ZIMPLATS

Member of the Implats Group

CREATING SHARED VALUE FOR ALL OUR STAKEHOLDERS

2020 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) as well as the King IV Report on Corporate Governance for South Africa. Zimplats has 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 210 to 214 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.

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SHAREHOLDER AND OTHER INFORMATION

ABOUT THIS INTEGRATED REPORT

This integrated annual report covers the financial year from 1 July 2019 to 30 June 2020 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 October 2019.

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.

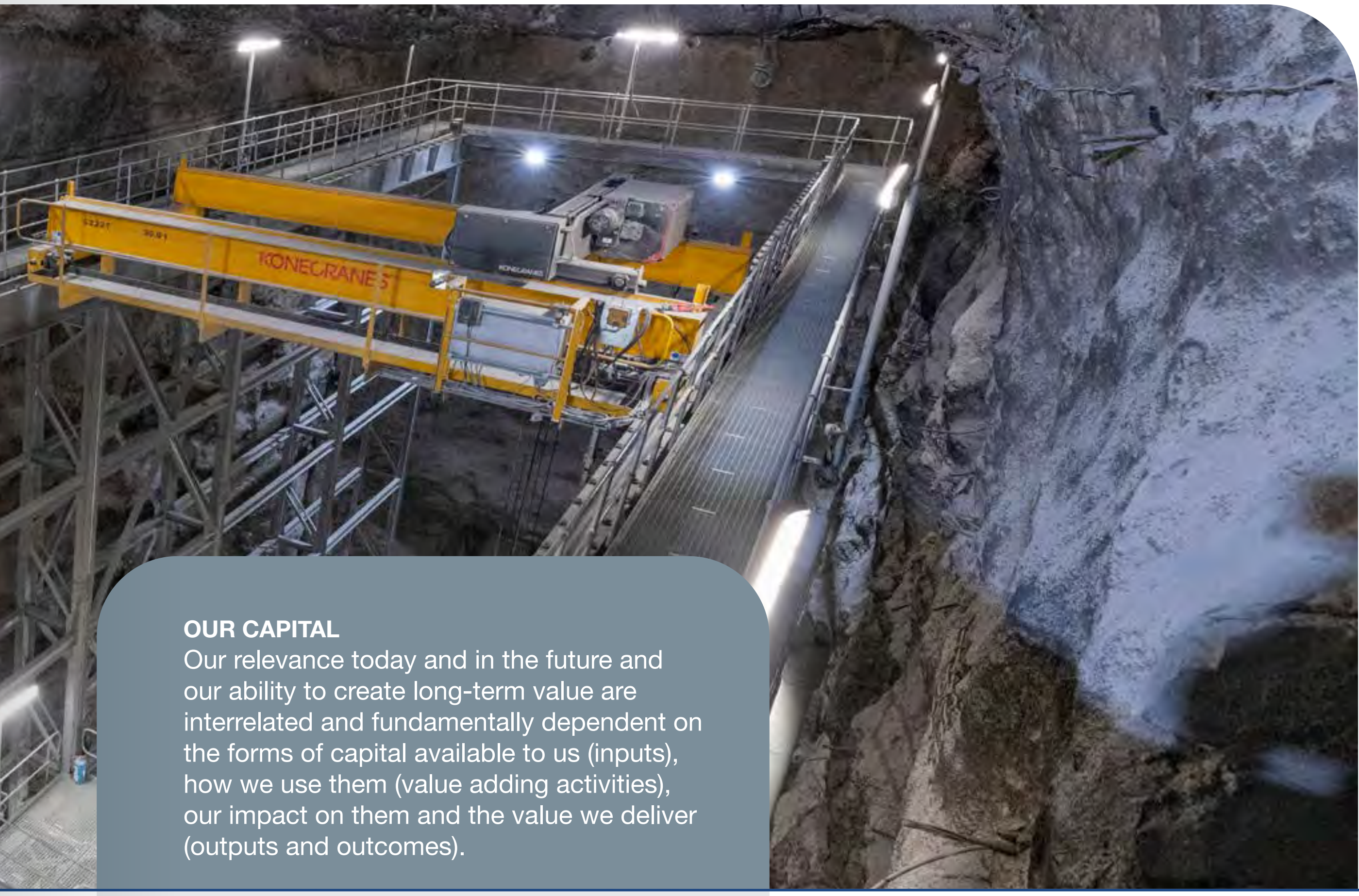
KEY CONCEPTS

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 trade-offs. Our value-creation model is embedded in our business purpose (pages 14 and 15).

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 patricia.zvandasara@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.

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 wellbeing 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

Zimplats in 20 Years

2016-2020

- Achieved Bimha Mine design capacity after re-development.
- Resolution of mining lease area and mining tenure issues.
- Attained 8.8 million fatality free shifts.
- 10% equity stake issued to the Zimplats Employee Share Ownership Trust as part of its Indigenisation implementation plan
- Surpassed Phase 2 nameplate capacity (6.2Mtpa) mining and milling production capacity

2011-2015

- Bimha Mine partial collapse and redevelopment.
- Resuscitation of open-pit operations.
- Phase 2 expansion plant commissioned on schedule.
- Attained 10 million fatality free shifts.
- Established the Community Share Ownership Trust and donated US$10 million.

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20 YEAR ANNIVERSARY

2006-2010

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

2001-2005

- Implats increased shareholding to 87% in Zimplats
- Zimplats established open-pit mine at Ngezi (2.2Mtpa) with investment from Implats

2000

Zimplats took over BHP Minerals International Exploration Inc's share of Hartley Mine

Business Profile

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

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

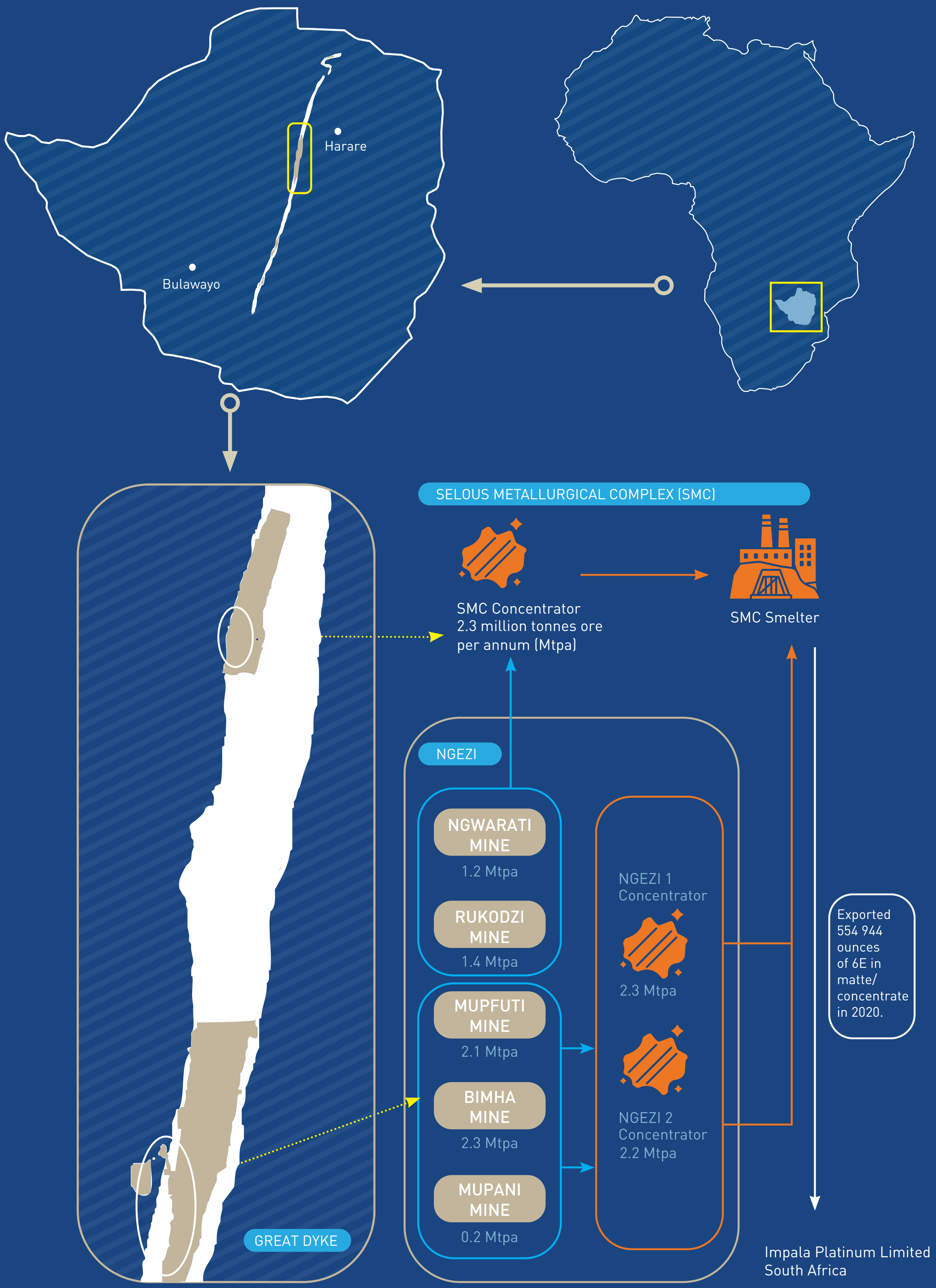
are used in fuel cell development. Fuel cells are able to reduce air pollution considerably while curtailing demand for fossil fuels.

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 the Selous Metallurgical Complex ('SMC') in Selous where the smelter is located. At year end, Zimplats had a workforce of 6 132 comprising 3 334 own employees and a further 2 798 contractors (a decrease of 14% compared to the previous year).

Ore production in the year was 7.2 million tonnes (Mt) (2019: 6.7 Mt). Matte and concentrate sold during the year to Impala Platinum Limited, the sole customer, amounted to 554 944 6E oz. (2019: 573 009 6E oz.). 6E (six elements) consists of platinum, palladium, rhodium, gold, ruthenium and iridium.

LOCATIONS 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
- Ore Reserves
- Property, plant and equipment
- Utilities

SOCIAL AND RELATIONSHIP
- Employee relations
- Community relations
- Social license 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 Performance 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 license to operate

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 as well as the King IV Report on Corporate Governance for South Africa, except where explanations have been provided.

Maintain, optimise and improve 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.

...while managing key risks

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

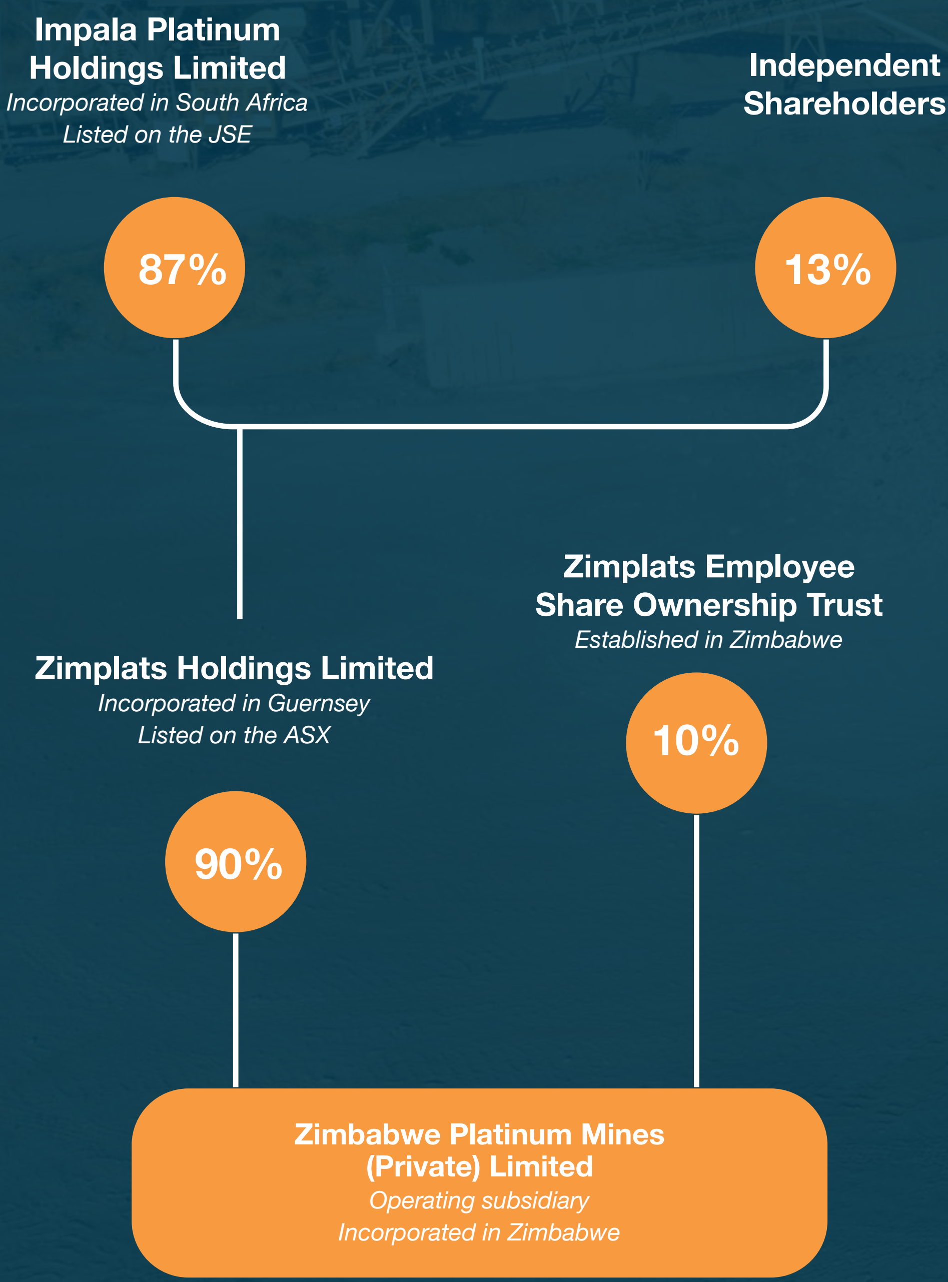
INTELLECTUAL

Continuous improvement - safe and efficient operations
Business improvement
Innovation

NATURAL

Generation of waste
Water recycling
Conservation of natural resources through recycling and rehabilitation
Sulphur dioxide emissions

Corporate Structure

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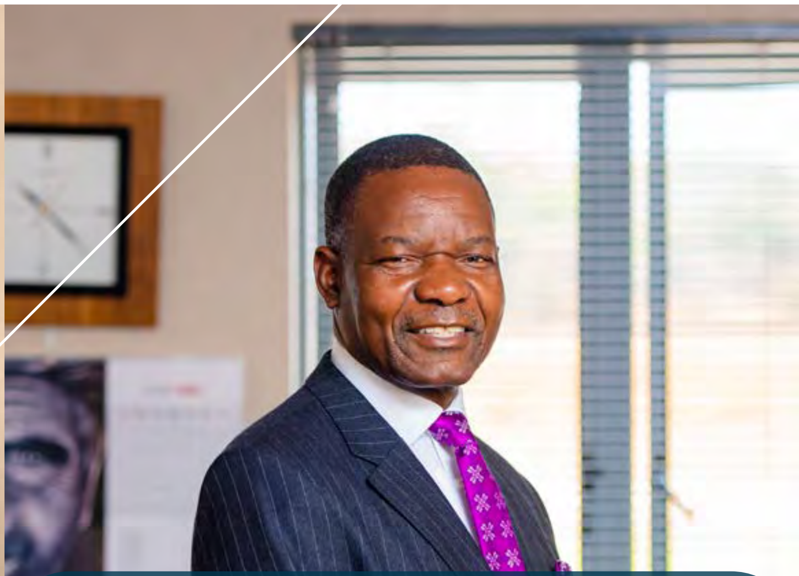
Board Of Directors

Dr Fholisani Sydney Mufamadi
Chairman

MSc, PhD

Appointed to the board on 1 May 2015 and appointed as the chairman of the board with effect from 1 July 2015. Dr. Mufamadi is an independent non-executive director of Impala Platinum Holdings Limited. He is the current Director of the Center of Public Policy and African Studies, and he serves on the subsidiary board of the Absa Group in Mozambique.



Alexander Mhembere
Chief Executive Officer

ACIS, ACMA, MBA

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

Patricia Zvandasara
Chief Finance Officer

(FCA (Z), CA (SA), Masters in Leadership (Innovation and Change) (MALIC)

Patricia joined the Group on 1 November 2019 as chief finance officer and she was appointed to the board on 12 November 2019. She is an experienced executive who has served in various senior leadership positions.

Meroonisha Kerber
Non-Executive Director

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
Non-Executive Director

MA (Clinical Psychology)

Appointed to the board on 16 April 2018. Thandeka is the founder and director of Jojose Investments, a human resources consultancy firm. 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. Thandeka is the chairperson of the board's remuneration committee.

Alec Muchadehama
Non-Executive Director

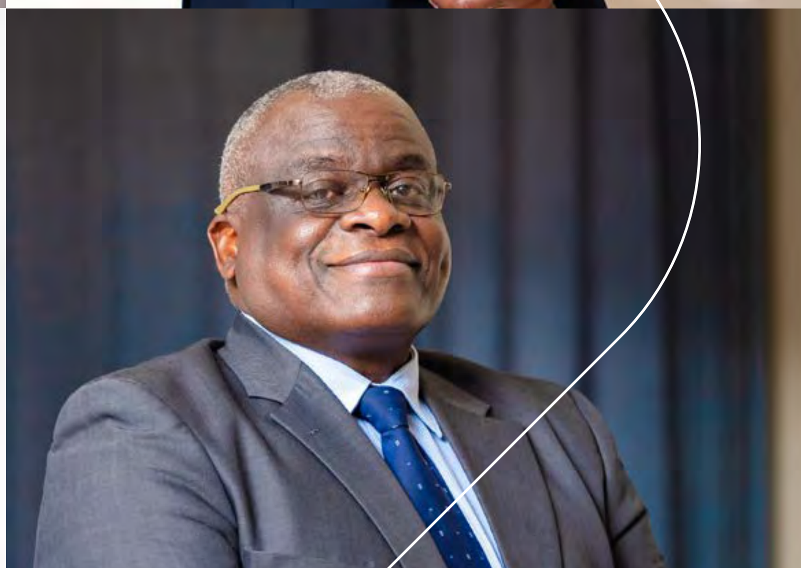
LLB, BL (Hons), MBA

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 remuneration committee.

Nicolaas Johannes Muller
Non-Executive Director

BSc (Mining Engineering)

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



Dr. Dennis Servious Madenga Shoko
Non-Executive Director

BSc Special Honours (Geology), BSc General, PhD

Appointed to the board on 17 October 2016. Dr Shoko is the Managing Consultant and a Director of Tailjet Consultancy Services (Private) Limited. He is a non-executive director of Chemaden Resources, Afrochine Smelting and African Chrome Fields and has previously held non-executive directorships in other companies in the mining sector. He is a member of the board's safety, health, environment and community (SHEC) committee.

Board of Directors *(continued)*

Zacharias Bernardus Swanepoel
Non-Executive Director

BSc (Mining Engineering), BCom (Hons)

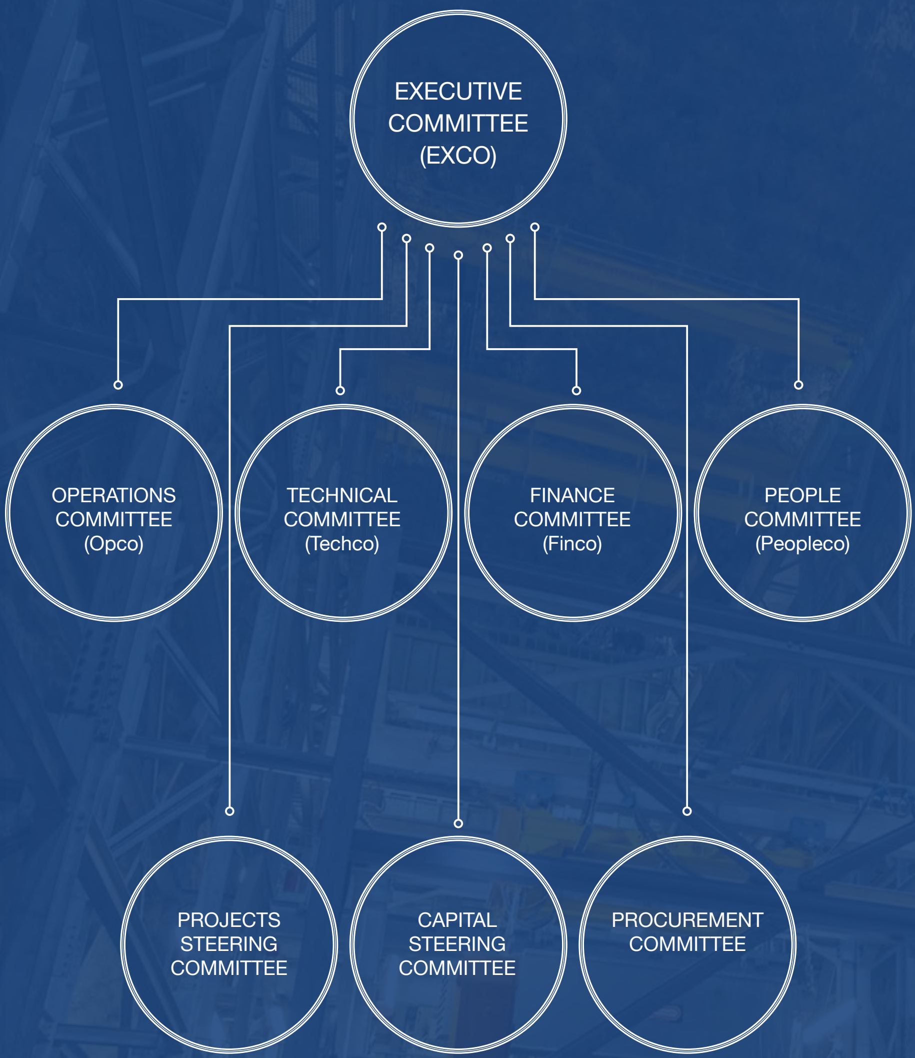
Appointed to the board on 1 July 2015. Bernard is an independent non-executive director of Impala Platinum Holdings Limited. He is a Director of To The Point Growth Specialists (Pty) Limited and a non-executive director of African Rainbow Minerals Limited. He is the chairperson of the board's safety, health, environment and community (SHEC) committee.

Chipo Mtasa
Non-Executive Director

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, Arden Capital Limited and West Indian Ocean Cable Company. She is the chairperson of the board's audit and risk committee and a member of the remuneration committee.

Management Structure

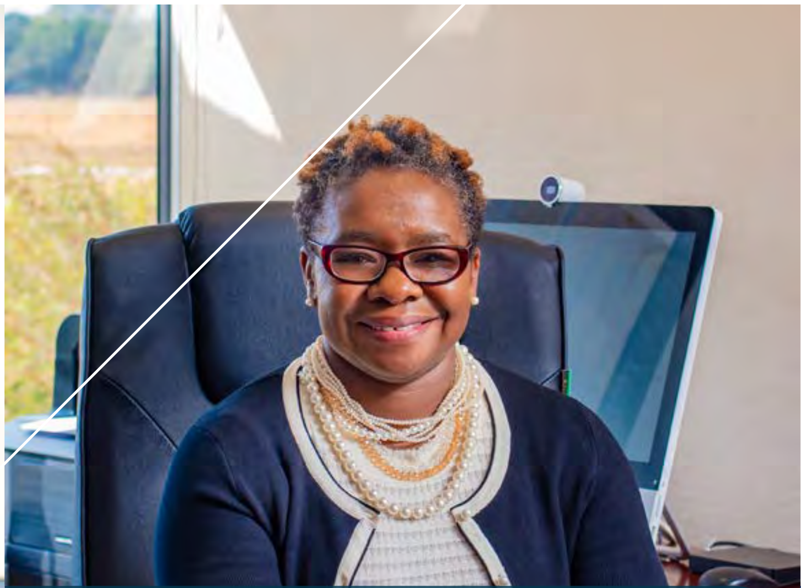


Management Executive Committee

Alexander Mhembere
Chief Executive Officer

ACIS, ACMA, MBA

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



Patricia Zvandasara
Chief Finance Officer

(FCA (Z), CA (SA), Masters in Leadership (Innovation and Change) (MALIC) (York St John University))

Patricia joined the Group on 1 November 2019, as chief finance officer. She is the chairperson of the operating subsidiary's finance committee, procurement committee and information technology steering committee and is a member of the operating subsidiary's capital steering committee and projects steering committee.

Stanley Segula
Managing Director

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.

Stewart Magaso Mangoma
Strategy and Business Development Director

BCompt (Hons) UNISA, CA (Z)

Stewart joined the Group on 1 March 2013 as chief finance officer. He was appointed strategy and business development director in September 2019. He has held senior executive positions in a number of leading companies in Zimbabwe.

Takawira Maswiswi
Human Resources Director

MSc (Tourism and Hospitality), MIPM

Takawira joined the Group on 1 February 2012 as general manager – human resources of the operating subsidiary. He was appointed human resources director and to the board of the operating subsidiary on 1 March 2017. He is the chairperson of the operating subsidiary's people committee.

Amend Chiduma
Technical Director

BSC Engineering (Hons), IEDP (Wits), MEDZ, GMDP (BSST/UZ)

Amend joined the group on 1 November 2008 and was appointed general manager – engineering, of the operating subsidiary in 2013. He was appointed technical director for the operating subsidiary with effect from 1 June 2018. He is the chairperson of the operating subsidiary's technical committee and capital and projects steering committee.

Sibusisiwe Chindove
Head of Corporate Affairs

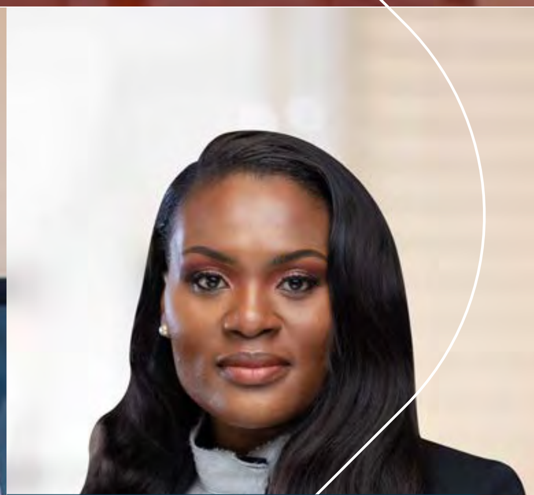
MSc Food Science and Technology (Food Business) (University College Cork); B. Admin (Hons) (UZ), Diploma in Public Relations and Marketing (LCCI)

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

Lysias Chiwozva
Risk and Compliance Manager

B. Eng (Hons) Industrial (NUST), MBA (UZ), MIRM (UK), MSc Risk Management (De Montfort University (UK))

Lysias joined the Group on 1 September 2012 and he is the risk and compliance manager of the operating subsidiary.



Chipo Chengetai Sachikonye
Legal Counsel and Company Secretary

LLB (Hons) University of Cape Town, South Africa
LLM, University of Cape Town, South Africa
Master of Law and Business (MLB) Bucerius Law School & WHU – Otto Beisheim School of Management, Hamburg & Vallendar, Germany

Chipo joined the Group on 1 February 2020. She is a registered member of the Law Society of Zimbabwe and has over ten years private practice experience, working at partnership level, providing advisory services in the commercial and financial services sectors.

Chairman's Letter

“...your Company went through the year without a fatality...”

TO ALL OUR STAKEHOLDERS

I am excited to be writing to you, our valued stakeholders, as your Company posted excellent results despite the challenging environment in which the COVID-19 pandemic wreaked havoc the world over. The consequential events that have unfolded both nationally and globally could not have been foreseen at the start of this financial year. The business environment was affected by the several measures that governments implemented to mitigate the spread of this virus. Your company was equally affected when it was issued a force majeure notice towards the end of the financial year in response to the outbreak of COVID-19 in South Africa, which had an impact on the sales volumes for the final quarter of the year. In addition, the challenges in the operating environment did not relent since my previous report to you.

The team's ability to manoeuvre through these unprecedented waters and come out with minimal disruption to operations is commendable and similarly the resilience and dedication shown by all our employees and contractors during these very difficult times. I also want to re-assert Zimplats' commitment to creating shared value in a sustainable and environmentally friendly manner despite these challenges.

Chairman's Letter *(continued)*

KEY PERFORMANCE AREAS

Your Company once again surpassed the goals set in respect of production, cost management and financial performance. While regrettably, the number of lost-time injuries and the associated lost-time injury frequency rate (LTIFR) worsened compared to prior year, I am gratified that your Company completed the year without a fatality. Despite the huge disruptions caused by COVID-19 across the globe, your Company did not record any positive cases of the virus and continued to operate normally, taking the necessary precautions. The measures put in place by management to mitigate the impacts of the virus on the business worked well in the year.

6E metal production for the year was marginally above FY2019 despite a 5% increase in the volume of ore milled. This was due to the expected metal inventory build-up in the furnace at start-up after the rebuild shutdown which lasted 122 days from 10 June 2019. This resulted in a 42% increase in gross revenue per 6E oz from US$1 101 achieved in FY2019 to US$1 566 in FY2020. This was partly offset by a 3% decrease in the quantity of 6E ounces sold. Profit before tax increased to US$374.2 million from US$205.3 million achieved in FY2019. The Group generated US$258.4 million from operating activities and closed the year with a cash balance of US$135.8 million after investing US$104.2 million in capital projects during the year.

A final dividend for the year ended 30 June 2019 amounting to US$45 million (equating to US$0.42 per share) was declared and paid during the year to shareholders on record as at 12 September 2019.

In view of the economic uncertainty posed by the COVID-19 pandemic, your Company has considered it prudent not to declare a dividend for the year ended 30 June 2020 to preserve cash and maintain liquidity.

CHANGES IN THE OPERATING ENVIRONMENT

The operating environment was hit by the global pandemic, which resulted in a raft of measures being implemented at the national and global level.

The Zimbabwe national lockdown commenced on 30 March 2020 under which all businesses were closed except those deemed to be essential services. The lockdown was initially extended by 14 days before it was extended by a further 14 days to 17 May 2020 in a stage coded Level 2 Lockdown. Under Level 2 Lockdown, all formal businesses (industry and commerce) were allowed to resume operations under strict compliance with COVID-19 guidelines which included that all persons should wear face masks in public places and that all employees returning from lockdown be tested for COVID-19 before resuming operations. Zimbabwe has remained in Level 2 Lockdown with some minor adjustments allowing for selected informal businesses to resume since 17 May 2020.

I am pleased to advise that in all the lockdown phases, the Group's operations continued apart from certain capital expenditure projects which were put on hold to adhere to social distancing protocols. However, the lockdown in South Africa temporarily affected your Company's sales for just over one month when Impala Platinum Limited issued a force majeure notice effective 26 March 2020.

The direct effects of this pandemic on the Company are discussed throughout this letter.

INDIGENISATION IMPLEMENTATION PLAN

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

As I reported in my previous letter, the Minister of Finance and Economic Development in his Mid-Term and Supplementary Budget presented to Parliament on 1 August 2019, stated that the Indigenisation and Economic Empowerment Act (Chapter 14:33) requiring 51% indigenous equity for diamonds and platinum miners was going to be repealed and be replaced with an Economic Empowerment Act consistent with the Government's drive to open Zimbabwe for business. The Government is yet to amend the law to bring this to effect. Zimplats will continue to engage the Government for clarity on this matter.

Chairman's Letter *(continued)*

SAFETY, HEALTH AND ENVIRONMENT

I am delighted to report that despite the increase in the total recordable injuries at work, your Company went through the year without a fatality accumulating 2.4 million fatality free shifts by year end. Nine lost-time injuries were unfortunately recorded during the year, an increase of two from the seven recorded in the prior year (including a fatality). The LTIFR for the year deteriorated from 0.45 reported in FY2019 to 0.59▲. On a positive note, total injuries on duty decreased from 14 in FY2019 to 10▲ in the current year resulting in the total injury frequency rate (TIFR) decreasing from 0.90 in FY2019 to 0.65▲ in FY2020. Your board and management remain committed to achieve the ultimate objective of sustainable zero harm.

The Group's workplace health programmes worked well in the year with strong emphasis on the following:

- Mitigation of COVID-19 spread and impact on employee and community health
- HIV and AIDS management
- Management of and awareness on non-communicable diseases
- Mental and occupational health monitoring
- Malaria control

I applaud the board and management for the measures implemented in the fight against COVID-19 which resulted in no notable disruptions to operations. The Group had no confirmed cases of COVID-19 at all the operations. I am also happy to report that while the Group's priority is not to have any confirmed positive COVID-19 cases, appropriate facilities have been put in place to manage any confirmed cases, should they occur.

The environmental management programmes have proved to be effective as there were no major non-conformances reported during the year. Water recycling remains a priority in the Group's quest to reduce the volume of water abstracted from dams and underground water bodies. This becomes even more imperative with the increased pressure on water resources given the incessant droughts the country has experienced. The rehabilitation of the disturbed open-pit areas and the tailings dams' surfaces progressed well during the year.

OPERATIONS

Your Company mined 7.2 million tonnes of ore, 7% more than the 6.7 million tonnes achieved in FY2019. Milling volumes also increased from 6.5 million tonnes in FY2019 to 6.8 million tonnes due to ore from Mupani Mine and benefits of fleet productivity enhancement initiatives that started towards the end of FY2019 and have now been rolled out to all the underground mines. The concentrator plants outperformed their previous year throughput due to higher running time and milling rate.

The 6E ounces produced increased marginally to 580 178 ounces from 579 591 ounces achieved in FY2019. The positive impact of the 5% increase in mill volumes on metal production was partly offset by in-furnace inventory build-up on start-up after the 122 days major furnace rebuild shutdown which commenced on 10 June 2019 and was completed in the first half of FY2020.

The Group recorded a profit for the year of US$261.8 million, 81% increase from US$144.9 million achieved in the prior year. This was mainly attributed to the increase in revenue (US$868.9 million in FY2020 compared to US$631 million in FY2019) arising from improved metal prices and decrease in exchange losses from US$20.2 million in FY2019 to US$4.8 million. This was partly offset by the discontinuation of the Reserve Bank of Zimbabwe export incentive scheme in February 2019 resulting in other income decreasing by US$45.8 million compared to prior year.

I am happy to report that your Company paid the final instalment of US$42.5 million on the Revolving Credit Facility with Standard Bank of South Africa. In addition,

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

Chairman's Letter *(continued)*

the Group generated enough cash to pay dividends amounting to US$45 million.

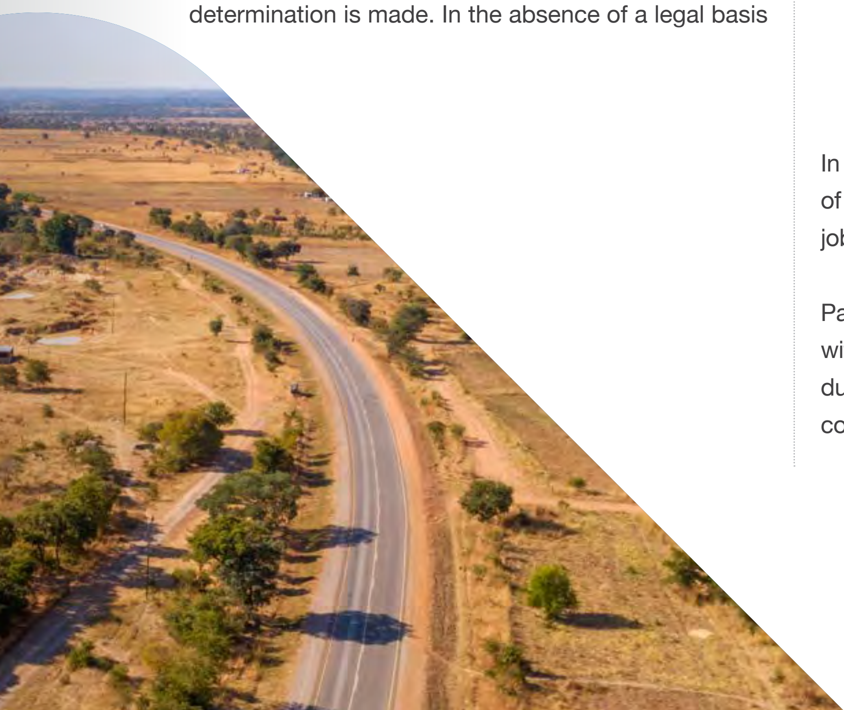
The Mupani Mine development project, (replacement for Rukodzi and Ngwarati mines), progressed well during the year and is on schedule. The project is expected to be completed on time and within the approved budget.

The Bimha Mine redevelopment project is substantially complete save for the underground workshops whose progress was affected by the COVID-19 pandemic. We expect to commission the workshops in the first half of FY2021.

TAXATION ISSUES

In accordance with the legislation governing the payment of taxes, the Group's operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, is required to pay taxes in accordance with the laws of Zimbabwe, specifically the Income Tax Act, as read with the Finance Act (Chapter 23:04). The board has noted with acceptance that there could be a difference in interpretation on the application of the currency apportionment formula and have used an expert's assessment which concluded that the Group has lawfully computed and fully discharged its tax obligations in local currency.

The aforementioned difference in interpretation gives rise to the possibility that at a future date, the determined result might also vary significantly and may have an effect on financial results in the year in which such a determination is made. In the absence of a legal basis upon which to base the potential determination, the Group was unable to quantify the potential impact at this stage.

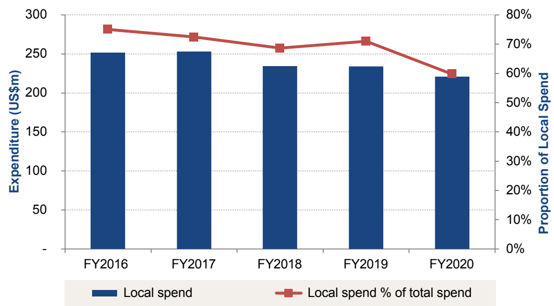


The operating subsidiary's continued engagements with the Zimbabwe Revenue Authority (ZIMRA) regarding current and legacy issues has remained constructive creating a cordial relationship with the tax authorities. The Group will continue to file all required income tax returns and to pay the taxes as reasonably determined to be due.

ZIMPLATS' CONTRIBUTION TO THE ZIMBABWEAN ECONOMY

Your Company continued with its drive to positively contribute towards the economic development of Zimbabwe and the country's fiscus. In pursuit of this objective, the Group's operating subsidiary procured 60% of its goods and services from local suppliers during the year, equivalent to US$220.7 million (FY2019: US$234 million). The decrease in payments to local suppliers was attributable to the decrease in capital expenditure from US$115 million in FY2019 to US$104.2 million and high imports demand for strategic projects.

Local Spend

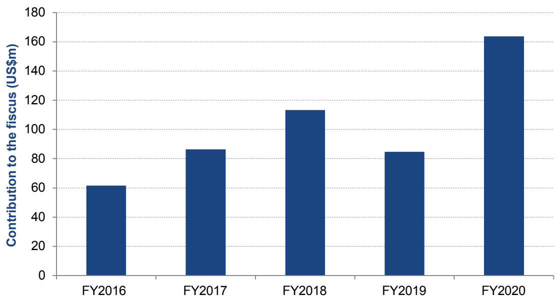


In addition, your company continues to grow its support of local enterprises which has resulted in over 2 000 jobs created in the last seven years.

Payments to Government in respect of corporate tax, withholding tax, royalties, payroll taxes and customs duties for the year amounted to US$164 million compared to US$84 million in the prior year.

Chairman's Letter *(continued)*

Contribution to the fiscus



OUTLOOK

The Group remains committed to extracting and processing its mineral resource in Zimbabwe in a manner that creates value for all stakeholders. As a result, the Group is progressing with all its major projects which include the US$264 million Mupani Mine development project and completion of the US$101 million Bimha redevelopment project. Currently US$99.5 million has been invested in the development of Mupani Mine and US$98.8 million on Bimha Mine redevelopment. The Group continues to scan the environment for investment opportunities in Zimbabwe.

The future of the Company remains bright despite the pressures from the operating environment and the threats from COVID-19. Your board and management remain committed to putting in place systems to mitigate the potential impact of COVID-19 on the Company, its employees, contractors and suppliers. While this is a big threat by any standard, the measures put in place by management have so far been effective and I am confident that they can deliver positive results going forward. Your board and management will continue to monitor development around this pandemic, both locally and internationally and respond appropriately. As a responsible corporate citizen, your Company will, as it has always done, comply with all legislation around the management of COVID-19.

Zimplats will continue to nurture sustainable, mutually beneficial relationships with all stakeholders who are key in the Group's ability to deliver on its objectives, including Government, employees, suppliers, and communities.

ACKNOWLEDGMENTS

On behalf of Zimplats, I would like to thank my colleagues on the board for their unwavering support, the Company's management and employees for their continued and valued commitment and dedication, suppliers and other stakeholders who have contributed in many ways to the sterling performance of the company despite the harsh economic conditions and the negative impact of the COVID-19 pandemic. May I encourage all of us to be our brother's keeper and focus on staying safe as we perform our day-to-day activities.

Chairman's Letter *(continued)*

I am pleased to announce that we are joined on the board by Chipo Mtasa and Patricia Zvandasara.

- Chipo was elected as an independent non-executive director of the Company at the annual general meeting held on 28 October 2019.
- Patricia was appointed as chief finance officer of the Company with effect from 1 November 2019. Subsequently, she was appointed as an executive director of the Company on 12 November 2019.

Both the board and I warmly welcome Chipo and Patricia to the Company and we look forward to working with them on the board.

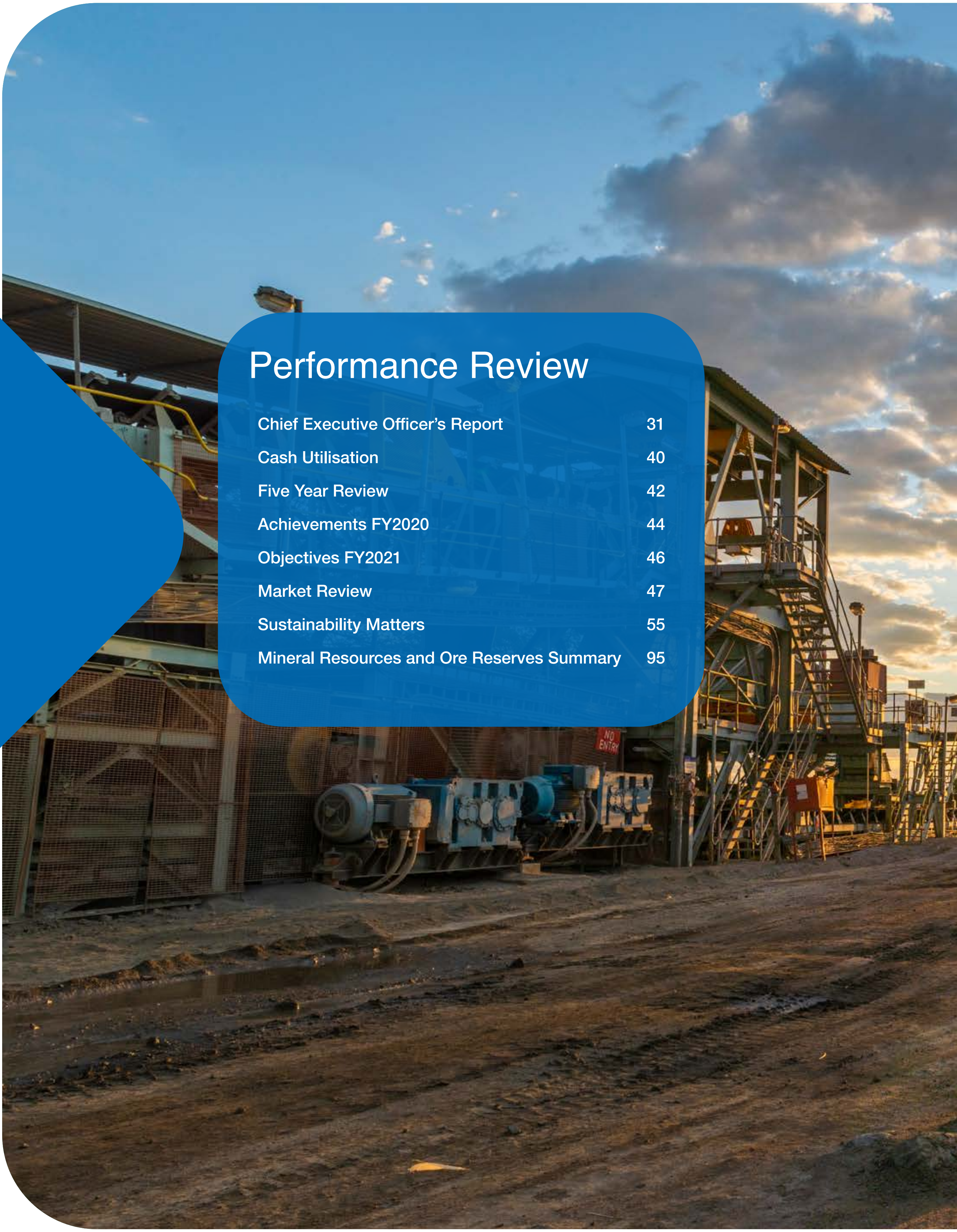
We bid farewell to Nyasha Zhou who retired as a director of the Company at the annual general meeting held on 28 October 2019 having served as an independent non-executive director of the Company since 1 March 2010. He was the chairperson of the board's audit and risk committee and a member of the remuneration committee. The board and management wish Nyasha all the very best in the future.

Stewart Mangoma, formerly chief finance officer, assumed the position of strategy and business development director for Zimbabwe Platinum Mines (Private) Limited and stepped down as a director of the Company with effect from 12 November 2019. On behalf of the board, I would like to express our sincere gratitude to Stewart for his service and valuable contribution to the Company which will no doubt continue in his new role within the Group.

I look forward to the Company's continued growth and success in the upcoming years.

Fholisani Sydney Mufamadi
Chairman of the board

29 September 2020



Performance Review

Chief Executive Officer's Report

As a leading platinum group metals (PGM) producer in the country, we recognise the key role we play in promoting sustainable development, hence our commitment to the creation of shared value. Our comprehensive approach and programmes to protect our natural resources, our quest for zero harm and investment in community development and our focus on developing local suppliers along with other activities we undertake all relate to our mission of protecting the environment, promoting economic prosperity and investing in social development.

We are committed to creating shared value for all our stakeholders in a manner which allows us to examine their needs and integrate them in our strategies to enhance and deliver value.

> The Group spent US$2.6▲ million on social investment projects...

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

Chief Executive Officer's Report *(continued)*

KEY PERFORMANCE FEATURES

- A total of nine▲ lost-time injuries (LTI) were recorded during the year compared to seven in the previous year raising the lost-time injury frequency rate (LTIFR) to 0.59▲ in the current year compared to 0.45 in the previous year
- Notably, no fatality▲ was recorded in the current year
- The number of total injuries recorded decreased from 14 in FY2019 to 10▲ in FY2020 resulting in the total injury frequency rate falling from 0.90 in FY2019 to 0.65▲ in FY2020
- Run-of-mine (ROM) ore production of 7.2 million tonnes was 7% higher than the 6.7 million tonnes in FY2019
- A total of 6.8 million tonnes of ore were milled during the year, a 4% increase from 6.2 million tonnes milled in FY2019
- 6E production in final product at 580 178 ounces was marginally higher than the 579 591 ounces reported in the previous year
- Revenue for the year at US$869 million was 38% higher than the US$631 million reported in the previous year
- A profit after tax of US$261.8 million was realised during the year compared to US$144.9 million in the prior year
- A dividend of US$45 million was declared and paid out to shareholders during the year
- The Group spent a total of US$104.2 million (FY2019: US$115 million) on capital projects
- Bimha Mine redevelopment project is substantially complete except for the underground workshops whose completion was affected by the COVID-19 lockdown. The workshops will now be commissioned in FY2021
- Development of Mupani Mine (replacement for Rukodzi and Ngwarati mines, that deplete in FY2022 and FY2024 respectively) is progressing well and on schedule

SAFETY, HEALTH AND ENVIRONMENT

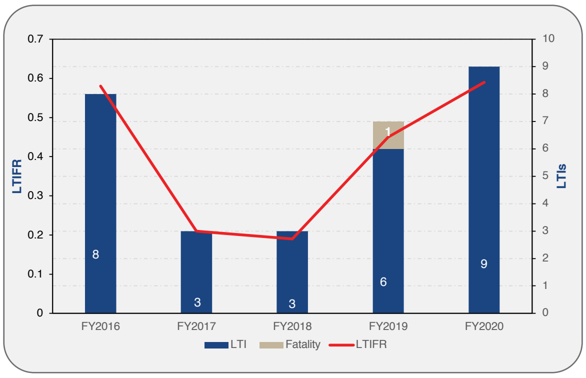
Safety

Key performance indicator	FY2020	FY2019	Movement
Fatalities	0▲	1	100%
Fatality free shifts (million)	2.4	0.5	380%
Lost-time injuries	9▲	7	(28%)
Total injuries	10▲	14	29%
Fatal injury frequency rate	0▲	0.06	100%
Lost-time injury frequency rate	0.59▲	0.45	(31%)
Total injury frequency rate	0.65▲	0.90	28%

The Group reported nine lost-time injuries▲ in the year compared to seven (including the fatality) in the previous year. Despite the increase in the total number of lost-time injuries, I am happy to report that the Group completed the year without a fatality▲. As at the end of the year, the Group had accumulated 2.4 million shifts without a fatality. Total injuries on duty reduced from 14 recorded in FY2019 to 10▲ in the current year.

We remain committed to our quest to achieve sustainable zero harm. I want to commend our valued contractors and employees who have also shown great commitment to turning around the safety performance. Testimony to this, is the improvement seen in the second half of the year where three LTIs were recorded against six in the first half of the year.

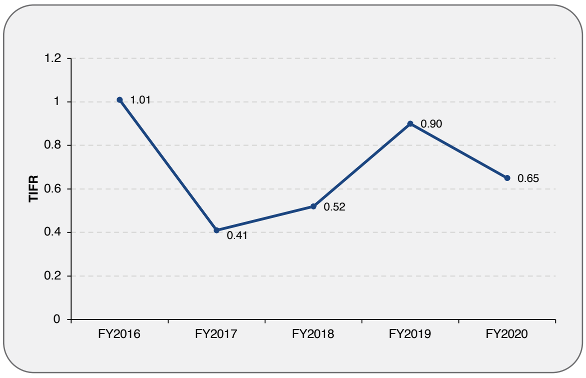
Lost-time injuries trend



▲*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 occupational health and wellness programmes focusing on mental and physical wellbeing of employees and contractors performed well during the year. Occupational health surveillance screening continued to influence employee lifestyle changes through education and early detection of non-communicable diseases.

COVID-19 Response

FY2020 saw the advent of an unprecedented pandemic, COVID-19, which disrupted the way of life for both individuals and corporates. To minimise the impact of this pandemic on operations and the health of employees, the Group embarked on the following initiatives:

- 360 degree review of procedures and practices to minimise the possible spread of the virus
- Capacitated the internal medical facilities to deal with COVID-19 cases at the workplace. This included facilities for screening, testing, quarantining, isolating and treatment
- Risk profiling to identify employees at high risk of severe disease was done and mitigating measures were implemented.

The COVID-19 mitigation measures implemented have so far been successful as the Group did not record any positive cases among its employees and contractors during the year.

Mental Health

An enhanced employee appreciation of the importance of professional counselling services together with COVID-19 pandemic induced anxiety resulted in an increased utilisation of the counselling facilities at the mining and processing sites.

Malaria Control

The Group's malaria control programmes worked well during the year with no cases of local malaria transmission recorded at all the operations. Three positive malaria cases involving employees with a history of travel to malaria endemic areas in Zimbabwe were recorded during the year.

Environment

Key performance indicator	Unit of measure	FY2020	FY2019	Variance
Major environmental non-conformance	Number	0▲	0	-
Area rehabilitated	Hectares (Ha)	23	6	283%
Water abstracted from dams and underground	Mega litres (ML)	7 473▲	7 217	(4%)
Water recycled	Percentage %	39	41	(2%)
Fresh water consumption	Kilo litres (KL)/ tonne ore	0.97	0.97	-
Carbon emission	Carbon dioxide (CO_2)/tonne ore	0.055▲	0.059	7%
Sulphur dioxide point source emission	Tonnes sulphur dioxide (SO_2)	20 532	23 132	11%
Energy consumption	Giga joules (GJ)/tonne ore	0.37▲	0.39	5%

The Group's environmental management programmes continued to perform well for yet another year with no significant non-conformances reported from both internal and external audits.

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

Chief Executive Officer's Report *(continued)*

The Group was audited for recertification to the environmental management standard (ISO 14001:2015) during the year and the certification was retained.

Water withdrawn from dams and underground increased by 4% from the previous year while water recycling decreased to 39% from 41% achieved in FY2019. The low rainfall and high temperature conditions experienced during the year have resulted in low water harvesting and low dam levels thereby increasing pressure on water supply in the catchments where Zimplats operations are located.

The installation of energy efficient equipment which included solar lighting and water heating continued during the year as part of the Group's energy efficiency and climate change response plan.

Rehabilitation of the closed open-pits progressed as planned during the year. The concurrent rehabilitation of the tailings storage facilities progressed well during the year with 2.5 hectares re-vegetated, equating to same hectarage as the previous year.

Point source sulphur dioxide (SO_2) emissions decreased from 23 132 tonnes in the previous year to 20 532 tonnes in the current year due to lower smelter running time following the 122 days furnace rebuild shutdown which started in June 2019. The Group installed a fugitive emissions capture system to reduce ground level SO_2 concentrations at the Selous Metallurgical Complex (SMC).

OPERATIONS

Ore mined and milled for the year increased by 7% and 5% respectively from the previous year benefiting from ore from Mupani Mine and fleet productivity enhancement initiatives that started towards the end of FY2019 which have now been rolled out to all the underground mines. The concentrator plants throughput was better than prior year due to higher running time and milling rate. We are pleased to report that the Group's operations were not affected by the COVID-19 pandemic as all the mines and the processing plants continued operating throughout the year with no confirmed cases within the workforce.

The table below shows the mining and milling performance for the year compared to prior year.

Key performance indicator	FY2020	FY2019	Variance
Ore mined (million tonnes)	7.2	6.7	7%
6E head grade (g/t)	3.48	3.48	-
Ore milled (million tonnes)	6.8	6.5	5%
Concentrator 6E recovery rate (%)	79.0	78.9	-
6E produced (000 oz)	580.2	579.6	-
In converter matte	426.5	547.0	(22%)
In concentrate	153.7	32.6	371%

Mining

Total ore mined increased by 7% compared to previous year driven mainly by 0.2 million tonnes contributed by Mupani Mine and higher fleet (team) productivity after successfully implementing the team restructuring exercise. In addition, a development team at Bimha Mine was transferred to stoping, increasing the mine's production from 2.1 million tonnes in FY2019 to 2.3 million tonnes in FY2020. The Bimha Mine South underground materials handling infrastructure was successfully commissioned during the year further improving mining efficiencies.

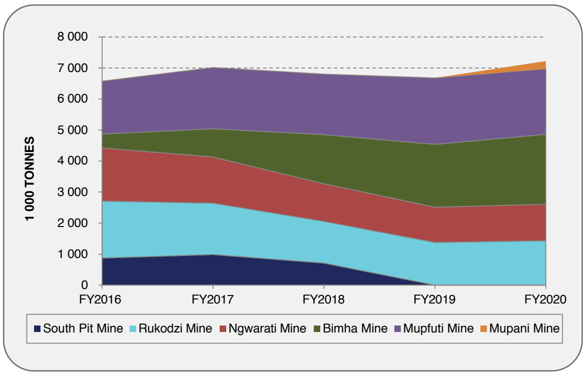
The general ground conditions in the mines remained stable including the new Bimha Mine footprint. There were minor closure incidents recorded as expected in the Bimha Mine old abandoned footprint and the limit of the collapsed zone remains static.

Chief Executive Officer's Report *(continued)*

The table below shows ROM ore production by mine:

Mine	FY2020	FY2019	Variance
Ngwarati Mine (Mt)	1.2	1.1	9%
Rukodzi Mine (Mt)	1.4	1.4	-
Mupfuti Mine (Mt)	2.1	2.1	-
Bimha Mine (Mt)	2.3	2.1	10%
Mupani Mine (Mt)	0.2	-	n/a
Total ROM ore (Mt)	7.2	6.7	7%

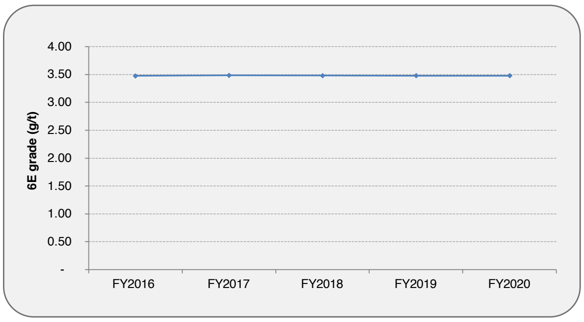
Ore mined



Head grade

Mine	FY2020	FY2019	Variance
Ngwarati Mine (g/t)	3.49	3.48	-
Rukodzi Mine (g/t)	3.56	3.58	(1%)
Mupfuti Mine (g/t)	3.48	3.48	-
Bimha Mine (g/t)	3.45	3.46	-
Mupani Mine (g/t)	3.31	-	-
Total ROM ore (g/t)	3.48	3.48	-

The Group's 6E head grade at 3.48g/t, was the same as that achieved in the prior year. Rukodzi Mine grade marginally deteriorated from prior year due to dilution as mining approaches the boundaries of the mine footprint.



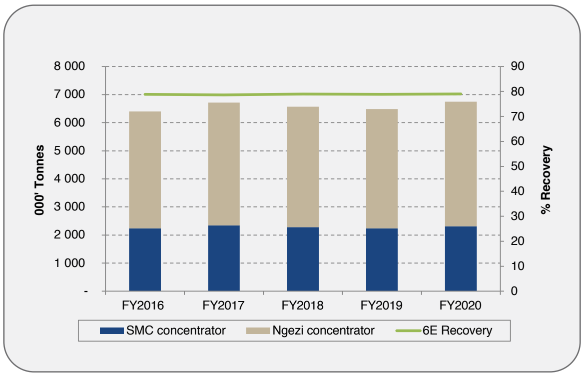
Processing

Concentrators

Ore milled for the year increased by 5% from the previous year mainly due to higher running time at both Ngezi and SMC concentrators. There was no mill reline shutdown at Ngezi in FY2020 which increased the plant's running time by six days compared to FY2019. Consistent ore supply at both concentrators from the mines enabled optimisation and attainment of higher milling rates.

There were no significant changes in the overall 6E recovery rate and mass pull compared to prior year.

Ore milled and recovery rates

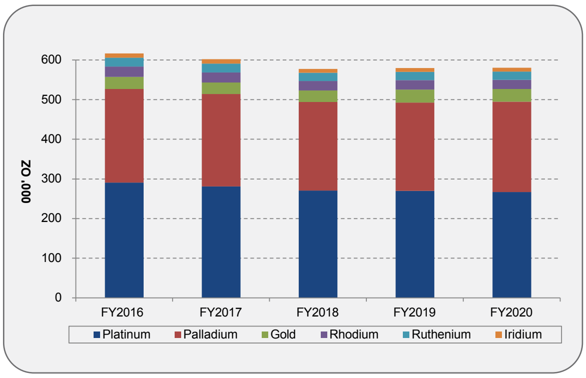


Smelter

As previously reported, the furnace was drained and taken down on 10 June 2019 for a major rebuild which was successfully completed during the year within the scheduled 122 days. The furnace shutdown resulted in an outage of 102 days in FY2020 (including power ramp-up) compared to an outage of 20 days in FY2019. As a result, concentrate smelted decreased by 22% from 125 167 tonnes reported in FY2019 to 97 520 tonnes in FY2020 as metal produced from the concentrators during the furnace shutdown was exported as concentrate. Total 6E metal produced for the year (including metal sold as concentrate) marginally increased to 580 178 ounces in FY2020 from 579 591 ounces in FY2019.

Chief Executive Officer's Report *(continued)*

Metal production 6E Oz



CAPITAL PROJECTS

The Group spent a total of US$104.2 million on capital projects (stay in business, replacement mines and expansion projects) during the year compared to US$115 million spent in FY2019.

Stay in business projects

A total of US$69 million (FY2019: US$82.5 million) was spent on stay-in-business projects during the year. This includes expenditure on Bimha Mine redevelopment and the furnace rebuild and improvements project.

The redevelopment of Bimha Mine is progressing well. The south underground crusher and the ore-conveyancing system were commissioned in December 2019. The Group is aiming to complete the outstanding TMM underground workshops in the North and South sections in December 2020, which completes the full project scope. A total of US$15 million was spent on this project during the year bringing the total project expenditure as at 30 June 2020 to US$98.8 million against a total project budget of US$101 million.

The furnace rebuild and improvements project which commenced in FY2019 was completed and commissioned in the first half of FY2020. A total of US$7.1 million was spent in FY2020 bringing the total expenditure to US$20.4 million.

A total of US$16.4 million (FY2019: US$18.6 million) was spent on the replacement of trackless mining machinery (TMM) including ancillary support equipment, in line with the current replacement philosophy.

Replacement mines

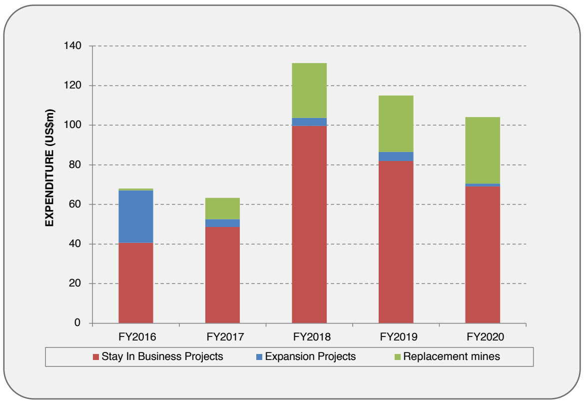
US$33.6 million was spent on replacement mines during the year, 20% higher than the US$28.1 million spent in FY2019.

Development of Mupani Mine, a replacement mine for Rukodzi and Ngwarati mines which deplete in FY2022 and FY2024 respectively, is progressing well and on schedule. US$32.1 million was spent on this project during the year bringing the total project expenditure as at 30 June 2020 to US$99.5 million. The mine is scheduled to reach full production of 2.2Mtpa in July 2024 at an estimated total project cost of US$264 million.

Expansion projects

The revised Phase 2 expansion project is now substantially complete. A total of US$1 million was spent on the Mupfuti Mine stockpile cover during the year bringing the project total expenditure to US$463 million against an authorised budget of US$492 million.

Capital expenditure



OUR PEOPLE

Our industrial relations climate remained congenial, further nurtured by dialogue with worker leadership driven by executive management.

The number of permanent employees marginally decreased from 3 312 reported in prior year to 3 309 as at the end of FY2020.

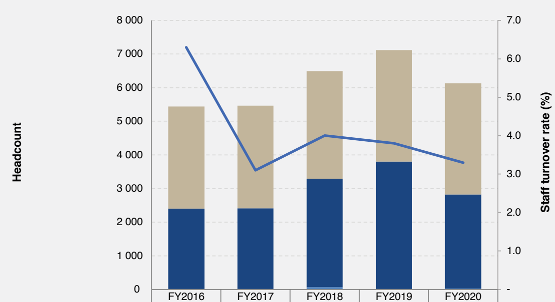
Staff turnover improved from 3.8% in FY2019 to 3.3% in FY2020 reflecting sound retention strategies. The skills loss experienced was due to ill health induced

Chief Executive Officer's Report *(continued)*

retirement and mortality. The company continues to monitor the competitiveness of its reward structures in order to attract and retain relevant skills.

Human resource development is a key pillar of our people strategy and to this end the company invested adequately in this area. In keeping with our commitment to continuous improvement in safety, production and efficiency, the Group revamped the mining technical training by setting up an underground training school at Rukodzi Mine. We also increased focus on safety training and e-learning in response to the restrictions imposed by the COVID-19 pandemic.

Labour headcount and turnover



	FY2016	FY2017	FY2018	FY2019	FY2020
Permanent Employees	3 040	3 053	3 198	3 312	3 309
Contractor Employees	2 397	2 398	3 231	3 791	2 798
Casuals	6	12	64	14	25
Staff turnover rate (%)	6.3	3.1	4.0	3.8	3.3

SOCIAL INVESTMENTS

The Group spent US$2.6▲ million (FY2019: US$3.8 million) on social investment projects during the year. Investment in social development projects undertaken remains focused on education, health, local enterprise development, income generation and sport development.

Local procurement at 60% of total spend for the year decreased 11% from the 71% achieved in FY2019 due to the high demand in imports for strategic projects. We are pleased to report that the local enterprise development (LEDs) programme is expanding, contributing to the national economy, our supply chain and growing local entrepreneurs. The LEDs programme now comprises 22 small to medium enterprises that have created employment for more than 1 400 people. We remain committed to make a meaningful contribution to the growth of local industry and local content development.

FINANCIAL RESULTS

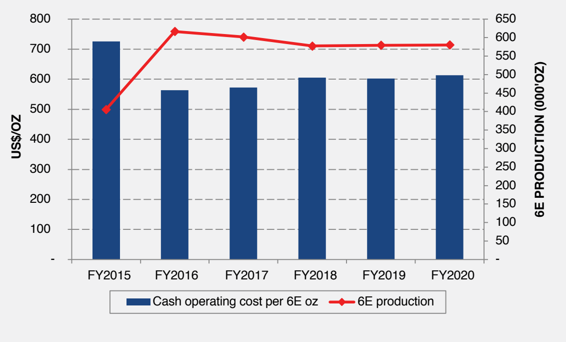
Revenue increased by 38% to US$868.9 million from US$631 million in FY2019 mainly due to the increase in the average prices of rhodium, palladium, gold and nickel. 6E ounces sold decreased by 3% from 573 009 ounces in FY2019 to 554 944 ounces in FY2020. This was mainly due to the *force majeure* notice issued by Impala Platinum Limited which resulted in the suspension of sales for more than a month in the final quarter of the year. The *force majeure* notice was in response to the COVID-19 pandemic induced lockdown in South Africa.

Cost of sales increased by 8% from US$443.6 million in FY2019 to US$480.4 million mainly due to the increases in share-based compensation and depreciation expense. The increase in depreciation expense was due to the change in the estimation method of depreciation for surface and metallurgical assets from units of production to straight line and an increase in the asset base.

Gross profit margin improved to 45% from 30% in FY2019 mainly due to the improvement in metal prices.

Operating cash cost per 6E ounce increased by 2% from US$602 in FY2019 to US$613 in FY2020 mainly due to inflation.

Cash operating cost per 6E ounce



In FY2019, the Group's results benefitted from an export incentive of US$36.4 million and the recognition of a US$9.6 million refund from the Zimbabwe Revenue

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

Chief Executive Officer's Report *(continued)*

Authority (ZIMRA). The Reserve Bank of Zimbabwe (RBZ) export incentive scheme was discontinued with effect from 21 February 2019.

Profit before income tax for the year increased to US$374.2 million from US$205.3 million in FY2019.

The income tax expense for the year increased to US$112.4 million from US$60.5 million in FY2019 mainly driven by the increase in taxable profit.

Resultantly, profit after tax for the year increased to US$261.8 million from US$144.9 million in FY2019.

Net cash generated from operating activities increased to US$258.4 million from US$241.5 million in FY2019. The Group paid dividends of US$45 million (FY2019: US$85 million) and repaid borrowings of US$42.5 million (FY2019: US$42.5 million). At year end, the Group had bank borrowings amounting to US$7.2 million (FY2019: US$42.5 million) and a cash balance of US$135.8 million (FY2019: US$67 million).

APPRECIATION

I am truly honoured to be part of Team Zimplats and am grateful to all who have contributed to the achievement of these results in one way or another, from our shareholders, to management, to our suppliers, our contractors and our host communities. Your contributions do not go unnoticed.

During this COVID-19 pandemic, the Zimplats Team has shown much commitment and dedication towards the overall success of the Company. The speed with which the Team was able to step up to the challenge and adapt to the new business environment that came with this outbreak, minimising the overall disruption to operations is commendable. Although our safety performance was poor in the beginning of the year, I am encouraged by the improvement in the latter half and look forward to a prosperous 2021. Let us continue the practice of continuous improvement. Let us continue to strive to meet our ultimate goal of zero harm. Let us aim high and reach far. Above all, let us keep safe during these uncertain times and let us challenge ourselves and each other to do better than we did yesterday. We are Team Zimplats and each one of us has our part to play to help Zimplats reach its full potential.

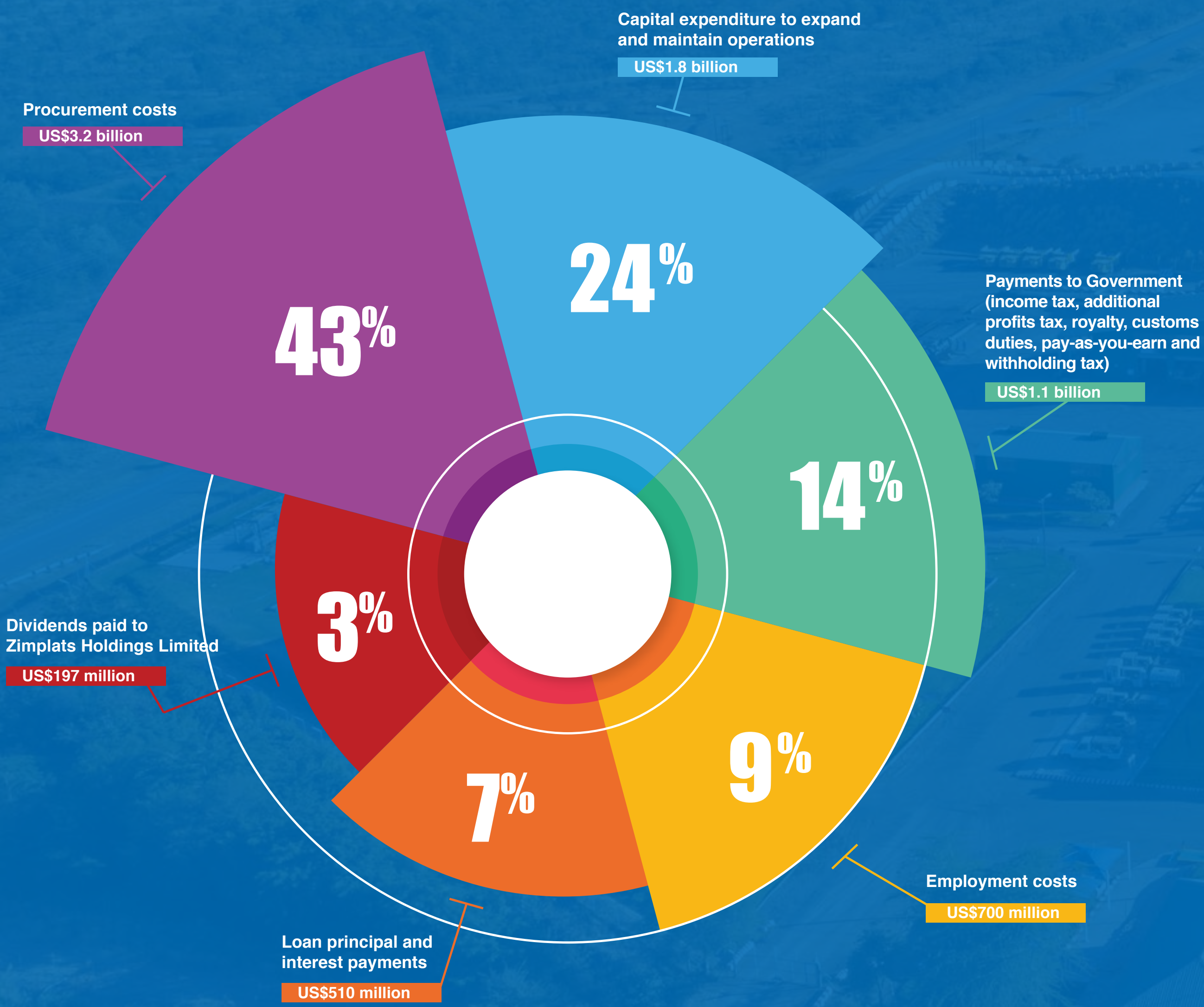
I thank you all.

Alex Mhembere
Chief Executive Officer

29 September 2020

ZIMBABWE PLATINUM MINES (PRIVATE) LIMITED

CASH UTILISATION (FY2002 - 2020)



Total US$7.5 billion

Five Year Review

SUMMARISED FINANCIAL RESULTS

	FY2020 US$000	FY2019 US$000	FY2018 US$000	FY2017 US$000	FY2016 US$000
GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Turnover	**868 912**	**630 987**	**582 544**	**512 549**	**471 778**
Platinum	195 999	194 901	223 334	239 390	247 197
Paladium	388 366	264 330	200 398	161 232	122 153
Gold	44 993	36 993	34 585	32 251	33 237
Rhodium	160 162	53 316	42 962	20 346	14 677
Nickel	52 506	47 676	53 318	38 708	37 607
Copper, ruthenium, iridium, silver and cobalt	26 886	33 771	27 947	20 622	16 907
Cost of sales	**(480 358)**	**(443 571)**	**(428 029)**	**(425 833)**	**(438 697)**
Mining	(140 381)	(136 783)	(148 807)	(155 287)	(148 452)
Processing	(82 878)	(79 668)	(86 056)	(81 528)	(82 750)
Shared services	(29 176)	(22 738)	(15 054)	(14 983)	(10 888)
Royalty and commission expenses	(38 166)	(26 575)	(15 200)	(12 692)	(11 664)
Selling and distribution expenses	(8 231)	(3 621)	(4 363)	(4 887)	(5 221)
Depreciation	(90 355)	(65 780)	(64 955)	(75 300)	(74 002)
Employee benefit expenses	(114 552)	(105 152)	(94 758)	(88 563)	(78 726)
Movement in ore, concentrate and matte stocks	23 381	(3 254)	1 164	7 407	(26 994)
Gross profit	**388 554**	**187 416**	**154 515**	**86 716**	**33 081**
Other expenses	(6 201)	(20 689)	(4 610)	(2 849)	(2 771)
Operating costs	(5 711)	(6 876)	(5 714)	(11 202)	(3 066)
Other operating income	609	46 447	24 618	36 645	9 302
Net finance costs	(3 021)	(983)	(2 853)	(7 997)	(7 192)
Profit before income tax	**374 230**	**205 315**	**165 956**	**101 313**	**29 354**
Income tax expense	(112 391)	(60 453)	(163 316)	(55 775)	(22 027)
Profit for the year	**261 839**	**144 862**	**2 640**	**45 538**	**7 327**
GROUP STATEMENT OF FINANCIAL POSITION					
ASSETS					
Non-current assets	**1 159 929**	**1 142 536**	**1 088 620**	**1 019 104**	**1 026 286**
Property, plant and equipment	1 141 964	1 123 033	1 067 862	997 322	1 004 285
Mining interests	17 940	18 347	18 843	19 325	19 948
Financial assets and other receivables	25	1 156	1 915	2 457	2 053
Current assets	**557 546**	**362 909**	**411 758**	**384 643**	**295 231**
Total assets	**1 717 475**	**1 505 445**	**1 500 378**	**1 403 747**	**1 321 517**
EQUITY AND LIABILITIES					
Capital and reserves	**1 271 999**	**1 055 160**	**995 299**	**992 659**	**947 121**
Non-current liabilities	**324 477**	**314 258**	**308 620**	**259 810**	**249 087**
Deferred income tax liabilities	301 034	288 866	243 372	145 183	140 549
Borrowings	2 412	-	42 500	85 000	85 000
Provision for environmental rehabilitation	19 023	20 244	22 387	27 832	21 668
Share-based compensation	2 008	5 148	361	1 795	1 870
Current liabilities	**120 999**	**136 027**	**196 459**	**151 278**	**125 309**
Total equity and liabilities	**1 717 475**	**1 505 445**	**1 500 378**	**1 403 747**	**1 321 517**

Five Year Review *(continued)*

STATISTICS REVIEW	**FY2020**	**FY2019**	**FY2018**	**FY2017**	**FY2016**
Operating statistics					
Ore mined (tonnes)	**7 225 085**	**6 682 895**	**6 800 518**	**7 017 168**	**6 579 686**
Ngwarati Mine	1 170 349	1 133 736	1 204 803	1 479 858	1 712 920
Rukodzi Mine	1 434 880	1 378 891	1 347 928	1 660 419	1 838 432
Mupfuti Mine	2 121 482	2 143 345	1 952 887	1 972 767	1 712 848
Bimha Mine	2 252 507	2 026 923	1 581 937	916 416	442 292
Mupani Mine	245 867	-	-	-	-
South Pit Mine	-	-	712 963	987 708	873 194
6E Ore headgrade (g/t)	3.48	3.48	3.48	3.49	3.48
Ore milled (tonnes)	**6 751 246**	**6 485 512**	**6 569 817**	**6 715 963**	**6 406 187**
SMC concentrator	2 311 261	2 241 505	2 283 222	2 343 347	2 236 893
Ngezi concentrator	4 439 985	4 244 007	4 286 595	4 372 616	4 169 294
6E oz in matte produced	**580 178**	**579 591**	**577 382**	**601 628**	**616 506**
Platinum	266 879	269 903	270 717	281 069	290 410
Palladium	228 030	223 000	223 112	232 914	236 375
Gold	31 914	32 555	29 207	29 211	30 578
Rhodium	23 414	23 862	23 879	25 440	25 808
Ruthenium	20 537	20 509	20 780	22 265	22 710
Iridium	9 404	9 762	9 687	10 729	10 625
6E oz in matte sold	**554 944**	**573 009**	**573 148**	**588 334**	**616 654**
Platinum	253 952	264 916	266 720	274 364	288 063
Palladium	218 310	221 642	222 105	227 886	238 008
Gold	30 840	32 607	29 508	28 998	30 715
Rhodium	22 517	23 335	23 752	24 644	26 047
Ruthenium	20 205	20 663	21 210	22 017	23 057
Iridium	9 120	9 846	9 853	10 425	10 764
Financial ratios					
Gross profit margin (%)	45	30	27	17	7
Return on equity (%)	21	14	-	5	1
Return on capital employed (%)	24	15	13	9	3
Current ratio	4.6	2.7	2.1	2.5	2.4
Operational indicators					
Capital expenditure (US$000)	104 244	115 021	135 695	63 325	68 071
Gross revenue per 6E oz (US$)	1 566	1 101	1 016	871	765
Cash operating cost per 6E oz (US$)	613	602	605	572	563
Net cash cost per 6E oz (US$)	490	487	476	479	479
Non-financial indicators					
Permanent employees	3 309	3 312	3 262	3 053	3 041
Local spend % of total spend	60%	71%	81%	73%	75%
Lost-time injury frequency rate	0.59▲	0.45	0.19	0.21	0.58
Total injury frequency rate	0.65▲	0.90	0.52	0.41	1.01
Effluent permits issued (red, high impact)	-	-	-	-	-
Disturbed areas rehabilitated (ha)	23.0	6.3	2.2	53.0	16.0

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

Achievements FY2020

OBJECTIVE	STATUS
• Improve safety performance through the implementation of identified interventions and eliminate fatalities. • Achieve target LTIFR of 0.21	• 2.4 million fatality free shifts were achieved, with no fatalities recorded in FY2020 since the regrettable incident in April 2019 • Nine▲ LTIs were recorded in FY2020 against seven in FY2019 • Total injuries recorded decreased to 10▲ in FY2020 against 14 in FY2019 • The LTIFR worsened from 0.45 in FY2019 to 0.59▲ in FY2020 • TIFR improved from 0.90 in FY2019 to 0.65▲ in FY2020
Achieve planned FY2020 production volumes and efficiencies	• Tonnes mined and milled were both 3% above plan • 6E head grade was marginally below plan • Concentrator 6E recovery rates were marginally above plan • 6E production was on plan
Achieve planned FY2020 cost performance	• Operating cash cost per 6E at US$613 was 6% better than target
Optimise the business processes through the implementation of continuous improvement initiatives and review of business processes	• The restructuring of the self-directed work teams which commenced last year was rolled out to all the mines increasing equipment utilisation which contributed to the 3% above budget production for the year • The High Pressure Grinding Rolls project was commissioned at the SMC concentrator during the year • The furnace rebuild and improvements project which commenced in June 2019 was completed in the first quarter of the year
Complete Bimha Mine redevelopment project on budget	• South underground crusher commissioned in December 2019 • Construction of TMM underground workshops is in progress • US$98.8 million has been spent on the project to date against a budget of US$101 million
Develop Mupani Mine as planned	• Project is progressing well and on schedule • Commissioning of surface crusher expected in October 2020 • US$99.5 million spent on this project to date
Progress Portal 10 project investigations to bankable feasibility stage	• Prefeasibility study for a 4.2 Mtpa mine and concentrator was completed, and now awaiting progress to bankable feasibility study in FY2023/24.
Implement cattle ranching project as part of the Group's corporate social investment programme	• The project has commenced and is progressing well • Herd of cattle above 2 000 • Milk and beef sales to commence in the second half of 2020

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

Achievements FY2020 *(continued)*

OBJECTIVE	STATUS
Implement roof support manufacturing project as part of the Group's corporate social investment programme	• Project which was implemented in prior year is ramping up sales • Establishment of factory is expected in FY2021
Investigate other growth opportunities (including related and unrelated diversification)	• Investigations for safe mechanised mining methods for upper ores II currently underway • Lateral diversification initiatives are being pursued with a view to effectively manage key cost drivers • Bankable feasibility study for a solar power project awaiting conclusion of commercial agreements • Development of an Industrial Park in Turf in partnership with a property developer is at an advanced stage
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 employee home ownership scheme	• Construction of bulk services for roads and water reticulation completed • Construction of sewer ponds complete save for clay lining and installation of sewer trunk line in progress • Boreholes sunk and were reticulated to individual stands. • Offer letters to give employees access to stands have been issued • Cessions for employees to start developments are being issued by the Chegutu Town Council
Maintain the local supply base at a minimum of 65% of annual spend, excluding government institutions	• Purchases from local suppliers in FY2020 accounted for 60% of the Group's annual expenditure on goods and services
Retain certification on the ISO 9001, ISO 14001, ISO 17025 and ISO 45001:2018 systems	• All certifications were retained
Complete capital expenditure projects within the approved budgets	• Expenditure for all capital projects was within the approved budgets.

Objectives FY2021

Safety, Health and Environment

- Improve safety performance through the implementation of identified interventions and eliminate fatalities. Achieve target LTIFR of 0.21
- Implement programmes to mitigate the impact of COVID-19 on the Group, employees and the community
- Increase water recycling to reduce fresh and raw water consumption
- Retain certification on the ISO 14001:2015 and ISO 45001:2018 systems

Production and Operational Efficiencies

- Achieve planned FY2021 production volumes and efficiencies
- Achieve planned FY2021 cost performance
- Achieve our operational excellence model with sustainable volume and efficiency
- Increase use of technology to improve efficiencies
- Retain certification on the ISO 9001:2015 and ISO 17025:2017 systems

Capital Projects and Growth

- Commence installation of a third concentrator plant at Ngezi (commissioning targeted for FY2022) and a feed preparation plant at SMC concentrator (commissioning in the second half of FY2021) to increase milling capacity from the current 6.5 million tonnes per year to 7 million tonnes per year
- Commence upgrades of Bimha and Mupani mines to replace Mupfuti Mine
- Continue with Mupani Mine development project to replace Ngwarati and Rukodzi mines
- Complete Bimha Mine redevelopment project
- Investigate diversification and/or strategic business opportunities
- Complete capital expenditure projects within the approved budgets.

Stakeholder Management

- Progress with cattle ranching project as part of the Group's corporate social investment programme
- 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

Market Review

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

A crisis like no other

After a lengthy period marked by anaemic global growth, escalating US-China trade tensions, an uncertain macro-economic outlook in Europe and the lingering threat of the eventual form of Brexit, the advent of the COVID-19 pandemic assailed business confidence and sentiment in 2020.

The economic impact from the pandemic continues to play out, and even with a relatively robust 'V-shaped' recovery assumed on the easing of widespread lockdowns, the hit to global GDP, both in the short and medium term, is expected to be substantial. The International Monetary Fund (IMF) expects an unprecedented contraction of 4.9% in global GDP in 2020. The expected rebound in 2021 implies global growth of 5.4% off a depressed base, with a high degree of uncertainty inherent in this outlook.

In countries with receding infection rates and where an emergence from lockdown is underway, risk is presented by the impact of persistent social distancing, the worse-than-expected economic scarring due to lockdowns in the first half of 2020 and the potential for renewed waves of infection. This is compounded by the potential for weaker future productivity as employers' ramp-up necessary workplace safety and hygiene practices. For those economies struggling to control infection rates, the potential for extended lockdown conditions will inflict an additional toll on activity.

The IMF's forecast recovery is also premised on a multi-faceted and inter-related set of conditions, including the maintenance of current accommodative financial conditions, strong multi-lateral cooperation and liquidity assistance for those countries facing both health crises and external funding shortfalls – and highlights the likely persistence of macroeconomic uncertainty in the medium term.

The unprecedented confluence of interrupted PGM demand and primary supply, caused by the halt to economic activity due to national lockdowns to slow the spread of COVID-19, resulted in substantial adjustments to individual market components of demand and supply in 2020 and 2021.

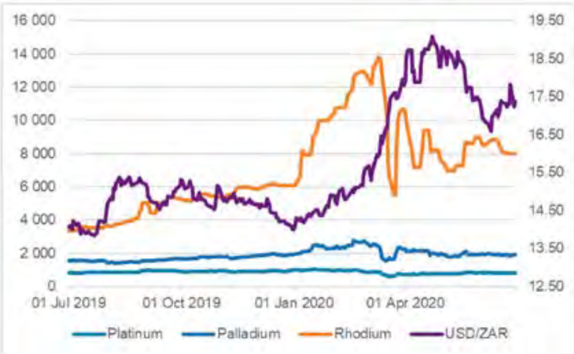
In the medium term, our view remains that the impact of the pandemic is likely to be cyclical rather than structural. While several meaningful near-term revisions to market forecasts were required, we continue to expect persistent market deficits in both palladium and rhodium in the medium term. The platinum market has been tightened by the strength in investment demand brought about by the economic crisis. However, we continue to see an over-supplied market in the medium term, before stagnant primary and secondary supply is offset by continued growth in industrial demand, spurred by increased uptake from various elements of the hydrogen economy, tightening

Source: Impala Platinum Holdings Limited

Market Review *(continued)*

global heavy duty vehicle emission standards and some switching in gasoline catalysts.

Market performance



All three major PGM markets – platinum, palladium and rhodium - recorded fundamental deficits during 2019. While investment demand primarily drove the 253 000-ounce shortfall in the platinum market, strong growth in auto catalyst loadings resulted in deficits of 872 000 ounces and 13 000 ounces in the palladium and rhodium markets, respectively. Structural demand growth from tightening emission standards in Europe and China and Asian investment in industrial capacity underpinned demand for PGMs, despite a year marked by slowing economic activity.

The platinum price closed the financial year ended 30 June 2020 at US$ 814 per ounce, 2% lower than its starting point of US$ 833 per ounce. While the average London trade price for the full financial year was 5% stronger at US$ 870 per ounce versus US$ 825 per ounce in the previous comparable period, this modest move masks the substantial intra-period volatility which characterised PGM pricing during the reporting period. Platinum peaked at US$ 1 017 per ounce and troughed at US$ 593 per ounce on the March 2020 sell-off. Platinum prices were underpinned by robust physical demand from Asia and improving investor sentiment during the latter part of the financial year. The appeal of ‘hard assets’ was enhanced by global monetary easing, which resulted in negative real rates. Platinum also benefitted from its deep discount to both palladium and gold - and despite our view of substantial medium-term industrial surpluses.

The palladium price closed the 2020 financial year some 23% higher (US$ 1 905 per ounce) than the start (US$ 1 551 per ounce). The average London trade price for the full financial year was 54% higher (US$ 1 892 per ounce) compared to the previous financial year (US$ 1 233 per ounce). Upward price trajectory was evident throughout the year, with a peak price of US$ 2 781 per ounce recorded in February on extreme market tightness caused by weak refined primary supply. Palladium rebounded swiftly from its March lows, despite the continued availability of refined supply from Russia and recycling flows.

Rhodium continued to strengthen during the financial year, with the closing price of US$ 8 000 per ounce some 138% higher than the opening levels of US$ 3 350 per ounce on the New York Dealer Trade. The average price for the full financial year of US$ 6 854 per ounce was 161% higher than the US$ 2 624 per ounce achieved in the previous comparable period. A peak of US$ 13 800 per ounce was likely supported by increased market activity to compensate for weak refined supply due to processing challenges experienced by our peer group.

As the dominant producer currency of primary PGM supply, the South African rand remains vulnerable to domestic and international macroeconomic factors. Volatility was compounded by a deterioration in the general domestic economic climate over the past year, COVID-19 and the associated steps taken by the South African government to prevent a rapid escalation in infection rates.

Emerging market carry trade and ‘risk-on’ arguments impact positively on the rand’s performance as a high yielding and liquid currency, despite the erosion of rates caused by the monetary policy response of the South African Reserve Bank in response to the onset of the pandemic. The economic scarring expected from the impact of the pandemic, and the severe limitations to economic activity from the stringent domestic lockdown conditions, are likely to be meaningful and create additional fiscal headwinds in the medium term. The rand weakened by 23% relative to the US dollar over the financial year, from an opening level of R14.12 to close at R17.38, with an average achieved

Source: Impala Platinum Holdings Limited

Market Review *(continued)*

rate of R15.63 - some 10% weaker than the prevailing average of R14.19 in the comparable period.

Automotive

Light-duty vehicle sales

	2019	Forecast 2020 est.	YoY
World	90.4	71.1	(21%)
North America	18.9	14.7	(22%)
Europe	20.4	15.3	(25%)
Japan	5.1	4.1	(20%)
China	25.5	22.8	(11%)
ROW	20.4	14.1	(31%)

Source: LMC

Calendar 2019 marked the second consecutive year of falling light-duty vehicle sales, with volumes of 90.4 million units indicating a 4.4% contraction relative to 2018. The overhang of deepening economic frictions weighed heavily on consumer sentiment, while regional idiosyncrasies also played a part in the weak outcome. The global heavy-duty market also posted a decline (of 3% to 3.1 million units) in 2019, due to trade tensions and the impact of general economic uncertainty on investment. Truck sales are heavily cyclical and influenced by tightening legislation, which increases costs and can result in buying being pulled forward in certain years.

Gasoline engines continued to fare better than diesel with rising hybrid market share buffering weaker vehicle sales in 2019. This together with tightening legislation in Europe and China supported robust growth in demand for both palladium and rhodium. We estimate automotive demand for platinum declined by 7% to 2.65 million ounces, that for palladium increased by 9% to 9.49 million ounces and rhodium demand expanded by 12% to 974 000 ounces.

There is no parallel in modern history for the speed and scale of the decline in global light-duty vehicle sales which took place between March and May 2020. The primary factor behind this decline was national lockdown efforts. While it is clear that markets will rebound sharply in the coming months as lockdown measures are removed, the lingering impacts of rising unemployment and the ongoing struggle against the virus indicate that the rebound is unlikely to be back to pre-crisis levels in the short term.

According to LMC Automotive, sales of light-duty vehicles amounted to 32.6 million units during the first half of 2020, a decline of 28% year-on-year and largely the result of the rolling lockdowns which handicapped global consumer activity. The current outlook for 2020 remains for a ‘shallow V’ in sales for 2020, with an expected 21% contraction in light-duty sales and annual volumes of 71.1 million units. The Chinese market is expected to outperform with an annual contraction of 11%, while both European and North American markets are expected to witness substantially greater declines of 25% and 22%, respectively. At the margin, this pattern of sales is supportive of palladium and rhodium demand. Conversely, platinum’s demand exposure to the diesel markets of Europe and India is a source of additional expected weakness.

Diesel market share in Western Europe fell to 29.6% in the first six months of 2020, from a 32.9% market share in the previous comparable period. The interplay of fleet versus retail sales during the lockdown period will have influenced this number. There remains little evidence of near- or medium-term plans to abandon diesel in the large passenger car segments in the region, where the powertrain remains popular and critical for managing CO_2 emissions. As yet, there are material adjustment to powertrain expectations across Europe as a result of COVID-19, despite the push to stimulate demand for hybrid (dominated by gasoline powertrain) and pure battery electric vehicle (BEV) purchases through incentives where these were announced by governments in the region. Similarly, across other regions, we see a largely unchanged pace of electrification of the light-duty fleet - through both hybrid and pure BEV - as that expected before the advent of the COVID-19 pandemic.

In February 2020, BASF launched a tri-metal catalyst with sponsorship from Implats and Sibanye-Stillwater. Following a lengthy research and development process, BASF’s innovative technology allows the partial substitution of palladium with platinum in gasoline catalytic converters and is an important step towards rebalancing the global PGM demand profile with the

Market Review *(continued)*

current ratios of global primary supply. The need to develop alternative PGM metal ratios in catalytic converters has long been anticipated by Implats and we were pleased to be part of a team which worked for several years to ensure a practical and cost-efficient solution for our customer base. The solution is expected to benefit all members of the value change – from miners to refiners, fabricators and OEMs. While the impact of COVID-19 has created headwinds for rapid adoption of the technology, the persistent discount of platinum to palladium reinforces the commercial rationale and we expect to see early adoption of varied catalyst formulations in the medium term.

Global sales are expected to rebound by 15% in 2021, but likely to remain below 2019 levels (of 90 million units) until 2023, with LMC expecting growth of 8% and 6% in 2022 and 2023, respectively. The global truck market is expected to contract by 24% in 2020, to just under 2.4 million units, with a recovery to pre-crisis levels of demand expected in 2022/2023.

Jewellery

Demand for platinum in the Jewellery sector contracted again in 2019 – double-digit growth in India, modest gains in Japanese demand and the seventh consecutive year of sales growth in North America were insufficient to offset the sustained weakness in the Chinese market. The impact of slowing economic growth due to domestic and external challenges led to increased consumer caution. In addition, escalating social unrest in Hong Kong was an unforeseen impediment to the previously hoped for stabilisation in 2019. As a result, we witnessed a further double-digit contraction in Chinese Jewellery demand. We estimate that total platinum Jewellery demand fell by 6% to 2.09 million ounces in 2019.

The impact on global consumer activity due to Covid-related lockdowns is expected to result in a further annual decline in platinum Jewellery demand in 2020. Our view is that demand changes will be cyclical, not structural, and we assume a recovery to previously forecast levels of demand in the medium term.

COVID-19 heavily impacted platinum manufacturing and retail sales in China in the first quarter of 2020, but anecdotal evidence points to a strong rebound on a steep price discount to gold and aggressive promotional efforts by key retailers in collaboration with Platinum Guild International (PGI). We forecast a full-year contraction of 20% in 2020, before a strong rebound in 2021.

In the western economies of North America and Europe, platinum Jewellery demand is dominated by bridal purchases, many of which have been delayed due to COVID-19. We assume a decline of more than 20% in these markets.

In Japan, COVID-19 severely impacted economic activity and is expected to have a lingering impact on consumer sentiment in 2020, which was already struggling due to the impact of the October 2019 consumption tax and the cancellation of the 2020 Tokyo Olympic Games. While market share gains on a sustained price discount to gold are expected in the second half of 2020, demand is expected to fall by more than 10% in 2020.

In India, the impact of the lockdown of the domestic economy resulted in jewellers missing important festivals and the wedding season for Jewellery purchasing in the first quarter of 2020 following the outbreak of COVID-19. This compounded the impact of rising unemployment and the resultant loss of income and purchasing power. The PGI believes platinum, as a niche product, is well positioned for a recovery as any Jewellery industry consolidation favours PGI partners who can capitalise on the platinum price. In total we expect a 22% fall in Jewellery demand in 2020 to 1.62 million ounces before a strong recovery in 2021.
Palladium Jewellery demand is expected to contract by over 20% in 2020, with palladium's price gains impacting its use in white-gold alloys in addition to the general impact on consumption due to the pandemic.

Industrial

Industrial demand for PGMs continues to be robust but eased slightly relative to recent years as capacity expansion slowed in China where recent demand was supported by the construction of sizeable integrated chemical complexes and LCD plants. In total we believe platinum demand fell 2% to 2.37 million ounces in 2019. Industrial demand for palladium benefited from strong chemical offtake but was impacted by high

Source: Impala Platinum Holdings Limited

Market Review *(continued)*

pricing and hence substitution in the dental sector. In total, we believe demand declined by 5% to 1.80 million ounces.

We expect industrial demand to be less impacted than either Jewellery or automotive offtake as a result of COVID-19. Although industrial activity was heavily impacted during lockdowns globally, many applications continued at a reduced pace and could achieve some 'catch up' on higher use in the second half of 2020. For now, it appears that medium-term growth provided by capacity increases in several segments remains intact, with capital investment likely delayed rather than cancelled.

The global focus on decarbonisation was intensified by the COVID-19 crisis, with increasing momentum for the establishment of a 'hydrogen economy' through a series of recently announced government initiatives. This helped accelerate the 'mainstreaming' of hydrogen and the varied applications of fuel cells over the recent past. It also bodes well for increasing industrial demand for platinum and iridium in the hydrolyser and fuel cell segments and providing a structural hedge against the expected decline in diesel derived automotive demand in the longer term.

Investment

Physical investment in small platinum bars and coins contracted in 2019, with substantially lower Japanese purchases offsetting modest growth elsewhere. Conversely, buying by exchange traded funds (ETFs) accelerated in 2019 with net purchases of more than one million ounces, as investors reassessed their view of the relative value of platinum to both palladium and gold. Palladium net sales of just 14 000 ounces indicate a dramatic shift in ETF disinvestment versus the trailing five-year period, when sales averaged approximately 550 000 ounces per annum. This contributed to a shift in market liquidity and undoubtedly provided price support during 2019.

Figure 1:ETF holdings, Moz platinum (source: Bloomberg)

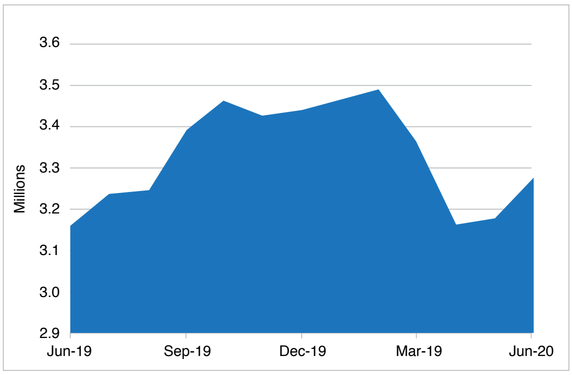
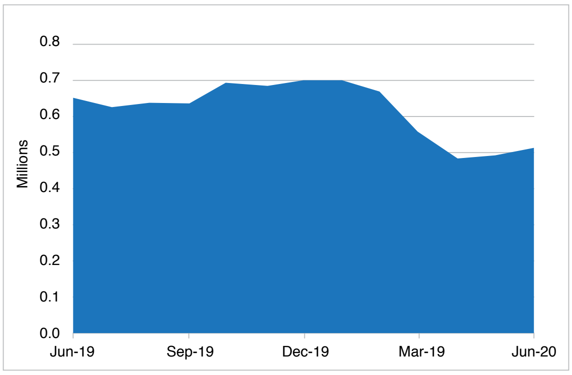


Figure 2: ETF holdings, Moz palladium (source: Bloomberg)



Heavy liquidation of ETF holdings in the early part of the Coivd-19 crisis in March and April 2020 resulted in net outflows of 160 000 ounces and 187 000 ounces from platinum and palladium funds, respectively, in the first six months of 2020. In the case of platinum, these outflows were countered by the year-to-date surge in demand for coins and bars. We forecast another year of robust physical investment for platinum in 2020.

While we do not include Shanghai Gold Exchange trade in our view of investment demand as this platform also services demand from the Jewellery and industrial sectors in China, the increase in average volume trade

Source: Impala Platinum Holdings Limited

Market Review *(continued)*

was a notable feature of platinum market conditions in 2020 with total volume trade of 777 000 ounces in the first six months of the year – an increase of 166% - and indicative of the resurgent interest in platinum from the broader Chinese market.

Net paper positioning on the New York Mercantile Exchange (NYMEX) and Tokyo Commodity Exchange (TOCOM) for platinum increased by 2.26 million ounces in 2019, reaching record levels in the final months of the year and closing at 3.58 million ounces. Conversely, palladium net length declined by 300 000 ounces over the period to close at 1.16 million ounces, reflecting a market where price has been driven by fundamental physical tightness rather than speculative investor support.

The advent of COVID-19 saw platinum and palladium exchange positioning plummet in March. While open interest stabilised somewhat in the second quarter of 2020, futures volume trade declined materially due to the impact of the virus on market risk appetite. Global macroeconomic uncertainty was compounded by the variable demand and supply implications for PGMs and material volatility in pricing and large bid-offer spreads in PGMs. Open interest in platinum declined by 52% in platinum and by 70% in palladium to 2.4 million ounces and 708 000 ounces respectively on the NYMEX in the first half of 2020.

2020 Outlook

PGM demand shocks because of COVID-19 are likely to be considerable. PGM markets are faced with unprecedented and unforeseen expectations for supply reductions due to the national lockdown in South Africa, which together with the expected fall in secondary supply from falling scrap receipts, results in deficits in both palladium and rhodium and a material tightening of the platinum market in 2020 relative to previous forecasts. Strong investment flows will likely compensate for heightened exposure to falling automotive and Jewellery markets.

Platinum Supply/Demand Outlook

koz	2019	2020	2021
DEMAND			
Automotive	2 651	2 026	2 451
Other industrial	2 365	2 044	2 279
Jewellery	2 090	1 622	1 946
Investment	1 150	215	-
Total Demand	8 256	5 907	6 676
SUPPLY			
Primary	**6 063**	**5 035**	**5 935**
South Africa	4 411	3 442	4 284
Zimbabwe	482	475	481
North America	324	314	349
Russia	721	680	696
Others	125	125	125
Secondary	1 942	1 539	1 950
Recycle - Auto	1 421	1 218	1 516
Recycle - Jewellery	481	281	389
Recycle - Other	40	40	45
Total Supply	8 004	6 574	7 885
Movement in Stocks	(252)	666	1 209

Source: Impala Platinum Holdings Limited

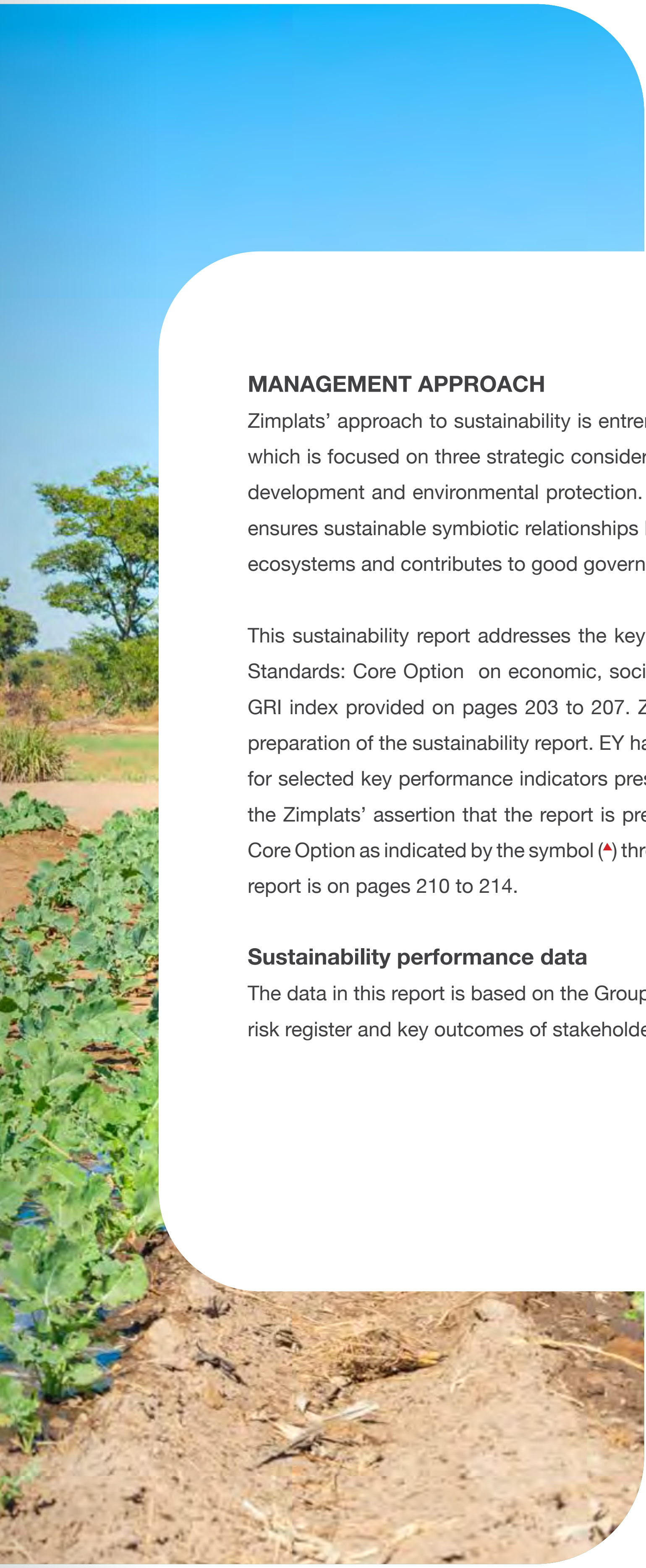
Market Review *(continued)*

Palladium Supply/Demand Outlook			
koz	**2019**	**2020**	**2021**
DEMAND			
Industrial	**11 299**	**9 659**	**10 967**
Automotive	9 494	8 103	9 311
Other industrial	1 805	1 556	1 656
Jewellery	218	165	194
Investment	(79)	(187)	
Total Demand	11 438	9 637	11 161
SUPPLY			
Primary	**7 109**	**6 251**	**6 656**
South Africa	2 557	2 035	2 467
Zimbabwe	399	395	399
North America	954	943	1 117
Russia	2 987	2 667	2 461
Others	212	212	212
Secondary	3 458	3 029	3 761
Recycle - Auto	2 934	2 513	3 238
Recycle - Jewellery	44	36	43
Recycle - Other	480	480	480
Total Supply	10 566	9 280	10 417
Movement in Stocks	(872)	(357)	(744)

Rhodium Supply/Demand Outlook			
koz	**2019**	**2020**	**2021**
DEMAND			
Industrial	**1 132**	**983**	**1 110**
Automotive	974	840	958
Other industrial	158	143	152
Investment	-	-	-
Total Demand	1 132	983	1 110
SUPPLY			
Primary	**760**	**606**	**728**
South Africa	616	476	599
Zimbabwe	44	44	45
North America	20	20	21
Russia	68	54	52
Others	12	12	12
Secondary	360	302	376
Recycle - Auto	360	302	376
Recycle - Jewellery	-	-	-
Recycle - Other	-	-	-
Total Supply	1 120	908	1 104
Movement in Stocks	(12)	(75)	(6)

Source: Impala Platinum Holdings Limited

Sustainability Matters



MANAGEMENT APPROACH

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

This sustainability report addresses the key tenets of the Global Reporting Initiative (GRI) Standards: Core Option on economic, social and environmental issues as detailed in the GRI index provided on pages 203 to 207. Zimplats has applied the GRI Standards in the preparation of the sustainability report. EY has undertaken a limited assurance engagement for selected key performance indicators presented in this integrated annual report, and for 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 independent assurance report is on pages 210 to 214.

Sustainability performance data

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

Sustainability Matters *(continued)*

OUR STRATEGY

Zimplats' strategic objectives remain to optimise the current business as well as actively explore growth and diversification opportunities in the long term. The Zimplats strategy envelope is given below:

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

EXTERNAL ENVIRONMENT / STRATEGIC ANALYSIS

PESTEL (Political, Economic, Social, Technology, Environmental, Legal

PGM Market

INTERNAL ENVIRONMENT

ZIMPLATS STRATEGY

Pure PGM Play

Cost-Effective Mining: Shallow ore body amenable to mechanisation

Processing / Smelting Assets: Keep the crown jewels

OPERATION STRATEGIES

LONG TERM PLANNING

Protect and optimise the business

Cash preservation
Cost management
Productivity enhancement

ORGANISATIONAL SUPPORT

Occupational Health & Safety

People

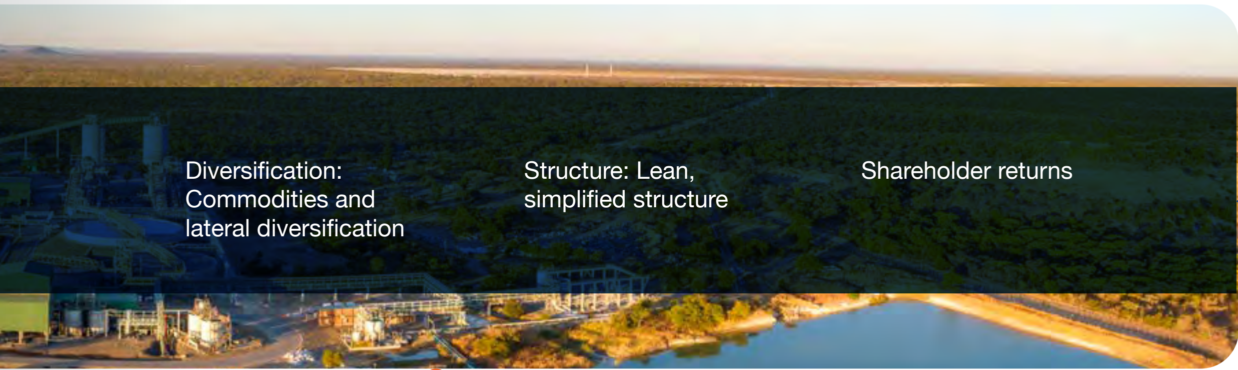
Stakeholder Management

VALUES: We Respect | We Care | We Deliver

Sustainability Matters *(continued)*

Five Forces Analysis

SWOT Analysis



Grow the business

PGM Expansion
Beneficiation
Related diversification
Unrelated diversification

Financials
- Corporate finance
- ROCE

Operational
- Life-of-mine
- Business Plan

Shareholder return
Dividend payment

Sustainability Social Environmental

Legal & Regulatory

Technology

Strategic Opportunities

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

Sustainability Matters *(continued)*

The focus is to secure operational excellence and performance of the business through continuation of the business optimisation initiatives and implementation of a targeted socio-economic response plan in order to protect our social licence to operate and participate in the economic turnaround of the country. The timelines for the implementation of the strategy will be reviewed continuously in response to the ever-changing business operating environment.

Our strategic priorities are therefore to:

Short term: Secure and optimise current business

- Driving safety performance to achieve zero harm through resilient leadership, technology deployment and robust safety systems.
- Complete Mupani Mine to replace Ngwarati and Rukodzi mines
- Preserve cash
- Secure power
- Safeguard our social licence to operate

Medium term: Explore strategic optionality

- Explore growth of own mining output through steeps mining, Portal 10 or exploiting the Hartley resource
- Explore opportunities to grow in-country smelting and processing capacity
- Explore strategic partnerships in the local PGM business

Long term: Diversification opportunities

- Grow the business by exploring diversification opportunities to unrelated commodities available in Zimbabwe.

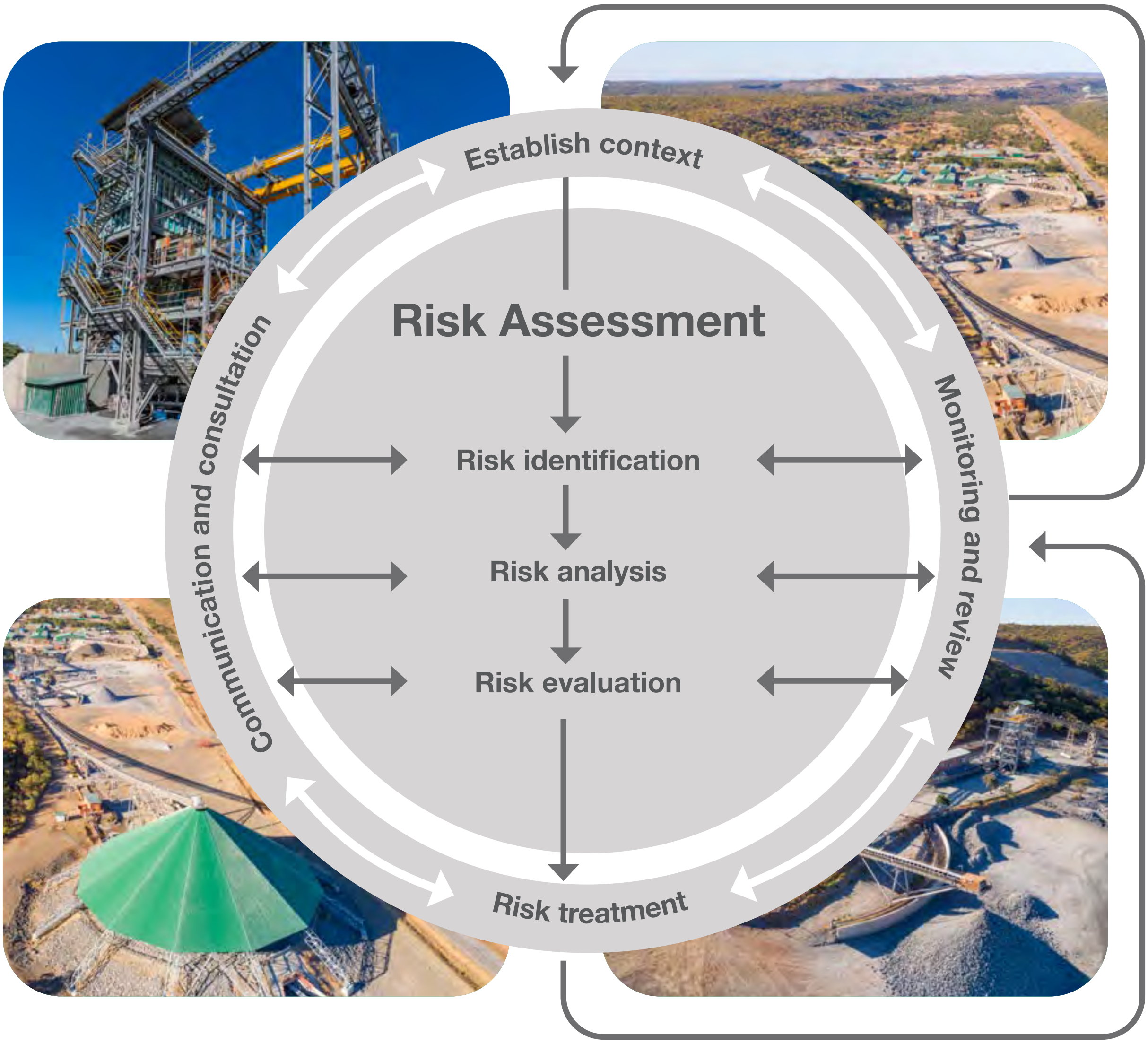
Sustainability Matters *(continued)*

RISK MANAGEMENT

The achievement of our strategic objectives and long-term sustainability of our business depends on successful management of existing and emerging risks to the business. Risk management is therefore an integral component of our business management system and corporate governance. The Zimplats structured system of managing risks continues to be a priority in supporting an integrated assurance process across all lines of assurance.

The process for managing risks at Zimplats remains aligned to the ISO 31 000 risk management standard. The processes involve well-established activities of risk identification, risk analysis and risk evaluation as shown in the model adopted from the revised ISO 31 000 (2018) below:

Risk management process (based on ISO 31 000)



Sustainability Matters *(continued)*

Through the application of this process, Zimplats identified significant risks to the business and developed control measures to mitigate the negative impact of the risks to the attainment of business strategic objectives.

In assessing the impact and reporting risks to the board, Zimplats utilises established computerised risk information management systems (CURA and ISOMETRIX).

Zimplats identified the following key strategic risks to the business:

STRATEGIC RISKS

Risk	Risk Description	Impact	Response plans
COVID-19 pandemic	Outbreak of a pandemic that caused disruption to businesses due to the threat to the health and safety of employees.	• Threat to employee health and safety • Disruptions to supply chain system • Business continuity threats (shutdowns) • Community impact	• Communication and awareness • COVID-19 Code of Practice • Social distancing • Travel restrictions • Employee accommodation • Hygiene (handwashing, sanitisation, disinfection, deep cleaning and fumigation) • Medical facilities (medical centre, isolation centres) • Medical supplies (medication and equipment) • PPE (employees and medical staff) • Temperature screening • COVID-19 testing • Medical resourcing and staffing • Legal preparedness • Supply chain stabilisation • Community interventions • Disaster Recovery Planning (DRPs) review
Currency risks	Fluctuations in foreign exchange and availability of foreign currency to meet business requirements	• Increasing costs due to inflationary pressure • Shortage of foreign currency	• Monitoring the business environment and developing appropriate response plans • Participating in and supporting initiatives to improve the national economy • Supply chain support • Develop and implement import substitution initiatives
Power supply risks	Unavailability of reliable and secure power to meet operational and growth requirements	• Loss of production	• Explore opportunities for solar as an alternative sustainable source of power • Investigate alternative sources of power from local and regional sources • Regular engagement with the Zimbabwe Energy Regulatory Authority (ZERA) on power tariffs • Monitoring of national power supply situation and developing relevant mitigation measures • Power securitisation agreements with Zimbabwe Electricity Supply Authority (ZESA) • Develop and implement demand side management initiatives to reduce demand for power
Tailing storage facility (TSF) failure	Catastrophic failure of tailings storage facility resulting in uncontrolled flooding within the zone of influence of the dam (ZOF).	• Injury to personnel • Damage to property and communities • Adverse environmental impact	• Third party audits of condition of tailings dams • Operation and maintenance of TSF according to best practice • Lobbying and collaboration with authorities to relocate communities currently settled within the zone of influence of the TSF • Access control system • Emergency preparedness plan • Regular training and awareness of employees and communities around the TSF ZOF

Sustainability Matters *(continued)*

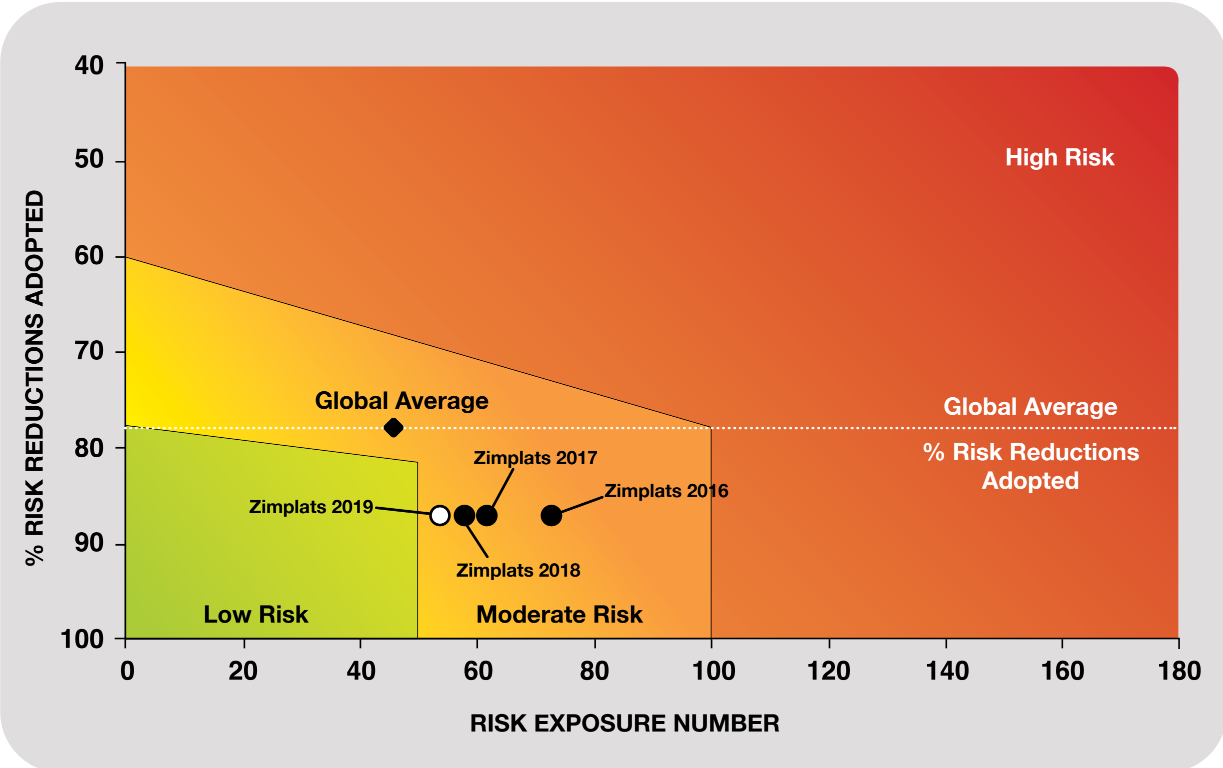
Risk	Risk Description	Impact	Response plans
Cyber risks	Failure or breach of information communication technology system (including operational technologies).	Financial loss, disruption to operations or damage to the reputation of the Company	• Firewalls • Access restriction • Disaster recovery sites • Anti-spoofing devices • User training and awareness • Meetings etiquette • Regular review of in-built securities online meeting platforms • Manual logging back-up systems
Supply chain risks	Disruption to the supply chain leading to failure to meet operational supply requirements.	Stockouts leading to production disruptions	• Supply chain support • Explore alternative supply markets • Procurement policies and procedures • Local enterprise development
People risks	Unavailability of effective people	Loss of skills	• Skills development and training • Succession planning • Employee welfare • Reward and recognition system • Preservation of value of employee earnings
Taxation	Penalties and other financial loss due to failure to comply with taxation regulations.	Increased tax cost and reputational damage due to failure to manage tax risks.	• Efficient tax planning • Regularly conducting tax compliance health checks covering all tax heads • Regular tax training and awareness of operational staff • Continual engagement with authorities to resolve legacy tax matters
Non-compliance with indigenisation policy	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
Safety health and environment (SHE)	Safety health and environment risks	Injury to personnel and damage to property leading to failure to achieve ZERO HARM goal. Negative effects on employee health Damage to environment	• Safety citizenship programs • Community safety initiatives • Technology deployment to manage high risk areas • Robust SHE management systems • Employee wellness programs • Environmental managements system
Social license to operate	Social licence to operate	Loss of social licence to operate	• Maintain regular engagement with all stakeholders including neighbouring communities with a focus on matters of community development issues • Continue to implement corporate social investment programs • Implement sustainable local enterprise development (LED) programs
Metal prices fluctuations	Metal price fluctuations below the break-even point	Loss of revenue due to depressed metal prices	• Market intelligence and monitoring the global commodity market trends • Cost control initiatives to mitigate the effect of low metal prices • Cash preservation initiatives

Sustainability Matters *(continued)*

OPERATIONAL RISKS

The International Mining Industry Underwriters (IMIU) were engaged in FY2020 to conduct an operational risk assessment at our operations. The outcome of the assessment has shown that Zimplats' operational risk management system remains adequate and effective, achieving a risk reduction adopted rating above 99%.

IMIU Insurability Rating Matrix



Source: Zimplats IMIU Audit Report November 2019.

While Zimplats remained a moderate risk operation, it continues to improve operational risk management measures and is drifting towards the low risk operation quadrant.

ZIMPLATS RESPONSE TO COVID-19 PANDEMIC

Coronavirus disease 2019 (COVID-19) emerged as a top risk to the business impacting the second half of FY2020. COVID-19 is a rapidly expanding global outbreak of an infectious respiratory disease caused by a coronavirus (SARS-CoV-2). The illness is characterised by fever, cough, and shortness of breath and may progress to pneumonia, kidney and/or respiratory failure leading to death. It is highly contagious and is transmitted chiefly by contact with infectious secretions mainly respiratory droplets.

COVID-19 was declared a pandemic by the World Health Organization (WHO) on 11th March 2020 after it spread to many countries from Wuhan, China, where it was first reported.

The pandemic has since spread to more than 200 countries throughout the world including Zimbabwe. The Zimbabwe Government, like the rest of the world, responded by declaring a State of National Disaster leading to various levels of lockdown of the country from 30 March 2020 for an indefinite period.

Sustainability Matters *(continued)*

In order to prevent and curb the spread of COVID-19 Zimplats developed a COVID-19 code of practice (COP) to guide its response to the pandemic, assist with compliance with all directives, regulations, guidelines and principles issued by the Government of Zimbabwe and World Health Organisation (WHO) guidelines on managing COVID-19.

The COP provides the overarching support of all procedures, standards and supporting documents, as well as any other measures Zimplats has taken to provide, identify, prevent and manage the significant health and safety aspects associated with the COVID-19 pandemic.

The COP on COVID-19 management developed by Zimplats is premised on five key pillars underpinned by a continuous risk assessment as shown in the model below:

Sustainability Matters *(continued)*

Risk Assessment

Risk assessment anchors our COVID-19 response plan. It requires that the risk be continuously evaluated in terms of likelihood and impact to the business as more information pertaining to the pandemic becomes available.

Management conducts regular risk assessments including testing and evaluating the effectiveness and adequacy of controls designed to manage the pandemic. The outcome of risk assessment informs decisions taken to respond to the pandemic appropriately.

Education and awareness

Prevention

Zimplats has adopted and implemented COVID-19 preventive measures based on the World Health Organization and Ministry of Health and Child care guidelines and regulations to manage the COVID-19 pandemic. The measures implemented by Zimplats include:

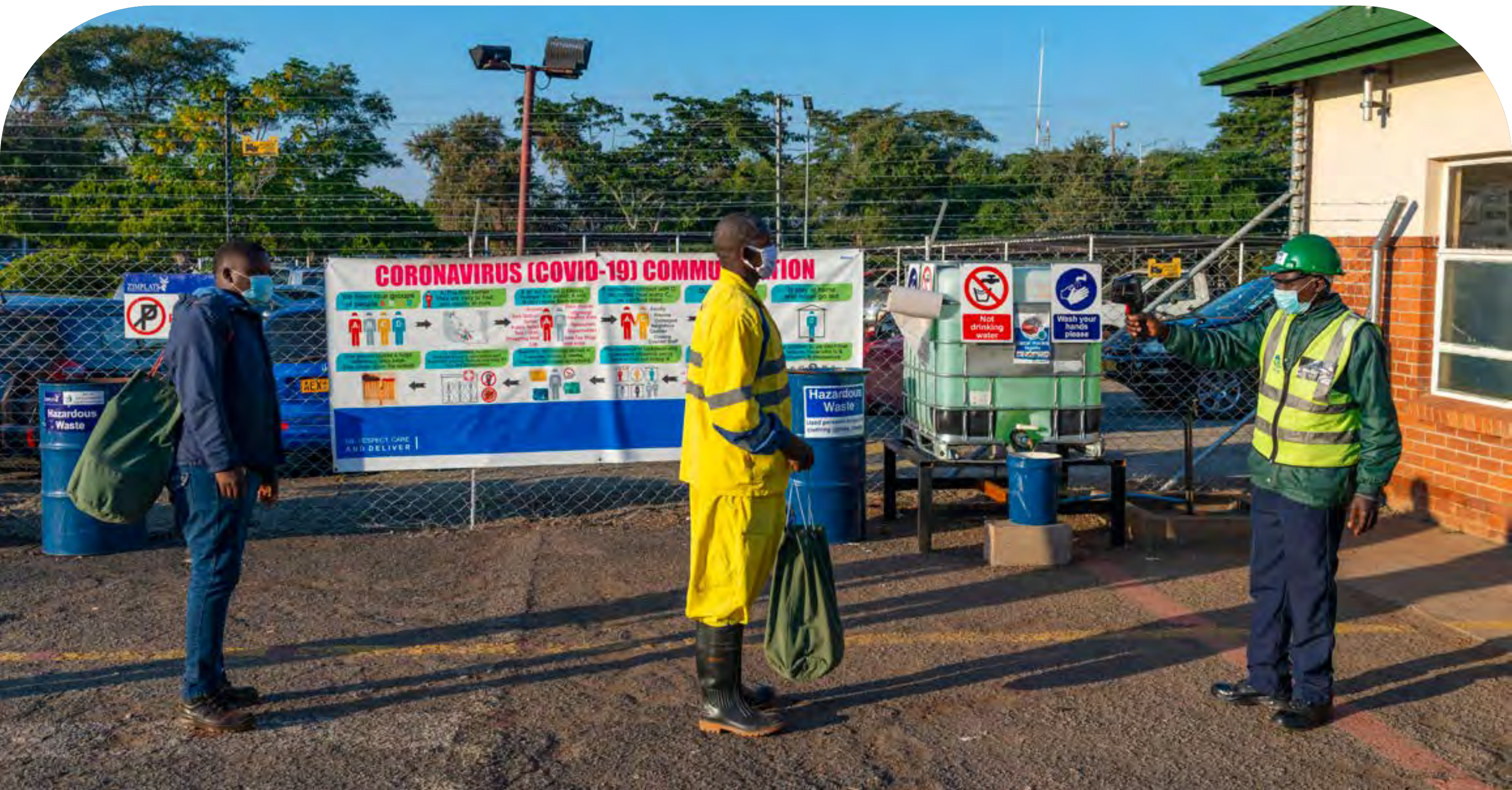
- physical distancing protocols
- hygiene measures at the workplace
- protocols for transportation of employees in buses
- business travel restrictions
- use of COVID-19 prescribed PPE by all employees and medical staff
- contractor and visitor management
- temperature scanning
- COVID-19 testing and screening
- Management of employees at high risk (those with underlying medical conditions and employees at high risk of exposure by nature of their roles at Zimplats)
- Accommodation protocols

The adequacy and effectiveness of these controls measures are reviewed on an on-going basis as more and new information about the pandemic becomes available.

With these control measures, Zimplats is in a good position to mitigate the spread of the pandemic at the workplace.

Preparedness, Treatment and Case Management

Preparedness is an integral pillar of the COP as management contends that even with the best preventative controls in place, chances of cases arising are inevitable.



Sustainability Matters *(continued)*

Zimplats therefore has put in place measures to adequately prepare to manage cases as and when they occur.

Key preparedness measures include:
- Establishment of fever centres to screen and attend to all employees presenting with signs and symptoms of COVID-19 before they enter their work areas
- Establishment of a COVID-19 medical centre complete with medical equipment (ventilators and oxygen supply) required to manage cases
- Medical PPE
- Medical supplies and medication stocking
- Medical staff resourcing and training
- COVID-19 testing kits
- Establishment of quarantine facilities

Measures for case management which include triaging and infection control, have been developed to manage cases at the COVID-19 medical centre. In addition, procedures for contact tracing have been developed.

Zimplats continues to review the level of preparedness and is able to respond according to the level and magnitude of the risk.

Sustainability Matters *(continued)*

MATERIALITY AND STAKEHOLDER ENGAGEMENT

Management approach

We value the importance of stakeholder engagement as an integral part of our business operations.
The recognition that we do not operate in isolation along with the expectations from diverse stakeholder groups and the symbiotic nature of the relationships is what guides our drive to create shared value.

Key stakeholders

As a business, we recognise the following as some of our stakeholders,

- Internal stakeholders - employees, management and shareholders
- External stakeholders - communities, regulatory authorities, suppliers, local authorities, government, media, financial institutions, business associations, analysts and lobby groups.

The identification of stakeholders is achieved through a stakeholder mapping process which analyses the level of interest that various stakeholders have in the Group and how they impact the Group both directly and indirectly. Consideration is also given as to whether the Group impacts them directly or indirectly.

Prioritisation of stakeholders is done following the Group's strategic objectives and risk register. The business' ability to manage stakeholder expectations and challenges has been based on the ongoing efforts to build and maintain trusted and beneficial relationships with all stakeholder groups. We believe that quality stakeholder management assists the business in managing risk, reputation and licence to operate.

The business is in the process of integrating guidelines from the AA1000 Stakeholder Engagement Standard to ensure that the stakeholder management process is guided by the principles of inclusivity, materiality and responsiveness.

To identify its material issues and to understand stakeholder expectations, Zimplats uses a wide range of criteria, processes and stakeholder engagement platforms. All material issues identified during engagements are captured and action plans are developed to ensure issues are addressed adequately.

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.

Sustainability Matters *(continued)*

Stakeholder	Material Issue	Zimplats Response
Government	**Indigenisation** Need for compliance with the Indigenisation framework articulated by Government. Compliance now limited to the platinum and diamond sectors. Various pronouncements by Government indicate a shift towards empowerment	As a responsible corporate citizen, Zimplats ensures compliance with all laws of the Land. The development as it relates to amendments effected to the Indigenisation and Economic Empowerment Act [Chapter 14:33], through the enactment of Finance Act, 2018, were welcomed by Zimplats which is in support of Government's "Zimbabwe is Open for Business" thrust. As a market leader, Zimplats continues to engage Government on the empowerment thrust in light of announcements made by it.
	Beneficiation Government has directed the platinum industry to build a refinery	Zimplats, through the Chamber of Mines and the Platinum Producers Association, is exploring options for the establishment of a national refining facility. Engagement to this end is ongoing.
	Supporting national efforts to revive the economy	Zimplats continues to share its narrative on its operations, projects and business initiatives that align with the country's economic agenda including progress in the roll out of the local enterprise development (LEDs programme). The business has made progress on the US$15 million cattle ranching project as a joint venture (JV). The project not only harmonises mining and agricultural activities but will contribute significantly to the resuscitation of the national herd and dairy milk production, whilst improving community herd health.
Employees	Housing for SMC employees The disparity between housing conditions offered for Ngezi employees and those employed at SMC has been eliminated through the launch of the Chegutu Housing Development project Mitigation of the impact of COVID-19 Employees raised concern around the COVID-19 virus and measures to mitigate the spread of the virus	Meaningful progress has been achieved in the roll out of the housing scheme for SMC employees in the town of Chegutu. A robust communication campaign, and COP have been put in place to ensure awareness of and mitigate the threat of COVID-19 in the workplace. As testimony to the efficacy of the measures is that no cases have been confirmed by year end at the workplace.
Shareholders	• Business performance • Legal compliance • Government expectations on beneficiation • Export levy on un-beneficiated platinum • Ease of doing business • 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 • The Chamber of Mines and Platinum Producers Association is engaging members on the possibility of establishing a national beneficiation facility • Engagement with authorities on the forex retention levels and need for policy consistency is ongoing • Zimplats through the Chamber of Mines continues to engage with Government and ZIMRA on the change in law through the Finance Act of 2019. This relates to a directive by Government compelling mining companies to pay taxes and royalties in foreign currency • Engagement through the Chamber of Mines continues to ensure smooth implementation of the power securitisation agreement with ZETDC and management of power tariffs • Zimplats continues to pursue the relocation of the families. Opportunities may arise from the national farm downsizing exercise currently underway

Sustainability Matters *(continued)*

Stakeholder	Material Issue	Zimplats response
Community	**Employment** • Equity participation in the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited • Food insecurity and access to potable water are significant concerns • There is an expectation by the community for Zimplats to protect and contribute towards their health and safety	• The operating subsidiary continues to include candidates from local communities in recruitment and consequently a significant number of staff at our mining operations is from the surrounding communities • The Company, through the established LEDs programme continues to develop opportunities for income generation to benefit local communities. LEDs are becoming meaningful employers in their own right • Zimplats continues to engage Government on the empowerment thrust in light of announcements made by Government in regard to the envisaged changes to the Indigenisation Act • Zimplats has implemented a drought relief programme in which 4 000 households will receive food assistance over a period of 6 months • Several boreholes have been drilled to improve access to potable water • Zimplats carried out communication campaigns to ensure awareness and encourage behaviour change to mitigate the spread of the COVID-19 virus • Zimplats holds regular structured meetings with community representatives to discuss matters of common interest in pursuit of enhanced community safety
Suppliers	Suppliers faced challenges relating to viability	• Zimplats has engaged suppliers on matters of pricing and has engaged authorities to support critical suppliers with access to forex
Media	The media has shown interest in the business and in progress on the impact of metal prices on the business and progress on the Mupani Mine project	Engagement with the media is ongoing including on-site visits and workshops conducted during the year

In addition to the one-on-one interaction some of the issues raised by stakeholders were addressed through the print and electronic media and through our website. With the onset of the COVID-19 pandemic electronic media has become a prominent channel for communication.

Our commitment to creating shared value for all our stakeholders

Our commitment is to create long term shared value for all our stakeholders in a systematic manner. The Group accepts sustainable development and embraces the sustainable development goals in a bid to conduct its business as a responsible citizen.

The Company sets out to contribute to national economic development through effective partnerships. The main vehicle for this strategy is through investment in infrastructure, and local supplier 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 emphasis on those areas that affect the social licence to operate.

Sustainability Matters *(continued)*

ZIMPLATS PROMOTING SUSTAINABLE DEVELOPMENT

Zimplats and the Sustainable Development Goals

The United Nations Sustainable Development Goals (UN SDGs) provide guidance on how business can contribute effectively to sustainable development. The challenges highlighted by the UN SDGs offer a universal agreement on addressing economic, social and environmental concerns. Zimplats utilises the SDGs to establish an effective framework to promote sustainable development.

As a mining company, Zimplats is driven to create value in a manner which ensures that communities thrive due to the business' net positive impact. The Company is committed to sustainable development and seeks to leave a legacy where communities are in a better position than they were historically. Throughout its value chain, Zimplats has identified opportunities to respond to global development needs as driven by the UN SDGs. Through these SDGs, Zimplats can respond meaningfully to addressing poverty, creating employment, and managing environmental challenges.

Alignment to the UN SDGs assists in prioritising those goals and targets that we believe are most important to our business and which create value for its stakeholders. The focus is on improving livelihoods by improved access to health and well-being; education and income generation. The table below summarises some of the SDGs in relation to Zimplats' socio-economic development activities.

SDG	Examples of relevant initiatives
1 No poverty	CSI investment
2 Zero hunger	Introducing conservation farming and food security initiatives within its host communities
3 Good health and wellbeing	**Effective workplace wellness programme** • Occupational health surveillance initiatives • Vigilant monitoring of tuberculosis cases • Malaria eradication programmes • HIV/AIDS and wellness programs • Investment in health facilities • Employee wellness days and medical aid support **Community Health Initiatives** • Community project on albinism • Community health initiatives • Investment in health facilities
4 Quality education	• Supporting the delivery of quality education • Support to local communities in building schools • 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
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 • Local supplier development
12 Responsible consumption and production	Effective Waste Management Programmes Energy conservation 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

The business remains committed to assisting in the broader economic recovery of Zimbabwe through its focus on local supplier development. The local supplier development thrust is also aimed at upholding the business' social license to operate. Local spend in the year averaged 60% which was lower than the prior year. This is mainly attributed to the volatility of the local currency as well as the strategic projects (Mupfuti Mine development, Bimha Mine re-development and Smelter refurbishment) which were heavily import based.

Local Enterprise Development Programme

Through the Local Enterprise Development (LEDs) programme, Zimplats has remained firm and committed to its fundamental strategy of supporting local small and medium enterprises (SMEs) through skills transfer, financial and technical capacity building. The programme has now grown from 20 Local Enterprise Development (LEDs) companies to 22 and all the companies have sustained their competitiveness under the challenging economic environment.

The 22 LEDs supply Zimplats with various products and services which include engineering, medical, haulage, underground support (shotcreeting), legal, catering, protective clothing (work suits and overalls), bricks and silica. Due to the capacity building initiatives, some of the LEDs are beginning to expand their markets and supply beyond Zimplats.

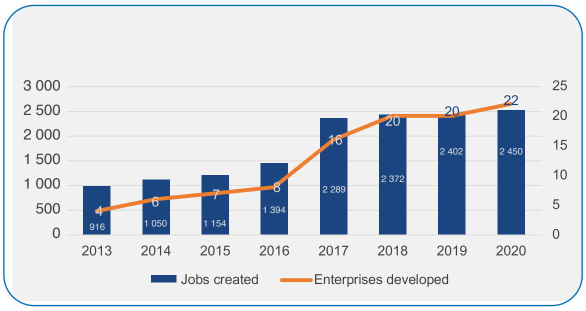
Monitoring and evaluation forms an integral part of the enterprise development programme and assists in identifying gaps, leading to remedial action through specific programmes designed to strengthen production, marketing, diversification and financial management of the LEDs.

Beyond basic business management, Zimplats continues to support the LEDs through training on health and safety, including mitigation of the COVID-19 pandemic.

Employment creation

Zimplats' continued support of the LEDs programme has resulted in employment creation, skills development and improved livelihoods for community benefit. In FY2020, the 22 local enterprises in the programme directly employed a total of 2 450 people, 1 400 of whom were on long term contracts and 1 050 on seasonal engagements. Employment creation is rising as the LEDs programme expands, as illustrated in figure 1 below.

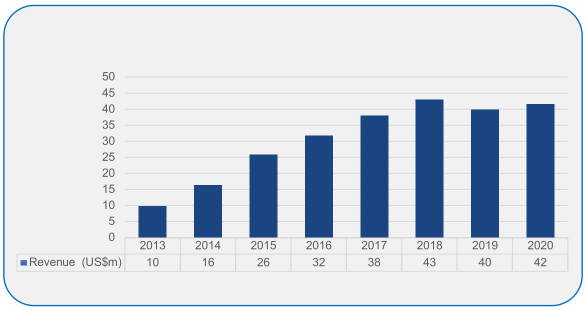
Enterprises development and job creation



Revenue generation

Zimplats provided a secure market for the 22 LEDs, leading to revenue generation of US$41.7 million for these enterprises in FY2020 as shown below. A total of US$247 million has been invested in LEDs for the procurement of goods and services since the programme was initiated in 2013. The contribution by the LEDs to social and economic development and import substitution; all in line with national economic objectives.

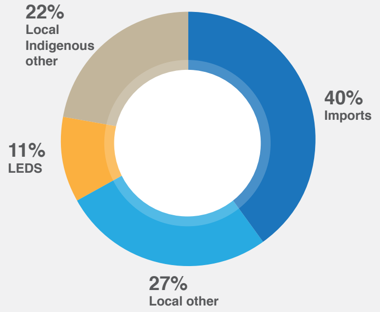
LEDS revenue generation trend since FY2013



Sustainability Matters *(continued)*

Revenue generated by LEDs in FY2020 accounted for 11% of Zimplats' total overall procurement spend as shown ibelow:

FY2020 procurement split



Local procurement by LEDs and non-LEDs accounted for 60% of overall total procurement. This revenue stream enabled the local enterprises to stabilise their operations and develop new lines of business including job security for employees.

Promoting gender equality and women's empowerment through the LEDs programme

In pursuit of diversity 20% of the LEDs on the programme are female led and this aligns with our commitment to promoting diversity and promoting gender equality as espoused by SDG 5. The diagram below highlights some of the enterprises with women at their helm.

EXAMPLES OF FEMALE HEADED LEDs

Dostaro Investments
Dostaro Investments (Private) Limited is a woman driven and wholly owned Zimbabwean mining and construction company. Dostaro Investments mine silica and extract river sand for Zimplats' requirements. The company joined Zimplats LED programme upon its establishment and incorporation in 2013.

Turf Brick Moulding Company
Turf Brick Moulding Company is a community based, women driven company based in Turf township Ngezi. The company started in 2013 and produces masonry common bricks.

Telstone Trading
Telstone Trading (Private) Limited is a wholly owned and woman driven Zimbabwean company. It was founded in 1997 and has grown steadily as evidenced by its customer base. Over the years Telstone has supplied personal protective equipment and corporate wear to Zimplats and other customers including Golden Valley, Triangle, Kadoma Magnesite, Cotton Research, Nash Mat, Alatial Mine, Amantia Mine, Vinece Mine and Kadoma Training Institute.

Brooke Pharmacy
Brooke Chemist (Private) Limited is a Zimbabwean business owned and managed by a woman. The enterprise specialises in manufacturing pharmaceutical products and runs a medical clinic. In 2017, Brooke Chemist (Private) Limited joined the Zimplats LED programme and is supplying sunscreen lotions and lip balms for people living with albinism.

Sustainability Matters *(continued)*

COMMUNITIES AND CORPORATE SOCIAL INVESTMENT

The creation of shared value for all our stakeholders is a guiding principle for how we do business. Our success is intrinsically linked to the extent to which we create value for our stakeholders, upholding our values of respect, care and deliver. Creating and sharing value is an ethos that we live by. The interconnectivity between our values and sustainable development guarantees an improvement in livelihoods for the communities we set out to serve.

Equally driven by these values we are committed to proactive engagement of community representatives and government officials at all levels to maintain cordial relationships with local stakeholders, understand community needs and manage expectations.

As a responsible corporate citizen, we firmly embrace Corporate Social Responsibility (CSR) and its importance in addressing the company's overall response to economic, social and environmental considerations. Within the broader context of CSR, we also appreciate the importance of Corporate Social Investment (CSI). With increasing alignment to the UN SDGs, our CSI expenditure supported various projects in the spheres of education, health, sports development and income generation, among others.

CSI Expenditure for the Past Five Financial Years

	FY2020	FY2019	FY2018	FY2017	FY2016
	US$	US$	US$	US$	US$
Sports development	533 843	1 658 981	1 929 497	1 133 330	1 492 508
Health and safety	208 658	1 455 504	1 936 934	11 815	119 353
Education	89 595	184 684	233 723	161 495	161 507
Income generating projects	1 360 185	11 908	515 684	41 337	66 657
Community project on albinism	13 706	-	461 099	-	-
COVID-19 community support	207 714	-	-	-	-
Other	214 493	473 477	890 409	592 102	91 078
Total CSI	**2 628 194▲**	**3 784 554**	**5 967 346**	**1 940 079**	**1 931 103**

Zimplats spent US$2.6 million on CSI projects in the year against an increase in the CSI provision of US$3.6 million recognised in the statement of profit or loss and other comprehensive income (see note 21 on page 173). The Group's interventions were guided by its key corporate social responsibility pillars of:

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

Health and Safety

Zimplats demonstrated its commitment as a national development partner by investing in the upgrade of Gutu Hospital which is transitioning from a rural clinic to a fully fledged district hospital. It is one of the 30 health facilities in Gutu District in Masvingo Province and serves as the main referral centre for 28 clinics in the district. The hospital which currently offers outpatient, nutrition, rehabilitation and maternity services caters for a catchment of 17 640 patients from 28 clinics. The hospital has faced several challenges which have affected its ability to deliver on quality health care.

The project scope included the following:

- Construction of new laundry and mortuary facilities
- Purchase and installation of Laundry equipment - two 25kg industrial washing machines and one 50kg drier to improve efficiency and ensure regular access to clean linen

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

Sustainability Matters *(continued)*

- Purchase and installation of mortuary equipment - six body refrigeration complete with a new compressor to enable dignified handling of the deceased
- Sinking of two boreholes – one borehole providing water to the new buildings, second borehole augmenting general hospital water supply for improved hygiene

The interventions will enable the hospital to offer improved service delivery to the community, and to initiate the transition to a District Hospital. Beyond this, Gutu Hospital is now better placed to manage the challenges posed by the COVID-19 pandemic.

Zimplats partnered with 2 local enterprises from its local enterprise development (LEDs programme) on the project. One of the LEDs was awarded the EPC contract while the other supplied the laundry equipment. 40 jobs were created for the local community members during the construction phase of the project.

At the project launch, Zimplats took the opportunity to extend its support for people with albinism to Gutu District and to the broader Masvingo province by distributing sunscreen lotion, hats and lip balm to people with albinism from the Province.

Community Project on albinism

People with albinism continue to face challenges of discrimination and unkind myths. The Zimplats community project on albinism seeks to address discrimination and encourage acceptance and integration of people with albinism into mainstream society. The campaign also seeks to improve availability and affordability of sunscreen lotions and lip balms.

Over the past year, Zimplats has distributed more than 3 500 sunscreens and lip balms to communities in Harare, Matabeleland North and Mashonaland West Provinces and the recently added Masvingo Province.

The most common cause of death for people with albinism is skin cancer. This is preventable with adequate protection from the sun. Zimplats continues to work with one of its female led LEDs in the production of affordable sun protection materials for people with albinism.

EDUCATION

National skills development

As part of our goal to contribute towards skills development in the country, our graduate learnership programme aligns with and is responsive to the training and development needs of the mining industry in particular and industry at large. Our trainees spread across the business and technical functions of Accounting, Human Resource Management, Information Communication and Technology (ICT), Supply Chain Management, Electrical and Mechanical Engineering, Geology and Metallurgy.

Enhancing Access to Potable Water

Several communities and rural schools in Mhondoro Ngezi and parts of Chegutu district have no access to potable water. This has affected the learning environment for learners, and it compromises their ability to enjoy quality education. In this regard, some schools are unable to offer the full range of practical exercises offered by the new educational curriculum including gardening.

During the past year Zimplats has assisted Zimbo Junction and Tangwena schools and Tyronne village 4 by installing solar powered boreholes and storage tanks. Having clean water and sanitation reduces learners' exposure to diseases thereby creating a safe learning environment. This intervention is expected to benefit 650 pupils.

Sustainability Matters *(continued)*

In the wider community, the boreholes now support nutrition gardens to promote zero hunger in the community. With most surface water points dry due to the drought; the borehole sites are also serving as watering points for livestock.

Since 2008, Zimplats has drilled over 60 boreholes to improve community access to potable water. Income Generation, Enterprise and Community Development - Investing in No Poverty and Zero Hunger.

ZIMPLATS CATTLE RANCHING PROJECT

Zimplats has embarked on a commercial cattle ranching project through a joint venture (JV)partnership. This initiative seeks to develop a unique and integrated community development model with commercial value while harnessing sustainable livelihoods for communities.

The ranching project is expected to uplift the livelihoods of communities by providing support for community cattle herd health, income generating opportunities through an out-grower's scheme for production of cattle feed. The project is targeting to produce 25 million litres of milk per year and 48 tonnes of beef per annum, for the local and export markets, at full capacity (within a period of 5 years). The project also seeks to empower local communities through employment, establishment of community paddocks and pasture improvement all of which will impact community livelihoods positively.

The project is being implemented over 11 000 hectares on the Zimplats mining lease and is an example of the potential for harmony in mining and agricultural development. It also underpins the principles of sustainable development and supports the national thrust for agricultural development, employment creation and generation of foreign currency.

Project Scope

The full project scope is as follows:

- Establish a tripartite JV cattle ranching project for commercial beef and dairy herds on the mining lease area
- Provide opportunities for contract farming to surrounding communities for provision of feedstock
- Introduction of pasture improvement for the project and community benefit
- Introduction of new technologies to improve herd genetics for the project and community benefit

Key project highlights and challenges

- 2 029 beef and dairy cattle, including the Wagyu breed, now on site
- Palmline Investments, as the operating entity is in the process of drafting a social contract with communities as a tool for managing its key interactions with communities. The key areas to be covered in the contract include employment, cropping, pastures improvement, herd health and quality improvement
- The community is already benefitting from improved herd health through provision of vaccines and antibiotics. More than 4 900 cattle have been treated. This has been useful following the theileriosis outbreak in 2018/9 which affected approximately 35-40% of local cattle population as communities failed to access the necessary vaccines and antibiotics to protect their livestock
- A total of 200 families were provided with seed packs and fertiliser for the 2019/2020 cropping season). Regrettably, severe crop failure was experienced due to the drought
- A more robust system to be implemented targeting to grow at least 500ha for cattle sustenance (US$0.400 million) in the 2020/21

Sustainability Matters *(continued)*

- Employment creation for local community – more than 20 jobs created to date with 3 of them being women from the surrounding community
- Further recruitment to be done as the project grows with an expectation of an additional 60 employees from the community by the end of the calendar year 2020

Sports Development

Zimplats continues to invest in sports development by supporting premier league teams for both soccer and netball. This support has rallied the community around a common cause, provided quality entertainment while providing income generating opportunities for youth drawn from various areas around the province and the country as a whole. However, this intervention has been greatly affected by the COVID-19 pandemic which saw sporting activities being suspended.

Schools Inter-district Sports

In schools, youths have also benefitted from the annual sports tournaments held in two districts of Chegutu and Mhondoro Ngezi. More than 60 secondary schools participate in the ball games which attract an excess of 700 pupils to showcase their talent. The inter-schools' tournament has provided talent scouts with opportunities to identify and develop talent some of whom have gone on to play for the premier soccer league side, Ngezi Platinum Stars.

Community Share Ownership Trust

The activities of the Mhondoro Ngezi Community Share Ownership Trust (CSOT) were hampered as its main revenue generating poultry project faltered due to rising inflation and costs of inputs. In spite of these setbacks, the CSOT managed to engage in a number of income-generating projects for communities, including establishing nurseries for horticulture market gardening and hiring of plant equipment.

Responding to National Disasters – COVID-19

Driven by its value of Care and the business' focus on enhancing access to health services, Zimplats has partnered with the Government of Zimbabwe in contributing towards the national COVID-19 response by availing equipment, such as ventilators, personal protective equipment (PPE) for health personnel, infrared thermometers, isolation tents, and disinfectants along with the disinfecting equipment.

The intervention was extended beyond assisting hospitals within the districts surrounding Zimplats operations namely Chinhoyi Provincial Hospital, Kadoma hospital, Chegutu Hospital, St. Michael's Mission Hospital, Mubaira Clinic, Turf Polyclinic, Norton Hospital, Selous Clinic and Ngezi Hospital to include Wilkins hospital in Harare, the major referral hospital for infectious diseases in Zimbabwe, bringing the total of health institutions assisted by Zimplats to 10.

At a national level, Zimplats has participated as a member of the multi-stakeholder Risk Communication and Community Engagement (RCCE) subcommittee. This national committee which is co chaired by the Ministry of Health and Child Care and the Ministry of Information, Broadcasting and Publicity leads the nationwide efforts in ensuring that all communities around the country are informed on COVID-19. To support these efforts at national level, Zimplats produced information, education and communication (IEC) materials in English, Shona and Ndebele for distribution across the country. Through these same efforts of raising awareness on COVID-19 at a national level, Zimplats facilitated the development of jingles in English and Shona for national radio and television reaching over 2 million viewers and listeners.

Zimplats' efforts in fighting the spread of COVID-19 have not been confined to its operations. Educating the community on what COVID-19 is, its symptoms and how to manage the spread has become central to the business' communication efforts to external stakeholders. The community awareness campaign has extended to Turf, Norton and Chegutu (urban and rural - towns neighbouring the Company's operations in Ngezi and Selous Metallurgical Complex) in its efforts to mitigate the spread of the pandemic.

Fighting the spread of COVID-19 remains a business priority and to this end, Zimplats will continue to roll out programmes designed to safeguard the health and safety of its employees while also extending the efforts to the surrounding communities.

Sustainability Matters *(continued)*

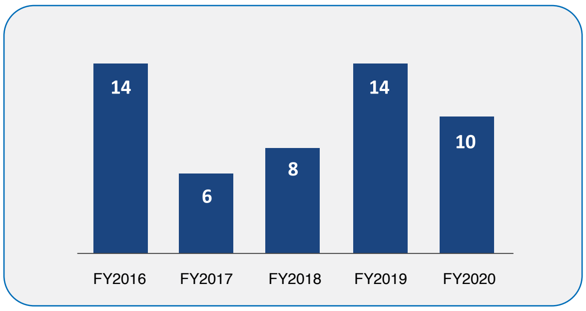
OUR SAFETY PERFORMANCE

In line with the United Nations Sustainable Development Goals (SDGs) of promoting prosperity while protecting the planet, Zimplats continues to strive for a healthy and safe environment for all its stakeholders including employees, contractors and neighbouring communities. Our safety thrust is particularly geared towards attaining the United Nations Sustainable Development Goal (SDG) 8-Decent work and economic growth. The international standard, ISO 45 001 Occupational Health and Safety Management system continues to be the framework that guides our actions and processes as we manage occupational health and safety risks.

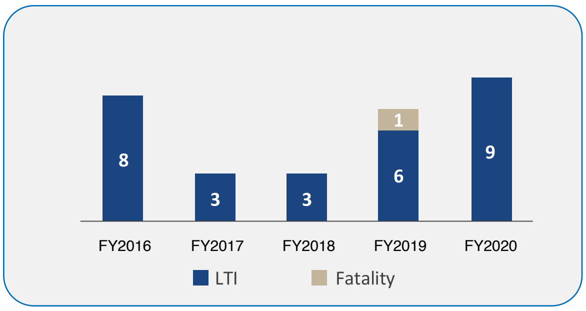
The table and graphs below summarise our safety performance in FY 2020. In the period, we registered a reduction in the number of total injuries on duty (IODs). None of the injuries recorded resulted in the loss of life in comparison to FY 2019 when we recorded a fatality. Of concern, however, is the proportion of lost time injuries against non-lost time injuries, lost time injuries were higher in FY2020.

Key Performance Indicator	FY2020 Performance	FY2019 Performance
Fatalities	0▲	1
Lost-time injuries	9▲	7
Total injuries	10▲	14
Fatal injury frequency rate (FIFR)	0▲	0.06
Lost-time injury frequency rate (LTIFR)	0.59▲	0.45
Total injury frequency rate (TIFR)	**0.65▲**	**0.90**

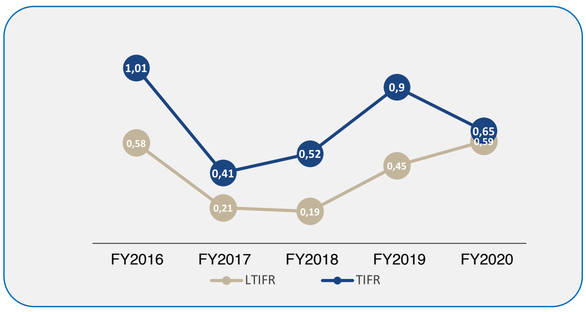
Total Injuries FY2016 to FY2020



Lost Time Injuries FY2016 to FY2020



TIFR AND LTIFR FY2016 to FY2020



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

Sustainability Matters *(continued)*

Recognition for Safety performance

The Company continues to strive for the best in terms of safety standards and through these efforts, the Company received several accolades.

National First Aid Competitions

Mupani Mine won the top position in the underground section

National Fire Competitions

During the 2019 National Fire Control Association (NIFCA) national fire competitions Zimplats teams attained the top three positions as follows:

Position 1	Ngezi Mining
Position 2	Ngezi Concentrator
Position 3	Ngezi Shared Services

National Social Security Authority (NSSA) Safety Awards

Premier National and EMCOZ awards
Processing division- Winners

Provincial Awards

Processing Division- Gold award
Mupani Mine- Silver award
Rukodzi Mine- Bronze award

Sectorial awards

Manufacturing
Processing division – Gold award

Mining sector

Mupani Mine- Gold
Rukodzi Mine- Silver

Fatality Free Shifts

Achieved 2.4 million fatality free shifts.

Management System Certification

Retained Occupational Safety and Health Management System ISO 45001:2018 certification during DQS external surveillance audit.

Sustainability Matters *(continued)*

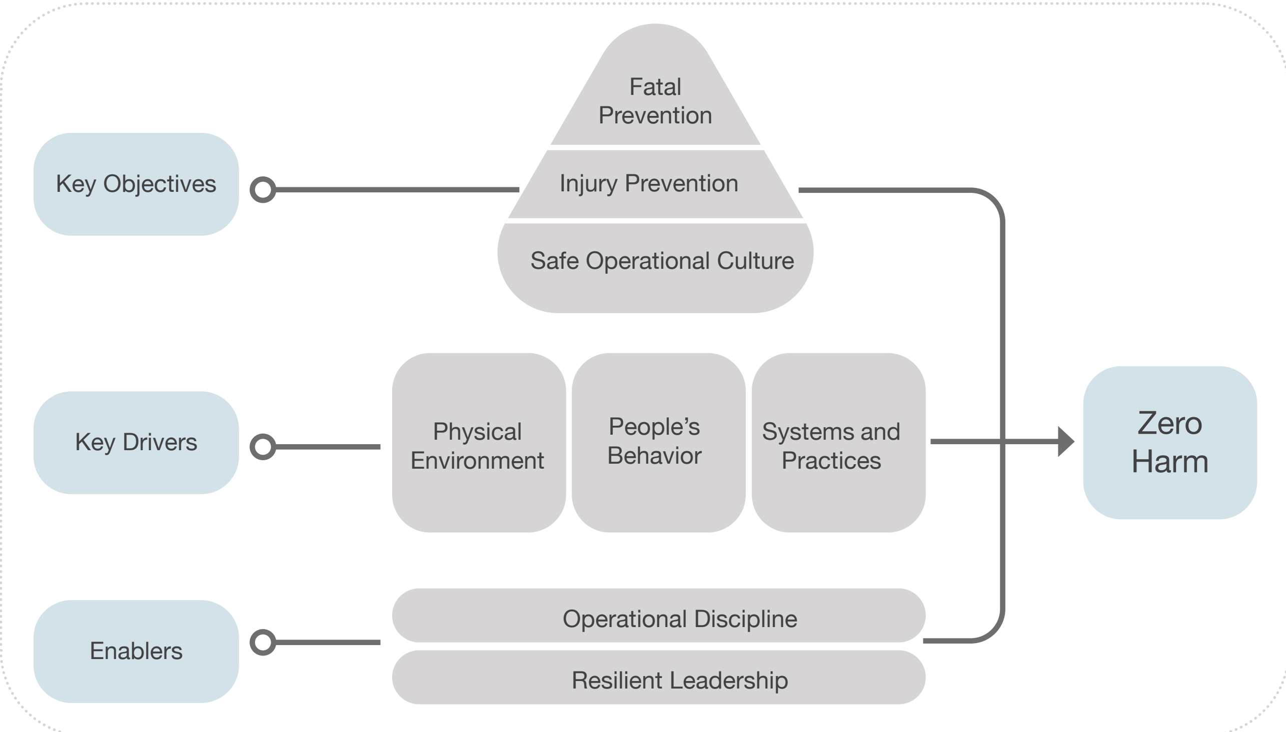
The Quest for Zero Harm

Our interventions to achieve zero harm are aligned with the overall Implats Group Safety Strategy model below which recognises resilient leadership and operational discipline as the bedrock for attaining our safety objectives.

- Resilient leadership is leadership that relentlessly bounces back in the face of extreme challenges and helps others withstand and adapt to and rebound from adversity.
- Operational discipline is the deeply rooted dedication and commitment by the workforce to carry out each task the right way everytime. We enforce operational discipline into our operations by fostering a culture of compliance to standard requirements.

In FY2020, the Company initiated a technical review process of the safety procedures taking into account best available knowledge, experience, best practice and employee involvement. This process of employee engagement in the review process is intended to lead to the development of clear instructions which relate to the tasks being undertaken in a safe and efficient manner.

Safety Strategy Model



The Safety strategy model is still based on the three pillars of:

- People behaviour
- Systems practices and
- Technology interventions

As depicted by our strategy model, the key drivers/pillars of our strategy continue to be people behaviour, system practices and technology interventions.

People Behaviour

The people pillar focuses and emphasises safety citizenship, mental health support/ behaviour based safety and community safety. The progress made to date highlights the need for ongoing investment in order to promote the safe culture at all levels across the business. The key principles of accountability, enforcement and employee

Sustainability Matters *(continued)*

participation remain important in the process. The following are some of the initiatives implemented in FY2020:

- Over the years, senior management has been appointed as guardians for specific areas across the business. The guardians have continued to conduct regular engagements with employees in their areas of responsibility and these efforts have intensified in FY2020 to boost safety performance.
- Engagement of all levels of employees including SHEQ representatives, worker leadership and supervisors to understand the factors contributing to safety incidents and accidents.
- Leadership and employee coaching and mentoring training on procedures and team building.
- Providing adequate resources including human resources during shutdowns and maintenance periods to manage SHEQ related matters.
- Employee mental health support programmes with emphasis on employee counselling and alcohol moderation. Alcohol and drug moderation groups continue to share information on dangers of drugs and alcohol abuse.
- Promoting initiatives that always emphasise intrinsic rather than extrinsic motivation for sustaining safe behaviour.

System / Practices

A robust system is critical for attaining sustainable safety performance. It is essential to continuously review the system elements including standards and procedures. These reviews ensure that the standards and procedures are relevant in addressing risks and opportunities including falls of ground (FOGs) and shutdowns/ maintenance activities. Highlights of system related interventions during the period are given below:

- Executive-led interdepartmental audits were conducted. Elevated levels of compliance were recorded. Where necessary, remedial action plans to address findings were developed and are tracked through the IsoMetrix system.
- A comprehensive review of Fatal Risk Control Protocols (FRCPs) and critical controls for Material Unwanted Events (MUEs) was initiated in the period. The change management process continues to receive special attention.
- Activities such as pre-qualification safety assessment, employee qualifications and competence verification, pre-work induction, equipment inspections and contractor compliance inspections were intensified during the period, taking into account increased contractor numbers (especially during the Smelter shutdown).
- A near miss incident reporting campaign was initiated. Reported near misses with a high severity are being shared in management meetings and with all employees. A near miss perception survey was conducted to understand the limited reporting of near misses from employees.

Physical Environment (Technology)

Zimplats continues to investigate and invest in various interventions to create a safer working environment. Progress has been made in the investigation and implementation of technologies that assist in mitigating high risks such as FOG and furnace risks. Key technological interventions during the period include:

- Procurement of 5 additional barring down cages to protect employees during the high-risk activity of making safe.
- Acquisition of a barring down cage-scaler to provide overhead protection against bad hangings
- Installation of cameras to monitor employee behaviour in mobile equipment and high-risk areas
- Installation of Wall E/Drill Stop devices on drill rigs to mitigate against operatives entering the red zone/ line of fire.
- Testing of a high lux (30,000 vs current 6,000) cap lamp to confirm its effectiveness in improving lighting conditions to better identify rock structures. Over 700 of these cap lamps are now in use at the mines.
- The major furnace rebuild undertaken during the year has significantly enhanced safety and production at the smelter. The smelter refurbishment led to the following enhancements:
  - Relocation of the control room away from the furnace building,
  - Additional inspection ports equipped with safety shields,
  - Thicker furnace shell for enhanced structural integrity,
  - Increased tap holes to reduce wear and failure risk

Sustainability Matters *(continued)*

The COVID-19 Pandemic

The topical health and safety risk globally during the year has undoubtedly been the COVID-19 pandemic. The Zimplats BMS policy, Zimbabwe Government regulations, WHO guidelines and International Labour Organisation standards have informed Zimplats' response to the pandemic.

The following measures were undertaken by the business in response to the pandemic:

- A risk-based approach was used in mapping the key risks and developing management approaches to minimising the spread of the pandemic.
- Several procedures and work instructions were developed within operations to address the risks.

While Zimplats continues to lead in terms of safety standards for the mining sector, the business continues to pursue higher safety standards in its quest to safeguard the health and safety of all its employees and contractors.

Sustainability Matters *(continued)*

PROTECTING THE ENVIRONMENT

Our management approach to the protection of the environment

Mining and processing activities impact on the environment through land disturbance, resource consumption, waste generation, air emissions and effluent discharges. To mitigate the impacts of mining and processing activities, we implement strategic measures aimed at minimising the negative impacts. We have a comprehensive risk management approach, policies and procedures that provide a framework for the management of environmental risks and opportunities. We have identified key United Nations Sustainable Development Goals (UN SDGs) critical for our operations and integrated them into our environmental management system. Our environmental management system has been designed in compliance with ISO 14001:2015 standard requirements.

We established a set of environmental performance indicators to guide our reporting in line with the SDGs, our Business Management System (BMS) policy and Implats group standards. We are committed to:

- full environmental compliance with regulatory and other applicable requirements
- promoting responsible water stewardship by minimising water use and preventing pollution
- responding to climate change risks and opportunities
- promoting responsible energy management
- minimising our negative impacts on air quality
- promoting responsible land stewardship biodiversity management
- managing our waste streams

We believe that management of environmental impacts on the communities in which we operate is crucial to maintaining our social licence to operate.

Environmental Compliance

Zimplats is committed to complying with all government policies and environmental legislative requirements. We engage proactively with government as a company and through industry representative business organisations to contribute to the development and review of environmental legislation. The industry representative organisations include the Chamber of Mines of Zimbabwe and the Business Council for Sustainable Development in Zimbabwe (BCSDZ).The regulatory authorities concerned with environment protection in Zimbabwe include the Environmental Management Agency (EMA), the Zimbabwe National Water Authority (ZINWA), Zimbabwe Parks and Wildlife Management Authority (ZPWMA), Forestry Commission and the Radiation Protection Authority of Zimbabwe (RPAZ).

Environmental compliance is part of the Zimplats Business Management System (BMS) requirements. We have a system to track changes and new environmental legislation. Compliance obligation procedures are in place to guide the operation to embrace changes stemming from new environmental legislation. Internal compliance obligations, reviews and internal audits are conducted regularly to identify possible areas of non-compliance and establish necessary measures to ensure full compliance.

We comply with laid out conditions stipulated in the various permits and licences issued by the regulatory

Sustainability Matters *(continued)*

authorities. Our environmental permits include:

- Environmental Impacts Assessment (EIA) licences
- Effluent and waste disposal licences
- Air emission licences
- Hazardous substances licences
- Radiation licences
- Water permits and agreements

The organisation has a system which ensures on-time renewal of the various permits and licences. The regulatory authorities conduct internal audits and inspections of our operations from time to time to ensure full compliance with the licence requirements. Some of the FY2020 regulatory and audit inspections were negatively affected by the COVID-19 pandemic and the associated lockdown measures. However, the organisation embraced an online reporting system to ensure compliance with the requirements of environmental license requirements.

New legislation applicable to environmental protection

New Regulations	Key Requirements
1. S.I. 53 of 2020: Water (Sub catchment Councils) (Rates) (Amendments) Regulations (No.7)	• Inclusion of ZWL/ML water rates repealing the previous USD rates. This relates to Sub-catchment water rates for raw water use, permit application and authority to drill boreholes
2. S.I. 54 of 2020: Water (Permits) (Amendments) Regulations (No.4)	• Inclusion of ZWL fees for surface water permits applications, amendments and renewals
3. S.I. 51 of 2020: Zimbabwe National Water Authority (Water Levy) (Amendment) Notice (No.5)	• Inclusion of ZWL water levy repealing the previous USD rates
1. SI 235 of 2019 Electricity (Solar Water Heating) regulations	• Requirement for incorporation of solar water heating systems in all new premises designs and extensions or alterations or retrofitting to existing premises. Zimplats embraced the requirements and all new installations comply with the regulations

FY2020 Environmental legal compliance

Environmental Fines	⇔	No fines▲/sanctions/stop notes (FY2019: 0)
Environmental Licences	⇔	Licences were renewed as required
	↓	One effluent licence was eliminated bringing down effluent discharge licence to 25 (FY2019: 26)
	↑	74 radiation licences issued (FY2019: 73)
Inspections & audits	⇔	No legal nonconformities

The Environmental Management System (EMS)

The Zimplats` environmental management system is incorporated in the Business Management System (BMS) for the organisation. The environmental management system is based on the ISO 14001:2015 standard requirements. The operation retained the ISO 14001:2015 certification with no major nonconformities following an external audit conducted in FY2020.

- The EMS includes an environmental incident reporting system that is based on a five-tiered scale for incident reporting, investigation and establishment of corrective actions. The operation did not record any major (level 5) or significant (level 4) environmental incidents or incidents with on-going but limited environmental impact (level 3). Minor incidents (level 1 and 2) were recorded, investigated and remedial actions established.
- We establish annual environmental objectives and plans in line with the certified environmental management system. The objectives and plans are informed by the identified and assessed environmental risks and opportunities.
- Internal audits and management reviews are conducted regularly to ensure continual improvement of the environmental management system.

Going forward

- The overall strategic objective for BP2021 is to retain ISO 14001:2015 Environmental Management System (EMS) certification. Focused internal audits shall be conducted to continually improve the system

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

Sustainability Matters *(continued)*

Water Stewardship

Zimplats is reliant on water to ensure uninterrupted mining and processing operations. Lack of water can adversely affect both production capacity at the operations and host community livelihoods. Zimplats mining and Ngezi concentrator operations extract raw water from Ngezi and Chitsuwa dams in Sanyati catchment while Selous Metallurgical Complex (SMC) is fed by Manyame dam in Manyame catchment. Water supply has been negatively affected by high temperatures and low rainfall received during the 2019/2020 season. These conditions resulted in low dam capacities and increased pressure on water supply in the catchments close to Zimplats operations. The most affected is the Ngezi dam in which Zimplats has an allocation of 3 000 mega-litres (ML). This has resulted in ZINWA requesting Zimplats to release additional water from Chitsuwa Dam for downstream water users.

Chitsuwa cha Mandizadza dam was constructed by Zimplats to secure water supply for its mining and processing operations. Zimplats has a valid permit allowing storage and use of water from Chitsuwa dam with a permit annual requirement to release 15% (4 500ML) for downstream water users. The request for the release of additional water poses a water supply risk for Zimplats operations in the Ngezi area.

The SMC operation abstracts water from Manyame dam and has over the years withdrawn less than 50% of its annual allocation of 5 000ML. The water availability in the short to medium term is secure due to low water consumption by SMC operation. However, of significance is the coming in and issuance of water from Manyame to new mining ventures and other water users. This may in the long term lead to a reduction in the quota allocated to the SMC operation. In addition to the water supply risk, the cost of raw water for mines increased significantly during the financial year. Engagements with ZINWA are underway combined with lobbying efforts for the review of the tariffs through the Chamber of Mines of Zimbabwe.

Management approach and water response strategy

Our management approach is based on the understanding that water is a vital resource for both our operations and our communities. Our strategic thrust is focused on reducing freshwater abstraction through promoting water recycling and efficient use of water in the operations and host communities. Freshwater consumption for the operation is mainly drawn from dams. Reducing freshwater consumption increases water availability for other users and reduces associated water abstraction costs.

Zimplats participated in group wide initiatives on Water Disclosure Project (CDP) and obtained a score A which is in the leadership band. The CDP water scoring allows companies to understand their water score and indicates which areas require attention to improve on water governance.

We recognise the importance of stewarding water as a shared resource and the potential for increased rainfall variability and changes in water availability due to climate change. Cognisant of this the operation implements the following strategic actions:

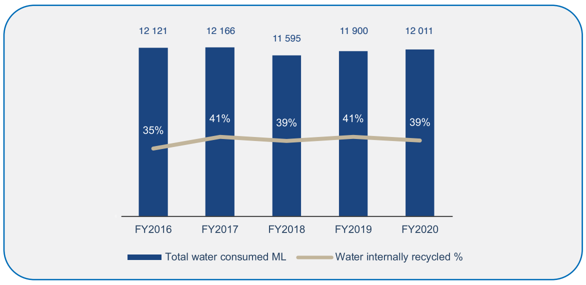
- engaging the ZINWA, catchments and sub-catchment councils on water availability and water allocations
- close monitoring of water released from our dam (Chitsuwa) for downstream users against the water permit requirements
- exploring and implementing water recycling initiatives
- maintaining valid water permits and agreements
- monitoring water supply risk and water/ drought stress projections
- increasing internal water recycling to reduce freshwater abstractions
- avoiding degrading water resources through elimination of discharges and treatment of effluent before discharge
- lobbying for the reduction of raw water tariffs
- risk-based approach to water management

Sustainability Matters *(continued)*

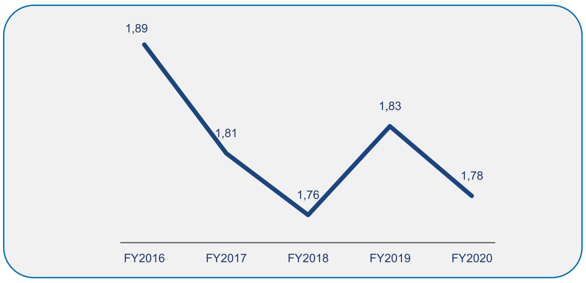
FY2020 Water Performance

Total Water Withdrawal mega-litres (ML)	↑	7 473ML▲ (FY2019: 7 217ML)
	↑	84% of water withdrawn was surface water (FY2019: 83%)
	↓	16% of water withdrawn was groundwater (FY2019: 17%)
	↑	6 545ML freshwater (FY2019: 6 284)
	↓	928ML other waters (FY2019: 933)
Water Recycling	↓	4 698ML recycled i.e. 39% of total water consumed (FY2019: 4 856 i.e. 41%)
Total Water Consumed	↑	12 011ML (FY2019: 11 900)
Water Intensity	↓	1.78KL/tonne milled (FY2019:1.83) Improved water efficiency
Water Discharged	↓	160ML (FY2019: 173ML)

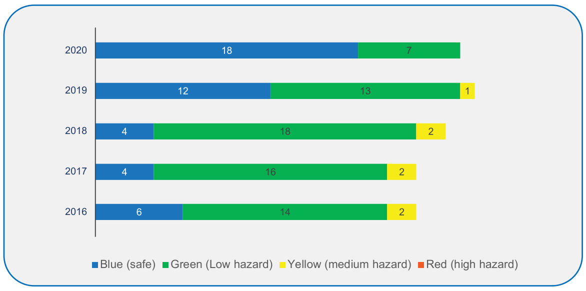
Water Consumption



Water Intensity (KL/tonnes milled)



Effluent discharge licenses



Water consumption (mega-litres)	FY2020	FY2019	FY2018	FY2017	FY2016
(1) Water from dams / lakes	6 286▲	6 007	5 749	5 481	5 569
(2) Water from ground water	1 187▲	1 210	1 297	1 737	2 333
Water withdrawn (1+2)	**7 473▲**	**7 217**	**7 046**	**7 218**	**7 903**
Water internally recycled	4 698	4 856	4 549	4 948	4 218
Total water consumption	**12 011**	**11 900**	**11 595**	**12 166**	**12 121**

The low rainfall received in the 2019-2020 season presents a threat in terms of water supply to the operations. Cognisant of this, the BP2021 strategic objective shall focus on:

- Monitoring water supply risk for the operations and periodic engagements with ZINWA and catchment/sub-catchment councils on water availability and allocations
- Exploring options to improve water consumption and recycling efficiency
- Exploring options for water harvesting at Mupani Mine and recycling Turf sewage effluent.

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

Sustainability Matters *(continued)*

Energy Management and Climate Change

We believe that efficient use of energy and adoption of clean energy is key in supporting SDG 7 on affordable and clean energy. In line with this, Zimplats complies with the Zimbabwe Energy Regulatory Authority requirements, National Energy Policy and applicable energy regulations. The operation uses both renewable and non-renewable energy which is from direct energy consumption mainly from coal, petrol and diesel.

Our strategic approach is focused on increasing the uptake of non-renewable energy through harnessing renewable energy sources for solar lighting and heating. We continue to explore solar plant opportunities to enhance utilisation of green energy.

Zimplats recognises that climate change is a reality and it affects our business, communities and the world. Climate change has affected Zimplats operations through increasing risks related to water supply for the operations and host communities and affecting security of energy supply. Our climate actions are informed by the SDG 13 on climate action, National Climate Policy and group wide approach to climate change adaptation and mitigation.

Our management approach to climate change is built around reducing energy use and carbon emissions throughout our business operations. We focus on reducing our carbon footprint as part of our voluntary commitment to mitigate climate change impacts.

Reducing GHG emissions is a key component of our climate change strategy and this is achieved through reducing carbon emissions emanating from direct (Scope 1) and indirect (Scope 2) emissions. A group-wide strategy is in place to improve reporting on Scope 3 emissions. We participate in Implats group-wide annual greenhouse gas assessments and establishment of GHG inventory. The inventory assesses the Group's material direct and indirect emissions and emission sources key for corporate reporting.

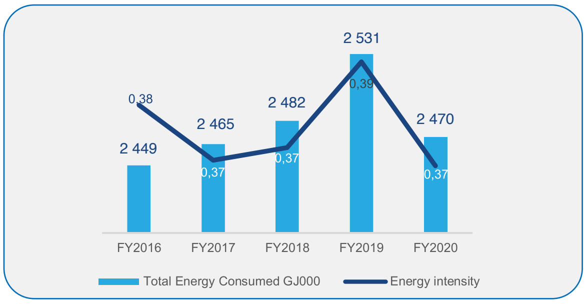
In line with our energy management and climate change initiatives we have progressed with the replacement of inefficient incandescent lighting ending FY2020 at 90% completion. Installation of solar streetlights is complete while installation of the energy efficient heating systems and geysers has been delayed by the COVID-19 lockdown in Zimbabwe and is expected to be complete in FY2021.

Sustainability Matters *(continued)*

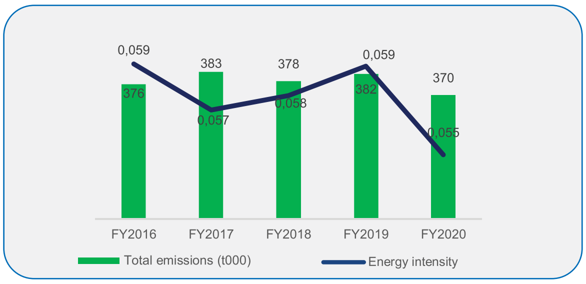
FY2020 performance

Total Energy Consumption	↓	2 470 000▲ GJ (FY2019: 2 531 000)
	↓	Purchased electricity was 69% of total energy (FY2019: 70%)
	↑	Energy from petrol, diesel and coal was 31% of total energy (FY2019: 30%)
Total GHG emissions (CO_2e)	↓	370 000▲ tonnes (FY2019: 382 000)
	↑	Scope 1 emissions accounted for 15% of total emissions (FY2019: 14%)
	↓	Scope 2 emissions accounted for 85% of total emissions (FY2019: 86%)
Energy Intensity	↓	0.37GJ/t (FY2019: 0.39)
Emission Intensity	↓	0.055tCO_2e/t (FY2019: 0.059)

Energy Consumption



Total CO_2 emitted (t000) and Emission intensity (CO_2/tonne milled)



Energy Consumption	Units	FY2020	FY2019	FY2018	FY2017	FY2016
Electricity Purchased	(MWh000)	475▲	495	494	499	498
Energy from electricity consumption	(GJ000)	1 710▲	1 782	1 777	1 798	1 791
Energy from diesel, petrol and coal	(GJ000)	760▲	748	705	667	665
Total Energy Consumed	(GJ000)	2 470▲	2 531	2 482	2 465	2 457
Energy Intensity	GJ/tonne	0.37	0.39	0.37	0.37	0.38

Climate Change Indicators	Units	FY2020	FY2019	FY2018	FY2017	FY2016
Direct CO_2 Emissions (Scope 1)	(t000)	57▲	55	52	53	49
Indirect CO_2 Emissions (Scope 2)	(t000)	313▲	327	326	330	327
Total CO_2 Emissions	(t000)	370▲	382	378	383	376
Emissions intensity	CO_2/t	0.055	0.059	0.058	0.057	0.059

Going forward

- Our focus for BP2021 is completing the replacement of inefficient incandescent lighting and installation of the energy efficient heating systems and geysers
- Exploring solar plant options and continue with the feasibility studies

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

Sustainability Matters *(continued)*

Mine Closure, Rehabilitation and Biodiversity

Mine Closure Planning

Zimplats implements a systematic approach to mine closure and rehabilitation throughout the life-of-mine. The organisation has embraced the concept of integrated mine closure which includes environmental, social and economic considerations at early stages of mine development. Mine closure is an integral part of our mining and processing operations. We have aligned our mine closure approach to the Implats group-wide closure planning, liability assessment protocols and methodology. We have a closure plan covering all operations which is supported by detailed closure criteria and risk assessments which are reviewed annually. We calculate and review closure liability financial provisions on an annual basis in line with the group requirements.

Rehabilitation

Zimplats recognises that poorly rehabilitated mine sites can leave significant legacy problems for all elements of society i.e. governments, communities, and companies. The mine closure and rehabilitation plan provides a generic approach to our rehabilitation with targets set annually as part of the business planning process. The current thrust is on backfilling and rehabilitation of old open-pits and concurrent rehabilitation of our two tailings storage facilities. The tailings storage facilities (TSF) rehabilitation plan focuses on ensuring long-term stability and sustainability of the landforms supporting stable ecosystem. We continued with grass and tree planting on new TSF risings as part of concurrent rehabilitation.

Biodiversity

Our mining and processing operations have the potential to pose direct, indirect, and cumulative impacts on biodiversity. Cognisant of this, biodiversity baselines and assessments are conducted as part of the environmental impact assessment processes and prior to the implementation of new projects.

During FY2020, a biodiversity assessment was conducted on an area targeted for the extension of the tailings storage facility. No threatened or specially protected species were recorded on the site.

The programme on eradication of invasive species is implemented on an ongoing basis to prevent the impact of alien and invasive species on native biodiversity. Our revegetation approach is directed towards the re-establishment of native species.

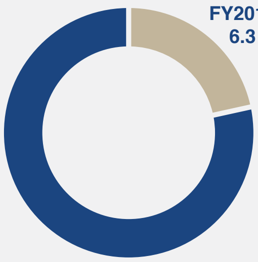
Part of our mining lease extends into the protected national park at Ngezi and a valid lease is in place with the Ministry of Environment, Water and Climate in regard to that portion of the lease. We comply with the conditions specified in the agreement regarding the protection and restoration of biodiversity in the lease area.

Sustainability Matters *(continued)*

FY2020 Performance

Concurrent rehabilitation of the tailings storage facilities	↑	2 800 tree saplings were planted (FY2019: 1 700)
	⇔	The revegetation covered 2.5 hectares (FY2019: 2.5)
Old pits rehabilitation (backfilling and revegetation)	↑	Rehabilitation covered 20.4 hectares (FY2019: 3.8 hectares)
	↓	0.4 million loose cubic meters (LCM) were moved for backfilling (FY2019: 1.5million)

Rehabilitation - hectares



Going forward

- The organisation will continue with the rehabilitation of open pits and tailings storage facilities.
- Mine closure and rehabilitation plans will be reviewed, and the associated closure liability cost estimate updated.

Air Quality Management

The most significant air quality issue relates to direct sulphur dioxide (SO_2) emissions from smelting operations. We have valid air emission licences for the point source emissions from the operations. The organisation has established a sulphur dioxide emission reduction roadmap to reduce both point source and ground level SO_2 concentrations (GLC). In line with the roadmap the business installed a fugitive emissions capture system to mitigate levels of emissions and reduce the risk of exceedances. Initial indications form GLC monitoring shows a declining trend in SO_2 exceedance. We will continue monitoring the ground level concentrations to validate the benefits expected from the fugitive emissions capture system. Other air quality initiatives include dust extraction system, dust suppression through re-vegetation of barren surfaces particularly at the tailings storage facilities.

Air Quality monitoring

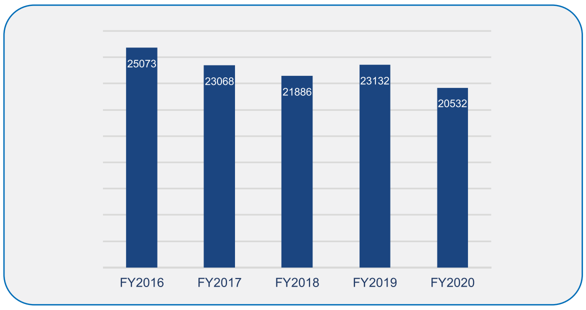
We have established an extensive air quality monitoring network which includes fixed and portable ambient air monitoring stations and dust fall out buckets. The ambient air monitoring stations provide data on SO_2, NOx and particulate matter in addition to weather parameters. We acquired additional portable air quality monitoring units to enhance our ambient air quality monitoring. In addition to the ambient air monitoring network, we have installed a continuous emission measuring system to measure point source SO_2 emissions at the Smelter. We report on air quality management initiatives on a quarterly basis to EMA in line with the air emissions licence requirements.

Sustainability Matters *(continued)*

FY2020 Performance

Direct SO_2 emissions	↓	20 532 tonnes (FY2019: 23 132)
	↑	SO_2 emission intensity was 0.21 SO_2 tonnes of per tonne of concentrates smelted (FY2019: 0.18)

Sulphur dioxide emissions



Going forward

- The BP2021 thrust shall be on monitoring SO_2 ground level concentrations (GLC) and assess the effectiveness of the improvements made in FY2020.
- While the short-term initiatives focused on ground level concentrations, the long-term thrust is on gradual reduction of point source emissions.

Managing our Waste

Mining and mineral processing activities generate both mineral and non-mineral waste. Mineral residues affect the land through establishment of waste rock dumps, tailings storage facilities and slag dumps. The mineral residues can affect air quality through dust emission from tailings storage facilities. Water pollution can also emanate from the mineral residues that are not managed well.

Non-mineral waste generated in the operations includes domestic waste disposed of on licensed landfills and hazardous waste disposed through incineration. The management of waste is guided by the Environmental Management Agency (EMA). Zimplats has valid waste licences issued by EMA for storage and disposal of waste generated by mining and processing operations. We review our waste management plan and the associated targets annually.

Zimplats has two tailings storage facilities at its Ngezi and SMC operations with footprints of 423 and 110 hectares respectively. The two facilities have valid environmental licences issued by EMA. Work is in progress to extend the SMC tailings storage facility. The tailings storage facilities are subjected to strict inspections and audits in line with the Group's operating procedures and code of practice.

We continue promoting waste recycling and exploring new methods for the disposal of waste tyres. We recycle used oil, scrap metal and wastepaper through licensed dealers. Domestic waste reduction through vermicomposting is progressing well across our operations. Internal waste reduction at source is promoted together with reuse of waste such as waste rocks for backfilling voids.

Sustainability Matters *(continued)*

FY2020 Performance

Mineral waste	↑ 6 601 000 tonnes of tailings (FY2019: 6 348 000) ↓ 102 000 tonnes of slag (FY2019: 138 000) ↓ 39 000 tonnes of waste rock accumulated (FY2019: 234 000)
Non-mineral waste	↓ Non-hazardous waste: 352 tonnes (FY2019: 489) ↑ Hazardous waste: 248 tonnes (FY2019: 213)

Going forward our thrust regarding waste management shall be on:
- Exploring options to further reduce waste generation at source
- Examining options of reusing/recycling waste such as scrap tyres, conveyor belts etc
- Continue promoting waste recycling i.e. paper, scrap metal, used oil etc

Materials Consumption

Zimplats recognises that efficient material usage is vital in the conservation of natural resources. Failure to manage renewable and non-renewable materials in the operation and value chain can worsen the negative impacts on natural resources. Key renewable resources used in the operations include water and solar energy while non-renewable resources include mineral ore, coal, diesel and petrol. We monitor resource use and analyse consumption patterns. Abnormal consumptions patterns are investigated, and corrective actions are established.

Materials consumption summary

Material	Unit of Measure	FY2020	FY2019	FY2018	FY2017	FY2016
Diesel	litre	15 662 677▲	14 628 224	13 652 250	13 271 406	12 371 876
Petrol	litre	214 539▲	127 282	90 403	104 652	104 082
Coal	tonne	5 218▲	6 028	5 846	6 432	6 703
Ore milled	tonne	6 751 246	6 485 512	6 569 817	6 715 963	6 406 187
Diesel	litre / tonne milled	2.32	2.26	2.08	1.98	1.93
Petrol	litre / tonne milled	0.03	0.02	0.01	0.02	0.02
Coal	tonne / tonne milled	0.001	0.001	0.001	0.001	0.001

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

Sustainability Matters *(continued)*

OUR GREATEST ASSET - OUR PEOPLE

Our people are our greatest asset.

The Group continues to drive a high-performance culture through talent management and a competitive reward structure. Performance management coupled with training and development are therefore central to our high-performance culture.

Our values of "Respect, Care and Deliver" underpin our people management philosophy.

Reward and Retention

We experienced relative stability on our remuneration offering. The Group's reward structures fared considerably well in relation to our market comparators. Resultantly, we continued to record high skills retention as we closed the year with a staff turnover at 3.3% against a tolerance threshold of 5%. As the macro-economic environment's dynamics shift and competitor operations emerge, we will proactively monitor the environment in order to craft timely and competitive responses on this critical dimension of our operations.

Industrial Relations

Definitively cordial and harmonious industrial relations ensued throughout the year on the back of regular Works Council meetings and quarterly Worker Leadership Forums.

Training and Development

Training needs assessments carried out throughout the year resulted in the design of an all encompassing training and development curriculum. A full suite of programs, focused on statutory compliance, safe production, supervisor and management competency, leadership development and technical mastery, ran smoothly until significant interruptions were experienced due to the restrictions imposed by the COVID-19 pandemic. Going forward, the company will reposition its e-learning capability so that training delivery can remain effective.

Underground Training School

The Group established the Underground Training School (UTS) in order to enhance professional and training competency and ultimately safe and efficient production. The school's training ethos is premised on a practical or hands on approach to technical skills acquisition and ongoing enhancement. Going forward, the Group will continue to focus on upgrading the facility's infrastructure, machinery and human resourcing base.

Safe Production

The Group experienced zero fatalities in FY2020. The year closed on nine (9 LTIs) against seven (7 LTIs) recorded in FY2019. The safety of our people remains priority and the Group strengthened its safety programmes in pursuit of becoming a zero-harm mining operation.

Sustainability Matters *(continued)*

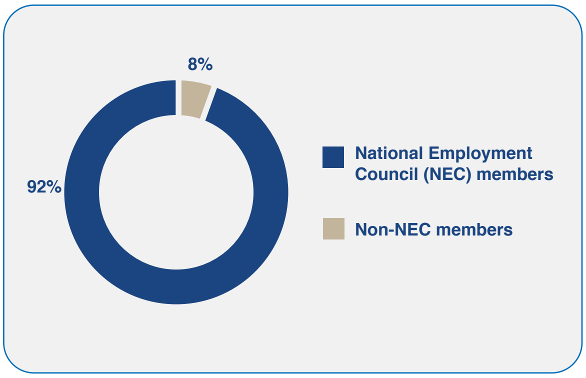
Our Skills Stock: Manpower Analysis

Headcount by division

Division	Headcount	% of Zimplats	% of Total Labour
Mining Operations	2 379	71	39
Projects	195	6	3
Processing	433	13	7
Technical	6	-	-
Technical Services	95	3	2
Human Resources	64	2	1
Group SHEQ	6	-	-
Trainees	33	1	1
Commercial	84	3	1
ICT	13	-	-
Operating subsidiary's head office	25	1	-
Sydney office	1	-	-
Total Zimplats own employees	**3 334**	**100**	**54**
Opex contractors	2 232		37
Capex contractors	566		9
Total contractors	**2 798**		**46**
Total labour	**6 132**		**100**

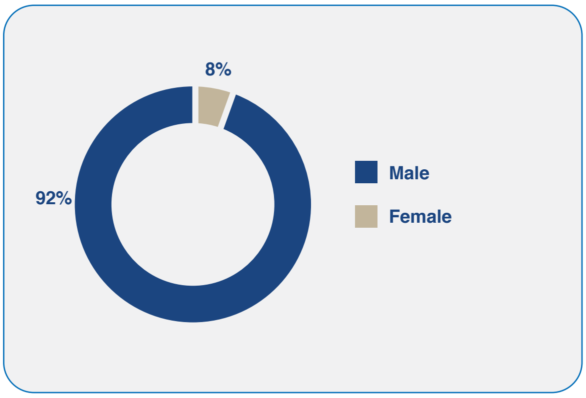
Headcount by location

Employees by Location	
Ngezi	2 883
Selous Metallurgical Complex	425
Harare	25
Sydney	1
Total	**3 334**



Headcount by employee category

Employee Category	
National Employment Council (NEC) members	3 051
Non-NEC members	283
Total	**3 334**



Headcount by gender

Employee Gender	
Female	273
Male	3 061
Total	**3 334**

Sustainability Matters *(continued)*

Integrated Wellness Update

Wellness Strategic Perspective

Our people are central to the attainment of the Group's strategy and goals and therefore their wellness of our people is a strategic imperative. To this end, and in line with our value of care, significant effort and investment were channelled towards managing employee wellness. The Group's employee wellness programme recognises the individual being and comprises a total wellness approach to employee health.

Of note in the year under review was the Group's COVID-19 response plan which entailed the production of a code of practice (COP) to guide the Group's comprehensive response to the threats posed by the pandemic.

Occupational Health Surveillance

We seek to limit and ultimately eliminate health risks resulting from exposure to health hazards. To this end, we have set minimum mandatory controls to manage and protect the health and wellbeing of our employees, contractors and community. Our Occupational Exposure Limits (OELs) at a minimum comply with regulated limits whilst we continuously set more stringent internal standards.

Condition		FY2020 Incidence	Comment
1	Noise induced hearing loss	nil	Effective interventions in place
2	Biological monitoring	90	All 90 employees cleared upon blood lead level testing
3	Pulmonary tuberculosis	1	Effective interventions in place. Trend: FY2019 (5), FY2018 (0), FY2017 (2), FY2016 (5)
4	Malaria	3	Effective interventions in place

As shown above, all incidence rates on the four conditions reported were within acceptable range.

Occupational Health and Wellness

Attention continued on the diagnosis and treatment of non-communicable diseases (NCDs). Additional interventions included screening for prostate and cervical cancer. Nutrition and weight monitoring received particular attention during medical examinations.

The "Dry January" campaign encouraged abstinence from alcohol and reducing or quitting drinking going forward. The Group also focused on the consolidation of the mental health support programme with focus on the management of drug and alcohol related issues as well as the effects of the COVID-19 pandemic.

Sustainability Matters *(continued)*

Zimplats Antiretroviral Treatment Programme

Total Number of Patients on Antiretroviral Treatment

Operation	FY2020	FY2019	FY2018	FY2017	FY2016
Mining	126	128	129	143	138
Process	36	32	28	31	29
Total	**162**	**160**	**157**	**174**	**167**

New Patients on Antiretroviral Treatment

Operation	FY2020	FY2019	FY2018	FY2017	FY2016
Mining	5	14	6	11	27
Process	4	4	1	3	3
Total	**9**	**18**	**7**	**14**	**30**

There were 10 new HIV positive cases recorded in the period under review. A total of nine were initiated on internal treatment while one opted for private treatment.

Voluntary Testing and Counseling Uptake

The Zimbabwe Aids Prevention and Support Organisation (ZAPSO) continues to offer external HIV testing services quarterly. During FY2020, the number of employees who underwent voluntary counseling and testing decreased by 3.1%. This was largely attributed to the unavailability of ZAPSO services due to the COVID-19 pandemic.

Operation	FY2020	FY2019	FY2018	FY2017	FY2016
Mining	862	937	693	1 819	1 057
Process	106	62	115	120	186
Total	**968**	**999**	**808**	**1 939**	**1 243**

Wellness Programme

Operation	FY2020	FY2019	FY2018	FY2017	FY2016
Mining	128	130	130	177	159
Process	36	33	29	31	30
Total	**164**	**163**	**159**	**208**	**189**

Mineral Resources and Ore Reserves Summary

Mineral Rights

Zimplats holds title to two mining leases namely Mining Lease Number 36 (ML36) which covers the Hartley area incorporating the SMC concentrating and smelting operations and Mining Lease Number 37 (ML37) covering the Ngezi mining and processing operations. The two mining leases (ML36 and ML37) are valid for the life of the Zimplats operations.

Exploration

The Company carried out exploration activities for evaluation of the Mineral Resources at both mining leases with main focus being on ML37 to guide mining production and the new projects, while interpretation work on the ML36 data continued during the year. New sample assay data was received from our external laboratory (Genalysis Laboratory) which included drilling from the previous year and this was used to update the block models for the FY2020 Mineral Resources and Ore Reserves estimates.

Surface drilling activities during the past period were aimed at increasing the geological confidence in the ore bodies and upgrading the relevant Mineral Resources categories on selected areas. This new information improves geotechnical interpretations of the ore body and mitigates the risk posed by ground conditions and geological structures to existing mines and to the ongoing development projects. The updated Mineral Resource categories in the image on page 96 demonstrate how priority is given to cover existing projects which ensures continued safe production.

Attention was focused on improving surface drillhole coverage on the five-year mining footprint at Mupfuti, Bimha and Mupani mines while routine underground cover drilling continued at all mines. This combination of methods has proven to be an important strategy which enables the mines to interpret smaller scale geological structures underground and ensure that the short term mining plan is achieved. The summary of all the surface and underground drilling carried out shows the distribution of drilled metres throughout the year.

Summary of surface and underground drilling

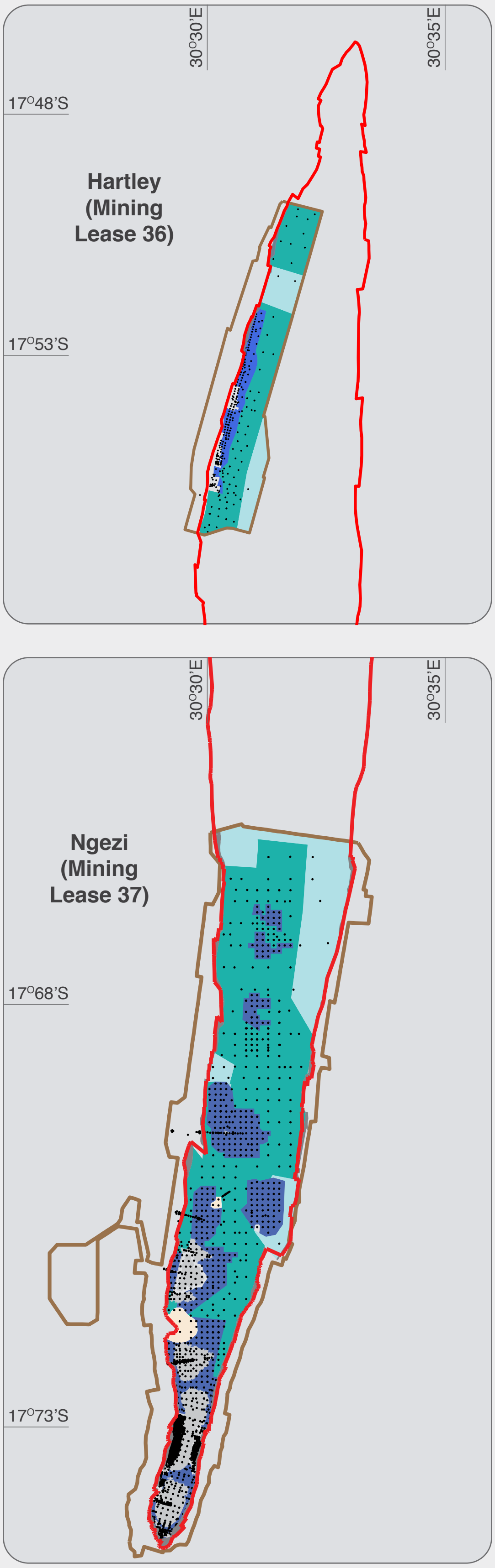
Drilling Site	Surface Drilling		Underground Drilling	
	No of drill holes	Total drilling (m)	No of drill holes	Total drilling (m)
Ngwarati Mine	-	-	10	1 000
Rukodzi Mine	-	-	8	800
Mupfuti Mine	28	3 310	12	1 200
Bimha Mine	18	2 899	22	2 200
Mupani Mine	7	1 757	15	1 483

Mineral Resources on ML36 and ML37

As part of the ongoing geological interpretation work at Zimplats, the new assays that were received were verified and used to update the Mineral Resource models for FY2020 and a reconciliation completed. The new information gathered after investigating geological structures such as faults, major dykes and sills in the project areas improved our team's knowledge on the ore body and confirmed the continuity of the mineralization on the mining leases.

Mineral Resources and Ore Reserves Summary *(continued)*

Below is a plan showing Zimplats' Mineral Resources on ML36 and ML37.

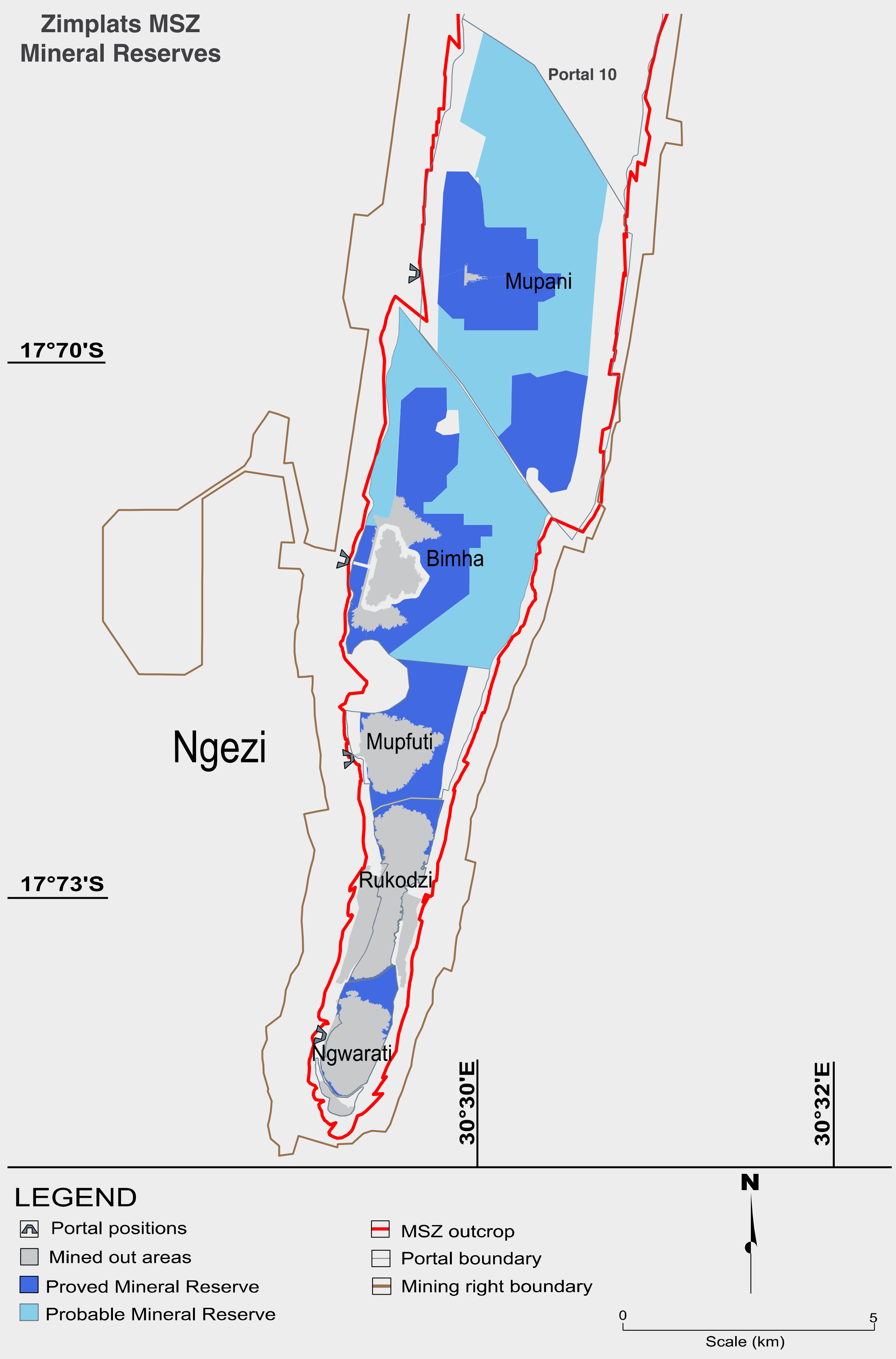


Mineral Resources have been estimated using kriging techniques on assay data derived from surface drillholes and the estimates are derived from composite widths which are all based on appropriate economic parameters for the MSZ. The classification of Mineral Resources at Zimplats is informed by a matrix which comprises mainly the drillhole spacing in the area, the geostatistical estimation from the drillhole assays and the geological complexity of the area. For the Ngezi area (ML37), the following drilling density applies:

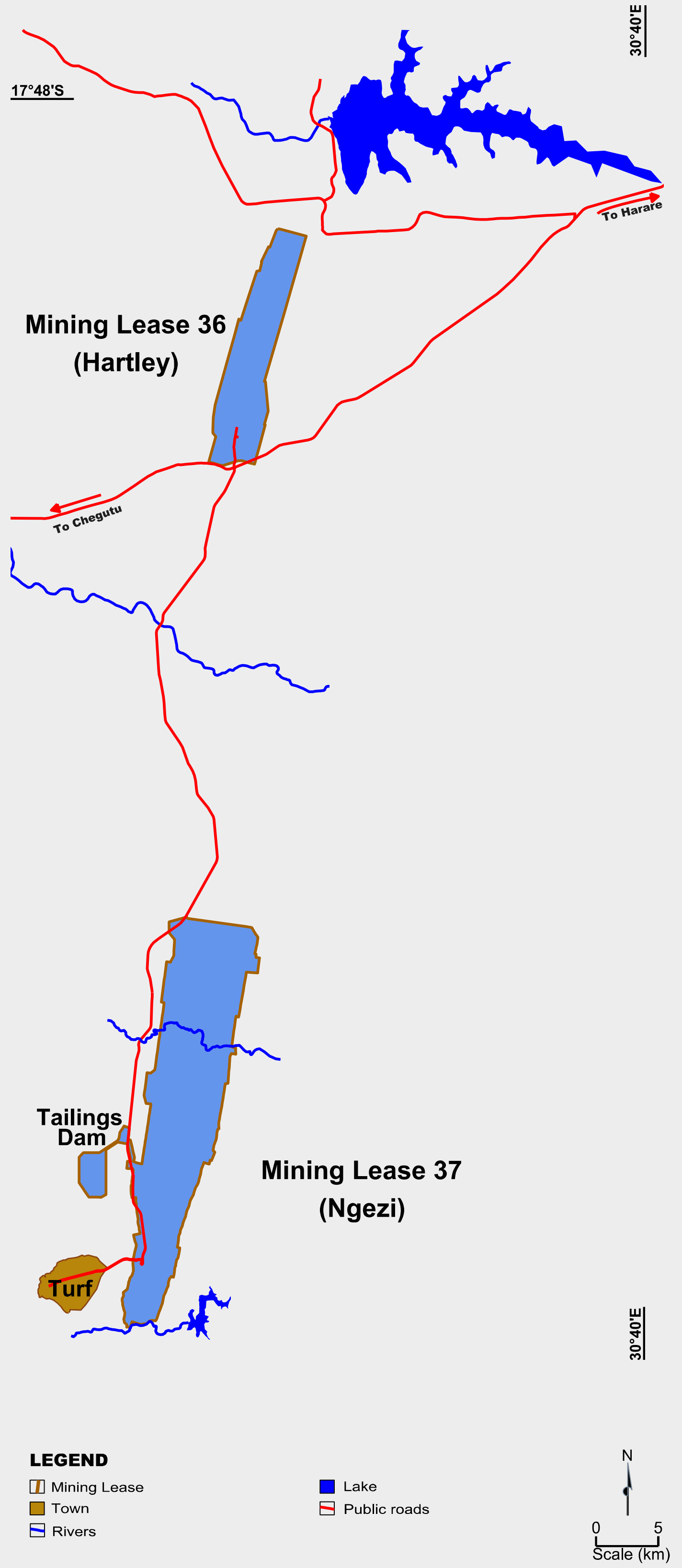
- Drillhole spacing of 250m or less supports Measured Mineral Resources
- Drillhole spacing between 250m and 1 000m supports Indicated Mineral Resources
- Drillhole spacing greater than 1 000m supports Inferred Mineral Resources

For Hartley (ML36) the density of drillholes in some portions of the Indicated and Measured Resources are wider than for ML37. The interpretation on existing data shows geological continuity of the ore body and consistency of grades in these areas. The modeling remains in line with the known characteristics of the mined footprint at Hartley. Revalidation of all historical data inherited from drilling campaigns by previous operators of the mine prior to 2001 is underway using a twin hole drilling programme which will be completed over the next two years, after which the grade block models will be updated. The Mineral Resources at Hartley remain unchanged.

Mineral Resources and Ore Reserves Summary *(continued)*



Mineral Resources and Ore Reserves Summary *(continued)*



Location

The Zimplats operations are located in the Mashonaland West province of Zimbabwe and the Ngezi mines are 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 mines in the Darwendale sub-chamber of the Hartley Complex of the Great Dyke.

Great Dyke Geology

The Great Dyke is a layered, 2.58 billion-year old, igneous intrusion into granites and greenstone belts of the Zimbabwe Craton. It is sinuous, layered and elongate, intrusion running 550 kilometres along practically the full north-south axis of Zimbabwe and ranging in width from four to eleven kilometres. The Great Dyke consists of the North and South Chambers, which are sub-divided into the Wedza, Selukwe (Shurugwi), Sebakwe, Darwendale and Musengezi sub-chambers.

The Dyke developed as a series of initially discrete magma chamber compartments, which coalesced as the chambers filled. Each sub-chamber is divided into two major stratigraphic successions, a lower ultramafic sequence dominated from the base upwards by dunite, harzburgite and pyroxenite, and an upper mafic sequence consisting mainly of gabbro and gabbronorite. The platinum-bearing Main Sulphide Zone (MSZ) lies five to 50 metres below the base of the mafic sequence. Much of the MSZ and overlying mafic sequence has been lost to erosion. The 100 kilometre long Hartley Complex, straddles the boundary between the Sebakwe and Darwendale sub-chambers. It is the largest and most important segment of the Great Dyke, containing approximately 80% of Zimbabwe's known platinum group metals (PGM) resources, and Zimplats controls 35% of this.

The Main Sulphide Zone (MSZ) is a lopolith in cross section and basin shaped in the long section. It is a thin, persistent, stratiform zone of sulphide enrichment in the upper layer and occurs in all sub-chambers of the Great Dyke. It ranges from two to 10 metres in thickness and overlaps the bronzitite/ websterite contact, containing 2 to 8% of iron - nickel - copper sulphides disseminated in pyroxenite. Layers of igneous rocks within the basin dip at between 5^{o} and 20^{o} near the margins and flatten out near the centre to form a flat-lying floor. The base of this nickel - copper - rich layer is straddled by a one to five metre

Mineral Resources and Ore Reserves Summary *(continued)*

thick zone of elevated precious metal values (Pt, Pd, Au, and Rh). The base metal zone contains up to 5% sulphides while the sulphide content of the PGM zone is less than 0.5%. This change in sulphide content is related to the metal distribution in a consistent manner and is used as a marker. It can be located visually in drill core and with careful observation it can also be located underground.

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

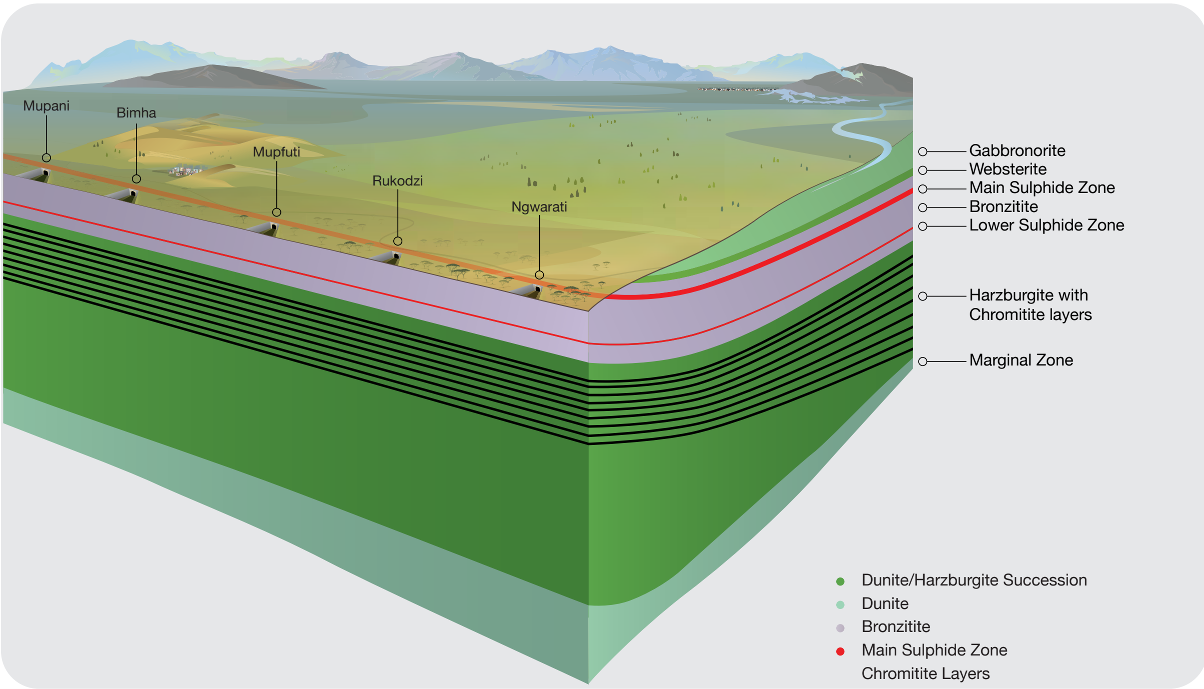
Extensive faulting on various scales has modified the synformal shape of the MSZ. Given the difficulty in visually locating the MSZ, the smaller faults give rise to inherent dilution of the Mineral Resources. Location and efficient traversing of the larger faults is an important component of the mining operation. Shears, sub-parallel to the MSZ can have a significant negative effect on the underground ground stability.

Post mineralization intrusions of various types and scales also disrupt the mineralization. Work to date has not located Bushveld style potholes. However, areas with disrupted metal profiles and washouts have been located elsewhere in the MSZ.

Mining Method

A mechanised room and pillar mining method is used at Zimplats and the design mining width for the stopes is 2.5m. The mining production teams in each operation are organized into specialized crews which function on a three shift rotation system. Each team focusses on face preparation, face drilling and blasting, load and haul or ground support function. The mines are subdivided into mine captain sections and each section is further subdivided into four quadrants where the four activities are carried out from quadrant to quadrant. The total face length in the section is dependent on the sizes (widths) of the pillars and rooms at the particular mine. In general the main access to the underground workings is through declines which are located centrally in each of the mines and any asymmetry in the ore body is regularlised during the production scheduling stage. This allows sufficient flexibility for the required grade control sampling and to negotiate past faults and barren intrusions while still meeting the team's production targets. The main production suite of equipment includes a single boom face rig for drilling, a roof bolter for support drilling, a 10t loader (LHD) and a 30t dump truck which are deployed into specialized functional teams in each of the production sections underground.

Generalised schematic section of the stratigraphic sequence at Zimplats

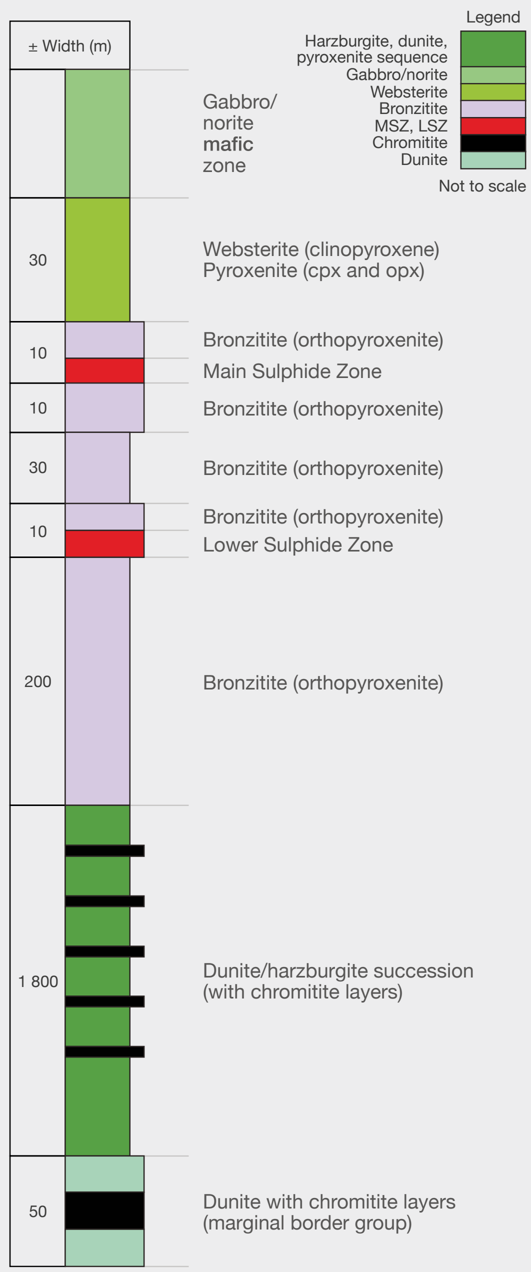


Mineral Resources and Ore Reserves Summary *(continued)*

At the various mines, the broken rock is either trucked out to a surface crusher or trucked to an underground crusher where after crushing it is conveyed to surface using the footwall decline conveyor. Ngwarati and Rukodzi mines have surface crushers while Mupfuti and Bimha mines have underground crushers with crushed ore being conveyed to surface.

The productivity per crew varies from approximately 16 500t to greater than 22 000t of ore per month depending on the particular mine, the dip of the reef and the existing pillar layout. The typical layout comprises 7m panels with a minimum of 4mx4m size in-stope pillars, which are determined by depth below surface and these are surrounded by large barrier pillars which form paddocks. The paddocks are meant to arrest pillar unravelling in the event of a localized collapse. Ngwarati and Rukodzi mines do not have barrier pillars or paddocks owing to their relatively shallow depth below surface. At all the mines, the spans of rooms may decrease, and pillar dimensions may increase in very bad ground. A combination of roof bolts and tendons is integral to the support design.

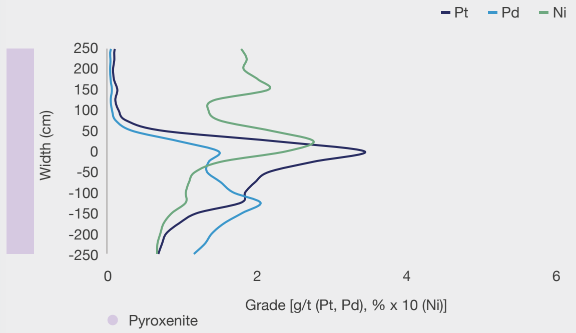
The Zimplats mining operations consist of four mature underground mines and one development project (Mupani mine). The Mupani mine declines are now on reef and will replace production from Rukodzi and Ngwarati mines whose Ore Reserves will be depleted in 2022 and 2024 respectively. Ngwarati and Rukodzi mines supply ore to SMC concentrator, while Mupfuti and Bimha mines supply ore to the Ngezi concentrators. Mupani mine project is planned to also replace some of the tonnage contribution from Mupfuti mine after FY2027 with the remainder of the production coming from Bimha mine.



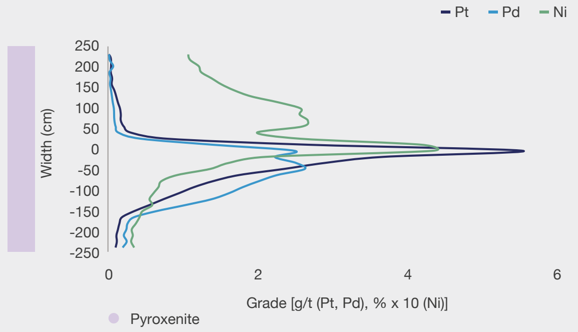
GENERALISED GEOLOGICAL SUCCESSION OF THE GREAT DYKE AT ZIMPLATS

Mineral Resources and Ore Reserves Summary *(continued)*

Ngezi – MSZ



Hartley – MSZ



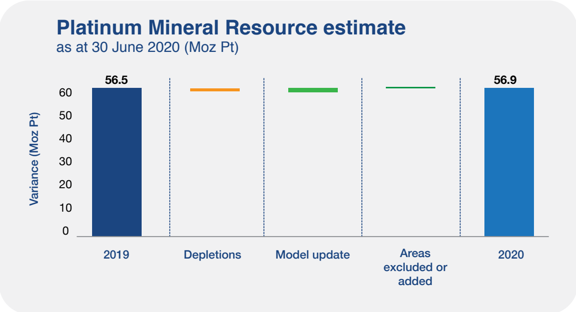
Mineral Resources estimates

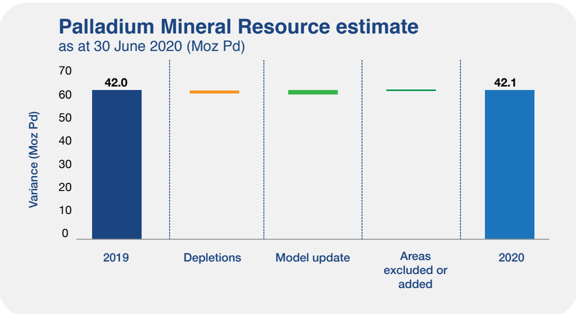
As at 30 June 2020													
Orebody		**Ngezi Portals**				**Hartley**				**Oxides - all areas**			
Category		**Measured**	**Indicated**	**Inferred**	**Total**	**Measured**	**Indicated**	**Inferred**	**Total**	**Indicated**	**Inferred**	**Total**	**Total**
Tonnes	Mt	191.4	409.1	130.2	730.7	32.1	138.0	43.6	213.8	16.0	39.3	55.4	999.8
Width	cm	245	230	210	230	180	180	180	180	250	216	226	219
4E Grade	g/t	3.38	3.41	3.39	3.40	4.05	3.78	3.44	3.75	3.42	3.55	3.51	3.48
6E grade	g/t	3.57	3.61	3.57	3.59	4.28	3.99	3.62	3.96	3.61	3.75	3.71	3.67
Ni	%	0.10	0.11	0.12	0.11	0.13	0.12	0.11	0.12	0.10	0.12	0.11	0.11
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	20.8	44.9	14.2	79.9	4.2	16.8	4.8	25.8	1.8	4.5	6.3	111.9
6E Oz	Moz	22.0	47.4	14.9	84.3	4.4	17.7	5.1	27.2	1.9	4.7	6.6	118.1
Pt Oz	Moz	10.5	22.6	7.2	40.3	2.0	8.8	2.6	13.5	0.9	2.2	3.1	56.9
Pd Oz	Moz	8.0	17.2	5.3	30.5	1.6	5.9	1.6	9.2	0.7	1.7	2.4	42.1
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

A comparison of the Mineral Resources estimated for 2020 versus FY2019 shows a reduction during the year which is attributed to mining depletion which accounted for 10.5Mt. This difference was netted off against an increase reported in the overall Mineral Resource tonnage for AR2020.

In terms of geological losses applied to the ore body for 2020, a reduction in response to the increased drilling density and improved knowledge on ML37 was factored in, while a higher SG and 6E grades were recognized after modeling the Portal 10 area. This resulted in an increase in tonnage and grades. The total 6E ounces also increased by 0.54Moz 6E (0.5%) due to a higher overall 6E grade from the model updates.

Mineral Resources and Ore Reserves Summary *(continued)*





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:

Mineral Resource Key assumptions	Main Sulphide Zone
Unknown geological losses	5 - 20%
Mineral Resource Area	150 million ca's
Internal geological dilution	5 – 7.5%
Resource width	180cm - 250cm

Ore Reserve Modifying Factors	Main Sulphide Zone
Pillar factors	19 - 35%
Reserve dilution factor	5 - 7.5%
Mine call factor	0.97
Stoping width	265cm
Concentrator recoveries	80 -81%

Ore Reserves dilution factors

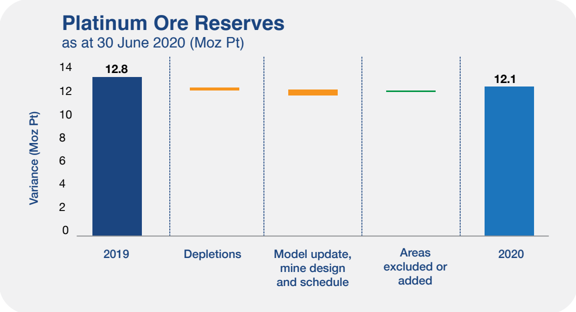
Mine	Dilution Factor (%)	Explanation
Ngwarati	7	Overbreaks, faults, harzburgite, course grained bronzitite
Rukodzi	6	Overbreaks and faults
Mupfuti	7.5	Overbreaks, faults, dykes and reef disruption at Mulota Hill
Bimha	6	Overbreaks, faults, dolerite and aplite dykes.
Mupani	5	Anticipated overbreaks, faults, dolerite and aplite dykes.

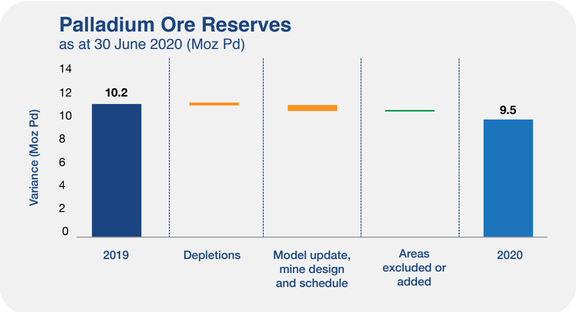
Ore Reserves estimates

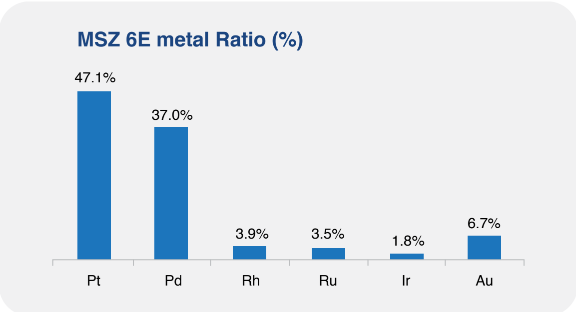
Orebody Category		Proved	Probable	Total
As at 30 June 2020				
Tonnes	Mt	103.3	134.3	237.6
Width	cm	265	265	265
4E Grade	g/t	3.19	3.20	3.20
6E grade	g/t	3.37	3.37	3.37
Ni	%	0.10	0.10	0.10
Cu	%	0.07	0.07	0.07
4E Oz	Moz	10.6	13.8	24.4
6E Oz	Moz	11.2	14.6	25.8
Pt Oz	Moz	5.3	6.9	12.1
Pd Oz	Moz	4.1	5.4	9.5
As at 30 June 2019				
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

Ore Reserves decreased by 13.3Mt (5.3%) mainly due to depletion and a revision of 4.5Mt from later years of the production schedule from LoM I to LOM IIA. The declared Ore Reserves 6E ounces subsequently decreased by 1.7Moz 6E (6.2%).

Mineral Resources and Ore Reserves Summary *(continued)*







According to the Zimplats protocols, three levels of life of mine (LoM) planning are defined, these being classified as levels III, II and I, linked to levels of confidence from III to I, and the conversion of Mineral Resources to Ore Reserves.

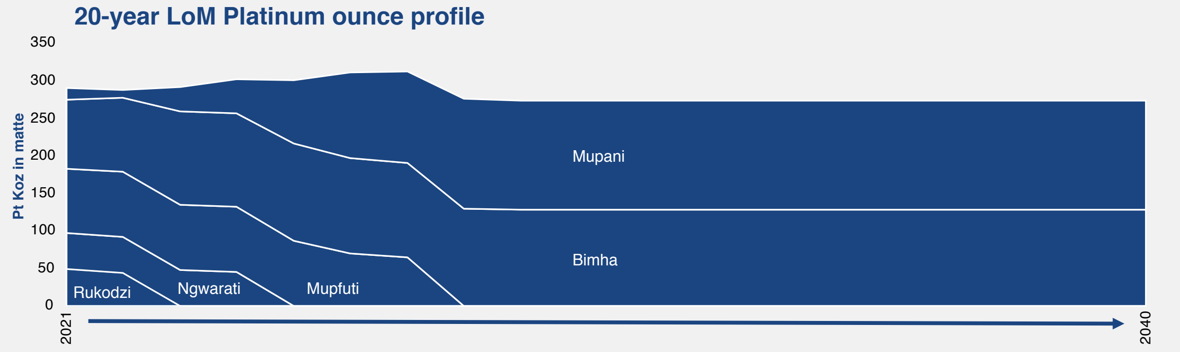
LoM level III includes 'Blue Sky' and scoping studies and therefore focuses mainly on Inferred Resources and exploration results. It also includes contiguous areas and opportunities outside existing lease boundaries and ownership. This will be excluded from the Ore Reserve estimate.

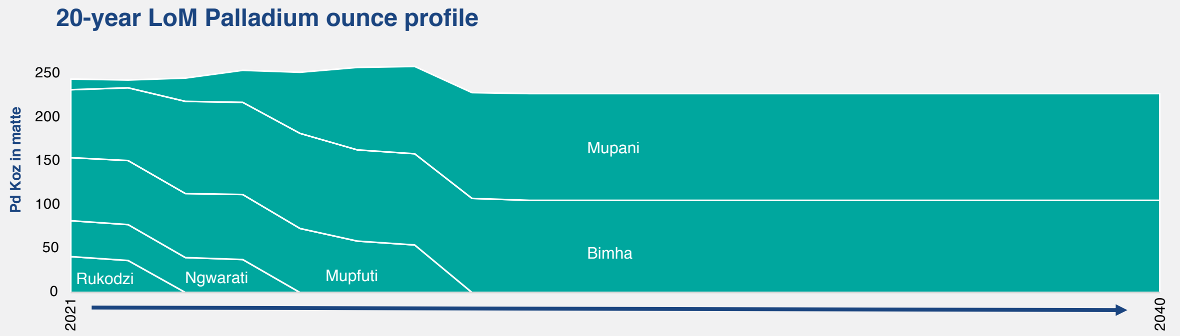
LoM level II includes planned, but as yet unapproved projects, which have a reasonable chance of future Board approval.

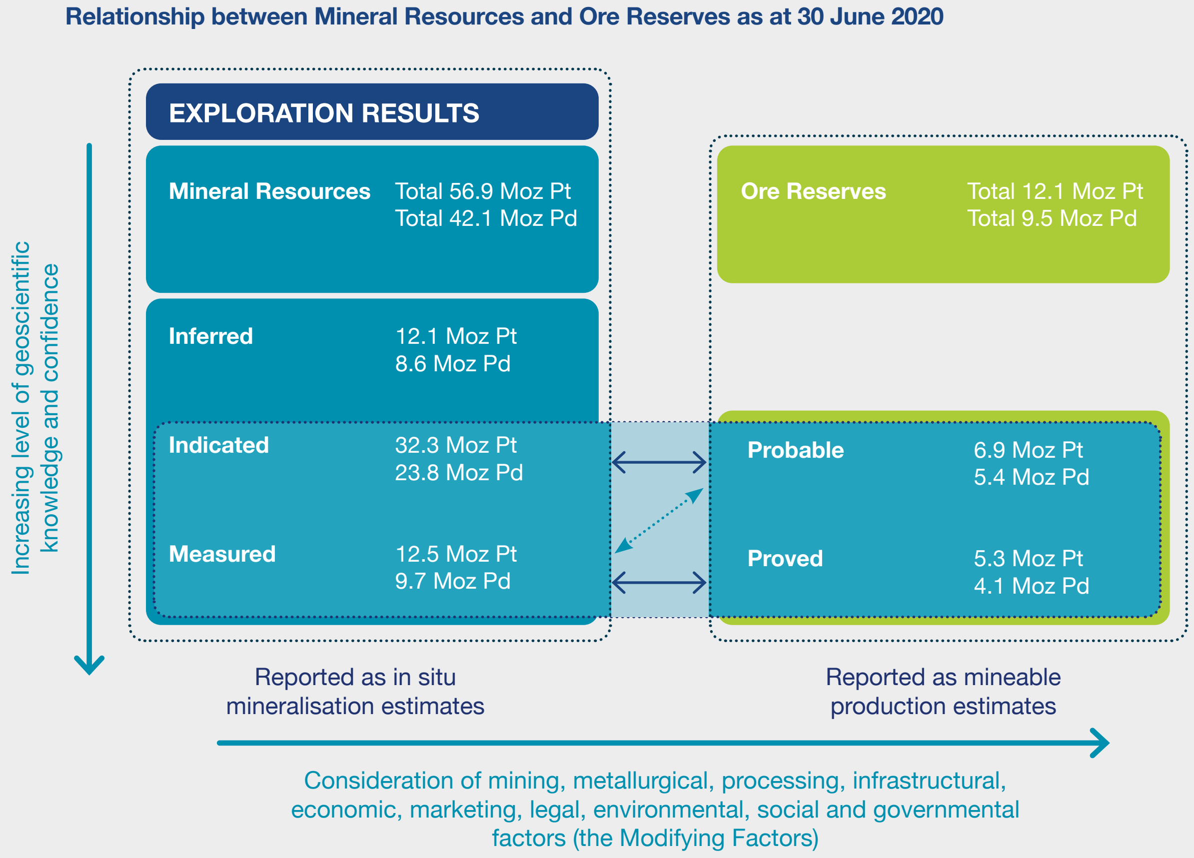
LoM level IIA can be defined as those Mineral Reserves that fail the valuation test of LoM level I. These uneconomic volumes are removed from LoM I, ie, Ore Reserves, but are retained as Mineral Resources. In addition, most of the Ore Reserves removed through the tail-cutting process fall in the LoM level IIA category. Likewise, operations that are deemed uneconomic under the current LoM considerations, also fall in this category.

LoM level I includes operational shafts and approved capital projects where a portion of Mineral Resources is converted to Ore Reserves and sufficient confidence exists for the declaration of Ore Reserves in a public report. To this effect no Inferred Mineral Resources are included in LoM I.

Mineral Resources and Ore Reserves Summary *(continued)*







Mineral Resources and Ore Reserves Summary *(continued)*

Ngwarati Mine

No surface drilling was carried out during the course of the financial year 2020. A total of 1 000m of underground horizontal drill holes were drilled. These intersected minor harzburgite lenses and one major shear (Nomsa's Shear) in the north of the mine. The shear does not show any significant reef displacement and is associated with poor ground conditions over a 10m to 20m wide zone. Mining successfully negotiated through the shear along all major roadways. No other structures of major concern were intersected by the horizontal drilling and ground conditions are projected to remain relatively stable into FY2021.

Rukodzi Mine

No surface drilling was carried out during the course of the financial year 2020. A total of 800m from underground drill holes were drilled in the northern section. Some of these holes intersected minor shear zones and faults with minor displacements around the western and eastern limbs of the ore body. Ground conditions are projected to remain stable into FY2021 though minor infrequent oxidised faults are anticipated on the eastern margin.

Mupfuti Mine

A total of 3 610m were drilled at Mupfuti during the year. The surface drilling enabled the bulk of the flats footprint to be upgraded from Indicated to the Measured Mineral Resource category (21Mt).

A total of 1 200m from underground holes were drilled during the year. Several faults with minor reef displacement throws of less than 3m were intersected and interpreted during the underground drilling campaigns in the north section of the mine while continuity of known felsic and aplitic dykes and lenses was confirmed. The south eastern part of the current footprint is still affected by the Sunrise fault resulting in poor ground conditions warranting re-establishment of stoping panels in some places.

Bimha Mine

A total of 2 643m from surface holes and 2 200m underground horizontal holes were drilled during the year. The underground holes were used to investigate reef behavior and ground conditions along the main declines and in the western upper ores. The routine cover drilling continued in principal mining directions of the stoping panels in both north and south sections where intermittent occurrences of aplitic dykes were logged on drill core while continuity of the major dolerite dykes in the north was confirmed. Several faults with throws of up to 3m were also intersected and interpreted ahead of mining using underground diamond drilling.

Mupani

A total of 1 070m from surface holes and 1 483m from underground holes were drilled in the year mainly to guide the development of the main declines. The holes intersected minor dolerite and felsic dykes and minor faults. After completion of reef interpretation and modelling, the development of the declines is guided by survey grade lines in order to maintain a smooth footwall profile while keeping the reef in perspective. The interpretation of the large (>5m wide) dolerite sill near the western limits of the flats was improved during the year using a combination of diamond drilling and underground mapping, resulting in a small boundary adjustment on the western flank of the mine.

Mineral Resources and Ore Reserves Summary *(continued)*

Notes

- Zimplats' standard is to report Mineral Resources inclusive of Ore Reserves.

- The Ore Reserves figures are estimated based on the diluted grades delivered to the processing plants

- There are no Inferred Mineral Resources included in the Ore Reserves at Zimplats, only Measured and Indicated Mineral Resources are converted into Ore Reserves.

- Day to day operations are monitored using in-house lead collector fire assays with AA finish. The Mineral Resources and Ore Reserves in this statement are based largely on Genalysis nickel sulphide collector fire assays with ICP-MS finish. The differences between the methods are incorporated within the modifying factors that have been applied which means that there may be slight distortions in recovery and other parameters.

- Mineral Resources have been estimated using Kriging techniques on data derived from surface diamond drill holes. Estimates are based on composite widths that vary depending on cut off grades, which are based on appropriate economic conditions.

- The boundaries of the ore envelope are gradational, particularly in the footwall, so the choice of mining cut is affected by economic factors. The price of the suite of metals that is produced from the MSZ has fluctuated considerably in the last few years. It is, however, believed that the choice of mining cut is robust under a wide range of pricing conditions.

- Estimates are produced in accordance with Implats' group-wide protocol for the estimation, classification and reporting of Ore Reserves and Mineral Resources. The objectives of the protocol are to improve standardisation, consistency and to facilitate auditing.

- The maximum depth of these Mineral Resources is 790m.

- At the operational mines no part is more than 5km down dip from outcrop therefore any part is theoretically accessible to mining within a 10-15 year time frame.

- Zimplats' Mineral Resources are held under Mining Leases 36 and 37, which have replaced SML1. The mining leases are valid for the life of mine of Zimplats mining operations.

- The Mineral Resources and Ore Reserves tabulated in this report are estimates and not calculations. They are subject to a wide range of factors, some of which are outside the Company's control, which include:
  - The quality and quantity of available data. Estimates are based on limited sampling and, consequently, there is uncertainty as the samples may not be representative of the entire ore body and Mineral Resources.
  - The quality of the methodologies employed.
  - Economic conditions and commodity prices.
  - Geological interpretation and the judgment of the individuals involved.

  Changes in these factors along with developments in the understanding of the ore body and changes in recovery rates, production costs and other factors may ultimately result in a restatement of Ore Reserves and/or Mineral Resources and may adversely impact future cash flows.

- To mitigate this risk the Company appoints independent 3rd parties to review the Mineral Resources and Ore Reserves estimates on a regular basis and mining project feasibility studies are subject to independent review prior to applying to the Board for capital approval.

- Rounding-off of numbers may result in minor computational discrepancies.

Mineral Resources and Ore Reserves Summary *(continued)*

Competent Persons

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

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

Competent Person	Area of Responsibility	Professional Membership	Membership Number
Wadzanayi Mutsakanyi B.Sc. (Hons) Mining Engineering, University of Zimbabwe (MAusIMM, MSAIMM)	Ore Reserves	The South African Institute of Mining and Metallurgy	709309
Steven Duma B.Sc. (Hons) Geology, University of Zimbabwe (Pr. Sci. Nat, SACNASP, MAusIMM)	Mineral Resources and Exploration	The Australasian Institute of Mining and Metallurgy	991294

Governance Reporting

ASX Announcements
as from 30 September 2019

Date	Description
30 October 2019	Annual General Meeting Results
31 October 2019	Quarterly Activities Report for the quarter ended September 2019
31 October 2019	Retirement of Director and Election of Director
1 November 2019	Integrated Annual Report for the year ended 30 June 2019
1 November 2019	Appendix A9 – Key to Corporate Governance Disclosures
4 November 2019	Initial Director's Notice
4 November 2019	Final Director's Interest Notice
15 November 2019	Director Changes
20 November 2019	Final Director's Interest Notice
20 November 2019	Initial Director's Interest Notice
31 January 2020	Quarterly Activities Report for the quarter ended 31 December 2019
27 February 2020	Half Yearly Accounts (Director's Report and Condensed Consolidated Interim Financial Statements for the half year ended 31 December 2019
11 March 2020	Ceasing to be a Substantial Holder – Coronation Investment Management International (Proprietary) Limited
2 March 2020	COVID-19 Update
30 April 2020	Quarterly Activities Report for the quarter ended 31 March 2020
20 May 2020	Response to ASX Query Letter
31 July 2020	Quarterly Activities Report for the quarter ended 30 June 2020
31 August 2020	Preliminary Final Report (Appendix 4E) for the year ended 30 June 2020

Corporate Governance Report

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

The Company's ultimate holding company, Impala Platinum Holdings Limited ("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, adopted and implemented the recommendations made in King IV, with an "apply and explain" approach. Where appropriate, non-application of any recommendation has been disclosed and explained in this report. Adopting King IV is a commitment by the Company to the philosophy of stakeholder inclusivity, corporate citizenship and protecting the Company's social licence proposition. Wherever applicable 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.

The board initiated an assessment of the maturity of its current "as is" corporate governance arrangements with reference to King IV. The maturity assessment was conducted in conjunction with an independent consultancy, EY. The maturity assessment gave a diagnosis of the current state of the Company's corporate governance arrangements under King IV and identification of a development approach for continuous improvement relating to gaps. The maturity was done against the backdrop that, as a foreign subsidiary of a South African company, Zimplats has considered and where practicable, implemented the recommendations made in the King IV Report and the maturity assessment conducted by EY, with an "apply and explain" approach. Where appropriate non-application of any recommendation has been disclosed and explained in this report. It is based on this modified application of the King IV Report that some of the foundational concepts arising from King IV, are rated in the maturity assessment as "Developing" or "Evolved". This does not mean that the King IV principle is not being applied, but rather that it is applied with modification to suit the Group's structure and shareholding.

In the narrative of this report, wherever applicable and appropriate, 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.

The maturity assessment was based on a categorisation of the foundational King IV concepts into primary areas of accountability as per the foundational concept as follows:

Foundational concept	Principle
Leadership, ethics and corporate citizenship	**Principle 1** The governing body should lead ethically and effectively **Principle 2** The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture **Principle 3** Responsible corporate citizenship
Strategy, performance and reporting	**Principle 4** The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. **Principle 5** The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-medium and long-term prospects

Corporate Governance Report *(continued)*

Foundational concept	Principle
Governing structures and delegation	**Principle 6** Board as custodian of good governance **Principle 7** Board composition **Principle 8** Effective board structures and delegation of authority **Principle 9** Board performance evaluation **Principle 10** Board/management relationships
Governance functional areas	**Principle 11** Risk governance **Principle 12** Technology and information governance **Principle 13** Compliance governance **Principle 14** Remuneration governance **Principle 15** Assurance
Stakeholder relationships	**Principle 16** Stakeholder inclusive approach **Principle 17** Responsible investment

Targeted future state has been set provisionally at a level indicative of what is ordinarily expected of an entity the nature, size and complexity of Zimplats. The targeted development state requires further consultation with Zimplats Board and management, informed by what is pragmatic and useful for Zimplats context.

A detailed narration of the direct application of the principles, and where required a nuanced approach is applied, is detailed in the paragraphs below.

KEY	● Current State	✷ Targeted Future State

Element assessed	King IV principle	Maturity Assessment				
		Basic	Developing	Evolved	Advanced	Leading
Principle 1	The governing body should set the tone and lead ethically and effectively.			●	✷	
Principle 2	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.		●		✷	
Principle 3	The governing body should ensure that the organisation is and seen to be a responsible corporate citizen.			●	✷	
Principle 4	The Board should appreciate that Zimplats core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.			●	✷	
Principle 5	The Board should ensure that reports issued by Zimplats enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.		●		✷	
Principle 6	The Board should serve as the focal point and custodian of corporate governance in Zimplats.		●		✷	
Principle 7	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity, and independence for it to discharge its governance role and responsibilities objectively and effectively.		●		✷	

Corporate Governance Report *(continued)*

Element assessed	King IV principle	Maturity Assessment				
		Basic	Developing	Evolved	Advanced	Leading
Principle 8	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.		●		✸	
Principle 9	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	●		✸		
Principle 10	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.		●	✸		
Principle 11	The governing body should govern risk and opportunity in a way that supports the organisation in setting and achieving its strategic objectives.			●	✸	
Principle 12	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.			●	✸	
Principle 13	The governing body should govern compliance with applicable laws and adopted non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.			●	✸	
Principle 14	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	●		✸		
Principle 15	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.			●	✸	
Principle 16	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the organisation over time.			●	✸	

Corporate Governance Report *(continued)*

BOARD OF DIRECTORS

In the narratives of the boards and various committees of the Company, reference shall be made to the particular King IV Principle that is aligned to a particular practice or ethos of the Company.

Principle 1 of King IV requires that the governing body, being the board of directors ("the board") should lead ethically and effectively. The board of directors of the Company, demonstrates its ethical and effective leadership by consistently applying the principles that underly the core values of Zimplats, being; We Care, We Respect, We Deliver. Application of the principles and values which underpin Zimplats' core purpose not only guides the behaviour of the board and its ability to make a positive impact through its business activities and social performance but also sets the tone on ethical leadership throughout the substratum of the Company (Principle 1 of King IV). For example the board demonstrates its accountability by complying with its obligations identified under the laws of the jurisdictions in which the Group operates, the ASX listing requirements and corporate governance principles and recommendations and following the principles set out in King IV.

The board of directors is cognisant of the important role that corporate governance plays in the delivery of sustainable growth, and fully supports the highest levels of governance standards by ensuring that solid and sustainable governance processes and structures are in place through the adoption of charters, approval frameworks and standards that ensure that the board discharges its fiduciary duties, thereby ensuring the Company is an effective, ethical and responsible corporate citizen (Principle 3 of King IV). The responsibilities of the board are defined in a board charter, which defines the rights, obligations, responsibilities and powers of the board thereby setting the tone and embeds an ethical culture that is aligned to the values of the Company (Principle 2 of King IV). For example, as an accountability and balance of power mechanism, 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 for the board. Application of the group approval framework ensures that an independent body within the Company considers objectively, and in the best interests of the Company, a delegated action before it is implemented (Principle 8 of King IV).

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 explained herein. As shall be detailed later in this report, the board is composed of competent and knowledgeable directors, whose diverse backgrounds, expertise, skills and independence enables the board to effectively and objectively respond to complex issues in the best interests of the Company. The board is comprised of members who understand and appreciate the complexities of the Company, the jurisdictions within which it and its subsidiaries operate, the risks and opportunities, which all assist in the board forming strategic objectives that ensure a sustained and sustainable performance by the Company (Principles 4 and 11 of King IV). The Company has written agreements with directors and senior executives setting the terms of their appointment.

Non-executive directors are paid a cash fee only and they do not receive any equity based remunerations, 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. Over and above this, in cognisant of its function as the custodian of corporate governance, which is a continuous

Corporate Governance Report *(continued)*

responsibility, the board receives a monthly report and ad-hoc reports on pertinent issues from the chief executive officer and other members of executive management, outside the regular board cycle. The continuous engagement of the board ensures that the board is informed of how the strategy approved by the board is being applied to the Group's operations, and it ensures that the board is able to timeously provide direction where unexpected events occur, for example the COVID-19 pandemic (Principle 6 of King IV). For further detail, including detail on the number of board and sub-committee meetings held during the year and attendance at the said meetings, please see the tables appearing below. Further the Directors' Report (pages 127 to 130) and the Audit and Risk Committee Report (pages 125 and 126) cover, with specific detail, the practical measures that the board, through its various committees, have implemented to maintain primacy on corporate governance issues across the Group.

One-third of the board members retire by rotation at the annual general meetings of the Company and members retiring by rotation may put themselves forward for re-election.

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 as it is acknowledged that delegation of authority to the above mentioned committees does not discharge the board of its duties and responsibilities. The chairpersons of each of these committees are encouraged to attend the annual general meeting to answer questions from shareholders.

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. Further, each committee is composed of members with skills, expertise and experience to fulfil the mandate of the relevant committee, to effectively assist in the decision-making process. Each committee makes recommendations to the board for collective discussion and approval. The culture of continuous communication of board members in between board cycles also engenders a culture of informed, continuous and coordinated collaboration which renders the board effective in discharging its duties.

The board considered appointing a nominations committee to 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 is 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 Principle 8 of King IV with regard to the appointment of a nominations committee.

From a corporate governance perspective, Implats has the right to nominate 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 Principle 7 of King IV, which stipulate that the majority of non-executive directors should be independent. Details of board members appear on pages 18 to 20. The board has a programme for inducting new directors in order to familiarise them with the Zimplats operations.

Corporate Governance Report *(continued)*

The board currently comprises ten members as follows:

	Implats Nominee	Independent	Non-Executive	Executive
F S Mufamadi	•		•	
A Mhembere				•
P Zvandasara				•
M Kerber	•		•	
T N Mgoduso		•	•	
C Mtasa		•	•	
A Muchadehama		•	•	
N J Muller	•		•	
D S M Shoko		•	•	
Z B Swanepoel	•		•	
Totals	**4/10**	**4/10**	**8/10**	**2/10**

Dr F S Mufamadi, a non-executive director, was appointed 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 Principle 7 of King IV.

Ms Mgoduso, Mrs Mtasa, Mr Muchadehama and Dr Shoko are 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 other otherwise associated with a material supplier or customer

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

Attendee	Attended	Aug 2019	Nov 2019	Feb 2020	May 2020
F S Mufamadi	4/4	•	•	•	•
A Mhembere	4/4	•	•	•	•
S M Mangoma**	1/4	•	N/A	N/A	N/A
P Zvandasara++	3/4	N/A	•	•	•
M Kerber	4/4	•	•	•	•
T N Mgoduso	4/4	•	•	•	•
C Mtasa +	3/4	N/A	•	•	•
A Muchadehama	4/4	•	•	•	•
N J Muller	4/4	•	•	•	•
D S M Shoko	4/4	•	•	•	•
Z B Swanepoel	4/4	•	•	•	•
N P S Zhou*	1/4	•	N/A	N/A	N/A

Corporate Governance Report *(continued)*

N/A = Not applicable; was no longer a director or had not been appointed a director
*Resigned with effect from 28 October 2019
**Resigned with effect from 12 November 2019
+Appointed with effect from 28 October 2019
++ Appointed with effect from 12 November 2019

The board has in place a process of board performance evaluations. Internal board evaluations are conducted every three years and an externally facilitated evaluation is conducted every second year. No evaluations were undertaken in FY2020. In FY2021, internal evaluations will be conducted with the assistance of the Company Secretary. The objective of conducting assessments at regular intervals is to assist the board in identifying knowledge, skills and performance gaps of the collective board, strengthen board performance, enhance introspection and communication among its members as well as with executive management and to evaluate the strategic fit of the board with the objectives of the Company. The board is confident, that the scheduled evaluations shall provide a positive catalyst for discussion and contribute to the strategic development of the board's and its committees' working practices, thereby improving efficiency. From a corporate governance perspective, the evaluation process provides a periodic opportunity for the board to pay closer scrutiny to the Company's corporate governance framework and to provide guidance to management in the form of clear recommendations which are aimed at improving efficiency and cultivating the appropriate Company culture.

C.L. Secretaries Limited, a company incorporated in Guernsey, is the company secretary for the Company. C.L. Secretaries Limited is dedicated support and point of reference for the board and 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. An annual risk workplan has been developed, which identifies the activities planned within the year, in relation to risk identification and management, at an operational level, including training, workshops, benchmarking exercises, maturity assessments and risk reviews. The aforementioned work plan is approved by the audit and risk committee on an annual basis. Although the audit and risk committee is the accountable board committee for risk, risk management is integrated into the workings of all the board committees, which draw on risk management processes to inform their decision-making. A commendable achievement of the risk function with the onset of COVID-19, is the development and implementation across the Group of

Corporate Governance Report *(continued)*

a Code of Practice ("the COP") pertaining to COVID-19, which is based on applicable legislation in each jurisdiction of operation and World Health Organisation ("WHO") best practices, which by its effective implementation in managing behavioural risks, has resulted in no positive cases being recorded in the Group.

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

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 Principle 8 of King IV, which recommends 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 functions.

Details of the committee's current members and their qualifications are reported on pages 19 and 20.

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:

Audit and Risk Committee

Attendee	Capacity	Attended	Aug 2019	Oct 2019	Jan 2020	Apr 2020
N P S Zhou*	Independent	1/4	•	N/A	N/A	N/A
C Mtasa+	Independent	3/4	N/A	•	•	•
M Kerber	Implats Nominee	4/4	•	•	•	•
A Muchadehama	Independent	4/4	•	•	•	•

N/A = not applicable; was no longer a director or had not been appointed a director
*Resigned as a director with effect from 28 October 2019
+ Appointed as a director with effect from 28 October 2019

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 of the committee, 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 practices
- 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 2019	Oct 2019	Feb 2020	May 2020
T N Mgoduso	Independent	4/4	•	•	•	•
C Mtasa+	Independent	3/4	N/A	•	•	•
A Muchadehama	Independent	4/4	•	•	•	•
N P S Zhou*	Independent	1/4	•	N/A	N/A	N/A

N/A = Not applicable; was no longer a director or had not been appointed a director
*Resigned as a director on 28 October 2019
+Appointed as a director on 28 October 2019

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 the meetings during the year was as follows:

Attendee	Capacity	Attended	Aug 2019	Oct 2019	Jan 2020	Apr 2020
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-today management of the operating subsidiary vests in Exco whose membership consists of:

- Alexander Mhembere: Chairman
- Stanley Segula: Managing Director
- Patricia Zvandasara: Chief Finance Officer
- Stewart Mangoma: Strategy and Business Development Director
- Takawira Maswiswi: Human Resources Director
- Amend Chiduma: Technical Director

Corporate Governance Report *(continued)*

- Sibusisiwe Chindove: Head of Corporate Affairs
- Lysias Chiwozva: Risk and Compliance Manager
- Chipo Sachikonye: Legal Counsel and Company Secretary

The following are standing invitees to Exco meetings:
- Simbarashe Goto: Senior General Manager – Mining
- Louis Mabiza: Senior General Manager - Processing
- Charles Mugwambi: General Manager – Commercial

Reporting into Exco are a number of other committees that are responsible for various aspects of the business, specifically, operations (the operations committee), finance (the finance committee), people (the people committee), engineering and projects (the technical committee, capital steering committee and project steering 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, vote closures and changes for growth, major projects 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.

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 three members (40%) are women. There are currently four women at senior executive level (E band on the Paterson job grading system) out of 28. Currently the Group employs 273 women (2019: 251) 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

Corporate Governance Report *(continued)*

remuneration of non-executive directors is based on proposals from the remuneration committee, which proposals are based on in-depth market research and comparison with selected peer companies. The remuneration is a market related adjustment based on listed entities of a similar size and is determined through a market related remuneration study and an independent market survey and takes into account the complexity of the issues the non-executive members are required to consider on behalf of the Company. Non-executive director remuneration is paid quarterly, based on an annual retainer payable regardless of attendance at meetings and committee fees payable on attendance at meetings. The annual aggregate limit of fees payable to non-executive directors are approved at the annual general meeting and applied with effect from the date of such meeting. (Principle 14 of King IV applied with modification).

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	76 950
Directors	52 820

Committee fees are payable based on attendance and for the year to 30 June 2020 these were as follows:

	Audit and Risk	Remuneration and SHEC
	US$	US$
Chairman	21 012	19 213
Directors	10 477	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 on Company matters is required. The fees paid during the year are within the limit previously approved by shareholders.

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

TOTAL REMUNERATION	FY2020 US$	FY2019 US$
Board fees	269 332	262 160
Audit and risk Committee fees	31 988	31 988
SHEC committee fees	29 688	29 688
Remuneration committee fees	40 164	40 164
Total	**371 172**	**364 000**

EXECUTIVE AND SENIOR MANAGEMENT REMUNERATION

It is the remuneration policy of the Group that executive directors and senior managers receive an annual base salary. 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, a housing loan scheme which is governed by carefully managed rules is in place, although a majority of the loans were ceded to a bank during the year.

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 managers.

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 of 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

Corporate Governance Report *(continued)*

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 28 people (2019: 27):

	FY2020 US$ 000	FY2019 US$ 000
Executive directors and senior managers	20 009	13 881

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 and executive directors with those of shareholders, which is principally done through long-term incentive plans.

In view of the limited free-float availability of Zimplats' shares on the ASX, the board considered it inappropriate that executive directors and senior managers should be incentivised with such shares, and instead introduced a scheme whereby they are incentivised on the basis of the allocation of shares and notional shares in the ultimate holding company, Implats. The Zimplats executive directors and senior managers participate in the following two equity instruments under the Implats Limited 2018 Share Plan ("the 2018 LTIP"):

- Performance shares
- Bonus shares

Performance Shares

Performance shares are awarded as conditional rights to shares. The performance shares only apply to senior executives, have a three-year vesting period and vesting is subject to corporate performance targets. Participants are not entitled to any voting rights or dividends prior to settlement, which will occur after the vesting date. The corporate performance targets are reviewed and approved by the Implats' Social, Transformation and Remuneration Committee and may change from one award to the next. The two corporate performance targets that were approved for the last award in October 2019 were relative total shareholder return (50%) and return on capital employed (50%).

Bonus Shares

Bonus shares are awarded under the long-term incentive plan but are viewed as a medium-term incentive. All management level employees (D band and up) are eligible for an award of bonus shares on an annual basis. A bonus share award will be made based on an employee's annual cash bonus, which is calculated with reference to:

- Actual business performance for the financial year ending preceding the award date. Group and operational objectives that focus on safety, production; cost and free cash flow are measured against the business plans as approved by the board.
- Actual individual performance for the financial year ending preceding the award date. Personal objectives, which are embodied in the balanced scorecard system, are developed every year for each employee based on key performance areas.

The bonus shares vest over a 12-month and 24-month period from the award date in equal parts, with the only requirement being continued employment. The bonus shares (forfeitable shares) are registered in the name of the employee on award, from which time the employee has all shareholder rights, subject to forfeiture and disposal restrictions.

Historic Share Plans

Previous share awards were regulated under the rules of the Implats 2012 Long Term Incentive Plan ("the 2012 LTIP") which made provision for the following share awards:

- Conditional share plan 1 (CSP 1): Awarded to D band employees on an annual basis. Vesting of these awards occurred three years after the award date and were only subject to continued employment.
- Conditional share plan 2 (CSP 2): Awarded to D and E band employees on an annual basis. Vesting of these awards occurred three years after the award date and were subject to continued employment and the achievement of corporate performance targets.
- Share appreciation rights (SARs): Only awarded to E band employees on an annual basis. Vesting of these awards were subject to continued employment and achievement of corporate performance targets.

Corporate Governance Report *(continued)*

The last annual granting of awards under the 2012 LTIP occurred in November 2017, so the final annual vesting of these awards will occur in November 2020. The 2012 LTIP was replaced by the 2018 LTIP in November 2018.

RISK MANAGEMENT

The Company has adopted a policy on risk management which ensures an integrated approach to management of risk in order that it becomes embedded in all business activities and is more fully explained at page 59 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 the risk tolerance and appetite levels related to strategic issues.

The board is ultimately responsible for risk management and regularly reviews the strategic risks and assesses the effectiveness of the executive team's application of risk management. Risk is a standard agenda item on board and management meetings, with the board and audit and risk committee routinely apprised of the inherent risks and state of risk-management controls. The board committees, external specialists and the internal and external audit functions assist the board in providing independent assurance on the effectiveness of the management controls that are in place. To this end, the audit and risk committee receives reports on the combined assurance model. This model seeks to integrate and coordinate the various assurance processes that exist within the Company and provides a higher level of independent assurance to the board on matters of compliance and risk management.

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

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

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

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

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

SUSTAINABLE REPORTING

A detailed report on stakeholder engagement and non-financial performance indicators has been included in this report on pages 55 to 94.

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 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.

Corporate Governance Report *(continued)*

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 25 allegations were reported and 9 were confirmed as relating to unethical practices. All cases have been investigated and three (2019: nil) were outstanding at year end.

An analysis of reports follows:

	FY2020	FY2019
Number of reports received	25	24
Number of employee dismissals	5	7
Number of rewards paid out	9	14
Total value of rewards paid out	**ZWL$ 21 200**	**US$12 400**

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

DEALINGS IN SECURITIES

The Company observes a closed period, from the end of the relevant accounting period to the announcement of the interim year or year-end results of the ultimate holding company, as the case may be, during with 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 present its report for the financial year ended 30 June 2020.

The duties of the committee are delegated to it by the board and the role of the committee is governed by formal board approved terms of reference which are reviewed annually. Details of the membership, objectives and corporate governance practices of the committee can be found on pages 116 to 118 of this integrated annual report.

Activities

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

- Reviewed reports from both internal and external auditors concerning the effectiveness of the internal control environment, systems and processes
- Reviewed the reports of both internal and external auditors and their concerns arising out of their audits and requested appropriate responses from management. Where weaknesses in specific controls were identified, management undertook to implement appropriate corrective actions to mitigate the weaknesses identified
- Considered the independence and objectivity of the external auditors and ensured that the scope of their additional services provided did not impair their independence
- Reviewed and recommended, for adoption by the board, the financial information that is publicly disclosed
- 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 2020 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 her 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

Audit and Risk Committee Report *(continued)*

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

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

Annual financial statements

The audit and risk committee has evaluated the annual financial statements for the year ended 30 June 2020 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 documents 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.

Mtasa

Mrs C Mtasa
Chairperson of the Audit and Risk Committee

29 September 2020

Directors Report

The Directors have the pleasure in presenting their report, together with the consolidated and separate financial statements for Zimplats Holdings Limited ("Zimplats" or "the Company") for the year ended 30 June 2020.

PURPOSE OF THE COMPANY

Zimplats' main purpose is the production of platinum group and associated metals from its reserves and resources on the Great Dyke in Zimbabwe. At present, the Group's mining activities are operated by Zimbabwe Platinum Mines (Private) Limited, a 90% owned subsidiary.

REPORTING CURRENCY AND ROUNDING OFF OF AMOUNTS

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

In accordance with the Australian Securities and Investment Commission ("ASIC") Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, 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. Shareholder details are set out on pages 192 to 193.

COVID-19 PANDEMIC

In response to the onset of the COVID-19 pandemic in Zimbabwe and South Africa, the respective governments enacted laws which effectively put both countries in a state of national lockdown, with Zimbabwe's lockdown status now being indefinite. Due to mining operations being legislated as "essential services" the Group's mining and processing operations continued relatively uninterrupted, save for contractors working on capital projects, who were issued with force majeure notifications, thereby suspending activity on the capital projects until the relaxation of the lockdown measures.

A *force majeure* notice was issued to the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, by Impala Platinum Limited ("Impala"), in respect of the offtake agreement, pursuant to the South African national lockdown which became effective 26 March 2020. Notwithstanding the *force majeure* notification, Zimbabwe Platinum Mines (Private) Limited continued to mine and process ore with supply to Impala resuming on 9 May 2020, upon relaxation of lockdown measures in South Africa, which permitted the export of matte.

INDIGENISATION AND EMPOWERMENT

Zimplats continued 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) ("Indigenisation Act"), through Finance Act, 2018. Of particular significance was that the Indigenisation Act no longer applies to any business in the national economy, save for those involved in the extraction of diamonds or platinum and those in the reserved sector of the economy.

Directors Report *(continued)*

Following 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 sectors with a specific emphasis on empowerment. 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 reserved list and essentially that the 51%-49% shareholding structure would therefore no longer apply to entities in the designated sectors as set out in Finance Act, 2018. The Minister also stated that the Indigenisation Act (as amended) 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. The law, as it relates to the announcements made by Government on issues of empowerment referred to above, is yet to be enacted. Zimplats continues to engage the Government for clarity on this matter.

FINANCIAL AFFAIRS

The financial results for the year are set out on pages 141 to 189. The Company's financial results were positive despite the challenging economic environment in which the Company is operating.

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

The financial statements have been prepared using the appropriate accounting policies, supported by reasonable and prudent judgments 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, coupled with the COVID-19 pandemic, this expectation will need to be continuously reassessed to determine its reasonableness.

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER CERTIFICATION

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

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

COMPOSITION OF THE BOARD

The following directorate changes occurred during the year under review:

- Mrs Patricia Zvandasara was appointed as Chief Finance Officer of the Company with effect from 1 November 2019 and she was appointed as an executive director of the Company on 12 November 2020.

- Mr. Stewart Mangoma assumed the position of Strategy and Business Development Director for Zimbabwe Platinum Mines (Private) Limited and stepped down as a director of the Company with effect from 12 November 2019.

- Mr Nyasha Zhou retired as a non-executive director of the Company at the annual general meeting held on 28 October 2019.

- Mrs Chipo Mtasa was elected as a non-executive director of the Company at the annual general meeting held on 28 October 2019.

Directors Report *(continued)*

Given the above changes, the following are therefore the current members of the board of directors:

- Dr F S Mufamadi
- Mr A Mhembere
- Mrs P Zvandasara
- Ms M Kerber
- Ms T N Mgoduso
- Mrs C Mtasa
- Mr A Muchadehama
- Mr N J Muller
- Dr D S M Shoko
- Mr Z B Swanepoel

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

- In terms of article 16.2 of the Articles, a director will retire from office no later than at the third annual general meeting following his or her last election and will be eligible for re-election. Mr. N J Muller and Dr. D S M Shoko will be retiring in terms of article 16.2 of the Articles.

- In terms of article 15.5 of the Articles, a director appointed during the year will retire at the next following annual general meeting and will be eligible for re-election. Mrs. P Zvandasara will retiring in terms of article 15.5 of the Articles.

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

DIRECTORS' INTEREST

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 preceding instances, the position is unchanged from that of the prior year.

INDEMINTY 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 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.

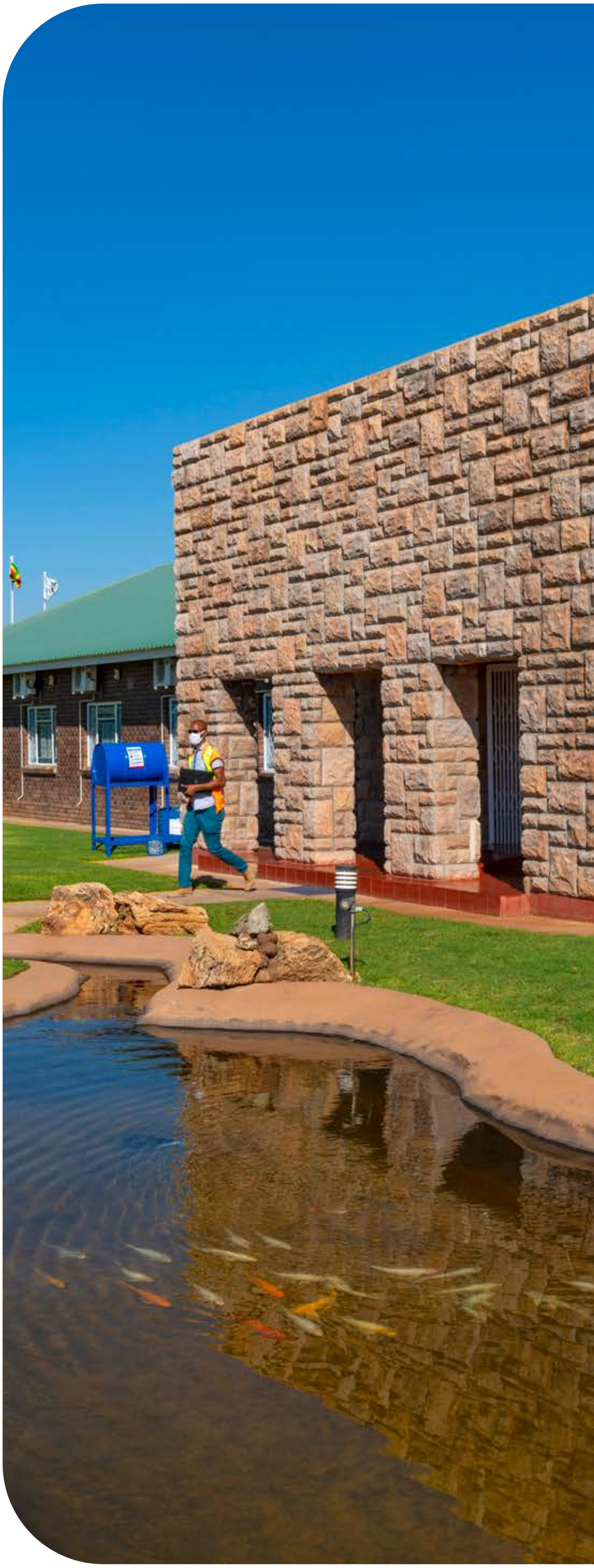
No claims under the above mentioned indemnities have been made against the Company during or since the end of the financial year.

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 of any controlled subsidiaries thereof.

Directors Report *(continued)*



AUDITORS

Deloitte & Touche (Zimbabwe), who were appointed as the Company's independent auditors at the annual general meeting held on 28 October 2019, have indicated their willingness to continue as the Company's auditors. A resolution to authorise their re-appointment will be proposed at the forthcoming annual general meeting.

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

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at the offices of Impala Platinum Holdings Limited, 2 Fricker Road, Illovo, Johannesburg, South Africa and also virtually at https://78449.themediaframe.com/links/zimplats201112.html, on Thursday 12 November 2020, at 11:30am South African time. Due to the impact of the COVID-19 pandemic and the restrictions placed on travel, physical public meetings, and numbers in the event of a gathering, and in the interests of the health and safety of all stakeholders, the annual general meeting will be held virtually. Fuller details relating to registration, participation, resolutions and voting appear in the notice on pages 194 to 198.

The Directors' Statement of Responsibility

For the Year Ended 30 June 2020

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 2020, statements of profit or loss and other 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 134 to 140.

These financial statements have been prepared under the supervision of the chief finance officer, Patricia Zvandasara, a member of the Institute of Chartered Accountants Zimbabwe (ICAZ) membership certificate number M2948, registered with the Public Accountants and Auditors Board, registration number 3328.

The directors' report and the financial statements were approved by the board of directors.

A Mhembere
Chief Executive Officer

P Zvandasara
Chief Finance Officer

29 September 2020

Financial Reporting

Deloitte.

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Independent Auditor's Report
To The Shareholders of Zimplats Holdings Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the accompanying consolidated and separate financial statements of Zimplats Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 141 to 189 which comprise the consolidated and separate statement of financial position as at 30 June 2020, the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Company as at 30 June 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

As disclosed in note 2.5 of the consolidated and separate financial statements the Group did not fully comply with the requirements of International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" (IAS 21) in the prior financial year in translating additions to property, plant and equipment and inventories between 1 October 2018 and 22 February 2019. At the time of preparing the 2019 financial statements, it was not practicable for management to split the transactions between RTGS and US$ as amounts were capitalised at parity in the financial records for the financial year ended 30 June 2019. Had the Group applied the requirements of IAS 21, the property, plant and equipment of the prior year consolidated financial statements, which is presented as comparative information, would have been materially impacted.

Our opinion is qualified because of the possible effects of this matter on the comparability of the current year's consolidated and separate financial statements with that of the prior year.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report *(continued)*

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><th colspan="2">1. Assessment of carry over effect of prior period qualification (Group)</th></tr>
<tr><td>Zimbabwe Platinum Mines (Private) Limited, the Group's operating subsidiary, transacted using a combination of the Nostro FCAs (hereafter referred to US$) and RTGS FCAs (hereafter referred to as RTGS) during the year ended 30 June 2019. The financial records up to 22 February 2019 were prepared based on a parity position between the RTGS and the US$, the Group's functional and presentation currency. In terms of IAS 21, the payments in US$ and RTGS would have been considered a separate currency to be translated for financial reporting purposes to the functional and presentation currency of the operating subsidiary at an appropriate exchange rate.

Included in the comparative period inventory on hand disclosed in note 7 and additions to property, plant and equipment disclosed in note 4 of the Group financial statements are amounts incurred in RTGS between 1 October 2018 and 22 February 2019, which were recorded in US$ at a parity rate of 1:1. At the time of preparing the 2019 financial statements it was not practicable for management to split the transactions between RTGS and US$ as amounts were capitalised at parity. Consequently the predecessor auditors, issued a qualified opinion based on non- compliance with IAS 21, which required conversion of RTGS transactions to US$ at an observable market rate at the date of the transaction.

In the current year management performed a detailed assessment of the carry over effects of the impact of the prior period amounts recognised on a parity basis by performing the following;

Property, plant and equipment
Management developed a tool in the SAP system to link RTGS payments to invoices, which in turn are linked to purchase orders, which reference supplier and transaction general ledger allocation. The transactions were then grouped into capital expenditure, operating costs and inventory
• Management separated the RTGS invoices and payments deemed as capital expenditure based on the supplier of goods or services and whether the supplier is provided foreign currency to import goods under the supply chain support scheme.
• For suppliers not under the supply chain support scheme, management determined that these were RTGS payments and therefore should have been translated using a transaction rate.
• For suppliers under the supply chain support, it was deemed that the additions were at parity as actual US$ were paid to settle the obligation.</td><td>To address the key audit matter we
• Tested completeness and accuracy of the RTGS additions per management's assessment performed during the year by performing the following:
◆ Obtained the RTGS bank statements from 1 October 2018 to 22 February 2019 and recalculated the debits and compared with the payments listing analysed by management;
◆ Involved our data analytics team to perform completeness and accuracy checks on the allocation of costs to either capital expenditure, operating costs or inventory The data analytics team developed a script based on the capitalisation codes obtained in SAP to link all payments to the capital expenditure ledger accounts;
◆ Obtained the additions listing for the period 1 October 2018 to 22 February 2019 and performed an independent reconciliation of the RTGS additions determined by management by eliminating the following from additions list;
- Additions from foreign suppliers already denominated in US$;
- Additions from issues from inventory (vehicle spares) which were already denominated in US$;and
- Additions from prepayments as at 30 September 2018 as this was before the change in functional currency.
• Tested completeness and accuracy of the data used in the assessment provided by management to determine supply chain support by performing the following
◆ Obtained the RTGS and US$ bank statements from 1 October 2018 to 22 February 2019 and on sample basis traced credits in the RTGS to the debits in the US$ bank statement and traced to supply chain support listing provided by management; and
◆ Verified the supply chain support related to capital expenditure by agreeing to payment instructions and the attached proforma invoices from the foreign supplier.

• Performed tests of detail on the additions and traced to invoices and payment details to verify the transactional currency as well as the settlement currency;
• Performed an impact analysis of the results obtained by translating the resultant RTGS additions to determine the significance of the potential carry over impact.</td></tr>
</table>

Independent Auditor's Report *(continued)*

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">1. Assessment of carry over effect of prior period qualification (Group) (continued)</td></tr>
<tr><td>
Inventory

Management determined that inventory items affected by the prior period accounting treatment of RTGS denominated transaction are those primarily sourced in Zimbabwe and by their nature have short lead times and would have moved to profit and loss during the current year under cost of sales.
Management also resolved that the impact of average pricing for inventory items offsets the impact of any pricing distortions and will not result in a material movements of inventory average costs.

Management determined that the carry over effects of the impact of the prior year recognition of RTGS transactions on a parity basis to US$ is not significant to warrant an adjustment in the current year consolidated financial statements.
The assessment of the carry over effect of the recognition of RTGS transactions on a parity basis on the current year group financial statements was considered to be a key audit matter due to the judgements and assumptions applied by management. Refer to note 2.5 in the consolidated financial statements for the related disclosures.
</td><td>

With regards inventory we

Obtained the inventory purchases from 1 October 2018 to 22 February 2019 and stratified according to the transactional currency.
On a sample basis we selected inventory items and re-assessed the impact on the average cost of each inventory item assuming the purchase had been translated using an exchange rate.
We also inspected inventory movements on a sample basis, to determine number of days in inventory and resultantly impact on inventories balance on hand at year-end.
We projected a misstatement based on the results of our tests on the total inventory balance.

We have concluded that the potential carry over impact arising from prior year RTGS denominated additions to property, plant and equipment and inventories is not material for the consolidated financial statements in the current year.
</td></tr>
<tr><td colspan="2">2. Determination and valuation of uncertain tax positions and related disclosures (Group)</td></tr>
<tr><td>
The interpretation of fiscal legislation in Zimbabwe is complex and has in the past resulted in differences of opinion over the interpretation or application of certain legislation between the Group and the Zimbabwe Revenue Authority ('ZIMRA'). Consequently, the Group has in the past settled certain unresolved disputes through the courts.
During the year there were changes in the fiscal legislation particularly the requirement for all foreign currency generating companies to remit income taxes and royalties in the currency in which revenue is generated in this case United States dollars The Group has continued to pay income taxes and royalties for its main operating subsidiary, Zimbabwe Platinum Mines (Private) Limited in Zimbabwe Dollars.. There is a difference in interpretation of the legislation between the Group and ZIMRA with regards to the currency in which taxes and royalties should be paid. This is premised on the following:

Interpretation of the legislation, as it applies to a general taxpayer, and in compliance with consequent effect of a series of enactments which introduced currency changes in Zimbabwe and recognised the Zimbabwe Dollar (ZWL) as the legal tender; and
The Support Agreement the Group has with the Government of Zimbabwe.

This difference in interpretation results in uncertainty regarding the income tax and royalties' payable.
The Group evaluates uncertain tax positions and, where appropriate, recognises provisions for uncertain tax positions based on estimates of whether additional taxes will be due.
</td><td>
To address the key audit matter we performed the following procedures:

Obtained an understanding of the Group's tax risk environment and focused on risk areas, in addition to reviewing the income tax computations;
Held discussions with management and those charged with governance concerning the Group's compliance with tax laws and regulations;
Involved our own tax specialists who performed the following procedures:

Reviewed management's tax assessments to evaluate the Group's judgements and estimates on the uncertain tax positions;
Reviewed the assumptions supporting the estimates and challenged the appropriateness of these assumptions in view of local tax regulations; and
Assessed how the Group had considered new information or changes in tax law, and assessed the Group's judgement of how these impact the Group's position or measurement of the required provision.

We inspected the latest correspondence between the Group, tax authorities and other relevant regulators;
We read legal opinions management obtained during year in relation to uncertain tax positions, in order to verify whether the position taken by management is based on up to date legal advice;
We also involved our own legal expert to evaluate the opinions presented by management's legal experts; and
We reviewed the consolidated and separate financial statements for appropriate disclosures as required by IFRIC 23- Uncertainty over Income Tax Treatments

</td></tr>
</table>

Independent Auditor's Report *(continued)*

Key Audit Matter	How the matter was addressed in the audit
2. Determination and valuation of uncertain tax positions and related disclosures (Group) *(continued)*	
Significant management judgement is required in estimating tax expected to be paid for uncertain tax items. Critical accounting judgements and estimates made by management in applying the Group's taxation accounting policy are disclosed in note 31 and are based on: • Discussions with tax authorities and other relevant regulators; • Independent tax and legal expert advice on the likely outcome; and • Interpretations of case law, as well as the Public Notice 26 of 2019, published on 19 June 2019. The assessment of uncertain tax positions was considered a key audit matter due to significant judgement related to estimating the uncertain tax positions to be recognized by the Group and reliance on tax and legal advice. Any changes to these estimates could give rise to material variances in the coming years.	We concluded that the disclosures in the consolidated and separate financial statements are appropriate and that the approach adopted in respect of payment of taxes and royalties is reasonable.
3. Impairment of property plant and equipment (Group)	
Impairment assessment of property, plant and equipment remains an area of focus for management to due to uncertainty on whether the positive trends observed on the basket prices for metals are sustainable. The valuation of the Group's assets are directly impacted by precious metal prices, volatile local currency, input costs and production challenges if any. The impact of COVID 19 while currently not significant, is uncertain as its impact on the business operations in the future is uncertain. Management performed an impairment assessment of property, plant and equipment and 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 the discounted cash flow model. The cash flow projections are based on assumptions that represent management's best estimate of the range of economic conditions that will prevail over the remaining life of the existing mining assets. No impairment loss was recognised as the estimated recoverable value is greater than the carrying value of property, plant and equipment.	To address the key audit matter we engaged our internal mining technical experts who performed the following procedures: • Assessed the reasonableness of key economic and operational inputs, including production volumes, costs of production, capital expenditure, forecasts for metal prices used in the cash flow projections by performing the following: ◆ 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; ◆ 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; ◆ For long-term real revenue per platinum ounce, benchmarked the price against independent analysts' forecasts; and ◆ 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. • Compared the future cash flow forecast to current and prior year's performance , and our knowledge of the business; and • Tested the accuracy of the impairment model used by management by performing an independent recalculation, and comparing our results with those of management.

Independent Auditor's Report *(continued)*

Key Audit Matter	How the matter was addressed in the audit
3. Impairment of property plant and equipment (Group) ***(continued)***	
The impairment assessment of property, plant and equipment was considered to be a key audit matter due to the judgements and assumptions applied by management in determining the recoverable amount of the CGU. Refer to note 4 in the consolidated and separate financial statements for the related disclosures.	We also engaged our internal corporate finance experts who performed the following procedures: • Reviewed management's assumptions in determining the long term real discount rate which was based on the weighted average cost of capital; • Compared the discount rates applied with other listed companies in the mining industry to assess whether management's assumptions are within an acceptable range; and • Reviewed the arithmetic accuracy of the application of the rates to the impairment model. The financial audit team also performed the following procedures: • Performed the physical verification of assets to evaluated the condition of assets for possible impairment; and • Reviewed the appropriateness of disclosures in the consolidated and separate financial statements related to key assumptions around the outcome of the valuation process. We found management's results to be within a reasonable range of our independent assessment.
4. Determination of depreciation of property, plant and equipment (Group)	
The Group performed a reassessment of its methodology to determine the depreciation of property, plant and equipment as detailed in note 4 of the consolidated and separate financial statements. Resultantly, the Group's depreciation of property, plant and equipment increased by US$11 million. This reassessment had an impact particularly on non-mining assets, which include land and buildings, metallurgical assets and services, and other assets. The key assumptions and judgements applied by management include: • Determination of life of mine which is based on mineral reserves estimations; • Determination of remaining useful lives of assets which is based on the number of years the asset is likely to remain in service for the purpose of revenue generation; and • Estimation of the residual value of assets at the end of their economic life. The change in the depreciation methodology for these assets was classified as a change in estimate in accordance with IAS 8 – "Accounting policies, change in accounting estimates and errors" and the impact has been disclosed in note 4 of the consolidated and separate financial statements. The depreciation of property, plant and equipment was considered to be a key audit matter due to the judgements and assumptions applied by management in determining the useful lives of the property, plant and equipment. Refer to note 4 in the consolidated and separate financial statements for the related disclosures.	To address the key audit matter we performed the following procedures: • Obtained an understanding of the Group's accounting policies and determination of depreciation of property, plant and equipment; • Reviewed the technical paper presented by management regarding the change in the method of depreciation for non-mining assets; • Held discussions with management and those charged with governance on the assumptions used in the new method of depreciation; • Reviewed management's assumptions and interrogated management's assertions in order to conclude on whether the estimates made are appropriate. The interrogation also extended to an impact assessment on whether this is a change in estimate or change in accounting policy, as defined by IAS 8 – "Accounting policies, change in accounting estimates and errors"; • Performed recalculations of the depreciation based on the revised useful lives of the respective assets; • Compared the new useful lives set by management to other mining companies to assess whether management's assumptions are within an acceptable range; and • Reviewed the consolidated and separate financial statements for appropriate disclosures as required by IAS 8. We concluded that the disclosures in the consolidated and separate financial statements are appropriate and that the assumptions made by management were reasonable.

Independent Auditor's Report *(continued)*

The Key Audit Matters apply to the consolidated financial statements, there are no Key Audit Matters for the separate financial statements.

Other Matter

The consolidated and separate financial statements of the Group and Company for the year ended 30 June 2019 were audited by another auditor who expressed a qualified opinion on those statements on 30 September 2019.

Other Information

The Directors are responsible for the other information. The other information comprises the statements contained under the Overview, Governance Reporting, Performance Review and Shareholder and Other Information sections of the integrated annual report, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and 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 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 on the other information that we obtained prior to the date of this auditor's report, 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 (IFRS), 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'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 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.

Independent Auditor's Report *(continued)*

- 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 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, actions taken to eliminate threats or safeguards applied.

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.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants (Zimbabwe)
Per: Charity Mtwazi – Audit Partner

Registered Auditor
Public Accountants and Auditors Board (PAAB), Practice Certificate Number 0585
Institute of Chartered Accountants in England and Wales Membership and Practicing certificate Number 8190859

Harare
Zimbabwe

29 September 2020

Statements of Financial Position

As at 30 June 2020

	Notes	Group 2020 US$ 000	Group 2019 US$ 000	Company 2020 US$ 000	Company 2019 US$ 000
ASSETS					
Non-current assets					
Property, plant and equipment	4	1 159 904	1 141 380	5 099	5 216
Investment in subsidiaries	5	-	-	115 232	113 369
Other financial assets	6	25	1 156	-	-
		1 159 929	1 142 536	120 331	118 585
Current assets					
Inventories	7	91 892	55 560	-	-
Prepayments	8	32 973	31 770	214	132
Trade and other receivables	9	287 948	207 385	-	25 503
Equity instruments at fair value through profit or loss	10	8 640	-	8 640	-
Other financial assets	6	276	1 176	-	-
Cash and cash equivalents	11	135 817	67 018	45 193	8 349
		557 546	362 909	54 047	33 984
Total assets		**1 717 475**	**1 505 445**	**174 378**	**152 569**
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		1 172 070	955 231	74 309	52 260
		1 271 999	1 055 160	174 238	152 189
LIABILITIES					
Non-current liabilities					
Provision for environmental rehabilitation	13	19 023	20 244	-	-
Deferred tax	14	301 034	288 866	-	-
Borrowings	15	2 412	-	-	-
Share-based compensation	16	2 008	5 148	-	-
		324 477	314 258	-	-
Current liabilities					
Trade and other payables	17	84 612	82 971	140	380
Current tax payable	18	10 383	4 216	-	-
Borrowings	15	2 221	42 500	-	-
Share-based compensation	16	16 508	6 340	-	-
Bank overdraft	11	7 275	-	-	-
		120 999	136 027	140	380
Total equity and liabilities		**1 717 475**	**1 505 445**	**174 378**	**152 569**

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

P Zvandasara
Chief Finance Officer

29 September 2020

Statements of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Notes	Group 30 June 2020 US$ 000	Group 30 June 2019 US$ 000	Company 30 June 2020 US$ 000	Company 30 June 2019 US$ 000
Revenue	19	868 912	630 987	81 000	59 627
Cost of sales	20	(480 358)	(443 571)	-	-
Gross profit		**388 554**	**187 416**	**81 000**	**59 627**
Administrative expenses	21	(5 711)	(6 876)	(1 319)	(1 821)
Net foreign currency exchange transactions losses	22	(4 830)	(20 197)	(1)	-
Other expenses	24	(1 371)	(492)	(489)	(1)
Other income	25	609	46 447	-	-
Finance income	26	84	1 099	8	61
Finance cost	27	(3 105)	(2 082)	-	-
Profit before income tax		**374 230**	**205 315**	**79 199**	**57 866**
Income tax expense	28	(112 391)	(60 453)	(12 150)	(8 944)
Profit for the year		**261 839**	**144 862**	**67 049**	**48 922**
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		**261 839**	**144 862**	**67 049**	**48 922**
Earnings per share (cents)					
Basic	29	243	135	62	45
Diluted	29	243	135	62	45

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statements of Changes in Equity

For the Year Ended 30 June 2020

	Share capital US$ 000	Share premium US$ 000	Retained earnings US$ 000	Total US$ 000
GROUP				
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 34)	-	-	(85 001)	(85 001)
Balance as at 30 June 2019	**10 763**	**89 166**	**955 231**	**1 055 160**
Total comprehensive income for the year	-	-	261 839	261 839
Profit for the year	-	-	261 839	261 839
Other comprehensive income for the year	-	-	-	-
Transactions with owners in their capacity as owners:				
Dividends paid (note 34)	-	-	(45 000)	(45 000)
Balance as at 30 June 2020	**10 763**	**89 166**	**1 172 070**	**1 271 999**
COMPANY				
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 34)	-	-	(85 001)	(85 001)
Balance as at 30 June 2019	**10 763**	**89 166**	**52 260**	**152 189**
Total comprehensive income for the year	-	-	67 049	67 049
Profit for the year	-	-	67 049	67 049
Other comprehensive income for the year	-	-	-	-
Transactions with owners in their capacity as owners:				
Dividends paid (note 34)	-	-	(45 000)	(45 000)
Balance as at 30 June 2020	**10 763**	**89 166**	**74 309**	**174 238**

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 2020

	Notes	Group		Company	
		30 June 2020 US$ 000	30 June 2019 US$ 000	30 June 2020 US$ 000	30 June 2019 US$ 000
Cash flows from operating activities					
Cash generated from operations	30	364 053	289 045	104 978	32 777
Finance costs paid	15	(2 895)	(6 296)	-	-
Share-based compensation payments	16	(13 420)	(1 782)	-	-
Payments made for environmental rehabilitation	13	(755)	(4 103)	-	-
Income taxes and withholding taxes paid	18	(88 599)	(35 386)	(12 150)	(8 944)
Net cash inflow from operating activities		**258 384**	**241 478**	**92 828**	**23 833**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(104 244)	(115 021)	-	-
Proceeds from disposal of property, plant and equipment		339	88	-	-
Investment in equity instruments	10	(9 129)	-	(9 129)	-
Movement in loans to subsidiaries		-	-	(1 863)	(232)
Finance income	26	84	1 099	8	61
Net cash outflow from investing activities		**(112 950)**	**(113 834)**	**(10 984)**	**(171)**
Cash flows from financing activities					
Repayments of borrowings	15	(42 500)	(42 500)	-	-
Lease payments	15	(1 687)	-	-	-
Dividends paid	34	(45 000)	(85 001)	(45 000)	(85 001)
Net cash outflow from financing activities		**(89 187)**	**(127 501)**	**(45 000)**	**(85 001)**
Net increase/(decrease) in cash and cash equivalents		56 247	143	36 844	(61 339)
Cash and cash equivalents at beginning of the year		67 018	118 981	8 349	69 688
Exchange gains/(losses) on cash and cash equivalents		5 277	(52 106)	-	-
Cash and cash equivalents at the end of the year	11	**128 542**	**67 018**	**45 193**	**8 349**

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

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

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 2020 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.

These financial statements are presented in United States Dollars (US$) and rounded to thousands, unless otherwise stated.

2 SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

The significant accounting policies, judgements and estimates that are deemed material and have been applied in the preparation of these financial statements, along with the transitional impact of newly adopted International Financial Reporting Standards (IFRSs) and interpretations issued by the International Financial Reporting Standards Interpretations Committee ('IFRS IC') are set out within the relevant notes to the financial statements and are indicated as follows throughout the document:

Accounting policy (AP)	The specific principles, bases, conventions, rules and practices applied by the Company for preparing and presenting the financial statements.
Estimates and judgements (EJ)	The complex or subjective judgements that have the most significant effect on amounts recognised and assumptions and other sources of estimation uncertainty where there is a significant risk of material adjustment to the carrying amounts of assets or liabilities with the next reporting period.
Transition (TR)	The implementation requirements and related impacts of a newly adopted IFRS.

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

Accounting policies that refer to 'consolidated or Group', apply equally to the Company's financial statements where relevant. The composition of the Group is further described in note 5 of the financial statements.

2.1 New and revised IFRSs and interpretations adopted by the Group

The principal accounting policies used by the Group are consistent with those of the previous year, except for changes from the adoption of new or revised IFRSs and interpretations.

The following standards and interpretations became effective on 1 January 2019 and were adopted by the Group on 1 July 2019:

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

IFRS 16 - Leases
The Group applied the standard retrospectively making use of the simplified retrospective approach, under which a lessee does not restate comparative information. There was no financial impact on the opening retained earnings at 1 July 2019. This approach allowed for minimal disclosure. Refer note 15 for the disclosure on transition and adoption of the new standard.

IFRIC 23 - Uncertainty over Income Tax Treatment
There has been no material impact on the Group's financial statements (notes 18, 28 and 31).

The following amendments to accounting standards, effective 1 January 2020, were early adopted by the Group on 1 July 2019:
- IAS 1 - Presentation of financial statements
- IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Amendments and clarification of the definition of 'material' used in the revised conceptual framework and the standards themselves had no impact on the Group's financial statements.

2.2 Statement of compliance
The financial statements have been prepared in accordance with IFRSs and interpretations issued by the IFRS IC, applicable to companies reporting under IFRS, Companies (Guernsey) Law 2008, and the Listing Requirements of the Australian Stock Exchange.

2.3 Basis of preparation
The financial statements have been prepared under the historical cost convention except for the following:
- Equity instruments designated as financial assets measured at value through profit or loss
- Trade receivables measured at fair value
- Liabilities for cash-settled share-based payment arrangements measured using a binomial option pricing model.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique.

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 estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors that are considered relevant, including current and expected economic conditions, expectations of future events that are believed to be reasonable under the circumstances. These estimates will seldom equal the actual results exactly. Revisions to accounting estimates are recognised in the period in

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

which the estimates are reviewed and in future periods. 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 the notes where necessary and indicated with **EJ**.

Summary of critical estimates and judgements:
- Impairment and depreciation of property plant and equipment (note 4)
- Income taxes (notes 18, 28 and 31)
- Inventory valuation and quantities (note 7)
- Environmental rehabilitation provision (note 13)
- Share-based compensation (note16)
- Functional currency determination (note 2.5)

Summary of accounting policy selections:
- New accounting policy has been adopted for leases (note 15)
- Property, plant and equipment and intangible assets are measured on the historical-cost model
- Expenses are classified on a functional basis, with additional information on the nature of the expenses
- Operating cash flows are presented on the indirect method

2.4 Principles of consolidation
The consolidated financial statements include those of the parent company, Zimplats Holdings Limited, its subsidiaries, associates and structured entities, using uniform accounting policies.

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 right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

At consolidation level, inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the separate financial statements of the Company, all investments in subsidiaries are carried at cost less accumulated allowance for impairment.

Associates
Associates are entities over which an investor has significant influence, being the power to participate in the financial and operating policy decisions of the investee (but not control or joint control).

Investments in associates are accounted for uisng the equity method. Under the equity method of accounting, an equity investment is initially recorded at cost and is subsequently adjusted to reflect the investor's share of the net profit or loss of the associate.

Dividends received from the investee reduce the carrying amount of the investment.

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

2.5 Foreign currencies

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.

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 of 1:1 as RTGS was not an official currency prior to 22 February 2019. As a result, the financial records of the Group's operating subsidiary for the period 1 October 2018 to 22 February 2019 were prepared based on a parity position between the Nostro FCA, RTGS FCA and US$.

To comply with IAS 21 The Effects of Changes in Foreign Exchange Rates (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$.

Included in the comparative period inventory on hand (note 7) and additions to property, plant and equipment (note 4) are amounts incurred in RTGS FCA between 1 October 2018 and 22 February 2019, which were recorded in US$ at a parity rate of 1:1. Consequently, the predecessor auditors, PricewaterhouseCoopers, issued a qualified opinion as the RTGS FCA transactions were not converted to US$ at an observable market rate at the date of the transaction although the potential misstatement was not quantified.

In the current year, the Group quantified the potential carryover impact of the inventory and property plant and equipment that gave rise to the qualification of the previous year audit opinion and determined that the amounts involved were not material resulting in no adjustment being passed in these financial statements.

Transactions and balances

Foreign currency transactions are accounted for at the rates of exchange ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated at year-end exchange rates. Gains or losses arising on settlement of such transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

3 OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The executive committee has been identified as the chief operating decision maker and is responsible for making strategic decisions, allocating resources and assessing the performance 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 operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

The Group operates 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 *(continued)*
For the year ended 30 June 2020

4 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 2020							
Opening net book value	142 502	287 177	366 330	56 490	139 903	148 978	1 141 380
Additions	-	-	-	23 285	-	80 959	104 244
Right-of-use assets capitalised*	314	-	-	6 006	-	-	6 320
Environmental rehabilitation asset adjustment (note 13)	-	(2 410)	-	-	-	-	(2 410)
Borrowing costs capitalised (note 27)	-	-	-	-	-	1 734	1 734
Transfer from assets under construction	854	62 622	34 098	-	3 784	(101 358)	-
Disposals	-	-	-	(2 106)	(262)	-	(2 368)
Accumulated depreciation on disposals	-	-	-	1 761	261	-	2 022
Depreciation charge	(4 474)	(21 066)	(30 328)	(25 555)	(9 595)	-	(91 018)
Closing net book value	139 196	326 323	370 100	59 881	134 091	130 313	1 159 904
At 30 June 2020							
Cost	194 952	472 505	532 268	208 383	200 670	130 313	1 739 091
Accumulated depreciation	(55 756)	(146 182)	(162 168)	(148 502)	(66 579)	-	(579 187)
Net book value	139 196	326 323	370 100	59 881	134 091	130 313	1 159 904
Year ended 30 June 2019							
Opening net book value	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	-	(122)	-	-	-	-	(122)
Borrowing costs capitalised (note 27)	-	-	-	-	-	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 value	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 value	142 502	287 177	366 330	56 490	139 903	148 978	1 141 380

*Mobile equipment of US$6 million and land and buildings of US$0.3 million were capitalised during the year, following the adoption of IFRS 16 (note 15).

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

Right-of-use asset	Land and Buildings	Mobile Equipment	Total
Finance leases capitalised at 30 June 2019	-	-	-
Right-of-use asset capitalised on adoption of IFRS 16	314	6 006	6 320
Depreciation	(92)	(1 802)	(1 894)
Closing net book value	**222**	**4 204**	**4 426**

	Group	
	2020 US$ 000	2019 US$ 000
Assets under construction comprise:		
Mupani Mine	56 226	52 113
Base metal refinery	18 960	18 953
Bimha Mine re-development	14 064	24 442
Borrowing costs capitalised	7 421	7 445
Ngezi Phase 2	7 272	10 108
Furnace rebuild	-	16 308
Other	26 370	19 609
	130 313	148 978

	Company	
	2020 US$ 000	2019 US$ 000
Mining claims		
Opening net book amount	5 216	5 357
Depreciation charge	(117)	(141)
Closing net book amount	5 099	5 216
At 30 June		
Cost	6 261	6 261
Accumulated depreciation	(1 162)	(1 045)
Net book amount	5 099	5 216

	Group	
	2020 US$ 000	2019 US$ 000
Commitments in respect of property, plant and equipment		
Commitments contracted for	74 418	55 374
Approved expenditure not yet contracted	156 948	232 685
	231 366	288 059
Less than one year	86 722	79 256
Between one and five years	138 272	208 803
Greater than five years	6 372	-
	231 366	288 059

Capital expenditure will be funded by internally generated funds and from borrowings, where necessary. No property, plant and equipment was pledged as collateral other than the right-of-use assets that are encumbered by leases.

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

AP **Accounting Policy**

Carrying amount

Property, plant and equipment is stated at historical cost less accumulated depreciation and less any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Cost

Pre-production expenditure, including evaluation costs incurred to establish or expand productive capacity, and to support and maintain that productive capacity is capitalised to property, plant and equipment. The recognition of pre-production expenditure including evaluation costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management. Any net income earned while the item is not yet capable of operating as intended reduces the capitalised amount.

Interest on general or specific borrowings to finance the establishment or expansion of mining and processing assets is capitalised during the construction phase. When general and/or specific borrowings are utilised to fund qualifying capital expenditure, such borrowing costs attributable to the capital expenditure are capitalised from the point at which the capital expenditure and related borrowing costs are incurred until completion of construction. Actual interest, net of any temporary income, on specific borrowings is capitalised. Interest on general borrowings is capitalised at the weighted average cost of the debt on qualifying expenditure, limited to actual interest incurred.

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

- Any decrease in the liability reduces the cost of the asset. The decrease in the asset is limited to its carrying amount and any excess is accounted for in 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.

For right-of-use assets refer to note 15.

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.

Depreciation

Depreciation of assets, other than land and assets under construction that are not depreciated, is calculated using either the straight line (SL) method or units of production (UoP) method, net of residual values, over the estimated useful lives of specific assets. The depreciation method and rates applied to specific assets reflect the pattern in which the asset's benefits are expected to be used by the Group. 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.

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

Mining claims and exploration

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

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

EJ Areas of judgement and estimates

a. Depreciation

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 straight line method over a maximum of the lower of the life-of-mine and 30 years.

As at 30 June 2020, the life-of-mine was estimated as follows:

Mine	Estimated life-of-mine
Rukodzi Mine	2 years
Ngwarati Mine	4 years
Bimha Mine	31 years
Mupfuti Mine	7 years
Mupani Mine	38 years

Land and buildings

Land is not depreciated. Buildings are depreciated using the straight line method over a maximum of the lower of the life-of-mine and 50 years.

Mobile equipment

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

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

Service assets

Service assets comprise mainly the Ngezi Road, internal access roads and reticulation to staff housing, a 330kV substation and sewage facilities. These assets are depreciated using the straight line method over a maximum of the lower of the life-of-mine and 30 years.

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

Other assets

Other assets comprise the environmental rehabilitation assets, information technology equipment and furniture and fittings. The environmental rehabilitation assets are depreciated using the straight line method over a maximum of the lower of the life-of-mine and 30 years. Information, communication and 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

b. Units-of-production

Management has elected to use the centares mined in relation to centares proved and probable mineral reserves as an appropriate units-of-production 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.

c. Mineral reserves estimations

The estimation of reserves impacts the depreciation of property, plant and equipment and the recoverable amount of property, plant and equipment. Factors impacting the determination of proved and probable reserves are:

- The grade of mineral reserves may vary significantly from time to time (ie differences between actual grades mined and resource model grades)
- Differences between actual commodity prices and commodity price assumptions
- Unforeseen operational issues at mine sites
- Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Expectations regarding future profitability would impact the decision to continue mining and consequently, the continued classification as proved and probable mineral reserves.
During the year, proven and probable mineral reserves were reassessed.

d. Production start date

The Group assesses the stage of each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location.

When a mine construction project is ready for use and moves into the production stage, the capitalisation of mine construction costs ceases and further costs are either regarded as inventory or expensed. During the production stage only costs qualifying for capitalisation as mining assets additions or improvements, underground mine development or mineable reserve development are capitalised.

Change in estimates

An assessment of the remaining useful lives and depreciation methods for the Group's assets was done during the year. Following the recent business plan, management is of the view that the units of production method applied on metallurgical and surface assets no longer approximates the pattern in which the future economic benefits will be consumed. As a result, the depreciation method for metallurgical and surface assets was changed to straight line over a maximum of the lower of life-of-mine or 30 years.

The effect of the change in estimates on the Group's depreciation expense charged in cost of sales and administration expenses during the year is shown below:

	2020 US$ 000
Depreciation for the year based on new estimates	91 018
Depreciation for the year based on old estimates	79 937
Increase in depreciation	11 081

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

AP Accounting policy

Impairment of property, plant and equipment

These assets are assessed for indicators of impairment at each reporting date. Irrespective of whether there is any indication of impairment, the Group tests these assets for impairment annually. An impairment loss is recognised in profit or loss, equal to the amount by which the carrying amount of an asset or a cash-generating unit exceeds the higher of its fair value less cost to sell and its value in use.

When impairments reverse due to change in circumstances, reversals are limited to the initial impairment, what the carrying amount would have been net of depreciation if the impairment was not recognised and the newly calculated recoverable amount.

Property, plant and equipment is grouped at Group level, which is the lowest level for which separately identifiable cash flows are available (cash-generating units). The assets within a cash-generating unit can include a combination of board-approved projects and mineral resources outside the approved mine plans.

EJ Areas of judgement and estimates

Impairment of property, plant and equipment

The Group carried out an impairment assessment of property, plant and equipment as at 30 June 2020. The recoverable amount of the cash generating unit ("CGU") was determined based on the discounted cash flow ("DCF") 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 are valued based on the in situ 6E ounce value. Comparable market transactions are 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 achievement of mine plans, future metal prices and exchange rates. It is therefore possible that changes can occur which may affect the recoverability of the mining assets.

The COVID-19 pandemic impacted on the global environment in which the Group operates and negatively affected metal prices. The impact of COVID-19 was taken into account in the impairment tests for PPE during the financial year. Management updated their DCFs to take into consideration the revised sales volumes, metal prices, cost forecasts and other factors.

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$827.
- Long-term real discount rate of 16.91%.
- Inflation rate of 2% per annum applied on costs and metal prices after 30 June 2025.

Sensitivity analysis:

- A change in the discount rate by an additional 5% would not result in impairment.
- A change of 5% in the long-term real revenue per platinum ounce sold would not result in impairment.

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

5 INVESTMENTS IN SUBSIDIARIES

The Group's principal subsidiaries as at 30 June 2020 are set out below. Unless otherwise stated, the respective subsidiary's share capital consists solely of ordinary shares that are held directly by the Group.

Name	Country of incorporation	Nature of interests	Ownership interest 2020 %	Ownership interest 2019 %
Always Investments (Private) Limited	Zimbabwe	Subsidiary	100	100
Baydonhill Investments (Private) Limited	Zimbabwe	Subsidiary	100	100
Duckbrooke Mine (Private) Limited	Zimbabwe	Subsidiary	100	100
Hartley Minerals Zimbabwe (Proprietary) Limited	Australia	Subsidiary	100	100
Hartley Platinum Mines (Private) Limited	Zimbabwe	Subsidiary	100	100
Jalta Investments (Private) Limited	Zimbabwe	Subsidiary	100	100
Matreb Investments (Private) Limited	Zimbabwe	Subsidiary	100	100
Mhondoro Holdings Limited	United Kingdom	Subsidiary	100	100
Mhondoro Mining Company Limited (in liquidation)	Zimbabwe	Subsidiary	100	100
Mhondoro Platinum Holdings Limited (in liquidation)	Zimbabwe	Subsidiary	100	100
Ngezi Platinum Limited	Zimbabwe	Subsidiary	100	100
Selous Platinum (Private) Limited (in liquidation)	Zimbabwe	Subsidiary	100	100
Zimbabwe Platinum Mines (Private) Limited*	Zimbabwe	Subsidiary	90	90
Zimplats Corporate Services (Private) Limited	Zimbabwe	Subsidiary	100	100
Palmline Investments (Private) Limited**	Zimbabwe	Associate	45	-

*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 2020 US$ 000	Group 2019 US$ 000	Company 2020 US$ 000	Company 2019 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	-	-	835	799
Zimbabwe Platinum Mines (Private) Limited	-	-	6 988	5 161
	-	-	35 788	33 925
Total investment in subsidiaries	**-**	**-**	**115 232**	**113 369**

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.

**Palmline Investments (Private) Limited is a start-up venture involved in cattle ranching in which the Group subscribed for a 45% equity interest during the year. The Group has not accounted for the share of profit or loss in associate as it is immaterial.

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

6 OTHER FINANCIAL ASSETS

	Group		Company	
	2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
Subsequently carried at amortised cost				
Loans carried at amortised cost	301	2 332	-	-
Non-current	25	1 156	-	-
Current	276	1 176	-	-
	301	2 332	-	-

AP Accounting Policy

The classification of these instruments is in line with the Group's business model to hold the assets to maturity and to collect contractual cash flows that consists solely of payments of principal and interest on the outstanding amount. These assets with maturities greater than 12 months after the reporting date are classified as non-current assets.

Impairment of financial assets at amortised cost

The general expected credit loss (ECL) model is applied to other receivables (note 9) and other financial assets at amortised cost. It requires a 3 stage assessment of financial assets:

Stage 1: No significant deterioration in credit quality. This identifies financial assets as having a low credit risk, and the asset is considered to be performing as anticipated. At this stage, a 12 month expected credit loss assessment is required.

Stage 2: Significant deterioration in credit quality of the financial asset but no indication of a credit loss event. This stage identifies assets as underperforming. Lifetime expected credit losses are required to be assessed.

Stage 3: Clear and objective evidence of impairment is present. This stage identifies assets as non-performing financial instruments.

Lifetime expected credit losses are required to be assessed.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of repayment terms by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate

Once a default has occurred, it is considered a deterioration of credit risk and therefore identifies the asset as underperforming in stage two.

Financial assets are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. Indicators of an increase in credit risk requires judgement and may include historical information about the debtor, adverse actual and expected data about existing market conditions such as interest rates and the sovereign and financial institutions' credit ratings, which influence our forward looking estimates, at the end of each reporting period.

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

EJ Estimates and judgment

Loans at amortised cost

Loans at amortised cost consist of housing and motor vehicle loans advanced to the Group's employees in terms of the housing and motor vehicle leasing schemes. An impairment rate of 0% (2019; 0%) was applied to the employee loans. This impairment assumption is based on the limited credit risk associated with loans advanced to employees as repayments are deducted periodically through the payroll. In addition, the loans are secured by a bond over residential properties and certificate of title to the motor vehicles.

	Group		Company	
	2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
7 INVENTORIES				
Ore, concentrate and matte stocks	36 452	13 071	-	-
Consumables	62 197	47 510	-	-
	98 649	60 581	-	-
Less: provision for obsolete consumables	(6 757)	(5 021)	-	-
	91 892	55 560	-	-
The movement in the provision for obsolete consumables is as follows:				
At the beginning of the year	5 021	5 606	-	-
Charged/(credited) to profit or loss during the year	1 736	(585)	-	-
At the end of the year	6 757	5 021	-	-
In the statement of cash flows, increase in inventories comprises:				
Movement as per the statement of financial position	(36 332)	7 225	-	-
(Increase)/decrease in provision for obsolete consumables	(1 736)	585	-	-
(Increase)/decrease in inventories (note 30)	(38 068)	7 810	-	-

No inventories were encumbered during the current and prior years.

The movement in ore, concentrate and matte stocks included in cost of sales is disclosed in note 21.

EJ Areas of judgement and estimates

Change in in-process metal estimate

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

AP Accounting Policy

Ore, concentrate and matte stocks

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

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

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.

	Group		Company	
	2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
8 PREPAYMENTS				
Deposits on property, plant and equipment	20 916	19 545	-	-
Consumables and other operating expenditure	7 831	12 093	-	-
Insurance premiums	4 226	132	214	132
	32 973	31 770	214	132

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

AP Accounting Policy

Prepayments are not financial assets and comprise deposits on property, plant and equipment , consumables, and other prepaid operating expenditure.

Any expenditure paid in cash prior to the service being rendered or for which a benefit is receivable in the future will be recorded as prepayments, and classified as current assets unless a portion of the prepayment covers a period longer than 12 months. The prepayment is subsequently expensed in profit or loss or capitalised to property, plant and equipment as and when the expense is incurred or assets are received.

	Group		Company	
	2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
9 TRADE AND OTHER RECEIVABLES				
Trade receivables due from related parties (note 32.2c)	280 457	199 631	-	-
Value added tax receivable	5 041	4 114	-	-
Dividends receivable (note 32.2c)	-	-	-	25 500
Other receivables	2 450	3 640	-	3
	287 948	207 385	-	25 503
Trade and other receivables are denominated in different currencies as follows:				
United States dollars	285 589	202 092	-	25 503
Zimbabwean dollars	2 359	5 293	-	-
	287 948	207 385	-	25 503
In the statement of cash flows, movement in trade and other receivables comprises:				
Movement as per the statement of financial position	(80 563)	(27 833)	25 503	25 489
Unrealised foreign exchange loss	(3 262)	(3 594)	-	-
Increase in trade and other receivables (note 30)	(83 825)	(31 427)	-	-

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

Trade receivables comprise of amounts due from Impala Platinum Limited, a related party, for sales of metal products.

Refer to note 32 for fair value and financial risk disclosures.

AP Accounting Policy

Trade receivables are subject to provisional pricing and are measured at fair value through profit or loss. These financial assets relate to revenue from contracts with customers and the Group has an unconditional right to the consideration due as the performance conditions have been met. The value of the receivable fluctuates in line with metal prices and foreign currency movements, resulting in this class of financial asset being 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 method, less allowance for impairment.

10 EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
Equity instruments				
Investment in Impala Platinum Holdings Limited ('Implats') listed shares	8 640	-	8 640	-
The movement in equity instruments at fair value through profit or loss is as follows:				
At the beginning of the year	-	-	-	-
Acquisitions	9 129	-	9 129	-
Fair value adjustments (note 30)	(489)	-	(489)	-
At the end of the year	8 640	-	8 640	-

During the year, the Company acquired shares in Implats pursuant to the Implats Group Bonus Share Plan. The shares are held to be distributed to the Group's employees in terms of the rules of the scheme on vesting (note 16).

Refer to note 32 for fair value and financial risk disclosures.

AP Accounting Policy

Equity instruments measured at fair value through profit or loss

Financial assets that are not measured at amortised cost or at fair value through other comprehensive income are classified as measured at fair value through profit or loss. These included the Company's investment in Impala Platinum Holdings Limited listed shares.

The Group presents changes in the fair value of equity investments held for trading in profit or loss due to the Group's business model.

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

11 CASH AND CASH EQUIVALENTS

	Group 2020 US$ 000	Group 2019 US$ 000	Company 2020 US$ 000	Company 2019 US$ 000
Cash at bank	135 795	66 985	45 193	8 349
Cash on hand	22	33	-	-
Cash and balances with banks	135 817	67 018	45 193	8 349
Bank overdraft	(7 275)	-	-	-
Cash and cash equivalents	128 542	67 018	45 193	8 349
The exposure of cash and cash equivalents by country is as follows:				
Isle of Man	993	41 035	-	-
United Kingdom	19 784	14 605	-	-
Jersey	45 177	8 335	45 177	8 335
Zimbabwe	62 572	3 029	-	-
Australia	16	14	16	14
	128 542	67 018	45 193	8 349

Cash and cash equivalents 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)	23	21	23	21
	ZW$ 000	**ZW$ 000**	**ZW$ 000**	**ZW$ 000**
Balances with banks (Zimbabwean dollars - ZW$)	930	1 918	-	-
Bank overdraft (ZW$)	(463 735)	-	-	-

Refer to note 32 for fair value and financial risk disclosures.

AP Accounting Policy

Cash and cash equivalents comprise cash in hand and on demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, with original maturities of three months or less and that are subject to an insignificant risk of changes in value. Bank overdrafts are offset against cash and cash equivalents in the cash flow statement but included in current liabilities in the statement of financial position.

Cash and cash equivalents are measured at amortised cost.

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

	Group		Company	
	2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
12 SHARE CAPITAL AND SHARE PREMIUM				
Authorised				
500 000 000 ordinary shares of US$0.10 each	50 000	50 000	50 000	50 000
Issued and fully paid				
107 637 649 ordinary shares of US$0.10 each	10 763	10 763	10 763	10 763
Share premium	89 166	89 166	89 166	89 166
At 30 June	99 929	99 929	99 929	99 929

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

AP Accounting Policy

Ordinary shares are classified as equity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

	Group		Company	
	2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
13 ENVIRONMENTAL REHABILITATION PROVISION				
At the beginning of the year	20 244	22 387	-	-
Change in estimate - rehabilitation asset (note 4)	(2 410)	(122)	-	-
Interest accrued - present value adjustment (note 26)	1 944	2 082	-	-
Payments during the year	(755)	(4 103)	-	-
At the end of the year	19 023	20 244	-	-

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 rehabilitation estimate is US$38.5 million (2019: US$40.1 million).

AP Accounting Policy

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

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

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.

EJ Areas of judgement and estimates

Environmental rehabilitation provisions

The Group's mining and processing activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life-of-mine estimates and discount rates can affect the carrying amount of this provision.

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental policy taking into account current technological, environmental and regulatory requirements. Provisions for future rehabilitation costs have been determined, based on calculations which require the use of estimates.

The discount rate used was 7.3% (2019: 9.6%) at the time of calculation. The net present value of current rehabilitation estimates is based on the assumption of a long-term real discount rate of 2.0% (2019: 2.0%).

	Group		Company	
	2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
14 DEFERRED INCOME TAXES				
The analysis of deferred income tax assets and liabilities is as follows:				
Deferred income tax assets				
Recoverable within 12 months	(11 623)	(8 021)	-	-
Recoverable after 12 months	(5 599)	(5 530)	-	-
	(17 222)	(13 551)	-	-
Deferred tax liabilities			**-**	**-**
To be settled within 12 months	32 615	21 537	-	-
To be settled after 12 months	285 641	280 880	-	-
	318 256	302 417	-	-
Deferred income tax liabilities (net)	**301 034**	**288 866**	**-**	**-**
The gross movement on the deferred income tax account is as follows:				
At the beginning of the year	288 866	243 372	-	-
Charged to profit or loss (note 28)	12 168	45 494	-	-
At the end of the year	301 034	288 866	-	-

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

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	Lease liabilities and other provision US$ 000	Total US$ 000
Deferred income tax assets					
As at 1 July 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)
Credited to profit or loss	(6)	(1 815)	-	(1 850)	(3 671)
As at 30 June 2020	(5 219)	(4 774)	-	(7 229)	(17 222)

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

	Accelerated tax depreciation US$ 000	Prepayments US$ 000	Inventory consumables US$ 000	Exchange gains US$ 000	Total US$ 000
Deferred income tax liabilities					
As at 1 July 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
Charged/(credited) to profit or loss	201	5 349	(12 234)	22 523	15 839
As at 30 June 2020	285 640	5 349	-	27 267	318 256

AP Accounting Policy

Deferred income tax

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

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

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

Current and deferred income tax is recognised in 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.

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

		Group		Company	
		2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
15	**BORROWINGS**				
	Non-current				
	Lease liabilities	2 412	-	-	-
	Current				
	Lease liabilities	2 221	-	-	-
	Bank borrowings	-	42 500	-	-
		2 221	42 500	-	-
	Total	**4 633**	**42 500**	**-**	**-**
	The movement in borrowings is as follows:				
	At the beginning of the year	42 500	85 000	-	-
	Leases capitalised (note 4)	6 320	-	-	-
	Interest accrued (note 27)	2 895	6 296	-	-
	Repayments	(47 082)	(48 796)	-	-
	Capital: Bank borrowings	(42 500)	(42 500)	-	-
	Capital: Lease liabilities	(1 687)	-	-	-
	Interest	(2 895)	(6 296)	-	-
	At the end of the year	4 633	42 500	-	-
	The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting year are as follows:				
	On demand and up to 6 months	907	42 500	-	-
	6 months to 1 year	950	-	-	-
	1 year to 2 years	2 042	-	-	-
	2 years to 5 years	734	-	-	-
		4 633	42 500	-	-

15.1 Bank borrowings

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

The loan was a revolving facility of US$85 million and bore interest at 3 months LIBOR plus 7% per annum. Capital repayments were required if the loan balance exceeded the available facility amount. The first capital repayment installment amounting to US$42.5 million was made during the year ended 30 June 2019 and the balance of US$42.5 million was paid in December 2019.

The Group had no undrawn bank borrowing facilities at 30 June 2020 and 30 June 2019.

15.2 Lease liabilities

15.2.1 Adoption of IFRS 16 - Leases

This standard became effective for periods beginning on or after 1 January 2019 and replaces IAS 17 Leases.

Transition

The Group adopted IFRS 16 on 1 July 2019 and applied the standard retrospectively making use of the simplified retrospective approach, under which a lessee does not restate comparative information. There was no financial impact on the opening retained earnings at 1 July 2019.

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

Historically, lease contracts were classified as either finance or operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, all lease contracts, with the exception of leases pertaining to low-value assets and leases with a duration of 12 months or less, are recognised as right-of-use assets. The corresponding liability is also recognised from the date at which the leased asset is available for use by the Group.

The Group recognised lease liabilities in relation to leases which had previously been classified as service contracts or operating leases under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted by the lessee's incremental borrowing rate as at 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 9.6% (3 months LIBOR plus 7% per annum).

In applying the simplified retrospective approach, the Group has applied the following practical expedients permitted by the standard:
- Reliance on previous assessments on whether leases are onerous
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement Contains a Lease.

15.2.2 The Group's leasing activities
The Group had two leases deemed as material as at 30 June 2020, as follows:

Ore and concentrates haulage
The Group has a contract for the provision of services relating to the transportation of ore and concentrates between Ngezi and the Selous Metallurgical Complex (SMC). The contract has a period of five years from 1 November 2017 to 31 October 2022. As at 30 June 2020, the present value of the lease liability was US$4.3 million.

Borrowdale Office Park
The lessor and Zimplats entered into a lease agreement in which Zimplats leases premises measuring 1146m2 - situated at stand 19308, Borrowdale Office Park – 1st Floor, South block, Borrowdale, Harare for the purposes of administration offices. The lease contract was initially for five years to November 2018 and provides for an extension for further two years. The contract was extended to 30 November 2020. As at 30 June 2020, the present value of the lease liability was US$0.3 million.

AP Accounting Policy
Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Leases
The adoption of IFRS 16 has resulted changes in the accounting policy for leases as set out below.

The Group assesses whether a contract is, or contains, a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

Lease liabilities are initially measured at the present value of the contractual lease payments due over the lease term, discounted using the rate implicit in the lease. If this rate is not readily determinable, the lessee's incremental borrowing rate is used. Variable lease payments are included in the measurement of the lease liability if they depend on an index or rate at date of commencement. The initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability includes:

- amounts expected to be payable under any residual value guarantee;
- exercise price of any purchase option if the lessee is reasonably certain to exercise the option; and
- penalties payable for terminating the lease, if the term of the lease reflects the termination option.

Right-of-use assets are initially measured at the value of the corresponding lease liability at initial measurement, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs; and
- the amount of any provision recognised where the lessor is contractually required to dismantle, remove or restore the leased asset.

The right-of-use assets are included in property, plant and equipment (note 4).

Lease payments are subsequently allocated between the lease liability and finance cost. The finance cost is charged to profit or loss over the lease period at a constant periodic rate of interest on the remaining balance of the liability. The right-of-use asset is subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

When the lessee revises its estimate of the term of any lease due to changes in the probability of a lease extension or termination option being exercised, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the revised discount rate at remeasurement.

The carrying value of lease liabilities are similarly revised when the variable element of future lease payments dependent on a rate or index is revised, using the revised discount rate on commencement of lease. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the revised remaining lease term.

The Group has no arrangements in which it is a lessor.

	Group		Company	
	2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
16 SHARE BASED COMPENSATION				
At the beginning of the year	11 488	1 061	-	-
Charged to profit or loss	20 448	12 209	-	-
Payments to employees during the year	(13 420)	(1 782)	-	-
At the end of the year	18 516	11 488	-	-
Current liabilities	16 508	6 340	-	-
Non-current liabilities	2 008	5 148	-	-
	18 516	11 488	-	-

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

During the year ended 30 June 2020, the Group had the following cash settled share-based payment arrangements.

Type of arrangement	LTIP - CSP	LTIP - BSP	LTIP - PSP
Date of grant	Various since November 2012	Various since November 2018	Various since November 2018
Number in issue	1 550 226	1 279 110	1 024 363
Carrying amount	US$6 748 000 (2019: US$6 252 000)	US$5 824 000 (2019: US$3 744 000)	US$1 323 000 (2019: US$145 000)
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 vesting period 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

Type of arrangement	LTIP - SAR - new	LTIP - SAR - run off
Date of grant	Various since November 2012	Various since May 2010
Number in issue	1 151 687	1 281 223
Carrying amount	US$3 537 000 (2019: US$1 194 000)	US$1 084 000 (2019: US$153 000)
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

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

Share appreciation rights

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:

	Note	LTIP - SAR - new 2020	LTIP - SAR - new 2019	LTIP - SAR - Run off 2020	LTIP - SAR - Run off 2019
Weighted average option value (ZAR)	i)	78.06	31.65	14.71	1.13
Weighted average share price at valuation date (ZAR)	ii)	116.00	69.75	116.00	69.75
Weighted average exercise price (ZAR)	iii)	37.81	44.67	171.30	183.84
Volatility	iv)	60.68	32.72	60.68	32.72
Risk-free interest rate (%)		5.07	6.8	5.00	6.8

i) The weighted average option values for cash settled shares are calculated on the reporting date.

ii) The value of cash settled share appreciation rights are calculated at year end based on the year-end closing price.

iii) The weighted average exercise price for cash-settled shares is calculated taking into account the exercise price on each grant date.

iv) Volatility for cash shares is the four hundred day average historical volatility on those major shareholders' shares on each valuation date.

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

	2020 Number of options	2020 Weighted average exercise price ZAR	2019 Number of options	2019 Weighted average exercise price ZAR
Conditional share plan (LTIP - CSP)				
Outstanding at the start of the year	4 194 816	-	5 048 832	-
Granted	-	-	38 537	-
Forfeited	330 217	-	(36 886)	-
Exercised	(810 887)	-	(855 667)	-
Outstanding at the end of the year	3 714 146	-	4 194 816	-
Exercisable at the end of the year	-	-	-	-
Bonus share plan (LTIP - BSP)				
Outstanding at the start of the year	1 795 345	-	-	-
Granted	518 416	-	1 795 345	-
Forfeited	(173 257)	-	-	-
Exercised	(861 394)	-	-	-
Outstanding at the end of the year	1 279 110	-	1 795 345	-
Exercisable at the end of the year	-	-	-	-
Performance share plan (LTIP - PSP)				
Outstanding at the start of the year	853 839	-	-	-
Granted	170 524	-	853 839	-
Outstanding at the end of the year	1 024 363	-	853 839	-
Exercisable at the end of the year	-	-	-	-
Share appreciation rights (LTIP - SAR - new)				
Outstanding at the start of the year	1 735 233	44.20	2 428 063	41.28
Forfeited	(522 337)	37.81	(692 830)	44.20
Exercised	(61 209)	37.81	-	-
Outstanding at the end of the year	1 151 687	37.81	1 735 233	44.20
Exercisable at the end of the year	239 354	37.81	244 211	44.20
Share appreciation rights (LTIP - SAR - run-off)				
Outstanding at the start of the year	1 917 614	183.84	2 260 727	179.94
Forfeited	(636 391)	171.30	(343 113)	183.84
Outstanding at the end of the year	1 281 223	171.30	1 917 614	183.84
Exercisable at the end of the year	1 281 223	171.30	1 917 614	183.84

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

AP Accounting Policy

Cash-settled share based payments

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

Long-term Incentive Plan

Long-term Incentive Plan 2018

Performance share award

The performance shares are Implats 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 Implats Group and subject to the satisfaction of the performance condition measured over the performance period.

Bonus share award

The bonus share award is also comprised of 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 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 Implats Group.

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 Implats Group but, for certain of these shares, vesting of the shares are subject to the achievement of defined performance vesting conditions over the performance period.

Share Appreciation Rights (LTIP – SAR)

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

EJ Areas of judgement and estimates

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 above.

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

		Group		Company	
		2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
17	**TRADE AND OTHER PAYABLES**				
	Trade payables	26 209	31 607	-	-
	Leave liability*	8 853	8 847	-	-
	Royalty and Minerals Marketing Corporation of Zimbabwe commission payable	11 731	3 964	-	-
	Amounts due to related parties (note 33.2d)	10 723	10 986	-	-
	Accruals	25 215	24 529	140	380
	Other payables	1 881	3 038	-	-
		84 612	82 971	140	380
	The payables are denominated in different currencies as follows:				
	United States Dollars	48 859	67 965	110	369
	South African Rands	18 304	12 194	-	-
	Zimbabwean Dollars	16 941	2 696	-	-
	Euro	478	102	-	-
	Austalian dollars	30	14	30	11
		84 612	82 971	140	380
	In the statement of cash flows, movement in trade and other payables comprises:				
	Movement as per the statement of financial position	1 641	1 953	(240)	313
	Unrealised foreign currency exchange gains	1 725	9 903	-	-
	Increase/(decrease) in trade and other payables (note 30)	3 366	11 856	(240)	313

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

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

AP **Accounting Policy**

Trade and other payables

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

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

	Group		Company	
	2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
18 CURRENT TAX PAYABLE				
At the beginning of the year	4 216	72 241	-	-
Charged to profit or loss (note 28)	100 222	14 959	12 150	8 944
Foreign currency exchange gains*	(5 456)	(47 598)	-	-
Payments made during the year	(88 599)	(35 386)	(12 150)	(8 944)
At the end of the year	10 383	4 216	-	-

*The exchange gains arose from the settlement and retranslation of Zimbabwe dollar denominated income tax liabilities to United States dollars.

AP **Accounting Policy**

Current tax

The tax currently payable is based on taxable profit for the year and provisional taxes paid during the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on objective, unbiased interpretation of the fiscal legislation, informed by specialist independent tax and legal advice.

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

	Group 2020 US$ 000	Group 2019 US$ 000	Company 2020 US$ 000	Company 2019 US$ 000
19 REVENUE				
Revenue from contracts with customers	821 814	597 688	-	-
Revenue from movements in commodity prices	47 098	33 299	-	-
	868 912	630 987	-	-
The Group derives its revenue from the following metal products:				
Palladium	388 366	264 330	-	-
Platinum	195 999	194 901	-	-
Rhodium	160 162	53 316	-	-
Nickel	52 506	47 676	-	-
Gold	44 993	36 993	-	-
Copper	15 286	17 308	-	-
Ruthenium	8 251	9 600	-	-
Iridium	2 865	6 173	-	-
Silver	247	223	-	-
Cobalt	237	467	-	-
	868 912	630 987	-	-
The Company derives its revenue from dividend income:				
Zimbabwe Platinum Mines (Private) Limited	-	-	81 000	59 627
	-	-	81 000	59 627

AP Accounting Policy

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 contracts with customers

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 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 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.

Commodity price adjustments

The sales price is determined on a provisional basis at the date of the sale, with adjustments made to the sale price based on movements in quoted market prices up to the date of final pricing. These adjustments are separately disclosed within revenue.

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).

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

EJ Areas of judgement and estimates

Significant judgements made in applying IFRS 15 to contracts with customers

The Group has recognised revenue amounting to US$869 million (2019: US$631 million) for metal sales to Impala. Sales to Impala 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 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 2020. 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.

20 COST OF SALES

	Group		Company	
	2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
Mining operations	192 199	190 721	-	-
Employee benefit expenses (note 23)	51 818	42 037	-	-
Materials and other mining costs	132 543	109 892	-	-
Utilities	7 838	3 794		
Translation adjustment*	-	34 998	-	-
Concentrating and smelting operations	97 902	94 706	-	-
Employee benefit expenses (note 23)	15 024	12 404	-	-
Materials and consumables	50 825	36 579	-	-
Utilities	32 053	17 738		
Translation adjustment*	-	27 985	-	-
Depreciation	90 355	65 780	-	-
Movement in ore, concentrate and matte stocks	(23 381)	3 254	-	-
Shared services	85 117	62 535	-	-
Employee benefit expenses (note 23)	47 710	33 061	-	-
Insurance	7 772	4 782	-	-
Information, communication and technology	6 149	4 659	-	-
Selling and distribution expenses	8 231	2 887	-	-
Other costs	15 255	532	-	-
Translation adjustment*	-	16 614	-	-
Royalty	30 906	11 435		
MMCZ commission expense	7 260	2 776		
Translation adjustment*	-	12 364	-	-
	480 358	443 571	-	-

*The translation adjustment arose from the retranslation of RTGS transactions to US$ using the Old Mutual Implied Rate.

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

	Group 2020 US$ 000	Group 2019 US$ 000	Company 2020 US$ 000	Company 2019 US$ 000
21 ADMINISTRATIVE EXPENSES				
Corporate social responsibility costs	3 590	2 315	-	-
Employee benefit expenses	56	52	56	52
Insurance	211	404	211	404
Depreciation	478	503	116	141
Consulting fees	431	518	431	518
Non -executive directors' fees	372	369	371	364
Independent auditors' remuneration	292	254	77	104
Operating lease expenses	-	192	-	-
Other corporate costs	281	462	57	238
Translation adjustment*	-	1 807	-	-
	5 711	6 876	1 319	1 821

*The translation adjustment arose from the retranslation of RTGS transactions to US$ using the Old Mutual Implied Rate.

	Group 2020 US$ 000	Group 2019 US$ 000	Company 2020 US$ 000	Company 2019 US$ 000
22 NET FOREIGN CURRENCY EXCHANGE TRANSACTIONS				
Unrealised foreign exchange (gains)/losses on the translation of the monetary assets and liabilities (net):	(9 196)	(17 588)	-	-
Trade and other receivables (note 9)	3 262	3 594	-	-
Trade and other payables (note 17)	(1 725)	(9 903)	-	-
Current income tax liabilities (note 18)	(5 456)	(11 279)	-	-
Cash and cash equivalents	(5 277)	-	-	-
Realised foreign exchange losses/(gains) on translation of monetary assets and liabilities (net):	14 026	37 785	1	-
Trade and other receivables	7 937	19 856	-	-
Trade and other payables	4 026	2 142	-	-
Current income tax liabilities	-	(36 319)	-	-
Cash and cash equivalents	2 063	52 106	1	-
Foreign currency exchange transactions losses (net)	4 830	20 197	1	-
For the purposes of the statement of cash flows, the foreign currency exchange adjustment comprises of:				
Unrealised foreign currency exchange (gains) (net)	(9 196)	(17 588)	-	-
Realised foreign currency exchange gains on current income tax liabilities	-	(36 319)	-	-
Cash and cash equivalents	-	52 106	-	-
Foreign currency exchange adjustment (note 30)	(9 196)	(1 801)	-	-

Foreign currency exchange losses in the current year were mainly due to the effect of the depreciation of the Zimbabwean Dollar (ZW$$) against the US$ on monetary assets.

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

	Group		Company	
	2020 US$ 000	**2019 US$ 000**	**2020 US$ 000**	**2019 US$ 000**
23 EMPLOYEE BENEFIT EXPENSES				
Wages and salaries	94 890	87 948	51	47
Share based payments (note 16)	20 448	12 209	-	-
Pension costs - defined contribution	5 858	5 148	5	5
	121 196	105 305	56	52
Employee benefit expenses have been disclosed as follows:				
Cost of sales:				
Mining operations	51 818	50 789	-	-
Concentrating and smelting operations	15 024	14 989	-	-
Shared services	54 298	39 475	-	-
Administrative expenses	56	52	56	52
	121 196	105 305	56	52
Average number of employees during the year	3 314	3 313	1	1

AP Accounting Policy

Employee benefits

Short-term employee benefits

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

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

Pension obligations

The Group participates in defined contribution retirement plans.

A defined contribution plan is a pension plan under which the Group pays fixed 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 whenever 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.

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

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

		Group		Company	
		2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
24	**OTHER EXPENSES**				
	Care and maintenance costs for Hartley Platinum Mine	683	-	-	-
	Loss on re-measurement of fair value through profit or loss financial assets (note 10)	489	-	489	-
	Loss on disposal of property, plant and equipment	6	149	-	-
	Other expenses	193	343	-	1
		1 371	492	489	1
25	**OTHER INCOME**				
	Export incentive (25.1)	-	36 352	-	-
	Customs duty rebate fine refund (25.2)	-	9 554	-	-
	Other income	609	541	-	-
		609	46 447	-	-

25.1 In May 2016, the Reserve Bank of Zimbabwe ("RBZ") introduced an export incentive scheme to promote the export of goods and services in order for the Zimbabwean economy to benefit from the liquidity derived from exports. The Group was initially entitled to a 2.5% export incentive on the export proceeds received in Zimbabwe. During the year ended 30 June 2019, 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 21 February 2019 following the introduction of the Real Time Gross Settlement Dollar as an electronic currency and the interbank foreign currency market.

25.2 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 was that ZIMRA was required to refund to the Group the amount of the fines imposed of US$9.6 million.

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

		Group		Company	
		2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
26	**FINANCE INCOME**				
	Interest earned on cash and cash equivalents	8	987	8	61
	Interest earned on staff vehicle loan scheme	76	80	-	-
	Other	-	32	-	-
		84	1 099	8	61

AP **Accounting Policy**

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

		Group		Company	
		2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
27	**FINANCE COSTS**				
	Interest expense on bank borrowings (note 15)	2 361	6 296	-	-
	Unwinding of the rehabilitation provision (note 13)	1 944	2 082	-	-
	Interest expense on leases (note 15)	534	-	-	-
	Borrowing costs capitalised (note 4*)	(1 734)	(6 296)	-	-
		3 105	2 082	-	-

*The average rate calculated for the capitalisation of borrowing costs was 4.1% (2019: 9.6%). Interest has been capitalised insofar as qualifying capital expenditure has been incurred.

AP **Accounting policy**

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.

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

		Group		Company	
		2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
28	**INCOME TAX EXPENSE**				
	Corporate tax:	86 723	3 217	-	-
	- Current year	84 345	2 938	-	-
	- Adjustment in respect of prior years	2 378	279	-	-
	Additional profits tax:				
	- Adjustment in respect of prior years	-	1 657	-	-
	Withholding tax	13 500	10 085	12 150	8 944
	Current income tax	100 223	14 959	12 150	8 944
	Deferred income tax (note 14)	12 168	45 494	-	-
	Income tax expense	112 391	60 453	12 150	8 944

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

	Group		Company	
	2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
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% (2019: 25.75%) as follows:				
Profit before income tax	374 230	205 315	79 199	57 866
Notional tax on profit for the year based on weighted tax rate	96 364	52 869	-	-
Tax effect of:				
Withholding tax on interest and dividends	13 500	10 085	12 150	8 944
Expenses not deductible for tax purposes	4 047	7 882	-	-
- Exchange differences	1 005	-	-	-
- Donations	924	1 064	-	-
- ESOT dividend subject to withholding tax	492	-	-	-
- Disallowed pension costs	483	466	-	-
- HMZ depreciation	415	-	-	-
- Corporate costs	466	455	-	-
- Royalties	-	5 506	-	-
- Intermediated money transfer tax	-	151	-	-
- Other	262	240	-	-
Income not subject to tax	-	(12 059)	-	-
Export incentive	-	(9 361)	-	-
Customs duty fines refund	-	(2 460)	-	-
Bank interest subject to withholding tax	-	(238)	-	-
Adjustment in respect of prior years - deferred tax	(3 161)	483	-	-
Adjustment in respect of prior years - corporate tax	2 378	279	-	-
Utilisation of HMZ tax loss	(737)	(743)	-	-
Additional profits tax	-	1 657	-	-
Tax charge	112 391	60 453	12 150	8 944

The statutory tax rate for the Company is 0% as it is domiciled in Guersey.

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

AP Accounting Policy

Income tax

Income tax includes current tax, additional profits tax, deferred tax and withholding taxes. Current tax is calculated by applying enacted or substantively enacted tax rates to taxable income, including adjustments to tax payable in respect of prior years.

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially reported, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

29 EARNINGS PER SHARE

29.1 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.

	Group 2020	Group 2019	Company 2020	Company 2019
Profit attributable to equity holders of the Company (US$ 000)	261 839	144 862	67 049	48 922
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)	243	135	62	45

29.2 Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group did not have any shares with a potential dilutive impact (2019: nil).

	Group 2020	Group 2019	Company 2020	Company 2019
Profit attributable to equity holders of the Company (US$ 000)	261 839	144 862	67 049	48 922
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)	243	135	62	45

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

		Group		Company	
		30 June 2020 US$ 000	30 June 2019 US$ 000	30 June 2020 US$ 000	30 June 2019 US$ 000
30	**Cash generated from operations**				
	Profit before income tax	374 230	205 315	79 199	57 866
	Adjustments for:				
	Depreciation (note 4)	91 018	66 283	117	141
	Provision for obsolete inventories (note 7)	1 736	(585)	-	-
	Provision for share based compensation (note 16)	20 448	12 209	-	-
	Foreign currency exchange adjustment (note 22)	(9 196)	(1 801)	-	-
	Loss on disposal of property, plant and equipment (note 24)	6	149	-	-
	Loss on remeasuring financial assets at fair value through profit or loss (note 10)	489	-	489	-
	Finance income (note 26)	(84)	(1 099)	(8)	(61)
	Finance costs (note 27)	3 105	2 082	-	-
	Changes in operating assets and liabilities				
	(Increase)/decrease in inventories (note 7)	(38 068)	7 810	-	-
	(Increase)/decrease in prepayments	(1 203)	18 131	(82)	7
	(Increase)/decrease in trade and other receivables (note 9)	(83 825)	(31 427)	25 503	(25 489)
	Decrease in other financial assets	2 031	122	-	-
	Increase/(decrease) in trade and other payables (note 17)	3 366	11 856	(240)	313
	Net cash generated from operations	364 053	289 045	104 978	32 777

31 CONTINGENT LIABILITIES AND UNCERTAIN TAX MATTERS

31.1 Contingent liabilities

At year-end the Group had contingent liabilities in respect of matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

31.2 Uncertain tax matters

The Group has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. The fiscal legislation in Zimbabwe is volatile, highly complex and subject to interpretation. From time to time, the Group is subject to a review of its historic income tax returns and in connection with such reviews, disputes can arise with the Zimbabwe Revenue Authority (‘ZIMRA’) over the interpretation and/or application of certain legislation. Significant judgement is required in determining the provision for income taxes due to the complexity and differences of interpretation of fiscal legislation, and application which may require determination through the courts. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for anticipated tax audit issues and uncertain tax positions based on estimates of whether additional taxes will be due. The assessment is based on objective, unbiased interpretation of the fiscal legislation, informed by specialist independent tax and legal advice. Where, ZIMRA as the tax authority makes an assessment that differs from that determined and initially recorded by the company, such difference in computation will impact the income tax expenses and liabilities in the period in which such determination is made.

Irrespective of whether potential economic outflows of matters have been assessed as probable or possible, individually significant matters are included below to the extent that disclosure does not prejudice the Group.

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

31.2.1 Matters before the courts

The Group filed legal proceedings in the Special Court for Income Tax Appeals and the Supreme Court of Zimbabwe in relation to various historical income 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 and therefore, no further liabilities will arise in respect of these disputed tax matters.

31.2.2 Foreign currency taxes

In accordance with the legislation governing the payment of taxes, the Group's operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, is required pay taxes in accordance with the laws of Zimbabwe, specifically the Income Tax Act (Chapter 23:06), as read with the Finance Act (Chapter 23:04).

` Through a Public Notice 26 of 2019 published on 19 June 2019, the tax authorities, introduced a computation formula which would consequently require an apportionment of such income tax payment between ZW$ and US$. The Group has been lawfully computing and effecting payment of income taxes in local currency in settlement of tax liabilities. Expert view on this matter is that settlement of these taxes in this manner by the Group is in full discharge of its obligations. It is however recognised that the tax authorities, may hold a different interpretation of the fiscal legislation as read with the public notices available to guide tax payers.

This difference in interpretation may result in uncertainty associated with the payment of taxes in foreign currency, with the resultant effect that, it is possible that at a future date, on conclusion of the matter, the final outcome may vary significantly and may impact financial results in the year in which such a determination is made. In the absence of a legal basis upon which to base the potential determination, the Group is unable to quantify at this stage, what the potential impact of the above could be.

32 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

32.1 Financial instruments

Background and basis of preparation

The impact of COVID-19 should already be priced into the inputs, which for the Group, mostly relates to securities and commodity price risks used in the level 1 and 2 fair valuation techniques as determined by the market. The Group has no financial assets valued using level 3 valuation techniques.

General accounting policies that are not related to specific financial assets and financial liabilities (which have not been included in the individual notes) are disclosed at the end of this note.

The following table summarises the Group's classification of financial instruments:

	2020 US$ 000	2019 US$ 000
Assets as per statement of financial position		
At amortised cost		
Other financial assets (note 6)	301	2 332
Other receivables (note 9)	2 450	3 640
Cash and cash equivalents (note 11)	135 817	67 018
	138 568	72 990
At fair value through profit or loss		
Trade receivables (note 9)	280 457	199 631
Equity instruments (note 10)	8 640	-
	289 097	199 631
Total financial assets	**427 665**	**272 621**
Liabilities as per statement of financial position		
Financial liabilities at amortised cost		
Borrowings (note 15)	4 633	42 500
Bank overdraft (note 11)	7 275	-
Trade and other payables (excluding statutory liabilities)	72 622	78 080
Total financial liabilities	**84 530**	**120 580**

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

Fair value

IFRS establishes a fair value hierarchy that categorises the inputs to valuation techniques used to measure fair value into three levels:

- Level 1 – Quoted prices in active markets for the same instrument
- Level 2 – Valuation techniques for which significant inputs are based on observable market data
- Level 3 – Valuation techniques for which any significant input is not based on observable market data.

The following financial instruments are carried at fair value:

	2020 US$ 000	2019 US$ 000	Fair value hierarchy	Valuation technique and key inputs
Financial assets at fair value through profit or loss				
Trade receivables (note 9)	280 457	199 631	Level 2	Quoted market metal price and estimates of metals contained in matte/concentrate sold
Equity instruments (note 10)	8 640	-	Level 1	Quoted market price for the same instrument
	289 097	**199 631**		

There have been no transfers between fair value hierarchy levels in the current year.

The carrying amount of financial assets and liabilities which are not carried at fair value is a reasonable approximation of their fair value.

32.2 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.

32.2.1 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 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$264.5 million (2019: US$141.5 million) which will be re-measured at future metal prices according to the sales contract with Impala. Metals sold, for which actual prices are not yet certain, are valued using average prices for the month of June with reference to the international market. The Group is therefore exposed to the risk of external price volatility (price takers).

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

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

	Effect on profit before income tax	
	2020	**2019**
Commodity	**US$ 000**	**US$ 000**
Palladium	5 546	5 805
Platinum	11 209	3 837
Rhodium	1 408	2 093
Nickel	6 028	954
Gold	1 334	807
Copper	450	332
Cobalt, iridium, ruthenium and silver	473	317
Total	**26 448**	**14 145**

(ii) Foreign exchange risk

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

At 30 June 2020, if the US$ had weakened/strengthened by 20% (2019: 20%) against the South African Rand with all other variables held constant, post-tax profit for the year would have been US$2.04 million (2019: US$2.03 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of ZAR denominated trade payables. Profit is more sensitive to movements in ZAR exchange rates in 2020 than 2019 because of the increased amount of ZAR denominated monetary assets and liabilities.

At 30 June 2020, if the US$ had weakened/strengthened by 50% (2019: 50%) against the Zimbabwe Dollar with all other variables held constant, post-tax profit for the year would have been US$2.11 million (2019: 1.34 million) 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 the bank overdraft and borrowings. The bank overdraft and borrowings issued at variable rates expose the Group to cash flow interest rate risk. Bank borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's bank overdraft and borrowings are at variable interest rates and are denominated in ZW$ and US$ respectively. A treasury committee meets each month to discuss various scenarios including cash flow forecasts and projections, allocations of funds and other treasury related issues.

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

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.

Interest rate risk sensitivity analysis

The table below indicates the sensitivity to a 20% (2019: 1%) change in interest rates on the bank overdraft and bank borrowings, with all other variables held constant, of the Group's profit before income tax.

	2020 US$ 000	2019 US$ 000
Interest rate change		
20% (2019: 1%) increase	509	425
20% (2019: 1%) decrease	(509)	(425)

32.2.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge a contract. Credit risk potentially arises from cash and cash equivalents, deposits with banks or financial institutions and trade and other receivables. The Group's cash and balances with banks are placed with high credit quality financial institutions. The sole customer of the Group is Impala based in South Africa, which is a fellow wholly owned subsidiary of Impala Platinum Holdings Limited, the majority shareholder of the Company. Based on historic default rates, there have been no impairments necessary (2019: US$ nil) against trade receivables. The credit quality of the sole customer is considered to be sound and management does not expect any losses from non-performance.

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

	2020 US$ 000	2019 US$ 000
Trade and other receivables (excluding value added tax)	282 907	203 271
Other financial assets	301	2 332
Cash and balances with banks (excluding cash on hand)	135 795	66 985
	419 003	272 588

Credit quality of financial assets

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

Other receivables at amortised cost

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

Notes to the financial statements *(continued)*

For the year ended 30 June 2020

Cash and balances with banks 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	
	2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
AA+	-	8 335	-	8 335
AA	69 816	-	-	-
AA-	-	2 914	-	-
A+	19 800	-	16	-
A	3	82	-	-
A-	-	14	-	14
BBB+	-	14 605	-	-
BB+	-	41 035	-	-
BB	993	-	-	-
BB-	45 183	-	45 177	-
	135 795	66 985	45 193	8 349

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

32.2.3 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 *(continued)*

For the year ended 30 June 2020

Group At 30 June 2020	On demand and up to 6 months US$ 000	6 months to 1 year US$ 000	1 year to 2 years US$ 000	2 years to 5 years US$ 000	Total contractual cash flows US$ 000	Total carrying amount US$ 000
Liabilities						
Lease liabilities	907	950	2 042	734	4 633	4 633
Bank overdraft	7 275	-	-	-	7 275	7 275
Trade and other payables (excluding statutory liabilities and provisions)	72 622	-	-	-	72 622	72 622
Total liabilities	80 804	950	2 042	734	84 530	84 530
Assets						
Trade and other receivables (excluding value added tax)	283 125	94	40	-	283 259	283 259
Cash and balances with banks	135 817	-	-	-	135 817	135 817
Total assets	418 942	94	40	-	419 076	419 076
Liquidity surplus/(gap)	338 138	(856)	(2 002)	(734)	334 546	334 546
Cumulative liquidity surplus	338 138	337 282	335 280	334 546	-	
At 30 June 2019						
Liabilities						
Bank 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	713	915	445	205 603	205 603
Cash and balances with banks	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	-	

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

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

32.3 Capital risk management

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

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

The Group monitors the debt-to-equity ratio. This ratio is calculated as net debt divided by equity. The Group excludes leases in its determination of net debt. Net debt to equity ratio as at 30 June 2020 was nil% (2019: nil%)

AP Accounting Policy

Financial Instruments – General accounting policy

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.

Financial assets

Classification

The Group classifies its financial assets in the following categories on the basis of both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets:

- Financial assets at fair value through profit or loss; and
- Financial assets at amortised cost.

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.

Financial asset measured 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 calculated on the effective interest rate method. Any gain or loss arising on derecognition is presented in other income and expense and foreign exchange gains and losses presented in foreign exchange transaction losses, directly in profit or loss. These assets with maturities greater than 12 months after the reporting date are classified as non-current assets.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Financial liabilities at fair value through profit or loss are subsequently measured at fair value.

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

33 RELATED PARTIES

The Company is controlled by Impala Platinum BV 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 BV.

33.1 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 2020

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$371 000 (2019: US$364 000). Remuneration to executive directors and key management presonnel is analysed as follows:

	2020 US$ 000	2019 US$ 000
Short-term employee benefits	10 282	10 825
Post-employment benefits	1 033	1 010
Share-based payments	8 694	1 240
Termination benefits	-	806
	20 009	13 881

33.2 Related party transactions and balances

The following transactions were carried out with related parties:

	Group		Company	
	2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
a) Revenue				
Sales of metal products to:				
Impala Platinum Limited (note 19)	868 912	630 987	-	-
Dividend income from Zimbabwe Platinum Mines (Private) Limited	-	-	81 000	59 627
	868 912	630 987	81 000	59 627
b) Support services				
Services rendered to Zimbabwe Platinum Mines (Private) Limited by Impala Platinum Limited	1 207	2 086	-	-

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

Notes to the financial statements *(continued)*
For the year ended 30 June 2020

		Group		Company	
		2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
c)	**Amounts due from related parties**				
	Impala Platinum Limited: trade receivables (note 9)	280 457	199 631	-	-
	Zimbabwe Platinum Mines (Private) Limited: dividends (note 9)	-	-	-	25 500
		280 457	199 631	-	25 500

The amounts due from Impala Platinum Limited are due three to five months after the date of sale. The trade receivables bear no interest.

The amounts due from Zimbabwe Platinum Mines (Private) Limited bear no interest.

		Group		Company	
d)	**Amounts due to related parties**				
	Impala Platinum Limited (note 17)	10 723	10 986	-	-

The amounts due to Impala Platinum Limited bear no interest and they are payable within 30 days of receipt of invoice, subject to exchange control approval.

		Group		Company	
		2020 US$ 000	2019 US$ 000	2020 US$ 000	2019 US$ 000
34	**DIVIDENDS**				
	Amounts recognised as distributions to equityholders in the year:				
	Final dividend for the year ended 30 June 2019	45 000	-	45 000	-
	Interim dividend for the year ended 30 June 2019	-	20 000	-	20 000
	Final dividend for the year ended 30 June 2018	-	65 001	-	65 001
		45 000	85 001	45 000	85 001

AP Accounting policy

Dividends

Dividends are recognised as a liability on the date on which such dividends are 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 as a non-adjusting event after the reporting period.

35 EVENTS AFTER THE REPORTING PERIOD

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

Shareholder and Other Information


SPECTRO ARCOS
DELL
DELL

Analysis of Shareholders

Shareholding
Shareholding information is current at 30 June 2020.

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
Citicorp Nominees Pty Limited	5 981 715	5.56

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 10 November 2020 (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	5 981 715	5.56
3	J P Morgan Nominees Australia Pty Limited	3 881 180	3.61
4	HSBC Custody Nominees (Australia) Limited	2 531 874	2.35
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	Tierra De Suenos SA	112 312	0.10
9	Mr Hugh Farmer	72 000	0.07
10	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	63 946	0.06
11	CS Third Nominees Pty Limited <HSBC Custody Nominees Australia LTD 13 A/C>	51 097	0.05
12	Montana Finance Corp Pty Ltd	41 000	0.04
13	Swiss Trading Overseas Corp	40 516	0.04
14	BNP Paribas Noms Pty Ltd <Drp>	23 496	0.02
15	Mr Wilhelm Kuhlmann	16 000	0.01
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	Phil Taylor Studios Pty Ltd	12 312	0.01
20	RHB Securities Singapore Pte Ltd <Clients A/C>	11 910	0.01
	TOTAL	**107 094 287**	**99.50**

Analysis of Shareholders *(continued)*

Rank	Number of shares	% of issued share capital
1 to 20	107 094 287	99.50
21 to 40	151 355	0.14
41 to 60	91 962	0.09
61 to 80	40 282	0.04
81 to 100	40 359	0.04
101 to 120	31 819	0.03
Other	187 585	0.16
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	427	135 334	0.12
1 001 to 5 000	123	256 673	0.24
5 001 to 10 000	20	151 355	0.14
10 001 to 100 000	12	376 764	0.35
100 001 to 1 000 000 000	8	106 717 523	99.15
Total	**590**	**107 637 649**	**100.00**

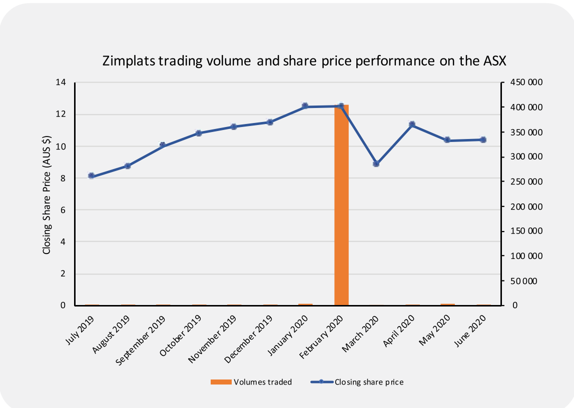
In terms of the definition under the Australian Stock Exchange (ASX) Listing Rule 4.10.8, the number of shareholders holding less than marketable parcel (US$500) of ordinary shares is 69 (2019: 51).

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% (2019: 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 twentieth annual general meeting ("the meeting") of the members of Zimplats Holdings Limited ("Zimplats" or "the Company") will be held at the offices of Impala Platinum Holdings Limited, 2 Fricker Road, Illovo, Johannesburg, South Africa, and also virtually at https://78449.themediaframe.com/links/zimplats201112.html, on Thursday 12 November 2020 at 11:30am South African time (GMT+2) 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 2020.

2. To appoint Deloitte & Touche (Zimbabwe) as independent auditors of the Company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company.

3. To approve the audit fees of US$26 500 for the year ended 30 June 2020.

4. To approve an increase in non-executive directors' fees effective 1 July 2020.

5. Election of directors:
   (a) To re-elect Mr N J Muller as a director.
   (b) To re-elect Dr D S M Shoko as a director.
   (c) To elect Mrs P Zvandasara as a director.

NOTES

1. In view of the impact of the COVID-19 pandemic and the restrictions placed on travel and numbers in respect of public gatherings, in the interests of the health and safety of all stakeholders, and in full support of the legislative and other measures put in place to curb the spread of the virus, the meeting of the members of the Company will be held virtually via an online platform which allows members to participate electronically in real time. Members are referred to pages 4 – 5 of this notice (pages 197-198 of the integrated annual report) for specific details of how to register, vote, and participate in the virtual meeting.

2. The reference to the geographical address for the holding of the meeting is in compliance with the requirements of the Companies (Guernsey) Law, 2008 (as amended) ("the Companies (Guernsey) Law"), as read with the Company's Articles of Incorporation ("the Articles"), Article 12.3, as it relates to a quorum for the meeting.

3. Holding of the meeting virtually is permitted in terms of Article 11.1 of the Articles of Incorporation as read with the Companies (Guernsey) Law.

4. Pursuant to the law of the Island of Guernsey, Zimplats has determined that, for the purpose of the 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 (GMT+2) on Tuesday 10 November 2020 ("the Entitlement Time"). The transfer secretaries, Computershare Investor Services Proprietary Limited, have been retained to assist the Company to host the meeting on an interactive platform, in order to facilitate electronic registration, participation and prior voting by shareholders.

5. All holders of ordinary shares in Zimplats at the Entitlement Time are entitled to attend (albeit virtually, as explained in note 1 above) and are required to vote ahead of the meeting in accordance with the voting procedures set out in the notes below and on the Proxy Information Sheet.

Notice of Annual General Meeting *(continued)*

6. The cost of electronic participation in the meeting is for the expense of the participant (shareholder or proxy) and will be billed separately by the participants' own service provider. The participant acknowledges that the electronic communication services are provided by third parties and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from any use of the electronic services or any defect in it/them or from total or partial failure of the electronic services and connections linking the participant via the electronic services to the meeting.

7. The Company cannot guarantee that, on the day of the meeting, there will not be a break in electronic communication that is beyond the control of the Company.

EXPLANATORY NOTE TO RESOLUTIONS

RESOLUTION 1 – RECEIVE AND CONSIDER THE ANNUAL FINANCIAL STATEMENTS, THE DIRECTORS' REPORT AND THE REPORT OF THE INDEPENDENT AUDITORS

Resolution 1, which is an ordinary resolution, proposes that the annual financial statements, the directors' report and the report of the independent auditors for the year ended 30 June 2020 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 AUDITORS 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, shareholders are required to approve the appointment of the Company's auditors each year to hold office until the next annual general meeting of the Company.

Deloitte & Touche (Zimbabwe) have indicated that they are in a position to accept appointment as independent auditors of the Company for the year ending 30 June 2021.

Directors' recommendation

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

RESOLUTION 3 – APPROVE THE AUDIT FEE OF US$26 500 FOR THE YEAR ENDED 30 JUNE 2020

Resolution 3, which is an ordinary resolution, proposes that the audit fees of US$26 500 for the year ended 30 June 2020 be approved. In accordance with section 259 of the Companies (Guernsey) Law, shareholders are required to approve the remuneration of the Company's auditors. The audit fee is in respect of services rendered for the external audit of the Company for the year ended 30 June 2020.

Directors' recommendation

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

Notice of Annual General Meeting *(continued)*

RESOLUTION 4 – APPROVE THE INCREASE IN NON-EXECUTIVE DIRECTORS FEES EFFECTIVE 1 JULY 2020

Resolution 4, which is an ordinary resolution, proposes that the remuneration of the non-executive directors for their services be revised upwards in line with market benchmarks, effective 1 July 2020 as follows:

	Current annual fee (FY2020) US$	Proposed annual fee (FY2021) US$	% increase
BOARD FEES			
Chairperson	76 950	82 337	7
Deputy Chairperson	52 820	55 461	5
Non-executive director	38 475	40 399	5
COMMITTEE FEES			
Audit and Risk Committee			
Chairperson	21 010	22 061	5
Member	10 974	11 523	5
Remuneration Committee			
Chairperson	19 213	20 173	5
Member	10 477	11 000	5
Safety, Health, Environment and Community Committee			
Chairperson	19 213	20 173	5
Member	10 477	11 000	5

a) FY in this notice refers to the financial year for the Company which ends on 30 June.
b) Board fees are not based on attendance.
c) Committee fees are payable based on attendance.
d) The proposed increase falls within the aggregate threshold of US$600 000 approved by members at the 2012 annual general meeting.

Directors' recommendation

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

RESOLUTION 5 – ELECTION OF DIRECTORS

Resolutions 5(a) and 5(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 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.

Notice of Annual General Meeting *(continued)*

Resolution 5(c), which is an ordinary resolution, proposes the election of a director who was appointed during the year and who is offering herself for election. In terms of article 15.5 of the Articles, a director appointed during the year will retire at the next following annual general meeting and will be eligible for election.

The board of directors believe that these directors who are retiring, and who are offering themselves for election, should continue to be directors of the Company as they bring wide, current and relevant business experience that allows them to contribute effectively to the leadership of the Company.

(a) Re-election of Mr N J Muller as a director of the Company

Mr Nicolaas Johannes Muller, BSc (Mining Engineering)

Mr Muller was appointed to the board on 1 May 2017. He is the chief executive officer of Impala Platinum Holdings Limited. He has a mining career spanning over a period of 30 years that has exposed him to multiple commodities including platinum.

(b) Re-election of Dr D S M Shoko as a director of the Company

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

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

(c) Election of Mrs P Zvandasara as a director of the Company

Mrs Patricia Zvandasara, FCA (Z), CA (SA), Masters in Leadership (Innovation and Change) (MALIC) (York St John University)

Mrs Zvandasara joined the Group on 1 November 2019 as chief finance officer and she was appointed to the board on 12 November 2019. She is an experienced executive who has previously served in various leadership positions.

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 Muller and Dr Shoko and the election of Mrs Zvandasara, having regard to their respective qualifications to act as directors of your Company.

REGISTRATION TO PARTICIPATE IN THE MEETING

1. Register using the online registration portal https://78449.themediaframe.com/links/zimplats201112.html by no later than 10 November 2020. Kindly note that when registering, you shall be required to provide shareholder or proxy information as prompted to enable verification.

2. Contact 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 Carey Commercial Limited ("the Company Secretaries"), 1st & 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1 EW, or email : info@wearecarey.com by no later than 10 November 2020, in order for the transfer secretaries and Company Secretaries to verify the shareholder/proxy credentials submitted by shareholders.

Notice of Annual General Meeting *(continued)*

APPOINTMENT OF PROXIES AND VOTING BY PROXY

1. To appoint a representative or chairman as your proxy go to the Investor Vote portal www.investorvote.au where you will be able to view the notice of the meeting and other relevant meeting documentation and direct your proxy how to vote at the meeting. Proxy appointments submitted through the link above must be received no later than 11:30am (South African Standard Time) (GM +2) on Tuesday, 10 November 2020.

2. Custodians and/or 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 Tuesday 10 November 2020.

3. Corporate and institutional shareholders (companies, trusts, societies etc) are required to email a scanned copy (in PDF/JPG format) of the relevant "Appointment of Corporate Representative" to Computershare or the Company Secretaries, whose details appear in note 2 under the "Registration to Participate in the Meeting" section above, by no later than Tuesday 10 November 2020. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab "Printable Forms".

VOTING

1. Vote for or against the resolutions in the notice, by no later than 48 hours before the meeting (being 11:30am South African Standard Time) on Tuesday 10 November 2020 on www.investorvote.au.

2. Shareholders are to note that no voting shall take place during or on the date of the meeting, however, members shall be able to participate in the meeting. The Company will beam a live webcast of the proceedings of the meeting at https://78449.themediaframe.com/links/zimplats201112.html. Members and/or their proxies will be able to submit their questions prior to and/or during the meeting on the aforementioned online platform.

3. Members may visit the Company's corporate website www.zimplats.com to view the financial statements or access information pertaining to the Company.

QUESTIONS AND REQUESTS FOR ASSISTANCE

Queries and requests for assistance can be directed to the following call numbers, open Monday to Friday, 8:30am to 7:00pm AEDT:-

(a) Within Australia: 1 300 850 505

(b) Outside Australia : +61 3 9415 4000

GENERAL INFORMATION

1. There will be one vote for every member number/registered folio number, irrespective of the number of joint holders.

2. The results of voting will be declared within 48 hours of the conclusion of the meeting and the Resolutions will be deemed to be passed on the date of the meeting, subject to receipt of the requisite number of votes. The declared meeting results, along with the Scrutinizer's Report, will be available forthwith on the Company's corporate website www.zimplats.com under the section "Investor Relations" and on the ASX website.

Zimplats Application of King IV Code Principles

Principle No.	Governance Outcome	Principle	Application
1	Ethical leadership	The governing body should lead ethically and effectively	The board is committed to achieving the highest standards of corporate governance and ensuring strong ethical behaviour across the Group. All board members are required to comply with the Terms of Reference which embody the ethical characteristics listed in King IV. The Company's corporate governance practices are reviewed frequently in view of changes within the Group, and international developments in respect of corporate governance best practice, in order to pro-actively adapt the corporate governance practices to the Group, should it be in the best interest of the Group and its wider stakeholders to do so.
2	Organisational ethics	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	The board provides effective leadership on an ethical foundation. The board also ensures that the Group's ethics are managed effectively. To this end, a formal risk and governance framework and policy has been established and is continuously implemented. The Group's policies are published on both the internal and external websites of the Company and are incorporated in supplier and employee contracts. The Group's Code of Ethics is a guide for all employees to follow when facing questions of business ethics. The Group has developed a Whistleblowing policy which will be reviewed and approved by the board annually. Currently the Group has an independent audit firm which manages whistleblowing activities and also ensures that they are monitored by the Audit and Risk Committee at each quarterly meeting. The board further ensures that the company's ethics performance is assessed, monitored, reported and disclosed.
3	Responsible corporate citizenship	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen	The board ensures that the Group is and is seen to be a responsible corporate citizen. It ensures that in formulating the Group's strategy, it considers a full range of issues that influence the sustainability of the business, create value over the long term and considers the social, economic, and natural environments in which the Group operates. The Group has an approved a Corporate Social Responsibility Policy which provides oversight of the Group's activities relating to responsible corporate citizenship.

Zimplats Application of King IV Code Principles *(continued)*

Principle No.	Governance Outcome	Principle	Application
4	Strategy and performance	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process	The board contributes to and approves the mission, vision and strategy and satisfies itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management and considering sustainability as a business opportunity that guides strategy formulation. The executive management team attended a strategy session ahead of the beginning of the year and presented a five-year business plan hinged on the values and long-term strategic thrust of the Company, which was approved by the board.
5	Reporting	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.	The board, assisted by its committees, will oversee that the various reports are compliant with legal reporting requirements and meet the reasonable and legitimate needs of the stakeholders. The board ensures the integrity of the Group's integrated report on an annual basis.
6	Role and responsibilities of the governing body	The governing body should serve as the focal point and custodian of corporate governance in the organisation.	The board has overall responsibility for corporate governance across the Group and it operates within a defined governance framework, which incorporates the board charter that ensures its roles, responsibilities and accountability are documented and adhered to, which includes responsibilities relating to corporate governance. The board is supported by various board committees which have delegated responsibility to assist it to fulfil certain specific functions. The board committees report to the board at every board meeting. The board Charter, the board and Committees' Terms of Reference are reviewed annually.
7	Composition of the governing body	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.	The board considers, on a regular basis, the composition, balance of skills, experience, race and gender diversity, independence and knowledge of the board in order to determine their effectiveness to discharge their duties as board members The board has as part of its strategic thrust adopted a gender diversity policy to ensure diversity, including that of backgrounds, experience, skills, geography, race, age, and gender, and ensuring that this diversity is also reflected in its composition.

Zimplats Application of King IV Code Principles (continued)

Principle No.	Governance Outcome	Principle	Application
8	Committees of the governing body	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.	The board has delegated certain functions to its committees in line with its board charter and relevant legislation. Each committee comprises an experienced non-executive chairman, non-executive directors and where necessary, independent non-executive directors. In determining the composition of committees, the board considers the skills and experience of its members, applicable regulations, and the committee mandate. All committees have terms of reference approved by the board. The committees terms of reference deal with composition; objectives, purpose and activities; delegated authorities - including the extent of power to make decisions; tenure; and reporting mechanism to the board.
9	Evaluations of the performance of the governing body	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	The remuneration committee oversees evaluation of the board and the individual directors. The chairman of the board can engage with each individual board members on a regular basis, as well as to discuss any areas of concern or improvement.
10	Appointment and delegation to management	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities	The board conforms to this principle. Board authority is conferred on management through the chief executive officer. The Group Approval Framework sets out the approvals required for the various company activities.
11	Risk governance	The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.	The board delegates to management to continuously identify, assess, mitigate and manage risks within the existing operating environment. Mitigating controls are in place to address these risks, which are monitored on a continuous basis. The audit and risk committee review the risk management progress and maturity of the Company, the effectiveness of risk management activities, the key risks facing the Company, and the responses to address these key risks.
12	Technology and information governance	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	The board has delegated this authority to the audit and risk committee, and it is a standing item on the audit and risk committee agenda. The audit and risk committee ensure that the information, communication and technology (ICT) framework is in place and that an ICT Charter and policies are established and implemented. A detailed information, communication and technology risk assessment is performed on a yearly basis across the Group with key strategic risk themes highlighted in the risk enterprise register.

Zimplats Application of King IV Code Principles (continued)

Principle No.	Governance Outcome	Principle	Application
13	Compliance governance	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen	The board is assisted by the Audit and Risk Committee in order to oversee the governance of compliance. Compliance falls within the risk matrix and forms part of the business risk management process. On a quarterly basis the Audit and Risk Committee reviews the Compliance Risk Management Workplan and approves the activities to be undertaken.
14	Remuneration governance	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	The board, assisted by the Remuneration Committee, ensures that the Group adopts remuneration policies and practices that are aligned with the Group strategy, promote sound risk management, create value for the group over the long term. It reviews the remuneration policies regularly to ensure that the design and management of remuneration practices motivate sustained high performance, promote appropriate risk-taking behaviour and are linked to individual and corporate performance. The Group's remuneration policy has been established to promote the achievement of strategic objectives and encourage individual performance and it follows the internationally recognised practice combining short term remuneration with long term incentives in order to compete for skilled resources in the short term and to align executive and senior management with long term value creation for shareholders.
15	Assurance	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	The board, assisted by the Audit and Risk Committee, ensures that the Group applies a combined assurance model to provide a coordinated approach to all assurance activities. It reviews the plans and work outputs of the external and internal auditors and assesses their adequacy to address all significant financial risks facing the business. The independence of the external and internal auditors is measured annually.
16	Stakeholders	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	Stakeholder engagement activities are governed by a stakeholder engagement policy approved by the board which delegates the management of relationships with specific stakeholder groups to management. The board encourages proactive engagement with shareholders, including engagement at the annual general meeting (AGM). All directors are present at the AGM to respond to shareholder queries on how the board executed its governance duties. The designated partner of the audit firm also attends the AGM.

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	24, 32
102-15	Key impacts, risks and opportunities	Fully	Sustainability matters	55-65
Organisational Profile				
102-1	Name of the organisation	Fully	• Scope of this report • About this integrated report • Business profile	Inside front cover, 6, 11
102-2	Activities, brands, products, and services	Fully	• Business profile • Directors report • Financial statements	11, 127, 145
102-3	Location of headquarters	Fully	• Business profile • Financial statements • Contact details	11, 145, 219
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	11, 12
102-5	Nature of ownership and legal form	Fully	• Business profile • Corporate structure • Financial statements • Analysis of shareholders	11, 16, 188, 192, 193
102-6	Markets served (including geographic breakdown, services and types of customers/beneficiaries)	Fully	• Business profile • Financial statements	11, 172, 188
102-7	Scale of the reporting organisation	Fully	• Business profile • Locations and operations	11, 12
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	11, 38, 43, 92
102-41	Report the percentage of total employees covered by collective bargaining agreements	Fully	Sustainability matters	92
102-9	Describe the organisation's supply chain	Fully	Sustainability matters	68, 69, 70

Global Reporting Initiative (GRI) Index *(continued)*

GRI 102: General Disclosures 2016	Description	Reporting level	Cross reference/Direct answer/ Notes	Page number
Organisational Profile				
102-10	Significant changes during the reporting period regarding size, structure, or ownership	Fully	• Scope of this report • Business profile • Corporate structure	Inside front cover, 11, 16
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)	55-65, 83, 85, 87, 88
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	45, 46, 81
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)	67, 81, 83
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 5 of the financial statements	6, 145, 155
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 front cover, 6, 55
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 front cover, 6, 55
103-1	Explanation of the material topic and its boundary	Fully	• Value creation model • Our strategy • Sustainability matters	14, 15, 56, 57, 66, 67, 68

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	3
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	3
Stakeholder Engagement				
102-40	Provide a list of stakeholder groups engaged by the organisation	Fully	Sustainability matters	66 - 68
102-42	Basis for identification and selection of stakeholders with whom to engage	Fully	Sustainability matters	66
102-43	Approaches to stakeholder engagement, including frequency of engagement by type and stakeholder group	Fully	Sustainability matters	66 - 68
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	67, 68
Report Profile				
102-50	Reporting period (e.g. fiscal/calendar year) for information provided	Fully	About this integrated report	6
102-51	Date of most recent previous report	Fully	About this integrated report	6
102-52	Reporting cycle (such as annual, bi-annual)	Fully	Integrated report is published annually	6
102-53	Contact point for questions regarding the report or its contents?	Fully	About this integrated report	7
102-54	Claims of reporting in accordance with the GRI Standard		• Scope of this report • Sustainability matter	Inside front cover, 55
102-55	GRI content index	Fully	GRI index	203 - 207
102-56	Policy and current practice with regard to seeking independent assurance for the report		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	210 - 214
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		Corporate governance report	113 - 120

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	18 - 20 112 - 120
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	18, 115
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	111 - 124
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	8, 9, 56, 57, 123, 124
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	123, 124
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	25, 27, 28, 33, 38, 39, 42, 43, 141, 142
201-1	Direct Economic value generated and distributed	Fully	• Chairman's letter • Cash utilisation	25, 27, 28, 33, 38, 39, 42, 43, 141, 142
Aspect: Procurement Practices				
103-2	Management approach and its components	Fully	• Chairman's letter • Achievements FY2020 • Sustainability matters • Corporate governance report	27, 45, 70, 120
204-1	Proportion of spending on local suppliers at significant locations of operation	Fully	• Chairman's letter • Five year review • Achievements FY2020	27, 43, 45
SOCIAL: LABOUR PRACTICES AND DECENT WORK				
Aspect: Occupational Health and Safety				
103-3	Evaluation of the management approach	Fully	Sustainability matters	91 - 94

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	25, 26, 33, 34, 76
ENVIRONMENTAL				
Aspect: Materials				
103-3	Evaluation of the management approach	Fully	Sustainability matters	85, 90
301-1	Material used by weight and volume	Yes	Sustainability matters	90
Aspect: Energy				
103-3	Evaluation of the management approach	Fully	Sustainability matters	85
302-1	*Energy consumption within the organisation	Yes	Sustainability matters	86
302-2	*Energy consumption outside the organisation	Yes	Sustainability matters	86
Aspect: Water				
103-3	Evaluation of the management approach	Fully	Sustainability matters	83, 84
303-1	Total water withdrawal by source.	Yes	Sustainability matters	84
303-3	Percentage and total volume of water recycled and reused	Yes	Sustainability matters	84
Aspect: Emissions				
103-3	Evaluation of the management approach	Fully	Sustainability matters	85, 86
305-1	*Direct Greenhouse Gas (GHG) Emissions - Scope 1	Yes	Sustainability matters	86
305-2	*Energy Indirect Greenhouse Gas (GHG) Emissions - Scope 2	Yes	Sustainability matters	86
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	26, 34, 82

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 2020

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 2020 (the Report) is not prepared, in all material respects, in accordance with Zimplats' internally developed measurement and reporting criteria applied to prepare that information; and.
- Zimplats' assertion that the Report is in accordance with the GRI Standards: Core Option included on page 2 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 KPIs described below presented in Zimplats' Integrated Annual Report for the year ended 30 June 2020 (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 Injury Frequency Rate (TIFR), Lost Time Injury Frequency Rate (LTIFR), and total number of work-related fatalities
- GRI201-1: Direct economic value generated and distributed (Community Social Investments (CSI) only
- GRI301-1: Materials used by weight or volume
- GRI302-1: Energy consumption within the organisation
- GRI303-3:Total water withdrawal by source
- GRI305-1: Direct (Scope 1) and -EN16: Indirect (Scope 2) GHG Emissions
- GRI307-1:Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

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 2020 *(continued)*

These selected KPIs, prepared and presented in accordance with management's internally defined measurement and reporting criteria (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.

Management's internally developed measurement and reporting criteria for these selected KPIs are available in the Glossary and in the footnotes to the text.

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.

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 2020 *(continued)*

Our independence and quality control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants as well as the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Service Engagements, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to perform our limited assurance engagement to express our conclusion on whether anything has come to our attention that causes us to believe that:

- the selected KPIs and related disclosures as presented in the Report are not prepared, in all material respects, in accordance with management's internally developed measurement and reporting criteria for those KPIs; and
- Zimplats' assertion contained in the Report that the Report is in accordance with the 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.

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 2020 *(continued)*

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:
  - Governance and accountability of relevant sustainability issues
  - Objectives and priorities for embedding and managing sustainability expectations and the progress against these
  - The processes for reporting progress and providing internal assurance to management on sustainability issues
  - The 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);
- Performing analytical procedures to evaluate the relevant data generation and reporting processes against management's measurement and reporting criteria.
- Inspecting the GRI content index prepared by management to assess presentation of the Report in accordance with the core-level GRI Standards.
- Inspecting supporting documentation on a sample basis, to corroborate the statements of management and senior executives in our interviews.
- Evaluating the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation and application of the selected sustainability information subject to assurance.
- Evaluating 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. This will include challenging and reviewing the Report to assess its content for coverage of material issues and consistency with observations made of processes and progress. As part of this, we will seek supporting documentation for a sample of claims made in the Report.
- Preparing our assurance statement for inclusion in the Report. The statement will be structured to meet the requirements for a limited assurance engagement report under ISAE3000 (Revised) and ISAE3410,
- Providing overall project management and feedback on relevant observations to the reporting team and selected sustainability information data owners at key stages throughout the engagement. At the end of the engagement we will prepare a summary management comment letter.

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.

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 2020 *(continued)*

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 of use and 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 2020`, 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 Chartered Accountants (Zimbabwe)
Partner: David Marange
PAAB Practising Certificate Number 0436
Registered Public Auditor
Chartered Accountant (Zimbabwe)

Ernst & Young
PO Box 702
Harare
Zimbabwe

29 September 2020

General Information and Glossary of Terms

- 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 and Glossary of Terms *(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 and Glossary of Terms *(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 and Glossary of Terms *(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 2020/2021

2020 calendar year	
FY2020 year-end	30 June 2020
June 2020 quarterly activities report released	31 July 2020
FY2020 Integrated annual report released	30 September 2020
Annual general meeting	12 November 2020
2021 calendar year	
September 2020 quarterly activities report released	31 October 2020
December 2020 quarterly activities report released	31 January 2021
December 2020 half yearly report and accounts released	28 February 2021
March 2021 quarterly activities report released	30 April 2021
FY2021 year-end	30 June 2021
June 2021 quarterly activities report released	31 July 2021
Release of FY2020 results	31 August 2021
FY2021 Integrated annual report released	September 2021
September 2021 quarterly activities report released	31 October 2021
Annual general meeting	October 2021

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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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