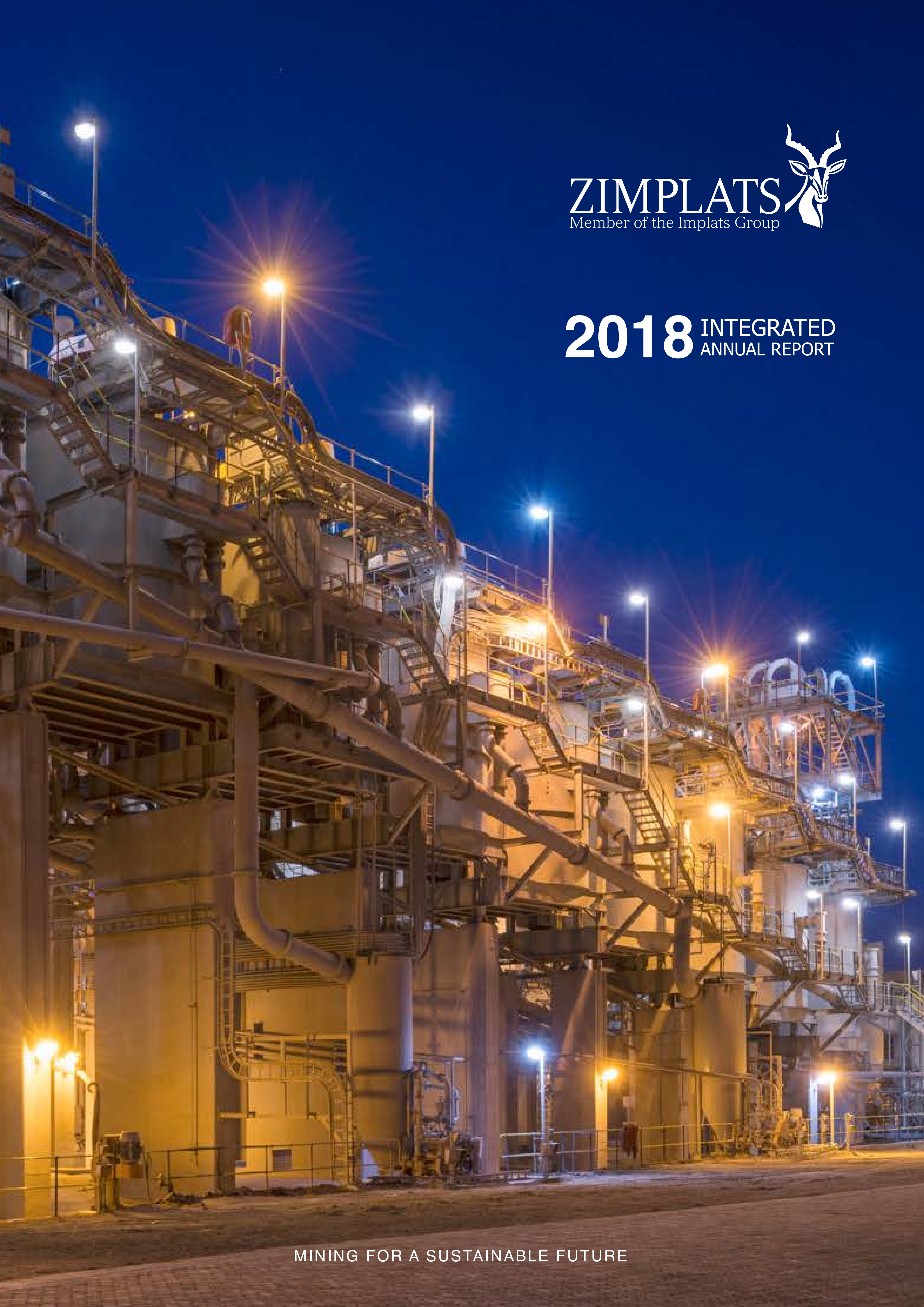

ZIMPLATS
Member of the Implats Group

2018 INTEGRATED ANNUAL REPORT

MINING FOR A SUSTAINABLE FUTURE

About This Report

This integrated annual report covers the financial year from 1 July 2017 to 30 June 2018 and is prepared for Zimplats Holdings Limited ('Zimplats' or the 'Company') and its subsidiaries (together the 'Group') in all regions.

The reporting cycle is annual with the last report having been published in September 2017.

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

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

Scope of this Report

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

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

The Global Reporting Initiative Standards have been adopted as the basis for disclosure of sustainability information in this integrated annual report. The report has been prepared in accordance with the Global Reporting Initiative Standards: Core option. Ernst & Young Chartered Accountants (Zimbabwe) (EY) has performed a limited assurance engagement for selected sustainability information and disclosures included in this report as can be seen in the EY assurance report on pages 180 to 183 of this integrated annual report.

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

Prior year comparatives have been provided, while in some instances, in order to illustrate historical trends, statistics and graphical representation cover up to five years. Both historical and forward-looking data are provided. There has been no material restatements of data or measurement methods during the year.

There has been no change to the share structure of the Company.

US$ refers to United States of America dollars.

OUR MISSION

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

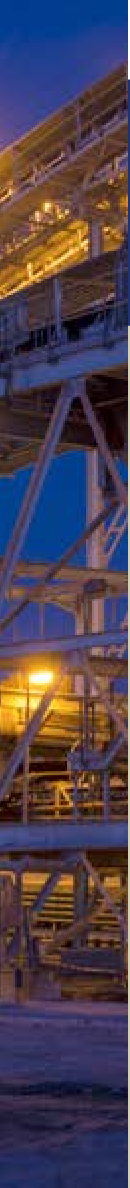
OUR VISION

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

OUR OBJECTIVES

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

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



OUR VALUES

We respect

- All our stakeholders, including:
  - Shareholders
  - Directors and management
  - Employee representative bodies
  - Suppliers and customers
  - Communities within which we operate
  - Regulatory bodies
  - All other interested and affected parties
- Employees and build winning teams
- The laws of the countries in which we operate
- Our place and way of work
- Open and honest communication
- Diversity of our stakeholders
- Risk management and continuous improvement philosophies
- The Principles of the UN Global Compact
  - Human rights
  - Labour relations
  - Anti-corruption
  - Environmental management

We care

- For the health and safety of all our stakeholders
- For the preservation of natural resources
- For the environment in which we operate
- For the socio-economic well-being of the communities within which we operate

We deliver

- Positive returns to our stakeholders through an operational excellence model
- A safe and productive working environment
- On our capital projects
- A fair and fun working environment through consistent, equitable and competitive human capital practices
- On the motivation and development of our employees
- On our commitments to all stakeholders
- Quality products that meet or exceed our customers' expectations

OVERVIEW

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8.8 million

fatality free shifts achieved during the year.

Where We Came From

1980	Zimbabwe independence
1986	Delta Gold obtained an exclusive prospecting order from the Government of Zimbabwe
1994	Delta-BHP joint venture starts to develop Hartley Mine
1996	The Hartley concentrator started operating
1999	BHP closed Hartley Mine after failing to meet targets
2000	Zimplats took over BHP's share of Hartley Mine
2001	Zimplats established open-pit mine at Ngezi (2.2Mtpa) with investment from Implats

Business Profile

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

The Company's majority owned operating subsidiary is Zimbabwe Platinum Mines (Private) Limited, which is a significant producer of PGMs, exploiting the ore bodies located on the Great Dyke in Zimbabwe.

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

Three of the four underground mines were operating at full production while the fourth one was under re-development. The mine under re-development reached design capacity in April 2018 and the open pit mine was discontinued in March 2018. Production from the mining operations is processed by the three concentrators and then further refined at Selous where the smelter is located.

At year end, Zimplats had a workforce of 6 493 comprising 3 262 own employees and a further 3 231 contractors (an increase of 9% in the year).

2003-5

Implats increased shareholding to 87%

2006

Zimplats released 36% of its ground to the Government of Zimbabwe in return for anticipated cash and empowerment credits

Zimplats embarked on the US$340 million Phase 1 expansion project, increasing mining and concentrator capacity to 4.2Mtpa

2010

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

2013

Phase 2 expansion plant commissioned on schedule

Attained 10 million fatality free shifts

2015

Bimha Mine partial collapse and redevelopment

Resuscitation of open-pit operations

2016

Surpassed Phase 2 (6.2Mtpa) mining and milling production capacity

Attained five million fatality free shifts

2017

Zimbabwe Platinum Mines (Private) Limited issued a 10% equity stake to the Zimplats Employee Share Ownership Trust as part of its Indigenisation implementation plan (IIP)

Attained six million fatality free shifts

2018

Achieved Bimha Mine design capacity after re-development

Resolution of mining lease area and mining tenure

Attained 8.8 million fatality free shifts

Ore production in the year was 6.8 million tonnes (Mt) (2017: 7 Mt). Matte and concentrate sold during the year to the operating subsidiary's sole customer, Impala Refining Services Limited, amounted to 542 085 4E oz. (2017: 555 892 4E oz.). 4E (four elements) consists of platinum, palladium, rhodium and gold.

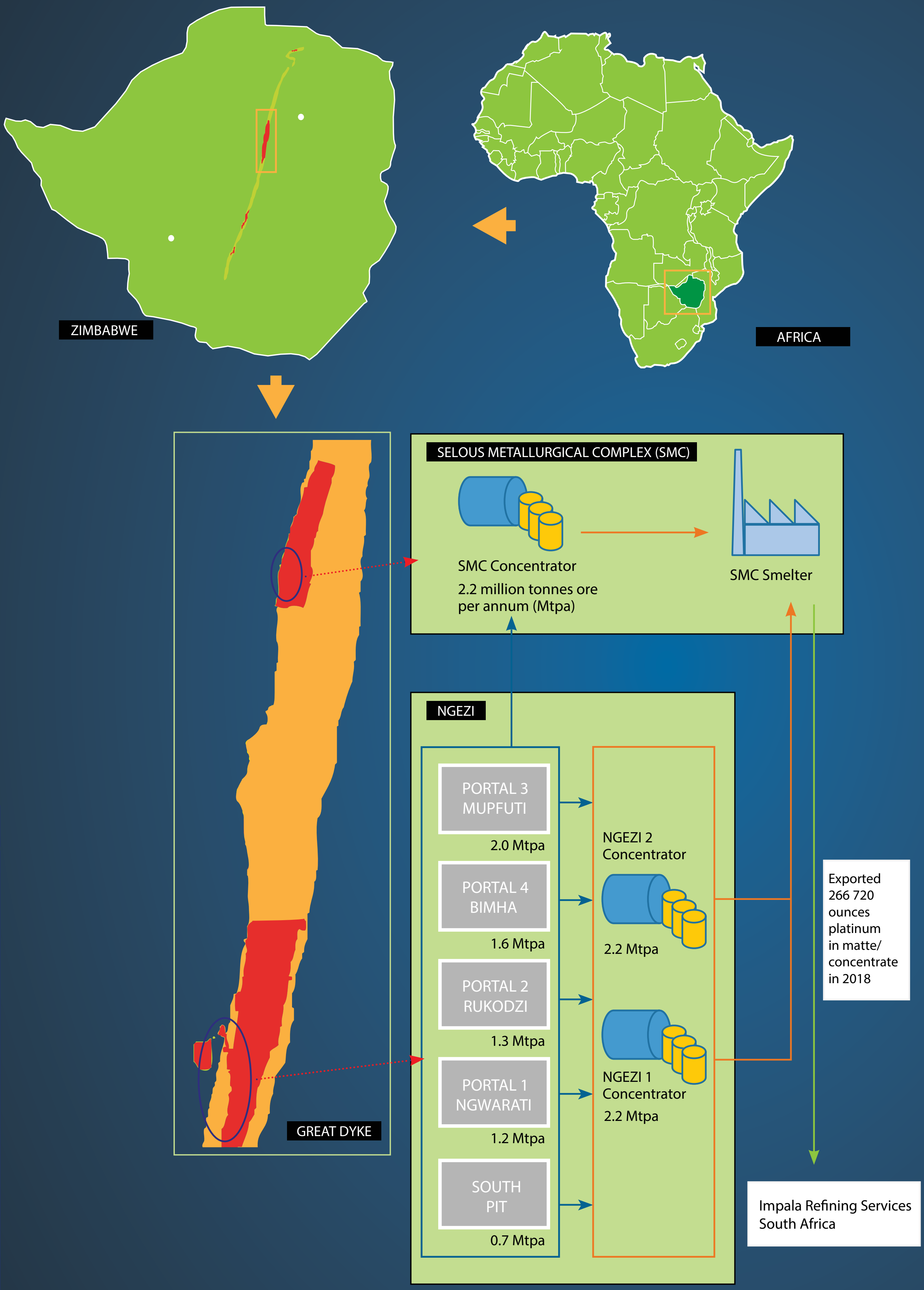
PLATINUM GROUP METALS – THE 'GREEN' METALS

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

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

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

Location and Operations



Corporate Structure

Independent Shareholders

13%

Impala Platinum Holdings Limited
Incorporated in South Africa
Listed on the Johannesburg Stock Exchange

87%

Zimplats Holdings Limited
Incorporated in Guernsey
Listed on the Australian Stock Exchange

Zimplats Employee Share Ownership Trust
Established in Zimbabwe

10%

90%

Zimbabwe Platinum Mines (Private) Limited
Operating subsidiary incorporated in Zimbabwe

Board of Directors

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

Chief Executive Officer
Alexander Mhembere
ACIS, ACMA, MBA
Appointed chief executive officer on 1 October 2007, having formerly been the managing director of a Zimbabwean PGM producer. Alex is the chief executive officer of Zimplats Holdings Limited and the chairman of the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited. He is a past president of the Chamber of Mines Zimbabwe.

Chief Finance Officer
Stewart Magaso Mangoma
BCompt (Hons) UNISA, CA (Z)
Joined the Zimplats group on 1 March 2013 as a director and the chief finance officer of both Zimplats Holdings Limited and the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited. Stewart has held senior executive positions in a number of leading companies in Zimbabwe.

Ms Meroonisha Kerber
BCom, CA (SA)
Appointed to the board on 1 September 2018. Meroonisha was appointed as chief financial officer and an executive director of Impala Platinum Holdings Limited with effect from 1 August 2018. She is an experienced finance executive having served as Senior Vice President, Finance at AngloGold Ashanti Limited, prior to which she spent 11 years at Anglo American Platinum Limited, serving as Head of Financial Accounting for the majority of that period. She is a member of the board's audit and risk committee.

Thandeka Nozipho Mgoduso
MA (Clinical Psychology)
Appointed to the board on 16 April 2018. Thandeka is an experienced human resources professional and currently runs her own strategic human resources consultancy business, Jojose Investments. She is a non-executive director of Assore Limited, Metair Investments Limited, South African Airways and Tongaat Hulett Limited and is a commissioner of the Commission for the Remuneration of Public Office Bearers in South Africa. She is the chairperson of the board's remuneration committee.

Alec Muchadehama
MBA, LLB, BL (Hons)
Appointed to the board on 17 October 2016. Alec is a partner of the Harare law firm of Mbidzo, Muchadehama and Makoni. He is the chairperson of the Voluntary Media Council of Zimbabwe and the chairperson of the National Transitional Justice Working Group in Zimbabwe. He sits on a number of other boards in Zimbabwe. Alec is a member of the board's audit and risk committee and the board's remuneration committee.

Board of Directors (continued)

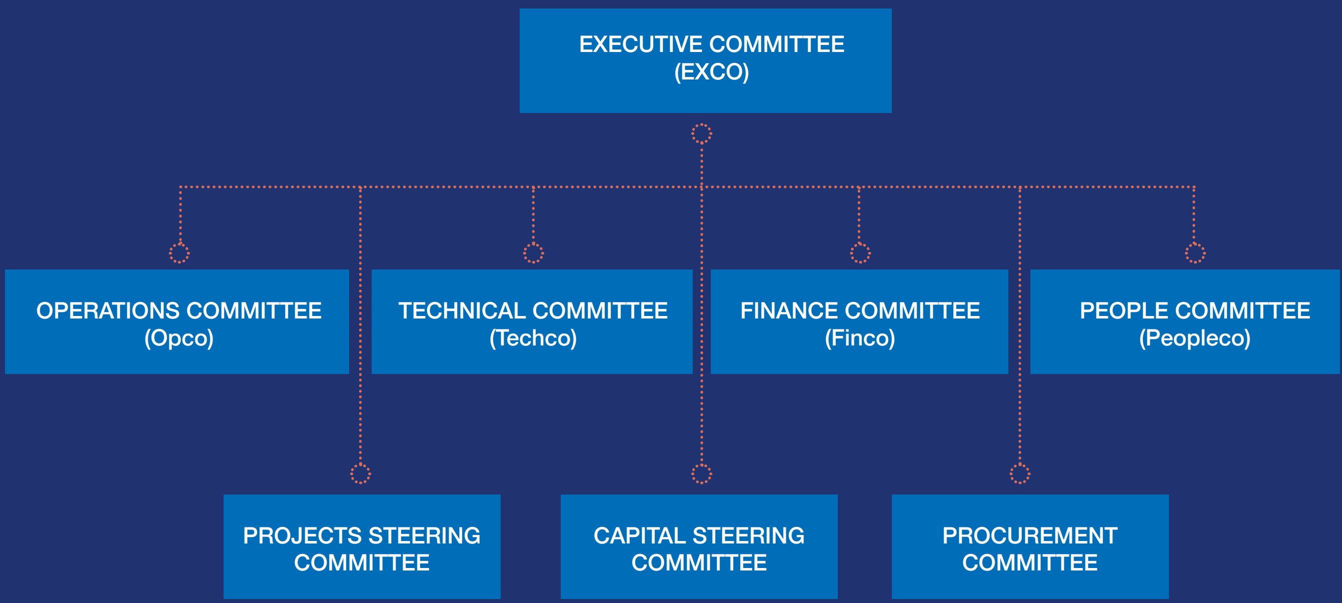
Nicolaas Johannes Muller
BSc (Mining Engineering)
Appointed to the board on 1 May 2017. Nico was appointed the chief executive officer and executive director of Impala Platinum Holdings Limited on 3 April 2017. Nico has a mining career spanning over a period of 27 years that has exposed him to multiple commodities including platinum.

Dr Dennis Servious Madenga Shoko
PhD, BSc Special Honours (Geology), BSc General
Appointed to the board on 17 October 2016. Dr Shoko is the managing consultant and a director of Tailjet Consultancy Services (Private) Limited. He is a non-executive director of Chemaden Resources, Afrochine Smelting and African Chrome Fields and has previously held non-executive directorships in other companies in the mining sector. He is a member of the board's safety, health, environment and community (SHEC) committee.

Zacharias Bernardus Swanepoel
BSc (Mining Engineering), BCom (Hons)
Appointed to the board on 1 July 2015. Bernard is an independent non-executive director of Impala Platinum Holdings Limited. He is a director of To The Point Growth Specialists Proprietary Limited and a non executive director of African Rainbow Minerals Limited. He is the chairman of the board's safety, health, environment and community (SHEC) committee.

Nyasha Puza Siyabora Zhou
BAcc (UZ), CA (Z), CIMA (UK), MBL (UNISA)
Appointed to the board on 1 March 2010. Nyasha is a past president of the Zimbabwe Institute of Chartered Accountants of Zimbabwe and sits on a number of other boards in Zimbabwe. Nyasha is the chairman of the board's audit and risk committee and is a member of the board's remuneration committee.

Management Structure



Management Executive Committee

ALEXANDER MHEMBERE
ACIS, ACMA, MBA
Chief Executive Officer

Alex joined the Group as chief executive officer on 1 October 2007, having formerly been the managing director of a Zimbabwean PGM producer. He is also the chairman of the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited.

STEWART MANGOMA
BCompt (Hons) UNISA, CA (Z)
Chief Finance Officer

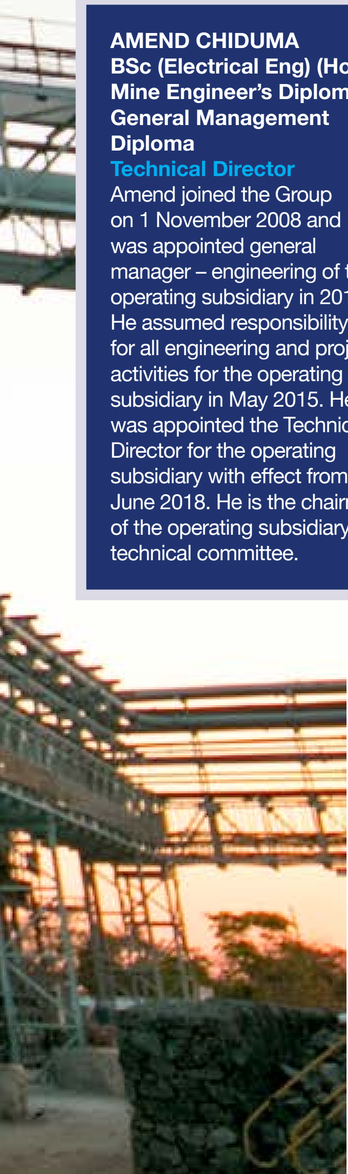
Stewart joined the Group in March 2013 as chief finance officer. Stewart is the chief finance officer of both Zimplats Holdings Limited and the operating subsidiary. He is chairman of the operating subsidiary's finance committee, procurement committee and information technology steering committee and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

STANLEY SEGULA
BSc (Mining Eng) (Hons) (UZ), MBA, MMCZ
Managing Director

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

TAKAWIRA MASWISWI
MSc (Tourism & Hospitality), MIPM
Human Resources Director

Takawira joined the Group in February 2012 as general manager – human resources of the operating subsidiary. He was appointed human resources director of the operating subsidiary in March 2017. He is the chairman of the operating subsidiary's people committee. He was appointed to the board of the operating subsidiary in March 2017.



AMEND CHIDUMA
BSc (Electrical Eng) (Hons), Mine Engineer's Diploma, General Management Diploma
Technical Director

Amend joined the Group on 1 November 2008 and was appointed general manager – engineering of the operating subsidiary in 2013. He assumed responsibility for all engineering and project activities for the operating subsidiary in May 2015. He was appointed the Technical Director for the operating subsidiary with effect from 1 June 2018. He is the chairman of the operating subsidiary's technical committee.

SIBUSISIWE CHINDOVE
B. Admin Hons (UZ), MSc (Cork)
Head of Corporate Affairs

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

LYSIAS CHIWOZVA
B. Eng (Hons) Industrial (NUST), MBA (UZ), MIRM (UK), MSc Risk Management (De Montfort University (UK))
Risk and Strategy Manager

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

GARIKAI BERA
LLB (Hons) (UZ)
Legal Counsel and Company Secretary

Garikai joined the Group on 1 April 2009 and was appointed company secretary of the operating subsidiary in May 2014.

Chairman’s Letter

“Amicable resolution of mining lease and mining tenure issues...”

TO ALL OUR STAKEHOLDERS

Once again I am gratified to reach out to all our key stakeholders and re-assert Zimplats' commitment to creating shared value in a sustainable and environmentally friendly manner.

Your Company achieved record safety performance and satisfactory all round performance in metal production, sales volume and cost management during the financial year ended 30 June 2018 (FY2018). However metal production and metal sales volumes in FY2018 were marginally lower than the prior year which benefitted from an additional nine operating days arising from the change in the year-end cut-off date from 21 June to 30 June 2017. Despite the marginally reduced sales volume, profit before income tax for the year under review was better than the prior year due to an improvement in average prices of palladium, rhodium, nickel and copper. The income tax expense was affected by the increase in deferred income taxes which were impacted by the change in the applicable tax rate from the special mining leaseholder rate to the ordinary mining leaseholder rate. Significant investment in capital projects was made during the year with total capital expenditure increasing from US$63.3 million in FY2017 to US$135.3 million. Cash generated from operating activities was up 248% from US$56 million reported in the previous year to US$195 million for the current year. The closing cash balance increased by US$49 million from the US$70 million reported in FY2017 to US$119 million.

I am delighted to announce that your Company declared a dividend of US$65 million (equating to 60.39 US cents per share) to shareholders on record as at 7 September 2018.

RESOLUTION OF MINING LEASE AND MINING TENURE ISSUES

As reported previously, in March 2013, the Government of Zimbabwe gazetted a preliminary notice of its intention to compulsorily acquire a portion of ground (constituting approximately 50% of the remaining ground) held under the operating subsidiary's special mining lease after the first surrender of 36% of ground in 2006. In March 2013 the operating subsidiary lodged a formal objection to the preliminary notice to compulsorily acquire the land. As stakeholders are aware the matter was pending in the courts in Zimbabwe. The operating subsidiary however, continued to engage in discussions to find an amicable resolution of the matter.

I am pleased to advise stakeholders that this issue concerning the intended compulsory acquisition of a portion of the operating subsidiary's mining lease area, as well as the issue of security of the operating subsidiary's mining tenure, were resolved amicably between the Company, through the operating subsidiary, and the Government of Zimbabwe to the mutual benefit of the parties. The Company agreed to release to the Government of Zimbabwe, land measuring 23 903 hectares within the operating subsidiary's mining lease area in support of the Government of Zimbabwe's efforts to enable participation by other investors in the platinum mining industry in Zimbabwe. Following this release of ground, the operating subsidiary now holds two separate and non-contiguous pieces of land measuring in aggregate 24 632 hectares. Consequently, the operating subsidiary applied for and was granted, with effect from 31 May 2018, two separate mining leases over the two pieces of land measuring 6 605 hectares and 18 027 hectares respectively. These

Chairman's Letter (continued)

mining leases replace the special mining lease which was due for renewal in August 2019. The two mining leases issued to the operating subsidiary are valid for the life-of-mine of the operating subsidiary's mining operations and they secure the operating subsidiary's mining tenure.

INDIGENISATION IMPLEMENTATION PLAN

As was reported previously, in FY2017 Zimbabwe Platinum Mines (Private) Limited ("the operating subsidiary") concluded the sale of a 10% equity stake to the Zimplats Employee Share Ownership Trust (ESOT) as part of its indigenisation implementation plan (IIP). The ESOT subscribed for, and was issued with a 10% equity stake in the operating subsidiary that was funded through a vendor finance scheme. The ESOT now holds a 10% shareholding in the operating subsidiary. The operating subsidiary in June 2018 agreed in principle with the Zimplats Mhondoro-Ngezi Chegutu Zvimba Community Share Ownership Trust (CSOT) for the sale by the operating subsidiary of a 10% equity stake to the CSOT on the same terms and conditions on which the operating subsidiary sold a 10% equity stake to the ESOT. The operating subsidiary and the CSOT are now working on the documentation for the sale of the 10% equity stake to the CSOT. The ESOT's 10% equity stake and the CSOT's 10% equity stake (once concluded) will constitute part of the operating subsidiary's IIP.

In March 2018, the Government of Zimbabwe introduced changes to the Indigenisation and Empowerment Act ("the Indigenisation Act") following the issuance by Zimbabwe's Minister of Finance and Economic Development of his 2018 National Budget Statement in December 2017. The amendments to the Indigenisation Act were to the effect that the 51%:49% equity threshold would now be confined only to two minerals in the extractive sector, namely platinum and diamonds. Further, the amended Indigenisation Act allows the responsible Minister to permit a platinum or diamond mining business to achieve the indigenisation and empowerment quota through the use of credits.

Against the background of these changes to the Indigenisation Act, the Group, through the operating subsidiary, continues to engage the Government of Zimbabwe with a view to finalising its IIP.

SAFETY, HEALTH AND ENVIRONMENT

I am pleased to report that your Company completed yet another year without a fatality, increasing the number of fatality free shifts from 6.8 million in FY2017 to 8.8▲ million. There was no change in the number of lost-time injuries which were maintained at three as reported in the previous year. The lost-time frequency rate (LTIFR) for the year improved from 0.21 in FY2017 to 0.19▲ which is a record performance. However, the total number of recordable injuries on duty increased from six in FY2017 to eight in the current year. The total injury frequency rate (TIFR) worsened by 27% from 0.41 in FY2017 to 0.52▲ in FY2018. Your board and management remain committed to achieving the ultimate objective of 'zero harm'.

Your Company continued with the implementation of programmes aimed at improving the health of its workforce, including their dependents and that of the community in which Zimplats operates. The programmes implemented during the year focused on:

- management of HIV and AIDS
- awareness on and management of non-communicable diseases
- malaria control
- occupational health monitoring
- mental health.

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

Chairman's Letter (continued)

The environmental management programmes implemented during the year yielded excellent results with no major environmental non-conformances reported. The gains in resource conservation and pollution reduction achieved in the previous year were maintained resulting in no deterioration in environmental key performance indicators in the year under review. Good progress was recorded during the year on the rehabilitation of the tailings dams' surfaces and the closed open pit sites.

OPERATIONS

Both mining and milling operations performed well during the year producing 6.8 million tonnes (FY2017: 7 million tonnes) and 6.6 million tonnes (FY2017: 6.7 million tonnes) respectively. The prior year benefitted from an additional nine operating days following the change in reporting date from 21 June to 30 June. Bimha Mine which is undergoing redevelopment achieved design production capacity in April 2018 as planned. The South Pit Mine operation was discontinued with effect from March 2018 as it had only been established to bridge the ore supply gap created by the collapse of Bimha Mine in 2014.

Platinum production for the year decreased by 4% from 281 069 ounces reported in the prior year to 270 717 ounces in line with mining and milling volumes.

While production was good and average basket prices generally improved (buoyed by palladium, rhodium, nickel and copper), net profit for the year was negatively affected by the impact of the change in tax rate on deferred tax following the migration from the special mining lease to the mining lease tax regime. Cash generation was good with the Group closing the year with a strong cash balance of US$119 million.

The development of Mupani Mine (the replacement for Rukodzi and Ngwarati mines which will be depleted in FY2022 and FY2025 respectively) is progressing well with decline development being five months ahead of schedule. The project is anticipated to be completed on time and within the approved budget of US$264 million.

TAXATION ISSUES

The operating subsidiary's engagement with the Zimbabwe Revenue Authority regarding current and legacy tax issues has remained constructive creating a cordial relationship with the tax authorities. However, there are historical matters on tax and customs duties that are pending in the Special Court for Income Tax Appeals and in the High Court of Zimbabwe.

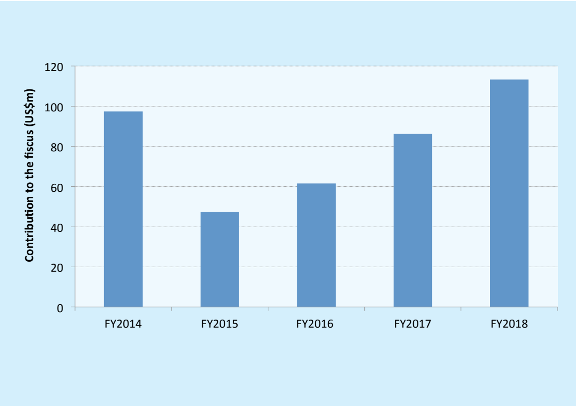
ZIMPLATS' CONTRIBUTION TO THE ZIMBABWEAN ECONOMY

Zimplats' contribution towards the Zimbabwean fiscus and the economic development of Zimbabwe has remained positive with the operating subsidiary procuring 69% of its goods and services (excluding payments to government institutions) from local suppliers. The total value of local payments was US$234 million. The graph below sets out the local spend over a five year period.

Local spend

Payments to the government in respect of corporate tax, additional profits tax, withholding tax, royalties, payroll taxes and customs duties for the period increased from US$86 million in FY2017 to US$131 million.

Contribution to the fiscus



The operating subsidiary, in pursuit of its objective to contribute positively towards the development of Zimbabwe, spent 81% of its sales proceeds in Zimbabwe.

OUTLOOK

Your Company remains committed to exploring, extracting and beneficiating its mineral resource. To this end, the Company is continuing with the US$264 million Mupani Mine development to replace Rukodzi and Ngwarati mines. Your Company will continue to scan the environment for organic growth or diversification investment opportunities.

The future of the Company remains bright despite the pressures from the liquidity problems in Zimbabwe and low commodity prices on the world market. The operating environment in the country has shown signs of improvement with increased commitment from the Government to create an environment conducive to foreign direct investment. Your Company will continue focusing on maintaining sustainable business practices, achieving production volumes, containing costs and preserving its cash resources.

Sustainable mutually beneficial relationships with all stakeholders including the Government of Zimbabwe, suppliers, employees, the community and the tax authorities will continue to be nurtured and valued. Your board and management remain committed to complying with the laws of the country.

Chairman's Letter (continued)

ACKNOWLEDGEMENTS

On behalf of Zimplats, I would like to thank my colleagues on the board, management, employees, suppliers and other stakeholders for their contribution which enabled the Company to deliver exceptional operational and financial results in this difficult operating environment.

During this financial year we bid farewell to one of our colleagues on the board, Brenda Berlin. Brenda resigned as a non-executive director of the Company with effect from 4 April 2018. Brenda joined the board on 1 March 2010 and was a member of the board's audit and risk committee. She served as the chief finance officer for Impala Platinum Holdings Limited from 2011 until she resigned from that position on 28 February 2018. On behalf of the board, I would like to express our sincere gratitude to Brenda for her significant commitment as a director and her invaluable contribution as an integral member of the Company's audit and risk committee. The board and management thank Brenda for her guidance and support during her period as a director of the Company and they wish her all the very best in the future.

We welcomed onto the board two new directors, Thandeka Mgoduso and Meroonisha Kerber. Thandeka was appointed to the board with effect from 16 April 2018 and Meroonisha was appointed to the board with effect from 1 September 2018. Both the board and I extend a warm welcome to Thandeka and Meroonisha.

I look forward to a brighter FY2019.

Fholisani Sydney Mufamadi
Chairman of the board
11 September 2018

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US$234 million

was spent on local payments in FY2018.

Chief Executive Officer's Report

Sustainable development is an integral part of how we do business. We believe that our long term success is dependent on meaningfully contributing to sustainable development by balancing economic prosperity with social development and protecting the environment. In the spirit of creating shared value, our commitment to sustainable development drives us to seek innovative solutions for business optimisation. The Group is therefore committed to ensuring that its operations have a net positive impact for both current and future generations.

"**US$166 million** profit before income tax"

KEY PERFORMANCE FEATURES

Exceptional results for the year were delivered in all areas of operations as highlighted below:

- Zero▲ fatalities and over eight million fatality free shifts achieved during the year
- Lowest ever lost-time injury frequency rate (LTIFR) of 0.19▲, a 10% improvement from the prior year's achievement of 0.21
- Run-of-mine (ROM) ore production of 6.8 million tonnes compared to nameplate capacity of 6.2 million tonnes.
- A total of 6.6 million tonnes of ore were milled during the year compared to nameplate capacity of 6.2 million tonnes.
- Platinum in converter matte produced and in concentrate sold decreased by 4% from 281 069 ounces in the previous period to 270 717 ounces
- Bimha Mine attained design capacity in April 2018 as planned
- Mupani Mine (replacement for Ngwarati and Rukodzi mines) development is ahead of schedule targeting to get to ore contact in FY2019
- US$10.4 million was realised from the disposal of treasury bills issued to the operating subsidiary in settlement of interest on the US$34 million RBZ debt
- A total of US$13.6 million (FY2017: US$14 million) RBZ export incentive was recognised in the year
- Income tax expense increased from US$55.8 million in FY2017 to US$163.3 million in the current year
- The issue concerning the proposed compulsory acquisition of a portion of Zimplats' mining lease area, as well as the issue of security of Zimplats' mining tenure, were resolved amicably between the operating subsidiary, and the Government to the mutual benefit of the parties
- A dividend of US$65 million was declared for shareholders on record as at 7 September 2018.

SAFETY, HEALTH AND ENVIRONMENT

Safety

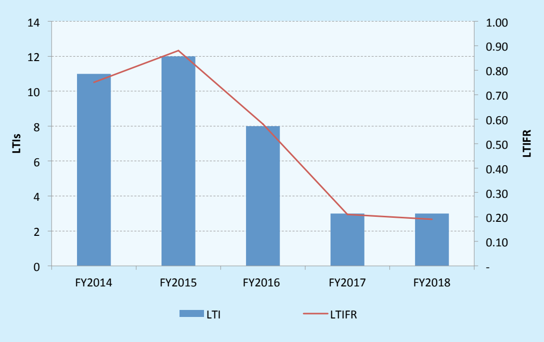
Key performance indicator	FY2018	FY2017	Variance
Fatalities	0▲	0	-
Fatality free shifts	8.8	6.8	29%
Lost-time injuries	3▲	3	-
Total injuries	8▲	6	(33%)
Fatal injury frequency rate	0	0	-
Lost-time injury frequency rate	0.19▲	0.21	10%
Total injury frequency rate	0.52▲	0.41	(27%)

I am pleased to report that the Group managed to complete yet another year without▲ a fatality. As at 30 June 2018, the Group had accumulated 8.8 million fatality free shifts.

The Group achieved a record LTIFR of 0.19▲ during the year compared to 0.21 achieved in the previous year.

Regrettably, the total number of total injuries increased by 33% from six in FY2017 to eight in FY2018 resulting in the total injury frequency rate (TIFR) deteriorating by 27% from 0.41 to 0.52▲. The Group remains committed to the 'zero harm' goal and will strive to achieve this through the implementation of the people and technology centred strategic safety initiatives approved by the board.

Lost-time injuries trend



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

Chief Executive Officer's Report (continued)

Total injury frequency rate trend

Health

The Group's integrated wellness programme covering both physical and mental health, worked well during the year. Employee wellness and behaviour continues to be key to safe production in the workplace and achievement of the Group's 'zero harm' goal. External consultants were hired to assist with HIV and AIDS counselling, mental health issues, family relationships and alcohol and drug abuse. There was also a very strong focus on life style change as a way of managing non-communicable diseases such as hypertension, cancer and diabetes.

The Group's malaria control programmes were effective during the year with only three positive cases recorded despite the above normal rainfall received in the financial year. All three cases involved employees who had visited malaria endemic areas in Zimbabwe.

Occupational health monitoring for the year focused on occupational lung diseases (mainly pneumoconiosis), noise induced hearing loss (NIHL) and low back pain. Recommendations from an ergonomics survey carried out in the prior year are being implemented.

Environment

Key performance indicator	Unit of measure	FY2018	FY2017	Variance
Major environmental non-conformance	Number	0▲	0	-
Area rehabilitated at the tailings dams	Hectares (Ha)	2	53	(92%)
Water abstracted from dams and underground	Mega litres (ML)	7 046▲	7 219	2%
Water recycled	Percentage (%)	39	41	(5%)
Fresh water consumption	Kilo litres (KL)/ tonne ore	1.07	1.07	-
Carbon emission	Carbon dioxide (CO2)/ tonne ore	0.058	0.057	(2%)
Energy consumption	Giga joules (GJ)/tonne ore	0.37	0.37	-

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

The Group maintained its certification to environmental management systems under the revised standard (ISO14001:2015).

Rehabilitation of the closed open-pits continued as planned in the year. The rehabilitation of the tailings storage facilities progressed well in the year with 2.15 hectares re-vegetated.

Water withdrawn from dams and boreholes decreased by 2% from 7 219 mega litres in FY2017 to 7 046▲ mega litres in FY2018 in line with the decrease in tonnes of ore milled. Water recycling decreased from 41% of total water consumed in FY2017 to 39% in FY2018.

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

Chief Executive Officer's Report (continued)

The Group has continued to comply with the waste management legislative requirements during the year under review. In compliance with the solid waste and effluent regulations, domestic waste landfills are lined with the leachate collection system. Waste segregation and recycling activities throughout the operations performed well during the year. Clean-up campaigns which commenced in the prior year involving environmental regulatory authorities, rural district councils, local communities, schools and churches continued during the year with a view to encouraging good waste management practices in the communities in which the Group operates.

Sulphur dioxide (SO_2) emissions from the smelting operations remain Zimplats' most significant air quality management challenge. The point source air emission discharge point is licensed (red permit) by the Environmental Management Agency in line with the air pollution regulations. A stringent point source and ambient air monitoring system is in place. The ambient ground level concentrations for SO_2 remain within limits in terms of World Health Organisation (WHO) and South African standards. We remain committed to running the Group's operations in a sustainable manner.

OPERATIONS

Due to normalisation of operating days compared to the previous year, ore mined and milled for the year decreased by 3% and 2% respectively. The additional nine operating days for the prior year arose from the change in year-end cut-off date from 21 June to 30 June. The table below shows the mining and milling performance for the year compared to prior year.

Key performance indicator	FY2018	FY2017	Variance
Ore mined (million tonnes)	6.8	7.0	(3%)
4E head grade (g/t)	3.24	3.24	-
Ore milled (million tonnes)	6.6	6.7	(1%)
Concentrator 4E recovery rate (%)	81.0	80.6	-
Platinum produced (000 oz)	270.7	281.1	(4%)
In converter matte	241.5	262.9	(8%)
In concentrate sold	29.2	18.2	60%

Mining

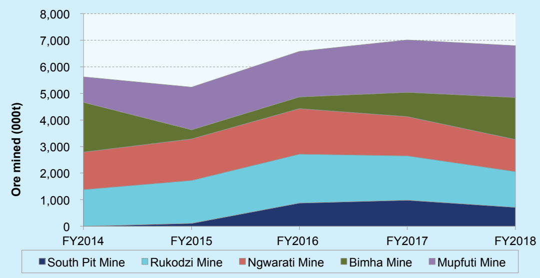
I am pleased to report that the Group successfully ramped up production at Bimha Mine to its design capacity in April 2018. This resulted in the closure of the South Pit Mine which had been commissioned to close the production gap created by the collapse of Bimha Mine in 2014. Production from Ngwarati and Rukodzi mines was also scaled down to their respective design capacities during the year following the attainment of design production at Bimha Mine. As at the end of the year, the Group was operating at the installed underground mining design capacity of at least 6.2 million tonnes per annum.

There was no deterioration in ground conditions detected from the ground monitoring systems instituted at all the underground mines during the year. The general conditions in the new Bimha Mine footprint have remained stable while insignificant closure incidents were recorded in the old abandoned footprint.

The table below shows ROM ore production by mine.

Mine	FY2018	FY2017	Variance
Ngwarati Mine (Mt)	1.2	1.5	(20%)
Rukodzi Mine (Mt)	1.3	1.7	(24%)
Mupfuti Mine (Mt)	2.0	2.0	-
Bimha Mine (Mt)	1.6	0.9	78%
Total underground ore (Mt)	6.1	6.0	2%
South Pit Mine (Mt)	0.7	1.0	(30%)
Total ROM ore (Mt)	6.8	7.0	(3%)

Ore mined

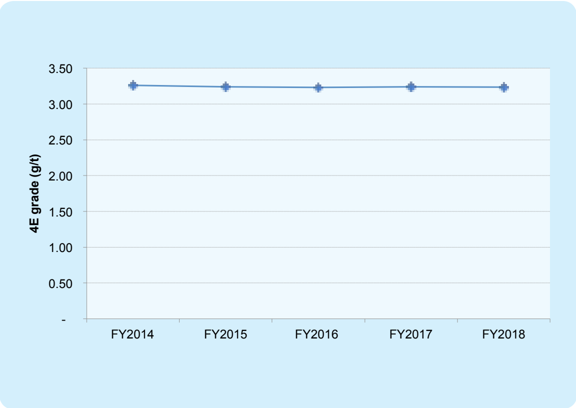


Chief Executive Officer's Report (continued)

Head grade

Mine	FY2018	FY2017	Variance
Ngwarati Mine (g/t)	3.26	3.25	-
Rukodzi Mine (g/t)	3.39	3.39	-
Mupfuti Mine (g/t)	3.26	3.26	-
Bimha Mine (g/t)	3.20	3.15	2%
Total underground ore (g/t)	3.27	3.27	-
South Pit Mine (g/t)	3.03	3.02	0.3%
Total ROM ore (g/t)	3.24	3.24	-

The 4E head grade was unchanged at 3.24g/t. The gains in grade arising from the closure of the low grade South Pit mine were offset by the losses from the substitution of higher grade ore from Rukodzi and Ngwarati mines with low grade ore from Bimha Mine in addition to dilution arising from mining underground workshops at Bimha Mine.



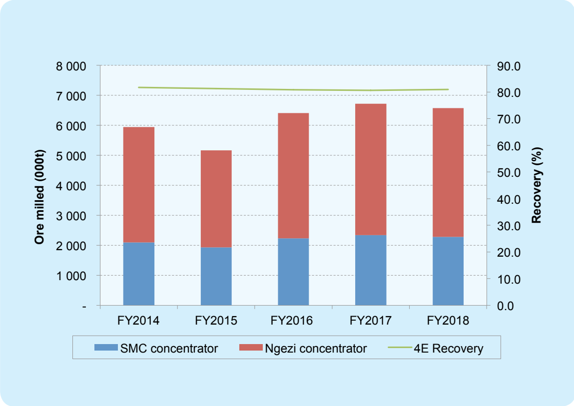
Processing

Concentrators

Ore milled decreased by 1% from 6.7 million tonnes recorded in FY2017 to 6.6 million tonnes in line with throughput from the mines and the extra nine operating days in the comparative period detailed above.

The overall 4E recovery rate for the year increased from 80.7% in FY2017 to 81% in FY2018 while mass pull was maintained at 2.1%.

Ore milled and recovery rates



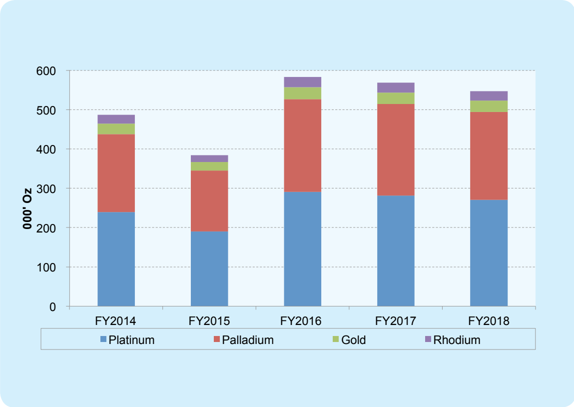
Smelter

The total number of concentrates smelted decreased from 132 228 tonnes in FY2017 to 120 068 tonnes in FY2018 due to a smelter shutdown for 45 days (including power ramp-up) for a planned furnace sidewall reline.

Platinum in converter matte produced decreased by 8% from 262 871 ounces in FY2017 to 241 458 ounces in FY2018 in line with the decrease in the furnace throughput. 4E metal production for the year decreased by 4% from 568 634 ounces in FY2017 to 546 915 ounces in FY2018.

The concentrates stockpiled during the furnace shutdown were exported during the year realising a further 29 259 ounces of platinum. Total platinum ounces produced and sold in the year decreased from 281 069 ounces and 274 364 ounces in FY2017 to 270 717 ounces and 266 720 ounces, respectively, in FY2018.

Metal production 4E Oz



Chief Executive Officer's Report (continued)

CAPITAL PROJECTS

The Group spent a total of US$135.3 million on capital projects during the year compared to US$63.3 million spent in FY2017.

Stay in busines projects

A total of US$131 million was spent on stay in business projects during the year, 121% higher than the US$59.3 million spent in the prior year.

Bimha Mine which is undergoing redevelopment achieved design production capacity in April 2018 as planned. The commissioning of the north crusher and ore conveyancing system is scheduled for first quarter of FY2019, while the commissioning of the south crusher and ore conveyancing system is scheduled for the fourth quarter of FY2019. A total of US$29.9 million was spent on this project during the year bringing the project expenditure as at 30 June 2018 to US$66.2 million against a budget of US$101 million. A total of US$14.4 million was committed as at the end of the year.

A total of US$31.2 million was spent on the replacement of trackless mining machinery (TMM) including ancillary support equipment, in line with the current replacement policy.

Development of Mupani Mine to replace Rukodzi and Ngwarati mines, which deplete in FY2021 and FY2025 respectively, is ahead of schedule. A total of US$28.7 million was spent on this project during the year bringing the project expenditure as at 30 June 2018 to US$37.8 million. The mine is scheduled to reach full production of 2.2Mtpa in August 2025 at an estimated total project cost of US$264 million.

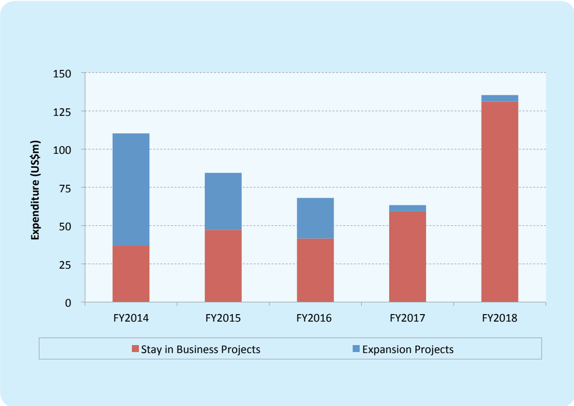
Expansion projects

The Phase 2 expansion projects continued focusing on the upgrading of the dust abatement system at the Ngezi Concentrator and outstanding work on the sewer outflow handling. US$4 million was incurred during the year bringing the total actual project expenditure as at 30 June 2018 to US$458 million against an authorised budget of US$491.9 million.

The SMC Base Metal Refinery refurbishment project remains constrained by cash flow challenges arising from the depressed metal prices. The project total expenditure as at 30 June 2018 was US$23.6 million.

A total of US$4 million was spent on expansion projects during the year, the same as in the previous year.

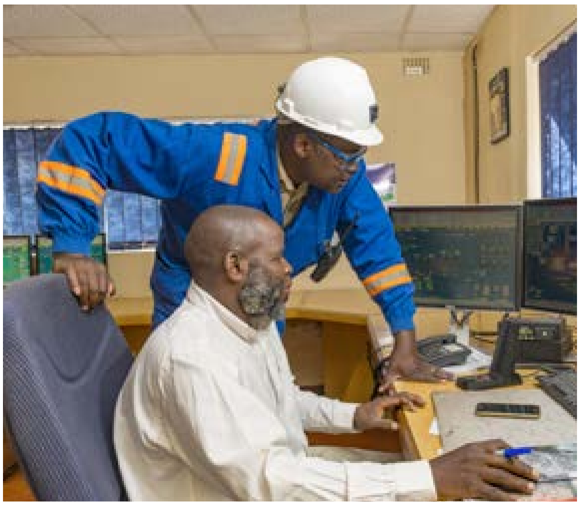
Capital expenditure



OUR PEOPLE

Staff turnover deteriorated from 3.1% in FY2017 to 4% in the current year mainly due to an increase in ill-health retirement cases. However, the staff turnover was within the limit for the year. The Group's industrial relations for the year were stable.

The number of permanent employees increased by 5% from 3 053 to 3 198 as the mining division resourced Bimha Mine which ramped up production to design capacity during the year. The number of contractor

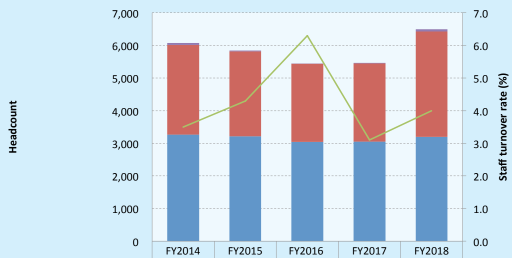


Chief Executive Officer's Report (continued)

employees increased by 12% from 2 878 to 3 231 due to increased activity at the Mupani Mine project.

Regrettably, no progress has been made on the home ownership scheme for the employees based at the Selous Metallurgical Complex due to cash constraints. Various funding options for the delivery of the houses are currently under consideration.

Labour headcount and turnover



	FY2014	FY2015	FY2016	FY2017	FY2018
Casuals	57	22	6	12	64
Contractor employees	2 749	2 605	2 397	2 398	3 231
Permanent employees	3 268	3 214	3 040	3 053	3 198
Staff turnover rate (%)	3.5	4.3	6.3	3.1	4.0

SOCIAL INVESTMENTS

The Group spent US$6 million▲ on social investment projects during the year compared to US$2.2 million in the prior year. The social development projects undertaken encompass facilities for sports, education, health, livestock, local enterprise development and income generating projects.

Local procurement decreased from 72% in FY2017 to 69% in FY2018. The Group remains committed to contributing towards the resuscitation of the Zimbabwean economy and the development of local enterprises.

FINANCIAL RESULTS

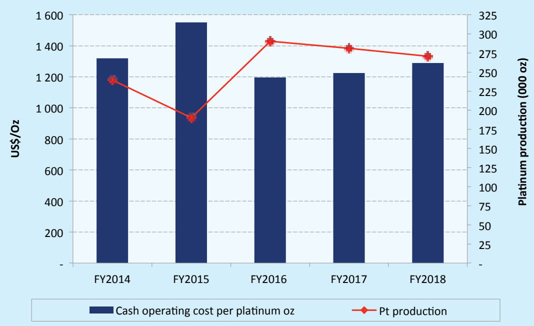
Revenue for the year increased by 14% from US$512.5 million in FY2017 to US$582.5 million despite the 2% decrease in 4E sales volumes from 555 892 ounces to 542 085 ounces. This was due to the increase in average prices of palladium, nickel, rhodium and copper which resulted in a 17% increase in gross revenue per platinum ounce from US$1 868 to US$2 184.

Cost of sales marginally increased from US$367.1 million in FY2017 to US$368 million.

Gross profit margins improved from 28% in FY2017 to 37% in the current year mainly due to the improvement in average metal prices achieved.

Operating cash costs per platinum ounce increased by 5% from US$1 225 in FY2017 to US$1 290 in FY2018 due to a 4% decrease in platinum produced (including metal in concentrate sold), increase in employee benefit expenses and increase in prices of consumables.

Cash operating cost per platinum ounce



In May 2016, the Reserve Bank of Zimbabwe (RBZ) introduced an export incentive scheme to promote the export of goods and services to enhance inflows

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

Chief Executive Officer's Report (continued)

of foreign currency. The Group was awarded a 2.5% export incentive on export proceeds received in Zimbabwe. As a result, income of US$13.6 million (FY2017: US$14 million) was recognised in the income statement.

The Group realised US$10.4 million (FY2017: US$20.8 million) from the disposal of treasury bills. In March 2018, the operating subsidiary received a treasury bill from the Government of Zimbabwe with a nominal value of US$11.3 million and a maturity date of 24 November 2020 in settlement for interest on the historic US$34 million owed by the RBZ. The treasury bill was disposed of during the year for a consideration of US$10.4 million. The principal amount of US$34 million was settled in the prior year through the issuance of treasury bills with a nominal value of US$34 million which were disposed of for a consideration of US$20.8 million in the same year.

As a result of these factors, profit before income tax for the year increased from US$101.3 million in FY2017 to US$166 million.

The income tax expense increased from US$55.8 million in FY2017 to US$163.3 million driven mainly by a US$98.1 million deferred tax charge. The deferred tax charge for the current year was significantly higher than for prior year because of the change of the operating subsidiary's status from being a special mining lease (SML) holder to a mining lease (ML) holder. A deferred tax charge of approximately US$95.4 million was recognised in FY2018 arising from the change in the income tax rate of 15.45% applicable under the SML tax regime to 25.75% applicable under the ML tax regime (inclusive of AIDS levy).

Current income tax and additional profits tax increased by a net total of US$13 million mainly due to improved profitability offset by a US$8.2 million benefit from adjustments in respect of prior years' computations.

Consequently, profit for the year decreased from US$45.5 million in FY2017 to US$2.6 million.

Net cash generated from operating activities increased from US$56.1 million in FY2017 to US$195 million driven by the improved profit before income tax. At year-end, the Group had bank borrowings amounting to US$85 million (2017: US$109 million) and a cash balance of US$119 million (2017: US$70.3 million).

APPRECIATION

I would like to thank all Team Zimplats members and my management colleagues for an exceptional performance in the year. I also extend my sincere gratitude to our suppliers and contractors for their commitment and valued contribution during the year. Together we make Zimplats great!

Last but not least, I would like to express my sincere appreciation to the board members for their valuable guidance and support.

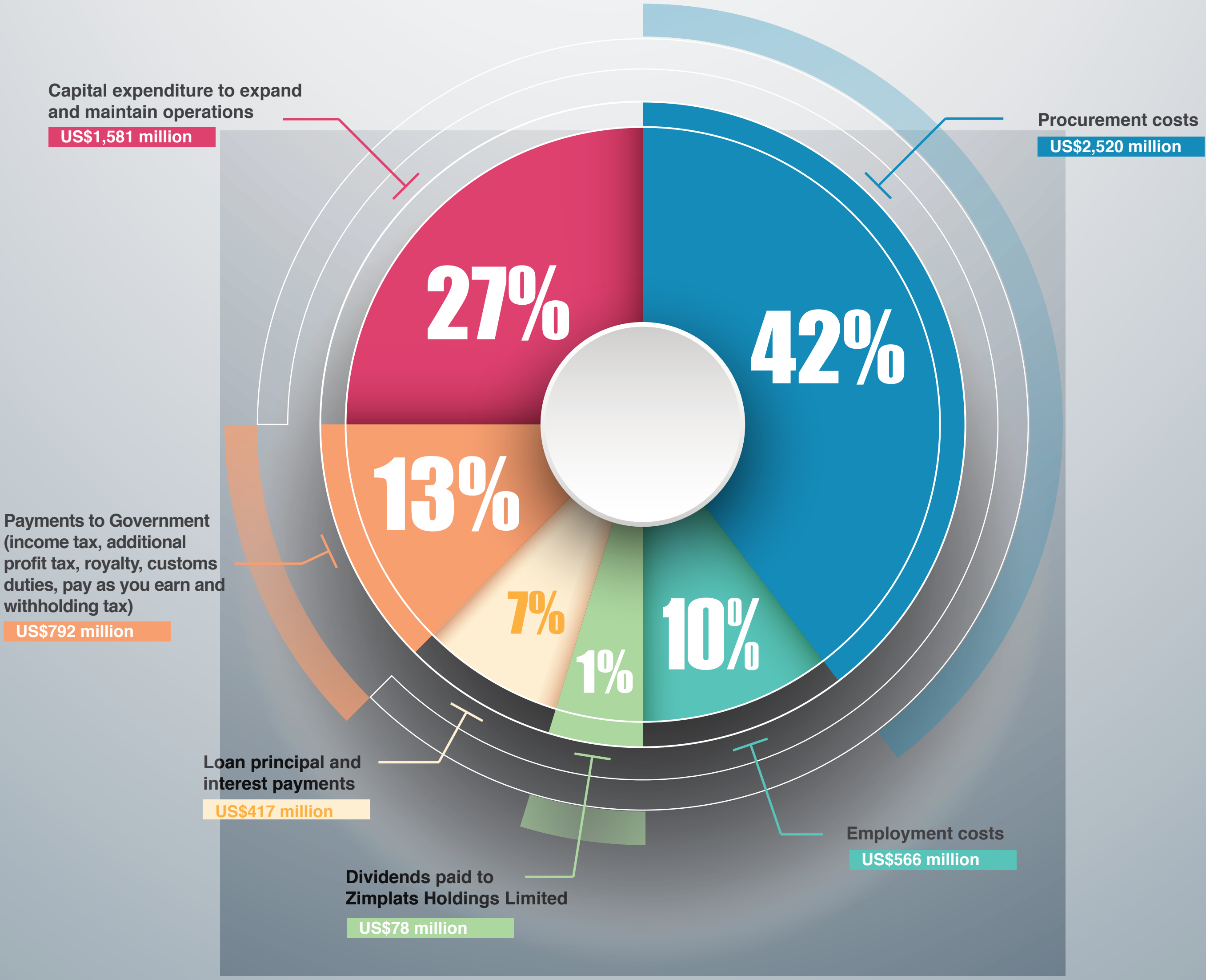
I thank you all!

Alex Mhembere
Chief Executive Officer
11 September 2018

Cash Utilisation - FY2002 to FY2018

Zimbabwe Platinum Mines (Private) Limited

Total US$6 billion



Five Year Review

SUMMARISED FINANCIAL RESULTS

	FY2018 US$ 000	FY2017 US$ 000	FY2016 US$ 000	FY2015 US$ 000	FY2014 US$ 000
GROUP STATEMENT OF COMPREHENSIVE INCOME					
Revenue	582 544	512 549	471 778	408 391	575 978
Platinum	223 334	239 390	247 197	201 957	306 693
Palladium	200 398	161 232	122 153	108 699	137 760
Gold	34 585	32 251	33 237	23 400	31 393
Rhodium	42 962	20 346	14 677	16 782	20 075
Nickel	53 318	38 708	37 607	42 880	59 220
Other metals	27 947	20 622	16 907	14 673	20 837
Cost of sales	(368 036)	(367 065)	(390 650)	(315 727)	(332 272)
Mining	(148 805)	(153 385)	(148 451)	(130 384)	(123 594)
Processing	(86 057)	(81 527)	(82 750)	(81 890)	(86 405)
Depreciation	(64 540)	(74 643)	(73 283)	(69 086)	(59 557)
Employee benefit expenses	(69 798)	(63 015)	(59 172)	(60 621)	(56 737)
Stock movement	1 164	5 505	(26 994)	26 254	(5 979)
Gross profit	214 508	145 484	81 128	92 664	243 706
Other operating expenses	(4 610)	(8 967)	(1 135)	(9 644)	(8 177)
Operating costs	(41 089)	(51 045)	(47 172)	(54 245)	(88 152)
Exceptional items	-	21 359	3 725	29 539	(18 887)
Net finance (costs)/income	(2 853)	(7 997)	(7 192)	(2 176)	177
Profit before income tax	165 956	98 837	29 354	56 138	128 667
Income tax expense	(163 316)	(55 775)	(22 027)	(130 467)	(31 534)
Profit/(loss) for the period	2 640	43 059	7 327	(74 329)	97 133
Attributable to minority interests	-	-	-	-	-
Net profit/(loss) to shareholders	2 640	43 059	7 327	(74 329)	97 133
GROUP STATEMENT OF FINANCIAL POSITION					
ASSETS					
Non-current assets	1 088 620	1 019 104	1 026 286	1 029 047	1 052 405
Property, plant and equipment	1 066 534	996 339	1 003 925	1 007 760	1 023 134
Mining interests	20 171	20 308	20 308	21 287	22 445
Financial assets and other receivables	1 915	2 457	2 053	-	6 826
Current assets	411 758	384 643	295 231	316 916	323 758
Total assets	1 500 378	1 403 747	1 321 517	1 345 963	1 376 163
EQUITY AND LIABILITIES					
Capital and reserves	995 299	992 659	947 121	952 797	1 027 126
Non-current liabilities	308 620	259 810	249 087	205 383	213 231
Deferred income tax liabilities	243 372	145 183	140 549	135 122	121 846
Borrowings	42 500	85 000	85 000	50 000	75 000
Environmental rehabilitation provision	22 387	27 832	21 668	19 423	13 661
Share based compensation	361	1 795	1 870	838	2 724
Current liabilities	196 459	151 278	125 309	187 783	135 806
Total equity and liabilities	1 500 378	1 403 747	1 321 517	1 345 963	1 376 163

Five Year Review (continued)

STATISTICS REVIEW	FY2018	FY2017	FY2016	FY2015	FY2014
Operating statistics					
Ore mined (tonnes)	6 800 518	7 017 168	6 579 686	5 234 507	5 624 872
Ngwarati Mine	1 204 803	1 479 858	1 712 920	1 560 369	1 408 550
Rukodzi Mine	1 347 928	1 660 419	1 838 432	1 619 035	1 381 449
Mupfuti Mine	1 952 887	1 972 767	1 712 848	1 599 693	963 229
Bimha Mine	1 581 937	916 416	442 292	349 717	1 871 644
South Pit Mine	712 963	987 708	873 194	105 693	-
Ore head grade (g/t)	3.24	3.24	3.23	3.24	3.26
Ore milled (tonnes)	6 569 817	6 715 963	6 406 187	5 163 499	5 939 277
SMC concentrator	2 283 222	2 343 347	2 236 893	1 936 967	2 096 146
Ngezi concentrator	4 286 595	4 372 616	4 169 294	3 226 532	3 843 131
4E oz in matte produced	546 915	568 634	583 171	383 962	486 865
Platinum	270 717	281 069	290 410	190 027	239 660
Palladium	223 112	232 914	236 375	154 846	197 623
Gold	29 207	29 211	30 578	21 692	27 250
Rhodium	23 879	25 440	25 808	17 397	22 333
4E oz in matte and concentrate sold	542 085	555 892	582 833	381 849	477 905
Platinum	266 720	274 364	288 063	188 760	234 396
Palladium	222 105	227 886	238 008	154 403	195 049
Gold	29 508	28 998	30 715	21 621	26 827
Rhodium	23 752	24 644	26 047	17 065	21 633
Financial ratios					
Gross margin	36.8%	28.9%	17.2%	22.7%	42.3%
Return on equity	0.3%	4.6%	0.8%	(7.8%)	9.5%
Return on assets	0.2%	3.2%	0.6%	(5.5%)	7.1%
Current ratio	2.1	2.5	2.4	1.7	2.4
Operational indicators					
Capital expenditure (US$ 000)	135 695	63 325	68 071	84 526	110 214
Gross revenue per 4E oz (US$)	1 075	922	809	1 070	1 205
Cash operating cost per 4E oz (US$)	639	605	596	767	650
Cash operating cost per platinum oz (US$)	1 290	1 225	1 197	1 551	1 319
Net cash cost per platinum oz (US$)	(57)	229	417	457	170
Non-financial indicators					
Permanent employees	3 262	3 053	3 041	3 214	3 268
Local spend % of total spend	81%	73%	75%	71%	66%
Lost-time injury frequency rate	0.19▲	0.21	0.58	0.88	0.75
Total injury frequency rate	0.52▲	0.41	1.01	1.33	1.37
Effluent permits issued (red, high impact)	-	-	-	-	-
Disturbed areas rehabilitated (ha)	2.2	53.0	16.0	2.5	1.5

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

Achievements FY2018

OBJECTIVE	STATUS
Improve safety performance through the implementation of identified interventions and remain fatality free. Achieve target LTIFR of 0.38	• There were no▲ fatalities reported during the year (8.8 million fatality free shifts achieved by end of the financial year) • Three lost-time injuries recorded, same as in FY2017 • LTIFR improved from 0.21 in FY2017 to 0.19▲ in FY2018 • TIFR deteriorated
Achieve planned FY2018 production volumes and efficiencies	• Tonnes mined and milled were 3% and 4% above plan respectively • 4E head grade was marginally below plan • Concentrator recovery rates were marginally above plan • Platinum production was 6% above target
Achieve planned FY2018 cost performance	Cash operating cost per platinum ounce at US$1 290 was 6% above target
Cash preservation	• Operating cash cost per platinum ounce 6% below plan • Capital expenditure was 1% below plan • Cash net of debt was US$97.2 million above target
Achieve design capacity production at Bimha Mine by April 2018	• Bimha Mine reached design production in April 2018 as planned • The commissioning of the north crusher and ore conveyancing system is scheduled for first quarter of FY2019, while the commissioning of the south crusher and ore conveyancing system is scheduled for the fourth quarter of FY2019. • A total of US$66.2 million (66%) has been spent on the project, against a budget of US$101 million
Develop Mupani Mine as planned	• Decline development is ahead of schedule • Work on surface infrastructure commenced and is on schedule • A total of US$37.8 million (14%) has been spent on the project, against a budget of US$264 million
Facilitate construction of employee houses under the employee home ownership scheme	• Investigations for third party funding and development of serviced stands were concluded in July 2018 • Construction is expected to commence in the second quarter of FY2019
Maintain the local supply base at a minimum of 65% of annual spend, excluding government institutions	Purchases from local suppliers in FY2018 accounted for 69% (FY2017: 72%) of the Group's annual expenditure on goods and services, excluding government institutions
Retain certification on the ISO 9001, ISO 14001 and OHSAS 18001 Systems	Certification retained
Comply with the existing tax legislation to minimise risks of non-compliance penalties and interests	• Tax compliance reviews were carried out by both internal and external experts and no major compliance issues were raised • The Group continues to engage the tax authorities on legacy and emerging tax matters • Migrated from special mining lease tax regime to an ordinary mining lease regime with effect from 31 May 2018. Engagement with the tax authorities on the transition is ongoing
Complete capital expenditure projects within approved budgets	All capital projects expenditure was within the approved budgets

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

Objectives FY2019

- Improve safety performance through the implementation of identified interventions and eliminate fatalities. Achieve target LTIFR of 0.17
- Achieve planned FY2019 production volumes and efficiencies
- Achieve planned FY2019 cost performance
- Develop Mupani Mine as planned
- Optimise the business processes through the employment of technology and a review of business processes
- Strategically position the organisation to exploit growth opportunities
- Maintain cordial relations with all stakeholders to create an enabling environment to deliver superior stakeholder returns
- Facilitate construction of employee houses under the employee home ownership scheme
- Maintain the local supply base at a minimum of 65% of annual spend, excluding government institutions
- Retain certification on the ISO 9001, ISO 14001, ISO 17025 and OHSAS 18001 systems
- Comply with the existing tax legislation to minimise risks of non-compliance penalties and interests
- Complete capital expenditure projects within the approved budgets.

Market Review

(all references to years in this section refer to calendar years unless otherwise stated).

Rising trade tensions

The International Monetary Fund (IMF) estimated that the global economy grew by 3.7% in 2017 and estimates global growth of 3.9% in 2018. However, the IMF highlights that risks to the outlook are mounting on the back of increasing trade tensions. Growth projections have been revised downwards for the European Union (EU) , Japan, and the United Kingdom. Among emerging markets and developing economies, growth prospects are impacted by a rising oil price, higher yields in the United States of America (US), escalating trade tensions and currency weakness in some economies with weaker fundamentals.

The IMF highlights that the announced and anticipated tariff increases by the US and retaliatory measures by trading partners have increased the likelihood of escalating and sustained trade actions. These, they suggest, could depress medium-term growth prospects, both through their direct impact on resource allocation and productivity, and by raising uncertainty and harming investment.

Market performance

Platinum demand declined by 3.8% during 2017 due to weaker platinum jewellery sales in China and lower diesel automotive sales in Western Europe. Combined with increasing recycling, the platinum market was essentially balanced during 2017. In contrast, the palladium market remained in fundamental deficit on the back of increasing gasoline engine sales. Rhodium also benefited from this increasing number of gasoline engines, with an added benefit from increased industrial requirements, resulting in a small surplus for this metal. The platinum price closed FY2018 7% lower at US$851 per ounce, compared to the start of the financial year (US$919 per ounce). The average London Trade price for the full financial year was 5% lower (US$ 939 per ounce) than FY2017 (US$988 per ounce). Platinum price movements during FY2018 was negatively impacted by market consensus that the metal will record a market surplus in 2018.

Gold and platinum price FY2017

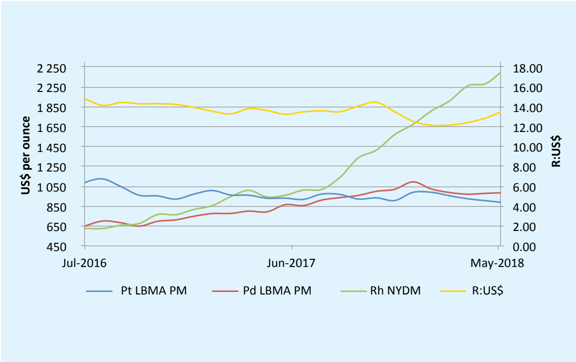
In contrast, palladium prices closed FY2018 13% higher (US$953 per ounce) than the start of the financial year (US$843 per ounce). The average London Trade price for the full financial year was 33% higher (US$977 per ounce), compared to the previous financial year (US$737 per ounce). The recent pullback in palladium prices coincided with stock market corrections, in the US particularly, as worries about trade tensions impacted investor risk sentiment.

Rhodium was the star performer in the PGM basket of metals, registering the biggest increase during the financial year, with prices doubling over the reporting period. Rhodium prices closed the financial year at US$2 228 per ounce on New York Dealer trade, after opening at US$1 018 per ounce at the start of the year. The average price for the full financial year, at US$1 605 per ounce, was almost twice that achieved during FY2017 (US$803 per ounce). This was largely due to increasing demand from both the automotive and industrial sectors.

Source: Impala Platinum Holdings Limited

Market Review (continued)

PGM price performance



Source: Reuters, LBMA, New York Dealer

Automotive

According to LMC automotive, 2017 was another positive year for the automotive industry, with global light-duty vehicle sales estimated to have reached 95.3 million units (up 2.4% from 2016) on the back of growth in China, Western Europe, Eastern Europe and Latin America, offset by lower sales in the US.

The growth in the vehicle sales favoured gasoline engines, supporting growing palladium and rhodium demand. The continued decline in diesel share, meant automotive demand for platinum declined by an estimated 2% to reach 3.25 million ounces. In contrast, palladium demand is estimated to have increased by 2% reaching 7.9 million ounces, with rhodium growing by 4% to 0.9 million ounces.

For the first half of 2018, the sales of light-duty vehicles grew by 3.5% to reach 48.3 million units. The main areas of growth were in the US, Western Europe, Eastern Europe, China, Brazil and Argentina, more than offsetting losses in Japan and Canada.

US auto sales were strong during the first half of 2018, reaching 8.6 million units, a 2.1% increase from a year earlier. Sales were aided by extra selling days, strong incentives, fleet sales and a step-up in showroom traffic. With a strong job market and bustling housing market fuelling consumer confidence, consumers bought more vehicles than a year earlier, notwithstanding rising fuel prices, higher interest rates and escalating trade tensions.

However, US auto sales in the second half of 2018 are expected to taper off as interest rates rise further and more late-model used cars return to dealerships to compete with new ones. Additionally, automakers have warned that sales could drop dramatically if the US imposes steep tariffs on foreign vehicles and imported auto parts, raising prices to consumers and costs to manufacturers. US consumers continued to favour PGM-loaded larger pickup trucks, sport utility vehicles and crossovers, a positive for both palladium and rhodium demand.

According to the China Association of Automobile Manufacturers (CAAM), Chinese vehicle sales reached 14.1 million units during the first half of 2018, a 5.6% increase from a year earlier. LMC Automotive estimates that the light-duty vehicle sales reached 13.8 million units, a 4.9% increase from the year earlier.

Even though sales continued to grow, the US-China trade disputes have caused uncertainty over the prices of imported vehicles, which seemingly made consumers hold off on purchases of imports during the first half of 2018. On the back of this, LMC Automotive suggests that some slowdown in sales (especially sales of imports) is unavoidable in coastal provinces that are heavily reliant on US-Chinese trade.

In the first half of 2018, demand for new cars in both Western and Eastern Europe was positive. Light-duty vehicle sales were up 2.1% in Western Europe reaching 8.9 million units, whilst in Eastern Europe sales were up 9.5% reaching 2.1 million units, according to LMC Automotive. However, the region's diesel share of new car sales continues to fall, hurting platinum demand. New diesel car sales during June 2018 accounted for less than 37% of Western European sales (12 months ago the figure exceeded 45%).

New vehicle sales in Japan continued to weaken during the first half of 2018. Sales decreased by 1.8% totalling 2.7 million units on the back of automaker scandals and weakening consumer and business confidence.

Source: Impala Platinum Holdings Limited

Global light-duty vehicle sales are forecast to reach a new record of slightly more than 97 million units in 2018.

		Forecast	
Units: Millions	**2017**	**2018**	**% change**
North America	17.19	17.15	(0.2%)
Western Europe	16.20	16.66	2.8%
China	28.60	29.12	1.8%
Japan	5.16	5.20	0.6%
Rest of the world	28.13	28.91	2.8%
	95.28	97.04	1.8%

Source: Reuters, CAAM, LMC Automotive

Electric vehicles

Automakers are taking aggressive steps to meet fuel economy and carbon dioxide targets by 2025. The past year has been marked by increased announcements from major automakers about their intentions for the electric vehicle (EV) market. The numbers of EV models available on the market increased from 80 in 2015, reaching 165 in 2017. About 1.1 million EVs were sold globally in 2017, of which 64% were battery electric and 36% plug-in hybrid. For 2018, more than 1.6 million units are expected to be sold.

Nearly 0.6 million of these units were sold in China, with full-battery EVs accounting for 75% of sales. In the US, Europe and Japan, the split was equal between battery EVs and hybrid sales, with the latter still requiring a catalyst to reduce emissions from the internal combustion engine. EVs accounted for less than 1.2% of total automotive sales in 2017, with several automakers not meeting their targets or postponing the launch of new products. Reduced battery costs, stricter emissions regulations, autonomous driving and increased performance (for example, increased range) are expected to increase the uptake of these cars in future.

However, we still believe the market is currently overestimating the negative impact of powertrain electrification on platinum demand in the long term. In our view, the move towards EVs can only be answered by having a large part of the vehicle fleet as hybrid, plug-in hybrid and fuel-cell vehicles, all of which contain PGMs.

Jewellery

The Platinum Guild International (PGI) reported its 2017 retail sales estimates for China, India, Japan and the US during London Platinum Week. For China and India, it was able to report performance from its partners in relation to manufacturing data. In China, the PGI estimates its partners' sales declined by 2.8%, significantly lower than the manufacturing demand decline of 5.7%. The market decline is underpinned by changing consumer preferences, while most retailers' products and business models remain unchanged. The change in consumer preferences is hurting generic jewellery business models, yet the PGI expects long-term growth opportunities to be sustained as retailers adapt to the changing demand environment, with revised designs and collections.

For the Chinese market, the PGI expects the bridal segment to continue to grow, driven by consumer penetration in lower-tier cities, while the gifting and self-purchase segments are likely to continue the recent decline. Additionally, it expects the market to continue being pressured by underperforming generic products, with competition from 18 carat gold jewellery likely to intensify. The PGI estimates that for 2018, its partners' retail sales will decline by 3% to 8%, while manufacturing demand will decline by 5% to 10% (66 to 132 koz decline).

In India, the PGI estimates that its partners' 2017 sales increased by 21%, whilst manufacturing demand increased by 34%, driven by the bridal, gifting and self-purchase sectors. The PGI highlights that after regulatory shocks, platinum has rapidly picked up speed to pre-2016 growth rates — 2016 marked the beginning of ongoing government interventions that have had a significant impact on the jewellery trade. The PGI suggests the new regulations have been a blessing in disguise for platinum, allowing it to win important market share for the future, and it forecasts the market will reach 500 koz within the next four to five years, almost three times the current market size.

The PGI estimates the Japanese platinum jewellery market grew by 2.1% in 2017 compared to 2016, driven by growth in non-bridal purchases more than offsetting declines in the bridal sector. The return of optimism to Japan, especially for women, the key buyers of platinum

Market Review (continued)

jewellery, is expected to boost purchases, especially in the non-bridal category.

The trade sentiment, as evaluated by the PGI in the US, suggests platinum retail sales grew by 11% during 2017, largely driven by diamond sales — platinum is positioned as the best metal to secure a diamond. The PGI expects bridal platinum jewellery to continue to grow, supported by initiatives of platinum crowns, retail marketing and further available designs. The PGI estimates platinum jewellery demand will grow by 8 to 11% in the US during 2018.

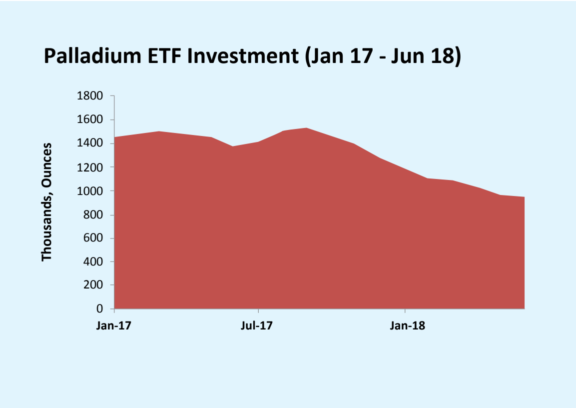
The numbers above suggest that, globally, the overall demand for platinum jewellery in 2017 using manufacturing demand was 2.34 million oz (5% decline compared to 2016) and will be relatively flat year-on-year in 2018, with higher potential if more funding could be raised.

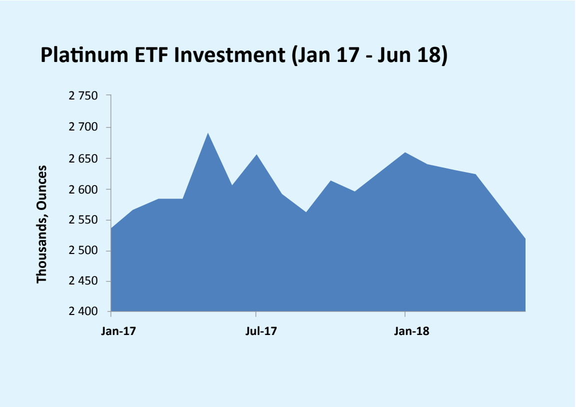
Industrial

The low platinum price generated some additional industrial interest in 2017, especially in the glass and chemical sectors – a trend that continued during the first half of 2018. In contrast, palladium demand during the second half of 2017 and the first half of 2018 declined because of higher prices.

Investment

After growing by 107 koz during 2017, the global platinum Exchange Traded Funds (ETF) holdings declined by 123 koz during the first half of 2018. South African funds dominated net sales, with investors selling platinum and buying palladium. Despite the South African palladium funds growing by 383 koz or 40% of the global total, strong selling by UK and US investors resulted in a total palladium ETF divestment of some 330 koz. Asset class changes and profit taking were the main reason for the movements.





Source: Hong Kong Shanghai Banking Corporation

Japanese small bar gross sales were up 7% year-on-year during the first half of 2018 at an estimated 72 koz. Including coin sales, Japanese investment grew by some 77 koz during the first half of this year.

Source: Impala Platinum Holdings Limited

Market Review (continued)

Net paper positioning on New York Mercantile Exchange (NYMEX) and Tokyo Commodity Exchange (TOCOM) declined during the second quarter of 2018, with platinum length declining by 1.05 million oz year-to-date to reach 555 koz. The platinum paper market went net short in the early weeks of July 2018 – a first in 13 years. It was similar for palladium which fell by 1.74 million oz to reach 880 koz year-to-date. The moves highlight increased concerns about global growth and the impact of potential trade wars on commodity prices/consumption.

As part of efforts to boost investment demand for physical platinum, the World Platinum Investment Council (WPIC) has, in collaboration with Chinese company Shenzhen Hengfu Yingjia (Hengfu), launched the first platinum bar products in China. The launch of the high-purity 999.5 platinum bars forms part of a new strategic partnership between the WPIC and Hengfu to develop the physical platinum investment market in South China. The investment-grade platinum bars are minted by Swiss Metalor Group and are available in sizes of 10g, 15g and 100g. WPIC research estimates that demand for platinum bars and other investment products in China could grow to between 300 koz and 500 koz in the next two to three years.

2018 outlook

The gradual recovery of the global economy, with the anticipated revival in industrial production and consumer demand, is expected to be the biggest driver of PGM demand over the medium to longer term. However, the risk of a potential US-China tariff war still looms large and is likely to be a recurring theme, which could negatively impact platinum, palladium and rhodium in the months ahead. In our view, we expect the platinum market to be in surplus this year, with palladium markets remaining in yet another fundamental deficit and rhodium expected to remain in a small surplus.

Platinum

We estimate platinum demand will be 5% lower during 2018, principally driven by lower automotive and investment demand. In contrast, platinum industrial demand is forecast to grow in line with the global gross domestic product, driven by the chemical and glass sectors. However, growing secondary supplies and South African supply only reducing by some 100 koz, will move this market to a fundamental surplus this year.

Platinum supply/demand outlook

'000 TOZ	2017	2018 (Forecast)
DEMAND		
Automotive	3 250	3 120
Jewellery	2 340	2 365
Industrial	1 975	1 990
Investment	270	(50)
Total demand	**7 835**	**7 425**
SUPPLY		
South Africa	4 295	4 180
Zimbabwe	475	450
North America	320	340
Recycle - Auto	1 325	1 430
Recycle - Jewellery	590	590
Recycle - Other	35	35
Russian	625	630
Others	160	160
Total supply	**7 825**	**7 815**
Movement in stocks	**(10)**	**390**

Market Review (continued)

Palladium

We expect increased requirements from the automotive industry to outpace industrial requirements during the remainder of 2018. The primary and secondary supplies of palladium are not expected to sufficiently cover demand — hence we expect palladium to be in fundamental deficit in 2018.

Palladium supply/demand outlook		
'000 TOZ	2017	2018 (Forecast)
DEMAND		
Automotive	7 905	8 330
Industrial	1 970	1 915
Investment	(375)	(330)
Jewellery	200	200
Total demand	**9 700**	**10 115**
SUPPLY		
South Africa	2 470	2 415
Zimbabwe	385	365
North America	865	930
Russian	2 650	2 550
Recycle - Auto	2 295	2 490
Recycle - Jewellery	45	55
Recycle - Other	480	485
Others	130	130
Total supply	**9 320**	**9 420**
Movement in stocks	**(380)**	**(695)**

Rhodium

Even though we estimate that the rhodium market will be in a small surplus this year, continued requirements by the automotive and industrial sectors should keep this metal well bid.

Rhodium supply/demand outlook		
'000 TOZ	2017	2018 (Forecast)
DEMAND		
Automotive	855	885
Industrial	190	180
Investment	15	-
Total demand	**1 060**	**1 065**
SUPPLY		
South Africa	645	630
Zimbabwe	35	35
North America	20	25
Russian	65	60
Recycle - Auto	325	340
Others	5	5
Total supply	**1 095**	**1 095**
Movement in stocks	**35**	**30**

Source: Impala Platinum Holdings Limited

Sustainability Matters

Refurbished Kadoma General Hospital

MANAGEMENT APPROACH

Zimplats' approach to sustainability is entrenched in the principle of creating shared value which is focused on three strategic considerations, namely, economic development, social development and environmental protection. Our success in these areas ensures sustainable symbiotic relationships between the organisation, its stakeholders and ecosystems.

This sustainability report addresses the key tenets of the Global Reporting Initiative (GRI) Standards: Core Option as detailed in the GRI index provided on pages 175 to 179. Zimplats has applied the GRI Standards in the preparation of the sustainability report. EY has undertaken a limited assurance engagement for selected key performance indicators presented in this integrated annual report, and for Zimplats' assertion that the report is prepared in accordance with the GRI Standards: Core Option as indicated by the symbol (▲) throughout the report. The independent assurance report is on pages 180 to 183.

Sustainability performance data

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

OUR STRATEGY

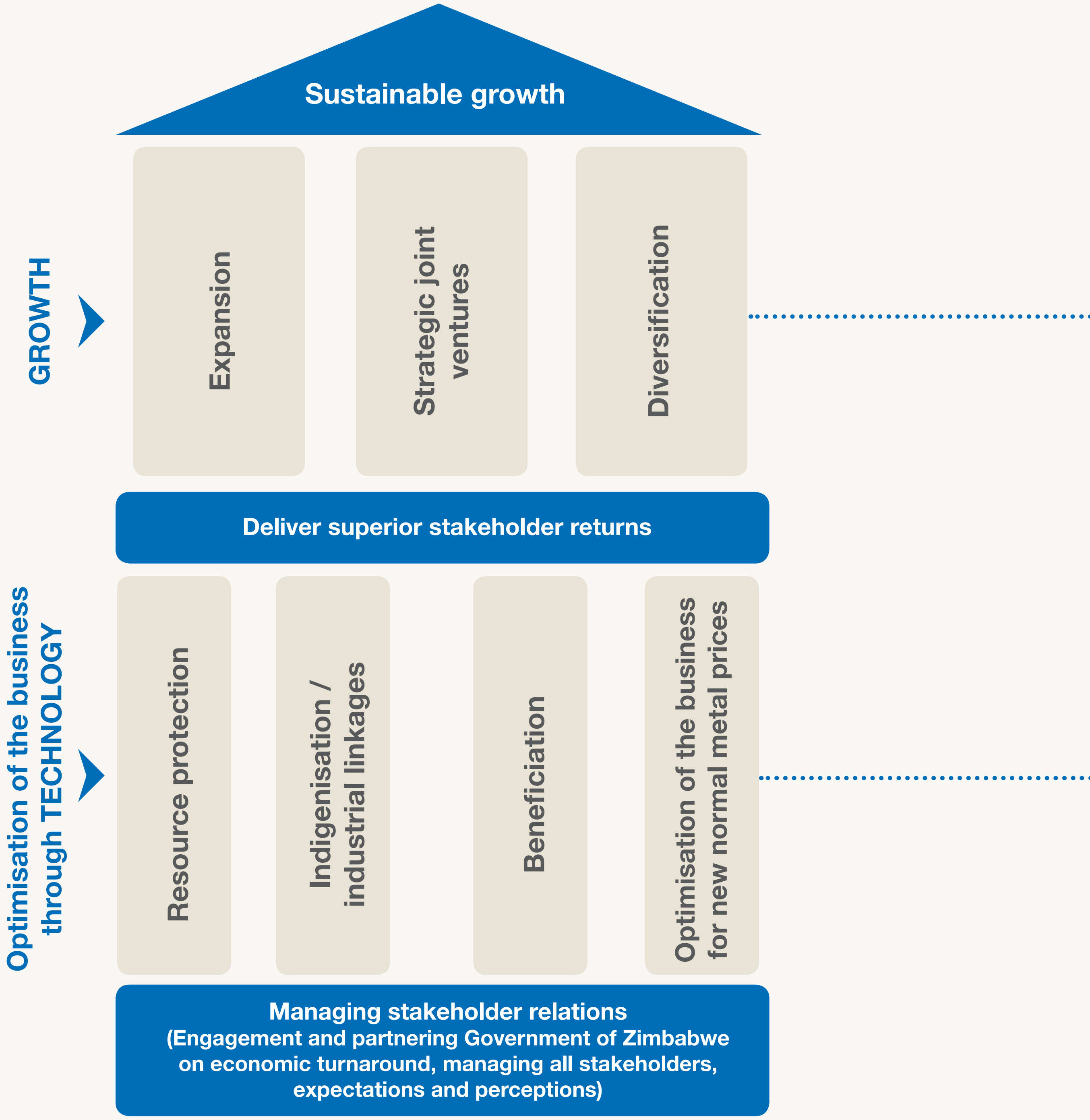
The Zimplats business strategy is aligned to our vision to be the safety and cost leader in the platinum sector with sustainable growth in production, whilst generating superior returns for the benefit of all our stakeholders.

Our strategy is informed by the current prevailing low metal prices and the changing business environment.

Superior shareholder returns position the organisation for sustainable growth, achievable through expansion, strategic joint ventures and exploring diversification opportunities to other commodities that are available in Zimbabwe.

Sustainability Matters (continued)

In order to realise our strategic objective of delivering superior stakeholder returns and positioning the business for growth, the following strategic pillars are being pursued:



Sustainability Matters (continued)

Based on the above, the following short, medium and long term strategic objectives are being implemented:

Short term (18 months)

Operational - business optimisation under the current low metal prices through:

- Driving safety strategies to achieve zero harm by migrating our organisation’s safety culture from the dependent to the independent stage on the Bradley Curve
- Rationalising capital expenditure to reduce stay in business (SIB) capital expenditure
- Rationalising stock to achieve optimum inventory holding levels
- Achieving higher employee engagement through the ‘’Good to Great” people strategy
- Continuing with cash preservation initiatives
- Implementing strategies to enhance productivity
- Reducing operating expenditure through cost containment initiatives
- Deploying technology to manage safety, improve productivity and reduce costs
- Managing foreign currency efficiently
- Progressing Mupani Mine development
- Completing Bimha Mine re-development
- Managing smelter operational risks

Risk Management

- Effective enterprise risk management
- Regular PGM market intelligence to understand metal prices trends
- Attending to indigenisation compliance through regular engagement with the Government of Zimbabwe
- Addressing historical and emerging taxation risks
- Managing power supply risks
- Maintaining our social licence to operate through effective stakeholder engagement and by developing partnerships with the communities around our operations
- Regularly monitoring changes in the business environment to take advantage of the opportunities it presents

Medium to long term:

Operational

- Continue with short term initiatives
- Intensify application of proven new technologies and methods to manage safety and costs

Growth

- Prepare for growth
- Continue with investigations on methods for upper ores mining
- Investigate joint ventures and strategic partnerships
- Explore diversification opportunities

Risk management

- Stakeholder management: Continuing with efforts to build sound relationships with key stakeholders based on creating mutual understanding, respect and goodwill
- PGM market monitoring to understand metal price forecasts
- Social licence to operate: Implement local enterprise development (LED) and social investment (CSI) projects

OUR APPROACH TO RISK MANAGEMENT

The coordination of our risk management process, which is structured and centralised, is aligned to ISO 31 000 and the COSO framework for managing risks. It involves well established processes of:

a. Risk identification
b. Risk impact assessment
c. Risk analysis and prioritisation
d. Risk treatment, mitigation planning, implementation and progress monitoring
e. Risk tracking, review and consultation

This process is shown in the model below adopted from the revised ISO 31 000 (2018):

Fig 1: Zimplats risk management process: Adopted from ISO 31 000 (2018)

Significant risks in terms of impact on strategy are reported regularly to the board, together with the level of assurance of mitigation measures to manage the risks. We utilise CURA and ISOMETRIX computerised risk reporting systems for this purpose.

Sustainability Matters (continued)

Our key strategic risks

Depressed PGM metal prices remain the top risk faced by the Group. This and other key strategic risks faced by the Group are detailed below:

Principal Risk	Risk Description	Impact	Mitigation / Control Measures
Depressed metal prices	Metal price fluctuations below the break-even point	Loss of revenue and threat to business survival	• Market intelligence • Monitoring the global commodity market trends
Taxation	Penalties and other financial losses due to failure to comply with taxation regulations	Increased tax cost and reputational damage due to failure to manage tax risks	• Regularly conducting tax compliance health checks covering all tax heads • Monitoring legislative changes • Regular tax training and awareness • Continual engagement with authorities to resolve legacy tax matters
Inadequate foreign currency	Unavailability of foreign currency to meet business foreign currency requirements	• Inadequate foreign currency to meet forex operational requirements • Cost increases as key suppliers fail to access affordable foreign currency	• Supply chain support by availing foreign currency to key suppliers • Lobbying authorities for improved foreign currency retention • Foreign currency prioritisation list • Regular consultation and engagement with authorities • Drive towards import substitution
Cost escalation	Unsustainable cost increases	Reduced profitability and threat to business survival	• Implement cost optimisation strategies • Build the capacity of local suppliers to reduce import costs • Provide supply chain support to mitigate the impact of foreign currency shortage
Cash preservation	Failure to preserve cash resulting in inability to fund operations	Failure to meet operational funding requirements and growth	• Cash preservation initiatives: - Capital rationalisation - Deferring some stay-in-business capital in line with available cash resources - Re-negotiation of major supply contracts • Explore alternative sources of funding • Strengthening treasury management practices
Beneficiation	Failure to progress beneficiation of PGMs	• Exposure to beneficiation levy • Strained stakeholder relations	• Continual engagement with government regarding beneficiation

Sustainability Matters (continued)

Principal risk	Risk Description	Impact	Mitigation / Control Measures
Smelter risks	Disruptions to operations due to unplanned furnace outages	Loss of production, injury to personnel and damage to property	• Regular online monitoring of operational parameters of the furnace • Furnace reline • Explore rectangular furnace installation subject to availability of funding
Indigenisation compliance	Failure to comply with indigenisation policy	Loss of regulatory licence to operate	• Continue to engage government on the indigenisation implementation plan (IIP) • Finalise implementation of agreed aspects of indigenisation (CSOT) • Regular monitoring of changes to government policy regarding indigenisation
Power supply risks	Unavailability of reliable, secure and affordable power	Loss of production	• Regular engagement with Zimbabwe Energy Regulatory Authority (ZERA) and monitoring of national power supply situation • Investigate alternative sources of power from local and regional sources • Explore opportunities for renewable sources of power (solar) • Implement demand side management to reduce operational demand for power
Tailings storage facility (TSF)	Catastrophic failure of TSF resulting in uncontrolled flooding within the zone of influence of the dam.	Injury to personnel, damage to property and negative environmental impact	• Access control system • Emergency preparedness plan • Regular training and awareness • Third party audits of condition of tailings dams • Operation and maintenance of TSF according to best practices • Stakeholder consultation • Collaboration with authorities to relocate communities in the TSF zone of influence
Ground instability	Shear induced ground instability at mine leading to safety and loss of production risks	Loss of production Safety risks	• On-line ground monitoring system • Mining practices enhancement • Mining profile monitoring • Third party audits and reviews • Geotechnical control measures • Ground risk training and awareness • Regular review and training on emergency preparedness and response plan

Sustainability Matters (continued)

Principal risk	Risk Description	Impact	Mitigation / Control Measures
Safety health and environment (SHE)	Safety health and environment risks	Injury to personnel and damage to property leading to failure to achieve ZERO HARM goal Negative effects on employee health Damage to environment	• Safety citizenship programs • Community safety initiatives • Technology deployment to manage high risk areas • Robust SHE management systems • Employee wellness programs • Environmental management systems
Production and quality	Failure to consistently deliver production targets and quality	Failure to meet target production and grade	• Complete Bimha Mine re-development • Grade control audits • Progress Mupani replacement mine development • TMM maintenance and replacement
Social licence to operate	Social licence to operate	Loss of social licence to operate	• Continue to implement corporate social investment programs • Maintain regular engagement with key stakeholders • Implement LED programs
ICT	Information security risks	Exposure to information security risks (confidentiality, availability and integrity) of company information	• Review ICT strategy • Review IT disaster recovery plans • Review IT security policies • Adoption of cyber-security systems
Resource protection	Loss of ground due to use-it-or-lose-it policy	Reduced mineral reserves Failure to attain growth profile	• Resolution of ground lease issues • Progress mining development plan • Engage with authorities to justify resource requirements • Growth projects
Effective people	Inability to attract and retain effective people Strained industrial relations	Loss of skill Operational disruptions due to strained industrial relations	• Employee engagement surveys • Progress housing development model for SMC employees • Engagement through Works Council • Succession planning
Legal compliance	Failure to comply with legal and other requirements	Loss of regulatory licence to operate and financial loss from penalties	• Updated legal registers • Identification of new legislation through the government gazette • Legal compliance audits

Operational Risk Management

The International Mining Industry Underwriters (IMIU) were engaged in FY2018 to conduct an operational risk assessment of operations. The outcome of the assessment has shown that Zimplats' operational risk management system remains adequate, achieving a risk reduction adopted rating (%RRA) above 99% of operations audited by IMIU.

MATERIALITY AND STAKEHOLDER ENGAGEMENT

Management approach

The Group acknowledges the importance of its key stakeholders and the impact that they may have on the business or alternatively the impact that the Group may have on the stakeholders. To this end, stakeholder engagement is at the core of our day to day business operations.

1. Key stakeholders

Zimplats' internal stakeholders are employees, management and shareholders while external stakeholders include communities, regulatory authorities, suppliers, local authorities, government, media, financial institutions, analysts and lobby groups. Identification of stakeholders is achieved through a process of assessing how they impact the Group both directly and indirectly. Consideration is also given as to whether the Group impacts them directly or indirectly. This method is used to develop the stakeholder map. Prioritisation of stakeholders is done following the Group's strategic objectives and risk register.

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

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

ZRP Turf Police Station constructed by Zimplats

Sustainability Matters (continued)

Summary of stakeholder material issues

Stakeholder	Material Issue	Zimplats response
Government	**Indigenisation** Need for compliance with the Indigenisation framework articulated by government. Compliance now limited to the platinum and diamond sectors	• Engagement with government on indigenisation compliance is ongoing • Zimplats was the torchbearer in the implementation of both the Community Share Ownership Trust (CSOT) and Employee Share Ownership Trust (ESOT). Transfer of 10% equity to the ESOT was completed in FY2017 • The process of transferring 10% equity to the community is underway • Zimplats is playing a leading role in terms of the development of industrial linkages and LEDs
	Beneficiation Government has directed the platinum industry to build a refinery. An export levy will be placed on all PGM concentrate exports from 1 January 2019	Zimplats continues to engage the Government of Zimbabwe on this matter. Zimplats is fully supportive of the government's beneficiation policies and its desire to see more beneficiation of the country's mineral resources being undertaken in Zimbabwe To support this, Zimplats has proposed the establishment of a refining services company, Zimbabwe Refinery Services, (ZRS), to implement the government's beneficiation policies. The proposal is that ZRS will be owned by various companies in the platinum sector in the country, which could include an equity stake held by the Government of Zimbabwe
	Release of ground In March 2013, the Government of Zimbabwe gazetted a preliminary notice of its intention to compulsorily acquire a portion of ground (constituting approximately 50% of the remaining ground) held under the operating subsidiary's special mining lease after the first surrender of 36% of ground in 2006. The operating subsidiary lodged a formal objection. As stakeholders are aware, the matter was pending in the courts in Zimbabwe. While the operating subsidiary responded to the legal process for the compulsory acquisition of the portion of ground, in a parallel process the parties continued to engage in discussions to find an amicable resolution of the matter	Following a long period of negotiation, on 31 May 2018, the operating subsidiary and the Government amicably resolved the issue concerning the proposed compulsory acquisition of a portion of Zimplats' mining lease area, as well as the issue of security of Zimplats' mining tenure, to the mutual benefit of the parties. Zimplats released land measuring 23 903 hectares to the Government to enable participation by other investors in the platinum mining industry in Zimbabwe
	Housing for SMC employees The disparity between housing conditions offered for Ngezi employees and those employed at SMC remains a key concern for the latter	Management is exploring various options to ensure that employees based at SMC have access to affordable housing. Management continues to engage and dialogue openly with employees on this matter

Sustainability Matters (continued)

Stakeholder	Material Issue	Zimplats response
Shareholders	**Business performance** Compliance with local laws Government expectations on beneficiation Further release of ground	Shareholders are kept informed of the Group's performance through quarterly updates released on the Australian Stock Exchange (ASX) and announcements on material developments as and when they happen The release of ground was resolved as articulated above
Community	**Employment** Given the high unemployment rates within Zimbabwe, the community continues to seek employment opportunities Equity participation in the operating subsidiary	• The operating subsidiary continues to prioritise recruitment of staff from the local communities and consequently the majority of staff is from the surrounding communities. The company, through the established LEDs programme, continues to develop opportunities for income generation to benefit local communities • Processing of the 10% equity earmarked for the CSOT is underway
	Allegations of damage to infrastructure from blasting Members of the community have alleged that some of their houses have been damaged by blasting from mining operations	• The operating subsidiary has been engaging the community and community leaders on this matter and routinely brings in independent experts to carry out air blast and ground vibration surveys. Results confirm that the Zimplats mining operations are not the source of the problem. These surveys are conducted in the presence of members of the community and the results are shared transparently with both the community leaders and Mhondoro Ngezi Rural District Council • The Ministry of Mines and Mining Development has undertaken to engage all miners within the vicinity towards identification of the source of the problem and finding a lasting solution
Media	**Beneficiation** The media has shown an interest in the business and in progress on the base metal refinery (BMR) project	Engagement with the media is ongoing. Within the context of that engagement, members of the media have been made aware of the impact of prolonged low metal prices on the business and on delivery of capital projects such as the BMR project

Besides the one on one interaction some of the issues raised by stakeholders were addressed through the print and electronic media and through our website.

Our commitment to mining for a sustainable future

Zimplats embraces the principles of sustainable development, which focus on responsible citizenship in the process of creating value for employees, shareholders and the communities in which it operates. The Company sets out to develop effective partnerships and contribute to national economic development. The main vehicle for this strategy is through investment in infrastructure, local supplier development, and enterprise development.

Community development initiatives are carried out within the context of the overall Zimplats business strategy which emphasises the importance of engagement, our values of care and respect, forging partnerships in the development process and in managing stakeholder expectations, with particular emphasis on those areas that affect the social licence to operate.

1. Local Supplier Development

Zimplats continued with its strategy of local supplier development as part of its strategy to continuously assist in the broader economic recovery of Zimbabwe. As such local procurement accounts for 67% of total procurement.

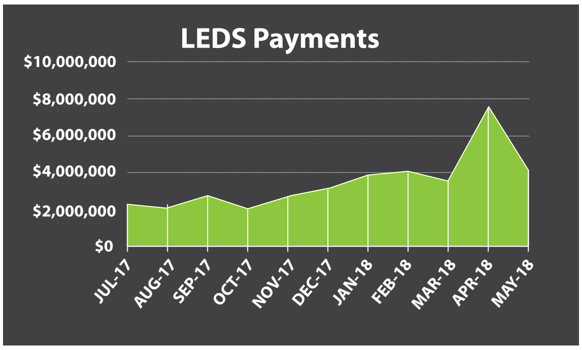
2. Local Enterprise Development

Our Local Enterprises Development (LEDs) Programme continued to grow as the Company integrated additional enterprises through various capacity building initiatives.

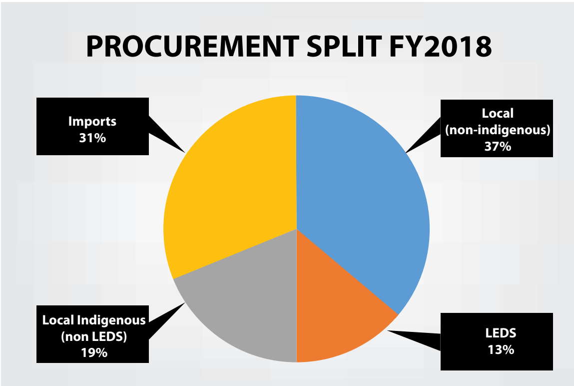
Zimplats embarked on the LEDs programme in 2013 which refers to the development of indigenous suppliers who are geographically located around Zimplats' mining and processing operations. Zimplats effectively partners with these suppliers by procuring goods and services from them through a structured LEDs program. This initiative stems from our belief in doing business with companies originating in the areas where our operations are based and beyond, resulting in economic and social benefits to both the Company and the participating communities.

The LEDs programme is of strategic importance to Zimplats in that it gives an opportunity for the Company to work and interact with the community which then gives the Company the social licence to operate. In addition the program identifies business talent and develops these businesses thereby enhancing economic activities for the benefit of both the communities and the country.

In FY2018, a decision was made to migrate the LEDs programme from a provincial level to national focus. FY2018 recorded a total of 20 LEDs up from 11 in the previous year. Payments to LEDS increased steadily through the year as shown in the graph below:



Payments to LEDS accounted for 13% of Zimplats' total procurement spend as shown in the figure below:



Zimplats provided a secure market for the 20 enterprises leading to US$42,918,089 revenue generation for the LEDS. This revenue stream enabled the companies to stabilise their operations and in some cases develop new business lines.

Zimplats assisted the LEDS with various forms of training to ensure that they are able to provide competitive goods and services. Additional support provided to LEDs included procurement chain support; safety and compliance audits; improvement in lines of business. The creation of new business lines further assists the LEDs in developing additional markets for their goods and services. As a result several of the LEDs participated in some Company CSR projects, such as the Kadoma General Hospital refurbishment project in which six LEDs participated.

3. Communities and corporate social investment

As a committed corporate citizen, Zimplats embraces the notions of Corporate Social Responsibility (CSR) and Corporate Social Investment (CSI) – the former addressing the Company's overall response to economic, social and environmental considerations and the latter the group's contribution to the communities in which it operates.

The table below shows the corporate social investments (CSI) over the past five financial years:

	FY2018	FY2017	FY2016	FY2015	FY2014
	US$	US$	US$	US$	US$
Education	233 723	161 495	161 507	299 527	207 474
Sports development	1 929 497	1 133 330	1 492 508	52 271	93 975
Income generating projects	515 684	41 337	66 657	530 102	88 456
Health and safety	1 936 934	11 815	119 353	22 957	91 009
Community project on albinism	461 099	-	-	-	-
Other	890 409	592 102	91 078	68 752	578 029
Total company CSI	5 967 346	1 940 079	1 931 103	973 609	1 058 943
Direct donation to CSOT	-	-	-	-	4 200 000
Total CSI	**5 967 346▲**	**1 940 079**	**1 931 103**	**973 609**	**5 258 943**

Zimplats spent US$6 million▲ on CSI projects in the year against an increase in the CSI provision of US$3.3 million recognised in the statement of comprehensive income (see note 21 on page 162). The Company's community development activities fall into the broad categories of education, health, income generation or local enterprise development. A summary of some of the key projects is provided below. Priorities for community projects are developed in close consultation with the local communities through regular community engagement platforms. They are also based on information from independent research findings. This is done to ensure that the Company responds to community needs and retains its social licence to operate.

i. Education

Zimplats believes in building the capacity of our local tertiary institutions to ensure that they continue to produce the right expertise for an increasingly dynamic industry. The Company continued its sponsorship of the Professorial Chair of Mining and Metallurgical Engineering at the University of Zimbabwe (UZ). This initiative is contributing to the development of quality post graduate students in the country and is facilitating research that will benefit the mining industry. In a significant development, the Professor has successfully advocated for the establishment of a School of Earth and Mineral Sciences which will replace the traditional format of the Department of Mining and Metallurgy. To this end the Chamber of Mines (CoMZ) signed a Memorandum of Agreement (MoA) with the UZ that will enable the Professor to actively seek funding to re-equip the newly established School of Earth and Mineral Sciences from members of CoMZ.

ii. Health and Safety

Recognising the importance of health and safety within our workplace and communities, Zimplats invests in a number of community programmes in the sphere of health as highlighted below:

- Promoting wellness including awareness and management of HIV/AIDS
- Highlighting the benefits of a healthy diet and exercise in managing non-communicable diseases (NCDs) and

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

- Advocating for malaria prevention through the use of larvicide and residual spraying.

Kadoma General Hospital refurbishment

The company invested in a major community health project where it refurbished Kadoma General Hospital in order to improve healthcare delivery at one of the major referral hospitals in the country. Kadoma General Hospital, built in the pre-independence era, is located in the Mashonaland West Province. The hospital delivers healthcare services to patients in Kadoma urban, Mhondoro and Sanyati rural districts. The hospital has a bed capacity of 200 and an average admissions rate of 150 patients per day.

The general hospital had been unable to implement basic asset maintenance over the years thereby compromising its ability to deliver its mandate of providing quality healthcare to its patients. There was no access to potable water and ablution facilities for patients were no longer working.

In order to achieve the objectives of improved healthcare and rehabilitation of dilapidated infrastructure the following work had to be undertaken:

- Restoration of ablutions and water reticulation
- Construction and equipping of new laundry facilities
- Replacement of kitchen equipment
- Resuscitation of the hospital sterilisation system
- Restoration of wood-fired incinerator and installation of a new incineration system for hospital waste
- Provision of an additional ambulance and service vehicle
- Paving of the access road and provision of new pedestrian walkways
- Painting and structural repairs for outpatient department, mother and child unit, paediatrics ward, main theatre, small theatre, maternity ward, and old nurses home
- Construction of new perimeter fence and access control
- Provision of a dental chair and accessories
- Installation of a new solar water heating system.

The project provided an opportunity for six local enterprises on the company's LEDs programme including three female led LEDs to participate in this project.

The LEDs were responsible for project management, structural renovations, road works and plumbing, equipment supplies, steel fabrication and supply of building materials.

At peak, the project attracted a labour force of 170 with 80% being drawn from the local community.

By refurbishing Kadoma General Hospital, Zimplats has responded to the call for good health and well –being under Sustainable Development Goal (SDG) number 3.

Construction of Turf Police station

Zimplats constructed Turf Police Station in direct response to the communities' need for security. Turf Town, the employee residential space, has been recognised as the fastest growing town in the country. The new police station should assist in addressing community concerns around management of petty crimes such as housebreaking and theft. In addition, an MoA was signed between Zimplats and the Zimbabwe Republic Police (ZRP) on Voluntary Principles on Human Rights prior to the construction of the police station.

Protection of community livestock

An 11 km fence has been erected on either side of the Selous/Ngezi highway. A community participatory approach was used to implement the project which will go a long way in ensuring safety of young children as well as the preservation of livestock.

iii. Community Project on Albinism

Recognising that a healthy community embraces diversity and accepting that all community members have a right to be heard and participate in processes that affect their lives, Zimplats launched a campaign in partnership with the Ministries of Labour and Social Welfare and Health and Child Care and a group called Friends with Albinism in support of people with albinism.

Sustainability Matters (continued)

The "BeyondtheSkin" campaign which received three national awards was guided by the following objectives:

- To educate people on what albinism is, address issues of stigma and discrimination and drive acceptance of the integration of people with albinism in all spheres of life
- To facilitate annual distribution of sun protection materials in the form of skin creams, hats, lip balm and, where required, spectacles for people with albinism.

The community outreach reached more than 1000 recipients, from the initial target of 500.
Through the campaign, the Company managed to engage additional partners who assisted with:

- Skin cancer screening and treatment
- Eye tests and spectacles
- Distribution of sun protection materials

iv. Commercial Livestock Project

The Company introduced a commercial livestock project in Ngezi Ward 11 as a way of improving the herd quality and numbers in the area. The Company did this by introducing Bonsmara and Tuli bulls as well as breeding bucks. After a period of two years, this project has seen the local communities expanding their herds and improving livestock health and management. The project successes are outlined below:

- 96 offspring to date – 47 heifers and 49 bulls
- Improved animal health and nutrition
- Improved cattle and goat handling facilities thus reducing the mortality rate
- 33% increase in beef cattle since project inception

Area	Grazing Capacity	Beef cattle in 2015	Beef cattle in April 2018
Wanganui	13 000	1 249	1 385
Mlota	13 000	1 360	1 445
Tyrone	9 750	824	917
Turf	9 750	1 338	1 392
Silverstar	13 000	535	780
TOTAL	**58 500**	**5 306**	**5 919**

Following the success of this community intervention, Zimplats invested in the national herd improvement programme based on artificial insemination of cattle with the Zimbabwe Agricultural Society as a technical partner.

Sustainability Matters (continued)

The national project was launched in the southern part of the country in Insiza, Matebeleland South which lies in agro-ecological region four and five which is dry and ideal for livestock farming compared to crop farming. The investment is expected to lead to the long term genetic improvement of livestock and to ensure communities can participate in commercial livestock initiatives at a national scale.

v. Sport Development

Guided by its Wellness Policy, the Group is committed to developing and promoting sport for its employees and local communities in order to harness the spirit of unity and teamwork within the Group and between the Group and the community while promoting wellness.

During the review period, the Company constructed a court that will be used for both netball and basketball.

The court expands the range of sports facilities available beyond the Baobab Stadium which is home of the Premier League team, Ngezi Platinum Football Stars (NPS).

These facilities are providing a practical channel for talent identification leading to the development of professional athletes while contributing to the enhancement of livelihoods and wellness in the community.

The Company continues to hold the annual CEO's community football and netball tournaments in which internal company teams compete against community teams as part of efforts aimed at enhancing community relations.

vi. Community Share Ownership Trust

The Mhondoro Ngezi Community Share Ownership Trust (CSOT) continues to function effectively and continues to carve a discernible footprint within the community through the establishment of a number of infrastructural development projects which have contributed to the improvement of local livelihoods. To date, the Trust has completed 162 projects in health and education and drilled more than 20 boreholes enhancing community access to potable water. They have also purchased road maintenance equipment to assist the districts in providing access to decent roads.

The CSOT has purchased a 33% shareholding in a poultry company and, in addition to dividends, the Trust also generates income from producer contracts for poultry and eggs. Surrounding communities participate as out growers and suppliers to the poultry company.

Management has been engaging the CSOT on implementation of equity participation in the operating subsidiary by the Trust in a manner similar to the ESOT. Processing of the 10% equity is underway.

Turf Netball pitch constructed by Zimplats

Sustainability Matters (continued)

OUR SAFETY PERFORMANCE

Zimplats has a strategy in place to drive the Company towards continual improvement of its safety performance. The safety strategy is anchored on the 3 pillars of person behaviour (people interventions), practices (system interventions), and physical environment (technological interventions).

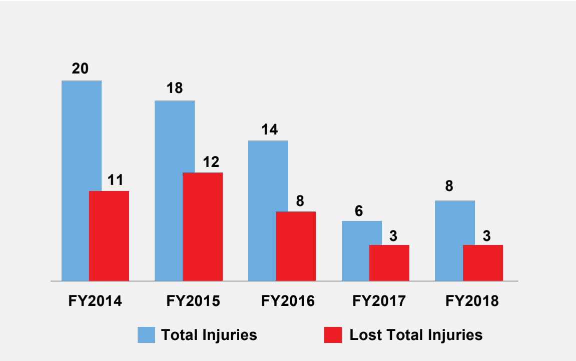
Zimplats continues to play a leading role in national safety awards having received a number of awards during the year in recognition of outstanding performance.

The tables and graphs below highlight our FY2018 safety performance:

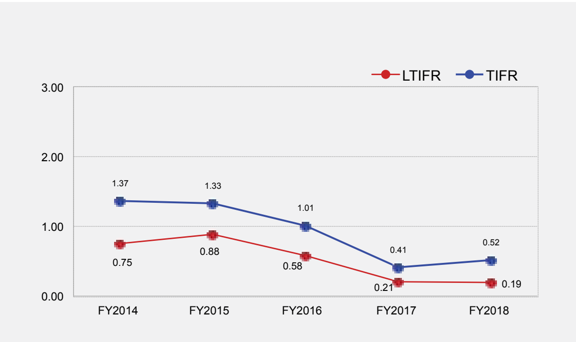
Summary of FY2018 Safety Performance

Key Performance Indicator	FY2018 Performance	FY2018 Target	FY2017 Performance
Fatalities	0▲	0	0
Lost-time injuries	3▲	3	3
Total injuries (All male)	8▲	9	6
Fatal injury frequency rate	0	0	0
Lost-time injury frequency rate	0.19▲	0.21	0.21
Total injury frequency rate	0.52▲	0.62	0.41

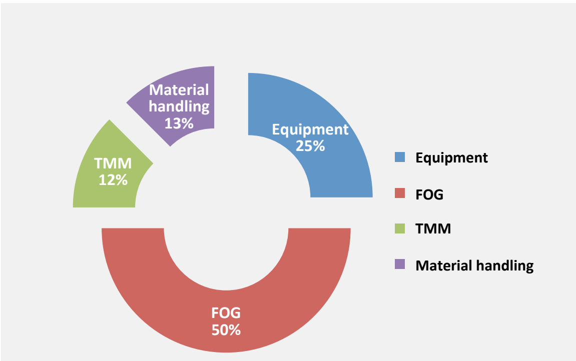
Total Injuries and Lost Time Injuries FY2014 to FY2018



TIFR and LTIFR Graphs FY2014 to FY2018



FY2018 Injury Causation Agents



The above analysis of injuries by cause shows that fall of ground (FOG) remains the highest risk and major cause of accidents. While injuries from equipment have declined in the current financial year they continue to present a risk. This analysis assists us in determining our focus for key interventions in order to effectively manage occupational hazards as we progress towards attaining our vision of a zero harm operation.

Zimplats safety performance has been a benchmark for a number of industry players and this was demonstrated by the number of site visits by organisations to review our safety systems.

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

Sustainability Matters (continued)

Safety Awards and Achievements FY 2018

Mine Rescue National Competition

- Zimplats Processing Fresh Air Team - 1st position in the Fresh Air National Competition
- Zimplats Mining Proto Team - 2nd position in the Proto Teams National Competition.

National Fire Competitions

- Zimplats SMC Administration - Second
- Zimplats Smelter team - Third

NSSA National Awards

Zimplats received the overall national prize and most of the sector and provincial awards in the 2017 edition of the NSSA National Safety Awards

National Awards

- Processing Division - 1st position EMCOZ Shield and National Premier award
- South pit - 3rd position (Bronze)

Mining Sector

- South pit - Gold
- Bimha Mine - Silver
- Mupfuti Mine - Bronze

Manufacturing Sector

- Processing - Gold

Provincial Awards

- Processing - Gold
- South pit - Silver
- Bimha Mine - Bronze

National First Aid Competitions

Rukodzi Mine underground team won the second prize in the underground category of the National competition

Institute of People Management Zimbabwe (IPMZ) Human Resources Excellence Awards

Zimplats won the 2017 National Safety and Health Award

Corporate Social Responsibility Awards

Zimplats won three awards for the communication campaign on albinism

8 million fatality free shift celebrations - Usaputse Chirongo

Our Safety Approach

The Group's safety performance is a product of the safety strategy rolled out under the theme "Don't drop the safety clay pot!-Usaputsa chirongo"

PERSON BEHAVIOUR/PEOPLE INTERVENTIONS

In FY2018, focus and emphasis was maintained on the three people centred areas of:

- Safety citizenship,
- Behaviour based safety/mental health, and
- Off the job/community safety.

These three are embedded in the Ubuntu concept and as a Company we recognise that as much as practices and environment pillars are vital in the attainment of sustainable zero harm, their success or failure is dependent on adequate and appropriate influences on human behaviour.

Safety Citizenship Development

Safety citizenship is defined as the state of maturity where employees are actively engaged in working safely and proactively towards improving the safety culture of the organisation for themselves, their teams and the Zimplats community as a whole. The aim is to establish a workforce of self-driven, proactive, motivated and committed safety citizens. Zimplats realises that for long term change, we need to build intrinsic motivation. Employees need to adhere to safety policies and procedures out of own volition.

The development of safety citizenship is therefore useful in responding to concerns on:

- How do we ensure we get people to act safely because they want to?
- How do we ensure that people will still make safe choices even when management is not around?

Various initiatives to develop and enrich the safety citizenship culture for FY2018 included:

- Engagements of sub-teams by senior management on a regular basis in order to address team specific concerns. Useful information is derived from these engagements and appropriate action plans are developed to address matters of concern.
- Sub-teams tracking their respective safety performance indicators. Challenges are identified and appropriate corrective action is instituted at the operational levels. Problems that are not resolved at the operational level are elevated for appropriate intervention by management.
- Assignment of senior management to advisory roles in sister departments/clusters as guardians sekurus (uncles) and tete (aunt). The system used to implement the advisory roles observes shona culture norms. Stand downs are held with advisors in a manner which facilitates open and honest discussions. The advisors provide guidance and solutions to identified problems.
- The contractor safety management programme which ensures that contractors receive guidance and training on the Company's safety standards.

Behaviour Based Safety/ Mental Health Initiatives

Zimplats embarked on an aggressive mental health programme that recognises the potential impact of an employee's mental state on productivity. The Company realises that mental health challenges have taken an increased prominence globally. The Company also realises that a healthy mind is required to ensure a safe working environment.

Zimplats consolidated the mental health support programme in FY2018. The Company contracted mental health experts to conduct a baseline survey and provide support for employees who face problems affecting their mental health.

The table below summarises some of the initiatives in this regard:

Mental Health Support Initiatives

Findings	Interventions
Family discord including infidelity, indebtedness, work/life balance	1. A community forum involving more than a thousand participants from the community which culminated in the signing of a community pact to guide behaviour 2. Sexual and reproductive health training for employees and spouses covering all aspects including infidelity, STIs and HIV and AIDS 3. Training of trainers on financial management and debt management
Drug and alcohol abuse	1. Creation of support groups 2. Provision of specialist services for employees needing support
Workplace stress and depression	1. One on one sessions with affected individuals and follow up sessions 2. Training of supervisors, SHEQ reps and wellness champions in counselling 3. Training of identified employees in basic peer counselling 4. Provision of specialist services for employees needing additional support

Off the Job / Community Safety

The goal of off the job / community safety is to implement outreach programmes designed to influence and modify behaviours in communities where our employees come from. Commitment to off the job safety complements safe working practices. Initiatives to promote safety citizenship in the community in FY2018 included:

Off the Job/Community Safety Initiatives

Initiative	Highlights
Tool Box Talks	Inclusion of off the job community safety issues in tool box talks
Community Meetings	Discussion of safety related incidents occurring off the job in quarterly meetings with neighbouring communities
Clean-Up Campaigns	Implementation of clean-up campaigns at business centres adjacent to the Company's operations in partnership with local authorities and regulatory agencies
Theatre	Sponsorship of community drama and music groups to develop educational safety messages for the community and the workforce
Safety Signage	Installation of safety signage and messages at strategic points within the community
Road Traffic Safety	Implementing road and traffic safety awareness campaigns and defensive driving training sessions within the community in partnership with the ZRP and Traffic Safety Council
First Aid Training	Facilitation of first aid training at schools and in the community
Mental Health	Facilitation of gender and community dialogue in partnership with local and international NGOs

Sustainability Matters (continued)

SYSTEMS/PRACTICES INTERVENTIONS

A robust system is the foundation of world class safety performance. Zimplats successfully went through the annual surveillance Business Management System (BMS) audit and retained its certification.

In line with continuous improvement, the Company utilises a number of system review mechanisms such as internal audits, peer reviews, regulatory authority inspections and external audits.

Procedures and practices are reviewed periodically, while training sessions are held regularly to ensure job competency which is important in ensuring safe production. Future health and safety audits will be based on the recently published ISO 45001 standard.

TECHNOLOGICAL INTERVENTIONS

In order to support the people and systems pillars of our strategy, the Group continues to deploy world class cutting edge technology to improve operational efficiencies and reduce the risk of incidents.

A number of investments into technological interventions were made to assist the Company to continually progress towards zero harm.

Summary of technological interventions

Challenge	Technological Intervention
Fall of Ground	• Commissioning of two additional barring down cages for enhanced safety • Procurement of a mechanical scaler for remote controlled barring down • Development of a one man bolter which removes operators from high risk zones when installing rock bolts
Ore Handling System	• Installation of closed circuit televisions (CCTV) on ore handling systems at the mine • Installation of fire resistant conveyor belts
Fire Risk	• Fire suppression system upgrades at the SIBX chemical storage sheds at Ngezi and SMC concentrators
Furnace Run out Incidents	• Installation of a fibre optic monitoring module at the furnace to ensure early detection of hot matte impingement on tap blocks • Matte tap hole refractory and cooler redesign to enhance cooling and improve refractory life • Matte tapping platform modification and matte launder redesign to improve ergonomics on the tapping stage

Going forward

The Group celebrated 8 million fatality free shifts during the period and realises that it is possible to achieve production targets while upholding the health and safety of all stakeholders. Having recorded a total of 8 injuries in FY2018, the Group will focus on continual improvement, learning from previous experiences and consolidating its strengths in order to improve its safety performance.

Sustainability Matters (continued)

PROTECTING THE ENVIRONMENT

Conserving natural resources and mitigating impacts

The United Nations Sustainable Development Goals (UN SDGs) provide a sustainable agenda to ensure effective water management, provide clean energy, responsible consumption, combat climate change and its impact and protect life on land by 2030.

Our activities such as land disturbance, resource consumption, emissions, generation of mine residues/waste and effluent discharge impact the environment. To mitigate this impact we implement strategic environmental initiatives focusing on minimising our negative impacts. We align the initiatives with the SDGs and address material environmental issues emanating from our activities.

Progress on implementation of our environmental strategies is reviewed on a quarterly basis at management and board committee meetings. We report on environmental performance indicators in line with Implats group-wide environmental strategy. We engage regularly with environmental regulatory authorities on compliance with environmental authorisations and related requirements. We work in accordance with the certified environmental management system (ISO14001:2015) which is integrated into the Zimplats BMS. We measure our progress through structured audits to ensure compliance with applicable compliance obligations. Through implementation of best practice standards, we aim to achieve and surpass basic legal compliance.

Environmental performance summary

Environmental Incidents No major environmental incidents/ non-conformities		**Land Stewardship** Good progress on open-pits and TSF rehabilitation	
Legal Compliance Valid permits and licences No notices/stop notes		**Air Quality management** SO_2 emissions challenges remain	
Water Stewardship Water recycling marginally below plan		**Climate Change and Energy Management** Good progress on energy and carbon emission reduction initiatives	

Turf Primary Tree Nursery

Sustainability Matters (continued)

Our strategic approach to managing environmental impacts and conserving natural resources

Zimplats is committed to responsible stewardship of natural resources and mitigating the unavoidable environmental impacts of mining and processing activities with particular focus on:

- **Compliance obligations:** Zimplats is committed to ensuring full compliance with regulatory and other requirements. Our compliance obligations include environmental policy, procedures, standards, environmental legislation and authorisations.
- **Water stewardship:** We are committed to promoting responsible water stewardship by minimising water use and water pollution. We minimise fresh water use by increasing water recycling. We have a system in place to manage water quality.
- **Climate change mitigation and energy management:** In line with the UNSDGs, Zimplats is committed to responding to climate change risks and opportunities and promoting responsible energy management.
- **Air quality management:** Air emissions from our operations pose a significant impact on the environment. As such, minimising our negative impacts on air quality is our priority area.
- **Land stewardship:** Zimplats promotes responsible land management and biodiversity conservation.
- **Waste management:** We are committed to managing our waste streams.

CERTIFICATION AND COMPLIANCE OBLIGATIONS

Environmental legal compliance

Zimplats is committed to ensuring full compliance with regulatory requirements. To this end we engage with authorities to ensure all applicable licences and permit applications are approved and requirements met. We engage environmental regulation authorities and neighbouring communities and are members of the CoMZ, Business Council for Sustainable Development (BCSDZ) and other bodies to ensure that we stay informed of changes in legislation, standards and policies.

We have a system to monitor and drive compliance with all relevant legislation regulating environmental impacts. No new environmental laws with potential to affect Zimplats operations were introduced in FY2018. Key areas of legislation include the requirements of the Environmental Management Act (20:27) and the Water Act (20:24). In FY2018:

- No environmental legal non-compliance notices were issued against Zimplats operations.
- Two regulatory environmental inspections were conducted by the Environmental Management Agency (EMA) and the Radiation Protection Authority of Zimbabwe (RPAZ).
- No non-conformities were noted during the inspections. We will continue to work with regulatory authorities to ensure continued compliance with environmental regulations.
- We submitted quarterly environmental management progress reports timeously as required by the regulatory authorities and environmental licence conditions.
- Zimplats has a total of 139 environmental licences/permits issued by regulatory authorities. A total of 50 environmental licences were renewed during the year. Two new effluent discharge licences were applied for and issued during FY2018 in compliance with legislation.

Sustainability Matters (continued)

Environmental Licences, Permits / Agreements

Permit/Licence/Agreement	Regulatory Authority	Number	Status
Water abstraction agreements (surface)	Zimbabwe National Water Authority (ZINWA)	2	●
Water abstraction agreements (groundwater)	ZINWA	14	●
Water storage permits (Chitsuwa dam)	ZINWA	1	●
Effluent discharge licences	EMA	24	●
Solid waste facilities	EMA	3	●
Hazardous waste facilities	EMA	2	●
Hazardous substance licences	EMA	6	●
Air emission licences	EMA	9	●
Environmental impact assessment	EMA	6	●
Radiation sources licences	RPAZ	72	●

KEY	
● (green)	Valid
● (red)	Expired

Environmental Management System

Zimplats maintains a world-class environmental management system (EMS) based on the ISO 14001:2015 standard. The environmental management system is integrated into the BMS. We retained certification for the ISO 14001:2015 EMS with no major non-conformities following a surveillance audit conducted by external auditors in October FY2018.

The following activities are observed as part of maintaining a robust EMS:

- Internal and external audits which are part of our environmental management systems performance monitoring process.
- Management reviews are conducted on a quarterly basis and opportunities for improvement are recommended.
- Key to our EMS is the culture of reporting and investigation of non-conformities and environmental incidents. Environmental incidents/ non-conformities reporting is vital for continual improvement of an EMS.
- Zimplats has aligned itself with the Implats group-wide approach to incident management. We have an established environmental incident and non-conformity procedure to manage reporting, investigation and remediating environmental impacts from incidents.
- A five-tiered scale to reporting the impact of environmental incidents is in use.
- Environmental training and awareness is provided to all employees in line with our training procedures. All new employees receive environmental awareness and training to orient them towards our culture of caring for the environment.
- We extend environmental awareness into the host communities through clean-up campaigns, training and awareness on pertinent environmental aspects of our activities.

In FY2018, we recorded 70 level one (negligible adverse environmental impact) environmental incidents which were investigated and appropriate corrective actions were implemented.

No level two to five environmental incidents (short term, limited and non-ongoing environmental impact) were recorded indicating good management of environmental controls in the operations.

WATER STEWARDSHIP

Zimplats is dependent on water as an input to mining and processing activities. We take all reasonable measures to prevent and minimise water pollution and avoid compromising the access rights of other water users. The principal water risks include water stress leading to operational disruptions, discharge of contaminated effluent, local community discontent and reputational risks. Surface water (water abstracted from rivers/dams) is our primary water source accounting for about 50% of total water consumed in our operations.

Our strategic approach

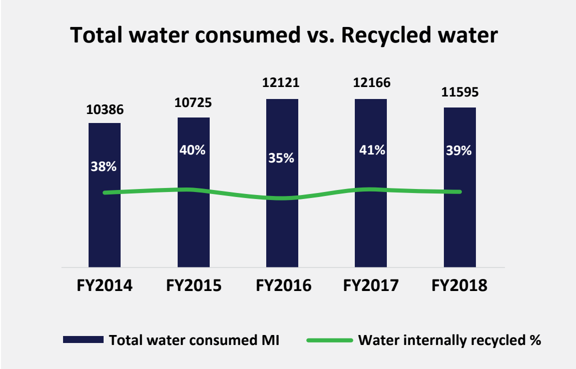
Our approach is to ensure sustainable management of water in line with the UNSDGs. The following activities are undertaken as part of water stewardship:

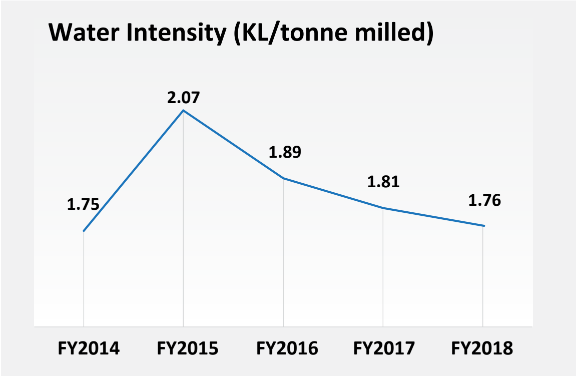
- We aim to reduce use of fresh water (water abstracted from rivers and dams) by promoting recycled water use in our processes.
- We improve water quality by ensuring treatment before discharge into the environment, preventing unauthorised discharge and preventing release of hazardous chemicals and materials.
- We monitor and promote water-use efficiency among major water consumers within operations. Our operations reduce dependency on fresh water through recycling water from TSFs, use of ground water from dewatering and recycled treated sewage effluent.
- We have set up water management committees to oversee water consumption, recycling and identifying opportunities for improvement with regard to water issues.
- The volume and quality of effluent discharged from our operations is predetermined through regulatory processes and licensing by EMA. However, we maintain minimum water discharge from operations through promotion of water recycling. Consequently, in FY2018 alone, water discharged accounted for 2% of the total water consumed.
- We have valid water use permits and agreements issued by ZINWA.
- We regularly engage ZINWA through participation in Sub-catchment Council meetings and specific water meetings to ensure security of water supply for our operations.
- All our water discharge points are licenced by EMA.
- There are currently no outstanding licences/permits relating to water use and effluent discharge.
- Zimplats maintains a red (high hazard) discharge licence free environment. We continue to explore options to improve effluent quality in the yellow category to achieve green/blue (safe) licences.

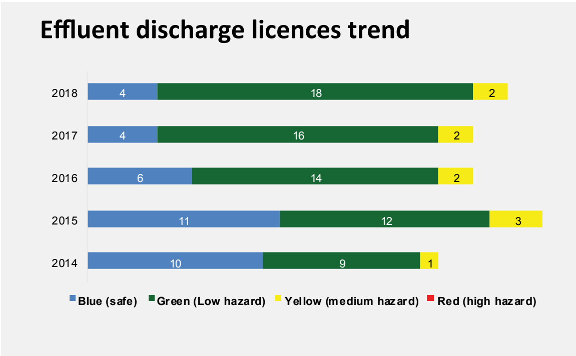
Sustainability Matters (continued)

2018 performance

- Total water consumed, including water withdrawn and recycled, decreased by 5% compared to FY2017. The decrease is attributed to the decrease in tonnes milled.
- Selous Metallurgical Complex (SMC) operation abstracted 42% of the water allocation from Manyame Dam while Ngezi operations withdrew 70% from Ngezi Dam during the permit year running from April 2017 to March 2018. The allocations are stipulated in the water agreements with ZINWA.
- Total water intensity has improved to 1.76 KL/tonne of ore milled from 1.81 in FY2017. The improvement in unit consumption rate of water is a positive indication that we are improving our water management practices.
- Total water recycling decreased to 39% from 41% in 2017. The decrease was due to less tonnes milled in FY2018 compared to FY2017.







Water consumption (Ml)	FY2018	FY2017	FY2016	FY2015	FY2014
(1) Water from dams / lakes	5 749▲	5 481	5 569	4 106	4 947
(2) Water from ground water	1 297▲	1 737	2 333	2 341	1 442
Water withdrawn 1 + 2	**7 046▲**	**7 218**	**7 902**	**6 447**	**6 389**
Water internally recycled	4 549	4 948	4 218	4 278	3 997
Total water consumption	**11 595**	**12 166**	**12 120**	**10 725**	**10 386**

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

Sustainability Matters (continued)

CLIMATE CHANGE AND ENERGY MANAGEMENT

Zimplats recognises that climate change is a major environmental threat affecting global development. Climate change has far reaching environmental consequences, particularly in vulnerable countries. We implement our climate change and energy management strategies mindful of the UNSDGs on climate action, Zimbabwe National Policy on climate change and the Implats group-wide strategy on climate change.

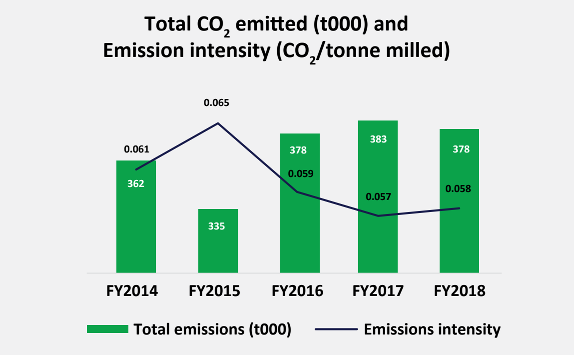
Our strategic approach

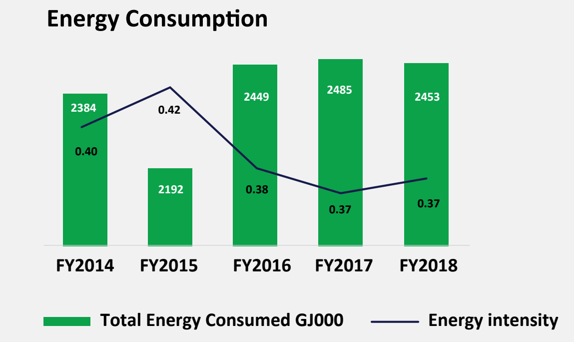
Zimplats is progressively integrating climate change mitigation into its core business and aligning processes with climate change national policy and the Implats group-wide strategy.

- We aim to reduce our carbon footprint as part of our voluntary commitment to mitigate our impacts and reduce our exposure to emerging climate change policies and regulation.
- We implement discrete projects that reduce energy and emission intensities in our operations.
- Key initiatives include installation of energy efficient equipment and solar lighting and heating.
- We continually participate in the Implats group-wide annual greenhouse gas (GHG) assessments to identify areas for mitigation and efficiencies.
- With regards to our carbon footprint reporting, we are guided by the Implats group-wide GHG handbook which provides a systematic approach to calculating our footprint. The Implats handbook makes reference and uses universal units of measurement which indicate Global Warming Potential (GWP) of GHGs expressed in terms of the GWP of one unit of CO_2-e. In Zimplats' case, the key GHG reported is COHelvetica Neue .
- We are committed to reducing carbon emissions emanating from both direct (Scope 1) and indirect (Scope 2) emissions.
- A group-wide strategy is in place to improve reporting on Scope 3 emissions.

2018 performance

- Total CO_2 emissions decreased by 1% compared to FY2017
- Most of the GHG emissions, (86%) (378 thousand tonnes) are associated with national grid electricity usage. Similarly, electricity consumption accounted for 72% of our total energy consumption hence our initiatives/projects focusing on energy efficiency and green energy for heating and lighting
- Our emission intensity (tonnes of CO_2 per tonne of ore milled) at 0.058 was 2% more than the previous year due to a surge in diesel consumption and less tonnes milled
- Our total energy consumption increased to 2 482 thousand GJ▲ from 2 465 thousand GJ in 2017
- Our energy intensity at 0.38GJ per tonne was worse than the previous year level of 0.37GJ per tonne of ore milled due to a surge in fuel consumption related to increased project and rehabilitation activities
- Energy efficient improvement projects implementation progressed well with installation of 227 premium efficient electric motors. The current annualised energy saving amounted to 1 732 152 kWh
- We progressed well on installation of energy efficient lighting across our operations. Full implementation of this project will be achieved in FY2019
- A total of 106 solar geysers were installed as part of our strategy on green energy





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

Sustainability Matters (continued)

Climate Change Indicators	Units	FY2018	FY2017	FY2016	FY2015	FY2014
Direct CO_2 Emissions	(t000)	52▲	53	49	44	50
Indirect CO_2 Emissions	(t000)	326▲	330	327	291	312
Total CO_2 Emissions	(t000)	378	383	376	335	362
Electricity Purchased	(MWh000)	494	499	495	441	473
Direct Energy	(GJ000)	705▲	667	668	606	680
Indirect Energy	(GJ000)	1 777▲	1 798	1 782	1 587	1 704
Total Energy	(GJ000)	2 482▲	2 465	2 449	2 192	2 384

Material consumption statistics

Material	Unit of Measure	FY2018	FY2017	FY2016	FY2015	FY2014
Diesel	litre	13 652 250▲	13 271 406	12 371 876	11 395 912	12 010 548
Petrol	litre	90 403▲	104 652	104 082	104 034	250 183
Coal	tonne	5 846▲	6 432	6 703	5 846	7 442
Ore milled	tonne	6 569 817	6 715 963	6 406 187	5 163 499	5 939 277
Diesel	litre / tonne milled	2.08	1.98	1.93	2.21	2.02
Petrol	litre / tonne milled	0.01	0.02	0.02	0.02	0.04
Coal	tonne / tonne milled	0.001	0.001	0.001	0.001	0.001

QUALITY MANAGEMENT

Zimplats' most significant aspect with regards to air quality management relates to sulphur dioxide (SO_2) emissions from smelting operations. Our air emissions are licenced by the Environmental Management Agency (EMA) in line with the air emission regulations. We are working towards managing our SO_2 emissions to the lowest possible levels.

Our strategic approach

We have a strategic approach to air quality management as outlined below:

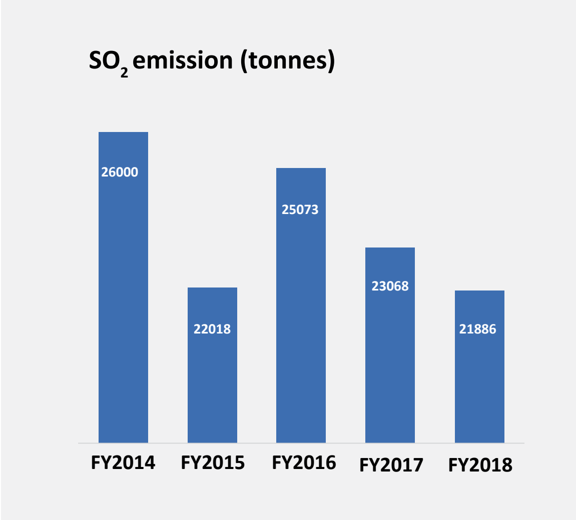
- We ensure timeous renewal of air emission licences in line with the requirements of air emissions regulations.
- We have a total of nine air emission licences issued by EMA. The licences were renewed in compliance with the regulatory requirements. Zimplats is operating under the red air emission category (considered to pose high risk to the environment).
- The organisation developed a sulphur dioxide emission reduction roadmap which guides efforts to reduce both point source and fugitive SO_2 emissions from smelting operations.
- Our air emission reduction environmental and social impact assessment certificate was renewed in line with the national EIA regulations.
- Air quality monitoring is undertaken at monitoring stations within our operations and in the surrounding communities.
- An extensive air quality monitoring network has been set up for both point source and ambient air pollutants concentrations measurement in line with regulatory requirements and best practices.
- A fall-out dust rate monitoring network is also in place for measurement of dust emanating from our operations. High dust fall rates previously recorded at the Ngezi Concentrator crushing plant were mitigated following the commissioning of a dust extraction system at the concentrator crushers.

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

Sustainability Matters (continued)

2018 performance

- Total SO_2 emissions (direct) decreased by 5% from FY2017 due to the furnace reline shutdown carried out in FY2018
- An average of 60 tonnes of SO_2 were emitted compared to 69 tonnes for the prior year
- The ambient air monitoring at Martindale Primary School (a sensitive receptor located about 3 km from the smelter) recorded zero annual average SO_2 exceedances
- The ambient air monitoring of particulate matter has shown low annual PM10 and PM2.5 (also particulates lower than 10um and 2.5um) concentrations
- A significant decrease in dust fall rate was recorded following commissioning of a crusher dust extraction unit. Dust fall rates of less than 250mg/m2/day are being recorded and these are within the limits



Land and biodiversity management

Zimplats believes in leaving a positive lasting legacy and recognises that its operations will close at a certain point in the future therefore land and biodiversity management is key to leaving a lasting positive legacy. We are committed to restoring land and soil degradation and halting biodiversity loss in line with the UNSDG relating to life on land. We guard against the introduction, spread and the impact of invasive alien species such as lantana camara on our operations with particular focus on rehabilitated areas in compliance with national environmental management regulations.

Our strategic approach

We have a strategic approach to land and biodiversity management as outlined below:

- We set our rehabilitation targets annually as part of our business planning process.
- Land stewardship is integrated with other mining activities as demonstrated by progressive rehabilitation of the TSFs and open-pit mines.
- Progressive rehabilitation is key in achieving significant efficiencies in equipment use, earthmoving, topsoil management and reduction in closure liability.
- Our thrust ensures that decommissioned sites are rehabilitated and left in safe and stable condition, after taking into account future beneficial uses of the site and surrounding land.
- With regard to rehabilitated areas, we aim to establish an adequate cover of vegetation in order to stabilise the site and prevent erosion.
- We monitor and manage rehabilitated areas until they are self-sustaining.
- We use a wide range of provenances of native species as part of our rehabilitation approach.

Closure planning

We aim to reduce long term risks and liabilities to our business from an environmental and social perspective and leave a positive legacy when our mines conclude their operational lives as follows:

- Our closure planning and rehabilitation strategies mitigate financial liabilities and help secure future access to resources.
- We design, plan and operate our mines with closure in mind.
- We take a structured approach to the closure planning process, and to this end a conceptual closure and rehabilitation plan was developed in FY2018. The conceptual closure and rehabilitation plan identified a full spectrum of life-of-mine risks and opportunities and provided basis for closure plan costing.
- We aligned our closure liability assessment protocols and methodology to the Implats group-wide approach.
- Closure planning and rehabilitation training was conducted to entrench the newly adopted methodology.
- The conceptual closure and rehabilitation plan will be submitted to EMA in FY2019.

FY2018 Performance

- A detailed conceptual closure and rehabilitation plan was developed as a guide on responsible mine closure and rehabilitation activities
- A total of 332 224 loose cubic meters (LCM) moved for open-pits rehabilitation, 15% lower than FY2017 due to equipment breakdowns experienced during FY2018.
- Rehabilitation of the South Pit and associated waste dumps was successfully conducted following the closure of South Pit Mine operations. In line with our commitment to ensuring responsible mine closure and rehabilitation, rehabilitation experts were engaged to oversee and inspect the rehabilitation work.
- A total of 0.4 hectares were re-vegetated at the open-pit sites as part of the progressive rehabilitation. A total of 373 tree saplings were planted on rehabilitated open pit areas.
- Our FY2018 performance regarding progressive TSFs re-vegetation was on plan covering 1.5 hectares of TSF new surface rising. A total of 2 500 tree saplings were planted and this includes a wider range of provenances of native tree and grass species.
- Zimplats partnered with Friends of the Environment in the 500 million tree walkathon from Harare to Turf (Mhondoro - Ngezi). The walkathon culminated in a provincial tree planting event and official opening of Turf nursery in commemoration of the national tree planting day. National tree planting day commemorations were also held in our Mining and Processing divisions. A total of 1 209 tree saplings were planted as part of the commemorations.

Rehabilitation	FY2018	FY2017	FY2016	FY2015	FY2014
Hectares rehabilitated – TSF slopes	1.5	53	16	2.5	1.5
Hectares rehabilitated – ad hoc	0.25	0	0	0	0
Hectares rehabilitated – open cast	0.4	1.2	0	-	-
Total	**2.15**	**54.20**	**16.00**	**2.50**	**1.50**

MANAGING OUR WASTE

Our operations generate both mineral and non-mineral waste. Against this background we implemented the following initiatives:

- We established and implemented a waste management procedure which provides guidance on waste management throughout all our operations. The approach is focused on ensuring compliance with legislative requirements.
- Our principal mineral waste includes waste rock, tailings and slag. We manage our waste rock by using it for backfilling and in-pit dumping, a disposal strategy which reduces accumulated waste rock and footprint of the disturbed land.
- A code of practice focusing on TSFs was formulated during the year as part of our efforts to heighten the standards in the management of the TSF as a principal mine residue. Our TSFs management strategies are regularly audited in compliance with the TSF code of practice.
- We have properly designed and managed slag dumps to cater for mineral residue from our smelting operation.
- Non-mineral waste is disposed of at licenced facilities in line with solid waste and hazardous waste disposal regulations.
- We implement waste reuse and recycling initiatives including the recycling of used oils through licenced dealers.
- We are implementing initiatives on biodegradable waste vermicomposting within our operations. We will conduct a review of our hazardous waste management practices and incineration in the coming year in line with our commitment to managing waste responsibly.
- We continue partnering with the host communities and environment regulatory authorities to ensure a clean environment around operations. In line with this approach, clean-up campaigns involving host communities were held in partnership with the communities at Selous and Turf.

OUR PEOPLE

Our philosophy is that our people are our greatest asset. Our values (Respect, Care and Deliver) reflect our people management culture. Our human resources policies and practices are firmly underpinned by that philosophy and aim to attract and retain the best skills on the market.

Effective people are the key drivers of the Group's productivity and competitiveness. Consequently, the Group's human resources development strategy focused on delivering in both skills training and leadership development. The principle of a learning organisation continued to be the driving force in the human resources development strategy.

Social Performance

During FY2018, the Company experienced sound industrial relations characterised by a cordial working environment. This was achieved through on-going employee engagement initiatives at all levels. The Company's Works Council platforms played a major role in promoting this sound industrial relations climate which has in turn translated to better employee engagement and enhanced productivity.

The Company continued to develop effective people and teams through its training and development initiatives. Focus was on craft level skills training as well as on leadership development.

The Company's annual turnover for the period under review was at 4%. Initiatives were put in place to ensure maintenance of a stable turnover as businesses open up under the new government, a situation that has resulted in increased skills demand on the market.

Zimplats' headcount increased by 6% from prior year to close the year at 3,262 employees including casuals. However the labour was within the budget of 3,302. The increase in headcount was to cater for the Bimha Mine fleet build up to full production and the Mupani Mine development. Female employees constituted 7% of the total workforce.

Contractor employees' headcount was 3,231 with 71% being opex contractors and 29% were capex contractors. Contractors are defined as non-permanent employees who are contracted directly by the Company for a fixed term and/or those employees working for third parties that have been contracted by the Company for specific projects.

Headcount by division

Division	Headcount June 2018
Mining Operations	2 336
Projects	135
Processing	431
Engineering	7
Technical Services	94
Human Resources	44
Group SHEQ	6
Trainees	24
Commercial	75
ICT	14
Operating subsidiary's head office	23
HRD - Pool	9
Casuals	64
Total own employees	**3 262**
Opex contractors	2 307
Capex contractors	924
Total contractors	**3 231**
Total labour	**6 493**

Headcount by location

Permanent Employees by Location	
Harare	23
SMC	423
Ngezi	2 816
Total	**3 262**

Headcount by employee groups

Permanent Employee Groups	Number	%
National Employment Council (NEC) members (collective bargaining)	3 000	91.97%
Non NEC members	262	8.03%
Total	**3 262**	100%

Headcount by gender

Permanent Employees by Gender	Number	%
Female	229	7.02%
Male	3 033	92.98%
Total	**3 262**	100%

ENHANCING EMPLOYEE WELLNESS

Strategic objective 2018

The Company's strategic goal with regards to wellness is to strengthen Zimplats' business operations through enhancing the employees' total wellbeing as well as that of their families and surrounding communities.

Key Achievements

1. Programmes to curb the effects of non-communicable diseases (NCDs) and promote mental health were successfully run.
2. The medical department engaged in community dialogue programmes to address various social challenges such as STIs, domestic violence, infidelity, drug and alcohol abuse, employee indebtedness, suicide and para suicide.
3. Disease prevention programmes continued to run successfully. There were no recorded outbreaks within the community.

Occupational Health Surveillance

Screening of employees for fitness to work continued throughout the year. Engagement with the National Social Security Authority (NSSA) Medical Bureau has resulted in improvement in the issuance of compliance red tickets.

Noise Induced Hearing Loss (NIHL)

There were no cases of NIHL recorded in the year under review. Awareness talks on hearing conservation were offered to all employees and contractors who come for pre-employment, annual, periodic, and pre-placement examinations. Continuous improvement in engineering and other controls is constantly being pursued to mitigate against the risks of NIHL.

Biological Monitoring

No cases of abnormal lead levels were detected in the 115 employees who are exposed to lead and who underwent laboratory tests for lead levels.

Tuberculosis

The Company continued to be on guard for tuberculosis (TB) cases. No cases of pulmonary TB were recorded during the year under review. One case of extra pulmonary TB was experienced and treatment was commenced in line with the Ministry of Health and Child Care Guidelines.

Sustainability Matters (continued)

New Pulmonary TB Cases Treated

Operation	FY2018	FY2017	FY2016	FY2015	FY2014
Mining	0	2	5	4	6
Processing	0	0	0	1	1
Other	0	0	0	0	0
Total	**0**	**2**	**5**	**5**	**7**

Malaria

Mhondoro Ngezi district is in the pre-malaria elimination phase. Zimplats complements the Ministry of Health and Child Care's efforts in the eradication of malaria by conducting annual indoor residual spraying of all company houses and villages. Out of the 142 suspected cases, 3 tested positive and these were all imported cases. These cases were treated without any complications.

HIV and AIDS

The Company's main thrust for FY2018 was zero new HIV infections in line with national HIV campaigns. Towards this programme, the Company offered HIV testing at both SMC and Ngezi Medical centres and engaged external partners Zimbabwe Aids Prevention and Support Organisation (ZAPSO) to offer quarterly HIV Testing and Counselling (HTC). ZAPSO services have also been extended to the community.

Community wellness champions went through a training programme with Anopa Life Skills on HIV and AIDS issues with emphasis on HIV testing for all.

Zimplats in partnership with the National AIDS Council held a gala where HTC, cervical cancer screening, breast cancer screening, voluntary male circumcision and wellness checks were offered. More than 900 HIV tests were conducted at the event.

Zimplats Antiretroviral Treatment Programme

Total Number of Patients on Antiretroviral Treatment

Operation	FY2018	FY2017	FY2016	FY2015	FY2014
Mining	129	143	138	122	108
Processing	28	31	29	27	28
Total	**157**	**174**	**167**	**149**	**136**

New Patients on Antiretroviral Treatment

Operation	FY2018	FY2017	FY2016	FY2015	FY2014
Mining	6	11	27	22	25
Processing	1	3	3	1	0
Total	**7**	**14**	**30**	**23**	**25**

The number of new employees enrolled on antiretroviral was 50% lower than the prior year as some employees were opting to be treated at private surgeries in the residential area.

Voluntary Testing and Counselling Uptake

Zimplats Medical Services engaged the services of ZAPSO to run with the external HIV testing services. The number of clients who underwent Voluntary Counselling and Testing (VCT) in FY2017 went up by 55.2% after engaging the new partner.

Summary of VCT Uptake

Operation	FY2018	FY2017	FY2016	FY2015	FY2014
Mining	693	1 819	1 057	1 278	1 778
Processing	115	120	186	186	371
Total	**808**	**1 930**	**1 243**	**1 464**	**2 149**

Wellness Programme

Operation	FY2018	FY2017	FY2016	FY2015	FY2014
Mining	130	177	159	130	116
Processing	29	31	30	28	29
Total	**159**	**208**	**189**	**158**	**145**

NCDs remain a big threat to the wellbeing of the workforce and their families. Consequently, programmes to address NCDs continued.

Employee Welfare

The Employee Share Ownership Trust (ESOT) was functional in the year under review. A trustees training programme was run for the ESOT. The ESOT received its first dividend during the year under review.

Employee housing remains a top priority for the Company and to this end about 70% of the Company's permanent employees have been provided decent housing by the Company. The Company is currently exploring further provision of housing for employees at SMC.

Mineral Resources and Ore Reserves

Note: This Mineral Resources and Ore Reserves statement should be read in conjunction with the JORC Code, 2012 Edition - Table 1 document which has been submitted separately to the ASX.

History

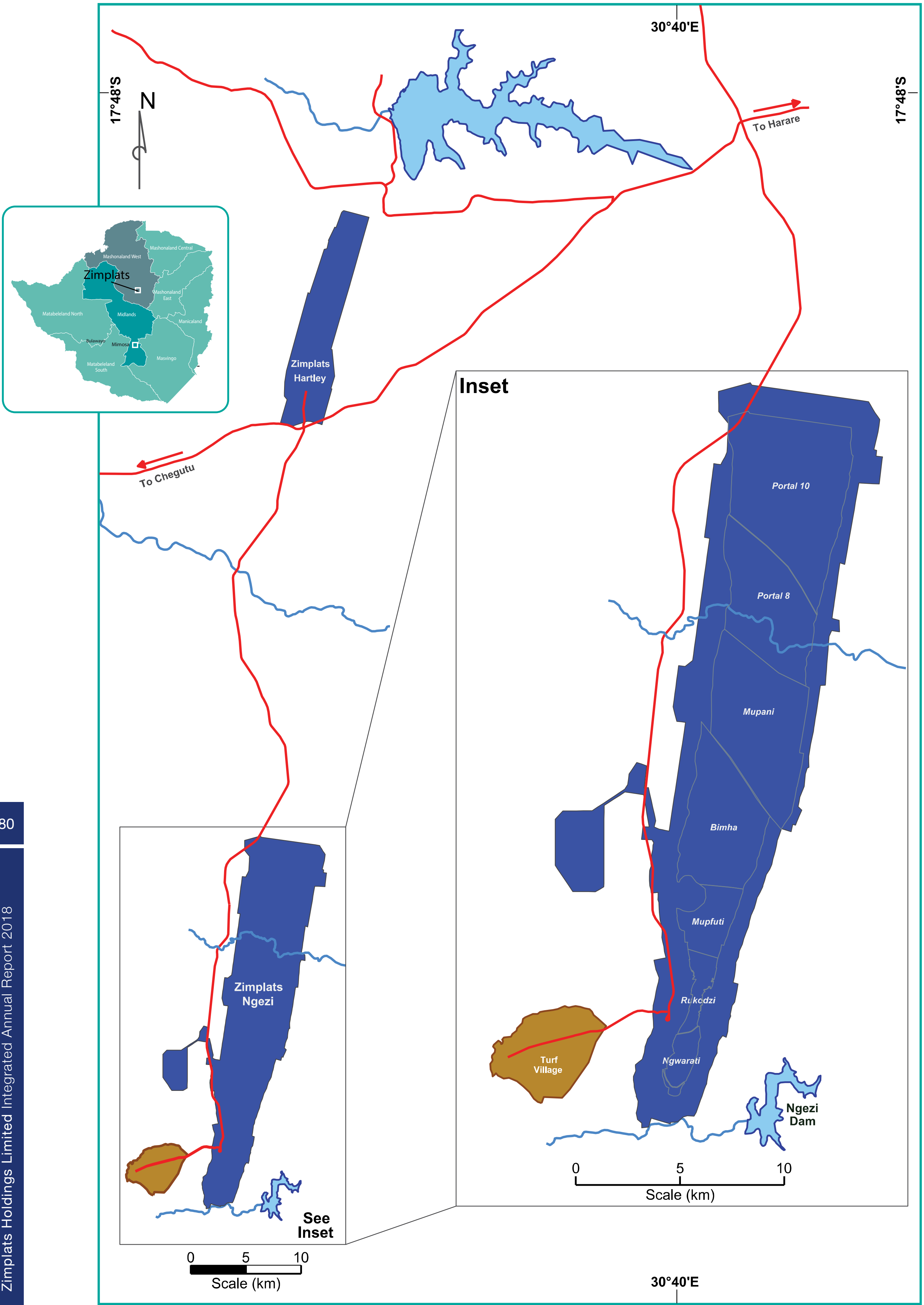
In 1986, Delta Gold Limited (Delta Gold) acquired rights to its first platinum resources on the Great Dyke in Zimbabwe. Delta brought BHP Minerals International Exploration Inc. (BHP) into a joint venture (66.7% BHP and 33.3% Delta) to develop Hartley Platinum Mine and development started in 1994. By 1998, it had extended its cover to include interests in all the platinum resources of the Hartley Complex. In 1998, Delta Gold demerged its platinum interests into a special purpose vehicle, Zimplats. In 1999, it became apparent that Hartley Platinum Mine had failed to meet its development targets and was put on care and maintenance by BHP. Zimplats subsequently took over BHP's share of Hartley Platinum Mine and Selous Metallurgical Complex (SMC) and initiated the Ngezi/SMC project in 2001 with the assistance of Implats and ABSA Investment Bank. A 2.2 million tonne per year open-pit mine was established at Ngezi whose ore was trucked to Selous where it was processed in the SMC concentrator and smelting facilities. The first converter matte was exported to South Africa in April 2002 and Implats progressively increased its shareholding in Zimplats until 2003, when it made an unconditional cash offer to minority shareholders in Zimplats. Currently Implats' shareholding in the entity is 87%, with the remaining 13% being held by minority shareholders. In 2003, Zimplats through its operating subsidiary, embarked on the development of underground operations at Ngezi to replace the east and west open pits, which were stopped in 2008. Over the past eight years, the production volumes from the operations have been increased to the current 6.2 million tonnes design capacity of ore per year from four underground mines and one open pit, all of which feed the two concentrator modules at Ngezi as well as the SMC concentrator.

Location

The location of the Zimplats operations in the Mashonaland West province of Zimbabwe is depicted on the map below. Ngezi Mine is located approximately 150km southwest of Harare, at the southern end of the Sebakwe sub-chamber of the Hartley Complex on the Great Dyke. Hartley Platinum Mine and SMC are located 80km west-southwest of Harare and 77km north of the Ngezi Mine in the Darwendale sub-chamber of the Hartley Complex of the Great Dyke map.

Mineral Resources and Ore Reserves Summary (continued)

Zimplats regional locality map



Mineral Resources and Ore Reserves Summary (continued)

Mineral rights

Zimplats formerly held a special mining lease, special mining lease number 1 ('SML1'), covering two areas measuring a total of 48 535ha. SML1 was supported by a mining agreement ("the Mining Agreement" or "the MA") and was due for renewal in August 2019.

In March 2013, the Government of Zimbabwe gazetted a preliminary notice of its intention to compulsorily acquire a portion of ground (measuring 27 948 hectares), held under the SML1 and situated on the north of Portal 10. The operating subsidiary lodged a formal objection to the preliminary notice and the matter was pending in the courts in Zimbabwe.

On 6 June 2018, Zimplats announced that the issue concerning the proposed compulsory acquisition of a portion of Zimplats' mining lease area, as well as the issue of security of Zimplats' mining tenure, had been resolved amicably between Zimplats and the Government to the mutual benefit of the parties. Zimplats agreed to release to the Government land measuring 23 903 hectares within Zimplats' mining lease area in support of the Government's efforts to enable participation by other investors in the platinum mining industry in Zimbabwe.

Following this release of ground, Zimplats now holds two separate and non-contiguous pieces of land measuring in aggregate 24 632 hectares. Consequently, Zimplats applied for and was granted with effect from 31 May 2018, two separate mining leases over the two pieces of land measuring 6 605 hectares and 18 027 hectares respectively. These mining leases replace the special mining lease which was due for renewal in August 2019.

The two mining leases issued to Zimplats are valid for the life-of-mine of Zimplats' mining operations and they secure the operating subsidiary's mining tenure. This arrangement whereby Zimplats released a large portion of ground north of portal 10 had a material impact on the Mineral Resource estimate, the details of which are described in the Mineral Resources estimation section.

Infrastructure

Infrastructure to support production consists of integrated road networks, four production underground decline portals, conveyor networks and ore load out facilities for road trains. Ore processing infrastructure consists of two concentrator modules at Ngezi with a combined nameplate capacity of about 4Mtpa, one 2.2Mtpa concentrator and a 13.5MVA smelter at SMC. There are tailings storage facilities, stores and office blocks at both sites to support the operations.

Water for the Ngezi operations is drawn from the Ngezi and Chitsuwa Cha Mandizadza dams. Zimplats' annual allocation from the two dams is 11 000ML and this exceeds the current requirements. Water for the SMC operations is abstracted from the Manyame Dam where Zimplats has an annual allocation of 5 000ML. Power from the Zimbabwe Electricity Supply Authority's Selous sub-station is fed to the transformers at Ngezi and SMC via 132kV overhead lines. These assets and a wide network of information technology and communication equipment provide services to the business.

Environmental

Zimplats is ISO 14001 certified. In line with the environmental management system expectations, all areas are required to identify and report on environmental incidents. Systems are in place to investigate and determine the root causes of high severity incidents, to address and close out these incidents.

The tailings storage facility at SMC is designed for a deposition rate of 2.4 million tonnes per year and a life-of-mine (LoM) storage capacity of 72 million tonnes. Additional space is available to extend the tailings facility in future. The tailings storage facility at Ngezi is designed for up to 12 million tonnes per year while the current deposition rate is 4.2Mtpa. The tailings storage facility at Ngezi is designed for a LoM deposition of 450 million tonnes. Tree planting and grassing at Ngezi and the SMC tailings dams are carried out regularly to create a physical barrier and to address the issue of dust from the tailings dam, while efforts are also made to keep the dam moist to suppress dust. The ongoing work on tailings dam rehabilitation focusses on the new surface deposited as the volumes of tailings rise as part of the on-going operations.

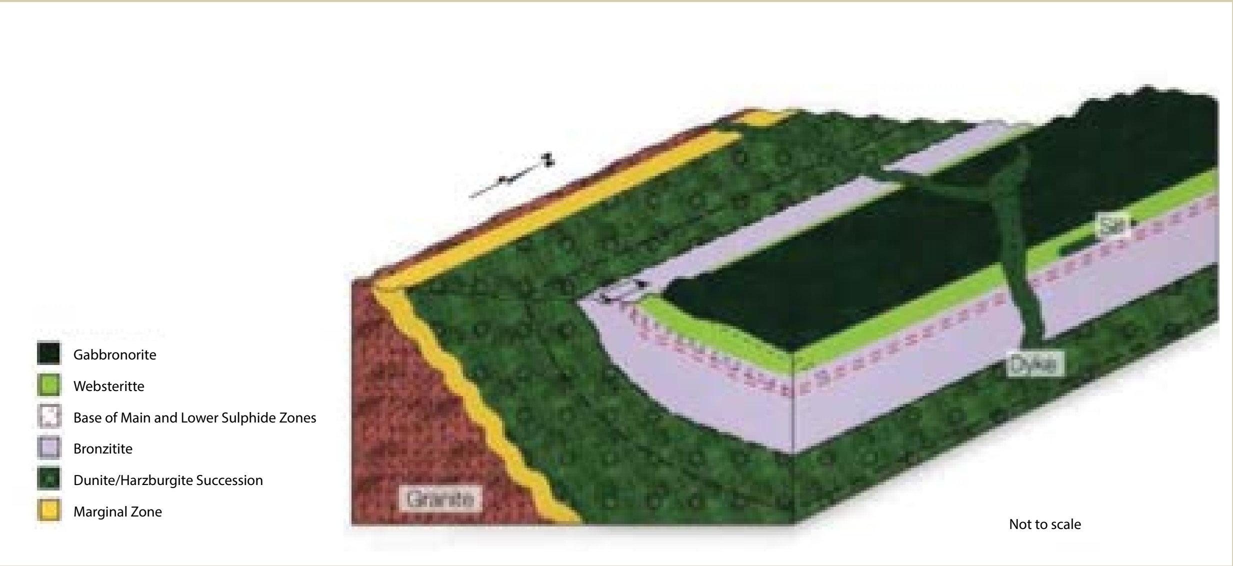
Zimplats has successfully completed work to attain 100% compliance with the waste and effluent regulations requirements through the construction of leachate collection systems and landfill lining for both the Ngezi and SMC landfills.

Geology

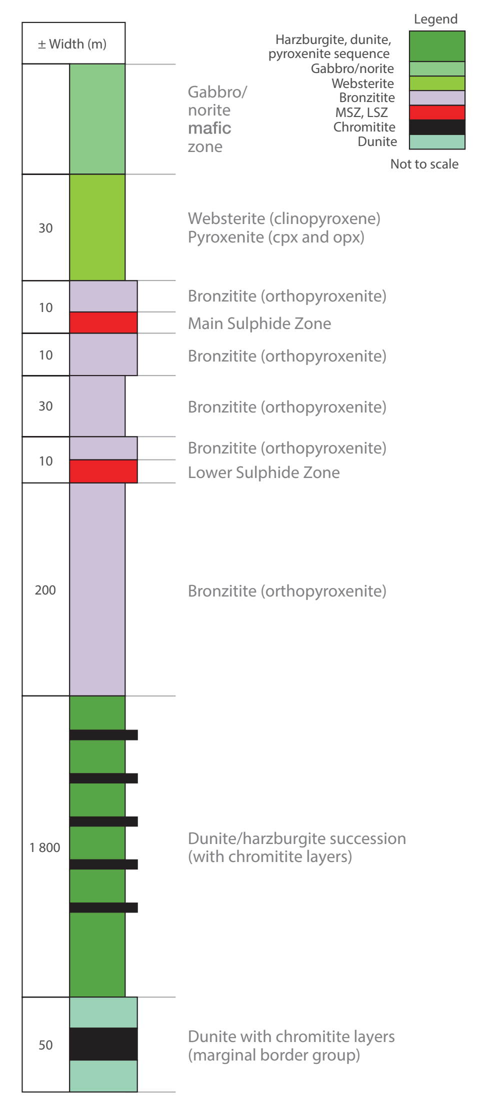
The Great Dyke of Zimbabwe developed as a series of initially discrete magma chamber compartments, which coalesced as the chambers filled. On the basis of structure, style of layering and continuity of layers, the Great Dyke has been sub-divided into five sub-chambers namely the Wedza, Selukwe (Shurugwi), Sebakwe, Darwendale and Musengezi sub-chambers. The stratigraphic units in each sub-chamber are classified into the ultramafic (lower) and the mafic (upper) sequence. The ultramafic rocks are dominated from the base upwards by dunite, harzburgite and pyroxenite, while the mafic rocks consist mainly of gabbro and gabbronorite. Narrow layers of chromitite occur at the base of cyclic units throughout the ultramafic sequence. The platinum-bearing horizon is known as the Main Sulphide Zone (MSZ), which is part of the lower sequence and is located below the contact with the mafic sequence.

The platinum-bearing MSZ is located in the P1 pyroxenite some 5m to 50m below the ultramafic/mafic contact. The MSZ is a continuous layer, 2m to 10m thick, and forms an elongated basin. The zone strikes in a north-north-easterly trend and dips between 5° and 20° on the margins, flattening towards the axis (centre) of the basin. The areas where the dip is less than 9° is referred to as the “Flats”; these have historically been the target for mining due to the ease of operating. The areas with dips between 9 and 14° are referred to as the “Upper Ores”. Peak base metal and PGM values are offset vertically with palladium peaking at the base, platinum in the centre and nickel towards the top. Visual identification of the MSZ is difficult, therefore systematic monitoring of the reef using various sampling methods is needed to guide mining. The accompanying schematic diagram illustrates the form of the Great Dyke.

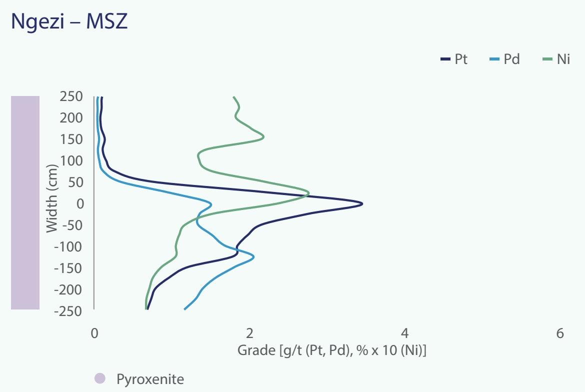
The geological sequence is illustrated in the accompanying generalised stratigraphic column on the following page.

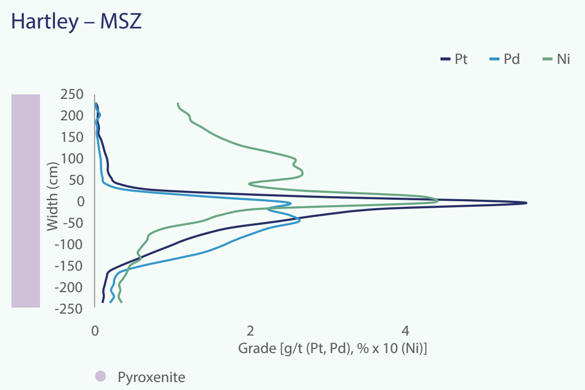


Mineral Resources and Ore Reserves Summary (continued)



GENERALISED GEOLOGICAL SUCCESSION OF THE GREAT DYKE AT ZIMPLATS





Exploration

During the past year surface exploration drilling at Zimplats was targeted at increasing the density of geological and geotechnical knowledge of the Mineral Resource with focus on the Upper Ores which dip between 9° and 14° at Bimha Mine and at Portal 8 where large scale displacements were investigated.

Surface exploration drilling for Mineral Resources evaluation and geotechnical assessment continued during the year under review. The bulk of the focus was to support studies at Portals 8 and 10 as well as the feasibility of mining the Upper Ores. The following surface drilling was completed:

- Mupfuti Mine – 15 boreholes
- Bimha Mine – 20 boreholes
- Mupani Mine – 7 boreholes
- Portal 8 – 26 boreholes
- Portal 10 – 7 boreholes

Underground cover drilling was done for geotechnical assessment as follows:

- Ngwarati Mine – 13 boreholes
- Rukodzi Mine – 13 boreholes
- Mupfuti Mine – 28 boreholes
- Bimha Mine – 28 boreholes
- Mupani Mine – 5 boreholes

All holes were logged and sampled and no new major geological structures were identified.

Mineral Resource estimation and reconciliation

The updated Mineral Resource estimates as at 30 June 2018 are tabulated on page 85. Note that the Mineral Resources are quoted inclusive of Ore Reserves. Day-to-day operations are monitored using in-house lead collection fire assays with AA finish. The Mineral Resources and Ore Reserves in this statement are

Mineral Resources and Ore Reserves Summary (continued)

based largely on external nickel sulphide collection fire assays with ICP-MS finish. The differences between the methods are incorporated within the modifying factors that have been applied, which means that there may be slight distortions in recovery and other parameters.

Oxides have lower metallurgical recovery than sulphides with conventional extraction technology and are currently marginal to sub-economic. Oxides are rarely sampled directly, therefore some elements, particularly palladium, may be depleted relative to the figures quoted.

Mineral Resources have been estimated using Kriging techniques on assay data derived from surface boreholes. Estimates are based on composite widths that vary depending on cut-off grades, which are based on appropriate economic parameters. The recently completed numerical modelling exercise has confirmed that the revised pillar layout is robust and will arrest any propagation of pillar failure in the mine.

The classification of Mineral Resources at Zimplats is informed by a matrix considering geological complexity and the confidence in the geostatistical estimation. In broad terms confidence is derived from surface borehole spacing and this has the largest weighting on classification of Mineral Resources:

- Borehole spacing of 250m or less supports Measured Mineral Resources
- Borehole spacing between 250m and 500m supports Indicated Mineral Resources
- Borehole spacing greater than 500m supports Inferred Mineral Resources.

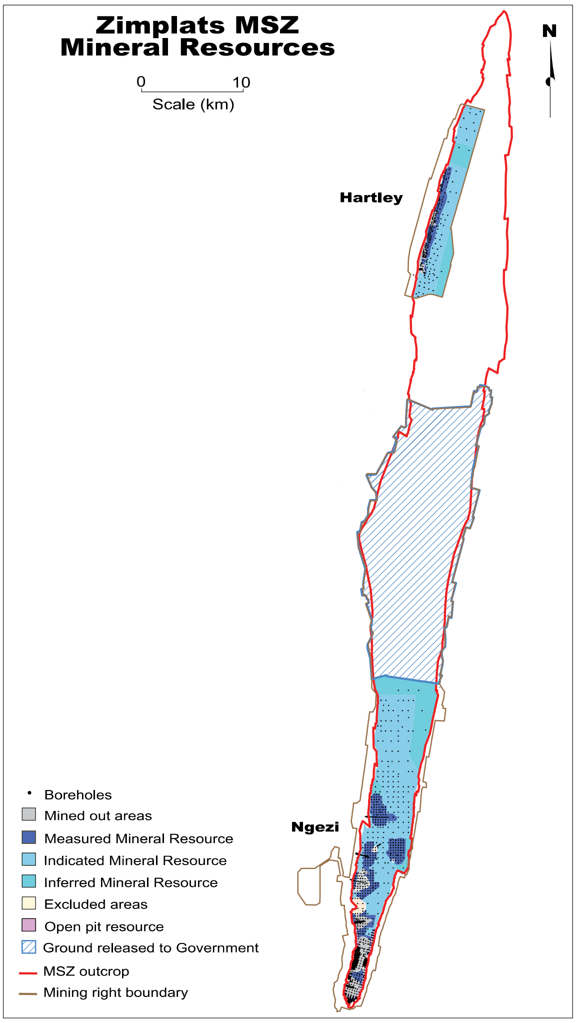
Rounding-off of figures in this report may result in minor computational discrepancies. Where this occurs it is not deemed significant. Mineral Resources estimates are inherently imprecise and require the application of judgement and are subject to future revisions. The results tabulated in this report must be read as estimates and not as calculations. Inferred Mineral Resources in particular are qualified as approximations.

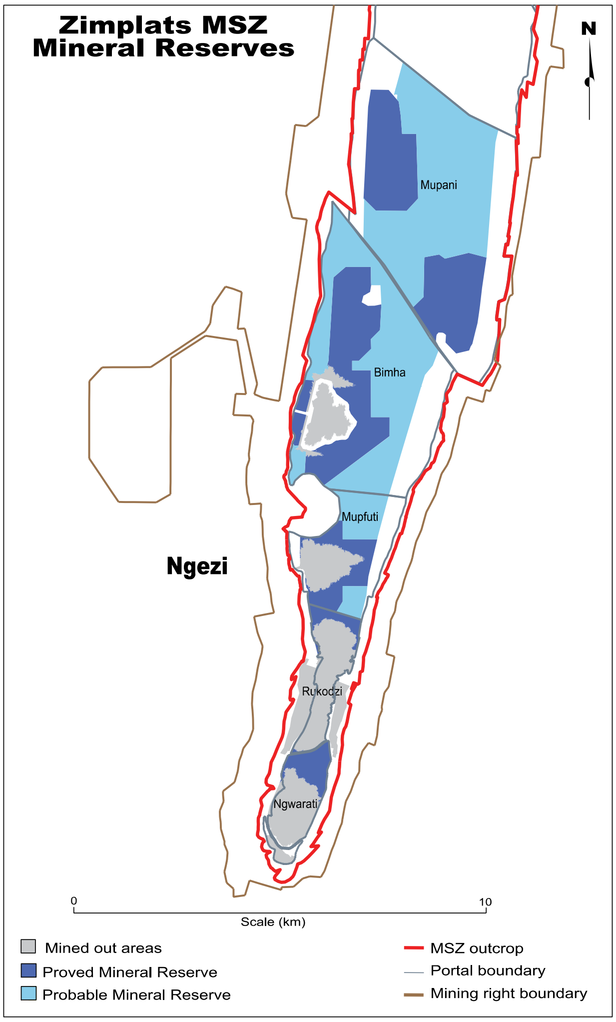
Mineral Resources and Ore Reserves Summary (continued)

Zimplats Mineral Resources – 100% (inclusive reporting) as at 30 June 2018

Zimplats Mineral Resources (Inclusive Reporting)																
As at 30 June 2018																
Orebody		Ngezi Portals				Mining Lease north of Portal 10			Hartley				Oxides - all areas			
Category		Measured	Indicated	Inferred	Total	Indicated	Inferred	Total	Measured	Indicated	Inferred	Total	Indicated	Inferred	Total	Total
Tonnes	Mt	152.8	454.3	121.7	728.8				28.3	143.1	46.3	217.7	16.0	39.3	55.4	1 001.7
Width	cm	252	238	200					158	189	191		250	216		
4E Grade	g/t	3.34	3.42	3.28	3.38				4.53	3.97	3.89	4.03	3.42	3.55	3.51	3.53
6E grade	g/t	3.52	3.60	3.45	3.56				4.78	4.19	4.10	4.25	3.61	3.75	3.71	3.72
Ni	%	0.11	0.12	0.12	0.12				0.14	0.13	0.13	0.13	0.10	0.12	0.11	0.12
Cu	%	0.07	0.09	0.09	0.08				0.12	0.11	0.10	0.11	0.07	0.10	0.09	0.09
4E Oz	Moz	16.4	50.0	12.8	79.2				4.1	18.3	5.8	28.2	1.8	4.5	6.3	113.7
6E Oz	Moz	17.3	52.6	13.5	83.4				4.3	19.3	6.1	29.7	1.9	4.7	6.6	119.7
Pt Oz	Moz	8.2	25.1	6.6	39.9				2.0	9.3	3.0	14.3	0.9	2.2	3.1	57.3
Pd Oz	Moz	6.4	19.0	4.7	30.1				1.6	6.8	2.1	10.5	0.7	1.7	2.4	43.0
As at 30 June 2017																
Tonnes	Mt	140.2	436.5	99.7	676.4	70.0	1 021.0	1 091.0	28.3	143.1	46.3	217.7	16.0	59.3	75.4	2 060.4
Width	cm	250	234	214		192	239		158	189	191		0	225		
4E Grade	g/t	3.33	3.37	3.22	3.34	3.44	3.22	3.23	4.53	3.97	3.89	4.03	3.36	3.42	3.41	3.36
6E grade	g/t	3.52	3.55	3.39	3.52	3.70	3.50	3.51	4.78	4.19	4.10	4.25	3.60	3.64	3.64	3.60
Ni	%	0.10	0.11	0.12	0.11	0.20	0.12	0.13	0.14	0.13	0.13	0.13	0.12	0.12	0.12	0.12
Cu	%	0.08	0.08	0.08	0.08	0.18	0.09	0.10	0.12	0.11	0.10	0.11	0.09	0.10	0.10	0.09
4E Oz	Moz	15.0	47.3	10.3	72.6	7.7	105.7	113.4	4.1	18.3	5.8	28.2	197.6	6.5	204.1	418.3
6E Oz	Moz	15.8	49.8	10.9	76.5	8.3	114.9	123.2	4.3	19.3	6.1	29.7	212.0	7.0	219.9	448.4
Pt Oz	Moz	7.4	23.6	5.5	36.5	3.4	50.2	53.6	2.0	9.3	3.0	14.3	96.0	3.2	99.2	203.5
Pd Oz	Moz	5.9	18.2	3.6	27.7	3.2	42.7	45.8	1.6	6.8	2.1	10.5	77.6	2.6	80.2	164.3

Mineral Resources and Ore Reserves Summary (continued)

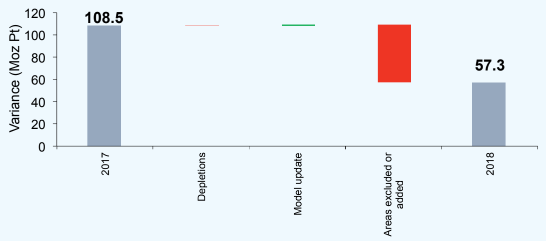




Mineral Resources and Ore Reserves Summary (continued)

The year-on-year reconciliation of the Mineral Resources for Zimplats show a material reduction, this relates mostly to the release of ground north of portal 10 to the Government. The impact of this process is estimated at some 51.9 Moz Pt that was removed from the Zimplats Mineral Resource inventory. The estimated total platinum Mineral Resource decreased from 108.5 Moz Pt to 57.3 Moz Pt, this relates to a decrease of some 47% and includes the impact of normal mining depletion and model updates. The release of ground does not have any impact on the 30-year LoM Plan for Zimplats.

Total Zimplats Mineral Resources



Modifying factors

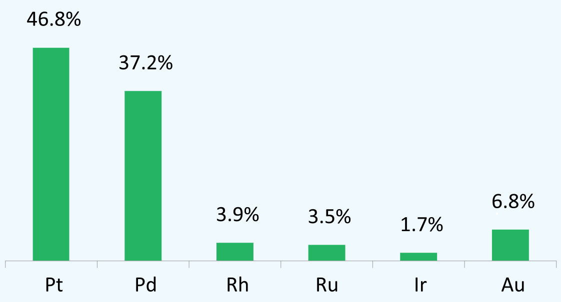
The modifying factors used to convert Mineral Resources to Ore Reserves are derived from historical performance while taking future anticipated conditions into account. The following modifying factors were applied to the resources:

Main Sulphide Zone	Factors
Geological losses	5 - 26%
Mineral Resource Area	203 million ca's
Pillar factors	20 - 34%
Resource dilution	6 -10%
Mine call factor	91%
Relative Density	3.18 - 3.25
Resource width	236cm
Stoping width	275cm
Concentrator recoveries	80 -81%

Zimplats Portal Names	
Portal 1	Ngwarati
Portal 2	Rukodzi
Portal 3	Mupfuti
Portal 4	Bimha
Portal 6	Mupani

		6E Metal Ratio (%) Main Sulphide Zone
Platinum	%	46.8%
Palladium	%	37.2%
Rhodium	%	3.9%
Ruthenium	%	3.5%
Iridium	%	1.7%
Gold	%	6.8%

Zimplats MSZ 6E metal Ratio (%)



Mining methods and mine planning

The current mine infrastructure consists of four production portals (decline shafts), an open pit and a fifth portal under development. The South Pit Mine operation was discontinued with effect from March 2018 as it had only been established to bridge the ore supply gap created by the collapse of Bimha Mine. The deepest operating depth is approximately 310m at Bimha Mine. Boundaries between individual portals are usually based on a maximum strike length of 3km to 6km or are terminated on known geological discontinuities such as major faults.

Minor faults and other geological discontinuities are present at the operations and are accounted for as geological losses during the Mineral Resources and Ore Reserves estimation process. At all the underground portals, Zimplats employs a mechanised room and pillar mining method on a narrow reef to extract ore from stopes whose nominal width is 2.5m.

The trackless mechanised machinery consists of low profile single boom face rigs for drilling, low profile roof bolters for support drilling, 10t load, haul and dump (LHDs) and 30t dump trucks. A self-directed work team (SDWT) is allocated about 20 rooms and its total face length is dependent on the sizes (widths) of the pillars and rooms. This enables the SDWT to adhere to a mining cycle consisting of face drilling and blasting, support installation, loading and hauling with adequate redundancy to achieve set production targets. At Rukodzi and Ngwarati mines, the broken rock is loaded onto trucks by LHD and trucked to a surface crusher. Mupfuti Mine has an underground crushing plant and ore is tipped onto the crusher and conveyed to surface. The production target for each fleet varies from 17 500 tonnes to above 20 000 tonnes of ore per month, depending on the particular mine, ground conditions and the existing pillar layout. The typical layout comprises 7m panels with a minimum of 4m x 4m in-stope pillars, the size of pillars being determined by the depth below surface and geotechnical considerations. At Mupfuti and Bimha mines barrier pillars are set out on a 200m x 200m ‘paddock’, surrounding the in-stope pillars. This pillar layout is meant to contain the likelihood of cascading pillar failure should in-stope pillars fail. Ngwarati and Rukodzi mines do not have barrier pillars nor paddocks owing to their shallow depth below surface. At all the portals, the spans of rooms may decrease and pillar dimensions may increase in bad ground. A combination of roof bolts and tendons is integral to the support design.

Bimha Mine redevelopment is on target and the ramp-up to full production was achieved in April 2018. A total combined production of 6.2Mtpa will be sustained beyond the next 30 years as the next new portal (Mupani Mine) is on course to replace the mature Rukodzi and Ngwarati mines which will be depleted in FY2021 and FY2025 respectively. The production from the new mine will feed ore to the SMC concentrator and the high level LoM profile is depicted in the accompanying graph. Evaluation work on the next mine to be developed has commenced to better understand the geological structures.

During the year under review, trial mining to confirm a mechanised method to efficiently extract the Upper Ores, which are areas dipping between 9° and 14°, was confirmed. To this effect some of the Upper Ore areas have been converted to Ore Reserves as described in the Ore Reserves section of this report.

The Hartley Mine remains on care and maintenance and provides additional opportunity for future production.

Ore Reserve estimation and reconciliation

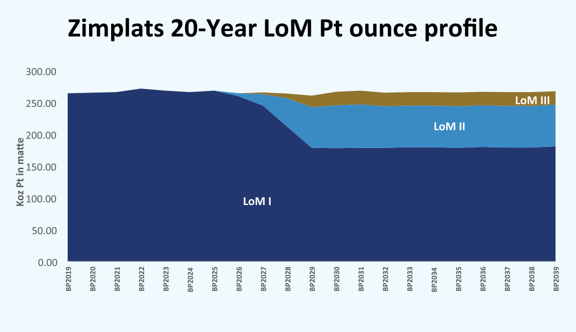
The Zimplats Ore Reserve Statement as at 30 June 2018 is shown on page 85. The Ore Reserves quoted reflect anticipated grades delivered to the mill.

The conversion and classification of Ore Reserves at Zimplats is informed by:

- Feasible mine plan and project studies, board approval and available funding
- Economic testing at given market conditions (price deck)
- Indicated Mineral Resources can be classified as Probable Ore Reserves if the mine plan, approval, funding and economic test is passed
- Measured Mineral Resources can be classified as Proved Ore Reserves if the mine plan approval, funding and economic test is passed

Mineral Resources and Ore Reserves Summary (continued)

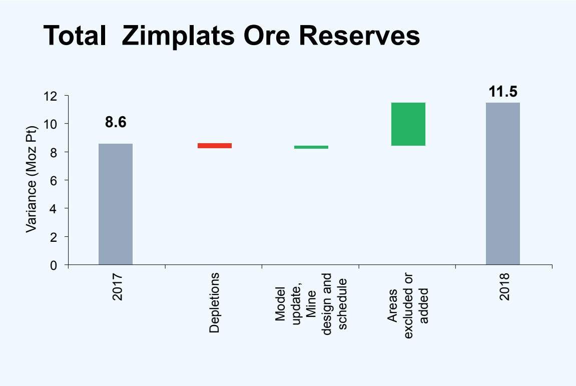
- In certain exceptional circumstances the Competent Person may elect to convert Measured Mineral Resources to Probable Ore Reserves if the confidence in the modifying factors is being confirmed
- No Inferred Mineral Resources are converted to the Ore Reserve category.



Zimplats Ore Reserves – 100%

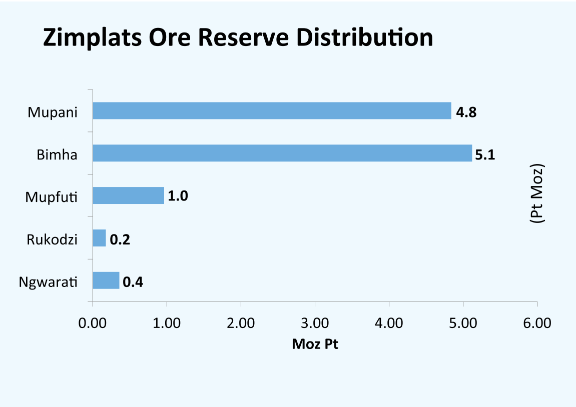
as at 30 June 2018				
Orebody Category		**Proved**	**Probable**	**Total**
Tonnes	Mt	93.4	132.9	226.3
Width	cm	265	265	
4E Grade	g/t	3.17	3.21	3.19
6E grade	g/t	3.34	3.38	3.37
Ni	%	0.10	0.10	0.10
Cu	%	0.07	0.07	0.07
4E Oz	Moz	9.5	13.7	23.2
6E Oz	Moz	10.0	14.4	24.5
Pt Oz	Moz	4.7	6.8	11.5
Pd Oz	Moz	3.8	5.3	9.1
as at 30 June 2017				
Orebody Category		**Proved**	**Probable**	**Total**
Tonnes	Mt	63.6	101.5	165.1
Width	cm	266	265	
4E Grade	g/t	3.25	3.26	3.25
6E grade	g/t	3.43	3.44	3.43
Ni	%	0.10	0.09	0.10
Cu	%	0.07	0.08	0.08
4E Oz	Moz	6.6	10.6	17.3
6E Oz	Moz	7.0	11.2	18.2
Pt Oz	Moz	3.3	5.3	8.6
Pd Oz	Moz	2.6	4.1	6.7

The year-on-year reconciliation of the Ore Reserves at Zimplats shows a large increase due to the conversion of some Upper Ores to the Ore Reserve category. This is a result of extensive trial studies that resulted in a 33% increase in the estimated Ore Reserves at Zimplats from 8.6 Moz Pt to 11.5 Moz Pt.



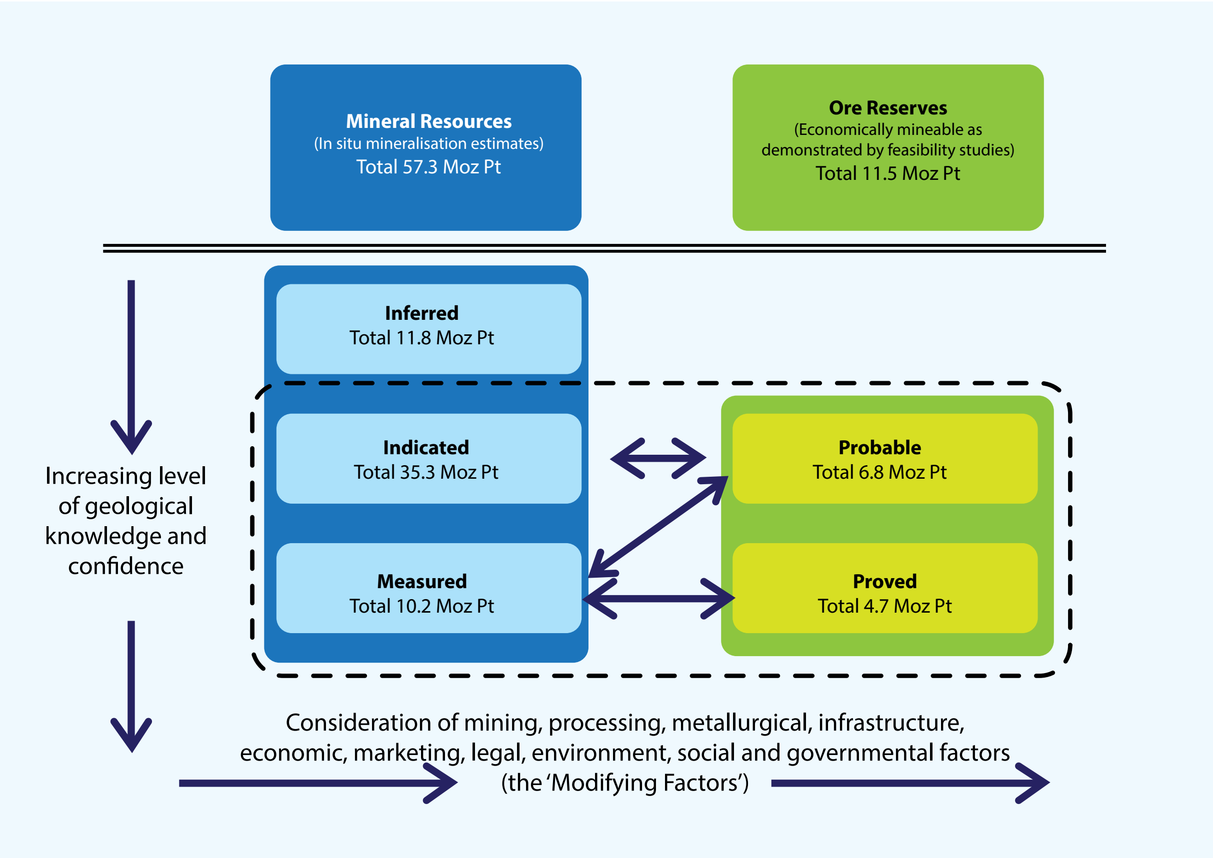
The distribution of Ore Reserves at the different portals is shown alongside, indicating the varying sizes and remaining production potential.

Mine	Pt Moz
Ngwarati	0.36
Rukodzi	0.18
Mupfuti	0.96
Bimha	5.12
Mupani	4.84



Mineral Resources and Ore Reserves Summary (continued)

Relationship between Mineral Resources and Ore Reserves as at 30 June 2018



Compliance

Zimplats Mineral Resources and Ore Reserves are estimated and reported in accordance with the Implats code of practice for the estimation, classification and reporting of Mineral Resources and Ore Reserves. The code of practice is an Implats Group-wide protocol that seeks to provide more prescriptive guidance than the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, the Joint Ore Reserve Committee Code (JORC Code), 2012 edition. Zimplats Mineral Resources and Ore Reserves also meet the requirements of the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts reports, the VALMIN Code, 2005 edition.

The Lead Competent Persons designated in terms of the JORC Code, who took responsibility for the reporting of Mineral Resources and Ore Reserves as at 30 June 2018, are Steven Duma (Pr. Sci. Nat), MAusIMM and Caston Mutevhe (Pr.Eng) ECSA, MSAIMM who are full-time employees of Zimplats. Steve is responsible for Mineral Resources and has 21 years of experience in mining and exploration of which eight years have been in platinum in Zimbabwe and South Africa. Caston is responsible for Ore Reserves and has 24 years of experience in mining of which nine years have been in the platinum mining industry in Zimbabwe.

GOVERNANCE REPORTING

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Directors' Report 107

The Directors' Statement of Responsibility 111

ASX Announcements

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

Key announcements made since the date of the Company's last integrated annual report have included the following:

31 August 2017	Appendix 4E – preliminary final report
13 September 2017	Release of integrated annual report 2017
13 September 2017	Appendix 4G – key disclosures corporate governance principles and recommendations
16 October 2017	Results of annual general meeting
31 October 2017	Quarterly activities report for the quarter ended 30 September 2017
31 January 2018	Quarterly activities report for the quarter ended 31 December 2017
28 February 2018	Release of results for the half-year ended 31 December 2017
28 February 2018	Appendix 4D – half-year report 31 December 2017
4 April 2018	Resignation of Ms B Berlin as a director
16 April 2018	Appointment of Ms T N Mgoduso as a director
26 April 2018	Quarterly activities report for the quarter ended 31 March 2018
6 June 2018	Resolution of mining lease and mining tenure issues
31 July 2018	Quarterly activities report for the quarter ended 30 June 2018
30 August 2018	Appointment of Ms M Kerber as a director
31 August 2018	Appendix 4E – preliminary final report
31 August 2018	Notification of dividend

Corporate Governance Report

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

The King IV Report on Corporate Governance for South Africa ("King IV"), released in November 2016, was effective for the financial years from 1 April 2017. The Company's ultimate holding company, Implats, which holds 87% of the Company's issued shares, has adopted the King IV report. As a foreign subsidiary of a South African company, Zimplats will consider and, where practicable, will implement the recommendations made in the King IV report with an 'apply and explain' approach. Where appropriate, non-application of any recommendation has been disclosed and explained in this report.

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 ultimate holding company, with suitable modifications.

BOARD OF DIRECTORS

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

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

The board fully recognises its responsibilities for setting the Company's strategic direction, providing the leadership to put this into effect, supervising the management of the business and reporting to the shareholders on its stewardship. The board meets at least six times a year; it holds four quarterly board meetings, a strategy planning session is held annually with the executive management team and a separate meeting is devoted to reviewing the annual budget and business plan. One-third of the board members retire by rotation at the annual general meeting of the Company and members retiring by rotation 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 group 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 Company has a written agreement with each director and senior executive setting the terms of their appointment.

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

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

Each committee chairperson reports on the proceedings of his/her committee at the quarterly board meetings. The chairpersons of each of these committees are encouraged to attend the annual general meeting to answer questions from shareholders.

Corporate Governance Report (continued)

These committees operate under board approved terms of reference which are reviewed by the board annually 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 nominations committee. The Company does not therefore fully meet the requirements of either Recommendation 2.1 of the ASX Corporate Governance Principles and Recommendations or King IV with regard to the appointment of a nominations committee.

From a corporate governance perspective, Implats has the right to nominate a majority of directors. It is for this reason that the Company does not meet the requirements of either Recommendation 2.4 of the ASX Corporate Governance Principles and Recommendations or King IV, which stipulate that the majority of the non-executive directors should be independent. Details of board members appear on pages 12 to 14. The board has a programme for inducting new directors in order to familiarise them with the Zimplats operations, its business environment and the sustainability issues relevant to the business.

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

	IMPLATS NOMINEE	INDEPENDENT	NON-EXECUTIVE	EXECUTIVE
F S Mufamadi	•		•	
A Mhembere				•
S M Mangoma				•
M Kerber	•		•	
T N Mgoduso		•	•	
A Muchadehama		•	•	
N J Muller	•		•	
D S M Shoko		•	•	
Z B Swanepoel	•		•	
N P S Zhou		•	•	
Totals	4/10	4/10	8/10	2/10

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

Ms Mgoduso, Mr Muchadehama, Dr Shoko and Mr 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.

Corporate Governance Report (continued)

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

ATTENDEE	ATTENDED	AUG 17	NOV 17	FEB 18	MAY 18
F S Mufamadi	4/4	•	•	•	•
A Mhembere	4/4	•	•	•	•
S M Mangoma	4/4	•	•	•	•
B Berlin*	3/4	•	•	•	N/A
M Kerber+	0/4	N/A	N/A	N/A	N/A
T N Mgoduso++	1/4	N/A	N/A	N/A	•
A Muchadehama	4/4	•	•	•	•
N J Muller	4/4	•	•	•	•
D S M Shoko	4/4	•	•	•	•
Z B Swanepoel	4/4	•	•	•	•
N P S Zhou	4/4	•	•	•	•

N/A = Not applicable; was no longer a director or had not been appointed a director
* Resigned with effect from 4 April 2018
+ Appointed with effect from 1 September 2018
++ Appointed with effect from 16 April 2018

The board has in place a process of board and retiring director performance evaluations. The evaluation cycle adopted is every two years. No evaluations were undertaken in FY2018 and evaluations will be undertaken in FY2019.

C. L. Secretaries Limited, a company incorporated in Guernsey, is the company secretary for the Company. C. L. Secretaries Limited is accountable to the board on matters to do with the proper functioning of the board.

BOARD COMMITTEES

AUDIT AND RISK COMMITTEE

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

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

- The financial, business risk and information technology reporting processes and governance
- The risk management systems, both financial and non-financial
- The systems and adequacy of internal controls and safeguarding of the Company assets
- The integrity of the financial statements, integrated annual report and sustainability report
- The internal and external audit process
- The appointment of both the external and internal auditors and approving their remuneration and terms of engagement, monitoring their independence, objectivity and effectiveness
- Regulating the use of external auditors for non-audit duties
- The Company's process for monitoring compliance with relevant laws and regulations.

The committee is satisfied that it has adequately discharged its responsibilities in the past financial year. The combined assurance model is now well embedded throughout the business. The model assists in facilitating, integrating and aligning the various assurance processes in the Company to maximise risk and governance oversight and control efficiencies which, in turn, increases the overall level of assurance to the audit and risk committee.

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

For most of the year under review the audit and risk committee was composed of three members, two of whom are independent non-executive directors and one of whom was the Implats chief finance officer. The office bearer of the latter office resigned from the board in April 2018 following her resignation as Implats chief finance officer. The new Implats chief finance officer, who was appointed as a director of the Company effective 1 September 2018, was appointed to be the third member of the audit and risk committee. The composition of the audit and risk committee is contrary to the King IV recommendation that all members of this committee should be independent, non-executive members of the board and arises from the controlling interest of the ultimate holding company.

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 effectively carry out its function. Details of the committee's members and their qualifications are reported on pages 12 to 14.

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 17	OCT 17	FEB 18	APR 18
N P S Zhou	Independent	4/4	•	•	•	•
B Berlin*	Implats nominee	1/4	•	AP	AP	N/A
M Kerber+	Implats nominee	0/4	N/A	N/A	N/A	N/A
A Muchadehama	Independent	4/4	•	•	•	•

AP = Apologies
N/A = Not applicable; was no longer a director or had not been appointed a director
* Resigned as a director with effect from 4 April 2018
+ Appointed as a director with effect from 1 September 2018

REMUNERATION COMMITTEE

For the first three quarters of the year under review this committee consisted of two members, both of whom were independent non-executive directors of the Company. As from the last quarter of the year under review, the committee now consists of three members, all of whom are independent non-executive directors of the Company. The committee operates in accordance with formal terms of reference that are annually reviewed and approved by the board.

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

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

The committee meets four times a year. Attendance was as follows during the year under review:

ATTENDEE	CAPACITY	ATTENDED	AUG 17	NOV 17	FEB 18	MAY 18
T N Mgoduso+	Independent	1/4	N/A	N/A	N/A	•
A Muchadehama	Independent	4/4	•	•	•	•
N P S Zhou	Independent	4/4	•	•	•	•

N/A = Not applicable; had not been appointed a director
+ Appointed as a director on 16 April 2018

SAFETY, HEALTH, ENVIRONMENT AND COMMUNITY (SHEC) COMMITTEE

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

For the year under review the SHEC committee consisted of two non-executive directors as members. The chief executive officer and members of executive management are standing invitees to the committee's meetings. Dr J C Andrews, a member of the operating subsidiary's board and the Implats group executive responsible for SHEC matters, is also a standing invitee to the committee's meetings.

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

ATTENDEE	CAPACITY	ATTENDED	JUL 17	OCT 17	JAN 18	APR 18
Z B Swanepoel	Implats Nominee	4/4	•	•	•	•
D S M Shoko	Independent	4/4	•	•	•	•

KEY MANAGEMENT COMMITTEES

Executive Committee (Exco)

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

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

The following are standing invitees to Exco meetings

- Simbarashe Goto: Senior General Manager - Mining
- Louis Mabiza: Senior General Manager - Processing
- Charles Mugwambi: General Manager - Commercial

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

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

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

Project Steering Committee

This committee has been established in order to ensure that all technical and commercial aspects of the planned expansions are subject to a high degree of scrutiny and review, so as to ensure the feasibility of proposed expansions. This includes ensuring that all aspects of proposed expansions are subject to a full independent third party review. The committee is chaired by the Technical Director. A senior executive of Implats responsible for project planning and implementation is a member of this committee. Representatives from the operating subsidiary, and also from Implats as required, sit on this committee and review ongoing progress in respect of all matters relating to expansion projects. The committee meets regularly as required by the progress of the various projects.

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 up to certain limits beyond which board approval is required. The Technical Director is chairman of the committee. Membership comprises executives from a variety of disciplines within the operating subsidiary's operations and an Implats representative is also a member.

Procurement Committee

The procurement committee operates to terms of reference and is tasked with implementing procurement best practice and company policy on identified and approved procurement objectives. The committee is responsible for adjudicating and awarding procurement contracts and tenders, with all contracts awarded in excess of US$1 million being reported at board level. The committee is chaired by the chief finance officer with two Zimplats executives and one Implats executive as members.

REMUNERATION REPORT

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

The operating subsidiary endeavours to attract and retain talented and suitably qualified and experienced staff through performance-based reward systems that operate throughout the organisation, including an incentive scheme that is directly linked to key performance fundamentals for the Company.

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. Currently two members of the board (20%) are women. There is currently one woman at senior executive level (E band on the Paterson job grading system) out of 27. Currently the operating subsidiary employs 229 women (2017: 215) and continues to work towards achieving the stated target.

NON-EXECUTIVE DIRECTORS' REMUNERATION

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

The current approved annual aggregate limit of fees that can be paid to non-executive directors is US$600 000.

The non-executive directors' annual board fees for the Group for the year were set at the following:

BOARD FEE	2018 US$
Chairman	76 950
Directors	38 475

Committee fees are payable based on attendance and for the year to 30 June 2018 these were as follows:

COMMITTEE FEE	AUDIT AND RISK US$	REMUNERATION AND SHEC US$
Chairman	21 010	19 213
Member	10 974	10 477

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. The fees paid during the year are within the limit previously approved by shareholders.

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

TOTAL REMUNERATION	2018 US$	2017 US$
Board Fees	276 965	297 799
Audit and Risk Committee Fees	34 732	42 964
Remuneration Committee Fees	34 056	25 755
SHEC Committee Fees	34 491	29 688
Total	380 244	396 206

EXECUTIVE AND SENIOR MANAGEMENT REMUNERATION

It is the remuneration policy of the Group that executive directors and senior managers receive an annual base salary. In addition, a housing loan scheme which is governed by carefully managed rules is in place. Educational allowances are paid to predetermined levels, full use of a company vehicle is provided to management employees and medical aid cover is provided for the executives and senior management and their immediate families. The Company also has in place a contributory pension scheme for all management staff.

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

Depending on the level of seniority, the constituent parts of the bonus incorporate a relative weighting for production targets, safety performance and individual key performance measures. The performance of senior executives and managers was evaluated in accordance with the rules of the scheme during the course of the period.

The board has considered carefully Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations and the requirements of King IV in relation to the disclosure of the 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 the 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 27 people (2017: 23):

	2018 US$ 000	2017 US$ 000
Executive directors and senior managers	12 063	9 852

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 considered it inappropriate that executive directors and senior managers should be incentivised with such shares, and instead introduced a scheme whereby they are incentivised on the basis of the allocation of shares and notional shares in the ultimate holding company.

It was reported previously that the long term incentive share appreciation reward scheme (SARS) was under review as it was not related to specific performance conditions. To comply with corporate governance principles and remuneration best practice, it was decided to phase out the SARS in favour of a long-term incentive plan (LTIP).

Share Appreciation Reward Scheme (SARS)

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

Long-Term Incentive Plan (LTIP)

The LTIP was introduced in FY2013, and comprises both a conditional share plan (CSP) and a share appreciation rights plan (SAR). In terms of the SAR, conditional rights will be awarded to participants to receive shares in Implats calculated with reference to the increase in the share price from the award date until the date on which the SAR is exercised by the participants. A three-year vesting 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 emerging remuneration best practice in relation to share – based incentives. The Company will however be reviewing the LTIP with a view to further enhancing its value addition to both the Company and senior managers.

RISK MANAGEMENT

The Company has adopted a policy on risk management which ensures an integrated approach to the management of risk in order that it becomes embedded in all business activities, and is more fully explained on pages 48 to 52 of this 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 the executive team's application of risk management. Risk is a standard agenda item on board and management meetings, with the board and audit and risk committee routinely apprised of the inherent risks and state of risk-management controls.

The board committees, external specialists and the internal and external audit functions assist the board in providing independent assurance on the effectiveness of the management controls that are in place. To this end, the audit and risk committee receives reports on the combined assurance model. This model seeks to integrate and 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.

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

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

SUSTAINABLE REPORTING

A detailed report on stakeholder engagement and non-financial performance indicators has been included in this report on pages 45 to 78.

CODE OF ETHICS

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

On joining the Group, all managers are required to sign a copy of the code of ethics and fraud policy. The policies provide clear guidance on business and personal conduct, conflicts of interest, the prevention of the dissemination of Company information, the acceptance of donations and gifts and the protection of the intellectual property and patents of the Company. Group policy prohibits political donations either directly or indirectly. The policy provides a channel through which breaches of the code can be dealt with without fear of victimisation, and outlines the disciplinary action (including dismissal or prosecution) that will be taken in the event of any contravention. Executive and line management are responsible and accountable for the implementation of the code of ethics, fraud policy and resultant procedures.

In order to further promote ethical behaviour and assure confidentiality, the Company subscribes to an independent and anonymous "whistle-blower" programme administered by Deloitte and monitored by internal audit. Internal security systems provide a further avenue of information relating to ethical behaviour.

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. A total of 30 allegations were reported and 11 were confirmed as relating to unethical practices. No cases are still under investigation.

An analysis of the reports is set out below:

	2018	2017
Number of reports received	30	13
Number of employee dismissals	4	2
Number of rewards paid out	10	2
Total value of rewards paid out	US$4 000	US$600

Corporate Governance Report (continued)

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

DEALINGS IN SECURITIES

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

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

CONTINUOUS DISCLOSURE AND COMMUNICATIONS

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

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

Audit and Risk Committee Report

Introduction

The audit and risk committee presents its report for the financial year ended 30 June 2018.

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. Details of the membership, objectives and corporate governance practices of the committee can be found on pages 97 to 98 of this integrated annual report.

Activities

The committee has discharged all its responsibilities as contained in the terms of reference and is satisfied that it has fulfilled its obligations in respect of its areas of responsibility. The following activities were, amongst other activities, performed in the 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 auditors and their concerns arising out of their audits and requested appropriate responses from management. Where weaknesses in specific controls were identified, management undertook to implement appropriate corrective actions to mitigate the weaknesses identified
- Considered the independence and objectivity of the external auditors and ensured that the scope of their additional services provided did not impair their independence
- Reviewed and recommended, for adoption by the board, the financial information that is publicly disclosed, which included:
  - The interim results for the six months ended 31 December 2017
  - The integrated annual report of the year ended 30 June 2018
- 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 2018 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 2018 annual general meeting, PricewaterhouseCoopers as the external auditor for the 2019 financial year
- Reviewed a documented assessment prepared by management on the going concern status of the Company, including the key assumptions, and accordingly made recommendations to the board
- Reviewed the performance, appropriateness and expertise of the chief finance officer and confirmed his suitability for the position.

The board has delegated responsibility for obtaining assurance on the effectiveness of the Company's systems of internal controls and risk management to the committee. This assurance has been obtained through a combination of independent ongoing reporting by the internal auditors, external auditors' reports and a peer review system that operates within the Company as the business management system (BMS). Further, the operating subsidiary holds independent assurers' certification for compliance with ISO14001:2004, ISO9001:2008 and OHSAS18001:2007 in relation to environmental, quality and occupational health and safety matters respectively.

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

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

Audit and Risk Committee Report (continued)

Integrated annual report

The audit and risk committee has evaluated the integrated annual report incorporating the annual financial statements for the year ended 30 June 2018 and considers that it complies, in all material aspects, with the requirements of international financial reporting standards.

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

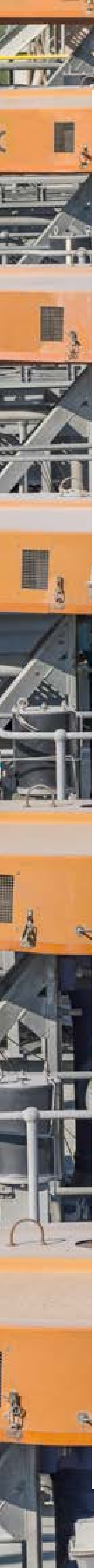
The committee has therefore recommended the annual financial statements, as set out in the integrated annual report, for approval by the board which has subsequently approved the financial statements.

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

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

NPSZhou

NPS Zhou
Chairman of the Audit and Risk Committee
11 September 2018



Directors Report

The directors have pleasure in presenting their report, together with the financial report for Zimplats Holdings Limited ("Zimplats" or "the Company") and the consolidated financial statements for Zimplats Holdings Limited and its subsidiaries (together "the Group"), for the year ended 30 June 2018.

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 Group's mining activities are operated by Zimbabwe Platinum Mines (Private) Limited, a majority-owned subsidiary.

REPORTING CURRENCY AND ROUNDING OFF 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.

SHARE CAPITAL

Authorised Share Capital

The authorised share capital of the Company remains unchanged since the last period at 500 million ordinary shares of US$0.10 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 incorporation of the Company, unissued shares are under the control of the directors.

MAJORITY SHAREHOLDING IN THE COMPANY

The number of shares held by the majority shareholder, Impala Platinum B.V., was unchanged at 93 644 430 shares. Shareholder details are set out on pages 170 to 171.

RESOLUTION OF MINING LEASE AND MINING TENURE ISSUES

As reported previously, in March 2013, the Government of Zimbabwe gazetted a preliminary notice of its intention to compulsorily acquire a portion of ground (constituting approximately 50% of the remaining ground) held under the operating subsidiary's special mining lease after the first surrender of 36% of ground in 2006. In March 2013 the operating subsidiary lodged a formal objection to the preliminary notice to compulsorily acquire the land. As stakeholders are aware, the matter was pending in the courts in Zimbabwe. The operating subsidiary had however continued to engage the Government of Zimbabwe in discussions to find an amicable resolution of the matter.

The directors are pleased to advise stakeholders that this issue concerning the intended compulsory acquisition of a portion of the operating subsidiary's mining lease area, as well as the issue of security of the operating subsidiary's mining tenure, were resolved amicably between the Company, through the operating subsidiary, and the Government of Zimbabwe to the mutual benefit of the parties. The Company agreed to release to the Government of Zimbabwe land measuring 23 903 hectares within the operating subsidiary's mining lease area in support of the Government of Zimbabwe's efforts to enable participation by other investors in the platinum mining industry in Zimbabwe. Following this release of ground, the operating subsidiary now holds two separate and non-contiguous pieces of land measuring in aggregate 24 632 hectares. Consequently, the operating subsidiary applied for and was granted, with effect from 31 May 2018, two separate mining leases over the two pieces of land measuring 6 605 hectares and 18 027 hectares respectively. These mining leases replace the special mining lease which was due for renewal in August 2019. The two mining leases issued to the operating subsidiary are valid for the life-of-mine of the operating subsidiary's mining operations and they secure the operating subsidiary's mining tenure.

EMPOWERMENT

Zimplats continues to support the Government of Zimbabwe in its endeavours to empower indigenous Zimbabweans and to develop the Zimbabwean economy.

As was reported previously, in FY2017 Zimbabwe Platinum Mines (Private) Limited ("the operating subsidiary") concluded the sale of a 10% equity stake to the Zimplats Employee Share Ownership Trust ("the ESOT") as part of its indigenisation implementation plan ("IIP"). The ESOT subscribed for, and was issued with, a 10% equity stake in the operating subsidiary that was funded through a vendor finance scheme. The ESOT now holds a 10% shareholding in the operating subsidiary. The operating subsidiary in June 2018 agreed in principle with the Zimplats Mhondoro-Ngezi Chegutu Zvimba Community Share Ownership Trust ("the CSOT") for the sale by the operating subsidiary of a 10% equity stake to the CSOT on the same terms and conditions on which the operating subsidiary sold a 10% equity stake to the ESOT. The operating subsidiary and the CSOT are now working on the documentation for the sale of the 10% equity stake to the CSOT. The ESOT's 10% equity stake and the CSOT's 10% equity stake (once concluded) will constitute part of the operating subsidiary's IIP.

In March 2018, the Government of Zimbabwe introduced changes to the Indigenisation and Economic Empowerment Act ("the Indigenisation Act") following the issuance by Zimbabwe's Minister of Finance and Economic Development of his 2018 National Budget Statement in December 2017. The amendments to the Indigenisation Act were to the effect that the 51%/49% equity threshold would now be confined only to two minerals in the extractive sector, namely platinum and diamonds. Further, the amended Indigenisation Act allows the responsible Minister to permit a platinum or diamond mining business to achieve the indigenisation and empowerment quota through the use of credits.

Against the background of these changes to the Indigenisation Act, the Group, through the operating subsidiary, continues to engage the Government of Zimbabwe with a view to finalising its IIP.

FINANCIAL AFFAIRS

The financial results for the year are set out on pages 120 to 167. The Company recorded a good set of financial results despite the low metal prices environment in which the Company is operating.

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

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

EVENTS AFTER REPORTING PERIOD

Post year-end, the board of directors declared a dividend of US$65 million (equating to 60.39 US cents per share). The ex-dividend and record dates for the dividend are 5 and 7 September 2018 respectively.

Directors Report (continued)

These financial statements do not reflect this dividend payable in accordance with the requirements of International Accounting Standard ("IAS") 10, Events after the Reporting period and IAS 1, Presentation of Financial Statements.

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER CERTIFICATION

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

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

DIRECTORATE

COMPOSITION OF THE BOARD

During the year under review, Ms Brenda Berlin resigned from the board. Brenda resigned as a non-executive director of the Company with effect from 4 April 2018. Brenda joined the board on 1 March 2010 and was a member of the board's audit and risk committee. She served as the chief finance officer for Impala Platinum Holdings Limited from 2011 until she resigned from that position on 28 February 2018.

During the year under review Ms Thandeka Mgoduso was appointed to the board with effect from 16 April 2018. After the end of the financial year, Ms Meroonisha Kerber was appointed to the board with effect from 1 September 2018.

The following are the current members of the board of directors:

- Dr F S Mufamadi
- Mr A Mhembere
- Mr S M Mangoma
- Ms M Kerber
- Ms T N Mgoduso
- Mr A Muchadehama
- Mr N J Muller
- Dr D S M Shoko
- Mr Z B Swanepoel
- Mr N P S Zhou

In terms of the articles of association of the Company ("the Articles"), at least one third of the directors, excluding the chief executive officer, will retire each year. The directors to retire at the next annual general meeting of the Company consist of directors retiring in terms of articles 16.2 and 15.5 of the Articles as set out below:

- In terms of article 16.2 of the Articles, a director will retire from office no later than at the third annual general meeting following his or her last election and will be eligible for re-election. Dr F S Mufamadi and Mr Z B Swanepoel will be retiring in terms of article 16.2 of the Articles.
- In terms of article 15.5 of the Articles, a director appointed during the year will retire at the next following annual general meeting and will be eligible for re-election. Ms T N Mgoduso and Ms M Kerber will be retiring in terms of article 15.5 of the Articles.

All the retiring directors, being eligible, offer themselves for re-election.

Directors Report (continued)

DIRECTORS INTERESTS AND REMUNERATION

There are no shares or share options in the Company held by either non-executive or executive directors of the Company 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 pages 100 to 101.

INDEMNITY OF OFFICERS

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

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

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

The Company 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 the Company or any subsidiary of the Company.

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

INSURANCE FOR OFFICERS

During and since the end of the financial year under review the Company 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 the Company or any of its controlled subsidiaries, and includes any other person who is concerned, or takes part, in the management of the Company or is an employee of the Company or any controlled subsidiaries thereof.

Under the abovementioned deeds of indemnity, the Company has undertaken to the relevant officers that it will insure them against certain liabilities incurred in their capacity as an officer.

AUDITORS

PricewaterhouseCoopers Chartered Accountants (Zimbabwe) have indicated their willingness to continue as the Company's auditors. A resolution to authorise 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 Wanderers Club, 21 North Street, Illovo, Johannesburg, South Africa, on Friday 12 October 2018 at 11:30am. Full details are given in the notice of the meeting on pages 172 to 174.

BY ORDER OF THE BOARD

The Directors' Statement of Responsibility

For the year ended 30 June 2018

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 2018, 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).

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, plays 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 independent auditors on the results of the audit
- the assessment by the audit and risk committee.

Nothing has come to the attention of the board that has caused it to believe that the Company's systems of internal controls and risk management are not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The board's opinion is underpinned by the audit and risk committee's statement.

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

The directors 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.

It is the responsibility of the independent auditors to report on the financial statements. Their report to the shareholders of the Company is set out on pages 114 to 119.

These financial statements have been prepared under the supervision of the chief finance officer Stewart Mangoma, a member of the Institute of Chartered Accountants Zimbabwe (ICAZ) membership certificate number M2942, registered with the Public Accountants and Auditors Board, Registration Number 3325.

APPROVAL OF FINANCIAL STATEMENTS

The directors' report and the financial statements were approved by the board of directors on 15 August 2018 and were signed on its behalf by:

A Mhembere	**S M Mangoma**
Chief Executive Officer	**Chief Finance Officer**

11 September 2018

FINANCIAL REVIEW

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Independent Auditor's Report

To the shareholders of Zimplats Holdings Limited

Report on the audit of the consolidated and separate financial statements

Our 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 (the "Company") and its subsidiaries (together the "Group") as at 30 June 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Zimplats Holdings Limited's consolidated and separate financial statements set out on pages 120 to 167 comprise:

- the consolidated and separate statements of financial position as at 30 June 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

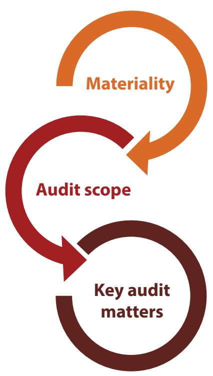
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B) ("IESBA Code"). We have fulfilled our ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview



Overall group materiality

- US$3 835 000, which represents 5% of a three year average consolidated profit before income tax.

Group audit scope

- We conducted a full scope audit for the significant subsidiary, Zimbabwe Platinum Mines (Private) Limited, and for Zimplats Holdings Limited based on their financial significance to the Group results.
- Full scope audits were performed by the centralised engagement team (group engagement team) for all components within the Group.

Key audit matters

- Income taxes.
- Impairment assessment of property, plant and equipment.

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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.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	US$3 835 000
How we determined it	5% of average consolidated profit before income tax for the 2018, 2017 and 2016 financial years.
Rationale for the materiality benchmark applied	We chose consolidated profit before income tax as the benchmark because, in our view, it is the benchmark against which performance of the Group is most commonly measured by users, and is a generally accepted benchmark. In 2018, the Group realised a profit before income tax which is significantly higher than the amounts reported in prior years. The change in profit before tax was mainly due to an increase in revenue attributable to the increase in average prices of palladium, nickel, rhodium and copper. Due to these fluctuations, it was considered appropriate to use a three year average consolidated profit before income tax as a benchmark. We chose 5% which is within the range of acceptable quantitative materiality thresholds used for profit-oriented companies.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

All audit work was performed by the centralised engagement team (group engagement team) and did not require involvement of component auditors.

- We conducted a full scope audit for the significant subsidiary, Zimbabwe Platinum Mines (Private) Limited, based on its financial significance, and for the parent company Zimplats Holdings Limited.
- We also audited other subsidiaries, mainly property or intermediate holding entities, which were scoped in as they require an audit of individual statutory financial statements.

Independent Auditor's Report (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Consolidated and separate financial statements

Key audit matters	How our audit addressed the key audit matters
Income taxes	
A portion of the Group's mining lease area was released to the Government of Zimbabwe which resulted in the Group holding two physically separated areas. The Group applied to the Government of Zimbabwe for the issuance of an ordinary mining lease to replace the special mining lease which was due for renewal in August 2019. Two ordinary mining leases were subsequently issued to Zimbabwe Platinum Mines (Private) Limited effective 31 May 2018 over the separate areas of land. The Group's income was subject to income tax and additional profits tax for the period from July 2017 to May 2018 based on the provisions of the 22nd and 23rd Schedules to the Income Tax Act (Chapter 23:06). For the month of June 2018, the income derived from mining operations was taxed based on the provisions of the 5th Schedule to the Income Tax Act (Chapter 23:06), which provisions are applicable to an ordinary mining lease. The Income Tax Act (Chapter 23:06) does not provide specific guidelines when transitioning from a special mining lease to an ordinary mining lease. This was considered a matter of most significance to our current year audit as management exercised their judgement in determining the appropriate tax treatment for transition, in the absence of the issuance of a binding ruling by the Zimbabwe Revenue Authority. Refer to note 4 (b), 'Income taxes' in the financial statements for the related disclosure.	We held discussions with management to obtain an understanding of the changes in the mining lease status and implications thereof. We inspected the signed letter from the Government of Zimbabwe confirming the issuance of the two ordinary mining leases, effective 31 May 2018 that replaced the special mining lease which was due to expire in August 2019. We made use of our tax specialists to assess the tax implications of the change in mining lease status, from special mining lease to ordinary mine lease on both unredeemed capital allowances and income tax calculations. We inspected management's application to the Zimbabwe Revenue Authority to issue a binding ruling in the absence of specific transitional guidelines at the date of expiration of the special mining lease. The Zimbabwe Revenue Authority is yet to respond on the matter.

Key audit matters	How our audit addressed the key audit matters
Impairment assessment of property, plant and equipment	
Impairment assessment has remained an area of focus for management due to volatile commodity prices which leaves the industry exposed to adverse economic conditions and uncertainty on whether the positive trends observed during the year are sustainable. Consequently, management performed an impairment assessment of property, plant and equipment. Management performed impairment assessments with the assistance of the Group's Competent Persons to determine the recoverable amount of the cash-generating unit ("CGU"), which includes both the Group's and the Company's property, plant and equipment. The Group is regarded as the CGU as its operations are vertically integrated and are managed as a single entity. The recoverable amount for property, plant and equipment was based on a combination of the discounted cash flow model and valuation of resources (in situ resources) that are not included in the existing life-of- mine plans. The assumptions which were used for cash flow forecasts and in situ resources valuations are based on future results and expected market and economic conditions. The most significant assumptions in these forecasts and valuations are: production volumes, costs of production, capital expenditure, forecasts for metal prices, and long term real discount rates. The impairment assessment was a matter of most significance to our current year audit due to the significant management judgement involved in the valuations to determine the recoverable amount of the assets. No impairment loss was recognised as the estimated recoverable value is greater than the carrying value of the assets. Refer to note 4 (a) 'Carrying value of property, plant and equipment - Impairment review' in the financial statements for the related disclosure.	In testing the future cash flows, our audit procedures included: • Testing the future cash flows by comparing the forecast to current performance, and our knowledge of the business; and • Testing the accuracy of the impairment model used by management by performing an independent recalculation and comparing our results with those of management. In considering the reasonableness of management's in situ resources value, we used our valuation expertise to independently calculate the resource multiple by benchmarking the valuation against comparable transactions. Based on our independent calculation, management's resource multiple was found to be within an acceptable range. The key assumptions used by management in their impairment assessment were subjected to audit procedures as follows: • Long-term real revenue per platinum ounce, by testing the reasonableness of the assumption, using our valuation expertise to benchmark the price against independent analysts' forecasts. Based on the work performed, we found management's assumption to be within an acceptable range of possible prices. • We also used our valuation expertise to independently calculate an acceptable range of long-term real discount rates, taking into account independently obtained data. Based on our work performed we considered the long term real discount rate used by management to be within the acceptable range as provided by the expert. • We inspected the qualifications and experience of the Group's Competent Persons and evaluated their objectivity. • We compared production volumes per the life-of-mine plan assumption to the reserves and resource statement signed by the Group's Competent Persons and to actual production volumes of the current year and no material differences were noted. As part of this assessment, we evaluated other assumptions and methods that are significant to the Group's Competent Persons' work for their relevance and reasonableness. • We assessed the reasonableness of management's life-of-mine plan, operating and capital costs as well as unit costs incurred by comparing them to historical forecasts, current operational results and existing contracts in place. Based on the work performed, we found these forecasts to be reasonable. • We tested the reasonableness of the inflation rate applied on costs and metal prices in the impairment model by comparing it to current rates and market forecasts. Based on the work performed, we found the rate to be reasonable.

Independent Auditor's Report (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Zimplats Holdings Limited's Integrated Annual Report 2018, but does not include the consolidated and separate financial statements on pages 120 to 167 and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements, does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers

Evangelista Ravasingadi
Registered Public Auditor

Partner for and on behalf of
PricewaterhouseCoopers Chartered Accountants (Zimbabwe)
Public Accountants and Auditors Board, Public Auditor Registration Number 0391
Institute of Chartered Accountants of Zimbabwe Public Practice Certificate Number 253514
Institute of Chartered Accountants in England and Wales Membership Number 4010826

12 September 2018

Harare
Zimbabwe

Statements of Financial Position

As at 30 June 2018

	Notes	Group 2018 US$ 000	Group 2017 US$ 000	Company 2018 US$ 000	Company 2017 US$ 000
ASSETS					
Non-current assets					
Property, plant and equipment	6	1 086 705	1 016 647	5 357	5 494
Investment in subsidiaries	7	-	-	113 137	113 011
Trade and other receivables	10	1 915	2 457	-	-
		1 088 620	**1 019 104**	**118 494**	**118 505**
Current assets					
Inventories	8	62 785	54 036	-	-
Prepayments	9	49 901	97 690	139	103
Trade and other receivables	10	180 091	162 583	14	8
Cash and balances with banks	11	118 981	70 334	69 688	60 778
		411 758	**384 643**	**69 841**	**60 889**
Total assets		**1 500 378**	**1 403 747**	**188 335**	**179 394**
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	10 763	10 763	10 763	10 763
Share premium	12	89 166	89 166	89 166	89 166
Retained earnings		895 370	892 730	88 339	79 301
		995 299	**992 659**	**188 268**	**179 230**
LIABILITIES					
Non-current liabilities					
Borrowings	13	42 500	85 000	-	-
Share based compensation	14	361	1 795	-	-
Deferred income taxes	15	243 372	145 183	-	-
Environmental rehabilitation provision	16	22 387	27 832	-	-
		308 620	**259 810**	**-**	**-**
Current liabilities					
Trade and other payables	17	81 018	73 203	67	164
Current income tax liabilities	18	72 241	53 664	-	-
Borrowings	13	42 500	24 003	-	-
Share based compensation	14	700	408	-	-
		196 459	**151 278**	**67**	**164**
Total equity and liabilities		**1 500 378**	**1 403 747**	**188 335**	**179 394**

The above statements of financial position should be read in conjunction with the accompanying notes.
The financial statements were authorised for issue by the board of directors and were signed on its behalf by:

A Mhembere
Chief Executive Officer

S M Mangoma
Chief Finance Officer

11 September 2018

Statements of Comprehensive Income
For the year ended 30 June 2018

	Notes	Group 2018 US$ 000	Group 2017 US$ 000	Company 2018 US$ 000	Company 2017 US$ 000
Revenue	19	582 544	512 549	12 150	5 000
Cost of sales	20	(368 036)	(367 065)	-	-
Gross profit		**214 508**	**145 484**	**12 150**	**5 000**
Management fees		-	-	-	2 414
Administrative expenses	21	(46 144)	(46 274)	(1 428)	(2 000)
Selling and distribution expenses		(4 363)	(4 887)	-	-
Royalty and commission expense	23	(15 200)	(12 692)	-	-
Other operating expenses	24	(4 610)	(8 967)	(2)	(3)
Other operating income	25	24 618	36 646	-	-
Operating profit		**168 809**	**109 310**	**10 720**	**5 411**
Finance income	26	2 353	851	141	84
Finance costs	27	(5 206)	(8 848)	-	-
Profit before income tax		**165 956**	**101 313**	**10 861**	**5 495**
Income tax expense	28	(163 316)	(55 775)	(1 823)	(1 112)
Profit for the year		**2 640**	**45 538**	**9 038**	**4 383**
Other comprehensive income					
Items that will not be reclassified to profit or loss		-	-	-	-
Items that may be reclassified to profit or loss:		-	-	-	-
-Gain on remeasurement of available-for-sale financial assets	25	527	7 804	-	-
-Reclassification of changes in the fair value of available-for-sale financial assets to profit or loss	25	(527)	(7 804)	-	-
Other comprehensive income for the year, net of tax		**-**	**-**	**-**	**-**
Total comprehensive income for the year		**2 640**	**45 538**	**9 038**	**4 383**
Attributable to:					
Owners of Zimplats Holdings Limited		2 640	45 538	9 038	4 383
Non-controlling interests		-	-	-	-
		2 640	**45 538**	**9 038**	**4 383**
Earnings per share for profit attributable to the ordinary equity holders of the Company:					
Basic earnings per share (cents)	29	2	42		
Diluted earnings per share (cents)	29	2	42		

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of Changes In Equity

For the year ended 30 June 2018

	Share capital US$ 000	Share premium US$ 000	Retained earnings US$ 000	Total US$ 000
GROUP				
Balance as at 1 July 2017	**10 763**	**89 166**	**892 730**	**992 659**
Total comprehensive income for the year	-	-	2 640	2 640
Profit for the year	-	-	2 640	2 640
Other comprehensive income for the year	-	-	-	-
Balance as at 30 June 2018	**10 763**	**89 166**	**895 370**	**995 299**
Balance as at 1 July 2016	**10 763**	**89 166**	**847 192**	**947 121**
Total comprehensive income for the year	-	-	45 538	45 538
Profit for the year	-	-	45 538	45 538
Other comprehensive income for the year	-	-	-	-
Balance as at 30 June 2017	**10 763**	**89 166**	**892 730**	**992 659**
COMPANY				
Balance as at 1 July 2017	**10 763**	**89 166**	**79 301**	**179 230**
Total comprehensive income for the year	-	-	9 038	9 038
Profit for the year	-	-	9 038	9 038
Other comprehensive income for the year	-	-	-	-
Balance as at 30 June 2018	**10 763**	**89 166**	**88 339**	**188 268**
Balance as at 1 July 2016	**10 763**	**89 166**	**74 918**	**174 847**
Total comprehensive income for the year	-	-	4 383	4 383
Profit for the year	-	-	4 383	4 383
Other comprehensive income for the year	-	-	-	-
Balance as at 30 June 2017	**10 763**	**89 166**	**79 301**	**179 230**

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of Cash Flows
For the year ended 30 June 2018

	Notes	Group 2018 US$ 000	Group 2017 US$ 000	Company 2018 US$ 000	Company 2017 US$ 000
Cash flows from operating activities					
Operating profit		168 809	109 310	10 720	5 411
Adjustments for:					
Depreciation	6	65 450	75 943	137	177
Provision for obsolete inventories	8	1 233	203	-	-
Provision for share based compensation	14	(200)	412	-	-
Foreign exchange losses	24	203	936	2	3
(Gain)/loss on disposal of property, plant and equipment	24/25	(63)	6	-	-
Other receivables written-off	24	14	778	-	-
Treasury bill received in lieu of interest	25	(9 824)	-	-	-
Reversal of impairment of a long term receivable	25	-	(12 996)	-	-
Gain on remeasurement of available-for-sale financial assets	25	(527)	(7 804)	-	-
Changes in operating assets and liabilities:					
Increase in inventories		(9 982)	(6 818)	-	-
Decrease/(increase) in prepayments		47 789	(38 202)	(36)	(103)
(Increase)/decrease in trade and other receivables		(16 980)	(31 108)	(6)	4 014
Increase/(decrease) in trade and other payables	17	7 612	14 708	(96)	(42)
Cash generated from operations		253 534	105 368	10 721	9 460
Finance costs paid	13	(7 658)	(7 194)	-	-
Share based compensation payments	14	(942)	(310)	-	-
Payments for environmental rehabilitation	16	(3 407)	(780)	-	-
Income taxes and withholding taxes paid	18	(46 550)	(40 985)	(1 823)	(1 112)
Net cash generated from operating activities		**194 977**	**56 099**	**8 898**	**8 348**
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(135 281)	(63 321)	-	-
Proceeds from disposal of property, plant and equipment		249	249	-	-
Proceeds from disposal of available-for-sale financial assets	25	10 351	20 800	-	-
Movement in loans to subsidiaries		-	-	(127)	(41)
Finance income	26	2 353	845	141	84
Net cash (utilised in)/ generated from investing activities		**(122 328)**	**(41 427)**	**14**	**43**
Net increase in cash and cash equivalents		**72 650**	**14 672**	**8 912**	**8 391**
Cash and cash equivalents at beginning of the year	11	46 334	31 665	60 778	52 390
Exchange losses on cash and cash equivalents		(2)	(3)	(2)	(3)
Cash and cash equivalents at the end of the year	11	**118 981**	**46 334**	**69 688**	**60 778**

The above statements of cash flows should be read in conjunction with the accompanying notes.

1 GENERAL INFORMATION

Zimplats Holdings Limited (the "Company") is a public company domiciled in Guernsey, Channel Islands and listed on the Australian Stock Exchange ("ASX"). The consolidated financial statements for the year ended 30 June 2018 are for the group consisting of the Company and its subsidiaries (together the "Group").

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies, which are useful to users, especially where particular accounting policies are based on judgement regarding choices within International Financial Reporting Standards have been disclosed. Accounting policies for which no choice is permitted in terms of International Financial Reporting Standards, have been included only if management concluded that the disclosure would assist users in understanding the financial statements as a whole, taking into account the materiality of the item being discussed. Accounting policies which are not applicable from time to time, have been removed, but will be included if the type of transaction occurs in future.

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRS IC"), applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention except for:

- available-for-sale financial assets measured at fair value; and
- the liabilities for cash-settled share-based payment arrangements which are measured using a binomial option model.

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

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

2.1.1 Changes in accounting policies and disclosures

(a) New standards, amendments and interpretations effective for the first time for 30 June 2018 year ends that are relevant to the Group

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

(b) New standards, amendments and interpretations issued but not effective for 30 June 2018 year ends that are relevant to the Group but have not been early adopted

Standard / Interpretation	Effective date	Executive summary
Amendments to IFRS 2, 'Share based payments' Clarifying how to account for certain types of share-based payment transactions	1 January 2018	This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.
IFRS 9, 'Financial instruments' (2009 and 2010) • Financial liabilities • Derecognition of financial instruments • Financial assets • General hedge accounting	1 January 2018	This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities. It also includes an expected credit losses model that replaces the current incurred loss impairment model. The current classification of financial assets as described in note 2.8 will be affected. The Group will classify its loans and receivables at amortised cost. The available-for-sale financial assets will be categorised as measured at fair value. The fair value movements on the available-for-sale financial assets will still be accounted for through other comprehensive income. The Group will apply the expected loss model when assessing for impairment of financial assets, but this impairment model is not expected to increase the impairment of financial assets. The standard will be applied retrospectively and it is not expected that any of the practical expedient provisions will be applied.
IFRS 15, 'Revenue from contracts with customers'	1 January 2018	The FASB and IASB issued their long-awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of a good or service transfers to a customer. The standard is not expected to change the timing of revenue recognition. However, the standard is expected to change the treatment of adjustments relating to changes in metal prices. After the intial recognition of revenue, subsequent adjustments relating to changes in metal prices will be recognised through other operating income/(expenses). Under IAS18, such adjustments would directly affect revenue.
Amendment to IFRS 15, 'Revenue from contracts with customers'	1 January 2018	The IASB has amended IFRS 15 to clarify the guidance, but there were no major changes to the standard itself. The amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of these areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard.

(b) New standards, amendments and interpretations issued but not effective for 30 June 2018 year ends that are relevant to the Group but have not been early adopted (continued)

Standard / Interpretation	Effective date	Executive summary
IFRS 16, 'Leases'	1 January 2019 Earlier application permitted if IFRS 15 is also aplied	This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on statement of financial position) and an operating lease (off statement of financial position). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an arrangement contains a lease', SIC 15, 'Operating leases – Incentives' and SIC 27, 'Evaluating the substance of transactions involving the legal form of a lease'. The new standard provides a comprehensive model to identify lease arrangements and the treatment thereof in the financial statements of both lessees and lessors. The Group has non-material operating leases which will have to be brought onto the statement of financial position in terms of the new standard and additional disclosure will be required.
IFRIC 22, 'Foreign currency transactions and advance consideration'	1 January 2018	This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/ receipt is made as well as for situations where multiple payment/receipts are made. The guidance aims to reduce diversity in practice.
IFRIC 23, 'Uncertainty over income tax treatments'	1 January 2019	IFRIC 23 provides a framework to consider, recognise and measure the accounting impact of tax uncertainties. The Interpretation provides specific guidance in several areas where previously IAS 12 was silent. The Interpretation also explains when to reconsider the accounting for a tax uncertainty. Most entities will have developed a model to account for tax uncertainties in the absence of specific guidance in IAS 12. These models might, in some circumstances, be inconsistent with IFRIC 23 and the impact on tax accounting could be material. Management should assess the existing models against the specific guidance in the Interpretation and consider the impact on income tax accounting.

(b) New standards, amendments and interpretations issued but not effective for 30 June 2018 year ends that are relevant to the Group but have not been early adopted (continued)		
Standard / Interpretation	**Effective date**	**Executive summary**
Annual improvements cycle 2015 - 2017	1 January 2019	These amendments include minor changes to four standards. Only one of the four annual improvements is relevant to the Group's financial statements as detailed below: • IAS 23,' Borrowing costs' - a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

2.2 Principles of consolidation

Subsidiaries

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

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

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

Changes in ownership interests

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

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

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

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

2.3 Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

2.4 Property, plant and equipment

Carrying amount

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

Cost

Pre-production expenditure, including evaluation costs incurred to establish or expand productive capacity, and to support and maintain that productive capacity is capitalised to property, plant and equipment. The recognition of pre-production expenditure including evaluation 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 general or specific borrowings to finance the establishment or expansion of mining and processing assets is capitalised during the construction phase. When general and/or specific borrowings are utilised to fund qualifying capital expenditure, such borrowing costs attributable to the capital expenditure are capitalised from the point at which the capital expenditure and related borrowing costs are incurred until completion of construction. Actual interest, net of any temporary income, on specific borrowings is capitalised. Interest on general borrowings is capitalised at the weighted average cost of the debt on qualifying expenditure, limited to actual interest incurred.

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

- Any decrease in the liability reduces the cost of the asset. The decrease in the asset is limited to its carrying amount and any excess is accounted for in the income statement.
- Any increase in the liability increases the carrying amount of the asset. An increase to the cost of an asset is tested for impairment when there is an indication of impairment.

Subsequent expenditure

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

Derecognition

An item of property, plant and equipment is derecognised upon disposal and when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal, retirement or scrapping of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation

Assets are depreciated over their useful lives taking into account historical and expected performance for straight line depreciation and actual usage in the case of units-of-production method.

Assets are not depreciated when the residual value equals or exceeds the carrying value of the asset. Depreciation is calculated on the carrying amount less residual value of the assets. Depreciation methods and depreciation rates are applied consistently within each asset class. The depreciation calculation is adjusted prospectively for changes in the residual value and useful lives. Depreciation is charged to the income statement.

Mining claims and exploration

Mining claims are the right to extract minerals from a tract of public land. 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.

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 any impairment losses.

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 2018, the life-of-mine was estimated as follows:

Mine	Estimated useful life
Rukodzi Mine	3 years
Ngwarati Mine	7 years
Bimha Mine	51 years
Mupfuti Mine	10 years
Mupani Mine	48 years

Land and buildings

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

Mobile equipment

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

Asset type	Estimated useful life
Personally allocated vehicles	5 years
Pool vehicles	
Light	10 years
Heavy	15 - 20 years
Trackless mining machinery	4 - 13 years

Service assets

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

Other assets

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

Asset type	Estimated useful life
Information technology equipment	4 - 5 years
Furniture, fittings and office equipment	5 years

Stripping costs

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

There were no stripping costs meeting the capitalisation criteria as at 30 June 2018 (2017: US$ nil).

2.5 Exploration for and evaluation of mineral resources

The Group expenses all exploration and evaluation expenditure until the directors conclude that a future economic benefit is more likely than not to be realised, i.e. probable, thereafter, exploration and evaluation expenses are capitalised. In evaluating if expenditure meets this criterion to be capitalised, the board of 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 board of 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 brownfield sites, being those adjacent to mineral deposits which are already being mined or developed, is expensed as incurred until the board of directors are able to demonstrate that future economic benefits are probable through the completion of a pre-feasibility study, after which the expenditure is capitalised as a mine development cost. A 'pre-feasibility study' consists of a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating economic factors and the evaluation of other relevant factors.

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

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 pre-feasibility study. This economic evaluation is distinguished from a pre-feasibility study in that some of the information that would normally be determined in a pre-feasibility study is instead obtained from the existing mine or development. This information when combined with existing knowledge of the mineral property already being mined or developed, allows the board of directors to conclude that more likely than not, the Group will obtain future economic benefit from the expenditure.

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

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

2.6 Impairment of non-financial assets

Assets that have a definite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

The recoverability of the long-term mining assets is based on estimates of future discounted cash flows. These estimates are subject to risks and uncertainties including future metal prices. It is therefore possible that changes can occur which may affect the recoverability of the mining assets. The recoverable amounts of non-mining assets are generally determined by reference to market values. Where the recoverable amount is less than the carrying amount, the impairment is charged against income to reduce the carrying amount to the recoverable amount of the asset. The revised carrying amounts are depreciated over the remaining lives of such affected assets.

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

2.7 Leases

Determining whether an arrangement is, or contains a lease, is based on the substance of the arrangement, and requires an assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys the right to control the asset.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group, as lessee, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.8 Financial assets

Classification

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the reporting date. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and balances with banks in the statement of financial position.

Available-for-sale financial assets

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments. Financial assets that are not classified into any of the other categories (at fair value through profit or loss, loans and receivables or held-to-maturity investments) are also included in the available-for-sale category.

The available-for-sale financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains or losses from investment securities.

Measurement

At initial recognition, the Group measures financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

- for available-for-sale financial assets that are monetary securities denominated in a foreign currency - translation differences related to changes in the amortised cost of the security are recognised in profit or loss and other changes in the carrying amount are recognised in other comprehensive income;
- for other monetary and non-monetary securities classified as available-for-sale in other comprehensive income.

Interest income on available-for-sale securities and loans and receivables calculated using the effective interest method is recognised in the income statement.

Impairment

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

Assets carried at amortised cost

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

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

Assets classified as available-for-sale

If there is objective evidence of impairment 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 profit or loss.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period 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 profit or loss.

2.9 Offsetting financial instruments

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

2.10 Inventories

Ore, concentrate and matte stocks

Ore, concentrate and matte stocks are valued at the lower of cost (average cost of production) and estimated net realisable value. The cost of production includes total costs incurred on mining and processing including depreciation. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Quantities of in-process metals are based on latest available assays allocated to main products on a units produced basis.

Consumable stocks

Consumable stocks are stated at the lower of cost and net realisable value. The cost of consumable stocks include expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Costs are assigned to individual items of inventory on the basis of weighted average costs.

Obsolete, redundant and slow moving consumable stocks are identified and written down to net realisable value which is the estimated selling price in the ordinary course of business less selling expenses.

2.11 Trade and other receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection of the amount is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement three to five months after the date of sale.

Other receivables generally arise from transactions outside the usual operating activities of the Group. Collateral is not normally obtained.

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

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

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

Receivables for which an impairment allowance was recognised are written off against the allowance when there is no expectation of recovering additional cash. Impairment losses are recognised in profit or loss within other operating expenses. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

2.12 Cash and balances with banks

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

2.13 Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents comprise cash and balances with banks and the revolving facility which operates as a bank overdraft. The revolving facility is shown within borrowings in the statement of financial position.

2.14 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.

2.15 Borrowings

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

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

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

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

2.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

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

2.17 Trade and other payables

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

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

2.18 Provisions

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

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

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

Environmental rehabilitation provision

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

The expected decommissioning or rehabilitation cost, discounted to its net present value, is provided when the related environmental disturbance occurs, based on the Group's interpretation of environmental and regulatory requirements and its own environmental policies where these are more stringent and this has created an obligation on the Group. The cost is capitalised where it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost, apart from unwinding the discount, which is recognised in the income statement as a finance cost, is also capitalised. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site. The provision is reviewed annually to take into account the effects of changes in the estimates.

Where there is a change in the expected decommissioning and restoration costs, an adjustment is recorded against the carrying value of the provision and any related asset, and the effect is then recognised in the income statement on a prospective basis over the remaining life of the operation.

The provisions referred to above do not include any amounts related to remediation costs associated with unforeseen circumstances. The costs of other activities to prevent and control pollution and to rehabilitate the environment, that are not included in provisions are charged to the income statement as incurred.

2.19 Employee benefits

Short-term employee benefits

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

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

Pension obligations

The Group participates in defined contribution retirement plans.

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

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

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination and the entity has a detailed formal plan to terminate the employment of current employees and the Group can no longer withdraw the offer of those benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Employee share ownership plan

During the year ended 30 June 2017, the Group concluded an employee share ownership plan which holds 10% of the issued shares in the main operating subsidiary, Zimbabwe Platinum Mines (Private) Limited. This was done through the establishment of a trust, Zimplats Employee Share Ownership Trust (the "ESOT") which holds the shares for the benefit of the participating employees.

The ESOT was established in Zimbabwe and its beneficiaries are the permanent employees (excluding the executive directors and company secretary) of the main operating subsidiary.

Cash-settled share based payments

The long-term incentive plans set out below are classified as cash-settled share based payments. The obligation to settle the shares under the long-term incentive plans lies with the Group notwithstanding that participants are awarded Impala Platinum Holdings Limited shares.

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

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

The fair value, on grant date, of the employee services received in exchange for the grant of the SAR is recognised as an expense on a straight-line basis over the vesting period, with a corresponding increase in the share based compensation liability. The fair value is determined by using the binomial option valuation model. 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 - share appreciation rights (LTIP – SAR- run-off)

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

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

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

2.20 Income tax

The income tax expense for the period is tax payable on the current period's taxable income, adjusted by changes in deferred income tax assets and liabilities attributable to temporary difference and to unused tax losses, additional profit tax and withholding taxes.

Current corporate tax

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

Additional profits tax ("APT")

APT is a tax over and above the normal current income tax payable by Zimbabwean companies operating under a special mining lease ("SML") and becomes payable when the Group's SML subsidiaries have accumulated positive net cash positions determined in accordance with the Twenty Third Schedule of the Income Tax Act (Chapter 23:06).

Deferred income tax

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

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

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

Current and deferred income tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.21 Revenue recognition

Sale of metals

Revenue is measured at the fair value of the consideration received or receivable in respect of the sale of metals produced in the ordinary course of the Group's activities.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity. The Group recognises revenue when the risk and reward of ownership is transferred and when the entity no longer has any managerial involvement or control over goods that would constitute control as described below.

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

At year end, deliveries to IRS (based on the lower of assays between IRS and the Group), for which actual prices are not yet certain, are valued using spot prices at the reporting date. Appropriate adjustments will be made in the following year when they fall due for payment. Total revenue for the year comprises current year sales and prior year adjustments.

Dividend income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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 loans and receivables is recognised using the original effective interest rate.

2.23 Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing:

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

Diluted earnings per share

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

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

2.24 Dividend distribution

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

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's future financial performance. The primary objective of the financial risk management function is to establish risk limits and to ensure that risks stay within limits.

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

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

3.1.1 Market risk

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

(i) Price risk

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

The Group is exposed to commodity price risk as trade receivables include pipeline sales amounting to US$114.8 million (2017: US$103.2 million) which will be re-measured at future metal prices according to the sales contract with IRS. Metals sold, for which actual prices are not yet certain, are valued using spot prices at the reporting date with reference to the international market. The Group is therefore exposed to the risk of external price volatility (price takers).

The following demonstrates the sensitivity of pipeline sales included in trade receivables, for which actual prices are not yet certain, at the reporting date to a 10% (2017: 10%) change in metal prices on profitability, with all other variables held constant:

Effect on profit before income tax	2018 US$ 000	2017 US$ 000
Platinum	3 702	4 351
Palladium	3 414	3 311
Gold	622	628
Rhodium	1 915	788
Nickel	1 096	714
Copper	350	324
Other	384	204
Total	**11 483**	**10 320**

(ii) Foreign exchange risk

Foreign exchange risk is the risk arising from fluctuations in foreign exchange rates and their effect on future commercial transactions or recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures on purchases that are denominated in currencies other than the US$, primarily with respect to contracts with suppliers of goods and services mainly denominated in the South African Rand (ZAR) (see note 17). The Group does not use forward exchange contracts to hedge its foreign currency risk.

At 30 June 2018, if the US$ had weakened/strengthened by 20% (2017: 20%) against the South African Rand with all other variables held constant, post-tax profit for the year would have been US$2.54 million (2017: US$1.72 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of ZAR denominated trade payables. Profit is more sensitive to movement in ZAR exchange rates in 2018 than 2017 because of the increased amount of ZAR denominated payables.

(iii) Cash flow and fair value interest rate risk

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

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. All the Group's borrowings are at variable interest rates and are denominated in US$. A treasury committee meets each month to discuss various scenarios including cash flow forecasts and projections, allocations of funds and other treasury related issues.

Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. The board of directors approve loans per the Group's approval framework, including the interest rate terms, which are benchmarked against the London Inter- Bank Offered Rate ("LIBOR").

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

	2018 US$ 000	2017 US$ 000
Interest rate change		
100 basis points increase	850	850
100 basis points decrease	(850)	(850)

3.1.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge a contract. Credit risk potentially arises from cash and cash equivalents, deposits with banks or financial institutions and trade and other receivables. The Group's cash and balances with banks are placed with high credit quality financial institutions. The sole customer of the Group is IRS based in South Africa, which is a fellow wholly owned subsidiary of Impala Platinum Holdings Limited, the majority shareholder of the Company. Based on historic default rates, there have been no impairments necessary (2017: US$ nil) against trade receivables. The credit quality of the sole customer is considered to be sound and management does not expect any losses from non-performance.

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

	Group		Company	
	2018 US$ 000	2017 US$ 000	2018 US$ 000	2017 US$ 000
Trade and other receivables (excluding value added tax receivable)	169 392	154 227	14	8
Cash and balances with banks (excluding cash on hand)	118 964	70 312	69 688	60 778
	288 356	224 539	69 702	60 786

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Trade receivables

As all contractual terms have been complied with, trade receivables were fully performing and none were past due nor impaired as at 30 June 2018 (2017: US$ nil).

Other receivables

Credit risk relating to other receivables comprises employee housing and car loans secured by a second bond over residential properties and certificate of title respectively. Ownership is only transferred after the loan has been paid in full.

There is limited credit risk associated with loans and receivables from employees as repayments are deducted periodically through the payroll.

Cash and balances with banks

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

	Group		Company	
	2018	2017	2018	2017
	US$ 000	US$ 000	US$ 000	US$ 000
AA+	69 665	-	69 665	-
AA-	17 560	8 397	-	24
A+	30 291	-	-	-
A	101	101	-	-
A-	23	-	23	-
BBB	-	-	-	60 754
BB+	1 324	61 814	-	-
	118 964	70 312	69 688	60 778

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

3.1.3 Liquidity risk

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

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

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

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

Group	On demand and up to 6 months US$ 000	6 months to 1 year US$ 000	1 year 2 to years US$ 000	2 years to 5 years US$ 000	Total contractual cash flows US$ 000	Total carrying amount US$ 000
At 30 June 2018						
Liabilities						
Borrowings	42 500	-	42 500	-	85 000	85 000
Trade and other payables						
(excluding statutory liabilities)	71 077	-	-	-	71 077	71 077
Total liabilities	**113 577**	**-**	**42 500**	**-**	**156 077**	**156 077**
Assets						
Trade and other receivables						
(excluding value added tax)	166 673	804	1 102	813	169 392	169 392
Cash and balances with banks	118 981	-	-	-	118 981	118 981
Total assets	**285 654**	**804**	**1 102**	**813**	**288 373**	**288 373**
Liquidity gap	**172 077**	**804**	**(41 398)**	**813**	**132 296**	**132 296**
Cumulative liquidity gap	**172 077**	**172 881**	**131 483**	**132 296**	**-**	
At 30 June 2017						
Liabilities						
Borrowings	27 607	3 546	47 877	44 302	123 332	109 003
Trade and other payables						
(excluding statutory liabilities)	58 923	-	-	-	58 923	58 923
Total liabilities	**86 530**	**3 546**	**47 877**	**44 302**	**182 255**	**167 926**
Assets						
Trade and other receivables						
(excluding value added tax)	151 050	720	1 149	1 308	154 227	154 227
Cash and balances with banks	70 334	-	-	-	70 334	70 334
Total assets	**221 384**	**720**	**1 149**	**1 308**	**224 561**	**224 561**
Liquidity gap	**134 854**	**(2 826)**	**(46 728)**	**(42 994)**	**(42 306)**	**(56 635)**
Cumulative liquidity gap	**134 854**	**132 028**	**85 300**	**42 306**	**-**	

The Group determines ideal weights for maturity time buckets which are used to benchmark the actual maturity profile.

Maturity mismatches arising across the time buckets are managed through sales or advances from related parties.

Mismatches arising from financing are managed through renewal of existing facilities or renegotiation of terms.

3.2 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

The Group monitors capital on the basis of the net debt to equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and balances with banks. Total equity is 'equity' as shown in the statement of financial position.

The net debt to equity ratios at 30 June were as follows:

	2018 US$ 000	2017 US$ 000
Cash and balances with banks (note 11)	118 981	70 334
Less total borrowings (note 13)	(85 000)	(109 003)
Cash net of debt/(net debt)	33 981	(38 669)
Total equity	995 299	992 659
Net debt to equity ratio	-	3.9%

3.3 Fair value estimation

Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2 - The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value instruments are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

The Group had no financial assets or financial liabilities carried at fair value as at 30 June 2018 (2017: US$ nil).

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

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

	2018		2017	
	Carrying value US$ 000	Fair value US$ 000	Carrying value US$ 000	Fair value US$ 000
Financial assets				
Trade and other receivables (excluding value added tax)	169 392	169 392	154 227	154 227
Cash and balances with banks	118 981	118 981	70 334	70 334
	288 373	288 373	224 561	224 561

The carrying amount of trade and other receivables closely approximates its fair value as the impact of discounting is not significant.

	2018		2017	
	Carrying value US$ 000	Fair value US$ 000	Carrying value US$ 000	Fair value US$ 000
Financial liabilities				
Borrowings	85 000	85 000	109 003	109 003
Trade and other payables (excluding statutory liabilities)	71 077	71 077	58 923	58 923
	156 077	156 077	167 926	167 926

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

3.4 Financial instruments by category

	2018 US$ 000	2017 US$ 000
Assets as per statement of financial position		
Loans and receivables		
Trade and other receivables (excluding value added tax)	169 392	154 227
Cash and balances with banks	118 981	70 334
	288 373	224 561
Liabilities as per statement of financial position		
Financial liabilities at amortised cost		
Borrowings	85 000	109 003
Trade and other payables (excluding statutory liabilities)	71 077	58 923
	156 077	167 926

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Critical accounting estimates and assumptions

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

(a) Carrying value of property, plant and equipment

Management has elected to use the centares mined in relation to centares proved and probable mineral reserves as appropriate units-of-production ("UOP") depreciation methodology. Changes in proved and probable mineral reserves will impact the useful lives of the assets depreciated on the UOP method and this will similarly impact the useful lives of assets depreciated on a straight line basis, where those lives are limited to the life-of-mine.

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 life-of-mine based on proved and probable mineral reserves as the useful lives of these assets are considered to be limited to the life of the relevant mine.

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

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

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

Ore reserves estimation

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

Factors impacting the determination of proved and probable reserves are:

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

Change in estimates

Following the successful completion of the first phase of the upper ores trial mining exercise, the upper ores for Mupani and Bimha mines were included in the ore reserves used to calculate depreciation for the Bimha Mine, Selous Metallurgical Complex concentrator, the smelter and other shared service assets.

Furthermore, an assessment of the remaining useful lives of the Group's mobile equipment was also carried out during the year based on actual operating hours rather than a fixed period in years.

The increase in the ore reserves and change in remaining useful lives for mobile equipment had an effect of reducing the overall depreciation charge for the current year and future periods. The effects of the change in estimates on the Group's depreciation expense charged in cost of sales and administration expenses during the year is shown below:

	2018 US$ 000
Depreciation for the year based on new estimates	67 976
Depreciation for the year based on old estimates	73 702
Decrease in depreciation	5 726
Analysed as follows:	
Increase due to change in remaining useful lives	(1 266)
Decrease due to change in ore reserves	6 992
Decrease in depreciation	5 726

Impairment review

The Group carried out an impairment assessment of property, plant and equipment as at 30 June 2018. The recoverable amount of the cash generating unit ("CGU") was determined based on the discounted cash flow model for the existing mines, the concentrators, the smelter and other property, plant and equipment. Group is regarded as the CGU as its operations are vertically integrated and are managed as a single entity. The calculation was based on the approved life-of-mine production plan, approved mineral reserve and resources statement, internal forecasts of operating costs, capital expenditure and metal prices. The discount rate applied is the weighted average cost of capital adjusted to take into account specific risks relating to the Group.

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

All the above estimates are subject to risks and uncertainties including future metal prices and exchange rates. It is therefore possible that changes can occur which may affect the recoverability of the property, plant and equipment.

No impairment loss was recognised by the Group as the estimated recoverable value of property, plant and equipment is greater than the carrying value of the assets.

The key financial assumptions used in the impairment calculations are:

- Long-term real revenue per platinum ounce sold of US$1 042.
- Long-term real discount rate of 15.6%.
- Inflation rate of 2% per annum applied on costs and metal prices after 30 June 2023.

Sensitivity analysis:

- A change in the discount rate by an additional 5% would not result in impairment.
- A change of 5% in the long-term real revenue per platinum ounce sold would not result in impairment.

(b) Income taxes (note 15, 18 and 28)

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues and uncertain tax positions based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax assets and liabilities in the period in which such determination is made.

The Group ceased to be a special mining lease (SML) holder with effect from 31 May 2018 following the release of land to the Government of Zimbabwe and issuance of two ordinary mining leases to the Group's operating subsidiary, Zimbabwe

Platinum Mines (Private) Limited. The year ended 30 June 2018 was treated as a hybrid year for income tax and additional profits tax (APT) purposes as follows:

i) Income tax:
- SML computation for the 11 months from 1 July 2017 to 31 May 2018; and
- Ordinary mining lease computation for one month (1 June 2018 to 30 June 2018).

ii) APT:
- Computations for the 11 months from 1 July 2017 to 31 May 2018.

The Group has engaged the Zimbabwe Revenue Authority (ZIMRA) to confirm transitional provisions for computations for the year ended 30 June 2018, regarding the treatment of unredeemed capital allowances of the SML and the treatment of Ngezi and Selous Metallurgical Complex as an integrated mining location for income tax computations. The Group is awaiting a response from ZIMRA.

(c) Environmental rehabilitation provisions (note 16)

The Group's mining and processing activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life-of-mine estimates and discount rates can affect the carrying amount of this provision.

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental policy taking into account current technological, environmental and regulatory requirements. Provisions for future rehabilitation costs have been determined, based on calculations which require the use of estimates.

The discount rate used was 9.3% (2017: 8.1%). The net present value of the current environmental rehabilitation estimates is based on the assumption of a long-term inflation rate of 2.0% (2017: 2.0%).

(d) Revenue recognition (note 19)

The Group has recognised revenue amounting to US$582.5 million (2017: US$512.5 million) for metal sales to IRS. Sales to IRS are governed by a contract which stipulates when payments are to be received and the prices to be effected. During the course of the year, assays performed by the Group are compared against those done by IRS and averages for both parties are used to determine sales volume. The Group believes that, based on past experience, these assays will not vary significantly.

At year end, deliveries to IRS (based on the lower of assays between IRS and the Group), for which actual prices are not yet certain, are valued using spot prices at 30 June 2018. A 1% variation in assays will result in an adjustment of US$1.6 million (2017: US$1.5 million) in the income statement. The sensitivity of pipeline sales to changes in commodity prices is analysed above under 3.1.1 (i). 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.

(e) Long term incentive plan (note 14)

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

5 OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief decision maker.

The executive committee has been identified as the chief operating decision maker and is responsible for making strategic decisions, allocating resources and assessing the performance and financial position of the Group.

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 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 as a vertically integrated mining concern and is managed as a single segment. The Group's operations are based in one geographical location, Zimbabwe. The chief operating decision maker (the executive committee) makes strategic decisions based on internal reports on the Group's performance and financial position as a whole, which is shown in the primary statements.

6 PROPERTY, PLANT AND EQUIPMENT

GROUP	Land, buildings and mining claims US$ 000	Mining assets US$ 000	Metallurgical assets US$ 000	Mobile equipment US$ 000	Services and other assets US$ 000	Assets under construction US$ 000	Total US$ 000
Year ended 30 June 2018							
Opening net book amount	148 291	257 863	377 341	40 907	129 607	62 638	1 016 647
Additions	-	(4 305)	-	33 611	-	101 670	130 976
Capitalised borrowing costs	-	-	-	-	-	4 719	4 719
Transfer from assets under construction	1 257	14 043	6 171	-	1 683	(23 154)	-
Disposals	-	(1 424)	(7 163)	(29 466)	(1 717)	-	(39 770)
Accumulated depreciation on disposals	-	1 424	7 163	29 277	1 719	-	39 583
Depreciation charge	(4 224)	(18 972)	(14 313)	(23 450)	(4 491)	-	(65 450)
Closing net book amount	145 324	248 629	369 199	50 879	126 801	145 873	1 086 705
At 30 June 2018							
Cost	193 142	354 818	484 045	167 873	182 934	145 873	1 528 685
Accumulated depreciation	(47 818)	(106 189)	(114 846)	(116 994)	(56 133)	-	(441 980)
Net book amount	145 324	248 629	369 199	50 879	126 801	145 873	1 086 705
Year ended 30 June 2017							
Opening net book amount	147 590	257 869	373 771	52 233	128 455	64 315	1 024 233
Additions	-	1 583	11 495	14 344	5 291	35 899	68 612
Transfer from assets under construction	5 741	19 942	10 252	-	1 641	(37 576)	-
Disposals	(60)	(2 142)	(6 399)	(54 623)	(23)	-	(63 247)
Accumulated depreciation on disposals	36	2 142	6 399	54 414	1	-	62 992
Depreciation charge	(5 016)	(21 531)	(18 177)	(25 461)	(5 758)	-	(75 943)
Closing net book amount	148 291	257 863	377 341	40 907	129 607	62 638	1 016 647
At 30 June 2017							
Cost	191 885	346 504	485 037	163 727	182 968	62 638	1 432 759
Accumulated depreciation	(43 594)	(88 641)	(107 696)	(122 820)	(53 361)	-	(416 112)
Net book amount	148 291	257 863	377 341	40 907	129 607	62 638	1 016 647

The Group recognised an impairment loss of US$2.2 million during the half year ended 31 December 2017 after information emerged suggesting that a significant portion of a certain piece of land held by the Group was taken up by a freeway reservation. It was subsequently confirmed by the relevant planning authority that the said land falls within an office park zone and that it is not situated within a freeway reservation. As a result, the impairment charge of US$2.2 million recorded during the half year ended 31 December 2017 was reversed.

Assets under construction comprise:	Group 2018 US$ 000	Group 2017 US$ 000
Bimha Mine re-development	47 791	23 414
Mupani Mine	39 385	11 802
Base metal refinery	18 874	18 669
Ngezi Phase 2	6 470	2 039
Ngezi Road rehabilitation	6 270	-
Information, communication and technology systems	6 095	-
Capitalised borrowing costs	4 719	-
Exploration and drilling	2 281	1 225
Furnace full reline	2 137	-
Hot gas generator	1 219	-
Larox refurbishment	1 023	-
Energy efficient initiatives	956	-
Silo discharge chutes liners	948	-
Converter shells	707	-
Bypass facility for silo	-	1 836
Other	6 998	3 653
	145 873	62 638

The capitalisation rate of the borrowing costs was 8.8% for the year ended 30 June 2018. In the prior year there were no borrowing costs attributable to qualifying assets. Other assets under construction include costs incurred on underground satellite workshops, concentrator recovery studies, girth gear ball mills and Mupfuti Mine fire detection system. These capital projects are still in progress.

Mining claims	Company 2018 US$ 000	Company 2017 US$ 000
Year ended 30 June		
Opening net book amount	5 494	5 671
Depreciation charge	(137)	(177)
Closing net book amount	5 357	5 494
At 30 June		
Cost	6 261	6 261
Depreciation charge	(904)	(767)
Net book amount	5 357	5 494

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

	Group 2018 US$ 000	Group 2017 US$ 000	Company 2018 US$ 000	Company 2017 US$ 000
Additions	130 976	68 612	-	-
Environmental rehabilitation asset adjustment (note 16)	4 305	(5 291)	-	-
	135 281	63 321	-	-

7 INVESTMENT IN SUBSIDIARIES

The Group's principal subsidiaries as at 30 June 2018 are set out below. Unless otherwise stated, the respective subsidiary's share capital consists solely of ordinary shares that are held directly by the Group.

Name	Country of incorporation	Ownership interest 2018 %	Ownership interest 2017 %
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
Hartley Platinum Mines (Private) Limited	Zimbabwe	100	100
Jalta Investments (Private) Limited	Zimbabwe	100	100
Matreb Investments (Private) Limited	Zimbabwe	100	100
Mhondoro Holdings Limited	United Kingdom	100	100
Mhondoro Mining Company Limited (in liquidation)	Zimbabwe	100	100
Mhondoro Platinum Holdings Limited (in liquidation)	Zimbabwe	100	100
Ngezi Platinum Limited	Zimbabwe	100	100
Selous Platinum (Private) Limited (in liquidation)	Zimbabwe	100	100
Zimbabwe Platinum Mines (Private) Limited*	Zimbabwe	90	90
Zimplats Corporate Services (Private) Limited	Zimbabwe	100	100

*In prior year, Zimbabwe Platinum Mines (Private) Limited issued a 10% equity stake for a consideration of US$95 million to the Zimplats Employee Share Ownership Trust ('the ESOT'), which holds the shares for the benefit of the participating employees. The ESOT is consolidated as it acts as an agent for the Group.

	Group 2018 US$ 000	Group 2017 US$ 000	Company 2018 US$ 000	Company 2017 US$ 000
Equity				
Mhondoro Holdings Limited	-	-	2 666	2 666
Zimbabwe Platinum Mines (Private) Limited	-	-	76 778	76 778
	-	-	79 444	79 444
Long term inter-company loans				
Hartley Minerals Zimbabwe (Proprietary) Limited	-	-	27 965	27 965
Mhondoro Holdings Limited	-	-	761	727
Zimbabwe Platinum Mines (Private) Limited	-	-	4 967	4 875
	-	-	33 693	33 567
Total investment in subsidiaries	-	-	113 137	113 011

In prior year, the Company redeemed 857 143 convertible preference shares worth US$156 000 at par value resulting in the reclassification of the amount in the investment in Zimbabwe Platinum Mines (Private) Limited from equity to long term inter-company loans.

There were no impairment losses on investments in subsidiaries in the current year (2017: US$nil).

The long term inter-company loans bear no interest and have no fixed repayment terms.

The movements in the long term inter-company loans relate to expenses settled by the Company on behalf of the subsidiaries.

		Group		Company	
		2018	2017	2018	2017
		US$ 000	US$ 000	US$ 000	US$ 000
8	**INVENTORIES**				
	Ore, concentrate and matte stocks	16 326	15 162	-	-
	Consumables	52 065	43 247	-	-
		68 391	58 409	-	-
	Less: provision for obsolete consumables	(5 606)	(4 373)	-	-
		62 785	54 036	-	-
	The movement in the provision for obsolete consumables is as follows:				
	At the beginning of the year	4 373	4 170	-	-
	Charged to the income statement during the year	1 233	203	-	-
	At the end of the year	5 606	4 373	-	-
9	**PREPAYMENTS**				
	Property, plant and equipment	37 714	51 936	-	-
	Consumables and other operating expenditure	7 914	31 422	-	-
	Insurance premiums	4 273	2 309	139	103
	Zimbabwe Electricity Transmission and Distribution Company	-	12 023	-	-
		49 901	97 690	139	103

In prior year, the Group made a US$17.5 million prepayment to the national power utility, Zimbabwe Electricity Transmission and Distribution Company (ZETDC), which ZETDC applied to reduce its indebtedness to Hidroelectrica De Cahora Bassa of Mozambique and Eskom of South Africa for power imports. The principal amount and interest thereon were converted into power units at an agreed tariff. The power units were redeemable at the rate of 40% of the electricity consumed by the Group. The agreement is part of the arrangements made to secure continuous and reliable electricity supplies.

Deposits on property plant and equipment relate to amounts prepaid on capital equipment for Bimha Mine redevelopment, Mupani Mine development and advance payments for trackless mobile machines.

		Group		Company	
		2018	2017	2018	2017
		US$ 000	US$ 000	US$ 000	US$ 000
10	**TRADE AND OTHER RECEIVABLES**				
	Trade receivables due from related parties (note 30.2c)	161 642	148 187	-	-
	Value added tax receivable	12 614	10 813	-	-
	Export incentive	1 123	1 547	-	-
	Other receivables	6 627	4 493	14	8
		182 006	165 040	14	8
	Non-current assets	1 915	2 457	-	-
	Current assets	180 091	162 583	14	8
		182 006	165 040	14	8

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

As all contractual terms and conditions have been complied with, trade receivables were fully performing as at 30 June 2018 (2017 : US$ nil).

The other classes within trade and other receivables do not contain impaired assets. Based on the credit history of these classes, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

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

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

	Group		Company	
	2018	2017	2018	2017
	US$ 000	US$ 000	US$ 000	US$ 000
11 CASH AND BALANCES WITH BANKS				
Cash at bank	28 652	10 291	305	757
Cash on hand	17	22	-	-
Short term deposits	90 312	60 021	69 383	60 021
Cash and balances with banks	118 981	70 334	69 688	60 778
The exposure of cash and balances with banks by country is as follows:				
Australia	23	24	23	24
Isle of Man	1 001	1 003	-	-
Jersey	69 671	60 754	69 665	60 754
Zimbabwe	48 286	8 553	-	-
	118 981	70 334	69 688	60 778

Cash and bank balances are denominated in US$ except the net exposures to foreign currency detailed below:

	ZAR 000	ZAR 000	ZAR 000	ZAR 000
Balances with banks (South African Rands - ZAR)	1	21	1	21
	AUD 000	**AUD 000**	**AUD 000**	**AUD 000**
Balances with banks (Australian dollars - AUD)	32	31	32	31

	Group		Company	
	2018	2017	2018	2017
	US$ 000	US$ 000	US$ 000	US$ 000
Cash and cash equivalents include the following for the purposes of the statement of cash flows:				
Cash and balances with banks	118 981	70 334	69 688	60 778
Revolving facility (note 13)	-	(24 000)	-	-
Cash and cash equivalents	118 981	46 334	69 688	60 778

Included in cash and cash equivalents are balances with banks in Zimbabwe. These bank balances are used for transacting on a daily basis in Zimbabwe. The Reserve Bank of Zimbabwe ("RBZ") through Exchange Control Operation Guide 8 (ECOCAD 8) introduced a foreign payments priority list that has to be followed when making foreign payments. Any foreign payments made from the bank balances above are ranked based on the RBZ prioritisation criteria and paid subject to banks having adequate funds with its foreign correspondent bank.

Notes to the Financial Statements
For the year ended 30 June 2018 (continued)

		Group		Company	
		2018	2017	2018	2017
		US$ 000	US$ 000	US$ 000	US$ 000
12	**SHARE CAPITAL AND SHARE PREMIUM**				
	Authorised				
	500 000 000 ordinary shares of US$0.10 each	50 000	50 000	50 000	50 000
	Issued and fully paid				
	107 637 649 ordinary shares of US$0.10 each	10 763	10 763	10 763	10 763
	Share premium	89 166	89 166	89 166	89 166
		99 929	99 929	99 929	99 929
	The unissued shares are under the control of the directors subject to limitations imposed by the Companies (Guernsey) Law 2008 and the Memorandum and Articles of Incorporation.				
13	**BORROWINGS**				
	Non-current				
	Bank borrowings	42 500	85 000	-	-
		42 500	85 000	-	-
	Current				
	Revolving facility	-	24 000	-	-
	Bank borrowings	42 500	3	-	-
		42 500	24 003	-	-
		85 000	109 003	-	-
	The movement in borrowings is as follows:				
	At the beginning of the year	109 003	109 000	-	-
	Interest accrued (note 27)	7 658	7 195	-	-
	Decrease in revolving facility	(24 000)	-	-	-
	Repayments	(7 658)	(7 194)	-	-
	Capital	-	-	-	-
	Interest	(7 658)	(7 194)	-	-
	Movement in interest included in trade and other payables	(3)	2	-	-
	At the end of the year	85 000	109 003	-	-

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

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

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

	Group		Company	
	2018 US$ 000	2017 US$ 000	2018 US$ 000	2017 US$ 000
On demand and up to 6 months	-	24 000	-	-
6 months to 1 year	42 500	3	-	-
1 year to 2 years	42 500	42 500	-	-
2 years to 5 years	-	42 500	-	-
	85 000	109 003	-	-

Bank borrowings

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

The loan is a revolving facility of US$85 million and bears interest at 3 months LIBOR plus 7% per annum. Capital repayments are required if the loan balance exceeds the available facility amount. The loan facility is repayable in two installments of US$42.5 million on 31 December 2018 and 31 December 2019.

The Group had no undrawn bank borrowing facilities at 30 June 2018 (2017 - US$nil).

Revolving facilities

The Group has an undrawn US$34 million revolving facility with Standard Bank of South Africa Limited for general working capital purposes. The facility is for an indefinite period (no maturity date), however, it is subject to annual exchange control approval which has been granted to 5 July 2019. The facility bears interest at 3 months LIBOR plus 2.6% per annum and is secured by a cession of a portion of the Group's trade receivables.

The Group also has an undrawn US$20 million revolving facility with Stanbic Bank Zimbabwe Limited for general working capital purposes. The facility is unsecured and bears interest at 12 months LIBOR plus 3.3% per annum.

At the reporting date, the undrawn balance on the revolving facilities amounted to US$54 million (2017: US$10 million).

	Group		Company	
	2018 US$ 000	2017 US$ 000	2018 US$ 000	2017 US$ 000
14 SHARE BASED COMPENSATION				
At the beginning of the year	2 203	2 101	-	-
(Credited)/charged to the income statement	(200)	412	-	-
Payments to employees during the year	(942)	(310)	-	-
At the end of the year	1 061	2 203	-	-
Non-current liabilities	361	1 795	-	-
Current liabilities	700	408	-	-
	1 061	2 203	-	-

During the year ended 30 June 2018, the Group had the following cash settled share-based payment arrangements.

	LTIP - SAR - run off	LTIP - SAR - new	LTIP - CSP
Date of grant	Various since November 2006	Various since November 2012	Various since November 2012
Number in issue	2 260 727	2 428 063	5 048 832
Average contractual life	Lapse ten years after issue: • First 25% lapse eight years after vesting • Second 25% lapse seven years after vesting • Third 25% lapse six years after vesting • Fourth 25% lapse five years after vesting	Three years before vesting and another three years before lapse	Three years. The conditional shares are full value shares, with a nil exercise price. The contractual life ends on the vesting date.
Vesting conditions	• First 25% after two years service • Second 25% after three years' service • Third 25% after four years service • Fourth 25% after five years service	Three years service and achievement of a target total shareholder return, increase in earnings and measure of fatality frequency rates	Three years service and achievement of a target total shareholder return for the CSP 2 plan. There are no performance conditions under the CSP 1 plan

Share appreciation rights

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

		LTIP - SAR - New		LTIP - SAR - Runoff	
	Note	2018	2017	2018	2017
Weighted average option value (ZAR)	i)	2.53	3.49	0.01	3.47
Weighted average share price on valuation date (ZAR)	ii)	20.25	36.85	20.25	179.94
Weighted average exercise price (ZAR)	iii)	44.15	54.97	178.19	179.94
Volatility	iv)	32.01	63.44	32.01	63.44
Risk-free interest rate (%)		7.41	7.69	7.69	7.69

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

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

	2018		2017	
	Number of options	Weighted average exercise price ZAR	Number of options	Weighted average exercise price ZAR
Share appreciation rights (run-off)				
Outstanding at the start of the year	2 277 068	179.20	2 432 947	179.20
Outstanding at the end of the year	2 260 727	179.94	2 291 419	179.94
Exercisable at the end of the year	2 260 727	179.94	2 277 068	179.94
Share appreciation rights (new)				
Outstanding at the start of the year	1 672 496	54.97	1 398 091	57.08
Granted	1 011 348	41.28	380 219	54.97
Forfeited	(255 781)	41.28	(105 814)	54.97
Outstanding at the end of the year	2 428 063	41.28	1 672 496	54.97
Exercisable at the end of the year	68 725	41.28	45 358	54.97
Conditional share plan (CSP)				
Outstanding at the start of the year	3 373 971	-	2 613 001	-
Granted	1 756 505	-	10 505 970	-
Forfeited	(73 117)	-	(214 472)	-
Exercised	(8 527)	-	(75 528)	-
Outstanding at the end of the year	5 048 832	-	3 373 971	-
Exercisable at the end of the year	-	-	-	-

	Group		Company	
	2018	2017	2018	2017
	US$ 000	US$ 000	US$ 000	US$ 000
15 DEFERRED INCOME TAXES				
The analysis of deferred income tax assets and liabilities is as follows:				
Deferred income tax assets				
Deferred income tax assets to be recovered within 12 months	(6 886)	(508)	-	-
Deferred income tax assets to be recovered after 12 months	(5 513)	(4 280)	-	-
	(12 399)	(4 788)	-	-
Deferred income tax liabilities				
Deferred income tax liabilities to be settled within 12 months	18 850	14 993	-	-
Deferred income tax liabilities to be settled after 12 months	236 921	134 978	-	-
	255 771	149 971	-	-
Deferred income tax liabilities (net)	243 372	145 183	-	-
The gross movement on the deferred income tax account is as follows:				
At the beginning of the year	145 183	140 549	-	-
Charged to the income statement (note 28)	98 189	4 634	-	-
At the end of the year	243 372	145 183	-	-

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

	Environmental rehabilitation provision US$ 000	Share based compensation US$ 000	Assessed losses US$ 000	Other provisions US$ 000	Total US$ 000
Deferred income tax assets					
As at 1 July 2016	(3 477)	(325)	(3 044)	-	(6 846)
(Charged)/credited to the income statement	(971)	(15)	3 044	-	2 058
As at 30 June 2017	(4 448)	(340)	-	-	(4 788)
(Charged)/credited to the income statement	(1 850)	67	(712)	(5 116)	(7 611)
As at 30 June 2018	(6 298)	(273)	(712)	(5 116)	(12 399)

Other provisions comprise the tax effects on leave pay, audit fees and bonus provision balances.

	Accelerated tax depreciation US$ 000	Prepayments US$ 000	Inventory consumables US$ 000	Exchange gains US$ 000	Total US$ 000
Deferred income tax liabilities					
As at 1 July 2016	135 404	5 709	6 129	153	147 395
(Charged)/credited to the income statement	3 764	(958)	(123)	(107)	2 576
As at 30 June 2017	139 168	4 751	6 006	46	149 971
(Charged)/credited to the income statement	102 971	(4 751)	7 401	179	105 800
As at 30 June 2018	242 139	-	13 407	225	255 771

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group recognised deferred income tax assets of US$0.7 million (2017: US$nil) in respect of tax losses amounting to US$2.8 million (2017: US$nill) that can be utilised against future taxable income based on approved business plans and budgets.

Tax losses arising from mining operations in Zimbabwe do not expire in accordance with the Income Tax Act (Chapter 23:06).

Refer to note 4 (b) under critical accounting estimates and judgements for further related disclosures.

	Group		Company	
	2018 US$ 000	2017 US$ 000	2018 US$ 000	2017 US$ 000
16 ENVIRONMENTAL REHABILITATION PROVISION				
At the beginning of the year	27 832	21 668	-	-
Change in estimate - environmental rehabilitation asset	(4 305)	5 291	-	-
Interest accrued - present value adjustment (note 27)	2 267	1 653	-	-
Payments during the year	(3 407)	(780)	-	-
At the end of the year	22 387	27 832	-	-

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

The decrease in the environmental rehabilitation provision was mainly due to rehabilitation work carried out at the South Pit Mine during the year.

The current undiscounted cost of environmental rehabilitation is US$43.3 million (2017: US$47.9 million).

		Group		Company	
		2018	2017	2018	2017
		US$ 000	US$ 000	US$ 000	US$ 000
17	**TRADE AND OTHER PAYABLES**				
	Trade payables	42 653	30 372	67	164
	Leave pay provision	7 023	6 296	-	-
	Royalty and Minerals Marketing Corporation of Zimbabwe commission payable	2 058	3 428	-	-
	Amounts due to related parties (note 30.2d)	8 313	7 230	-	-
	Accruals	17 431	24 384	-	-
	Other payables	3 540	1 493	-	-
		81 018	73 203	67	164

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

The payables are denominated in different currencies as follows:	Group 2018	Group 2017	Company 2018	Company 2017
United States Dollars	69 909	65 077	56	126
South African Rand	9 979	7 885	-	3
Euro	1 119	206	-	-
Other	11	35	11	35
	81 018	73 203	67	164

The movement in the leave pay provision is as follows:	Group 2018	Group 2017	Company 2018	Company 2017
At the beginning of the year	6 296	6 800	-	-
Utilised in the current year	(3 669)	(5 317)	-	-
Charged to the income statement	4 396	4 813	-	-
At the end of the year	7 023	6 296	-	-

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.

Movements in the statement of cash flows comprise:	Group 2018	Group 2017	Company 2018	Company 2017
Statement of financial position movement	7 815	14 920	(96)	(42)
Foreign currency exchange adjustment	(203)	(933)	-	-
Interest payable movement	-	2	-	-
Settlement discounts	-	6	-	-
Tax penalties and interest charges	-	713	-	-
	7 612	14 708	(96)	(42)

		Group 2018 US$ 000	Group 2017 US$ 000	Company 2018 US$ 000	Company 2017 US$ 000
18	**CURRENT INCOME TAX LIABILITIES**				
	At the beginning of the year	53 664	42 795	-	-
	Charge to the income statement (note 28)	65 127	51 141	1 823	1 112
	Tax penalties and interest charges	-	713	-	-
	Payments made during the year	(46 550)	(40 985)	(1 823)	(1 112)
	At the end of the year	72 241	53 664	-	-
19	**REVENUE**				
	The Group derives its revenue from the following metal products:				
	Platinum	223 334	239 390	-	-
	Palladium	200 398	161 232	-	-
	Nickel	53 318	38 708	-	-
	Rhodium	42 962	20 346	-	-
	Gold	34 585	32 251	-	-
	Copper	19 240	15 339	-	-
	Iridium	5 124	4 024	-	-
	Ruthenium	2 512	588	-	-
	Cobalt	825	417	-	-
	Silver	246	254	-	-
		582 544	512 549	-	-
	The Company derives its revenue from dividend income:				
	Zimbabwe Platinum Mines (Private) Limited	-	-	12 150	5 000
		-	-	12 150	5 000
20	**COST OF SALES**				
	Mining operations	203 645	203 801	-	-
	Employee benefit expenses (note 22)	54 840	48 514	-	-
	Materials and other mining costs	141 333	147 895	-	-
	Utilities	7 472	7 392	-	-
	Concentrating and smelting operations	101 015	96 028	-	-
	Employee benefit expenses (note 22)	14 958	14 500	-	-
	Materials and consumables	51 737	49 033	-	-
	Utilities	34 320	32 495	-	-
	Depreciation charge for operating assets	64 540	74 643	-	-
	Increase in ore, concentrate and matte stocks	(1 164)	(7 407)	-	-
		368 036	367 065	-	-

		Group 2018 US$ 000	Group 2017 US$ 000	Company 2018 US$ 000	Company 2017 US$ 000
21	**ADMINISTRATIVE EXPENSES**				
	Employee benefit expenses (note 22)	25 081	25 549	71	57
	Insurance	5 016	4 800	374	103
	Information, communication and technology	4 272	4 292	-	-
	Corporate costs	6 139	6 926	310	1 133
	Corporate social responsibility costs	3 308	2 235	-	-
	Depreciation	1 048	1 300	137	177
	Consulting fees	502	303	143	126
	Non -executive directors' fees	380	396	371	383
	Independent auditors' remuneration	234	289	22	21
	Operating lease expenses	164	184	-	-
		46 144	46 274	1 428	2 000
22	**EMPLOYEE BENEFIT EXPENSES**				
	Wages and salaries	89 199	82 381	71	57
	Share based payments (note14)	(200)	412	-	-
	Pension costs - defined contribution	5 880	5 770	-	-
		94 879	88 563	71	57
	Employee benefit expenses has been disclosed as follows:				
	Cost of sales:				
	- Mining operations (note 20)	54 840	48 514	-	-
	- Concentrating and smelting operations (note 20)	14 958	14 500	-	-
	Administrative expenses (note 21)	25 081	25 549	71	57
		94 879	88 563	71	57
	Average number of employees during the year	3 164	3 044	1	1
23	**ROYALTY AND COMMISION EXPENSES**				
	Commission	4 794	4 203	-	-
	Royalties	10 406	8 489	-	-
		15 200	12 692	-	-

The Group pays commission to the Minerals Marketing Commission of Zimbabwe ("MMCZ") at a rate of 0.875% on gross revenue excluding revenue relating to sales of gold.

The Group also pays mining royalties to the Government of Zimbabwe levied at rates ranging between 2.5% and 5 % (2017: 2.5%) on gross revenue less selling expenses, net of commission payable to MMCZ.

		Group 2018 US$ 000	Group 2017 US$ 000	Company 2018 US$ 000	Company 2017 US$ 000
24	**OTHER OPERATING EXPENSES**				
	Tax penalties and interest charges	4 393	7 233	-	-
	Foreign exchange losses	203	936	2	3
	Other receivables written off	14	778	-	-
	Loss on disposal of property, plant and equipment	-	6	-	-
	Other expenses	-	14	-	-
		4 610	8 967	2	3

		Group 2018 US$ 000	Group 2017 US$ 000	Company 2018 US$ 000	Company 2017 US$ 000
25	**OTHER OPERATING INCOME**				
	Export incentive (note 25.1)	13 566	13 973	-	-
	Treasury bill received in lieu of interest on the RBZ debt (note 25.2)	9 824	-	-	-
	Reversal of impairment of a long term receivable (note 25.3)	-	12 996	-	-
	Gain on re-measurement of available-for-sale financial assets (notes 25.2 and 25.3)	527	7 804	-	-
	Gain on disposal of property, plant and equipment	63	-	-	-
	Insurance claim	-	559	-	-
	Other income	638	1 314	-	-
		24 618	36 646	-	-

25.1 In May 2016, the Reserve Bank of Zimbabwe ("RBZ") introduced an export incentive scheme to promote the export of goods and services in order for the Zimbabwean economy to benefit from the liquidity derived from exports. The Group is entitled to a 2.5% export incentive on the export proceeds received in Zimbabwe. Export incentive is accrued when the Group has received export proceeds in Zimbabwe.

25.2 In March 2018, the Government of Zimbabwe issued to the Group's main operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, a treasury bill with a nominal value of US$11.3 million and a maturity date of 24 November 2020 in settlement for interest on the historic US$34 million owed by the RBZ to the operating subsidiary.

The treasury bill was designated as an available-for-sale financial asset and was initially recognised at a fair value of US$9.8 million at a discount rate of 5%. The Group subsequently disposed the treasury bill for a consideration of US$10.4 million which was received during the year realising a gain on re-measurement of US$0.5 million.

25.3 In prior year, the Government of Zimbabwe issued to the Group's operating subsidiary, treasury bills with a total nominal value of US$34 million in settlement of the principal amount owed by the RBZ to the operating subsidiary. The treasury bills had maturity dates of 31 October 2019, 31 October 2020 and 31 October 2021.

The treasury bills were designated as available-for-sale financial assets and were initially recognised at a fair value of US$13 million at a discount rate of 27.5% resulting in a reversal of impairment of US$13 million being recognised in the income statement. The Group subsequently disposed of the treasury bills for a consideration of US$20.8 million which was received during the year realising a gain on re-measurement of US$7.8 million.

		Group 2018 US$ 000	Group 2017 US$ 000	Company 2018 US$ 000	Company 2017 US$ 000
26	**FINANCE INCOME**				
	Interest earned on bank deposits	486	114	141	84
	Interest earned on ZETDC prepayment	1 458	729	-	-
	Interest earned on staff vehicle loan scheme	374	-	-	-
	Settlement discounts awarded	-	6	-	-
	Other	35	2	-	-
		2 353	851	141	84

		Group 2018 US$ 000	Group 2017 US$ 000	Company 2018 US$ 000	Company 2017 US$ 000
27	**FINANCE COSTS**				
	Interest expense on bank borrowings (note 13)	7 658	7 195	-	-
	Unwinding of the environmental rehabilitation provision (note 16)	2 267	1 653	-	-
	Borrowing costs capitalised (note 6)	(4 719)	-	-	-
		5 206	8 848	-	-
28	**INCOME TAX EXPENSE**				
	Corporate tax:	19 559	9 600	-	-
	- Current year	21 714	9 600	-	-
	- Adjustment in respect of prior years	(2 155)	-	-	-
	Additional profits tax:	43 488	40 429	-	-
	- Current year	49 555	40 301	-	-
	- Adjustment in respect of prior years	(6 067)	128	-	-
	Withholding tax	2 080	1 112	1 823	1 112
	Current income tax	65 127	51 141	1 823	1 112
	Deferred income tax (note 15)	98 189	4 634	-	-
	Income tax expense	163 316	55 775	1 823	1 112
	Reconciliation of tax charge: The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted tax rate applicable to profits of 16.83% (2017: 15.45%) as follows:				
	Profit before income tax	165 956	101 313	10 861	5 495
	Notional tax on profit for the year based on weighted tax rate	27 930	15 653	-	-
	Tax effect of:				
	Additional profits tax	43 488	40 429	-	-
	Change in tax rate	95 439	-	-	-
	Expenses not deductible for tax purposes	3 061	2 676	-	-
	- Donations	546	524	-	-
	- Matte/concentrate transportation charges outside Zimbabwe	322	273	-	-
	- Tax penalties and interest	675	1 116	-	-
	- Management fees	-	373	-	-
	- Royalty expense	423	-	-	-
	- Other non deductible expenses	1 095	390	-	-
	Income not subject to tax:	(2 212)	(4 207)	-	-
	- Export incentive	(2 212)	(993)	-	-
	- Reversal of impairment of a long term receivable	-	(2 008)	-	-
	- Gain on remeasurement of available-for-sale financial asset	-	(1 206)	-	-
	Adjustment in respect of prior years - deferred income tax	(1 989)	19	-	-
	Adjustment in respect of prior years - corporate tax	(2 155)	-	-	-
	Utilisation of tax loss	(2 206)	-	-	-
	Withholding tax	2 080	1 112	1 823	1 112
	Other items	(120)	93	-	-
	Tax charge	163 316	55 775	1 823	1 112

Following the termination of the special mining lease and the issuance of two mining leases to the Group's operating subsidiary on 31 May 2018, the income tax rate applicable to the Group's operating subsidiary changed from 15.45% to 25.75% (inclusive of AIDS levy). The notional tax for the Group has been calculated based on a weighted rate derived from 11 months at 15.45% and the 1 month at 25.75%. The statutory tax rate for the Company is 0% as it is domiciled in Guersey.

	Group		Company	
	2018	2017	2018	2017
	US$ 000	US$ 000	US$ 000	US$ 000
29 EARNINGS PER SHARE				
29.1 Basic earnings per share				
Profit attributable to equity holders of the Company	2 640	45 538	-	-
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	107 637 649	107 637 649	-	-
Basic earnings per share (cents)	2	42	-	-
29.2 Diluted earnings per share				
The Group did not have any shares with a potential dilutive impact (2017: US$nil).				
Profit attributable to equity holders of the Company	2 640	45 538	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	107 637 649	107 637 649	-	-
Diluted earnings per share (cents)	2	42	-	-

30 RELATED PARTIES

The Company is controlled by Impala Platinum B.V. which owns 87% of the ordinary shares of Zimplats Holdings Limited. The ultimate holding company is Impala Platinum Holdings Limited (incorporated in South Africa) which owns a 100% equity interest in Impala Platinum B.V.

30.1 Directors and key management personnel

The directors named in the corporate governance report held office as directors of the Company during the year ended 30 June 2018.

Appointments

Ms Thandeka Nozipho Mgoduso was appointed to the board on 16 April 2018.

Resignations

Ms Brenda Berlin resigned from the board on 4 March 2018.

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 Group and companies linked to directors.

Fees paid during the year to non-executive directors amounted to US$380 244 (2017: US$396 207), and remuneration to executive directors and key management personnel amounted to US$12 063 000 (2017: US$9 852 000).

	Group		Company	
	2018	2017	2018	2017
	US$ 000	US$ 000	US$ 000	US$ 000
30.2 Related party transactions and balances				
The following transactions were carried out with related parties:				
a) Revenue				
Sales of metal products to Impala Refining Services Limited (note 19)	582 544	512 549	-	-
Dividend income from Zimbabwe Platinum Mines (Private) Limited	-	-	12 150	5 000
	582 544	512 549	12 150	5 000
The Group's only customer is Impala Refining Services Limited, which is a wholly owned subsidiary of Impala Platinum Holdings Limited. Sales thereto are based on an off-take agreement.				
b) Management fees and other support services				
Services rendered to Zimbabwe Platinum Mines (Private) Limited by:				
Impala Platinum Limited - support services	3 010	2 639	-	-
Zimplats Holdings Limited - management fees	-	-	-	2 414
	3 010	2 639	-	2 414

Management fees relate to remuneration for management and technical support provided to the operating subsidiary whilst support services mainly relate to information, communication and technology systems.

	Group		Company	
	2018	2017	2018	2017
	US$ 000	US$ 000	US$ 000	US$ 000
c) Amounts due from related parties				
Impala Refining Services Limited	161 642	148 187	-	-
The amounts due from Impala Refining Services Limited are due three to five months after the date of sale. The trade receivables bear no interest.				
d) Amounts due to related parties				
Impala Platinum Limited	8 313	7 230	-	-

The amounts due to Impala Platinum Limited bear no interest and have no fixed repayment terms.

		Group	
		2018	2017
		US$ 000	US$ 000
31	**CAPITAL COMMITMENTS**		
	Capital expenditure contracted for at the end of the reporting period but not yet incurred	77 458	34 910

The capital commitments will be financed from internal resources and borrowings as referred to in note 13. The capital commitments will be incurred in the next 12 months from the reporting date.

32 CONTINGENCIES

The Group filed legal proceedings in the Special Court for Income Tax Appeals and the High Court of Zimbabwe in relation to various historical tax and customs duties matters and these cases are pending in the courts. The Group has on a without prejudice basis settled the disputed liabilities involved in these cases.

A service provider filed an application at the High Court of Zimbabwe seeking an order that an alleged agreement between the Group and the service provider should be implemented, or, alternatively, that the Group should pay damages to the amount of US$4 million. The matter was heard in the High Court and, following an application by the Group, the High Court granted an order dismissing the service provider's claim. The service provider has lodged an appeal with the Supreme Court against the High Court judgement.

While recognising the inherent difficulty of predicting the outcome of legal proceedings, the directors believe, based upon current knowledge and after consulting with legal counsel, that the legal proceedings currently pending against the Group should not have a material adverse effect on the financial position of the Group.

33 EVENTS AFTER THE REPORTING PERIOD

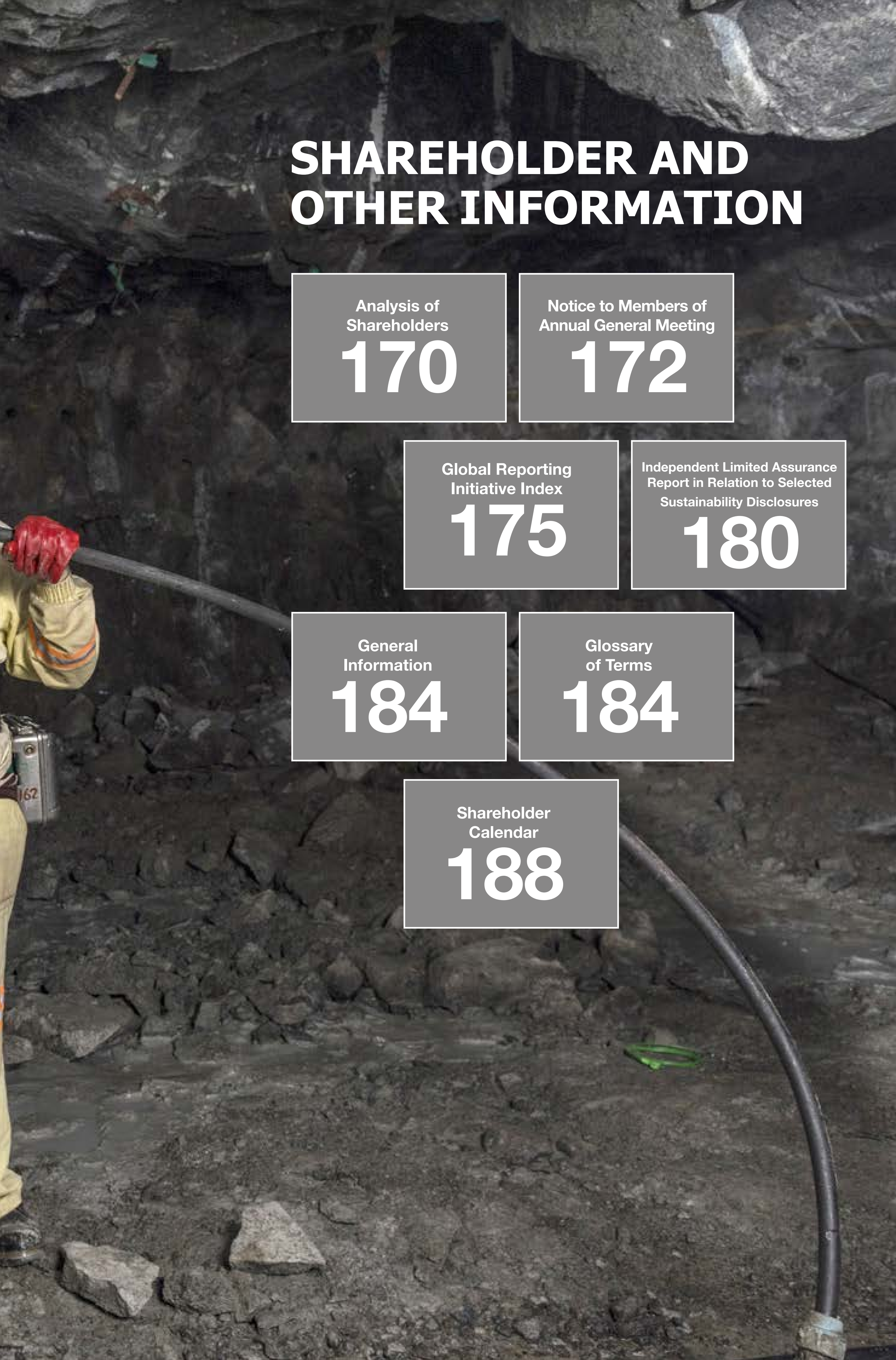
33.1 Dividend

Post year-end, the board of directors declared a dividend of US$65 million (equating to 60.39 cents per share). The ex-dividend and record dates for the dividend are 5 and 7 September 2018 respectively. These financial statements do not reflect this dividend payable in accordance with the requirements of International Accounting Standard ("IAS") 10, 'Events after the reporting period' and IAS 1, 'Presentation of financial statements'.

33.2 Offtake agreement

The offtake agreement between the Group's operating subsidiary and Impala Refining Services Limited ("IRS"), remained in place during FY2018. With effect from 1 July 2018, to give effect to an internal restructuring exercise within the Impala Platinum Holdings Limited ("Implats") group. IRS ceded and assigned all of its rights, title and interest in, and delegated its obligations under the offtake agreement to Impala Platinum Limited ("Impala"), a fellow Implats subsidiary. Following the restructure, the offtake agreement will continue on the same terms and conditions and Impala will continue to discharge the obligations that were previously discharged by IRS under and in terms of the offtake agreement. The cession and assignment of the offtake agreement from IRS to Impala will not impact the performance of the agreement.

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



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Analysis of Shareholders

Shareholding

Shareholding information is current at 30 June 2018.

Substantial shareholders

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

Name	Number of shares	% of issued share capital
Impala Platinum BV	93 644 430	87.00
J P Morgan Nominees Australia Limited	5 796 122	5.38

Voting rights of ordinary shares

Pursuant to the Law of the Island of Guernsey, Zimplats Holdings Limited (Zimplats) has determined that for the purpose of the annual general meeting, all shares held in Zimplats shall be taken to be held by the persons who held them as registered shareholders at 11:30am South African time (+1 GMT) on Wednesday 10 October 2018 (Entitlement Time).

All holders of ordinary shares in Zimplats at the Entitlement Time are entitled to attend and vote at the annual general meeting.

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

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

Top 20 shareholders

Rank	Name	Number of shares	% of issued share capital
1.	Impala Platinum BV	93 644 430	87.00
2.	J P Morgan Nominees Australia Limited	5 796 122	5.41
3.	Citicorp Nominees Pty Limited	4 041 274	3.75
4.	HSBC Custody Nominees (Australia) Limited	2 377 246	2.21
5.	Mr Peter Martin Vanderspuy	221 797	0.21
6.	Estate Late Roy Shehedi	200 000	0.19
7.	Mr Emanuel Jose Fernandes Dias	183 615	0.17
8.	Dr David Samuel Kleinman	160 600	0.15
9.	CS Third Nominees Pty Limited <HSBC Custody Nominees (Australia) Limited - A/C 13>	151 993	0.14
10.	Tierra De Suenos Sa	113 012	0.10
11.	Mr Hugh Farmer	72 000	0.07
12.	Montana Finance Corp Pty Ltd	54 000	0.05
13.	Swiss Trading Overseas Corp	40 516	0.04
14.	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	34 925	0.03
15.	BNP Paribas Noms Pty Ltd <Drp>	24 136	0.02
16.	Mr Wilhelm Kuhlmann	16 750	0.02
17	Mr Christopher Philip Harding	15 591	0.01
18	Mr Julian Vezey	14 000	0.01
19	Mr Ian F Mackenzie	14 896	0.01
20	Merrill Lynch (Australia)	13 438	0.01
	TOTAL	**107 190 341**	**99.58**

Analysis of Shareholders (continued)

Rank	Number of shares	% of issued share capital
21 to 40	154 523	0.14
41 to 60	75 511	0.07
61 to 80	45 180	0.04
81 to 100	34 289	0.03
101 to120	26 147	0.02
Other	111 658	0.10
Total	**107 637 649**	**100.00**

Distribution of shareholding at 30 June 2018

Number of shares held	Numbers of holders	Number of shares	% of issued share capital
1 to 1 000	245	92 191	0.09
1 001 to 5 000	99	210 594	0.20
5 001 to 10 000	17	134 308	0.12
10 0001 to 100 000	12	310 467	0.29
100 001 to 1 000 000 000	10	106 890 089	99.31
Total	**383**	**107 637 649**	**100.00**

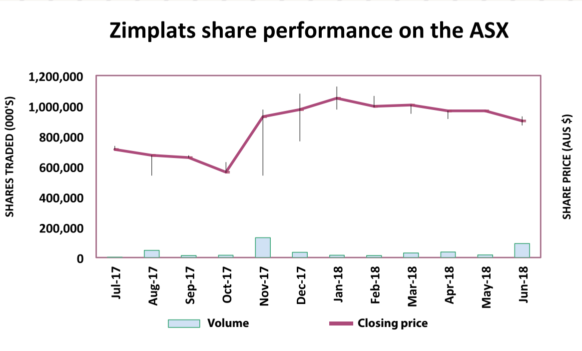
In terms of the definition under the Australian Stock Exchange (ASX) Listing Rule 4.10.8, the number of shareholders holding less than marketable parcel (US$500) of ordinary shares is 158 (2017:161).

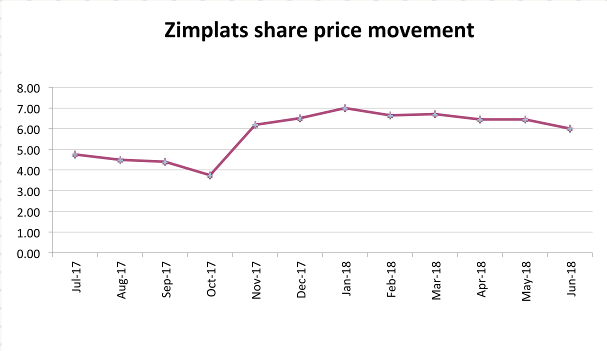
On-market buy back

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

Trading volume

As a consequence of Implats shareholding of 87% (2017:87%) at the date of this report, the volume of free-float shares traded on the ASX has remained at a low level through-out the year.





Notice of Annual General Meeting

Notice is hereby given that the eighteenth annual general meeting of the members of Zimplats Holdings Limited ("Zimplats" or "the Company") will be held at The Wanderers Club, 21 North Street, Illovo, Johannesburg, South Africa, on Friday 12 October 2018 at 11:30am South African time (+1 GMT) for the following purposes:

1. To receive and consider the Company's annual financial statements, the directors' report and the report of the independent auditors for the year ended 30 June 2018.

2. To appoint PricewaterhouseCoopers Chartered Accountants (Zimbabwe) as independent auditors of the Company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company.

3. To approve the audit fees of US$21 830 for the year.

4. Election of directors:
   (a) To re-elect Dr F S Mufamadi as a director.
   (b) To re-elect Mr Z B Swanepoel as a director.
   (c) To elect Ms T N Mgoduso as a director.
   (d) To elect Ms M Kerber as a director.

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 Standard Time (+1 GMT) on Wednesday 10 October 2018 ("the Entitlement Time").
2. All holders of ordinary shares in Zimplats at the Entitlement Time are entitled to attend and vote at the meeting. For further information on voting procedures, see the notes on the Proxy Information Sheet.

EXPLANATORY NOTE TO RESOLUTIONS

RESOLUTION 1 – RECEIVE AND CONSIDER THE ANNUAL FINANCIAL STATEMENTS, THE DIRECTORS' REPORT AND THE REPORT OF THE INDEPENDENT AUDITORS

Resolution 1, which is an ordinary resolution, proposes that the annual financial statements, the directors' report and the report of the independent auditors for the year ended 30 June 2018 be received and considered.

Directors' recommendation

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

RESOLUTION 2 – APPOINTMENT OF PRICEWATERHOUSE COOPERS CHARTERED ACCOUNTANTS (ZIMBABWE) AS INDEPENDENT AUDITORS UNTIL THE NEXT ANNUAL GENERAL MEETING

Resolution 2, which is an ordinary resolution, proposes that PricewaterhouseCoopers Chartered Accountants (Zimbabwe) be appointed as independent auditors of the Company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company. In accordance with section 257 of the Companies (Guernsey) Law 2008, as amended ("the Companies (Guernsey) Law"), shareholders are required to approve the appointment of the Company's auditors each year to hold office until the next annual general meeting of the Company.

PricewaterhouseCoopers Chartered Accountants (Zimbabwe) have indicated that they are in a position to accept appointment as independent auditors of the Company for the year ending 30 June 2019.

Directors' recommendation

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

RESOLUTION 3 – APPROVE THE AUDIT FEE OF US$21 830 FOR THE YEAR ENDED 30 JUNE 2018

Resolution 3, which is an ordinary resolution, proposes that the audit fees of US$21 830 for the year ended 30 June 2018 be approved. In accordance with section 259 of the Companies (Guernsey) Law, shareholders are required to approve the remuneration of the Company's auditors. The audit fee is in respect of services rendered for the external audit of the Company for the year ended 30 June 2018.

Directors' recommendation

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

RESOLUTION 4 – ELECTION OF DIRECTORS

Resolutions 4(a) and 4(b), which are ordinary resolutions, propose the re-election of those directors who are retiring by rotation and who are offering themselves for re-election. In terms of article 16.2 of the Company's articles of incorporation ("the Articles"), a director will retire from office no later than at the third annual general meeting following his or her last election and will be eligible for re-election.

Resolutions 4(c) and 4(d), which are ordinary resolutions, propose the election of those directors who were appointed during the year, who are retiring and who are offering themselves for election. In terms of article 15.5 of the Articles, a director appointed during the year will retire at the next following annual general meeting and will be eligible for election.

The board of directors believe that these directors who are retiring, and who are offering themselves for election, should continue to be directors of the Company as they bring wide, current and relevant business experience that allows them to contribute effectively to the leadership of the Company.

(a) Re-election of Dr F S Mufamadi as a director of the Company

Dr Fholisani Sydney Mufamadi, MSc, PhD

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

(b) Re-election of Mr Z B Swanepoel as a director of the Company

Mr Zacharias Bernardus Swanepoel, BSc (Mining Engineering), BCom (Hons)

Mr Swanepoel was appointed to the board on 1 July 2015. Mr Swanepoel is an independent non-executive director of Impala Platinum Holdings Limited. He is a director of To The Point Growth Specialists (Pty) Limited and a non executive director of African Rainbow Minerals Limited. He is the chairman of the board's safety, health, environment and community committee.

(c) Election of Ms T N Mgoduso as a director of the Company

Ms Thandeka Nozipho Mgoduso, MA (Clinical Psychology)

Ms Mgoduso was appointed to the board on 16 April 2018. Ms Mgoduso is an experienced human resources professional and currently runs her own strategic human resources consultancy business, Jojose Investments. She is a non-executive director of Assore Limited, Metair Investments Limited, South African Airways and Tongaat Hulett Limited and is a commissioner of the Commission for the Remuneration of Public Office Bearers in South Africa. She is the chairperson of the board's remuneration committee.

Notice of Annual General Meeting (continued)

(d) Election of Ms M Kerber as a director of the Company

Ms Meroonisha Kerber, BCom, CA (SA)

Ms Kerber was appointed to the board on 1 September 2018. Ms Kerber was appointed as chief financial officer and an executive director of Impala Platinum Holdings Limited with effect from 1 August 2018. Ms Kerber is an experienced finance executive having served as Senior Vice President, Finance at AngloGold Ashanti Limited, prior to which she spent 11 years at Anglo American Platinum Limited, serving as Head of Financial Accounting for the majority of that period. She is a member of the board's audit and risk committee.

Directors' recommendation

All of the existing directors of the Company, other than those directors standing for election, recommend that you vote in favour of the re-election of Dr Mufamadi and Mr Swanepoel and the election of Ms Mgoduso and Ms Kerber, 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, 1st & 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1EW. Fax +44 1481 738917; or
3. Custodians – subscribers of Intermediary Online may lodge their votes electronically at www.intermediaryonline.com, by no later than 48 hours before the meeting (being 11:30am South African Standard Time) on Wednesday 10 October 2018.

Global Reporting Initiative (GRI) Index

GRI 102: General Disclosures 2016	Description	Reporting level	Cross reference/Direct answer/ Notes	Page number
Strategy and Analysis				
102-14	Statement from senior decision maker	Fully	The chairman and the chief executive officer both mention management's approach to sustainability	18, 26
102-15	Key impacts, risks and opportunities	Fully	Sustainability matters	45-51
Organisational Profile				
102-1	Name of the organisation	Fully	• About this report • Business profile	Inside cover, 8
102-2	Activities, brands, products, and services	Fully	• Business profile • Directors report • Financial statements	8, 107, 120
102-3	Location of headquarters	Fully	• Business profile • Financial statements • Shareholder calendar	8, 120, 184
102-4	Number of countries where the organisation operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Fully	• Business profile • Location and operations	8, 10
102-5	Nature of ownership and legal form	Fully	• Business profile • Corporate structure • Financial statements • Analysis of shareholders	8, 11, 165, 170, 171
102-6	Markets served (including geographic breakdown, services and types of customers/beneficiaries)	Fully	• Business profile • Financial statements	8, 138, 166
102-7	Scale of the reporting organisation	Fully	Business profile	8
102-8	Total number of employees by employment contract and gender. Report permanent employees by employment type, and gender, total workforce by region and gender, total workforce by employees, supervised workers and by gender, report total workforce by region and gender, report if substantial portion of work is by self-employees or contractors, report significant variations in employment numbers (seasonal variations)	Fully	• Business profile • Chief executive officer's report • Five year review • Sustainability matters	8, 31, 36, 75, 76
102-41	Report the percentage of total employees covered by collective bargaining agreements	Fully	Sustainability matters	76
102-9	Describe the organisation's supply chain	Fully	Sustainability matters	52-55
102-10	Significant changes during the reporting period regarding size, structure, or ownership	Fully	• Scope of this report • Business profile	4, 8

Global Reporting Initiative (GRI) Index (continued)

GRI 102: General Disclosures 2016	Description	Reporting level	Cross reference/Direct answer/ Notes	Page number
102-11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Fully	The firm has a range of risk assessment and management processes across the enterprise. In addition we have analysed our environmental impacts and taken precautionary action by reducing our greenhouse gas emissions and other environmental impacts (see sustainability matters section)	45, 47, 48, 65, 66, 70, 71
102-12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	Fully	• Zimplats endorses the Voluntary Principles on human rights • Zimplats is compliant with ISO 9001, ISO 14001 and OHSAS 18001 sytems	37, 38, 65, 68
102-13	Memberships in associations (such as industry associations) and or national/ international advocacy organisations in which the organisation • Has positions on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues; or • Views membership as strategic	Fully	Zimbabwe Platinum Mines (Private) Limited is an active member of the Chamber of Mines (Zimbabwe)	56
Identified Material Aspects and Boundaries				
102-45	All entities included in the organisation's consolidated financial statements and if any of these are not covered in this report	Fully	• About this report • Notes 1 and 7 of the financial statements	Inside cover, 124, 151
102-46	Process for defining our report content and aspect boundaries and how the organisation implemented the Reporting Principles for defining report content	Fully	• About this report • Scope of this report • Sustainability matters	Inside cover, 4, 45
102-47	List all the material aspects identified in the process of defining report content	Fully	• Scope of this report • Sustainability matters	4, 45
103-1	Explanation of the material topic and its boundary	Fully	• Business profile • Locations and operations • Sustainability matters	8, 10, 52

Global Reporting Initiative (GRI) Index (continued)

GRI 102: General Disclosures 2016	Description	Reporting Level	Cross Reference/Direct Answer/ Notes	Page Number
102-48	Report the effect of any restatements of information provided in previous reports and the reasons for such restatements	Fully	• Scope of this report	4
102-49	Report significant changes from previous reporting periods in the scope and aspect boundaries	Fully	There have been no significant changes to the report scope and aspect boundaries	4
Stakeholder Engagement				
102-40	Provide a list of stakeholder groups engaged by the organisation	Fully	Sustainability matters	52-54
102-42	Basis for identification and selection of stakeholders with whom to engage	Fully	Sustainability matters	52
102-43	Approaches to stakeholder engagement, including frequency of engagement by type and stakeholder group	Fully	Sustainability matters	53, 54
102-44	Key topics, and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through reporting	Fully	Sustainability matters	53, 54
Report Profile				
102-50	Reporting period (e.g. fiscal/calendar year) for information provided	Fully	About this report	Inside cover
102-51	Date of most recent previous report	Fully	About this report	Inside cover
102-52	Reporting cycle (such as annual, bi-annual)	Fully	Integrated report is published annually	
102-53	Contact point for questions regarding the report or its contents?	Fully	Scope of this report	4, 188
102-54 102-55 102-56	Table identifying the location of the standard disclosures in this report	Fully	GRI index	175-179
102-56	Policy and current practice with regard to seeking independent assurance for the report	Fully	Zimplats has sought external assurance for selected sustainability information and disclosures, as referenced in the integrated annual report and in the independent assurance engagement report	180-183
102-18	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks such as setting strategy or organisational oversight	Fully	Corporate governance report	12-17, 95-104
102-22	Composition of the highest governance body and its committees	Fully	• Board of directors • Corporate governance report	12-17, 95-104

Global Reporting Initiative (GRI) Index (continued)

GRI 102: General Disclosures 2016	Description	Reporting Level	Cross Reference/Direct Answer/ Notes	Page Number
102-23	Indicate whether the Chair of the highest governance body is also an executive officer	Fully	• The Chairman is a non-executive director • Corporate governance report	12, 96
102-29	Highest governance body's role in the identification, and management of economic, environmental, and social impacts, risks and opportunities, including due diligence, and stakeholder consultation	Fully	Corporate governance report	95-99
Ethics and Integrity				
102-16	The organisation's , values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Fully	Corporate governance report	103
102-17	Report the internal, and external mechanisms for seeking advice, on ethical, and lawful behaviour, and matters related to organisational integrity, such as helplines, or advice lines	Fully	Corporate governance report	103, 104
Specific Standard Disclosures				
ECONOMIC				
Aspect: Economic Performance				
103-2	Management approach and its components	Fully	• Chairman's letter • Chief executive officer's report • Five year review • Financial statements	21, 22, 32, 33, 35, 36, 120, 121, 123
201-1	Direct Economic value generated and distributed	Fully	• Chairman's letter • Cash utilisation	22, 32, 33, 34, 35, 36, 120, 121, 123
Aspect: Procurement Practices				
103-2	Management approach and its components	Fully	• Chairman's letter • Chief executive officer's report • Achievements FY2018 • Objectives FY2019 • Financial statements	21, 37, 38,
204-1	Proportion of spending on local suppliers at significant locations of operation	Fully	• Chairman's letter • Achievements FY2018	21, 37
SOCIAL: LABOUR PRACTICES AND DECENT WORK				
Aspect: Occupational Health and Safety				
103-3	Evaluation of the management approach	Fully	Sustainability matters: Human Resources	75-78
403-2	Occupational Health and Safety Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender	Yes	• Chairman's letter • Chief executive officer's report • Sustainability matters	20, 27, 28, 75-78

Global Reporting Initiative (GRI) Index (continued)

GRI 102: General Disclosures 2016	Description	Reporting Level	Cross Reference/Direct Answer/ Notes	Page Number
ENVIRONMENTAL				
Aspect: Materials				
103-3	Evaluation of the management approach	Fully	Sustainability matters	70, 71
301-1	Material used by weight and volume	Yes	Sustainability matters	71
Aspect: Energy				
103-3	Evaluation of the management approach	Fully	Sustainability matters	70, 71
302-1	*Energy consumption within the organisation	Yes	Sustainability matters	70, 71
302-2	*Energy consumption outside the organisation	Yes	Sustainability matters	71
Aspect: Water				
103-3	Evaluation of the management approach	Fully	Sustainability matters	68, 69
303-1	Total water withdrawal by source.	Yes	Sustainability matters	69
303-3	Percentage and total volume of water recycled and reused	Yes	Sustainability matters	
Aspect: Emissions				
103-3	Evaluation of the management approach	Fully	Sustainability matters	70, 71
305-1	*Direct Greenhouse Gas (GHG) Emissions - Scope 1	Yes	Sustainability matters	70
305-2	*Energy Indirect Greenhouse Gas (GHG) Emissions - Scope 2	Yes	Sustainability matters	71
Aspect: Compliance				
307-1	Monetary value of significant fines in total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Yes	• Chairman's letter • Chief executive officer's report • Sustainability matters	21, 28, 65

Independent Limited Assurance report for selected Key Performance Indicators and application of the GRI Standards: Core Option in Zimplats Holdings Limited's integrated annual report for the year ended 30 June 2018

TO THE DIRECTORS OF ZIMPLATS HOLDINGS LIMITED

Our Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that –

- The selected sustainability information identified in the subject matter paragraph below, as presented in Zimplats Holdings Limited's (Zimplats) Integrated Annual Report for the year ended 30 June 2018 (the Report) is not prepared, in all material respects, in accordance with Zimplats' internally developed measurement and reporting criteria applied to prepare that information; and
- Zimplats's assertion that the Report is in accordance with the GRI Standards: Core Option included in the Report is not, in all material respects, in accordance with the GRI Standards requirements for making that assertion.

Ernst & Young Chartered Accountants (Zimbabwe) (EY) has undertaken a limited assurance engagement for the selected key performance indicators (KPIs) described below as presented in the Annual Report and for Zimplats' assertion made in the Report that the Report is in accordance with the Global Reporting Initiative (GRI) Standards: Core Option.

Subject matter

Our limited assurance engagement was performed for the selected KPIs listed below and related disclosures as presented in the Report, and for Zimplats's self-declared assertion that the Report is in accordance with the GRI Standards: Core Option.

Selected KPIs
GRI: 403-2 Total reportable injuries and total LTI's per 1,000,000 man hours worked.
GRI: 201-1 Total CSI expenditure
GRI: 301-1 Diesel, petrol and coal used for primary production purposes
GRI: 302-1 Direct and Indirect energy used for primary production
GRI: 303-1 Water abstracted from dams and underground
GRI: 305-1 Carbon emissions from materials used and from electricity
GRI: 307-1 Number of major environmental non-conformances

The scope of our work was limited to the matters stated above in relation to the Report, and did not include coverage of data sets or information relating to areas other than the selected KPIs, information reported outside of the Report, comparisons against historical data, or management's forward-looking statements.

Directors' responsibilities

You are responsible for the selection, preparation and presentation of the selected KPIs and related management disclosures in the Report in accordance with the measurement and reporting criteria.

You are also responsible for determining the appropriateness of those measurement and reporting criteria in view of the intended users of the selected KPIs disclosed in the Report (i.e. Zimplats' stakeholders) and for disclosing those criteria for the intended users.

Furthermore, you are responsible for the identification of Zimplats' stakeholders and stakeholder requirements, material issues, for commitments with respect to sustainability performance and also for the design, implementation and maintenance of adequate internal controls relevant to the preparation and presentation of the selected KPIs and related disclosures, and for the application of the GRI Standards: Core Option in the Report, to ensure this information is reported free from material misstatement, whether due to fraud or error.

Inherent limitations

Inherent limitations of assurance engagements include use of selective testing of the information being examined, which means that it is possible that fraud, error or non-compliance may occur and not be detected in the course of performing the engagement.

Carbon emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

There are additional inherent risks associated with assurance engagements performed for non-financial information given the characteristics of the subject matter and associated with the compilation of source data using definitions and methods for determining, calculating, and estimating such information that are developed internally by management. The absence of a significant body of established practice on which to draw, allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. In particular, where the information relies on factors derived by independent third parties, our assurance work has not included examination of the derivation of those factors and other third party information.

Our independence and quality control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants as well as the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Service Engagements, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to perform our limited assurance engagement to express our conclusion on whether anything has come to our attention that causes us to believe that:

- the selected KPIs and related disclosures as presented in the Report are not prepared, in all material respects, in accordance with management's internally developed measurement and reporting criteria for those KPIs; and
- Zimplats' assertion contained in the Report that the Report is in accordance with the core-level GRI Standards: Core Option is not, in all material aspects, in accordance with the GRI Standards requirements for making that assertion.

We have performed our engagement in accordance with the terms of reference for this engagement agreed with Zimplats, including performing the engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised), Assurance Engagements other than the Audits or Reviews of Historical Financial Information and ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. Those Standards require that we plan and perform our engagement to obtain limited assurance about whether the subject matter of our engagement as presented in the Report, is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of the measurement and reporting criteria as the basis of preparation for reporting the selected KPIs, assessing the risks of material misstatement of those selected KPIs, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs in the Report.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the engagement circumstances our procedures performed included:

- Reviewing Zimplats's activities, processes and documents at group-level that support the assertions and claims made in the Report;
- Interviewing management and senior executives to obtain an understanding of the following matters relevant to the sustainability reporting process:
  - Governance and accountability of sustainability issues.
  - The process for determining materiality of sustainability issues.
  - Objectives and priorities for embedding and managing sustainability expectations and the progress against these.
  - The processes for reporting progress and providing internal assurance to management on sustainability issues.
  - The control environment and information systems relevant to preparing and presenting the selected KPIs and related disclosures in the Report (but not for purposes of evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness).
- Performed analytical procedures to evaluate the relevant data generation and reporting processes against the measurement and reporting criteria.
- Inspecting the GRI content index prepared by management to assess management's assertion on presentation of the Report in accordance with the GRI Standards: Core Option.
- Inspecting supporting documentation on a sample basis, to corroborate the statements of management and senior executives in our interviews.
- Evaluating the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation and presentation the selected KPIs and related disclosures in the Report.
- Evaluating whether the selected KPIs and related disclosures as presented in the Report, and management's GRI assertion that the Report is presented in accordance with the GRI Standards: Core Option, is consistent with our overall knowledge and experience of sustainability and carbon footprint performance management at Zimplats. This included challenging and reviewing the Report to assess its content for coverage of material issues and consistency with observations made of processes and progress. As part of this, we sought supporting documentation for a sample of claims made in the Report.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result the level of assurance obtained in our limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the selected KPIs as presented in the Report are prepared, in all material respects, in accordance with the measurement and reporting criteria, or on whether management's assertion in relation to the GRI Standards, is in accordance with the requirements for making that assertion.

Independent Limited Assurance report for selected Key Performance Indicators and application of the GRI Standards: Core Option in Zimplats Holdings Limited's integrated annual report for the year ended 30 June 2018

Other matters

Information relating to prior reporting periods is not included in our engagement scope. Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the Report.

The maintenance and integrity of Zimplats's website is the responsibility of Zimplats's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes either to the selected KPIs and related disclosures contained in the Report or to the GRI content index, or to our independent assurance report, which may occur subsequent to their initial date of presentation on the Zimplats website.

Restriction on use of our report and on our liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the matters stated above in our report provided to the directors of Zimplats in accordance with the terms of our engagement, and for no other purpose. Our report is intended solely for the directors of Zimplats and must not be used by any other parties.

To the fullest extent permitted by the law, we do not accept or assume liability to any party other than the directors of Zimplats, for our work, for this report, or for the conclusion we have reached. We agree to the publication of this assurance report in Zimplats's Report for the year ending 30 June 2018, provided it is clearly understood by recipients of the Report that they enjoy such receipt for information only and that we accept no duty of care to them whatsoever in respect of this report.

Ernst & Young

Ernst & Young Chartered Accountants (Zimbabwe)
Partner: David Marange
Registered Public Auditor
Chartered Accountant (Zimbabwe)

Ernst & Young
PO Box 702
Harare
Zimbabwe

11 September 2018

General Information

- In this report any reference to 'Zimplats', 'the Group' or 'the Company' means Zimplats Holdings Limited and/or its subsidiaries
- Zimplats is a company incorporated in Guernsey, British Isles, registration number 34014. As such, the main laws controlling the corporate operations of the Company are the laws of Guernsey
- Zimplats is registered as a foreign company in Australia, number ARBN 083 463 058, and is listed on the Australian Stock Exchange with the code ZIM
- Zimplats shares are freely transferable, subject to formal requirements and the registration of a transfer, which does not result in a contravention of, or failure to observe, a provision of law
- Zimplats is not subject to Chapter 6 of the Australian Corporation Law dealing with the acquisition of shares, including substantial shareholdings and takeovers
- Zimplats is not subject to the City Code on Takeovers and Mergers and the Rules Governing Substantial Acquisitions of Shares (UK) (the Code)
- All reported currency is expressed in United States of America dollars unless otherwise indicated
- All weights expressed in ounces are troy ounces.

GLOSSARY OF TERMS

4E	Four elements. The grade may be measured as the combined content of the four precious metals - platinum, palladium, rhodium and gold
6E	Six elements. The grade may be measured as the combined content of the six precious metals – platinum, palladium, iridium, rhodium, ruthenium and gold
Au	Chemical symbol for gold
Bankable standard	Capable of supporting an application to a recognised project financier for project finance
Beneficiation	The separation of desired minerals from waste material during exploitation of a mineral deposit, by which the mineral is concentrated prior to refining.
Concentrate	Material that has been processed to increase content of contained metal or mineral relative to the contained waste
Converting	The final stage of matte production in which excess sulphur and iron are removed by blowing air through the molten green matte to produce white matte
CSI	Corporate social investment
Cu	Chemical symbol for copper
Cut-off-grade	Lowest grade mineralised that qualifies as ore, i.e. will meet all further operating costs for a given deposit
EMA	Environment Management Agency
FY	Financial year. The financial year for the group ends on 30 June of any year
Gangue	The unwanted material
LTI	Lost-time-injury. LTI is defined as a work-related injury resulting in the employee being unable to attend work, at his/her place of work, performing routine work functions in his/her normal or similar occupation, on the next calendar day (whether a scheduled work day or not) after the day of the injury.
LTIFR	Lost-time-injury frequency rate. This measures the number of work-related injuries resulting in a lost time injury X 1 000 000 exposure man-hours divided by the man hours worked.

Mafic	An igneous rock with high magnesium and iron content, usually dark in colour
Matte	A mixture of various base metal sulphides, containing the precious metals which is produced during smelting and converting. Green matte refers to the product from smelting, and contains high levels of iron sulphides, which are removed during converting to give a white matte containing minimal levels of iron
Mineral resource	Defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition a 'mineral resource' is a concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories. Mineral resources are subdivided into measured, indicated and inferred categories as follows:- A 'measured mineral resource' - is that part of a mineral resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes,and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A measured mineral resource has a higher level of confidence than that applying to either an indicated mineral resource or an inferred mineral resource. It may be converted to a proved ore reserve An 'indicated mineral resource' is that part of a mineral resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An indicated mineral resource has a lower level of confidence than that applying to a measured mineral resource and may only be converted to a probable ore reserve. An 'inferred mineral resource' is that part of a mineral resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and must not be converted to an ore reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration.

General Information (continued)

MSZ	Main Sulphide Zone – a thin layer of crystalline igneous rock containing small amounts of sulphide minerals located near the top of the ultramafic igneous sequence which forms the lower part of the Hartley Geologic Complex.
Ni	Chemical symbol for nickel
Ore grade	The average amount of the valuable metal or mineral contained in a specific mass of ore.
Ore Reserve	Defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition an 'Ore Reserve' is the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Ore reserves are subdivided into proved and probable categories as follows:- A 'proved ore reserve' is the economically mineable part of a measured mineral resource. A proved ore reserve implies a high degree of confidence in the modifying factors. A 'probable ore reserve' is the economically mineable part of an Indicated, and in some circumstances, a measured mineral resource. The confidence in the modifying factors applying to a probable ore reserve is lower than that applying to a proved ore reserve.
Pd	Chemical symbol for palladium
Peak platinum value	This is the highest platinum value in the mineralisation and coincides with a sharp decrease in sulphide content and grain size.
PGMs	Platinum group metals, being six elemental metals of the platinum group generally found together. They are platinum, palladium, rhodium, ruthenium, osmium and iridium.
Pt	Chemical symbol for platinum
RBZ	Reserve Bank of Zimbabwe
Refining	The final stage of metal production in which the various base and precious metals contained in the white matte are separated from each other, by a wide variety of hydrometallurgical processes, to produce individual metals and/or metal salts of saleable purity.
RL	Chemical symbol for rhodium
ROM	Run-of-mine
Room and pillar mining	As practised at Zimplats, mining takes place on the reef horizon only. The main access declines are mined on dip and from these access declines, drives (rooms) are developed on strike. A series of in-situ reef pillars are left between these mined out rooms to help support the mine roof and control the flow of air. Generally, rooms are five to seven metres wide and the pillars up to 35 metres wide. As mining advances, a grid-like pattern of rooms and pillars is formed.
SAG	Semi autogeous grinding
SMC	Selous Metallurgical Complex

General Information (continued)

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
TMM	Trackless mining machinery
Toll refining	The process where the final stage of refining is performed by a third party and the costs met by the miner.
Total injuries	Total injuries includes all fatalities, lost time injuries, cases restricted for work, cases of substitute work due to injury and medical treatment cases by medical professionals (doctors, nurses, etc.). It does not include any first aid injury.

UNITS OF MEASURE

g/t	grams per tonne	micron	one millionth of a metre
kg	kilograms	moz	million ounces
kl	kilolitre	Mt	million tonnes
km	kilometres	Mtpa	million tonnes per annum
kt	thousand tonnes	MW	megawatts
lcm	loose cubic metre	t	metric tonnes
oz	troy ounces	ML	mega litres
m	metres	ha	hectares

Shareholder Calendar 2018/2019

2018 calendar year

FY2018 year-end	30 June 2018
June 2018 quarterly activities report released	31 July 2018
Integrated annual report mailed	September 2018
September 2018 quarterly activities report released	31 October 2018
Annual general meeting	12 October 2018

2019 calendar year

December 2018 quarterly activities report released	31 January 2019
December 2018 half yearly report and accounts released	28 February 2019
March 2019 quarterly activities report released	30 April 2019
FY2019 year-end	30 June 2019
June 2019 quarterly activities report released	31 July 2019
Release of FY2019 results	31 August 2019
Integrated annual report mailed	September 2019
September 2019 quarterly activities report released	31 October 2019
Annual general meeting	October 2019

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Harare, Zimbabwe

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MINE SITES

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(Private) Limited
Ngezi Platinum Mine
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P.O. Box 61
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Zimbabwe Platinum Mines
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Chartered Accountants
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MacDonald House
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Scanlen & Holderness
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STOCK EXCHANGE

Australian Stock Exchange (ASX)
ASX Code: ZIM

SHARE REGISTRY

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WANT 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.

ZIMPLATS
Member of the Implats Group

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