	-
- Adjustment in respect of prior periods	(453)	407	-	-
Additional profits tax:	16 338	109 115	-	-
- Current period	13 366	53 829	-	-
- Adjustment in respect of prior periods	2 972	55 286	-	-
Withholding tax	708	613	708	613
Deferred income tax (note 15)	5 427	13 276	-	-
Income tax expense	22 027	130 467	708	613
Reconciliation of tax charge:				
Statutory tax rate	15.45%	15.45%	0%	0%
Profit before income tax	29 354	56 138	3 291	7 633
Notional tax on profit for the period	4 535	8 673	-	-
Tax effect of:				
Income not subject to tax	(2)	-	-	-
Expenses not tax deductible for tax purposes	1 253	6 712	-	-
Deferred tax adjustment due to change in tax rate	-	3 695	-	-
Prior period deferred tax adjustments	(346)	1 314	-	-
Additional profits tax	16 338	109 115	-	-
Adjustment in respect of prior periods	(453)	407	-	-
Withholding tax	708	613	708	613
Other items	(6)	(62)	-	-
Tax charge	22 027	130 467	708	613

The adjustment in respect of prior periods additional profits tax (APT) for the period ended 30 June 2015 relates to the judgement delivered by the Special Court for Income Tax Appeals in the case involving a dispute between the operating subsidiary and the Zimbabwe Revenue Authority (ZIMRA) on the issue of whether income tax assessed losses are allowable deductions for purposes of calculating additional profits tax. The judge found that an income tax assessed loss carried forward from a previous year of assessment, is not allowable as a deduction in computing APT. The effect of this judgment resulted in an additional liability of US$55.3 million for APT for the period from July 2004 to June 2014 for the operating subsidiary. The liability was recognised in the financial statements for the period ended 30 June 2015.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

	Group		Company	
	2016 US$ 000	2015 US$ 000	2016 US$ 000	2015 US$ 000
29 EARNINGS PER SHARE				
29.1 Basic earnings per share				
Basic earnings per ordinary share is calculated by dividing the profit or loss for the period by the weighted average number of ordinary shares in issue during the period.				
Profit/(loss) attributable to equity holders of the Company	7 327	(74 329)	-	-
Weighted average number of ordinary shares in issue	107 638	107 638	-	-
Basic earnings per share (cents)	7	(69)	-	-
29.2 Diluted earnings per share				
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group did not have any shares with a potential dilutive impact (2015: nil).				
Profit/(loss) attributable to equity holders of the Company	7 327	(74 329)	-	-
Weighted average number of ordinary shares in issue	107 638	107 638	-	-
Diluted earnings/(loss) per share (cents)	7	(69)	-	-
30 DIVIDENDS				
Dividends paid	13 003	-	13 003	-

A final dividend of US$13 million equating to US$0.1208 per ordinary share for the period ended 30 June 2015 was declared and paid during the period ended 30 June 2016 to shareholders on record at 7 September 2015.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

	Group	
	2016 US$ 000	2015 US$ 000
31 PENSION OBLIGATIONS		
Contributions recognised as an expense during the period are as follows:		
Mining Industry Pension Fund	3 429	3 411
National Social Security Scheme	769	755
	4 198	4 166

Mining Industry Pension Fund

Pensions for eligible employees based on the Group's internal job grading system are provided for through the Mining Industry Pension Fund in Zimbabwe. This is a defined contribution retirement fund. The Group contributes 7.5% of pensionable remuneration to the fund.

National Social Security Scheme

This scheme was promulgated under the National Social Security Authority Act (Chapter 17:04). Contributions by employees are 3.5% of pensionable remuneration, which is capped at US$700 per annum for the purposes of this defined contribution scheme.

32 RELATED PARTIES

The Company is controlled by Impala Platinum BV which owns 87% of the ordinary shares of Zimplats Holdings Limited. The remaining 13% is widely held. The ultimate holding company is Impala Platinum Holdings Limited (incorporated in South Africa) which owns a 100% equity interest in Impala Platinum BV.

32.1 Directors and key management personnel

Directors

The directors named in the corporate governance report held office as directors of the Company during the period ended 30 June 2016.

Mr Z B Swanepoel was appointed as a non-executive director on 1 July 2015.

Transactions with directors and key management personnel

There were no loans extended to directors during the period, nor were there any loans or transactions between the Group and companies linked to directors.

Fees paid during the period to non-executive directors totalled US$451 022 (2015: US$446 249), and remuneration to executive directors and key management personnel amounted to US$8 091 000 (2015: US$8 964 000).

	Group		Company	
	2016 US$ 000	2015 US$ 000	2016 US$ 000	2015 US$ 000
32.2 Related party transactions and balances				
a) Revenue				
Sales of matte to Impala Refining Services Limited (note 5)	471 778	408 391	-	-

The Group's only customer is Impala Refining Services Limited, which is a wholly owned subsidiary of Impala Platinum Holdings Limited.

Notes to the Financial Statements
For the Period Ended 30 June 2016 (continued)

	Group 2016 US$ 000	Group 2015 US$ 000	Company 2016 US$ 000	Company 2015 US$ 000
32.2 Related party transactions and balances (continued)				
b) Management fees				
Services rendered to Zimbabwe Platinum Mines (Private) Limited	-	-	4 718	4 084
The Company is remunerated for management and technical support it provides to the operating subsidiary.				
c) Amounts due from related parties				
Impala Refining Services Limited	125 920	70 471	-	-
Zimbabwe Platinum Mines (Private) Limited	-	-	4 022	-
	125 920	70 471	4 022	-
The amounts due from Impala Refining Services Limited are due three to five months after the date of sale. The trade receivables bear no interest.				
The amounts due from Zimbabwe Platinum Mines (Private) Limited bear no interest and have no fixed repayment terms.				
d) Amounts due to related parties				
Impala Platinum Holdings Limited	4 591	8 673	-	-
The amounts due to Impala Platinum Holdings Limited bear no interest and have no fixed repayment terms.				
33 CAPITAL COMMITMENTS				
Capital expenditure contracted for at the end of the reporting period but not yet incurred.	36 677	36 645	-	-

The capital commitments will be financed from internal resources and borrowings as referred to in note 13. The capital commitments will be incurred in the next 12 months from the reporting date.

34 CONTINGENCIES

During the period, the Group filed legal proceedings in the Special Court for Income Tax Appeals and the High Court of Zimbabwe in relation to various historical tax and customs duties matters and these cases are pending in the courts. The Group has on a without prejudice basis settled the disputed liabilities involved in these cases.

A service provider is seeking an order from the High Court of Zimbabwe that an alleged agreement between the Group and the service provider should be implemented, or alternatively, that the Group should pay damages to the amount of US$4 million.

While recognising the inherent difficulty of predicting the outcome of legal proceedings, the directors believe, based upon current knowledge and after consulting with legal counsel, that the legal proceedings currently pending against it should not have a material adverse effect on the financial position.

35 EVENTS AFTER THE REPORTING PERIOD

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


ZIMPLATS
Garbage In Frames (Red Zone) = Garbage Out Results

SHAREHOLDER AND OTHER INFORMATION

04

Analysis of Shareholders

Shareholding

Shareholding information is current at 30 June 2016.

Substantial shareholders

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

Name	Number of shares	% of voting power
Impala Platinum BV	93 644 430	87.00

Post 30 June 2016, Coronation Asset Management (Pty) Ltd and its related bodies corporate issued an initial substantial shareholder notice to the ASX in respect of its shareholding which is registered under a nominee as follows:

Name	Number of shares	% of voting power
J P Morgan Nominees Australia Limited	5 389 236	5.01

Voting rights of ordinary shares

Pursuant to the law of the Island of Guernsey, Zimplats Holdings Limited (Zimplats) has determined that, for the purpose of the annual general meeting, all shares held in Zimplats shall be taken to be held by the persons who held them as registered shareholders at 11:30am South African time (+1 GMT) on Wednesday 12 October 2016 (Entitlement Time).

All holders of ordinary shares in Zimplats at the Entitlement Time are entitled to attend and vote at the annual general meeting.
On a show of hands, every member, present or voting by proxy, attorney or representative, shall have one vote.
On a poll, every member, present or voting by proxy, attorney or representative, shall have one vote for each fully paid ordinary share held.

Top 20 shareholders

Rank	Name	Number of shares	% of issued capital
1.	Impala Platinum BV	93 644 430	87.00
2.	J P Morgan Nominees Australia Limited	5 229 190	4.86
3.	Citicorp Nominees Pty Limited	3 967 265	3.69
4.	HSBC Custody Nominees (Australia) Limited	1 845 699	1.71
5.	National Nominees Limited	1 089 819	1.01
6.	Mr Peter Martin Vanderspuy	221 797	0.21
7.	Mr Roy Shehedi	200 000	0.19
8.	Mr Emanuel Jose Fernandes Dias	183 615	0.17
9.	Dr David Samuel Kleinman	160 600	0.15
10.	HSBC Custody Nominees (Australia) Limited - A/C 3	151 993	0.14
11.	Tierra De Suenos Sa	116 912	0.11
12.	Montana Finance Corp Pty Ltd	75 000	0.07
13.	Mr Hugh Farmer	72 000	0.07
14.	Swiss Trading Overseas Corp	40 516	0.04
15.	Mr Wilhelm Kuhlmann	40 000	0.04
16.	HSBC Custody Nominees (Australia) Limited - A/C 2	30 505	0.03
17.	ABN AMRO Clearing Sydney Nominees Pty Ltd <Custodian A/C>	22 701	0.02
18.	Mr Christopher Philip Harding	15 591	0.01
19.	Mrs Evelyn Dulcie Rettig + Mrs Kerry Frances Mcguire	15 000	0.01
20.	Mr Ian F Mackenzie	14 896	0.01
	Total	**107 137 529**	**99.54**

Analysis of Shareholders (continued)

Rank	Number of shares	% of issued capital
21 to 40	179 660	0.17
41 to 60	97 320	0.09
61 to 80	51 258	0.05
81 to 100	36 850	0.03
101 to 120	26 535	0.02
Other	108 497	0.10
Total	**107 637 649**	**100.00**

Distribution of shareholdings at 30 June 2016

Number of shares held	Number of holders	Number of shares	% of issued capital
1 to 1 000	241	89 427	0.08
1 001 to 5 000	91	195 283	0.18
5 001 to 10 000	21	159 294	0.15
10 001 to 100 000	14	382 325	0.36
100 001 and above	11	106 811 320	99.23
Total	**378**	**107 637 649**	**100.00**

In terms of the definition under ASX Listing rule 4.10.8, the number of shareholders holding less than marketable parcel (US$500) of ordinary shares is 95 (2015:50).

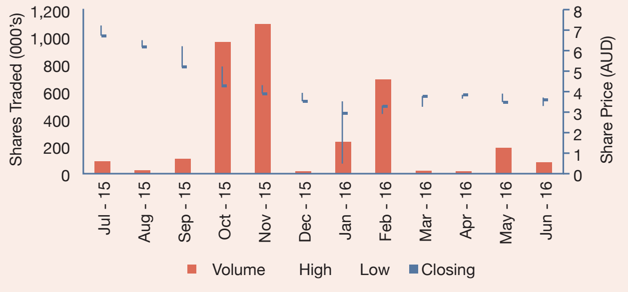
On-market buy back

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

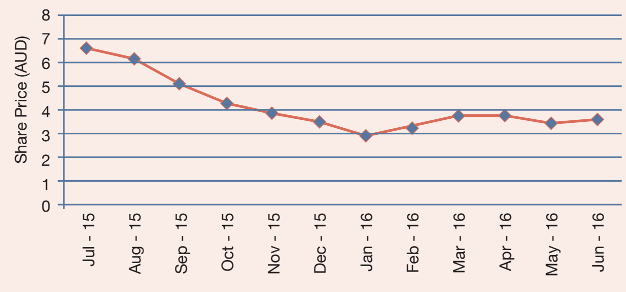
Trading volume

As a consequence of Implats shareholding of 87.00% (2015: 87.00%) at the date of this report, the volume of free-float shares traded on the ASX has remained at a low level through-out the year.

Zimplats share performance on the ASX



Zimplats share price movement



Notice of Annual General Meeting

Notice is hereby given that the sixteenth annual general meeting of the members of Zimplats Holdings Limited (Zimplats or the Company) will be held at The Wanderers Club, 21 North Street, Illovo, Johannesburg, South Africa, on Friday 14 October 2016 at 11:30am South African time (+1 GMT) for the following purposes:

1. To receive and consider the Company's annual financial statements, the directors' report and the report of the independent auditors for the period ended 30 June 2016.

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

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

4. Election of directors:

(a) To re-elect as a director Mr S M Mangoma, who is retiring by rotation.

(b) To re-elect as a director Mr N P S Zhou, who is retiring by rotation.

5. To amend the memorandum of association of the Company.

6. To amend the articles of association of the Company.

Notes

1. Pursuant to the law of the Island of Guernsey, Zimplats has determined that, for the purpose of the annual general meeting, all shares in Zimplats shall be taken to be held by the persons who held them as registered shareholders at 11:30am South African time (+1 GMT) on Wednesday 12 October 2016 (the 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 1 – Annual financial statements, the directors' report and the report of the independent auditors

Resolution 1, which is an ordinary resolution, proposes that the annual financial statements, the directors' report and the report of the independent auditors for the period ended 30 June 2016 be received and considered.

Directors' recommendation

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

Resolution 2 – Appointment of Messrs PricewaterhouseCoopers Chartered Accountants (Zimbabwe) as independent auditors for the ensuing year

Resolution 2, which is an ordinary resolution, proposes that Messrs. PricewaterhouseCoopers Chartered Accountants (Zimbabwe) be appointed as auditors for the ensuing year. In accordance with the Companies (Guernsey) Law 2008, as amended (the 'Companies Law'), shareholders are required to approve the appointment of the Company's auditors each year to hold office until the next annual general meeting of the Company.

Messrs PricewaterhouseCoopers Chartered Accountants (Zimbabwe) have indicated that they are in a position to accept appointment as independent auditors of the Company for the year ending 30 June 2017.

Notice of Annual General Meeting (continued)

Directors' recommendation

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

Resolution 3 – Approve the audit fee of US$20 790 for the period ended 30 June 2016

Resolution 3, which is an ordinary resolution, proposes that the audit fees of US$20 790 for the year be approved. The audit fee is in respect of services rendered for the external audit of the Company for the period ended 30 June 2016.

Directors' recommendation

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

Resolution 4 – Election of directors

Resolutions 4(a) and 4(b), which are ordinary resolutions, propose the re-election of those directors who are retiring by rotation and who have offered themselves for re-election. In accordance with the articles of association of the Company, one-third of the directors, excluding the chief executive officer, will retire by rotation each year.

The board of directors believe that these directors who have offered themselves for re-election should continue to be directors of the Company as they bring wide, current and relevant business experience that allows them to contribute effectively to the leadership of the Company.

(a) Re-election of Mr S M Mangoma as a director of the Company

Mr S M Mangoma, BCompt (Hons), CA (Z)

Mr Mangoma joined the Zimplats group in March 2013 as a director and the chief finance officer of both Zimplats and the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited. He has held senior executive positions in a number of leading companies in Zimbabwe.

(b) Re-election of Mr N P S Zhou as a director of the Company

Mr N P S Zhou, BAcc (UZ), CA (Z), CIMA (UK), MBL (UNISA)

Mr Zhou was appointed as a director of the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, in 2007 and was chairman of the operating subsidiary from 2013 to 2015. He joined the Zimplats 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. He is the chairman of the Zimplats audit and risk committee and is a member of the remuneration committee.

Directors' recommendation

All of the existing directors of the Company, other than those directors standing for re-election, recommend that you vote in favour of the re-election of Mr Mangoma and Mr Zhou, having regard to their respective qualifications to act as directors of your Company.

Resolution 5 – Amendment of memorandum of association

Resolution 5, which is a special resolution, seeks to adopt a new memorandum of incorporation of the Company, which incorporates amendments to the current memorandum of association, to reflect alterations brought about by amendments to the Companies Law. A summary of the proposed amendments to the memorandum of association are set out in the Appendix below.

Directors' recommendation

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

Notice of Annual General Meeting (continued)

Resolution 6 – Amendment of articles of association

Resolution 6, which is a special resolution, seeks to adopt new articles of incorporation of the Company, which incorporate amendments to the current articles of association, to reflect changes brought about by amendments to the Companies Law. Set out in the Appendix below is a summary of the proposed amendments to the articles of association.

Directors' recommendation

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

Nature of resolutions

Resolutions 1 to 4 to be voted on at the annual general meeting are ordinary resolutions; resolutions 5 and 6 are special resolutions.

For an ordinary resolution to be passed, it must be approved by more than 50 per cent of votes cast by the shareholders present and entitled to vote at the annual general meeting in person or by proxy.

For a special resolution to be passed, it must be approved by a majority of not less than 75 per cent of votes cast by shareholders present and entitled to vote at the annual general meeting in person or by proxy.

Voting by proxy

To be effective, proxy forms (duly completed and signed) must be received at:

1. Computershare Investor Services Pty Ltd, GPO Box 242 Melbourne, Victoria 3001, Australia.
   Fax (within Australia) 1 800 783 447 or (outside Australia) +61 3 9473 2555; or
2. C.L. Secretaries Limited, 1st & 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1EW.
   Fax +44 1481 738917; or
3. Custodians – subscribers of Intermediary Online may lodge their votes electronically at www.intermediaryonline.com
   by no later than 48 hours before the meeting (being 11:30am South African Standard Time) on Wednesday 12 October 2016.

APPENDIX

SUMMARY OF AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

Background

Set out below is a summary of the proposed changes to be made to the memorandum and articles of association of Zimplats to reflect certain changes brought about by amendments to The Companies (Guernsey) Law, 2008, as amended (the 'Companies Law') and to generally update and amend certain definitions and other provisions. The following description is only being provided by way of summary of the principal changes. Shareholders are encouraged to review the proposed amended memorandum and articles of incorporation for the purposes of ascertaining the full extent of the changes.

The Companies Law came into effect on 1 July 2008. In accordance with The Companies (Transitional Provisions) Regulations, 2008, as amended (the Transitional Regulations) Guernsey companies that were in existence under the old Companies (Guernsey) Law, 1994, as amended (the 1994 Law) were given until 1 July 2012 to ensure compliance with the new legislation, the Companies Law. These Transitional Regulations were extended until 31 December 2016 in order to allow sufficient time for the Companies Law amendments to come into force.

Notice of Annual General Meeting (continued)

Memorandum of Incorporation

It is proposed to amend Zimplat's memorandum of association in order to reflect the updated provisions of the Companies Law, particularly section 15(7) of the Companies Law which allows for Zimplats to make further amendments to its memorandum of incorporation. Additionally the requirement for a share capital has been removed and provision has been made so that the company can pursue unrestricted objects following amendments to the Companies Law.

The proposed new memorandum of incorporation, which incorporates the amendments to the current memorandum of association, will be delivered to members. Once approved by the members, a copy of the new memorandum of incorporation will be lodged with the ASX and also located on the Company's website.

Articles of Incorporation

The changes below aim to bring Zimplats' articles of incorporation in line with the provisions of the Companies Law.

The current articles of association contain references to the SCH Business Rules, throughout. The SCH Business Rules have been repealed and replaced by the ASX Clear Operating Rules and the ASX Operating Settlement Rules. All references to the SCH Business Rules have been removed and replaced with wording which reflects the operation of the ASX Clear Operating Rules and the ASX Operating Settlement Rules.

The definition of 'Proposed SCH Transfer' has also been amended to reflect the repeal of the SCH Business Rules.

A new Article 1.3 (dealing with the disapplication of the standard articles of incorporation provided by the States of Guernsey Commerce and Employment Department pursuant to section 16(2) of the Companies Law) has been inserted.

A new Article 2.4 (permitting Zimplats to acquire its own shares) has been inserted.

Article 7.4 of the current articles of association (dealing with the registration process on a transfer of shares) now also includes a reference to the Uncertificated Securities (Guernsey) Regulations, 2009, which provides that shares may be held in a computerised settlement system (as opposed to in certificated form).

A new Article 7.11(c) to reflect the ASX's preference that the provisions of ASX Listing Rule 15.12.3 be replicated. In short, these provide that during a breach of the listing rules relating to restricted securities, or a breach of a restriction agreement, the holder of the restricted securities will not be entitled to any dividend or distribution, or voting rights, in respect of the restricted securities.

Article 9.1 of the current articles of association (dealing with the ability of Zimplats to alter its share capital by ordinary resolution) has been amended to reflect the current provisions of the Companies Law, which do not require a company to have a share capital and unless provided otherwise the directors have the power to issue shares.

Article 9.2 of the current articles of association (dealing with the reduction of share capital by special resolution) has been removed as it is no longer a part of the Companies Law as companies are no longer required to have an authorised share capital and as such the rules governing the maintenance of the same are covered in an individual company's articles of incorporation. Additionally, under the provisions of the Companies Law, share buy backs are categorised as a form of "distribution". The board of directors of a company may authorise a distribution if it is satisfied, on reasonable grounds, that the company will, immediately after the distribution, satisfy the solvency test as defined in the Companies Law.

Notice of Annual General Meeting (continued)

Article 14.2 of the current articles of association (dealing with the appointment of proxies or attorneys by shareholders) has been replaced to update the provisions to match the Companies Law, allowing appointments to be made through electronic means.

A new Article 25.3 (dealing with the duties of the Secretary) has been inserted to reflect those duties that are the responsibility of the Secretary failing the establishment of an agreement between the Company and the Secretary setting out the duties. Under the Companies Law the duties of the Secretary may be assigned by the Company's Articles.

A new Article 27 (detailing the common signature of the Company) has been inserted.

Article 27 of the current articles of association (dealing with the Seals) has been renumbered as Article 28 of the new articles of incorporation.

Articles 28 and 29 of the current articles of association (dealing with provisions relating to the reserve fund and dividends and the capitalisation of profits) have been replaced by a new Article 30 (relating to dividends, distributions and reserves) following the adoption of the solvency regime established under the Companies Law, and to reflect that, pursuant to the Companies Law, the Company is no longer restricted to only paying dividends out of profits. Under the old 1994 Law, the repayment of share capital or the payment of dividends to shareholders were subject to complex rules. However, following the enactment of the Companies Law, as a general principle, distributions can be made or paid provided that any requirements set out in the company's memorandum and articles of incorporation are complied with and the company satisfies a solvency test. As a part of this process the directors of the company must issue a certificate stating that in their opinion the company will, immediately after the distribution, satisfy the solvency test and the grounds for their opinion. The solvency test will be satisfied if the company is able to pay its debts as they become due, the value of the Company's assets is greater than the value of its liabilities and, in the case of a supervised company, if it satisfies the various requirements laid down in other applicable laws.

A new Article 29 (dealing with the authentication of documents) has been inserted to assign power to authenticate documents of the Company to the Directors and Secretary or any person appointed by the board from time to time.

Article 30 of the current articles of association (dealing with accounts) has been renumbered as Article 31 in the new articles of incorporation.

A new Article 31.5 (dealing with the requirement for accounts to be audited) has been inserted under the renumbered Article 31 to reflect the ability of the company to waive the requirement under the Companies Law to have its accounts audited. A company can waive the requirement where it is not a 'large' company or it is a 'small company'. A company is a large company where any two of the following conditions are met in a financial year and in the preceding financial year (and it is not also a 'small' company): the company has an annual net turnover of £6.5 million or greater, the company has a net balance sheet of £3.26 million or greater or the company

Notice of Annual General Meeting (continued)

has an average number of employees of 50 or more. A company is a 'small' company if it is dormant, an asset holding company (its principal purpose is to own specified assets of specified descriptions, it does not engage in trade, its activities are all directly connected with its ownership of those assets, it receives no significant income other than that derived directly from its ownership of those assets and it incurs no significant expenditure other than expenditure incidental to its ownership of those assets) or it has 10 or fewer members (or it is a licensed insurer and a specific exemption applies).

Article 31 of the current articles of association (dealing with the appointment and removal of auditors) has been renumbered as Article 32 in the new articles of incorporation.

Article 32 of the current articles of association (dealing with secrecy) has been renumbered as Article 33 in the new articles of incorporation.

Article 33 of the current articles of association (dealing with notices) has been replaced by a new Article 34 to reflect the updated notice requirements under the Companies Law, including the deemed service provisions and the ability to give notice by electronic means.

Article 34 of the current articles of association (dealing with winding up) has been renumbered as Article 35 in the new articles of incorporation. Article 34.2 of the current articles of association has been deleted to reflect freedom given by the new Article 35.1 to a liquidator to determine how a division is to be carried out as between members, which could include the amount paid up on an individual's shares (as provided for in Article 34.2 of the current articles) but also could include other matters with the removal of Article 34.2.

Article 35 of the current articles of association (dealing with officers: indemnities and insurance) has been renumbered as Article 36 in the new articles of incorporation.

The proposed new articles of incorporation, which incorporate the amendments to the current articles of association, will be delivered to members. Once approved by the members, a copy of the new articles of incorporation will be lodged with the ASX and also located on the Company's website.

Global Reporting Initiative (GRI) Index

General Standard disclosure	Description	Reporting level	Cross reference/ Direct answer/ Notes	Page number	External Assurance
Strategy and Analysis					
G4-1	Most senior person's statement on sustainability	Fully	The chairman and the chief executive officer both mention management's approach to sustainability	10, 14	Yes
G4-2	Description of key impacts, risks and opportunities	Fully	Sustainability matters	57, 58, 59	No
Organisational Profile					
G4-3	Name of organisation	Fully	• Inside front cover • Business profile	6	Yes
G4-4	Primary brands, products, and/or services	Fully	• Business profile • Directors report • Financial statements	6, 96, 106	Yes
G4-5	Location of organisation's headquarters	Fully	• Business profile • Financial statements • Shareholder calendar	6, 106, 170	Yes
G4-6	Number of countries where the organisation operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Fully	• Business profile • Location and operations	6, 8	Yes
G4-7	Nature of ownership and legal form	Fully	Business profile	6, 32, 80, 146, 150, 151	Yes
G4-8	Markets served (including geographic breakdown, services and types of customers/beneficiaries)	Fully	• Business profile • Financial statements	6, 121, 131, 133, 146	No
G4-9	Scale of the reporting organisation	Fully	Business profile	6	Yes
G4-10	Total number of employees by employment contract and gender. Report permanent employees by employment type, and gender, total workforce by region and gender, total workforce by employees, supervised workers and by gender, report total workforce by region and gender, report if substantial portion of work is by self-employees or contractors, report significant variations in employment numbers (seasonal variations)	Fully	• Sustainability matters • Chairman's letter • Chief executive officer's report • Five year review • Sustainability matters	6, 14, 19, 27, 76, 77	Yes
G4-11	Report the percentage of total employees covered by collective bargaining agreements	Fully	Sustainability matters	77	No
G4-12	Describe the organisations supply chain	Fully	Sustainability matters	60	No
G4-13	Significant changes during the reporting period regarding size, structure, or ownership	Fully	• Scope of this report • Business profile	2, 6	No

Global Reporting Initiative (GRI) Index (continued)

General Standard disclosure	Description	Reporting level	Cross reference/ Direct answer/ Notes	Page number	External Assurance
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Fully	The firm has a range of risk assessment and management processes across the enterprise. In addition we have analysed our environment impacts and taken precautionary action by reducing our greenhouse gas emissions and other environmental impacts (see sustainability matters section)	56, 57, 72	No
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	Fully	Zimplats endorses the Voluntary Principles on human rights		No
G4-16	Memberships in associations (such as industry associations) and or national/ international advocacy organisations in which the organisation • Has positions on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues; or • Views membership as strategic	Fully	Zimbabwe Platinum Mines (Private) Limited is an active member of the Chamber of Mines (Zimbabwe)	62	No
Identified Material Aspects and Boundaries					
G4-17	All entities included in the organisation's consolidated financial statements and if any of these are not covered in this report	Fully	• About this report • Notes 1 and 7 of the financial statements	Inside front cover, 106, 135	Yes
G4-18	Process for defining our report content and aspect boundaries and how the organisation implemented the Reporting Principles for defining report content	Fully	• About this report • Scope of this report • Sustainability matters	Inside front cover, 2, 55	Yes
G4-19	List all the material aspects identified in the process of defining report content	Fully	• Scope of this report • Sustainability matters	2, 51, 80, 81, 82, 88, 92, 99, 106	Yes
G4-20	Aspect boundary within the organisation.	Fully	• Business profile • Locations and operations • Sustainability matters	6, 8, 60	Yes
G4-21	Aspect boundary outside the organisation.	Fully	All material issues are in the boundary of the Group		Yes

Global Reporting Initiative (GRI) Index (continued)

General Standard Disclosure	Description	Reporting Level	Cross Reference/ Direct Answer/ Notes	Page Number	External Assurance
G4-22	Report the effect of any restatements of information provided in previous reports and the reasons for such restatements	Fully	• Scope of this report • Chief executive officer's report • Five year review • Sustainability matters	2, 15, 27, 65, 66	Yes
G4-23	Report significant changes from previous reporting periods in the scope and aspect boundaries	Fully	There have been no significant changes to the report scope and aspect boundaries		Yes
Stakeholder Engagement					
G4-24	Provide a list of stakeholder groups engaged by the organisation	Fully	Sustainability matters	59-62	Yes
G4-25	Basis for identification and selection of stakeholders with whom to engage	Fully	Sustainability matters	60	Yes
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and stakeholder group	Fully	Sustainability matters	60-62	Yes
G4-27	Key topics, and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through reporting	Fully	Sustainability matters	60-62	Yes
Report Profile					
G4-28	Reporting period (e.g. fiscal/calendar year) for information provided	Fully	About this report	Inside front cover	Yes
G4-29	Date of most recent previous report	Fully	About this report	Inside front cover	Yes
G4-30	Reporting cycle (such as annual, bi-annual)	Fully	Integrated report is published annually		Yes
G4-31	Contact point for questions regarding the report or its contents?	Fully	Scope of this report	2, 169	Yes
G4-32	Table identifying the location of the standard disclosures in this report	Fully	GRI index	158-162	Yes
G4-33	Policy and current practice with regard to seeking independent assurance for the report	Fully	Zimplats has sought external assurance for selected sustainability information and disclosures, as referenced in the intergarted annual report and in the independent assurance engagement report	55, 163-166	Yes
G4-34	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks such as setting strategy or organisational oversight	Fully	Corporate governance report	28-35, 80-87	Yes
G4-38	Composition of the highest governance body and its committees	Fully	• Board of directors • Corporate governance report	28-35, 80-87	No

Global Reporting Initiative (GRI) Index (continued)

General Standard Disclosure	Description	Reporting Level	Cross Reference/ Direct Answer/ Notes	Page Number	External Assurance
G4-39	Indicate whether the Chair of the highest governance body is also an executive officer	Fully	• The Chair is a non-executive director • Corporate governance report	28, 81	No
G4-45	Highest governance body's role in the identification, and management of economic, environmental, and social impacts, risks and opportunities, including due diligence, and stakeholder consultation	Fully	Corporate governance report	83, 89, 90	No
Ethics and Integrity					
G4-56	The organisation's , values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Fully	Corporate governance report	90	No
G4-57	Report the internal, and external mechanisms for seeking advice, on ethical, and lawful behaviour, and matters related to organisational integrity, such as helplines, or advice lines	Fully	Corporate governance report	90, 91	No
Specific Standard Disclosures					
ECONOMIC					
Aspect: Economic Performance					
G4-Disclosures on Management Approach (DMA)		Fully	• Chairman's letter • Chief executive officer's report • Financial statements	13, 23	Yes
G4-EC1	Direct Economic value generated and distributed	Fully	• Chairman's letter • Cash utilisation	9, 13, 20, 26, 27, 63	Yes
Aspect: Procurement Practices					
G4-DMA		Fully	• Chairman's letter • Chief executive officer's report • Financial statements	13, 23	No
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Fully	• Chairman's letter • Achievements FY2016	12, 22	No
SOCIAL: LABOUR PRACTICES AND DECENT WORK					
Aspect: Occupational Health and Safety					
G4-DMA		Fully	Sustainability matters: Human Resources	65	No
G4-LA6	Occupational Health and Safety Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender	Yes	• Chairman's letter • Chief executive officer's report • Sustainability matters	11, 14, 15, 65, 66	Yes

Global Reporting Initiative (GRI) Index (continued)

General Standard Disclosure	Description	Reporting Level	Cross Reference/ Direct Answer/ Notes	Page Number	External Assurance
ENVIRONMENTAL					
Aspect: Materials					
G4-DMA		Fully	Sustainability matters	67, 72	Yes
G4-EN1	Material used by weight and volume	Yes	Sustainability matters	74	Yes
Aspect: Energy					
G4-DMA		Fully	Sustainability matters	67, 72	Yes
G4-EN3	*Energy consumption within the organisation	Yes	Sustainability matters	72	Yes
G4-EN4	*Energy consumption outside the organisation	Yes	Sustainability matters	72	Yes
Aspect: Water					
G4-DMA		Fully	Sustainability matters	67, 72	Yes
G4-EN8	Total water withdrawal by source.	Yes	Sustainability matters	71	Yes
G4-EN10	Percentage and total volume of water recycled and reused	Yes	Sustainability matters		No
Aspect: Emissions					
G4-DMA		Fully	Sustainability matters	67, 72	Yes
G4-EN 15	*Direct Greenhouse Gas (GHG) Emissions - Scope 1	Yes	Sustainability matters	74	Yes
G4-EN 16	*Energy Indirect Greenhouse Gas (GHG) Emissions - Scope 2	Yes	Sustainability matters	74	Yes

Independent Limited Assurance Report in relation to Selected Sustainability Disclosures and Key Performance Indicators presented in Zimplats Holdings Limited's Integrated Annual Report for the year ended 30 June 2016

To the Directors of Zimplats Holdings Limited

Report on Selected Key Performance Indicators

We have carried out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the selected key performance indicators (KPIs) described below, as presented in the 2016 Integrated Annual Report of Zimplats Holdings Limited (Zimplats) for the year ended 30 June 2016 ("the Report"), are not prepared, in all material respects, in accordance with the Global Reporting Initiative (GRI) G4 Guidelines and management's internally developed criteria ("the Criteria") for reporting the selected KPIs, as set out below. This engagement was conducted by a multidisciplinary team including environmental and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

The Subject Matter of our limited assurance engagement is the selected sustainability disclosures and KPIs set out in the table below, which are marked with a '▲' on the relevant pages of the Report. The selected sustainability disclosures and KPIs have been prepared by Zimplats applying the Criteria, which information accompanies the performance information set out on the relevant pages of the Report.

General Standard Disclosures	Coverage: Zimbabwean wholly owned operations	Reporting Criteria
• Strategy and Analysis	Statement from Zimplats' most senior decision-maker about the relevance of sustainability to Zimplats and its strategy for addressing sustainability	G4-1
• Organisational Profile	Name of the organisation	G4-3
	Primary brands, products and services	G4-4
	Location of the organisation's headquarters	G4-5
	Number of countries the organisation operates in	G4-6
	Nature of ownership and legal form	G4-7
	Report the scale of organisation: • Total number of employees • Total number of operations • Net revenues • Total capitalization • Quantity of products provided Report the total number of: • Employees by contract type and gender • Permanent employees by type and gender • Employees and supervised workers by gender • Workforce by region and gender • Workers recognised as self employed	G4-9 G4-10
• Identified Material Aspects and Boundaries	Entities included in financial statements	G4-17
	Process for defining report content and aspect boundaries (material aspects)	G4-18
	List of all material aspects	G4-19
	Aspect boundary within organisation	G4-20
	Aspect boundary outside organisation	G4-21
	Effect of any restatements of information/reason for restatements	G4-22
	Significant changes in scope and aspect boundaries from previous reporting period	G4-23
• Stakeholder Engagement	List of stakeholder groups engaged by Zimplats	G4-24
	Basis for identification and selection of stakeholders	G4-25
	Approach to stakeholder engagement	G4-26
	Key topics/concerns raised through stakeholder engagement and how Zimplats responded	G4-27

Independent Limited Assurance Report in relation to Selected Sustainability Disclosures and Key Performance Indicators presented in Zimplats Holdings Limited's Integrated Annual Report for the year ended 30 June 2016

General Standard Disclosures	Coverage: Zimbabwean wholly owned operations	Reporting Criteria
• Report Profile	Reporting period	G4-28
	Date of most recent report	G4-29
	Reporting cycle	G4-30
	Contact point for questions regarding report/content	G4-31
	In accordance option, content index, external assurance	G4-32
	Policy/practice of external assurance - Highest governance body involved in seeking assurance	G4-33
• Governance	Zimplats governance structure incl. committees of highest governance body	G4-34
Specific Standard Disclosures for Material Aspects	**Coverage: Zimbabwean wholly owned operations**	**Reporting Criteria**
Social		
Disclosures on Management Approach (DMA) and KPIs	Internally developed criteria	
• Occupational Health and Safety	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	G4-LA6 and Internally developed criteria
Economic		
DMA and KPIs	Internally developed criteria	
• Economic Performance	Direct economic value generated and distributed (community social investments only)	G4-EC1 and Internally developed criteria
Environmental		
DMA and KPIs	Internally developed criteria	
• Materials	Materials used by weight or volume	G4-EN1 and Internally developed criteria
• Energy	Energy consumption within the organisation	G4-EN3 and Internally developed criteria
	Energy consumption outside of the organisation	G4-EN4 and Internally developed criteria
• Water	Total water withdrawal by source	G4-EN8 and Internally developed criteria
• Emissions	Direct Greenhouse Gas (GHG) Emissions - Scope 1	G4-EN15 and Internally developed criteria
	Indirect GHG Emissions - Scope 2	G4-EN16 and Internally developed criteria

Directors' Responsibilities

The Directors, being the responsible party, are responsible for the selection, preparation and presentation of the sustainability information subject to assurance in accordance with the GRI G4 Guidelines and management's internally developed criteria, for selection of reporting criteria that are appropriate for the purpose of reporting the sustainability information in the Report, and for ensuring that those criteria are available / made available (as applicable) to the users of the Report. This responsibility includes ensuring that:

- stakeholders and stakeholder requirements, material issues, and commitments with respect to sustainability and carbon footprint performance are identified;
- Zimplats' sustainability context responds to the principles of materiality, stakeholder inclusivity and completeness; and
- the Report contains Zimplats sustainability information reported in accordance with the GRI G4 (Core) Guidelines including management's assertion in the Report that Zimplats has prepared the Report in accordance with the GRI G4 (Core) Guidelines.

The Directors are also responsible for determining Zimplats' objectives in respect of reporting sustainability information and for establishing and maintaining appropriate information systems and related internal controls to enable preparation and presentation of the sustainability information subject to assurance free from material misstatement, whether due to fraud or error.

Independent Limited Assurance Report in relation to Selected Sustainability Disclosures and Key Performance Indicators presented in Zimplats Holdings Limited's Integrated Annual Report for the year ended 30 June 2016

The Directors are also responsible for the preparation of the information pertaining to specified greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A corporate accounting and reporting standard (GHG Protocol).

In addition, the Directors' responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the information on specified greenhouse gas emissions, and the preparation and presentation of the selected KPIs in the Report, free from material misstatement whether due to fraud or error.

Inherent Limitations

Non-financial performance information is subject to inherent limitations given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Ernst & Young Inc. applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to perform the assurance engagement and to express our limited assurance conclusion based on the work performed, stating whether anything has come to our attention that causes us to believe that the selected KPIs as presented the Report are not prepared, in all material respects, in accordance with the GRI G4 Guidelines and the Criteria for reporting the selected KPIs.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information and ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These Standards require us to comply with ethical requirements and to plan and perform our engagement to obtain limited assurance about whether the selected sustainability disclosures and KPIs are free from material misstatement.

A limited assurance engagement undertaken in accordance with these standards involves assessing the suitability in the circumstances of Zimplats' use of the GRI G4 Guidelines and management's internally developed reporting criteria as the basis of preparation of the sustainability information subject to assurance, assessing the risks of material misstatement of the selected sustainability disclosures and KPIs, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability disclosures and KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures that will be performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and their selection and application of sustainability reporting policies relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation of the selected KPIs; and
- Evaluated whether the selected KPIs presented in the Report is consistent with our overall knowledge and experience of sustainability management and performance at Zimplats Holdings Limited.

Independent Limited Assurance Report in relation to Selected Sustainability Disclosures and Key Performance Indicators presented in Zimplats Holdings Limited's Integrated Annual Report for the year ended 30 June 2016

Our procedures did not include testing controls or performing procedures in relation to checking aggregation or calculation of data within IT systems, which would have been performed under a reasonable assurance engagement.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the sustainability information subject to assurance has been presented, in all material respects, in accordance with the Criteria.

We are not responsible for reporting on any transactions or events related to the sustainability information subject to assurance beyond the period covered by our limited assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected KPIs identified above in the subject matter paragraph, as presented in the Report are not prepared, in all material respects, in accordance with the Criteria.

Other Matters

Our report does not extend to any disclosures or assertions relating to future performance plans and / or strategies disclosed in the Report.

The maintenance and integrity of Zimplats Holdings Limited's website is the responsibility of management of Zimplats. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes either to the selected sustainability disclosures and KPI information as presented in the Report or to our report for our independent limited assurance engagement that may have occurred since the initial date of presentation on the Zimplats website.

Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected sustainability disclosures and KPIs, to the Directors of Zimplats in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Zimplats Holdings Limited, for our work, for this report, or for the conclusion we have reached.

Ernst & Young Inc.

Ernst & Young Inc.
Director – Charles Mazhindu
Registered Auditor
Chartered Accountant (SA)
102 Rivonia Road
Sandton
2196

31 August 2016

General Information

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

GLOSSARY OF TERMS

4E	Four elements. The grade may be measured as the combined content of the four precious metals - platinum, palladium, rhodium and gold
6E	Six elements. The grade may be measured as the combined content of the six precious metals – platinum, palladium, iridium, rhodium, ruthenium and gold
Au	Chemical symbol for gold
Bankable standard	Capable of supporting an application to a recognised project financier for project finance
Beneficiation	The separation of desired minerals from waste material during exploitation of a mineral deposit, by which the mineral is concentrated prior to refining.
Concentrate	Material that has been processed to increase content of contained metal or mineral relative to the contained waste
Converting	The final stage of matte production in which excess sulphur and iron are removed by blowing air through the molten green matte to produce white matte
Cu	Chemical symbol for copper
Cut-off-grade	Lowest grade mineralised that qualifies as ore, i.e. will meet all further operating costs for a given deposit
EMA	Environment Management Agency
FY	Financial year. The financial year for the group ends on 30 June of any year
Gangue	The unwanted material
LTI	Lost-time-injury. LTI is defined as a work-related injury resulting in the employee being unable to attend work, at his/her place of work, performing routine work functions in his/her normal or similar occupation, on the next calendar day (whether a scheduled work day or not) after the day of the injury.
LTIFR	Lost-time-injury frequency rate. This measures the number of work-related injuries resulting in a lost time injury X 1 000 000 exposure man-hours divided by the man hours worked.
Mafic	An igneous rock with high magnesium and iron content, usually dark in colour
Matte	A mixture of various base metal sulphides, containing the precious metals which is produced during smelting and converting. Green matte refers to the product from smelting, and contains high levels of iron sulphides, which are removed during converting to give a white matte containing minimal levels of iron

General Information (continued)

Mineral resource	Defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition a 'mineral resource' is a concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories. Mineral resources are subdivided into measured, indicated and inferred categories as follows:- A **'measured mineral resource'** - is that part of a mineral resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes,and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A **measured mineral resource** has a higher level of confidence than that applying to either an indicated mineral resource or an inferred mineral resource. It may be converted to a proved ore reserve An **'indicated mineral resource'** is that part of a mineral resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An indicated mineral resource has a lower level of confidence than that applying to a measured mineral resource and may only be converted to a probable ore reserve. An **'inferred mineral resource'** is that part of a mineral resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and must not be converted to an ore reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration.
MSZ	Main Sulphide Zone – a thin layer of crystalline igneous rock containing small amounts of sulphide minerals located near the top of the ultramafic igneous sequence which forms the lower part of the Hartley Geologic Complex.
Ni	Chemical symbol for nickel
Ore grade	The average amount of the valuable metal or mineral contained in a specific mass of ore.
Ore Reserve	Defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition an 'Ore Reserve' is the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

General Information (continued)

	Ore reserves are subdivided into proved and probable categories as follows:-
	A **'proved ore reserve'** is the economically mineable part of a measured mineral resource. A proved ore reserve implies a high degree of confidence in the modifying factors.
	A 'probable ore reserve' is the economically mineable part of an Indicated, and in some circumstances, a measured mineral resource. The confidence in the modifying factors applying to a probable ore reserve is lower than that applying to a proved ore reserve.
Pd	Chemical symbol for palladium
Peak platinum value	This is the highest platinum value in the mineralisation and coincides with a sharp decrease in sulphide content and grain size.
PGMs	Platinum group metals, being six elemental metals of the platinum group generally found together. They are platinum, palladium, rhodium, ruthenium, osmium and iridium.
Pt	Chemical symbol for platinum
RBZ	Reserve Bank of Zimbabwe
Refining	The final stage of metal production in which the various base and precious metals contained in the white matte are separated from each other, by a wide variety of hydrometallurgical processes, to produce individual metals and/or metal salts of saleable purity.
RL	Chemical symbol for rhodium
ROM	Run-of-mine
Room and pillar mining	As practised at Zimplats, mining takes place on the reef horizon only. The main access declines are mined on dip and from these access declines, drives (rooms) are developed on strike. A series of in-situ reef pillars are left between these mined out rooms to help support the mine roof and control the flow of air. Generally, rooms are five to seven metres wide and the pillars up to 35 metres wide. As mining advances, a grid-like pattern of rooms and pillars is formed.
SAG	Semi autogeous grinding
SMC	Selous Metallurgical Complex
Smelting	Thermal processing whereby the base metal sulphide and precious metal minerals contained in the concentrate are separated from the gangue minerals in the molten state. The base metal sulphides and precious metal minerals report as green matte, while the gangue minerals report as slag.
Tailings	A finely ground waste product from ore processing
Toll refining	The process where the final stage of refining is performed by a third party and the costs met by the miner.
TMM	Trackless mining machinery

UNITS OF MEASURE

g/t	grams per tonne	micron	one millionth of a metre
kg	kilograms	moz	million ounces
kl	kilolitre	Mt	million tonnes
km	kilometres	Mtpa	million tonnes per annum
kt	thousand tonnes	MW	megawatts
lcm	loose cubic metre	t	metric tonnes
oz	troy ounces	ML	mega litres
m	metres	ha	hectares

Shareholder Calendar 2016/2017

2016 calendar year

FY2016 year-end	30 June 2016
June 2016 quarterly activities report released	31 July 2016
Integrated annual report mailed	September 2016
September 2016 quarterly activities report released	31 October 2016
Annual general meeting	14 October 2016

2017 calendar year

December 2016 quarterly activities report released	31 January 2017
December 2016 half yearly report and accounts released	29 February 2017
March 2017 quarterly activities report released	30 April 2017
FY2017 year-end	30 June 2017
June 2017 quarterly activities report released	31 July 2017
Integrated annual report mailed	September 2017
September 2017 quarterly activities report released	31 October 2017
Annual general meeting	October 2017

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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.

Notes

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ZIMPLATS
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