ZIMPLATS
Member of the Implats Group

Integrated Report 2013

Mining for the Future

Mission

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

Vision

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 stakeholders.

Objectives

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

- Safety and health of all our employees and visitors at the workplace.
- Extraction of mineral resources in a socially and environmentally friendly manner.
- Achievement of production targets through the effective and efficient utilisation of all resources at our disposal.
- Establishment of effective systems and processes throughout the value chain to achieve cost and technological leadership in the industry.
- Capability development, recognition and appropriate reward of our human resources.
- Development of effective community relations and implementation of projects that impact our communities positively.

Mining for the Future

Scope of This Report

This Integrated Annual Report covers the financial year from 1 July 2012 to 30 June 2013 and is prepared for Zimplats Holdings Limited (Zimplats) and its subsidiaries in all regions, and specifically at Ngezi and Selous Metallurgical Complex (SMC). The reporting cycle is annual with the last report having been published in September 2012.

The report is the responsibility of the Company's directors, and in line with the recommendations of the King III Report on Corporate Governance, it integrates those material aspects of the company's environmental, social and governance impacts with the operational and financial performance of the business. It also presents the risks and opportunities that the company faces, whilst seeking to provide a concise and balanced account of performance over the reporting period, and of the approach taken to addressing those social, economic, environmental and governance issues that have a material impact on the long-term success of the business and that are important to key stakeholders

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

The sustainability report provides information on both financial and non-financial performance and has been compiled with reference to the Global Reporting Initiative (G3) guidelines level C+ which require independent assurance of selected indicators.

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

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

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

There has been no significant change to the organizational or share structure or any material restatements of data or measurement methods during the year. However two potentially significant events occurred during the year, neither of which has yet been concluded. In this regard commentary has been included in the report on the status of the proposed Indigenisation Implementation Plan and the proposed compulsory acquisition of land by the Government of Zimbabwe.

This integrated 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 Vaughan.langley@zimplats.com.

Overview

Performance

Financial

Shareholder and other Information

“Zimplats is acutely aware of its responsibilities towards the resuscitation of the Zimbabwe economy.”

Source :
Chairman’s Letter 2013

Overview

Business Profile

Zimplats Holdings Limited is registered in Guernsey and is listed on the Australian Stock Exchange. It is in the business of producing PGM's (platinum group metals - which primarily include platinum, palladium, rhodium and gold) and is a subsidiary (87% shareholding) of one of the world's leading producers of PGM's, the South African based and listed Impala Platinum Holdings Limited (Implats), which contributes approximately 21% of global platinum output.

The company's wholly owned operating subsidiary in Zimbabwe, Zimbabwe Platinum Mines (Private) Limited which has been in operation for twelve years, is a significant producer of PGM's exploiting the ore bodies located on the Great Dyke. The company has a resource base of 226 M oz. 4E with approximately 50 years life of mine at current production levels.

Operations comprise three underground mines with a fourth under development, and a concentrator at Ngezi and a smelter located at Selous approximately 100 kilometers south of Harare.

At year end, Zimplats had a workforce of 2 929 people, an increase of 3% in the year, and a further 2 775 contractors, a decrease of 59%.

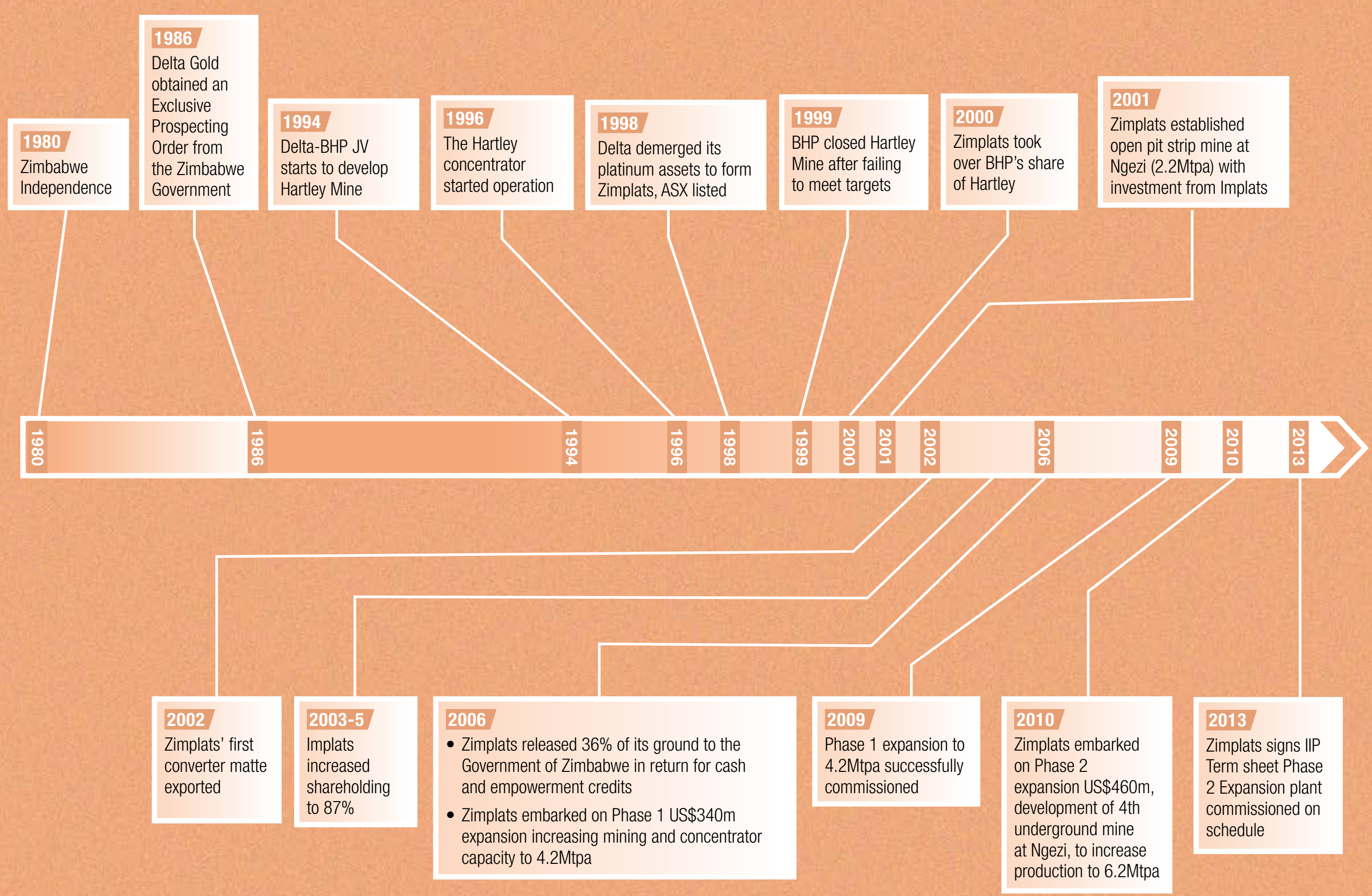
Ore production in the year was 4.79 million tonnes (2012: 4.59 million tonnes). This was converted to matte sales to its sole customer Implats of 388 850 4E oz. (2012: 375 340 4E oz.).

PLATINUM GROUP METALS – THE 'GREEN' METALS

PGM's are a vital component in autocatalytic converters, and play a significant role in controling air pollution by reducing emissions in both gasoline and diesel engines.

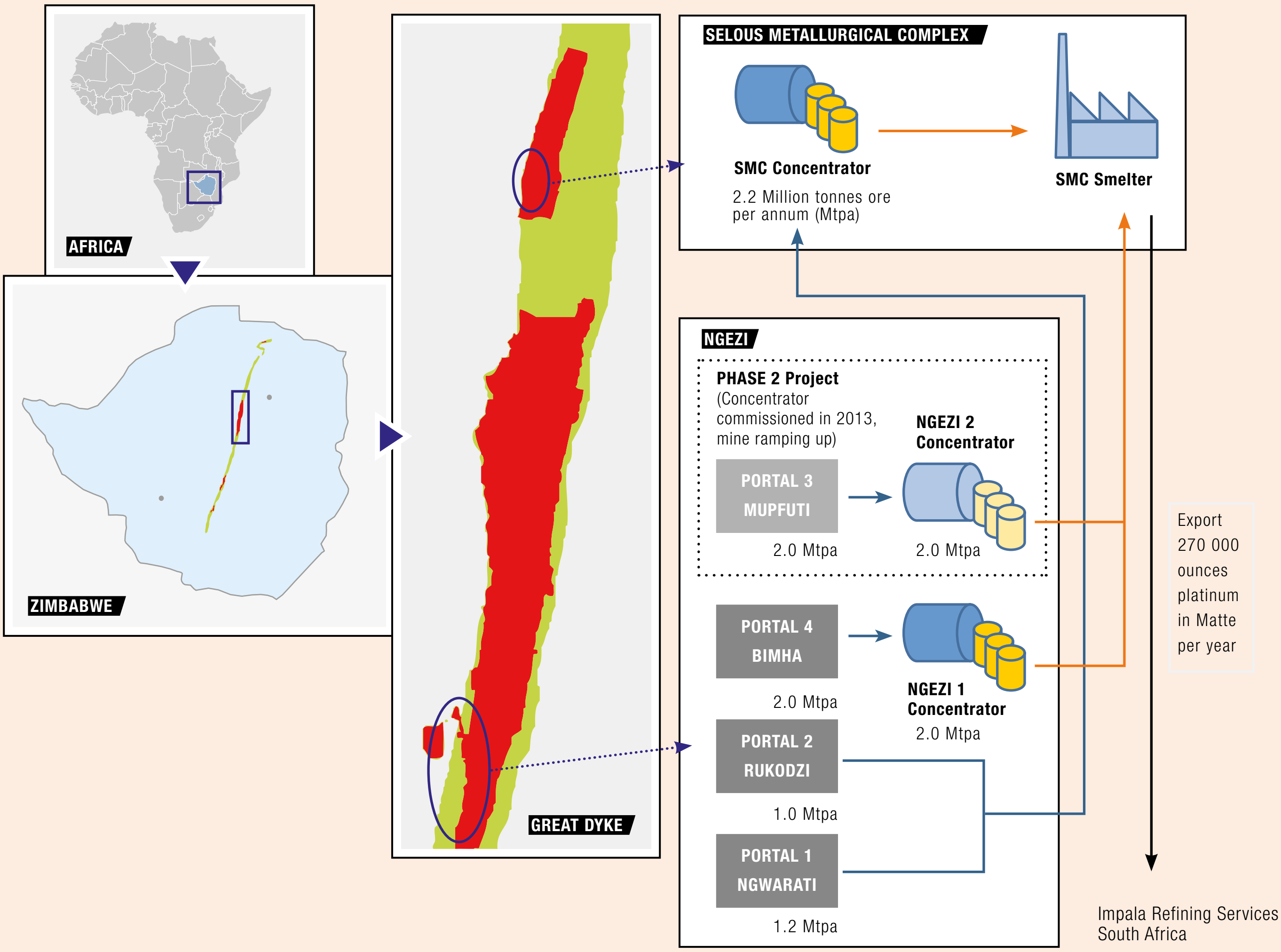
PGM's are recyclable thereby ensuring not only a reduction in waste but also sustainability of supply. Their excellent resistance to corrosion and high melting points makes them ideal metals for a variety of industrial uses. PGM's are used in fuel cell development. Fuel cells are able to reduce air pollution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

Where We Came From



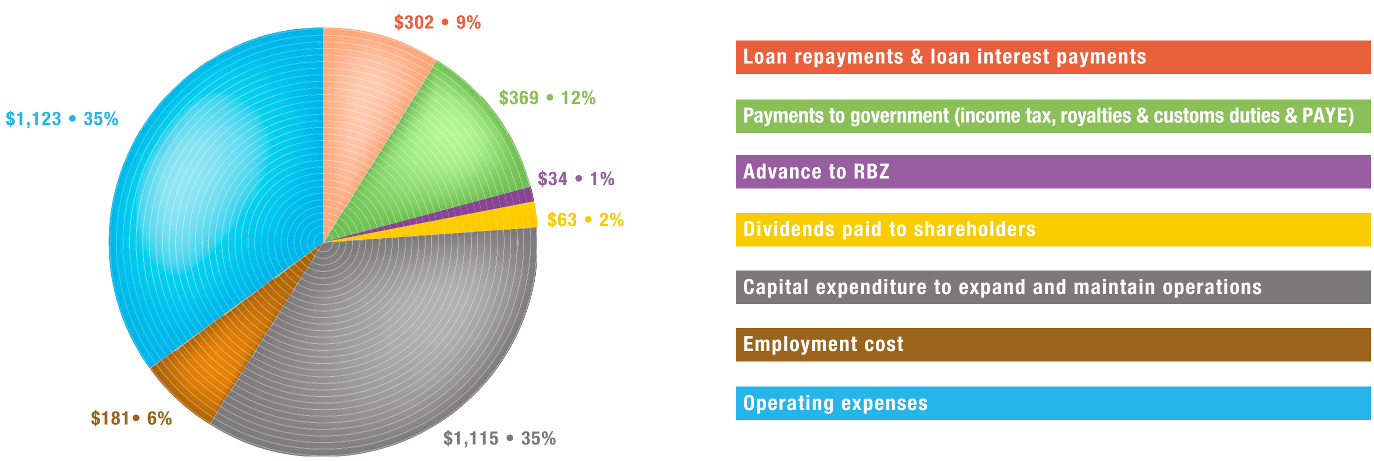
SILO NGEZI CONCENTRATOR

Location And Operations



Zimbabwe Platinum Mines (Private) Limited

ZIMPLATS CASH UTILISATION (2002 - 2013) $ MILLIONS



BALL MILL NGEZI MINE

Acting Chairman's Letter

DEAR STAKEHOLDER

I am pleased to report that your company delivered an excellent operational performance against the background of a very difficult, volatile and unpredictable business and regulatory environment. I cover below some of the major achievements by your Board and Management during the year ended 30 June 2013.

We remain committed to the laudable 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 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.

INDIGENISATION IMPLEMENTATION PLAN

The implementation of the indigenisation legislation took centre stage during the financial year culminating in the signing of a non-binding term sheet between your company and the Government of Zimbabwe on 11th January 2013. This was testimony of our commitment to complying with the Zimbabwean laws, as a responsible corporate citizen. We sincerely hope that this first and important step of the process will result in the conclusion of the matter in a way that will not only satisfy both parties but also protect the interests of all shareholders and stakeholders. In summary, the agreed term sheet represents the negotiated position that provides a road map that, once consummated through definitive agreements, will give legal effect to the aims of the indigenisation and economic empowerment policy.

Subsequent to the signing of the non-binding term sheet in January 2013, the Government has indicated its desire to change some of the provisions of the term sheet. The most notable change proposed by the Government is that the mineral resources held by the company should constitute the payment consideration for the 51% shareholding to be acquired by indigenous entities. Engagement with the relevant authorities is still on going and the objective is still to reach a win/win position that will protect all stakeholders' interests.

On a positive note, the company celebrated the achievement of 10 million fatality free shifts during the year.

SPECIAL MINING LEASE

Shareholders are aware that your company is a holder of a Special Mining Lease with a fixed tenure. The first tenure expires in 2019 and is renewable for a maximum of two ten year periods. The Government, through a Government Gazette Extraordinary dated 1 March 2013 gave notice of its intention to compulsorily acquire 27 948 hectares within the company's Special Mining Lease area, constituting approximately 50% of the mining area held by Zimplats. The protection of our Special Mining Lease area was also an integral provision of the term sheet such that the whole process is now compromised despite the commendable progress that had been achieved. We are therefore engaging with the Government in an endeavour to find a win/win solution that will not only address the indigenisation and land release issues but also result in a sustainable outcome that is acceptable to all the parties.

SAFETY, HEALTH AND ENVIRONMENT

Safety performance was disappointingly lower than our usually high expectations, given our target of zero harm. Lost time injuries recorded for the financial year increased from four in the prior year to twelve in the current year under review. The first half of the year was particularly poor as ten of the injuries were recorded in that period. The improved performance in the second half of the year is commendable as management intensified the implementation of safe production rules and general safety awareness campaigns.

On a positive note, the company celebrated the achievement of 10 million fatality free shifts during the year. Whilst commending management and all employees for this notable achievement, the Board encourages the Zimplats team to ensure that this level of performance is maintained. The team should also be complimented for retaining the ISO9001:2008 and OHSAS18001:2007 Certifications.

OPERATIONS

The mining and processing operations increased production by 5% and 7% respectively from the prior year as management strove to continuously eliminate operational inefficiencies and bottlenecks throughout the value chain. This was despite the difficult ground conditions encountered during the financial year in most of the mines, as well as the downtime due to both planned and unplanned work stoppages at the processing plant. The commissioning of the second concentrator module at Ngezi in the fourth quarter of the financial year offers a strong platform for the future growth of the Company as the installed milling capacity has been enhanced to six million tonnes per annum.

CONVEYOR FROM SILO TO MILL NGEZI CONCENTRATOR

Chairman's Letter Continued

The smelter breakdown of almost four weeks in the first half of the financial year did not have an adverse impact on the overall performance of the business as the stockpiled production was smelted in the second half of the year. However, concentrate tonnage smelted was down by 23% from the prior year as higher than anticipated concentrate was exported.

The measures effected to contain costs during the year resulted in a cost per platinum ounce of $1 309. Whilst this was 6% lower than planned, it was 7% above the prior year's figure. As a result of the falling metal prices, the focus on cost control has been intensified in order to protect profit margins.

TAXATION ISSUES

Your company is still waiting to hear the outcome of the appeal that was lodged with the Special Court for Income Tax Appeals against the determination of the Commissioner-General of the Zimbabwe Revenue Authority on the levying of a US$1.7 million penalty on the prior years' tax liabilities. A review application was also lodged with the High Court of Zimbabwe against the Commissioner-General's determination on the levying of US$11 million interest on the prior years' tax liabilities. Both the appeal and the review application are based on the argument that the written undertakings which were issued by the GoZ in 2001 and on which the Company had placed reliance, constituted special circumstances which warrant the waiver of both the penalty and interest. In the meantime, the clearance of the prior years' tax liabilities has continued in terms of the agreed payment plan.

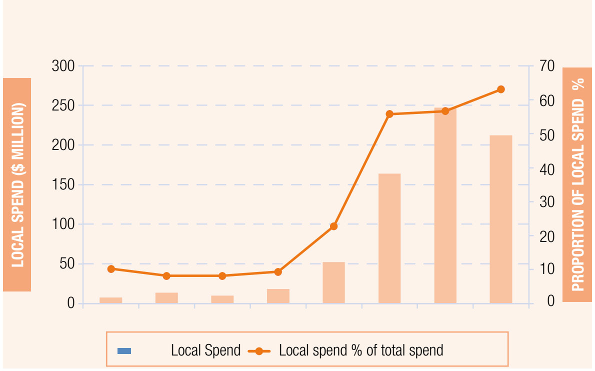
Regrettably, there has been no conclusive outcome yet on the issues pertaining to Additional Profit Tax as well as the Reserve Bank of Zimbabwe (RBZ) debt.

There are other disputed unresolved tax issues which are being dealt with on an ongoing basis which potentially could affect cash flow.

ZIMPLATS CONTRIBUTION TO THE FISCUS AND ZIMBABWE

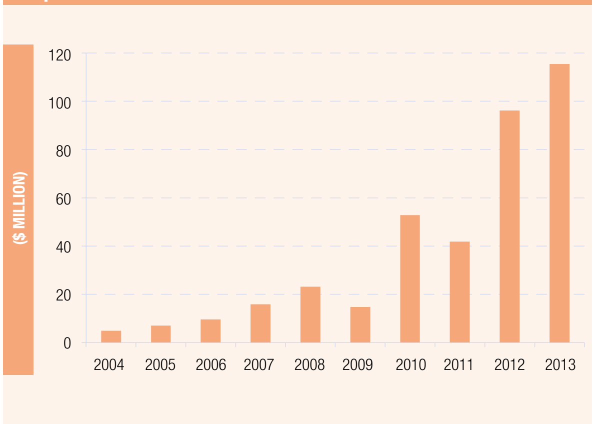
Zimplats is acutely aware of its responsibility towards the resuscitation of the Zimbabwe economy. Accordingly, management has set a target on local procurement levels despite the subdued performance of the local manufacturing industry. Zimplats spent $212 million (or 63% of total expenditure - excluding payments to Government institutions) on local procurement, which was 14% lower than the previous year due to reduced activity on the Phase Two Expansion Project as some components of the project were completed and other components were deferred to future years in line with available cash resources. In addition, during the year under review, the company paid salaries and wages totalling US$71 million which was spent predominantly in Zimbabwe.

Zimplats Local Spend FY2007 - FY2013



Payments to the Government in respect of corporate tax, royalties, payroll taxes and customs duties increased from $96 million in FY12 to $115 million.

Zimplats contribution to the Fiscus



Chairman's Letter Continued

OUTLOOK

The steady progress being made in the implementation of the Phase Two Expansion Project establishes a stable platform for the future sustainable growth of your company especially after factoring in the collective skills, determination and work ethic of our employees. The project is another major milestone in the growth strategy of your company. However, the extent of the progress will be affected by the subdued metal prices as cash flows will remain constrained in the short to medium term.

ACKNOWLEDGEMENTS

On behalf of the board, I would like to offer my heartfelt thanks to the Zimplats team for their loyalty, commitment and tireless efforts in pushing the company forward under difficult conditions.

Stanley Earl Frost retired from the position of Chief Technical Officer on the 31st of December 2012. Stan has been an integral part of the development and success of the company since he joined in 2001. He attained normal retirement age in September 2010 but magnanimously agreed to serve the company for an additional two years in order to steer the Phase 2 Expansion Project.

Patrick Maseva-Shayawabaya resigned from the position of Chief Financial Officer on 31st of March 2013. Patrick joined the company during its formative years in 2001 and was instrumental in developing and implementing a sound financial control environment from which the company could grow. After serving on the board for the past nine years, Patrick has chosen to pursue a new career.

My fellow directors and I wish Stan and Patrick all the best in their future endeavours and thank them most sincerely for their immensely valuable contribution to the group.

Terence Philip Goodlace was appointed as a non-executive director with effect from 10th August 2012. He was a non-executive director of Impala Platinum Holdings Limited (Implats) prior to his appointment as CEO of Implats on 1st July 2012. He brings with him a wealth of mining and business experience. Both the Board and I extend him a warm welcome.

Following the resignation of Patrick Maseva-Shayawabaya, Stewart Magaso Mangoma was appointed Chief Finance Officer with effect from 1st March 2013. Stewart joined the company from Murray and Roberts (Zimbabwe) Limited where he was the Chief Executive Officer. Prior to that, he held the position of Group Finance Director for the same company. The Board welcomes Stewart to the company.

Finally, I would like to thank my fellow Board Members for their wise guidance and counsel. It would be remiss of me not to place on record, on behalf of the Board and Management, my appreciation for the unstinting support which the company has received from its shareholders as well as other stakeholders.

MUCHADEYI ASHTON MASUNDA
ACTING CHAIRMAN
6TH AUGUST 2013

Chief Executive Officer's report

KEY PERFORMANCE FEATURES

- Disappointing safety performance
- Excellent operational performance
- Good financial results despite depressed metal prices in the second half of the year
- Ngezi Phase 2 concentrator module commissioned successfully in the year
- Some components of the Ngezi Phase 2 Expansion Project deferred to future years

SAFETY, HEALTH AND ENVIRONMENT

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, both internal and external, and the environment.

SAFETY

Safety performance for the year was disappointing with twelve lost time injuries (LTI) incurred, 200% higher than the previous year's performance. As a result, the lost time injury frequency rate (LTIFR) deteriorated from 0.21 in FY12 to 0.70 $^{\Delta}$. Investigations carried out showed that most of the injuries were a result of employees deviating from basic standards and procedures. Behaviour-based initiatives aimed at addressing behavioural issues identified from the investigations are being implemented.

On the other hand, the total injury frequency rate (TIFR) improved marginally to 2.20 $^{\Delta}$ (total injuries dropped by 12% from 43 to 38), a reflection that while the number of injuries came down, their severity was higher than last year.

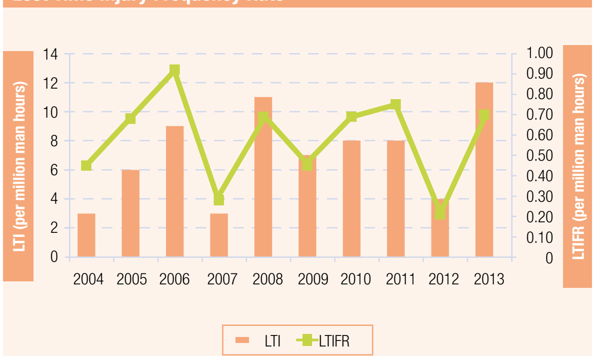
HEALTH

The HIV and AIDS voluntary counselling and testing (VCT) partnerships that Zimplats entered into with external stakeholders continued to bear fruit with a positive VCT uptake for the year.

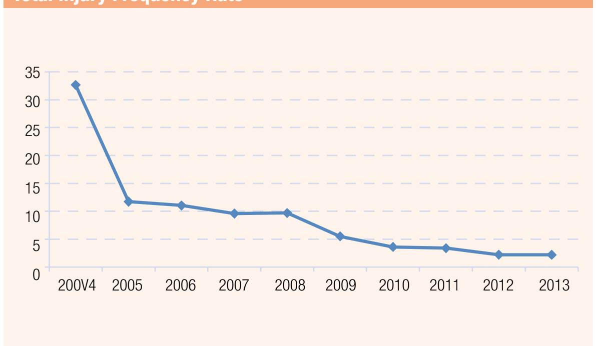
Malaria control programmes continued in the current year as we strive to protect the area from any incidences of malaria.

$^{\Delta}$ *The number has been assured*

Lost Time Injury Frequency Rate



Total Injury Frequency Rate



SMELTER AT SELOUS METALLURGICAL COMPLEX

Chief Executive Officer's Report Continued

The occupational health monitoring systems worked well in the year with no significant issues reported in this regard.

ENVIRONMENT

A number of both internal and external environmental audits were conducted in the year and no major issues of non-compliance were reported.

The closed open-pit mine rehabilitation is being advanced and 25% of the disturbed areas had been rehabilitated by the end of the year. Work on the rehabilitation of the tailings dams continued as planned.

Water consumption increased by 31% in the year in line with higher production volumes. Water recycling improved by 22% in the year in line with the objective of zero discharges. Going forward, management will continue to investigate opportunities for increased water recycling and reduced fresh water consumption.

The quality of the effluent discharged into the environment in the year was good. Sulphur dioxide emissions from the Smelter's main stack remain above recommended levels. Feasibility studies for the installation of facilities for containing the emission of sulphur dioxide to environmentally acceptable levels are in progress with project implementation expected in the next three to four years.

OPERATIONS

MINING

ORE MINED

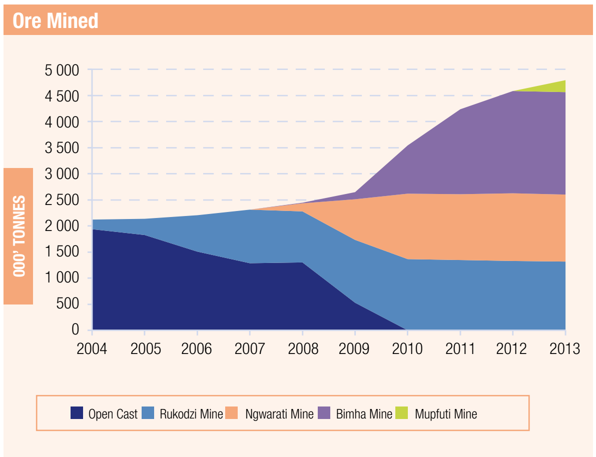
Ore mined for the year at 4.79 million tonnes was 5% above the previous year with the main increase in contribution coming from the Mupfuti Mine during the development of the decline.

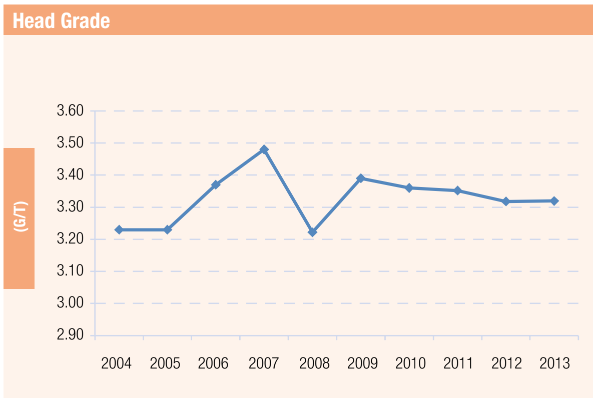
The production at Ngwarati and Rukodzi Mines was marginally lower than in the previous year at 1.28 million tonnes and 1.32 million tonnes respectively, mostly as a result of a higher occurrence of bad ground conditions.

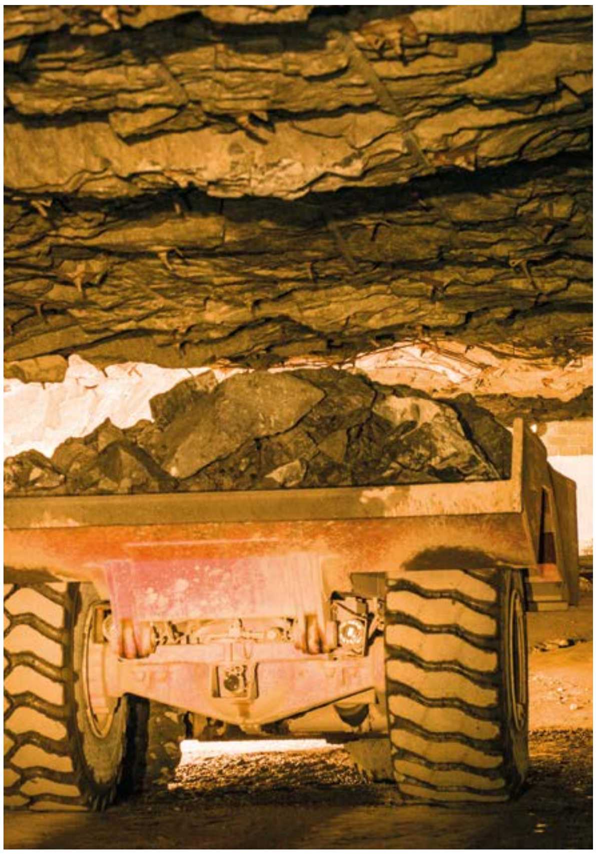
Bimha Mine produced 1.96 million tonnes, the same level as in the previous year's performance. A low angle shear has been intersected in the mine and steps taken to mitigate the safety risk. This has reduced the number of faces available for mining which could lead to a decrease in production from this portal.

Mupfuti Mine (under development) performed ahead of expectation, producing 230 000 tonnes from capital spine development. At full capacity, the mine will produce 2 million tonnes per annum.

Average 4E head grade for the year remained unchanged at 3.32g/t.





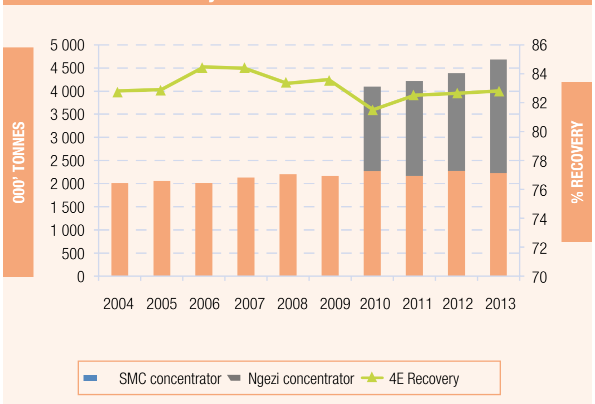


Chief Executive Officer's Report Continued

Tonnes Ore milled for the year totalled 4.68 million tonnes, 7% above the previous year's 4.39 million tonnes. This was mainly due to higher milling rates achieved at both concentrators and additional capacity at Ngezi following the commissioning of the Phase 2 concentrator in the final quarter of the year.

The overall recovery rates at 82.7% were marginally better than the prior year's performance despite reducing the mass pull for the two concentrators from 2.9% to 2.4%. This was achieved by increasing the dosages of reagents.

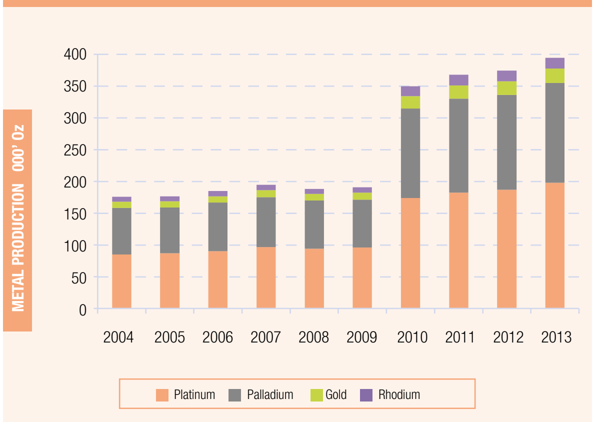
Ore Milled and Recovery



SMELTER

The furnace was down in August for a 42 day periodic re-line which was completed at the end of October 2012. Two unplanned stoppages were experienced at the smelter in November and December due to fire and furnace runout incidents. A total of 32 063 ounces of platinum and 64 068 ounces of 4E were exported as concentrates during the furnace outages. Platinum production (in matte and concentrates sold) for the year of 198 104 ounces was 6% ahead of the prior year. 4E metal production for the year at 394 814 ounces was 5% above the previous year in line with throughput from the concentrators.

Metal Production



CAPITAL PROJECTS

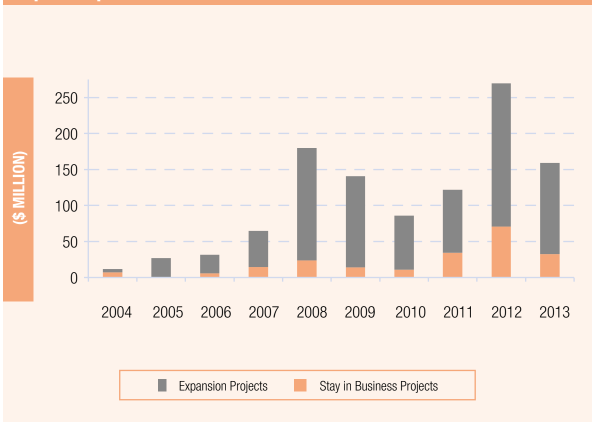
EXPANSION PROJECTS

The implementation of the Ngezi Phase 2 Expansion Project is progressing well. To date, $342 million of the project budget has been spent and $40 million has been committed.

STAY IN BUSINESS PROJECTS

A total of $29 million was spent on stay in business projects in the year, 49% lower than the $70 million spent in FY12.

Capital Expenditure



HUMAN RESOURCES

As a result of the skills retention programme in place, staff turnover was good at 4%, was virtually unchanged. Labour market trends will continue to be monitored and responded to accordingly.

During the year, the total number of employees (including contractors) increased by 3% to close the year at 2 929 Δ as the Mupfuti Mine and the Phase 2 Ngezi concentrator recruited staff. Contractor employees decreased by 59% to 2 775 Δ at year end as work on the Phase 2 concentrator was completed and activity on the housing projects scaled down.

Δ *The number has been assured*

Chief Executive Officer's Report Continued

Looking ahead, human resources strategies will focus on improving the effectiveness of our people through a combination of employee wellness programmes, harmonious industrial relations and talent management.

Labour Headcount and Turnover

COMMUNITY DEVELOPMENT

I am pleased to report that the company successfully commissioned the following community projects in the year, some of which were initiated in the previous year:

- upgrading of the Government owned Turf Clinic to improve health delivery for the Turf community at a cost of $668 431. The Zimplats medical team will support Turf Clinic to improve the quality of medical services provided. Zimplats is still committed to the construction of a larger medical facility at Ngezi as part of our efforts to provide health care services to the wider Ngezi community.
- construction of a new school, the David Guzuzu Secondary School in Mhondoro Ngezi, at a cost of $250 000.
- construction of boarding hostels for boys and girls, construction and equipping of a kitchen, reconstruction and modernisation of a dining hall and construction of classrooms at Marshall Hartley School in Musengezi. The total cost of the project was $497 459.

Human resources strategies will focus on improving the effectiveness of our people

DAVID GUZUZU SECONDARY SCHOOL

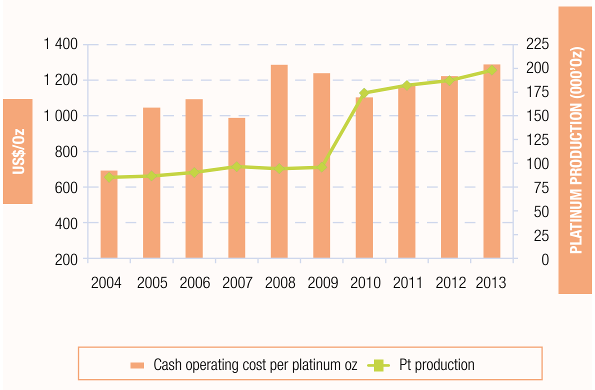
Chief Executive Officer's Report Continued

FINANCIAL RESULTS

Gross revenue per platinum ounce at $2 432 was 4% lower than the previous year due to lower metal prices. Despite a 4% increase in sales volumes, turnover was marginally lower at $472 million.

Total operating costs for the year, excluding share based payments, penalties on prior years tax and community development contributions, amounted to $347 million, up 14% on the previous year's $305 million as a consequence of the increased production volumes in conjunction with higher cost of production driven by inflation and inefficiencies associated with operating the concentrators at lower mass pull. As a result, operating cash cost per platinum ounce increased by 5% to $1 287.

Cash Operating Cost per Platinum Ounce



Following a review of the tax affairs of the operating subsidiary, the tax authorities directed that:

- Capital redemption allowances which, on the strength of letters of undertaking issued by the Government of Zimbabwe (GoZ), were being claimed in full in the year of expenditure, should be claimed over four years. The legislation to give legal effect to the letters of undertaking by the GoZ was not subsequently gazetted.
- Technical fees paid to the holding company at a rate of 2% of gross revenue should not be deducted in calculating taxable earnings.

This resulted in the re-calculation of corporate tax for the period from July 2007 to June 2012. The table below summarises the resultant tax liabilities in respect of that period:

	US$m
Principal amount	33.9
Interest	11.1
Penalty	1.7
Total	46.7

Consequently, profit before tax for the year amounted to $109 million, 28% lower than the $151 million for the previous year. The tax charge for the year amounted to $41 million, $33.9 million of which was outstanding as per the re-calculation. Consequently profit after tax for the year thus amounted to $68 million, a decrease of 44% on $122 million recorded in the previous year.

Cash generated from operations decreased by 30% to $162 million from $240 million in the previous period due to lower metal prices. At year end, Zimplats had bank borrowings amounting to $105 million and a cash balance of $4 million.

APPRECIATION

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

I also thank the board for their guidance and support over the period.

ALEX MHEMBERE
CHIEF EXECUTIVE OFFICER
6TH AUGUST 2013

Achievements 2012/13

OBJECTIVES	STATUS
Improve safety culture and performance through the use of identified interventions based on people, processes and systems with no fatalities. Achieve an LTIFR improvement of 20% on FY13.	Overall safety performance deteriorated with the LTIFR deteriorating to 0.70 $^{\Delta}$ and the number of LTI's increasing to 12 $^{\Delta}$ compared to 4 in the prior year. There were no fatalities and the focus remains on ultimately achieving sustained zero harm.
Retain certification on the ISO9001 and OHSAS 18001 systems.	Following audits during the year, certification was retained for both ISO9001:2008 and OHSAS 18001:2007. ISO14001 certification was also retained.
Adopt and implement the ISO31000 approach to risk management.	The Zimplats Enterprise Risk Management Framework based on ISO31000 was developed, approved and adopted. All strategic risks are now being managed according to the ERM framework, with roll out to all divisions in progress.
Remain in the lower cost quartile of platinum producers.	The Company retained its position as a low cost platinum producer containing cash cost per platinum ounce to $1 287, a 4.9% increase on the prior year.
Implement indigenisation proposals agreed in principle with government on 12 March 2012.	A non-binding term sheet was signed with government in January 2013 on the agreed modalities necessary to achieve the required 51% indigenous shareholding at fair value. Discussions on the implementation of the plan remain underway.
Grow the local supply base to a minimum of 60% of annual spend on goods and services, excluding government institutions.	The target was achieved with payments to local suppliers totalling 64% (2012: 55%) of spend for the year, excluding payments to government institutions.
Implement identified CSR development projects.	Several projects from 2012 were completed and a number of new projects identified and either completed or initiated in 2013.
Execute the Ngezi Expansion Phase 2 project within the approved revised time schedule and budget.	The Ngezi Phase 2 concentrator module and material handling circuits were commissioned on time and within budget in April 2013. Construction of Chitsuwa Dam wall was completed in May 2013.

$^{\Delta}$ *The number has been assured*

Following audits during the year, certification was retained for both ISO9001:2008 and OHSAS 18001:2007. ISO14001 certification was also retained.

Objectives 2013/14

- Improve safety culture and performance through the use of identified interventions, with no fatalities. Achieve an LTIFR of 0.38.
- Cash preservation and in-house financing of working capital requirements.
- Achieve planned 2013/14 production efficiencies and tonnages.
- Retain Certification on the ISO9001 and OHSAS 18001 Systems.
- Complete the roll out of the ISO31000 based Enterprise Risk Management Framework to all divisions
- Successfully defend the proposed compulsory acquisition of ground.
- Remain in the lower cost quartile of platinum producers.
- Conclude the Indigenisation Implementation Plan agreed with government in January 2013.
- Maintain the local supply base at a minimum of 60% of annual spend, excluding government institutions.
- Subject to cash availability, implement identified CSR development projects.
- Progress the remaining elements of the Ngezi Expansion Phase 2 project within the revised approved time schedule and revised budget.

CONVEYOR FROM UNDERGROUND TO SURFACE

ASX Announcements

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

Key Announcements Have Included:

22 August 2012	Mr. T P Goodlace appointed as a director
25 September 2012	Revised income tax assessments on the operating subsidiary totalling $33.9 million
15 October 2012	Results of the Annual General Meeting
25 October 2012	Retirement of Mr. S E Frost as a director and Chief Technical Officer
9 January 2013	Resignation of Mr. P Maseva-Shayawabaya as a director and Chief Finance Officer
11 January 2013	Signing of indigenisation implementation term sheet agreed with Government for the sale in aggregate of 51% equity in the operating subsidiary
24 January 2013	Mr. S Mangoma appointed as a director and Chief Finance Officer
14 February 2013	Release of results for the half year ended 31 December 2012
1 March 2013	Media reports concerning the indigenisation implementation plan signed with Government
6 March 2013	Government's proposed compulsory acquisition of land constituting approximately 50% of the operating subsidiary's mining lease area
28 March 2013	Lodging of objection to Government's proposed compulsory acquisition of ground

Ten Year Review

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
INCOME STATEMENTS										
Turnover	**471 647**	**473 280**	**527 354**	**403 953**	**120 311**	**294 257**	**235 967**	**162 446**	**112 484**	**99 867**
Platinum	263,234	261,681	284,991	233,929	81,807	153,868	102,253	84,755	64,948	61,726
Palladium	96,890	87,004	98,347	53,658	12,995	28,690	23,771	19,186	12,079	13,375
Gold	30,387	32,897	26,636	19,902	8,179	8,159	6,071	4,759	3,639	3,228
Rhodium	15,136	18,714	30,030	33,385	-1,985	63,245	42,474	28,774	11,089	3,416
Nickel	46,579	52,921	66,135	48,418	14,835	31,509	52,655	19,559	17,657	15,847
Other	19,421	20,063	21,215	14,661	4,480	8,786	8,743	5,413	3,072	2,275
Cost of sales	**(248 121)**	**(219 854)**	**(204 275)**	**(171 949)**	**(105 433)**	**(121 812)**	**(97 720)**	**(88 639)**	**(77 702)**	**(56 955)**
Mining	(96 314)	(88 815)	(78 041)	(65 108)	(56 222)	(65 133)	(55 693)	(59 052)	(55 271)	(35 330)
Processing	(58 036)	(52 142)	(52 448)	(42 580)	(23 088)	(19 441)	(17 811)	(15 697)	(15 722)	(12 587)
Depreciation	(46 830)	(41 714)	(33 584)	(23 241)	(21 343)	(24 242)	(20 559)	(8 585)	(3 674)	(2 722)
Staff costs	(47 403)	(41 210)	(37 237)	(25 351)	(18 035)	(11 054)	(6 508)	(4 303)	(4 633)	(2 485)
Other	462	4 027	(2 965)	(15 669)	13 255	(1 942)	2 851	(1 002)	1 598	(3 831)
Gross Profit	**223 526**	**253 426**	**323 079**	**232 004**	**14 878**	**172 445**	**138 247**	**73 807**	**34 782**	**42 912**
Other (expense)/income	(19 102)	(7 349)	(12 414)	(7 838)	(7 256)	3 426	717	(444)	9 732	892
Operating costs	(93 841)	(91 098)	(66 056)	(51 239)	(32 522)	(30 482)	(24 224)	(16 385)	(18 945)	(12 418)
Net finance (expense)/income	(1 497)	(3 458)	(8 531)	(6 356)	(1 133)	125	2 667	274	(121)	(1 282)
Profit/(loss) before tax	**109 086**	**151 521**	**236 078**	**166 571**	**(26 033)**	**145 514**	**117 407**	**57 252**	**25 448**	**30 104**
Taxation	(40 832)	(29 162)	(35 656)	(44 501)	1 009	(21 136)	(17 823)	(9 516)	(4 221)	(2 747)
Profit/(loss) after tax	**68 254**	**122 359**	**200 422**	**122 070**	**(25 024)**	**124 378**	**99 584**	**47 736**	**21 227**	**27 357**
Attributable to minority interests	-	-	-	-	-	-	-	-	(2 428)	(8 770)
Net profit/(loss) to shareholders	**68 254**	**122 359**	**200 422**	**122 070**	**(25 024)**	**124 378**	**99 584**	**47 736**	**18 799**	**18 587**
BALANCE SHEETS										
ASSETS										
Non-current assets	**1 016 726**	**916 921**	**681 907**	**592 064**	**529 868**	**371 558**	**228 623**	**188 180**	**155 536**	**136 636**
Property,plant and equipment	975 685	858 720	625 433	540 153	472 636	346 493	206 178	165 738	130 263	112 406
Mining interests	22 445	22 445	22 445	22 445	22 445	22 445	22 445	22 442	25 273	24 230
Financial assets and other receivables	20 596	35 756	34 029	29 466	34 787	2 620	-	-	-	-
Current assets	232 852	237 965	293 468	220 707	120 411	226 964	176 846	108 065	62 260	57 265
Total assets	**1 249 578**	**1 154 886**	**975 375**	**812 771**	**650 279**	**598 522**	**405 469**	**296 245**	**217 796**	**193 901**
EQUITY AND LIABILITIES										
Capital and reserves	**929 993**	**861 739**	**739 381**	**538 959**	**415 167**	**442 655**	**329 400**	**230 593**	**183 934**	**131 753**
Minority interests	-	-	-	-	-	-	-	-	-	31 037
Non-current liabilities	**226 598**	**212 133**	**142 817**	**183 793**	**150 645**	**108 343**	**33 953**	**31 198**	**14 155**	**7 550**
Deferred taxation	104 875	115 344	87 506	63 828	42 459	44 714	21 587	14 492	10 529	6 950
Borrowings	105 000	78 118	38 066	105 531	95 405	57 171	-	2 211	-	-
Mine rehabilitation provision and liability	16 723	18 671	17 245	14 434	12 781	6 458	12 366	14 495	3 626	600
Current liabilities	92 987	81 014	93 177	90 019	84 467	47 524	42 116	34 454	19 707	23 561
Total equity and liabilities	**1 249 578**	**1 154 886**	**975 375**	**812 771**	**650 279**	**598 522**	**405 469**	**296 245**	**217 796**	**193 901**

Ten Year Review

OPERATING STATISTICS	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Ore mined (tonnes)	**4 794 657**	**4 586 013**	**4 236 700**	**3 543 722**	**2 648 070**	**2 445 767**	**2 312 783**	**2 205 680**	**2 137 468**	**2 122 097**
Open cast	-	-	-	-	528 094	1 301 068	1 285 651	1 508 382	1 826 414	1 937 760
Ngwarati Mine	1 284 278	1 297 174	1 261 507	1 254 762	779 064	155 272	-	-	-	-
Rukodzi Mine	1 317 305	1 329 042	1 346 916	1 364 325	1 204 581	977 999	1 027 132	697 298	311 054	184 337
Mupfuti Mine	229 775	-	-	-	-	-	-	-	-	-
Bimha Mine	1 963 299	1 959 797	1 628 277	924 635	136 331	11 428	-	-	-	-
Ore headgrade (g/t)	3.32	3.32	3.35	3.36	3.39	3.22	3.48	3.37	3.23	3.23
Ore milled (tonnes)	**4 683 136**	**4 392 731**	**4 222 565**	**4 094 849**	**2 166 490**	**2 200 473**	**2 133 295**	**2 018 665**	**2 058 210**	**2 006 328**
SMC concentrator	2 225 066	2 275 235	2 169 901	2 268 598	2 166 490	2 200 473	2 133 295	2 018 665	2 058 210	2 006 328
Ngezi concentrator	2 458 070	2 117 496	2 052 664	1 826 251	-	-	-	-	-	-
4E oz in matte produced	**394 814**	**374 791**	**367 787**	**349 856**	**190 532**	**188 569**	**194 626**	**184 765**	**176 535**	**176 075**
Platinum	198 104	187 086	182 093	173 883	95 965	94 403	96 518	90 318	86 755	85 263
Palladium	157 076	149 206	148 141	141 187	75 555	75 537	78 605	76 515	72 024	73 065
Rhodium	16 997	16 862	16 752	15 443	8 355	8 027	8 590	8 110	7 985	7 820
Gold	22 637	21 637	20 801	19 343	10 657	10 602	10 913	9 822	9 771	9 927
4E oz in matte sold	**388 850**	**375 340**	**368 283**	**345 602**	**190 867**	**189 268**	**194 451**	**184 923**	**174 730**	**177 782**
Platinum	193 901	187 227	182 244	171 474	96 014	94 318	96 624	90 414	85 763	86 099
Palladium	155 603	149 750	148 864	139 757	75 840	76 234	78 536	76 541	71 508	73 981
Rhodium	17 006	16 716	16 315	15 148	8 249	8 188	8 482	8 148	7 786	7 901
Gold	22 340	21 647	20 860	19 223	10 764	10 528	10 809	9 820	9 673	9 801
Financial ratios										
Gross margin (%)	47.4%	53.5%	61.3%	57.4%	12.4%	58.6%	58.6%	45.4%	30.9%	43.0%
Return on equity (%)	7.3%	14.8%	27.1%	22.6%	-6.0%	28.1%	30.2%	20.7%	10.2%	14.1%
Return on assets (%)	5.5%	11.1%	20.5%	15.0%	-3.8%	20.8%	24.6%	16.1%	8.6%	9.6%
Current ratio	2.5	3.0	3.1	2.5	1.4	4.8	4.2	3.1	3.2	2.4
Operational indicators										
Capital expenditure ($000)	156 686	269 514	121 874	85 814	140 665	179 830	64 501	31 435	26 961	11 635
Gross revenue per 4E oz ($)	1 213	1 259	1 432	1 169	630	1 555	1 213	878	644	568
Cash operating cost per 4E oz ($)	646	611	580	549	624	645	490	534	514	335
Cash operating cost per platinum oz ($)	1 287	1 223	1 171	1 104	1 239	1 288	988	1 093	1 047	693
Net cash cost per platinum oz ($)	212	93	(159)	112	838	(201)	(396)	233	492	495
Non-financial indicators										
Permanent employees	2 929	2 830	2 757	2 418	2 136	1 584	1 128	873	741	629
Local spend % of total spend	64%	65%	60%							
Lost Time Injury Frequency Rate	0.70	0.21	0.75	0.69	0.45	0.69				
Total Injury Frequency Rate	2.20	2.22	3.39	3.61	5.49	9.69				
Effluent permits issued (red, high impact)	-	-	-	4	6	5				
Disturbed areas rehabilitated (ha)	4	5	-	-	305	-				

Board Of Directors

Acting Chairman

MUCHADEYI (MUCH) ASHTON MASUNDA (61)

BL (Hons), FCIArb (UK)

Appointed to the board in 2007 and Acting Chairman since July 2012. Chairman of the Commercial Arbitration Centre in Harare and Chairman of several Zimbabwean companies, among them Lafarge Cement Zimbabwe Limited, John Sisk & Son (Africa) Limited and Old Mutual Life Assurance Company Zimbabwe Limited. Elected ceremonial Mayor of Harare in 2008.

Member and past Chairman of the Audit and Risk Committee.

Executive Directors

Chief Executive Officer

ALEXANDER MHEMBERE (52)

ACIS, ACMA, MBA

Appointed Chief Executive Officer in 2007. Formerly was the Managing Director of a Zimbabwean PGM producer. Chief Executive Officer of the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited and is currently President of the Chamber of Mines Zimbabwe.

Chief Financial Officer

STEWART MAGASO MANGOMA (40)

BCompt (Hons) UNISA, CA (Z)

Joined the group in March 2013 as a director and Chief Finance Officer of both the company and the operating subsidiary. Has held senior executive positions in a number of leading companies in Zimbabwe.

Chairman of the Procurement Committee and the IT Steering Committee and a member of the Project Steering Committee.

Non-Executive Directors

BRENDA BERLIN (49)

BCom, BAcc, CA(SA)

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

TERENCE PHILIP GOODLACE (54)

NHD in Metalliferous Mining, BCom, MBA

Chief Executive Officer of Impala Platinum Holdings Limited. Formerly was Chief Executive Officer of Metorex Limited and Chief Operating Officer of Gold Fields Limited. Appointed to the board in August 2012.

Board of Directors Continued

Non-Executive Directors

MICHAEL JOHN HOUSTON (63)

MSc (Business Strategy)

Joined the group in 2001 as Chief Operating Officer of the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited and was for a period Chief Executive Officer of Zimplats Holdings Limited. Chairman of the board from 1 January 2005 to 28 February 2010 and is Chairman of the Remuneration Committee. Currently Chief Executive Officer of an East Africa gold mining operation.

DR KHOTSO DAVID KENNETH MOKHELE (58)

BSc (Agriculture), MSc (Food Science), PhD (Microbiology)

Appointed to the board in 2007. Non-executive Chairman of Impala Platinum Holdings Limited since 2009 and a non-executive director of African Oxygen Limited and of Tiger Brands Limited.

LESLIE JOHN PATON (61)

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

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

Chairman of the HSE Committee and a member of the Remuneration Committee.

ROBERT GEORGE STILL (58)

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

Founding member of the Board of Directors in 1998 and Chairman from 2001 to 2004. Currently the Executive Chairman of an African mining private equity group. Member of the Remuneration Committee.

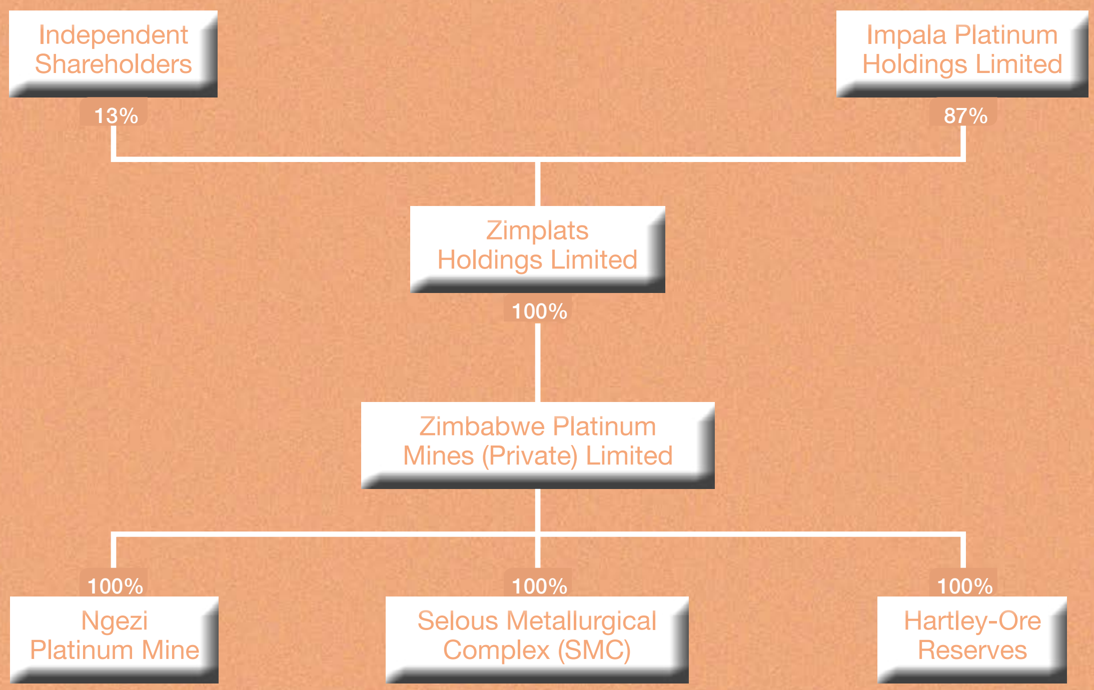
NYASHA PUZA SIYABORA ZHOU (60)

BAcc (Hons) (UZ), CA(Z), MBL (UNISA)

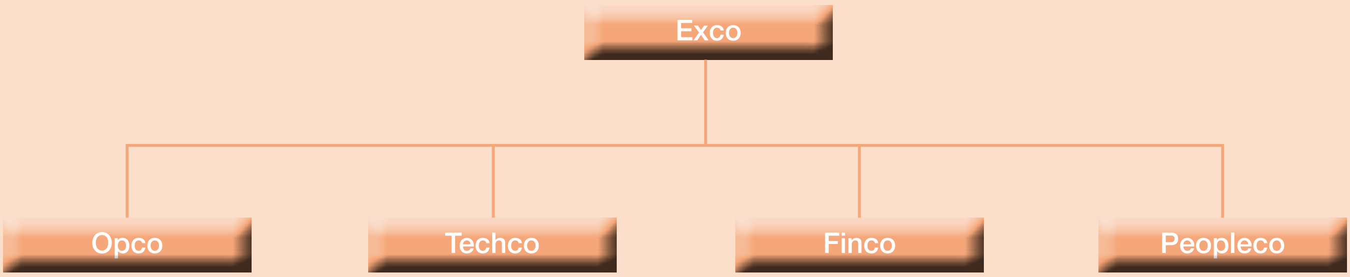
Appointed a director of the operating company in 2007 and chairman in 2013. Joined the board in 2010. Past president of the Zimbabwe Institute of Chartered Accountants and sits on a number of other boards in Zimbabwe.

Chairman of the Audit and Risk Committee and a member of the HSE Committee.

Corporate Structure



Management Structure



Management

Executive Committee

5 7 3 6 1 2 9 4 8

1 ALEXANDER MHEMBERE: *ACIS, ACMA, MBA*
Chief Executive Officer
Alex joined the group on 1 October 2007, having formerly been the Managing Director of a Zimbabwean PGM producer.

2 STEWART MANGOMA: *BCompt (Hons) UNISA, CA (Z)*
Chief Financial Officer
Stewart joined the group in March 2013 as a director and Chief Finance Officer of both the company and the operating subsidiary subsequent to the resignation of the previous incumbent Patrick Maseva-Shayawabaya. He has held senior executive positions in a number of leading companies in Zimbabwe.
Stewart is chairman of the Procurement Committee and the IT Steering Committee and a member of the Project Steering Committee.

3 STANLEY SEGULA: *BSc (Mining Eng) (Hons) (UZ), MBA, MMCZ*
Chief Operating Officer
Stanley joined the Zimplats Group in April 2008 and was appointed to his current position in March 2011, where he is responsible for the mining and processing operations of the Company. He was appointed to the board of Zimbabwe Platinum Mines (Private) Limited in February 2013.

4 ROBSON NYABADZA: *BSc.(Hons) (UZ), CEng, MIET-UK, MZIE*
Chief Technical Officer
Robson joined the group in 2010 as General Manager (Engineering). He was appointed Chief Technical Officer in January 2013 and to the board of the operating subsidiary in February 2013 following the retirement of Stan Frost. He has previously held senior positions within the mining and manufacturing industries in Zimbabwe.

Robson is responsible for the Company's expansion programme as well as the engineering function.

5 TAKAWIRA MASWISWI: *MSc (Tourism & Hospitality), MIPM*
General Manager - Human Resources
Taka joined the Zimplats Group in February 2012 prior to which he was Group HR Director of a major regional hospitality group.

6 BUSI CHINDOVE: *B. Admin Hons (UZ), MSc (Cork)*
Head of Corporate Affairs
Busi was appointed Head of Corporate Affairs on 1 November 2008.

7 ANDREW DU TOIT: *BSc (Hons) (Geology) London, MAusIMM*
General Manager – New Business Development
Andrew joined the company in 2003 and was appointed to his current position in March 2011.

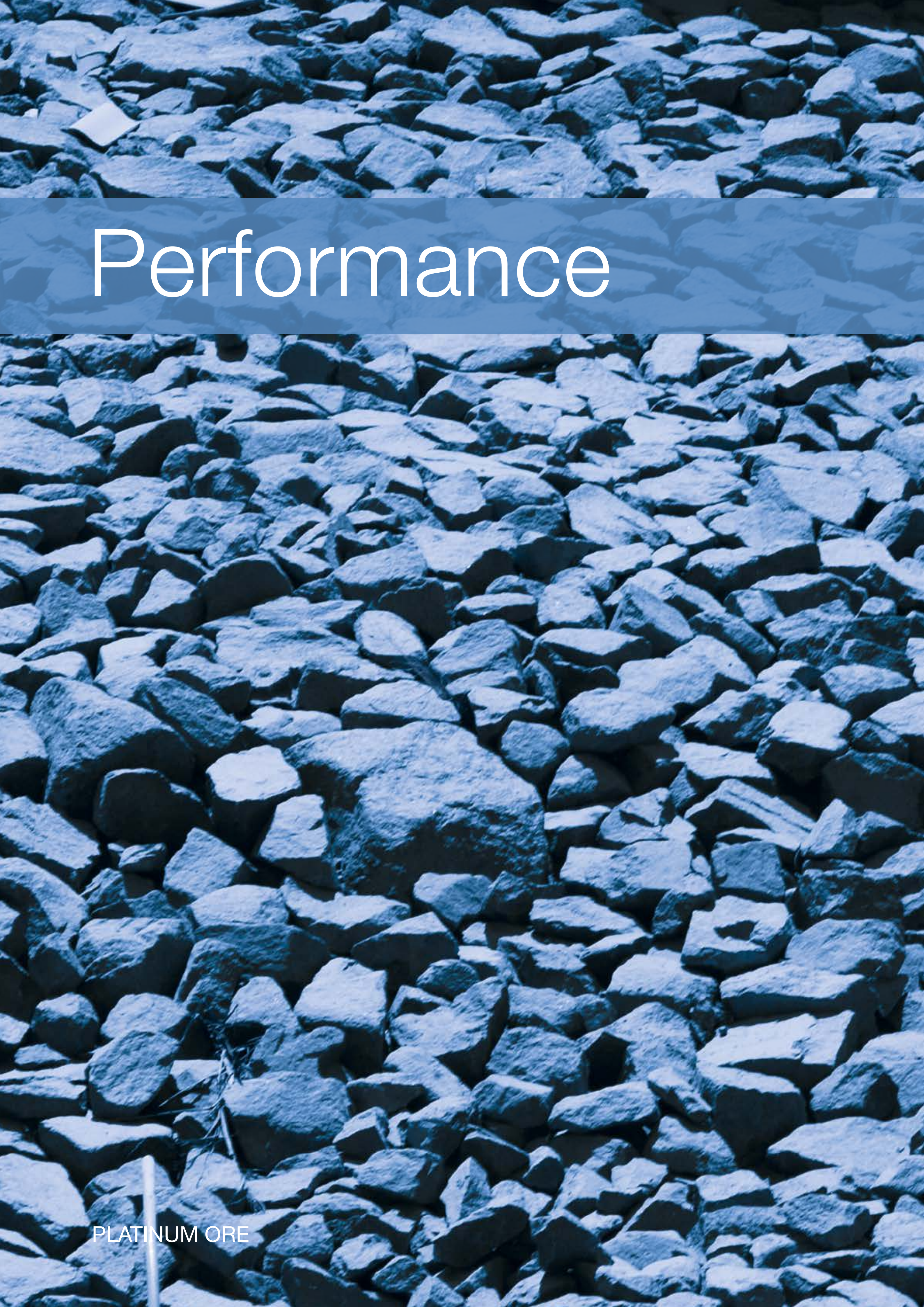
8 VAUGHAN LANGLEY: *ACIS*
Group Company Secretary
Vaughan joined the Group in 2003.

9 LYSIAS CHIWOZVA: *B.Eng (Hons) Industrial (Nust), MBA (UZ)*
Risk & Strategy Manager
Lysias joined the group in September 2012

“Zimplats celebrated the achievement of 10 million fatality free shifts”

Source :
Chairman’s Letter 2013

Performance



PLATINUM ORE

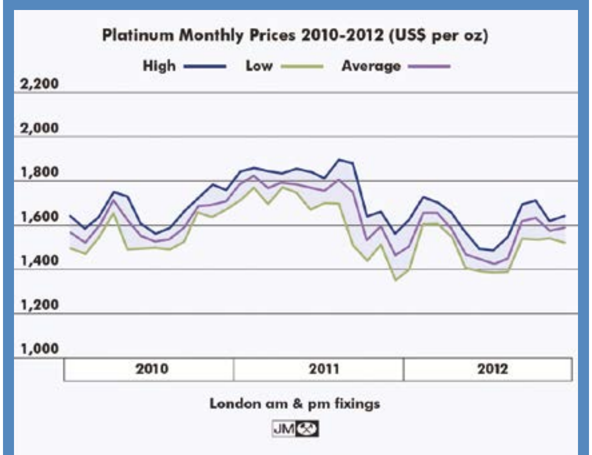
Market Review

Platinum

- Platinum was in deficit by 375,000 oz in 2012, largely due to production lost to strikes, stoppages and mine closures in South Africa.
- Primary supplies of platinum, at 5.64 million ounces, were at a 12-year low, with South African sales down by 16% to 4.10 million ounces.
- Gross demand for platinum fell marginally in 2012 to 8.05 million ounces, with higher jewellery demand but sharply lower industrial buying.
- Autocatalyst demand for platinum was poor in Europe but stronger in Asia and North America and for non-road diesel emissions control.

An unprecedented fall in supplies from South Africa arising from a series of illegal strikes moved the platinum market into a deficit in 2012. Through industrial action, safety stoppages and mine closures, producers in South Africa altogether lost at least 750,000 oz of platinum production. Industrial demand in 2012 was hit by a downturn in purchasing by the glass and electrical sectors, while investment demand was steady. Growth in demand for platinum autocatalysts in Asia and North America offset lower requirements from the weak European vehicle market. Only the jewellery trade in China bought significantly more platinum, in order to supply an expanding jewellery retail network. The platinum price in 2012 was on average 10% weaker than in 2011, causing secondary recovery of platinum to decline as collectors of spent autocatalysts hoarded stock, waiting for better price opportunities to arrive.

A series of illegal work stoppages took place during the year at the mines on the western Bushveld operated by Impala Platinum, Lonmin and Anglo American Platinum. The first stoppage of the year started at Impala's Rustenburg lease area in January and resulted ultimately



in the loss of a third of the mine's annual output. There was significant disruption in August at Lonmin's Marikana operations, where the strike became violent and led to the loss of many lives, and between September and November at Anglo's Union, Rustenburg and Amandelbult operations.

We estimate that losses from legal and illegal strike action in 2012 came to more than 600,000 oz of platinum, compounding the pressure being felt by South African mining companies from above-inflation labour and energy cost increases, falling productivity and torpid dollar pgm prices. Interruptions due to safety inspections, although less onerous than in 2011, were a further drag on production and accounted for at least 70,000 oz of lost output.

These adverse factors began to make themselves felt in the form of mine closures, with three of the smaller mines in South Africa and one tailings reprocessing plant ceasing to operate, in all taking around a further 60,000 oz out of play in 2012. Even the major producers were not immune to the threat of cutbacks, as Anglo Platinum concluded a year-long review of its operations by announcing in January 2013 its intention to close shafts in order to reduce production capacity by up to 400,000 oz per year.

Changes to supply from other regions were relatively insignificant. Shipments of platinum from Norilsk Nickel's operations declined by 2% to 660,000 oz. Total Russian supply, including production from alluvial platinum mines, fell by 35,000 oz to 800,000 oz. Supplies of platinum from North America in 2012 dropped by 55,000 oz to 295,000 oz, reflecting lower production of metal at Vale's Canadian nickel mines. Shipments from Zimbabwe, at 340,000 oz, were unchanged.

Demand for platinum in autocatalysts rose slightly in 2012 to 3.24 million ounces. Depressed light vehicle output in Europe, combined with a lower market share for diesel vehicles, led to a significant fall in demand for platinum in the region. However, a rebound in output of vehicles

Market Review Continued

in Japan, a continued surge in the manufacture of diesel vehicles in India and Thailand, and increased production of diesel pickup trucks in North America bolstered demand for platinum. The use of platinum autocatalysts for heavy duty vehicles improved marginally, while purchases of platinum more than doubled for catalysts to control pollution from construction, agricultural and other non-road diesel engines, which are now included in estimates of overall autocatalyst demand.

Demand for platinum for making jewellery increased by 305,000 oz in 2012 to 2.78 million ounces. There was a surge of buying by manufacturers in China, in order to supply platinum jewellery to a growing number of retail outlets in Chinese cities. Manufacturers also took advantage of the relatively weak platinum price to increase stocks. In India there was wider distribution of platinum jewellery in the retail network. The discount of platinum to gold during most of the year made platinum jewellery more competitive with white gold in all markets.

Demand for platinum in industrial applications fell by 405,000 oz in 2012 to 1.57 million ounces. This was largely the effect of changing conditions in the glass industry, where excess production capacity, combined with the use of platinum from decommissioned plants and existing inventories, led to a fall in purchases. In the electrical industry, inventory adjustments and weaker demand for hard disk drives impacted purchases of platinum. Demand from the chemical sector was slightly lower than in 2011, while demand for platinum in medical, petroleum refining and other applications was stable.

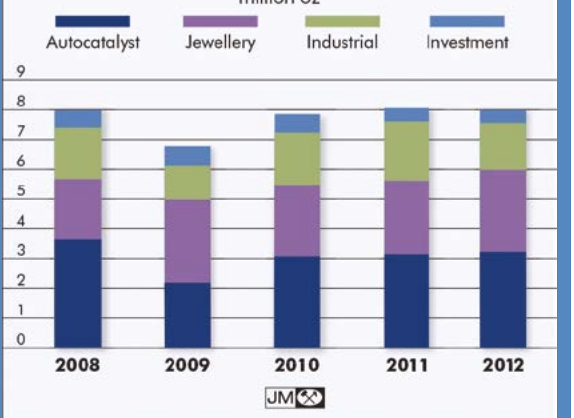
Net identifiable physical demand for platinum in the investment sector reached 455,000 oz in 2012, only 5,000 oz lower than in the previous year. Investment in exchange traded funds (ETFs) tended to fluctuate in accordance with changes in the platinum price, demand for platinum ending the year marginally higher compared to 2011. Significantly lower net purchasing of large bars in Japan was largely offset by a combination of increased demand for coins and small bars and the acquisition of metal for the launch of a new physically-backed product in North America.

The platinum price averaged $1,552 in 2012, $169 per oz lower than in 2011. It began the year brightly and was bolstered when the Impala mines went on strike, reaching a high of $1,729 in February, but then came under pressure from weak demand and Europe's economic problems. It was at a low of $1,390 before the eruption of violence during the Lonmin strike propelled it back over $1,700. Although the price was unable to sustain this level, concern about mine supplies continued to provide support for the remainder of the year.

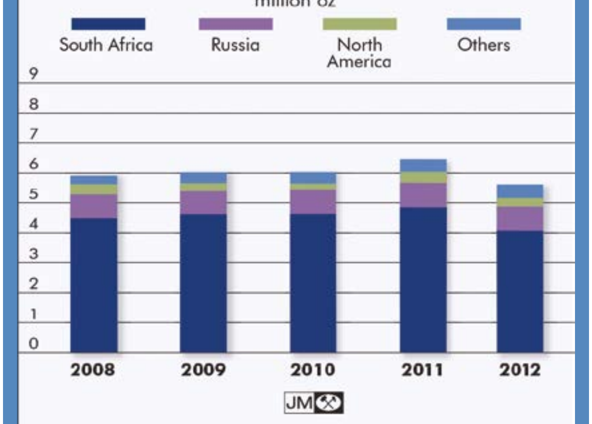
Platinum Supply and Demand
'000 oz

Supply	2010	2011	2012
South Africa	4,635	4,860	4,095
Russia	825	835	800
Others	590	790	745
Total Supply	**6,050**	**6,485**	**5,640**
Gross Demand			
Autocatalyst	3,075	3,185	3,240
Jewellery	2,420	2,475	2,780
Industrial	1,755	1,975	1,570
Investment	655	460	455
Total Gross Demand	**7,905**	**8,095**	**8,045**
Recycling	**(1,830)**	**(2,060)**	**(2,030)**
Total Net Demand	**6,075**	**6,035**	**6,015**
Movements in Stocks	**(25)**	**450**	**(375)**

Gross Demand for Platinum 2008-2012
million oz



Platinum Supply by Region 2008-2012
million oz



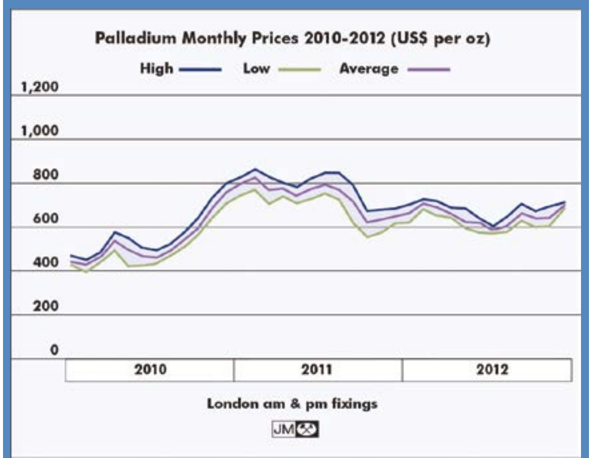
Market Review Continued

Palladium

- The palladium market moved into a deficit of 1.07 million ounces in 2012 following a surplus of 1.19 million ounces in 2011.
- Palladium supply declined by 11% in 2012 to 6.55 million ounces. Russian mine supplies fell by 3% to 2.63 million ounces, while sales from state stocks fell by two-thirds.
- Gross demand for palladium rose by 16% to 9.90 million ounces in 2012, led by record purchases of palladium for autocatalyst manufacturing.
- Net physical investment in palladium switched from a negative 565,000 oz in 2011 to a positive 470,000 oz in 2012, a swing of over one million ounces.

Driven by record autocatalyst demand, a one million ounce swing in investment demand and a fall in primary and secondary supply, the market for palladium in 2012 moved into deficit by 1.07 million ounces. Although South African shipments were badly affected by the loss of production from strikes and other interruptions, the major impact on supply in 2012 was a fall in sales of metal from Russian state stocks to 250,000 oz, a fraction of what the market has been accustomed to seeing in recent years. The strength of demand for palladium was accentuated by the large swing in physical investment from negative to positive. However, excluding investment, demand still grew by 300,000 oz compared to 2011. Demand in the dominant auto sector increased by 460,000 oz, more than compensating for a reduction in electrical and jewellery demand, while chemical and dental demand were stable.

Supply of palladium last year, at 6.55 million ounces, was the lowest since 2002. In South Africa the output of by-product palladium suffered from disruption to platinum mining arising from strikes and other stoppages. PGM grades in the ores at Norilsk Nickel's Russian mines have been declining for some time and in 2012 palladium output in Russia was 3% lower than in 2011. However, the most significant impact on supply last year came from a sharp drop in sales of Russian government stocks due, we believe, to state reserves being almost completely depleted.



In 2012, for the second year running, gross demand for palladium in autocatalysts was at a new all-time high. World demand of 6.62 million ounces represented a 7.5% increase on 2011 and, even more impressively, a rise of nearly two-thirds when compared to the depressed level of 4.05 million ounces during the recession year of 2009. Some of the causes of this demand strength were ongoing, such as increasing production of light duty gasoline vehicles in China and another rise in the ratio of palladium to platinum in autocatalysts for European diesel vehicles. Others were germane to 2012, notably the recovery of vehicle output in Japan after the tsunami of 2011 and, in the USA, growing consumer confidence and economic activity. This, along with a renewed willingness of banks to provide credit, persuaded an increasing number of US buyers to return to car showrooms to replace their ageing vehicles.

Recycling of palladium from end-of-life catalysts did not keep pace with gross demand last year, falling by 35,000 oz to 1.66 million ounces. Weakness in pgm prices caused collectors to hoard stocks of spent converters for a time and only towards the end of the year did recycling volumes begin to strengthen as inventories were released. Consequently, the increase to 4.96 million ounces in net autocatalyst demand for palladium was an 11% advance on the 2011 level.

Gross demand for palladium in jewellery in 2012, at 445,000 oz, was 60,000 oz lower than in 2011. Demand for palladium jewellery in China fell for the fourth consecutive year, while in other markets it was largely unchanged. Anaemic consumer demand for palladium jewellery in China has resulted in fewer manufacturers and retailers producing it or carrying stock. With the amount of palladium recycled from scrapped jewellery falling to 190,000 oz in 2012, net

Market Review Continued

demand reached 255,000 oz, compared with 295,000 oz in 2011.

The use of palladium in various industrial sectors came to 2.37 million ounces in 2012, 100,000 oz lower than the previous year. The use of palladium in dental restorations, and in several minor applications such as petroleum refining catalysts, stationary source pollution control and industrial alloys, was largely stable. Chemical demand increased due to further expansion of capacity for manufacturing chemical intermediates for polyesters and plastics using palladium catalysts, but these gains were eliminated by sharply lower gross demand in electrical applications.

The metal content of multi-layer ceramic capacitors, an important use for palladium in the electrical sector, is constantly being reduced. At the same time, the improving performance and reliability of base metal capacitors has enabled manufacturers of electronic systems to employ them in applications where previously only the performance of precious metals was acceptable. Palladium capacitors have been displaced from many automotive electronics, for example, and increasingly their use is being confined to extremely demanding applications such as military aircraft systems. Demand for other electrical uses of palladium held up well, especially as the price of palladium remained at a large discount to the price of gold, the alternative material in applications such as electronic plating.

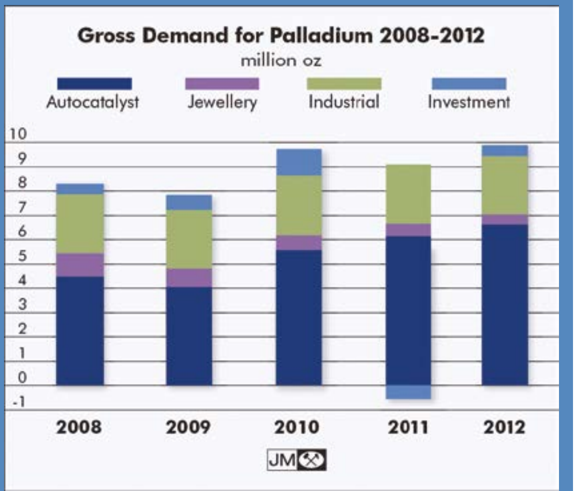
Recovery of palladium from electronic scrap fell by 50,000 oz in 2012 to 430,000 oz due to a decline in the concentration of palladium in electrical waste, the result of years of miniaturisation of components and thrifting of the palladium content. This offset part of the overall decline in gross demand from the electrical sector.

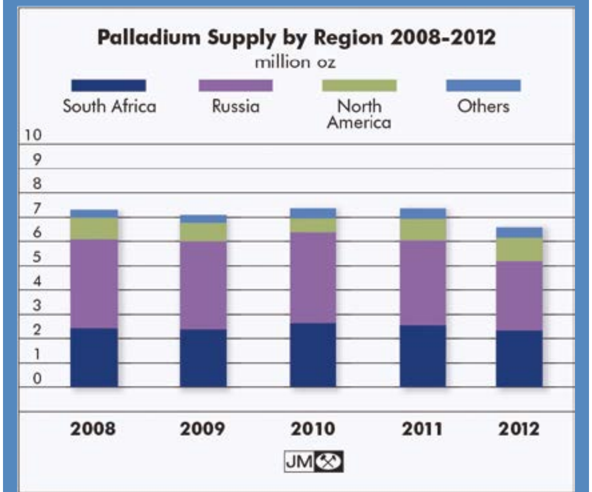
Net physical investment demand for palladium reached 470,000 oz in 2012, compared to liquidation of 565,000 oz in 2011, a swing of over one million ounces. This was due primarily to a return to net investment in the ETF market following heavy profit-taking the previous year, notably by investors in the two largest funds based in London and New York. New demand of 285,000 oz was registered in ETFs and to this was added a further 185,000 oz of palladium bought for the fully-subscribed Sprott Physical Platinum and Palladium Trust when it was launched in December 2012.

Like the platinum price, which it broadly shadowed for most of the year, the palladium price peaked at $722 in February 2012 and reached its nadir of $564 in July before being bolstered by the mine strikes in South Africa. Palladium was more resilient than platinum in the final two months, averaging $643 for the year, $90 per oz lower than in 2011.

Palladium Supply and Demand
'000 oz

Supply	2010	2011	2012
South Africa	2,640	2,560	2,330
Russia	3,720	3,480	2,880
Others	995	1,320	1,335
Total Supply	**7,355**	**7,360**	**6,545**
Gross Demand			
Autocatalyst	5,580	6,155	6,615
Jewellery	595	505	445
Industrial	2,465	2,465	2,365
Investment	1,095	(565)	470
Total Gross Demand	**9,735**	**8,560**	**9,895**
Recycling	**(1,850)**	**(2,385)**	**(2,280)**
Total Net Demand	**7,885**	**6,175**	**7,615**
Movements in Stocks	**(530)**	**1,185**	**(1,070)**





Market Review Continued

Other PGM

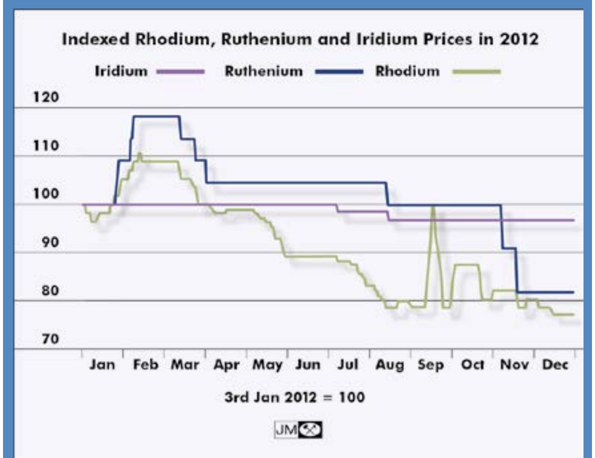
- Gross demand for rhodium grew by 6% in 2012 to 966,000 oz, largely due to strong demand for rhodium in autocatalysts, especially in North America and Japan.
- Primary supplies of rhodium declined by 43,000 oz to 722,000 oz. Weaker South African production was partly offset by a rise in Russian output. Recovery of rhodium from autocatalyst scrap fell by 6.5% to 259,000 oz.
- Ruthenium demand in 2012 was 32% down at 679,000 oz due to sharply reduced buying of ruthenium for the production of hard disks and chemical catalysts.
- Adequate capacity for growing single crystal sapphire meant a pronounced drop in buying from the electrical industry, causing global iridium demand to fall by 46% to 178,000 oz in 2012.

Rhodium

Supply and demand for rhodium came close to balance in 2012 after the previous year's substantial surplus. This was the outcome of a reduction in mine supply, principally from South Africa, a smaller amount of rhodium reprocessed from end-of-life autocatalyst scrap and a strong increase in demand for rhodium for new autocatalyst manufacture and for physical investment.

Supplies of rhodium from South Africa fell in 2012 to 576,000 oz, a decline of 65,000 oz. This was due to loss of production during a series of illegal strikes and other interruptions at the operations of all three of the major South African mining companies. The fall in supply was not so pronounced as for platinum because the producers were able to augment their regular production of rhodium by releasing metal from inventories.

Higher shipments of rhodium reached the market from Russia, the result, we believe, of metal being processed from stored mine concentrates to supplement regular newly-mined output at Norilsk Nickel. Russian supply rose by 20,000 oz to 90,000 oz, offsetting the losses from South Africa to some extent and bringing total primary sales of rhodium in 2012 to 722,000 oz – 43,000 oz less than in 2011 and the lowest level of supply for four years.



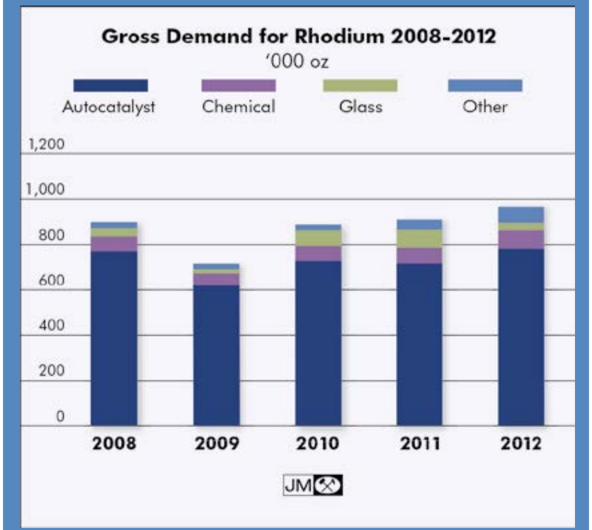
Autocatalyst demand for rhodium rose by 67,000 oz in 2012 to 782,000 oz, bolstered by a rebound in vehicle production in Japan after the catastrophic natural disasters of 2011 and by a buoyant market for cars in North America. A 22% increase in light duty gasoline vehicles made in Japan last year was equivalent to an additional 1.6 million cars and light trucks, while an improving economy brought consumers back to showrooms in North America, prompting a 1.9 million unit rise in the light duty gasoline build. As Japanese auto companies tend to use, on average, more rhodium on autocatalysts than other producers, and also have a large manufacturing base in North America, the recovering production in both regions was significant for rhodium demand.

Industrial demand for rhodium was mixed, with growth in purchasing by the chemical industry outweighed by a fall in demand from the glass sector after two very strong years. Chemical demand was up by 9,000 oz to 81,000 oz, driven by Asian demand for rhodium process catalysts to make acetic acid and oxo-alcohols. Producers of glass fibre reduced their purchases of rhodium in 2012 as they had metal on hand from closures of old plants, while liquid crystal display (LCD) glass manufacturers installed less capacity than in 2011 and had access to rhodium bought in previous years, bringing total glass demand down to 31,000 oz, from 77,000 oz in 2011.

A rise of 28,000 oz in Other demand for rhodium, to 66,000 oz, was entirely due to an increase in holdings of physical rhodium in the Deutsche Bank ETF. In total, gross demand for rhodium in 2012 rose by 58,000 oz to 966,000 oz. With autocatalyst recovery falling by 18,000 oz to 259,000 oz, the rhodium market was oversupplied by 15,000 oz.

Market Review Continued

The price of rhodium was $1,400 at the start of 2012. It ticked upwards to $1,500 in the first quarter, shadowing the rise in platinum and palladium prices, but then went into decline, reaching $1,100 in August. A characteristic pattern of trading during the period was for buying interest from Asia to be met by sellers in Europe and North America, with the latter having a greater effect on the price. When the Anglo Platinum mines in South Africa went on strike in September the price spiked to $1,400 before relapsing. The average price of rhodium for the year was $1,276, a fall of $746 per oz from 2011.



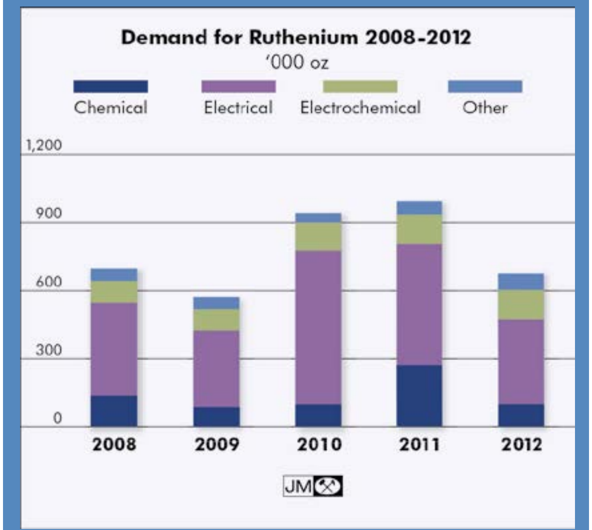
Ruthenium

Demand for ruthenium fell by nearly a third in 2012 after two exceptionally strong years.

Purchases of ruthenium declined in the electrical and chemical sectors. Weaker production of computer disk drives required less ruthenium for coating of hard disks and this, combined with a reduction of inventories and improved manufacturing efficiency, accounted for the bulk of a 30% decline in demand from the electrical industry.

Chemical demand for ruthenium fell by over 60% compared to 2011, when demand was unusually high due to purchases of new catalyst charges for converting natural gas to ammonia. With demand for ruthenium catalysts for the production of chlorine and for other minor applications broadly stable, total demand for ruthenium in 2012, at 679,000 oz, was 318,000 oz lower year-on-year. The price of ruthenium averaged $112 for the year, lower by $54 per oz than in 2011.

Mine production of ruthenium fell in 2012, in line with lower platinum output at strike-hit South African mines.

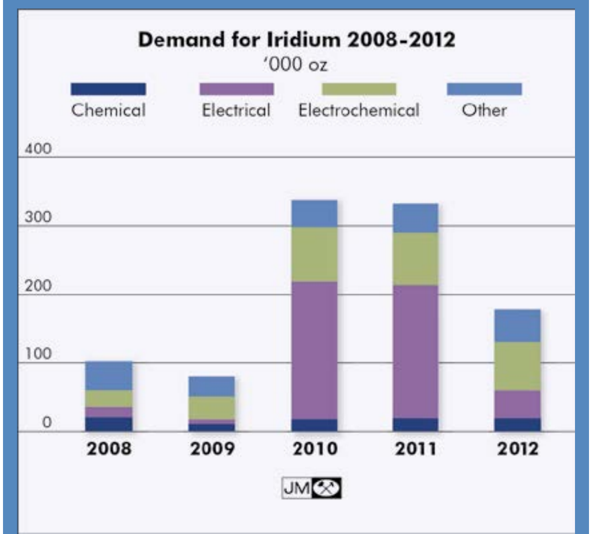


Iridium

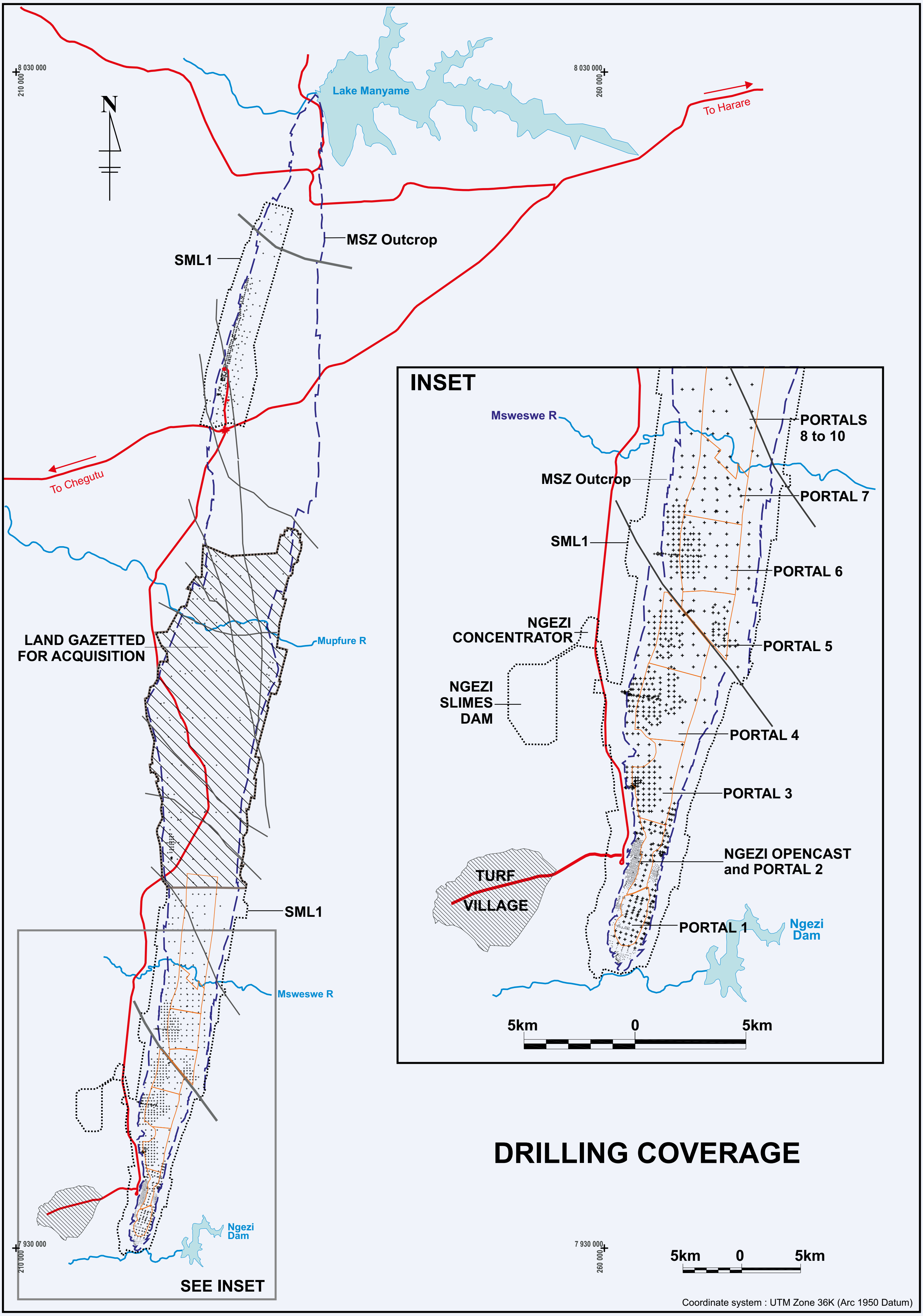
Iridium demand fell by almost a half in 2012 because of lower purchasing from the electrical sector.

There was significant change in demand for iridium in electrical applications last year as expansion in the use of iridium crucibles to grow single crystal sapphire, which had driven demand sharply higher in 2010 and 2011, came to an end. Purchasing for other industrial applications was steady. In total, demand for iridium fell to 178,000 oz from 332,000 oz in 2011. The iridium price on average was $34 an ounce higher than in 2011 at $1,070.

Production of iridium was also impacted by disruptions to South African mining operations. However, with industrial buying in decline, there was no lack of availability in the market.



Acknowledgements to **Johnson Mathey Platinum** 2013



DRILLING COVERAGE

Mineral Resources And Ore Reserves Summary

GREAT DYKE GEOLOGY

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

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

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

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

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

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

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

PGM distribution within the Hartley Complex is asymmetric with higher grade, narrower profiles along the western margin. As a consequence much of the exploration work has focused on the western margin.

MINING METHOD

Zimplats employs mechanised bord and pillar mining to extract ore from stopes with a nominal width of 2.5m at dips of less than 9°. Each production team deploys a single boom face rig, a bolter, a 10t LHD and a 30t dump truck and mines 20 panels, each 7m wide. This allows sufficient flexibility for the required grade control sampling and to negotiate faults and intrusions while still meeting the team's production target of 20 000t of ore per month. The default layout has 7m panels with 4m square pillars but spans decrease and pillar dimensions increase in bad ground and with depth. A combination of roof bolts and tendons is integral to the support design. Underground mining infrastructure is accessed through declines from surface portals.

Great Dyke Geology - Mineral Resources

MINERAL RESOURCES (Inclusive of Ore Reserves)												
		Tonnes Millions	Pt g/t	Pd g/t	Au g/t	Rh g/t	Ni (S)%	Cu %	4E g/t	Pt Moz	4E Moz	Thick m
Ngezi South Open Pit												
	Measured	11.0	1.75	1.29	0.26	0.14	0.10	0.07	3.44	0.6	1.2	2.5
a	**Total**	**11**	**1.75**	**1.29**	**0.26**	**0.14**	**0.10**	**0.07**	**3.44**	**0.6**	**1.2**	**2.5**
Ngezi Portals - Flat - P1-P7												
	Measured	76.7	1.72	1.35	0.25	0.14	0.10	0.08	3.46	4.2	8.5	2.5
	Indicated	213.3	1.73	1.34	0.26	0.14	0.11	0.08	3.47	11.9	23.8	2.5
a	**Total**	**290**	**1.73**	**1.34**	**0.25**	**0.14**	**0.11**	**0.08**	**3.47**	**16.1**	**32.4**	**2.5**
Ngezi Portals - Flat P8-P10												
	Indicated	66.8	1.80	1.32	0.30	0.14	0.13	0.09	3.57	3.9	7.7	2.0
	Inferred	38	1.79	1.20	0.31	0.14	0.12	0.08	3.44	2.2	4.2	2.0
a	**Total**	**105**	**1.80**	**1.28**	**0.31**	**0.14**	**0.13**	**0.08**	**3.52**	**6.0**	**11.8**	**2.0**
Ngezi Portals - Steep P3-P10												
	Measured	31.3	1.57	1.38	0.22	0.14	0.10	0.10	3.31	1.6	3.3	2.5
	Indicated	187.1	1.64	1.33	0.26	0.14	0.11	0.09	3.38	9.9	20.3	2.4
	Inferred	62	1.79	1.17	0.31	0.14	0.12	0.08	3.41	3.6	6.8	2.0
a	**Total**	**280**	**1.67**	**1.30**	**0.27**	**0.14**	**0.11**	**0.09**	**3.38**	**15.0**	**30.4**	**2.3**
Ngezi Mining Lease north of Portal 10 - Ground Gazetted for Compulsory Acquisition												
e	Indicated	70.0	1.51	1.40	0.36	0.17	0.20	0.18	3.44	3.4	7.7	1.9
e	Inferred	1,021	1.53	1.30	0.23	0.16	0.12	0.09	3.22	50.2	105.7	2.4
b	**Total**	**1,091**	**1.53**	**1.31**	**0.24**	**0.16**	**0.13**	**0.10**	**3.23**	**53.6**	**113.4**	**2.4**
Hartley												
	Measured	28.3	2.24	1.77	0.33	0.19	0.14	0.12	4.53	2.0	4.1	1.6
	Indicated	143.1	2.01	1.49	0.31	0.16	0.13	0.11	3.97	9.3	18.3	1.9
	Inferred	46	1.99	1.44	0.30	0.16	0.13	0.10	3.89	3.0	5.8	1.9
b	**Total**	**218**	**2.04**	**1.51**	**0.31**	**0.17**	**0.13**	**0.11**	**4.03**	**14.2**	**28.2**	**1.9**
Oxides - all areas												
	Indicated	16.2	1.75	1.27	0.26	0.14	0.10	0.07	3.42	0.9	1.8	2.5
	Inferred	38	1.75	1.38	0.28	0.15	0.12	0.10	3.56	2.2	4.4	2.2
e	Inferred North of Portal 10	21	1.51	1.27	0.26	0.13	0.12	0.10	3.17	1.0	2.1	2.4
c	Total	76	1.69	1.33	0.27	0.14	0.11	0.09	3.42	4.1	8.3	2.3
Overall												
	Measured	**147.4**	**1.79**	**1.43**	**0.26**	**0.15**	**0.11**	**0.09**	**3.63**	**8.5**	**17.2**	**2.3**
	Indicated	**696.6**	**1.75**	**1.37**	**0.28**	**0.15**	**0.13**	**0.10**	**3.55**	**39.2**	**79.6**	**2.2**
	Inferred	**1,226**	**1.57**	**1.30**	**0.24**	**0.16**	**0.12**	**0.09**	**3.3**	**62.1**	**129.0**	**2.3**
d	**Total**	**2,070**	**1.65**	**1.33**	**0.26**	**0.15**	**0.12**	**0.09**	**3.4**	**109.8**	**225.8**	**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.

Mineral Resources and Ore Reserves Summary Continued

	ORE RESERVES												
			Tonnes Millions	Pt g/t	Pd g/t	Au g/t	Rh g/t	Ni (S)%	Cu %	4E g/t	Pt Moz	4E Moz	Thick m
	Ngezi South Open Pit												
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
	Ngezi Portals - Flat - P1-P7												
		Proved	70.7	1.64	1.33	0.23	0.14	0.10	0.07	3.34	3.7	7.6	2.7
		Probable	166.8	1.63	1.32	0.22	0.16	0.10	0.07	3.33	8.7	17.8	2.7
		Total	**237.5**	**1.63**	**1.32**	**0.22**	**0.15**	**0.10**	**0.07**	**3.33**	**12.5**	**25.4**	**2.7**
	Ngezi Portals - Flat P8-P10												
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
	Ngezi Portals - Steep P3-P10												
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
	Ngezi Mining Lease north of Portal 10 - Ground Gazetted for Compulsory Acquisition												
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
	Hartley												
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
	Oxides - all areas												
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
	Overall												
		Proved	**70.7**	**1.64**	**1.33**	**0.23**	**0.14**	**0.10**	**0.07**	**3.34**	**3.7**	**7.6**	**2.7**
		Probable	**166.8**	**1.63**	**1.32**	**0.22**	**0.16**	**0.10**	**0.07**	**3.33**	**8.7**	**17.8**	**2.7**
		Total	**237.5**	**1.63**	**1.32**	**0.22**	**0.15**	**0.10**	**0.07**	**3.33**	**12.5**	**25.4**	**2.7**

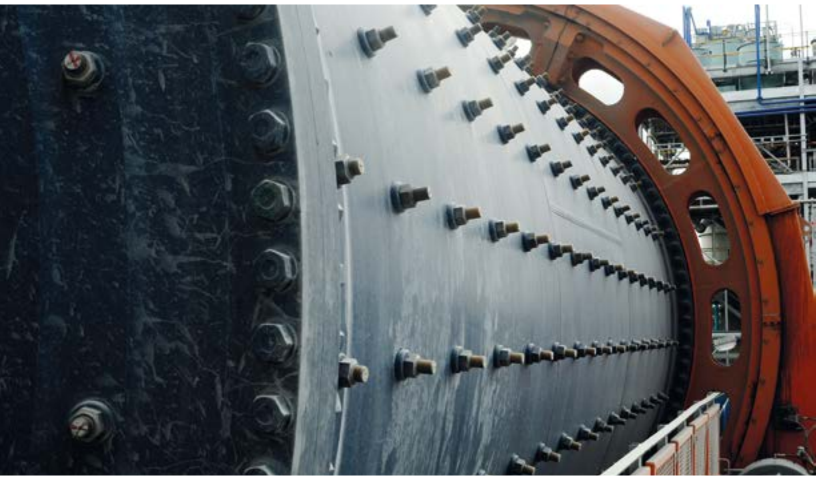
d Mineral Resources have inherent dilution taken into account. Mining pillar losses are not accounted for in the resource estimates

e Resources gazetted for compulsory acquistion by Zimbabwe Government in March 2013

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

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

Mineral Resources and Ore Reserves Summary Continued



MAJOR CHANGES SINCE ANNUAL REPORT 2013

During financial year FY13 all three operational portals continued to operate at full capacity, Portal 1 (Ngwarati) at 1.2Mtpa Portal 2 (Rukodzi) at 1.2Mtpa with an extra (fifth) fleet and Portal 4 (Bimha) at 2Mtpa.

Construction of the new 2 million tonne per annum mine at Portal 3 (Mupfuti Mine) continued, with the focus on developing the capital footprint along the main declines on the ore horizon and the conveyor decline levels. Ore production of approximately 20ktpm was maintained and by the start of FY14 the footprint was ready for the introduction of two stoping fleets.

In the interests of cash conservation, surface drilling was limited to testing the details of a few features intersected undergropund.

TABLE 1 COMPARISON WITH PREVIOUS ESTIMATE - Mineral Resources (inclusive of Reserves)

MINERAL RESOURCES (INCLUSIVE OF RESERVES)								
Category	**2013**				**2012**			
	Tonnage (millions)	4E (g/t)	6E g/t	Pt oz (millions)	Tonnage (millions)	4E (g/t)	6E g/t	Pt oz (millions)
Measured	147	3.63	3.84	8.5	153	3.63	3.84	8.8
Indicated	697	3.55	3.76	39.2	678	3.65	3.86	39.4
Inferred	1 226	3.27	3.54	62.1	1 072	3.58	3.78	59.1
Total	2 070	3.39	3.63	109.8	1 904	3.61	3.81	107.4

ORE RESERVES								
Category	**2013**				**2012**			
	Tonnage (millions)	4E (g/t)	6E g/t	Pt oz (millions)	Tonnage (millions)	4E (g/t)	6E g/t	Pt oz (millions)
Proved	70.7	3.34	3.53	3.7	66.3	3.36	3.55	aaa3.6
Probable	166.8	3.33	3.54	8.7	160.9	3.35	3.56	8.5
Total	237.5	3.33	3.53	12.5	227.2	3.35	3.55	12.1

The changes to the ore reserve at the operating Portals 1 to 4, were:

- Downward where annual mining depletion reduced ore reserves
- Upward due to
  - new models and updated modifying factors
  - an enlarged footprint at Portal 1 into areas previously included within the open-pit resource,

Overall the ore reserves increased in tonnage by 4.5% while the 4E grade reduced by 0.6%.

The modifying factors were reviewed and updated in the light of mining experience to date and this resolved the Portal 4 reconciliation discrepancy mentioned in last year's Annual Report.

A low angle shear, that has a deleterious effect on pillar strength, has been intersected in the deeper sections of Portal 4 (Bimha Mine). In the short-term, steps have been taken to mitigate the safety risks. This has reduced the faces available for mining and could lead to a decrease in production from this portal. Monitoring and pillar rehabilitation efforts have been intensified and a review of the pillar design is underway. A likely increase in pillar sizes will reduce extraction percentages in areas where the shear occurs in proximity to the MSZ. The conclusions from this work will be applied across the property and may result in a reduction in ore reserve tonnages in future estimates.

Changes to the mineral resource estimate as a whole were dominated by the new estimates for the area north of Portal 10 which makes up approximately half the mineral resource. During the year, AMEC Mining and Metals Africa was commissioned to analyse the FY12 drilling results from the area north of Portal 10, to update the resource estimate and produce a supporting competent person's report (CPR). Although the tonnage and grade changed due to the new data, the contained metal was within 5% of previous estimates. In March 2013, the government

Mineral Resources and Ore Reserves Summary Continued

issued notice of its intention to compulsorily acquire this ground. Zimplats has submitted an objection. This area contains 54.6 Moz platinum.

The overall mineral resource, including the ground gazetted for acquisition, increased in tonnage by 8.7% while the 4E grade decreased by 6.1% combining to give a 2.2% increase in platinum content.

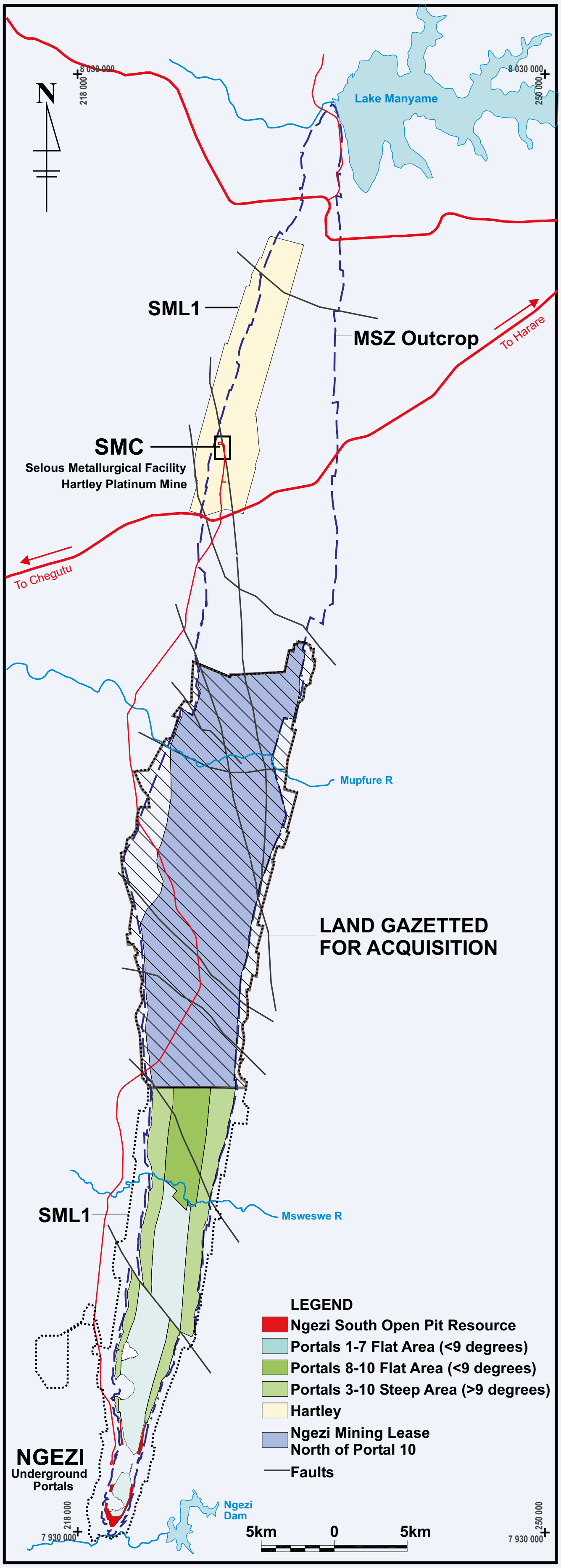
Compared to last year there are also minor reductions in the estimates for both flat and steep resources up to Portal 10. This is because the boundary gazetted for acquisition cut half way through the previous Portal 10 footprint. The boundary has therefore been shifted to match the gazetted area transferring ground that was previously within Portal 10 into the North of Portal 10 region.

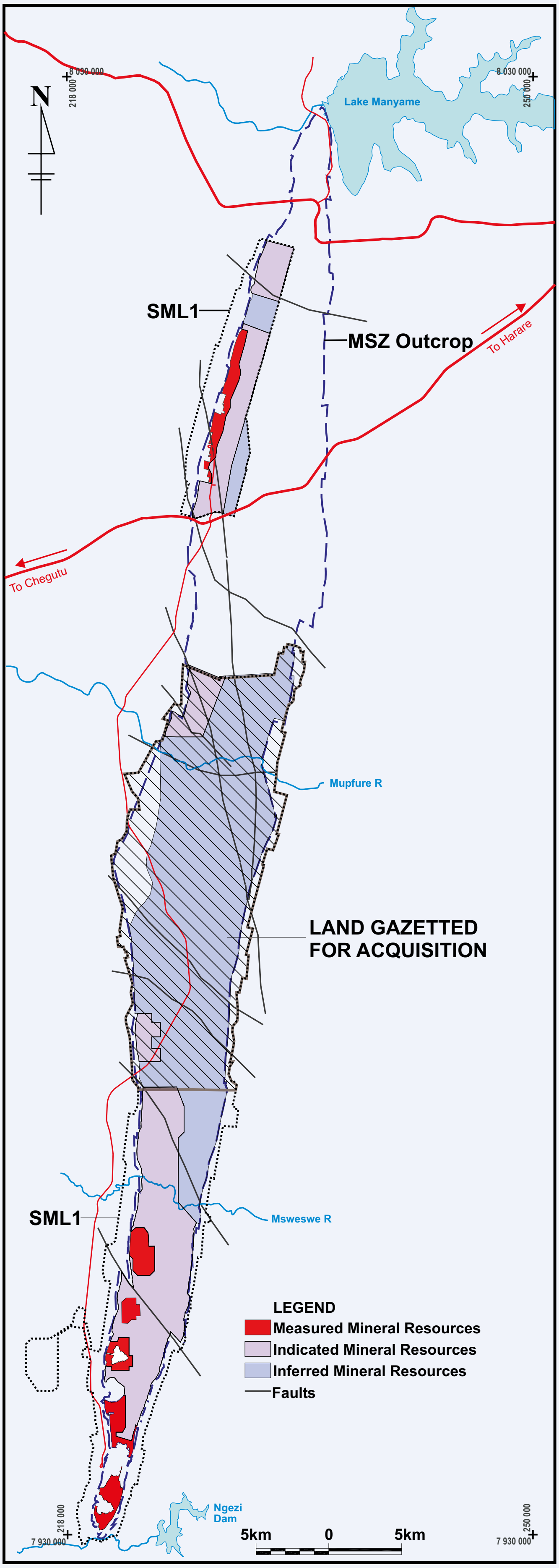
As at the 30th June 2013, 100% of the shares of Zimbabwe Platinum Mines (Private) Limited, the Zimbabwean entity, were held by Zimplats Holdings Limited and therefore all the ounces (109.8 Moz platinum) in this statement are attributable to Zimplats Holdings Limited.

NOTES

- Mineral resources are quoted inclusive of ore reserves.
- The ore reserves quoted reflect anticipated grades delivered to mill.
- Day to day operations are monitored using in-house lead collector fire assays with AA finish. The mineral resources and ore reserves in this statement are based largely on Genalysis nickel sulphide collector fire assays with ICP-MS finish. The differences between the methods are incorporated within the modifying factors that have been applied which mean that there may be slight distortions in recovery and other parameters.
- Resources have been estimated using kriging techniques on data derived from surface diamond drill holes. Estimates are based on composite widths that vary depending on cut off grades, which are based on appropriate economic conditions.
- The boundaries of the ore envelope are gradational, particularly in the footwall, so the choice of mining cut is affected by economic factors. The price of the suite of metals that is produced from the MSZ has fluctuated considerably in the last few years. It is believed that the choice of mining cut is robust under a wide range of pricing conditions.
- Estimates are produced in accordance with Implats' group-wide protocol for the estimation, classification and reporting of Mineral Reserves and Mineral Resources. The objectives of the code are to improve standardisation, consistency and to facilitate auditing.
- AMEC Americas Limited (AMEC) completed an audit in FY2012 and concluded that there were no key issues with respect to the Mineral Resource or Ore Reserve estimates.
- Rounding-off of numbers may result in minor computational discrepancies.

PLAN OF ORE RESERVES AND MINERAL RESOUCES





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

Mineral Resources and Ore Reserves Summary Continued

COMPETENT PERSONS

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

Simbarashe Goto is a full time employee of the company.

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

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

Andrew du Toit is a full time employee of the company.

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

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

Sydney Simango is a full time employee of the company.

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

FLOATATION NGEZI CONCENTRATOR

Sustainability Matters

OUR SUSTAINABILITY APPROACH

Zimplats believes that operating in a socially and environmentally friendly manner is critical to its long term business success. To this end, systems are in place to manage and address sustainability impacts arising from all its operations including its mining and processing operations at Ngezi and its processing operations at Selous. These systems include our Business Management System (BMS), Enterprise Risk Management (ERM) system, Enterprise Resource Planning (ERP) systems – SAP and CURA, Mineral Resource Management (MRM) systems, Mine Planning and Geological Modelling systems and Ore and Metallurgical Accounting systems among others that have been developed and adapted to support the implementation of our strategy.

This report reviews the company's approach to addressing those social, economic and environmental issues that are seen as having a material impact on the long term success of our business, on the sustainability of the environment and the communities in which we operate, or that are important to our key stakeholders.

The selection of indicators to report on was influenced by issues considered material by our stakeholders during engagement and in the context of our business and operating environment. Formal research was also carried out within the surrounding communities.

The sustainability report seeks to provide a response to each of the criteria of the Global Reporting Initiative (GRI) G3 guidelines. A GRI summary index is provided on page 146. The GRI G3 guidelines have been applied to attain the C+ application level; selected performance information has been independently assured on page 148.

SUSTAINABILITY AND PERFORMANCE DATA

The data in this report is based on the company's records. The report covers all company operations. There were no limitations encountered in providing data for selected indicators in the report.

PRINCIPAL RISKS AND MITIGANTS

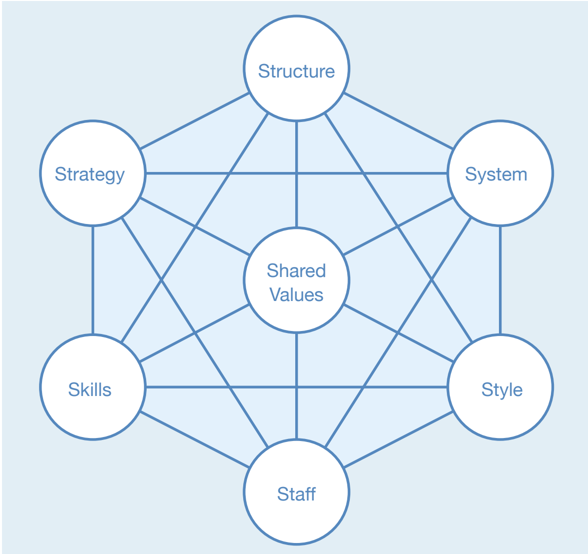
APPROACH TO RISK MANAGEMENT

Zimplats' approach to risk management is linked to its corporate strategy.

Effective risk management underpins the delivery of our strategic objectives. Zimplats has developed a framework to assist in identifying key risks at an early stage and to develop actions to eliminate them or mitigate their impact and likelihood to an acceptable level.

Risk management processes have been embedded throughout the company at all levels and form an integral part of day-to-day business activity. This has been achieved by linking all strategic initiatives to risk management processes to ensure that all effort is directed at addressing risks that may hinder the sustainable achievement of the company's strategic objectives. This helps management to identify and understand risks they face in delivering business objectives and the adequacy and status of the key controls in place for managing those risks.

The McKinsey '7S' Model (shown below) was used to develop strategies relating to risk management.

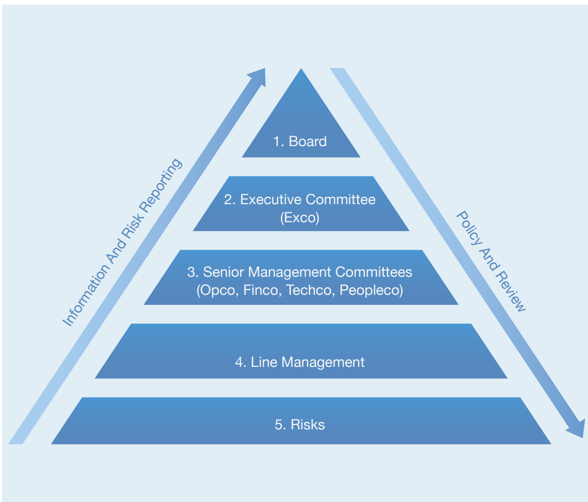


KEY STRATEGIC OBJECTIVES

Key short - medium - long term operational, growth and enterprise risk strategic objectives were identified through the process of situational analysis of the company's operating environment and considering the McKinsey '7S' Framework:

ROLES AND RESPONSIBILITIES

The interface of Zimplats' information and risk reporting with policies and reviews on key risks and the attendant roles and responsibilities for risk management is shown in the diagram below:



Sustainability Matters Continued

The board is accountable for establishing the process of risk management and systems of internal controls, setting the criteria regarding risk decisions and effective communication regarding all matters of risk and for setting the organisation's appetite for risk in pursuit of its strategic objectives. This requires that both the opportunities and threats of all risks are identified, fully understood and appropriately managed on an on-going basis so that the company meets its obligations to customers, shareholders, employees, suppliers, community and society in a sustainable manner.

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

The risk management roles and responsibilities for the board, its committees, executives and line management are set out on the following page:

Sustainability Matters Continued

STRUCTURE	RESPONSIBILITIES	ACTIONS UNDERTAKEN
Board	• Responsible for the organisation's risk management and systems of internal control. • Determine the company's appetite for risk in achieving its strategic objectives.	• Issue and review risk management policy • Review adequacy and effectiveness of the company's risk management and internal control systems • Review the company's key risks and risk responses adopted.
Audit and Risk Committee	• Reviewing the adequacy and effectiveness of risk management and internal controls, including systems to identify, assess, manage and monitor enterprise risks.	• Receive quarterly reports on internal and external audits, risk profile and other assurance activities aimed at managing risks • Annually assess risk management and internal control systems • Review effectiveness of the tip-offs anonymous system to manage fraud risks.
Safety Health Environment and Community (SHEC) Committee	• Reviewing the adequacy and effectiveness of management of risks associated with health, safety, environment, and sustainability.	• Receive reports on implementation of safety, health, environment sustainability and corporate social responsibility initiatives.
Executive Committee (Exco)	• Strategic leadership • Ensuring that the company's risk management is implemented and embedded • Ensuring that appropriate action plans are taken to manage strategic risks and key risks arising from the company's operational activities.	• Strategic roadmap and annual budget processes • Review of risk management and assurance processes and activities • Monthly performance reviews • Review strategy implementation progress • Maintain and regularly review strategic risk register.
Management Committees (Opco, Techco, Finco, Peopleco)	• Responsible for risk management and internal control within their divisions.	• Review key risks and mitigation plans monthly. • Review and challenge adequacy of assurance plans. • Escalate key risks to executive committee and subsequently to the Board.
Line management	• Maintaining an effective system of risk management and internal control within their departments.	• Plan execute and report on assurance plans. • Perform control self-assessments. • Review adequacy of mitigation plans and implement any changes necessary.

Sustainability Matters Continued

A management risk steering committee, SHEC steering committee and internal audit team give a combined risk assurance to the Audit and Risk Committee on key risk issues. This model integrates and aligns the various assurance processes in the company to minimise risk and governance oversight.

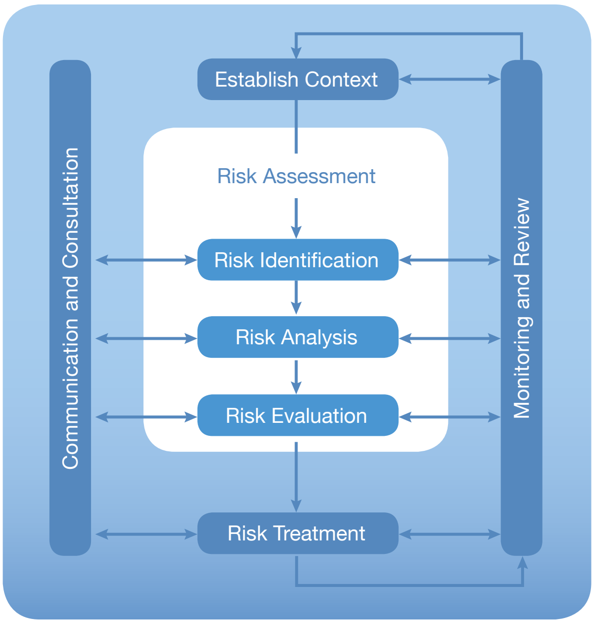
THE ZIMPLATS RISK MANAGEMENT FRAMEWORK

The company's risk management policy requires that all divisions and operations within them identify and assess risks to which they are exposed and which could impact their ability to deliver their and the company's strategic objectives.

Identified risk events, their causes and possible consequences are recorded in risk registers maintained in CURA, the company-preferred data depository risk information management system (RIMS). Their likelihood and potential business impact and the control systems that are available to manage them are analysed for adequacy and effectiveness. Tasks or action plans are developed for each control measure and responsibility for performance assigned to individuals and tracked on a regular basis.

All divisions and operations have assurance mechanisms to ensure that the internal controls and actions designed to mitigate and eliminate risks are operating effectively.

The risk management process followed by Zimplats is based on the ISO 31000 and is summarised in the diagram below:



Zimplats has established the following measures in an effort to ensure that the above risk management process is applied consistently;

- Management committees namely Exco, Opco, Finco, Techco and Peopleco are in place.
- Use of CURA software, the central company-preferred RIMS
- Appointment of Risk and Strategy Manager to maintain and continuously review the framework for managing risks and to harmonise and facilitate strategic risk assessment inputs and outcomes.

The board has concluded that the company has maintained sound risk management and internal control systems throughout the year and has reviewed its effectiveness.

Sustainability Matters Continued

PRINCIPAL RISKS

The company faced a wide range of strategic risks during the year some of which were common to all mining companies operating in the environment. Management has put in place strategies and control systems in order to mitigate these risks.

The key strategic risks are noted below:

COUNTRY RISK		
RISK	**IMPACT**	**MITIGATION**
Managing the uncertainties that affect operations.	Failure to plan ahead due to unpredictability.	• Continue to engage key stakeholders on regulations and policies that impact business operations.
Failure to meet stakeholder expectations with regards to corporate social investment.	Loss of social licence to operate.	• Implementation of poverty alleviation projects where possible • Positive contribution to the fiscus • Community and stakeholder communication and engagement
Regulatory environment changes	Non compliance	• Compliance framework developed • Legal audit commissioned • Audits by 3rd parties.
Value loss through implementation of uneconomic programmes.	• Punitive taxes on export of semi-processed products • Legislation on mineral beneficiation.	• Participate in consultations on the proposed Mining Policy • Lobby and engagement with relevant authorities on key milestones on beneficiation.
MINERAL RESOURCE MANAGEMENT		
RISK	**IMPACT**	**MITIGATION**
Loss of ground due to Compulsory Acquisition of Land Regulations (Government Gazette of March 2013) .	Loss of resources leading to failure to attain company growth profile.	• Discussions with government on the company's mining develppment plan • Objection lodged on the compulsory acquisition of land.
INABILITY TO ATTAIN FUNDING		
RISK	**IMPACT**	**MITIGATION**
Unavailability of funding	Failure to meet operatlonal and growth projections due to unavailability of funding.	• Build relationships with local and external financial institutions • Service debts to improve relationship with financial institutions.
METAL PRICE AND CURRENCY FLUCTUATION		
RISK	**IMPACT**	**MITIGATION**
Volatility in the metal prices and currency exchange rate	Loss of revenue	• Focus on cost, capital and cash preservation • Improve production efficiencies • Access market intelligence to understand future demands • Monitor exchange rate for risk and opportunity.
IT AND INFORMATION SECURITY		
RISK	**IMPACT**	**MITIGATION**
• IT system obsolescence • Failure of Vsat link • Systems security breaches	• Loss of integrity of information and business communication platform • Reputational damage • Loss of competitive advantage	• Maintain back-up server • IT disaster recovery plans (DRP) • Enforcement of IT Policy • IT Steering Committee established • Implementation of system for classification and codification of information.

Sustainability Matters Continued

INFRASTRUCTURE (POWER, WATER, TRANSPORT NETWORK)		
RISK	**IMPACT**	**MITIGATION**
Unavailability of reliable infrastructure to meet requirements.	Loss of production	• Institute sustainable partnerships with power producers and distributors • Chitsuwa Dam at Ngezi has been completed guaranteeing the supply of 30 500 mega litres of water • Major renovation of the national Selous-Ngezi road
SAFETY, HEALTH AND ENVIRONMENT		
RISK	**IMPACT**	**MITIGATION**
Poor safety and health performance leading to injury/ harm to our employees, contractors and communities.	• Failure to achieve our goal of zero harm • Potential legal liabilities • Reputational damage.	• Detailed health and safety policies and procedures are in place and are reviewed and monitored by both management and external bodies. • A Board Safety, Health, Environmental and Community (SHEC) steering committee meets quarterly to assess adequacy and guide health and safety best practices • Tagging and tracking, collision avoidance and automation to address trackless mining machinery (TMM) incidents • New launder technology and mudgun sealing to minimise occurrence and exposure to explosions respectively • Upgrade Turf Clinic to cater for maternity and community health including voluntary counselling and testing (VCT). • Behaviour based interventions (visible felt leadership, planned job observations, peer to peer observations) and tracking leading indictors • Safety, Health and Environmental (SHE) competence based training • Simulator training to enhance competence on machinery operating • Management of leave liabilities and fatigue • Contractor management • Off- the-job safety with focus on road traffic accidents (RTA) • External and internal SHE audits • Heat stress management • Alcohol and drug testing • Population Services International (PSI) have been engaged for voluntary counselling and testing (VCT) • Behaviour based safety (BBS) and analysis of leading indicators • Review accident/incident investigation protocols • Explore use of ISOmetrix as a safety information management system (SIMS) • Change management • Adoption of Safe Production Rules.

Sustainability Matters Continued

SAFETY, HEALTH AND ENVIRONMENT		
RISK	**IMPACT**	**MITIGATION**
Poor environmental perfomance leading to damage to the environment	• Significant potential liabilities • Environmental breach penalties • Reputational damage	• Implementation of detailed Environmental Impact Assessments (EIA) on our processes, projects and activities. • The organisation is in the process of aligning its EIA and Environmental Management Plans (EMP) to Equator Principles requirements. • Lobbying for the review of stringent Statutory Instruments through Chamber of Mines (amendments to emissions, landfills and tailings dam requirements and fee structures, EIA, waste disposal and rehabilitation) • Construction of hazardous waste silos • Management of sulphur dioxide (SO^2) emissions by mass pull in the interim while long-term plans are underway for the construction of the acid plant • Ambient air quality monitoring • Energy saving initiatives to reduce our carbon footprint • Third party audits on our tailings dam operations
PRODUCTION VOLUMES AND QUALITY		
RISK	**IMPACT**	**MITIGATION**
Poor production and quality	inability to deliver planned production volume and quality.	• Successful commissioning of Ngezi Phase 2 expansion project has resulted in increased mining and concentration capacity. • Regular condition monitoring of SMC SAG mill girth gear while expediting manufacture of a new gear
EFFECTIVE PEOPLE		
RISK	**IMPACT**	**MITIGATION**
Unavailability of skilled, competent and effective people who share our values and behaviours.	Failure to meet growth prospects due to unavailability of effective people.	• 'Good to Great' Strategy has been developed covering communication, employee wellness, training and development, employee engagement as well as reward and recognition system to enhance employee loyalty • A succession planning process is in place • A sound and effective learnership programm that includes graduate traineeship and cadetship covering all functional areas of the business is in place.

MATERIALITY AND STAKEHOLDER ENGAGEMENT

Zimplats acknowledges the importance of key stakeholders and the impact that they may have on the business or the impact that the business may have on their interests. To this end stakeholder engagement is an integral part of its business operations and is essential in managing risk and building social capital. The company has both internal and external stakeholders.

Internal stakeholders include employees, management and shareholders while external stakeholders include communities, suppliers, regulatory authorities, local authorities, government, media, financial institutions and analysts. Identification of stakeholders is achieved through a process of assessing how they impact on the company both directly and indirectly. Consideration is also given as to whether the company impacts

Sustainability Matters Continued

on them directly or indirectly. Prioritisation of stakeholders is done following the Global Reporting Initiatives (GRI) guidelines.

To identify its material issues Zimplats uses a wide range of criteria, processes and stakeholder engagements. Stakeholder engagement allows the company to understand and respond to stakeholder expectations. All material issues raised during engagement are captured and action is taken or 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 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	Quarterly and half yearly updates, Annual Report and presentations	Quarterly, half yearly and annually	Indigenisation; Further release of ground; Business performance; Growth plans	Government and regulatory officials engaged in pursuit of a mutually acceptable agreement Regular communication of financial results and progress on expansion project
Employees	Works Councils, briefings, CEO updates Internal Magazine	Monthly meetings and ad hoc briefings as necessary Quarterly Magazine	Employee share ownership, wage negotiations; payment for utilities; Safety; HIV and AIDS	Regular meetings and briefings are held. Utilities dispute settled. SHEQ programme implemented.
Suppliers	One on one meetings and business forums	Regular/ on-going	Local supplier development Fairness in the award of tenders and contracts	Regular meetings and updates are made. Targets have been set and monitoring systems put in place to gauge performance against those targets. A cross functional committee is in place to manage the tender process.
Communities	Stakeholder meetings	Quarterly	Employment of locals. Community development programmes; Relocation of villagers to make way for Chitsuwa Dam and employee housing; Need for more direct engagement; Community Share Ownership Trust (CSOT); Access to clean drinking water and access to dip tanks ; Environmental impacts of the operations.	Regular engagement takes place with the communities. Issues raised are addressed and CSI programmes implemented; A relocation and compensation plan was implemented for the benefit of relocated villagers; The CSOT is now functional; Boreholes have been sunk to provide access to clean water; A programme is being implemented to replace non-functioning dip tanks; A rehabilitation programme is in progress to close the open pit; Communication campaign implemented.

Sustainability Matters Continued

STAKEHOLDER	METHOD OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	MATERIAL ISSUES	ACTION TAKEN
Central government	One on one meetings, conferences, presentations and facility visits	Monthly meetings and ad hoc briefings as necessary	Indigenisation; Further release of ground; Opportunities for increasing mining contribution to the fiscus.	Discussion and negotiation is on-going with relevant Government authorities. Company complying with all legislation on taxes and other payments to the fiscus. Lobbying through Chamber of Mines Communication campaign launched and facility tours
Local governement and traditional leaders	Close liaison with and reporting to relevant local government departments through one on one meetings, quarterly stakeholder meetings and presentations	Bi-monthly and quarterly meetings	Indigenisation; Employee housing development; Community social investment and Community Share Ownership Trust (CSOT); Employment of locals.	A working relationship is nurtured with local government and traditional leadership; Updates on the indigenisation dialogue are given; Through regular meetings community projects are identified and implemented; Implementation of CSOT achieved; Regular updates on employment figures for locals.
Media	Electronic, print, radio and television	Regular/on-going dialogue; press releases and briefings	Indigenisation; Further release of ground; Mining policy and regulations; Growth projects	Zimplats works closely with media stakeholders holding regular briefings, facility visits and one on one interface to ensure smooth flow of information on key issues raised; Communication campaign implemented.
Tertiary institutions	One on one meetings, presentations	Ad hoc meetings	Capacity development to revive institutions	Zimplats has played a leading role in the rehabilitation of the School for Mines and Universities, and provides opportunities for attachment for sustainable development of relevant skills.


Trish Chinamaringa
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Sustainability Matters Continued

STAKEHOLDER	METHOD OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	MATERIAL ISSUES	ACTION TAKEN
Chamber of Mines	Business meetings, conferences, business forums	Monthly	Advocacy on Indigenisation; Mining legislation and regulations	Zimplats 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

Some of the issues raised by stakeholders were addressed through the implementation of a communications strategy that sought to tell the Zimplats story in the print and electronic media by giving information on the company and its activities. The social marketing campaign won 3 awards in the local Ngoma Marketing Awards in the following categories; print series, radio and craft.

Some of the material issues raised by stakeholders are explained below.

INDIGENISATION

On 11 January 2013 the company concluded a non-binding term sheet in respect of proposed indigenisation implementation plans with the government. Dialogue with government is on-going towards the conclusion of a substantive indigenisation implementation plan.

LOSS OF GROUND

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

LOCAL SUPPLIER DEVELOPMENT

Zimplats continued with its strategy of local supplier development so as to further assist in the broader economic recovery of the country. To this end, payments to local suppliers accounted for 64% of the company's annual spend on goods and services, up from 57% in the previous financial year. Mechanisms have been put in place to encourage and continuously monitor the growth of local supplier partnerships.

In line with the company's efforts to operate in a transparent manner, a cross-functional internal team (Procurement Committee), reviews and approves the award of tenders.

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

COMMUNITY ENGAGEMENT

Developing partnerships with communities around our operations is one of Zimplats' strategic objectives for the 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 on-going consultations with community leaders.

Key perceptions include:

- Insufficient investment in community development
- Insufficient direct engagement with the community
- Need for more investment in infrastructural projects not related to company's operations

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

A community development plan has been crafted with the following objectives:

- Contribution towards the upliftment of living standards in the community
- Poverty alleviation through local enterprise development
- Provision of infrastructure relating to education and health
- To improve neighbourliness between Zimplats and the surrounding communities

The plan focuses on education, health and income generating projects and will assist in narrowing the gap in terms of expectations relating to development needs such as clinics, agricultural activity, construction of secondary and primary schools and clean water and sanitation.

Some Community Projects completed during FY13 include:

- Construction of David Guzuzu Secondary School benefitting nearly 100 students at a cost of $250 000 (FY13:$106 449$^{\Delta}$). Zimplats invests in educational projects because the company values the importance of educating children for a better future and improving skills availability at local and national level. In this particular case, secondary school pupils were sharing classrooms with primary school pupils. Work done includes the construction of classrooms, ablution facilities, offices, a library and the headmaster's house.

$^{\Delta}$ *The number has been assured*

Sustainability Matters Continued

- Construction of classroom, boarding hostels for boys and girls, and an administration block at Marshall Hartley School at a total cost of \$497 459 (FY13: \$364 937 Δ). The scope includes the rehabilitation of the existing kitchen and the dining hall.
- Construction and equipping of a science laboratory at St Michaels High School for a total cost of \$105 797 (FY13: \$30 961 Δ), to enable the school to offer ''A" level science subjects. The scope included the construction of a laboratory, internal fittings and furniture.
- Extension of Turf Primary School and Wanganui High School at a total cost of \$2 297 427 (FY13: \$531 248 Δ). The scope included the construction of additional classroom blocks, a library and ablution facilities, the provision of electricity and water and the construction of teacher's houses.
- The rehabilitation, extension and equipment of Turf Clinic, a community clinic, at a total cost of \$668 431 (FY13: \$668 051 Δ) in order to enable access to quality health care services. The scope includes an outpatient department, male and female wards, maternity ward, and mothers waiting place; staff quarters, a generator, an ambulance and various equipment for the clinic. The target population is 5 000.

New projects embarked upon in FY13 included the following

- Refurbishment of Selous Clinic to improve the quality of service offered to the community adjacent to SMC.
- Installation of a new ceiling in a ward at Chitungwiza Hospital
- Launch of two community enterprise development projects in Chegutu and Ngezi based on market gardening, with the aim of supplying Zimplats 'catering suppliers with vegetables.

Apart from the projects detailed above Zimplats also made several donations to the community. These included textbooks, food, agricultural inputs and equipment, and a wheelchair and medicines to an injured member of the Mhondoro community.

Zimplats also sponsors two community sporting events involving more than 30 schools and contributes to National events celebrated by the surrounding communities. Zimplats CSR spend in the year of \$4,2 million was focussed in the following areas, with a donation also having been made to the Community Share Ownership Trust (CSOT):

	FY2013	FY2012	FY2011
	\$	\$	\$
Education	3 062 160	3 282 818	755 000
Sports	53 779	35 000	26 856
Income generating projects	80 025	46 732	303 000
Health	668 050	873 471	223 000
Other	339 641	1 071 079	40 794
Total company CSR	4 203 655 Δ	5 309 100	1 348 650
Direct donation to CSOT	2 500 000	3 300 000	-
Total CSR	**6 703 655**	**8 609 100**	**1 348 650**

Δ *The number has been assured*

COMMUNITY SHARE OWNERSHIP TRUST

As part of the company's indigenisation implementation plan, the Zimplats Mhondoro Ngezi Chegutu Zvimba Community Share Ownership Trust was formed in October 2011. The Trust is now operational and has begun implementing various projects from the donation of \$10 million pledged to the Trust by the company. Projects embarked upon in the three districts include rehabilitation of schools, the construction of classroom blocks at more than 20 schools, sinking of boreholes to address access to clean drinking water and infrastructure for income generating projects.

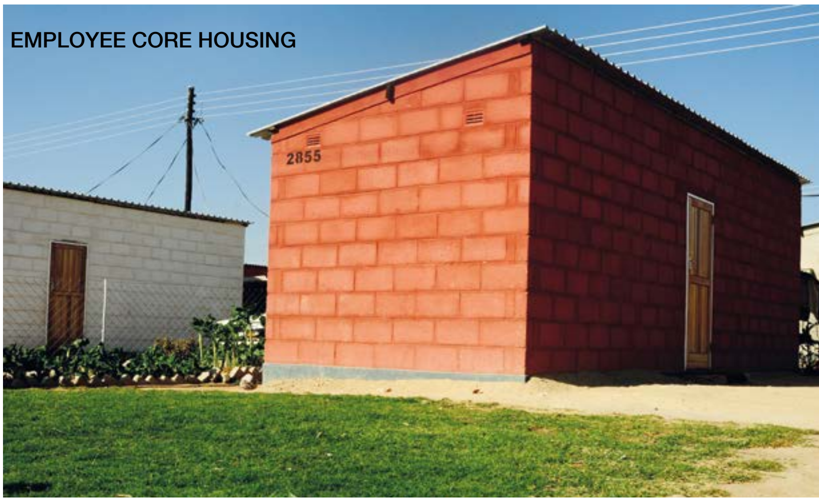
COMMUNITY RELOCATION

28 families were relocated during the period under review to make way for the construction of employee houses and a 30 500 mega litre dam. Relocated families received compensation in the form of new houses with ablution facilities, granaries and boreholes as well as cash to compensate for other structures such as fowl runs and gardens. Construction of a dip tank is underway.

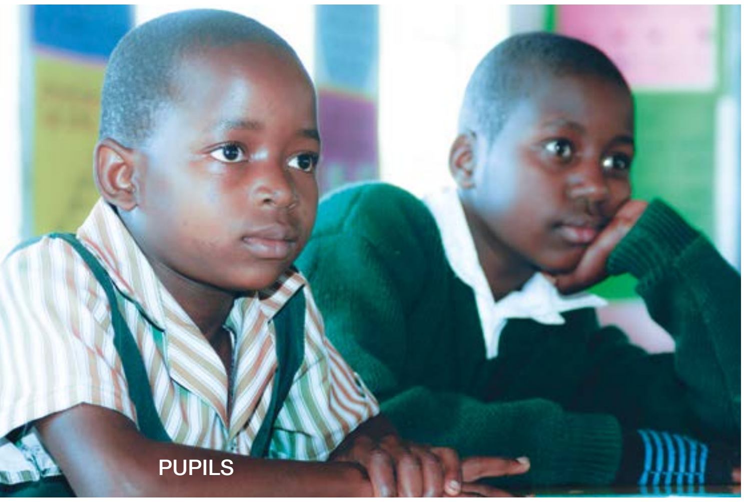
The process of closing the Silver Star Cemetery, which will be affected by the dam, is still on going. The Department of Health


ISLAND DAM

Sustainability Matters Continued



EMPLOYEE CORE HOUSING


PUPILS


MARSHALL HARTLEY SCHOOL

TURF CLINIC

Sustainability Matters Continued

have given their approval and the local district council have passed a full council resolution that the cemetery be closed. Approval from the relevant Ministry is awaited.

SAFETY, HEALTH, ENVIRONMENT, COMMUNITY (SHEC)

Zimplats's vision in terms of Safety, Health and Environment is ZERO harm. In order to achieve this vision, the organization has defined structures and responsibilities for SHEC programmes implementation. Everyone in the organization is responsible for compliance with legislative requirements and conformance with, ISO 9001, ISO 14001, OHSAS 18001, ISO 17025 and other internationally accepted standards that the company subscribes to.

Executive Management is responsible for the development and review of the Business Management Policy. Top Management reviews SHEC performance through the SHEC Audit Committee and Zimplats committee platforms on a quarterly basis and also regularly during Operations Review and Executive Committee meetings.

Operational management are responsible for the development and implementation of safe working methods, to drive safe work procedures and to enforce safe work practices. Visible Felt Leadership (VFL) visits are conducted at these various levels.

First line supervisors who deal directly with shop floor workers ensure safe productivity.

This is achieved through planned job observations, risk assessments and short interval controls. Lastly, operatives contribute to SHEC management through active participation in peer to peer observations and continuous risk assessments:

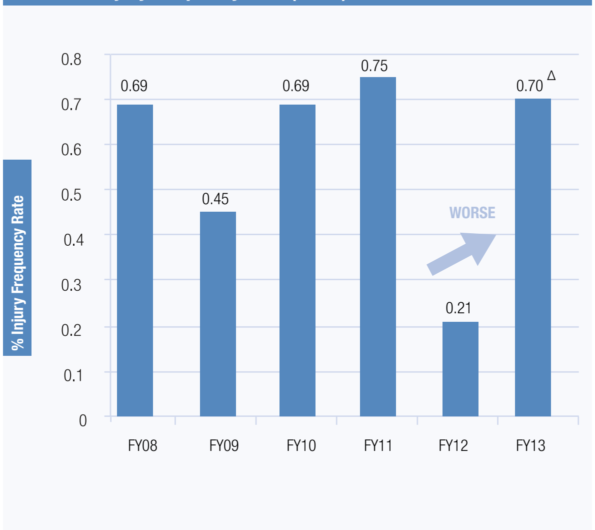
SAFETY HIGHLIGHTS

SUCCESSES	CHALLENGES	OBJECTIVE FY2014
• Zimplats Safe production rules were formulated to further buttress efforts towards an injury free workplace. • Zimplats held a contractor leadership summit attended by 128 contractor companies' top management and SHEQ officials. The contractor representatives signed declarations pledging to comply with Zimplats BMS standards and rules. • Four Zimplats first aid teams participated in regional competitions and qualified to participate in the national competitions to be held in FY14. The qualifying teams are; SMC team, Bimha Mine team, Rukodzi Mine team and Ngwarati Mine team. • Increasing LTI free days for the following clusters; Ngwarati Mine 1 449 days, Mining Shared Services 420 days, Ngezi Concentrator 1 460 days, SMC Concentrator 505 days, Smelter 1 157 days and Processing Shared Services 1 807 days. • Retention of OHSAS 18001, ISO14001, and ISO 9001 Management Systems certification.	• Fall of ground, (FOG) 4 LTIs reported in FY13 relate to FOG. Contractor management: new contractor employees coming on site introducing more inexperienced workforce into the system. • At Risk Behaviour by employees and contractors. • Supervision competency gap. • Change management. • Twelve Lost Time Injuries recorded during the financial year.	• Investigating use of a carrier that offers overhead protection other than mechanical scaling. • Enforcement of the contractor and change management standards. • Road behaviour monitoring will be introduced and implemented • Behaviour based interventions (Visible felt leadership, planned job observations, peer to peer observations) tracking. • Training of accident investigators to ensure repeat cases reflect on remedies prescribed for previous accidents. • SHE competence based training. • Training programmes on effective change management to enhance the capacity of the teams to deal with changing circumstances. • Collision avoidance and automation (to address TMM incidents). • External and Internal Audits. • Promote "Off the Job Safety" to cultivate a strong safety culture which emanates from home to the workplace.

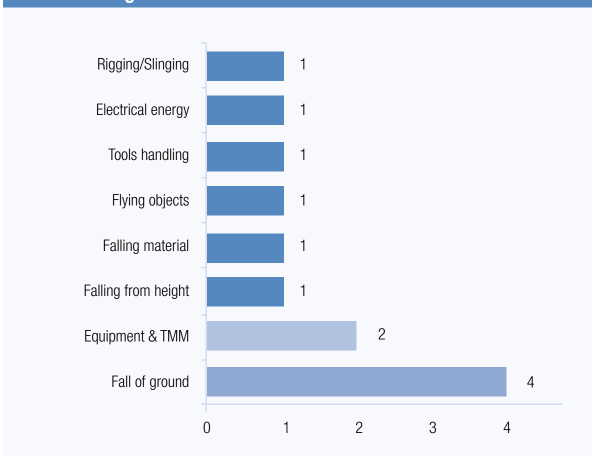
Sustainability Matters Continued

Total Injury Frequency Rate (TIFR)

Lost Time Injury Frequency Rate (LTIFR)



FY2013 LTIs Agencies



Δ *The number has been assured*

OUR STRATEGY

FALLS OF GROUND (FOG)

Objective: Eliminate/reduce FOG incidents, accidents

There has been an increase in Class D ground conditions from approximately 12% in FY2010 to approximately 18% in FY2013, which translates to a 50% increase across the mines. The risk has doubled in response to doubling of the footprint falling in our worst ground conditions.

EQUIPMENT / MACHINERY

Objective: Reduce accidents/incidents related to TMM/ Machinery.

The installation of the leaky feeder communication backbone and tagging and tracking devices on Trackless Mining Machines (TMM) has been done. The next phase is collision avoidance which will reduce machine to machine /man accidents. Dedicated travelling routes for TMM and men have been established where applicable to avoid interface between men and machinery.

AT RISK BEHAVIOUR

Objective: Re-enforce Behaviour Based Interventions.

Behaviour based safety initiatives have been rolled out to entrench a strong safety culture in our employees. The impact on the state of mind of employees caused by disposable cash challenges was investigated and shown to cause uneasiness in households.

GAP IN SUPERVISION

Objective: Close the supervision gap.

Of the 12 Δ LTIs experienced in FY2013, eight involved supervisors. A training matrix has been developed for each level of supervision and more emphasis placed on SHEQ and supervisory skills development. The training encompasses soft issues and daily management of high risk zones, for example bad ground management dashboards.

Visible felt leadership observations were conducted by top management in an effort to interface with the shop floor employees and help cultivate a strong safety culture.

CHANGE MANAGEMENT

Objective: Reduce accidents and incidents through enforcing change management.

Measures have been put in place to ensure that all process design will follow formal approval routing with final approval level being determined by the magnitude of the change. Training programmes on effective change management have been implemented to enhance the capacity of the teams to deal with changing circumstances.

CONTRACTOR MANAGEMENT

Objective: Enhance contractor management.

Six of 12 LTIs recorded in FY2013 involved contractors. Contractor management procedures were reviewed and communicated to operations. A contractor leadership summit was held and Zimplats contractor management requirements were outlined. Focus in FY2014 will be on enforcement of the standards.

Sustainability Matters Continued

ENVIRONMENT HIGHLIGHTS

SUCCESSES	CHALLENGES	OBJECTIVE FY14
• Excellent performance in effluent discharge quality with five yellow permits shifting to blue and green permit categories.	• Sulphur dioxide emissions from the smelter main stack in red permit category.	• Implement the sulphur dioxide emission reduction program:
		• Continue with the hydro-geological modelling of pollution from waste sites at Zimplats.
	• Punitive environment levies prescribed under legislation.	
	• Classification of hazardous storage and hazardous waste permits that does not take into account the engineering and management controls in place.	• Lobbying for the review of Statutory Instruments through the Chamber of Mines for amendments to emissions, landfills and tailings dam requirements and fee structures (EIAs, waste disposal and rehabilitation).
• Implementation of energy efficiency programmes resulting in reduction in indirect energy use by 2% and emissions by 9%.		• Continue with the implementation of recommendations from the External Energy audit in order to improve energy efficiency.
• The Ngezi open pit rehabilitation programme 1% above plan.		• Continue with the Ngezi Open pit rehabilitation programme.
		• Investigate more opportunities for effluent recycling.
• 22% increase in water recycled compared to financial year 2012.		
• Retention of ISO 14001 Environment Management System certification.		
• Mupfuti Mine qualified for the AMMZ National SHE competitions.		

LEGISLATION AND COMPLIANCE

Legislative developments FY13

The Minister of Environment and Natural Resources Management gazetted two pieces of regulations during the year as outlined below.

The Control of Firewood, Timber and Forest Produce Regulations of 2012 was gazetted in terms of the requirements of the Forest Act Chapter 19:05. The key provision of this regulation is the prohibition of landowners from clearing and removing indigenous timber without authority from the local District Forest Extension Officer. Zimplats has complied with this requirement by informing the Forestry Commission before implementing activities associated with significant flora disturbance e.g. the Island Dam water pipeline and power projects.

The other gazetted regulation is the Parks and Wildlife Management Authority By-Laws of 2013 (Tariff of Fees) of February 2013 enacted in terms of the Parks and Wildlife Act Chapter 20:14. Its main provision is that Miners with established mines within Parks and Wildlife Estates will be charged US$15 000 per claim per

Sustainability Matters Continued

quarter to undertake such activities. Currently the operation has an existing lease agreement with the National Parks which is set to expire in October 2015.

In addition to the above regulations that were proclaimed by the Minister of Environment and Natural Resources Management, the Minister of Health and Child Welfare gazetted the Safety and Security of Radiation Sources Regulations of 2012; in terms of the requirements of the Radiation Protection Act Chapter 15:15. The key provision of this regulation is that users and handlers of Naturally Occurring Radioactive Materials (NORM) such as large operating mining and mineral processing facilities (e.g. Platinum, Gold, Nickel and Chrome operations) shall pay a fee of US$40 000 to the Radiation Protection Authority of Zimbabwe (RPAZ). Zimplats has engaged South Africa Nuclear Energy Corporation (NECSA) to conduct a radiological survey on the Zimplats mining and processing operations including waste sites in order to determine the NORM exposure levels.

Zimplats has taken concrete steps to comply with the three environmental regulations gazetted in FY13. As a result no legal fines were raised by the environmental regulatory authorities with respect to issues pertaining to both the new and old legislation during the year under review.

Environmental Authorizations

Environmental permits issued under Zimbabwean legislation have a maximum validity period of one calendar year with the exception of water abstraction agreements and leases of National Parks land. Zimplats therefore applied for the renewal of the various environmental permits that are applicable to its operations.

In the light of the aforesaid applications, EMA renewed 40 out of 41 environmental licences in FY13. The outstanding environmental licence is the hazardous substances for mining which is currently being processed by EMA.

The following table shows the status of the licences:

ENVIRONMENTAL PERMITS ISSUED TO ZIMPLATS IN 2013

PERMIT NAME	PERMITS APPLIED FOR	PERMITS ISSUED	PERMITS OUTSTANDING
Effluent	19	19	-
Solid waste disposal	4	4	-
Hazardous substance storage	3	2	1
Air emissions	9	9	-
Radiation sources (installed)	40	40	-
EIAs	6	6	-
Total permits	81	80	1

Sustainability Matters Continued

ENVIRONMENTAL INSPECTIONS

Environmental Management Agency (EMA)

EMA officials visited Zimplats operations during the year to assess the extent to which Zimplats has complied with Environmental Impact Assessment certificate provisions for its projects. Zimplats was commended for adequately addressing potential and actual environmental impacts associated with the projects and efforts to eliminate yellow permits.

Radiation Protection Authority of Zimbabwe (RPAZ)

RPAZ inspectors conducted an audit of the radiation sources at Zimplats during the year under review. Zimplats was commended for the high level of compliance to radiation sources licences provisions.

International Atomic Energy Agency (IAEA)

The IAEA and RPAZ officials conducted a physical inventory listing and inspection of process radiation sources at Zimplats during the year under review. The IAEA and RPAZ commended Zimplats for the proper accounting of radiation sources and effective radiation safety controls.

Environmental management system

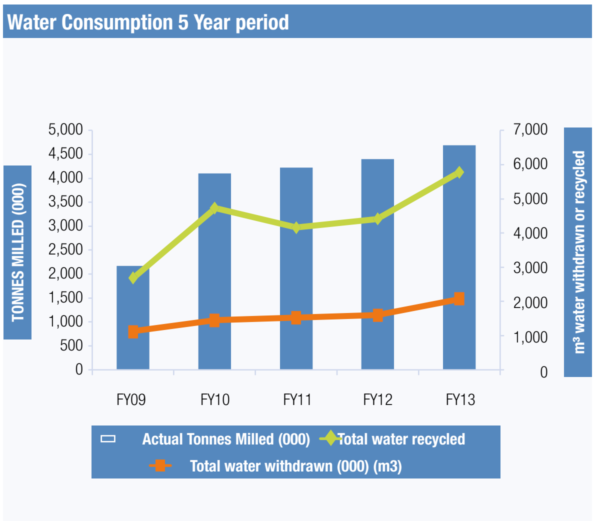
Zimplats attained the current certification to ISO14001 Environmental Management System (EMS) in March 2011. This certification is valid up to March 2014. During the year under review, an EMS 2nd Advancement Assessment audit was conducted in December 2012 at Zimplats and the operation was recommended to retain the certificate. Zimplats uses its EMS to manage strategic environmental risks. The material environmental aspects/risks for Zimplats include air emissions including sulphur and carbon emissions, energy use, water use, land disturbance and compliance with legislation. Zimplats has set objectives to address these impacts. The Key Performance Indicators are as follows:

ENVIRONMENTAL PERFORMANCE FY2013

WATER MANAGEMENT

Objective: Promote effective water management through the Water Conservation Strategy

Water consumption increased by 31% in the year in line with higher production volumes and increased activity at the Ngezi Phase II project. As shown in the table below, a 22% increase in the use of recycled water was achieved in line with the zero discharges philosophy.



Sustainability Matters Continued

KPI	UNIT	FY13	FY12	FY11
Water from dams	KILO LITRES	4,400,768	4,094,674	3,886,968
Ground water (Underground mien + boreholes)	KILO LITRES	1,374,447	313,071	265,986
Total water withdrawn	KILO LITRES	5,775,215 $^{\Delta}$	4,407,745	4,152,954
Water internally recycled (tailings return)	KILO LITRES	2,025,193	1,587,040	1,521,130
Water internally recycled (effluent irrigation)	KILO LITRES	53,101	8,038	-
Water internally recycled	KILO LITRES	2,078,294	1,595,078	1,521,130
Total water consumption	KILO LITRES	7,853,509	6,002,823	5,674,084
Ore milled	TONNES	4,683,135	4.392730	4.222565

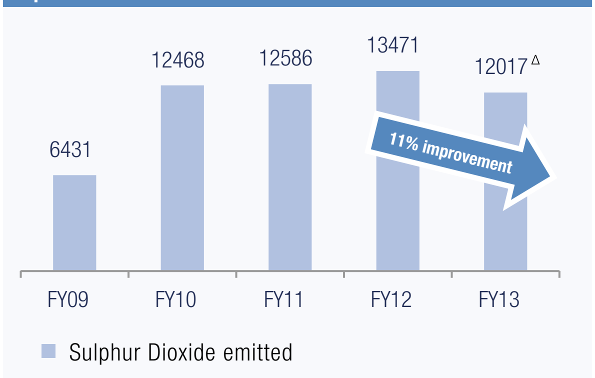
AIR QUALITY MANAGEMENT

Objective: Monitor sulphur dioxide emissions and investigate opportunities for sulphur dioxide abatement.

Sulphur dioxide emissions from the smelter main stack remained above recommended levels with emission levels increasing in the final quarter of the year following the successful commissioning of the Phase 2 concentrator plant module. The acid plant route was the selected option for lowering the SO^2 emissions and will be implemented in future.

$^{\Delta}$ *The number has been assured*

Sulphur emissions



SCIENCE LABORATORY ST. MICHAELS SCHOOL

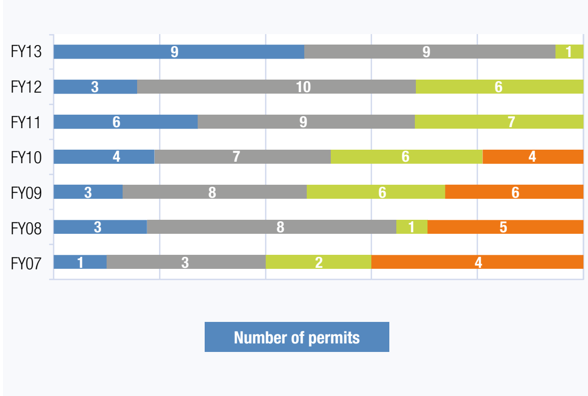
Sustainability Matters Continued

EFFLUENT MANAGEMENT

Objective: To reduce ground and surface water pollution.

A total of five effluent discharge points at the Mining Division were reclassified from yellow to green and blue permit bands by the EMA during the year under review as shown in the table below. The Zimbabwean legislation classifies waste and effluent into bands with blue and green permits representing effluent with low environmental impact whilst yellow and red signify effluent with medium and high environmental impact respectively. The business case for this improvement in permit classification includes legal compliance, reputational impact and reduced permit costs. Zimplats has also investigated the opportunity for recycling Turf and SMC sewage effluent. With respect to the landfill lining project, clay lining and a leachate collection system have been incorporated for Phase 1 of the project.

Zimplats Effluent Permit trends FY07- FY13



LAND STEWARDSHIP

Objective: Continued rehabilitation of the Ngezi open pit and tailings dams.

The Ngezi Open pits rehabilitation programme was implemented in FY2013 as per plan. To date, Loose Cubic Metres (LCMs) moved amounted to 989 445 out of a budget of 941 408 thus representing 5% progress above plan. Outstanding volumes to be moved for the remaining part of the rehabilitation period up to FY2017 amount to 1 510 554 LCMs. All new surfaces of the tailings dams were revegetated during the year under review.

REHABILITATION UPDATE 5 YEAR PERIOD

ISSUE	FY13	FY12	FY11	FY10	FY09
Disturbed areas rehabilitated (ha)	4.0	5.1	0	0	305
Rehabilitation current costs (US$'000)	639	915	282	17	12
Rehabilitation Provisions (US$'000)	1 302	1 092	585	11	10

CLIMATE CHANGE & ENERGY EFFICIENCY

Objective: Reduce energy consumption and carbon emissions by 3% from FY2012 baseline through the implementation of energy efficiency initiatives.

The direct energy consumption for FY2013 was 606 813 $^{\Delta}$ Giga joules per tonne (GJ/tonne) compared to 739 733 GJ/tonne the previous year (18% less energy consumed per tonne milled in FY2013 compared to FY12). Indirect energy consumption was 1 332 696 $^{\Delta}$ GJ/tonne in FY2013 compared to 1 360 059 GJ/tonne the previous year (2% less emissions per tonne milled in FY2013 compared to the previous year).

Indirect CO2 emissions were estimated using 0.99 emission factor provided by Implats and emanating from Eskom. On the other hand; the emission factors of 2.22 for coal, 0.0027 for diesel and 0.0023 for petrol were used to quantify direct CO2 emissions. The emission factor for coal was calculated on the basis of the carbon content in the coal used at Zimplats. Diesel and petrol emission factors were provided by Implats and emanated from guidelines to Defra/DECC greenhouse gas conversion factors for company reporting : Emission Factors methodology paper 6 July 2012 - www.defra.gov.uk.

Zimplats' carbon footprint includes 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. Direct carbon emissions for FY2013 amounted to 43 862 $^{\Delta}$ tonnes compared to 53 697 tonnes the previous year due to the down-scaling of project activities which resulted in lower fuel consumption in FY2013. On the other hand, indirect carbon emissions for FY2013 amounted to 366 491 $^{\Delta}$ tonnes compared to 374 015 tonnes the previous year. A number of initiatives to improve energy efficiency have been implemented in FY2013 following the FY2012 external energy audit which recommended short, medium and long term initiatives to improve energy efficiency. These include power factor correction at the mines, switching off auxiliary fans during off peak times, cyclic operation of Ngezi concentrator compressors, restoration of power factor equipment at Manyame and switching off unnecessary lights at Motor Control Centres (MCCs).

MATERIALS CONSUMPTION

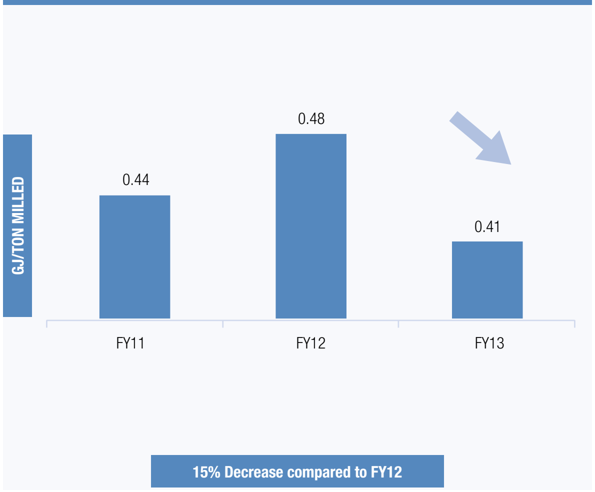
Diesel consumption decreased by 14% in FY2013 compared to the previous year whilst petrol consumption decreased by 12%. The decrease in fuel consumption is attributed to the downscaling of project activities in FY2013 compared to FY2012. In particular projects such as the second module of the concentrator and the Chitsuwa dam construction which were in full swing in FY2012 were reaching completion in FY2013, thereby contributing to low fuel consumption for project activities. In addition, coal consumption decreased by 31% in FY2013 compared to FY2012 and is related to the volumes of tonnes smelted.

$^{\Delta}$ *The number has been assured*

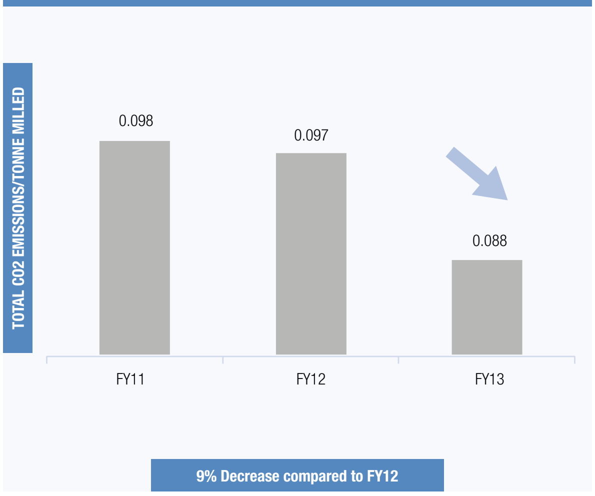
Sustainability Matters Continued

Materials consumption		FY2013	FY2012	FY2011
DIESEL	LITRE	11 731 857 $^{\Delta}$	13 628 102	9 850 533
PETROL	LITRE	326 645 $^{\Delta}$	330 456	291 789
COAL	TON	5 151 $^{\Delta}$	7 270	6 304

TOTAL ENERGY CONSUMPTION PER TON MILLED



CARBON EMISSIONS PER TON MILLED



SOCIAL PERFORMANCE

HUMAN RESOURCES

The company's employee engagement platforms were effective in the year resulting in a sound industrial relations climate characterised by a positive and constructive rapport.

As a result of the skills retention programme in place, staff turnover was good at 4%, marginally lower than the previous year's 4.2%. Labour trends will continue to be monitored and responded to accordingly.

Skills development remained an area of priority. The major area of focus was in strengthening the company's talent management systems as well as developing the new teams for the Mupfuti Mine which is currently under development. The company continues to support tertiary institutions so as to ensure a strong pipeline of skills for the future.

During the year, the total number of own employees increased by 3% to close the year at 2 929 $^{\Delta}$ due to recruitment for the Mupfuti Mine and the Phase 2 Ngezi concentrator. On the other hand, contractor employees decreased by 59% to close the year at 2 775 $^{\Delta}$ driven by the completion of work on the Phase 2 concentrator and scaling down of activity on the housing projects.

DIVISION	Headcount June 2013
Mining Operations	1 919
Mining Projects	239
Processing	506
Engineering	4
Human Resources	49
Group SHEQ	7
Human Resources Development	74
Commercial	80
ICT	15
Head Office	36
Total Zimplats Employees	2 929 $^{\Delta}$
Opex Contractors	1 616
Mining Capex Contactors	1 159
Total Contractors	2 775 $^{\Delta}$
Total Labour	5 704

EMPLOYEE GROUP	
NEC	2 685
Non NEC	244
Total	2 929 $^{\Delta}$

EMPLOYEES BY LOCATION	
Head Office	29
SMC	552
Ngezi	2 348
TOTAL	2 929 $^{\Delta}$

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 who have been contracted by the company for specific projects.

$^{\Delta}$ *The number has been assured*

Sustainability Matters Continued

ENHANCING EMPLOYEE WELLNESS

Strategic Objective FY13	Notable Successes
Resources & Programmes To ensure a healthy workforce by reducing the incidences of new STI and HIV/Aids infections by strengthening the company's employee wellness program, systems and resources.	**Notable Successes** • Expanded company medical facilities at Ngezi. • Enhanced the company's medical surveillance plan through investment into new and modern occupational health equipment. • The company's HIV/Aids programme won a recognition award as a commended company programme in the category of Workplace HIV/Aids, TB and Malaria management. The recognition award was given to the company by GBC Health. • Renovated, equipped and increased capacity at the Turf public clinic.
People 1. To implement a joint programme with Sandvik targeted at commercial sex workers at Turf. 2. To include the surrounding communities in the company's fight against HIV/Aids.	• The program was implemented and there is a notable 50% decline in the rate of new STI infections during the year. • Community VCT programmes are running smoothly and there is excellent collaboration with the surrounding communities.

OCCUPATIONAL HEALTH

The satellite clinic at the Island Dam has been providing most healthcare services to people that are resident within the locality. The company's medical services team have played a supportive role.

Occupational Health Surveillance

Occupational health screening has been extended to short term contractors and all visitors entering the mine for the purpose of inspections and conducting audits. The occupational health staff have gone through training in various health surveillance programs.

The level of compliance to red tickets was satisfactory owing to the improved service delivery in the issuance of pneumoconiosis certificates by NSSA. Contractor compliance to surveillance programs and pneumoconiosis certification improved in FY13. Furthermore, there were no cases $^{\Delta}$ of pneumoconiosis during the same period.

OCCUPATIONAL HEALTH PERFORMANCE

Occupational health risks

- A heat stress management programme was extended to contractors working at the tailings dams and they are now receiving cool beverages. No cases of heat stress were recorded during the year under review.
- Hepatitis A vaccination for employees exposed to biological hazards was completed.
- As part of biological monitoring for lead exposure, a total of 91 employees had blood samples taken. The results were within the acceptable exposure limits.

Tuberculosis

Only two cases of pulmonary TB were diagnosed in the year. This represents a 67% reduction from the previous year. Active case finding in high risk groups continues.

NEW PULMONARY TB CASES TREATED

Operation	FY2013	FY2012	FY2011	FY2010
Mining	2	5	4	8
Processing	0	1	1	3
Other	0	0	0	0
Total	2	6	5	11

Noise- induced Hearing Loss

Two $^{\Delta}$ cases of Noise Induced Hearing Loss were reported during the period under review. Investigations revealed that the two employees had a long history of working in high noise environments from previous occupations. Zimplats is making efforts to have all employees working in high noise environments to get customised hearing protection devices which offer adequate noise attenuation rate.

To date 806 noise bans have been issued and a further 1 121 impressions for making noise bans have been taken. Hearing Protection awareness was carried out for employees working in high noise environments and a total of 2 690 employees were covered. The awareness focused mainly on causes and prevention of (NIHL) both on and off the job.

Malaria

A total of 22 rapid test positive malaria cases were recorded in FY13 and all were from the mining division. Of these, 9 were employees, 6 were dependents and 7 were contractors.. The Mining Division malaria control program continues. It includes education campaigns, indoor residual spraying of households

$^{\Delta}$ *The number has been assured*

Sustainability Matters Continued

and larviciding of ponds in and around the Turf residential area.

HIV/AIDS

Awareness campaigns were conducted during the year with support from our external partners, Population Services International (PSI).Zimplats teamed up with PSI to provide VCT to surrounding communities and more than 400 were tested.

Zimplats partnered with other organisations such as Sandvik, Swedish Workplace HIV and AIDS Programme (SWHAP) and Zimbabwe Aids Prevention and Support Organisation (ZAPSO) to raise HIV and AIDS and STI awareness among sex workers operating around the mine. The objective of the program is to assist the sex workers to establish viable income generating projects so that they can move out of the sex trade. The success of the project has seen a 50% decrease in the number of sexually transmitted cases among employees and dependants in The Turf area.

There were no AIDS-related deaths and no medical incapacitation due to HIV in FY13.

A significant decrease in VCT uptake was noted in FY13 compared to the previous year as illustrated below. This is attributed to the reduced number of contractor employees during the winding up of the projects and the late start of the program by one of our partners due to logistical issues on their part.

VCT UPTAKE

Operation	FY2013	FY2012	FY2011	FY2010
Mining	1 233	2 213	635	131
Processing	155	520	99	73
Total	1 288	2 733	734	204

WELLNESS PROGRAMME

Operation	FY2013	FY2012	FY2011	FY2010
Mining	106	31	145	47
Processing	29	98	24	21
Total	135	129	169	68

ZIMPLATS ART PROGRAMME

	NUMBER OF PATIENTS ON ART				NEW PATIENTS ON ART			
Operation	FY 2013	FY 2012	FY 2011	FY 2010	FY 2013	FY 2012	FY2011	FY2010
Mining	91	98	92	68	11	19	31	24
Process	28	31	35	21	0	8	4	0
Total	119	113	127	89	11	27	35	24

* Zimplats: FY 2013: 64 dependants on ART

Sustainability Matters Continued

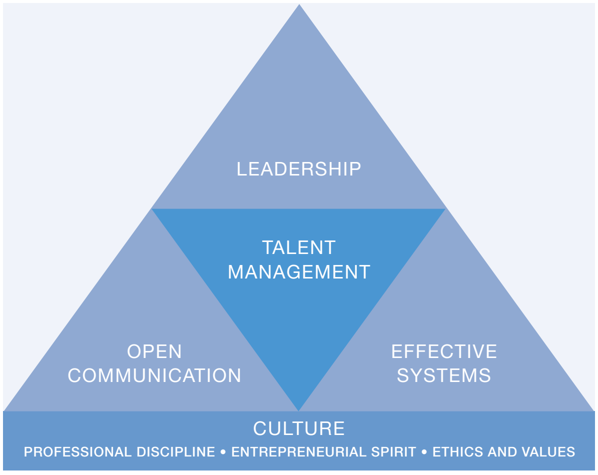
The company continues to invest in HIV/Aids programmes and this has seen a marked decline in the company's prevalence rate though there was a decrease in VCT numbers for the period under review. The company won an award under commended companies in HIV, TB and malaria control programs at the workplace under GBC Health awards for 2013. The Company has also increased focus on Non communicable diseases awareness and management. An employee assistance program was re-introduced to assist employees and their families to make informed decisions with regards, their approach to life.

EMPLOYEE WELFARE

Last year the company reported that it had embarked on an employee Home Ownership Scheme whose target is to build 1 325 core houses for staff. An additional 207 houses were completed and availed to staff during the period under review. This brings the total number of availed core houses to 532.

The Employee Share Ownership Trust (ESOT) is still work in progress. The ESOT progress is in tandem with the company's overall indigenisation structure.

FUTURE FOCUS



Looking ahead, the company's medium term people strategy continues to be driven by five identified pillars.

During the year, the following progress was achieved with regards these strategic pillars

- Leadership Development – During the year under review, various leadership programmes were initiated so as to ensure a strong pipeline of future leaders.
- Talent Management – The Company's succession planning, performance management system, reward structures and employee development programmes were strengthened so as to attract, develop and retain the highest possible skills.
- Communication – This is a key aspect of the employee engagement initiatives. A weekly employee News Flash, a quarterly in-house magazine as well as an internal CEO's blog were introduced so as to enhance internal communication. The company's Works Councils also enjoyed a very positive year which has contributed to the healthy industrial relations climate. Departmental team meetings have also been highly effective in bridging communication with the employees.
- Systems Effectiveness – A BIS Steering Committee was introduced during the year so as to drive the company's systems initiatives.
- Culture – The company redefined its values which will now drive the organisational culture. The new company values are "We Respect, Care & Deliver."

HOME OWNERSHIP SCHEME

Corporate Governance Report

The King III Report on Corporate Governance applicable to South African companies requires those entities to comply with the King III recommendations with effect from 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 Report, giving greater credence to transparency.

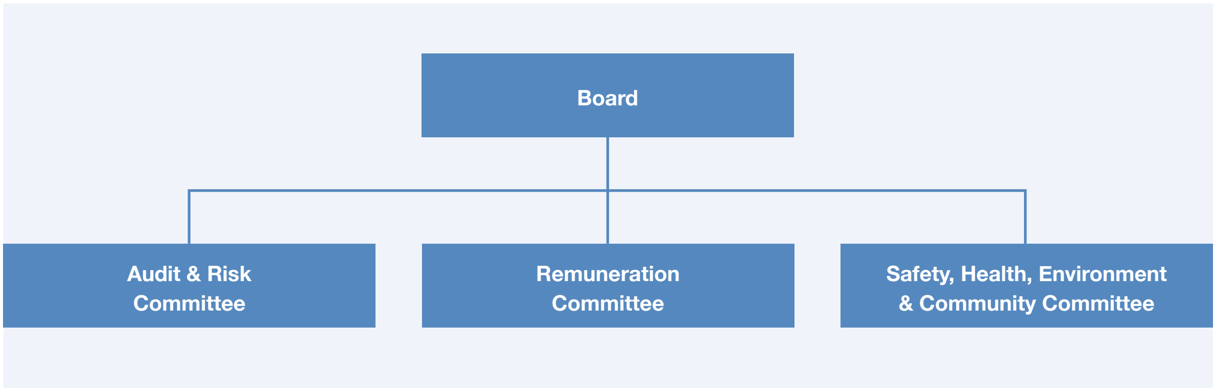
At each of its quarterly meetings the Audit and Risk Committee reviews the status of those King III recommendations not yet closed off. During the course of the year a number of such recommendations were adopted and implemented.

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

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

BOARD OF DIRECTORS

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



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

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

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

The Board meets, either in person or by conference call, at least 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 retires by rotation at the Annual General Meeting of the Company, and members may put themselves forward for re-election.

The responsibilities of the Board are defined in a Board Charter, which defines 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 to the Board. The framework is subject to annual review by the Board.

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 & Community Committee

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

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

The Board considered appointing a Nominations Committee to help ensure that the effectiveness and composition of the Board and its committees are regularly reviewed, meet sound governance dictates and comprise the requisite mix of skills. With an 87% controlling shareholding, Board nominations are the prerogative of Implats, which itself has a rigorous nominations procedure to which Zimplats nominees are subjected; therefore, the Board considers it unnecessary to form a separate committee.

From a corporate perspective, Implats has the right to nominate a majority of directors. It is for this reason that the Company does not meet the requirements of either King III or Recommendation 2.1 of the ASX Corporate Governance Principles and Recommendations, which stipulate that the majority of directors are independent. Details of Board Members appear on page 26.

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

	IMPALA NOMINEES	INDEPENDENT	NON-EXECUTIVE	EXECUTIVE
M A Masunda (Acting Chairman)		•	•	
B Berlin	•		•	
T P Goodlace	•		•	
M J Houston		•	•	
S M Mangoma				•
A Mhembere				•
K D K Mokhele	•		•	
L J Paton			•	
R G Still		•	•	
N P S Zhou		•	•	
Totals	3/10	4/10	8/10	2/10

The Deputy Chairman, Mr. M A Masunda, has been Acting Chairman since the resignation of Mr. D H Brown on 30 June 2012. Mr. A Mhembere is an Executive Director and the Chief Executive Officer, with the roles of the Chairman and CEO being distinctly separate.

In August 2012 Mr. T P Goodlace was appointed a non-executive director of the company subsequent to his appointment as Chief Executive Officer of the major shareholder.

Mr. S E Frost retired both from the board and as Chief Technical Officer on 31 December 2012, and Mr. P Maseva-Shayawabaya resigned as a director and Chief Finance Officer on 31 March 2013.

Corporate Governance Report Continued

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

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

Mr. L J Paton has been employed within the group within the last three years and is therefore not yet considered fully independent.

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

ATTENDEE	ATTENDED	AUG 12	NOV 12	FEB 13	MAY 13
M A Masunda (Acting Chairman)	4/4	•	•	•	•
B Berlin	4/4	•	•	•	•
T P Goodlace	4/4	•	•	•	•
S E Frost	2/2	•	•	—	—
M J Houston	4/4	•	•	•	•
P Maseva-Shayawabaya	3/3	•	•	•	—
A Mhembere	4/4	•	•	•	•
K D K Mokhele	4/4	•	•	•	•
L J Paton	4/4	•	•	•	•
R G Still	4/4	•	•	•	•
N P S Zhou	4/4	•	•	•	•
S M Mangoma	1/4	—	—	—	•

During the year a process of board and retiring director performance evaluations was carried out with the assistance of an external service provider, PricewaterhouseCoopers. The results of the evaluations were tabled at a Board meeting where areas of concern were highlighted and corrective measures proposed. Performance evaluations of all board committees and retiring directors has commenced for 2013.

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 view of the sensitive nature of the process the results of the evaluations will not be disclosed in the Integrated Report.

BOARD COMMITTEES

AUDIT AND RISK COMMITTEE

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

Corporate Governance Report Continued

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 report and sustainability report.
- The internal and external audit process.
- Recommending the appointment of both the external and internal auditors and approving their remuneration and terms of engagement, monitoring their independence, objectivity and effectiveness.
- 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 year.

The combined assurance model that was initiated last year and reported on is now well embedded throughout the business. The process and reporting thereon is under the direction of the internal auditors. 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.

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

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

Details of members and their qualifications are reported on page 26.

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 year under review was as follows:

ATTENDEE	CAPACITY	ATTENDED	AUG 12	NOV 12	JAN 13	MAY 13
NPS Zhou	Independent	4/4	•	•	•	•
B Berlin	Implats nominee	3/4	•	•	x	•
MA Masunda	Independent	3/4	x	•	•	•

REMUNERATION COMMITTEE

This Committee consists of three members, all of whom are independent Non-executive Directors of the Company. This is in accordance with the King III recommendation that the majority of members are independent non-executive directors, although Mr. L J Paton is not yet considered fully independent as he has been employed within the group within the last three years. The Committee operates in accordance with formal terms of reference that has been reviewed for King III compliance and that is annually reviewed and approved by the Board.

The Chairman of the Board and the CEO are standing invitees to all meetings, except when their own remuneration is under consideration. The Committee assists the Board by reviewing and making recommendations in the following main areas:

Corporate Governance Report Continued

- 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.

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

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

ATTENDEE	CAPACITY	ATTENDED	AUG 12	NOV 12	FEB 13	MAY 13
MJ Houston	Independent	4/4	•	•	•	•
LJ Paton	Independent	4/4	•	•	•	•
RG Still	Independent	4/4	•	•	•	•

SAFETY, HEALTH, ENVIRONMENT & COMMUNITY COMMITTEE

The role of this Board-appointed Committee is to monitor and review the various pillars of sustainability: safety, health, community and environmental 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.

The SHEC Committee consists of four members, two of whom are independent and three of whom are Non-executive Directors. Dr. J Andrews is a member of the operating subsidiary board and group executive responsible for SHEC matters for the majority shareholder. Members of Executive Management are standing invitees.

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

ATTENDEE	CAPACITY	ATTENDED	AUG 12	NOV 12	FEB 13	MAY 13
LJ Paton	Independent	4/4	•	•	•	•
Dr. J Andrews*	Implats Nominee	2/2	-	-	•	•
TP Goodlace*	Implats Nominee	2/2	-	-	•	•
B Berlin**	Implats Nominee	2/2	•	•	-	-
NPS Zhou	Independent	4/4	•	•	•	•

***** appointed January 2013
****** resigned January 2013

Corporate Governance Report Continued

KEY MANAGEMENT COMMITTEES

EXECUTIVE COMMITTEE (EXCO)

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

- Alexander Mhembere: Chief Executive Officer
- Stewart Mangoma: Chief Finance Officer
- Robson Nyabadza: Chief Technical Officer
- Stanley Segula: Chief Operating Officer
- Takawira Maswiswi: General Manager – Human Resources
- Lysias Chiwozva - Risk & Strategy Manager
- Sibusisiwe Chindove: Head of Corporate Affairs
- Andrew du Toit: General Manager – New Business Development
- Vaughan Langley: Company Secretary

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

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

PROJECT STEERING COMMITTEE

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

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

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

Corporate Governance Report Continued

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

PROCUREMENT COMMITTEE

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

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

The Committee is chaired by the Chief Finance Officer with two Zimplats executives 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 company endeavours to attract and retain talented and suitably qualified and experienced staff through performance-based reward systems that operate throughout the organisation, including an incentive scheme that is directly linked to key performance fundamentals for the Company.

The company is an equal opportunity employer but does have a target of achieving a workforce complement of 10% women with representation across all levels, including the board where currently one member (10%) is a woman. Currently the company employs 196 women (2012: 154) and continues to work towards achieving the stated target.

Corporate Governance Report Continued

NON-EXECUTIVE DIRECTORS' REMUNERATION

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

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

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

BOARD FEE	2013	2012
	$	$
Chairman	81 000	77 250
Deputy Chairman	55 600	51 550
Directors	40 500	37 576

Committee fees are payable based on attendance and for the year to June 2013 were:

COMMITTEE FEE:	AUDIT AND RISK	REMUNERATION AND SHEC
	$	$
Chairman	22 116	20 224
Member	11 552	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 year of $438 000 (2012: $479 000) are within the limit approved by shareholders in 2012.

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

TOTAL REMUNERATION	2013	2012
	$	$
Board fees	319 000	354 000
Audit and risk committee fees	41 000	43 000
SHEC committee fees	36 000	41 000
Remuneration committee fees	42 000	41 000
Total	438 000	479 000

EXECUTIVE AND SENIOR MANAGEMENT REMUNERATION

It is the remuneration policy of the Company that Executive Directors and Senior Managers receive an annual base salary with superannuation equal to 10% of that base. In addition, a housing loan scheme and a vehicle purchase scheme are in place, both of which are governed by carefully managed rules. Educational allowances are paid to predetermined levels, and full use of a company vehicle is provided, as is medical aid cover for the executives and their immediate families. The Company may terminate the appointment of Executive Directors' and Senior Managers at any time with three months' written notice or the payment of three months' salary in lieu of notice.

In addition and subject to the attainment of specific 'on target' performance goals, a performance incentive bonus is provided for each manager amounting to a maximum of 50% of basic salary in the case of the Executive Directors and E Band Managers and 40% 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 year.

The Board has considered carefully the requirements of King III and Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations 2nd Edition in relation to the disclosure of remuneration for specific persons, and believes that it is neither appropriate nor in the best interests of Zimplats and its shareholders to fully adopt this recommendation.

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

The Board believes that the remuneration paid to Board Members and Executives is fair and reasonable, given Zimplats' market capitalisation and the remuneration required to be paid to attract and retain key personnel in Zimbabwe. The Company does, however, make the following aggregate disclosure with respect to the remuneration of Executive Directors and key management personnel, a total of 19 people (2012: 19) which in 2013 includes the termination benefits of a number of executives who left the company:

	2013	2012
	$000	$000
Executive directors and senior executives	8 706	7 864

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

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 FY2013

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 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.

Corporate Governance Report Continued

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 at page 47 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 year the board reviewed and approved the risk tolerance and appetite levels related to strategic issues.

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

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

To this end the outsourced internal audit function is responsible for reporting to the Audit and Risk Committee on a combined assurance model that was embedded in the current year. This model seeks to integrate and coordinate the various assurance processes that exist within the company and provides a higher level of independent assurance to the board on matters of compliance 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.

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

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

SUSTAINABLE REPORTING

A detailed report on stakeholder engagement and non-financial performance indicators has been included in this report. The 2013 target reported last year of attaining a rating level C+ of the Global Reporting Initiative (GRI) G3 guidelines has been successful, with the requisite independent assurance having been obtained (page 148).

LEGISLATIVE DEVELOPMENTS

In March 2011, the Government of Zimbabwe issued amended Indigenisation and Economic Empowerment Regulations detailing the minimum compliance requirements by foreign-owned mining businesses. Through ASX Announcements, stakeholders have been kept informed of developments including the January 2013 signing with government of a non-binding term sheet detailing the roadmap to achieving the required 51% indigenous Zimbabwean ownership of the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited. Additional commentary on the matter can be found at page 10 and 88 in this report.

Government of Zimbabwe through a Government Gazette Extraordinary dated 1 March 2013, gave notice that it intends to compulsorily acquire land measuring 27 948 hectares within the operating subsidiary's special mining lease area, constituting approximately 50% of the operating subsidiary's mining area. The Company has lodged an objection with the acquiring authority within the permitted time. Additional commentary on the matter can be found at page 10 and 89 in this report.

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. During the year a complete review and modernisation of the Code of Ethics was undertaken.

Corporate Governance Report Continued

On joining the Company, all managers are required to sign a copy of the ethics and fraud policy. The policies provide clear guidance on business and personal conduct, conflicts of interest, the prevention of the dissemination of company information, the acceptance of donations and gifts and the protection of the intellectual property and patents of the company. 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 'whistleblower' programme administered by Deloitte and monitored by internal audit. Internal security systems provide a further avenue of information relating to ethical behaviour.

A number of allegations were reported during the year. In line with the fraud policy all reported allegations are fully investigated and, for tracking purposes, a register is maintained. Sixty nine allegations were reported and investigated during the current year with 18 cases confirmed as relating to fraudulent activity,

An analysis of reports follows:

	2012	2011
Number of reports received	69	71
Number of employee dismissals	41	18
Number of rewards paid	30	24
Total value of rewards paid out	$8 800	$15 800

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

Corporate Governance Report Continued

DEALINGS IN SECURITIES

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

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

CONTINUOUS DISCLOSURE AND COMMUNICATIONS

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

- Engaging pro-actively and constructively with various stakeholders including shareholders, government bodies, labour organisations and non-governmental organisations, including briefings and the hosting of visits to the Company's operations.
- The timely and balanced continuous disclosure to the Australian Stock Exchange, with subsequent posting on the Company's website, of all material matters concerning the Group. The Chief Finance Officer has primary responsibility for ensuring that the Company complies with its disclosure obligations in terms of the Listing Rules.
- Designating authorised spokespersons within the Company as the only employees who may communicate with the media or other external parties, in relation to matters subject to the Continuous Disclosure Policy.
- The Continuous Disclosure Policy will be available on the company's website in 2013.

Audit And Risk Committee Report

INTRODUCTION

The Audit and Risk Committee presents its report for the financial year ended 30 June 2013.

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 Governance and the ASX Corporate Governance Principles and Recommendations, 2nd Edition. Details of the membership, objectives and corporate governance practices of the committee can be found at page 74 and 75 of the integrated 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 inter alia were performed in the year:

- Reviewed reports from both internal and external auditors concerning the effectiveness of the internal control environment, systems and processes.
- Reviewed the reports of both internal and external audit findings and their concerns arising out of their audits and requested appropriate responses from management. Where weaknesses in specific controls were identified, management undertook to implement appropriate corrective actions to mitigate the weakness identified.
- Considered the independence and objectivity of the external auditors and ensured that the scope of their additional services provided did not impair their independence.
- Reviewed and recommended for adoption by the Board the financial information that is publicly disclosed, which included:
  - The integrated report of the year ended 30 June 2013.
  - The interim results for the six months ended 31 December 2012.
- 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 2013 financial year.
- Satisfied itself that the external auditor is independent of the company.
- Reviewed reports received through the 'whistle-blowing' system.
- Met with both the internal and external auditors where management was not present.
- Reviewed the performance of the external auditors and recommended for approval at the 2013 Annual General Meeting PricewaterhouseCoopers as the external auditor for the 2014 financial year.
- Reviewed a documented assessment prepared by management on the going concern status of the company, including the key assumptions, and accordingly made recommendations to the board.
- Reviewed the performance, appropriateness and expertise of the Chief Financial Officer and confirmed his suitability for the position.

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

In addition, during the course of the year the company developed and the Board adopted an Enterprise Risk Management Framework based on ISO31000 and all strategic risks are now being managed according to this framework.

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

Audit And Risk Committee Report Continued

INTEGRATED REPORT

The Audit and Risk Committee has evaluated the integrated report incorporating the annual financial statements for the year ended 30 June 2013 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 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 report for approval to the Board which has subsequently approved the financial statements.

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

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

NPS ZHOU
CHAIRMAN OF THE AUDIT AND RISK COMMITTEE
6 AUGUST 2013

“Good financial results despite depressed metal prices in the second half.”

Source :
CEO’s Report 2013

Financial Report

MILL GRINDING BALLS

Directors' Report

The directors have pleasure in presenting their report, together with the financial report of Zimplats Holdings Limited (Zimplats) and the consolidated financial report of the group, being Zimplats and its controlled entities, for the year ended 30 June 2013.

PURPOSE OF THE COMPANY

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

REPORTING CURRENCY AND ROUNDING OF AMOUNTS

The financial reports have been prepared in United States dollars (US$).

Zimplats is a company of a kind referred to in ASIC Class order 98/100 dated 10 July 1998. In accordance with that Class Order, amounts in the financial reports have been rounded off to the nearest thousand dollars, unless otherwise indicated.

CAPITAL

AUTHORISED SHARE CAPITAL

The authorised share capital of the company remains unchanged since last year at 500 million ordinary shares of 10 cents each.

ISSUED SHARE CAPITAL

The issued share capital of the company remains unchanged at 107 637 649 shares.

UNISSUED SHARE CAPITAL

In terms of the Articles of Association of the company, unissued shares are under the control of the directors.

SHAREHOLDING IN THE COMPANY

The number of shares held by the majority shareholder was unchanged at 93 644 430 shares. Shareholder details are reported on at page 140.

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 company's compliance with the Indigenisation and Economic Empowerment Regulations.

In March 2012 Government 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 (ZPM). This culminated in the parties jointly signing a non-binding term sheet in respect of an agreed Indigenisation Implementation Plan (IIP) details of which were notified to the market by way of an ASX Announcement on 11th January 2013.

The key terms, subject to certain conditions precedent, are:

- Sale of 10% equity to the Zimplats Mhondoro-Ngezi Chegutu Zvimba Community Share Ownership Trust for the benefit of communities surrounding the business operations.
- Sale of 10% equity to an employee share ownership trust for the benefit of all full time indigenous employees.
- Sale of 31% equity to the National Indigenisation & Economic Empowerment Fund ("NIEEF").
- The purchase price for the 51% equity, after taking into account the payment for the 2006 release of ground obligation (in lieu of indigenisation credits) is $971 million.
- Zimplats to provide vendor funding to the indigenous entities at an interest rate of 10% per annum. The vendor financing will be repayable from 85% of the dividends declared by ZPM. The proceeds, as and when received by Zimplats, will be declared as a dividend to shareholders or used as future funding for ZPM. Zimplats will hold as collateral against the Indigenous Entities debt, any Indigenisation Shares not fully paid for.
- Should ZPM be required to raise funds in the future by equity subscriptions, then all parties are required to contribute their respective pro-rata share, failing which dilution is provided for.
- Zimplats to continue with the management of ZPM

Directos' Report Continued

The Transaction is subject to certain conditions precedent, including, amongst others:

- Zimplats, ZPM and the Indigenous Entities conclude definitive transaction agreements;
- the amendment of the 24 May 2006 Release of Ground Agreement ("ROGA") to provide for a payment by the Indigenous Entities to Zimplats of US$153 million in settlement of the Government's outstanding ROGA obligations;
- that a certificate of compliance is issued confirming current and future compliance by each member of the Zimplats Holdings Group with applicable indigenisation laws and requirements following the implementation of the IIP;
- the parties obtain all necessary regulatory approvals, including Zimbabwe Exchange Control approval;
- the Zimplats Group entities obtain the requisite Board and Shareholder approvals required to implement the IIP; and
- an exemption being obtained for Zimbabwean withholding tax on interest paid by the indigenous entities to Zimplats under the vendor financing arrangements.

Engagement with the relevant authorities is ongoing.

LOSS OF GROUND

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

FINANCIAL AFFAIRS

The financial results for the year are set out on pages 93 to 137. The company recorded satisfactory results against a background of deteriorating metal prices.

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

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

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

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION

The Chief Executive Officer and Chief Financial 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

The Deputy Chairman, Mr. M A Masunda, has been Acting Chairman since the resignation of Mr. D H Brown on 30 June 2012.

On 31 December 2012 Mr. S E Frost retired from the board and retired as Chief Technical Officer for the group.

Mr. P Maseva-Shayawabaya resigned as an executive director and the group Chief Finance Officer with effect from 31 March 2013 and in his stead Mr. S M Mangoma was appointed as Chief Finance Officer for the group and an executive director with effect from 1 March 2013.

Directos' Report Continued

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

The directors therefore retiring by rotation at the next Annual General Meeting are Messrs. M A Masunda, K D K Mokhele and N P S Zhou. Having been appointed during the course of the year, Mr. S M Mangoma offers himself for election, and all the retiring directors, being eligible, offer themselves for re-election.

DIRECTORS INTERESTS AND REMUNERATION

There are no shares or share options in the company held by either non-executive or executive directors of Zimplats at the date of release of this report. None of the non-executive or executive directors had any interests in the shares of the company's subsidiaries at any time during the year and up to the release of this report, nor did they have an interest in any significant contract with the group during the year and up to the date of this report. In all the preceding instances the position is unchanged from that of the prior year.

Details of directors' remuneration are set out in the Remuneration report on page 79.

INDEMNITY OF OFFICERS

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

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

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

Zimplats has given similar indemnities by Deed of Indemnity in favour of certain officers in respect of liabilities incurred by them whilst acting as an officer of Zimplats or any subsidiary of Zimplats.

No claims under the abovementioned indemnities have been made against Zimplats during or since the end of the financial year.

INSURANCE FOR OFFICERS

During and since the end of the financial year under review Zimplats has paid premiums in respect of contracts insuring persons who are or have been officers of the company against certain liabilities incurred in that capacity.

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

Under the abovementioned Deeds of Indemnity, Zimplats has undertaken to the relevant officer that it will insure them against certain liabilities incurred in their capacity as an officer.

AUDITORS

Messrs. PricewaterhouseCoopers have indicated their willingness to continue as the company's auditors. A resolution to authorize their re-appointment will be proposed at the forthcoming Annual General Meeting.

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

ANNUAL GENERAL MEETING

The Annual General Meeting of the company will be held at The Protea Hotel Balalaika, 20 Maude Street, Sandown, Sandton, Johannesburg, South Africa, on Tuesday 22 October 2013 at 11:30am. Full details are given in the Notice of Meeting on page 142.

BY ORDER OF THE BOARD

The Directors' Statement of Responsibility

FOR THE YEAR ENDED 30 JUNE 2013

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 2013, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies (Guernsey) Law 2008.

TO ENABLE THE DIRECTORS TO MEET THOSE RESPONSIBILITIES:

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

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

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

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

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

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

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

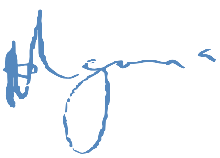
The directors have reviewed the performance and financial position of the Group to the date of signing of these financial statements and the prospects, based on the budgets, and are satisfied that the Group is a going concern and therefore continue to adopt the going concern assumption in the preparation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

It is the responsibility of the independent auditors to report on the financial statements. Their report to the members of the group is set out on page 92.

APPROVAL OF FINANCIAL STATEMENTS

The directors' report and the financial statements were approved by the Board of Directors on 6 August 2013 and were signed by:

A MHEMBERE
CHIEF EXECUTIVE OFFICER



S M MANGOMA
CHIEF FINANCE OFFICER

6 AUGUST 2013

Independent Auditor's Report

pwc

INDEPENDENT AUDITORS' REPORT

To the shareholders of

ZIMPLATS HOLDINGS LIMITED

We have audited the consolidated and separate financial statements of Zimplats Holdings Limited set out on pages 93 to 139, which comprise the consolidated and separate statements of financial position as at 30 June 2013, and the consolidated and separate statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Zimplats Holdings Limited as at 30 June 2013, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies (Guernsey) Law, 2008.

PricewaterhouseCoopers
Chartered Accountants (Zimbabwe)
Harare
28 August 2013

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 2013

		Group		Company	
	Notes	As at Jun-13 US$ 000	As at Jun-12 US$ 000	As at Jun-13 US$ 000	As at Jun-12 US$ 000
ASSETS					
Non-current assets					
Property, plant and equipment	5	996 130	881 165	6 261	6 261
Investments	6	-	-	113 213	106 108
Long term receivables	7	13 652	20 478	-	-
Prepayments	8	6 944	15 278	-	-
Inter-company receivables	9	-	-	47 415	40 000
Total non-current assets		1 016 726	916 921	166 889	152 369
Current assets					
Inventories	10	58 967	57 399	-	-
Trade and other receivables	11	150 788	133 376	-	863
Prepayments	8	16 741	30 697	-	-
Cash and cash equivalents	12	6 356	16 493	3 702	14 424
Total current assets		232 852	237 965	3 702	15 287
Total assets		1 249 578	1 154 886	170 591	167 656
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and share premium	13	99 929	99 929	99 929	99 929
Other reserves	14	830 064	761 810	70 556	67 354
		929 993	861 739	170 485	167 283
Non-current liabilities					
Deferred taxation	15	104 875	115 344	-	-
Mine rehabilitation provision	16	15 575	14 354	-	-
Liabilities	17	1 148	4 317	-	-
Borrowings	18	105 000	78 118	-	-
Total non-current liabilities		226 598	212 133	-	-
Current liabilities					
Liabilities	17	5 663	5 148	-	-
Borrowings	18	2 440	6 732	-	-
Trade and other payables	19	64 475	69 134	106	373
Current tax payable	20	20 409	-	-	-
Total current liabilities		92 987	81 014	106	373
Total equity and liabilities		1 249 578	1 154 886	170 591	167 656

The notes on pages 97 to 139 form an integral part of these financial statements.

A Mhembere
Chief Executive Officer
6 August 2013

S M Mangoma
Chief Finance Officer

Statements of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Group Year Ended Jun-13 US$ 000	Group Year Ended Jun-12 US$ 000	Company Year Ended Jun-13 US$ 000	Company Year Ended Jun-12 US$ 000
Revenue	21	471 647	473 280	-	-
Cost of sales	22	(248 121)	(219 854)	-	-
Gross profit		223 526	253 426	-	-
Other (expenses)/income net	23	(19 102)	(7 349)	4 664	9 030
Royalty expenses		(39 410)	(37 733)	-	-
Administrative expenses	24	(54 431)	(53 365)	(1 400)	(1 605)
Profit from operations		110 538	154 979	3 264	7 425
Net finance (expenses)/income	25	(1 497)	(3 458)	645	194
Interest expense		(2 973)	(3 987)	(56)	-
Interest income		1 476	529	701	194
Profit before taxation	26	109 086	151 521	3 909	7 619
Income tax expense	27	(40 832)	(29 162)	(707)	(1 420)
Net profit for the year		68 254	122 359	3 202	6 199
Other comprehensive income:					
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year		68 254	122 359	3 202	6 199
Basic earnings per share (cents)	28	63.41	113.68		
Diluted earnings per share (cents)	28	63.41	113.68		

The attached notes form an integral part of these financial statements.

Statements of Changes In Equity

FOR THE YEAR ENDED 30 JUNE 2013

	Share capital US$ 000	Share premium US$ 000	Foreign currency translation reserve US$ 000	Acquisition equity reserve US$ 000	Revaluation reserve US$ 000	Accumulated profit US$ 000	Total US$ 000
GROUP							
Balances at 30 June 2011	10 763	89 166	(18 219)	(10 045)	22 692	645 023	739 380
Capital reserve release	-	-	-	-	(1 810)	1 810	-
Total comprehensive income for the year	-	-	-	-	-	122 359	122 359
Profit for the year	-	-	-	-	-	122 359	122 359
Other comprehensive income	-	-	-	-	-	-	-
Balances at 30 June 2012	10 763	89 166	(18 219)	(10 045)	20 882	769 192	861 739
Transfer to accumulated profit	-	-	18 219	10 045	(20 882)	(7 382)	-
Total comprehensive income for the year	-	-	-	-	-	68 254	68 254
Profit for the year	-	-	-	-	-	68 254	68 254
Other comprehensive income	-	-	-	-	-	-	-
Balances at 30 June 2013	10 763	89 166	-	-	-	830 064	929 993
COMPANY							
Balances at 30 June 2011	10 763	89 166	-	-	-	61 155	161 084
Total comprehensive income for the year	-	-	-	-	-	6 199	6 199
Profit for the year	-	-	-	-	-	6 199	6 199
Other comprehensive income	-	-	-	-	-	-	-
Balances at 30 June 2012	10 763	89 166	-	-	-	67 354	167 283
Total comprehensive income for the year	-	-	-	-	-	3 202	3 202
Profit for the year	-	-	-	-	-	3 202	3 202
Other comprehensive income	-	-	-	-	-	-	-
Balances at 30 June 2013	10 763	89 166	-	-	-	70 556	170 485

Statements of Cashflows

FOR THE YEAR ENDED 30 JUNE 2013

		Group		Company	
	Notes	As at Jun-13 US$ 000	As at Jun-12 US$ 000	As at Jun-13 US$ 000	As at Jun-12 US$ 000
Operating activities					
Profit before tax		109 086	151 521	3 909	7 619
Adjustments to profit before tax	30	75 786	57 660	(592)	(158)
Cash from changes in working capital	30	(18 455)	33 557	1 076	(782)
Finance cost		(7 789)	(6 733)	(56)	-
Income tax and withholding tax paid		(35 035)	(9 586)	(707)	(1 212)
Cash in flows from operating activities		123 593	226 419	3 630	5 467
Investing activities					
Acquisition of property, plant and equipment	30	(156 715)	(269 571)	-	-
Proceeds from disposal of property, plant and equipment		317	503	-	15
Power supply prepayment		-	(25 000)	-	-
Finance income		130	205	701	194
Loan advanced to subsidiary		-	-	(15 000)	(40 000)
Cash (out)/in flows from investing activities		(156 268)	(293 863)	(14 299)	(39 791)
Financing activities					
Finance lease liability repaid		(1 948)	(1 727)	-	-
Repayments of interest bearing borrowings		(30 000)	(25 079)	-	-
Proceeds of interest bearing borrowings		57 000	52 000	-	-
Cash in /(out) flows from financing activities		25 052	25 194	-	-
Decrease in cash and cash equivalents		(7 623)	(42 250)	(10 669)	(34 324)
Movement in cash and cash equivalents					
Cash and cash equivalents at beginning of the year		11 709	54 010	14 424	48 799
Exchange losses on cash and cash equivalents		(53)	(51)	(53)	(51)
Decrease in cash and cash equivalents		(7 623)	(42 250)	(10 669)	(34 324)
Cash and cash equivalents at end of the year	12	4 033	11 709	3 702	14 424

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

1. GENERAL INFORMATION

Zimplats Holdings Limited is a company domiciled in Guernsey, Channel Islands. The consolidated financial statements of the group for the year ended 30 June 2013 comprise the company and its subsidiaries (together the Group).

The financial statements were authorised for issue by the Directors on 6 August 2013.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION

Statement of compliance

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB) and applicable Guernsey law.

Basis of measurement

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

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

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

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

2.1.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

International Financial Reporting Standards and amendments effective for the first time for 30 June 2013 year-end			
Number	**Effective date**	**Executive summary**	**Impact**
Amendments to IAS 1, 'Presentation of Financial Statements', on presentation of items of OCI	1 July 2012	The IASB has issued an amendment to IAS 1, 'Presentation of financial statements'. The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.	Impact
Amendment to IAS 12,'Income taxes' on deferred tax	1 January 2012	Currently IAS 12, 'Income taxes', requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. Hence this amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes- recovery of revalued non-depreciable assets', would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is accordingly withdrawn.	Impact

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

International Financial Reporting Standards and amendments issued but not effective for 30 June 2013 year-end			
IFRS	**Effective date**	**Executive summary**	**Impact**
Amendment to IFRS 1, 'First time adoption' on government loans	1 January 2013	This amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, which provides the same relief to first-time adopters granted to existing preparers of IFRS financial statements when the requirement was incorporated into IAS 20 in 2008.	No impact
Amendment to IFRS 7 Financial Instruments: Disclosures – Asset and Liability offsetting	1 January 2013	The IASB has published an amendment to IFRS 7, 'Financial instruments: Disclosures', reflecting the joint requirements with the FASB to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP.	No impact
IAS 19, "Employee benefits"	1 January 2013	The IASB has issued an amendment to IAS 19, 'Employee benefits', which makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits.	No impact
IFRS 9 – Financial Instruments (2009)	1 January 2015	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.	No impact
IFRS 9 – Financial Instruments (2010)	1 January 2015	The IASB has updated IFRS 9, 'Financial instruments' to include guidance on financial liabilities and de-recognition 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.	No impact

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

International Financial Reporting Standards and amendments issued but not effective for 30 June 2013 year-end			
IFRS	**Effective date**	**Executive summary**	**Impact**
Amendments to IFRS 9 – Financial Instruments (2011)	1 January 2015	The IASB has published an amendment to IFRS 9, 'Financial instruments', that delays the effective date to annual periods beginning on or after 1 January 2015. The original effective date was for annual periods beginning on or after 1 January 2013. This amendment is a result of the board extending its timeline for completing the remaining phases of its project to replace IAS 39 (for example, impairment and hedge accounting) beyond June 2011, as well as the delay in the insurance project. The amendment confirms the importance of allowing entities to apply the requirements of all the phases of the project to replace IAS 39 at the same time. The requirement to restate comparatives and the disclosures required on transition have also been modified.	No impact
IFRS 10 – Consolidated financial statements	1 January 2013	This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. This new standard might impact the entities that a group consolidates as its subsidiaries.	No impact
FRS 11 – Joint arrangements	1 January 2013	This standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.	No impact
IFRS 12 – Disclosures of interests in other entities	1 January 2013	This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.	Disclosure impact

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

International Financial Reporting Standards and amendments issued but not effective for 30 June 2013 year-end			
IFRS	**Effective date**	**Executive summary**	**Impact**
IFRS 13 – Fair value measurement	1 January 2013	This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.	No impact
Amendments to IFRS 1, 'First time adoption of IFRS'	1 January 2013	The amendment clarifies that an entity may apply IFRS 1 more than once under certain circumstances. The amendment clarifies that an entity can choose to adopt IAS 23, 'Borrowing costs', either from its date of transition or from an earlier date. The consequential amendment (as a result of the amendment to IAS 1 discussed below) clarifies that a first-time adopter should provide the supporting notes for all statements presented.	No impact
Amendment to IAS 1, 'Presentation of financial statements'	1 January 2013	The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either: as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors'; or voluntarily.	No impact
Amendment to IAS 16, 'Property, plant and equipment'	1 January 2013	The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment.	No impact
Amendment to IAS 32, 'Financial instruments: Presentation'	1 January 2013	The amendment clarifies the treatment of income tax relating to distributions and transaction costs. The amendment clarifies that the treatment is in accordance with IAS 12. So, income tax related to distributions is recognised in the income statement, and income tax related to the costs of equity transactions is recognised in equity.	No impact
Amendment to IAS 34, 'Interim financial reporting'	1 January 2013	The amendment brings IAS 34 into line with the requirements of IFRS 8, 'Operating segments'. A measure of total assets and liabilities is required for an operating segment in interim financial statements if such information is regularly provided to the CODM and there has been a material change in those measures since the last annual financial statements.	No impact

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

International Financial Reporting Standards and amendments issued but not effective for 30 June 2013 year-end			
IFRS	**Effective date**	**Executive summary**	**Impact**
IAS 28 (revised 2011) – Associates and joint ventures	1 January 2013	This standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.	No impact
Amendments to IAS 32 – Financial Instruments: Presentation	1 January 2014	The IASB has issued amendments to the application guidance in IAS 32, 'Financial instruments: Presentation', that clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. However, the clarified offsetting requirements for amounts presented in the statement of financial position continue to be different from US GAAP.	No impact
Amendment to the transition requirements in IFRS 10, 'Consolidated financial statements', IFRS 11, 'Joint Arrangements', and IFRS 12, 'Disclosure of interests in other entities'	1 January 2013	The amendment clarifies that the date of initial application is the first day of the annual period in which IFRS 10 is adopted – for example, 1 January 2013 for a calendar-year entity that adopts IFRS 10 in 2013. Entities adopting IFRS 10 should assess control at the date of initial application; the treatment of comparative figures depends on this assessment. The amendment also requires certain comparative disclosures under IFRS 12 upon transition.	Disclosure impact
Amendments to IFRS 10, consolidated financial statements', IFRS 12 and IAS 27 for investment entities	1 January 2014	The amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made in IFRS 12 to introduce disclosures that an investment entity needs to make.	No impact

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

International Financial Reporting Standards and amendments issued but not effective for 30 June 2013 year-end			
IFRS	**Effective date**	**Executive summary**	**Impact**
IFRIC 20 - Stripping costs in the production phase of a surface mine	1 January 2013	In surface mining operations, entities may find it necessary to remove mine waste materials ('overburden') to gain access to mineral ore deposits. This waste removal activity is known as 'stripping'. The Interpretation clarifies there can be two benefits accruing to an entity from stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. The Interpretation considers when and how to account separately for these two benefits arising from the stripping activity, as well as how to measure these benefits both initially and subsequently.	No impact
IAS 27 – (revised) Separate Financial Statements	1 January 2013	IFRS 27 contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity elects or is required by local regulations to present separate financial statements. The Standard requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments.	No impact
Amendment to IAS 28 (Revised) Investments in Associates and Joint Ventures	1 January 2013	The new IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	No impact
IFRIC 21 Levies	1 January 2014	The interpretation addresses the accounting for a liability to pay a levy imposed by government recognised in accordance with IAS 37, 'Provisions', and the liability to pay a levy imposed by government whose timing and amount is certain. It excludes income taxes within the scope of IAS 12, 'Income taxes'. Its application to liabilities arising from emissions trading schemes is optional.	No impact

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

International Financial Reporting Standards and amendments issued but not effective for 30 June 2013 year-end			
IFRS	**Effective date**	**Executive summary**	**Impact**
Amendment to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014	Early adoption is permitted although the amendments may not be applied before an entity applies IFRS 13. The IASB has amended IAS 36 as follows: • To remove the requirement to disclose recoverable amount when a cash generating unit (CGU) contains goodwill or indefinite lived tangible financial assets but there has been no impairment; • To require disclosure of the recoverable amount of an asset or CGU when an impairment loss has been recognised or reversed; and • To require detailed disclosure of how the fair value less costs of disposal has been measure when an impairment loss has been recognised or reversed.	No impact
Amendment to IAS 39: Novation of derivatives and continuation of hedge accounting	1 January 2014	Early adoption is permitted. The amendments will not result in the expiration or termination of the hedging instrument if: As a consequence of laws or regulations, the parties to the hedging instrument or CCP, or an entity (or entities) acting as counterparty in order to effect clearing by a CCP ('the clearing counterparty'), replaces their original counterparty; and Other changes, if any, to the hedging instrument are limited to those that are necessary to effect such replacement of the counterparty. These changes include changes in the contractual collateral requirements, rights to offset receivables and payables balances, and charges levied.	No impact
Management is in the process of continuously assessing the impact of the above standards on the financial statements.			

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2.2 CONSOLIDATION

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

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

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

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

Acquisition costs are expensed as incurred.

De-facto control may arise in circumstances where the size of the groups voting rights relative to the size and dispersion of holdings and other shareholders give the group the power to govern the financial and operating policies.

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

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

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

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

All investments in subsidiaries are carried at cost less impairment losses.

(b) Changes in ownership interests in subsidiary without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with owners in their capacity as owners. The difference between fair value of any consideration paid and relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2.3 SEGMENT INFORMATION

An operating segment is a component of an entity:

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

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

2.4 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

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

(b) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within "other net (expenses)/income". All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within other "expenses/income (net)".

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

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

2.5 PROPERTY, PLANT AND EQUIPMENT

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

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

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

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

Mining Claims

Mining claims 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.

As at 30 June 2013, the life of mine was estimated as follows:

MINE	ESTIMATED USEFUL LIFE
Rukodzi Mine	7 years
Ngwarati Mine	13 years
Bimha Mine	27 years
Mupfuti Mine	20 years
Ngezi Open Pit	4 years

Land and buildings

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

Services Assets

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

Other assets

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Other assets

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

ASSET TYPE	ESTIMATED USEFUL LIFE
Furniture fittings and office equipment	5 years
Information technology	3 years
Vehicles (personally allocated company vehicles)	4 years and 5 years

Mining exploration

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

Assets under construction

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

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

2.6 EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES

The group expenses all exploration and evaluation expenditures until the directors conclude that a future economic benefit is more likely than not to be realised, i.e. probable. In evaluating if expenditures meet this criterion to be capitalised, the directors utilise several different sources of information depending on the level of exploration. While the criteria for concluding that expenditure should be capitalised are always the “probability” of future benefits, the information that the directors use to make that determination depends on the level of exploration.

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

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

Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised as a mine development cost following the completion of an economic evaluation equivalent to a prefeasibility study. This economic evaluation is distinguished from a prefeasibility study in that some of the information that would normally be determined in a prefeasibility study is instead obtained from the existing mine or development. This information when combined with existing

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

knowledge of the mineral property already being mined or developed allows the directors to conclude that more likely than not the Group will obtain future economic benefit from the expenditures.

Exploration and evaluation assets acquired in a business combination are initially recognised at fair value. Subsequently it is stated at cost less impairment provision. Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to assets under construction. No amortisation is charged during the exploration and evaluation phase.

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

Care and maintenance

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

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

2.8 LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The group leases certain property, plant and equipment. Leases of property, plant and equipment, where the group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.9 FINANCIAL ASSETS

2.9.1 CLASSIFICATION

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise they are classified as non-current assets.

Loans and receivables

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

Held-to-maturity investments

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

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting date.

2.9.2 RECOGNITION AND MEASUREMENT

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

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

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

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

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

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

2.9.3 IMPAIRMENT OF FINANCIAL ASSETS

Assets carried at amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow (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 consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

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

Assets classified as available-for-sale

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

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

2.10 OFFSETTING FINANCIAL INSTRUMENTS

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

2.11 DERIVATIVE FINANCIAL INSTRUMENTS

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

2.12 INVENTORIES

Metal inventories (WIP and Finished goods)

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

Stores and materials

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

2.13 TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected to be settled within one year or less (or in the normal operation cycle of the business if longer) they are classified

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

as current assets. If not they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

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

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

2.13.1 PREPAYMENTS

Prepayments are amounts paid by the group in advance of the goods or services being received at the period or year end. The balance is reduced when the goods or services are received and the same amount is transferred to inventory if it is goods, or charged to the statement of comprehensive income if it is services received.

2.14 CASH AND CASH EQUIVALENTS

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

2.15 SHARE CAPITAL

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

2.16 BORROWINGS

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

2.16.1 BORROWING COSTS

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

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

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

2.17 TRADE AND OTHER PAYABLES

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

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

2.18 PROVISIONS

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

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

Provisions are not recognised for future operating losses.

2.18.1 ENVIRONMENTAL REHABILITATION OBLIGATIONS

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

Decommissioning costs

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

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

Rehabilitation costs

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

On-going rehabilitation costs

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

2.18.2 EMPLOYEE BENEFITS

Short-term employee benefits

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

Defined contribution retirement plans

The group participates in defined contribution retirement plans for certain of its employees.

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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 voluntarily redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Bonus plans

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

Long-term incentive plan - Share appreciation rights (LTIP - SAR)

Conditional rights are awarded to participants to receive shares in the ultimate majority shareholder. 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 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 in the ultimate majority shareholder company following the exercise of the SARs. All unexercised SARs lapse after 6 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 over the vesting period, with a corresponding increase in equity. 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.

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

Fully paid shares in the ultimate majority shareholder company 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 CSP's 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.

Cash-settled share-based payments

Share appreciation rights

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

2.19 COMMUNITY DEVELOPMENT DONATION

The liability relates to a constructive obligation the company has to the community. The obligation is to be met on fixed terms. Initial measurement was at present value of future payments and subsequent measurement at amortised cost using the effective interest method.

2.20 CURRENT AND DEFERRED INCOME TAX

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

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

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

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

2.21 REVENUE RECOGNITION

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

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

Sale of goods – Matte

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

2.22 INTEREST INCOME

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

2.23 DIVIDEND INCOME

Dividend income is recognised at the accrual date when the shareholders right to receive payment is established.

2.24 DIVIDEND DISTRIBUTION

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

2.25 EARNINGS PER SHARE

The Group presents basic and diluted earnings per share ('EPS') for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares during the year excluding ordinary shares purchased by the group and held as treasury shares.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and then dividing by the weighted average number of outstanding shares during the year excluding ordinary shares purchased by the group and held as treasury shares but taking into consideration, for the effects of all potential dilutive factors.

2.26 ROYALTY

The group recognises royalty as a liability in line with the provisions of the Finance Act (Chapter 23:04). Royalty is determined by multiplying the stipulated percentage by the revenue generated by each metal. The royalty rates applicable in the year under review were as follows:

METAL	ROYALTY
Platinum	10%
Gold	7%
Other precious metals (palladium, rhodium, ruthenium, iridium and silver)	4%
Base metals (nickel, copper and cobalt)	2%

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

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

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

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

3.1.1 MARKET RISK

Foreign exchange risk

The group is exposed to foreign exchange risk arising from entering into contracts of supply and borrowings mainly denominated in the South African Rand. To minimise this risk borrowings are denominated in United States dollars. The group does not use forward exchange contracts to hedge its foreign currency risk. Currency risk as far as possible is managed by settling foreign denominated liabilities with foreign currency denominated liquid assets.

At 30 June 2013, if the currency had weakened/strengthened by 11% against the South African rand (rand) with all other variables held constant, post-tax profit for the year would have been $0.12 million (2012: $0.63 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of rand-denominated trade payables. Profit is less sensitive to movement in currency/rand exchange rates in 2013 than 2012 because of the decreased amount of rand-denominated payables as a result of sourcing from markets which invoice their goods and services in US$.

At 30 June 2013, if the currency had weakened/strengthened by 11% against the Euro with all other variables held constant, post-tax profit for the year would not have changed (2012: $0.01million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro-denominated trade payables. Profit is less sensitive to movement in currency/Euro exchange rates in 2013 than 2012 because of the decreased amount of Euro-denominated payables.

3.1.2 CREDIT RISK

Financial assets which potentially subject the group to concentrations of credit risk consist principally of cash and cash equivalents and trade receivables and other receivables. The group's cash and cash equivalents are placed with high credit quality financial institutions. The sole customer of the group is Impala Refining Services Limited based in South Africa, which is a fellow wholly owned subsidiary of Impala Platinum Holdings Limited, the majority shareholder. Based on historic default rates and that there have been no impairments necessary (2012: nil) against trade receivables, the credit quality of the sole customer is considered to be sound. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

	GROUP		COMPANY	
Counterparties without external credit rating	2013 US$000	2012 US$000	2013 US$000	2012 US$000
Group 1	140 826	123 006	-	863
Group 2	-	-	-	-
Group 3	-	-	-	-
Unrated	-	-	-	-
Total unimpaired trade receivables	140 826	123 006	-	863

Group 1 – new customers/ related parties (less than 6 months).

Group 2 – existing customers/ related parties (more than 6 months) with no defaults in the past.

Group 3 - existing customers/ related parties (more than 6 months) with some defaults in the past. All defaults were fully recovered.

	GROUP		COMPANY	
Cash at bank and short term deposits	2013 US$000	2012 US$000	2013 US$000	2012 US$000
BBB+	1 003	15 647	3 702	14 424
AA-	3 007	(3 982)	-	-
Cash on hand	23	44	-	-
	4 033	11 709	3 702	14 424

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

Other financial assets

Credit risk relating to other financial assets consists of:

- Unsecured loan to the Reserve Bank of Zimbabwe with no fixed terms of repayment.
- Employee housing loans secured by a second bond over residential properties.
- Intercompany receivables issued by Zimplats Holdings Limited (the Company).

3.1.3 CASH FLOW INTEREST RATE RISK

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

At 30 June 2013, if interest rates on Currency-denominated borrowings had been 10 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been $0.11 million (2012: $0.08 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3.1.4 LIQUIDITY RISK

The treasury committee meets every month to review cash flow forecast 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) on any of its borrowing facilities.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The group has no undrawn banking facility with Standard Bank of South Africa (2012: nil).

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

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

Group

	Less than 3 Months	Between 3 months & 1 Year	Between 1 & 2 Years	Between 2 & 5 Years	Over 5 Years
At 30 June 2013					
Borrowings (excluding finance lease liabilities)	-	-	30 000 000	75 000 000	-
Finance lease liabilities	-	117 553	-	-	-
Trade and other payables	59 634 000	-	-	-	-
Total	**59 634 000**	**117 553**	**30 000 000**	**75 000 000**	**-**

	Less than 3 Months	Between 3 months & 1 Year	Between 1 & 2 Years	Between 2 & 5 Years	Over 5 Years
At June 2012					
Borrowings (excluding finance lease liabilities)	2 000 000	19 000 000	29 000 000	28 000 000	-
Finance lease liabilities	487 004	1 416 012	117 545	-	-
Trade and other payables	66 218 000	-	-	-	-
Total	**68 705 004**	**20 461 012**	**29 117 545**	**28 000 000**	**-**

3.2 CAPITAL RISK MANAGEMENT

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

The gearing ratios at 30 June 2013 and 2012 were as follows:

	GROUP	
	2013 US$000	2012 US$000
Total borrowings (note 18)	107 440	84 850
Less: Cash and cash equivalents	6 356	16 493
Net debt	101 084	101 343
Total equity	929 993	861 739
Total capital	1 031 077	963 082
Gearing ratio	11%	12%

The group does not have a target gearing ratio.

3.3 FAIR VALUE ESTIMATES

The carrying amounts of current financial assets and current liabilities approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires the group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions and in some cases actuarial techniques.

Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Carrying value of property plant and equipment (note 5)

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

Production start date

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

Some of the criteria would include, but are not limited to the following:

- the level of capital expenditure compared to the construction cost estimates;
- completion of a reasonable period of testing of the mine plant and equipment;
- ability to produce metal in saleable form (within specifications); and
- ability to sustain on-going production of metal.

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

Income taxes (note 20 ; 27)

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

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

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The current tax charge to the statement of comprehensive income is US$40.8 million (2012: US$29.2 million). The tax rate is fixed by the Mining Lease Agreement at 15%.

Metal in process and product inventories (note 10)

Costs that are incurred in or benefit the production process are accumulated as stockpiles, metal in process and product inventories. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing metal prices, less estimated costs to complete production and bring the product to sale.

Although the quantities of recoverable metal are reconciled by comparing the grades of ore to the quantities of metal actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time.

Environmental rehabilitation provisions (note 16)

The group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates can affect the carrying amount of this provision. The total provision for rehabilitation as at 30 June 2013 is US$15.6 million (2012: US$14.4 million).

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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

The discount rate used was 7.3% (2012: 10.0%) at the time of calculation. The net present value of current rehabilitation estimates is based on the assumption of a long term real discount rate of 3.8% (2012: 5.0%).

Mineral reserves

The estimation of reserves impact the amortisation of property, plant and equipment, the recoverable amount of property, plant and equipment, the timing of rehabilitation expenditure and purchase price allocation.

Factors impacting the determination of proved and probable reserves are:

- the grade of mineral reserves may vary significantly from time to time (i.e. differences between actual grades mined and resource model grades);
- differences between actual commodity prices and commodity price assumptions;
- unforeseen operational issues at mine sites;
- changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Revenue recognition (note 21)

The group has recognised revenue amounting to US$472 million (2012: US$473 million) for metal sales to Impala Refining Services Limited ("IRS") in the financial year to June 2013. Sales to IRS are governed by a contract which stipulates when payments are received and the prices to be used. During the course of the year, assays done by the group are compared against those by IRS and averages for the parties are used to determine sales volume. The group believes that based on past experience, these assays will not vary much.

At year end, deliveries to IRS not yet paid for (based on the lower of assays between IRS and Zimplats) are valued using spot prices at 30 June 2013. A 1% variation in assays will result in an adjustment of US$1.4 million (June 2012: US$1.52million) in the income statement. Appropriate adjustments will be made in the following year when they fall due for payment. Total sales for the year comprise current year sales and prior year adjustments.

Long-term receivables (note 7)

The fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. In determining whether an impairment allowance should be recorded in the statement of comprehensive income, the Group makes judgement as to whether there is a measurable decrease in the estimated future cash flow before the decrease can be identified with an individual loan in that portfolio. Management uses estimates based on historical loss experience for assets with credit risk characteristics.

The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. The expected cash flows are discounted using the original effective interest rate when the loan was granted and an expected payment period of five years. The RBZ long term receivable balance as at 30 June 2013 is US$13.7 million (2012: US$20.5 million).

Long-term incentive plan (note 17, 29)

During the period ended 30 June 2013, the Company had the following cash settled share-based payment arrangements, which are described below.

TYPE OF ARRANGEMENT	SHARE APPRECIATION CASH PLAN (OLD SCHEME)	SHARE APPRECIATION CASH PLAN (NEW SCHEME)	LONG TERM CONDITIONAL SHARE PLAN
Date of grant	November 2006	November 2012	November 2012
Number granted	2,875,913	189,453	290,661
Average contractual life	4 years	3 years	3 years
Vesting conditions	Four years' service and achievement of a share price target	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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

The fair value of share-based payments is calculated using the binomial option pricing model. The average inputs into this model are as follows:

Cash settled

	Note	2013	2012
		Cash-settled share appreciation scheme (5)	
Weighted average option value (rand)	1	13.55	21.30
Weighted average share price on valuation date(rand)	2	93.00	135.25
Weighted average exercise price (rand)	3	180.86	179.53
Volatility	4	34.35	31.62
Dividend yield (%)		1.02	4.10
Risk-free interest rate (%)		7.10	6.64

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

Further details of the share-based payment arrangements are as follows:

	2013		2012	
	Number of options	Weighted-average exercise price	Number of options	Weighted-average exercise price
Share appreciation cash plan (old scheme)				
Outstanding at start of year	2,875,912		2,249,211	
Granted	–	ZAR180.86	814,693	ZAR179.53
Forfeited	–	ZAR180.86	–	ZAR179.53
Exercised	(207,782)	–	(187,992)	–
Outstanding at end of year	2,668,130	ZAR180.86	2,875,912	ZAR179.53
Exercisable at end of year	-	ZAR180.86	-	ZAR179.53
Share appreciation cash plan (new scheme)				
Outstanding at start of year		–		
Granted	189 453	ZAR17.41	N/A	N/A
Forfeited	–	-		
Exercised	–	-		
Outstanding at end of year	189 453	ZAR17.41		
Exercisable at end of year	-	ZAR17.41		
Long term conditional share plan				
Outstanding at start of year	–			
Granted	290 661	ZAR89.84	N/A	N/A
Forfeited	–	-		
Exercised	–	-		
Outstanding at end of year	290 661	ZAR89.84		
Exercisable at end of year				

Contingencies (note 36)

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the use of significant judgement and estimation of the outcome of future events.

Contingent liabilities

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

In September 2012, ZIMRA requested for the recomputation of APT for period 2007 to 2012 to take into account the spreading of capital redemption allowances over 4 years in line with the Income Tax Act. This resulted in addtional APT of US$15.6 million to bring the total payable to US$42.5 million, if the tax losses brought forward from the year to 30 June 2010 are not allowed as deductions in the APT computation as argued by Zimra. There is no APT liability for the years ended June 2012 and June 2013.

5 PROPERTY, PLANT AND EQUIPMENT

	Land, buildings & mining claims US$ 000	Mining assets US$ 000	Metallurgical assets US$ 000	Vehicles US$ 000	Information technology, services and environmental assets US$ 000	Assets under construction US$ 000	Total US$ 000
GROUP							
Cost/valuation							
Opening balances at 1 July 2012	103 800	182 844	291 630	137 081	87 719	276 249	1 079 323
Additions	11 812	20 134	119 215	12 345	25 863	164 317	353 686
Transfer from assets under construction	-	-	-	-	-	(189 339)	(189 339)
Disposals	-	-	-	(2 308)	(1)	-	(2 309)
Balances at 30 June 2013	115 612	202 978	410 845	147 118	113 581	251 227	1 241 361

Assets under construction consists mainly of an additional underground mine and concentrator which form part of the Ngezi Phase 2 expansion project. Borrowing costs of US$7 206 000 (2012: US$4 771 000) were capitalised to assets under construction during the year. Refer to note 25. The capitalisation rate of borrowings is 71% (2012: 55%).

	Land, buildings & mining claims US$ 000	Mining assets US$ 000	Metallurgical assets US$ 000	Vehicles US$ 000	Information technology, services and environmental assets US$ 000	Assets under construction US$ 000	Total US$ 000
Accumulated depreciation							
Opening balances at 1 July 2012	9 384	50 571	42 863	76 671	18 651	18	198 158
Depreciation charge	2 890	6 909	10 331	24 474	4 532	-	49 136
Disposals	-	-	-	(2 063)	-	-	(2 063)
Balances at 30 June 2013	12 274	57 480	53 194	99 082	23 183	18	245 231
Carrying amount 2013	103 338	145 498	357 651	48 053	90 398	251 209	996 130
Carrying amount 2012	94 416	132 273	248 767	60 410	69 068	276 231	881 165

	Mining claims US$ 000	Vehicles US$ 000	Total US$ 000
COMPANY			
Cost			
Opening balances at 1 July 2012	6 261	-	6 261
Disposals	-	-	-
Balances at 30 June 2013	6 261	-	6 261
Accumulated depreciation			
Opening balances at 1 July 2012	-	-	-
Disposals	-	-	-
Balances at 30 June 2013	-	-	-
Carrying amount 2013	6 261	-	6 261
Carrying amount 2012	6 261	-	6 261

Service assets, which predominantly serve mining assets, include the following amounts where the group is a leasee under a finance lease:	GROUP Year to Jun-12 US$ 000	GROUP Year to Jun-11 US$ 000
Cost - Capitalised finance leases	8 618	8 618
Accumulated depreciation	(8 450)	(6 919)
Net book value	168	1 699

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5A PROPERTY, PLANT AND EQUIPMENT

	Land, buildings & mining claims	Mining assets	Metallurgical assets	Vehicles	Information technology, services and environmental assets	Assets under construction	Total
	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000
GROUP							
Cost/valuation							
Opening balances at 1 July 2011	93 447	168 851	255 583	98 933	67 896	120 453	805 163
Additions	10 353	13 993	36 047	40 053	19 825	273 884	394 155
Transfer from assets under construction	-	-	-	-	-	(118 088)	(118 088)
Disposals	-	-	-	(1 905)	(2)	-	(1 907)
Balances at 30 June 2012	103 800	182 844	291 630	137 081	87 719	276 249	1 079 323

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

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

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

The change in estimate - rehabilitation asset is classified as metallurgical assets in accordance with IFRIC 1 (note 16).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-13 US$ 000	Year to Jun-12 US$ 000	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000
6	**INVESTMENTS**				
	Investment in Hartley Minerals Zimbabwe Pty Ltd	-	-	27 959	27 959
	Investment in Mhondoro Holdings Limited (UK)	-	-	3 197	3 158
	Investment in Zimbabwe Platinum Mines (Private) Limited	-	-	82 057	74 991
		-	-	113 213	106 108

The entity carries all its investments at cost less impairment losses. There were no impairment losses recognised in the current year (2012: $nil).

7	**LONG TERM RECEIVABLES**				
	Reserve Bank of Zimbabwe loan:				
	Beginning of the year	20 478	27 304	-	-
	Effects of discounting	(6 826)	(6 826)	-	-
	Carrying amount	13 652	20 478	-	-

Prior to the ''dollarisation" of the Zimbabwe economy in February 2009, the company brought funds into the country to meet its Zimbabwe dollar expenses, ahead of time. The funds were placed with the Reserve Bank of Zimbabwe until such time that they were required and drawings were then made in Zimbabwe dollars. In February 2009, the Zimbabwe dollar ceased to be a functional currency and at that time the outstanding balance of funds placed with the Reserve Bank of Zimbabwe amounted to US$34 130 000. The Reserve Bank of Zimbabwe has acknowledged the full indebtedness and has recommended to the Government of Zimbabwe to assume the debt. The long term receivable has been discounted to its present value. The maximum exposure to credit risk is the carrying amount. Fair value approximates the carrying amount.

8	**PREPAYMENTS**				
	Zesa Holdings (Pvt) Ltd	15 323	27 849	-	-
	Other vendors	8 362	18 126	-	-
		23 685	45 975	-	-
	Short-term portion	(16 741)	(30 697)	-	-
	Long-term portion	6 944	15 278	-	-

Prepayments include a prepayment to the national power utility, (Zesa Holdings) which it applied to reduce its indebtedness to Hidroelectrica De Cahora Bassa (HCB) of Mozambique for power imports. A $25 million prepayment was made to Zesa Holdings and was used to reduce the power utility's indebtedness to HCB. The principal amount and interest thereon were converted into power units at an agreed tariff. The power units are redeemable over a three year period starting in May 2012. The agreement is part of the arrangements made to secure continuous and reliable electricity supplies for current and future operations.

9	**INTER-COMPANY RECEIVABLES**				
	Non-current	-	-	47 415	40 000

A loan denominated in US$ of US$60 million was extended to Zimbabwe Platinum Mines (Private) Limited by Zimplats Holdings Limited as part finance towards the Ngezi Phase II expansion project. The loan is repayable in twelve equal monthly instalments commencing in July 2015, with the final payment in June 2016. Interest is paid quartely and is accrued daily at LIBOR plus 1.0% margin at the interest rate prevailing on the interest payment date. At the end of the period the undrawn portion of the facility amounted to $5 million. The fair value of loans to related parties are based on discounted rates using a borrowing rate of 7.275% (2012: 7.40%). As at 30 June 2013 the non-current receivables of US$47 415 000 (2012: US$40 000 000) were fully performing. The maximimum exposure to credit risk at the reporting date is the carrying value of the intercompany receivable.

Fair value of receivable			55 000	40 000
Equity component			(7 585)	-
			47 415	40 000

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-13 US$ 000	Year to Jun-12 US$ 000	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000
10	**INVENTORIES**				
	Ore, concentrate and matte stocks	14 473	14 011	-	-
	Consumables	48 269	45 167	-	-
	Less: provision for obsolete consumables	(3 775)	(1 779)		
		58 967	57 399	-	-

Provision for obsolete inventories of US$1 996 000 (2012: US$587 000) were charged to the statement of comprehensive income.

11	**TRADE AND OTHER RECEIVABLES**				
	Receivables from related parties	140 826	123 006	-	-
	Value added tax receivable	6 211	7 460	-	-
	Other receivables	3 751	2 910	-	863
		150 788	133 376	-	863

As at 30 June 2013, the fair values of trade and other receivables were equal to their carrying amounts.

Receivables from related parties consist of trade receivables from Impala Refining Services Limited. As payment terms are contractual, trade receivables were fully performing and none were past due or impaired as of 30 June 2013. There is no impairment on the trade and other receivables balance (2012: nil)

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

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The company does not hold any collateral as security.

12	**CASH AND CASH EQUIVALENTS**				
	Cash and cash equivalents include the following for the purposes of the statement of cash flows:				
	Cash and cash equivalents	6 356	16 493	3 702	14 424
	Revolving debtor discounting facility (note 18)	(2 323)	(4 784)	-	-
		4 033	11 709	3 702	14 424
	The net exposure to foreign currency denominated balances was:				
	Bank balances (ZAR000's)	2 296	2 241	2 296	2 241
	The exposure by country is as follows:				
	Europe	4 705	15 426	3 702	14 424
	Zimbabwe	1 651	1 067	-	-
		6 356	16 493	3 702	14 424

The carrying amount of the cash and cash equivalents approximates its fair value. Cash and cash equivalents comprise US$1 161 672 (2012: US$11 114 086) in short term deposits. The revolving debtor discounting facility operates as an overdraft. No debtors were factored during the year end and as at 30 June 2013 (2012: US$ nil).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

	Group		Company	
	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000
13 SHARE CAPITAL AND SHARE PREMIUM				
a) Authorised				
500 000 000 ordinary shares of 10 cents each	50 000	50 000	50 000	50 000
b) Issued and fully paid				
107 637 649 (2012: 107 637 649) ordinary shares of 10 cents each	10 763	10 763	10 763	10 763
c) Share premium	89 166	89 166	89 166	89 166
At the end of the year	99 929	99 929	99 929	99 929

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

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

14 OTHER RESERVES

		Group Jun-13	Group Jun-12	Company Jun-13	Company Jun-12
Foreign currency translation reserve	a)	-	(18 219)	-	-
Asset revaluation reserve	b)	-	20 882	-	-
Acquisition equity reserve	c)	-	(10 045)	-	-
Accumulated profit	d)	830 064	769 192	70 556	67 354
		830 064	761 810	70 556	67 354

a) This comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the Group. The Group no longer has operations denominated in currencies other than the US Dollar. The balance of US$18 219 000 was transferred to accumulated profit on 30 June 2013.

b) This reserve arose from the revaluation of property, plant and equipment at aquisition and the balance of US$20 882 000 was transferred to accumulated profit on 30 June 2013.

c) On 5 November 2004, shareholders approved the acquisition of Impala Platinum Holding Limited's 30% interest in Zimbabwe Platinum Mines (Private) Limited (formerly Makwiro Platinum Mines (Private) Limited) in exchange for 14 873 160 shares in Zimplats Holdings Limited at an issue price of AU$3.75 each. The effective premium on the share purchase was US$10 044 750 and was transferred to accumulated profit on 30 June 2013.

d) Represents accumulated profits to 30 June 2013.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

	Group		Company	
	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000
15 DEFERRED INCOME TAX				
Deferred tax assets and liabilities are attributable to the following items:				
Deferred tax assets				
Deferred tax assets to be recovered within 12 months	(615)	(12 679)	-	-
Deferred tax assets to be recovered after 12 months	(2 354)	(2 393)	-	-
Deferred tax liabilities				
Deferred tax liabilities to be settled within 12 months	8 375	6 864	-	-
Deferred tax liabilities to be settled after 12 months	99 469	123 552	-	-
Deferred tax liabilities, net	104 875	115 344	-	-
The gross movement on the deferred income tax account is as follows:				
Beginning of the year	115 344	87 507	-	-
Statement of comprehensive income	(10 469)	27 837	-	-
End of the year	104 875	115 344	-	-
Deferred tax assets and liabilities are attributable to the following items:				
Deferred tax assets				
Rehabilitation provisions	(2 424)	(2 153)	-	-
Lease liabilities	(18)	(301)	-	-
Share based payments	(461)	(581)	-	-
Assessed tax losses	-	(12 088)	-	-
Other - exchange rate differences	(66)	51	-	-
	(2 969)	(15 072)	-	-
Deferred tax liabilities				
Recognised directly in the statement of comprehensive income:				
Property plant and equipment	100 844	123 552	-	-
Prepayment for goods	326	6 864	-	-
Consumables Inventories	6 674	-	-	-
	107 844	130 416	-	-
Net deferred tax liability	104 875	115 344	-	-

The deferred tax assets will be utilised against future profits.

16 MINE REHABILITATION				
Rehabilitation obligation:				
At the beginning of the year	14 354	14 332	-	-
Change in estimate - rehabilitation asset	425	(492)	-	-
Interest accrued - present value adjustment	1 435	1 429	-	-
Utilised during the year	(639)	(915)		
At the end of the year	15 575	14 354	-	-

The provision is based on a mines and environmental rehabilitation plan that was approved by the board. It is mandatory for mines operating in Zimbabwe to have a plan for the rehabilitation of the environment they operate in. The provision is the present value of the expected rehabilitation costs at the end of the life of the mine. The present value of the future rehabilitation obligation was calculated by inflating the current rehabilitation cost over 5 to 32 years for mining and processing operations.

The current cost of the rehabilitation estimate is US$15.6 million (2012: US$14.4 million).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

	Group		Company	
	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000
17 LIABILITIES				
Summary:				
Share based compensation	3 075	3 871	-	-
Community development donation liability	3 736	5 594	-	-
	6 811	9 465	-	-
Short term liability portion	5 663	5 148	-	-
Long term liability portion	1 148	4 317	-	-
	6 811	9 465	-	-
Share based compensation				
At the beginning of the year	3 871	6 218	-	-
Income	(767)	(2 235)	-	-
Paid to employees	(29)	(112)	-	-
At the end of the year	3 075	3 871	-	-
Short term liability portion	1 927	2 534	-	-
Long term liability portion	1 148	1 337	-	-
	3 075	3 871	-	-

The group allocates to executives and senior managers notional shares in the ultimate majority shareholder. These notional shares will confer the conditional right on a participant to be paid a cash bonus equal to the appreciation in the share price from the date of allocation to the date of vesting of the notional share. Notional shares vest after two years of allocation to a maximum of 25% of the allocation. In subsequent years an additional 25% becomes exercisable per year. All unexercised shares lapse after 10 years from date of allocation. Refer to note 2.18.2 and 4 for details of assumptions used.

	Group		Company	
Community development donation liability:				
At the beginning of the year	5 594	-	-	-
Expense	-	8 141	-	-
Interest accrued present day value adjustment	642	753	-	-
Paid	(2 500)	(3 300)	-	-
At the end of the year	3 736	5 594	-	-
Short term liability portion	3 736	2 614	-	-
Long term liability portion	-	2 980	-	-
	3 736	5 594	-	-

In 2011 the company pledged an amount of US$10 million to the Zimplats Mhondoro-Ngezi Chegutu Zvimba Community Trust with payment to be spread over three years. The Trust serves the local community within which the company operates and the donation is part of the companys corporate social investment programme.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-13 US$ 000	Year to Jun-12 US$ 000	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000
18	**BORROWINGS**				
	Non-current				
	Bank borrowings	105 000	78 000	-	-
	Finance lease liability	-	118	-	-
		105 000	78 118	-	-
	Current				
	Revolving debtor discount facility	2 323	4 784		
	Finance lease liability	117	1 948	-	-
		2 440	6 732	-	-
	Total borrowings	107 440	84 850	-	-

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

	Carrying amount		Fair value	
	2013	2012	2013	2012
Bank borrowings	105 000	78 000	105 000	78 000
Finance lease liability	-	118	-	118
Total borrowings	105 000	78 118	105 000	78 118

The fair values are based on cash flows rate based on the borrowing rate of 7.3% (7.4%: 2012). The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The carrying amounts of the group's borrowings are all denominated in United States Dollars.

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

	Jun-13	Jun-12
6 months or less	2 323	4 784
6-12 months	117	1 948
1-5 years	10 500	78 118
Over 5 years	-	-
	107 440	84 850

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Bank borrowing

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

The loan is denominated in US dollars, is a revolving facility of $105 million (2012: $88 million) and bears interest at 3 months LIBOR plus 7% margin. Capital repayments are required if the loan balance exceeds the available facility. The original final maturity date of 31 December 2014 has been rescheduled to 31 December 2017, with repayments scheduled to commence in January 2015. At the end of the reporting period the group had no undrawn borrowing facility (2012: US$78 million).

Revolving debtor discounting facilty

A revolving debtor discounting facility of US$24 million was established to provide for the sale of a portion of the company's debtors to Standard Bank of South Africa Limited, the proceeds of which will be used for general working capital purposes at a discount rate of LIBOR plus 3.5% per annum. Maturity date is 30 November 2013 and repayment is on demand. The facility is secured by a cession over the company's cash and debtors. At year end no debtors had been sold to Standard Bank of South Africa Limited (2012 nil). This facility operates as a bank overdraft.

Finance lease liabilities

This libaility is secured by two finance lease agreements in respect of ore haulage vehicles. On the first agreement, the effective interest rate is 12% per annum with annual instalments of $2 064 183 which commenced on 1 November 2007 with the final payment on 30 June 2013. Contingent rent is payable based on the standby rate per hour per truck. The second lease is subject to interest at 8% per annum with a minimum annnual instalment of $94 362 which commenced on 1 July 2009 with the final payment on 30 June 2014.

	2013			2012		
	Lease Payment $ 000	Interest $ 000	Principal $ 000	Lease Payment $ 000	Interest $ 000	Principal $ 000
Less than one year	358	241	117	2 189	241	1 948
Between 1 and 5 years	9	9	-	126	9	117
	367	250	117	2 315	250	2 065

		Group			
		Year to Jun-13 US$ 000	Year to Jun-12 US$ 000	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000
19	**TRADE AND OTHER PAYABLES**				
	Trade payables	37 356	47 479	-	-
	Other payables	16 607	13 350	106	373
	Leave liability	5 182	5 214	-	-
	Interest payable	489	175	-	-
	Royalties	4 841	2 916	-	-
		64 475	69 134	106	373

Leave liability

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-13 US$ 000	Year to Jun-12 US$ 000	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000
20	**CURRENT TAX PAYABLE**				
	Beginning of the year	-	7 792	-	-
	Charge to the income statement	51 301	1 325	707	1 212
	Interest and penalties	4 820	-	-	-
	Payments made during the year	(35 035)	(9 117)	(707)	(1 212)
	Tax receivable	(677)	-	-	-
	End of the year	20 409	-	-	-
21	**REVENUE**				
	Current year sales	471 560	470 683	-	-
	Pipeline sales adjustments	87	2 597	-	-
	Total	471 647	473 280	-	-

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

		Group Year to Jun-13 US$ 000	Group Year to Jun-12 US$ 000	Company Year to Jun-13 US$ 000	Company Year to Jun-12 US$ 000
22	**COST OF SALES**				
	Included in cost of sales:				
	On mine operations	130 613	118 312	-	-
	Employee benefit expenses	34 299	29 497	-	-
	Materials and other mining costs	93 141	85 497	-	-
	Utilities	3 173	3 318	-	-
	Concentrating and smelting operations	71 140	63 856	-	-
	Employee benefit expenses	13 104	11 713	-	-
	Other costs	40 433	35 597	-	-
	Utilities	17 603	16 546	-	-
	Depreciation of operating assets	46 830	41 714	-	-
	Decrease in inventories	(462)	(4 028)	-	-
		248 121	219 854	-	-
23	**OTHER NET (EXPENSES)/INCOME**				
	Gain on disposal of property, plant and equipment	72	301	-	15
	Foreign exchange (losses)/gains	(1 044)	301	-	-
	Exchange losses on cash and cash equivalents	(53)	(51)	(53)	(51)
	Discount of long term receivable (note 7)	(6 826)	(6 826)	-	-
	Tax penalties and interest charges	(15 394)	-	-	-
	Management fees	-	-	4 717	9 466
	Other income/(expenses)	4 143	(1 074)	-	(400)
	Total other net (expenses)/income	(19 102)	(7 349)	4 664	9 030
24	**ADMINISTRATIVE EXPENSES**				
	Other costs comprise the following principal categories:				
	Community development donation expense	-	8 141	-	-
	Depreciation of non operating assets	2 306	852	-	-
	Employee benefit expense	23 439	24 188	64	341
	Operating lease expenses	130	113	-	-
	Other corporate costs	28 556	20 071	1 336	1 264
		54 431	53 365	1 400	1 605

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-13 US$ 000	Year to Jun-12 US$ 000	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000
25	**NET FINANCE EXPENSES/(INCOME)**				
	Interest expense:				
	Interest expense on bank borrowings (note 18)	7 861	6 129	56	-
	Interest expense on finance leases (note 18)	241	447	-	-
	Rehabilitation unwinding of the discount (note 16)	1 435	1 429	-	-
	Community development donation liability unwinding of the discount	642	753	-	-
	Borrowing cost capitalised (note 5)	(7 206)	(4 771)	-	-
		2 973	3 987	56	-
	Interest income	(1 476)	(529)	(701)	(194)
	Net finance expenses/(income)	1 497	3 458	(645)	(194)

Interest payable of US$489 000 (2012: US$175 000) is included in other payables (note 19).

		Group Jun-13	Group Jun-12	Company Jun-13	Company Jun-12
26	**PROFIT BEFORE INCOME TAX**				
	The following disclosable items have been charged in arriving at profit before tax:				
	Auditors' fees	324	312	26	22
	Directors' fees	440	471	365	355
	Depreciation of property, plant and equipment (note 5)	49 136	42 566	-	-
	Employee benefit expense (note 29)	70 333	63 003	64	341
	Professional service fees	508	507	-	-
27	**INCOME TAX EXPENSE**				
	Current income tax	51 301	1 325	707	1 212
	Current year	5 541	-	-	-
	Prior year	38 910	(110)	-	-
	Additional profits tax	6 126	-	-	-
	Withholding tax	724	1 435	707	1 212
	Deferred tax - statement of comprehensive income charge (note 15)	(10 469)	27 837	-	-
	Income tax expense	40 832	29 162	707	1 212
	Reconciliation of tax charge:				
	Profit before tax	109 086	151 521	3 909	7 619
	Notional tax on profit for the year	16 363	22 728	-	-
	Tax effect of:				
	Amounts not in profit which are taxable	(12 398)	51 211	-	-
	Income not subject to tax	(27)	(798)	-	-
	Expenses not tax deductible	12 656	9 621	-	-
	Expenses not in profit which are tax deductible	(30 826)	(54 016)	-	-
	Additional profits tax	6 126	-	-	-
	Adjustment in respect of prior years	38 910	(111)	-	-
	Other items	10 028	527	707	1 212
	Tax charge	40 832	29 162	707	1 212
	Company tax rate	15.00%	15.00%	0.00%	0.00%

The prior year tax expense relates to a reassesment of previously filed tax returns, the effect of which is to spread capital development expenditure over four years and not 100% in the year incurred.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

	Group		Company	
	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000
28 EARNINGS PER SHARE				
Basic earnings per share				
Basic earnings per share is calculated by dividing the net profit by the weighted average number of ordinary shares in issue during the year.				
Profit attributable to equity holders of the company	68 254	122 359	-	-
Weighted average number of ordinary shares in issue	107 638	107 638	-	-
Basic earnings per share US$(cents)	63.41	113.68	-	-

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 (2012: nil).

	Group		Company	
Diluted earnings per share (cents)	63.41	113.68	-	-
29 EMPLOYEE BENEFIT EXPENSES				
Wages and salaries	68 005	62 215	64	341
Share appreciation scheme	(767)	(2 235)	-	-
Pension costs - defined contribution plans	3 095	3 023	-	-
	70 333	63 003	64	341
Average number of employees during the year	2 845	2 848	1	4

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

	Group		Company	
	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000
30 CASH GENERATED FROM/(USED IN) OPERATIONS				
Adjustments to profit before tax:				
Net finance cost/(income)	1 497	3 458	(645)	(194)
Depreciation	49 136	42 566	-	-
Tax penalties and interest charges	15 394	-	-	-
Foreign currency adjustment	1 097	(250)	53	51
Provision for obsolete inventories	1 996	(587)	-	-
Provision for share appreciation rights (note 17)	(767)	(2 235)	-	-
Provision for community development donation liability	-	8 141	-	-
Bad debts arising from other receivables written-off	679	42	-	-
Effect of discounting on the long-term receivables	6 826	6 826	-	-
Gain on disposal of property, plant and equipment	(72)	(301)	-	(15)
Total adjustment to profit before tax	75 786	57 660	(592)	(158)
Changes in working capital :				
Trade and other receivables (including prepayments)	3 522	40 195	1 343	(603)
Per the statement of financial position	4 878	40 237	1 343	(603)
Transfer to current tax payable	(677)	-	-	-
Bad debts arising from other receivables written-off	(679)	(42)	-	-
Inventories	(3 564)	(7 389)	-	-
Per the statement of financial position	(1 568)	(7 976)	-	-
Provision for obsolete inventories	(1 996)	587	-	-
Liabilities	(2 529)	(3 412)	-	-
Per the statement of financial position	(2 654)	3 247	-	-
Provision for share appreciation rights (note 17)	767	2 235	-	-
Provision for community development donation liability (note 17)	-	(8 141)	-	-
Interest accrued present day value adjustment (note 17)	(642)	(753)	-	-
Mine rehabilitation	(639)	(915)	-	-
Per the statement of financial position	1 221	22	-	-
Change in estimate - rehabilitation asset (note16)	(425)	492	-	-
Interest accrued present day value adjustment (note16)	(1 435)	(1 429)	-	-
Tax penalties and interest charges	(10 573)	-	-	-
Trade and other payables	(4 672)	5 078	(267)	(179)
Per the statement of financial position	(4 660)	4 854	(267)	(179)
Exchange adjustment	(1 044)	-	-	-
Interest payable movement	(315)	-	-	-
Finance income offset against payments	1 347	224	-	-
Cash from changes in working capital	(18 455)	33 557	1 076	(782)
In the statement of cash flows, the purchase of property, plant and equipment comprises of:				
Additions (note 5)	353 685	394 155	-	-
Mine rehabilitation asset adjustment (note 18)	(425)	492	-	-
Transfer from assets under construction (note 5)	(189 339)	(118 020)	-	-
Transfer of Selous sub-station costs from prepayments	-	(2 285)	-	-
Interest capitalised (note 5)	(7 206)	(4 772)	-	-
	156 715	269 571		

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group	
		Year to Jun-13 US$ 000	Year to Jun-12 US$ 000
31	**CAPITAL COMMITMENTS**		
	The Group has entered into contracts for the following and is committed to incur capital expenditure in respect thereof:		
	Commitments contracted for	71 000	113 000
	Approved expenditure	108 000	128 000
		179 000	241 000

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

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

32	**PENSION OBLIGATIONS**		
	Mining Industry Pension Fund		
	Pensions for certain employees are provided for through the Mining Industry Pension Fund in Zimbabwe. This is a defined contribution retirement fund. Contributions to the fund are 7.5% of pensionable remuneration. The Group's contributions for the year amounted to:	2 848	2 514
	National Social Security Scheme		
	This scheme was promulgated under the National Social Security Authority Act 1989. Contributions by all Zimbabwe employees are 3.5% of pensionable remuneration, which is capped at US$700 per annum for the purposes of this defined contribution scheme. The Group's contributions for the year amounted to:	247	509
		3 095	3 023

33 RELATED PARTIES

33.1 RELATED PARTY RELATIONSHIPS

a) Controlling entities

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

b) Group enterprises

Subsidiaries	Country of incorporation	Ownership interest 2013 %	2012 %
Hartley Platinum Mines Limited	United Kingdom	100	100
Mhondoro Holdings Limited	United Kingdom	100	100
Always Investments (Private) Limited	Zimbabwe	100	100
Baydonhill Investments (Private) Limited	Zimbabwe	100	100
Duckbrooke Mine (Private) Limited	Zimbabwe	100	100
Hartley Minerals Zimbabwe Proprietary Limited	Australia	100	100
Jalta Investments (Private) Limited	Zimbabwe	100	100
Matreb Investments (Private) Limited	Zimbabwe	100	100
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	Zimbabwe	100	100
Zimplats Corporate Services (Private) Limited	Zimbabwe	100	100
Other			
Impala Refinery Services Limited	South Africa	-	-

c) Directors and key management personnel

The directors named in the directors' report held office as directors of the company during the years ended 30 June 2013 and 2012. Mr. D H Brown resigned as a director with effect from 1 July 2012 and Mr.T P Goodlace was appointed a non-executive director on 10 August 2012. Mr. S E Frost retired from the board and company on 31 December 2012. Mr. P Maseva-Shayawabaya resigned as a director from 31 March 2013 and Mr. S M Mangoma was appointed as a director with effect from 1 March 2013.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

	Group		Company	
	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000	Year to Jun-13 US$ 000	Year to Jun-12 US$ 000
33.2 RELATED PARTY TRANSACTIONS AND BALANCES				
a) Revenue				
Sales of matte to Impala Refining Services Limited (note 21)	471 647	473 280	-	-

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

b) Inter-company receivables				
Impala Refinery Services Limited	140 826	123 006	-	-
Due from related parties (refer note 11)	140 826	123 006	-	-

The Group had an outstanding trade receivable balance as at 30 June 2013 amounting to $140 826 000 (2012: $123 005 593) with one of its fellow subsidiary companies (refer notes 11 and 33.2a).

c) Loans to related parties				
Beginning of the year	-	-	40 000	-
Loan advanced during the year (refer note 9)	30 000	-	15 000	40 000
Loan repayments	(30 000)	-	(30 000)	-
Loan received	-	-	30 000	-
End of the year	-	-	55 000	40 000

d) Transactions with directors and key management personnel

In addition to their salaries, the group also provides non-cash benefits to directors and executive officers. There were no loans extended to directors or executive officers during the year, nor were there any loans or transactions between the company and companies linked to directors or executive officers.

Fees paid during the year to non-executive directors totalled $438 000 (2012: $479 000), and remuneration to executive directors and key management personnel amounted to $8 706 000 (2012: $7 864 000).

34 FINANCIAL INSTRUMENTS BY CATEGORY	Loans and receivables		Loans and receivables	
Asset per consolidated statement of financial position				
Long term receivable	13 652	20 478	47 415	40 000
Trade and other receivables (excluding prepayments)	144 577	125 916	-	863
Cash and cash equivalents	6 356	16 493	3 702	14 424
	164 585	162 887	51 117	55 287
	Financial liabilities at amortised cost		Financial liabilities at amortised cost	
Liabilities per consolidated statement of financial position				
Borrowings (excluding finance lease liabilities)	107 323	82 784	-	-
Finance lease liability	117	2 066	-	-
Trade and other payables (excluding statutory liabilities)	59 634	66 218	106	373
	167 074	151 068	106	373

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

35 OPERATING SEGMENTS

Vertically integrated operations

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

Analysis of revenue The Group derives its revenue from the following metal products:	2013 US$ 000	2012 US$ 000
Platinum	263 234	261 681
Palladium	96 890	87 004
Gold	30 387	32 896
Rhodium	15 136	18 714
Nickel	46 579	52 921
Other	19 421	20 064
Total	471 647	473 280
Major customer:		
Revenue from the Group's sole customer, Impala Refinery Services, is:	471 647	473 280

The Group's sole product is white matte which is sold to its sole customer, Impala Refinery Services. The Group's operations are based in one geographical location, Zimbabwe.

36 CONTINGENT LIABILITY

Additional Profits Tax (APT)	US$
The group has a contingent liability of $42.5 million in respect of additional profits tax (APT) made up as follows:	
i. Disputed additional APT liability arising from amended assessment for the period to 30 June 2007	26 900 000
ii. APT that would be payable for period 2007 to 2012 as a result of the spreading of capital redemption allowances over 4 years	15 579 783
Total	**42 479 783**

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

In September 2012, ZIMRA requested for the recomputation of APT for period 2007 to 2012 to take into account the spreading of capital redemption allowances over 4 years in line with the Income Tax Act. This resulted in addtional APT of $15.6 million to bring the total payable to $42.5 million, if the tax losses brought forward from the year to 30 June 2010 are not allowed as deductions in the APT computation as argued by Zimra. There is no APT liability for the years ended June 2012 and June 2013.

37 EVENTS AFTER REPORTING PERIOD

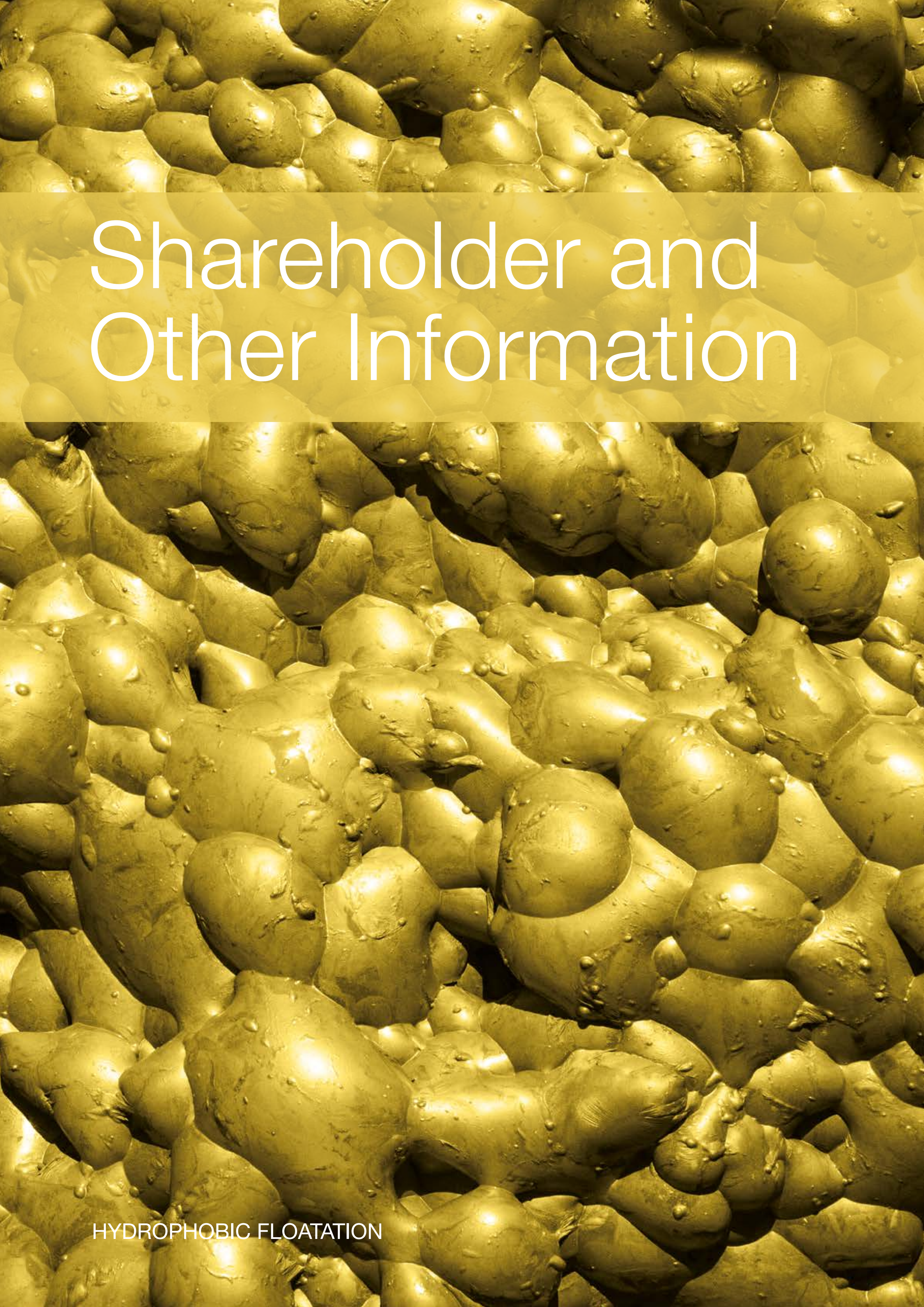
There are no significant post balance sheet events that were noted that require disclosure in the financial statements or adjustments to be effected on the reported amounts.

Refer to the Directors' Report on page 88 and 89 for an update on the Group's compliance with the Indigenisation and Economic Empowerment Regulations.

"... we subscribe to the laudable goal of sustainable development."

Source :
Chairman letter 2013

Shareholder and Other Information



HYDROPHOBIC FLOATATION

Analysis of Shareholders

SHAREHOLDING

Shareholding information is current at 30 June 2013.

Substantial Shareholders

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

Shareholder	Ordinary Shares
Impala Platinum BV	93 644 430

VOTING RIGHTS OF ORDINARY SHARES

Pursuant to the Law of the Island of Guernsey, Zimplats has determined that for the purpose of the Annual General Meeting, all shares held in Zimplats shall be taken to be held by the persons who held them as registered shareholders at "11.30am GMT + 11:00 Sydney, Australian time", on Sunday 20 October 2013 ("entitlement time").

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

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

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

TOP 20 SHAREHOLDERS

NAME	NAME	UNITS	% OF UNITS
1.	IMPALA PLATINUM BV	93,644,430	87.00
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,854,059	5.44
3.	J P MORGAN NOMINEES AUSTRALIA LIMITED	1,646,957	1.53
4.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,325,552	1.23
5.	NATIONAL NOMINEES LIMITED	1,316,330	1.22
6.	CITICORP NOMINEES PTY LIMITED	1,114,864	1.04
7.	MR PETER MARTIN VANDERSPUY	501,797	0.47
8.	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	493,290	0.46
9.	PRIMEOAK LIMITED	262,000	0.24
10.	MR EMANUEL JOSE FERNANDES DIAS	183,615	0.17
11.	DR DAVID SAMUEL KLEINMAN	160,600	0.15
12.	MINERVA TRUST COMPANY LIMITED <R H KAIROUZ A/C>	143,401	0.13
13.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	78,696	0.07
14.	MR JOHN RAVESTEYN + MRS HAZEL RAVESTEYN	47,500	0.04
15.	MONTANA FINANCE CORP PTY LTD	40,750	0.04
16.	SWISS TRADING OVERSEAS CORP	40,516	0.04
17.	MR WILHELM KUHLMANN	40,000	0.04
18.	MR MARK DAVID HUTCHENS	38,586	0.04
19.	MRS ROSEMARY ANNE RAVESTEYN	33,546	0.03
20.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	31,151	0.03
Top 20 holders		**106,997,640**	**99.41%**

Analysis of Shareholders Continued

NAME	NO. OF SHARES	%
Next 20	254,139	0.24%
Next 20	118,670	0.11%
Next 20	62,230	0.06%
Next 20	40,983	0.04%
Next 20	30,450	0.03%
Next 20	24,714	0.02%
Other	108,823	0.10%
Total	**107,637,649**	**100.00%**

SHAREHOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 1 000	229	55.58%	65,313	0.06%
1 000 - 10 000	148	35.92%	364,532	0.34%
10 000 - 100 000	23	5.58%	560,909	0.52%
100 000 - 1 000 000	6	1.46%	1,744,703	1.62%
1 000 000 - 10 000000	5	1.21%	11,257,762	10.46%
10 000 000 and over	1	0.24%	93,644,430	87.00%
Total	**412**	**100.00%**	**107,637,649**	**100.00%**

In terms of the definition under ASX Listing Rule 4.10.8, the number of shareholders holding less than a marketable parcel ($500) of ordinary shares is 40 (2012: 40).

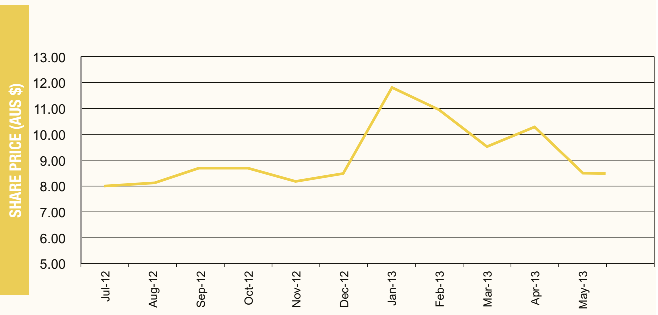
ON-MARKET BUY-BACK

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

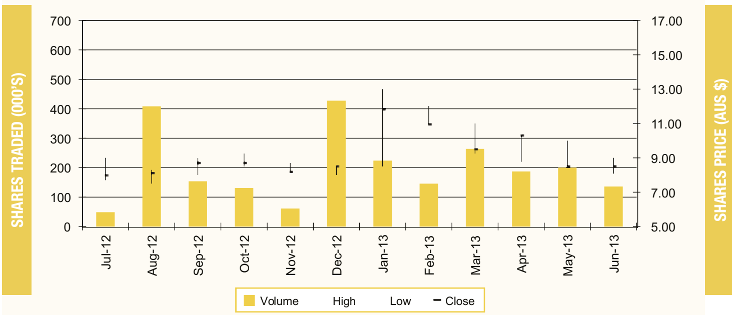
TRADING VOLUME

As a consequence of Implats shareholding of 87.00% (2012 = 87.00%) at the date of this report, the volume of free-float shares traded on the ASX has remained at a low level throughout the year.

Zimplats share price movements



Zimplats share performance on the ASX



Notice To Members Of Annual General Meeting

Notice is hereby given that the thirteenth Annual General Meeting of the members of Zimplats Holdings Limited (Zimplats) will be held at The Protea Balalaika Hotel, 20 Maude Street, Sandown, Sandton, Johannesburg, South Africa on Tuesday 22 October 2013 at 11:30am for the following purposes:

1. To receive and consider the Group and Company Annual Financial Statements, the Directors' Declaration and the Report of the Auditors for the year ended 30 June 2013.
2. To appoint Messrs. PricewaterhouseCoopers as auditors for the ensuing year.
3. To approve the audit fees of $20 000 for the year.
4. Election of Directors:
   (a) To re-elect as a director Mr. M A Masunda, who is retiring by rotation.
   (b) To re-elect as a director Dr. K D K Mokhele, who is retiring by rotation.
   (c) To re-elect as a director Mr. N P S Zhou, who is retiring by rotation.
   (d) To elect Mr. S M Mangoma a director 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 (+2 GMT) on Sunday 20 October 2013 (Entitlement Time).
2. All holders of ordinary shares in Zimplats at the Entitlement Time are entitled to attend and vote at the meeting. For further information on voting procedures, see the notes on the Proxy Information sheet.

EXPLANATORY NOTES TO RESOLUTIONS

RESOLUTION 2 – APPOINTMENT OF MESSRS PRICEWATERHOUSECOOPERS AS AUDITORS FOR THE ENSUING YEAR.

Messrs PricewaterhouseCoopers have indicated that they are in a position to accept appointment as external auditors of Zimplats Holdings Limited for the year ending 30 June 2014.

Directors' Recommendation

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

RESOLUTION 3 – APPROVE THE AUDIT FEE OF US$20 000 FOR THE YEAR ENDED 30 JUNE 2013.

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

Directors' Recommendation

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

RESOLUTION 4 – ELECTION OF DIRECTORS

In terms of the Articles of Association of the Company, one third of the Directors, excluding the Chief Executive Officer, will retire by rotation each year.

(a) Re-election of Mr. M A Masunda as a Director of the Company.

BL (Hons), FCIAArb (UK)

Much Masunda was appointed to the board in 2007 and has been Acting Chairman since July 2012. Much is the Chairman and founding executive director of the Commercial Arbitration Centre in Harare. He is also the Chairman of several Zimbabwean companies, among them Lafarge Cement Zimbabwe Limited, John Sisk & Son (Africa) Limited and Old Mutual Life Assurance Company Zimbabwe Limited. He was elected ceremonial Mayor of Harare in 2008.

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

(b) Re-election of Dr. K D K Mokhele as a Director of the Company.

BSc (Agriculture), MSc (Food Science), PhD (Microbiology)

Dr Mokhele joined the board in 2007. He is the non-executive Chairman of Impala Platinum Holdings Limited and a non-executive director of African Oxygen Limited and of Tiger Brands Limited.

Notice To Members Of Annual General Meeting Continued

(c) Re-election of Mr. N P S Zhou as a Director of the Company.

BAcc (Hons) (UZ), CA (Z), MBL (UNISA)

Nyasha Zhou was appointed a director of the operating company in 2007 and chairman in 2013. He joined the board in 2010. He is a past president of the Zimbabwe Institute of Chartered Accountants and sits on a number of other boards in Zimbabwe.

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

(d) Election of Mr. S M Mangoma as a Director of the Company.

BCompt (Hons) UNISA, CA (Z)

On joining the group in March 2013 Stewart Mangoma was appointed a director and Chief Finance Officer of both the company and the operating subsidiary. He has held senior executive positions in a number of leading companies in Zimbabwe.

He is Chairman of the Procurement Committee and the IT Steering Committee and a member of the Project Steering Committee.

Directors' Recommendation

All of the existing Directors of the Company, other than those Directors standing for re-election, recommend that you vote in favour of the re-election of Messrs. Masunda, Mokhele and Zhou, and the election of Mr. S M Mangoma having regard to their respective qualifications to act as Directors of your Company.

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. Carey Commercial Limited, Level 1 & 2, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey.
   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 Sunday 20 October 2013.

Global Reporting Initiative (GRI) Index

GRI INDICATOR	TOPIC	PAGE
1	**STRATEGY AND ANALYSIS**	
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2	**ORGANISATIONAL PROFILE**	
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2.4	Location of organisations head office	6, 149
2.5	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 this report	6,8
2.6	Nature of ownership and legal form	6, 137, 140
2.7	Markets served including geographical breakdown, sectors served, and types of customers	6, 32-37
2.8	Scale of reporting organisation, including number of employees, net sales, capitalization broken down in terms of debt, and equity and quantity of products provided	6,24,25,67
2.9	Significant changes during the reporting period regarding size, structure or ownership including:	
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3	**REPORT PARAMETERS**	
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3.2	Date of the most recent previous report	1
3.3	Reporting cycle	1
3.4	Contact point for questions regarding the report content, including:	
	• Determining materiality	1
	• Prioritizing topics within the report	1
	• Identifying stakeholders the organisation expects to use the report	1
3.5	Process for defining report content	47
3.6	Boundary of the report(e.g countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	1, 6, 104
3.7	Any specific limitations on the scope or boundary of the report	1, 6
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and between organisations (e.g contractors and labour numbers)	1, 104
3.10	Explanation of any effects of any restatement of information provided in earlier reports, and the reasons for such re-statement(e.g mergers, acquisitions, change of base years/periods, nature of business, measurement methods)	1
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	1, 104
3.12	GRI Index	146, 147

GRI INDICATOR	TOPIC	PAGE
4	**GOVERNANCE, COMMITMENTS AND ENGAGEMENTS** **Governance**	
4.1	Governance structure of the organisation including committees under the highest governance body	26, 72, 73
4.2	Whether Chair of the Board is executive or non-executive	73
4.3	Organisations with unitary board structure, state the number of members of the highest governance body that are independent or non-executive members	73
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance Board	73
	Stakeholder engagement	
4.14	List of stakeholders engaged by the organisation	54, 55, 57
4.15	Basis for identification of and selection of stakeholders with whom to engage	53, 54
	Economic Performance Indicators	
	Economic performance	
EC1		
(Core)	Direct economic value generated and distributed , including revenues, operating costs, employee compensation, donations and community investments, retained earnings, and payments to capital providers and government	8, 12 17, 19, 24, 25, 57, 58
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	Materials	
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EN3 (Core)	Direct energy consumption by primary source	66
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	Water	
EN8	Total water withdrawn by source	65
En 10	Percentage and total volume of water recycled and reused	64, 65
	Emissions, effluent and Waste	
EN 16	Total direct and indirect greenhouse gas emissions by weight	65, 66
	Social performance indicators	
	Employment	
LA1 (Core)	Total workforce by employment type, employment contract and region	67
LA7 (Core)	Rate of injury, occupational diseases, lost days and absenteeism, and number of work related fatalities by region	14, 20, 61, 68, 69,

Report of the Independent Auditor to the Directors of Zimplats Holdings Limited

SCOPE OF OUR ENGAGEMENT

The specified key performance indicators, included in the Zimplats Holdings Limited 2013 Integrated Report comprise the following ("the subject matter"):

- Total workforce by employment type, employment contract and region for the twelve months ended 30 June 2013 as disclosed on pages 17, 67;
- Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region for the twelve months ended 30 June 2013 as disclosed on pages 14, 20, 61, 68;
- Donations and other community investments, for the twelve months ended 30 June 2013 as disclosed on pages 57, 58;
- Materials used by weight or volume for the twelve months ended 30 June 2013 as disclosed on page 67;
- Direct energy consumption by primary source for the twelve months ended 30 June 2013 as disclosed on page 66;
- Indirect energy consumption by primary source for the twelve months ended 30 June 2013 as disclosed on pages 66;
- Total water withdrawn by source for the twelve months ended 30 June 2013 as disclosed on page 65; and
- Total direct and indirect greenhouse gas emissions by weight for the twelve months ended 30 June 2013 as disclosed on pages 65 and 66.

The specified KPIs noted above are extracted from the online version of the Integrated Report of Zimplats Holdings Limited for the year ended 30 June 2013.

We expressed an unmodified limited assurance conclusion on the specified key performance indicators noted in our limited assurance statement dated 27 August 2013. The Integrated Report and the specified key performance indicators included therein do not reflect the effects of events that occurred subsequent to the date of our limited assurance statement on the specified key performance indicators (marked as assured) in the Integrated Report.

The criteria upon which the specified key performance indicators were evaluated and measured for assurance purposes are disclosed in the online version of the Integrated Report. A copy of the Integrated Report can be obtained on: www.zimplats.com

MANAGEMENT'S RESPONSIBILITY

Management is responsible for extracting the specified key performance indicators from the Integrated Report and the consistent presentation of these specified key performance indicators in the integrated report

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on whether specified key performance indicators in the Integrated Report are consistent with the specified key performance indicators in the online version of the Integrated Report.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance engagements other than audits or reviews of historical financial information".

This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance on whether the specified key performance indicators in the Integrated Report are consistent with the specified key performance indicators in the online version of the Integrated Report.

Our procedures included comparing the specified key performance indicators in the Integrated Report with the specified key performance indicators in the online version of the Integrated Report.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement performed under ISAE3000. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

LIMITED ASSURANCE CONCLUSION

Based on our work described in this report, nothing has come to our attention that causes us to believe that the specified key performance indicators in the Integrated Report of Zimplats Holdings Limited for the year ended 30 June 2013, are not consistent, in all material respects, with those specified key performance indicators in the online version of the Integrated Report of Zimplats Holdings Limited, in accordance with the basis of preparation as described on page 47.

Ernst & Young Inc.
Director: JP Grist
Registered Auditor
Chartered Accountant (SA)

Wanderers Office Park
52 Corlett Drive
Johannesburg

27 August 2013

General Information

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

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.
Au	Chemical symbol for gold
bankable standard	Capable of supporting an application to a recognised project financier for project finance.
beneficiation	The separation of desired minerals from waste material during exploitation of a mineral deposit, by which the mineral is concentrated prior to refining.
bord and pillar mining	Also known as room and pillar mining method. Mining takes place on the reef horizon only. The main access declines are mined on dip and from these access declines, drives (bords) are developed on strike. In-situ reef pillars are left between these bords for support purposes. A typical bord length can vary from six to twelve metres with pillar dimensions of four to six metres square.
BIS	Business Information System
concentrate	Material that has been processed to increase the content of contained metal or mineral relative to the contained waste.
converting	The final stage of matte production in which excess sulphur and iron are removed by blowing air through the molten green matte to produce white matte.
Cu	Chemical symbol for copper.
cut-off grade	Lowest grade mineralised that qualifies as ore, i.e. will meet all further operating costs for a given deposit.
EMA	Environment Management Agency
FY	Financial year. The financial year for the group ends on 30 June of any year.
gangue	The unwanted material.
mafic	An igneous rock with high magnesium and iron content, usually dark in colour.
matte	A mixture of various base metal sulphides, containing the precious metals, which is produced during smelting and converting. Green matte refers to the product from smelting, and contains high levels of iron sulphides, which are removed during converting to give a white matte containing minimal levels of iron.
metallurgy	The science of extracting metals from ore and preparing them for sale.

General Infrormation Continued

Mineral Resource	Defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves as "an identified in-situ mineral occurrence from which valuable or useful minerals may be recovered". **Mineral resources are subdivided in measured, indicated and inferred categories as follows:** **Measured mineral resource -** means a mineral resource intersected and tested by drill holes, underground openings or other sampling procedures at locations, which are spaced closely enough to confirm continuity and where geo-scientific data are reliably known. A measured mineral resource estimate will be based on a substantial amount of reliable data, interpretation and evaluation which allows clear determination to be made of shapes, sizes, densities and grades; **Indicated mineral resource –** means a mineral resource sampled by drill holes, underground openings or other sampling procedures at locations too widely spaced to ensure continuity but close enough to give a reasonable indication of continuity and where geo-scientific data are known with a reasonable level of reliability. An indicated mineral resource estimate will be based on more data, and therefore be more reliable, than an inferred mineral resource estimate; **Inferred mineral resource –** means mineral resource inferred from geo-scientific evidence, drill holes, underground openings or other sampling procedures where the lack of data are such that continuity cannot be predicted with confidence and where geo-scientific data may not be known with a reasonable level of reliability.
MSZ	Main Sulphide Zone – a thin layer of crystalline igneous rock containing small amounts of sulphide minerals located near the top of the ultramafic igneous sequence which forms the lower part of the Hartley Geologic Complex.
Ni	Chemical symbol for nickel.
ore grade	The average amount of the valuable metal or mineral contained in a specific mass of ore.
Ore Reserves	Defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves as "that part of measured or indicated mineral resource which could be mined, inclusive of dilution, and from which valuable minerals could be recovered economically under conditions realistically assumed at the time of reporting". Ore Reserve estimates are derived from estimates of Mineral Resources modified by economic, mining, metallurgical, marketing, legal, environmental, social and governmental factors. **Ore Reserves are subdivided into Proved Ore Reserves and Probable Ore Reserves as follows:** **Proved ore reserve –** an ore reserve stated in terms of mineable tonnes/volume and grade in which the corresponding identified mineral resource has been defined in three dimensions by excavation or drilling (including minor extensions beyond actual openings and drill holes), and where the geological factors that limit the ore body are known with sufficient confidence that the mineral resource is categorised as "measured"; **Probable ore reserve –** means an ore reserve stated in terms of mineable tonnes/volume and grade where the corresponding identified mineral resource has been defined by drilling, sampling or excavation (including extensions beyond actual openings and drill holes), and where the geological factors that control the ore body are known with sufficient confidence that the mineral resource is categorised as "indicated'.
Pd	Chemical symbol for palladium.
peak platinum value	This is the highest platinum value in the mineralisation and coincides with a sharp decrease in sulphide content and grain size.
PGMs	Platinum Group Metals, being six elemental metals of the platinum group generally found together. They are platinum, palladium, rhodium, ruthenium, osmium and iridium.
Pt	Chemical symbol for platinum.

General Infrormation Continued

refining	The final stage of metal production in which the various base and precious metals contained in the white matte are separated from each other, by a wide variety of hydrometallurgical processes, to produce individual metals and/or metal salts of saleable purity.
Rh	Chemical symbol for rhodium.
room and pillar mining	Refer to bord and pillar mining method.
SAG	Semi autogenous grinding.
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	Trackeless mining machine

UNITS OF MEASURE

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

SHAREHOLDERS CALENDAR 2012/2013

2013	
2012/13 Year End	30 June
June 2013 Quarter Production Report Released	31 July
Integrated Report Mailed	September
September Quarter Production Report Released	October
Annual General Meeting	18 October
2014	
December 2013 Quarter Production Report Released	January
March 2014 Quarter Production Report Released	April
2013/14 Year End	30 June
June 2014 Quarter Production Report Released	July
Integrated Report Mailed	September
September 2014 Quarter Production Report Released	October
Annual General Meeting	October

PRINCIPAL AND REGISTERED OFFICE

1st and 2nd Floors
Elizabeth House
Les Ruettes Brayes
St Peter Port
Guernsey GY1 1EW
Channel Islands

Tel: +44 1481 737217
Fax: +44 1481 738917
Email: info@zimplats.com

OTHER OFFICES

Australia
Suite 702
Alfred Street
North Sydney NSW 2060
Australia

P O Box R177
Royal Exchange
Sydney NSW 1225
Australia

Tel: +61 2 8920 1031
Fax: +61 2 8920 2956

Zimbabwe
Block B
Emerald Office Park
30 The Chase (West)
Emerald Hill
Harare
Zimbabwe

P O Box 6380
Harare
Zimbabwe

Tel: +263 4 332 590-3
Fax: +263 4 332 496-7
Email: info@zimplats.co.zw

WEB SITE
www.zimplats.com

ZIMPLATS
Member of the Implats Group

MINE SITES

Ngezi Platinum Mine
Ward 10 & 11
Between Growth Points
Bumbe, Turf and Tyrone
Kadoma District
Zimbabwe

c/o P O Box 61
Selous
Zimbabwe

Tel: +263 628 44667
Fax: +263 628 44670

Selous Metallurgical
Complex
Makwiro Road
Selous
Zimbabwe

P O Box 61
Selous
Zimbabwe

Tel: +263 628 44888-9
Fax: +263 628 44123
Email: info@zimplats.com

AUDITORS

Zimbabwe
PricewaterhouseCoopers
Building No. 4
Arundel Office Park
Norfolk Road
Mount Pleasant
Harare

SOLICITORS

Australia
Clayton Utz
Levels 1-15
1 Bligh Street
Sydney NSW 2000

British Isles
Carey Olsen
Carey House
Les Banques
St Peter Port
Guernsey GY1 4BZ
Channel Islands

Zimbabwe
Scanlen & Holderness
CABS Centre
74 Jason Moyo Avenue
Harare

Dube, Manikai & Hwacha
6th Floor, Goldbridge, Eastgate
Sam Nujoma Street
Harare

STOCK EXCHANGE

Australian Stock Exchange (ASX)

ASX Code: ZIM

SHARE REGISTRY

Computershare Investor Services Pty Ltd
452 Johnston Street
Abbotsford VIC 3067
Australia

Tel: +61 3 9415 5000
Shareholder enquiries: 1 300 850 505
Fax: +61 3 9473 2500

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.

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ZIMPLATS
Member of the Implats Group

ZIMPLATS HOLDINGS LIMITED
Block B, Emerald Office Park
30 The Chase West, Emerald Hill
Harare, Zimbabwe