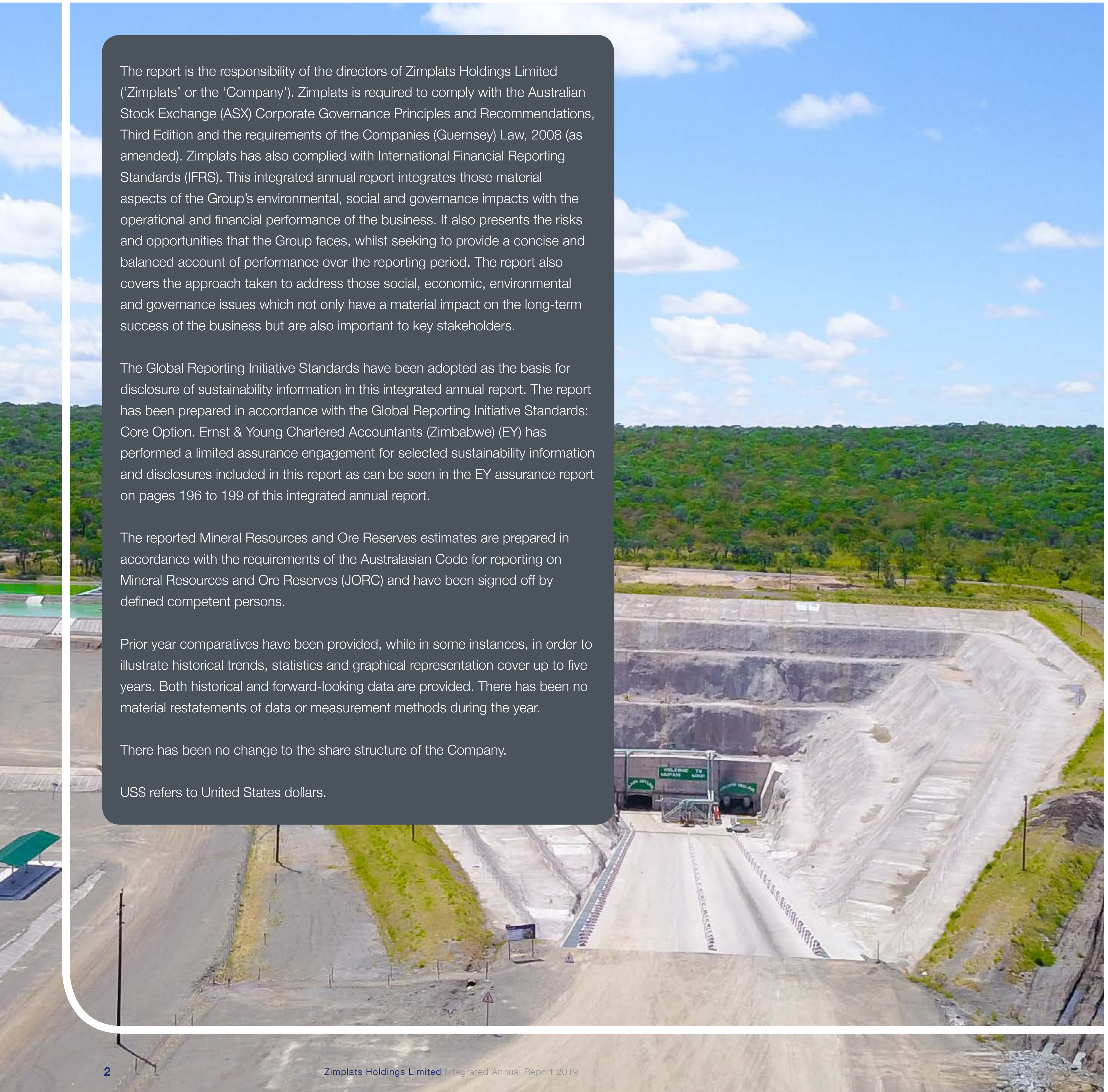
ZIMPLATS
Member of the Implats Group

CREATING SHARED VALUE FOR ALL OUR STAKEHOLDERS

2019 INTEGRATED ANNUAL REPORT

SCOPE OF THIS REPORT



The report is the responsibility of the directors of Zimplats Holdings Limited ('Zimplats' or the 'Company'). 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). This integrated annual 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.

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 196 to 199 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 dollars.

CONTENTS

ABOUT THIS INTEGRATED REPORT

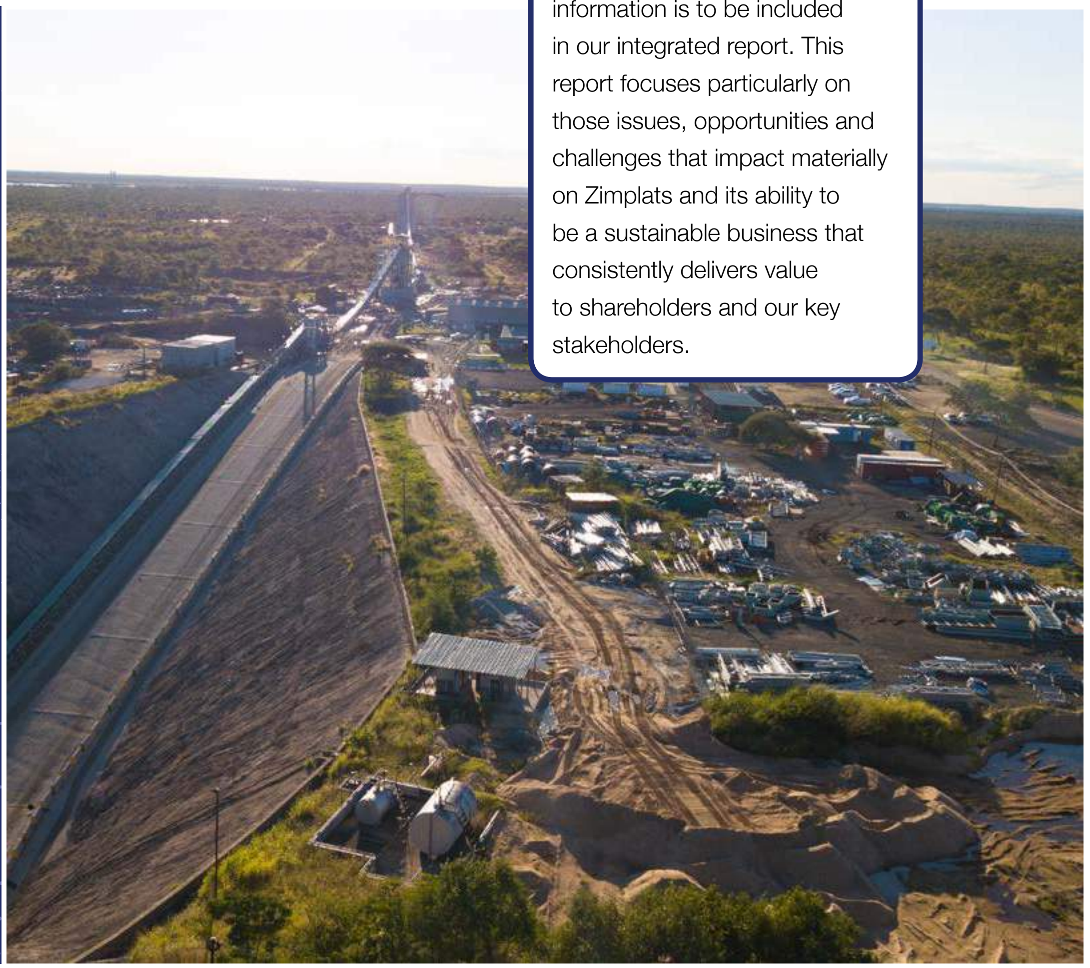
This integrated annual report covers the financial year from 1 July 2018 to 30 June 2019 and is prepared for Zimplats Holdings Limited and its subsidiaries (together, the 'Group') in all regions. The reporting cycle is annual with the last report having been published in September 2018.

OPERATING BUSINESSES

The report covers the primary activities of the Group, our mining and processing operations.

Financial and non-financial reporting

The report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.



KEY CONCEPTS
Defining value

Value creation is the consequence of how we apply and leverage our capital in delivering financial performance (outcomes) and value (outcomes and outputs) for all stakeholders while making tradeoffs. Our value-creation model is embedded in our business purpose (page 12).

Materiality and material matters

We apply the principle of materiality in assessing what information is to be included in our integrated report. This report focuses particularly on those issues, opportunities and challenges that impact materially on Zimplats and its ability to be a sustainable business that consistently delivers value to shareholders and our key stakeholders.

OUR CAPITAL

Our relevance today and in the future and our ability to create long-term value are interrelated and fundamentally dependent on the forms of capital available to us (inputs), how we use them (value-adding activities), our impact on them and the value we deliver (outputs and outcomes).

Financial

Our shareholders' equity and funding from investors and clients that are used to support our business and operational activities.

Human

The health and safety of our people, investing in their development and our collective knowledge, skills and experience to enable innovative and competitive solutions for our operations.

Manufactured

Our business structure and operational processes, including exploration, mining, concentrating and smelting.

Intellectual

Our innovation capacity, reputation and strategic partnerships.

Social and relationships

Our citizenship and strong stakeholder relationships, including the communities in which we operate, as we recognise the role that we play in building a strong and thriving society as well as sustainable ecosystem.

Natural

Our impact on natural resources through our operations and business activity.

APPROVAL BY THE BOARD

The board acknowledges its responsibility of ensuring the integrity of this integrated report, which in the board's opinion addresses all the issues that are material to the Group's ability to create value and presents the integrated performance of Zimplats fairly. This report was approved by the board of directors.

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

OUR MISSION

To be the investment vehicle of choice delivering superior growth and returns to our stakeholders relative to our peers.

OUR VISION

To be the cost leader delivering distinctive value to our stakeholders relative to our peers through effective implementation of the operational excellence model.

CREATING SHARED VALUE FOR 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 we 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

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

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

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 issues

Attained 8.8 million fatality free shifts

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 largest 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.

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.

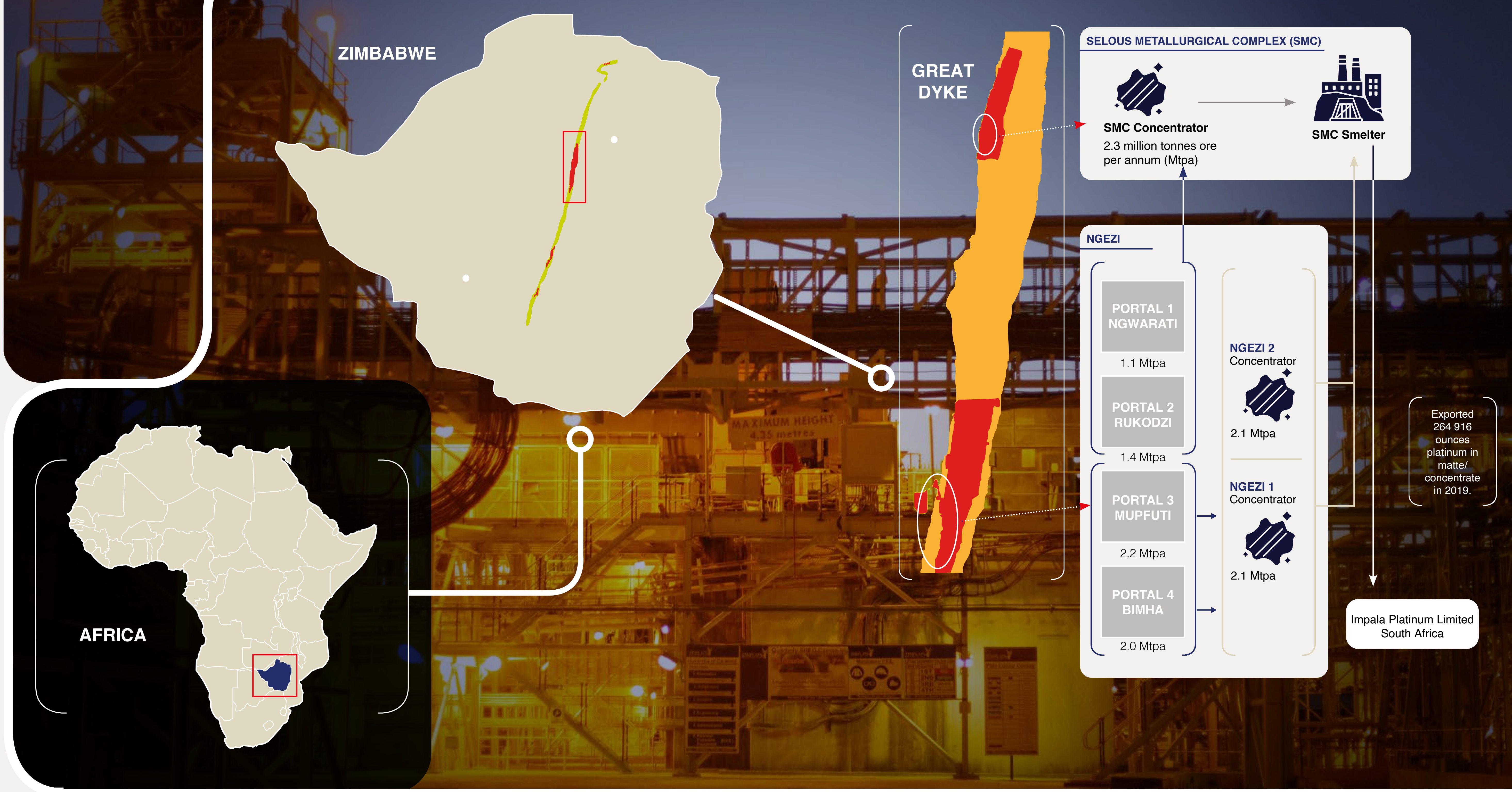
The Company's majority owned operating subsidiary is Zimbabwe Platinum Mines (Private) Limited, which is a significant producer of PGMs, exploiting the ore bodies located on the Great Dyke in Zimbabwe. The operating subsidiary operates four underground mines which supply ore to three concentrator modules (two at Ngezi and the third one at Selous).

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 7 117 comprising 3 326 own employees and a further 3 791 contractors (an increase of 10% compared to prior year).

Ore production in the year was 6.7 million tonnes (Mt) (2018: 6.8 Mt). Matte and concentrate sold during the year to the operating subsidiary's sole customer, Impala Platinum Limited (previously Impala Refining Services Limited), amounted to 542 500 4E oz. (2018: 542 085 4E oz.). 4E (four elements) consists of platinum, palladium, rhodium and gold.

Location and Operations



Value Creation Model

OUR CAPITAL

Inputs

HUMAN
Our leadership
Our workforce
Skills and training

FINANCIAL
Operating cash flow
Equity funding
Debt funding

MANUFACTURED
Mining rights
Mineral reserves
Property, plant and equipment
Utilities

SOCIAL AND RELATIONSHIP
Employee relations
Community relations
Social licence to operate

INTELLECTUAL
Knowledge and procedures
Risk and accounting systems
Research and development and intellectual property
Geological models
People, governance and safety systems

NATURAL
Natural resources (land, air, water and biodiversity)
Mineral Resources and Ore Reserves

ENABLE VALUE-ADDING ACTIVITIES

Key Perfomance Features

Exploration

Mining

Concentrating and Smelting

Improve efficiencies through operational excellence and safe production

Cash conservation

Investment through the cycle

Maintain optionality and position for the future

Maintain our social licence to operate

Maintain, optimise and improve upon our operations

Pay taxes in the jurisdictions in which we operate

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.

SUPPORTED BY STRONG GOVERNANCE AND ETHICS

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.

...while managing key risks

- Effective enterprise risk management
- Regular PGM market intelligence to understand metal price 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

Across all activities

Operational risk
Strategic and execution risk
Business risk
Regulatory and compliance risk
Reputational risk
Conduct and culture risk

CREATING SHARED VALUE FOR ALL OUR STAKEHOLDERS

Outcomes

HUMAN
Injuries and fatalities
Occupational health (NIHL)
Skilled leaders and employees
Economic empowerment of our people

FINANCIAL
Shareholder and investor returns
Reinvestment of profits
Contribution to tax revenue authorities and economic growth for country

MANUFACTURED
Products that generate revenue and improve the environment

SOCIAL AND RELATIONSHIP
Illegal settlements
Social investments
Educational, health and housing

INTELLECTUAL
Continuous improvement - safe and efficient operations
Business improvement
Innovation

NATURAL
Generation of waste
Water recycling has improved
Conservation of natural resources through recycling and rehabilitation

Corporate Structure

Independent Shareholders

13%

Impala Platinum Holdings Limited
Incorporated in South Africa
Listed on the JSE

87%

Zimplats Holdings Limited
Incorporated in Guernsey
Listed on the ASX

90%

Zimplats Employee Share Ownership Trust
Established in Zimbabwe

10%

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.

EXECUTIVE DIRECTORS

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.

NON-EXECUTIVE DIRECTORS

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.

Board Of Directors - continued

NON-EXECUTIVE DIRECTORS

Alec Muchadehama
LLB, BL (Hons), MBA

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.

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 28 years that has exposed him to multiple commodities including platinum.

Dr. Dennis Servious Madenga Shoko
BSc Special Honours (Geology), BSc General, PhD

Appointed to the board on 17 October 2016. Dennis 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 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 chairperson of the board's safety, health, environment and community committee.

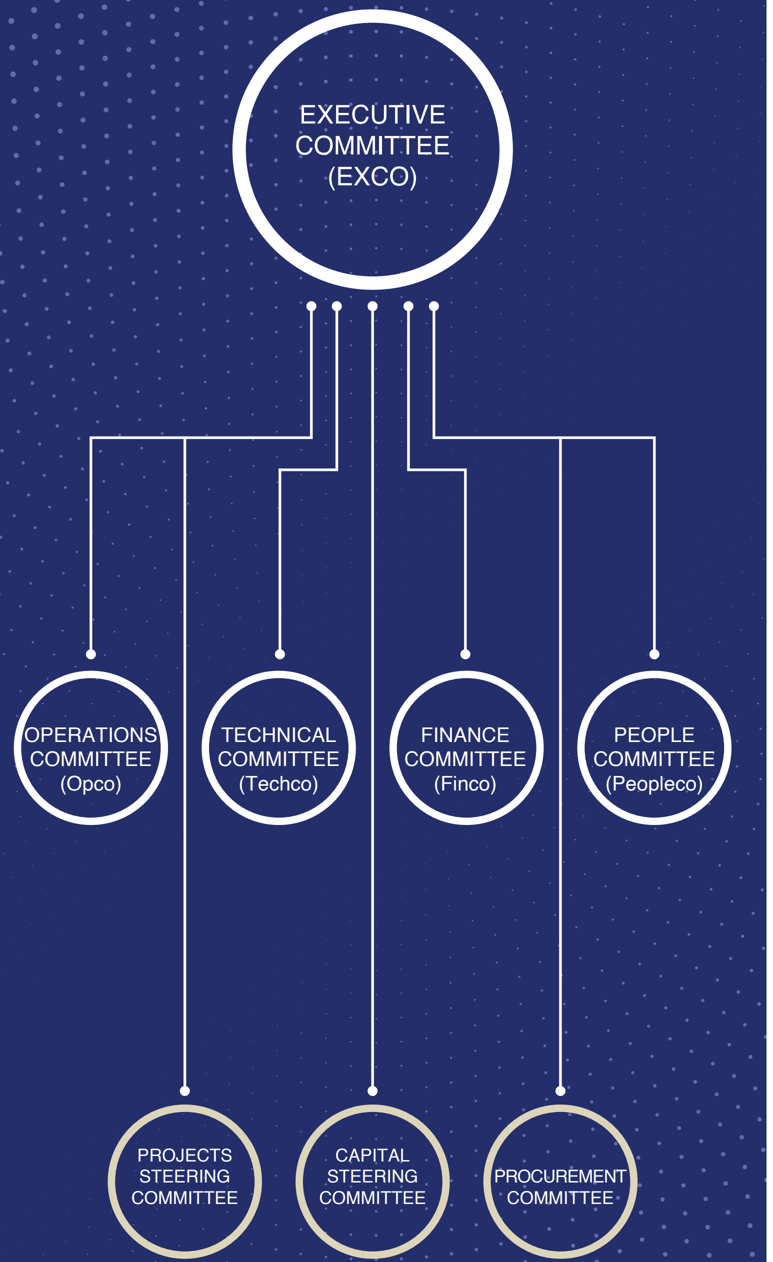
Nyasha Puza Siyabora Zhou
BAcc (UZ), CA (Z), CIMA (UK), MBL (UNISA)

Appointed to the board on 1 March 2010. Nyasha is a past president of the Institute of Chartered Accountants of Zimbabwe and sits on a number of other boards in Zimbabwe. Nyasha was, during FY2019, the chairperson of the board's audit and risk committee and a member of the board's remuneration committee. Nyasha retired as a director of Zimplats Holdings Limited at the annual general meeting held on 28 October 2019.

Chipo Mtasa
BAcc (Hons) (UZ) and CA (Z))

Elected to the board at the annual general meeting held on 28 October 2019. Chipo is an experienced business executive who is currently the managing director of Tel One (Private) Limited, a Zimbabwean telecommunication services company. She was previously the chief executive officer of a large hospitality group in Zimbabwe. She is a non-executive director of FBC Holdings Limited, Brainworks Capital Limited and West Indian Ocean Cable Company. Chipo has been appointed as the chairperson of the board's audit and risk committee and she will be a member of the remuneration committee.

Management Structure



Management Executive Committee

EXECUTIVE DIRECTORS

Chief Executive Officer
Alexander Mhembere
ACIS, ACMA, MBA

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.

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

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.

Management Executive Committee - continued

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

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.

Human Resources Director
Takawira Maswiswi
MSc (Tourism and Hospitality), MIPM

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.

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

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.

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

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

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

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

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

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

CHAIRMAN'S LETTER

To All Our Valued Stakeholders

It is again my honour to be reporting to you our valued stakeholders, at the end of a challenging financial year characterised by major transformational economic and fiscal policy changes. I am encouraged by the efforts made by our management team to mitigate the impact of the challenging operating environment and the continued commitment to safe production, achievement of zero harm and the preservation of shareholder value. I also want to re-assert Zimplats' commitment to creating shared value in a sustainable and environmentally friendly manner.

KEY PERFORMANCE AREAS

While your Company surpassed the goals set in respect of production, cost management and financial performance, it suffered a major setback in safety performance in the last quarter of the financial year. Regrettably, the Company recorded a fatality when Mr Richard Mapuranga was involved in a fall of ground accident at Mupfuti Mine. Our thoughts and prayers are with his family and friends.

4E metal production and sales increased marginally from FY2018 despite the decrease in the volume of ore mined and milled. This was due to positive smelter inventory movement associated with draining the furnace in preparation for the major reline shutdown which commenced on 10 June 2019. Revenue was higher than the previous year benefiting mainly from the increase in the prices of palladium, rhodium, ruthenium and iridium. This resulted in a 9% increase in gross revenue per platinum ounce from US$2 184 in FY2018 to US$2 382. Export incentives of US$36.4 million were received from the Reserve Bank of Zimbabwe (RBZ) during the year, up 168% from the US$13.6 million received in FY2018. This resulted in a 24% increase in profit before tax from US$166 million to US$205.3 million. The Group generated US$241 million from operating activities and it had a cash balance of US$67 million at year end. A total of US$115 million was invested in capital projects during the current year.

An interim dividend for the year ended 30 June 2019 amounting to US$20 million (equating to US$0.19 per share) was declared and paid to shareholders on record as at 20 February 2019. I am delighted to announce that, post year-end, the board of directors declared a final dividend of US$45 million (equating to US$0.42 per share) to shareholders on record as at 12 September 2019 giving a total dividend declared for FY2019 of US$65 million, the same level as in the prior year.

CHANGES IN THE OPERATING ENVIRONMENT

During the year under review, Zimbabwe went through a series of monetary and fiscal policy changes, key among them being the discontinuation of the multi-currency system and the re-introduction of a local currency in the form of Real Time Gross Settlement (RTGS) dollars. The monetary reforms commenced with the separation of RTGS and Nostro foreign currency accounts in October 2018, followed by the introduction of an exchange rate between the two currencies in February 2019. Since then, the local currency weakened by nearly 200% resulting in a net exchange loss of US$20 million in the year. In June 2019, the multi-currency system was discontinued and the Zimbabwe dollar was made the sole legal tender for transactions in Zimbabwe.

INDIGENISATION IMPLEMENTATION PLAN

As reported previously, the Government in 2018 made some significant changes to the Indigenisation and Economic Empowerment Act (Chapter 14:33), through the Finance Act, 2018. Chief among these changes was the lifting of the 51% indigenous equity requirement for all entities save for diamond and platinum mining companies (which were defined as "designated extractive businesses").

Following the amendments made by the Finance Act, 2018, the Government made a number of public pronouncements that reflected new thinking on its intention to repeal the 51% indigenous equity requirement for the diamond and platinum mining sectors. On 1 August 2019, the Minister of Finance and Economic Development presented the 2019 Mid-Year Budget Review and Supplementary Budget to the Parliament of Zimbabwe. The Minister announced that diamond and platinum miners would now be removed from the reserve list, effectively the 51% indigenous equity requirement would therefore no longer be required for platinum miners. The Minister stated that the Indigenisation and Economic Empowerment Act (Chapter 14:33) would be repealed and replaced with an Economic Empowerment Act, which would be consistent with the "Zimbabwe is Open for Business" thrust. However, the law is yet to be amended in line with these pronouncements. Zimplats will continue to engage the Government for clarity on this matter.

SAFETY, HEALTH AND ENVIRONMENT

I regret to report that, following a very good safety record and after achieving 10 million fatality free shifts, your Company suffered a big setback and reported one▲ fatality and six▲ other lost-time injuries during the year. The lost-time injury frequency rate (LTIFR) for the year deteriorated from 0.19 in FY2018 to 0.45▲. The total number of recordable injuries on duty increased from eight in FY2018 to 14 in the current year. The total injury frequency rate (TIFR) worsened by 73% from 0.52 in FY2018 to 0.90▲ in FY2019. Despite this setback, your board and management remain committed to achieving the ultimate objective of 'zero harm'. Implementation of measures to turn the situation around have commenced and are expected to yield the desired results.

Your Company's workplace health programmes performed well during the year with strong emphasis on the following aspects:

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

There were no major environmental non-conformances reported during the year indicating that the environmental management programmes in place are yielding the desired results. The Company's performance in resource conservation and pollution reduction was slightly lower compared to prior years. The drought contributed to a deterioration in resource conservation as it resulted in an increase in fresh water consumption. Good progress was recorded during the year on the rehabilitation of the tailings dams' surfaces and the closed open pit sites.

OPERATIONS

Your Company's mining and milling operations performed well during the year, producing 6.7 million tonnes (FY2018: 6.8 million tonnes) and 6.5 million tonnes (FY2018: 6.6 million tonnes) respectively. The decrease compared to prior year was mainly due to the discontinuation of the South Pit Mine operations. I am pleased to confirm that installation of the outstanding infrastructure at Bimha Mine, which is under redevelopment, is progressing well and the project is scheduled to be completed in FY2020.

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

Chairman's Letter
(continued)

Platinum production for the year decreased marginally from 270 717 ounces reported in the previous year to 269 903 ounces mainly due to the drop in milling volumes.

The Group recorded a profit for the year of US$144.9 million, which represents an increase of US$142.2 million from the previous year, mainly due to the increase in revenue (improved metal prices), the increase in export incentives and the customs duty rebates fines refund following a favourable court ruling.

Your Company generated enough cash to repay the installment of US$42.5 million on the Revolving Credit Facility with Standard Bank of South Africa, which fell due during the year, and dividends amounting to US$85 million. The Group closed the year with a healthy cash balance of US$67 million.

The development of Mupani Mine (replacement for Rukodzi and Ngwarati mines which will be depleted in FY2021 and FY2025 respectively) is ahead of schedule. We anticipate the project will 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 (ZIMRA) regarding current and legacy tax issues has remained constructive creating a cordial relationship with the tax authorities.

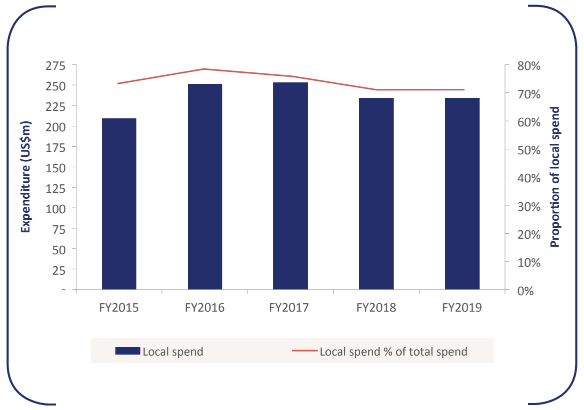
The High Court of Zimbabwe issued its judgment in the case involving a dispute between Zimbabwe Platinum

Mines (Private) Limited (the 'operating subsidiary') and ZIMRA over the customs duty rebates granted between the years 2009 and 2013. The presiding Judge ruled that the operating subsidiary was not entitled to the customs duty rebates it was granted between the years 2009 and 2013. The Judge however also ruled that ZIMRA was not entitled to impose the fines that it had levied on Zimplats. ZIMRA was therefore required to repay to Zimplats the paid fines amounting to US$9.6 million. There are however historical tax matters that are pending in the Special Court for Income Tax Appeals and the High Court of Zimbabwe.

ZIMPLATS' CONTRIBUTION TO THE ZIMBABWEAN ECONOMY

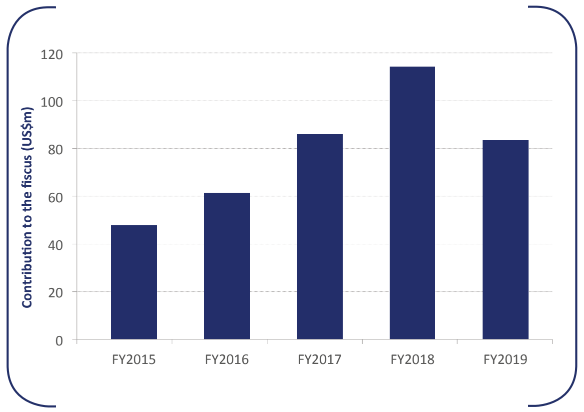
Zimplats has continued to contribute positively towards the Zimbabwean fiscus and towards the economic development of Zimbabwe. To this end, your Company's operating subsidiary procured 71% of its goods and services (excluding payments to government institutions) from local suppliers, up from the 69% reported in the prior year. The total value of local payments was maintained at US$234 million, as shown in the graph below.

Local spend



Payments to the Government in respect of corporate tax, additional profits tax, withholding tax, royalties, payroll taxes and customs duties for the year amounted to US$84 million.

Contribution to the fiscus



Chairman's Letter
(continued)

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 which are being depleted in FY2021 and FY2025 respectively. Beyond this project, your Company will continue to scan the environment for organic growth and diversification investment opportunities.

The future of the Company remains bright despite the pressures from the difficult economic environment prevailing in Zimbabwe. The commodity prices on world markets have improved from the previous year and are expected to remain firm, anchored by palladium, rhodium and nickel. The Government of Zimbabwe has promulgated various pieces of legislation aimed at improving the flow of foreign currency into the official market and allow exchange rates to be determined by market forces. These measures have seen the discontinuation of the multi-currency system with effect from June 2019. The full impact of the discontinuation of the multi-currency system is yet to be seen. Your Company will continue focusing on maintaining sustainable business practices, achieving production volumes, containing costs and preserving its cash resources.

Focus on nurturing sustainable mutually beneficial relationships with all stakeholders, including the Government of Zimbabwe, suppliers, employees, the community and regulatory authorities, will continue as your board and management remain committed to complying with the laws of the country and delivering a sound performance.

ACKNOWLEDGEMENTS

On behalf of Zimplats, I would like to thank my colleagues on the board, the Company's management, employees, suppliers and other stakeholders for their contribution which enabled the Company to continue to deliver sterling operational and financial results despite the difficult operating environment. I encourage the management team and employees to work on the shortcomings that resulted in the undesirable safety performance for the year.

Post year end, we bid farewell to Nyasha Zhou who retired as a director of the Company at the annual general meeting held on 28 October 2019. Nyasha was appointed as a non-executive director of the Company on 1 March 2010. He was the chairperson of the board's audit and risk committee meeting and a member of the remuneration. On behalf of the board, I would like to express our sincere gratitude to Nyasha for his years of service and for his valuable contribution to the Company. The board and management wish Nyasha all the very best in the future.

Platinum production for the year decreased marginally from 270 717 ounces reported in the previous year to 269 903 ounces mainly due to the drop in milling volumes.

We are joined on the board by Chipo Mtasa, who was elected as an independent non-executive director of the Company at the annual general meeting held on 28 October 2019. Both the board and I warmly welcome Chipo to the Company and we look forward to working with her on the board.

I look forward to the Company's continued success in FY2020 and beyond.

Fholisani Sydney Mufamadi
Chairman of the board

28 October 2019

Performance Review

US$144.9 million

Profit after income tax

Chief Executive Officer's Report

Zimplats' ability to create shared value for all its stakeholders is based on our strong commitment to ensuring integration of sustainability in all aspects of our business. Sustainable development is a key factor for us and this is why it is integrated in our decision making processes. Through our operations, we are contributing to the achievement of the sustainable development goals by protecting the environment, promoting economic prosperity and investing in social development.

The Group remains committed to delivering on its commitment to the creation of shared value by seeking innovative and sustainable solutions. We recognise the importance of sustainable development as it enables us to fully examine the needs of all our stakeholders and integrate them in our strategies which improves the performance and resilience of our business.

KEY PERFORMANCE FEATURES

- The Group achieved 10.2 million fatality free shifts in March 2019. Regrettably a few days later, on 5 April 2019, a fatality was recorded at Mupfuti Mine following a fall of ground accident
- The total number of lost-time injuries (LTI) increased from three in FY2018 to seven▲ in FY2019 (including the fatality)
- The lost-time injury frequency rate (LTIFR) rose from 0.19 in FY2018 to 0.45▲ in FY2019
- The run-of-mine (ROM) ore production of 6.7 million tonnes was marginally lower than the 6.8 million tonnes in FY2018
- A total of 6.5 million tonnes of ore was milled during the year, marginally lower than the 6.6 million tonnes in FY2018
- Platinum in converter matte produced and in concentrate sold at 269 903 ounces was marginally lower than the 270 717 ounces in the prior year
- A US$36.4 million (FY2018: US$13.6 million) Reserve Bank of Zimbabwe (RBZ) export incentive was recognised in the year
- The introduction of the interbank foreign currency market in Zimbabwe resulted in exchange losses of US$20.2 million for the year
- Income tax expense decreased from US$163.3 million in FY2018 to US$60.5 million in the current year
- A profit after tax of US$144.9 million was realised during the year compared to US$2.6 million in the prior period, which was impacted by a high tax charge
- The total dividend declared for the year was maintained at US$65 million
- The Group spent a total of US$115 million (FY2018: US$135 million) on capital projects
- The Bimha Mine redevelopment is on schedule for completion in FY2020
- The Mupani Mine (replacement for Ngwarati and Rukodzi mines) development made ore contact ahead of schedule in April 2019

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

> **Revenue for the year increased by 8% to a record US$631 million**

SAFETY, HEALTH AND ENVIRONMENT

Safety

Key performance indicator	FY2019	FY2018	Movement
Fatalities	1▲	0	n/a
Fatality free shifts	0.5	8.8	(94%)
Lost-time injuries*	6▲	3	(100%)
Total injuries	14▲	8	(75%)
Fatal injury frequency rate	0.06▲	0	n/a
Lost-time injury frequency rate	0.45▲	0.19	(137%)
Total injury frequency rate	0.90▲	0.52	(73%)

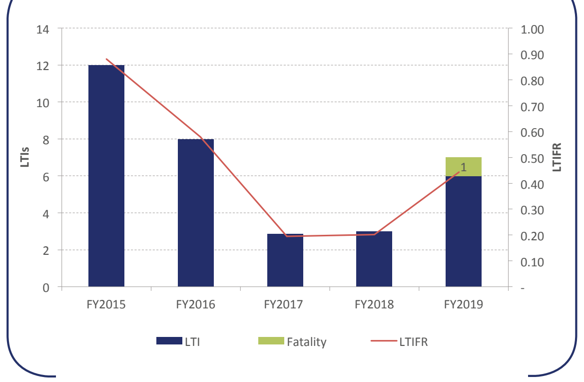
**excluding the fatality*

I regret to report that the Group recorded a fatality▲ and six▲ lost-time injuries (excluding the fatality) during the year compared to three lost-time injuries and no fatalities reported in the previous year. The fatal accident, which claimed the life of Mr Richard Mapuranga, happened at Mupfuti Mine on 5 April 2019 due to fall of ground. Our thoughts are with the family and friends of Mr Richard Mapuranga. The total injuries for the year were 14▲ compared to eight in the previous year, resulting in the total injury frequency rate increasing from 0.52 to 0.90▲.

Work to re-energise the teams after this experience has commenced and management is confident the situation will be turned around. As at year end, the Group had reached 469 720 fatality free shifts.

The Group's ultimate safety objective is the achievement of a "zero harm" status. This commitment continues to be the guiding principle and the bedrock on which the Group's activities and processes are built.

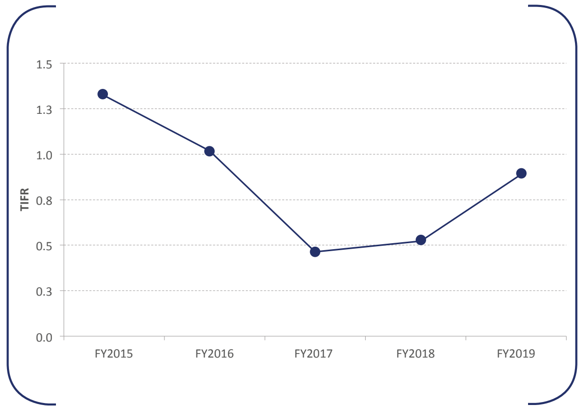
Lost-time injuries trend



▲*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 the physical and mental health of employees, delivered results. Mental health was prioritised during the year to assist employees deal with various facets of mental health. FY2019 saw the consolidation of alcohol support programmes with the formation of an alcohol moderation management group at Ngezi. This ensured that like-minded employees and contractors would meet and support each other to help control alcohol intake and eliminate its impact on work performance. Other facets of mental health, including support of family relationships, work place stress and depression, and financial management, were also extensively covered. The Group continued to focus on influencing employee life style changes to reduce the risk of non-communicable diseases such as hypertension, cancer and diabetes. This was in addition to regular screening for early detection of diseases and subsequent management.

The Group's malaria control programmes performed well for yet another year resulting in no local transmission of malaria in all the areas where the Group's operations are located. Only five positive malaria cases were recorded during the year. All five cases involved employees who had a history of travelling to malaria endemic areas in Zimbabwe and the region.

There has been a marked decrease in radiologically confirmed low back pain cases in the current year, stemming from implementing the recommendations from the low back pain study concluded during the year and continued occupational health monitoring. The respiratory protection and hearing conservation programmes continued to deliver good results.

Environment

Key performance indicator	Unit of measure	FY2019	FY2018	Variance
Major environmental non-conformance	Number	0▲	0	0
Area rehabilitated	Hectares (Ha)	6	2	193%
Water abstracted from dams and underground	Mega litres (ML)	7 217▲	7 046	(2%)
Water recycled	Percentage %	41	39	5%
Fresh water consumption	Kilo litres (KL)/ tonne ore	0.97	1.07	9%
Carbon emission	Carbon dioxide (CO_2)/ tonne ore	0.060	0.058	(3%)
Energy consumption	Giga joules (GJ)/tonne ore	0.40	0.37	(8%)

There were no issues of significant environmental non-conformance from internal and external audits carried out during the year. The Group maintained its certification to the Environmental Management Standard (ISO14001:2015).

Rehabilitation of the closed open-pits progressed as planned during the year with good progress recorded in filling the voids. The rehabilitation of the tailings storage facilities progressed well with 2.5 hectares re-vegetated.

Water withdrawn from dams increased by 2% from the previous year but remained within the limits set by the water authorities. The increase in water consumption was due to a decrease in the amount of rainfall received during the year. Water recycling improved to 41% of the total water consumed compared to 39% for FY2018 despite having received lower rainfall. Water recycling initiatives will continue across operations as part of the water conservation programme.

There was no change to the sulphur dioxide (SO_2) emissions from the smelter compared to previous years. As a result, the SO_2 point source emission licence issued by the Environmental Management Agency has not improved from the red status reported last year. As part of the furnace rebuild and improvements project, the Group is installing a fugitive emissions capture system to reduce ground level concentrations in line with the SO_2 emission reduction roadmap. The SO_2 ambient ground level concentration remains within the World Health Organisation (WHO) and South African Standards limits.

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

Chief Executive Officer's Report
(continued)

The Group's energy conservation programmes worked well during the year with energy efficient equipment installed including solar lighting and heating.

In addition to compliance with waste management legislation, the Group made good progress in promoting an anti-littering culture in its host communities through community awareness and participation in national clean-up campaigns. The clean-up campaigns have provided a platform for the Group to educate the local community on good environmental management practices, the importance of waste management and keeping residential areas clean.

OPERATIONS

Ore mined and milled for the year decreased by 1% and 2% respectively from the previous year due to the closure of the open pit in March 2018. The table below shows the mining and milling performance for the year compared to prior year.

Key performance indicator	FY2019	FY2018	Variance
Ore mined (million tonnes)	6.7	6.8	(1%)
4E head grade (g/t)	3.23	3.24	-
Ore milled (million tonnes)	6.5	6.6	(2%)
Concentrator 4E recovery rate (%)	81.0	81.0	-
Platinum produced (000 oz)	269.9	270.7	-
In converter matte	254.9	241.5	6%
In concentrate	15.0	29.2	(49%)

Mining

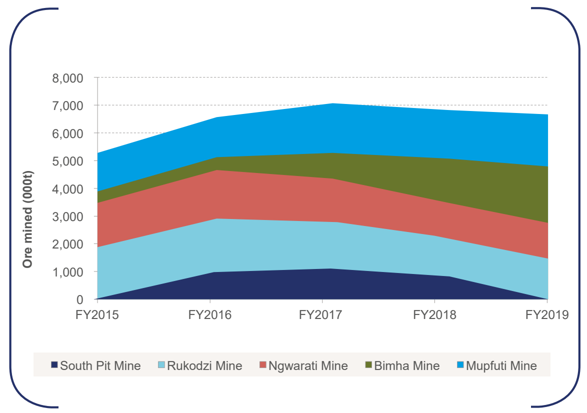
Total ore mined from the underground mines increased by 10% compared to the previous year driven mainly by Bimha Mine which operated at design capacity throughout the year and improved team productivity arising from the implementation of a successful team restructuring exercise. The Bimha Mine North underground materials handling infrastructure was successfully commissioned during the year further improving mining efficiencies. The full impact of scaling down production at Ngwarati Mine to design capacity, which happened in the final quarter of FY2018 as teams were transferred back to Bimha Mine, was felt in the current year reducing production by 9%. As reported previously, the South Pit Mine was closed on 31 March 2018 following the ramp-up of production to design capacity at Bimha Mine.

The general ground conditions in the new Bimha Mine footprint are stable as the revised pillar design is adequate and has been adapted to manage the effects of reef parallel shears mapped in the excavation. No significant closure incidents were recorded in the old abandoned footprint and the limit of the collapsed zone remains static.

The table below shows ROM ore production by mine.

Mine	FY2019	FY2018	Variance
Ngwarati Mine (Mt)	1.1	1.2	(8%)
Rukodzi Mine (Mt)	1.4	1.3	8%
Mupfuti Mine (Mt)	2.1	2.0	5%
Bimha Mine (Mt)	2.0	1.6	25%
Total underground ore (Mt)	6.7	6.1	10%
South Pit Mine (Mt)	-	0.7	(100%)
Total ROM ore (Mt)	6.7	6.8	(1%)

Ore mined

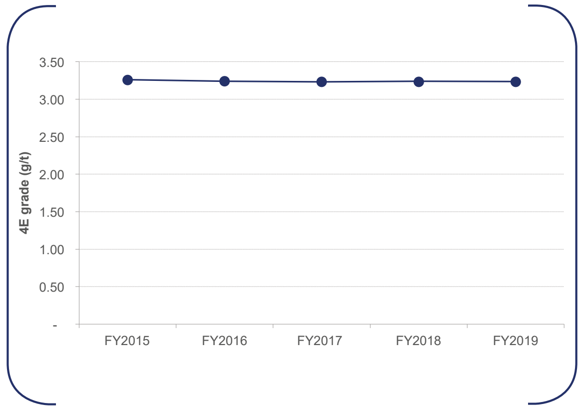


Chief Executive Officer's Report
(continued)

Head grade

Mine	FY2019	FY2018	Variance
Ngwarati Mine (g/t)	3.24	3.26	(1%)
Rukodzi Mine (g/t)	3.33	3.39	(2%)
Mupfuti Mine (g/t)	3.24	3.26	(1%)
Bimha Mine (g/t)	3.22	3.20	1%
Total underground ore (g/t)	3.23	3.27	(1%)
South Pit Mine (g/t)	-	3.03	(100%)
Total ROM ore (g/t)	3.23	3.24	-

The Group's 4E head grade at 3.23g/t, was marginally below the prior year mainly due to dilution arising from faulting and re-establishments at Ngwarati and Rukodzi mines where mining is approaching the boundaries of the mine footprint. This was partly offset by the replacement of low grade South Pit Mine ore with higher grade underground ore. Going forward, overall head grade is expected to be impacted by low grade development ore from Mupani Mine that will be substituting high grade ore from Rukodzi Mine.

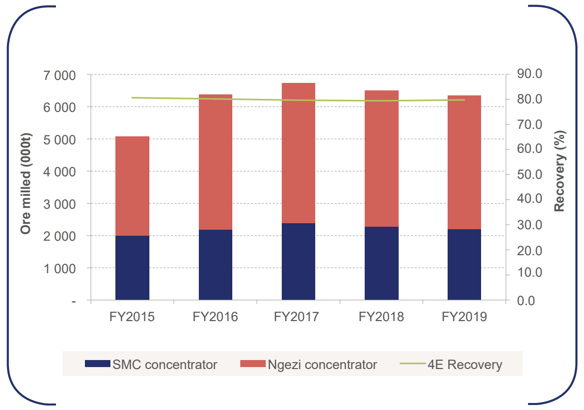


Concentrators

Ore milled decreased by 2% to 6.5 million tonnes from the 6.6 million tonnes recorded in the previous year. This was due to lower milling rates achieved at the SMC concentrator where ore particle size distribution changed adversely following the closure of the South Pit Mine on 31 March 2018. A High Pressure Grinding Rolls (HPGR) plant is being implemented at the SMC concentrator plant to address the effects of the change in ore particle size distribution on milling rates. The plant is scheduled to be commissioned in the first quarter of FY2020.

The overall 4E recovery rate and mass pull for the year were maintained at 81.0% and 2.1% respectively.

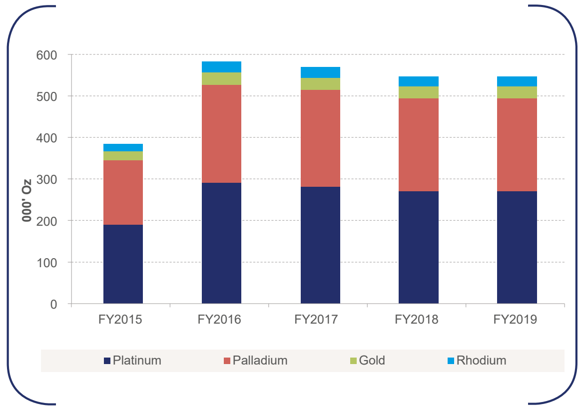
Ore milled and recovery rates



Smelter

The furnace was drained and taken down on 10 June 2019 for a major rebuild scheduled to last 122 days. This resulted in an outage of 25 days in the current year compared to 45 days due to the reline shutdown in FY2018 (including power ramp-up). As a result of the increased smelter operating time, concentrate smelted increased by 4% to 125 167 tonnes from 120 068 tonnes reported in FY2018. Metal produced during the furnace shutdown was exported as concentrate. Total platinum produced for the year (including metal in concentrate dispatched) decreased marginally to 269 903 ounces from 270 717 ounces in FY2018 mainly due to the 2% decrease in ore milled. 4E metal production increased to 549 320 ounces from 546 915 ounces in FY2018 mainly due to the increase in gold production to 32 555 ounces from 29 207 ounces.

Metal production 4E Oz



Chief Executive Officer's Report
(continued)

CAPITAL PROJECTS

The Group spent a total of US$115 million on capital projects (stay in business, replacement mines and expansion projects) during the year compared to US$135.3 million spent in FY2018.

Stay in business projects

A total of US$82.5 million was spent on stay-in-business projects during the year.

As previously reported, Bimha Mine, which is undergoing redevelopment, achieved design production capacity in April 2018 as planned ahead of completing the installation of the full ore-handling infrastructure. The underground north crusher and the ore-conveyancing system were commissioned in August 2018 as planned. The outstanding infrastructure, comprising the south crusher and ore-conveyancing system, are scheduled for commissioning in the second quarter of FY2020, which completes the full project scope. A total of US$17.4 million was spent on this project during the year, bringing the total project expenditure as at 30 June 2019 to US$83.3 million. A total of US$7.4 million was committed as at the end of the year.

A total of US$18.6 million was spent on the replacement of trackless mining machinery (TMM), including ancillary support equipment, in line with the current replacement policy.

Another US$15.5 million was spent on the furnace rebuild and improvements project. This was mainly expenditure on materials as installation started after 10 June 2019 when the furnace was taken down. This furnace rebuild and improvement project is expected to be completed at the beginning of the second quarter of FY2020 at a total cost of US$19.6 million.

Replacement mines

Development of Mupani Mine, a replacement mine for Rukodzi and Ngwarati mines, which deplete in FY2021 and FY2025 respectively, is progressing well and ahead of schedule. A total of US$28.1 million was spent on this project during the year bringing the total expenditure to US$67 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.

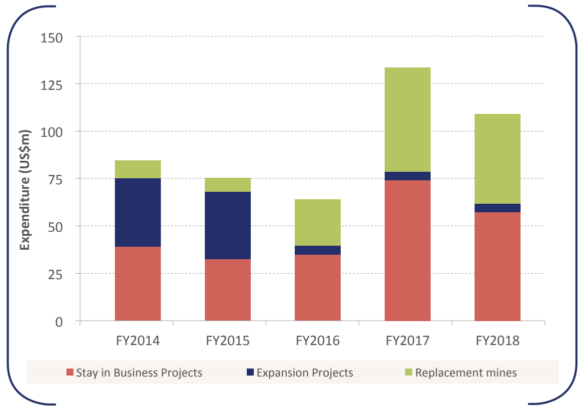
Expansion projects

The revised Phase 2 expansion project continued with the completion of mop up work, focusing mainly on the construction of the Mupfuti Mine's 13 000 tonne stockpile cover and some outstanding work on the concentrator plant. A total of US$3.4 million was spent on the Phase 2 project during the year, bringing the total project expenditure to US$462 million against an authorised budget of US$492 million.

The SMC Base Metal Refinery refurbishment project remains on hold pending finalisation of the national beneficiation road map. The project total expenditure as at 30 June 2019 was US$23.6 million.

Pre-feasibility studies were carried out during the year on Portal 10 at a total cost of US$1 million. Preliminary works leading to the commencement of a bankable feasibility study are currently underway.

Capital expenditure



OUR PEOPLE

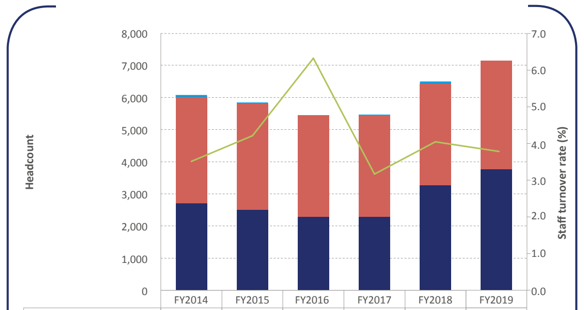
The Group's industrial relations were stable throughout the year. Staff turnover improved from 4% in FY2018 to 3.8% in the current year mainly due to the reduction in medical incapacitation related terminations. Sadly, the number of employees who died in service (mainly from natural causes) increased from 5% in FY2018 to 9% in the current year. Despite this increase, the staff turnover remained within the limit for the year. Our hearts and minds are with the family and friends of the dear departed.

Chief Executive Officer's Report
(continued)

The number of permanent employees increased by 4% from 3 198 reported in FY2018 to 3 312, driven mainly by recruitment for the Mupani Mine development project. The number of contractor employees increased by 15% from 3 231 in FY2018 to 3 791 due to increased activity at both the Mupani Mine development and Bimha Mine re-development projects in addition to contractors working on the furnace rebuild and improvement project.

I am pleased to report that work on the employee home ownership scheme for employees based at SMC commenced during the year. A land developer was identified and is progressing well with the land development in Chegutu. 230 eligible non-managerial employees based at SMC have already been allocated their respective stands.

Labour headcount and turnover



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Casuals	57	22	6	12	64	14
Contractor employees	2 749	2 605	2 397	2 398	3 231	3 791
Permanent employees	3 268	3 214	3 040	3 053	3 198	3 312
Staff turnover rate (%)	3.5	4.3	6.3	3.1	4.0	3.8

SOCIAL INVESTMENTS

The Group spent US$3.8▲ million on social investment projects during the year compared to US$6 million in the previous year. Investment in social development projects undertaken remains focused on education, health, community cattle projects, local enterprise development, income generating projects and sport development.

Local procurement increased from 69% in FY2018 to 71% in FY2019. The Group remains committed to contributing towards the resuscitation of the Zimbabwean economy and the development of local enterprises.

FINANCIAL RESULTS

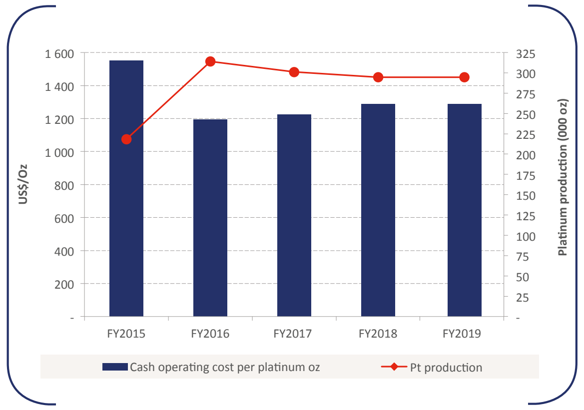
Revenue for the year increased by 8% to US$631 million from US$582.5 million in FY2018, despite the marginal increase in 4E sales volumes to 542 500 ounces from 542 085 ounces. The revenue increase is attributable mainly to the prices of palladium, rhodium, ruthenium and iridium.

Cost of sales increased by 4% to US$443.6 million from US$428 million in FY2018 mainly due to the increase in royalty, insurance premiums and provision for share-based compensation.

Gross profit margin improved to 30% from 27% in FY2018 mainly due to the improvement in average metal prices achieved.

Operating cash cost per platinum ounce increased marginally to US$1 292 in FY2019 from US$1 290 in FY2018, this was mainly due to the increase in insurance costs and the introduction of a 2% intermediated money transfer tax.

Cash operating cost per platinum ounce



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

Chief Executive Officer's Report
(continued)

In February 2019, the Reserve Bank of Zimbabwe (RBZ) liberalised the United States dollar (US$) exchange rate against Real Time Gross Settlement (RTGS) balances, bond notes and all currencies in the multi-currency basket as it sought to formalise trade in foreign currency. The exchange rate was pegged at US$1: RTGS$2.5 at inception, however the RTGS$ depreciated significantly against the US$ to close the year at US$1: RTGS$6.62. The translation of monetary assets and liabilities denominated in RTGS dollars to US$, the functional and reporting currency, resulted in the recognition of a net exchange loss of US$20 million for the year.

The Group's results benefited from an export incentive of US$36.4 million, compared to US$13.6 million for the prior year, and recognition of a US$9.6 million refund from the Zimbabwe Revenue Authority (ZIMRA). As previously reported, in May 2016, the RBZ introduced an export incentive scheme to promote the export of goods and services to enhance inflows of foreign currency. The export incentive scheme was discontinued with effect from 21 February 2019 following the introduction of the RTGS dollar as an electronic currency and the introduction of the interbank foreign currency market. The US$9.6 million refund arose from a court ruling in favour of the Group related to fines inappropriately levied by ZIMRA on the disputed customs duty rebates case.

Resultantly, profit before income tax for the year increased to US$205.3 million from US$166 million in FY2018.

The income tax expense for the year decreased to US$60.5 million from US$163.3 million in FY2018. This was mainly driven by the decrease in deferred tax charge to US$45.5 million from US$98.1 million in FY2018 and the decrease in additional profits tax to US$1.7 million from US$43.5 million in FY2018. A deferred tax charge of US$98.2 million was recognised in FY2018 arising from the change in the income tax rate (inclusive of AIDS levy) of 15.45% applicable under the special mining lease tax regime to 25.75% applicable under the ordinary mining lease tax regime.

Resultantly, profit after tax for the year increased to US$144.9 million from US$2.6 million in FY2018.

Net cash generated from operating activities increased to US$241.4 million from US$195 million in FY2018. The Group paid dividends of US$85 million and repaid borrowings of US$42.5 million during the year. At year end, the Group had bank borrowings amounting to US$42.5 million (FY2018: US$85 million) and a cash balance of US$67 million (FY2018: US$119 million).

APPRECIATION

I extend my sincere gratitude to our employees, my colleagues in management, our suppliers and contractors for their commitment and valued contribution during the year.

Despite the sad loss of our colleague, Richard Mapuranga, and a very disappointing year in terms of safety performance, I want to say to Team Zimplats let us refocus, our ultimate goal of zero harm is certainly achievable. Together we make Zimplats great!

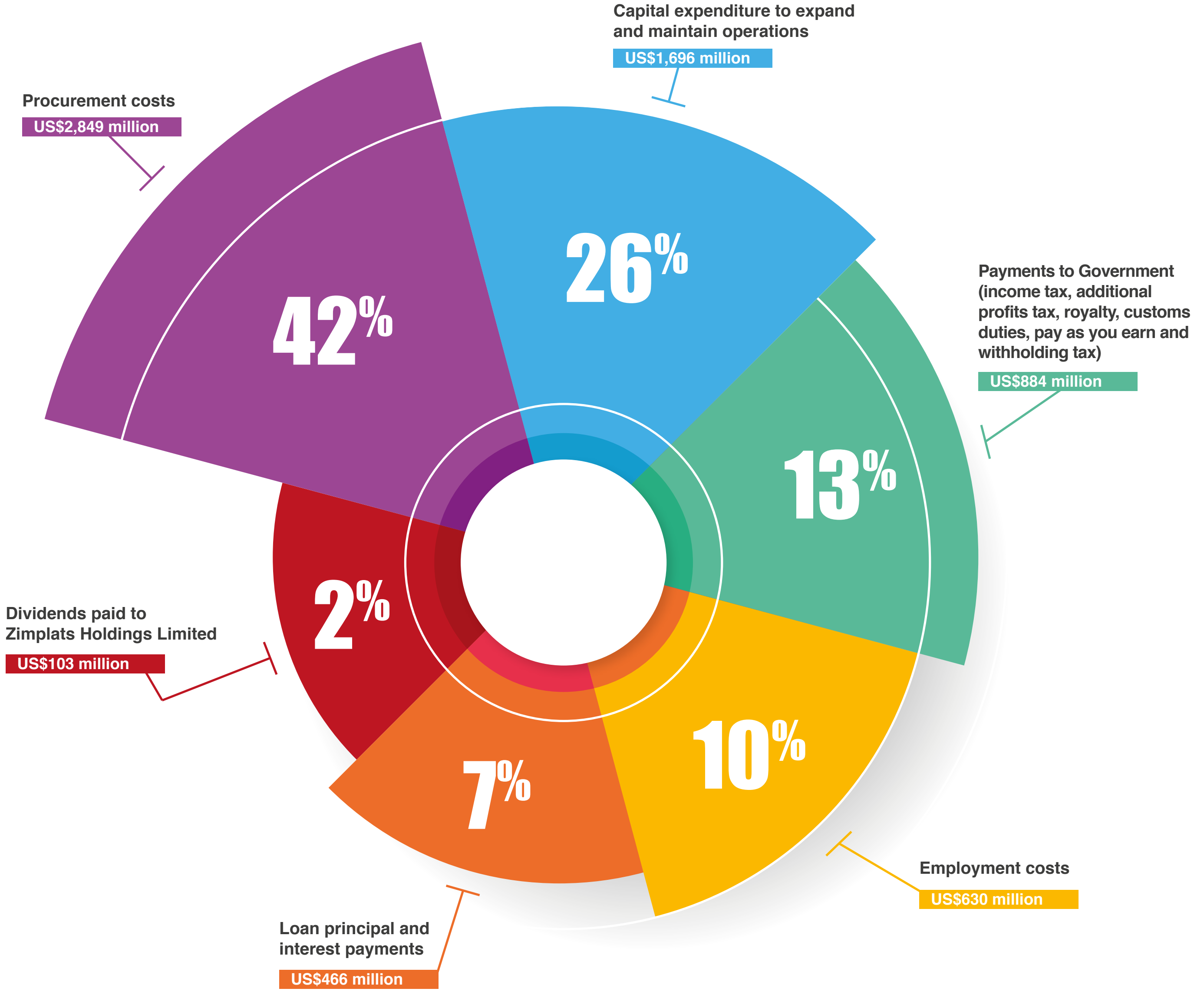
Lastly, I would like to acknowledge my great indebtedness to the board for their guidance and support.

I thank you all!

Alex Mhembere
Chief Executive Officer
28 October 2019

Cash Utilisation - FY2002 to FY2019

Zimbabwe Platinum Mines (Private) Limited



Total US$6.6 billion

Five Year Review

SUMMARISED FINANCIAL RESULTS

	FY2019 US$000	FY2018 US$000 (Restated)	FY2017 US$000 (Restated)	FY2016 US$000 (Restated)	FY2015 US$000 (Restated)
GROUP STATEMENT OF COMPREHENSIVE INCOME					
Turnover	**630 987**	**582 544**	**512 549**	**471 778**	**408 391**
Platinum	194 901	223 334	239 390	247 197	201 957
Paladium	264 330	200 398	161 232	122 153	108 699
Gold	36 993	34 585	32 251	33 237	23 400
Rhodium	53 316	42 962	20 346	14 677	16 782
Nickel	47 676	53 318	38 708	37 607	42 880
Other	33 771	27 947	20 622	16 907	14 673
Cost of sales	**(443 571)**	**(428 029)**	**(425 833)**	**(438 697)**	**(366 263)**
Mining	(136 783)	(148 807)	(155 287)	(148 452)	(130 384)
Processing	(79 668)	(86 056)	(81 528)	(82 750)	(81 890)
Central services	(22 738)	(15 054)	(14 983)	(10 888)	(12 945)
Royalty and commission expenses	(26 575)	(15 200)	(12 692)	(11 664)	(10 152)
Selling and distribution expenses	(3 621)	(4 363)	(4 887)	(5 221)	(2 305)
Depreciation	(65 780)	(64 955)	(75 300)	(74 002)	(71 219)
Staff costs	(105 152)	(94 758)	(88 563)	(78 726)	(83 622)
Stock movement	(3 254)	1 164	7 407	(26 994)	26 254
Gross profit	**187 416**	**154 515**	**86 716**	**33 081**	**42 128**
Other expenses	(20 689)	(4 610)	(2 849)	(2 771)	(2 618)
Operating costs	(6 876)	(5 714)	(11 202)	(3 066)	(10 735)
Other operating income	46 447	24 618	36 646	9 302	29 539
Net finance costs	(983)	(2 853)	(7 997)	(7 192)	(2 176)
Profit before income tax	**205 315**	**165 956**	**101 314**	**29 354**	**56 138**
Income tax expense	(60 453)	(163 316)	(55 775)	(22 027)	(130 467)
Profit/(loss) for the period	**144 862**	**2 640**	**45 538**	**7 327**	**(74 329)**

*Comparatives have been restated as a result of changes in the classification of certain expense items during the current year. Refer to notes 20 and 31.

GROUP STATEMENT OF FINANCIAL POSITION	FY2019 US$000	FY2018 US$000	FY2017 US$000	FY2016 US$000	FY2015 US$000
ASSETS					
Non-current assets	**1 142 739**	**1 088 620**	**1 019 104**	**1 026 286**	**1 029 047**
Property,plant and equipment	1 121 213	1 066 534	996 339	1 003 925	1 007 760
Mining interests	20 167	20 171	20 308	20 308	21 287
Financial assets and other receivables	1 359	1 915	2 457	2 053	-
Current assets	**362 706**	**411 758**	**384 643**	**295 231**	**316 916**
Total assets	**1 505 445**	**1 500 378**	**1 403 747**	**1 321 517**	**1 345 963**
EQUITY AND LIABILITIES					
Capital and reserves	**1 055 160**	**995 299**	**992 659**	**947 121**	**952 797**
Non-current liabilities	**314 258**	**308 620**	**259 810**	**249 087**	**205 383**
Deferred income tax liabilities	288 866	243 372	145 183	140 549	135 122
Borrowings	-	42 500	85 000	85 000	50 000
Environmental rehabilitation provision	20 244	22 387	27 832	21 668	19 423
Share based compensation	5 148	361	1 795	1 870	838
Current liabilities	**136 027**	**196 459**	**151 278**	**125 309**	**187 783**
Total equity and liabilities	**1 505 445**	**1 500 378**	**1 403 747**	**1 321 517**	**1 345 96**

Five Year Review
(continued)

STATISTICS REVIEW	FY2019	FY2018	FY2017	FY2016	FY2015
Operating statistics					
Ore mined (tonnes)	**6 682 896**	**6 800 518**	**7 017 168**	**6 579 686**	**5 234 507**
Ngwarati Mine	1 133 736	1 204 803	1 479 858	1 712 920	1 560 369
Rukodzi Mine	1 378 891	1 347 928	1 660 419	1 838 432	1 619 035
Mupfuti Mine	2 143 345	1 952 887	1 972 767	1 712 848	1 599 693
Bimha Mine	2 026 923	1 581 937	916 416	442 292	349 717
South Pit Mine	-	712 963	987 708	873 194	105 693
4E head grade (g/t)	3.23	3.24	3.24	3.23	3.24
Ore milled (tonnes)	**6 485 512**	**6 569 817**	**6 715 963**	**6 406 187**	**5 163 499**
SMC concentrator	2 241 505	2 283 222	2 343 347	2 236 893	1 936 967
Ngezi concentrator	4 244 007	4 286 595	4 372 616	4 169 294	3 226 532
4E oz in matte produced	**549 320**	**546 915**	**568 634**	**583 171**	**383 962**
Platinum	269 903	270 717	281 069	290 410	190 027
Palladium	223 000	223 112	232 914	236 375	154 846
Gold	32 555	29 207	29 211	30 578	21 692
Rhodium	23 862	23 879	25 440	25 808	17 397
4E oz in matte sold	**542 500**	**542 085**	**555 892**	**582 833**	**381 849**
Platinum	264 916	266 720	274 364	288 063	188 760
Palladium	221 642	222 105	227 886	238 008	154 403
Gold	32 607	29 508	28 998	30 715	21 621
Rhodium	23 335	23 752	24 644	26 047	17 065
Financial ratios					
Gross margin (%)	29.7%	26.5%	16.5%	6.6%	10.0%
Return on equity (%)	13.7%	0.3%	4.6%	0.8%	-7.8%
Return on assets (%)	9.6%	0.2%	3.2%	0.6%	-5.5%
Current ratio	2.7	2.1	2.5	2.4	1.7
Operational indicators					
Capital expenditure (US$000)	109 687	135 695	63 325	68 071	84 526
Gross revenue per 4E oz (US$)	1 163	1 075	922	809	1 070
Cash operating cost per 4E oz (US$)	634	639	605	596	767
Cash operating cost per platinum oz (US$)	1 292	1 290	1 225	1 197	1 551
Net cash cost per platinum oz (US$)	(353)	(57)	229	417	457
Non-financial indicators					
Permanent employees	3 312	3 262	3 053	3 041	3 214
Local spend % of total spend	71%	81%	73%	75%	71%
Lost-time-injury frequency rate (revised)	0.45▲	0.19	0.21	0.58	0.88
Total injury frequency rate	0.90▲	0.52	0.41	1.01	1.33
Effluent permits issued (red, high impact)	-	-	-	-	-
Disturbed areas rehabilitated (ha)	6.3	2.2	53.0	16.0	2.5

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

Achievements FY2019

OBJECTIVE	STATUS
Improve safety performance through the implementation of identified interventions and eliminate fatalities. Achieve target LTIFR of 0.17.	• 10 million fatality free shifts milestone was reached. Regrettably, a fatal incident occurred in April 2019 • Seven▲ LTIs, including the fatality mentioned above, were recorded in FY2019 against three LTIs in FY2018 • LTIFR worsened from 0.19 in FY2018 to 0.45▲ in FY2019 • TIFR deteriorated from 0.52 in FY2018 to 0.90▲ in FY2019
Achieve planned FY2019 production volumes and efficiencies	• Tonnes mined and milled were 4% and 2% above plan respectively • 4E head grade was marginally below plan • Concentrator recovery rates were on plan • Platinum production was 2% above plan
Achieve planned FY2019 cost performance	• Operating cash cost per platinum ounce at US$1 292 was 5% better than target
Develop Mupani Mine as planned	• Decline development is ahead of schedule, ore contact was achieved in April 2019 • Work on surface infrastructure is on schedule • A total of US$65.7 million (25%) has been spent to date
Optimise the business processes through the employment of technology and review of business processes	• The mining self-directed work teams were restructured resulting in productivity improvement of 5% • Barring down cages commissioned underground to reduce exposure of employees to fall of ground risk • Furnace intense monitoring and use of technology for furnace non-destructive testing which resulted in improved furnace operating factor • Implementation of the High Pressure Grinding Rolls project commenced at SMC concentrator to achieve planned throughput with adverse ore particle size distribution. Commissioning is scheduled for the first quarter of FY2020
Strategically position the organisation to exploit growth opportunities	• Created a dedicated team to identify and evaluate growth opportunities • Pre-feasibility studies on various growth opportunities underway
Maintain cordial relations with all stakeholders to create an enabling environment to deliver superior stakeholder returns	• Engagements with stakeholders were successfully undertaken • Relations with authorities were cordial • Key stakeholders were invited to tour Zimplats operations
Facilitate construction of employee houses under the home ownership scheme for employees based at SMC	• Servicing of residential stands in Chegutu is in progress and 230 eligible non-managerial employees based at SMC have already been allocated their respective stands.
Maintain the local supply base at a minimum of 65% of annual spend, excluding government institutions	• Purchases from local suppliers in FY2019 accounted for 71% of the Group's annual expenditure on goods and services
Retain certification on the ISO 9001, ISO 14001, ISO 17025 and OHSAS 18001 Systems	• ISO 9001, ISO 14001 and ISO17025 certification retained. • Attained ISO 45001 certification (replacement for OHSAS 18001)
Comply with the existing tax legislation to minimise risks of non-compliance penalties and interests	• Successfully managed the transition from the special mining lease holder to a general mining lease holder • 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
Complete capital expenditure projects within approved budgets	• All capital projects expenditure were within the approved budgets

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

Objectives FY2020

- Improve safety performance through the implementation of identified interventions and eliminate fatalities. Achieve target LTIFR of 0.21
- Achieve planned FY2020 production volumes and efficiencies
- Achieve planned FY2020 cost performance
- Optimise the business processes through the implementation of continuous improvement initiatives and review of business processes
- Complete Bimha Mine redevelopment project on budget
- Develop Mupani Mine as planned
- Progress Portal 10 project investigations to bankable feasibility stage
- Implement cattle ranching project as part of the Group's corporate social investment programme
- Investigate other growth opportunities (including related and unrelated diversification)
- 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 ISO 45001:2018 systems
- Complete capital expenditure projects within the approved budgets.

Market Review

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

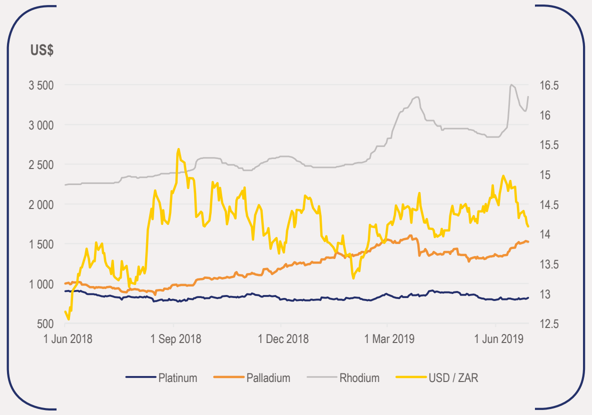
Continuing uncertainty

Global growth remains subdued – escalating US-China trade tensions and an uncertain macro-economic outlook in Europe, together with the looming threat of a no-deal Brexit have weighed on sentiment and business confidence in 2019. Geopolitical tensions have shaken energy prices and the gold price rallied in sympathy with a growing 'risk-off' stance across global markets and rising currency volatility. Against this backdrop several central banks signalled their intention to resume monetary easing and the International Monetary Fund (IMF) now expects global growth to reach 3.2% in 2019, before increasing slightly to 3.5% in 2020.

Gross Domestic Product (GDP) releases so far this year, together with generally softening inflation, point to weaker-than-expected global activity. The projected growth pick-up in 2020 presumes stabilisation in stressed emerging markets and developing economies, as well as progress towards resolving trade policy differences.

The fundamentals for palladium and rhodium have strengthened over the past year as stronger demand from Europe and accelerated demand from China resulted in a step-change in expected global loadings for gasoline light-duty vehicles. Northern Hemisphere refining constraints also impacted the release of secondary supply and pricing remained robust despite headwinds from weak auto sales data in the first half of 2019. Some signs of a supply response have been evident. Palladium growth is likely to outstrip that for platinum and rhodium in the medium-term as producers target mechanised assets with greater capital efficiency and strong by-product credits to reduce the market risk to medium-term palladium demand.

Market performance



Source: Impala Platinum Holdings Limited

Platinum demand declined by 5.3% in 2018 due to declining light duty diesel sales in Western Europe and weaker Chinese jewellery demand despite robust industrial offtake. There was a limited release of accumulated pipeline stocks from South African refineries and increased supply from auto catalyst recycling, which resulted in muted recycling growth. Global primary and secondary supply rose 2.2% with the market ending the year in a fundamental surplus of 580 000 ounces in 2018.

Conversely, the palladium market remained in a structural deficit: auto catalyst demand was fuelled by tightening legislation and rising gasoline light-duty engine displacement. Gross demand increased by 3.3%. Supply increased by 6.2% narrowing the market deficit to 119 000 ounces. The increase in supply was due to stronger exchange-traded fund (ETF) sales during the year.

The rhodium market continued to tighten in 2018: the small surplus was largely unchanged relative to 2017, but medium-term demand growth expectations due to tightening NOx standards have resulted in a constrained market.

The platinum price closed 3.2% lower (US$818 per ounce) in financial year ended 30 June 2019 compared to the start of the financial year (US$851 per ounce). The average London trade price for the full financial year was 12% lower (US$825 per ounce) than the previous comparable financial year (US$939 per ounce). The platinum price remained volatile over the period, supported by rising palladium and gold prices and increased ETF purchases, but it was vulnerable to a weakening rand, which is considered the primary producer currency for supply.

In contrast, palladium prices closed the 2019 financial year 60% higher (US$1 524 per ounce) than the start (US$953 per ounce). The average London trade price for the full financial year was 23% higher (US$1 228 per ounce) compared to the previous financial year (US$977 per ounce). Palladium traded in a wide range with rising lease rates and high pricing partially offset by a release of secondary supply from Northern Hemisphere refineries towards the end of the 2019 financial year.

Rhodium continued to strengthen with prices rising a further 50% over the reporting period after doubling during the course of the 2018 financial year. Rhodium prices closed the financial year at US$3 350 per ounce on New York Dealer Trade, after opening at US$2 228 per ounce at the start of the year. The average price

Market Review
(continued)

for the full financial year (US$2 661 per ounce) was 63% higher than the 2018 financial year (US$1 605 per ounce). Physical demand likely ran ahead of fabrication as OEMs built supply chain requirements ahead of the anticipated demand growth in the automotive sector.

The South African Rand remains vulnerable to domestic and international macro-economic factors and volatility remained elevated during the financial year as a result. Emerging market carry trade and "risk-on" arguments impact positively on rand performance as a high-yielding and liquid currency. However, domestic South African dynamics worsened over the past year with weak revenue receipts and increased financial burdens at ailing state-owned enterprises, which are red flags to rating agencies and international investors. The currency weakened against the US dollar during the 2019 financial year, losing on average 10% of its value to trade at an average of 14.19 to the dollar.

Automotive

According to LMC Automotive, sales of light duty vehicles amounted to 94.8 million units in 2018, down 0.5% from 2018. This represents the first annual decline in global sales since 2009. Of the major markets, only the US and Japan provided some relief in year-on-year increases, at 0.6% and 0.8% respectively. Chinese and Western European sales declined by 3.1% and 0.7% respectively. Heavy-duty vehicle sales fared better, rising 10% to 5.33 million units with particularly strong growth in North America.

Gasoline engines fared better than diesel, with rising hybrid market share buffering marginally weaker vehicle sales in 2018. This together with tightening legislation in Europe and China supported demand for palladium and rhodium. We estimate automotive demand for platinum declined by 6.5% to 3.04 million ounces, while that for palladium increased by 8% to 8.5 million ounces. Rhodium demand was largely unchanged at 859 000 ounces.

The first half of 2019 was challenging for light-duty sales with a 6.6% decline in sales volumes to 45.2 million units, and weaker sales in all major global regions, except Japan. An annualised selling rate of 89.9 million units points to an estimated 5% decline during 2019, but this is heavily dependent on the performance in China.

US auto sales declined by 2.1% in the first half of 2019 reaching 8.4 million units. It is expected that new vehicle sales in the US will fall below 17 million units in 2019 for the first time since 2014. This will end a run which saw pent-up demand created by the global financial crisis met by strong sales volumes, fuelled by low interest rates on vehicle loans and leases, supportive oil prices and rising demand for small trucks and sport utility vehicles. As interest rates on new vehicles have risen over the past 12 months and average selling prices have run ahead of inflation, buyers have turned to the used-car market which benefitted from increased sales mix as new models come off lease. JD Powers estimates sales growth of 0.9% in the first half of the year from the used-car market.

LMC estimates Chinese light-vehicle sales (measured at the wholesale level) slumped by 12.4% in the first half of 2019 to 12.7 million units. The threat of trade wars and a weak fourth quarter of 2018 resulted in bloated inventory levels across the auto supply chain in China, with only a short period to realise a draw-down given the earlier-than-expected implementation of China 6 standards in 16 cities in the last quarter of 2019. Sales in June and July 2019 improved, an encouraging sign that aggressive destocking at dealerships and the easing of restrictions on vehicle purchases at a local level have helped ease congested inventory levels. As such, current expectations of a 5% annual decline in light-vehicle sales is still possible, despite the risks presented by a renewed escalation in trade tensions.

In the first half of 2019, demand for new cars in Western and Eastern Europe declined, with a 2.9% fall in the substantially larger Western European market (to 8.7 million units) and a more pronounced fall of 7.3% in the smaller Eastern European grouping (to 1.98 million units). Of the major markets, only Germany showed year-on-year growth, with weaker markets in Spain, France, Italy and the United Kingdom (UK). After a decline of 0.7% in 2018, LMC Automotive now expects sales growth of just 0.2% in Western Europe in 2019.

While still stigmatised, diesel engines have undergone significant technological advances in the wake of real driving emissions (RDE) testing and the best examples today now exceed future requirements. "Lost sales" have largely been in small compact engines. While the absolute number of diesel sales declined, with market share declining to 32.8% in the first half of 2019 from 37.6% in the first half of 2018, average engine displacement - and hence loadings and PGM use - have declined at a lower rate. This is supported by the different pattern of sales between private consumers versus so-called "fleet" sales to business, fleet and

Source: Impala Platinum Holdings Limited

Market Review
(continued)

rental buyers. LMC estimates that while annualised private registrations have almost halved from "peak-diesel" in 2011, fleet sales have fared much better. This illustrates that while diesel may still be struggling in the "PR war" resulting in consumer concerns about residual values and restrictions on use, the fuel economy and total cost of ownership of diesel engines have helped protect market share in fleet sales.

Japan was the only region to deliver growth in the first half of 2019 with sales of 2.72 million units up a modest 0.9% year-on-year. LMC expects a strong third quarter in 2019 before the inevitable impact of higher consumption taxes from October 2019, which will impact consumer spending in the fourth quarter.

India is fast becoming an important market for PGMs due to a growing light and heavy-duty fleet, a high diesel market share and tightening emissions legislation. First half 2019 sales slumped by 9% to 1.85 million units, impacted by consumer caution ahead of general elections and the announcement of the 2019-2020 budget in early July. Lending constraints from non-banking financial companies have resulted in tighter credit availability. LMC now expects a 4% contraction in total annual sales in 2019.

In total we expect global light-vehicle sales to retrace by 5% in 2019 to 89.93 million units, with downside risks due to the required recovery in China.

Light duty vehicle sales

		Forecast	
Units: Millions	**2018**	**2019 est.**	**YoY Growth (%)**
North America	17.3	16.92	(2.2)
Western Europe	16.15	16.38	1.5
China	27.75	24.46	(11.9)
Japan	5.20	5.33	2.5
Rest of the world	28.22	26.83	(4.9)
Total	94.62	89.92	(5.0)

Source: Reuters, LMC Automotive, CAAM, ACEA, OICA

While platinum pricing continues to struggle, its discount to palladium and rhodium has continued to spur efforts to reconsider the mix of metals used in gasoline light duty catalysis. Pleasingly, boardroom discussions have advanced to research, development and testing with a clear time line now visible for the potential addition of platinum to gasoline systems in several key auto markets.

As the world focuses on decarbonisation, the opportunity presented by fuel cells and a hydrogen economy is gaining recognition. The ability to provide zero-emitting, carbon-free energy through fuel cell technology is now more widely accepted and took centre stage at the G-20 Summit in June. This structural hedge to the expected declining share of powertrain in the longer-term is a vital element to the sustainability of the platinum market.

Jewellery

The Platinum Guild International (PGI) reported its 2018 retail barometer sales results during London Platinum week and provided initial forecasts for the performance of key markets in 2019.

The performance in China continues to disappoint, with the estimated decline accelerating in late 2018. In total, PGI forecasts that manufacturing demand declined by 14% year-on-year (-185 koz), with a drop in both gifting and self-purchase categories. In addition, there was reported weakening in the core bridal market, which faced increasing competition from white gold due to the variety and innovation emanating from manufacturers better equipped to meet changing consumer demand.

The PGI highlighted the key issues affecting the recent performance of platinum jewellery in China:

- The bulk of product on offer is plain, failing to meet the evolving taste of consumers seeking greater design and innovation.
- The majority of platinum jewellery sold is generic and non-branded.
- 75% of jewellery is sold by weight, reducing the potential for margin preservation in a declining price environment.

Reduced marketing spend resulted in promotion in bridal markets only, whereas a substantial opportunity exists in the self-purchase and gifting segments, which remain key differentiators in the Chinese market.

In 2019, the PGI forecast a further 18% to 22% decline in manufacturing demand – the business environment remains challenging despite government stimulus and total retail market performance - and will likely be undermined by the continued production of generic pieces. Demand from the gifting and self-purchase segments is also expected to continue shrinking.

Source: Impala Platinum Holdings Limited

Market Review
(continued)

PGI has several campaigns planned for this year to stimulate demand, but funding constraints will require choices between the programmes, which are not guaranteed to arrest the decline in demand evident over the past few years.

In contrast, in India, the platinum market recorded another year of double-digit growth with PGI partners' sales estimated to have increased by 19% relative to 2017, and a 7% increase in manufacturing demand to 191 koz platinum. This is despite changes in legislation and an expected 1% decline in the dominant gold jewellery market. Challenges are expected to persist in 2019 from limited easing in the credit environment and disruptions due to national elections. These are balanced by the potential benefits of scaling up distribution and the growth opportunity represented by the launch of men's jewellery. Further growth of 15% to 20% in PGI partner sales, and a 15% to 18% increase in manufacturing demand, is estimated during 2019.

In Japan, the PGI estimates total platinum market sales increased by 1% year-on-year to an estimated 325 koz, with moderate growth in bridal demand and flat demand from non-bridal. This compares to the PGI's estimate for a 1% contraction in the gold jewellery market over the same period. In 2019, the forecast is for growth of between 1% to 2%, supported by the increase in weddings on the back of the recent change in Emperor, the upcoming 2020 Olympics and mandatory employee holidays, which will boost self-purchase opportunities by working women. These factors are countered by the potential negative impact on sentiment of the planned consumption tax which will come into effect in October 2019.

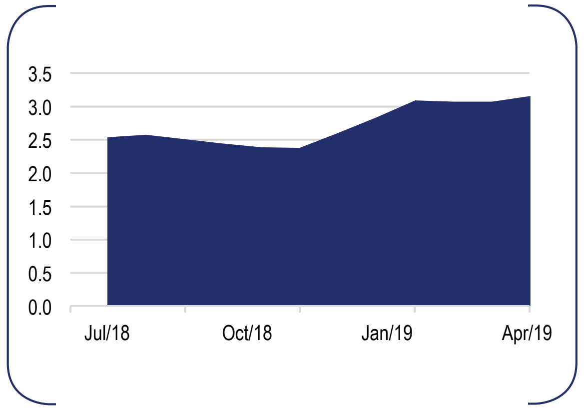
The US continued to perform well with an 11% (estimated at +28 koz) improvement in trade sentiment year-on-year. Lower pricing of platinum relative to gold incentivised manufacturers to increase fabrication volumes and resulted in strong growth in the bridal segment. The Platinum Born collection (PGI designs manufactured in Japan) was introduced to several retail avenues, with an increase in the products planned for 2019 (from 12 pieces to the full offering of 56 pieces). Trade sentiment is estimated to rise by 8% to 10% in 2019, with further growth in bridal and strong growth potential in self-purchase.

In total, growth in Japan, the US and India is not expected to offset a further year of contraction in the dominant Chinese market and as a result, we estimate a further 165 koz contraction in the platinum jewellery market in 2019.

Industrial
Industrial demand for platinum was supported by offtake in the chemical and petroleum sectors, where substantial additions to capacity resulted in annual ounce growth. Conversely, palladium industrial demand was eroded by thrifting due to price appreciation.

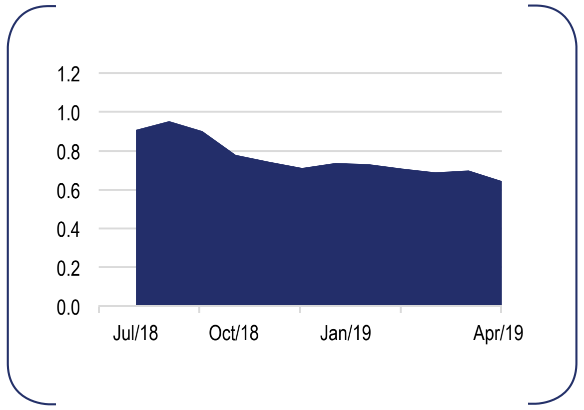
Investment
Global platinum ETFs holdings increased by 775 koz during the first half of 2019. South African funds dominated net purchases during this period, with investors selling palladium and buying platinum – profit taking and bargain buying respectively. Additionally, during June, European and North American buying re-emerged, resulting in total global holdings in the various funds of 3.16 million ounces at the end of June.

ETF holdings, Moz platinum (source: Bloomberg)



Global palladium ETFs continued to return metal to the market during the first half of 2019 with sales of 66 koz, dominated by outflows of 35 koz from South African funds. Only Japanese and UK-based investors increased exposure to palladium ETFs in 2019, with purchases of 1.6 koz and 39 koz respectively during the first half.

ETF holdings, Moz palladium (source: Bloomberg)



Source: Impala Platinum Holdings Limited

Market Review
(continued)

Net paper positioning on New York Mercantile Exchange (NYMEX) and Tokyo Commodity Exchange (TOCOM) for platinum and palladium declined during the first half of 2019. Platinum net length fell 762 koz to reach just 567 koz. Palladium net length fell by 75 koz to reach 1.1 million ounces. These moves highlight increased concerns regarding global growth and the impact of potential trade wars on commodity consumption. Activity in palladium was slightly more pronounced in June 2019, with rising prices stimulating renewed investor interest and subsequent to year-end, net length has rebounded for both platinum and palladium.

2019 outlook
Our expectations for a platinum market surplus have been reduced by strong investor purchases in the first half of the year, offset by a modest reduction in automotive demand. Supply is likely to remain elevated as producers work through accumulated concentrate inventory, while demand from jewellery and automotive is expected to decline year-on-year.

Platinum

Platinum supply/demand outlook

		Forecast	
'000 TOZ	2018	2019	2020
DEMAND			
Automotive	3 040	2 870	2 999
Jewellery	2 215	2 050	2 450
Industrial	2 250	2 250	2 350
Investment	(85)	795	-
Total demand	**7 420**	**7 655**	**7 799**
SUPPLY			
South Africa	4 390	4 493	4 409
Zimbabwe	465	453	468
North America	345	335	340
Recycle - Auto	1 420	1 501	1 608
Recycle - Jewellery	560	580	630
Recycle - Other	35	40	40
Russia	660	640	635
Others	126	125	125
Total supply	**8 001**	**8 167**	**8 255**
Movement in stocks	**581**	**202**	**456**

Palladium
The palladium deficit has narrowed on lower assumed Chinese auto demand. Loadings are set to increase, and we still expect growth, but weaker sales have reduced assumed demand in the medium term. Pleasingly, efforts to reintroduce platinum in gasoline auto catalyst systems has gained traction with research and development indicating a clear time-line, and the ability to balance the palladium deficit and the platinum surplus in the medium term.

Palladium supply/demand outlook

		Forecast	
'000 TOZ	2018	2019	2020
DEMAND			
Automotive	8 531	9 010	9 879
Industrial	1 850	1 800	1 800
Investment	(565)	(65)	-
Jewellery	200	205	200
Total demand	**10 016**	**10 950**	**11 879**
SUPPLY			
South Africa	2 450	2 478	2 446
Zimbabwe	385	375	387
North America	1 040	1 123	1 171
Russia	2 670	2 607	2 607
Recycle - Auto	2 600	2 900	3 000
Recycle - Jewellery	55	65	75
Recycle - Other	485	485	485
Others	212	212	212
Total supply	**9 897**	**10 245**	**10 383**
Movement in stocks	**(119)**	**(705)**	**(1 496)**

Source: Impala Platinum Holdings Limited

Market Review
(continued)

Rhodium
Rhodium demand is set to grow and we see the market moving to deficits in the medium term.

Rhodium supply/demand outlook			
	Forecast		
'000 TOZ	2018	2019	2020
DEMAND			
Automotive	859	888	972
Industrial	180	175	175
Investment	-	-	-
Total demand	**1 039**	**1 063**	**1 147**
SUPPLY			
South Africa	615	628	614
Zimbabwe	45	44	45
North America	22	21	22
Russian	73	73	72
Recycle - Auto	340	355	365
Others	5	5	5
Total supply	**1 100**	**1 126**	**1 123**
Movement in stocks	**61**	**63**	**(24)**

Source: Impala Platinum Holdings Limited

Sustainability Matters

MANAGEMENT APPROACH

Zimplats' approach to sustainability is entrenched in the principle of creating shared value in a manner that ensures sustainable symbiotic relationships between the organisation, its stakeholders and ecosystems. Zimplats is at the forefront of implementing socially and environmentally responsible practices and good governance at all its operations.

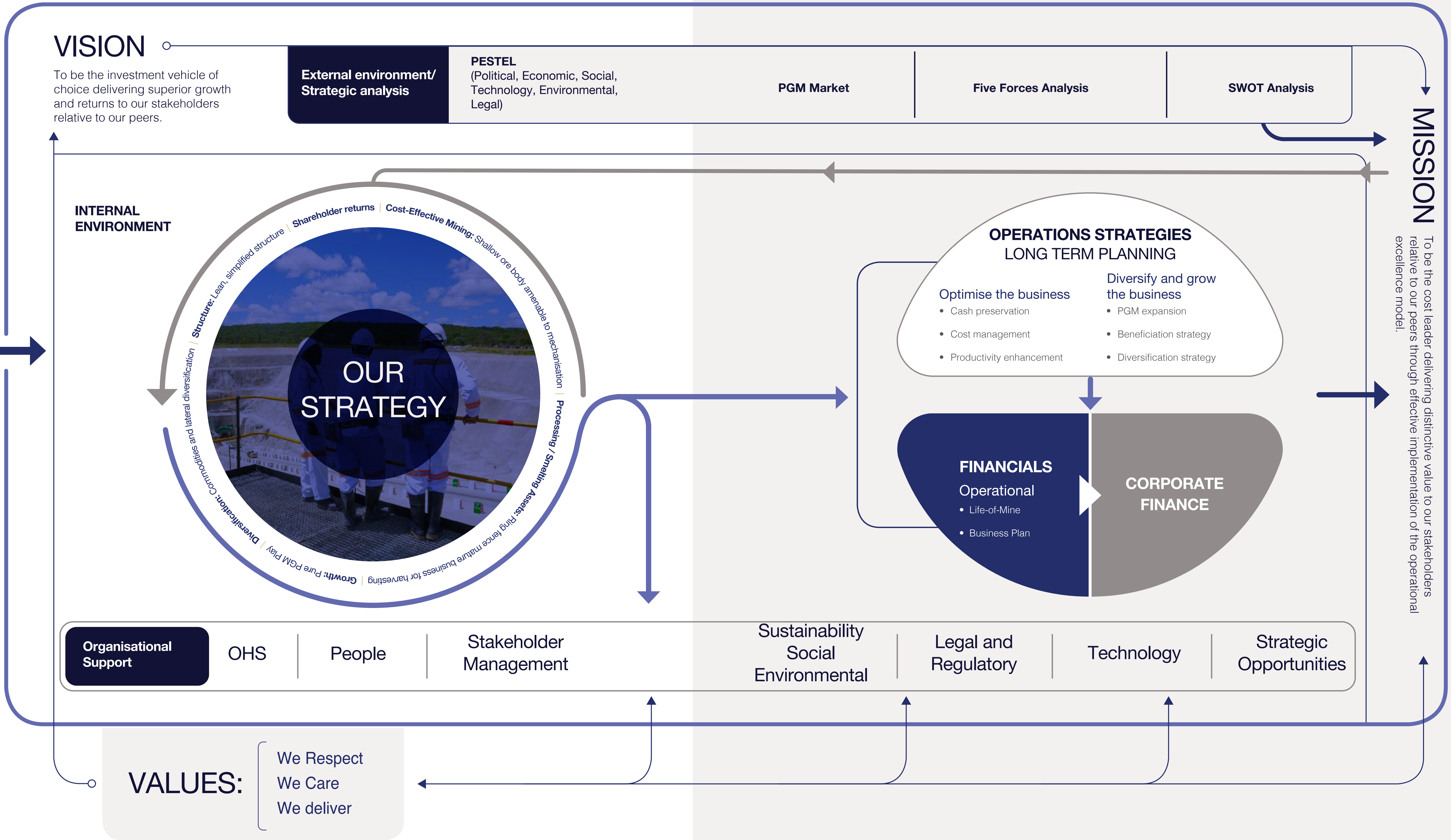
This sustainability report addresses the key tenets of the Global Reporting Initiative (GRI) Standards: Core Option as detailed in the GRI index provided on pages 189 to 193. Ernst & Young Chartered Accountants (Zimbabwe) has undertaken a limited assurance engagement for selected key performance indicators presented in this integrated annual report, and for the Zimplats' assertion that the report is prepared in accordance with the GRI Standards: Core Option as indicated by the symbol (▲) throughout the report. The EY independent assurance report is on pages 196 to 199.

Sustainability performance data

The data in this report is derived from the Group's records and is ranked according to the risk register and key outcomes of stakeholder engagement.

Our Strategy

Our strategy is aligned to our vision of being the investment vehicle of choice delivering superior growth and sustainable returns to our stakeholders. Whilst our core strategy is anchored on pure PGM play, it also encompasses selected related diversification and lateral diversification along the core value chain.

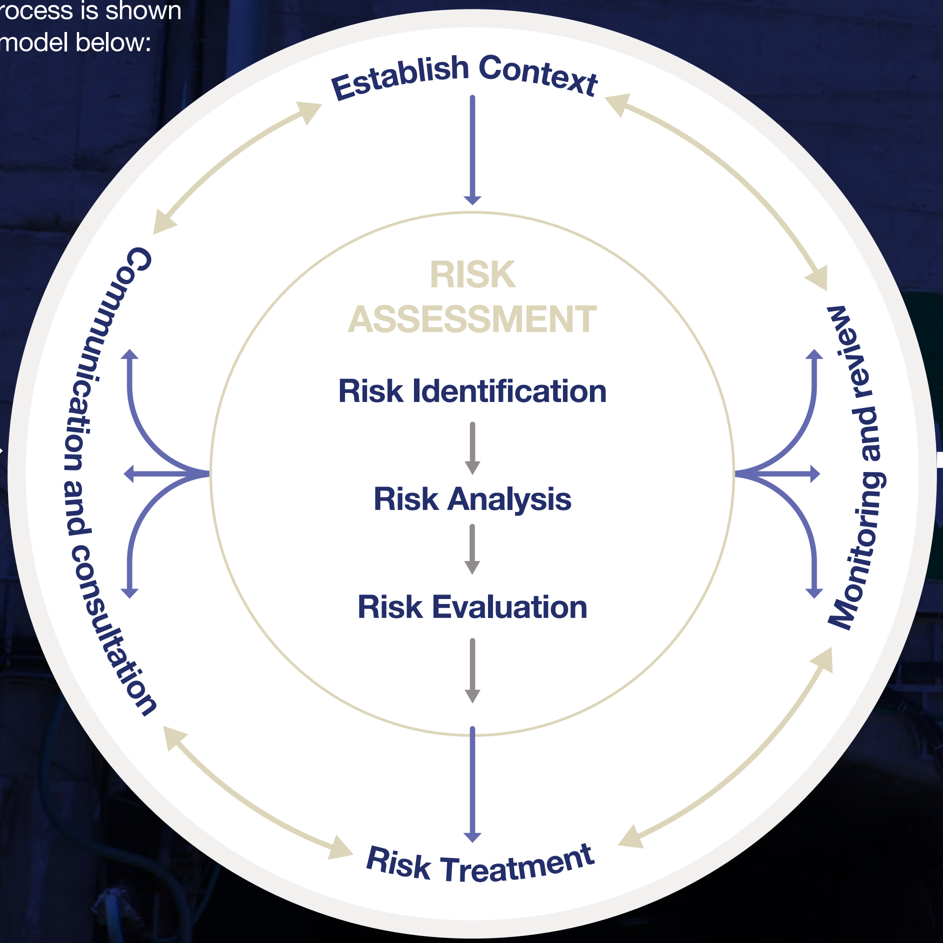


Our Approach To Risk Management

The co-ordination 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:



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

From the risk management process, Zimplats identified the following key strategic risks to the business as well as their impact and control measures currently in place to manage the risks:

Risk	Risk Description	Impact	Response plans
Currency risks	Fluctuations in foreign currency exchange rate and unavailability of foreign currency to meet business requirements	• Inadequate foreign currency to meet operational requirements • Increasing costs due to inflationary pressures as key suppliers fail to access affordable foreign currency	• Monitoring the business environment and developing appropriate response plans • Participating in and supporting initiatives to improve the national economic turnaround initiatives • Supply chain management by availing foreign currency support to key suppliers • Developing and implementing import substitution initiatives
Smelter risks	Disruption to operations due to unplanned furnace outages	• Loss of production • Injury to personnel • Damage to property	• Regular on-line monitoring of operational parameters of the furnace • Planned maintenance regime • Furnace reline and rebuild
Power supply risks	Unavailability of reliable, secure and affordable power to meet operational and growth requirements	Loss of production	• Explore opportunities for renewable sources of power (solar) • Investigate alternative sources of power from local and regional sources • Regular engagement with the Zimbabwe Energy Regulatory Authority (ZERA), monitoring of national power supply situation and developing relevant mitigation measures • Power securitisation agreements with Zimbabwe Electricity Supply Authority (ZESA). • Developing and implementing demand side management initiatives to reduce demand for power

Sustainability Matters
(continued)

Risk	Risk Description	Impact	Response plans
Tailing storage facility (TSF) failure	Catastrophic failure of tailings storage facility.	• Injury to personnel • Damage to property • Adverse environmental impact (Uncontrolled flooding)	• Access control system • Emergency preparedness plan • Regular training and awareness to employees and communities around the TSF zone of influence • Third party audits of condition of tailings dams • Operation and maintenance of TSF according to best practices • Lobbying and collaboration with authorities to relocate communities currently settled within the zone of influence of the TSF
Depressed metal prices	Metal price fluctuations below the break-even point	Loss of revenue	• Market intelligence and monitoring the global commodity market trends • Cost control initiatives to mitigate the effect of low metal prices • Cash preservation initiatives
Taxation	Failure to comply with taxation regulations	• Increased tax cost (penalties and interest) • Reputational damage	• 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 and emerging tax matters
Indigenisation policy compliance	Failure to comply with the indigenisation policy	• Penalties • Strained relations with key stakeholder (Government)	• Continue to engage government on the Indigenisation Implementation Plan (IIP) • Regular monitoring of changes and pronouncements by government policy regarding indigenisation

Sustainability Matters
(continued)

Risk	Risk Description	Impact	Response plans
Cyber risks	ICT-dependent systems compromised by both internal and external agents	• Exposure to information security risks (confidentiality, availability integrity and safety) of company information • Disruption of business operations • Reputational damage • Safety risks	• Regular review of information communication and technology (ICT) strategy • Review ICT disaster recovery plans • Review ICT security policies • Adoption of cyber-security systems
Ground instability	Shear induced ground instability at the mine operations 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 training and awareness • Regular review and training on emergency preparedness and response plans
Safety, health and environment (SHE)	Safety health and environment risks	• Injury to personnel and damage to property leading to failure to achieve the 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
Social license to operate	Loss of social licence to operate	• Disruptions to operations • Reputational damage	• Maintaining regular engagement with all stakeholders including neighbouring communities with a focus on community development issues • Continuing to implement corporate social investment programs • Implementing local enterprise development (LED) programs

Sustainability Matters
(continued)

Operational Risk Management

The International Mining Industry Underwriters (IMIU) conducted their annual operational risk assessment of Zmplats operations for FY2019 and the outcome indicated that its operational risk management system remains adequate and effective, achieving a commendable risk reduction rating above 99%.

MATERIALITY AND STAKEHOLDER ENGAGEMENT

Management approach

Zimplats is cognisant of the critical space it occupies in its wider community of stakeholders and the interdependent nature of its relationships. It is for this reason that it emphasises its commitment to creating shared value and upholding stakeholder engagement as an integral part of its business operations.

Key stakeholders

Zimplats' internal stakeholders are its shareholders, management and employees while external stakeholders include government, communities, regulatory authorities, suppliers, local authorities, media, financial institutions, analysts and lobby groups. Identification of stakeholders is achieved through a process of assessing how they directly or indirectly impact the Group or the Group impacts them. This method is used to develop the stakeholder map. Prioritisation of stakeholders is done following the Group's strategic objectives and risk register. Our ongoing efforts to build and maintain sustainable relationships with all stakeholder groups have been critical in enabling us to meet our commitments, and to manage expectations and challenges.

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 them.

Sustainability Matters
(continued)

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.

Summary of Stakeholder Material Issues

Stakeholder	Material Issue	Zimplats response
Government of Zimbabwe	**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 and will be aligned with recent developments in that respect • Zimplats was the torchbearer in the implementation of both the Community Share Ownership Trust and Employee Share Ownership Trust (ESOT). Transfer of 10% equity to the ESOT was completed in FY2017. • There is new thinking in the Government in regard to indigenisation indicating Government's intention to repeal the 51% indigenous equity requirement for the diamond and platinum mining sectors. On 1 August 2019, the Minister of Finance and Economic Development, in his 2019 Mid-Year Budget Review and Supplementary Budget to the Parliament of Zimbabwe, announced that platinum and diamond miners would now be removed from the reserve list and essentially that the 51% indigenous equity requirement would therefore no longer be required for platinum and diamond miners. The Minister stated that the Indigenisation and Economic Empowerment Act (Chapter 14:33) would be repealed and replaced with an Economic Empowerment Act, which the Minister stated would be consistent with the "Zimbabwe is Open for Business" thrust.
	Beneficiation Government has directed the platinum industry to build a refinery.	• Zimplats appreciates the Government's beneficiation policies and its desire to see more beneficiation of the country's mineral resources being undertaken in Zimbabwe • Zimplats is working with other companies in the platinum sector through the Platinum Producers Committee (a sub-committee of the Chamber of Mines of Zimbabwe) to find a sustainable solution to meeting national expectations on beneficiation • The Government has suspended the proposed export tax on unbeneficiated platinum to take effect from 1 January 2022
	Supporting Government's efforts to revive the economy	• Apart from the local enterprise development and industrialisation initiatives reported in detail below, Zimplats created several opportunities to share with key Government stakeholders its narrative on operations and business initiatives. This included the Chairman of Zimplats presenting to His Excellency the President of Zimbabwe on Zimplats' growth trajectory, its contribution to the economy and to the community. • Zimplats management has continuously engaged with Government on economic issues amid increasing tensions provoked by cash and foreign currency shortages that have impacted the availability of fuel, basic commodities and pharmaceuticals. To address fiscal constraints, Zimplats assisted the Government to secure a US$500 million term loan to bolster liquidity in the financial system.

Sustainability Matters
(continued)

Stakeholder	Material Issue	Zimplats response
Employees	**Housing for SMC employees** The disparity between housing conditions offered for Ngezi employees and those employed at SMC was a key concern for the latter	A solution has been found to meet the aspiration of home ownership by employees based at SMC through the implementation of a housing scheme in the nearby town of Chegutu.
Shareholders	• Business performance • Return on capital employed • Compliance with local laws • Government expectations on beneficiation • Export levy on un-beneficiated platinum • Resettlement of families in the SMC tailings dam zone of influence	• 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 Government of Zimbabwe's proposed 15% export levy on un-beneficiated platinum was reduced to 5% on concentrates and 2.5% on matte and the effective date was deferred to 1 January 2022 • Zimplats is engaging other players in the platinum sector to find a sustainable solution to meet national expectations on beneficiation. • Following a lengthy engagement process with local authorities, Zimplats has received authorisation to resettle the affected families in the SMC tailing dam zone of influence to a safer place. This process is targeted for completion by November 2019.
Community	**Employment** • Given the high unemployment rates within Zimbabwe, the community continues to seek employment opportunities **Equity participation** • Equity participation in the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited	• The operating subsidiary continues to prioritise recruitment of staff from the local communities and consequently the majority of staff at our mining operations is from the surrounding communities. • The Group, through the established LEDs programme continues to develop opportunities for income generation to benefit local communities. • Zimplats will continue to engage the CSOT towards its vision of shared value and enhancing benefits for the communities around its operations.
Media	**Beneficiation** The media has shown interest in the business and in progress on the base metal refinery (BMR) project	Engagement with the media is ongoing. Zimplats is working with other platinum producers on a sustainable solution to this matter.

In addition to the one-on-one interaction, some of the issues raised by stakeholders were addressed through print and electronic media as well as through our website.

Our commitment to creating shared value for all our stakeholders

Zimplats believes in doing business in a manner which creates and delivers on long-term shared value for its stakeholders including employees, shareholders and the communities in which it operates using a systematic approach. The Group embraces the principles of sustainable development in this process focusing on responsible citizenship.

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, supplier development, and local content 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, and in managing stakeholder expectations, with particular emphasis on those areas that affect the social licence to operate.

Sustainability Matters
(continued)

Zimplats and Sustainable Development Goals

This year we have started a process of looking more closely at our social and environmental activities against the SDGs, to help us to prioritise those goals and targets that we believe are most important to our business. The United Nations (UN) Sustainable Development Goals (SDGs) provide for a universal agreement on economic, social and environmental priorities to be met by 2030. The SDGs can assist business in establishing an effective framework to promote sustainable development.

Zimplats is committed to playing its role in the attainment of these goals, supporting government and working with other stakeholders to build thriving communities. The SDGs support the Zimplats' corporate social investment framework as well as its environmental management efforts in a manner which seeks to create value for its stakeholders. The focus is on improving livelihoods by contributing to improved access to health and well-being; education and income generation. The business, guided by its Business Management System ensures the protection of all natural resources which is a key deliverable within the SDGs. These are the areas where we either have a material impact or where we can make a material difference.

Table summarising Zimplats' contribution to SDGs

SDG	Examples of relevant initiatives and KPIs / disclosures
1 No poverty	CSR Investment
3 Good health and wellbeing	Effective workplace wellness programme • Occupational health surveillance initiative • Vigilant monitoring of tuberculosis cases • Malaria eradication programmes • HIV/ AIDS and wellness programmes • Employee wellness days and medical aid offering • Community health initiatives • Investment in health facilities • Community project on albinism
4 Quality education	Supporting the delivery of quality education • Sponsorship of University of Zimbabwe Professorial Chair • Support to local communities in building schools and providing resources to enhance education and sporting activities
5 Gender equality	• Development of female-led local enterprises • Initiatives to ensure gender balance in the workplace e.g. ensuring quota for qualified females in all positions
6 Clean water and sanitation	• Water stewardship programmes • Enhancing community access to potable water
7 Affordable and clean energy	• Energy management programmes such as installation of energy efficient equipment and increasing the uptake of solar lighting and heating. • Use of renewable energy
8 Decent work and economic growth	Direct and indirect employment created through our workforce and supply chains • Number of permanent employees and contractors in the Group • Safe working conditions – our safety strategy • Development of local enterprises
12 Responsible consumption and production	• Effective waste management programmes
13 Climate action	• Climate impact reduction initiatives with targets
15 Life on land	• Land stewardship and rehabilitation programmes

Sustainability Matters
(continued)

Local supplier development

Zimplats continued with its programme of local supplier development as part of our strategy to continuously assist in the broader economic recovery of Zimbabwe and partly to manage our local license to operate . At a 71% achievement, we exceeded by 6% our annual target of 65% spend on local procurement.

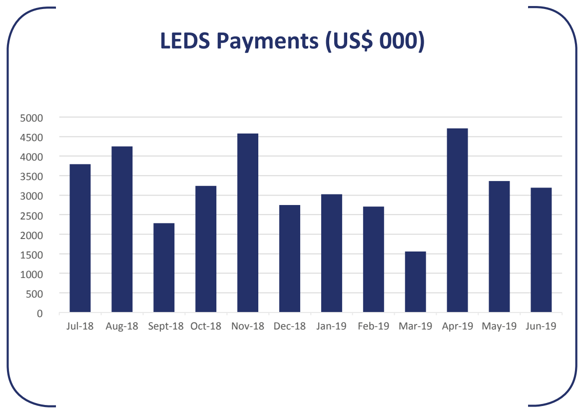
Local enterprise development (LED) programme

The LED programme which commenced in FY2013, now has a national focus with participation of 20 wholly owned Zimbabwean local enterprises. The programme recognises the strategic importance of creating shared value through fostering socio-economic development in communities in which Zimplats operates and in significantly contributing towards resuscitation of the Zimbabwean economy.

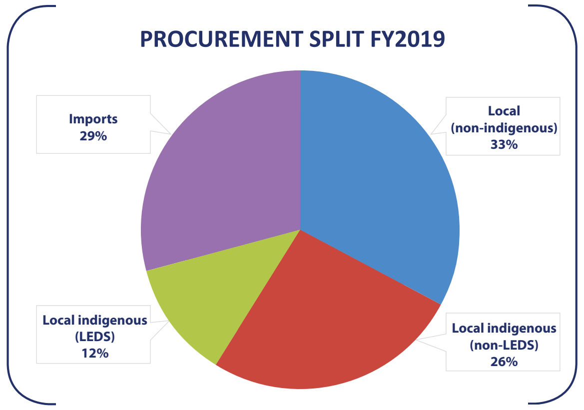
In FY2019 Zimplats continued assisting the targeted local suppliers commercially, financially and technically to run their operations and preferentially procured goods and services at competitive rates from them. Additional support provided included supply chain support, assistance with access to foreign currency, safety and compliance audits, creation and improvements in lines of business and development of markets for goods and services. Focus was also on reviewing the overall programme strategy, developing operational guidelines and tools and strengthening the internal capacity to deliver. The local enterprises supply engineering, civil and technical solutions; transport and haulage services; catering and facilities management services; protective clothing (work suits and overalls); silica and bricks.

LED programme performance

Zimplats provided a secure market for the 20 LEDS, leading to revenue generation of US$39.9 million for the enterprises in FY2019. The payments to LEDS are shown in graph below:



The payments accounted for 12% of Zimplats' total overall procurement spend as shown in the figure below. This revenue stream enabled the local enterprises to stabilise their operations and develop new lines of business.



Employment creation

Zimplats through the LEDs programme continued creating opportunities for jobs, skills development and income generation for the benefit of the community. As at 30 June 2019, the 20 local enterprises in the programme directly employed a total of approximately 2 380 people, 1 200 of whom were on long term contracts. These numbers are set to rise as the LEDs programme grows.

Enterprise development and industrial linkages

In line with the Government of Zimbabwe's Transitional Stabilisation Programme and Vision 2030 that places mining at the centre of economic reform initiatives, Zimplats initiated enterprise development and industrial linkages through the establishment of 2 small to medium enterprises (SMEs) in Ngezi. The first SME is involved in the manufacture of underground roof support products for Zimplats and the wider local market. The second SME is focusing on commercial cattle ranching business that aims to produce 25 million litres of milk and 4.8 tonnes of beef per year at project full capacity.

Sustainability Matters
(continued)

Communities and corporate social investment

As Zimplats, we understand that our success depends on the extent to which we create value for our stakeholders. Creating and sharing value is an ethos we live by and which supports everything we do. Driven by our core values of respect, care and deliver. We seek to create value in our communities which ensures sustainable improvement of livelihoods. Similarly driven by the same core values, we engage proactively with community representatives and government officials at all levels to maintain constructive relationships with local stakeholders, understand community needs and manage expectations.

We are driven to create value in a manner which ensures that communities thrive on the back of Zimplats' success as a business in generating positive net cash flows. Our obligation as a committed corporate citizen assists us in embracing the notions of Community Social Responsibility and Corporate Social Investment (CSI). Our Corporate Social Investment is increasingly aligned to the United Nations Sustainable Development Goals (SDGs) and it addresses the Group's overall response to economic, social and environmental considerations. Our Community Social Responsibility programs refer to the Group's contribution to the communities in which it operates and also seek to contribute to the SDGs and natural disaster relief such as the recent Cyclone Idai. This is done to demonstrate our value of care and to ensure that the Group responds to community needs in line with its core values.

CSI expenditure for the past five financial years

	FY2019	FY2018	FY2017	FY2016	FY2015
	US$	US$	US$	US$	US$
Sports development	1 658 981	1 929 497	1 133 330	1 492 508	52 271
Health and safety	1 455 504	1 936 934	11 815	119 353	22 957
Education	184 684	233 723	161 495	161 507	299 527
Income generating projects	11 908	515 684	41 337	66 657	530 102
Community project on albinism	-	461 099	-	-	-
Other	473 477	890 409	592 102	91 078	68 752
Total CSI	**3 784 554▲**	**5 967 346**	**1 940 079**	**1 931 103**	**973 609**

Zimplats spent US$3.8 million on CSI projects in the year. The CSI expenditure for the year includes the equivalent of US$0.7 million denominated in RTGS dollars. In FY2019, the Group's interventions were guided by its key community social responsibility pillars of:

- Sports
- Health
- Education
- Income generation and local enterprise development

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

Sustainability Matters
(continued)

Health and Safety

Chinhoyi Provincial Hospital

In a bid to enhance health service delivery at Chinhoyi Provincial Hospital, Zimplats donated laundry and dental equipment to the institution. The laundry department now enjoys safer working conditions with limited risk to occupational hazards. Following the intervention, the hospital is able to wash and dry over 350 blankets daily. In addition, they have enhanced capacity to assist two district hospitals with laundry services. In addition, the hospital is now able to provide full dental care surgical and oral services.

Chinhoyi Provincial Hospital is the main referral hospital for Mashonaland West province and receives patients from 7 district hospitals within the province. The hospital opened its doors to the public in 1996, has a bed capacity of 422 making it the largest Provincial hospital in the country.

Chinhoyi hospital, since commissioning has not had major equipment upgrades for laundry and dental equipment. The state of equipment in the laundry facilities had deteriorated and this was leading to occupational hazards arising from leaks and faults as well as failure to meet the daily laundry requirements. In terms of dental care, the hospital was confined in terms of its services which had become limited to tooth extractions.

Education

University of Zimbabwe (UZ) - Zimplats Professorial Chair

To date, Zimplats has invested over US$400 000 in the UZ - Zimplats Professorial Chair, a unique initiative which seeks to develop a sustainable foundation for the growth and development of the mining and minerals sector in Zimbabwe. The Professorial Chair joined the Department of Mining and Metallurgy in 2016 to take up the Zimplats sponsored position. Through this initiative, Zimplats is providing resources to play a key role in developing human capital and research capabilities for the mining sector.

Sustainability Matters
(continued)

The project seeks to achieve a number of objectives including:

- Provision of academic guidance and leadership to the UZ especially in the spheres of Mining, Metallurgical Engineering as well as Geology
- Providing academic guidance and academic quality to the Master's degree programme in Mineral Production and Engineering Management
- Supervising research projects leading to Master and Doctor of Philosophy in order to improve the quality and academic qualifications of the Faculty.

Zimplats continues to provide funding for the Professor's tenure with support from the UZ. The Professor has been instrumental in establishing the School of Earth and Mineral Sciences.

The School of Earth and Mineral Sciences presents an integrated approach to developing a sound skills base for the mining industry. The School of Earth and Mineral Sciences seeks to develop an innovative way of training critical human resources with specialised skills to address the complex techno-economic and environmental challenges in the mining industry. Zimplats' investment in the Professorial Chair lays a foundation to a legacy of academic excellence and collaboration to make Zimbabwe a hub of mining education excellence.

Enhancing Access to Potable Water in Schools

Zimplats identified a total of three areas including two schools (adjacent to Zimplats' operations) that did not have suitable water reticulation facilities and required assistance. Solar powered boreholes with water storage tanks were installed in these three locations.

The lack of suitable water reticulation facilities in schools does not create a conducive learning environment for both the teaching staff and the pupils. The quality of education is affected due to the time spent by pupils fetching water for use in schools. Some schools are unable to offer the full range of practical exercises offered by the new curriculum in the absence of access to water.

Income Generation, Enterprise and Community Development

Zimplats Cattle Ranching Project

Zimplats is embarking on a commercial cattle ranching project through a joint venture (JV) which will bring together a special purpose vehicle (SPV) established by Zimplats, three local enterprises and a technical partner. This initiative seeks to develop a unique and integrated community development model with commercial value while harnessing sustainable livelihoods for communities. The project is expected to cover a total of 11 000 hectares on the Zimplats mining lease area thereby creating a case for harmonising mining and agricultural activities.

Project Objective

- To develop and implement a community empowerment model which provides income generating opportunities for communities surrounding Zimplats operations through the cattle ranching project
- To promote the continuous development and diversification of activities by local enterprises as part of developing sustainable business models.

Project Scope

The implementation of the cattle ranching project is expected to uplift the livelihoods of communities and targets a dairy herd of 7 500 and a herd of 10 000 cattle targeting to produce 4 800 tons of beef and 25 million litres of milk per annum at its peak. Towards this end the following will be undertaken:

- Establishment of a tripartite JV cattle ranching project on the mining lease area involving Zimplats SPV, LEDs and a technical partner
- Provision of opportunities for contract farming to surrounding communities for the provision of feedstock
- Introduction of a pasture improvement project for project and community benefit
- Introduction of new technologies to improve herd genetics for project and community benefit
- Initial introduction of 500 commercial cattle, 1000 dairy cattle and Wagyu cattle (A Japanese breed of cattle)

Sustainability Matters
(continued)

Sports Development

Zimplats continues to invest in sports development in Mashonaland West Province. The company supports premier league teams for soccer and a netball team that plays in the national premier social league. This support has provided income generating opportunities for youth drawn from various areas around the province and the country as a whole.

The company also realises the importance of investing in grassroots sports by funding the schools inter-district sports.

Schools Inter-district Sports

In an effort to promote grassroots sports, Zimplats has been working with schools in both Chegutu and Mhondoro-Ngezi districts. An annual ball games tournament is held and this has grown over the years to attract more than 60 schools. The tournament is an opportunity to promote sports, identify and develop talent from the grassroots level to benefit the youth in Mhondoro-Ngezi and Chegutu districts.

More than 700 pupils are able to showcase their talent. With Ngezi hosting soccer and netball teams in the premier league, the schools tournament has provided scouts with suitable opportunities to identify and develop talent, some of whom have gone on to play for the premier league side, Ngezi Platinum Stars.

Sustainability Matters
(continued)

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 in 2017.

Zimplats continues to work with Friends with Albinism and has managed to distribute sunscreens and lip balms to people living with albinism in FY2019. Zimplats has also partnered with Stanbic Bank to assist people living with albinism to acquire spectacles in light of their visual challenges.

Optinova Eye-care, at Zimplats' request has also provided free eye tests for people living with albinism.

Community Share Ownership Trust

The Mhondoro Ngezi Community Share Ownership Trust (CSOT) continues to function effectively, making significant strides in developing districts around Mashonaland West Province. The CSOT has proceeded with a number of income generating projects for the benefit of communities and also assisting institutions in enhancing delivery of social services. Some of the major CSOT achievements in the year under review are summarised below:

- In line with enhancing health service delivery, the CSOT donated two ambulances to Rafingora and Chivhere Clinics.
- The CSOT also constructed an X- Ray building at Banket District Hospital.
- Empowerment of 20 groups of farmers through provision of resources to undertake commercial egg production. A total of 36 000 layer chicks were produced which are now producing table eggs at 70% production capacity. Production is taking place at 3 community based chicken cluster houses.
- 25 farmers were assisted in commercial production of red onions
- 29 farmer groups were assisted with establishing bee keeping facilities.

Sustainability Matters
(continued)

Responding to National Causes

Zimplats committed resources in an effort to restore livelihoods in the face of two significant national disasters.

In September 2018, Zimbabwe, especially Harare, experienced a major cholera outbreak where 7 000 cases were recorded.

The country also recorded a national disaster in March 2019 after Zimbabwe experienced torrential rainfall caused by a tropical Cyclone ***Idai*** in the South East of Zimbabwe. The Cyclone caused flash flooding and subsequent deaths, and destruction of community livelihoods and property. It is estimated that 50 000 households/250 000 people, including 120 000 children, were affected. More than 300 deaths were recorded.

In both these instances, Zimplats partnered the relevant government departments to contribute towards alleviating the circumstances of affected communities through the provision of food, medicines, water purification chemicals, fuel and larvicide.

Realising and acknowledging our development partnership role with the Government of Zimbabwe, our commitment to play a constructive role as a responsible corporate citizen and our value of caring for local communities, Zimplats continues to respond positively to appeals from the Government to assist communities in need.

30 tonnes of sugar beans donated to assist Cyclone Idai Victims.

Sustainability Matters
(continued)

OUR SAFETY PERFORMANCE

Zimplats is committed to providing and maintaining a culture in which all forms of loss are eliminated. This commitment has continued to be the guiding principle on which our activities and processes are built. Having attained 10.2 million fatality free shifts in March 2019, sadly the Group recorded a fatality in April 2019 following a fall of ground incident. Ngezi concentrator also recorded three lost time injuries, sullying its clean record since commissioning in 2009.

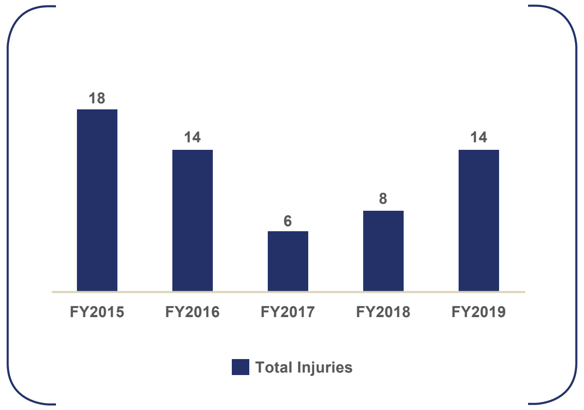
The business remains focused on creating a zero-harm environment and uses these incidences as learning points for continuous improvement.

The tables and graphs below highlight our FY2019 safety performance.

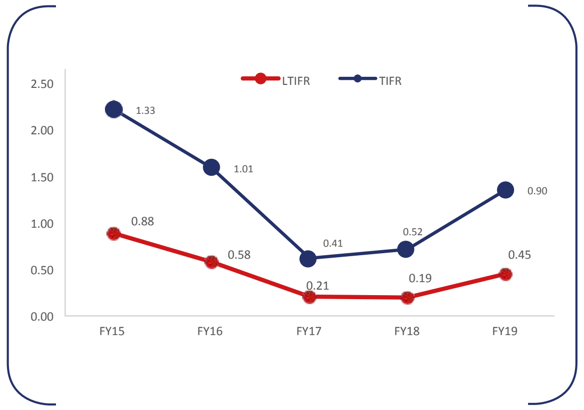
Key Performance Indicator	FY2019	FY2018
Fatalities	1▲	0
Lost-time injuries	6*▲	3
Total injuries	14▲	8
Fatal injury frequency rate (FIFR)	0.06▲	0
Lost-time injury frequency rate (LTIFR)	0.45▲	0.19
Total injury frequency rate (TIFR)	0.90▲	0.52

**Excluding the fatality*

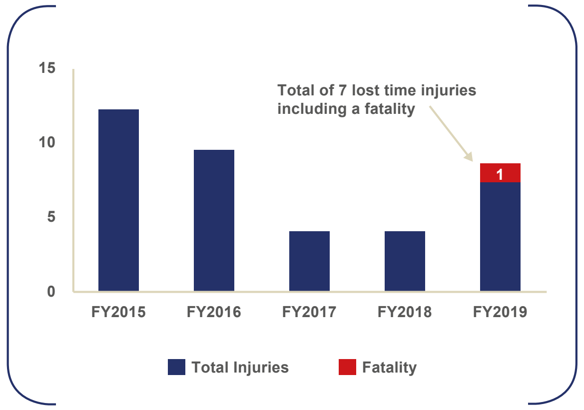
Total injuries FY2015 to FY2019



TIFR & LTIFR graphs FY2015 to FY2019



Lost time injuries FY2015 to FY2019



The Group's sound safety record led to various safety awards for outstanding performance in the Zimbabwean industry. The key awards are highlighted on the following page.

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

Sustainability Matters
(continued)

Safety Awards and Achievements FY2019

National Social Security Authority (NSSA) National Safety Awards

Zimplats Operations attained the top three positions in the 2018 National Safety Awards

National Awards

Processing Division	1st position EMCOZ Shield and National Premier Award
South Pit Mine	1st runner up
Rukodzi Mine	3rd position

Provincial Awards

Processing Division	1st position
South Pit Mine	2nd position
Rukodzi Mine	3rd position

Manufacturing Sector

Processing	Winners

Mining Sector

South Pit Mine	1st position
Rukodzi Mine	2nd position
Mupani Mine	3rd position

National Mine Rescue Competitions

Processing Mine Rescue team – 1st runner up

First Aid National Competitions

Ngwarati surface – 1st runner up Surface Category
Ngwarati underground – 1st runner up Underground Category

Chamber of Mines SHE Audit

Seven Zimplats operations teams attained A+ status and one attained A status during the 2018 Zimbabwe Chamber of Mines audits.

Fatality Free Shifts

Zimplats attained 10.2 million fatality free shifts during the year, prior to the recorded fatality

Annual DQS Audits

Zimplats successfully retained its Occupational Safety and Health Management System ISO 45001:2018 certification following an audit during the year.

Sustainability Matters
(continued)

Our Safety Strategy
Zimplats' safety strategy is underpinned by the **motto "Zero Harm is Possible!:** Usaputsa Chirongo - *Don't Drop the Safety Clay Pot"* that calls for unwavering commitment to observing good safety practices. The safety interventions to support this concept are anchored on the three pillars of people, practices and technology. Achieving and consolidating safety citizenship remains the hallmark of our people centred interventions.

Our people centred safety interventions include:

- **Team building -** Construction of a team building facility to be used to conduct key activities that promote team cohesion.

- **Team safety pacts -** The renewal of team safety pacts and the development of team safety slogans was conducted in order to cultivate ownership of SHEQ issues.

- **Social innovation –** SHEQ systems are integrated with cultural norms for improved understanding by all employees. Industrial theatre, drama, poetry, music and cultural idioms are used to communicate key safety messages in a manner which assists employees in collectively managing human error.

- **Mental health promotion –** the programme is now fully operational and has been introduced into the wider communities through programmes focusing on family life to promote family cohesion and alcohol moderation. These have been well received.

- **Community/off the job safety –** These initiatives are geared towards influencing safe behaviour in the communities from which our employees reside. A number of activities have been conducted to promote off the job safety:
  - o The Mining and Processing divisions have initiated community SHE meetings. Community training on first aid and firefighting also commenced during the year.
  - o Road safety awareness campaigns covering schools and the local community were conducted in conjunction with the Traffic Safety Council of Zimbabwe (TSCZ) and the Zimbabwe Republic Police (ZRP) Traffic section.

- **Contractor management –** Management of contractors is key in maintaining a strong safety culture in the business. The Group will re-invigorate a contractor focused safety campaign known as ***"Moyo Murefu"*** which is a shona phrase that refers to members being patient and tolerant in engagement and enforcement of compliance. *"Moyo murefu"* and *"ubuntu/unhu"* promote balance and dignity in every situation.

- **Zimplats safety day commemorations –** Safety day celebrations at the Mining and Processing divisions were held under the theme "Refresh, Refocus, Re-engage." The aim of the celebrations was to galvanise the teams and boost their morale following the regrettable fatality of Mr Richard Mapuranga.

Sustainability Matters
(continued)

Management system
The Group successfully implemented the new risk based Occupational Health and Safety Management System ISO 45001:2018. Use of the IsoMetrix SHEQ information management system has been boosted as more team members are able to access the system. The Group has focussed on utilising the information management system for remedial action tracking thereby enhancing management capabilities and information sharing within operations. The Group has also embarked on a re-engagement campaign to promote safe production rules and manage unsafe acts and conditions.

With regards to the work environment and technology, Zimplats has continued to investigate and invest in various interventions to continuously improve the work environment and ensure it is as safe as practicably possible.

The following are some of the interventions that have been considered and or embarked on to complement people and system centric strategies:

- ***Fall of ground management:*** Ongoing rollout of barring down cages and scalers for high risk areas as defined by increased height and ground conditions. Investigations are underway for use of wearable magnifying glasses to enhance visibility during observation of rock structures. Investigations are also being conducted for the use of audio assistance technology to enhance the detection of hollow structures.
- ***Automation of trackless mining machinery (TMM) –*** This reduces the interaction of employees with machinery hazards.
- ***Tailings storage facility failure management –*** Zimplats is progressing with plans to relocate the families residing within the Selous Metallurgical Complex Tailings Storage Facility Zone of Influence. In the meantime a disaster recovery plan is in place to mitigate any unforeseen emergencies.
- ***Furnace run out incidents prevention –*** Newly designed tapping platform and launders were manufactured and are set for installation.

Going forward
Zimplats continues to strive to improve its safety performance under the banner **"Zero Harm is Possible!:** Usaputsa Chirongo - *Don't Drop the Safety Clay Pot".* Systems are also being revisited and teams are being motivated to focus on key learning points from each reported safety incident from within and outside the company, to improve on safety performance.

Sustainability Matters
(continued)

PROTECTING THE ENVIRONMENT

Our management approach to the protection of the environment

Our environmental management approach is focused on conserving natural resources and mitigating environmental impacts of our mining and processing activities. We are committed to supporting the United Nations Sustainable Development Goals (UN SDGs). We recognise that the sustainable development goals (SDGs) are essential pillars for sustainability. We have integrated applicable SDGs and targets into our environmental management system which is based on the requirements of ISO 14001:2015 standard. The integration has been done through incorporating key SDGs applicable to our activities into the environmental management system objectives, programmes and operating procedures.

We have identified five key SDGs namely:

- SDG 6: Clean water and sanitation,
- SDG 7: Affordable and clean energy,
- SDG 12: Responsible consumption and production,
- SDG 13: Climate action
- SDG 15: Life on land.

We report against a comprehensive set of leading environmental performance indicators in line with the SDGs, the business management system policy and Implats group standards. Our environmental strategic thrust seeks to ensure full environmental compliance, promote water stewardship by minimising our impacts on shared water resources, responding to climate change, promoting responsible energy management, air quality management, land stewardship and waste management.

Sustainability Matters
(continued)

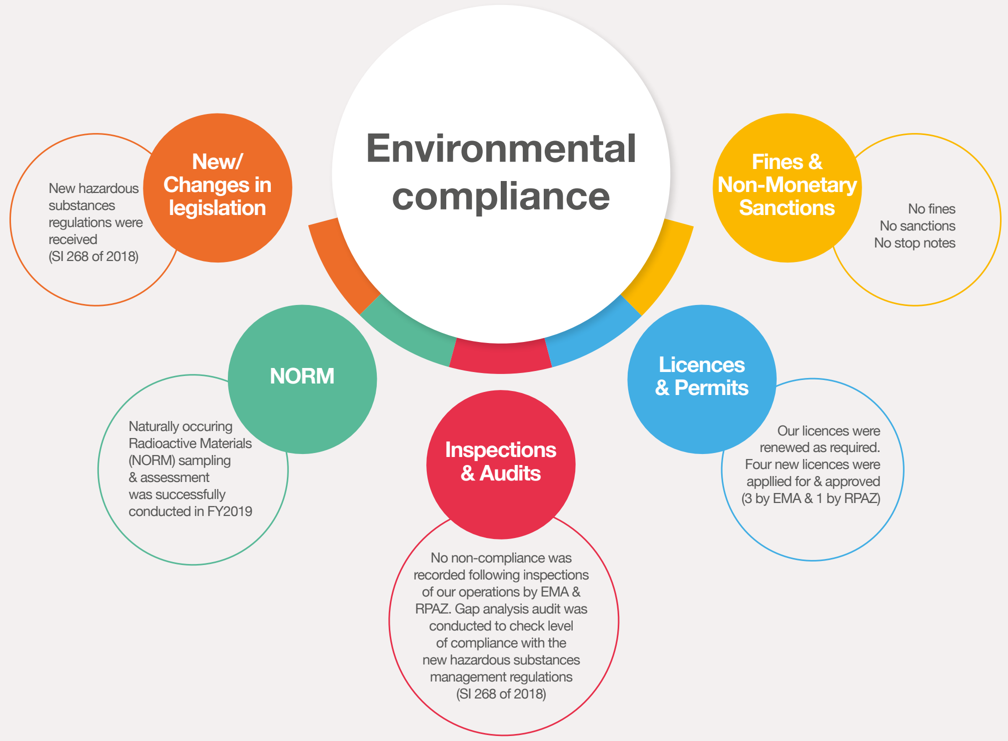
ENVIRONMENTAL COMPLIANCE

Our approach to environmental compliance

Zimplats is committed to complying with all environmental laws and regulations applicable to mining and processing activities. We engage relevant regulatory authorities to ensure timely renewal and approval of our licences, permits and agreements. Key regulatory authorities concerned with environmental protection in Zimbabwe include the Environmental Management Agency (EMA), the Zimbabwe National Water Authority (ZINWA), Zimbabwe Parks and Wildlife Management Authority (ZPWMA) and the Radiation Protection Authority of Zimbabwe (RPAZ).

Environmental management procedures and instructions are in place to guide our operations in complying with the applicable environmental laws, regulations and codes. We have a robust system to track new environmental laws and regulatory changes or amendments applicable to our business. In line with our strategic thrust on environmental compliance, we developed detailed compliance obligations registers that are audited and reviewed regularly.

Developments in environmental compliance



FY2019 Performance

- No fines or non-monetary sanctions for non-compliance with environmental regulations were imposed by authorities on our operations.
- The Environmental Management Agency (EMA) and the Radiation Protection Authority of Zimbabwe (RPAZ) conducted regulatory inspections across our operations. No legal non-compliance was reported.
- Two new radiation sources use licences were issued, authorising our operations to use an XRF machine imported in 2018.
- The Group renewed its environmental permits and licences in compliance with the environmental regulations.
- A radiological sampling and assessment for naturally occurring radioactive material (NORM) was conducted in FY2019. The results provided the basis for regulatory control and exemption as provided in the NORM regulations (SI 99 of 2013). No major issues of concern were observed from the results of 119 samples. A verification exercise shall be undertaken by RPAZ prior to confirming regulatory action in FY2020.
- Environmental Management (Control of Hazardous Substances) (General) regulations Statutory Instrument 268 of 2018 was promulgated in FY2019. The statutory instrument (SI) repeals previous hazardous substances regulations i.e. SI 12 of 2007, SI 77 of 2009 and SI 129 of 2011. We summarised the changes, conducted a gap analysis audit and engaged EMA to conduct training on the new regulations in line with our thrust to comply with all environmental regulations.
- A specific Environmental and Social Management Plan (ESMP) for the extension of the SMC tailings storage facility was submitted to EMA together with the geotechnical report for the proposed extension site. The Mine Closure and Rehabilitation Plan was also submitted to the Agency for endorsement.

Sustainability Matters
(continued)

Environmental Permit/Licence/ Agreement

Permit/Licence/Agreement	Regulatory Authority	Number		
		FY2019	Status (Valid)	FY2018
Water abstraction agreements (surface)	ZINWA	2	●	2
Water abstraction permits (groundwater)	ZINWA	14	●	14
Water storage permits (Chitsuwa Dam)	ZINWA	1	●	1
Effluent discharge	EMA	26	●	24
Solid waste	EMA	3	●	3
Hazardous waste	EMA	2	●	2
Hazardous substances	EMA	7	●	6
Air emission	EMA	9	●	9
Environmental impact assessment	EMA	6	●	6
Lease agreement on Zimplats claims within Ngezi National Park	Ministry of Environment, Water and Climate	1	●	1
Radiation sources licences	RPAZ	73	●	72

Environmental Management System

Our environmental management system (EMS) is based on the ISO 14001:2015 standard requirements. Both internal and external audits were conducted during FY2019 with the objective of checking our compliance with the EMS requirements. No major non-conformities were raised by internal and external auditors. In addition to the audits, we have an internal incidents reporting system which assists in identifying deviations for investigation and establishment of corrective actions. All the environmental incidents reported during the year were classified as level one i.e. negligible adverse environmental impact.

- Management reviews were conducted on a quarterly basis and opportunities for improvement were identified and implemented.
- Environmental management system training and awareness is provided to all employees in line with our training procedures. New employees are inducted accordingly.
- Environmental awareness sessions are extended into the host communities through community safety, health and environment (SHE) programmes. Environmental awareness sessions were conducted as part of quarterly interfaces with host communities. Topical issues discussed with the communities include anti-littering, deforestation effects, fire prevention, rain season hazards, tailings dam safety and wildlife conservation. The engagements are part of Zimplats' continuing efforts to influence a positive environmental stewardship in the host communities.

FY2020 objective on environmental compliance

- The overall strategic objective is to retain ISO 14001:2015 Environmental Management System (EMS). The strategic focus for BP2020 shall be on aligning contractors to ISO 14001:2015 EMS
- We will monitor compliance with the new hazardous substances management legislation through self-audits
- We will engage the Radiation Protection Authority of Zimbabwe (RPAZ) on the potential risks related to naturally occurring radioactive materials (NORM)

Sustainability Matters
(continued)

WATER STEWARDSHIP

Our management approach to water and effluent management

Zimplats recognises the importance of water stewardship cognisant of the possible impacts that mining and processing activities can have on water resources. Poor water stewardship in the value chain can have adverse impacts on both water availability and quality. Therefore, management of water related risks and impacts is part of our strategic thrust. Our management approach is focused on reducing freshwater consumption through promoting use of recycled water and improving water consumption efficiency in the operations. Our operations reduce dependency on freshwater through recycling water from tailings storage facilities, use of ground water from dewatering and recycled treated sewage effluent. Reduction of freshwater consumption and elimination of effluent discharges increase freshwater availability to other users in line with SDG 6 on clean water and sanitation. We monitor water-use efficiency among major water consumers within operations. Water related incidents are investigated and corrected accordingly.

Our interactions with water as a shared resource

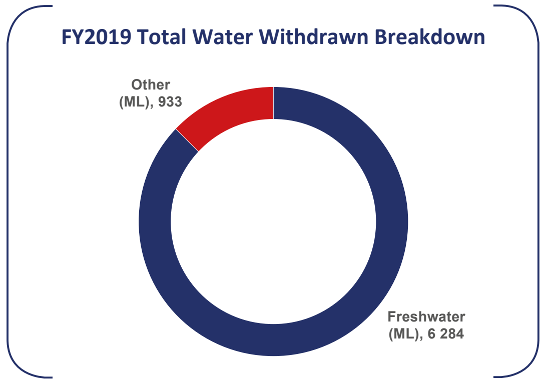
Our operations (Selous Metallurgical Complex & Ngezi) are situated in the Zimbabwe National Water Authority (ZINWA) Sanyati catchment. Selous Metallurgical Complex although situated in Sanyati Catchment, gets its freshwater through a pipeline from Manyame Dam situated in Manyame Catchment. Ngezi operations withdraw water from Ngezi and Chitsuwa Cha Mandizadza dams in Sanyati Catchment. We regularly participate in catchment and sub-catchment council meetings which provides a platform to work with stakeholders in stewarding water as a shared resource. Our participation in catchment councils informs our water risk reviews and water use target setting. We have water abstraction agreements and permits issued by the ZINWA. We ensure compliance with water permits and agreements through internal water management committees, water risk reviews, water balance and monitoring framework.

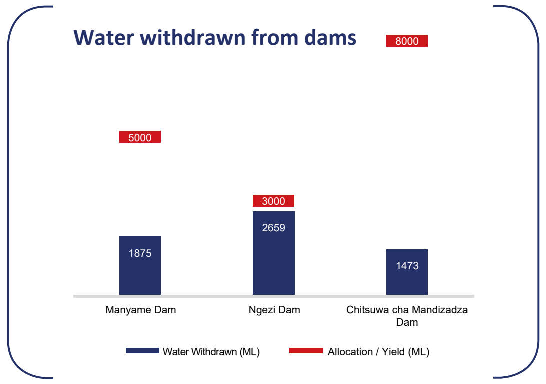
We maintain good ambient water quality through prevention and minimisation of water discharge in line with SDG 6. We improve water quality through primary and secondary effluent treatment before discharge into the environment. The quality of effluent discharged from our operations is predetermined through regulatory processes and licensing by the Environmental Management Authority (EMA). The organisation maintained water discharge at the previous year level of 2% of the total water consumed.

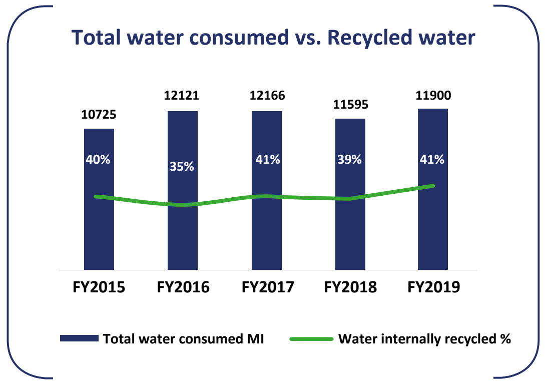
Sustainability Matters
(continued)

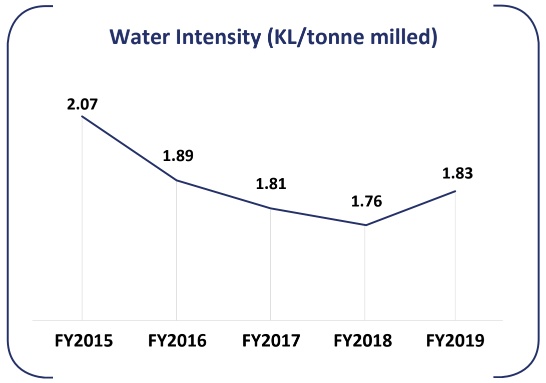
FY2019 performance

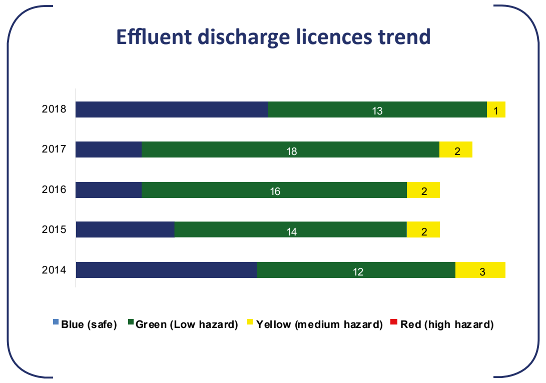
- Total water withdrawal (dams/underground) was 7 217▲ mega-litres (ML) marginally (2%) above FY2018
- Surface water withdrawn accounted for 83% of the total water withdrawn with the remainder of 17% withdrawn from underground water sources
- Of the 7 217 ML of total water withdrawn, 6 284ML was freshwater. (Freshwater refers to water with concentration of total dissolved solids equal to or below 1 000mg/L, GRI303 Standards Glossary 2018)
- Water withdrawn from dams for FY2019 was within the permit/ agreement limits. Selous Metallurgical Complex withdrew 1 875ML from Manyame against an annual allocation of 5 000ML. Ngezi operations withdrew 2 659ML and 1 473ML from Ngezi and Chitsuwa Dam where the limits are 3 000ML and 8 000ML respectively.
- Total water consumed (water withdrawn + recycled - discharged) was 11 900ML, a 3% increase from 11 595ML for FY2018.
- Water recycling improved to 41% of the total water consumed (FY2018:39%).
- Water discharged accounted for 1% of the total water consumed (FY2018:2%).
- Water intensity was 1.83 KL/tonne (FY2018:1.76). The deterioration in unit consumption rate of water is attributed to less production in FY2019 compared to FY2018.











Water consumption (Ml)	FY2019	FY2018	FY2017	FY2016	FY2015
(1) Water from dams / lakes	6 007▲	5 749	5 481	5 569	4 106
(2) Water from ground water	1 210▲	1 297	1 737	2 333	2 341
Water withdrawn (1+2)	**7 217▲**	**7 046**	**7 218**	**7 902**	**6 447**
Water internally recycled	4 856	4 549	4 948	4 218	4 278
Total water consumption	**12 073**	**11 595**	**12 166**	**12 120**	**10 725**

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

Going forward the strategic thrust will be on:

- Monitoring water supply risk for the operations
- Improving effluent licences categories for example from yellow class to green for Turkey's nest discharge point
- Improving water recycling and sustaining 40% target level

Sustainability Matters
(continued)

ENERGY MANAGEMENT AND CLIMATE CHANGE

Our approach to energy management

Zimplats recognises that the efficient use of energy and adoption of clean energy is critical in achieving sustainable development goals. We consume both renewable and non-renewable energy throughout our operations. Renewable energy sources relate to purchased electricity from the hydro-electricity source i.e. Kariba Dam and solar energy. Non-renewable energy is mainly from direct energy consumption of diesel, petrol and coal. We believe that efficient use of energy and harnessing renewable energy sources is essential in combating climate change and lowering negative environmental impact.

The energy sector is regulated by the Zimbabwe Energy Regulatory Authority (ZERA) established in terms of the Energy Regulatory Authority Act (Chapter 13:23). Zimplats complies with ZERA requirements together with the associated regulations and the National Energy Policy (NEP). The NEP seeks to promote the optimal supply and utilisation of energy, for socio-economic development in a safe, sustainable and environmentally friendly manner. The NEP is aimed at increasing access to affordable energy services to all the citizens while contributing to the eradication of poverty and sustainable economic growth. This is in line with the United Nations Sustainable Development Goal number 7 on affordable and clean energy. Our approach to energy management seeks to comply with regulatory requirements, policies and SDG 7. Key initiatives that reduce energy and emission intensities in our operations include installation of energy efficient equipment and increasing the uptake of solar lighting and heating.

Our approach to climate change mitigation

The Government of Zimbabwe developed the National Climate Policy in 2016 to drive the country towards being climate resilient and carbon neutral. The impacts of climate change on Zimbabwe are already being felt with increased variability in the seasonal distribution of rainfall, an increase in average temperatures, increased incidents of intense rainfall followed by long dry spells, late onset and early cessation of rains.

The country experienced one of its worst climate change induced disasters, tropical cyclone Idai in FY2019. Zimplats is progressively integrating climate change mitigation into core business and aligning processes with the climate change national policy and the Implats group-wide strategy and greenhouse gas (GHG) assessments with the aim of:

- Reducing our carbon footprint as part of our voluntary commitment to mitigate climate change impacts
- Identifying areas for mitigation and efficiencies
- Reducing carbon emissions emanating from both direct (Scope 1) and indirect (Scope 2) GHG emissions

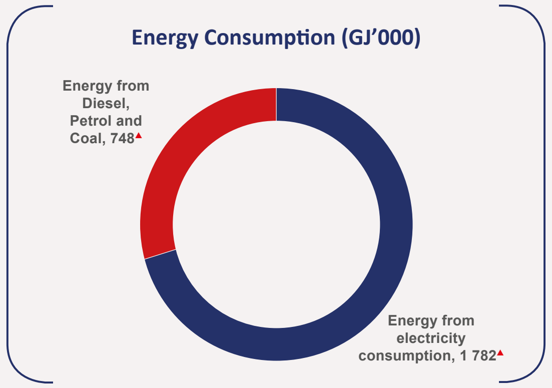
A group-wide strategy is in place to improve reporting on Scope 3 emissions. Our efforts in combating climate change are meant to support sustainable development goals, particularly SDG 13 relating to climate action.

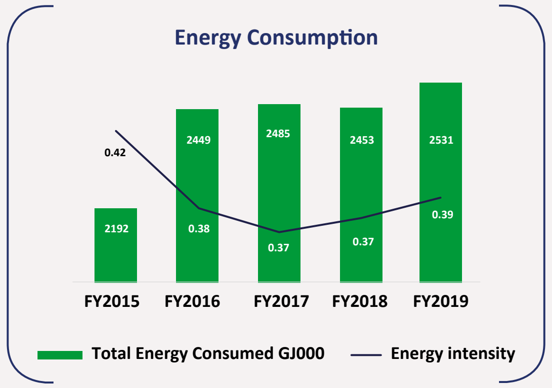
GHG emissions have been calculated and reported in accordance with the Department for Environment, Food and Rural Affairs UK (DEFRA) Voluntary Reporting Guidelines.

Sustainability Matters
(continued)

FY2019 Performance on Energy Management and Climate Change Mitigation

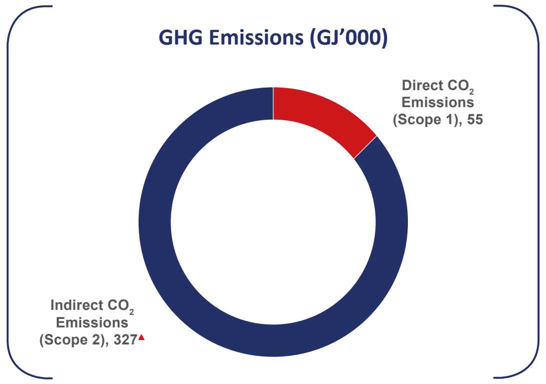
- Energy from purchased electricity accounted for 70% of the total energy consumed. The remaining 30% relates to direct energy consumption i.e coal, petrol and diesel. Total energy consumed in FY2019 at 2 531▲ thousand GJ reflected a 2% increase from the previous year (FY2018: 2 482). The surge in energy consumption is attributed to increased project activities.
- Our energy intensity stood at 0.39GJ per tonne of ore milled (FY2018: 0.37)
- Energy efficient improvement projects implementation progressed well. The current annualised energy saving amounted to 2 784 112 kWh (FY2018: 1 732 152 kWh)
- Total GHG emissions (CO_2) at 382▲ thousand tonnes increased by 1% compared to FY2018. The increase is attributed to direct energy consumption related to increased project and rehabilitation activities
- GHG emissions (CO_2) from Scope 2, accounted for 85% of the total CO_2 emissions. Scope 2 emissions are associated with national grid electricity usage (purchased electricity). The remaining 14% is Scope 1 emissions from direct energy consumption
- Our emission intensity (tonnes of CO_2 per tonne of ore milled) at 0.059 was 2% more than the previous year.

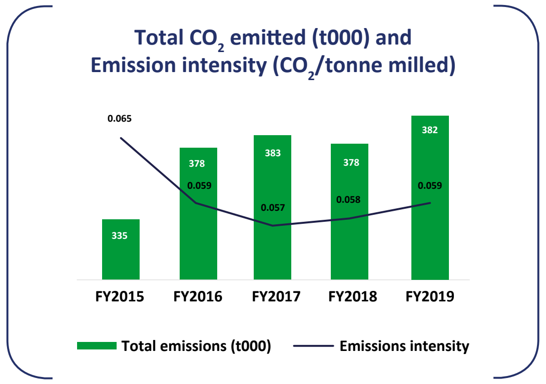




Energy consumption	Units	FY2019	FY2018	FY2017	FY2016	FY2015
Electricity purchased	(MWh000)	495▲	494	499	498	441
Energy from electricity consumption	(GJ000)	1 782▲	1 777	1 798	1 791	1 587
Energy from diesel, petrol & coal	**(GJ000)**	**748▲**	**705**	**667**	**665**	**606**
Total energy consumed	(GJ000)	2 531▲	2 482	2 465	2 457	2 192
Energy intensity	**GJ/tonne**	**0.40**	**0.37**	**0.37**	**0.38**	**0.42**

GHG emissions





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

Sustainability Matters
(continued)

Climate Change Indicators	Units	FY2019	FY2018	FY2017	FY2016	FY2015
Direct CO_2 Emissions (Scope 1)	(t000)	55▲	52	53	49	44
Indirect CO_2 Emissions (Scope 2)	(t000)	327▲	326	330	327	291
Total CO_2 Emissions	(t000)	382▲	378	383	376	335
Emissions intensity	CO_2/t	0.059	0.058	0.057	0.059	0.065

Our focus for FY2020 and beyond shall be on progressing with the installation of energy efficient equipment and continue enhancing uptake of renewable energy (solar lighting and heating).

MATERIALS CONSUMPTION

Our management approach

Zimplats believes that failure to manage materials used in the value chain and associated impacts can have a negative effect on natural resources. The organisation uses both non-renewable and renewable material resources. Non-renewable resources that are key to our business include mineral ore, coal, diesel and petrol. Key renewable resources include water and solar energy. Monitoring and control mechanisms are in place to ensure sustainable use of materials including evaluation of consumption patterns. Deviations and above budget/ target consumptions are treated as nonconformities and are investigated accordingly.

Materials consumption

Material	Unit of Measure	FY2019	FY2018	FY2017	FY2016	FY2015
Diesel	litre	14 628 224▲	13 652 250	13 271 406	12 371 876	11 395 912
Petrol	litre	127 282▲	90 403	104 652	104 082	104 034
Coal	tonne	6 028▲	5 846	6 432	6 703	5 846
Ore milled	tonne	6 485 512	6 569 817	6 715 963	6 406 187	5 163 499
Diesel	litre / tonne milled	2.26	2.08	1.98	1.93	2.21
Petrol	litre / tonne milled	0.02	0.01	0.02	0.02	0.02
Coal	tonne / tonne milled	0.001	0.001	0.001	0.001	0.001

AIR QUALITY MANAGEMENT

Sulphur dioxide and dust

The most significant aspect with regard to air quality management for Zimplats is the emission of sulphur dioxide (SO_2) from smelting operations. The Environmental Management Act (Chapter 20:27) requires licensing of point source air emission discharge points. Our smelter operation has five air emission licences issued by the Environmental Management Agency in compliance with the Act and air emission regulations.

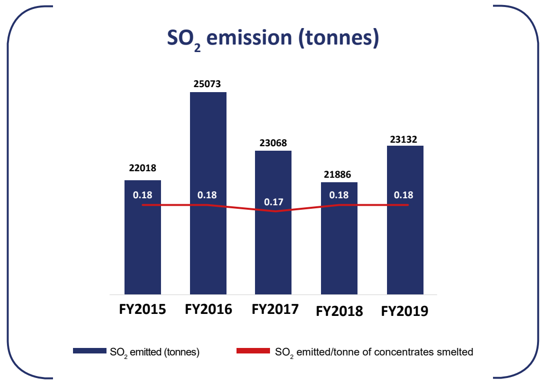
- The point source emissions from the smelting operations are monitored in line with the air emissions regulations.
- The ground level concentrations of SO_2 are monitored through ambient air monitoring stations. Fugitive SO_2 emissions resulted in high exceedances of 24-hour average concentrations at our Selous operation. In view of this, the operation is installing a fugitive emissions capture system as part of the current furnace improvement project. Completion of this project is expected in the first half of FY2020. A sulphur dioxide emission reduction roadmap is in place and provides guidelines on our broad plan to reduce both point source and fugitive SO_2 emissions from smelting operations.
- Dust suppression and extraction systems are in place across Zimplats operations. Dust monitoring is done through a network of dust fall out bucket system and the use of ambient air quality monitoring units.

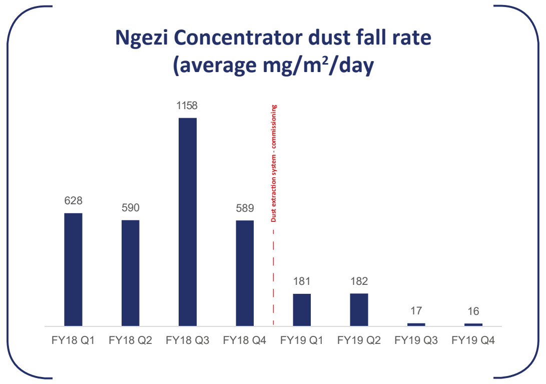
▲*This item was the subject of the limited assurance engagement performed by EY.*

Sustainability Matters
(continued)

FY2019 Performance

- The operations emitted 23 132 tonnes of direct SO_2 in FY2019 (FY2018: 21 886 tonnes - due to furnace reline shutdown)
- A daily average of 69 tonnes of SO_2 were emitted; a 15% increase from the previous year
- Our SO_2 intensity remained at previous year level of 0.18 tonnes of SO_2 emitted per tonne of concentrate smelted
- 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
- Dust fall rate from the Ngezi Concentrator operation reduced significantly following the installation of dust extraction unit at the crushing plant at the end of FY2018.





Going forward air quality management will focus on reducing sulphur dioxide (SO_2) ground level concentrations by capturing fugitive emissions from the smelting plant. We will continue monitoring air emissions across our operations.

LAND STEWARDSHIP

Management approach to mine closure, rehabilitation and biodiversity management

Zimplats believes that effective mine closure planning and concurrent rehabilitation of disturbed land results in significant financial and environmental benefits and can reduce closure liabilities. Our mining and mineral processing activities generate economic benefits for a limited period while the associated socio-environmental impacts can extend post life-of-mine if they are not adequately managed. Therefore, our strategic thrust is aimed at supporting UN SDG 15 on life on land through prevention, management and remediation of land degradation and damage to natural habitats that could result from our activities.

We ensure that environmental risks and impact assessments take into consideration biodiversity and post closure mine land use. In the absence of detailed Zimbabwean guidelines and a clear legal framework on mine closure liability assessment, we aligned our closure liability assessment protocols and methodology to the Implats group-wide approach. The closure liability assessment protocols and methodologies address both concurrent and life-of-mine rehabilitation in a structured manner. We compiled mine closure and rehabilitation plans in FY2018 and these provide the basis for our mine closure liability costing and provision for both premature and life of mine closure.

We set our rehabilitation targets annually as part of our business planning process. Key areas of focus are the old open-pits and tailings storage facilities. Concurrent rehabilitation is undertaken on tailings storage facilities with establishment of adequate cover of vegetation on slopes to stabilise the site and prevent erosion at the same time restoring biodiversity.

Zimplats has a valid agreement with the Ministry of Environment, Water and Climate for its mine lease area that extends into the protected area i.e. Ngezi National Park. Our rehabilitation and mine closure activities including re-vegetation of mined areas particularly South Pit Mine complied with the conditions outlined in the agreement. In line with the agreement and in the spirit of protecting biodiversity, no exotic plant species were introduced in the protected area.

Sustainability Matters
(continued)

FY2019 Performance

- A total of 1.5 million loose cubic meters (LCM) moved for open-pits rehabilitation (FY2018: 0.3 million LCM). The improvement is due to an increased focus on rehabilitation and closure of open-pit mines. Tree sapling and grass planting on rehabilitated portions of the old pits was conducted covering 3.8 hectares. A total of 600 tree saplings were planted.
- The premature closure liability reduced by US$5.7million in FY2019 (US$37.6million) compared to US$43.3 reported in FY2018 mainly due to progress made on open-pit rehabilitation and closure of South Pit Mine.
- Concurrent rehabilitation of the Ngezi and Selous Metallurgical Complex (SMC) tailings storage facilities continued in FY2019. The re-vegetation exercise involving planting of tree saplings, grass and legumes covered 2.5 hectares (FY2018:1.5). A total of 1 700 tree saplings derived from a wide range of provenances of native tree were planted on tailings storage facilities` new surface rising.
- Clearing of invasive alien species (lantana camara) was conducted focusing on SMC tailings storage facility slopes. The eradication of alien invasive species is conducted in compliance with the Environmental Management Act (20:27) section 119 which requires responsible persons to clear any invasive alien species on their properties.
- A biodiversity restoration programme was initiated at the Selous Metallurgical Complex after realising the effects of deforestation in the adjacent community area. A total of 160 saplings were planted in partnership with the affected local community.
- In line with our thrust to enhance biodiversity, we participated in national tree planting day in partnership with the Forestry Commission and other stakeholders. A total of 630 tree saplings were planted.
- We submitted the mine closure and rehabilitation plan to the Environmental Management Agency (EMA). The detailed conceptual mine closure and rehabilitation plan was developed in FY2018 to guide our mine closure and rehabilitation activities.

Rehabilitation	FY2019	FY2018	FY2017	FY2016	FY2015
Hectares rehabilitated – tailings storage facilities slopes	2.5	1.5	53	16	2.5
Hectares rehabilitated – ad hoc	-	0.25	-	-	-
Hectares rehabilitated – open cast	3.8	0.4	1.2	-	-
Total	**6.3**	**2.15**	**54.2**	**16**	**2.5**

Going forward:

- The Company will continue to integrate mine closure and rehabilitation planning with other mine planning activities and update our Environmental Management Plans accordingly
- The Company will continue with open-pits and tailings storage facilities (TSF) rehabilitation in line with the mine closure and rehabilitation plan.

Sustainability Matters
(continued)

MANAGING OUR WASTE

Management approach

Our activities generate significant quantities of mineral and non-mineral waste streams, which if not adequately managed can have adverse environmental impacts. Our mineral waste includes tailings, waste rock and slag. Non-mineral wastes include domestic waste and hazardous waste mainly oil contaminated materials. The management of waste is guided principally by the Environmental Management Act and the associated regulations. We have internal waste procedures which also provide guidance on waste management practices in our operations. Our strategic thrust continues to focus on complying with the waste regulations, reducing waste and improving on our waste recycling initiatives. We renew our effluent and solid waste licenses as required by the Environmental Management Act and the regulations on effluent, solid and hazardous waste. Our thrust on waste reduction and recycling is promoted through off-site recycling of scrap metal, plastics and used oil. Internally we promoted use of mineral waste mainly waste rock for backfilling and rehabilitation of open pits, a disposal strategy which reduces accumulated waste rock and footprint of the disturbed land. Domestic waste reduction strategies were enhanced through biodegradable waste vermicomposting within our operations. We have bioremediation facilities to treat hydrocarbons contaminated soil.

Tailings storage facilities (TSF)

Following the tailings dam disasters recorded worldwide in FY2019, storage of tailings remain classified as a major risk and subject to increased strategic focus. The lessons learnt from the tailings disasters and the severe tropical cyclone which affected parts of Zimbabwe, provided impetus for increased focus and robust reviews of the existing TSF controls. Our tailings storage facilities are subject to strict operating procedures, inspections and regular audits undertaken by TSF experts.

A group-wide tailings storage facilities audit was conducted in addition to normal tri-annual inspections and audits. The audit protocol covered the TSF governance, consequence classification of structures, design requirements, water containment facilities, competent persons, engineer of record, technical review panel, operation phase stewardship and performance monitoring. A specific environmental and social management plan was developed to cover specific impacts associated with the proposed extension of the SMC tailings storage facilities.

FY2019 Performance
- We renewed all our waste licences in line with the Environmental Management Act and the waste regulations
- Mineral waste generated amounted to 6 348 kilo tonnes of tailings, 138 kilo tonnes of slag and 234 kilo tonnes of waste rock
- Non-hazardous waste generated and disposed of at our non-hazardous waste landfills was 489 tonnes. Hazardous waste incinerated amounted to 213 tonnes
- Expansion of our vermicomposting continued with a total of 5.4 tonnes harvested in FY2019
- Good progress was made regarding identification and establishment of disposal options for old base metal refinery (BMR) hazardous substances. The disposal options will be implemented in the coming year.
- We continued our efforts of inculcating an anti-littering culture in the host communities through participation in national clean-up campaigns on every first Friday of the calendar month. The events provided a platform to educate the local community on good environmental management practices, importance of waste management and keeping residential areas clean.

Manure – harvested from vermicomposting

FY2020 strategic thrust regarding waste management shall be on
- Exploring options to further reduce waste generation at source
- Examining options of reusing waste e.g. old tyres, vermicomposting and old conveyor belts
- Continue promoting waste recycling e.g. paper.

Sustainability Matters
(continued)

OUR PEOPLE

It is our firm belief that the Group's success is directly attributable to its people, by far the greatest asset the Group possesses. To enhance organisational effectiveness, the Group launched in the year, a new people management philosophy which is premised on care and growth. Through this programme the Group will deliver on its core value of care for its people and grow its people to self-actualise through the Group.

The Group continues to promote a culture of high performance in its people. Pursuant to this, the Group's performance management system was revamped in order to align it to the new care and growth philosophy. The new performance management system will further enhance the alignment of reward to performance. This is intended to drive individual and team productivity which are critical aspects of our high-performance culture.

Social performance

Stable industrial relations prevailed throughout FY2019. The Group has various platforms and structures in place to foster sound internal communication and dialogue that have resulted in enhanced employee engagement in the year.

The Group continued to invest significantly in training and development programmes. During the year, construction of a team building centre commenced at Ngezi to support team performance and boost production. It is our belief that the creation of strong teams will result in improved productivity and enhanced safety performance.

The Group experienced a healthy 3.8% annual turnover for the year under review.
Headcount increased by 2% from prior year to close the year at 3 326 employees, including casuals. The increase in headcount catered for research and/or development work at Bimha and Mupani mines. Female employees constituted 7% of the total workforce. Contractor employees' headcount was 3 791 with 62% being operating expenditure (opex) contractors and 38% capital expenditure (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 work or projects.

Headcount by division

Division	Headcount June 2019
Mining operations	2 415
Projects	168
Processing	435
Engineering	9
Technical services	97
Human resources	49
Group SHEQ	6
Trainees	32
Commercial	78
ICT	14
Operating subsidiary's head office	23
Total own employees	**3 326**
Opex contractors	2 356
Capex contractors	1 435
Total contractors	**3 791**
Total labour	**7 117**

Headcount by location

Location	
Harare	23
SMC	601
Ngezi	2 702
Total	**3 326**

Headcount by employee groups

Employee Group	Number
National Employment Council (NEC) members (collective bargaining)	3 048
Non NEC members	278
Total	**3 326**

Sustainability Matters
(continued)

Headcount by gender

Gender	Number
Female	250
Male	3 076
Total	**3 326**

ENHANCING EMPLOYEE WELLNESS

Strategic objective 2019

The Group'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. Consolidation of the mental health support programme with special focus on the management of drug and alcohol related issues.
2. Physical wellness focus on the role of weight and nutrition in non-communicable disease (NCD) management.
3. Despite outbreaks of waterborne diseases (cholera) in neighbouring towns, Turf Town remained free of any outbreaks due to awareness and monitoring programmes.

Occupational Health Surveillance

Screening of employees for fitness to work continued throughout the year. There was also constant engagement with National Social Security Authority (NSSA) Medical Bureau for timeous processing and issuance of certificates of fitness.

Noise Induced Hearing Loss (NIHL)

There were 2 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

114 employees who were exposed to lead underwent biological monitoring. All were within normal range.

Tuberculosis

The Company maintained a high level of vigilance in monitoring tuberculosis cases. 5 cases of pulmonary TB were recorded during the year under review. Treatment and reporting protocols was undertaken in line with the Ministry of Health and Child Care guidelines.

Sustainability Matters
(continued)

New Pulmonary TB Cases Treated

Operation	FY2019	FY2018	FY2017	FY2016	FY2015
Mining	3	0	2	5	4
Processing	2	0	0	0	1
Other	1	0	0	0	0
Total	**6**	**0**	**2**	**5**	**5**

Malaria

Mhondoro-Ngezi District remains in 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 153 suspected cases, 5 tested positive for malaria and these were all imported cases.

Wellness Programme

NCDs remain the biggest threat to the wellbeing of the workforce and their families. Consequently, programmes to address NCDs continued. In an effort to integrate HIV and AIDS and NCDs management, the Group combines the National Know Your Status campaign with NCDs screening and information sharing. The conditions covered included:

- Screening for Prostate and Cervical Cancer
- Nutrition and weight monitoring education
- Dental services
- Mental health checks
- Wellness screening (Blood pressure, weight checks, random blood sugar checks, urine test for diabetes, bilharzia, and urinary tract infections)

Zimplats HIV/AIDS Programme

Total Patients on Antiretroviral Treatment

Operation	FY2019	FY2018	FY2017	FY2016	FY2015
Mining	128	129	143	138	122
Processing	32	28	31	29	27
Total	**160**	**157**	**174**	**167**	**149**

New Patients on Antiretroviral Treatment

Operation	FY2019	FY2018	FY2017	FY2016	FY2015
Mining	14	6	11	27	22
Processing	4	1	3	3	1
Total	**18**	**7**	**14**	**30**	**23**

The number of new employees enrolled on antiretroviral treatment was 61% higher as some employees are choosing to use the Company's facilities as opposed to private facilities.

Sustainability Matters
(continued)

Voluntary Testing and Counselling Uptake

The Zimbabwe Aids Prevention and Support Organisation (ZAPSO) continues to offer external HIV testing services quarterly. The number of clients who underwent voluntary counselling and testing (VCT) in FY2019 went up by 19.1% from FY2018

Summary of VCT Uptake

Operation	FY2019	FY2018	FY2017	FY2016	FY2015
Mining	937	693	1 819	1 057	1 278
Processing	62	115	120	186	186
Total	**999**	**808**	**1 939**	**1 243**	**1 464**

Wellness Follow Up

Operation	FY2019	FY2018	FY2017	FY2016	FY2015
Mining	130	130	177	159	130
Processing	33	29	31	30	28
Total	**163**	**159**	**208**	**189**	**158**

Employee Welfare

In line with the Company's value of care, the Company continues to prioritise welfare for its people. Zimplats' employees have not been spared from the impact of the environment. The Company has in place various programmes and initiatives to try and ensure sustainable earnings for its people. Servicing of residential stands in Chegutu is in progress and 230 eligible non-managerial employees based at SMC have already been allocated their respective stands. This programme is part of the Company's home ownership scheme.

Mineral Resources and Ore Reserves Summary

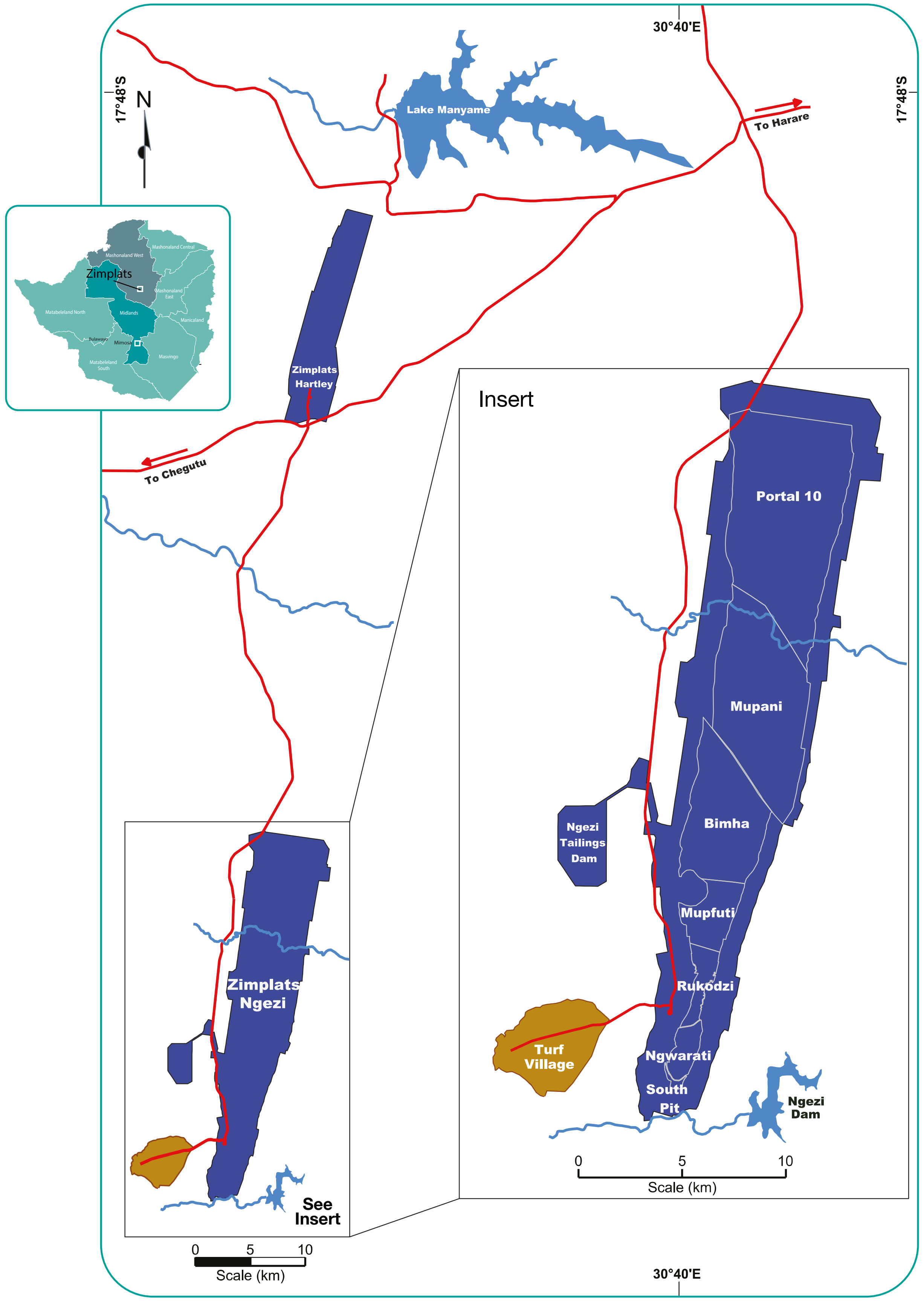
History

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, 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 accompanying map. 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.

Mineral Resources and Ore Reserves Summary
(continued)



Mineral Resources and Ore Reserves Summary
(continued)

Mineral rights

Since the 6th of June 2018 when Zimplats announced the release to the government of land measuring 23 903 hectares from its special mining lease (SML1), the company now holds two separate and non-contiguous mining leases (ML36 and ML37) measuring in aggregate 24 632 hectares. The two mining leases issued to the operating subsidiary are valid for the life-of-mine of Zimplats' mining operations and they secure the operating subsidiary's mining tenure. The impact of the land released on the Mineral Resource estimate were described in the 2018 annual report which is available on the company's website.

Infrastructure

Infrastructure to support production consists of integrated road networks, four underground portals, conveyor networks and ore load out facilities for road trains. One underground portal is under development as a replacement for the ageing operations at the south of the mining lease. Ore processing infrastructure consists of two concentrator modules at Ngezi with a total combined design capacity of 4Mtpa and one 2.2Mtpa concentrator at SMC plus a smelter. Water for the Ngezi operations is drawn from the Ngezi and Chitsuwa dams. Zimplats' annual allocation from the two dams is 11 000Ml and this exceeds the current requirements. The SMC is located about 77km north of Ngezi Mine with processing infrastructure which includes the SMC concentrator, a 13.5MVA smelter, tailings storage facilities, stores and offices. Water for the SMC Operations is abstracted from the Manyame Dam where Zimplats has an annual allocation of 5 000Ml. Power from ZESA's Selous sub-station is fed to the transformers at Ngezi and SMC via 132kV overhead lines. These assets and the 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 direct and root causes of high severity incidents and to address and close out these incidents.

One tailings storage facility is located at SMC within the special mining lease area. The tailings storage facility is designed for a deposition rate of 2.4 million tonnes per year and a 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 a ramp up in deposition from 2 million tonnes up to 12 million tonnes per year as required for any production expansion plans. The current deposition rate is between 4.2Mtpa and 4.4Mtpa. The tailings dam 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 to address the issue of dust from the tailings dam, while efforts are also made to keep the dam moist to suppress dust. The current tailings dam rehabilitation targets new surfaces created as the tailings dam continues to rise.

Zimplats has successfully completed projects 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.

Mineral Resources and Ore Reserves Summary
(continued)

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 mafics 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 from about 5m up to 50m 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° to 20° on the margins, flattening towards the axis of the basin. Peak base metal and PGM values are offset vertically with palladium peaking at the base, platinum in the centre and nickel towards the top.

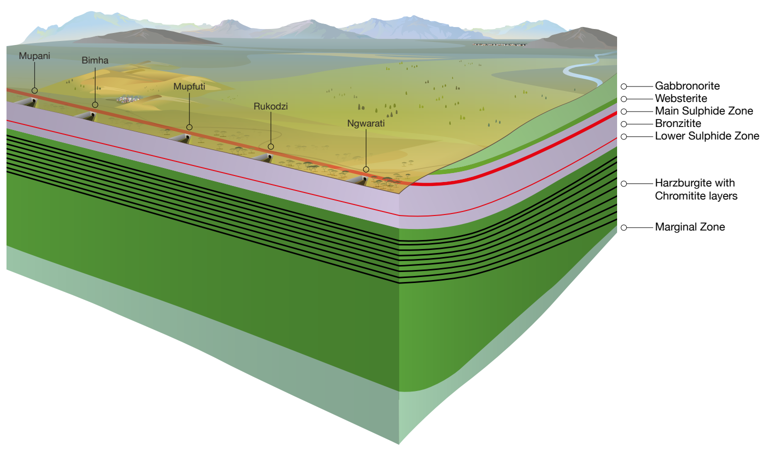
Visual identification of the MSZ is difficult, therefore systematic monitoring of the reef using various sampling methods is needed to guide mining.

A generalised stratigraphic column and mineralisation profiles are shown on the following page.

Exploration

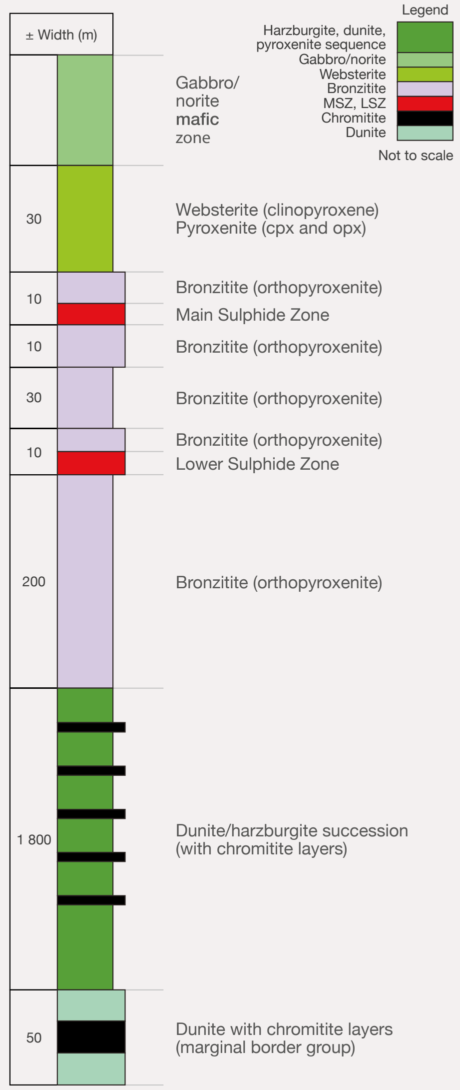
During the past year, surface exploration drilling at Zimplats was targeted at increasing the level of geological and geotechnical knowledge of the Mineral Resource with focus on characterising the nature of the major faults bounding Mupfuti, Bimha and Mupani mines as well as the Upper Ore Resources I (UOR1) which dip between 9° and 14° at Bimha and Mupani mine. The 2019 drilling campaign also targeted the Portal 10 ore body where the focus was on identifying the outline of the mineable footprint and potential access method to the relatively deeper seated ore.
The following surface drilling was completed:

- Ngwarati Mine – 4 boreholes
- Mupfuti Mine – 17 boreholes
- Bimha Mine – 9 boreholes
- Mupani Mine – 10 boreholes
- Portal 10 – 51 boreholes



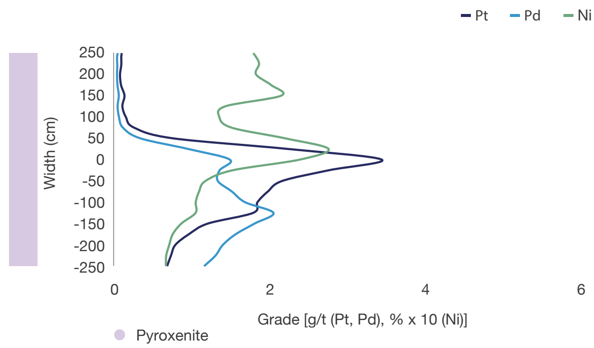
- Dunite/Harzburgite Succession
- Dunite
- Bronzitite
- Main Sulphide Zone
- Chromitite Layers

Mineral Resources and Ore Reserves Summary
(continued)

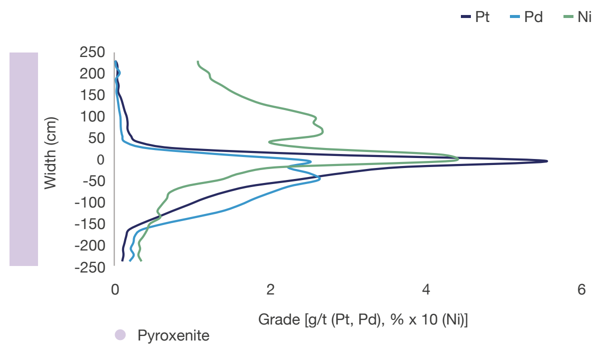


GENERALISED GEOLOGICAL SUCCESSION OF THE GREAT DYKE AT ZIMPLATS

Ngezi – MSZ



Hartley – MSZ



Underground core-recovering drilling was done for reef profiling and geotechnical assessment as follows:

- Ngwarati Mine – 8 boreholes
- Rukodzi Mine – 9 boreholes
- Mupfuti Mine – 21 boreholes
- Bimha Mine – 28 boreholes
- Mupani Mine – 10 boreholes

All holes were logged and sampled. A major displacement of 105m due to the Muzvezve fault in ML37 was confirmed through drilling. The anticipated complexities of developing Portal 8 which was planned to sit across Muzvezve river necessitated the review of the northern boundary of Mupani mine so as to align the mine boundary along this fault. This contributed to the overall increase in ore reserves by approximately 11%.

Mineral Resources and Ore Reserves Summary
(continued)

Mineral Resource estimation and reconciliation

The updated Mineral Resource estimates as at 30 June 2019 are tabulated below. 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 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 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 below.

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 classification of Mineral Resources at Zimplats is informed by a matrix that considers 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 1000m supports Indicated Mineral Resources
- Borehole spacing greater than 1000m 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 (inclusive reporting) as at 30 June 2019

Zimplats Mineral Resources (Inclusive Reporting)

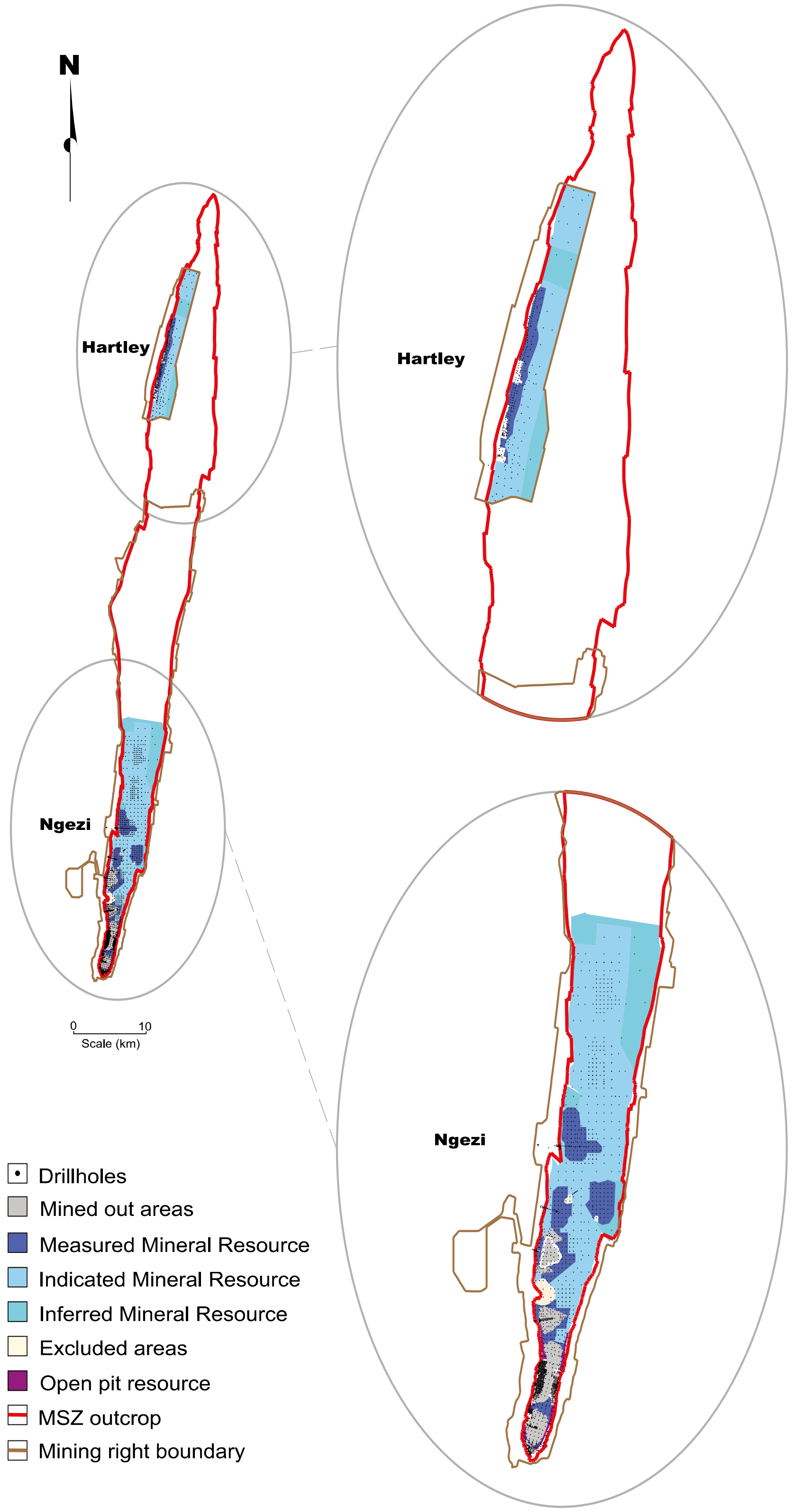
Orebody		Ngezi Portals				Hartley				Oxides - all areas			
Category		Measured	Indicated	Inferred	Total	Measured	Indicated	Inferred	Total	Indicated	Inferred	Total	Total
As at 30 June 2019													
Tonnes	Mt	145.7	460.9	127.4	733.9	32.2	138.2	43.7	214.1	16.0	39.3	55.4	1003.4
Width	cm	250	230	201	-	180	180	180	-	250	216	-	-
4E Grade	g/t	3.35	3.40	3.30	3.37	4.05	3.78	3.44	3.75	3.42	3.55	3.51	3.46
6E grade	g/t	3.53	3.58	4.85	3.79	4.28	3.99	3.62	3.96	3.61	3.75	3.71	3.82
Ni	%	0.11	0.12	0.12	0.12	0.13	0.12	0.11	0.12	0.10	0.12	0.11	0.12
Cu	%	0.08	0.08	0.09	0.08	0.11	0.10	0.09	0.10	0.07	0.10	0.09	0.09
4E Oz	Moz	15.7	50.4	13.5	79.5	4.2	16.8	4.8	25.8	1.8	4.5	6.3	111.6
6E Oz	Moz	16.5	53.0	19.9	89.4	4.4	17.7	5.1	27.2	1.9	4.7	6.6	123.3
Pt Oz	Moz	7.7	25.2	6.9	39.9	2.0	8.8	2.6	13.5	0.9	2.2	3.1	56.5
Pd Oz	Moz	6.2	19.3	4.9	30.4	1.7	6.0	1.6	9.2	0.7	1.7	2.4	42.0
As at 30 June 2018													
Tonnes	Mt	152.8	454.3	121.7	728.7	28.3	143.1	46.3	217.7	16.0	39.3	55.4	1001.7
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	119.8
Pt Oz	Moz	8.2	25.1	6.6	39.9	2.0	9.3	3.0	14.2	0.9	2.2	3.1	57.3
Pd Oz	Moz	6.4	19.0	4.7	30.0	1.6	6.8	2.1	10.6	0.7	1.7	2.4	43.0

Zimplats Mineral Resources (Exclusive Reporting)

Orebody		Ngezi Portals				Hartley				Oxides - all areas			
Category		Measured	Indicated	Inferred	Total	Measured	Indicated	Inferred	Total	Indicated	Inferred	Total	Total
As at 30 June 2019													
Tonnes	Mt	12.3	191.5	127.4	331.1	32.2	138.2	43.7	214.1	16.0	39.3	55.4	600.6
Width	cm	254	202	201	-	180	180	180	-	250	216	-	-
4E Grade	g/t	3.45	3.43	3.30	3.38	4.05	3.78	3.44	3.75	3.42	3.55	3.51	3.52
6E grade	g/t	3.63	3.61	4.85	4.09	4.28	3.99	3.62	3.96	3.61	3.75	3.71	4.01
Ni	%	0.10	0.13	0.12	0.12	0.13	0.12	0.11	0.12	0.10	0.12	0.11	0.12
Cu	%	0.07	0.09	0.09	0.09	0.11	0.10	0.09	0.10	0.07	0.10	0.09	0.09
4E Oz	Moz	1.4	21.1	13.5	36.0	4.2	16.8	4.8	25.8	1.8	4.5	6.3	68.0
6E Oz	Moz	1.4	22.2	19.9	43.5	4.4	17.7	5.1	27.2	1.9	4.7	6.6	77.3
Pt Oz	Moz	0.7	10.6	6.9	18.2	2.0	8.8	2.6	13.5	0.9	2.2	3.1	34.9
Pd Oz	Moz	0.5	7.9	4.9	13.4	1.7	6.0	1.6	9.2	0.7	1.7	2.4	25.0
as at 30 June 2018													
Tonnes	Mt	12.4	238.6	121.7	372.7	28.3	143.1	46.3	217.7	16.0	59.3	75.4	665.7
Width	cm	254	227	200	-	158	189	191	-	250	225	-	-
4E Grade	g/t	3.42	3.44	3.28	3.41	4.53	3.97	3.89	4.03	3.42	3.42	3.42	3.60
6E grade	g/t	3.60	3.62	3.45	3.59	4.78	4.19	4.10	4.25	3.61	3.64	3.64	3.80
Ni	%	0.09	0.13	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	0.10
4E Oz	Moz	1.4	26.4	12.8	40.6	4.1	18.3	5.8	28.2	1.8	6.5	8.3	77.1
6E Oz	Moz	1.4	27.8	13.5	42.7	4.3	19.3	6.1	29.7	1.9	7.0	8.8	81.3
Pt Oz	Moz	0.7	13.4	6.6	20.6	2.0	9.3	3.0	14.2	0.9	3.2	4.1	39.0
Pd Oz	Moz	0.5	9.8	4.7	15.0	1.6	6.8	2.1	10.6	0.7	1.7	2.4	28.0

Mineral Resources and Ore Reserves Summary
(continued)

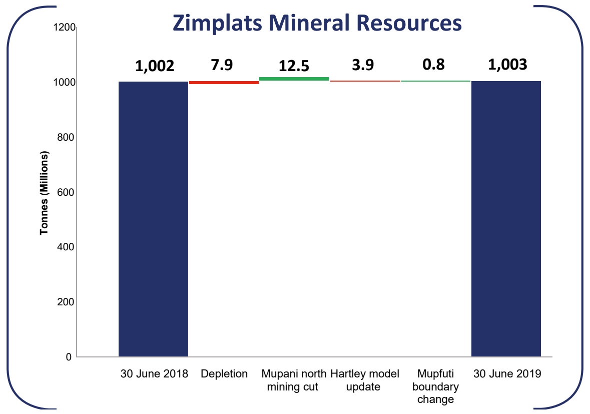
Zimplats MSZ Mineral Resources



Mineral Resources and Ore Reserves Summary (continued)

Despite the depletion-related changes at ML37 and reduction of the Hartley Mineral Resources following the 30 June 2019 update of the Hartley estimates, there is a 0.1% net increase in the overall year-on-year reconciliation of the Mineral Resource tonnages owing to the extension of the Mupani Mine footprint (estimated at a width of 2.5m) to include the former Portal 8 South portion which had previously been estimated at a width of 2.0m. The overall Pt ounces decreased by 1.3% relative to June 2018 owing to the resultant lower overall Pt grade.

The total Ore Reserve tonnages and Pt ounces increased by 11% and 12% respectively relative to 30 June 2018 owing to the extension of the Mupani Mine boundary (to include Portal 8 South) to Muzvezve fault, a major fault with a throw of approximately 105m which now forms the boundary between Mupani Mine and Portal 10. The overall 4E grade increased by 1% as more flats than upper ores were incorporated in the Mupani foot print from the former Portal 8 South area. The flats have relatively higher Ore Reserve grades than Upper ores due to less dilution during mining.



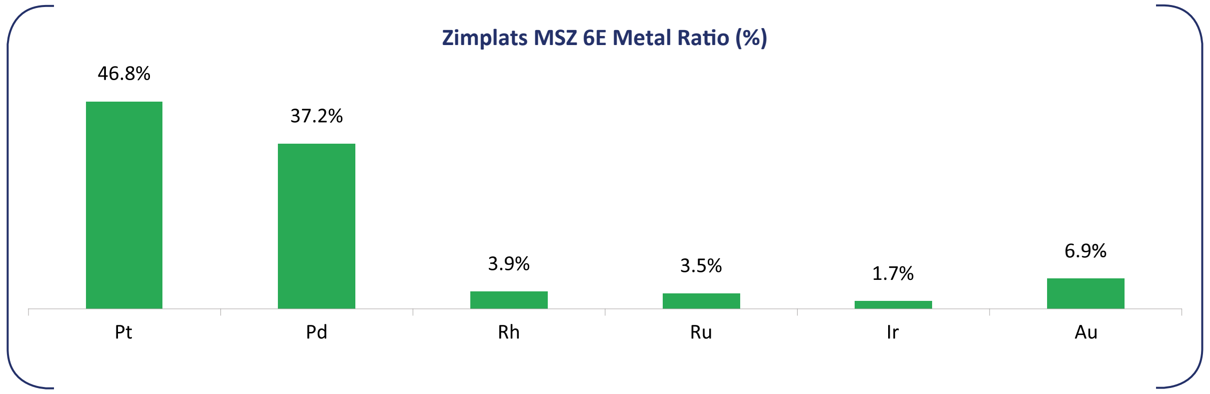
Modifying factors

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 Mineral Resources:

Main Sulphide Zone	Factors
Geological losses	5-20%
Mineral Resource Area	158 million ca's
Pillar factors	17 - 35%
Resource dilution	5 - 10%
Mine call factor	91%
Relative Density	3.18 - 3.25
Resource width	220cm
Stoping width	265cm
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	%	6.9%



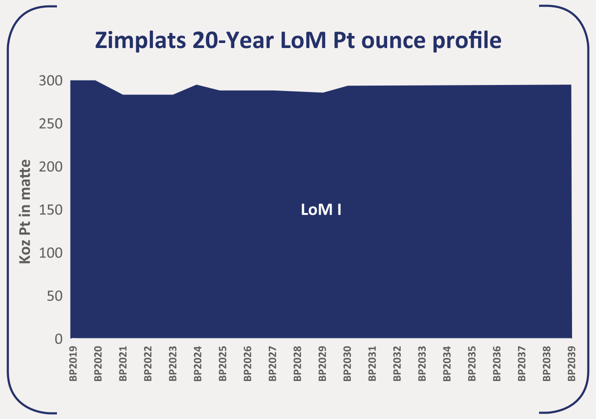
Mineral Resources and Ore Reserves Summary (continued)

Mining methods and mine planning

The current mine infrastructure consists of five portals (decline shafts). The deepest operating depth is currently approximately 310m at Bimha Mine (Portal 4). Boundaries between individual portals were previously based on a maximum strike length of 3km and were later revised to beyond 6km and 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 Mineral Reserves estimation process. At all the mines, 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 and dump (LHDs) and 30t dump trucks which combination is commonly referred to as a fleet. A single fleet is allocated about 20 rooms and its total face length is dependent on the sizes (widths) of the pillars and rooms at the operation. The mining cycle consists of face drilling and blasting, loading and hauling, support installation followed by face preparation and sampling. At Rukodzi and Ngwarati mines, the broken rock is loaded onto dump trucks by an LHD and hauled to a surface crusher while Mupfuti and Bimha mines have underground crushing plants where ore is tipped into the crusher, broken and conveyed to surface. The new mine (Mupani Mine) is also designed with underground crushing facilities. The production target for each fleet varies from 16 000t in the UOR1 and more than 21 500t of ore per month in the flats, depending on the particular mine, prevailing ground conditions and the existing pillar layout. The typical design of the mines comprises 7m panels with different sizes of in-stope pillars, which are determined by the depth below surface and other geotechnical considerations. At Mupfuti, Bimha and Mupani mines, a series of barrier pillars are set out on a 'paddock' around the smaller stope pillars. This pillar layout is designed to contain any 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 mines, the spans of rooms may decrease and pillar dimensions may increase when bad ground is intercepted. A combination of roof bolts and tendons is integral to the support design.

Bimha Mine redevelopment proceeded on schedule and the underground mines will be able to sustain the combined total budget to the concentrators of 6.7Mtpa, for the next 20 years. The new mine, Mupani Mine is now on reef and is on course to replace the mature Rukodzi and Ngwarati mines which will be depleted in FY2021 and FY2025 respectively. As a result, 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.



Ore Reserve estimation and reconciliation

The Zimplats Ore Reserve statement as at 30 June 2019 is shown below. 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
- 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.

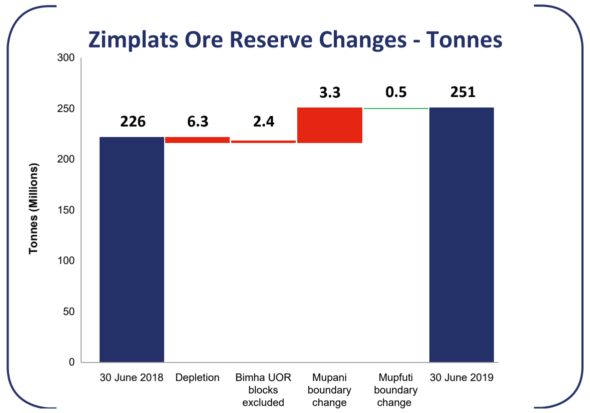
Mineral Resources and Ore Reserves Summary
(continued)

Zimplats Ore Reserves

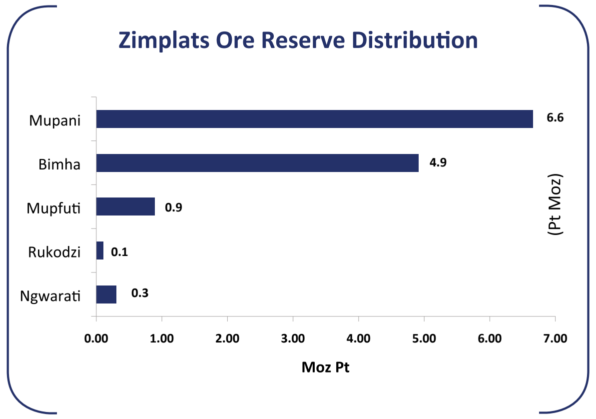
As at 30 June 2019				
Orebody Category		**Proved**	**Probable**	**Total**
Tonnes	Mt	86.6	164.3	250.9
Width	cm	265	265	
4E Grade	g/t	3.22	3.23	3.23
6E grade	g/t	3.40	3.41	3.41
Ni	%	0.10	0.10	0.10
Cu	%	0.08	0.08	0.08
4E Oz	Moz	9.0	17.1	26.0
6E Oz	Moz	9.5	18.0	27.5
Pt Oz	Moz	4.4	8.4	12.8
Pd Oz	Moz	3.6	6.7	10.2
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

Reconciliation of the Ore Reserves shows an increase in tonnage resulting from the adjustment of the northern boundary of Mupani Mine to incorporate all the ground up to the Muzvezve River Fault at a mining height of 2.5m. An overall increase of 12% in Pt ounces from 11.5Moz Pt to 12.8Moz Pt is reported in the Ore Reserves at Zimplats.

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

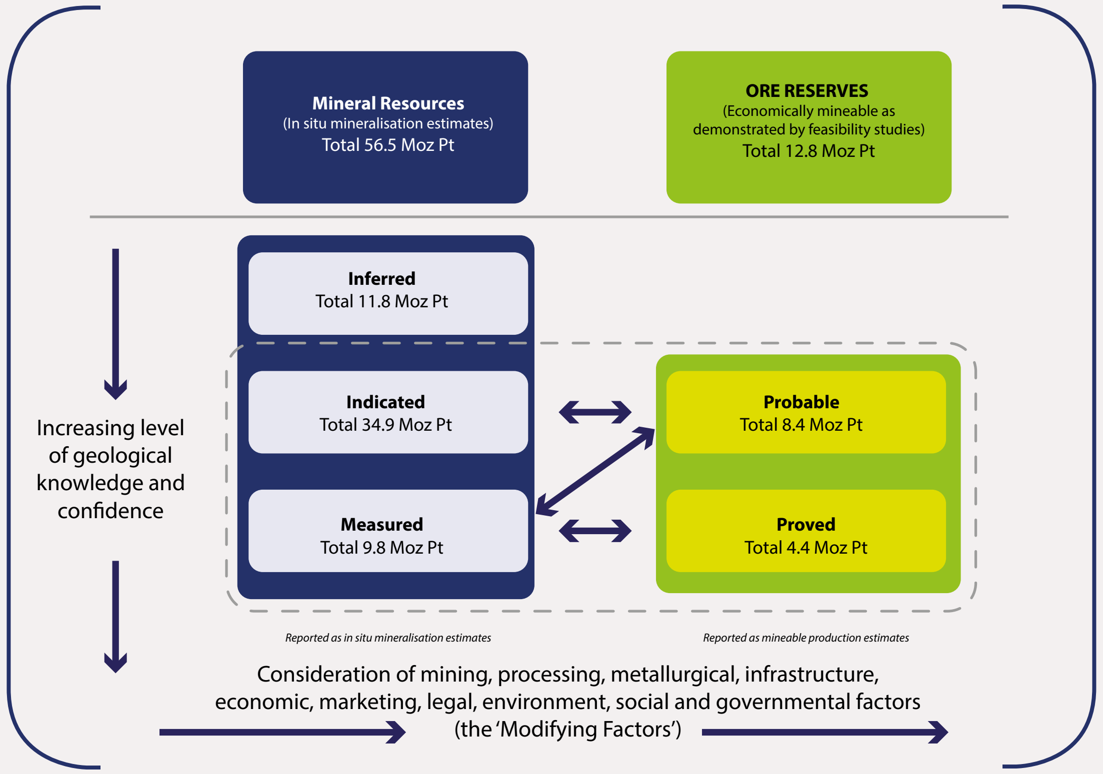


Mine	Pt Moz
Ngwarati	0.31
Rukodzi	0.11
Mupfuti	0.90
Bimha	4.89
Mupani	6.64



Mineral Resources and Ore Reserves Summary
(continued)

The transparent Mineral Resource progression for Zimplats is illustrated in the figure below.



Processing

Ore from the mines is processed by two concentrators (one at SMC and the other at Ngezi). The concentrator at Ngezi has two similar modules, which were commissioned in 2009 and 2013 respectively. Each module has a design capacity of 2Mtpa, which makes up a total of 4Mtpa. The SMC concentrator has a design capacity of 2.2Mtpa. Approximately one-third of the mined ore (2.2Mt) is transported by road trains to the concentrator at SMC, which operates a single semi-autogenous grinding mill (SAG), while the rest is transported by overland conveyor system to the crusher and ball mill concentrator modules at Ngezi. Concentrate from both Ngezi plants and SMC is then smelted in an arc furnace and converted to matte at SMC. The resulting matte is despatched to Impala's refinery in Springs under the terms of a LoM agreement with Impala.

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 take responsibility for the reporting of Mineral Resources and Ore Reserves as of 30 June 2019, are Steven Duma, (Pr. Sci. Nat), AusIMM and Wadzanayi Mutsakanyi, SAIMM who are full-time employees of Zimplats. Steven is responsible for Mineral Resources and has 22 years of experience in mining and exploration of which 10 years have been in the PGM sector in Zimbabwe and South Africa. Wadzanayi is responsible for Ore Reserves and has 24 years of experience in mining of which 10 years have been in the PGM mining industry in Zimbabwe. There is written confirmation from the Lead Competent Persons that the information disclosed in terms of these paragraphs are compliant with the JORC Code and, where applicable, the relevant JORC Table 1 and JSE Section 12 requirements and that it may be published in the form, format and context in which it was intended.

Governance Reporting

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:

12 September 2018	Integrated annual report 2018
12 September 2018	Appendix 4G – key to disclosures - Corporate Governance Council principles and recommendations
12 September 2018	Mineral Resources and Ore Reserves Statement and JORC Code, 2012 Edition - Table 1
20 September 2018	Court decision in customs duties matter
15 October 2018	Annual general meeting results
31 October 2018	Quarterly activities report for the quarter ended 30 September 2018
31 January 2019	Quarterly activities report for the quarter ended 31 December 2018
12 February 2019	Notification of interim dividend for the year ended 30 June 2019
28 February 2019	Appendix 4D – half-year report for the half year ended 31 December 2018
28 February 2019	Interim results for the half-year ended 31 December 2018
26 April 2018	Quarterly activities report for the quarter ended 31 March 2019
31 July 2019	Quarterly activities report for the quarter ended 30 June 2019
19 August 2019	Notification of final dividend for the year ended 30 June 2019
30 August 2019	Appendix 4E – preliminary final report – for the year ended 30 June 2019
30 September 2019	Annual financial statements for the year ended 30 June 2019

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 Company's ultimate holding company, Implats, which is the beneficial owner of 87% of the Company's issued shares, has adopted the King IV Report on Corporate Governance for South Africa (King IV). As a foreign subsidiary of a South African company, Zimplats has considered and, where practicable, has implemented 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 has considered and, where deemed appropriate, adopted 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 written agreements with directors and senior executives 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 16 and 17. 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 the 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 2018	Nov 2018	Feb 2019	May 2019
F S Mufamadi	2/4	Apology	Apology	•	•
A Mhembere	4/4	•	•	•	•
S M Mangoma	4/4	•	•	•	•
M Kerber+	2/4	N/A	•	•	Apology
T N Mgoduso	3/4	•	Apology	•	•
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; had not been appointed a director

+ Appointed with effect from 1 September 2018

The board has in place a process of board performance evaluations. No evaluations were undertaken in FY2019 and evaluations will be undertaken in FY2020.

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.

Corporate Governance Report
(continued)

The audit and risk committee is composed of three members, two of whom are independent non-executive directors and one of whom is the Implats chief finance officer. 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 the chairperson and members 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 page 16.

The chairperson 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 2018	Oct 2018	Feb 2019	Apr 2019
N P S Zhou	Independent	4/4	•	•	•	•
M Kerber+	Implats nominee	2/4	N/A	•	•	Apology
A Muchadehama	Independent	4/4	•	•	•	•

N/A = Not applicable; had not been appointed a director
+ Appointed as a director with effect from 1 September 2018

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

Corporate Governance Report
(continued)

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

Attendee	Capacity	Attended	Aug 2018	Oct 2018	Feb 2019	May 2019
T N Mgoduso	Independent	4/4	•	•	•	•
A Muchadehama	Independent	4/4	•	•	•	•
N P S Zhou	Independent	4/4	•	•	•	•

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, environmental 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	Aug 2018	Nov 2018	Jan 2019	May 2019
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

Corporate Governance Report
(continued)

committee), finance (the finance committee), people (the people committee), engineering and projects (the technical committee).

The relevant 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 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 to all matters relating to expansion projects. The committee meets regularly as required by the progress of the various aspects.

Capital Steering Committee

The principal role of this committee is to consider and assess, for approval or recommendation to the board, all applications for both growth and stay-in-business capital expenditure. The committee operates within an approval framework and is mandated to approve expenditure to certain limits beyond which board approval is required. The 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, where currently two members (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 251 women (2018: 229) 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:

	US$
Chairman	76 952
Directors	38 476

Corporate Governance Report
(continued)

Committee fees are payable based on attendance and for the year to 30 June 2019 these were as follows:

	Audit and Risk US$	Remuneration and SHEC US$
Chairman	21 012	19 213
Member	10 976	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:

	FY2019	FY2018
	US$	US$
Board Fees	262 160	276 9665
Audit and Risk Committee Fees	31 988	34 732
SHEC Committee Fees	29 688	34 056
Remuneration Committee Fees	40 164	34 491
Total	**364 000**	**380 244**

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.

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 DH band managers.

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

The board has considered carefully the requirements of 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 (2018: 27):

	FY2019	FY2018
	US$ 000	US$ 000
Executive directors and senior managers	12 641	12 063

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.

Corporate Governance Report
(continued)

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 Rights

The cash-settled share appreciation rights (SAR) plan 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 comprises both a conditional share plan (CSP) and a SAR plan. 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.

RISK MANAGEMENT

The Company has adopted a policy on risk management which ensures an integrated approach to the management of risk in order that it becomes embedded in all business activities, and is more fully explained at page 48 of the report.

A risk-based approach is applied as an integral part of strategic and operational planning, including that of projects. Operationally, line managers take full responsibility for the processes and all risks under their control. The risk management processes and systems are in line with internationally recognised best practice, and are able to assess all internal and external forms of business risk. During the year the board reviewed and approved the risk tolerance and appetite levels related to strategic issues.

The board is ultimately responsible for risk management and regularly reviews the strategic risks and assesses the effectiveness of 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

Corporate Governance Report
(continued)

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 82.

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 24 allegations were reported and 14 were confirmed as relating to unethical practices. All cases have been investigated and none were outstanding.

An analysis of reports follows:

	FY2019	FY2018
Number of reports received	24	30
Number of employee dismissals	7	4
Number of rewards paid out	14	10
Total value of rewards paid out	**US$12 400**	**US$4 000**

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

Corporate Governance Report
(continued)

DEALINGS IN SECURITIES

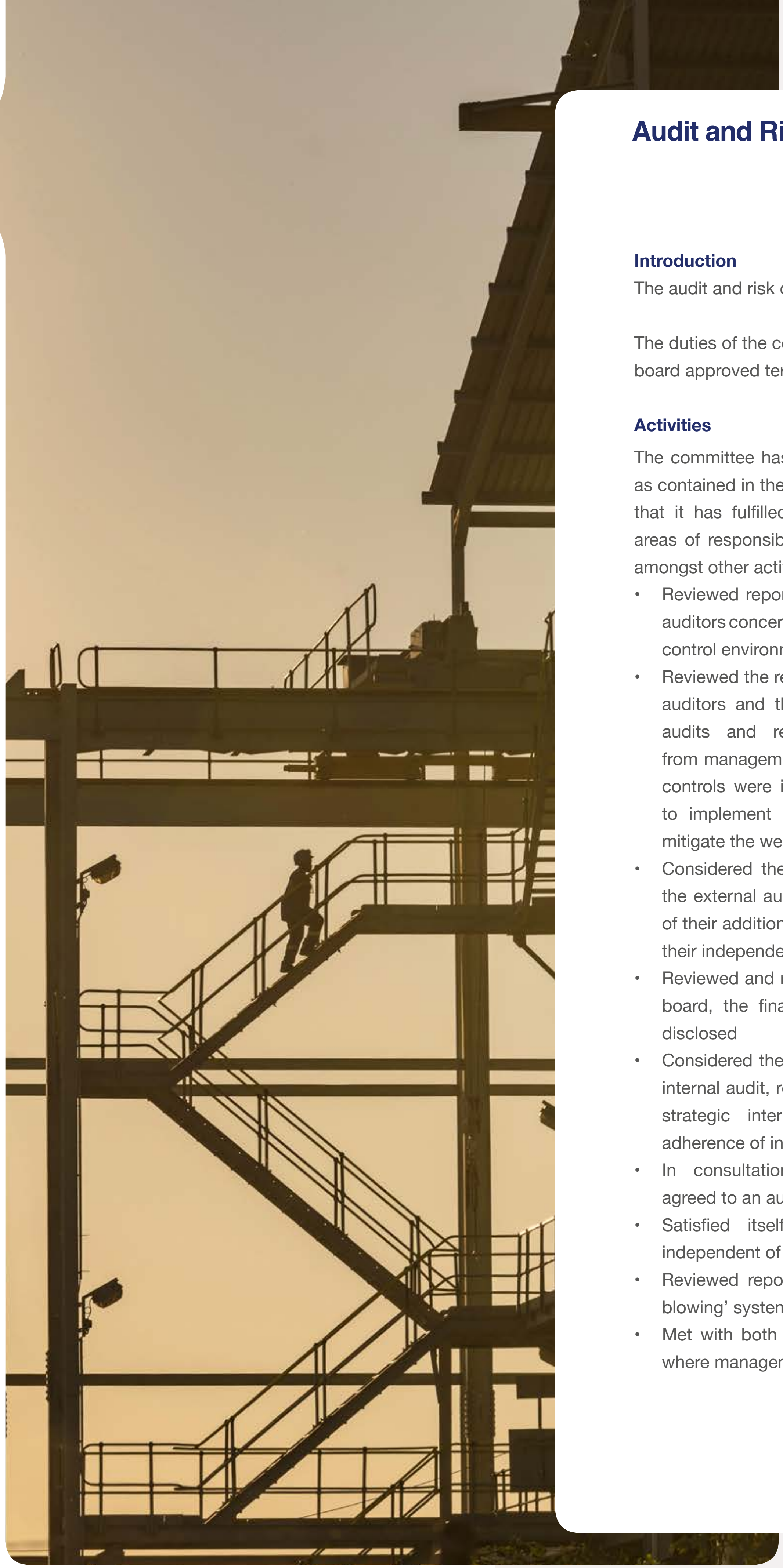
The Company observes a closed period, from the end of the relevant accounting period to the announcement of the interim or year-end results of the ultimate holding company, as the case may be, during which neither directors nor officers may deal, either directly or indirectly, in the shares of the Company or its listed ultimate holding company. 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 2019.

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.

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
- 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 2019 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 a documented assessment prepared by management on the going concern status of the Company, including the key assumptions, and made recommendations to the board accordingly
- 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, ISO9001:2015 and ISO45001:2018 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)

Annual financial statements

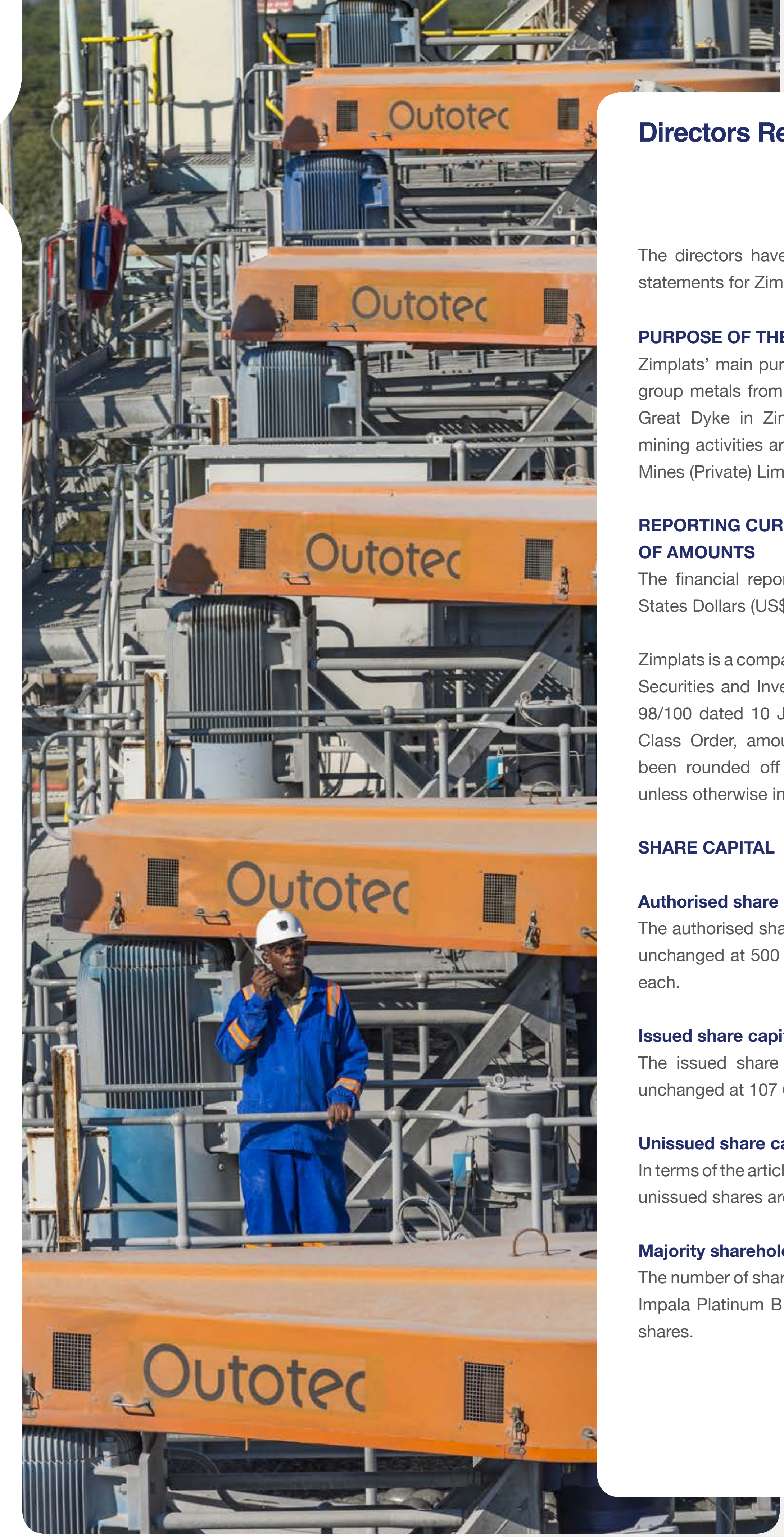
The audit and risk committee has evaluated the annual financial statements for the year ended 30 June 2019 and considered that they comply, in all material aspects, with the requirements of International Financial Reporting Standards.

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 has 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.

N P S Zhou
Chairman of the Audit and Risk Committee
27 September 2019



Directors Report

The directors have pleasure in presenting their report, together with the consolidated and separate financial statements for Zimplats Holdings Limited for the year ended 30 June 2019.

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 Australian Securities and Investments Commission 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 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.

EMPOWERMENT

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

As reported previously, the Government in 2018 made some significant changes to the Indigenisation and Economic Empowerment Act (Chapter 14:33), through the Finance Act, 2018. Chief among these changes was the lifting of the 51% indigenous equity requirement for all entities save for platinum and diamond mining companies.

Following the amendments made by the Finance Act, 2018, the Government made a number of public pronouncements that reflected new thinking, indicating Government's intention to repeal the 51% indigenous equity requirement for the diamond and platinum mining sectors. On 1 August 2019, the Minister of Finance and Economic Development presented the 2019 Mid-Year Budget Review and Supplementary Budget to the Parliament of Zimbabwe. The Minister announced that platinum and diamond miners would now be removed from the reserve list and essentially that the 51%-49% shareholding structure would therefore no longer be required for platinum miners. The Minister stated that the Indigenisation and Economic Empowerment Act (Chapter 14:33) would be repealed and replaced with an Economic Empowerment Act, which the Minister stated would be consistent with the "Zimbabwe is Open for Business" thrust. However, the law is yet to be amended in line with these pronouncements. Zimplats will continue to engage the Government for clarity on this matter.

Directors Report
(continued)

FINANCIAL AFFAIRS
The financial results for the year are set out on pages 126 to 180. The Company's financial results were positive despite the challenging economic environment in which the Company is operating.

An interim dividend in respect of FY2019 amounting to US$20 million (equating to US$0.19 per share) was declared and paid to shareholders on record as at 20 February 2019.

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 financial 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 final dividend of US$45 million (equating to US$0.42 per share). The ex-dividend and record dates for the dividend were 11 and 12 September 2019 respectively.

These financial statements do not reflect this dividend payable in accordance with the requirements of International Accounting Standard ("IAS") 10, Events After 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 except for the possible effects of the matters described in note 4(f) of the annual financial statements

- 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 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

Directors Report
(continued)

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 are Mr S M Mangoma, Mr A Muchadehama and Mr N P S Zhou. Messrs Mangoma and Muchadehama, being eligible, offer themselves for re-election. Mr Zhou is not offering himself for re-election as his term as a director expires at the annual general meeting. The directors have recommended the election, at the annual general meeting, of Mrs C Mtasa as a director of the Company.

DIRECTORS' INTERESTS
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.

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

AUDITORS
Impala Platinum Holdings Limited (Implats) decided to early adopt the Independent Regulatory Board for Auditors ("IRBA")'s Mandatory Audit Firm Rotation

Directors Report
(continued)

requirements. As a result, Deloitte was appointed as Implats' new external auditor after following a comprehensive formal tender process. The appointment of Deloitte as the new external auditor will take effect from the financial year ending 30 June 2020 once approved by the shareholders at the Implats Annual General Meeting scheduled for 22 October 2019. As Zimplats is a material subsidiary of Implats, the board noted that it would be necessary for the Zimplats Group to also change its external auditors from PricewaterhouseCoopers Chartered Accountants (Zimbabwe) to Deloitte & Touche (Zimbabwe), which is part of the Deloitte global network. The board accordingly recommends that the shareholders, at the forthcoming annual general meeting scheduled for 28 October 2019, appoint Deloitte & Touche (Zimbabwe) as the Company's external auditors, replacing PricewaterhouseCoopers Chartered Accountants (Zimbabwe). The appointment will be with effect from the 2020 financial year. The board extends its gratitude to PricewaterhouseCoopers Chartered Accountants (Zimbabwe) for their service over the years.

In line with best practice, PricewaterhouseCoopers Chartered Accountants (Zimbabwe) have been 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 Monday 28 October 2019 at 11:30am. Full details are given in the notice of the meeting on page 186 to 188.

BY ORDER OF THE BOARD

The Directors' Statement of Responsibility
For the year ended 30 June 2019

The Company's directors are responsible for the preparation, integrity and objectivity of the financial statements, comprising the statements of financial position as at 30 June 2019, statements of comprehensive income, the statements of changes in equity and the statements 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 annual financial statements have been prepared on a going concern basis as the directors believe that the Company and the Group will continue to be in operation in the foreseeable future.

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 118 to 125.

These financial statements have been prepared under the supervision of the chief finance officer, Stewart Magaso 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.

The directors' report and the financial statements were approved by the board of directors on 14 August 2019.

A Mhembere
Chief Executive Officer

S M Mangoma
Chief Finance Officer

27 September 2019

Financial Review

Independent Auditor's Report

To the shareholders of Zimplats Holdings Limited

Our qualified opinion

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion section of our report, 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 2019, 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 126 to 180 comprise:

- the consolidated and separate statements of financial position as at 30 June 2019;
- 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 qualified opinion

As described in note 4(f), management manually separated transactions between Real Time Gross Settlement ("RTGS") and United States Dollar ("US$") in order to convert RTGS transactions to US$ using the Old Mutual Implied Rate ("OMIR"). In the absence of a detailed ledger account reflecting the transactions split by currency, management applied judgement by assuming that the foreign currency payments to suppliers equalled the foreign currency portion of the expenditure recorded in the income statement. Furthermore, the OMIR fluctuated significantly during the period from October 2018 to June 2019. The manual separation of transactions has some inherent limitations in terms of precision of the amounts recognised, which could result in a material misstatement in expenditure and the corresponding exchange gain or loss recognised in the consolidated statement of comprehensive income.

In addition, included in inventory on hand as disclosed in note 8 to the financial statements and property, plant and equipment additions as disclosed in note 6 to the financial statements, are RTGS transactions which were incurred between 1 October 2018 and 22 February 2019 and were recorded as if they had been incurred in US$. In accordance with, "the effects of changes in foreign exchange rates" ("IAS 21"), these transactions should have been converted to US$. It was not practicable for management to split the transactions between RTGS and US$ as the amounts were capitalised at parity in the accounting records. Exchange gains and losses resulting from the conversion of foreign currencies should be expensed as and when they are incurred. During the period 1 October 2018 and 22 February 2019, exchange losses were recognised in inventory which may result in a material misstatement in the inventory balance. Similarly, additions to property, plant and equipment incurred in RTGS between 1 October 2018 and 22 February 2019 should have been converted to US$. As a result of this, property, plant and equipment additions recognised during this period and the corresponding depreciation charge may be materially misstated.

It was not practicable to determine the financial effects of the matters described in note 4(f). Consequently, we were unable to determine whether any adjustments to the expenditure, property, plant and equipment, inventory and related profit or loss movements and foreign exchange losses were necessary in addition to management's disclosure in note 20 and 21 relating to cost of sales and administrative expenses.

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

PricewaterhouseCoopers, Building No. 4, Arundel Office Park, Norfolk Road, Mount Pleasant
P O Box 453, Harare, Zimbabwe
T: +263 (242) 338362-8, F: +263 (242) 338395, www.pwc.com

T I Rwodzi – Senior Partner
The Partnership's principal place of business is at Arundel Office Park, Norfolk Road, Mount Pleasant, Harare, Zimbabwe where a list of the Partners' names is available for inspection.

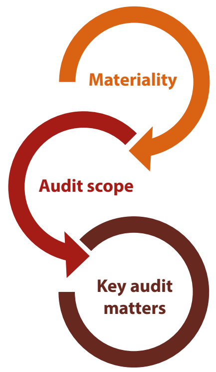
Independent Auditor's Report (continued)

Independence

We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Zimbabwe.

Our audit approach

Overview



Overall group materiality

- US$5,580,750, which represents 5% of five-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 also performed by the group engagement team for all other non-significant components within the Group.

Key audit matters

- Impairment assessment of property, plant and equipment.
- Determination of functional currency for Zimbabwe Platinum Mines (Private) Limited.

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.

Independent Auditor's Report (continued)

Overall group materiality	US$5,580,750
How we determined it	5% of average consolidated profit before income tax for the five financial years 2019, 2018, 2017, 2016 and 2015.
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 the performance of the Group is most commonly measured by users and is a generally accepted benchmark. In 2019, the Group realised a profit before income tax which is significantly higher than the amounts reported in prior years. The change in profit before income 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 five-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 group engagement team and did not require the involvement of component auditors.

- We conducted a full scope audit on Zimbabwe Platinum Mines (Private) Limited, the Group's operating subsidiary and the parent company Zimplats Holdings Limited, based on its financial significance; and
- We also audited all the other subsidiaries, mainly property holding or intermediate entities, which were scoped in due to statutory audit requirements.

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. In addition to the matters described in the Basis for qualified opinion section, we determined the matters described below to be key audit matters to be communicated in our report.

Independent Auditor's Report (continued)

Consolidated and separate financial statements

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 determined the recoverable amount of the cash-generating unit ("CGU"). 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. No impairment loss was recognised as the estimated recoverable value is greater than the carrying value of property, plant and equipment. The impairment assessment of property, plant and equipment was considered to be a matter of most significance to our current year audit due to the judgements and assumptions applied by management in determining the recoverable amount of the CGU. Refer to notes 2.6 - 'Impairment of non-financial assets' and 4 (a) - 'Carrying value of property, plant and equipment - Impairment review' in the financial statements for the related disclosures.	In assessing the future cash flows, our audit procedures included: • Comparing the future cash flow forecast to current and prior years 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. We found management's results to be within a reasonable range of our independent recalculation. In considering the reasonableness of management's in-situ resources value, we used our valuation expertise to independently recalculate the resource multiple by benchmarking the valuation against comparable transactions. We found management's resource multiple to be within a reasonable range of our independent recalculation. We assessed the reasonableness of the key assumptions used by management in their impairment assessment by performing the following procedures: • For long-term real revenue per platinum ounce,we utilised our valuation expertise to benchmark the price against independent analysts' forecasts. We found management's long-term real revenue per platinum ounce to be reasonable. • We also used our valuation expertise to independently calculate an acceptable range of long-term real discount rates, taking into account independently obtained data. We found the long-term real discount rate used by management to be within a reasonable range. • We evaluated the competence, capabilities and objectivity of management's expert and noted no aspects requiring further consideration. • We compared production volumes per management's life-of-mine plan assumption to the reserves and resource statement signed by management's expert and to actual production volumes of the current year. No material differences were noted. As part of this assessment, we evaluated other assumptions and methods that are significant to the management expert's 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. We found these 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.

Independent Auditor’s Report (continued)

Key audit matters	How our audit addressed the key audit matters
Determination of functional currency for Zimbabwe Platinum Mines (Private) Limited Zimbabwe Platinum Mines (Private) Limited, the Group’s operating subsidiary (the “operating subsidiary”), applied significant judgement in determining the United States Dollar (“US$”) to be its functional currency, as disclosed in note 2.3 to the financial statements. Prior to October 2018 the Zimbabwean economy operated in a multi-currency system, with the United States Dollar (“US$”) as its base currency. Due to a shortage of foreign currency in the market, there was an increase in the use of electronic settlement platforms, namely, the Real Time Gross Settlement (“RTGS”) platform. The operating subsidiary traded through three distinct phases of monetary policy changes during the financial year ended 30 June 2019 which resulted in the functional currency of the operating subsidiary requiring to be reassessed in line with the requirements of IAS 21 to consider whether the US$ remained appropriate as the functional currency. The first distinct phase was the separation of bank accounts. As of 1 October 2018, all banking institutions were directed by the Reserve Bank of Zimbabwe to separate foreign currency accounts (“FCAs”) into two categories, namely Nostro FCAs and RTGS FCAs. Despite this separation, the US$, RTGS balances, bond notes and other digital platforms officially traded at parity. The operating subsidiary traded for the first three months of the year using the US$, bond notes and RTGS, which were all transacted in the same bank account and accounted for at parity. The separation of FCA’s referred to above, was a strong indicator of a change in functional currency. However, RTGS was not an official currency prior to 20 February 2019. Subsequently, on 22 February 2019, the Government of Zimbabwe, through another policy measure, issued Statutory Instrument 33 of 2019 (“S.I. 33 of 2019”) which introduced the electronic RTGS Dollar as an official currency and established an interbank foreign exchange market to formalise trading of the RTGS Dollar with other currencies. The balances previously separated to RTGS FCA accounts in October 2018, became RTGS Dollar together with bond notes, bond coins and mobile money. In the third phase, Statutory Instrument 142 of 2019, with an effective date of 24 June 2019, promulgated the discontinuance of the multi-currency regime and the simultaneous adoption of the Zimbabwe Dollar.	We evaluated the reasonableness of management’s considerations in determining the operating subsidiary’s functional currency and found this to be reasonable. We performed the following procedures to assess whether the US$ is the appropriate functional currency of the operating subsidiary: • We noted that the Group’s revenue is generated from sales of Platinum Group Metals. We traced, on a sample basis, payments received in US$ to the relevant bank statements, noting no material exceptions. • We considered factors impacting the operating subsidiary’s access to foreign currency by inspecting relevant exchange control regulations and underlying agreements and obtained an understanding of the underlying terms and conditions. We found management’s conclusions to be reasonable. • We inspected the expenditure disclosed for the operating subsidiary and noted that the operating subsidiary transacted using a combination of United States Dollars, bond notes and RTGS. • We inspected underlying agreements and noted that all long-term debt and borrowings were denominated in US$. We assessed the reasonableness of management’s judgement in determining RTGS transactions and balances as requiring translation under IAS 21, effective 1 October 2018 taking into account the purchasing power disparity noted on transactions effected using the different platforms. We found this to be reasonable. We inspected Statutory Instrument 33 of 2019, Statutory Instrument 142 of 2019, Statutory Instrument 41 of 2019 and exchange control regulations directing the separation of bank accounts to gain an understanding of the regulatory pronouncements. We evaluated the application of regulations in Zimbabwe to Zimplats Holdings Limited which is incorporated in Guernsey, by inspecting the memorandum and articles of incorporation of the entity. This was to assess whether Zimplats Holdings Limited would need to comply with the regulations as that of the operating subsidiary. In doing so, we inspected Statutory Instrument 41 which gives precedence to local laws and regulations over the financial reporting frameworks and concurred with management’s conclusion that Statutory Instrument 41 of 2019 is not applicable to Zimplats Holdings Limited. We inspected Statutory Instrument 33 of 2019 which directed a rate for accounting and other purposes up to 22 February 2019 for local reporting purposes. This was to evaluate the appropriateness of key judgements related to the recognition of RTGS as a currency effective 1 October 2018.

Independent Auditor’s Report (continued)

Key audit matters	How our audit addressed the key audit matters
Paragraph 12 of IAS 21, states that, “when the indicators are mixed, and the functional currency is not obvious, management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions”. Management determined the functional currency of the operating subsidiary to be the US$ by applying the following considerations: • the primary economic environment in which the Group operates; • factors such as currency influences on sales price; • the currency in which competitive forces and regulations primarily determine sales prices; • the currency which influences costs; • the currency funding financing activities; and • the currency in which receipts from operating activities are retained and other factors impacting the operating subsidiary’s access to foreign currency. Management determined that RTGS transactions and balances met the requirements for translation under IAS 21 effective 1 October 2018. For the period from 1 October 2018 through to 22 February 2019, the operating subsidiary transacted using a combination of the Nostro FCAs, RTGS FCAs and bond notes. In terms of IAS 21, these payment methods would have been considered to be separate currencies to be translated for financial reporting purposes to the functional currency of the operating subsidiary at an appropriate exchange rate. The determination of the functional currency was considered to be a matter of most significance to our current year audit due to the following: • significant judgement applied by management in determining the functional currency effective 1 October 2018 despite Zimbabwean regulations which required that all transactions be accounted for at parity before the promulgation of the RTGS Dollar as a currency as of February 2019; • the complexity of the functional currency implications arising from the various regulatory pronouncements including the guidance issued by the Public Accountants and Auditors’ Board for statutory financial statements in Zimbabwe; and • the different legal frameworks applicable for the operating subsidiary and consolidated entity to which the local regulations do not apply. Refer to note 2.3 - ‘Foreign currency translation’ and note 4 (f) - ‘Critical accounting estimates and judgements – functional currency’, for further details of the impact of the currency changes on the Group’s financial statements.	

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 2019 Annual Financial Statements." The other information does not include the consolidated or the separate financial statements 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 consolidated and separate 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

30 September 2019

Harare
Zimbabwe

Statements of Financial Position
As at 30 June 2019

	Notes	Group 2019 US$ 000	Group 2018 US$ 000	Company 2019 US$ 000	Company 2018 US$ 000
ASSETS					
Non-current assets					
Property, plant and equipment	6	1 141 380	1 086 705	5 216	5 357
Investment in subsidiaries	7	-	-	113 369	113 137
Trade and other receivables	10	1 359	1 915	-	-
		1 142 739	**1 088 620**	**118 585**	**118 494**
Current assets					
Inventories	8	55 560	62 785	-	-
Prepayments	9	31 770	49 901	132	139
Trade and other receivables	10	208 358	180 091	25 503	14
Cash and cash equivalents	11	67 018	118 981	8 349	69 688
		362 706	**411 758**	**33 984**	**69 841**
Total assets		**1 505 445**	**1 500 378**	**152 569**	**188 335**
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		955 231	895 370	52 260	88 339
		1 055 160	**995 299**	**152 189**	**188 268**
LIABILITIES					
Non-current liabilities					
Borrowings	13	-	42 500	-	-
Share-based compensation	14	5 148	361	-	-
Deferred income taxes	15	288 866	243 372	-	-
Environmental rehabilitation provision	16	20 244	22 387	-	-
		314 258	**308 620**	**-**	**-**
Current liabilities					
Trade and other payables	17	82 971	81 018	380	67
Current income tax liabilities	18	4 216	72 241	-	-
Borrowings	13	42 500	42 500	-	-
Share-based compensation	14	6 340	700	-	-
		136 027	**196 459**	**380**	**67**
Total equity and liabilities		**1 505 445**	**1 500 378**	**152 569**	**188 335**

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

27 September 2019

Statements of Comprehensive Income
For the year ended 30 June 2019

	Notes	Group 2019 US$ 000	Group 2018 Restated* US$ 000	Company 2019 US$ 000	Company 2018 US$ 000
Revenue	19	630 987	582 544	59 627	12 150
Cost of sales	20	(443 571)	(428 029)	-	-
Gross profit		**187 416**	**154 515**	**59 627**	**12 150**
Administrative expenses	21	(6 876)	(5 714)	(1 821)	(1 428)
Other operating expenses	23	(20 689)	(4 610)	(1)	(2)
Other operating income	24	46 447	24 618	-	-
Finance income	25	1 099	2 353	61	141
Finance costs	26	(2 082)	(5 206)	-	-
Profit before income tax		**205 315**	**165 956**	**57 866**	**10 861**
Income tax expense	27	(60 453)	(163 316)	(8 944)	(1 823)
Profit for the year		**144 862**	**2 640**	**48 922**	**9 038**
Other comprehensive income					
Items that will not be reclassified to profit or loss		-	-	-	-
Items that may be subsequently reclassified to profit or loss		-	-	-	-
- Gain on re-measuring available-for-sale financial assets	24	-	527	-	-
- Reclassification to profit or loss	24	-	(527)	-	-
Other comprehensive income for the year, net of tax		**-**	**-**	**-**	**-**
Total comprehensive income for the year		**144 862**	**2 640**	**48 922**	**9 038**
Attributable to:					
Owners of Zimplats Holdings Limited		144 862	2 640	48 922	9 038
Non-controlling interests		-	-	-	-
		144 862	**2 640**	**48 922**	**9 038**
Earnings per share for profit attributable to the ordinary equity holders of the Company:					
Basic earnings per share (cents)	28	135	2	45	8
Diluted earnings per share (cents)	28	135	2	45	8

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

*Comparatives have been restated as a result of changes in the classification of certain expense items during the current year. Refer to notes 20 and 31.

Statements of Changes In Equity

For the year ended 30 June 2019

	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 2018	**10 763**	**89 166**	**895 370**	**995 299**
Total comprehensive income for the year	-	-	144 862	144 862
Profit for the year	-	-	144 862	144 862
Other comprehensive income for the year	-	-	-	-
Transactions with owners in their capacity as owners:				
Dividends paid (note 29)	-	-	(85 001)	(85 001)
Balance as at 30 June 2019	**10 763**	**89 166**	**955 231**	**1 055 160**
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 2018	**10 763**	**89 166**	**88 339**	**188 268**
Total comprehensive income for the year	-	-	48 922	48 922
Profit for the year	-	-	48 922	48 922
Other comprehensive income for the year	-	-	-	-
Transactions with owners in their capacity as owners:				
Dividends paid (note 29)	-	-	(85 001)	(85 001)
Balance as at 30 June 2019	**10 763**	**89 166**	**52 260**	**152 189**

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 2019

	Notes	Group 2019 US$ 000	Group 2018 US$ 000	Company 2019 US$ 000	Company 2018 US$ 000
Cash flows from operating activities					
Profit before income tax		205 315	165 956	57 866	10 861
Adjustments for:					
Depreciation	6	66 283	65 450	141	137
Provision for obsolete inventories	8	(585)	1 233	-	-
Provision for share based compensation	14	12 209	(200)	-	-
Foreign currency exchange adjustments	23	(1 801)	203	-	2
Loss/(gain) on disposal of property, plant and equipment	23/24	149	(63)	-	-
Other receivables written-off	23	-	14	-	-
Fair value of treasury bill received in lieu of interest	24	-	(9 824)	-	-
Gain on remeasuring of available-for-sale financial assets	24	-	(527)	-	-
Finance income	25	(1 099)	(2 353)	(61)	(141)
Finance costs	26	2 082	5 206	-	-
Changes in operating assets and liabilities:					
Decrease/(increase) in inventories	8	7 810	(9 982)	-	-
Decrease/(increase) in prepayments		18 131	47 789	7	(36)
Increase in trade and other receivables	10	(31 305)	(16 980)	(25 489)	(6)
Increase/(decrease) in trade and other payables	17	11 856	7 612	313	(96)
Cash generated from operations		289 045	253 534	32 777	10 721
Finance costs paid	13	(6 296)	(7 658)	-	-
Share based compensation payments	14	(1 782)	(942)	-	-
Payments made for environmental rehabilitation	16	(4 103)	(3 407)	-	-
Income taxes and withholding taxes paid	18	(35 386)	(46 550)	(8 944)	(1 823)
Net cash generated from operating activities		**241 478**	**194 977**	**23 833**	**8 898**
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(115 021)	(135 281)	-	-
Proceeds from disposal of property, plant and equipment		88	250	-	-
Proceeds from disposal of treasury bills	24	-	10 351	-	-
Movement in loans to subsidiaries		-	-	(232)	(127)
Finance income	25	1 099	2 353	61	141
Net cash (utilised in)/ generated from investing activities		**(113 834)**	**(122 327)**	**(171)**	**14**
Cash flows from financing activities					
Repayments of borrowings	13	(42 500)	-	-	-
Dividends paid	29	(85 001)	-	(85 001)	-
Net cash utilised in financing activities		**(127 501)**	**-**	**(85 001)**	**-**
Net increase/(decrease) in cash and cash equivalents		**143**	**72 650**	**(61 339)**	**8 912**
Cash and cash equivalents at the beginning of the year		118 981	46 333	69 688	60 778
Exchange losses on cash and cash equivalents	23	(52 106)	(2)	-	(2)
Cash and cash equivalents at the end of the year	**11**	**67 018**	**118 981**	**8 349**	**69 688**

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

Notes to the Financial Statements
For the year ended 30 June 2019

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 of the Group for the year ended 30 June 2019 comprise the Company and its subsidiaries (together the 'Group').

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

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 the 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, except for changes from new or revised International Financial Reporting Standards ("IFRS") as described in notes 2.1.1 and 2.24.

Accounting policies that refer to 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 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 on a historical cost basis except for:

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

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 to the financial statements.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

2.1.1 Changes in accounting policies and disclosures

(a) New standards, amendments and interpretations effective for the first time for 30 June 2019 year ends that are relevant to the Group

Standard / Interpretation	Effective date	Executive summary
IFRS 9, 'Financial instruments' (2009 and 2010) • Financial liabilities • Derecognition of financial instruments • Financial assets • General hedge accounting	1 January 2018	This 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 impact of the adoption of IFRS 9 on the Group is described in note 2.24
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 has not changed the timing of revenue recognition for the Group as described in note 2.24.
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. The amendment does not affect the way the Group recognises revenue.
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 principles in IFRS 2 that will require an award to be treated as if it was wholly 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. The amendment does not affect the way the Group accounts for its share-based payment transactions.
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 payments/ receipt is made as well as for situations where multiple payment/receipts are made. The guidance aims to reduce diversity in practice. The interpretation had no material impact on the Group.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

(b) New standards, amendments and interpretations issued but not effective for 30 June 2019 year ends that are relevant to the Group but have not been early adopted		
Standard / Interpretation	**Effective date**	**Executive summary**
Amendment to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material	1 January 2019	These amendments to IAS 1 and IAS 8 and consequential amendments to other IFRSs: • use a consistent definition of materiality through IFRSs and the Conceptual Framework for Financial Reporting; • clarify the explanation of the definition of material; and • incorporate some of the guidance in IAS 1 about immaterial information. The amended definition is: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments are not expected to have a material impact on the Group.
IFRS 16, 'Leases'	1 January 2019	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 the statement of financial position) and an operating lease (on the 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.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

(b) New standards, amendments and interpretations issued but not effective for 30 June 2019 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	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 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. The Interpretation is not expected to have a material impact on the Group's accounting for uncertain tax positions as described in note 4b.
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. The amendment will not have a material impact on the Group as the proposed amendment is aligned to the current treatment.

There are no other new standards, amendments or interpretations that are not yet effective that would be expected to have a material impact on the Group.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

2.2 **Principles of consolidation**

Subsidiaries

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

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

At consolidation level, 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 financial statements are presented in United States Dollars ("US$"), which is the Group's functional and presentation currency.

In February 2009, the Government of Zimbabwe introduced the multi-currency system which had the US$ as its base currency. As a result of foreign currency shortages on the market, there was an increase in the use of electronic settlement platforms namely, Real Time Gross Settlement ("RTGS") platform. A monetary policy measure was introduced in October 2018 directing the separation of foreign currency accounts ("FCAs") into two categories, namely RTGS FCA and Nostro FCA at a parity rate of 1:1.

In February 2019, the Government of Zimbabwe, through another policy measure, issued Statutory Instrument 33 of 2019 which introduced the electronic RTGS Dollar (ZWL) with physical denomination in the bond notes and coins at a base rate of US$1:ZWL2.5 with effect from 22 February 2019. The introduction of the local currency and its addition to the multi-currency basket brought about the interbank market which was to function on a willing buyer, willing seller basis.

The above events triggered the need for management to assess whether there was a change in functional currency for the Group, and this assessment is as disclosed in note 4(f).

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

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 or 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 statement of comprehensive income.

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

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 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 profit or loss.
- 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 profit or loss 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.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

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 profit or loss.

As at 30 June 2019, the life-of-mine was estimated as follows:

Mine	Estimated life-of-mine
Rukodzi Mine	2 years
Ngwarati Mine	6 years
Bimha Mine	34 years
Mupfuti Mine	9 years
Mupani Mine	45 years

There is a reduction in the life-of-mine (LoM) for Bimha and Mupani mines compared to the prior year estimates as there has been a review in Mupfuti Mine replacement philosophy. The 2018 LoM had assumed Portal 8 as a replacement for Mupfuti Mine. The new LoM philosophy assumes both Bimha and Mupani mines as replacement for Mupfuti mine in 2028. Consequently, the LoM profile for Bimha and Mupani mines has been revised from 2 million to 3.1 million tonnes per annum for Bimha Mine and from 2.2 million to 3.6 million tonnes per annum for Mupani Mine respectively. The reduction in the LoM for both mines has no impact on current year depreciation as it does not affect the total ore reserves at the reporting date.

Mining claims and exploration
Mining claims are the right to extract minerals from a public tract. 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.

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

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

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 of 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

2.5 Exploration for and evaluation of mineral resources
The Group expenses all exploration and evaluation expenditure until the board of 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.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

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 assets. The revised carrying amounts are depreciated over the remaining lives of such affected assets.

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

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 profit or loss on a straight-line basis over the period of the lease.

2.8 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contract. Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities other than financial assets and financial liabilities at fair value through profit or loss are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

Financial assets

Classification

From 1 July 2018 (the date of initial application of IFRS 9), the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income 'OCI' or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Recognition and derecognition

Purchases and sales of investments are recognised on the trade date, being the date on which the Group commits to purchase or sell the asset. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the Group transfers the contractual rights to receive the cash flows of the financial asset, or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Details on how the fair value of financial instruments is determined are disclosed in note 2.24.

Impairment

From 1 July 2018 (the date of initial application of IFRS 9), the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Assets carried at amortised cost

Assets that are held for collecting contractual cash flows where those cash flows are comprised solely of payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income on the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented separately in the statement of comprehensive income. These assets are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. These liabilities, which include derivatives that are liabilities, are subsequently measured at fair value.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

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 in 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 normally obtained on employee housing and vehicle purchase loans.

Trade receivables are recognised initially at fair value and subsequently measured at fair value through profit or loss.

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

Individual receivables which are known to be uncollectable are written off by reducing the carrying amount directly. Other receivables are assessed collectively to determine whether there is a significant increase in credit losses. For these receivables the estimated impairment losses are recognised in a separate allowance for impairment account.

The Group considers that there is significant increase in credit risk 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.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

2.12 Cash and cash equivalents

Cash comprises cash held with banks and cash on hand. Cash equivalents comprise short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

2.13 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.

2.14 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.

2.15 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.

2.16 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 thirty days of recognition. Trade and other payables are classified as current liabilities unless payment is not due within twelve months after the reporting date.

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

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

2.17 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 profit or loss 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 profit or loss 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 profit or loss as incurred.

2.18 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 employee benefits are recognised in respect of employees' 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.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

A defined contribution plan is a pension plan under which the Group pays fixed contributions 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 twelve months after the end of the reporting period are discounted to present value.

Employee share ownership plan
The Group has in place 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.

The long-term incentive plans ("LTIP") are analysed as follows:

Long-term Incentive Plan 2018

Performance share award (LTIP - PSP)
The performance shares are Impala Platinum Holdings Limited shares purchased by the Group, awarded free of charge to designated participants, at a vesting period determined at the discretion of the remuneration committee. On the date of award, participants are only granted conditional rights to acquire these shares at a future date, and are not entitled to any shareholder rights prior to vesting date. For the shares to vest, participants must remain employed by a company in the Impala Platinum Holdings Limited Group and subject to the satisfaction of the performance condition measured over the performance period.

Bonus share award (LTIP - BSB)
The bonus share award comprises Impala Platinum Holdings Limited fully paid shares awarded free of charge to participants at the end of a two-year vesting period. 50% of the awarded shares vest one year after the date of the award and the remaining 50% at the end of two years after the award date. At the date of award, participants are only granted conditional rights to acquire these shares at a future date, and are not entitled to any shareholder rights prior to vesting date. For the shares to vest, participants are primarily required to remain employed by a company in the Impala Platinum Holdings Limited group.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

Long-term Incentive Plan 2012

Conditional share plan (LTIP – 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 only become shareholders with dividend and voting rights from vesting onwards. There are two CSPs in effect. For the shares to vest in both instances, participants must remain employed by a company in the Impala Platinum Holdings Limited group but, for certain of these shares, vesting is subject to the achievement of defined performance vesting conditions over the performance period.

Share appreciation rights (LTIP – SAR)
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.

2.19 Income tax
The income tax expense for the year is tax payable on the current year's taxable income, adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses, additional profits tax and withholding taxes.

Current corporate tax
The current corporate 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 the 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 accumulated positive net cash positions are determined in accordance with the Twenty Third Schedule of the Income Tax Act (Chapter 23:06). However, the Group is no longer liable for APT following the migration from being an SML holder to ordinary mining lease holder in the prior year.

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.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

Current and deferred income tax is recognised in profit or loss, 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.

2.20 Revenue recognition

Sale of metals
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). The products are sold to one customer, Impala Platinum Limited ('Impala'), a fellow subsidiary, under the terms of a contract. Performance obligations included in the sales contract are assessed to allocate the transaction price to the performance obligation in order to determine revenue to be recognised.

Revenue from the sale of white matte and concentrate is recognised when the product has been delivered to Impala where it is subjected to further processing in accordance with contractual terms. This is the point at which the performance obligation is satisfied and a receivable is recognised as the consideration is unconditional and only the passage of time is required before payment is due. No element of financing is present due to the short term nature of Group contracts and credit terms are consistent with market practice. Prices of the individual extracted metals are based on observable spot prices. Quantities of the metals contained in the white matte and concentrate are obtained from the assay report results from both the Group and Impala and agreed by the two parties.

The fair value changes due to market variability (that is changes in the commodity prices) are not in the scope of IFRS 15 and can therefore not be presented as revenue from contracts with customers. These movements are accounted for as other revenue and disclosed separately from revenue from contracts with customers in note 19.

At year end, deliveries to Impala (based on the lower of assays between Impala and the Group), for which actual prices are not yet certain, are valued using average prices for the month of June. 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).

2.21 Interest income
Interest income is recognised using the effective interest rate method. When a 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.

2.22 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 financial 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.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

2.23 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.

2.24 Changes in accounting policies

This note explains the impact of the adoption of IFRS 9, 'Financial instruments' and IFRS 15, 'Revenue from contracts with customers' on the Group's financial statements.

Impact on financial statements

IFRS 9 and IFRS 15 were generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the statement of financial position as at 30 June 2018, but are recognised in the opening statement of financial position on 1 July 2018. For comparability the disaggregated disclosure required by IFRS 15 has been applied to the comparative information (note 19).

The following table shows that no adjustments were effected for the affected individual line items. Line items that were not in the scope of IFRS 9 and IFRS 15 and were also not affected by the changes have not been included.

ASSETS	30 June 2018 As originally presented US$ 000	IFRS 15 US$ 000	IFRS 9 US$ 000	1 July 2018 Restated US$ 000
Non-current assets				
Trade and other receivables	1 915	-	-	1 915
Current assets				
Trade and other receivables	180 091	-	-	180 091
Cash and cash equivalents	118 981	-	-	118 981
EQUITY				
Retained earnings	895 370	-	-	895 370

IFRS 9, 'Financial instruments'

IFRS 9 replaces the provisions of IAS 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9, 'Financial instruments' from 1 July 2018 (the date of initial application of IFRS 9) resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 2.8 above. In accordance with the transitional provisions in IFRS 9 (7.2.15) and (7.2.26), comparative figures have not been restated.

The total impact on the Group's retained earnings as at 1 July 2018 is as follows:

	2018 US$ 000
Closing retained earnings as at 30 June 2018 - IAS 39	895 370
Adjustments for credit loss allowances	-
Opening retained earnings as at 1 July 2018 - IFRS 9	895 370

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

Classification and measurement

On 1 July 2018 (the date of initial application of IFRS 9), the Group's management assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassification was as follows:

	IAS 39	IFRS 9	
	Loans and receivables US$	Financial assets at fair value through profit or loss US$	Financial assets at amortised cost US$
Closing balance 30 June 2018 - IAS 39	**288 373**	**-**	**-**
Reclassify cash and cash equivalents from loans and receivables to amortised cost	(118 981)	-	118 981
Reclassify trade and other receivables from loans and receivables to amortised cost	(7 750)	-	7 750
Reclassify trade and other receivables from loans and receivables to fair value through profit or loss	(161 642)	161 642	-
Opening balance 1 July 2018 - IFRS 9	**-**	**161 642**	**126 731**

(a) Reclassification from loans and receivables to amortised cost

Financial assets that would have previously been classified as loans and receivables have been classified as financial assets at amortised cost. Cash and cash equivalents, amounts due from related parties and trade and other receivables that would have been previously classified as loans and receivables are now classified as financial assets at amortised cost. The Group holds other receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method. There was no impact on the amounts recognised in relation to these assets from adoption of IFRS 9.

(b) Reclassification from loans and receivables to fair value through profit or loss

The provisionally priced receivables which were classified as loans and receivables, will be measured at fair value through profit or loss from the date of recognition up until date of settlement, as it fails the IFRS 9 amortised cost requirement of cash flows representing solely payment of principle and interest.

The Group's sales of white matte and concentrates to Impala are provisionally priced. At the point of recognition of revenue, the Group estimates the amount of contained metal (initial assay) in the delivered concentrate and recognises the revenue at the best estimate (spot price is considered to be the best estimate) of the amount expected to be received for the respective commodities. The quantity and quality of the metal is not known until further processing has been performed by Impala. The final quantity and quality of contained metal will be confirmed once the final assay has been completed, this usually happens two months after the delivery month. In terms of the agreement with Impala, the commodity prices used in the calculation of the white matte and concentrate payment are based on the average daily prices for the third / fifth month following the month of delivery. Payment is due on the last day of the fourth month following the month of delivery.

Previously the concentrate receivable was fair valued every month following delivery until the price was fixed at the end of the third month. The fair value adjustment was recognised in profit or loss as an adjustment to revenue.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

(c) Reclassification of financial instruments on adoption of IFRS 9

On the date of initial application, 1 July 2018, the financial instruments of the Group were as follows, with any reclassification noted:

Impact of classification and measurement of the financial assets at 1 July 2018

Financial asset	Measurement category		Carrying amount		
	Original (IAS 39)	New (IFRS 9)	Original US$ 000	New US$ 000	Difference US$ 000
Trade and other receivables	Loans and receivables - amortised cost	Amortised cost	7 750	7 750	-
Trade and other receivables	Loans and receivables - amortised cost	Financial assets at fair value through profit or loss	161 642	161 642	-
Cash and cash equivalents	Loans and receivables - amortised cost	Amortised cost	118 981	118 981	-
			288 373	288 373	-

Impairment of financial assets

The Group has three types of financial assets that are subject to IFRS 9's new expected credit loss model ("ECL"):

- Other receivables which consist mainly of employee housing and motor vehicle purchase loans;
- Export incentives, and;
- Cash and cash equivalents.

The Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Group's retained earnings and equity is disclosed above.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Other receivables

The Group applies the IFRS 9 12-months expected loss approach to measure expected credit losses which uses a general model to estimate the loss allowance for all other receivables. The expected credit loss model was applied to the outstanding receivable balances at 1 July 2018 which resulted in a negligible amount of impairment. All other receivable balances have been recovered in full for the past five years.

Cash and cash equivalents

The Group's cash and cash equivalents are also subject to the impairment requirements of IFRS 9. The Group's cash is held at financial institutions with acceptable capital bases, which are considered to have a low credit risk and the expected credit losses were immaterial.

The outcome of the 12-month expected credit loss model assessments on the above financial assets was immaterial at 1 July 2018, therefore no adjustment was made to opening retained earnings. At 30 June 2019, the expected credit losses were reassessed and no provisions were required.

Financial liabilities

The measurement and classification of financial liabilities will remain unchanged. All non-derivative financial liabilities will continue to be measured at amortised cost.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

Revenue recognition

IFRS 15 'Revenue from contracts with customers'

This standard replaces IAS 18, 'Revenue'. In accordance with the transition provisions in IFRS 15, the new rules were adopted retrospectively and the effect of the adoption reflected in current year opening retained earnings. The financial impact of the application of the revenue recognition adjustments to opening retained earnings was US$nil as the new standard does not affect the timing of revenue recognition for the Group.

The Group's accounting policy (note 2.20) has been revised to align with IFRS 15, and additional disclosures have been introduced, particularly on the disaggregation of revenue as per note 19.

The provisionally priced receivables will be measured at fair value through profit or loss from the date of recognition up until date of settlement, as it fails the IFRS 9 amortised cost requirement of cash flows representing solely payment of principle and interest.

The fair value changes due to non-market variability (that is changes in the pricing based on quantity and quality of the contained metal), are considered to be variable consideration within the scope of IFRS 15 as the Group's right to consideration is contingent upon the physical attributes of the contained metal. Based on past experience, differences between the initial assay and final assay are not significant as a result the variable consideration is not considered to be constrained.

The fair value changes due to market variability (that is changes in the commodity prices) are not in the scope of IFRS 15 and can therefore not be presented as revenue from contracts with customers. These movements are accounted for as other revenue and disclosed separately from revenue from contracts with customers in note 19.

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$141.5 million (2018: US$114.8 million) which will be re-measured at future metal prices according to the sales contract with Impala Platinum

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

(i) Price risk (continued)

Limited (2018: Impala Refining Services Limited). Metals sold, for which actual prices are not yet certain, are valued using average prices for June 2019 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 table 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% change in metal prices on profitability, with all other variables held constant:

Commodity	Effect on profit before income tax	
	2019 US$ 000	2018 US$ 000
Palladium	5 805	3 414
Platinum	3 837	3 702
Rhodium	2 093	1 915
Nickel	954	1 096
Gold	807	622
Copper	332	350
Cobalt, iridium, ruthenium and silver	317	384
Total	**14 145**	**11 483**

(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 South African Rand (ZAR) and Zimbabwe Dollar (see note 17). The Group does not use forward exchange contracts to hedge its foreign exchange risk.

At 30 June 2019, if the US$ had weakened/strengthened by 20% (2018: 20%) against the South African Rand with all other variables held constant, post-tax profit for the year would have been US$2.03 million (2018: US$2.54 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of ZAR denominated trade payables. Profit is less sensitive to movements in ZAR exchange rates in 2019 than 2018 because of the reduced amount of ZAR denominated payables.

At 30 June 2019, if the US$ had weakened/strengthened by 50% (2018: nil) against the Zimbabwe Dollar with all other variables held constant, post-tax profit for the year would have been US$1.34 million (2018: nil) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Zimbabwe dollar denominated monetary assets and liabilities.

(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 i ssued 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").

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

Interest rate risk sensitivity analysis

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

	2019 US$ 000	2018 US$ 000
Interest rate change		
100 basis points increase	425	850
100 basis points decrease	(425)	(850)

3.1.2 Credit risk

From 1 July 2018 (the date of adoption of IFRS 9), the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risks.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Other receivables at amortised cost

Other receivables consist mainly of employee housing and motor vehicle purchase loans advanced to the Group's employees in terms of the Group's housing and motor vehicle schemes. Employee housing and motor vehicle loans are secured by a second bond over residential properties and a 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.

Other receivables at amortised cost are considered to have low credit risk, and therefore the impairment provision is determined as 12 months expected losses. No loss allowance was recognised on 1 July 2018 as a result of applying the expected credit risk model for other receivables at amortised cost. The expected loss rates are based on the payment profiles over a period of time and corresponding historical credit losses experienced within this period.

	Current US$ 000	More than 30 days past due US$ 000	More than 60 days past due US$ 000	More than 120 days past due US$ 000	Total US$ 000
30 June 2019					
Financial assets at amortised cost	5 972	-	-	-	5 972
Expected loss rate	-	-	-	-	-
Credit loss allowance	-	-	-	-	-
Financial assets at amortised cost - net	5 972	-	-	-	5 972
30 June 2018					
Financial assets at amortised cost	7 750	-	-	-	7 750
Expected loss rate	-	-	-	-	-
Credit loss allowance	-	-	-	-	-
Financial assets at amortised cost - net	7 750	-	-	-	7 750

As all contractual terms have been complied with, other receivables were fully performing and none were past due nor impaired as at 30 June 2019 (2018: US$ nil).

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

Cash and cash equivalents at amortised cost

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

	Group		Company	
	2019	2018	2019	2018
	US$ 000	US$ 000	US$ 000	US$ 000
AA+	8 335	69 665	8 335	69 665
AA-	2 914	17 560	-	-
BBB+	14 605	-	-	-
BB+	41 035	1 324	-	-
A	82	101	-	-
A-	14	23	14	23
A+	-	30 291	-	-
	66 985	118 964	8 349	69 688

External ratings for financial institutions were based on Fitch, Moody's and the Global Credit Rating Group 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.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

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 2019						
Liabilities						
Borrowings	42 500	-	-	-	42 500	42 500
Trade and other payables (excluding statutory liabilities and provisions)	78 080	-	-	-	78 080	78 080
Total liabilities	**120 580**	**-**	**-**	**-**	**120 580**	**120 580**
Assets						
Trade and other receivables (excluding value added tax)	203 530	714	914	445	205 603	205 603
Cash and cash equivalents	67 018	-	-	-	67 018	67 018
Total assets	**270 548**	**713**	**915**	**445**	**272 621**	**272 621**
Liquidity surplus	**149 968**	**713**	**915**	**445**	**152 041**	**152 041**
Cumulative liquidity surplus	**149 968**	**150 681**	**151 596**	**152 041**	**-**	
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 cash equivalents	118 981	-	-	-	118 981	118 981
Total assets	**285 654**	**804**	**1 102**	**813**	**288 373**	**288 373**
Liquidity surplus / (gap)	**172 077**	**804**	**(41 398)**	**813**	**132 296**	**132 296**
Cumulative liquidity surplus	**172 077**	**172 881**	**131 483**	**132 296**	**-**	

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, 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 cash equivalents. Total equity is 'equity' as shown in the statement of financial position.

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

	Group		Company	
	2019 US$ 000	2018 US$ 000	2019 US$ 000	2018 US$ 000
Cash and cash equivalents (note 11)	67 018	118 981	8 349	69 688
Less total borrowings (note 13)	(42 500)	(85 000)	-	-
Cash net of debt	24 518	33 981	8 349	69 688
Total equity	1 055 160	995 299	152 189	188 268
Net debt to equity ratio	-	-	-	-

The net debt to equity ratio is zero because cash and cash equivalents exceed borrowings.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

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 measure 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.

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.

	2019		2018	
	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)	205 603	205 603	169 392	169 392
Cash and cash equivalents	67 018	67 018	118 981	118 981
	272 621	272 621	288 373	288 373
The carrying amount of trade and other receivables closely approximates its fair value as the impact of discounting is not significant.				
Financial liabilities				
Borrowings	42 500	42 500	85 000	85 000
Trade and other payables (excluding statutory liabilities)	78 080	78 080	71 077	71 077
	120 580	120 580	156 077	156 077

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

	2019 US$ 000	2018 US$ 000
Assets as per statement of financial position		
At amortised cost		
Other receivables	5 972	7 750
Cash and cash equivalents	67 018	118 981
	72 990	126 731
At fair value through profit or loss		
Trade receivables	199 631	161 642
	272 621	**288 373**
Liabilities as per statement of financial position		
Financial liabilities at amortised cost		
Borrowings	42 500	85 000
Trade and other payables (excluding statutory liabilities)	78 080	71 077
	120 580	**156 077**

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

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.

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

Further exploration drilling in the Portal 8 footprint undertaken during the year under review confirmed an ore displacement due to the Muzvezve fault which runs along the original Portal 8. In response to the anticipated complexities of developing Portal 8 as a mine through the confirmed Muzvezve fault, a decision was made to dissect the original Portal 8 footprint into north and south using the fault as the boundary. Consequently, Portal 8 South was annexed to Mupani mine while Portal 8 North was annexed to Portal 10 effectively eliminating the development of Portal 8 as a standalone mine.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

As a result, the Portal 8 South reserves were included in the ore reserves used to calculate depreciation for assets that are depreciated using the units-of-production method. The increase in the ore reserves 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 to profit or loss during the year is shown below:

	2019 US$ 000
Depreciation for the year based on new estimates	66 283
Depreciation for the year based on old estimates	67 931
Decrease in depreciation	1 648

Impairment review

The Group carried out an impairment assessment of property, plant and equipment as at 30 June 2019. 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. The 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$951.
- Long-term real discount rate of 18.87%.
- Inflation rate of 2% per annum applied on costs and metal prices after 30 June 2024.

Sensitivity analysis:
- A change in the discount rate by an additional 4% would not result in impairment.
- A change of 4% in the long-term real revenue per platinum ounce sold would not result in impairment.

(b) Income taxes (note 15, 18 and 27)

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.

(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.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

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 9.6% (2018: 9.3%). The net present value of the current environmental rehabilitation estimates is based on the assumption of a long-term inflation rate of 2.0% (2018: 2.0%).

(d) Revenue recognition (note 19)

The Group has recognised revenue amounting to US$630.9 million (2018: US$582.5 million) for metal sales to Impala Platinum Limited (2018: Impala Refining Services Limited). Sales to Impala Platinum Limited 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 Impala Platinum Limited 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 Impala (based on the lower of assays between Impala and the Group), for which actual prices are not yet certain, are valued using average metal prices for the month of June 2019. A 1% variation in assays will result in an adjustment of US$2 million (2018: US$1.6 million) in profit or loss. 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.

Change in estimates

In prior years, deliveries to Impala Refining Services Limited for which actual prices are not yet certain were valued using spot metal prices as at the end of the reporting period. During the year, the estimation methodology was changed to using average metal prices for the month of June 2019 as it better reflects the contractual settlements. The effect of the change in estimates on the Group's revenue recognised during the year is shown below:

	2019 US$ 000
Revenue for the year based on new estimates	630 987
Revenue for the year based on old estimates	636 708
Decrease in revenue	(5 721)

(e) Share-based compensation (note 14, 22)

The Group issues cash-settled share-based payments to employees (note 14). The cash-settled schemes include the Long-term Incentive Plan 2012, comprising Share Appreciation Rights (SAR) and Conditional Share Plan ("CSP") which consist of shares with a nil exercise price. This scheme was discontinued during the current year and replaced with a new scheme. The new scheme, referred to as the Long-term Incentive Plan 2018, comprises a Bonus Share Plan ("BSP") as well as a Performance Share Plan ("PSP"). The BSP and PSP consist of shares with a nil exercise price.

The fair value of the share-based payments were calculated using the binomial option model for non-vested shares, except for full value shares which are valued using the share price on valuation date, adjusted for the present value of expected dividends during the vesting period as well as performance conditions. The inputs into the model for valuation of SARs are detailed in note 14.

(f) Functional currency

As of 1 October 2018, all banking institutions in Zimbabwe were directed by the Reserve Bank of Zimbabwe ("RBZ") to separate bank accounts into two categories namely nostro foreign currency accounts (Nostro FCAs) and RTGS foreign currency accounts (RTGS FCAs). Despite this separation, the US$ and RTGS balances formally maintained an equal exchange rate. Critical shortages of foreign currency resulted in the growth of RTGS balances to facilitate local transactions and the emergence of a parallel market for the trading of US$ and RTGS. The macro-economic environment was characterised by multi-tier pricing regimes that showed a superior value for the US$ when compared to the RTGS balances with most suppliers charging prices in US$ or at a rate indexed to the US$ in RTGS. The Group did not participate in the parallel market and transactions were concluded based on what was obtaining in the formal market.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

Triggered by the monetary policy changes during the year ended 30 June 2019, management considered the parameters as set out in International Accounting Standard 21, 'The effects of changes in foreign exchange rates' ("IAS 21") (Paragraph 8) in the determination of the Group's functional currency. Considering the primary economic environment in which the Group operates, as well as considering factors such as which currency influences sales prices, the currency in whose competitive forces and regulations primarily determine sales prices, the currency which influences cost, the currency funding financing activities and the currency in which receipts from operating activities are retained, management concluded that the Group's functional currency remains the US$.

Zimbabwe Platinum Mines (Private) Limited, the Group's operating subsidiary, transacted using a combination of the Nostro FCAs and RTGS FCAs during the year ended 30 June 2019. However, RTGS was not an official currency prior to 22 February 2019. The financial records up to 22 February 2019 were prepared based on a parity position between RTGS FCAs, Nostro FCAs and the "US$", the Group's functional and presentation currency. In terms of IAS 21, the payments in Nostro FCA, RTGS FCA would have been considered to be separate currencies to be translated for financial reporting purposes to the functional and presentation currency of the operating subsidiary at an appropriate exchange rate. However, the Group recorded the transactions at parity and in one general ledger account with the same transaction currency code which was the US$ since the RBZ had prescribed that RTGS was at parity with the US$.

To comply with IAS 21, management manually separated cost of sales and corporate social responsibility expenditure transactions between RTGS and US$ to enable conversion of the RTGS transactions to US$ using the Old Mutual Implied Rate ("OMIR") which was deemed to be a reasonable rate of exchange in the absence of an observable foreign exchange market. The retranslation of cost of sales and corporate social responsibility expenditure resulted in a total reduction in costs of US$94.5 million and a corresponding translation loss of equal value as set out in note 20. The separation of transactions and subsequent retranslation was subject to judgment since there were no detailed ledger accounts showing the transactions split by currency by month in order to precisely allocate in the respective months the relevant RTGS expense balances. Management used payments made as a practical expedient to determine costs during this period.

The OMIR fluctuated significantly during the period from October 2018 to June 2019 and therefore the inability to correctly allocate the RTGS balances to the respective months may result in a material misstatement in the exchange gain or loss for that period.

The OMIR was also applied to RTGS transactions incurred for the period from 22 February to 30 June 2019. See note 20 for the applicable disclosures.

In addition, included in the inventory on hand disclosed in note 8 and additions to property, plant and equipment disclosed in note 6 are amounts incurred in RTGS between 1 October 2018 and 22 February 2019, which are recorded in US$ at a parity rate of 1:1. It is not practicable to split these components as amounts were capitalised at parity in the financial records. According to IAS 21, these should have been converted to the operating subsidiary's functional currency, US$, at an observable market rate at the date of the transaction.

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.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

6 PROPERTY, PLANT AND EQUIPMENT

GROUP	Land, buildings and mining claims US$ 000	Mining assets US$ 000	Metallurgical assets US$ 000	Mobile equipment US$ 000	Services and other assets US$ 000	Assets under construction US$ 000	Total US$ 000
Year ended 30 June 2019							
Opening net book amount	145 324	248 629	369 199	50 879	126 801	145 873	1 086 705
Additions	-	-	-	25 968	-	89 053	115 021
Environmental rehabilitation asset adjustment (note 16)	-	(122)	-	-	-	-	(122)
Borrowing costs (note 26)	-	-	-	-	-	6 296	6 296
Transfer from assets under construction	792	57 597	16 602	-	17 253	(92 244)	-
Disposals	(149)	-	(2 477)	(12 643)	(3 039)	-	(18 308)
Accumulated depreciation on disposals	-	-	2 477	12 555	3 039	-	18 071
Depreciation charge	(3 465)	(18 927)	(19 471)	(20 269)	(4 151)	-	(66 283)
Closing net book amount	142 502	287 177	366 330	56 490	139 903	148 978	1 141 380
At 30 June 2019							
Cost	193 785	412 293	498 170	181 198	197 148	148 978	1 631 572
Accumulated depreciation	(51 283)	(125 116)	(131 840)	(124 708)	(57 245)	-	(490 192)
Net book amount	142 502	287 177	366 330	56 490	139 903	148 978	1 141 380
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	-	-	-	33 611	-	101 670	135 281
Environmental rehabilitation asset adjustment (note 16)	-	(4 305)	-	-	-	-	(4 305)
Borrowing costs (note 26)	-	-	-	-	-	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

Notes to the Financial Statements

For the year ended 30 June 2019 (continued)

	Group	
Assets under construction comprise:	2019	2018
	US$ 000	US$ 000
Mupani Mine development	52 113	39 385
Bimha Mine re-development	24 442	47 791
Base metal refinery	18 953	18 874
Furnace full reline	16 308	2 137
Ngezi Phase 2 expansion project	10 108	6 470
Borrowing costs capitalised	7 445	4 719
Rukodzi Mine ventilation	3 121	-
Information, communication and technology systems	3 001	6 095
Exploration and drilling	2 795	2 281
Energy efficient initiatives	1 622	956
Hot gas generator	1 562	1 219
Converter shells and accessories	1 453	707
High pressure grinding rollers and pebble crusher (HPGR)	1 414	-
Ngezi Road rehabilitation	-	6 270
Larox filter and refurbishment	-	1 023
Silo discharge chutes liners	-	948
Underground satellite workshops	-	520
Girth gear ball mills	-	452
Mupfuti Mine fire detection system	-	419
Other	4 641	5 607
	148 978	145 873

The capitalisation rate of the borrowing costs is 9.6% (2018: 8.8%).

	Company	
	2019	2018
Mining claims	US$ 000	US$ 000
Year ended 30 June		
Opening net book amount	5 357	5 494
Depreciation charge	(141)	(137)
Closing net book amount	5 216	5 357
At 30 June		
Cost	6 261	6 261
Accumulated depreciation	(1 045)	(904)
Net book amount	5 216	5 357

Notes to the Financial Statements

For the year ended 30 June 2019 (continued)

7 INVESTMENT IN SUBSIDIARIES

The Group's principal subsidiaries as at 30 June 2019 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.

		Ownership interest	
	Country of	2019	2018
Name	**incorporation**	%	%
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 2017, 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		Company	
	2019	2018	2019	2018
	US$ 000	US$ 000	US$ 000	US$ 000
Equity				
Mhondoro Holdings Limited	-	-	2 666	2 666
Zimbabwe Platinum Mines (Private) Limited	-	-	76 778	76 778
	-	-	79 444	79 444
Loans to subsidiaries				
Hartley Minerals Zimbabwe (Proprietary) Limited	-	-	27 965	27 965
Mhondoro Holdings Limited	-	-	799	761
Zimbabwe Platinum Mines (Private) Limited	-	-	5 161	4 967
	-	-	33 925	33 693
Total investment in subsidiaries	**-**	**-**	**113 369**	**113 137**

The loans to subsidiaries are unsecured, bear no interest and have no fixed repayment terms. The loans are included in investments in subsidiaries as they are, in substance, part of the investment in the entities and the subsidiaries have the right to defer repayment of these loans.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

		Group		Company	
		2019	2018	2019	2018
		US$ 000	US$ 000	US$ 000	US$ 000
8	**INVENTORIES**				
	Ore, concentrate and matte stocks	13 071	16 326	-	-
	Consumables	47 510	52 065	-	-
		60 581	68 391	-	-
	Less: provision for obsolete consumables	(5 021)	(5 606)	-	-
		55 560	62 785	-	-
	The movement in the provision for obsolete consumables is as follows:				
	At the beginning of the year	5 606	4 373	-	-
	(Credited)/charged to profit or loss during the year	(585)	1 233	-	-
	At the end of the year	5 021	5 606	-	-
	In the statement of cash flows, decrease/(increase) in inventory comprises:				
	Movement as per the statement of financial position	7 225	(8 749)	-	-
	Decrease/(increase) in provision for obsolete consumables	585	(1 233)	-	-
		7 810	(9 982)	-	-
9	**PREPAYMENTS**				
	Deposits on property, plant and equipment	19 545	37 714	-	-
	Consumables and other operating expenditure	12 093	7 914	-	-
	Insurance premiums	132	4 273	132	139
		31 770	49 901	132	139

Property, plant and equipment prepayments mainly relate to amounts prepaid on capital equipment for Bimha Mine re-development, Mupani Mine development and advance payments for trackless mining machinery.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

		Group		Company	
		2019	2018	2019	2018
		US$ 000	US$ 000	US$ 000	US$ 000
10	**TRADE AND OTHER RECEIVABLES**				
	Trade receivables due from related parties (note 30.2c)	199 631	161 642	-	-
	Value added tax receivable	4 114	12 614	-	-
	Export incentive	-	1 123	-	-
	Dividends receivable (note 30.2c)	-	-	25 500	-
	Other receivables	5 972	6 627	3	14
		209 717	182 006	25 503	14
	Current assets	208 358	180 091	25 503	14
	Non-current assets	1 359	1 915	-	-
		209 717	182 006	25 503	14
	Trade and other receivables are denominated in different currencies as follows:				
	United States Dollars	204 424	182 006	25 503	14
	Zimbabwe Dollars	5 293	-	-	-
		209 717	182 006	25 503	14

Trade receivables comprise amounts due from Impala Platinum Limited (previously due from Impala Refining Services Limited), a related party, for sales of metal products.

Other receivables consist mainly of employee housing and motor vehicle loans.

	Group		Company	
	2019	2018	2019	2018
	US$ 000	US$ 000	US$ 000	US$ 000
In the statement of cash flows, the movement in trade and other receivables comprises:				
Movement as per the statement of financial position	(27 711)	(16 980)	(25 489)	(6)
Unrealised foreign exchange loss (note 23)	(3 594)	-	-	-
	(31 305)	(16 980)	(25 489)	(6)

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

		Group		Company	
		2019	2018	2019	2018
		US$ 000	US$ 000	US$ 000	US$ 000
11	**CASH AND CASH EQUIVALENTS**				
	Cash at bank	66 985	28 652	8 349	305
	Cash on hand	33	17	-	-
	Short term deposits	-	90 312	-	69 383
		67 018	118 981	8 349	69 688
	The exposure of cash and cash equivalents by country is as follows:				
	Isle of Man	41 035	1 001	-	-
	United Kingdom	14 605	-	-	-
	Jersey	8 335	69 671	8 335	69 665
	Zimbabwe	3 029	48 286	-	-
	Australia	14	23	14	23
		67 018	118 981	8 349	69 688

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	1	1	1
	AUD 000	AUD 000	AUD 000	AUD 000
Balances with banks (Australian Dollars - AUD)	21	32	21	32
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Balances with banks (Zimbabwe Dollars - ZWL)	1 918	-	-	-

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

		Group		Company	
		2019	2018	2019	2018
		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	-	-
	Current				
	Bank borrowings	42 500	42 500	-	-
		42 500	85 000	-	-
	The movement in borrowings is as follows:				
	At the beginning of the year	85 000	109 003	-	-
	Interest accrued (note 26)	6 296	7 658	-	-
	Decrease in revolving facility	-	(24 000)	-	-
	Repayments	(48 796)	(7 658)	-	-
	Capital	(42 500)	-	-	-
	Interest	(6 296)	(7 658)	-	-
	Movement in interest included in trade and other payables	-	(3)		
	At the end of the year	42 500	85 000	-	-

The fair value of non-current borrowings is 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$.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

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	
	2019 US$ 000	2018 US$ 000	2019 US$ 000	2018 US$ 000
On demand and up to 6 months	42 500	-	-	-
6 months to 1 year	-	42 500	-	-
1 year to 2 years	-	42 500	-	-
	42 500	85 000	-	-

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 first capital repayment instalment amounting to US$42.5 million was made during the year and the balance is repayable on 31 December 2019.

The Group had no undrawn bank borrowing facilities at 30 June 2019 (2018: US$nil).

Revolving facility
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 regulatory exchange control approval from the Reserve Bank of Zimbabwe. The facility bears interest at 3 months LIBOR plus 2.6% per annum and it is secured by a cession of a portion of the Group's trade receivables. At the reporting date, the undrawn balance on the revolving facilities amounted to US$34 million (2018: US$34 million).

	Group		Company	
	2019 US$ 000	2018 US$ 000	2019 US$ 000	2018 US$ 000
14 SHARE-BASED COMPENSATION				
At the beginning of the year	1 061	2 203	-	-
Charged / (credited) to profit or loss	12 209	(200)	-	-
Payments to employees during the year	(1 782)	(942)	-	-
At the end of the year	11 488	1 061	-	-
Current liabilities	6 340	700	-	-
Non-current liabilities	5 148	361	-	-
	11 488	1 061	-	-

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

The Group has the following cash settled share-based payment arrangements.

	LTIP - CSP	LTIP - BSP	LTIP - PSP
Date of grant	Various since November 2012	Various since November 2018	Various since November 2018
Number in issue	4 194 816	1 795 345	853 839
Carrying amount	US$6 252 000 (2018: US$1 037 000)	US$3 744 000 (2018: US$nil)	US$145 000 (2018: US$nil)
Average contractual life	Three years The conditional shares are full value shares, with a nil exercise price. The contractual life ends on the vesting date.	Two years vesting period whereby 50% vests in the first year and the remaining in the following year.	Three years The conditional shares are full value shares, with a nil exercise price. The contractual life ends on the vesting date.
Vesting conditions	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	Two years service whereby 50% vests in the first year and the remaining 50% in the following year.	Three years service and defined performance vesting conditions over the performance period.

	LTIP - SAR - new	LTIP - SAR - run off
Date of grant	Various since November 2012	Various since May 2010
Number in issue	1 735 233	1 917 614
Carrying amount	US$1 194 000 (2018: US$22 000)	US$153 000 (2018: US$2 000)
Average contractual life	Three years before vesting and another three years before lapse	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
Vesting conditions	Three years service and defined performance vesting conditions over the performance period	• First 25% after two years' service • Second 25% after three years' service • Third 25% after four years service • Fourth 25% after five years service

Share appreciation rights valuation model inputs
The fair value of share appreciation rights is calculated using the binomial option pricing model. The average inputs into this model for the share appreciation cash plans are as follows:

		LTIP - SAR - new		LTIP - SAR - run off	
	Note	2019	2018	2019	2018
Weighted average option value (ZAR)	i)	31.65	2.53	1.13	0.01
Weighted average share price on valuation date (ZAR)	ii)	69.75	20.25	69.75	20.25
Weighted average exercise price (ZAR)	iii)	44.67	44.15	183.84	178.19
Volatility	iv)	32.72	32.01	32.72	32.01
Risk-free interest rate (%)		6.8	7.41	6.8	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.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

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

	2019		2018	
	Number of options	Weighted average exercise price ZAR	Number of options	Weighted average exercise price ZAR
Conditional share plan (LTIP - CSP)				
Outstanding at the start of the year	5 048 832	-	3 373 971	-
Granted	38 537	-	1 756 505	-
Forfeited	(36 886)	-	(73 117)	-
Exercised	(855 667)	-	(8 527)	-
Outstanding at the end of the year	4 194 816	-	5 048 832	-
Exercisable at the end of the year	-	-	-	-
Bonus share plan (LTIP - BSP)				
Outstanding at the start of the year	-	-	-	-
Granted	1 795 345	-	-	-
Outstanding at the end of the year	1 795 345	-	-	-
Exercisable at the end of the year	-	-	-	-
Performance share plan (LTIP - PSP)				
Outstanding at the start of the year	-	-	-	-
Granted	853 839	-	-	-
Outstanding at the end of the year	853 839	-	-	-
Exercisable at the end of the year	-	-	-	-
Share appreciation rights (LTIP - SAR - new)				
Outstanding at the start of the year	2 428 063	41.28	1 672 496	54.97
Granted	-	44.20	1 011 348	41.28
Forfeited	(692 830)	44.20	(255 781)	41.28
Outstanding at the end of the year	1 735 233	44.20	2 428 063	41.28
Exercisable at the end of the year	244 211	44.20	68 725	41.28
Share appreciation rights (LTIP - SAR - run off)				
Outstanding at the start of the year	2 260 727	179.94	2 277 068	179.20
Forfeited	(343 113)	183.84	(16 341)	179.94
Outstanding at the end of the year	1 917 614	183.84	2 260 727	179.94
Exercisable at the end of the year	1 917 614	183.84	2 260 727	179.94

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

	Group		Company	
	2019 US$ 000	2018 US$ 000	2019 US$ 000	2018 US$ 000
15 DEFERRED INCOME TAXES				
The analysis of deferred income tax assets and liabilities is as follows:				
Deferred income tax assets				
Recoverable within 12 months	(8 021)	(6 886)	-	-
Recoverable after 12 months	(5 530)	(5 513)	-	-
	(13 551)	(12 399)	-	-
Deferred income tax liabilities				
To be settled within 12 months	21 537	18 850	-	-
To be settled after 12 months	280 880	236 921	-	-
	302 417	255 771	-	-
Deferred income tax liabilities (net)	288 866	243 372	-	-
The gross movement on the deferred income tax account is as follows:				
At the beginning of the year	243 372	145 183	-	-
Charged to profit or loss (note 27)	45 494	98 189	-	-
At the end of the year	288 866	243 372	-	-

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 2017	(4 448)	(340)	-	-	(4 788)
(Credited)/charged to profit or loss	(1 850)	67	(712)	(5 116)	(7 611)
As at 30 June 2018	(6 298)	(273)	(712)	(5 116)	(12 399)
Charged/(credited) to profit or loss	1 085	(2 686)	712	(263)	(1 152)
As at 30 June 2019	(5 213)	(2 959)	-	(5 379)	(13 551)

Other provisions comprise the tax effects on leave pay, audit fees and bonus provision balances.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

	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 2017	139 168	4 751	6 006	46	149 971
Charged/(credited) to profit or loss	102 971	(4 751)	7 401	179	105 800
As at 30 June 2018	242 139	-	13 407	225	255 771
Charged/(credited) to profit or loss	43 300	-	(1 173)	4 519	46 646
As at 30 June 2019	285 439	-	12 234	4 744	302 417

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$ nil (2018: US$0.7 million) in respect of tax losses amounting to US$nil (2018: US$2.8 million) that can be carried forward against future taxable income.

Tax losses arising from mining operations in Zimbabwe do not expire in accordance with the Income Tax Act (Chapter 23:06).

	Group 2019 US$ 000	Group 2018 US$ 000	Company 2019 US$ 000	Company 2018 US$ 000
16 ENVIRONMENTAL REHABILITATION PROVISION				
At the beginning of the year	22 387	27 832	-	-
Change in estimate - rehabilitation asset adjustment (note 6)	(122)	(4 305)	-	-
Interest accrued - present value adjustment (note 26)	2 082	2 267	-	-
Payments during the year	(4 103)	(3 407)	-	-
At the end of the year	20 244	22 387	-	-

The provision is based on a Mines and Environmental Rehabilitation Plan that was 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 current undiscounted cost of the environment rehabilitation is US$40.1 million (2018: US$43.3 million).

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

	Group 2019 US$ 000	Group 2018 US$ 000	Company 2019 US$ 000	Company 2018 US$ 000
17 TRADE AND OTHER PAYABLES				
Trade payables	31 607	42 653	-	-
Leave pay provision	8 847	7 023	-	-
Royalty and Minerals Marketing Corporation of Zimbabwe (MMCZ) commission payable	3 964	2 058	-	-
Amounts due to related parties (note 30.2d)	10 986	8 313	-	-
Accruals	24 529	17 431	380	67
Other payables	3 038	3 540	-	-
	82 971	81 018	380	67
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:				
United States Dollars	67 965	64 649	369	56
South African Rands	12 194	15 239	-	-
Zimbabwe Dollars	2 696	-	-	-
Euro	102	1 119	-	-
Other	14	11	11	11
	82 971	81 018	380	67
The movement in the leave pay provision is as follows:				
At the beginning of the year	7 023	6 296	-	-
Utilised in the current year	(3 252)	(3 669)	-	-
Charged to profit or loss	5 076	4 396	-	-
At the end of the year	8 847	7 023	-	-
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.				
In the statement of cash flows, the movement in trade and other payables comprises:				
Movement as per the statement of financial position	1 953	7 815	313	(96)
Unrealised foreign currency exchange gains (note 23)	9 903	(203)	-	-
	11 856	7 612	313	(96)

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

	Group		Company	
	2019	2018	2019	2018
	US$ 000	US$ 000	US$ 000	US$ 000
18 CURRENT INCOME TAX LIABILITIES				
At the beginning of the year	72 241	53 664	-	-
Charge to profit or loss (note 27)	14 959	65 127	8 944	1 823
Net foreign currency exchange gains (note 23)	(47 598)	-	-	-
Payments made during the year	(35 386)	(46 550)	(8 944)	(1 823)
At the end of the year	4 216	72 241	-	-

The exchange gains arose from the settlement and translation of Zimbabwe Dollar denominated income tax liabilities to United States Dollars.

	Group 2019 US$ 000	Group 2018 US$ 000	Company 2019 US$ 000	Company 2018 US$ 000
19 REVENUE				
Revenue from contracts with customers	597 688	-	-	-
Revenue from movements in commodity prices	33 299	-	-	-
Revenue under IAS 18	-	582 544	-	-
	630 987	582 544	-	-
The Group derived its revenue from the following metal products:				
Palladium	264 330	200 398	-	-
Platinum	194 901	223 334	-	-
Rhodium	53 316	42 962	-	-
Nickel	47 676	53 318	-	-
Gold	36 993	34 585	-	-
Copper	17 308	19 240	-	-
Ruthenium	9 600	2 512	-	-
Iridium	6 173	5 124	-	-
Cobalt	467	825	-	-
Silver	223	246	-	-
	630 987	582 544	-	-
The Company derives its revenue from dividend income:				
Zimbabwe Platinum Mines (Private) Limited	-	-	59 627	12 150

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

	Group		Company	
	2019	2018 Restated	2019	2018
	US$ 000	US$ 000	US$ 000	US$ 000
20 COST OF SALES				
Costs of production				
Mining operations	190 721	203 645	-	-
Employee benefit expenses	42 037	54 840	-	-
Materials and other mining costs	109 892	141 333	-	-
Utilities	3 794	7 472	-	-
Translation adjustment	34 998	-	-	-
Concentrating and smelting operations	94 706	101 015	-	-
Employee benefit expenses	12 404	14 958	-	-
Materials and consumables	36 579	51 737	-	-
Utilities	17 738	34 320	-	-
Depreciation charge for operating assets	65 780	64 963	-	-
Movement in ore, concentrate and matte stocks	3 254	(1 164)	-	-
Shared services	62 535	44 370	-	-
Employee benefit expenses	33 061	25 081	-	-
Insurance	4 782	4 642	-	-
Information, communication and technology	4 659	4 272	-	-
Selling and distribution expenses	2 887	4 363	-	-
Other costs	532	6 012	-	-
Translation adjustment	16 614	-	-	-
Royalty	11 435	10 405	-	-
MMCZ commission	2 776	4 795	-	-
Translation adjustment	12 364	-	-	-
	443 571	428 029	-	-

Royalty, MMCZ commission, selling and distribution expenses previously shown under administrative expenses were reclassified to cost of sales. Prior year comparatives have been restated in line with the current year presentation. The reclassification has no impact on the previously reported profits (see note 31).

Refer to note 4(f) for further details on the translation adjustment.

	Group		Company	
	2019	2018	2019	2018
	US$ 000	US$ 000	US$ 000	US$ 000
21 ADMINISTRATIVE EXPENSES				
Corporate social responsibility costs	2 315	3 308	-	-
Employee benefit expenses (note 22)	52	71	52	71
Insurance	404	374	404	374
Depreciation	503	487	141	137
Consulting fees	518	502	242	143
Non-executive directors' fees	369	388	364	378
Independent auditors' remuneration	195	234	104	21
Operating lease expenses	192	164	-	-
Other corporate costs	521	186	514	304
Translation adjustment	1 807	-	-	-
	6 876	5 714	1 821	1 428

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

		Group		Company	
		2019	2018	2019	2018
		US$ 000	US$ 000	US$ 000	US$ 000
22	**EMPLOYEE BENEFIT EXPENSES**				
	Wages and salaries	87 948	89 266	47	67
	Share-based payments (note14)	12 209	(200)	-	-
	Pension costs - defined contribution	5 148	5 884	5	4
		105 305	94 950	52	71
	Employee benefit expenses have been disclosed as follows:				
	Cost of sales:				
	Mining operations	50 789	54 840	-	-
	Concentrating and smelting operations	14 989	14 958	-	-
	Shared services	39 475	25 081	-	-
	Administrative expenses	52	71	52	71
		105 305	94 950	52	71
	These amounts are disclosed gross of the effects of the translation adjustment				
	Average number of employees during the year	3 313	3 164	1	1
23	**OTHER OPERATING EXPENSES**				
	Foreign currency exchange losses (net)	20 197	203	-	2
	Tax penalties and interest charges	-	4 393	-	-
	Other receivables written off	-	14	-	-
	Loss on disposal of property, plant and equipment	149	-	-	-
	Other expenses	343	-	-	-
		20 689	4 610	-	2
	Unrealised foreign exchange (gains) / losses on the translation of monetary assets and liabilities (net):	(17 588)	205	-	2
	Trade and other receivables (note 10)	3 594	-	-	-
	Trade and other payables (note 17)	(9 903)	203	-	-
	Current income tax liabilities	(11 279)	-	-	-
	Cash and cash equivalents	-	2	-	2
	Realised foreign exchange losses / (gains) on translation of monetary assets and liabilities (net):	37 785	(2)	-	-
	Trade and other receivables	19 856	-	-	-
	Trade and other payables	2 142	(2)	-	-
	Current income tax liabilities	(36 319)	-	-	-
	Cash and cash equivalents	52 106	-	-	-
	Foreign currency exchange losses (net)	20 197	203	-	2
	For the purposes of the statement of cash flows, the foreign currency exchange adjustment comprises:				
	Unrealised foreign exchange (gains) / losses (net)	(17 588)	201	-	-
	Realised foreign exchange gains on current income tax liabilities	(36 319)	-	-	-
	Cash and cash equivalents	52 106	2	-	(2)
		(1 801)	203	-	(2)

Foreign exchange losses in the current year were mainly due to the conversion and translation of the Zimbabwean Dollar ("ZWL$") denominated transactions (note 10).

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

		Group		Company	
		2019	2018	2019	2018
		US$ 000	US$ 000	US$ 000	US$ 000
24	**OTHER OPERATING INCOME**				
	Export incentive (note 24.1)	36 352	13 566	-	-
	Customs duty rebate fine refund (note 24.2)	9 554	-	-	-
	Treasury bill received in lieu on the interest on the RBZ debt (note 24.3)	-	9 824	-	-
	Gain on re-measurement of available-for-sale financial assets (note 24.3)	-	527	-	-
	Gain on disposal of property, plant and equipment	-	63	-	-
	Other income	541	638	-	-
		46 447	24 618	-	-

24.1 In May 2016, the 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 was entitled to a 2.5% export incentive on the export proceeds received in Zimbabwe. During the year, the export incentive was revised from 2.5% to 5% backdated to the period from 1 January 2018 to 30 September 2018 and further increased to 10% from October 2018 onwards. The RBZ discontinued the export incentive scheme with effect from 22 February 2019 following the introduction of the Real Time Gross Settlement Dollar as an electronic currency and the establishment of the interbank foreign currency market.

24.2 The written judgment in the customs duties matter was issued by the High Court of Zimbabwe on 12 September 2018. The presiding judge ruled that the Zimbabwe Revenue Authority ("ZIMRA") was not entitled to impose the fines that it had levied on the Group's main operating subsidiary, Zimbabwe Platinum Mines (Private) Limited.

As the Group had previously settled the disputed liabilities on a without prejudice basis pending the determination of the court case, the net impact of the judgment is that ZIMRA was required to refund to the Group the amount of the fines imposed of US$9.6 million.

24.3 In March 2018, the Government of Zimbabwe issued to the Group's main operating subsidiary a treasury bill with a nominal value of US$11.3 million and a maturity date of 24 November 2020 in settlement of 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 of the treasury bill during the financial year ending 30 June 2018 for a consideration of US$10.4 million which resulted in the Group realising a gain on re-measurement of US$0.5 million.

		Group		Company	
		2019	2018	2019	2018
		US$ 000	US$ 000	US$ 000	US$ 000
25	**FINANCE INCOME**				
	Interest earned on short-term deposits	987	486	61	141
	Interest earned on employee vehicle purchase loan scheme	80	374	-	-
	Finance income on Zimbabwe Electricity Transmission and Distribution ("ZETDC") prepayment	-	1 458	-	-
	Other	32	35	-	-
		1 099	2 353	61	141

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

		Group 2019 US$ 000	Group 2018 US$ 000	Company 2019 US$ 000	Company 2018 US$ 000
26	**FINANCE COSTS**				
	Interest expense on bank borrowings (note 13)	6 296	7 658	-	-
	Unwinding of the rehabilitation provision (note 16)	2 082	2 267	-	-
	Borrowing costs capitalised (note 6)	(6 296)	(4 719)	-	-
		2 082	5 206	-	-
27	**INCOME TAX EXPENSE**				
	Corporate tax:	3 217	19 559	-	-
	- Current year	2 938	21 714	-	-
	- Adjustment in respect of prior years	279	(2 155)	-	-
	Additional profits tax:	1 657	43 488	-	-
	- Current year	-	49 555	-	-
	- Adjustment in respect of prior years	1 657	(6 067)	-	-
	Withholding tax	10 085	2 080	8 944	1 823
	Current income tax	14 959	65 127	8 944	1 823
	Deferred income tax (note 15)	45 494	98 189	-	-
	Income tax expense	60 453	163 316	8 944	1 823

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 for the Group of 25.75% (2018: 16.83%) as follows:

	Group 2019 US$ 000	Group 2018 US$ 000	Company 2019 US$ 000	Company 2018 US$ 000
Profit before income tax	205 315	165 956	57 866	10 861
Notional tax on profit for the year based on weighted tax rate	52 869	27 930	-	-
Tax effect of:				
Withholding tax on interest and dividends	10 085	2 080	8 944	1 823
Expenses not deductible for tax purposes	7 427	3 061	-	-
- Royalties	5 506	423	-	-
- Donations	1 064	546	-	-
- Disallowed pension costs	466	-	-	-
- Intermediated money transfer tax	151	-	-	-
- Matte and concentrate transportation charges outside Zimbabwe	-	322	-	-
- Tax penalties and interest	-	675	-	-
- Other	240	1 095	-	-
Income not subject to tax	(12 059)	(2 212)	-	-
Export incentive	(9 361)	(2 212)	-	-
Customs duty fines refund	(2 460)	-	-	-
Bank interest subject to withholding tax	(238)	-	-	-
Additional profits tax	1 657	43 488	-	-
Adjustment in respect of prior years - deferred income tax	483	(1 989)	-	-
Adjustment in respect of prior years - corporate tax	279	(2 155)	-	-
Utilisation of assessed losses	(743)	(2 206)	-	-
Deferred tax adjustment due to change in tax rate	-	95 439	-	-
Other items	455	(120)	-	-
Tax charge	60 453	163 316	8 944	1 823

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

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 prior year notional tax for the Group was calculated based on a weighted rate derived from 11 months at 15.45% and the 1 month at 25.75%.

The Company is not taxed as it is domiciled in Guersey.

		Group 2019	Group 2018	Company 2019	Company 2018
28	**EARNINGS PER SHARE**				
28.1	**Basic earnings per share**				
	Basic earnings per ordinary share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue during the year.				
	Profit attributable to equity holders of the Company (US$ 000)	144 862	2 640	48 922	9 038
	Weighted average number of ordinary shares in issue	107 637 649	107 637 649	107 637 649	107 637 649
	Basic earnings per share (cents)	135	2	45	8
28.2	**Diluted earnings per share**				
	Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group did not have any shares with a potential dilutive impact (2018: nil).				
	Profit attributable to equity holders of the Company (US$ 000)	144 862	2 640	48 922	9 038
	Weighted average number of ordinary shares in issue	107 637 649	107 637 649	107 637 649	107 637 649
	Diluted earnings per share (cents)	135	2	45	8

		Group 2019 US$ 000	Group 2018 US$ 000	Company 2019 US$ 000	Company 2018 US$ 000
29	**DIVIDENDS**				
	Final dividend for the year ended 30 June 2018	65 001	-	65 001	-
	Interim dividend for the year ended 30 June 2019	20 000	-	20 000	-
		85 001	-	85 001	-

A final dividend in respect of the year ended 30 June 2018 amounting to US$65 million (equating to US$0.60 per ordinary share) was declared and paid to shareholders on record as at 7 September 2018.

An interim dividend in respect of the year ended 30 June 2019 amounting to US$20 million (equating to US$0.19 per ordinary share) was declared and paid to shareholders on record as at 20 February 2019.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

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 2019. Ms Meroonisha Kerber was appointed to the board of directors on 1 September 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 totalled US$364 000 (2018: US$380 244). Remuneration to executive directors and key management personnel excluding share-based payments is analysed as follows:

	2019 US$ 000	2018 US$ 000
Short-term employee benefits	10 825	11 018
Post-employment benefits	1 010	1 045
Termination benefits	806	-
	12 641	12 063

30.2 Related party transactions and balances

The following transactions were carried out with related parties:

	Group		Company	
	2019 US$ 000	2018 US$ 000	2019 US$ 000	2018 US$ 000
a) Revenue				
Sales of metal products to:				
Impala Platinum Limited (note 19)	630 987	-	-	-
Impala Refining Services Limited (note 19)	-	582 544	-	-
Dividend income from Zimbabwe Platinum Mines (Private) Limited	-	-	59 627	12 150
	630 987	582 544	59 627	12 150
b) Support services				
Services rendered to Zimbabwe Platinum Mines (Private) Limited by Impala Platinum Limited	2 086	3 010	-	-

With effect from 1 July 2018, to give effect to an internal restructuring exercise within the Impala Platinum Holdings Limited group, Impala Refining Services Limited, the Group's only customer, ceded and assigned all of its rights, title and interest in, and delegated its obligations under the offtake agreement with Zimbabwe Platinum Mines (Private) Limited to Impala Platinum Limited, a fellow 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 Impala Refining Services Limited under and in terms of the offtake agreement.

Support services mainly relate to information, communication and technology systems.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

	Group		Company	
	2019 US$ 000	2018 US$ 000	2019 US$ 000	2018 US$ 000
c) Amounts due from related parties				
Impala Platinum Limited: trade receivables (note 10)	199 631	-	-	-
Impala Refining Services Limited: trade receivables (note 10)	-	161 642	-	-
Zimbabwe Platinum Mines (Private) Limited: dividends (note 10)	-	-	25 500	-
	199 631	161 642	25 500	-
d) Amounts due to related parties				
Impala Platinum Limited	10 986	8 313	-	-

The amounts due from Impala Platinum Limited (2018: Impala Refining Services Limited) are due three to five months after the date of sale of metal products. The trade receivables bear no interest.

The amounts due from Zimbabwe Platinum Mines (Private) Limited are in respect of dividends which were subsequently settled in July 2019.

The amounts due to Impala Platinum Limited bear no interest and have no fixed repayment terms.

31 CHANGES IN CLASSIFICATION IN PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2018

	As previously reported US$ 000	Reclassification US$ 000	Restated US$ 000
Cost of sales	(368 036)	(59 993)	(428 029)
Administrative expenses	(46 144)	40 430	(5 714)
Employee benefit expenses (note 20)	(25 081)	25 081	-
Insurance	(5 016)	4 642	(374)
Information, communication and technology	(4 272)	4 272	-
Corporate social responsibility costs	(3 308)	-	(3 308)
Depreciation	(1 048)	560	(488)
Consulting fees	(502)	-	(502)
Training expenses	(693)	693	-
Group safety, health, environment and quality	(1 341)	1 341	-
Operating lease	(164)	-	(164)
Independent auditors' fees	(234)	-	(234)
Non-executive directors' fees	(388)	-	(388)
Other costs	(4 097)	3 841	(256)
Selling and distribution expenses	(4 363)	4 363	-
Royalty and commission expense	(15 200)	15 200	-
	(433 743)	-	(433 743)

As shown in the table above, certain administrative expenses, selling and distribution expenses and royalty and commission expenses which were previously disclosed separately in the statement of comprehensive income were reclassified to cost of sales. These items were reclassified due to their nature, which is related to the cost of metals produced and sold.

Notes to the Financial Statements
For the year ended 30 June 2019 (continued)

		Group	
		2019	2018
		US$ 000	US$ 000
32	**CAPITAL COMMITMENTS**		
	Capital expenditure contracted for at the end of the reporting period but not yet incurred	55 374	77 458

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.

33 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 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 essentially 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 it should not have a material adverse effect on the financial position of the Group.

34 EVENTS AFTER THE REPORTING PERIOD

After the reporting date, the board of directors declared a final dividend of US$45 million (equating to US$0.42 per share) to shareholders on record as at 12 September 2019. 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'.

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

Shareholder and Other Information

Analysis of Shareholders

Shareholding

Shareholding information is current at 30 June 2019.

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

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 Tuesday 24 October 2019 (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.	Citicorp Nominees Pty Limited	5,349,831	4.97
3.	J P Morgan Nominees Australia Pty Limited	4,666,470	4.34
4.	HSBC Custody Nominees (Australia) Limited	2,415,198	2.24
5.	Mr Peter Martin Vanderspuy	221,797	0.21
6.	Mr Emanuel Jose Fernandes Dias	183,615	0.17
7.	Dr David Samuel Kleinman	160,600	0.15
8.	CS Third Nominees Pty Limited <HSBC Custody Nominees (Australia) Ltd 13 A/C>	152,287	0.14
9.	Tierra De Suenos SA	112,312	0.10
10.	Mr Hugh Farmer	72,000	0.06
11.	Montana Finance Corp Pty Ltd	42,000	0.04
12.	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	41,939	0.04
13.	Swiss Trading Overseas Corp	40,516	0.04
14.	BNP Paribas Noms Pty Ltd <Drp>	23,936	0.02
15.	Mr Wilhelm Kuhlmann	16,750	0.02
16.	Mr Christopher Philip Harding	15,591	0.01
17.	Mr Ian F Mackenzie	14,896	0.01
18.	Mr Julian Vezey	14,000	0.01
19.	Merrill Lynch (Australia) Nominees Pty Limited	10,451	0.01
20.	RHB Securities Singapore Pte Ltd <Clients A/C>	10,215	0.01
	TOTAL	107,208,834	90.60

Analysis of Shareholders (continued)

Rank	Number of shares	% of issued share capital
21 to 40	149 308	0.14
41 to 60	70 433	0.07
61 to 80	42 226	0.04
81 to 100	32 431	0.03
101 to120	25 478	0.02
Other	108 939	0.10
Total	**107 637 649**	**100.00**

Distribution of shareholding at 30 June 2019

Number of shares held	Numbers of holders	Number of shares	% of issued share capital
1 to 1 000	264	96,666	0.09
1 001 to 5 000	94	197,841	0.18
5 001 to 10 000	17	134,308	0.12
10 0001 to 100 000	11	302,294	0.28
100 001 to 1 000 000 000	9	106,906,540	99.32
Total	**395**	**107,637,649**	**100.00**

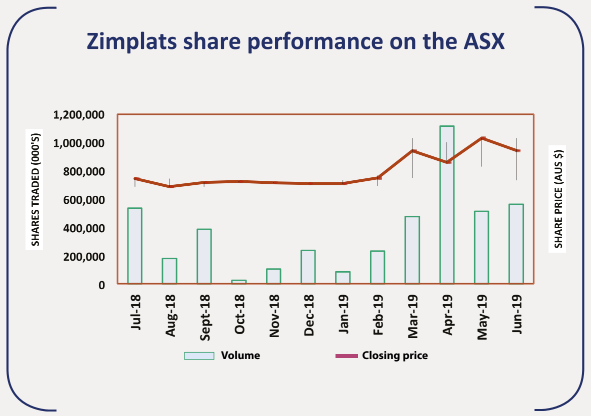
In terms of the definition under the Australian Stock Exchange (ASX) Listing Rule 4.10.8, the number of shareholders holding less than marketable parcel (US$500) of ordinary shares is 51 (2018:158).

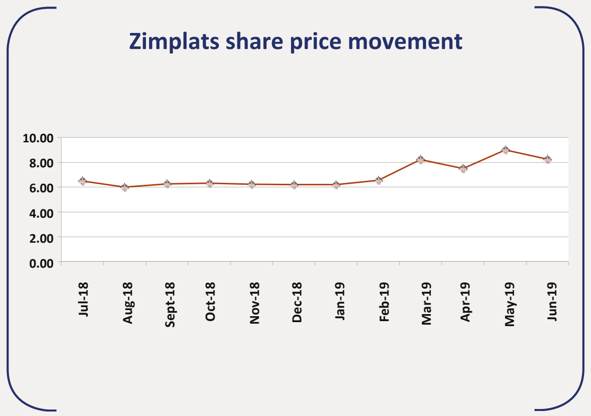
On-market buy back

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

Trading volume

As a consequence of Implats shareholding of 87% (2018:87%) 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 nineteenth 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 Monday 28 October 2019 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 2019.

2. To appoint Deloitte & Touche (Zimbabwe) as independent auditor 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 ended 30 June 2019.

4. To elect directors:
   (a) To re-elect Mr S M Mangoma as a director.
   (b) To re-elect Mr A Muchadehama as a director.
   (c) To elect Mrs C Mtasa 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 Thursday 24 October 2019 ("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 AUDITOR

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 2019 be received and considered.

Directors' recommendation

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

RESOLUTION 2 – APPOINTMENT OF DELOITTE & TOUCHE (ZIMBABWE) AS INDEPENDENT AUDITOR UNTIL THE NEXT ANNUAL GENERAL MEETING

Resolution 2, which is an ordinary resolution, proposes that Deloitte & Touche (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 auditor each year to hold office until the next annual general meeting of the Company.

Impala Platinum Holdings Limited (Implats) decided to early adopt the Independent Regulatory Board for Auditors ("IRBA")'s mandatory audit firm rotation requirements. As a result, Deloitte was appointed as Implats' new external auditor after following a comprehensive formal tender process. The appointment of Deloitte as Implats' new external auditor will take effect from the financial year ending 30 June 2020 once approved by the Implats shareholders at the Implats annual general meeting scheduled for 22 October 2019. As Zimplats is a material subsidiary of Implats, the Zimplats board noted that it would be necessary for the Zimplats Group to also change its independent auditor from PricewaterhouseCoopers Chartered Accountants (Zimbabwe) to Deloitte & Touche (Zimbabwe), which is part of the Deloitte global network.

Deloitte & Touche (Zimbabwe) have indicated that they are in a position to accept appointment as independent auditor of the Company for the year ending 30 June 2020.

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 2019

Resolution 3, which is an ordinary resolution, proposes that the audit fees of US$21 830 for the year ended 30 June 2019 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 by PricewaterhouseCoopers Chartered Accountants (Zimbabwe) for the external audit of the Company for the year ended 30 June 2019.

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.

Resolution 4(c), which is an ordinary resolution, proposes the election of a director who has been nominated by a member, and is recommended by the directors, for election as a director at the annual general meeting.

The board of directors believes 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. The board of directors also believes that the director who has been nominated for election should be elected as a director of the Company as she has the relevant business experience and skills to make a meaningful contribution to the governance of the Company.

(a) Re-election of Mr S M Mangoma as a director of the Company

Mr Stewart Magaso Mangoma, BCompt (Hons) UNISA, CA (Z)

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

(b) Re-election of Mr A Muchadehama as a director of the Company

Mr Alec Muchadehama, LLB, BL (Hons), MBA

Mr Muchadehama was appointed to the board on 17 October 2016. He is currently 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.

Notice of Annual General Meeting (continued)

(c) Election of Mrs C Mtasa as a director of the Company

Mrs Chipo Mtasa, BAcc (Hons) (UZ), CA (Z)

Mrs Mtasa is an experienced business executive who is currently the managing director of Tel One (Private) Limited. She was previously the chief executive officer of a large hospitality group in Zimbabwe. She is a non-executive director, deputy chairperson and audit committee chair of FBC Holdings Limited. She is a non-executive director of Brainworks Capital Limited and West Indian Ocean Cable Company.

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 Mr Mangoma and Mr Muchadehama and the election of Mrs Mtasa, 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 Thursday 24 October 2019.

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	20, 26
102-15	Key impacts, risks and opportunities	Fully	Sustainability matters	45-51
Organisational Profile				
102-1	Name of the organisation	Fully	• Scope of this report • About this integrated report • Business profile	Inside cover, 4, 8
102-2	Activities, brands, products, and services	Fully	• Business profile • Directors report • Financial statements	8, 111, 130
102-3	Location of headquarters	Fully	• Business profile • Financial statements • Contact details	8, 130, 204
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, 11
102-5	Nature of ownership and legal form	Fully	• Business profile • Corporate structure • Financial statements • Analysis of shareholders	8, 14, 178, 184
102-6	Markets served (including geographic breakdown, services and types of customers/beneficiaries)	Fully	• Business profile • Financial statements	8, 9, 145, 178
102-7	Scale of the reporting organisation	Fully	• Business profile • Locations and operations	8, 10, 11
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	9, 32, 36, 79, 80
102-41	Report the percentage of total employees covered by collective bargaining agreements	Fully	Sustainability matters	79
102-9	Describe the organisation's supply chain	Fully	Sustainability matters	54, 55, 56

Global Reporting Initiative (GRI) Index (continued)

GRI 102: General Disclosures 2016	Description	Reporting level	Cross reference/Direct answer/ Notes	Page number
102-10	Significant changes during the reporting period regarding size, structure, or ownership	Fully	• Scope of this report • Business profile • Corporate structure	Inside cover, 8, 14
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 - 54, 71, 73, 75, 76
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, 68, 70, 85
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)	53
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 integrated report • Notes 1 and 7 of the financial statements	4, 130, 161
102-46	Process for defining our report content and aspect boundaries and how the organisation implemented the Reporting Principles for defining report content	Fully	• Scope of this report • About this integrated report • Sustainability matters	Inside cover, 4, 8, 45
102-47	List all the material aspects identified in the process of defining report content	Fully	• Scope of this report • About this integrated report • Sustainability matters	Inside cover, 4, 8, 45
103-1	Explanation of the material topic and its boundary	Fully	• Value creation model • Our strategy • Sustainability matters	12,13, 46, 47, 52, 53, 54

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	Inside cover
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	Inside cover
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	52, 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 integrated report	4
102-51	Date of most recent previous report	Fully	About this integrated report	4
102-52	Reporting cycle (such as annual, bi-annual)	Fully	Integrated report is published annually	4
102-53	Contact point for questions regarding the report or its contents?	Fully	About this integrated report	5
102-54	Claims of reporting in accordance with the GRI Standard	Fully	• Scope of this report • Sustainability matter	Inside cover, 45
102-55	GRI content index	Fully	GRI index	189 - 193
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	196 - 199
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	99 - 104

Global Reporting Initiative (GRI) Index (continued)

GRI 102: General Disclosures 2016	Description	Reporting Level	Cross Reference/Direct Answer/ Notes	Page Number
102-22	Composition of the highest governance body and its committees	Fully	• Board of directors • Corporate governance report	16-17, 99-104
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	16, 100
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	99 - 108
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	• Mission, vision and values • Our strategy • Corporate governance report	7, 46, 47, 107
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	107
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	20, 22, 26, 32, 33, 35, 36, 126, 127
201-1	Direct Economic value generated and distributed	Fully	• Chairman's letter • Cash utilisation	22, 32, 33, 34, 35, 36, 126, 127, 128, 129
Aspect: Procurement Practices				
103-2	Management approach and its components	Fully	• Chairman's letter • Achievements FY2019 • Objectives FY2020 • Sustainability matters • Corporate governance report	22, 37, 38, 56, 104
204-1	Proportion of spending on local suppliers at significant locations of operation	Fully	• Chairman's letter • Achievements FY2019	22, 37
SOCIAL: LABOUR PRACTICES AND DECENT WORK				
Aspect: Occupational Health and Safety				
103-3	Evaluation of the management approach	Fully	Sustainability matters: Human Resources	80 - 82

Global Reporting Initiative (GRI) Index (continued)

GRI 102: General Disclosures 2016	Description	Reporting Level	Cross Reference/Direct Answer/ Notes	Page Number
SOCIAL: LABOUR PRACTICES AND DECENT WORK				
Aspect: Occupational Health and Safety				
403-9	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, 21, 27, 28, 64
ENVIRONMENTAL				
Aspect: Materials				
103-3	Evaluation of the management approach	Fully	Sustainability matters	73, 75
301-1	Material used by weight and volume	Yes	Sustainability matters	75
Aspect: Energy				
103-3	Evaluation of the management approach	Fully	Sustainability matters	73
302-1	*Energy consumption within the organisation	Yes	Sustainability matters	74
302-2	*Energy consumption outside the organisation	Yes	Sustainability matters	74
Aspect: Water				
103-3	Evaluation of the management approach	Fully	Sustainability matters	69, 70, 71
303-1	Total water withdrawal by source.	Yes	Sustainability matters	72
303-3	Percentage and total volume of water recycled and reused	Yes	Sustainability matters	72
Aspect: Emissions				
103-3	Evaluation of the management approach	Fully	Sustainability matters	73
305-1	*Direct Greenhouse Gas (GHG) Emissions - Scope 1	Yes	Sustainability matters	75
305-2	*Energy Indirect Greenhouse Gas (GHG) Emissions - Scope 2	Yes	Sustainability matters	75
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, 69

Reporting Criteria for Sustainability Key Performance Indicators

KPIs prepared in accordance with the GRI Standards	Level of assurance	Boundary	Definition
Contractor and employee fatalities	Limited	Zimplats Group	A work-related injury resulting in the death of an employee or contractor and includes any road accident where the mine is responsible for the transportation of passengers by bus, light duty vehicle, mini bus or other means and the passenger/s or drivers sustains terminal injuries
Contractor and employee lost-time injury frequency rate (LTIFR)	Limited	Zimplats Group	Number of lost time injuries per 1,000,000 hours worked. Lost time injury: a work-related injury resulting in the employee/contractor being unable to attend work, at his/her place of work, performing his/her assigned duties, on the next calendar day (whether a scheduled work day or not) after the day of the injury. If a suitably qualified medical professional advises that the injured person is unable to attend work on the next calendar day after the injury, regardless of the injured person's next rostered shift, a lost time injury is deemed to have occurred Medical Treatment Case (MTC): defined as a one-time treatment and subsequent observation of minor injuries by a physician, occupational health practitioner or other medical professional. Such minor injuries include the application of bandages, antiseptic, ointment, irrigation of eye to remove non-embedded foreign objects or the removal of foreign objects in a wound by using tweezers. MTCs may involve minor loss of consciousness, restriction of work or motion, but never involves a loss of one or more work shifts (ie employee is deemed fit to return to normal duties at the start of their next scheduled shift) Hours worked – total number of hours worked including overtime and training during the reporting period
Total injury frequency rate (TIFR)	Limited	Zimplats Group	Total fatal injuries + total Lost-time injuries + total medical treatment cases for employees and contractors
Energy consumption	Limited	Zimplats Group	Total energy (total energy electricity + total energy fuels) Fuels: solid fuels used for heating purposes or generating of energy during the reporting period. Liquid fuels consumed for processes and utilities during the reporting period. Includes petrol, diesel, coal for heating Electricity: electricity consumed for processes and utilities during the reporting period Conversion factors: Implats Group conversion factors and specific electricity & coal conversion factors
Water withdrawn	Limited	Zimplats Group	Water that is withdrawn from any water source that is either withdrawn directly by the organization or through intermediaries such as water utilities. This includes the abstraction of cooling water Sources include: • Water from dams • Water from ground water

Reporting Criteria for Sustainability Key Performance Indicators (continued)

KPIs prepared in accordance with the GRI Standards	Level of assurance	Boundary	Definition
Water consumption	Limited	Zimplats Group	Total water withdrawn + water internally recycled Less water discharged
Total indirect carbon dioxide (CO_2) emissions	Limited	Zimplats Group	Emissions from electricity purchased Conversion factor: Implats Group GHG Handbook
Total direct carbon dioxide (CO_2) emissions	Limited	Zimplats Group	Total emissions from operations. • CO_2 emissions due to petrol consumption • CO_2 emissions due to diesel consumption • CO_2 emissions due to coal consumption Conversion factors: Implats Group GHG Handbook and other sources as relevant to the operation
Materials used by weight or volume	Limited	Zimplats Group	Diesel (litres), petrol (litres) and coal (tonnes) used for primary production purposes
Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Limited	Zimplats Group	Number of major environmental non-conformances
Corporate social investments expenditure	Limited	Zimbabwean operations only	Spend on community initiatives pertaining to: • Empowerment of community structures • Health, safety and environment • Education • Government and rural district councils support infrastructure • Sport development • Enterprise development • Community welfare, arts and culture
Total Sulphur dioxide (SO_2) emissions	None	Zimplats Group	SO_2 from operations
New cases of Noise Induced Hearing Loss submitted for compensation (NIHL)	None	Zimplats Group	New cases of loss of hearing greater than 10% percentage loss hearing shift
New cases of Pulmonary Tuberculosis Diagnosed and Treated	None	Zimplats Group	New cases of employees on TB treatment being the new cases of lung disease caused by infection with Mycobacterium Tuberculosis diagnosed Cases reported are those diagnosed and on treatment
Employees on Antiretroviral Treatment (ARV/ART) – net enrolment at year-end	None	Zimplats Group	Number of employees enrolled on ART/ARV during the reporting period which includes: Indicator includes number of cases at the beginning of the year + number of new enrolments and excludes number of default cases (all causes) Number is net enrolment at year end
Employee Voluntary Counselling and Testing Program Uptake (VCT)	None	Zimplats Group	Total number of employees tested during the year who were tested, excluding testing specifically for diagnosis

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 2019

EY
Building a better working world

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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 2019 (the Report) is not prepared, in all material respects, in accordance with Zimplats' internally developed measurement and reporting criteria presented on pages 194 and 195 of the Report applied to prepare that information; and.
- Zimplats' assertion that the Report is in accordance with the GRI Standards: Core Option included on the inside cover of the Report is not, in all material respects, in accordance with the relevant 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 presented in Zimplats' Integrated Annual Report for the year ended 30 June 2019 (the Report); and for Zimplats' assertion made in the Report that the Report is in accordance with the Global Reporting Initiative (GRI) Standards: Core Option.

This engagement was conducted by a multidisciplinary team with extensive experience in sustainability and carbon footprint reporting and assurance.

Subject matter
Our limited assurance engagement was performed for the selected KPIs listed below and related performance disclosures as presented in the Report, and Zimplats' self-declared assertion that the report is in accordance with the core-level GRI Standards.

Selected KPIs
-GRI403-9: Total reportable injuries and total LTIs (including restricted work cases) per 1 000 000 man-hours worked
-GRI201-1: Total CSI expenditure, in US$
-GRI301-1: Diesel (litres), petrol (litres) and coal (tonnes) used for primary production purposes
-GRI302-1: Direct and Indirect energy consumption used for primary production, in gigajoules (GJ)
-GRI303-3: Water, in Mega-litres (ML), abstracted from dams and underground
-GRI305-1 and GRI 305-2: Carbon (CO_2) emissions in kilo-tonnes (kt) from materials used (diesel, petrol and coal) and from electricity
-GRI307-1: Number of environmental non-conformances

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 2019

These selected KPIs, prepared and presented in accordance with management's internally defined measurement and reporting criteria presented on pages 194 and 195 of the Report (management's measurement and reporting criteria) for Zimplats Holdings Limited and its operating subsidiaries, are marked with a '▲' on the relevant pages of the Report where they appear.

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 presenting the Report in accordance with the GRI Standards: Core Option, and for the selection, preparation and presentation of the selected KPIs and related management disclosures in the Report in accordance with management's internally developed 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 stakeholders and stakeholder requirements, material issues, for commitments with respect to sustainability performance and for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the selected KPIs and related disclosures, and for Zimplats' assertion on application of the GRI Standards in the Report, 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.

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 2019

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 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 limited assurance 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 selected KPIs as presented in the Report, are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE3410 involves assessing the suitability in the circumstances of managements' internally developed 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.

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 circumstances of the engagement, in performing the procedures listed above we:

- Reviewed Zimplats activities, processes and documents at group-level that support the assertions and claims made in the Report;
- Interviewed management and senior executives to obtain an understanding of the following that is relevant to the sustainability reporting process:
  - o Governance and accountability of relevant sustainability issues
  - o Objectives and priorities for embedding and managing sustainability expectations and the progress against these
  - o The processes for reporting progress and providing internal assurance to management on sustainability issues
  - o The process for determining materiality of sustainability issues
- The control environment and information systems relevant to preparing the selected KPIs and for their inclusion 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 management's measurement and reporting criteria.
- Inspected the GRI content index prepared by management to assess presentation of the Report in accordance with the core-level GRI Standards.
- Inspected supporting documentation on a sample basis, to corroborate the statements of management and senior executives in our interviews.
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation and application of the selected sustainability information subject to assurance.
- Evaluated whether the selected sustainability information subject to assurance as presented in the Report, and management's GRI assertion that the Report is presented in accordance with the GRI Standards, is consistent with our overall knowledge and experience of sustainability and carbon footprint management and performance at Zimplats.

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 2019

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 about whether the selected KPIs presented in the Report have been prepared, in all material respects, in accordance with management's internally developed measurement and reporting criteria for those KPIs.

Other matters
Information relating to prior reporting periods has not be subject to assurance procedures. 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 website is the responsibility of Zimplats' management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the selected KPIs in the Report, the GRI content index or our independent assurance report that may have occurred since the 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' Report for the year ending 30 June 2019, 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
PAAB Practising Certificate Number 0436
Registered Public Auditor
Chartered Accountant (Zimbabwe)

Ernst & Young
PO Box 702
Harare
Zimbabwe

31 October 2019

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.

General Information (continued)

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 2019/2020

2019 calendar year	
FY2019 year-end	30 June 2019
June 2019 quarterly activities report released	31 July 2019
Annual financial statements released	30 September 2019
Integrated annual report released	25 October 2019
Annual general meeting	28 October 2019
September 2019 quarterly activities report released	31 October 2019
2020 calendar year	
December 2019 quarterly activities report released	31 January 2020
December 2019 half yearly report and accounts released	29 February 2020
March 2020 quarterly activities report released	30 April 2020
FY2020 year-end	30 June 2020
June 2020 quarterly activities report released	31 July 2020
Release of FY2020 results	31 August 2020
Integrated annual report mailed	September 2020
September 2019 quarterly activities report released	31 October 2020
Annual general meeting	October 2020

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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.

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