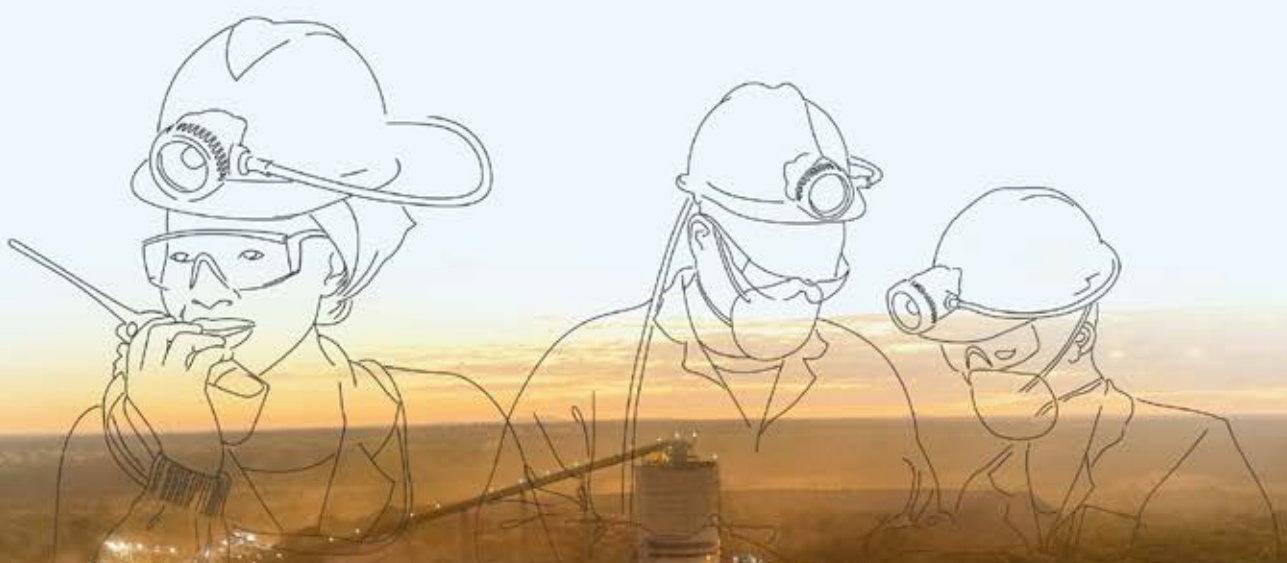
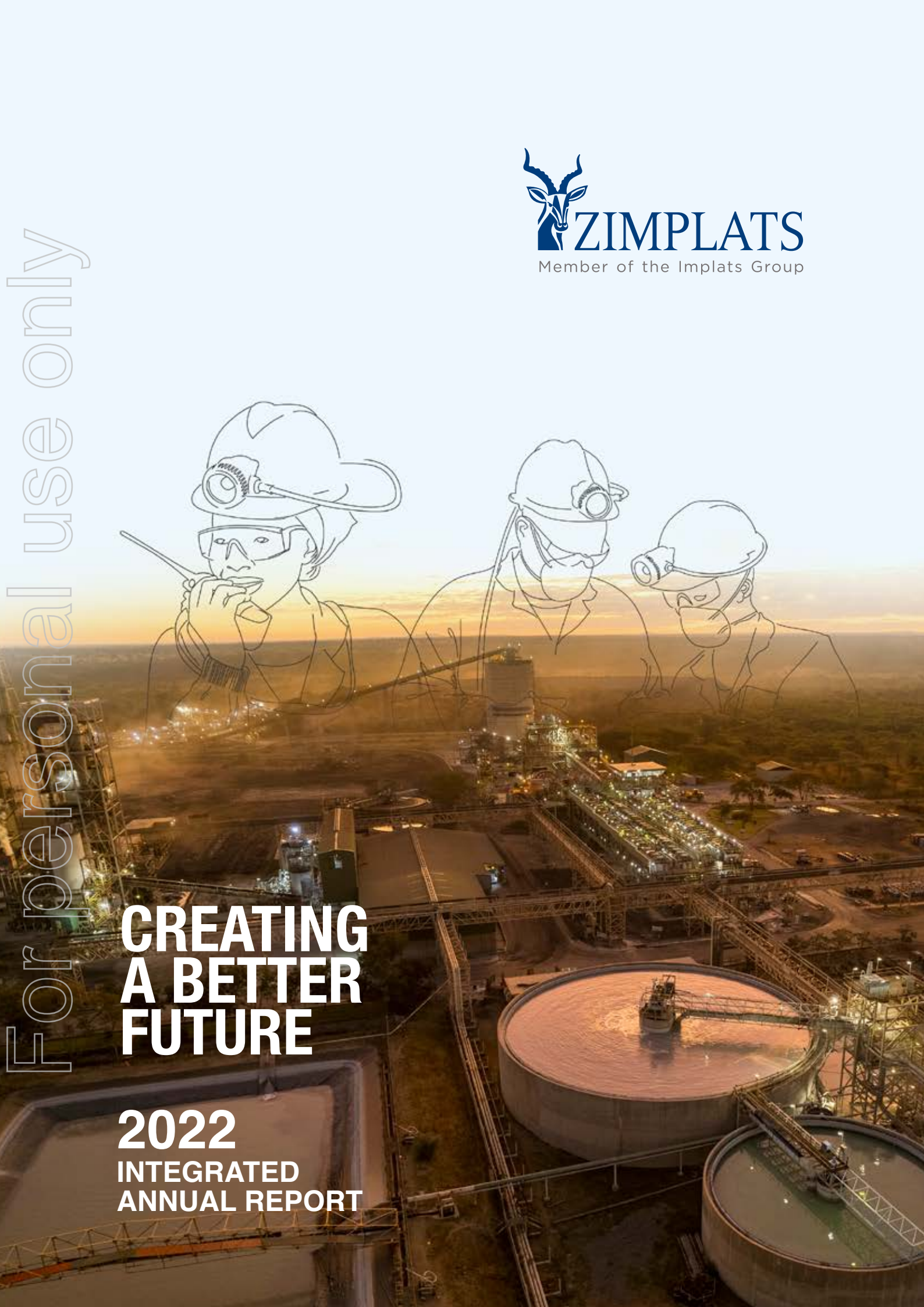


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# CREATING A BETTER FUTURE

**2022**  
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, Fourth Edition (the ASX Corporate Governance Principles and Recommendations) 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 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 covers the approach taken to address 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 (GRI) 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 206 to 209 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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# About this Integrated Report

This integrated annual report covers the financial year from 1 July 2021 to 30 June 2022 and is prepared for Zimplats Holdings Limited ('Zimplats' or the 'Company') and its subsidiaries (together, the 'Group') in all regions. The reporting cycle is annual with the last report having been published in September 2021.

## 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 process we follow through the way we conduct our business to deliver positive outcomes for all stakeholders. Our value-creation model is embedded in our business purpose (pages 12 and 13).

### Materiality and material matters

In compiling our integrated report, we applied the principle of materiality for quantitative and qualitative impact assessment on sustainability matters.

## OUR CAPITAL

The value we create today and in the future is dependent on our ability to use capital to deliver outputs and outcomes in a sustainable way.



### Financial

Pursuing value creation through sustaining and leveraging a strong and flexible balance sheet under a prudent capital allocation framework.



### Intellectual

Our innovation capacity, reputation and strategic partnerships.



### Environmental, social and governance (ESG)

Our citizenship and strong stakeholder relationships as we recognise the role that we play and our responsibilities in the ESG sphere.



### Human

The health and safety of our people, investment in their development to enable innovative and competitive solutions for our operations.



### Manufactured

Our physical assets, business structure and operational processes.

## 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](http://www.zimplats.com)

Please address any queries or comments on this report to [info@zimplats.com](mailto:info@zimplats.com) or [patricia.zvandasara@zimplats.com](mailto:patricia.zvandasara@zimplats.com)



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# Our Purpose, Vision and Values



## Our purpose

**Creating a better future**

We seek to create a better future – through the way we do business, the metals we produce and superior economic performance – to improve the lives of future generations



## Our vision

To be the most valued and responsible metals producer, creating a better future for our stakeholders



## Our values

**Respect. Care. Deliver.**

### Respect

We believe in ourselves  
We work together as a team  
We take ownership of our responsibilities  
We are accountable for our actions

### Care

We set each other up for success  
We care for the environment  
We work safely and smartly  
We make a positive contribution to society

### Deliver

We play our A-game everyday  
We go the extra mile  
We learn, adapt and grow  
We create a better future

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## Where We Came From



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



- Zimplats embarked on the US\$340 million Phase 1 expansion project, increasing mining and concentrator capacity to 4.2Mtpa. A 2.0Mtpa Bimha Mine and concentrator module plant were established at Ngezi Mine
- Zimplats embarked on the US\$492 million Phase 2 expansion, development of a 4<sup>th</sup> underground mine (Mupfuti Mine) and concentrator module at Ngezi, to increase production to 6.2Mtpa nameplate capacity. Phase 2 expansion included construction of 30 500ML Chitsuwa dam and employee houses and associated infrastructure at Ngezi
- Zimplats released 36% of its ground to the Government of Zimbabwe in return for anticipated cash and empowerment credits
- Terminated open pit operations

2000

2001-2005

2006-2010

- Zimplats established open-pit mine at Ngezi (2.2Mtpa) with investment from shareholders and resuscitated SMC Concentrator and Smelter
- Implats increased shareholding to 87% in Zimplats



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



- Development of Mupani Mine (replacement mine for Rukodzi in FY2022 and Ngwarati Mine in FY2025) ahead of schedule
- Embarked on Phase 3A Ngezi Third Concentrator plant at a cost of US\$104 million with name plate capacity of 0.9Mtpa. Project is scheduled for commissioning in first quarter FY2023
- Implementation of SMC Concentrator TSF Project to sustain the operation at the termination of the existing TSF when it reaches its maximum design height of 43m
- Commenced bankable feasibility studies for Sulphur dioxide emissions abatement and Smelter expansion
- Progressed with bankable feasibility studies for resuscitating the mothballed Base Metal Refinery at SMC
- Implementation of employee houses project in Turf (Ngezi additional) and Chegutu (SMC employees)

**2011-2015**

**2016-2020**

**2021-2022**

- Achieved Bimha Mine design capacity after redevelopment
- Surpassed Phase 2 nameplate capacity (6.2Mtpa) mining and milling production capacity
- Resolution of mining lease area and mining tenure issues.
- Attained another 10 million fatality free shifts
- 10% equity stake issued to the Zimplats Employee Share Ownership Trust as part of its Indigenisation implementation plan
- Embarked on development of Mupani Mine to replace Rukodzi and Ngwarati mines at a cost of US\$388 million



## Business Profile

Zimplats Holdings Limited is a limited liability company which is registered in Guernsey and is listed on the 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).

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 the development of fuel cells which 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 five underground mines which supply ore to three concentrator modules (two at Ngezi and the third one at Selous).

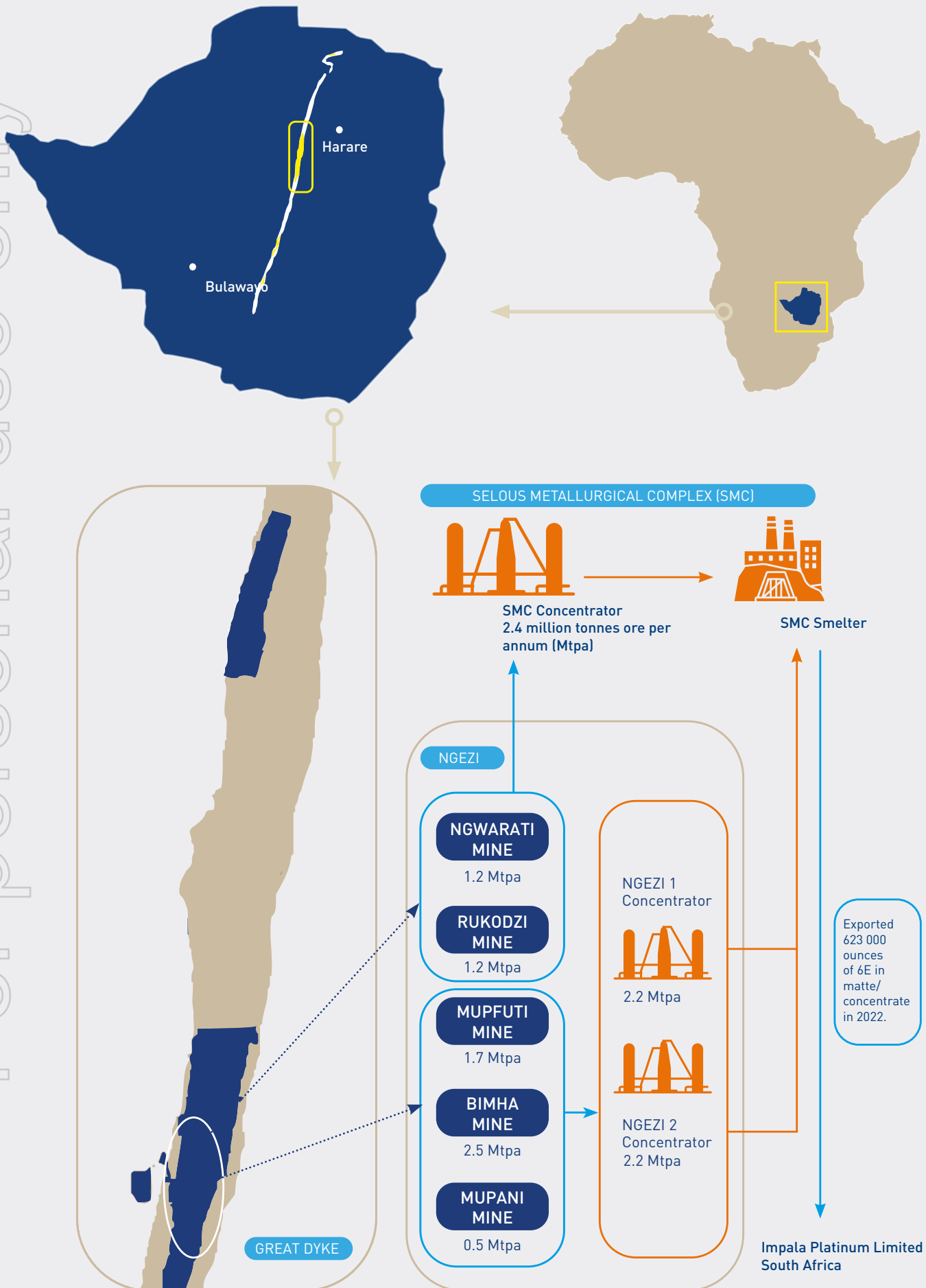
Production from the mining operations is processed by the three concentrators and then further refined at the Selous Metallurgical Complex (SMC) in Selous where the smelter is located. At year end, Zimplats had a workforce of 8 937 comprising 3 712 own employees and a further 5 225 contractors (a 31% increase compared to the previous year).

Ore production in the year was 7.1 million tonnes (Mt) (2021: 7.2 Mt). Matte and concentrate sold during the year to Impala Platinum Limited, the sole customer, amounted to 623 000 6E ounces (oz). (2021: 543 000 6E oz). 6E (six elements) consists of platinum, palladium, rhodium, gold, ruthenium and iridium.

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## Locations and Operations



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## Zimplats 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



**INTELLECTUAL**

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



**ESG**

Natural resources (land, air, water and biodiversity)  
Mineral Resources and Ore Reserves  
Employee relations  
Community relations  
Social licence to operate

### 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 licence to operate

### SUPPORTED BY STRONG GOVERNANCE AND ETHICS

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.



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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
  - Covid-19 pandemic
  - Availability of foreign currency

#### Across all activities

- |                              |                                |
|------------------------------|--------------------------------|
| Operational risk             | Regulatory and compliance risk |
| Strategic and execution risk | Reputational risk              |
| Business 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 ●



#### INTELLECTUAL

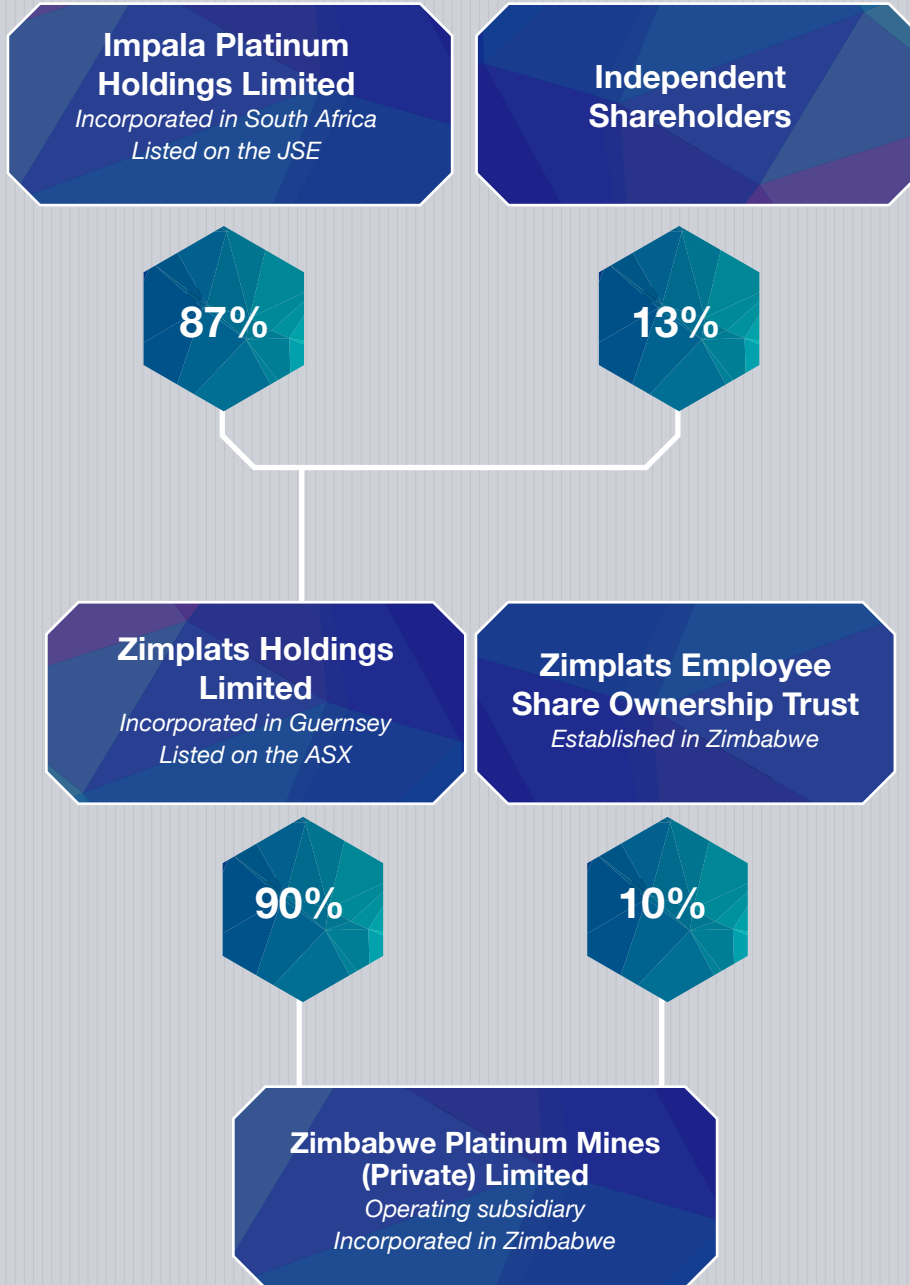
- Continuous improvement - safe and efficient operations ●
- Business improvement ●
- Innovation ●



#### ESG

- Generation of waste ●
- Water recycling ●
- Conservation of natural resources through recycling and rehabilitation ●
- Sulphur dioxide emissions ●
- Illegal settlements ●
- Social investments ●
- Educational, health and housing ●

# Corporate Structure



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## Board of Directors



**Professor 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. Professor Mufamadi is an independent non-executive director of Impala Platinum Holdings Limited. He is the current Director of the Centre of Public Policy and African Studies, and he serves on the subsidiary board of the ABSA Group in Mozambique. He is also a director of Transnet.



**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 Mimoso 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. Patricia 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.



**Meroonisha Kerber**  
**Non-Executive Director**

*BCom, HDipAcc, 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 a member of the boards of various Implats group companies including Impala Platinum Limited and Impala Canada. 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.

## Board of Directors *(continued)*



**Thandeka Nozipho Mgoduso**  
**Non-Executive Director**

*MA (Clinical Psychology)*

Appointed to the board on 16 August 2018. Thandeka is the founder and director of Jojose Investments, a human resources consultancy firm. She is a non-executive director of Metair Investments Limited and the Gauteng Gambling Board. She is chairperson of the remuneration committee, of the Competition Commission of South Africa. Thandeka is the chairperson of the board's remuneration committee.



**Alec Muchadehama**  
**Non-Executive Director**

*BL (Hons), LLB, 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 is the chief executive officer and executive director of Impala Platinum Holdings Limited. Nico has a mining career spanning over a period of 27 years that has exposed him to multiple commodities including platinum.



**Dr Dennis Servious Madega Shoko**  
**Non-Executive Director**

*BSc General, BSc Special Honours (Geology), PhD (Geology)*

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 Afrochine Smelting (Private) Limited and Metbank (Private) Limited and has previously held non-executive directorships in other companies in the mining sector. He is currently the consulting geologist for Shabani-Mashaba (SMM) Holdings. He is a member of the board's safety, health, environment and community (SHEC) committee.

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## 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 Omnia Holdings Limited and Aveng Limited. He is the chairperson of the board's safety, health, environment and community (SHEC) committee.



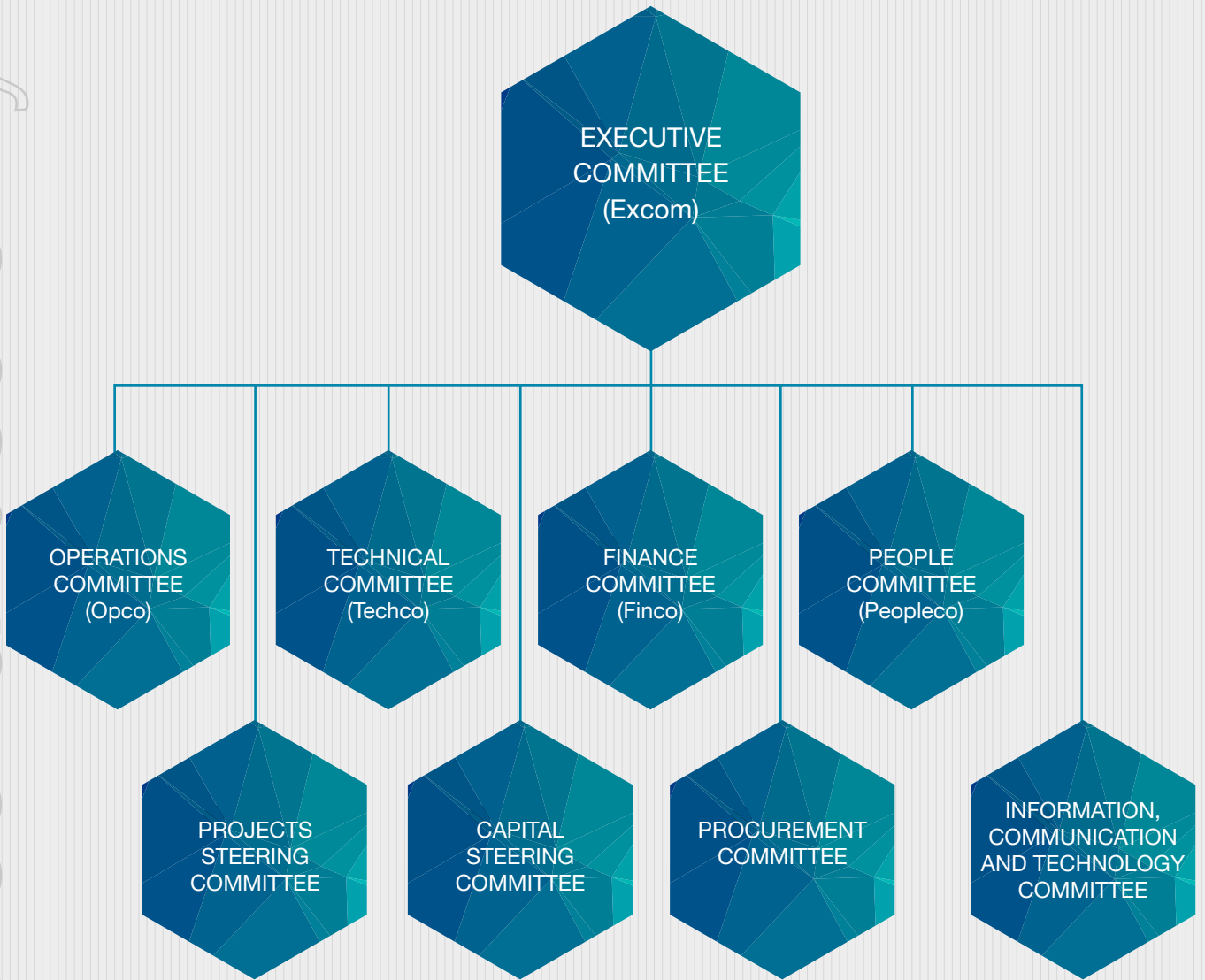
**Chipo Mtasa**  
**Non-Executive Director**

*BAcc (Hons) 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 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 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.

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## Management Structure



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## 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. Patricia 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 as chief operating officer of the operating subsidiary in March 2011 and then managing director of the operating subsidiary in November 2015. He is the chairman of the operating subsidiary's operations committee. He was appointed to the board of the operating subsidiary in February 2013.



**Takawira Maswiswi**  
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 chairman of the operating subsidiary's people committee.

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## Management Executive Committee *(continued)*



**Amend Chiduma**  
Chief Technical Officer

*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 of the operating subsidiary with effect from 1 June 2018 and effective 1 April 2022, he was appointed chief technical officer. He is the chairperson of the operating subsidiary's technical committee and capital 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**  
General Manager – Strategy, Risk and Compliance

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

Lysias joined the Group on 1 September 2012 as Risk and Strategy Manager and was appointed Group Risk and Compliance Manager on 1 July 2020. He was subsequently appointed General Manager – Strategy, Risk and Compliance on 1 December 2020.



**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 working experience, working at partnership level, providing advisory services mainly in the commercial and financial services sector.

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## Chairman's Letter

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**Professor Fholisani Sydney Mufamadi**  
Chairman of the board

The Group  
realised revenue  
of US\$1.24 billion  
during the year...

## Chairman's Letter (*continued*)

**Dear Stakeholders,**

*Warm greetings to you our valued stakeholders. I am pleased to report that your Company delivered commendable results in most areas of operations yet again demonstrating its strong resilience to wade off several challenges encountered in the year such as the negative impact of the Covid-19 pandemic, the rising global and local inflation and supply chain constraints.*

### KEY PERFORMANCE AREAS

#### SAFETY, HEALTH AND ENVIRONMENT

The safety and wellbeing of our employees remain our top priority. We are what we are because of the dedication and loyalty of our people and their families. It is for this reason that I am deeply saddened to report that we lost one▲ of our own team members, Dean Nyamurenje, to a fatal conveyor belt accident on 23 March 2022 at Bimha Mine. Dean was employed as an artisan assistant and had served the Group for three years and one month at the time of his death. Our heartfelt condolences go out to Dean's family, friends, and colleagues.

Our overall safety performance as measured by the number of lost-time injuries (LTI) deteriorated this year with six LTIs recorded, up from the three reported in the previous year. The board, management and all employees are concerned about the regression in our safety record this year, but remain focused on, and determined to, achieving the goal of ZERO HARM at all our operations. Management has been enjoined to implement remedial action plans to move the Company forward to the goal of ZERO HARM.

Throughout the year, focus was on managing the spread of the Covid-19 pandemic. A total of 51 Covid-19 positive cases were recorded during the year and I am delighted to report once again that all the cases were successfully managed to full recovery at our medical facilities. The Group maintained a 100% Covid-19 full vaccination status among employees and contractors throughout the year. There were no Covid-19 related disruptions to operations for two years in a row now and this is an achievement worth celebrating considering how other operations worldwide have been affected.

#### OPERATIONS

In total, 7.1 million tonnes of ore were mined, which is slightly less than the 7.2 million tonnes mined in FY2021. Ore milling increased by 1% to 6.9 million tonnes from 6.8 million tonnes in FY2021. Production of 6E metal showed considerable improvement, with a 1% increase from 579 046 ounces in FY2021 to 583 492 ounces in FY2022.

Group turnover for the year totalled US\$1.24 billion, down 8% from US\$1.35 billion in FY2021 as a result of falling metal prices. This was despite a 15% increase in 6E metal sales from 543 039 ounces in FY2021 to 622

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

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## Chairman's Letter (*continued*)

761 ounces. A profit before tax of US\$593.6 million was realised, 26% down from the US\$800.5 million achieved in FY2021.

Cash generated from operating activities increased by 13% to US\$510.1 million from US\$452.6 million in FY2021. Investment in capital projects increased by 70% from US\$159.1 million in FY2021 to US\$270.3 million. The FY2021 final dividend of US\$85 million (equivalent to US\$0.79 per share), which was declared by the board in August 2021 was paid on 3 September 2021. In February 2022, an interim dividend of US\$120 million (equivalent to US\$1.11 per share) was declared and paid on 8 March 2022. Following the end of the 2022 financial year, your board declared a final dividend for FY2022 amounting to US\$120 million (equivalent to US\$1.11 per share) to shareholders on record as of 22 August 2022. This brings the total dividend declared for the financial year ended 30 June 2022 to US\$240 million, 85% up from the US\$130 million declared for the prior year. This reflects the Group's commitment to maximise stakeholder returns.

### INDIGENISATION IMPLEMENTATION PLAN

As I reported in my previous letter, Sections 3(a) and (b) of the Indigenisation and Empowerment Act, which previously required businesses involved in the extraction of "platinum" or "diamonds" to comply with the 51% ownership by an appropriate designated entity, were repealed as the government focuses on empowerment in line with the drive to open Zimbabwe for business. Management continues to engage government for the enactment of the new empowerment legislation.

### CAPITAL EXPENDITURE

A total of US\$270.3 million was invested in capital projects during the year, up from US\$159.1 million in FY2021. Implementation of Mupani Mine development and upgrade of Bimha Mine to replace Rukodzi, Ngwarati and Mupfuti mines progressed as planned during the year. The installation of the 0.9 million tonnes per annum Ngezi Third Concentrator plant is on schedule for commissioning in the first quarter of FY2023. The board approved a US\$521 million investment in an expanded smelter (38MW furnace) and SO<sub>2</sub> abatement plant during the year and construction work has since commenced. Commissioning of the expanded smelter will create opportunities for your Group to carryout toll smelting of third-party concentrate, while commissioning the SO<sub>2</sub> abatement plant will go a long way in abating the point source SO<sub>2</sub> emissions at our smelter. During the year, an investment of US\$37 million was approved as the first phase of the 185MW solar power project as part of the Group's drive for sustainable development and the mitigation of potential power supply risk.

### TAXATION MATTERS

In accordance with our vision of being the most valued and responsible metals producer, we take a disciplined approach to tax management by committing to comply with applicable laws.

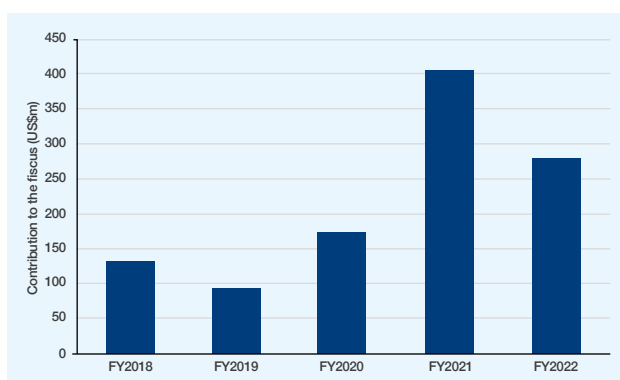
Active and constructive engagements between Zimbabwe Platinum Mines (Private) Limited and the Zimbabwe Revenue Authority (ZIMRA) in resolving current

## Chairman's Letter *(continued)*

and legacy tax issues continue to yield positive results and strengthen the two parties' cordial relationship.

### CONTRIBUTION TO THE FISCUS

The Company continues to take pride in its significant and critical role in the country's economic and social development by contributing to the fiscus through the payment of various taxes. As shown in the graph below, our operating subsidiary continued to make a significant contribution into the national fiscus.



### OUTLOOK

We look forward to an exciting future as the US\$1.8 billion capital projects investment rolls out and projects (mines and plants) are commissioned. The Group's operating envelope is poised to expand exponentially into new territory with the commissioning of the Ngezi Third Concentrator plant, the expanded smelter (38MW furnace, approximately three times the size of the current furnace), and the SO<sub>2</sub> abatement plant. The bankable feasibility study for the resuscitation of the suspended base metal refinery (BMR) project at the Selous

Metallurgical Complex has already been completed. The expanded smelter and BMR will contribute significantly to the establishment of in-country beneficiation facilities for the PGM industry.

Management and the board will continue to focus on mitigating the effects of rising input costs and global supply chain disruptions caused by Covid-19's recurring threats by being proactive in the implementation of our operational excellence strategies.

### ACKNOWLEDGEMENTS

Zimplats' management, employees, and contractors have delivered excellent results in the face of a challenging environment. I would like to thank them all for their extraordinary and virtuous commitment.

On behalf of the board, I would like to salute all of our stakeholders and my fellow board members for their immense contribution, which enabled Zimplats to post yet another set of inspiring results.

I am looking forward to another exciting and rewarding year ahead of us.



**Professor Fholisani Sydney Mufamadi**  
 Chairman of the board

**26 September 2022**

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Summary

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## Chief Executive Officer's Report

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Alex Mhembere  
Chief Executive Officer

A profit after tax of  
US\$353.6 million  
was realised  
during the year...

## KEY PERFORMANCE FEATURES

- 
 One ▲ fatality and five lost-time injuries (LTI) were recorded during the year. This resulted in a lost-time injury frequency rate (LTIFR) of 0.30 ▲ up from 0.20 in the previous year

---

- 
 Ore mined at 7.1 million tonnes was 1% lower than prior year

---

- 
 Rukodzi Mine ceased operations on 30 June 2022 as planned, and production fleets were redeployed to Mupani and Bimha mines

---

- 
 A total of 6.9 million tonnes of ore were milled during the year, a 1% increase from the previous year's performance

---


- 
 6E production in final product at 583 492 ounces was 1% above the 579 046 ounces achieved in FY2021

---


- 
 Revenue for the year at US\$1.24 billion was 8% lower than the US\$1.35 billion achieved in the previous year

---


- 
 A profit after tax of US\$353.6 million was realised during the year compared to US\$563.1 million in the prior year

- 
 A dividend of US\$205 million was declared and paid out to shareholders during the year


---

- 
 The Group spent a total of US\$270.3 million on capital projects (stay in business, replacement mines and expansion projects) during the year, a 70% increase from US\$159.1 million in FY2021


---

- 
 Development of Mupani Mine (replacement for Rukodzi and Ngwarati mines) and upgrade of Bimha and Mupani mines (replacement for Mupfuti Mine) are progressing well and on schedule


---

- 
 Installation of the 0.9 million tonnes per annum Ngezi Third Concentrator plant progressed well during the year with commissioning targeted for the first quarter of FY2023


---

- 
 Construction of additional employee houses at Ngezi also progressed well with 308 houses out of the targeted 1 052 already handed over for occupation by 30 June 2022

---

- 
 Work on the expanded smelter and SO<sub>2</sub> abatement plant commenced during the year.

---

- 
 The board approved US\$37 million for the development of Phase 1 of the 185MW solar power project.

*I am pleased to report that Zimplats has once again delivered strong results despite encountering major challenges in the external environment.*

*Pursuant to its growth aspirations, the Company continued with its investment drive during the year, with significant funds spent on mine replacements and stay-in-business capital projects.*

*Sustainable development remains an integral part of the Group's business processes and in keeping with our commitment to creating a better future through the metals we produce and the way we do business, the Company continued its initiatives for the socioeconomic development of host mine communities and shared significant value with its stakeholders during the year. Among others, this included providing meaningful and safe employment, as well as caring for and supporting our environment.*

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## Chief Executive Officer's Report (continued)

### SAFETY, HEALTH AND ENVIRONMENT

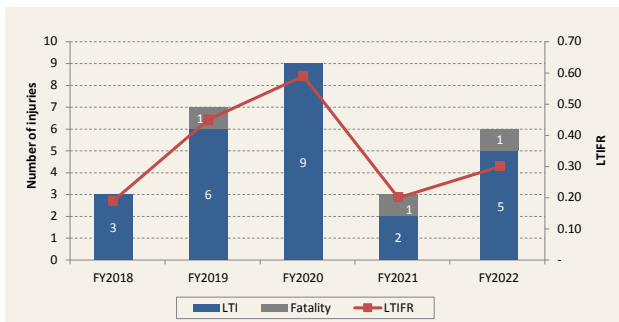
#### Safety

Key performance indicator	FY2022	FY2021	Movement
Fatalities	1 <sup>▲</sup>	1	-
Fatality free shifts (million)	0.69	0.70	1%
Lost-time injuries (including fatality)	6	3	(100%)
Total injuries	11	7	(57%)
Fatal injury frequency rate	0.05 <sup>▲</sup>	0.07	29%
Lost-time injury frequency rate	0.30 <sup>▲</sup>	0.20	(50%)
Total injury frequency rate	0.56 <sup>▲</sup>	0.46	(22%)

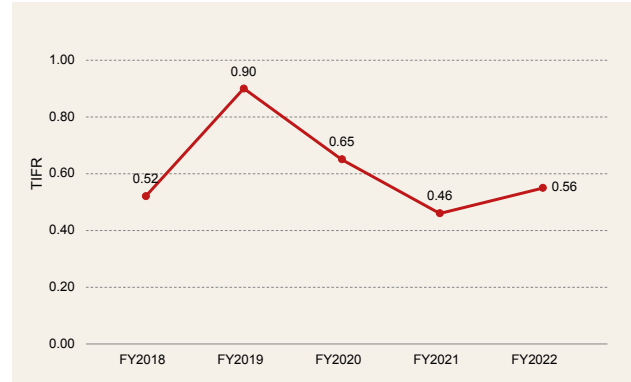
The safety of our employees and stakeholders remains a top priority. Regrettably, after achieving two million fatality free shifts during the year, we incurred a fatal accident on 23 March 2022 at Bimha Mine when an artisan assistant, Dean Nyamurenje, was fatally injured in a conveyor belt accident. The learning points from the accident investigation have been implemented.

An additional five lost-time injuries were reported during the year. The Group accumulated 0.69 million fatality free shifts by year end. Remedial action plans have been developed to improve safety performance going forward. Key interventions include identification and management of blind spots, management of top risks, culture consolidation and adoption of predictive/prescriptive technology.

#### Lost-time injuries trend



#### Total injury frequency trend



#### Health

##### Covid-19 response

Consistent implementation of the Covid-19 management procedures established in FY2020 and modified as needed to adjust for emerging risks ensured that operations ran smoothly throughout the year.

A total of 51 Covid-19 positive cases were recorded among employees and contractors during the year bringing the total number of positive cases since the inception of the pandemic to 86. The Group's management of positive Covid-19 cases has been successful, resulting in timeous identification, isolation, and management of all Covid-19 cases admitted at the



<sup>▲</sup>This item was the subject of the limited assurance engagement performed by EY

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## Chief Executive Officer's Report (continued)

Mupfure Medical Facility. All the 51 cases recorded during the year have since recovered. The fever centres continue to be used as screening and treatment units for all acute respiratory tract infection symptoms.

The rollout of the vaccination programme for all employees (including contractors) and their dependents which commenced in FY2021 was completed in the year with all employees and contractors now fully vaccinated. The Group achieved 100% Covid-19 second dose vaccination among employees and contractors in the year and maintained the status until 30 June 2022. Roll out of the booster third dose vaccination programme commenced during the year and 80% of the employees and contractors have since received the third booster dose.

### Mental health and wellness

As part of the Group's focus on employee mental and physical well-being, fitness trainers were enlisted this year to support employees with weight management. The initiative has impacted overall wellness positively.

The Group's mental health programmes remained focused on assisting employees affected or infected with Covid-19. Counselling centres were established to provide employees and contractors with 24-hour service. In addition, counselling services were provided to employees, dependents, and contractors upon admission to the isolation centre, with follow-ups after discharge.

### Occupational health

Identifying and monitoring of work related, chronic and non-communicable diseases continued in the year through our occupational health services.

### Malaria

The Group's indoor residual mosquito spraying programme continues to be an effective way of preventing the spread of malaria in the communities where our employees reside. As a result, there were no locally transmitted malaria cases recorded at all the Group's operations during the year.

### Environment

Key performance indicator	Unit of measure	FY2022	FY2021	Variance
Major environmental non-conformance	Number	-	-	-
Area rehabilitated	Hectares (ha)	12	18	(33%)
Water abstracted from dams and underground	Mega litres (ML)	6 950 <sup>▲</sup>	6 717	(3%)
Water recycled	Percentage %	46	45	2%
Fresh water consumption	Kilo litres (KL)/tonne ore	0.96	0.92	(4%)
Carbon emission	Carbon dioxide (CO <sub>2</sub> )/tonne ore	0.06	0.06	-
Sulphur dioxide point source emission	Tonnes sulphur dioxide (SO <sub>2</sub> )	29 165	26 601	(10%)
Energy consumption	Gigajoule (GJ)/tonne ore	0.41	0.40	(2%)

There were no significant environmental non-conformances reported during the year from both internal and external audits. The Group was successfully recertified to the Environmental Management System standard (ISO 14001:2015).

The amount of water abstracted from dams and underground increased by 3% from the prior year mainly due to an increase in tonnes milled and additional water demand from the various capital projects implemented during the year. However, water recycled increased from 45% to 46% reflecting the Group's commitment to resource conservation.

<sup>▲</sup>This item was the subject of the limited assurance engagement performed by EY

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## Chief Executive Officer's Report (continued)

A total of 10.2 hectares (ha) of the mined-out pits area was rehabilitated during the year under review. The concurrent rehabilitation of the tailings storage facilities (TSFs) continued during the year and 1.6ha of new slopes were covered.

Point source SO<sub>2</sub> emissions increased by 10% to 29 165 tonnes from 26 601 tonnes reported in the previous year due to a 6% increase in concentrates smelted from 131 964 tonnes in FY2021 to 139 959 tonnes. The SO<sub>2</sub> abatement project was approved during the year to manage the emissions and work has already commenced.

Consistent with the Group energy and decarbonisation policy, sustainable development goals (SDGs) 7 and 13 on affordable and clean energy and climate action and International Council on Mining and Metals (ICMM) Mining Principles, Zimplats recognises that climate change is a global challenge that calls upon businesses to reduce greenhouse gas emissions across the value chain. In line with this commitment, two Independent Power Producer (IPP) licences were issued by the regulator for the 185MW solar plants. The first phase of the project, which will produce 35MW at Selous was approved for execution in FY2023. This phase will generate an average of 86 000MWh (56 760 tonnes of carbon dioxide equivalent - tCO<sub>2</sub>e displaced) per year over a 25-year period, representing about 8% of consumption at the time of commissioning. The remaining three phases are planned for FY2024, FY2025 and FY2026.

### OPERATIONS

Ngwarati Mine resumed operations on 9 July 2021 following the stabilisation of the highwall and reconstruction of the mine access. Overall production for the year at 7 061 320 tonnes was 1% lower than prior year driven mainly by production interruption at Mupfuti Mine during the transition to a new trackless mining equipment maintenance service provider. The lower production at Mupfuti Mine had a negative impact on head grade as the lost production was substituted with lower grade development ore from Mupani Mine.

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

Key performance indicator	FY2022	FY2021	Variance
Ore mined (million tonnes)	7.1	7.2	(1%)
6E head grade (g/t)	3.42	3.44	(1%)
Ore milled (million tonnes)	6.9	6.8	1%
Concentrator 6E recovery rate (%)	77.9	78.2	-
6E produced (000 oz)	583.5	579.0	1%
<i>In converter matte</i>	<i>567.8</i>	<i>551.3</i>	<i>3%</i>
<i>In concentrate</i>	<i>15.7</i>	<i>27.7</i>	<i>(43%)</i>

### Mining

Mupfuti Mine production decreased by 19% from prior year due to interruption in production during changeover of the underground trackless mining equipment maintenance service provider in December 2021. Rukodzi Mine closed operations in June 2022, and the teams were deployed to Bimha and Mupani mines. Ngwarati and Mupani mines produced 50% and 25% better than the prior year respectively as full production resumed at Ngwarati Mine, and ore contribution from Mupani Mine as the project ramped up production towards design capacity. Overall, the general ground conditions in the mines remained stable.

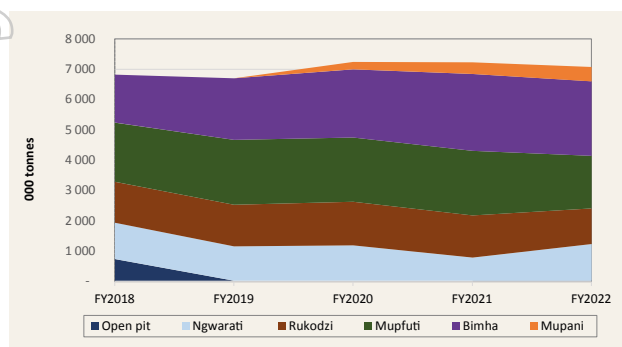
The table below shows ROM ore production by mine:

Mine	FY2022	FY2021	Variance
Ngwarati Mine (Mt)	1.2	0.8	50%
Rukodzi Mine (Mt)	1.2	1.4	(14%)
Mupfuti Mine (Mt)	1.7	2.1	(19%)
Bimha Mine (Mt)	2.5	2.5	-
Mupani Mine (Mt)	0.5	0.4	25%
Total ROM ore (Mt)	7.1	7.2	(1%)

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

## Chief Executive Officer's Report (continued)

### Ore mined

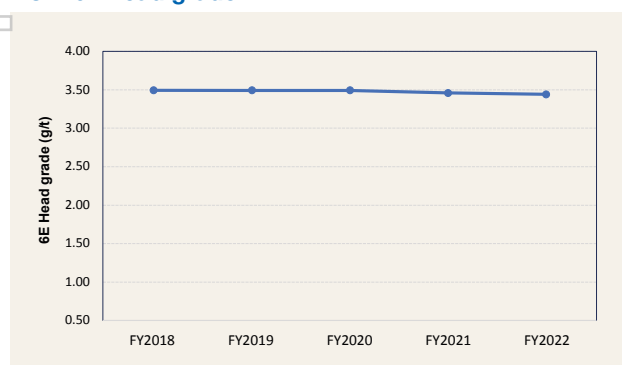


### 6E head grade

Mine	FY2022	FY2021	Variance
Ngwarati Mine (g/t)	3.52	3.49	1%
Rukodzi Mine (g/t)	3.56	3.53	1%
Mupfuti Mine (g/t)	3.46	3.49	(1%)
Bimha Mine (g/t)	3.46	3.45	-
Mupani Mine (g/t)	3.22	3.12	3%
<b>Total ROM ore (g/t)</b>	<b>3.42</b>	<b>3.44</b>	<b>(1%)</b>

The Group's 6E head grade at 3.42g/t, was 1% lower than what was achieved in the prior year mainly driven by the higher than budget contribution of lower grade development ore from Mupani Mine to cover for the deficit created by the production interruption at Mupfuti Mine. Mupfuti Mine head grade declined during the year due to dilution from low grade areas mined in the north and navigation across several structures in the south.

### ROM 6E head grade

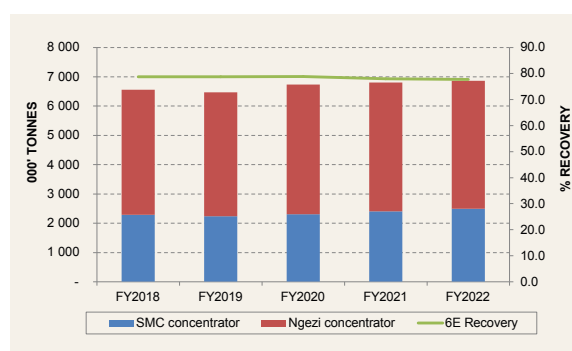


### Processing

#### Concentrators

Ore milled for the year at 6.9 million tonnes, increased by 1% from the 6.8 million tonnes achieved in the previous year due to improved running time and milling rate to compensate for the low feed grades. The feed preparation plant commissioned in the second quarter of the previous year at SMC Concentrator continues to improve milling rates for that plant. Overall concentrators metal recovery rate for the year at 77.9%, remained largely unchanged from what was achieved in the previous year.

#### Ore milled and recovery rates

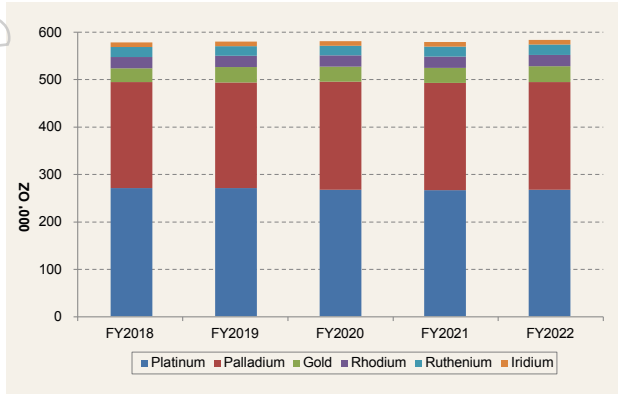


#### Smelter

Due to temporary constrained smelting capacity within the Group in the fourth quarter of FY2022, the furnace end-walls rebuild shutdown was postponed to the first quarter of FY2023. As a result, concentrates smelted increased by 6% from 131 964 tonnes reported in FY2021 to 139 959 tonnes in FY2022. Total 6E metal produced for the year (including metal sold as concentrate) at 583 492 ounces was 1% above 579 046 ounces achieved in FY2021 due to improved milled tonnage.

## Chief Executive Officer's Report (continued)

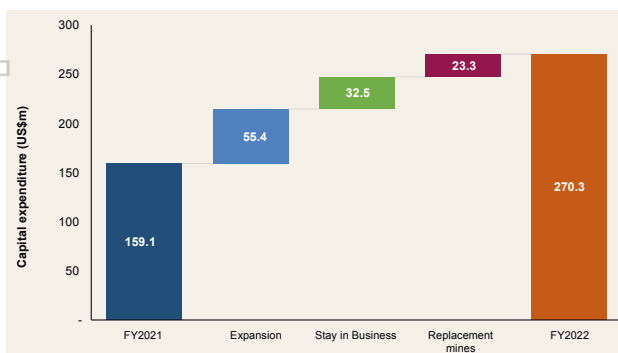
### Metal production 6E Oz



### CAPITAL PROJECTS

The Group spent a total of US\$270.3 million on capital projects (stay in business, replacement mines and expansion projects) during the year, an increase of 70% from the US\$159.1 million spent in FY2021. This increase is commensurate with the Group's expansion and environmental, social and governance (ESG) drive through the replacement of depleting mines, establishment of a new concentrator plant, construction of a bigger 38MW furnace and an SO<sub>2</sub> abatement plant. This expenditure is part of a broader capital investment strategy with a US\$1.8 billion budget that will be implemented over a 10-year period. We are excited to report that the various projects have created opportunities for local employment.

The graph below shows the make-up of the US\$111 million year-on-year increase in capital expenditure.



### Expansion projects

The value of expansion projects nearly trebled from US\$28.3 million in FY2021 to US\$83.7 million in FY2022, primarily due to spending on the Ngezi Third Concentrator plant, as well as the smelter expansion and SO<sub>2</sub> abatement projects.

A total of US\$64.7 million was spent on the Ngezi Third Concentrator plant project during the year bringing the total project to date expenditure as at 30 June 2022 to US\$79.3 million. The new concentrator plant with planned installed capacity of 0.9 million tonnes per annum, will mill ore generated from the optimisation of the Life of Mine through ramping up replacement mines production (Mupani and Bimha mine upgrades) ahead of depletion of the mine being replaced (Mupfuti Mine). The project commenced in FY2021 and is on track for commissioning in the first quarter of FY2023.

During the year ended 30 June 2022, the board approved the construction of a new 38MW furnace and an SO<sub>2</sub> abatement plant at a total cost of US\$521 million. Currently the Group is exporting part of its metal production in concentrate form as the existing smelter cannot process all the concentrate generated from the concentrators. Commissioning of the Ngezi Third Concentrator plant which is currently under construction will increase the volume of concentrate produced from 144 000 tonnes to 163 000 tonnes per annum at 2.1% mass pull. The new furnace will increase smelting capacity from the current 135 000 tonnes of concentrate (equivalent to about 538 000oz 6E in converter matte at 2.1% mass pull) to 380 000 tonnes of concentrate (equivalent to 1.09 million 6E oz in converter matte at 3% mass pull). The project is on course for commissioning of the smelter in January 2024 and the SO<sub>2</sub> abatement plant in August 2024.

### Stay in business projects

A total of US\$107.5 million (FY2021: US\$75 million) was spent on stay-in-business projects during the year consisting mainly of employee housing development at Turf, SMC tailings dam extension, replacement of trackless mining machines, stay in business portion of the SO<sub>2</sub> abatement plant and routine asset replacements.

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## Chief Executive Officer's Report (continued)

The construction of employee houses is lagging behind schedule with only 308 houses out of the targeted 1 052 already handed over for occupation by June 2022. A total of US\$20 million was spent on this project during the year bringing the project to date expenditure as of 30 June 2022 to US\$21.7 million against a total project budget of US\$23 million.

The tailings dam extension project which commenced during the year and is underway with implementation being rolled out in phases, is on course to meet first phase split deposition in January 2023. A total of US\$7.7 million was spent during the year against a total project budget of US\$24 million, targeting project completion in FY2026.

A total of US\$17.2 million (FY2021: US\$29.9 million) was spent on the replacement of TMM including ancillary support equipment, in line with the current replacement philosophy.

A total of US\$6.5 million was spent on the stay in business component of the SO<sub>2</sub> abatement plant during the year.

Phase 1 of the 185MW solar plant commenced during the year with an approved budget of US\$37 million. The project is planned for staged implementation with a total budget of US\$201 million.

During the year, a bankable feasibility study for the construction of a base metal refinery was approved. A significant amount of work was completed during the year at a total cost of US\$3.7 million out of a total project budget of US\$6.8 million.

### Replacement mines

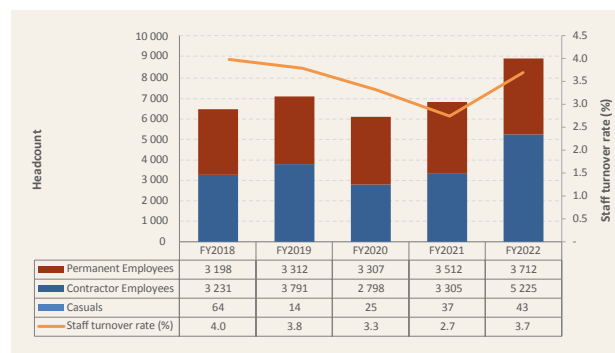
US\$79.1 million was spent on replacement mines during the year, 42% higher than the US\$55.8 million spent in FY2021.

Development of Mupani Mine, a replacement mine for the depleted Rukodzi Mine and Ngwarati Mine which depletes in FY2025, is progressing well and on schedule. The upgrade of Mupani Mine from the current design capacity of 2.2Mtpa to 3.6Mtpa to replace part of the tonnage contribution from Mupfuti Mine on depletion in FY2027 was approved increasing the estimated total project cost

from US\$264 million to US\$386 million. US\$44.1 million was spent on this project during the year bringing the total project expenditure as at 30 June 2022 to US\$192.1 million. The mine is scheduled to reach production of 2.2Mtpa in September 2024 (full replacement of Ngwarati and Rukodzi mines) and full production of 3.6Mtpa in August 2028.

The upgrade of Bimha Mine from the current design capacity of 2.0Mtpa to 3.1Mtpa to replace part of the tonnage from Mupfuti Mine which will deplete in FY2027 is progressing well and on schedule. A total of US\$27.8 million was spent during the year bringing the total project to date expenditure as of 30 June 2022 to US\$34.7 million. The upgraded Bimha Mine is expected to achieve full production of 3.1Mtpa in FY2023.

### OUR PEOPLE



The Group continued to enjoy cordial industrial relations throughout the year despite the turbulence in the global economy and its impact on the quality of life across the globe. Our employees have remained engaged and continue to contribute positively towards the strategic objectives of the Group.

The number of permanent employees grew by 6% from 3 512 in FY2021 to 3 712 as the Group resourced for the new capital projects. While labour turnover was within our tolerance of 5%, it increased to 3.7% from the 2.7% recorded in FY2021. The Group will continue to monitor this key people metric closely as the world recovers from the global Covid-19 pandemic and unrestricted human movement resumes.

## Chief Executive Officer's Report (continued)

Our internal learning and development programmes delivered strongly towards continuous improvement on various aspects of our people capabilities. Management and leadership development remain central to our skills development thrust. The Group partnered with Duke University in the delivery of a tailor-made transformational management development programme out of which eight senior managers and 14 middle managers graduated during the year. This programme is designed to provide our managers with the skills necessary to lead the Company into the "next frontier."

The Group's talent management programmes covering critical talent pipeline strength assessment as well as succession planning worked well during the year. Individual development plans and career paths were put in place to aid the growth trajectory that the Group is undertaking.

The Group established an internal Gender Forum which will work hand in hand with management to advance gender issues among employees. The Gender Forum is guided by formal terms of reference and a formal work plan.

### SOCIAL INVESTMENTS

The Group spent US\$4 million (FY2021: US\$3 million) on social investment projects during the year focusing on community wellbeing, education and skills development, local enterprise, and infrastructure development with the purpose of creating self-sustaining and inclusive host communities.

Local procurement at 60% of total spend for the year increased 5% from the 55% achieved in FY2021. The Group remains committed to supporting local businesses through various interventions. The local enterprise development (LED) programme currently comprises of 22 small to medium enterprises. The programme's focus in FY2022 has been on development and capacitation of the LEDs for sustained growth.

### FINANCIAL RESULTS

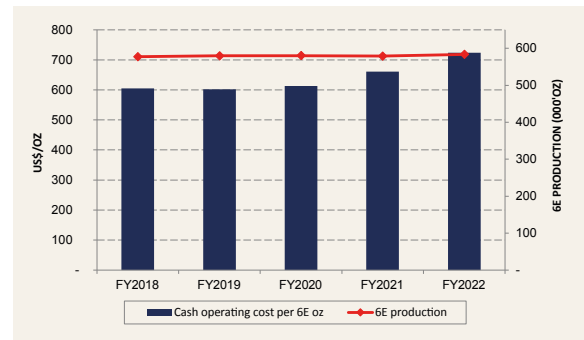
Revenue reduced by 8% to US\$1.24 billion from the previous year's record high of US\$1.35 billion mainly due to a decrease in metal prices with gross revenue per 6E

ounce sold dropping 20% from US\$2 493 in FY2021 to US\$1 996 in the current year. This was partly offset by a 15% increase in 6E ounces sold from 543 039 ounces in FY2021 to 622 761 in FY2022 driven by sale of 963 tonnes of converter matte from prior year stocks and 1% increase in metal production.

Cost of sales increased by 9% from US\$546.7 million in FY2021 to US\$594.3 million in FY2022, driven by the 15% increase in volumes sold and higher cost of production.

Resultantly, gross profit margin reduced by 8% to 52% from 60% in FY2021.

### Cash operating cost per 6E ounce



Operating cash cost per 6E ounce increased by 10% (from US\$661 reported in FY2021 to US\$724 in FY2022) against a year-on-year US\$ inflation of 9.1% for the same period. In addition to the high US\$ inflation, costs were affected by a 6% increase in permanent employees' headcount, 1% deterioration in 6E head grade and marginal reduction in 6E recovery.

Profit before income tax for the year decreased by 26% from US\$800.5 million in FY2021 to US\$593.6 million. This was mainly driven by reduction in gross profit and increase in foreign exchange losses on Zimbabwean dollar monetary assets.

The income tax expense for the year increased by 1% to US\$240 million from US\$237.4 million in FY2021 driven mainly by the increase in withholding taxes.

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## Chief Executive Officer's Report (continued)

Resultantly, profit after tax for the year reduced to US\$353.6 million from US\$563.1 million in FY2021.

Net cash generated from operating activities increased from US\$452.6 million to US\$510.1 million in FY2022. The Group paid dividends of US\$205 million (FY2021: US\$89 million) and had no loan repayments in both years. At year end, the Group had no bank borrowings (FY2021: US\$ nil) and a cash balance of US\$378 million (FY2021: US\$344.8 million).

### APPRECIATION

The financial year 2022 presented the Group with a myriad of challenges. The global economic and geopolitical environment had a significant impact on the business' operations through increased inflation and supply chain disruptions in addition to declining metal prices. I am proud of the resilience, resolve and tenacity, demonstrated by the Zimplats team to weather the storm and produce a good set of results under the circumstances.

To all our stakeholders, including our shareholders, board, suppliers, contractors, host community, management, employees, and families, I would like to extend my sincerest gratitude for the roles you all played in earning Zimplats yet another successful year. All your efforts do not go unnoticed. "Our business is our people" and this was increasingly apparent during the current year's difficult environment.

As we embark on yet another exciting journey in FY2023, we are aware of the potential challenges ahead. The coming year will see the Group forge ahead with its expansion drive which introduces several opportunities. We have the talent, technology and conviction through unified purpose and culture to deliver optimum value for all our stakeholders.

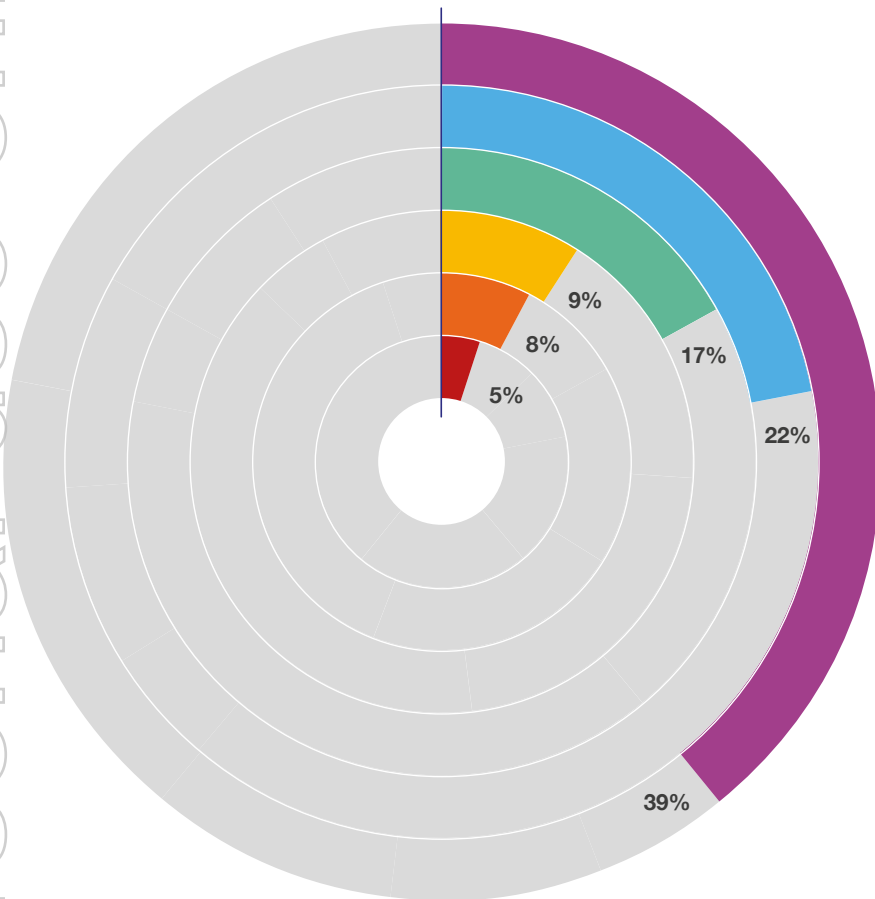


**Alex Mhembere**  
Chief Executive Officer

26 September 2022



## Zimbabwe Platinum Mines (Private) Limited Cash Utilisation (FY2002 - FY2022)



**Total  
US\$10 billion**

- Procurement costs | **US\$3.9 billion - 39%**
- Capital expenditure to expand and maintain operations | **US\$2.2 billion - 22%**
- Payments to Government (income tax, additional profits tax, royalty, customs duties, pay-as-you-earn and withholding tax) | **US\$1.7 billion - 17%**
- Employment costs | **US\$878 million - 9%**
- Dividends paid to Zimplats Holdings Limited | **US\$739 million - 8%**
- Loan principal and interest payments | **US\$510 million - 5%**

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## Five Year Review

### SUMMARISED FINANCIAL RESULTS

#### GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	FY2022 US\$000	FY2021 US\$000	FY2020 US\$000	FY2019 US\$000	FY2018 US\$000
<b>Turnover</b>	<b>1 243 140</b>	<b>1 353 792</b>	<b>868 912</b>	<b>630 987</b>	<b>582 544</b>
Platinum	248 799	246 057	195 999	194 901	223 334
Palladium	451 929	498 851	388 366	264 330	200 398
Gold	57 660	49 889	44 993	36 993	34 585
Rhodium	312 045	440 305	160 162	53 316	42 962
Nickel	110 974	63 587	52 506	47 676	53 318
Other	61 733	55 103	26 886	33 771	27 947
<b>Cost of sales</b>	<b>(594 319)</b>	<b>(546 730)</b>	<b>(480 358)</b>	<b>(443 571)</b>	<b>(428 029)</b>
Mining	(159 876)	(145 123)	(140 381)	(136 783)	(148 807)
Processing	(94 124)	(88 814)	(82 878)	(79 668)	(86 056)
Shared services	(35 839)	(29 708)	(29 176)	(22 738)	(15 054)
Royalty and commission expenses	(55 103)	(60 643)	(38 166)	(26 575)	(15 200)
Selling and distribution expenses	(3 862)	(3 175)	(8 231)	(3 621)	(4 363)
Depreciation	(97 600)	(89 650)	(90 355)	(65 780)	(64 955)
Employee benefit expenses	(118 155)	(156 979)	(114 552)	(105 152)	(94 758)
Movement in ore, concentrate and matte stocks	(29 760)	27 362	23 381	(3 254)	1 164
<b>Gross Profit</b>	<b>648 821</b>	<b>807 062</b>	<b>388 554</b>	<b>187 416</b>	<b>154 515</b>
Administrative expenses	(7 460)	(5 608)	(5 711)	(6 876)	(5 714)
Net foreign currency exchange transactions losses	(40 527)	(218)			
Other expenses	(8 614)	(2 627)	(6 201)	(20 689)	(4 610)
Other operating income	2 668	6 385	609	46 447	24 618
Net finance expense	(1 279)	(4 446)	(3 021)	(983)	(2 853)
<b>Profit before income tax</b>	<b>593 609</b>	<b>800 548</b>	<b>374 230</b>	<b>205 315</b>	<b>165 956</b>
Income tax expense	(239 969)	(237 426)	(112 391)	(60 453)	(163 316)
<b>Profit for the year</b>	<b>353 640</b>	<b>563 122</b>	<b>261 839</b>	<b>144 862</b>	<b>2 640</b>

#### GROUP STATEMENT OF FINANCIAL POSITION ASSETS

<b>Non-current assets</b>	<b>1 407 384</b>	<b>1 225 956</b>	<b>1 159 929</b>	<b>1 142 536</b>	<b>1 088 620</b>
Property, plant and equipment	1 386 691	1 208 008	1 141 964	1 123 033	1 067 862
Mining interests	17 921	17 932	17 940	18 347	18 843
Financial assets and other receivables	2 772	16	25	1 156	1 915
<b>Current assets</b>	<b>1 017 092</b>	<b>952 122</b>	<b>557 546</b>	<b>362 909</b>	<b>411 758</b>
<b>Total assets</b>	<b>2 424 476</b>	<b>2 178 078</b>	<b>1 717 475</b>	<b>1 505 445</b>	<b>1 500 378</b>

#### EQUITY AND LIABILITIES

<b>Capital and reserves</b>	<b>1 894 762</b>	<b>1 746 122</b>	<b>1 271 999</b>	<b>1 055 160</b>	<b>995 299</b>
<b>Non-current liabilities</b>	<b>380 983</b>	<b>304 285</b>	<b>324 477</b>	<b>314 258</b>	<b>308 620</b>
Deferred income tax liabilities	352 220	280 346	301 034	288 866	243 372
Borrowings	-	559	2 412	-	42 500
Provision for environmental rehabilitation	26 004	20 256	19 023	20 244	22 387
Share-based compensation	2 759	3 124	2 008	5 148	361
Current liabilities	148 731	127 671	120 999	136 027	196 459
<b>Total equity and liabilities</b>	<b>2 424 476</b>	<b>2 178 078</b>	<b>1 717 475</b>	<b>1 505 445</b>	<b>1 500 378</b>

## Five Year Review (continued)

### STATISTICS REVIEW

#### Operating statistics

##### Ore mined (tonnes)

	FY2022	FY2021	FY2020	FY2019	FY2018
<b>Ore mined (tonnes)</b>	<b>7 061 320</b>	<b>7 207 008</b>	<b>7 225 085</b>	<b>6 682 895</b>	<b>6 800 518</b>
Ngwarati Mine	1 211 983	763 699	1 170 349	1 133 736	1 204 803
Rukodzi Mine	1 171 085	1 391 640	1 434 880	1 378 891	1 347 928
Mupfuti Mine	1 739 811	2 132 830	2 121 482	2 143 345	1 952 887
Bimha Mine	2 458 882	2 536 585	2 252 507	2 026 923	1 581 937
Mupani Mine	479 559	382 254	245 867	-	-
South Pit Mine	-	-	-	-	712 963

6E Ore headgrade (g/t)

3.42      3.44      3.48      3.48      3.48

##### Ore milled (tonnes)

	FY2022	FY2021	FY2020	FY2019	FY2018
<b>Ore milled (tonnes)</b>	<b>6 882 277</b>	<b>6 821 418</b>	<b>6 751 246</b>	<b>6 485 512</b>	<b>6 569 817</b>
SMC Concentrator	2 493 525	2 402 190	2 311 261	2 241 505	2 283 222
Ngezi Concentrator	4 388 752	4 419 228	4 439 985	4 244 007	4 286 595

##### 6E oz in matte produced

	FY2022	FY2021	FY2020	FY2019	FY2018
<b>6E oz in matte produced</b>	<b>583 492</b>	<b>579 046</b>	<b>580 178</b>	<b>579 591</b>	<b>577 382</b>
Platinum	266 572	266 047	266 879	269 903	270 717
Palladium	227 913	226 538	228 030	223 000	223 112
Gold	32 974	31 351	31 914	32 555	29 207
Rhodium	23 791	23 669	23 414	23 862	23 879
Ruthenium	22 107	21 423	20 537	20 509	20 780
Iridium	10 135	10 018	9 404	9 762	9 687

##### 6E oz in matte sold

	FY2022	FY2021	FY2020	FY2019	FY2018
<b>6E oz in matte sold</b>	<b>622 761</b>	<b>543 039</b>	<b>554 944</b>	<b>573 009</b>	<b>573 148</b>
Platinum	283 474	247 392	253 952	264 916	266 720
Palladium	244 683	214 819	218 310	221 642	222 105
Gold	34 993	29 258	30 840	32 607	29 508
Rhodium	25 588	22 212	22 517	23 335	23 752
Ruthenium	23 443	20 100	20 205	20 663	21 210
Iridium	10 580	9 257	9 120	9 846	9 853

#### Financial ratios

Gross margin (%)	52	60	45	30	27
Return on equity (%)	19	32	21	14	0
Return on capital employed (%)	26	39	24	15	13
Current ratio	6.8	7.5	4.6	2.7	2.1

#### Operational indicators

Capital expenditure (US\$000)	270 276	159 071	104 244	115 021	135 695
Gross revenue per 6E oz (US\$)	1 996	2 493	1 566	1 101	1 016
Cash operating cost per 6E oz (US\$)	724	661	613	602	605
Net cash cost per 6E oz (US\$)	498	499	490	487	476

#### Non-financial indicators

Permanent employees	3 712	3 512	3 309	3 312	3 262
Local spend % of total spend	58%	55%	60%	71%	81%
Lost-time injury frequency rate	0.30▲	0.20	0.59	0.45	0.19
Total Injury Frequency Rate	0.56▲	0.46	0.65	0.90	0.52
Effluent permits issued (red. high impact)	-	-	-	-	-
Disturbed areas rehabilitated (ha)	12.0	18.3	23.0	6.3	2.2

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

## Achievements FY2022

OBJECTIVE	STATUS
<b>PRODUCTION AND OPERATIONAL EFFICIENCIES</b>	
<ul style="list-style-type: none"> <li>Achieve planned FY2022 production volumes and efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>Ore mined was 1% below budget while ore milled was 3% above plan</li> <li>6E head grade was 2% below plan</li> <li>Concentrator 6E recovery rates were 1% below plan</li> <li>Overall, 6E production was 1% above budget</li> </ul>
<ul style="list-style-type: none"> <li>Achieve planned FY2022 cost performance</li> </ul>	<ul style="list-style-type: none"> <li>Operating cash cost per 6E oz at US\$724 was 6% above budget</li> </ul>
<ul style="list-style-type: none"> <li>Achieve our operational excellence model with sustainable volume and efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Production volumes targets for the year were achieved</li> <li>Mining production per fleet per month for the year at 22 036 tonnes was 4% below budget</li> <li>Overall labour productivity measured in 6E ounces per employee was 1% below budget for the year</li> </ul>
<ul style="list-style-type: none"> <li>Increase use of technology to improve efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>A successful trial of an autonomous dump truck was completed at Mupani Mine during the year with roll out at the same mine planned to commence in FY2023</li> <li>The following technology projects are under implementation:               <ul style="list-style-type: none"> <li>Installation of Information Communication Technology (ICT) Surface and Underground Communication Infrastructure (LTE)</li> <li>Procurement and deployment of smart sensors</li> <li>Implementation of an ore tracking system along the value chain</li> <li>Enhancement of the Data Analytics to include video analytics</li> <li>Integration of existing systems for central monitoring and data analysis</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>Retain certification on the ISO 9001:2015 and ISO 17025:2017 systems</li> </ul>	Both certifications were retained
<b>SAFETY, HEALTH AND ENVIRONMENT</b>	
Improve safety performance through the implementation of identified interventions and eliminate fatalities. Achieve target LTIFR of 0.35	<ul style="list-style-type: none"> <li>Six lost-time injuries (including one▲ fatality) were recorded in FY2022 compared to three in the prior year</li> <li>Fatality free shifts declined by 1% from 0.70 million in FY2021 to 0.69 million by end of FY2022</li> <li>Total injuries recorded increased to 11 from seven reported in FY2021</li> <li>LTIFR of 0.30▲ was recorded in the year (target: 0.35; FY2021: 0.20)</li> <li>TIFR of 0.56▲ was recorded during the year (target: 1.37; FY2021: 0.46)</li> </ul>
Implement programmes to further mitigate the impact of Covid-19 on the Group, employees, and the community	<ul style="list-style-type: none"> <li>There were no Covid-19 related disruptions to operations</li> <li>51 Covid-19 positive cases reported among Zimplats employees and contractors during the year, all of whom have fully recovered</li> <li>No Covid-19 related deaths among Zimplats employees and contractors</li> <li>100% of Zimplats employees and contractors had received the first and second vaccine (fully vaccinated)</li> <li>The Group's Covid-19 isolation centre and quarantine facilities functioned as expected during the year</li> </ul>
Increase water recycling to reduce fresh and raw water consumption	<ul style="list-style-type: none"> <li>Water recycling increased from 44.5% in FY2021 to 46.4% in FY2022</li> <li>Water abstracted from dams and underground increased by 3% from 6 717 mega litres in FY2021 to 6 950▲ mega litres</li> </ul>
Retain certification on the ISO 14001:2015 and ISO 45001:2018 systems	Certification was retained for both systems

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

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## Achievements FY2022 (continued)

OBJECTIVE	STATUS
<b>CAPITAL PROJECTS AND GROWTH</b>	
Progress execution of 0.9Mtpa Ngezi Third Concentrator plant (commissioning targeted for the first quarter of FY2023)	The project is on course for commissioning in the first quarter of FY2023
Continue with Mupani Mine development project to replace Ngwarati and Rukodzi mines	<ul style="list-style-type: none"> <li>The project is progressing well targeting to fully replace Rukodzi Mine tonnage in FY2023</li> <li>Mupani Mine will fully replace the two mines at 2.2 million tonnes of ore per annum in September 2024</li> </ul>
Continue with Bimha and Mupani mines upgrades project to replace Mupfuti Mine	<ul style="list-style-type: none"> <li>The upgrade of Bimha Mine from the current design capacity of 2.0Mtpa to 3.1Mtpa is progressing well and on schedule to achieve full production in FY2023</li> <li>The upgrade of Mupani Mine from the current design capacity of 2.2Mtpa to 3.6Mtpa is scheduled to reach full production in August 2028</li> </ul>
Investigate diversification and/or strategic business opportunities	<p>The following diversification business ventures in which Zimplats has a minority shareholding were set-up during the year:</p> <ul style="list-style-type: none"> <li>Value Bridge – this is a construction concrete supplier in Turf</li> <li>Voltron – this is a trackless mining machinery maintenance company that currently maintains mining fleets for Mupfuti Mine</li> </ul>
Complete capital expenditure projects within the approved budget	Expenditure for all capital projects was within the approved budget
Complete smelter expansion and SO <sub>2</sub> abatement bankable feasibility studies	<ul style="list-style-type: none"> <li>The bankable feasibility study for the smelter and SO<sub>2</sub> abatement plant was successfully completed and approved by the board during the year.</li> <li>The board subsequently approved construction of a 38MW furnace and a SO<sub>2</sub> plant at a total project cost of US\$521 million. The project is currently under implementation with smelter commissioning targeted for January 2024 and SO<sub>2</sub> plant commissioning in August 2024</li> </ul>
Complete the early works for the smelter expansion and SO <sub>2</sub> mitigation projects	The early works scope of the smelter expansion and the SO <sub>2</sub> abatement plant is complete. The work done during the early works has been rolled up into the implementation of the US\$521 million smelter expansion and SO <sub>2</sub> plant project
Commence the bankable feasibility study for the Selous base metal refurbishment	The Selous base metal refinery bankable feasibility study commenced during the year and is on schedule for completion in the first quarter of FY2023
Construction of suitable employee housing	<ul style="list-style-type: none"> <li>The Chegutu employee home ownership project progressed well and allocation of developed stands to employees commenced in the year</li> <li>308 houses on the Turf housing project were handed over for occupation as of 30 June 2022</li> </ul>
<b>STAKEHOLDER MANAGEMENT</b>	
Achieve a more effective, standardised process of engagement that embraces technology in alignment with the Implats Group stakeholder engagement framework	Stakeholder engagement is now conducted within the new group framework. The online system will be implemented in FY2023
Progress social performance initiatives aimed at creating self-sustaining host communities through development projects focused on education, local enterprise, socio-economic and infrastructure development	Several social performance initiatives were completed focusing on the pillars of education and skills, enterprise development, community wellbeing and infrastructure
Maintain cordial relations with all stakeholders to create an enabling environment to deliver on the Company's strategic objectives and to ensure zero operational disruptions due to stakeholder dissatisfaction	<ul style="list-style-type: none"> <li>Successful stakeholder engagements undertaken during the year</li> <li>Relations with key stakeholders were cordial</li> <li>There were no disruptions to operations</li> </ul>



## Objectives FY2023

### SAFETY, HEALTH AND ENVIRONMENT

- Improve safety performance through the implementation of identified interventions (including deployment of technology in high-risk areas) and eliminate fatalities. Achieve a target LTIFR of 0.35
- Implement programmes to further mitigate the impact of Covid-19 on the Group, employees and the community
- Continue with water recycling to minimise fresh and raw water consumption. Achieve target water recycling of 40% and water consumption of 1 700 litres per tonne ore
- Progress implementation of the solar power project
- Investigate installation of a sewer water treatment plant to reduce freshwater withdrawal for the Ngezi processing plants
- Progress implementation of the SO<sub>2</sub> abatement plant at the smelter to reduce point source SO<sub>2</sub> emissions
- Continue with the rehabilitation of the disturbed open pit areas and the tailings dams surfaces
- Comply with relevant safety, health and environment legal and other requirements to ensure zero breaches
- Retain certification on the ISO 14001:2015 and ISO 45001:2018 systems

### PRODUCTION AND OPERATIONAL EFFICIENCIES

- Achieve planned FY2023 production volumes and efficiencies
- Achieve planned FY2023 cost performance
- Increase use of technology to improve efficiencies
- Retain certification on the ISO 9001:2015 and ISO 17025:2017 systems

### CAPITAL PROJECTS AND GROWTH

- Complete and commission the 0.9Mtpa Ngezi Third Concentrator plant in the first quarter of FY2023
- Continue with Mupani Mine development project to replace Ngwarati and Rukodzi mines (targeting full replacement of Rukodzi ore tonnage in FY2023)
- Continue with Bimha and Mupani mines upgrades project to replace Mupfuti Mine (commissioning targeted for August 2023)
- Continue with the construction of a 38MW furnace and a SO<sub>2</sub> abatement plant (smelter commissioning targeted for January 2024 and SO<sub>2</sub> abatement plant commissioning in August 2024)
- Progress first phase of the 185MW solar project. Phase 1 is a 35MW plant at Selous Metallurgical Complex scheduled for completion in FY2024. Overall, the project has four implementation phases with the last phase scheduled for completion in FY2027
- Complete the bankable feasibility study for the Selous Base Metal Refinery refurbishment
- Complete the upper ores II trial mining and evaluation
- Complete capital expenditure projects within the approved budgets

### STAKEHOLDER MANAGEMENT

- Achieve a more effective, standardised process of engagement that embraces technology in alignment with the Implats Group stakeholder engagement framework
- Progress social performance initiatives aimed at creating self-sustaining host communities through development projects focused on education, local enterprise, socio-economic and infrastructure development
- Maintain cordial relations with all stakeholders to create an enabling environment to deliver on the Company's strategic objectives and to ensure zero operational disruptions due to stakeholder dissatisfaction
- Complete the construction of suitable employee housing at Turf.

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## Market Review

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

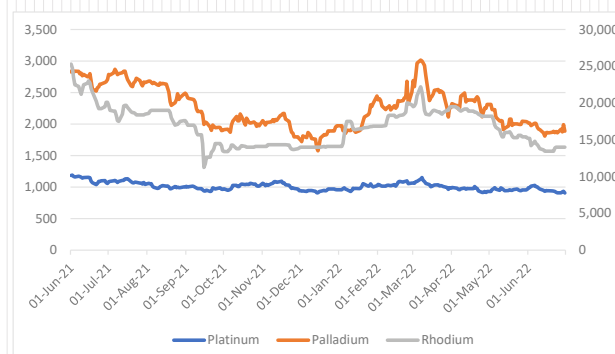
The pandemic-battered global economy showed an initially strong recovery in 2021, with many parts of the world moving past the acute phase of crisis resulting in a strong rebound in economic momentum. Activity was at times uneven – various regions implemented periods of intermittent lockdowns, and strained supply chains created increasing headwinds to a sustained recovery in industrial production. The pace of the recovery also saw inflation rising across the globe and, with this, came expectations for less accommodative monetary and fiscal policy. The economic damage triggered by Russia’s invasion of neighbouring Ukraine will compound these pre-existing headwinds and is likely to cause a significant slowdown in global growth in 2022 and beyond, through its spill-over effects on trade, commodity markets and financial channels.

The armed conflict, heightened geopolitical tensions, social unrest, and extreme weather events sparked by climate change have exacerbated the economic strains caused by the pandemic, resulting in soaring inflation and a growing cost-of-living crisis. Food and fuel prices have risen rapidly, with the most profound effects felt by vulnerable populations, particularly in low-income countries. Food insecurity in many countries already facing extreme drought has risen sharply due to the disruption in supply chains. Central banks face a complicated balancing act between containing inflation and sustaining growth, and interest rates are rising. Capacity for fiscal support has been stretched by the pandemic and tighter monetary policy will undoubtedly hamper growth but is required to tame inflation.

The July 2022 update to the International Monetary Fund’s (IMF’s) World Economic Outlook projected global economic growth of 3.2% in 2022 and 2.9% in 2023, reflecting negative revisions to the outlook for the major economies of the United States, China, and Europe.

The risks to the outlook remain tilted to the downside – the potential for reduced gas supplies to Europe could materially alter both the inflation and growth outlook in the region, while intermittent lockdowns in China could further suppress economic momentum.

### Market performance



All three major PGM markets – platinum, palladium, and rhodium – recorded fundamental surpluses in 2021.

The combination of accelerated destocking of producer inventories, coupled with the shortfall in expected auto demand due to the worsening semi-conductor chip shortage, resulted in a year characterised by extreme volatility with tight physical markets and price support in the first half of the year countered by increased primary and secondary refined supplies and erratic auto purchasing in the latter months.

For platinum, Western world investor interest softened as global inflation persisted and central banks signalled the ‘beginning of the end’ of expansive monetary policy. The resultant retracement of physical investment demand resulted in a market surplus of 939 000 ounces. For palladium and rhodium, reduced original equipment manufacturer (OEM) purchases in the face of chip

## Market Review (continued)

shortages were met by a wall of secondary material and accelerated destocking by peer producers, resulting in market surpluses of 252 000 and 175 000 ounces, respectively.

The platinum price closed the financial year ended 30 June 2022 at US\$907 per ounce, 28% weaker than its starting point of US\$1 084 per ounce. The average London trade price for the full financial year was 4% weaker at US\$1 004 per ounce (FY2021: US\$1 044 per ounce) — pricing peaked at US\$1 134 per ounce and troughed at US\$931 per ounce.

The platinum market remains in a ‘pre-investment’ surplus, with underlying auto, industrial and jewellery demand insufficient to absorb primary and secondary refined supply. Pricing is therefore heavily dependent on macro-economic news flow in general and the trajectory of the US dollar and the gold price in particular. Lacklustre investment sentiment saw ETFs returning metal to the platinum market and net positioning on NYMEX has contracted to multi-year lows, while the weakening of the gold price and the rand towards period end also weighed on pricing.

The palladium price closed FY2022 some 31% lower (US\$1 888 per ounce) than the start (US\$2 761 per ounce). The average London trade price for the full financial year was 9% lower at US\$2 207 per ounce (FY2021: US\$2 425 per ounce).

Palladium pricing was negatively impacted by weak auto production and increased physical flows from South African producer destocking in the final quarter of 2021. The escalation of the Russian-Ukrainian conflict in the early months of 2022 saw pricing race higher however, before the perception of supply risk receded and the demand outlook became clouded by the impact of China’s zero-Covid policy and the increasingly uncertain macro-economic outlook. The variability in market factors saw palladium trade in an unprecedented range – with an intra-period peak of US\$3 015 per ounce and a trough of US\$1 576 per ounce.

Rhodium pricing also exhibited significant price volatility in FY2022, with an almost 50% differential between peak to trough pricing of US\$22 200 and US\$11 250 per ounce, respectively. The closing price of US\$14 000 per ounce was 28% lower than the opening US\$19 700 per ounce on New York Dealer Trade. The average price for the full financial year of US\$16 411 per ounce was some 13% weaker (FY2021: US\$18 812 per ounce).

Rhodium was buffeted by aggressive destocking of producer inventories, which had accumulated during processing facility repairs in 2020, together with additional supply from autocat recycling which coincided with softening purchases by automotive firms grappling with production shortfalls because of chip shortages. Pricing strengthened into 2022 as destocking slowed and demand improved. However, Chinese lockdowns limited activity in the spot market and led to softening pricing to period-end.

### Automotive

#### Light-duty vehicle sales

	2020	2021	% change	2022E	YoY
World	77.8	81.4	5%	81.3	-
North America	16.0	16.6	3%	16.6	-
Europe	14.5	14.5	-	13.4	(7%)
Japan	4.1	3.9	(4%)	3.9	1%
India	2.5	3.2	22%	3.5	12%
China	24.4	25.5	4%	26.0	2%
ROW	16.3	17.8	9%	17.7	(1%)

Source: LMC July 2022 Forecast

Global light-duty vehicle sales are estimated to have reached 81.4 million units for 2021. This marked a 5% improvement on the pandemic-struck 2020 result, although it remained 10% below the sales rate achieved in 2019. The early months of 2021 were marked by pandemic-related restrictions, which were followed by crippling supply-chain constraints impacting the availability of semi-conductor chips in the latter part of the period.

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## Market Review (continued)

Although some improvement was evident in the final months of 2021, 2022 brought a series of new challenges to the struggling global light-vehicle market. European supply-chain difficulties, compounding the already chip-constrained situation, intensified almost immediately after Russia invaded Ukraine — several key suppliers in the country could not operate due to the war. Forecast production and sales expectations from Europe are therefore, not surprisingly, the most impacted by the conflict. In addition, China's zero-Covid policy and associated lockdowns have reduced production results in the first six months of the year. The global light-duty vehicle market performance in the first half of 2022 reflects these challenges, with estimated sales of 38.5 million units some 8.5% weaker than in the corresponding six-month period in 2021.

The broader global impact of the war is most likely to be felt via the macro-economic effects of a deteriorating growth outlook, rising inflation and the impacts on disposable income and consumer confidence. LMC retains the view that supply constraints remain the most pressing issue for the near-term automotive outlook, with lengthy delays on new vehicle deliveries and inventories well below normal operating levels. Simply put, while underlying demand may be reduced by the effects of inflation, there remains a significant reservoir of unmet demand which should provide underlying support to a rebound in automotive production once supply-chain constraints ease. Forecasts have been revised down to factor in the challenges and constraints faced year-to-date and the variable macroeconomic outlook, with sales of 81.3 million units expected in 2022, virtually unchanged year-on-year, but reflecting a stronger performance for auto in the second half of the year.

LMC estimates that global heavy duty market sales volumes increased by 4% year-on-year in 2021 to 3.45 million units. However, sales are expected to fall by 8% in 2022 to 3.17 million units, as the Chinese market normalises after a particularly powerful performance in each of 2020 and 2021 and the impact of slowing economic growth impedes investment elsewhere. PGM demand from this sector has benefitted from tightening legislation in both China and India, while expectations for the role of fuel-cell powered heavy duty vehicles

continues to increase and provide longer-term support to platinum demand from this sub-sector of demand.

At the powertrain level, the growing momentum in the battery electric vehicle (BEV) sector continued. Globally, pure BEV market share is projected to have doubled from 3% to 6% in 2021 as gasoline engines (including hybrids) continued to dominate light-vehicle powertrains and further eroded diesel light-vehicle market share. Additional gains have been made in the early months of 2022, with LMC estimating an 8.6% market share in the first five months of the year. A combination of government policy, OEM strategy and increasing environmental concerns will be key factors in fuelling further BEV growth, while there are rising concerns of availability and pricing of required commodities.

High PGM pricing and the maturation of recent emission legislation has prompted thrifting efforts by OEMs, and changes in the conformity factors to be applied to future Chinese standards have also resulted in downgrades to previously assumed catalyst loadings. Our estimates indicate PGM demand from the automotive sector was broadly unchanged in 2021, with gains in platinum due to increased use in heavy duty vehicles offset by lower palladium and rhodium use on thrifted loadings.

The next series of major emission standards changes are expected in 2023. In 2022, changes in auto demand will primarily be driven by underlying production volumes, which are expected to run ahead of sales to replenish depleted inventory levels, and changes in the underlying choice of metals used. In particular, additional platinum is expected to be used at the expense of palladium in the after-treatment of gasoline engines. 'Switching' is expected to vary greatly by geographic region and by OEM but will help to drive a structural increase in platinum automotive use after years of decline due to falling diesel market share.

### Jewellery

The platinum jewellery sector continued to struggle with intermittent Covid-19 outbreaks in the key Asian markets of China, Japan and India in 2021, limiting the pace of the expected rebound in demand from pandemic-ravaged 2020. Conversely, demand in North American

## Market Review (continued)

and European markets exceeded initial expectations as pent-up consumer demand and limited opportunities for expenditure on travel and services saw restocking by the trade. Jewellery fabrication demand is likely to have expanded by circa 5% to 1.92 million ounces, although demand remained below 2019 levels.

In China, volume declines were impacted by Covid-19 outbreaks in key jewellery provinces, weak consumer sentiment and intense competition from gold. Lockdowns in the early months of 2022 associated with the zero-Covid policy are likely to result in a further contraction in demand, with some recovery now expected in 2023 to establish a new, albeit lower base of demand from the region.

In India, 2021 volumes recovered from 2020, but were hampered by Covid-19 lockdowns, reduced disposable income and weak consumer and industry confidence, and remained well below 2019 levels. Performance in the early months of 2022 has been encouraging, with robust annual growth expected from the region over the medium term.

In the US and Europe, a strong rebound in sales was supported by forced savings during lockdowns and the rescheduling of weddings delayed by the pandemic. North American demand in particular is outstripping pre-pandemic levels, benefitting from the persistent price discount to gold and a number of marketing programmes that have garnered strong trade support and boosted demand. Softer Chinese demand will likely offset growth elsewhere and, in total, a stable jewellery market is expected in 2022.

### Industrial

Demand for industrial applications is comprised of a large number of diverse products and processes, with two broad groupings – those where metal is consumed in the final product, and those where PGMs form part of the equipment and manufacturing process by which goods are fabricated. The chemical, glass, electrical, biomedical and petrochemical sectors drive industrial demand for PGMs. Absolute offtake in 2021 benefitted from capacity expansions in the glass and chemicals sectors, which significantly bolstered the rebound in annual ‘top-up’ demand from process catalysts and substrates, in line with increased economic activity.

Investment in new plants is expected to slow in 2022, while lower economic activity and industrial production, in Europe in particular, are also likely to lead to an easing of industrial demand for PGMs this year. The platinum demand base in 2021 benefitting from substantial purchases by the glass sector. Palladium demand benefitted from increases in chemical capacity and remains vulnerable to continued thrifting in the electronics and dental sectors as the absolute price remains high.

### Hydrogen

Positive momentum and intent continued to build for the nascent hydrogen economy in 2021 – with the current energy crisis in Europe resulting in additional policy and funding support in 2022. PGMs (platinum and iridium) are used in proton exchange membrane (PEM) electrolyzers, which produce hydrogen through the electrolysis of water, and various PGM technologies are emerging to store and transport both hydrogen and ammonia. Current hydrogen-related PGM demand is currently dominated by consumption in stationary and portable fuel cells, but the role of fuel-cell electric vehicles in the future drive train of both light and heavy-duty powertrains is widely recognised as a structural growth driver for platinum demand in particular. We expect forecasts for hydrogen-related PGM demand to evolve over the medium term as technology paths, loading factors and market sizes become clearer. Although current demand remains small, it is expected this sector represents the most material potential new source of PGM demand over the next decade.

### Investment

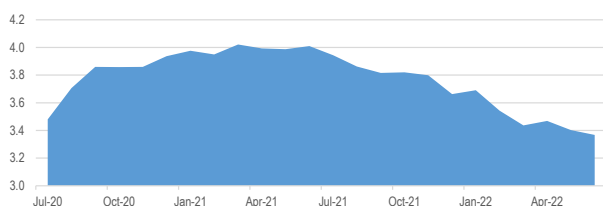
At the end of 2021, platinum and palladium exchange traded funds (ETFs) in Europe, Asia, North America, Australia, Japan and South Africa held a total of 3.66 million ounces of platinum and 646 000 ounces of palladium. During the year, platinum ETFs returned 275 000 ounces to the market, representing the first year of net sales by platinum funds since 2018. Conversely, palladium funds were net purchasers of 71 500 ounces, the first annual increase in palladium holdings since 2014. Performance in the first six months of 2022 has been mixed, with a flurry of purchases on the perceived risk of interruptions to Russian PGM flows in the early months of the year, reverting to renewed selling as pricing softened and the macro-economic outlook became more uncertain. In the first half of

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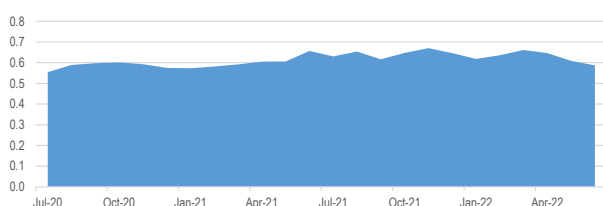
## Market Review (continued)

2022, platinum and palladium ETFs returned 295 000 and 59 500 ounces to the market, with closing holdings of 3.37 million and 587 000 ounces, respectively.

ETF holdings, Moz platinum (source: Bloomberg)



ETF holdings, Moz palladium (source: Bloomberg)



NYMEX net paper positioning for both platinum and palladium continued to fall in 2021. Platinum net length was reduced by 67% or 1.13 million ounces with a closing position of 533 000 ounces, while palladium positioning declined by 667 000 ounces to close net short of 323 000 ounces. Open interest in platinum and palladium were little changed at circa 3 million and 940 000 ounces, respectively, with changes in net length driven by added short positions and trimmed longs resulting in a more bearish total speculative position.

Net speculative length continued to trend lower in the first six months of 2022. NYMEX net paper positioning for platinum closed end-June at 320 000 ounces, with a rising short position resulting in an increase in open interest to 3.4 million ounces. Year-to-date palladium flows were more muted and absolute open interest remains modest relative to recent history. The market remains net short by 444 000 ounces, an increase of 120 000 ounces, with trimmed longs and added shorts resulting in a 121 000-ounce change to closing open interest of just 777 000 ounces. Futures volume trade remains modest but expands intermittently on major macro-economic news flow as traders respond to the

news on potential interruptions and limitations to Russian supplies and changes in the US dollar outlook.

While we do not include Shanghai Gold Exchange trade in our view of platinum investment demand as the platform also services demand from the jewellery and industrial sectors in China, the increase in average volume trade witnessed in 2020 remained a notable feature of platinum market conditions in 2021, with total volume trade of 1.95 million ounces rising by 44% from 2020. The positive trend has continued in 2022, and despite intermittent interruptions to economic activity due to zero-Covid related lockdowns, volume trade has risen by 10% in the first six months of 2022.

Bar and coin demand is dominated by the mature Japanese large bar retail market, where investor activity is heavily influenced and negatively correlated to the direction of the yen price for platinum, with divestment into price strength. Net sales in the first quarter of 2021 were followed by purchasing in the final months of the year, with estimated disinvestment of 22 000 ounces in the period. Moderate yen depreciation exacerbated US dollar price strength in the early parts of 2022, and year-to-date disinvestment of platinum bars is estimated at 65 000 ounces. The picture for ex-Japan bar and coin demand was more positive in 2022 — new coin mintage was met with strong demand, particularly in North America, and total estimated platinum physical investment reached 350 000 ounces. In total, we estimate net year-to-date disinvestment of circa 180 000 ounces in platinum and 65 000 ounces of palladium in 2022.

### Supplies

Primary refined supply in 2021 was heavily impacted by three key factors – South African volumes benefited from the faster-than-expected destocking of previously accumulated in-process inventory by a peer producer, while Russian and North American production lagged initial expectations as two key producers faced unexpected interruptions. In total, a strong rebound in refined supply was delivered after a Covid-19-impacted 2020.

The outlook for 2022 has been downgraded due to the need for extensive processing maintenance at key South African processing facilities and further logistical

## Market Review (continued)

challenges in North America. The pattern of Russian supply and growth is also clouded by uncertainty, given the geopolitical headwinds and path-to-market of PGMs. In total medium-term supply is expected to drop sharply from the elevated base in 2021 and lag pre-Covid levels, before processing facility maintenance and debottlenecking facilitates a modest recovery in volumes.

Secondary supplies from autocat recycling recovered somewhat from the Covid-19-depressed base of 2020, but volumes in 2021 lagged initial expectations as the auto sales outlook deteriorated due to poor availability of new vehicles during the year, soaring second-hand car prices, and consumers holding onto vehicles for longer than expected. In addition, high PGM pricing, logistical constraints and rising transport costs impacted scrap collection.

In 2022, rising interest rates, the rapid escalation in transport costs and weaker-than-expected new-vehicle sales outlooks are likely to dampen recycling volumes once again, delaying the expected growth in secondary supplies into 2023.

### 2022 Outlook

There have been several revisions to forecast PGM demand and supply in 2022: supplies will be impacted by operational challenges at South African and North American operations, refined volumes will be affected by required maintenance at a number of major processing complexes, and the pattern of Russian sales is complicated by the potential impact of restrictions on routes-to-market. From a demand perspective, auto volumes have been downgraded by the lingering impact of supply-chain challenges, the lockdown in China in the first six months of the year and the deteriorating outlook for global growth, in Europe in particular. Industrial demand is expected to soften off the high base of 2021 and a weaker Chinese jewellery market will offset growth elsewhere. Our base-case estimates are for palladium and rhodium markets to be close to balance, whereas softer investment demand will result in a market surplus in platinum.

Platinum Supply				
koz	2020	2021	2022	2023
<b>DEMAND</b>				
Industrial	4 421	4 937	5 035	5 198
Automotive	2 288	2 527	2 667	2 905
Hydrogen and FC	36	43	65	103
Other industrial	2 097	2 367	2 303	2 190
Jewellery	1 830	1 953	1 958	2 032
Investment	1 175	90	(165)	-
<b>Total Demand</b>	<b>7 426</b>	<b>6 979</b>	<b>6 828</b>	<b>7 230</b>
<b>SUPPLY</b>				
Primary	4 879	6 197	5 771	5 883
South Africa	3 250	4 664	4 176	4 245
Zimbabwe	457	486	516	529
North America	339	265	298	305
Russian Sales	709	658	656	679
Others	125	125	125	125
Secondary	1 597	1 653	1 607	1 641
Recycle - Auto	1 154	1 204	1 159	1 171
Recycle - Jewellery	422	422	422	445
Recycle - Other	22	27	25	25
<b>Total Supply</b>	<b>6 477</b>	<b>7 850</b>	<b>7 378</b>	<b>7 524</b>
<b>Movement in Stocks</b>	<b>(949)</b>	<b>871</b>	<b>550</b>	<b>295</b>

## Market Review (continued)

Palladium				
koz	2020	2021	2022	2023
<b>DEMAND</b>				
Industrial	10 132	9 924	10 065	10 197
Automotive	8 510	8 327	8 439	8 679
Hydrogen and FC	-	-	-	1
Other industrial	1 623	1 597	1 625	1 516
Jewellery	177	207	207	214
Investment	(90)	40	(60)	-
<b>Total Demand</b>	<b>10 219</b>	<b>10 171</b>	<b>10 212</b>	<b>10 410</b>
<b>SUPPLY</b>				
Primary	6 171	6 994	6 714	6 830
South Africa	1 922	2 750	2 459	2 512
Zimbabwe	389	405	432	443
North America	934	857	951	981
Russian Sales	2 714	2 769	2 660	2 681
Others	212	212	212	212
Secondary	3 190	3 429	3 075	3 316
Recycle - Auto	2 686	2 898	2 562	2 820
Recycle - Jewellery	128	117	112	104
Recycle - Other	376	414	401	392
<b>Total Supply</b>	<b>9 361</b>	<b>10 423</b>	<b>9 789</b>	<b>10 146</b>
<b>Movement in Stocks</b>	<b>(858)</b>	<b>252</b>	<b>(423)</b>	<b>(264)</b>

Rhodium				
koz	2020	2021	2022	2023
<b>DEMAND</b>				
Industrial	980	988	1 027	1 071
Automotive	904	896	922	947
Hydrogen and FC	-	-	-	-
Other industrial	76	92	106	124
Jewellery				
Investment	(7)	(3)	(2)	-
<b>Total Demand</b>	<b>973</b>	<b>985</b>	<b>1 025</b>	<b>1 071</b>
<b>SUPPLY</b>				
Primary	609	790	724	734
South Africa	477	668	592	598
Zimbabwe	41	43	46	48
North America	21	15	16	17
Russian Sales	58	53	58	60
Others	12	12	12	12
Secondary	339	370	326	339
Recycle - Auto	339	370	326	339
Recycle - Jewellery	-	-	-	-
Recycle - Other	-	-	-	-
<b>Total Supply</b>	<b>948</b>	<b>1 160</b>	<b>1 050</b>	<b>1 073</b>
<b>Movement in Stocks</b>	<b>(25)</b>	<b>175</b>	<b>25</b>	<b>3</b>

Source: Impala Platinum Holdings Limited



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In recent years, the sustainable development agenda has been gaining ground, with investors and other stakeholders increasing their focus on ESG issues



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## 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 success in these areas ensures sustainable symbiotic relationships between the organisation, its stakeholders, and ecosystems. In recent years, the sustainable development agenda has been gaining ground, with investors and other stakeholders increasing their focus on ESG issues. Zimplats is committed to socially and environmentally responsible practices and good governance. This sustainability report addresses the key tenets of the Global Reporting Initiative (GRI) Standards: Core Option as detailed in the GRI index provided on pages 199 to 203. Zimplats has applied the GRI Standards in the preparation of the sustainability report. Ernst and Young Chartered Accountants Zimbabwe (EY) has undertaken a limited assurance engagement reviewing selected key performance indicators presented in this integrated annual report and 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 206 to 209.

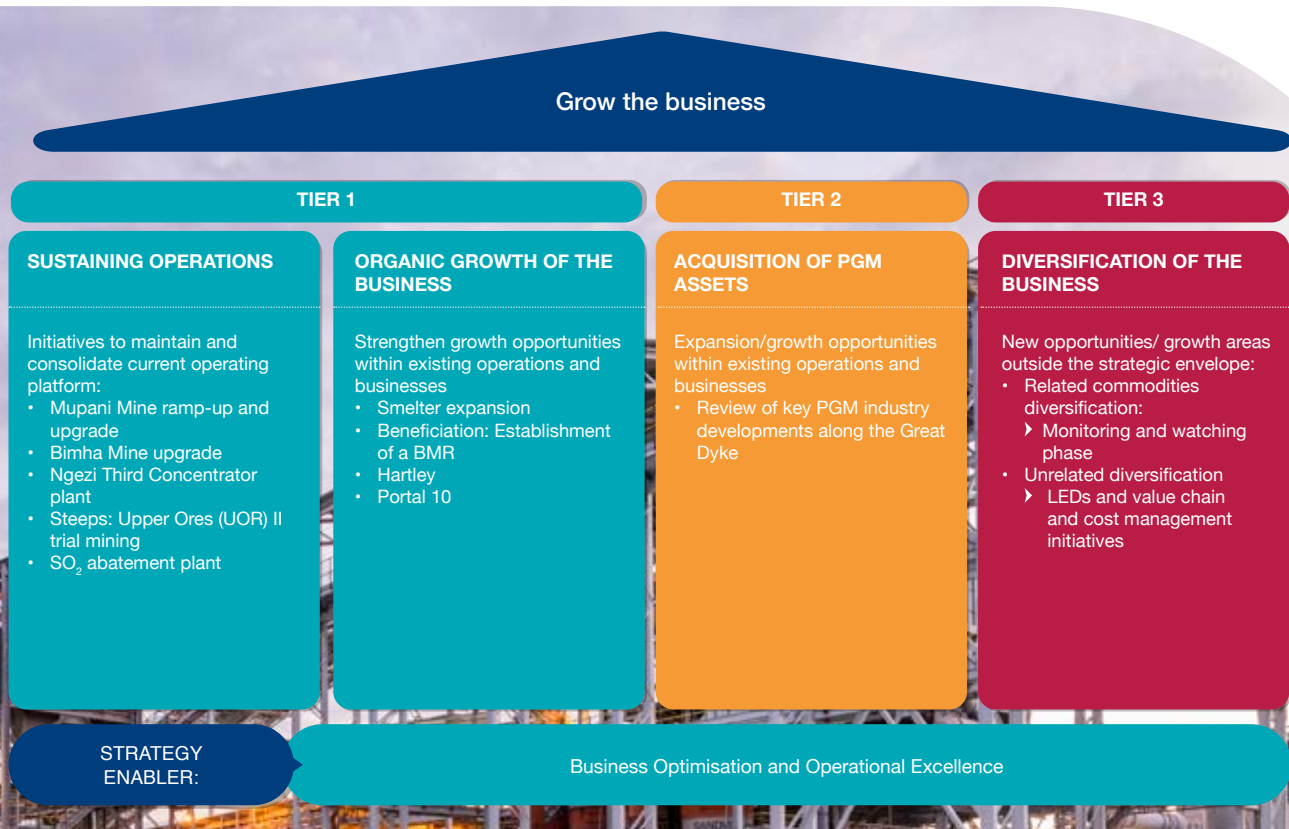
### Sustainability performance data

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

## Sustainability Matters (continued)

### OUR STRATEGY

Zimplats continues to pursue its growth strategy approved by the board of directors of the Company in February 2021. The growth strategy adopted by Zimplats is shown in the model below:



The strategy, which is in its second year of implementation, is anchored on optimisation of the current business through operational excellence. In line with the growth model, Zimplats' strategic priorities remain to:

- Anchor the growth strategy on sound business optimisation and operational excellence as a key strategy enabler
- Sustain and grow existing operations through strategic initiatives to maintain and consolidate our current operating platform by:
  - ▶ Progressing the implementation of the Ngezi Third Concentrator plant
  - ▶ Progressing the development and upgrade of Mupani and Bimha mines to replace Mupfuti, Ngwarati and Rukodzi mines
  - ▶ Upper Ores II (steep mining) trials

- ▶ Exploring opportunities to expand in-country processing capacity, installation of an SO<sub>2</sub> abatement plant and establishment of beneficiation facilities
- Strengthen growth opportunities within existing operations and businesses by:
  - ▶ Investigating opportunities for organic growth by increasing mining output through steeps mining, Portal 10 development or exploiting the Hartley resource
- Explore strategic partnerships with other PGM players along the Great Dyke
- Explore diversification opportunities to related and unrelated commodities available in Zimbabwe
- Explore diversification opportunities to enhance ESG profile of the Company, vertical integration of the value-chain system, create shared value through community empowerment and retaining the social licence to operate.

## Sustainability Matters *(continued)*

### OUR APPROACH TO MANAGING RISKS

Risk management is the process of identifying, assessing, and controlling threats to the organisation's business.

These risks stem from a variety of sources including financial uncertainties, legal liabilities, operational challenges, technology, strategic management errors, accidents, natural disasters and the business environment in which we operate, among other sources of risk.

Zimplats achieves its strategic objectives through a structured and integrated system of risk management. This encompasses the management of known existing risks and emerging risks to the business. Risk management is important to Zimplats because without it, the Company cannot define its objectives or goals clearly for the future. The capability to manage risk helps the organisation to act more confidently on future business decisions.

To that effect, Zimplats has developed a structured and integrated system of risk management which assists the Company to manage risks. As a result, there is greater certainty and confidence that the Company will achieve its strategic objectives. Through risk management, Zimplats offers assurance to all its stakeholders including employees, government, shareholders, communities, suppliers, and customers that the objectives which we set to achieve will be met.

The Zimplats process for managing risks remains aligned to the ISO 31000 risk management standard and involves the key processes of risk identification, risk assessment, risk treatment and monitoring, and reporting as shown in the model below:



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## Sustainability Matters (continued)

This is a structured, systematic and staged process which often involves multi-functional teams to accomplish. The first step in the risk management process is to identify all the events that can negatively (risk) or positively (opportunity) affect the objectives of the business. This is followed by the assessment of the identified risks to evaluate their individual impact severity to the business. After ascertaining the impacts of the identified risks, the process of developing controls and risk treatment strategies is carried out. This is an iterative process carried out continuously until the residual risk is managed to within the risk appetite and risk tolerance of the business.

Guided by this process, Zimplats has identified key strategic risks to the business as shown in the table below:

Strategic risks	Risk description	Impact	Response plans
Foreign currency availability threat and currency instability	<p>Availability of foreign currency to meet operational and growth requirements</p> <p>Uncertainty on the stability of the exchange rate between the local currency and other currencies</p>	<ul style="list-style-type: none"> <li>• Unavailability of foreign currency for growth</li> <li>• Exchange rate losses</li> <li>• Rise in inflation leading to increasing costs</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement with government for improved foreign currency retention</li> <li>• Regular monitoring of the business environment and developing appropriate response plans</li> <li>• Participating in, and supporting initiatives to improve the national economy</li> </ul>
Disruption to supply chain and procurement inflation risks	<p>Geo-political risks (particularly the Russia-Ukraine War) has resulted in disruption to the supply chain and procurement inflation for key materials originating from that region</p> <p>Covid-19 has affected global supply chain system for key inputs into the business</p>	<ul style="list-style-type: none"> <li>• Supply chain disruption</li> <li>• Procurement inflation</li> <li>• Loss of production</li> <li>• Failure to meet growth profile</li> </ul>	<ul style="list-style-type: none"> <li>• Explore alternative source markets for critical supplies</li> <li>• Enhance relationships with key players in the supply chain</li> <li>• Local enterprise development and import substitution</li> <li>• Upward review of stock levels to mitigate extended lead-times</li> <li>• Explore opportunities for solar as an alternative sustainable source of power</li> <li>• Regular engagement with the Zimbabwe Energy Regulatory Authority (ZERA)</li> <li>• Monitoring of national power supply and developing relevant mitigation measures</li> <li>• Power securitisation agreements with Zimbabwe Electricity Supply Authority (ZESA)</li> <li>• Develop and implement demand side management initiatives to reduce demand for power</li> </ul>
Covid-19 pandemic	<p>Uncertainty about the extent and full impact of the Covid-19 pandemic persists</p>	<ul style="list-style-type: none"> <li>• Threat to employee and community health and safety</li> <li>• Disruptions to supply chain system</li> <li>• Business continuity threats (shutdowns)</li> </ul>	<ul style="list-style-type: none"> <li>• Vaccination</li> <li>• Covid-19 Code of Practice</li> <li>• Communication and awareness</li> <li>• Medical facilities (including fully equipped Covid-19 isolation and quarantine centres)</li> <li>• Covid-19 testing</li> <li>• Community interventions and support on Covid-19 response</li> </ul>

## Sustainability Matters (continued)

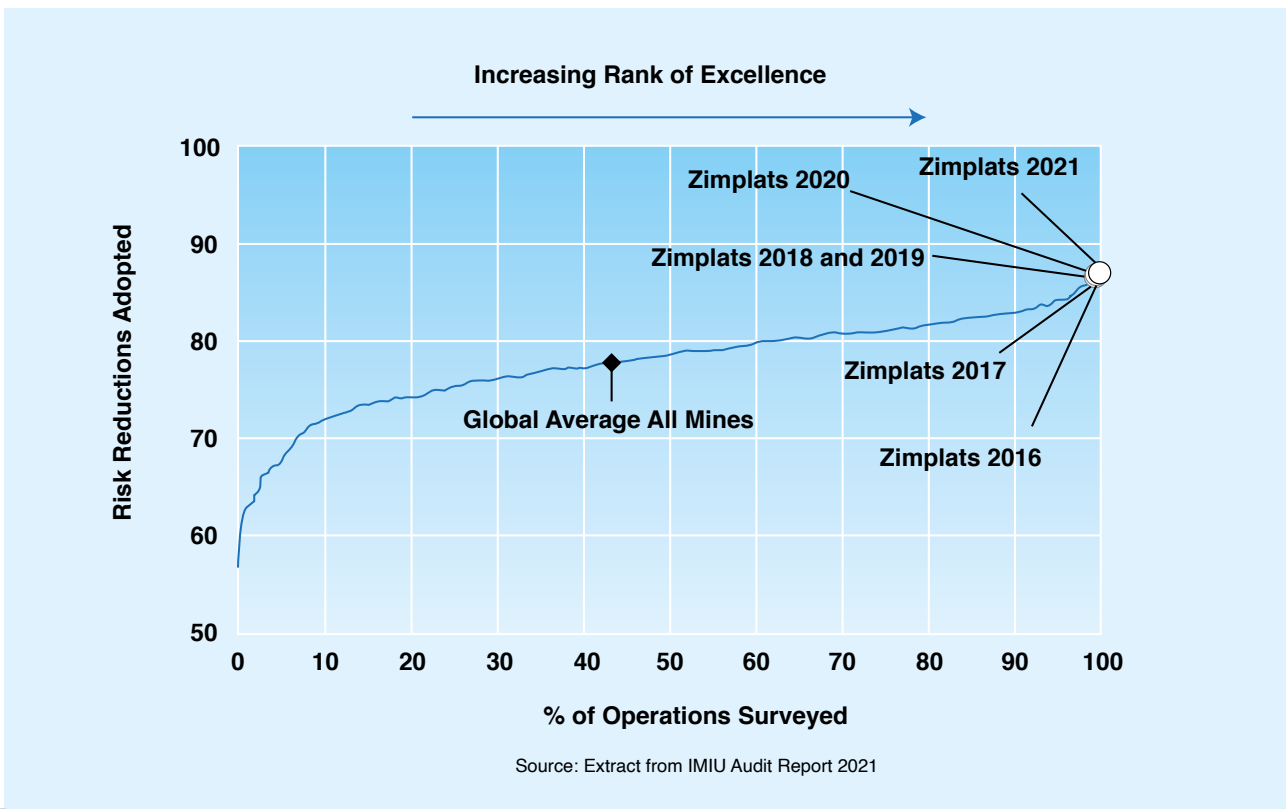
Risk	Risk description	Impact	Response plans
People risks	Unavailability of effective people as skills demand increases with growth projects	Loss of skills	<ul style="list-style-type: none"> <li>Recruitment</li> <li>Skills development and training</li> <li>Succession planning</li> <li>Employee welfare</li> <li>Reward and recognition system</li> </ul>
Cyber risks	Failure or breach of ICT system (including operational technologies)	<ul style="list-style-type: none"> <li>Financial loss</li> <li>Business interruption</li> <li>Reputational damage</li> <li>Breach of cyber regulations</li> </ul>	<ul style="list-style-type: none"> <li>Firewalls</li> <li>Access restriction</li> <li>ICT disaster recovery plans</li> <li>Anti-spoofing devices</li> <li>User training and awareness</li> <li>Regular review of in-built securities</li> </ul>
Safety, health and environment (SHE)	SHE risks	<ul style="list-style-type: none"> <li>Injury to personnel and damage to property, leading to failure to achieve ZERO HARM goal</li> <li>Effects on employee health</li> <li>Damage to environment</li> </ul>	<ul style="list-style-type: none"> <li>Behaviour based safety programmes</li> <li>Community safety and off-the-job safety initiatives</li> <li>Technology deployment in high-risk areas</li> <li>Robust SHE management systems</li> <li>Covid-19 protocols</li> <li>Employee wellness programmes</li> <li>Environmental management systems</li> </ul>
Breach of tailing storage facility (TSF)	<p>Catastrophic failure of tailings storage facility, resulting in uncontrolled flooding within the zone of influence (ZOF) of the dam</p> <p>Farmers settled on the SMC tailings dam ZOF are at risk should the tailings dam breach</p>	<ul style="list-style-type: none"> <li>Injury to personnel and communities</li> <li>Damage to property</li> <li>Adverse environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Engagement and collaboration with authorities to relocate communities currently settled within the ZOF of the TSF</li> <li>Third party audits of condition of tailings dams</li> <li>Operation and maintenance of TSF according to best practice</li> <li>Access control system</li> <li>Emergency preparedness plan and mock drills</li> <li>Regular training and awareness to employees and communities</li> </ul>
Taxation	Penalties and other financial loss due to failure to comply with taxation regulations and inefficient tax planning	Increased tax cost and reputational damage due to failure to manage tax risks	<ul style="list-style-type: none"> <li>Regular tax compliance health checks covering all tax heads</li> <li>Regular tax training and awareness to operational staff</li> <li>Continual engagement with authorities to resolve tax matters</li> <li>Legal advice on tax matters</li> </ul>
Social licence to operate	Loss of social licence to operate	Loss of social licence to operate	<ul style="list-style-type: none"> <li>Regular engagement with all stakeholders including government and host communities</li> <li>Implement social development programmes</li> <li>Local enterprise development (LED) programmes</li> </ul>

## Sustainability Matters (continued)

### OPERATIONAL AND INSURANCE RISKS

Zimplats' operational risk management is aligned to the Enterprise Risk Management (ERM) system and the process of identifying and treating operational risks follows the same ISO 31000 standard. The operational teams identified material risks to operations and developed adequate mitigation measures to manage the risks.

To provide adequate assurance on the management of operational risks at Zimplats, the International Mining Industry Underwriters (IMIU) are engaged annually to conduct an audit on the adequacy and effectiveness of operational risk management measures at all our operations. The results of the November 2021 and prior IMIU audits indicate that Zimplats' operational risk management efforts remain exemplary throughout the mining industry as shown below:

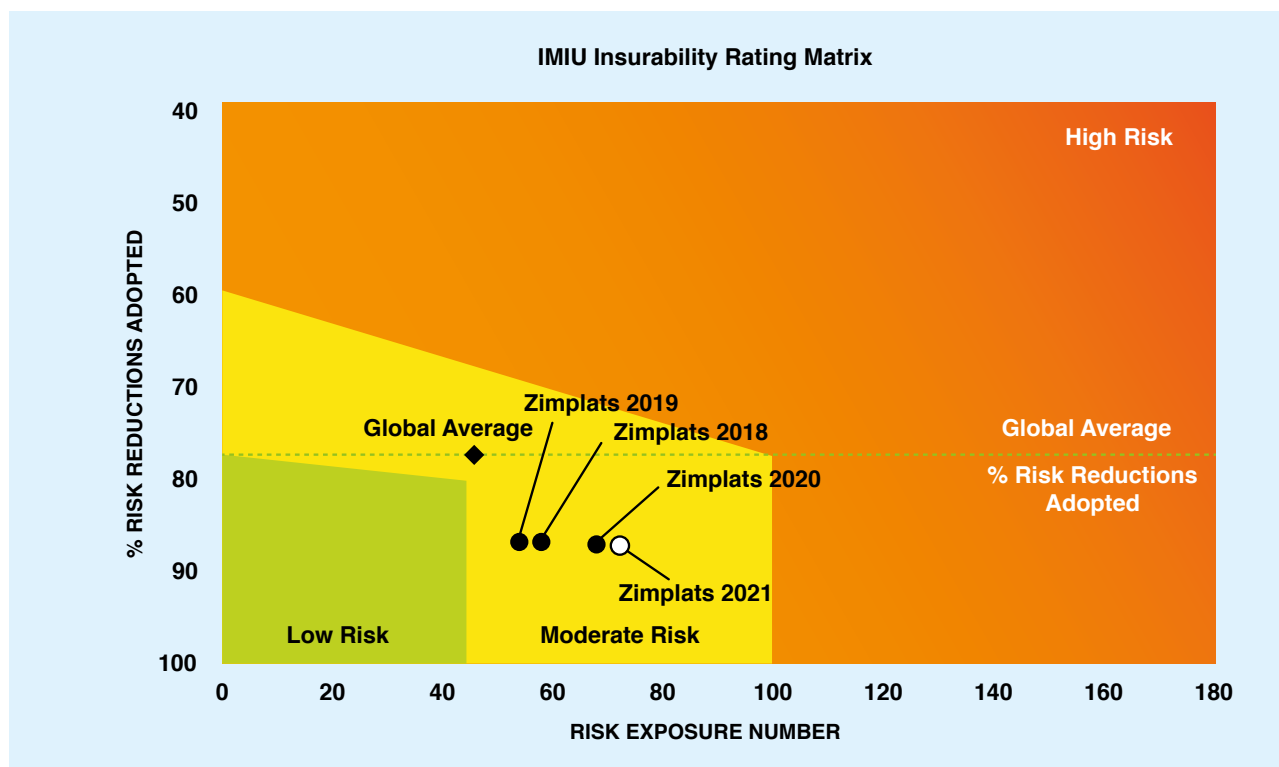


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## Sustainability Matters (continued)

Zimplats operational risk management system remains adequate and effective, maintaining a risk reduction adopted rating above 99% as in the previous year.

Linked to the percentage risk reduction measures adopted, is the IMIU insurability profile which shows the attractiveness of a risk to insurance. The graph below gives the insurability rating for Zimplats as derived during the 2021 insurable risks audit by IMIU:



As a result of this performance, Zimplats remains an attractive risk to mining industry insurers.

### OUR RESPONSE TO COVID-19 PANDEMIC

Zimplats' response to the Covid-19 pandemic remains guided by the established Zimplats Covid-19 code of practice and guidelines from the Ministry of Health and Child Care of Zimbabwe and the World Health Organisation (WHO).

The Zimplats Covid-19 code of practice provides guidelines for prevention, treatment, care, and support for those infected and affected by Covid-19 at the workplace. The medical facility which the Company set up to manage Covid-19 cases remained adequate to attend to the 51 cases which were recorded during the year under review.

As at year end, Zimplats had recorded a total of 86 confirmed cases since the onset of pandemic, all of which were managed as per the Covid-19 code of practice. All the 86 cases have since recovered. No Covid-19 related deaths have been recorded by the Group.

As a result of adequate management of the pandemic at Zimplats, no Covid-19 related business interruptions were recorded in the year.

Zimplats achieved 100% full vaccination and efforts are now underway to administer the third booster vaccination to employees. More than 80% of the workforce had received the booster vaccination by year end.

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## 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.

Through engagement, we continue to develop and nurture sound relationships with stakeholders and communities around our operations. This is important in demonstrating our commitment to create a better future for all our stakeholders through the metals we produce and the way in which we do business. It is also crucial in strengthening our social licence to operate and in delivering impactful social performance.

#### Key stakeholders

As a business, our stakeholder map includes the following as some of our stakeholders:

- Internal stakeholders - employees, management, the board of directors, and shareholders
- External stakeholders - government, communities, regulatory authorities, suppliers, local authorities, 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 stakeholder groups have in the Group and their impact, 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, risk register and eight-stage stakeholder engagement framework and processes. 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, business continuity, reputation, and licence to operate. The business has rolled out the groupwide, eight-stage, stakeholder engagement model to ensure that the stakeholder management process is consistent and addresses the principles of inclusivity, materiality, and responsiveness. Stakeholder engagement allows the Group to understand and respond to stakeholder expectations and our future aspiration is to achieve predictive analyses of stakeholders matters so that they can be addressed proactively. All material issues identified during engagements are captured and action plans are developed to ensure issues are addressed timeously and adequately.

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

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## Sustainability Matters (continued)

### Summary of Stakeholder Material Issues

Stakeholder	Material Issue	Zimplats Response
Government	Indigenisation and Empowerment	Following the Finance (No. 2) Act, 2020 that amended section 3(1) of the Indigenisation and Empowerment Act [Chapter 14:33] and Finance (No. 2) Act, 2020 that repealed section 3 (a) and (b) of the Act and the Joint Press Statement, issued by the Minister of Finance and Economic Development and Minister of Mines and Mining Development, dated 2 February 2021, Zimplats continues to engage government in anticipation of the enactment of the empowerment legislation which remains pending
	Beneficiation	The matter of beneficiation is covered in the Memorandum of Understanding (MOU) signed between the company and government
Employees	Housing	The Group is implementing housing projects in both Chegutu and Ngezi which should close the housing gap
Shareholders	<ul style="list-style-type: none"> <li>• Covid-19</li> <li>• Business performance</li> <li>• Legal compliance</li> <li>• Government expectations on beneficiation</li> <li>• Export levy on un-beneficiated platinum</li> <li>• Ease of doing business</li> <li>• Resettlement of families in the SMC tailings dam zone of influence</li> </ul>	<ul style="list-style-type: none"> <li>• Effective Covid-19 mitigation measures were implemented. All 86 cases were successfully treated and 100% of employees have received two vaccine doses.</li> <li>• The Company has submitted quarterly performance reports to shareholders</li> <li>• Legal compliance audits have been conducted to ensure that there are no anomalies</li> <li>• The matter of beneficiation is covered in the MOU signed between the Company and government</li> <li>• Following engagement, the export levy on un-beneficiated platinum has been removed</li> <li>• Engagement to address matters on the ease of doing business is ongoing</li> <li>• Agreement has been reached between government and Zimplats on a model for resettlement of the families in the SMC tailings dam zone of influence</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Employment</li> <li>• Social performance</li> <li>• Indigenisation and Empowerment</li> </ul>	<ul style="list-style-type: none"> <li>• The community expectations on local employment remain high given the national unemployment rate. The roll out of the growth projects will present several opportunities for local employment</li> <li>• Several projects aimed at enhancing community well-being were implemented during the year</li> <li>• Zimplats continues to engage government in anticipation of enactment of the empowerment laws</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Business continuity</li> <li>• Expansion programme</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement with suppliers were heightened on the back of global geo-political challenges and a local shortage of foreign currency. There were no disruptions to operations</li> </ul>
Media	Expansion programme	<ul style="list-style-type: none"> <li>• The main focus of interest for the media during the year was the announcement and roll out of the US\$1.8 billion expansion programme. Relations with the media remain cordial on the back of open engagement</li> </ul>

## Sustainability Matters (continued)

### Local supplier development

Zimplats is committed to creating a better future through developing economically self-sustaining and inclusive mine communities. In FY2022, the Company accelerated its inclusive socio-economic growth agenda through progressing the implementation of its structured LED programme. The LED programme was launched in 2013 to capacitate and grow local indigenous companies. The objective is to align the LEDs to the standards of Zimplats' way of doing business and core values. This is positively contributing to a resilient supply chain for Zimplats and the economic and social development of the communities in which the Company operates. The major focus is on previously disadvantaged groups which include women and youth.

Zimplats prioritises procurement from local, host community and indigenous enterprises as aligned to SDG 10.2. Total discretionary procurement spend amounted to US\$552.5 million, a 31% increase from last year's spend of US\$423 million. Local spend totalled US\$321.4 million, which is 58% of the overall discretionary spend for FY2022 and above the target of 50%. The increase in local spend was mainly attributable to capacitation of local suppliers to participate competitively in Zimplats' major projects especially with regards to service delivery and provision of locally available materials. Of the overall spend for the year, 42% (US\$231 million) is attributable to imports.

### LED Programme

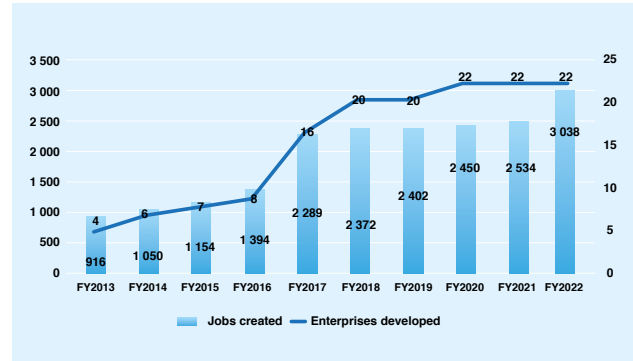
Zimplats, in line with SDG 8.3, supports the development of resilient local enterprises for participation within the business value chain and beyond. The LED programme comprises 22 small to medium enterprises, 32% being youth and women enterprises, all with a guaranteed level of business with the Company. In FY2022, most of the local enterprises expanded to provide goods and services beyond Zimplats. Furthermore, the LEDs positively impacted communities through job creation, skills development, investment in local infrastructure, and the overall establishment of thriving and healthy host communities. This is critical for the Company's social licence to operate. The LED programme also contributed to supply chain efficiencies associated with proximity of services especially labour and other locally available materials such as river sand and quarry stones

for construction purposes, thus reducing costs and delivery times. Services offered to LEDs to enhance their performance include training, capacity development, commercial, financial, and technical assistance. During the year, 44 administrators from 22 LEDs were trained in the SAP Ariba Procure to Pay system. The LED programme is expanding, contributing to the national economy, the community, and the Company.

### Employment creation

As at 30 June 2022, the 22 LEDs provided decent work to 3 038 people, a 20% increase in employment creation from 2 534 people in FY2021. As shown below, employment creation rose by 504 jobs during the year mostly due to growth and expansion projects being undertaken by Zimplats.

### Socio-economic development



### Revenue generation

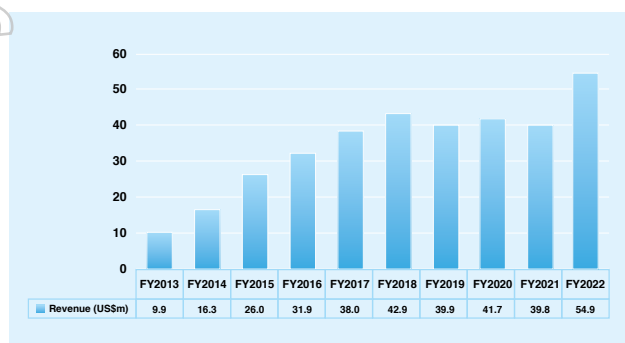
The LEDs supplied Zimplats with various products and services which included engineering, medical, haulage, drilling, labour broking, underground support (shotcreting), legal advisory services, catering and facilities management solutions, protective clothing, bricks and silica.

As at 30 June 2022, LEDs spend amounted to US\$54.9 million, a 37% increase from FY2021 spend of US\$39.8 million, as shown below. A total of US\$341.3 million has been invested in the procurement of goods and services from the LEDs since the programme's inception in FY2013 as shown on the graph below. Furthermore, additional business averaging US\$18.2 million was extended by Zimplats to the LEDs' sister companies in FY2022.

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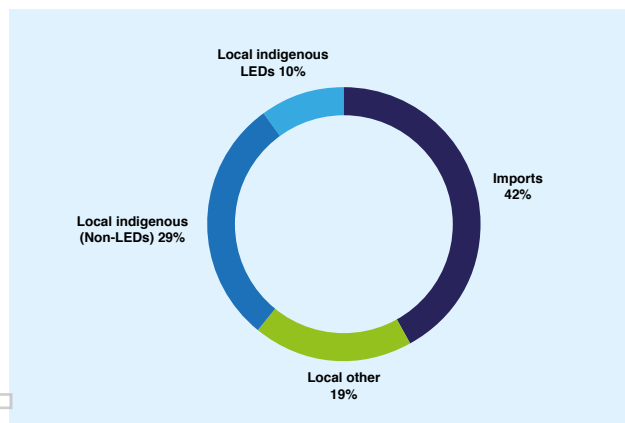
## Sustainability Matters (continued)

LEDs revenue generation trend since FY2013



The activities by the LEDs resulted in significant contribution to socioeconomic development and import substitution which is key for the utilisation of the Zimbabwe dollar (ZWL) in the business. Revenue generated by LEDs as at 30 June 2022 accounted for 10% of Zimplats' total procurement spend as shown below:

FY2022 procurement split



Local procurement by LEDs and non-LEDs accounted for 58% of overall total procurement.

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

Zimplats through the LEDs programme maintained its commitment to creating equal opportunities and promoting gender equality as espoused by SDG 5 through appointing 20% of the enterprises on the programme being led by females. In FY2022, Zimplats capacitated and mainstreamed participation of four female-led enterprises, that is, Turf Brick Moulders (Private) Limited (Turf Brick Moulders), Telstone Trading (Private) Limited, The Brooke Chemist (Private) Limited (Brooke Chemist) and Dostaro Investments (Private) Limited.

#### Turf Brick Moulders

Turf Brick Moulders automated its production processes in November 2021 through commissioning a QT6 multipurpose masonry products manufacturing plant at Turf in Ngezi. As at 30 June 2022, the automated plant had produced three million bricks for the Zimplats Turf housing project. The women-led enterprise also procured and commissioned ancillary equipment that includes a 380HP Hohan truck for haulage of quarry dust, L39B3 Shantui front-end loader for improving production efficiencies, 7-ton truck for delivery of bricks to customers and two utility vehicles. The equipment is instrumental in cost containment and backward integration within the bricks manufacturing value chain. The enterprise also expanded to supply neighbouring communities beyond Zimplats, including opening of an additional depot in Chegutu town. Ongoing coaching sessions in financial literacy, corporate governance and business management systems were provided by Zimplats as part of the capacity development process. Financial assistance was also extended towards meeting capital requirements.

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## Sustainability Matters (continued)

### Milestones achieved at Turf Brick Moulders



**QT 6 multipurpose plant**



**Shantui L39B3 front end loader**



**Hohan 380 HP truck**

### Promoting decent work and economic growth through youth empowerment (SDG 10)

Developing youth enterprises is integral to the Zimplats LED programme's inclusive procurement thrust. In FY2022, Combined Technical Services (Private) Limited (CTS), Glenrise Investments (Private) Limited and Paxelent Enterprises (Private) Limited were supported.

#### CTS

CTS was incorporated in 2012 beginning on 1 000 square metres of land space and have increased to just over 3 000 square metres of workshop space at Turf in Mhondoro Ngezi. The expansion of the footprint has been due to an increase in the number of quality services in line boring, machining, hydraulics, bucket repairs, metal fabrication, wear management and drivetrain transmission repair, amongst other services. CTS has grown from a staff complement of seven at inception to 40 employees in FY2022. The enterprise has a gender parity ratio of 25% females in finance, Safety, Health, Environment and Quality (SHEQ), administration and senior management roles.

In FY2022, the enterprise conducted extensive work that was backed up by its highly qualified engineers in non-destructive testing checks and guarantees. The Ngezi based enterprise has also set up a state-of-the-art drivetrain manufacturing and repair centre within Zimplats' host community. The centre is an import substitution facility that has reduced turnaround times through manufacturing, repairing and reconditioning of load haulage dumpers (LHD) components, engines, axles, gear boxes and all rotatable spares. It is providing local engineering products and services at competitive prices for its key clients that include Zimplats and other big mining companies within the country. The enterprise is set to expand and open operations in the Democratic Republic of Congo at the beginning of 2023.

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## Sustainability Matters (continued)



Repair of buckets at CTS in Ngezi



Reconditing works at CTS in Ngezi

### COMMUNITIES AND SOCIAL DEVELOPMENT INITIATIVES

Zimplats is committed to bringing long-term growth and opportunity for all our stakeholders by focusing on the creation of self-sustaining and inclusive host communities by 2030. The creation of a better future, through the way we do business and through the metals we produce is a guiding principle for the execution of effective social development. Our success is intrinsically linked to the extent to which we create value for our stakeholders, upholding our values of respect, care and deliver. 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 all our stakeholders to unlock value creating relationships.

With increasing alignment to the United Nations SDGs, our social performance expenditure of US\$4.3<sup>▲</sup> million, supported various projects guided by the four pillars namely:

- Community well-being
- Education and skills development
- Enterprise development
- Infrastructure.

### Social Performance Expenditure for the Past Five Years

	FY2022	FY2021	FY2020	FY2019	FY2018
	US\$	US\$	US\$	US\$	US\$
Sports development	301 489	5 260	533 843	1 658 981	1 929 497
Health and safety	341 472	535 189	208 658	1 455 504	1 936 934
Education	660 899	122 301	89 595	184 684	233 723
Socio-economic development projects	2 033 909	1 660 736	1 360 185	11 908	515 684
Community project on albinism	187 840	81 852	13 706	-	461 099
Covid-19 community support	107 558	28 301	207 714	-	-
Other	671 283	148 042	214 491	473 477	890 409
<b>Total social performance expenditure</b>	<b>4 304 450<sup>▲</sup></b>	<b>2 987 761</b>	<b>2 628 194</b>	<b>3 784 554</b>	<b>5 967 346</b>

<sup>▲</sup>This item was the subject of the limited assurance engagement performed by EY

## Sustainability Matters (continued)

### Infrastructure Development for Health Care Delivery (SDG 3 – Good health and wellbeing and SDG 7 – Affordable and clean energy)

In line with our strategy to promote the use of clean energy and provide potable water for the benefit of mine communities, Zimplats has invested in several solar-powered boreholes for use by the communities.

Aligned to our objective of improving service delivery by health institutions, Zimplats has extended its solar power interventions to health centres in the rural communities, as part of a five-year initiative that will see five health care institutions being impacted.

Danangwe Clinic located in Chegutu District was built by the Rural District Council with the assistance of the local community and the Zimbabwe Defence Forces and serves a population of 6 000. Prior to its establishment, the community residing in that area did not have a health institution and patients would travel more than 50kms to Chegutu District Hospital and Msengezi Clinic, while childcare services such as immunisation were carried out by an outreach team. In FY2020, Zimplats received a request from Danangwe Clinic listing several challenges that were being faced by the clinic. Among these were operational inefficiencies resulting from lack of adequate electricity and water supply.

In line with the business' stakeholder engagement strategy to partner the community in infrastructure development, Zimplats embarked on the solar project to electrify Danangwe Clinic. The new solar system will enable the maternity ward and out-patients department to service patients around the clock due to improved lighting. The clinic will also be able to improve delivery of other services like neo-natal care and enjoy the benefits of refrigeration of essential medicines and vaccines. The solar system will also power the institution's borehole. Before Zimplats' intervention, the clinic was using a small generator to pump water into a storage tank.

The clinic, which attends an average of 180 patients per month now has improved water and electricity infrastructure to provide a better service to the community.

Besides the investment at Danangwe Clinic, Zimplats has embarked on the construction of a maternity ward and mothers' prenatal ward, known as a mothers' shelter at Gweshe Clinic in Mhondoro Ngezi. The objective of this project is to promote safe delivery and reduce the mother/child mortality rates in the area.

Zimplats has a clearly defined corporate social investment (CSI) strategy. The strategy is underpinned by four pillars, namely: education and skills, enterprise development, community wellbeing and infrastructure. It is for this reason that the Company has made significant investments in Zimbabwe's primary healthcare system over the past couple of years. Among these are Kadoma Hospital which received US\$2.3 million in infrastructure upgrades in FY2018, Chinhoyi Provincial Hospital which received similar support to the tune of US\$133 000 in FY2019, and Gutu Hospital, which received support amounting to US\$350 000 in FY2020.

### Community Project on Albinism (SDGs 3, 10 - good health and wellbeing, reduced inequality)

The Zimplats community project on albinism seeks to raise awareness and advocate against discrimination and abuse of people with albinism in society. It also seeks to promote their integration in society and to reinforce the fact that people with albinism are equal with others in every aspect. By championing the 'Beyond the skin' campaign, Zimplats continues to improve the quality of life of people with albinism through the sustainable provision of sunscreen lotions and lip balms on a monthly basis.

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, Brooke Chemist, in the production of the sunscreen lotions and lip balms for people with albinism. The key highlight for FY2022 was that Zimplats managed to assist Brooke Chemist, to set up a factory, which will increase the production of the sunscreen lotions locally and enable Zimplats to expand its support to people with albinism. Localisation of the manufacture of the lotions has resulted in a more affordable and accessible product.

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## Sustainability Matters (continued)

Over the past year, Zimplats has distributed more than 12 000 sunscreens and lip balms to communities in Harare, Bulawayo, Matabeleland North, Mashonaland West and Masvingo provinces. Our aim is to extend the recipient base to all provinces, and in that regard, in FY2022, the initiative was extended to Manicaland Province. The Manicaland Province launch was held jointly with the International World Albinism Day commemorations and will result in an additional 300 beneficiaries receiving monthly assistance as a result of the initiative.

### **Education (SDGs 4, 1, 9, 10 - Quality education, no poverty, infrastructure, and reduced inequality)**

#### **Promoting Science, Technology, Engineering and Mathematics (STEM) learning**

In FY2021, Zimplats committed to constructing and equipping a science laboratory for sixth form students (Advanced level or 'A' level) at Wanganui High School and to equip an existing Ordinary Level ('O' Level) science laboratory constructed by parents who were not able to equip the laboratory due to funding constraints. Wanganui High School is a council school located in Turf town and currently has an enrolment of 1 294 learners, 38 educators and six non-teaching staff. Of the teaching staff, five are science educators. Zimplats has invested significantly in the upgrade and expansion of Wanganui High School over the years, with the newly completed science laboratories project adding onto the existing infrastructure, a development that is set to enhance learning at the institution.

Education and skills development is one of Zimplats' key social performance pillars in the creation of self-sustaining and inclusive host communities. The Wanganui High School science laboratories project, which is part of a five-year plan to equip learners with skillsets that enable them to enter STEM careers, is now fully functional. In the 2021 academic year, the pass rate for 'A' level was 89.9% while the pass rate for 'O' level was 9.1%. According to the school head, the low 'O' level pass rate was the result of the school not having adequate teaching and learning facilities. The laboratories installed by Zimplats will be used for science and geography classes for 'O' level and 'A' level students. The infrastructure therefore addresses an identifiable need. The national education curriculum which has shifted towards an emphasis on science, technology, engineering and manufacturing leaves many rural schools

at a disadvantage as they are not equipped with essential facilities that enable practical learning of STEM subjects. In order to ensure that the skillsets in our host communities allow learners job absorption in the formal economy and assist them to be future ready, Zimplats will roll out similar assistance to other schools close to its operations.

### **Promoting STEM Learning (SDGs 7, 4, 9, 10 - Affordable and clean energy, quality education, infrastructure and reduced inequality)**

Tangwena Primary School, located less than 15km from the Zimplats mining operations, is a feeder school to Wanganui High School. The institution has 390 learners and 12 teachers. It has three classroom blocks with a total of nine classrooms. Lack of development at the school and high staff turnover have resulted in members of the community, including Zimplats employees, transferring their children to schools in Turf, which are now congested.

Chingondo Secondary School, located in ward 11, Mhondoro Ngezi district, services the community around Mupani Mine. The school's enrolment currently stands at 320 pupils and 13 teachers. In the past, Zimplats has assisted in the development of the school through various initiatives that include donation of textbooks, building material for classroom blocks, construction of ablution facilities and development of the sports field.



## Sustainability Matters (continued)

As part of Zimplats' social investment, both Tangwena and Chingondo schools benefited from the installation of a 10KW solar power system at each of the schools. Besides providing the schools with solar power, the project has enabled the development of computer skills through the establishment of a computer laboratory, equipped with 20 computers at each of the schools. The developments at the learning institutions will contribute towards bridging the gap between urban and rural schools through an improved learning environment. The current Covid-19 pandemic is testament to a situation where learners in rural areas were disadvantaged as they had to stay at home and lag behind in their studies while their urban counterparts continued to learn from home or from community centres, as they were better equipped and had access to enabling technology. Access to solar power will also allow schools to offer digital learning, science learning and will likely impact staff turnover positively, leading to more motivated teachers and better results.

The solar project will be rolled out to three institutions (two schools and one clinic) annually, 15 institutions in total over a five-year period. Solar power ensures inclusive and equitable quality education and promotes lifelong learning opportunities for all.

### Income Generation, Enterprise and Community Development - Investing in No Poverty and Zero Hunger

#### 1. Village Ecosystem for Horticulture Project - (SDGs 1, 2, 8 - no poverty, food, economic growth)

Zimplats' socio-economic development strategy seeks to support communities in sustainable activities that promote empowerment and self-reliance. Food security at household level is an important aspect of the above strategy.

In FY2021, Zimplats committed to the establishment of three smallholder irrigation schemes in the Mhondoro Ngezi and Chegutu rural districts, as part of a five-year programme that will see the launch of 15 such schemes. The objective of this project is to create self-sufficient, food-secure communities and at the same time promote their resilience to climate-induced shocks.

To date, Zimplats has rolled out Rutara community Irrigation Scheme and work has begun at Gweshe and Tyrone villages. The Rutara community, which is adjacent to our Ngezi operations, opted to grow garlic, an export crop, which will help them generate foreign currency. A total of 23 families from the Rutara community are participating in this food security and revenue generating initiative.

Besides the investment in appropriate irrigation infrastructure for use by participants, Zimplats facilitated training through a range of project partners, to promote sustainability of the projects. This training included site visits to similar ventures for practical learning. The project is aimed at improving livelihoods and the well-being of the participating communities.

#### 2. Cattle ranching project - (SDGs 8 and 10 - Economic growth and reduced inequality)

The cattle ranching and dairy project which is situated within the Zimplats mining lease in Mhondoro-Ngezi was officially launched by the President of the Republic of Zimbabwe, His Excellency E.D Mnangagwa, in 2021. This is a US\$15 million joint venture project between Zimplats and Remoggo, operating under the name Palmline Investments (Private) Limited (Palmline). The project targets a herd of 6 900 cattle comprising a commercial beef herd of 3 100, a dairy herd of 3 800, and production of 25 million litres of milk per annum at its peak.

#### Key project highlights to date

- Cattle on site 2 478 (commercial, dairy and wagyu)
- 109 births recorded in FY2022
- An increase in the number of employees from 26 at inception to 50 employed in cattle ranching and 14 in the dairy section of the project. Eight of the employees are women
- Water surveys done, and 11 boreholes drilled for watering cattle and irrigating pastures
- 30-hectare centre pivot constructed
- Expansion of employee accommodation.

Members of the neighbouring community have benefited from establishment of the Palmline project. Zimplats assisted 1 568 community members from adjacent villages with dipping facilities (total number of cattle

## Sustainability Matters (continued)

6 188). In addition, 22 members from the community supplied the project with grass for feed.

In support of the dairy venture, Zimplats invested in the rehabilitation of the dairy section at Gwebi Agricultural College, with the aim of housing the dairy cattle temporarily until Palmline has its own dairy parlour in place. This upgrade included the importation and installation of state-of-the-art dairy parlour equipment, purchase of a generator to manage power outages, fencing, construction of a cow shed and renovation of buildings and ablution facilities. Palmline has donated 20 dairy cows to Gwebi Agricultural College to assist them in income generation through milk supply once Palmline exits the college. Zimbabwe's total milk requirement is 130 million litres per year. Current national production is 75 million litres, leaving a deficit of 55 million litres per year. The Palmline project is making a meaningful contribution to closing this deficit, by producing 400 000 litres of milk per annum.

### Appointment of an independent chairman for the project board

In June 2022, Mr Petrus Erasmus was appointed as the independent board chairman for Palmline. A qualified accountant, Mr Erasmus has over 50 years' experience in the livestock industry as an animal breeder. His animal breeding experience, mainly as a renowned breeding stock supplier in the country, makes him a valuable knowledge resource for Palmline. The growth of Palmline is heavily dependent on improved animal genetics, a field in which Mr Erasmus is an expert.

### Providing Resources to Enhance Education and Sporting Activities – (SDG 4 - Quality education)

Zimplats has in the past constructed a state-of-the-art football stadium and netball pitch. However, employees and the community have expressed sentiments that the range of sporting facilities available in Turf town is limited. As part of the strategy to promote sport at social and competitive level and in a bid to diversify the sport codes available for employees and the community, Zimplats embarked on an initiative to construct a pitch that can be used for both basketball and volleyball. The new court will broaden the base of sports available to both male and female employees and members of the community.

The desired outcome of the intervention is to promote sport for all and build a community spirit, through participating in sport and in so doing also improve health and wellness. Zimplats targets the identification and development of at least 10 sportsmen and women from the province participating in elite sport at national or international level.

### Promotion of water and sanitation – (SDGs 6, 4 - Clean water and sanitation and quality education)

#### Improving sanitation – Denya Primary School

Denya Primary School is situated in Mhondoro-Ngezi rural district and has 230 learners. In February 2022, the school faced adversity following heavy rains and strong winds that caused the ablution facilities to collapse. Zimplats responded positively to a request from the school to avert an impending health crisis by constructing a new ablution block. The initiative by Zimplats is in line with the Company's purpose of creating a better future and improving quality of life - today and for generations to come. Through the positive contribution we make to society, we create lasting benefits for our stakeholders in a way that is both respectful and responsible.

#### Access to safe drinking water

Zimplats sunk and equipped 10 boreholes in the financial year for the community in a bid to provide safe drinking water and water for irrigation purposes to ensure sustainable food security. The drilling of boreholes serves also to augment water supplies. The Company has drilled more than 75 boreholes within the community over the years.



## Sustainability Matters (continued)

### OUR SAFETY PERFORMANCE

#### SDG 8 DECENT WORK AND ECONOMIC GROWTH

##### Total manhours worked

FY2022: 19 681 915  
 FY2021: 15 171 252

##### Lost Time Injury Frequency Rate

FY2022: Actual: 0.30▲ Target: 0.35  
 FY2021: Actual: 0.20

##### Total Injury Frequency Rate

FY2022: Actual: 0.56▲ Target: 1.37  
 FY2021: Actual: 0.46

##### Fatal Injury Frequency Rate

FY2022: Actual: 0.05▲ Target: 0.00  
 FY2021: Actual: 0.07

In pursuit of our vision to attain sustainable Zero Harm for all our stakeholders, we continue to place safety at the core of our business endeavours. United Nations SDG 8 on decent work, provides the basis for our safety strategy. Zero Harm is as the centre of the Company's strategy for the following reasons:

- To safeguard and protect our number one asset (our people)
- To achieve our personal goals if we all work safely
- To secure the social and regulatory authorisation to operate
- To navigate through the high inherent risks environment in which we operate
- To operate sustainably.

FY2022 saw the Group undergoing a successful re-certification audit for the three international standards namely Environment Management System: ISO 14001:2015, Occupational Health and Safety: ISO 45001:2018 and Quality Management Systems: ISO 9001:2015. Certification to international and industry specific standards allows Zimplats to achieve consistency in implementing its business management system.

The safety of our employees and stakeholders remains a priority and we regret that after achieving two million fatality free shifts, we incurred a fatal injury on 23 March 2022 at Bimha Mine when Dean Nyamurenje was fatally injured in a conveyor belt accident. The lessons learnt from the investigation on the fatality have been implemented.

Our safety performance is summarised in the table below:

#### Safety performance

Key Performance Indicator	FY2022 Performance	FY2021 Performance
Fatalities	1▲	1
Lost-time injuries (including fatality)	6	3
Total injuries	11	7
Fatal injury frequency rate (FIFR)	0.05▲	0.07
Lost-time injury frequency rate (LTIFR)	0.30▲	0.20
Total injury frequency rate (TIFR)	0.56▲	0.46

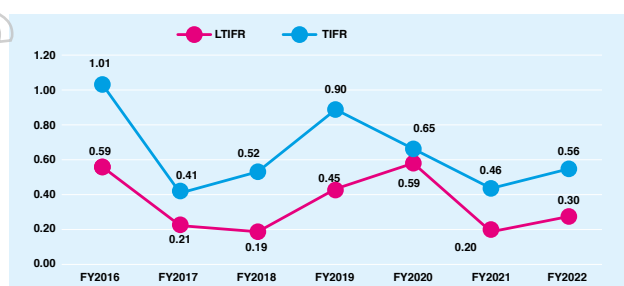
Strategies have been developed to improve the safety performance going forward. The identified key focus areas include adoption of predictive and prescriptive technology to manage risks, identification and management of blind spots, and culture consolidation through effective contractor management.

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

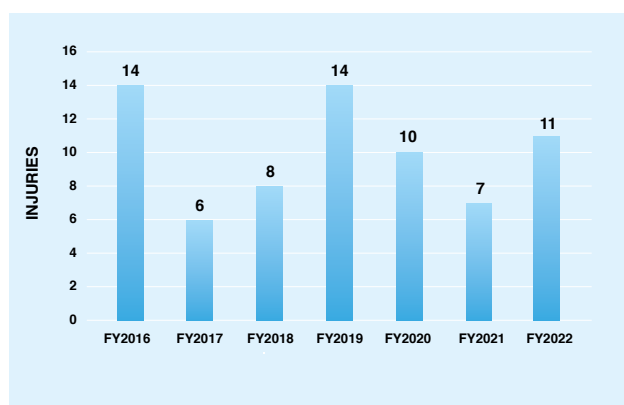
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## Sustainability Matters (continued)

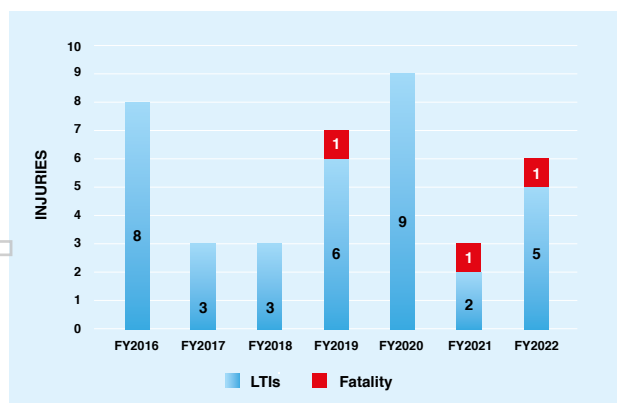
### Lost time injury frequency rate



### Total injuries



### Lost-time injuries



### Our vision - Zero Harm

Our journey to attain a Zero Harm status has been dented by low probability but major consequence unwanted incidents. Addressing these drawbacks forms the greater part of our approach to operational risk management and total elimination of fatal accidents in our operations. As the operation approaches a growth phase in the coming year and beyond, Zimplats will harness the lessons learned from experience, implement established measures for known risks and manage previously unforeseen emerging risks. Our senior management continue to engage employees at the coalface and address their safety concerns.

The Zero Harm vision is premised on operational discipline, resilient leadership, and operational risk management as the bedrock for attaining our strategic safety objectives, including fatal and other injuries prevention and safe operational culture. Zimplats will continue to focus on creating an enabling environment for safe work, modelling the desired behaviour in our workforce to achieve a wholly interdependent family, and implementing systems and practices to mitigate our top risks.

During FY2022, measures to buttress a safe culture were put in place to prepare for the organisation's growth phase which will involve various stakeholders. A safety symposium was held with different service providers in a bid to align with the Zero Harm vision. Company leaders and owners signed a safety pledge, committing to:

- Leading by example (visible felt leadership)
- Cultivating a safe production culture in their respective organisations
- Promoting Zimplats' values of 'respect, care and deliver'
- Supporting Zimplats' vision for sustainable Zero Harm
- Ensuring compliance with Zimplats' Business Management System (BMS)
- Enforcing zero tolerance for any breaches of standards/procedures/rules.

## Sustainability Matters (continued)

### Our Approach - Safety Strategy Model

The initiatives highlighted below took place in FY2022, to support our safety strategy.

#### i. People Behaviour

Focus has been on migrating the few remaining employees from the dependency stage into interdependency. Leadership remains key in shaping the desired behaviour through leading from the front, involvement, and enforcement. Key activities conducted in this regard are; laggard screening upon engagement, intensified monitoring of leading indicators and compliance to standards, reporting of near misses, employee engagement through the safety reboot programmes titled, 'Refresh - Refocus - and Re-engage' and community SHEQ meetings.

#### ii. System / Practices

A healthy system is essential for attaining sustainable Zero Harm. Several measures were put in place to evaluate the effectiveness of the system. These include fatal risk control protocol audits, blind spots audits, system procedures and standards reviews. The evaluation of system effectiveness ensures that safety practices remain relevant to the prevailing operational risks.

#### iii. Physical Environment (Technology)

Key technological interventions are being explored to ensure that existing and future technology has predictive and prescriptive capabilities to assist in managing leading indicators and injury prevention.

#### The Covid-19 Pandemic

Zimplats continued to implement the Covid-19 code of practice, procedures and preventative measures across the operations to keep mine sites safe for its employees, contractors, and suppliers and to support local communities.

### PROTECTING THE ENVIRONMENT

#### Our Approach

The United Nations SDGs continue to guide us and form the framework for the development of systems to manage potential and actual environmental impacts associated with our mining and processing operations.

Attainment of the SDGs is the most viable route towards achieving sustainable development as a global community. The Company has fully subscribed to and adopted the following environmentally related SDGs in our approach towards proactively managing environmental issues within our operations:

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

In line with our commitment to the management of matters relating to ESG, Zimplats also subscribes to the 10 ICMM Principles on Mining. The Group's Environmental Management System (EMS): ISO 14001: 2015 certification, acknowledges and subscribes to the following key ICMM principles and commitments:

- Pursue continual improvement in environmental performance
- Contribute to the conservation of biodiversity
- Improve energy efficiency and reduce greenhouse gas emissions
- Implement water stewardship practices
- Prevent pollution and manage releases and waste
- Effectively manage tailings
- Plan for closure.

#### Environmental Compliance

Complying with the applicable environmental obligations is a key Zimplats policy commitment. The Company continues to comply and adhere to all relevant environmental laws and regulations. Zimplats maintained valid environmental licences, permits and agreements during FY2022. The following are the current environmental licences at Zimplats:

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

## Sustainability Matters (continued)

Engagement with the regulatory authorities is conducted on a regular basis to facilitate and ensure legal compliance. In addition, our membership with industry bodies such as the Zimbabwe Chamber of Mines and the Business Council for Sustainable Development (BCSDZ) provides us with a platform to lobby for changes to relevant legislation in pursuit of sustainability. Officials from the Environmental Management Agency (EMA) and the Radiation Protection Agency of Zimbabwe (RPAZ) conducted compliance inspections during the year. No significant adverse findings were reported during the inspections.

### New legislation applicable to environmental protection

New Regulations	Key Requirements
1. Radiation Protection (Naturally Occurring Radioactive Material) (Amendment) Regulations, 2022 (No. 3), Statutory Instrument (S.I) 19 of 2022	<ul style="list-style-type: none"> <li>Amended the Radiation Protection (Naturally Occurring Radioactive Material) Regulations, 2013, S.I 99 of 2013 by repealing the First Schedule and replacing it with a new schedule which provides new fees payable in terms of section 5 of the Radiation Protection Act</li> </ul>
2. Radiation Protection (Safety and Security of Radiation Sources) (Amendment) Regulations, 2022 (No. 6), S.I 20 of 2022	<ul style="list-style-type: none"> <li>Repealed the Third Schedule to the Radiation Protection (Safety and Security of Radiation Sources) Regulations, 2011, S.I 62 of 2011 and replaced it with a new schedule which provides new fees payable in terms of section 7 of the Radiation Protection Act</li> </ul>

### FY2022 Environmental legal compliance

Environmental Fines	↔ No fines/sanctions/stop notes
Environmental Licences	↔ Licences were renewed as required
	↓ Effluent discharge licences are now 23 (FY2021:25)
	↑ 91 radiation licences issued (FY2021:74). The additional licences were for the Ngezi Third Concentrator plant radiation sources
Inspections and audits	↔ No legal non-conformities

### Going forward:

- Zimplats will strive to maintain ISO 14001:2015 certification and continual improvement of our environmental management performance
- Zimplats will utilise the upgraded SHEQ information management system (IsoMetrix) in the management of all ESG issues.

### The Environmental Management System (EMS)

A certified EMS is the foundation and framework of our environmental thrust within the context of ESG compliance. The following are the key highlights with respect to implementation of the EMS:

- Zimplats retained ISO 14001:2015 certification with no major non-conformities being recorded during the FY2022 external audit
- No significant environmental incidents were recorded in FY2022
- Internal audits and management reviews are conducted regularly to ensure continual improvement of the environmental management system.



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## Sustainability Matters (continued)

### Water Stewardship

Zimplats fully subscribes to the Group water policy statement, which recognises that water is a finite resource, access to which is a fundamental human right. The policy statement also notes that equitable and secure access to water is a significant environmental and socio-economic development concern. The Company is committed to implementing water stewardship practices, strengthening water security, reducing freshwater withdrawals, enhancing recycling, continuously improving efficiency of water use, and preventing pollution.

Water is a critical resource in our mining operations. Southern Africa has been identified as a region that faces a water scarcity risk. The following are some water supply risks that Zimplats and other mining operations in Zimbabwe face:

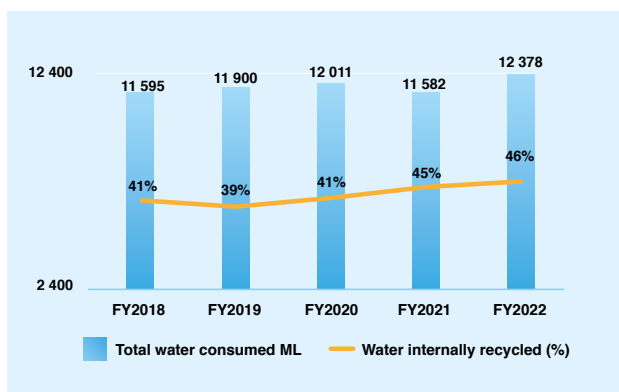
- Low dam levels due to adverse climate and usage
- Increased water demand due to mining, agriculture and other uses
- Unauthorised access to water
- Water losses on pumping and pipe infrastructure
- Limited investment in water resources.

Zimplats will continue to explore strategies to mitigate the stated risks, with a focus on improving water efficiency and security of supply.

### FY2022 Performance

Total Water	↑	6 950ML▲ (FY2021: 6 717ML)
Withdrawal	↑	94% of water withdrawn was surface water (FY2021: 91%)
mega-litres (ML)	↓	6% of water withdrawn was groundwater (FY2021: 9%)
	↓	6 634ML freshwater (FY2021: 6 286ML)
	↓	316ML other waters (FY2021: 431ML)
Water Recycling	↑	5 738ML▲ recycled i.e., 46% of total water consumed (FY2021: 5 160ML i.e., 44.5%)
Total Water Consumed	↑	12 378ML▲ (FY2021: 11 582ML)
Water Intensity	↑	1.80KL/tonne milled (FY2021: 1.70KL)
Water Discharged	↓	310ML▲ (FY2021: 294ML)

### Water Consumption



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

## Sustainability Matters (continued)

Water consumption (mega-litres)	FY2022	FY2021	FY2020	FY2019	FY2018
(1) Water from dams / lakes	6 524 <sup>▲</sup>	6 093	6 286	6 007	5 749
(2) Water from ground water	426 <sup>▲</sup>	624	1 187	1 210	1 297
Water withdrawn	6 950 <sup>▲</sup>	6 717	7 473	7 217	7 046
Water internally recycled	5 738 <sup>▲</sup>	5 160	4 698	4 856	4 549
Water discharged	310 <sup>▲</sup>	294	160	173	181
<b>Total water consumption</b>	<b>12 378<sup>▲</sup></b>	<b>11 582</b>	<b>12 011</b>	<b>11 900</b>	<b>11 595</b>

### Energy Management and Climate Change

Consistent with the Group Energy and Decarbonisation policy, SDGs 7 and 13 on affordable and clean energy and climate action and ICMM Mining Principles, Zimplats recognises that climate change is a global challenge that calls upon businesses to reduce greenhouse gas emissions across the value chain. The Company is dedicated to decarbonising its operations through a measured transition to a low carbon future. To this end, Zimplats is investing in renewable and low-carbon energy solutions to improve the security of its electricity supply and reduce carbon emissions. The following initiatives are highlights of our decarbonisation strategy:

- The EIA for the 185MW solar plants project was submitted for approval in FY2022
- Two IPP licences were issued by the regulator
- The first phase of the project, which will produce 35MW at Selous was approved for execution in FY2023. This phase will generate an average of 86 000MWh (56 760 tonnes of carbon dioxide equivalent-tCO<sub>2</sub>e displaced) per year over a 25-year period, representing about 8% of consumption at the time of commissioning. The other three phases are planned for FY2024, FY2025 and FY2026
- The investigation into the use of battery powered trackless mobile machinery progressed well during the year
- The solar geyser initiative with an objective of installing a total of 537 solar water geysers in company houses under construction at Turf progressed well and is set to be completed in the first quarter of FY2023.

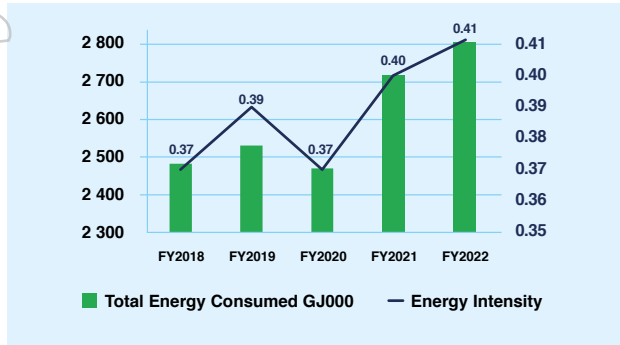
### FY2022 Performance

Total Energy	↑	2 804 <sup>▲</sup> thousand GJ (FY2021: 2 715)
Consumption	↓	Purchased electricity contributed 68% of total energy (FY2021: 69%)
	↑	Energy from petrol, diesel and coal was 32% of total energy (FY2021: 31%)
Total GHG emissions (CO <sub>2</sub> e)	↑	416 Kilo tonnes (FY2021: 407)
	↑	Scope 1 emissions accounted for 16% of total emissions (FY2021: 15%)
	↓	Scope 2 emissions accounted for 84% of total emissions (FY2021: 85%)
Energy Intensity	↑	0.41GJ/t (FY2021: 0.40)
Emission Intensity	↔	0.060tCO <sub>2</sub> e/t (FY2021: 0.060)

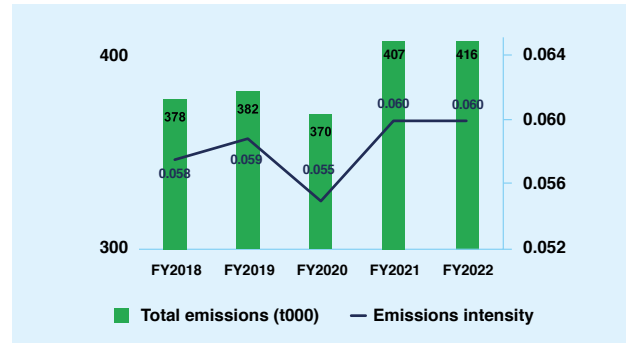
<sup>▲</sup>This item was the subject of the limited assurance engagement performed by EY

## Sustainability Matters (continued)

### Energy Consumption



### Total CO<sub>2</sub> emitted (t000) and emission intensity (CO<sub>2</sub>/tonne milled)



Energy Consumption	Units	FY2022	FY2021	FY2020	FY2019	FY2018
Electricity Purchased	(MWh000)	527	521	475	495	494
Energy from electricity consumption	(GJ000)	1 897 <sup>▲</sup>	1 877	1 710	1 782	1 777
Energy from petrol consumption	(GJ000)	7 <sup>▲</sup>	6	7	4	3
Energy from diesel consumption	(GJ000)	741 <sup>▲</sup>	623	597	557	521
Energy from coal consumption	(GJ000)	159 <sup>▲</sup>	209	156	187	181
Total direct energy (petrol, diesel, coal)	(GJ000)	907 <sup>▲</sup>	838	760	748	705
<b>Total Energy Consumed</b>	<b>(GJ000)</b>	<b>2 804<sup>▲</sup></b>	<b>2 715</b>	<b>2 470</b>	<b>2 531</b>	<b>2 482</b>
<b>Energy Intensity</b>	<b>GJ/tonne</b>	<b>0.41</b>	<b>0.40</b>	<b>0.37</b>	<b>0.39</b>	<b>0.37</b>

Climate Change Indicators	Units	FY2022	FY2021	FY2020	FY2019	FY2018
Petrol CO <sub>2</sub> Emissions	(t000)	0.5 <sup>▲</sup>	0.4	0.5	0.3	0.2
Diesel CO <sub>2</sub> Emissions	(t000)	54.8 <sup>▲</sup>	46.1	44.2	41.3	38.5
Coal CO <sub>2</sub> Emissions	(t000)	12.8 <sup>▲</sup>	16.8	12.5	13.9	13.4
Total Direct CO <sub>2</sub> Emissions (Scope 1)	(t000)	68.1 <sup>▲</sup>	63.3	57.2	55.4	52.2
Indirect CO <sub>2</sub> Emissions (Scope 2)	(t000)	347.9 <sup>▲</sup>	344.1	313.4	326.7	325.9
Total CO <sub>2</sub> Emissions	(t000)	416.0	407.4	370.6	382.2	378.0
<b>Emissions intensity</b>	<b>CO<sub>2</sub>/t</b>	<b>0.060</b>	<b>0.060</b>	<b>0.055</b>	<b>0.059</b>	<b>0.058</b>

### Going forward

- Execution of the first phase of the Solar plant project, which will produce 35MW at Selous is set for FY2023. Subsequent phases are set for FY2024 to FY2026
- Investigations into battery-powered Trackless Mobile Machinery (TMM) to be finalised.

<sup>▲</sup>This item was the subject of the limited assurance engagement performed by EY

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## Sustainability Matters (continued)

### Mine Closure, Rehabilitation and Biodiversity

#### Mine Closure Planning

A comprehensive mine closure plan covering all operations is in place at Zimplats. Our closure plan was formulated in line with the Implats Group objectives that include:

- Integrating closure objectives into the planning, design and operations of projects and mines
- Consultation with stakeholders to develop closure outcomes that minimise adverse impacts and maximise post-closure stakeholder value
- Implementing measures at closure to afford economic opportunities for stakeholders and address closure related environmental and social aspects
- Providing enough financial resources to enable agreed closure and post closure commitments.

As per our standard practice, our closure plan was reviewed and updated by independent closure planning experts during the year.

#### Rehabilitation

Concurrent rehabilitation of impacted land with an aim to restore land to a beneficial state is a key goal of our rehabilitation policy. The Company continued with its rehabilitation programme as outlined in our comprehensive

closure and rehabilitation plan. The plan entails revegetation of rehabilitated pits with indigenous grass seed and monitoring of vegetation establishment with a target of 10 ha per year. For the two TSFs at Ngezi and SMC, the new dam wall surfaces which were generated during the year were revegetated.

#### Biodiversity

The following are some key policy commitments that our activities and operations abide with to protect biodiversity:

- Implementing the mitigation hierarchy in managing risks and minimising negative impacts to the biodiversity
- Respecting legally designated protected areas
- Working towards a net positive impact on biodiversity for new projects, through avoidance, mitigation, and offsets
- Raising awareness and promoting responsibility among employees, contractors, and visitors to the importance of biodiversity protection and management.

Our biodiversity management plans that derive from the EIAs have continued to form the basis of our actions to mitigate the negative impacts that our operations might pose on biodiversity. In FY2022, the Company managed to clear about 33 hectares of the invasive alien species, lantana camara.

#### FY2022 Performance

Rehabilitation of the tailings storage facilities	↓	2 350 tree saplings were planted (FY2021: 3 100)
	↓	The revegetation covered 1.6 hectares (FY2021: 1.8 hectares)
Old pits rehabilitation (backfilling and revegetation)	↓	Rehabilitation covered 10 hectares (FY2021: 15 hectares)
	↔	0.4 million loose cubic meters (LCM) were moved for backfilling (FY2021: 0.4 million)
Invasive alien species (Lantana camara) clearing	↑	32.87 hectares cleared (FY2021: 8.24 hectares)

#### Going forward

- Review of mine closure plans and updating of the associated closure liability cost estimate will continue
- Continue with rehabilitation programme at old open pit and tailings storage facilities
- Invasive alien species clearing programme to continue.

## Sustainability Matters (continued)

### Air Quality Management

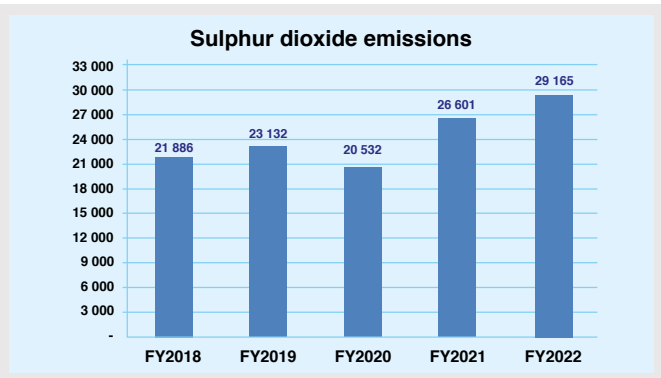
The feasibility study for the smelter expansion and the SO<sub>2</sub> abatement feasibility study was concluded and received board approval in FY2022. Implementation of the US\$521 million project has commenced with commissioning planned for FY2024. The target is to ensure that air quality emissions are within local legislated or South African legislated standards. It is envisaged that the SO<sub>2</sub> emissions at the end of the project will be within the limits of South African legislation of 1 200 milligrams per cubic metre (mg/Nm<sup>3</sup>).

### Air Quality Monitoring

Zimplats continued with its air quality monitoring activities as per the monitoring programme in FY2022. There were no significant deviations from the expected norms.

### FY2022 Performance

- ↑ **Direct SO<sub>2</sub> Emissions**  
29 165 tonnes (FY2021: 26 601; FY2020: 20 532). The increase in FY2022 was due to increased production
- ↑ SO<sub>2</sub> emission intensity was 0.21 SO<sub>2</sub> tonnes per tonne of concentrates smelted (FY2021: 0.20; FY2020: 0.21)



### Going forward

The Smelter expansion and SO<sub>2</sub> abatement project which commenced in FY2022 will continue in FY2023 and commissioning is planned for FY2024.

### Managing our Waste

Zimplats operations generate a significant amount of mineral and non-mineral waste material. We therefore recognise the need to move from the traditional linear economic model where we “take, make, dispose” of material. We have adopted a circular economy mind-frame which calls for designing for durability, re-use, re-manufacturing, and recycling to keep products, components, and materials circulating in the economy. This helps in preserving value in the form of energy, labour, and materials. To this end, we are engaged in offsite recycling and re-use of non-mineral waste. We have managed to consistently recycle and re-use over 80% of the non-mineral waste generated in the operations. Community based organisations (CBOs), companies and individuals participate in these circular economy activities. The recycled waste includes, scrap metal, plastics, paper, conveyor belts and wood waste. Food waste generated in

the operations goes through vermicomposting, i.e., use of earthworms to convert organic material into manure. The manure is then used in our rehabilitation programmes.

The major waste disposal facilities for our mineral waste are the tailings storage facilities at Ngezi and SMC. We continue to be guided by the ICMM Global Industry Standard on Tailings Management (GISTM) in managing our TSFs. Great progress has been made towards full alignment with the standard. Valid licences are in place for the TSFs and the slag dump at SMC.

Zimplats has partnered the Chinhoyi University of Technology (CUT) in investigations for alternative use of slag in cement manufacturing, brick moulding and road construction. The three-year research project is progressing well and is set for completion in 2024.

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## Sustainability Matters (continued)

### FY2022 Performance

Mineral waste	↑ 6 739 kilo tonnes of tailings (FY2021: 6 680)
	↑ 154 kilo tonnes of slag (FY2021: 147)
	↑ 70 kilo tonnes of waste rock accumulated (FY2021: 46)
Non-mineral waste	↓ Non-hazardous waste: 149 tonnes (FY2021: 185)
	↑ Hazardous waste: 250 tonnes (FY2021: 244)

### Going forward

- The project to explore options for alternative use of mineral waste particularly slag produced from the smelting operations will continue in FY2023
- Enhance the circular economy approach in waste management by working with and assisting CBOs.

### Construction of the 1.5km all-weather road (SDG 11, 13 – Sustainable cities and communities; Climate action)

The management of mineral waste is one of the key focus areas in the environmental pillar on our ESG framework. Zimplats generates over 12 000 tonnes of slag monthly at the Smelter. The bulk of the slag is currently being disposed of at a slag dump at SMC. To minimise the risk of land pollution from the slag dump, Zimplats has been actively seeking and pursuing the development of alternative sustainable uses for slag most notably in partnership with Chinhoyi University of Technology (CUT).

Zimplats has invested in the construction of a 1.5km all-weather road, linking the Ngezi mines main administration office complex and the Ngezi-Selous main road. The new road, which aligns with our objectives of achieving a circular economy, is significant both in terms of environmentally cost-effective road construction and innovative use of waste.

The motivation for construction of the road arose from the fact that the Ngezi mines main administration office complex was linked to the Ngezi-Selous main road by a busy 1.5km long gravel road. The heavy traffic on the road necessitated the watering down of the road at least once a day to control dust. The road was also being graded at least twice a week to maintain the condition of the road surface.

The following potential negative environmental impacts were associated with the gravel road:

- Air pollution from dust generated by the heavy traffic flows
- Depletion/use of water resources during the frequent road watering down
- Increased carbon footprint due to diesel fuel consumption during watering down and road grading activities
- Soil erosion due to frequent grading activities.

In addition, the use and maintenance of the gravel road was a cumbersome and costly exercise. The need to address the above challenges, prompted the construction of the all-weather access road.

### ESG Benefits

The construction of the 1.5km all-weather road brings with it, many benefits including the following:

- Finding a sustainable use for furnace slag as part of the aggregate mixture in road construction thus creating a circular economy. This can be replicated in other road construction projects within the country
- Ultimately reduce the continued growth of the slag dump and minimise the risk of land and ground water pollution
- All-weather road surface that does not require use of critical water resources to suppress dust
- Improved air quality within the vicinity of Bimha Mine and the Ngezi administration office area
- Reduction of our carbon footprint by eliminating the use of fuel for graders and water bowsers
- A 3% cost-saving in construction of the road in comparison with a similar stretch of road using conventional material.

Road construction is a key focus area at national level and our road will align with the national aspiration for improved road infrastructure.

## Sustainability Matters (continued)

### Materials Consumption

Efficient use of both renewable and non-renewable resources is a key component of our sustainability endeavours. We continue to set targets and put in place measures to ensure sustainable use of resources. Our fuel usage (mainly diesel) increased during the period under review. This is attributable to the increase in project contractor activities at the Ngezi Third Concentrator plant, Turf housing and the SMC tailings storage facility (TSF) expansion projects.

### Materials consumption summary

Material	Unit of Measure	FY2022	FY2021	FY2020	FY2019	FY2018
Diesel	litre	19 448 170 <sup>▲</sup>	16 339 062	15 662 677	14 628 224	13 652 250
Petrol	litre	207 856 <sup>▲</sup>	178 445	214 539	127 282	90 403
Coal	tonne	5 340 <sup>▲</sup>	6 991	5 218	6 028	5 846
Ore milled	tonne	6 882 277	6 821 418	6 751 246	6 485 512	6 569 817
Diesel	litre / tonne milled	2.83	2.40	2.32	2.26	2.08
Petrol	litre / tonne milled	0.03	0.03	0.03	0.02	0.01
Coal	tonne / tonne milled	0.001	0.001	0.001	0.001	0.001

<sup>▲</sup>This item was the subject of the limited assurance engagement performed by EY



## Sustainability Matters (continued)

### OUR PEOPLE

Our business is about our people.

The Company marked twenty years in existence in the period under review. The watershed moment invoked introspection into the role that our people have played in delivering our operational excellence. The Company could not have achieved the results that it has achieved without the hard work and commitment of our people.

Looking ahead, our people strategy has been reengineered towards safeguarding operational excellence attained over the years as well as supporting growth as envisaged.

### PEOPLE STRATEGY

The people strategy continues to be driven by the Care and Growth Model and anchored on our values of respect, care and deliver.

At the core of the people strategy is ensuring that the organisation's operations and culture are anchored on shared values.

In the period under review, the re-crafted Purpose, Vision and Values were introduced for the Group. The companywide roll out exercise was concluded during the year under review.

Zimplats carries out periodic employee engagement surveys and to this end, the Company continued to implement the action plans which emanated from the survey which was conducted at the end of the last financial year.

### Retention

Workforce stability is driven by successful skills retention. In FY2022, Zimplats' labour turnover was 3.7% which was well within the tolerable internal threshold of 5%. Whilst our employee value proposition is credited for our good retention performance, the Company is mindful that retention is likely to become an area of elevated business risk in the years ahead as the world shakes off the Covid-19 pandemic and returns to optimal business activity and free movement of people.

### Employee Housing

The construction of the approved 1 052 employee housing units in Ngezi continued with 308 houses handed over for occupation in FY2022, with construction of the remaining houses in progress. Total spend on the houses in FY2022 was US\$20 million and it is anticipated that the project will be concluded in FY2023.

### Skills Development

The Company's operations remained sufficiently human resourced during the period under review.

Capability assessment work for growth and expansion initiatives and human resources planning for the Company's growth projects were undertaken. Resultantly, a roadmap for skills acquisitions and development was put into place.

Recruitment for the Ngezi Third Concentrator plant commenced and 84 employees were appointed into various positions at the plant which will be commissioned in the first quarter of FY2023. Pursuant to the Company's commitment to internal growth, 75% and 71% of management and supervisor plant roles respectively, were filled by internal candidates. All internal appointments are promotions and 21% of the employees recruited for the Ngezi Third Concentrator plant are female.

Skills development and upgrade focused on safety, technical, management and leadership and development programmes.

### Gender

Gender mainstreaming took a definitive approach with the inception of the gender forum whose objective is to champion gender equity within the Company. The forum is driven by members from all sections and levels of the Company.

## Sustainability Matters (continued)

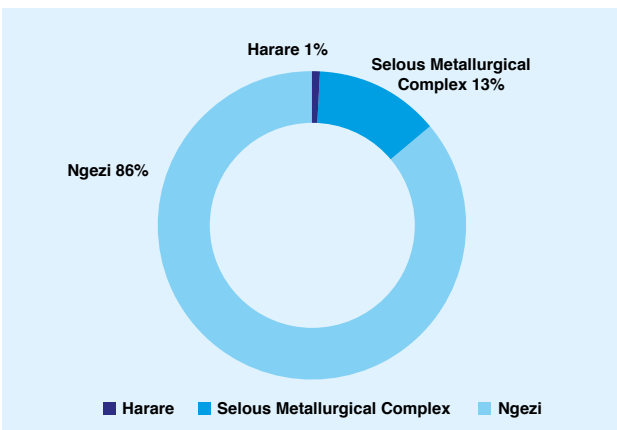
### Our Skills Stock: Manpower Analysis

#### Headcount by division

Division	Headcount	% of Zimplats	% of Total Labour
Mining Operations	2 628	70.80%	29.41%
Projects	293	7.89%	3.28%
Processing	442	11.91%	4.95%
Technical	22	0.59%	0.25%
Technical Services	92	2.48%	1.03%
Human Resources	52	1.40%	0.58%
Group SHEQ	6	0.16%	0.07%
Trainees	54	1.45%	0.60%
Commercial	86	2.32%	0.96%
ICT	12	0.32%	0.13%
Operating subsidiary's head office	25	0.67%	0.28%
<b>Total Zimplats</b>	<b>3 712</b>	<b>100%</b>	<b>42%</b>
Opex contractors	2 357		26.37%
Capex contractors	2 868		32.09%
<b>Total Contractors</b>	<b>5 225</b>		<b>58%</b>
<b>Total Labour</b>	<b>8 937</b>		<b>100%</b>

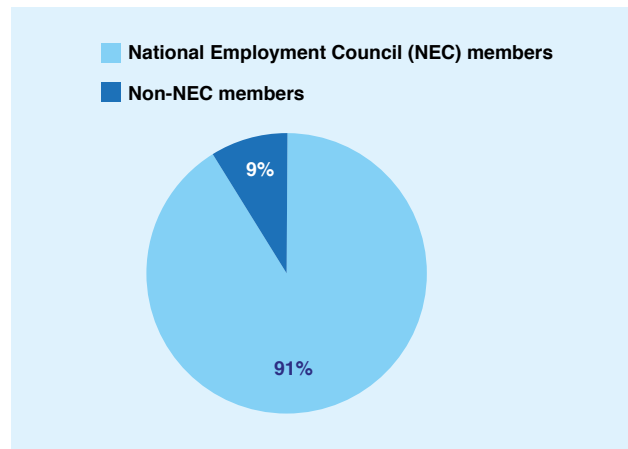
#### Headcount by location

Employees by Location	
Harare	22
Selous Metallurgical Complex	461
Ngezi	3 229
<b>Total</b>	<b>3 712</b>



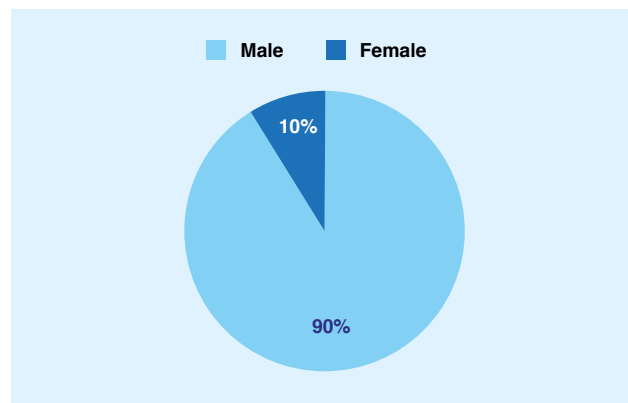
#### Headcount by Employee Category

Employee Category	
National Employee Council (NEC) members	3 377
Non-NEC members	335
<b>Total</b>	<b>3 712</b>



#### Employees by Gender

Male	3 368
Female	344
<b>Total</b>	<b>3 712</b>



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## Sustainability Matters (continued)

### Integrated Wellness Update

#### Wellness Strategic Perspective

The Company's wellness thrust continued in FY2022 in line with our values of respect, care and deliver. As is the norm, the interventions are designed to look after the total wellness of the individual.

Mental health awareness was elevated with regular audio-visual awareness messages broadcast throughout the organisation, and the provision of full-time counselling services, peer support structures and other programmes.

The Company also runs physical wellness programmes for employees on a voluntary basis.

#### Covid-19

Psychosocial interventions that were implemented were focused on mental health awareness and support programmes. The programmes were invaluable, especially in view of the need to manage the mental wellbeing of our employees during the Covid-19 pandemic.

As part of Covid-19 management, 100% of the workforce was vaccinated and currently administration of the third dose is underway. Vaccination has proven effective in reducing the chance of an infected person developing severe symptoms.

#### Occupational Health Surveillance and Programmes

To ensure the well-being of all our people, the Company's occupational health programmes rely primarily on preventive, tailored medical examinations to ensure correct placement of all employees. Periodic medical examinations thereafter ensure early detection and hence management of disease in the workforce.

	Condition	FY2022 Incidence	Comment
1	Noise Induced Hearing Loss	Nil	Effective interventions are in place
2	Biological Monitoring	90	Ninety employees exposed to lead had annual blood tests for lead levels and all results were below 20ug/dl which is within the normal range
3	Pulmonary Tuberculosis	1	Effective interventions are in place. The infections trend over the past 7 years is testimony to this: FY2021 (Nil), FY2020 (1) FY2019 (5), FY2018 (0), FY2017 (2), FY2016 (5)
4	Malaria	1	A single case whose history indicated travel outside Ngezi was recorded

The figures above point to well managed health programmes for the benefit of employees.

Annual and periodic medical examinations are being implemented and the National Social Security Authority (NSSA) Medical Bureau continues to issue certificates of fitness.

In addition to primary health care and occupational health services, the Company has an extensive wellness programme in place to prevent, identify, monitor, and support employee illnesses and conditions. The Company places major emphasis on raising awareness and breaking down stigma related to conditions such as HIV/AIDS and encouraging healthy lifestyles. Various programmes are in place to address these matters.

## Sustainability Matters (continued)

The Zimbabwe Business Council on Wellness (ZBCW) was invited to train our wellness champions so that they are equipped with interpersonal as well as communication skills that translate to a skilled approach to identify actual and potential health problems.

The Cancer Association of Zimbabwe was on site for wellness cancer screening during breast cancer awareness and male health commemorations.

Fitness training sessions were made available to employees in the weight management programme with Wellness Rediscovery Team, an external service provider, assessing and offering dietary advice to the employees.

### Zimplats Antiretroviral Treatment Programme

#### Total Number of Patients on Antiretroviral Treatment

Operation	FY2022	FY2021	FY2020	FY2019	FY2018
Mining	125	125	126	128	129
Processing	35	36	36	32	28
<b>Total</b>	<b>160</b>	<b>161</b>	<b>162</b>	<b>160</b>	<b>157</b>

#### New Patients on Antiretroviral Treatment

Operation	FY2022	FY2021	FY2020	FY2019	FY2018
Mining	1	3	5	14	6
Processing	-	-	4	4	1
<b>Total</b>	<b>1</b>	<b>3</b>	<b>9</b>	<b>18</b>	<b>7</b>

### Voluntary Testing and Counselling Uptake

HIV testing figures increased by 13% this reporting period. Zimbabwe Aids Prevention and Support Organisation (ZAPSO) continue to visit us on quarterly basis for HIV testing.

Operation	FY2022	FY2021	FY2020	FY2019	FY2018
Mining	1 489	1 358	862	937	693
Processing	398	305	106	62	115
<b>Total</b>	<b>1 887</b>	<b>1 663</b>	<b>968</b>	<b>999</b>	<b>808</b>

### Wellness Programme

Operation	FY2022	FY2021	FY2020	FY2019	FY2018
Mining	125	135	128	130	130
Processing	35	36	36	33	29
<b>Total</b>	<b>160</b>	<b>171</b>	<b>164</b>	<b>163</b>	<b>159</b>

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## Mineral Resources and Ore Reserves Summary

Zimplats is the holder of two titles namely Mining Lease Number 36 (ML36), which covers the area around Selous incorporating the SMC concentrating and smelting operations near Hartley Mine and Mining Lease Number 37 (ML37) which covers 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 the main focus being to provide forward information for efficient execution of the mining production schedule and development of the mine upgrade projects on ML37 (at Bimha and Mupani mines), as well as increasing geological confidence on areas targeted for technical studies on ML36. The drilling that was undertaken during the year was used to interpret the behaviour of major geological structures at the mines and confirm continuity of grades in the ore body.

Surface drilling activities that were completed during the period were used for investigation and interpretation of faults and other major structures in the orebody, as well as collection of samples for assaying, rock properties tests and for geo-metallurgical characterization of the host rock. The work is of benefit to the operations as it improves confidence in the Mineral Resources included in the medium-term mining plan. The new information on the ore body mitigates the risk posed by ground conditions and geological structures to existing mines and to the ongoing development projects at Zimplats.

At Hartley, the surface drilling programme covered areas that are subject to a Preliminary Feasibility Study (PFS) for a new mine and also included scope of a confirmatory twin hole drilling programme aimed at verifying the quality of the historical assay data that was inherited by Zimplats from previous operators of the Hartley Mine. Geostatistical interpretations and correlation of the new and old data will be concluded and reported in the next reporting cycle.

While the bulk of the exploration effort during the year was focused on improving surface drillhole coverage on the five-year mining footprint at Mupfuti, Bimha and Mupani mines, routine underground cover drilling continued at the mines to support the short-term mining plan. 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 targets are achieved safely. The summary of all the surface and underground drilling carried out during the year is shown below.

### Surface and underground core drilling done in FY2022

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	-	-	7	700
Mupfuti Mine	1	147	17	1 700
Bimha Mine	13	2 880	22	2 200
Mupani Mine	29	7 427	12	1 220
Hartley Mine	47	18 624	-	-

### Zimplats' Mineral Resources on ML36 and ML37

The new information gathered during the year has assisted in the investigation of geological structures such as faults, major dykes and sills in the project areas and this improved the geo-scientific interpretation of the orebody. The Mineral Resources on the mining leases were estimated using kriging techniques on assay data from surface drillholes and the estimates are derived from composite widths which are all based on appropriate economic parameters for the Main Sulphide Zone (MSZ). The classification of Mineral Resources at Zimplats is

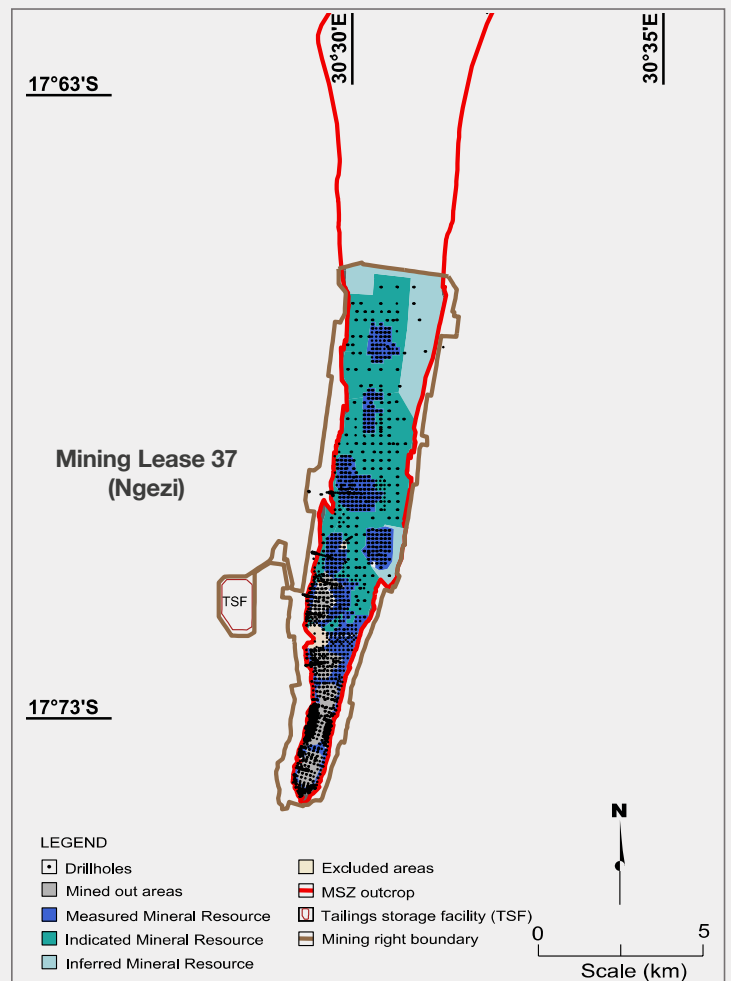
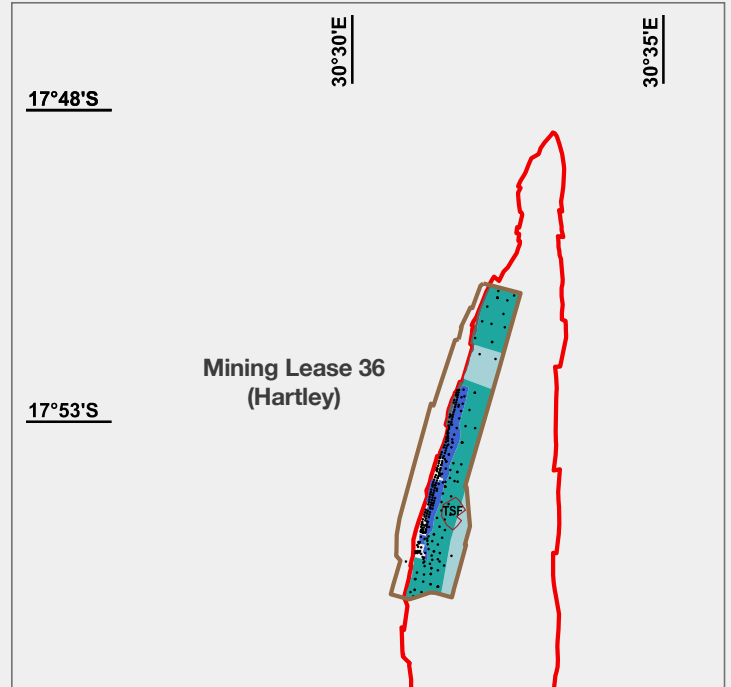
## Mineral Resources and Ore Reserves Summary *(continued)*

informed by a matrix of considerations which comprise 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:

- Drill hole 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 modelling remains in line with the known characteristics of the mined footprint at Hartley. The exploration effort on ML36 included the ongoing work aimed at validating historical drilling data that was inherited from previous operators of the mine while some additional drilling to increase geological knowledge in the area was done. Interpretation work on the holes and assay analyses is currently in progress and it is anticipated that this will be completed in the next annual reporting cycle. The Mineral Resources at Hartley remain unchanged in the AR2022 report.

### Zimplats' Mineral Resources



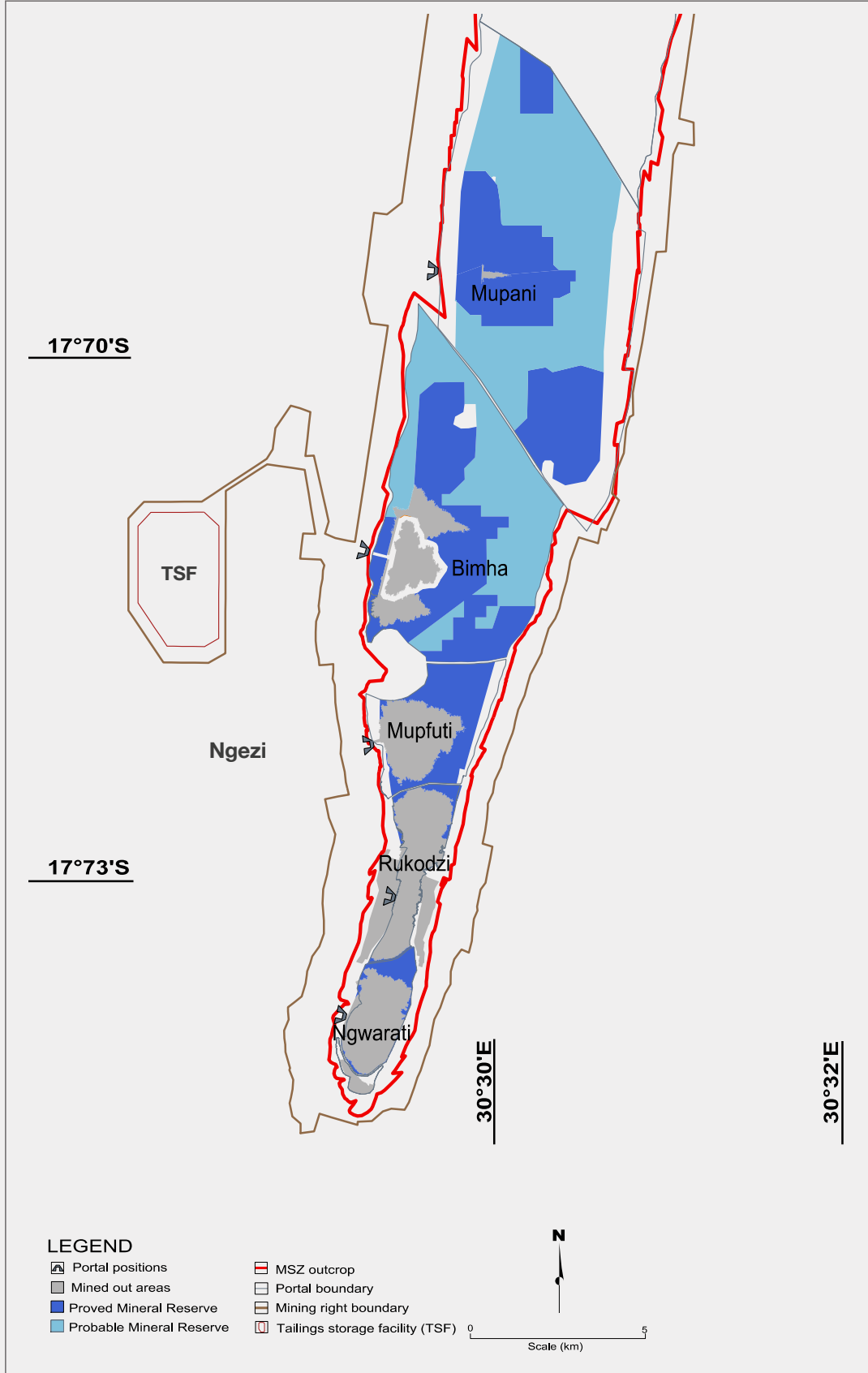
Above is a plan showing Zimplats' Mineral Resources on ML36 and ML37

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## Mineral Resources and Ore Reserves Summary (continued)

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Zimplats' Ore Reserves



Plan showing Zimplats' Ore Reserves on ML37

## 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 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 and elongate, 2.58-billion-year-old, igneous intrusion into granites and greenstone belts of the Zimbabwe Craton. It is a sinuous intrusion running 550 kilometres along practically the full north-south axis of Zimbabwe and ranging in width from four to 11 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 Great 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, overlain by an upper mafic sequence consisting mainly of gabbro and gabbro-norite. The platinum-bearing 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 metal (PGM) resources, and Zimplats controls approximately 35% of this.

The 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 ten 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° and 20° 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-thick zone of elevated precious metal values (Pt, Pd, Au, and Rh). The base metal zone contains up to 5% sulphides while the general 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.

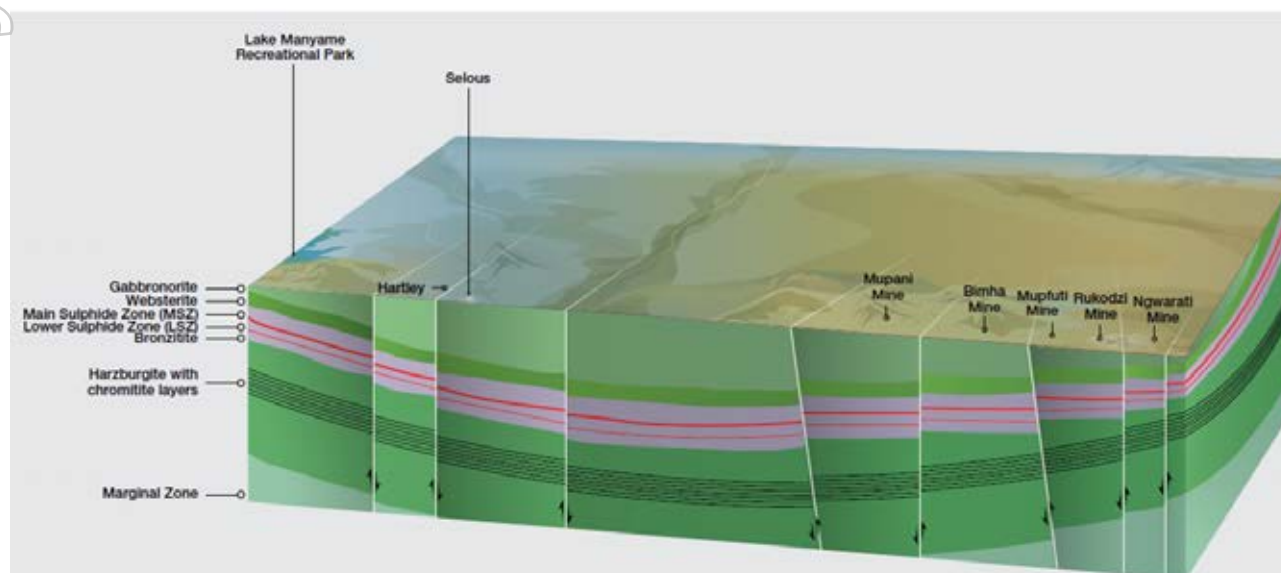
The PGM content and distribution within the mineralized zone is consistent from drill hole to drill hole over large areas. MSZ mineralization is vertically gradational and distributed around a high-grade central zone. This gradation means that the selected cut on which Mineral Resources are based, is 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.

## Mineral Resources and Ore Reserves Summary (continued)

Generalised schematic section of the stratigraphic sequence at Zimplats



### Mining Method

A mechanized 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 a particular activity which could be face preparation, face drilling and blasting, load and haul or ground support. The mines are subdivided into sections and each section is further subdivided into four quadrants where the four activities are carried out in rotation. The total face length in the section is dependent on the sizes (widths) of the pillars and rooms at each particular mine. The mining layout and production cycle allows sufficient flexibility to conduct the required grade control sampling at the faces and space to negotiate past faults and barren intrusions while still meeting the team's production targets. 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 taken into consideration during the production scheduling stage. The main production suite of equipment includes a single boom face rig for drilling, a roof bolter for support drilling, a 10t loader (LHD) plus an appropriately sized dump truck which are allocated to the specialized functional teams in each of the production sections underground.

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. Mupani Mine will also employ underground crushing systems in full production.

The productivity per crew varies from approximately 16 500t to greater than 23 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 size of 4m x 4m 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 consisted of four mature underground mines and one development project (Mupani Mine) up until Rukodzi Mine Ore Reserves were depleted

## Mineral Resources and Ore Reserves Summary (continued)

in June 2022. Ngwarati and Rukodzi mines supplied ore to SMC concentrator, while Mupfuti and Bimha mines supply ore to Ngezi concentrator. The Mupani Mine development which is underway will replace production from Rukodzi Mine (depleted in FY2022) and Ngwarati Mine which shall be depleted in FY2024. The Mupani project is planned to also replace some of the tonnage contribution from Mupfuti Mine after its scheduled depletion in FY2027 with the remainder of the production coming from Bimha Mine.

### Mineral resources estimates (inclusive reporting)

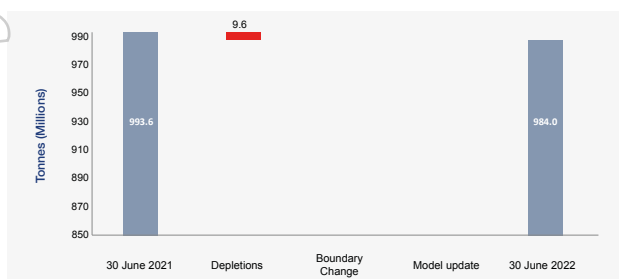
As at 30 June 2022													
Orebody		ML37				ML36				Oxides - all areas			
Category		Measured	Indicated	Inferred	Total	Measured	Indicated	Inferred	Total	Indicated	Inferred	Total	Total
Tonnes	Mt	211.5	381.2	122.1	714.9	32.1	138.0	43.6	213.8	16.0	39.3	55.4	984.0
Width	cm	245	230	207	230	180.0	180.0	180.0	180	250.0	216.2	226	219
4E grade	g/t	3.37	3.38	3.33	3.37	4.05	3.78	3.44	3.75	3.42	3.55	3.51	3.46
6E grade	g/t	3.56	3.57	3.51	3.56	4.28	3.99	3.62	3.96	3.61	3.75	3.71	3.65
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	0.09	0.09	0.08	0.11	0.10	0.09	0.10	0.07	0.10	0.09	0.09
4E Oz	Moz	22.9	41.4	13.1	77.4	4.18	16.78	4.82	25.8	1.76	4.49	6.3	109.5
6E Oz	Moz	24.19	43.79	13.76	81.7	4.42	17.70	5.08	27.2	1.86	4.74	6.6	115.5
Pt Oz	Moz	11.38	20.68	6.79	38.8	2.03	8.83	2.64	13.5	0.90	2.21	3.1	55.5
Pd Oz	Moz	8.93	15.94	4.68	29.5	1.65	5.95	1.63	9.2	0.66	1.74	2.4	41.2
As at 30 June 2021													
Tonnes	Mt	220.6	381.8	122.1	724.5	32.1	138.0	43.6	213.8	16.0	39.3	55.4	993.6
Width	cm	245	220	207	225	180.0	180.0	180.0	180	250.0	216.2	226	216
4E grade	g/t	3.36	3.38	3.33	3.37	4.05	3.78	3.44	3.75	3.42	3.55	3.51	3.46
6E grade	g/t	3.55	3.57	3.51	3.55	4.28	3.99	3.62	3.96	3.61	3.75	3.71	3.65
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	0.09	0.09	0.08	0.11	0.10	0.09	0.10	0.07	0.10	0.09	0.09
4E Oz	Moz	23.8	41.5	13.1	78.4	4.18	16.78	4.82	25.8	1.76	4.49	6.3	110.5
6E Oz	Moz	25.16	43.87	13.76	82.8	4.42	17.70	5.08	27.2	1.86	4.74	6.6	116.6
Pt Oz	Moz	11.86	20.71	6.79	39.4	2.03	8.83	2.64	13.5	0.90	2.21	3.1	56.0
Pd Oz	Moz	9.27	15.97	4.68	29.9	1.65	5.95	1.63	9.2	0.66	1.74	2.4	41.5

A comparison of the Mineral Resources estimates for FY2022 versus FY2021 shows a reduction of 1.1Moz 6E accounting for 0.9% due to depletion. The tonnage reduction due to depletion amounted to 9.6Mt (1%).

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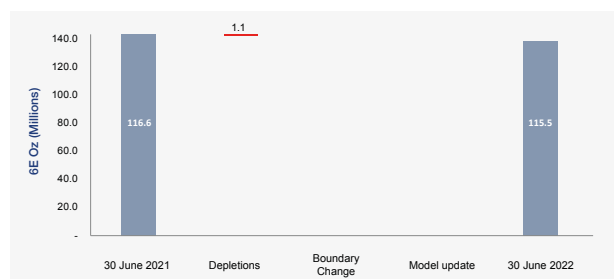
## Mineral Resources and Ore Reserves Summary (continued)

### Zimplats mineral resource changes - tonnes



Total Zimplats mineral resource estimates as at 30 June 2022

### Total mineral resource changes - 6E Oz



Total Zimplats mineral resource estimates (6E Oz) as at 30 June 2022

### Mineral resources estimates (inclusive reporting)

		as at 30 June 2022			as at 30 June 2021		
Orebody Category		Proved	Probable	Total	Proved	Probable	Total
Tonnes	Mt	109.3	123.8	233.2	116.4	124.2	240.6
Width	cm	265	265	265	265	265	265
4E Grade	g/t	3.19	3.17	3.18	3.19	3.18	3.18
6E grade	g/t	3.37	3.35	3.36	3.37	3.35	3.36
Ni	%	0.1	0.1	0.1	0.1	0.1	0.1
Cu	%	0.08	0.08	0.08	0.07	0.08	0.08
4E Oz	Moz	11.2	12.64	23.8	12	12.7	24.6
6E Oz	Moz	11.84	13.35	25.2	12.6	13.4	26
Pt Oz	Moz	5.56	6.25	11.8	5.9	6.3	12.2
Pd Oz	Moz	4.38	4.95	9.3	4.7	5	9.6

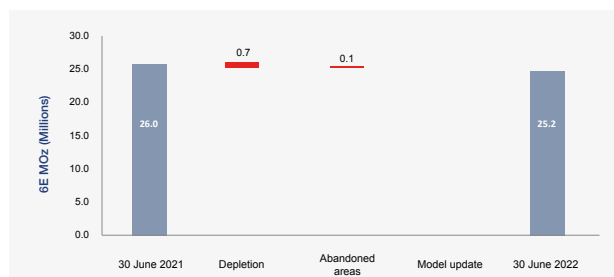
A decrease in Ore Reserves of 0.8Moz 6E (3%) was reported during the year. Mining depletion accounted for approximately 0.7Moz 6E. Further to this, several small portions of ground near the mine boundaries were abandoned due to challenging geotechnical complexities and these have been excluded from the latest mining schedules. The components that contributed to the Ore Reserve change are shown in the following graph.

### Zimplats ore reserve changes - tonnes



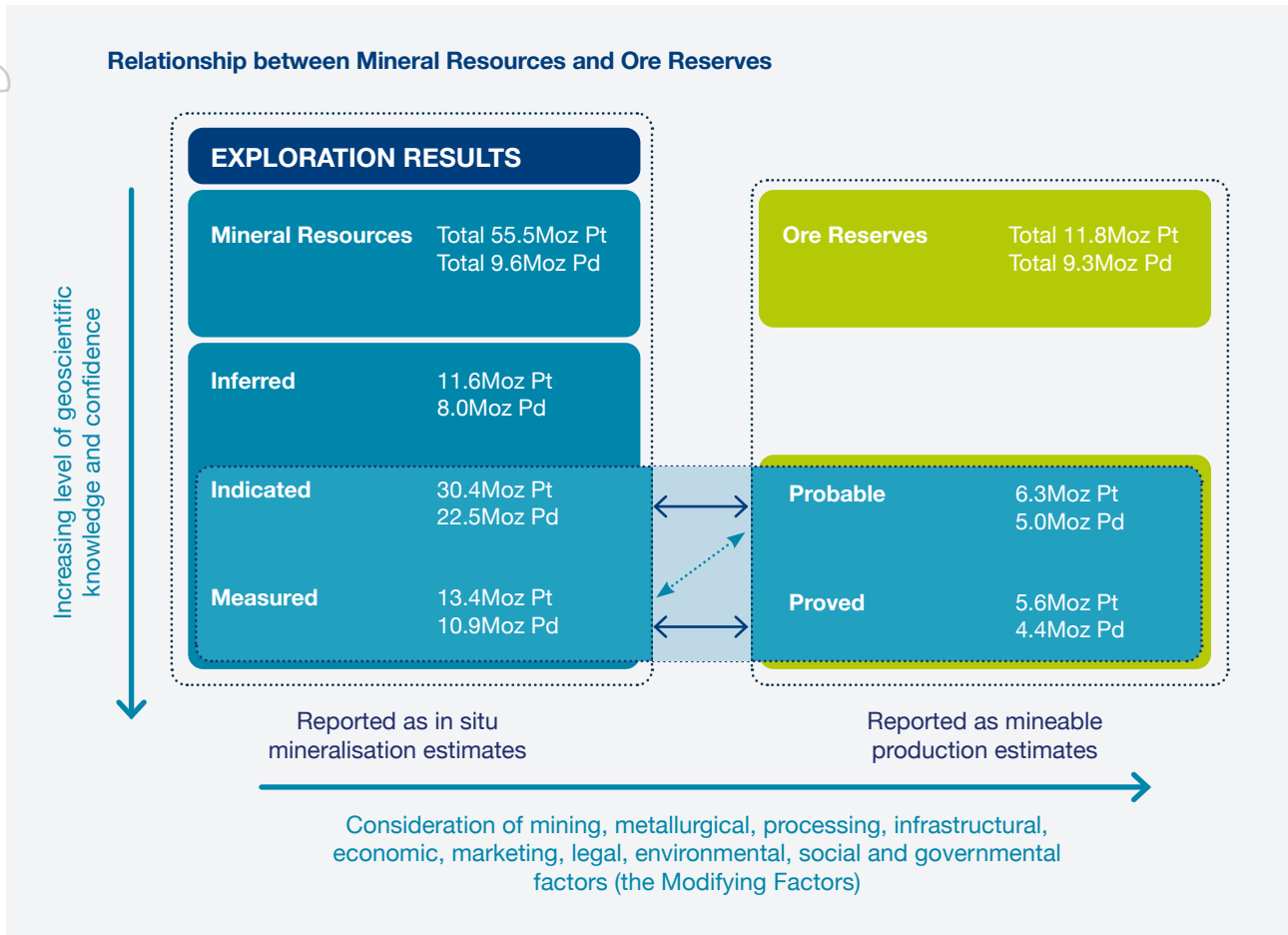
Total Zimplats ore reserves estimates as at 30 June 2022

### Zimplats ore reserve changes - 6E Oz



Total Zimplats ore reserves estimates (6E Oz) as at 30 June 2022

## Mineral Resources and Ore Reserves Summary (continued)



Relationship between Mineral Resources and Ore Reserves showing the Zimplats Mineral Resources and Ore Reserves as at 30 June 2022

For all operational mines, the dilution factors applied on the June 2022 Ore Reserves estimates were adopted from the 5-year rolling average being achieved and a standard 2.65m average mining width applied for the Ore Reserves estimate.

### Mineral Resources key assumptions

Key assumption	Main Sulphide Zone
Unknown geological losses	5 - 20%
Mineral Resource Area	147 million ca's
Internal geological dilution	5 - 7.5%
Resource width	180cm - 250cm

### 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:

### Ore Reserve Modifying Factors

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	78 - 81%

## Mineral Resources and Ore Reserves Summary (continued)

### Ore Reserve dilution factors

Mine	Dilution Factor (%)	Explanation
Ngwarati	7	Faults, harzburgite, coarse grained bronzitite
Rukodzi	6	Faults
Mupfuti	7.5	Faults, dykes and reef disruption at Mulota Hill
Bimha	6	Faults, dolerite and aplite dykes
Mupani	5	Faults, dolerite and aplite dykes

#### Ngwarati Mine

A total of 1 000m of underground horizontal drill holes were drilled during the period and some minor structures including some sporadic harzburgite lenses were intersected near the western margins of the mine. The information gathered was used to support ongoing production at the mine.

#### Rukodzi Mine

A total of 700m of underground drilling was done in the northern section of the mine and some minor shear zones were intersected. This information was used to guide production operations during the year and the Ore Reserves in the mine have now been depleted.

#### Mupfuti Mine

One surface drillhole with a depth of 147m was drilled at Mupfuti during the year while a total of 1 700m from underground holes were drilled. Several geological structures with minor reef displacements of less than 3m were identified in the north section of the mine. Development along the main declines continued to the eastern UORI during the period and stoping in this area will commence in the next reporting period.

#### Bimha Mine

A total of 2 880m from surface holes and 2 200m from underground horizontal holes were drilled during the year. Underground horizontal drilling in the south section of the mine confirmed the extent of the Mulota Hill anomaly which coincides with the mining boundary. Continuity of the major NE trending dolerite dyke was also confirmed in the mine's north section, where the structure has previously been mined.

#### Mupani Mine

During the year, a total of 29 surface drillholes totaling 7 427m were drilled at the mine and 1 220m were drilled underground to investigate major structures that were identified in the north and south sections and also to guide the down dip development of the main declines and for geotechnical assessment of the ground around the crusher chamber and ventilation shafts. Minor felsic dykes and minor faults were also picked from the evaluation drilling. Reef interpretation was done to guide development in the UORII trial area.

#### 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 supplied 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

## Mineral Resources and Ore Reserves Summary *(continued)*

- 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 code are to improve standardization, 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. 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 third 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.

### 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 Australasian Institute of Mining and Metallurgy	336908
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

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## ASX Announcements

As from 30 September 2021

Date	Description
20 October 2021	Notice of Annual General Meeting
28 October 2021	Quarterly Activities Report for the quarter ended 30 September 2021
29 October 2021	Appendix 4G
29 October 2021	2021 Integrated Annual Report
12 November 2021	Results of 2021 Annual General Meeting
6 December 2021	Major Capital Expenditure Projects Update
30 January 2022	Quarterly Activities Report for the quarter ended 31 December 2021
14 February 2022	Notification of dividend/distribution
17 February 2022	Half Yearly Report and Accounts: Appendix 4D (Directors' Report and Condensed Consolidated Interim Financial Statements, half year ended 31 December 2021)
24 February 2022	Notification of dividend/distribution
27 April 2022	Quarterly Activities Report for the quarter ended 31 March 2022
26 July 2022	Quarterly Activities Report for the quarter ended 30 June 2022
12 August 2022	Notification of dividend/distribution
31 August 2022	Preliminary Final Report (Appendix 4E) for the year ended 30 June 2022



## Corporate Governance Report

*We are pleased to advise that the Company has complied with the requirements of the ASX Corporate Governance Principles and Recommendations, Fourth Edition (“the ASX Corporate Governance Principles and Recommendations”). This report sets out broadly issues pertaining to corporate governance, and the Company’s application of the ASX Corporate Governance Principles and Recommendations as read with the King IV Report on Corporate Governance for South Africa (King IV), which the Company has adopted, given that its ultimate holding company, Implats, which is the beneficial owner of 87% of the Company’s issued shares has adopted King IV. It is important to note that King IV and the 8 Principles contained in the ASX Corporate Governance Principles and Recommendations substantive requirements are aligned, as the principles on corporate governance enjoy universal applicability, irrespective of jurisdiction.*

We are pleased to report that during the year, the committees and the board have received reports, and they have interrogated matters to be able to confirm that the principles of corporate governance remain central to the Company, how it carries its business and its long-term strategy. We are accordingly pleased to confirm that the Company has complied with the requirements of the ASX Corporate Governance Principles and Recommendations, Fourth Edition (“the ASX Corporate Governance Principles and Recommendations”), as is set out in greater detail in the table below. The Company, has in conjunction with the ASX Corporate Governance Principles and Recommendations, adopted the King IV Report on Corporate Governance for South Africa (King IV) as its 87% shareholder, Implats, has adopted King IV. King IV complements the principles set out in the ASX Corporate Governance Principles and Recommendations and therefore the joint application of the two, provides the Company with a rich source of corporate governance literature and principles.

The Company has continuously revisited policies and frameworks that speak to corporate governance during the year, to ensure that how it carries out its business, is not only sustainable, but answers to the imperatives of corporate governance. The Company, in expanding its corporate governance remit, has taken heed to issues gaining increasing attention worldwide, such as ESG and climate change, and the growing requirements on the reporting of each of these aspects. The Company is alive to the inherent value embedding principles of corporate governance in the business in ensuring it is a profitable, responsible, and sustainable corporate citizen.

The Company fosters corporate governance by:

- keeping clear reporting and approval structures, which are underpinned by board approved policies and procedures, which are reviewed annually, to

ensure relevance and completeness. Our policies and other material information is available on our website for stakeholders to review:

- maintaining corporate governance compliance as an integral part of the way the Company conducts business, internally, and with external stakeholders;
- organising and conducting continuous corporate governance training, evaluation exercises, awareness and enforcement, buttressed by sound policies, charters and frameworks;
- placing governance-based outcomes such as an ethical culture, good performance, effective control and legitimacy as cornerstones of decision making at all levels of the Zimplats strata;
- reinforcing corporate governance, through recommendations received from internal and external facilitated assessments, evaluations, reviews, trainings and audits, whose outcomes are interrogated by the responsible committees and the board, with measures put in place to track action items and their satisfactory implementation; and
- continuously and transparently reporting on material issues in line with the ASX requirements.

### Assessment of the application of King IV Principles

Considering the nature and scale of Zimplats operations and its shareholding, the Company has, as mentioned above, implemented the King IV principles conjointly with the ASX Corporate Governance Principles and Recommendations on an “apply and explain” basis. Where appropriate, “modified application” of the King IV principles is disclosed, an explanation is provided, of how the King IV principles are applied to the Company, cognisant of the distinct Group and other peculiarities applying to the Company, which do not accommodate a strict application of the King IV principles.

## Corporate Governance Report (continued)

The table below sets out the 16 King IV principles, and Zimplats application thereof:

Principle No.	King IV Principle Explained	Applied/ Partially Applied/Not Applied	Company application commentary
<b>Principle 1 Ethical leadership</b>	The governing body should set the tone and lead ethically and effectively	Applied	The Company conforms to this principle. The board of directors (“the board”) leads ethically and effectively, guided by the Company’s constitutional documents, the Board Charter, the Group Approval Framework, and other corporate governance relates policies and procedures (“the Governing Documents”), which all ensure that the board discharges its fiduciary duties, (i) within the parameters set out in the Governing Documents, acting in the best interests of the Company. 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. Each committee is regulated by terms of reference and where applicable charters which are reviewed annually. The terms of reference and charters also effectively set the ethical standards and jurisdictional purview of the board committees which ultimately report to the Group. The board and its committees members are subject to formal evaluation processes, either externally facilitated or internally conducted every two years (with committee evaluations being done every alternate year), with the aim of assessing the competency and effectiveness of the board and committees in strategically leading the Company. The board of directors of the Company, demonstrate ethical and effective leadership by consistently applying the principles that underly the core values of Zimplats, being; We Care, Respect, and Deliver, which values sets the tone on ethical leadership throughout the substratum of the Company.
<b>Principle 2 Organisational ethics</b>	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	Applied	The Company conforms to this principle. The board provides effective leadership on an ethical foundation, which has been outlined in detail in Principle 1. The board also ensures that the Groups 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 is 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 assess, monitored, reported and disclosed. The Sustainability Report provides greater detail of the commendable work being done in this sphere.

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## Corporate Governance Report (continued)

Principle No.	King IV Principle Explained	Applied/ Partially Applied/Not Applied	Company application commentary
<b>Principle 3 Responsible corporate citizenship</b>	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen	Applied	The Company conforms to this principle. The board, through its committees, ensures that the Group is and is seen to be a responsible citizen by ensuring compliance with the ASX requirements, which place an emphasis on good corporate governance. Further, the board monitors and guides the Company in the implementation of the board approved strategy which includes such as ESG and ESG reporting, climate change, sustainability all with the aim of ensuring that profitability does not come at the expense of sustainability and corporate governance. Further, the Group has an approved Corporate Social Responsibility Policy which provides oversight of the Group's activities relating to responsible corporate citizenship.
<b>Principle 4 Strategy and performance</b>	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 to the value creation process	Applied	The Company conforms to this principle. The board approved strategy is a value focused strategy, which has as its cornerstone, responsible stewardship, operational excellence and organisational effectiveness, with the aim of positioning the Group as a high-value, sustainable, profitable and competitive metal producer. The board and executive management team annually attend a strategy session ahead of the beginning of the year. At these strategy sessions, the five-year business plan hinged on the values and long-term strategic thrust of the Company is approved by the board and implemented by management.
<b>Principle 5 Reporting</b>	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	Applied	<p>The Company conforms to this principle. The audit and risk committee has as one of its key responsibilities, the review of annual financial statements, the interim, preliminary or provisional results announcements, the accompanying reports to shareholders and any other announcements regarding the Company's results or other financial information to be made to the public, prior to submission and approval by the board. The annual financial statements undergo robust review, and a two-tier approval process; first at audit and risk committee and then at board level. This ensures that the financial statements, are:</p> <ul style="list-style-type: none"> <li>• issued annually and in line with the ASX requirements;</li> <li>• accurate and thorough, and provide a sufficient information to enable stakeholders to make an informed assessment of the Company's performance; and</li> <li>• comply with legal and where applicable jurisdictional requirements.</li> </ul> <p>The board has the ultimate responsibility of ensuring the integrity of the Group's integrated report on an annual basis.</p>
<b>Principle 6 Roles and responsibilities of the governing body</b>	The governing body should serve as the focal point and custodian of corporate governance in the organisation	Applied	The Company conforms to this principle. The board has overall responsibility for ensuring good governance is applied seamlessly across the Group, through application of board reviewed and approved governance framework and policy documents. Each committee which has delegated authority from the board, assists the board in the discharge of its duties, through board approved terms of reference, which have at their core adherence to the overarching corporate governance principles, espoused in the binding Governance Documents. The board and committee evaluations offer an opportunity for the boards and committees to evaluate their effectiveness in the discharge of their duties, as custodians of corporate governance in the organisation.

## Corporate Governance Report (continued)

Principle No.	King IV Principle Explained	Applied/ Partially Applied/Not Applied	Company application commentary
<b>Principle 7 Composition of the governing body</b>	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	Applied	The Company conforms to this principle. The board has effective committees that assist it in discharging its duties and responsibilities. These committees operate in accordance with written terms of reference approved by the board and reviewed annually. Further, a Group Approval Framework which is reviewed annually, provides checks and balances as it relates to decisions which can be made at management, committee and board level. In approving any decision, the board and committees are briefed with detailed reports, with committee and board members being at liberty to ask for any additional information they make require for them to make an objective decision. Committee and board members can also request deep dive presentations on specific areas which they may require specific insight into, before making a decision.
<b>Principle 8 Committees of the governing body</b>	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgment and assist with balance of power and the effective discharge of its duties	Applied	The Company conforms to this principle. Selection of board members is done through a rigorous process considered by the board as a whole, on the recommendation of remuneration committee and ultimately Group Nomination Committee. The selection process involves a careful consideration of the needs of the Company, informed by the size, complexity of its operating environment, and strategy, to ensure that the selected individuals are a good match to the requirements of the Company. Board inductions are thorough, and training and evaluation is ongoing, to ensure that board members remain abreast of developments within the business and externally. 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. Where a nominee is deemed not to be "independent" in accordance with the King IV principles, a careful interrogation is conducted to ensure that there are no circumstances that would damage independence neither would the director wield or exert considerable control over the other directors of the Company or management. Board committees have terms of references which deal with issues of composition, objectives, skills mix, delegated authority, and the reporting mechanism to the board.
<b>Principle 9 Evaluations of the governing body</b>	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	Applied	The Company conforms to this principle. The remuneration committee oversees evaluation of the board and its committees. Evaluations are externally facilitated every 2 years and committee evaluations are conducted every alternate year. Currently, the Remuneration Committee has approved a committee evaluation, in accordance with its terms of reference, which is due to be completed and presented at the November 2022 committee and board meetings. As with the board evaluation exercise completed in 2021, the committee evaluation will entail a full review process with external assistance; interviews with individual directors and answering of questionnaires, facilitated by the external consultant.

## Corporate Governance Report (continued)

Principle No.	King IV Principle Explained	Applied/ Partially Applied/Not Applied	Company application commentary
<b>Principle 10 Appointment and delegation to management</b>	The governing body should ensure that the appointment of and delegation to, management contribute to role and clarity and the effective exercise of authority and responsibilities	Applied	The board conforms to this principle. Whilst retaining overall accountability and subject to matters reserved to itself, the board has delegated authority to the chief executive officer, the chief finance officer, and other executive management members, who run the day-to-day affairs of the Group subject to compliance with the Governance Documents, which set out the different committees and board certain decisions are to be tabled before, for noting and/or approval. The clarity provided by the Governance Documents, ensures that management acts in a manner that is authorised and within the ambit of the delegated authority given to it by the Governance Documents.
<b>Principle 11 Risk Governance</b>	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives	Applied	The board conforms to this principle. The audit and risk committee, which reports to the board, has risk oversight as one of its key roles. In this regard, the audit and risk committee ensures that the Company implements an effective policy and plan for risk management that enhances the Company's ability to achieve its strategic objectives. Furthermore, the audit and risk committee is charged with ensuring that the disclosure regarding risk is comprehensive, timely and relevant. An integral component of the risk management process the committee oversees includes (i) financial risk reporting, (ii) internal financial controls, (iii) fraud risk as it relates to financial reporting, (iv) information technology risk as it relates to financial reporting and development and annual review of a policy and plan for risk management taking place by means of risk management systems and processes.
<b>Principle 12 Technology and information governance</b>	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives	Applied	The Company conforms to this principle. Information communication and technology (ICT) governance falls within the remit of the audit and risk committee, and it is a standing item on the audit and risk committee quarterly agenda. The audit and risk committee oversees implementation of the board approved technology strategy which is presented annually at the beginning of the year during the business planning meetings held between executive management and the full board. During the year, the audit and risk committee receives detailed reports at each quarterly meeting, providing updates on progress being made regarding roll out of the approved technology strategy. The audit and risk committee is pleased to note that it has received updates of the successful implementation of the long-term evolution networks (LTE) which will see an increase in automation of equipment at operations, data capture and information use activities, and processes. In line with the Group strategy on ESG, the audit and risk committee was informed of the various technologies that are in place at the Company to monitor and report on ESGs, which include gas monitoring, air quality monitoring, carbon emission and tailings water level monitoring technologies. During the year, the external auditor carried out an audit on IT Governance and application security and the committee was proud to report to the board that there were no indications of adverse findings from the audit. In discharging its duties, the audit and risk committee and the board are guided by an Information and Technology Charter which is benchmarked against King IV and the Group ICT Charter. The Information and Technology Charter provides governance processes, procedures and structures, pertaining to Information and Technology, its management and implementation. A detailed information, communication and technology risk assessment is performed on a yearly basis across the Group with key strategic themes highlighted in the risk enterprise risk register.

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## Corporate Governance Report (continued)

Principle No.	King IV Principle Explained	Applied/ Partially Applied/Not Applied	Company application commentary
<b>Principle 13 Compliance governance</b>	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	Applied	<p>The Company conforms to this principle. The board is assisted by the audit and risk committee in order to oversee the governance of compliance. The audit and risk committee has as one of its delegated duties, the overseeing of the compliance management function through, inter alia; (i) approving the compliance policy, (ii) reviewing and overseeing the effectiveness of the system for monitoring compliance with laws and regulations within the business and the results of management's investigation and follow-up of any instances of non-compliance, (iv) annual review and approval of the compliance assurance plan, and the consideration of amendments to material legislation, codes and regulatory requirements.</p> <p>On a quarterly basis, the audit and risk committee reviews the Compliance Risk Management Workplan and approves the activities undertaken. The codes of conduct, policies, frameworks, Charters, Terms of Reference are reviewed annually to ensure compliance with the legal requirements governing the Company.</p>
<b>Principle 14 Remuneration governance</b>	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	Applied	<p>The Company conforms to this principle. 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 and 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 behaviors 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 recognized practice of 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.</p>
<b>Principle 15 Assurance</b>	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	Applied	<p>The Company conforms to this principle. 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. The audit and risk committee 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 Group has developed and implemented a combined assurance model with the assistance of EY and input from Internal Audit. Its application, which is monitored by the audit and risk committee, remains a focus area.</p>

## Corporate Governance Report (continued)

Principle No.	King IV Principle Explained	Applied/ Partially Applied/Not Applied	Company application commentary
<b>Principle 16 Stakeholders</b>	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	Applied	<p>The Company conforms to this principle. The Company's stakeholder relationship framework is outlined in the annual report. The adopted Sustainability Framework positions the Company to be a leader in operating responsibly with a view of creating a sustainable and better future. Furthermore, the Company's communication policy ensures that timely, relevant, accurate and honest information is provided to all stakeholders. 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:</p> <ul style="list-style-type: none"> <li>• 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 Company complies with its disclosure obligations in terms of the Listing Rules.</li> <li>• 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.</li> <li>• 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, and the holding of the annual general meeting (AGM), where all directors are present and are available to answer shareholder queries and questions pertaining to how the board would have executed its governance duties in the year. The designated partner of the audit firm also attends the AGM.</li> </ul> <p>The above mentioned communication strategy/channels allow for the Company to manage issues effectively and timeously and reduces the likelihood of reputational risks. Where queries or concerns are raised, these are handled at the highest level and dealt with amicably.</p>

### BOARD OF DIRECTORS

The board is charged with the governance of the Company, guided by the terms and conditions stipulated in the individual appointment contracts executed by and between the Company and the directors, its board charter, the Company's constitutional documents, ASX listing rules, and annually reviewed frameworks, policies and other subsidiary governance documentation. Within the year under review, the board reviewed and approved, inter alia, (i) the Audit and Risk Committee Terms of Reference, (ii) Group Approval Framework, (iii) The Tax Risk Policy, (iv) the Risk Appetite and Risk Tolerance Curves, and (v) the Company Business Plan and Strategy documents, to mention but a few key documents, which have aided and guided the board in discharging its duties in the best interest of the Company, and within the ambit of the power delegated to it.

The information in this report, and the detail appearing in the table above, exhibits that for the year under review, the Company complied in all material respects with corporate governance "best practice", including the ASX Corporate Governance Principles and Recommendations and the King IV principles, and where application has been modified, this is in the narrative appearing in the table above.

We preface the detail to the report on the board and its committees by stating that the board meets at least 6 times a year. The board holds 4 quarterly board meetings, a strategy planning session held annually with the executive

## Corporate Governance Report (*continued*)

management team and a separate meeting devoted to reviewing the annual budget and business plan. Over and above this, to ensure the board is attuned at all times to the Company's monthly performance, the board receives a report monthly from the chief executive officer on a wide range of issues pertinent to the Company and its operating environment each month. Further, where required, management may, and the board and its committees are always available to receive and consider ad hoc reports and briefings on pertinent issues, and where necessary, can call for urgent special meetings, to discuss and obtain guidance and/or approval on key issues pertaining to the Company.

We are pleased to note that in light of the depth and diverse expertise the board members and management hold, the continuous engagement during and outside board cycles, results in effective and efficient decision making, and ensures that management and the board are aligned at all material times on key business objectives and their implementation.

The tables below set out in greater detail the:

- the number of board and sub-committee meetings held during the year; and
- attendance at the said meetings.

Further, the Directors' Report (pages 120 to 123) and the Audit and Risk Committee Report (pages 116 to 119) cover in 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 to discharge its responsibilities in setting strategic direction and providing leadership, it has established the following sub-committees:

- Audit and risk committee;
- Remuneration committee; and
- 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 and executive management, 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. However, 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. In this regard, the Company does not therefore fully meet the requirements of either Recommendation 2.1 of the ASX Corporate Governance Principles and Recommendations or King IV regarding the appointments made by the nominations committee.

From a corporate governance perspective, Implats has the right to nominate a majority of directors. It is for this reason that the Company does not meet the requirements of either Recommendation 2.4 of the ASX Corporate Governance Principles and Recommendations or King IV, which stipulate that the majority of non-executive directors should be independent. In appointing the directors, careful consideration and interrogation is applied to ensure that the appointment does not damage

## Corporate Governance Report (continued)

the principles underpinning the concept of independence and that the appointee does not/will not exert undue influence on the board and/or management. Details of board members appear on pages 15 to 17.

Board members undergo a rigorous induction programme aimed at familiarising them with the Zimplats operations, its business environment and the sustainability and governance issues relevant to the business. Furthermore, the board members are exposed to training opportunities for specialised facets of the business, and conferences, which provide relevant context and perspective to the sector the Company operates in.

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		•	•	
A Muchadehama		•	•	
N J Muller	•		•	
D S M Shoko		•	•	
Z B Swanepoel	•		•	
C Mtasa		•	•	
<b>Totals</b>	<b>4/10</b>	<b>4/10</b>	<b>8/10</b>	<b>2/10</b>

Professor 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 King IV.

Ms Mgoduso, Mr Muchadehama, Dr Shoko and Mrs Mtasa are considered to be independent as they:

- are not substantial shareholders in the Company;
- have not been employed by the Group within the last three years; and
- have not had a material contractual relationship within the Group, either directly or indirectly, other than as a director.

## Corporate Governance Report (continued)

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

Attendee	Attended	Aug 2021	Nov 2021	Feb 2022	May 2022
F S Mufamadi	4/4	•	•	•	•
A Mhembere	4/4	•	•	•	•
P Zvandasara	4/4	•	•	•	•
M Kerber	4/4	•	•	•	•
T N Mgoduso	4/4	•	•	•	•
A Muchadehama	4/4	•	•	•	•
N J Muller	4/4	•	•	•	•
D S M Shoko	4/4	•	•	•	•
Z B Swanepoel	4/4	•	•	•	•
C Mtasa	4/4	•	•	•	•

As previously reported, a board effectiveness and performance evaluation was successfully completed in January 2021 by an external expert in the field. This year, in accordance with the remuneration committee terms of reference, a committee effectiveness and performance evaluation is being carried out, and it shall interrogate: (i) independent external effectiveness (ii) overall performance of each committee, and (iii) strengths and weaknesses of each committee with identified areas for improvement.

Carey Commercial Limited, a company incorporated in Guernsey, is the secretary for the Company, accountable to the board for its proper functioning, and, ably providing administrative and other support functions to the board, guided by the Company's constitutional and other documents.

### BOARD COMMITTEES

#### AUDIT AND RISK COMMITTEE

In terms of its Terms of Reference, the audit and risk committee performs its duties on behalf of all the subsidiaries of the Company. The terms of reference of the audit and risk committee are comprehensive and cover issues of risk, ICT ethics and governance, and compliance with laws and regulations. Accordingly having a separate risk committee was not deemed necessary, given the comprehensive jurisdiction of the committee. The board reviews and approves the audit

and risk committee's terms of reference on annual basis. The terms of reference can be found on the Company website, [www.zimplats.com](http://www.zimplats.com).

The audit and risk committee has delegated authority, on a number of key issues, ranging from external assurance, review of annual financial statements (interim, preliminary and provisional result announcements, and the accompanying reports to shareholders and any other announcement regarding the Company) and the chairperson of the committee reports to the board at each meeting, on issues that would have been discussed and reviewed at the audit and risk committee meeting, and tables for approval matters which require board approval. The audit and risk committee is an integral component of the risk management process and specifically the committee, oversees:

- financial reporting and fraud risks as it relates to financial reporting;
- internal financial controls;
- the development and annual review of a policy and plan for risk management to recommend to the board for approval;
- the implementation of the policy and plan for risk management taking place by means of risk management systems and processes;
- making recommendation to the board concerning levels of tolerance and appetite and monitoring that risks are managed within the levels of tolerance and appetite as approved by the board.

## Corporate Governance Report (continued)

The committee is satisfied that it has adequately discharged its responsibilities in the past financial year. The combined assurance model is embedded throughout the business, and audited by the internal auditor, to verify the combined assurance reporting to the audit and risk committee. The model assists in facilitating, integrating and aligning the various assurance processes in the Group to maximise risk and governance oversight and control efficiencies which, in turn, increase the overall level of assurance to the audit and risk committee. A risk workplan is developed and reviewed annually, to ensure that activities identified as necessary to be conducted within a year, are indeed planned and implemented to the satisfaction of the board within the year. The workplan takes into account work scopes including risk identification and management at an operational level, training, workshops, benchmarking exercises, maturity assessments and risk reviews. 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.

### Audit and Risk Committee composition

The audit and risk committee is composed of three members, two of whom are independent non-executive directors and one of whom is the Implats chief finance officer. The composition of the audit and risk committee is contrary to the King IV recommendation that all members of this committee should be independent, non-executive members of the board and arises from the controlling interest of the ultimate holding company. The board appoints the chairperson and members of the audit and risk committee from amongst the directors. The board considers that members are suitably qualified to perform their roles and that members bring sufficient mix of appropriate experience and skills to the committee to enable it to effectively carry out its functions.

Details of the committee's members and their qualifications are reported on pages 15 to 17.

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

Attendee	Capacity	Attended	Aug 2021	Oct 2021	Jan 2022	Apr 2022
C Mtasa	Independent	4/4	•	•	•	•
M Kerber	Implats nominee	4/4	•	•	•	•
A Muchadehama	Independent	4/4	•	•	•	•

### 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 reviewed and approved by the board annually.

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

- establishing performance objectives for executive directors;
- benchmark remuneration practices against both local and international best practices;
- review of performance and remuneration of executive directors and senior management;
- ensuring the effectiveness of the succession planning and talent management process;
- making recommendations to assist management to achieve established objectives; and
- 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 2021	Oct 2021	Jan 2022	Apr 2022
T N Mgoduso	Independent	4/4	•	•	•	•
A Muchadehama	Independent	4/4	•	•	•	•
C Mtasa	Independent	4/4	•	•	•	•

### SAFETY, HEALTH, ENVIRONMENT AND COMMUNITY (SHEC) COMMITTEE

The role of this board-appointed committee is to monitor and review the various pillars of sustainability: safety, health and environmental and community 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 Group;
- monitor SHEC performance against predetermined goals, standards and international norms;
- monitor the SHEC management function and recommend improvements when considered necessary; and
- 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 2021	Oct 2021	Jan 2022	Apr 2022
Z B Swanepoel	Implats nominee	4/4	•	•	•	•
D S M Shoko	Independent	4/4	•	•	•	•

### KEY MANAGEMENT COMMITTEES

#### Executive Committee (Excom)

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

- Alexander Mhembere: Chairman
- Stanley Segula: Managing Director
- Patricia Zvandasara: Chief Finance Officer
- Takawira Maswiswi: Human Resources Director
- Amend Chiduma: Chief Technical Officer
- Sibusisiwe Chindove: Head of Corporate Affairs
- Lysias Chiwozva: General Manager – Strategy, Risk and Compliance
- Chipo Sachikonye: Legal Counsel and Company Secretary

The following are standing invitees to Excom meetings:

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

Reporting into Excom 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).

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

## Corporate Governance Report (continued)

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

### **Capital Steering Committee**

The principal role of this committee is to consider and assess, for approval or recommendation to the board, all applications for both growth and stay-in-business capital expenditure. The committee operates within an approval framework and is mandated to approve expenditure to certain limits beyond which board approval is required. The chief technical officer 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 Group 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\$7 million being reported to the audit and risk committee, and subsequently to the board on recommendation by the audit and risk committee. The committee is chaired by the chief finance officer, with two Zimplats executives and one Implats executive as members.

### **REMUNERATION REPORT**

The Group's philosophy, which is fortified by its policies and frameworks, does not discriminate based on race, religion, sex or disability. The Group is an equal opportunity employer, that aims to attract and retain suitably qualified employee. One such measure of attracting and retaining critical skills that are required for the Company's operations is through a performance-based reward systems that operates throughout the organisation, including an incentive scheme that is directly linked to key performance fundamentals for the Group.

The mining sector has traditionally been male dominated. Accordingly, whilst balancing being an equal opportunity employer, the Company has set targets of achieving a workforce complement of 10% women with representation across all levels, including the board, where currently four members (40%) are women. There are currently three women at senior executive level (E band on the Paterson job grading system) out of 31. Currently, the Group employs 364 women (2021:308) 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 remuneration of non-executive directors is based on proposals from the remuneration committee, which are approved by the board and subject to approval of members at the Annual General Meeting. The proposals are based on in-depth market research and comparison with selected peer companies, of a similar size and 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 fee payable regardless of attendance at meetings and committee fees payable on attendance of meetings. Fees are approved at the annual general meeting and applied with effect from the date of such meeting.

## Corporate Governance Report (continued)

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 Company for the year were set at the following levels:

	US\$
Chairperson	88 100
Directors	42 420

Committee fees are payable based on attendance and for the year to 30 June 2022, the annual fees were as follows:

	Audit and Risk US\$	Remuneration and SHEC US\$
Chairperson	23 165	21 180
Member	12 100	11 550

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 US\$600 000 limit previously approved by shareholders at the 2012 annual general meeting.

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

TOTAL REMUNERATION	FY2022 US\$	FY2021 US\$
Board Fees	305 003	287 413
Audit and Risk Committee Fees	33 265	33 584
SHEC Committee Fees	32 730	31 173
Remuneration Committee Fees	44 280	42 173
<b>Total</b>	<b>417 278</b>	<b>394 343</b>

### EXECUTIVE AND SENIOR MANAGEMENT REMUNERATION

Executive and senior management of the Company are bound by the employment contracts they execute with the Company, which contracts set out diverse issues including remuneration. It is the remuneration policy of the Group that executive directors and senior managers receive an annual base salary and pension contributions.

Educational allowances are paid to predetermined levels, full use of a company vehicle is provided as well as medical aid cover for the executives and senior management and their immediate families.

In addition, and subject to the attainment of specific "on target" performance goals, a performance incentive bonus is provided for each manager amounting to a maximum of 56% of basic annual salary in the case of the executive directors and E band managers and 43% in the case of 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 for specific persons and believes that it is neither appropriate nor in the best interests of Zimplats and its shareholders to fully adopt this recommendation.

The retention of skills and the risk of a loss thereof remains a real threat for Zimplats. Accordingly, the board is not willing to disclose details of the remuneration and associated benefits paid to individuals on the executive team. The board believes that the remuneration paid to board members and executives is fair and reasonable, given Zimplats' market capitalisation and the remuneration required to be paid to attract and retain key personnel in Zimbabwe. The Company does, however, make the following aggregate disclosure with respect to the remuneration of executive directors and key management personnel, a total of 31 people (2021: 28):

TOTAL REMUNERATION	FY2022 US\$	FY2021 US\$
Short-term employee benefits	15 490	11 954
Post-employment benefits	2 693	1 252
Share-based payments	13 153	23 758
<b>Total</b>	<b>31 336</b>	<b>36 964</b>

### LONG – TERM INCENTIVES

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

## Corporate Governance Report (continued)

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

The Zimplats executive directors and senior managers participate in the following two equity instruments under the Implants 2018 Share Plan (the 2018 LTIP):

- performance shares; and
- bonus shares.

### Performance Shares

Performance shares are awarded as conditional rights to Implants 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 Implants' 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 2021 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; and
- 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 are phantom shares (forfeitable shares) and are registered in the name of the employee on award, and are subject to forfeiture and disposal restrictions.

### Historic Share Plans

Previous share awards were regulated under the rules of the Implants 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. Employees have up to 2 years after vesting to exercise their rights.

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

### RISK MANAGEMENT

The Group 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 55 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 can 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.

## Corporate Governance Report (*continued*)

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 appraised 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 Group and provides a higher level of independent assurance to the board on matters of compliance and risk management.

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

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

Conventional insurance policies sufficient for the size and nature of the Group'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 Group. The risk management policy is available on the Company's website.

### **SUSTAINABLE REPORTING**

A detailed report on stakeholder engagement and non-financial performance and indicators has been included in this report on pages 53 to 84.

### **CODE OF ETHICS**

Zimplats is committed to the highest ethical standards in all its dealings with all stakeholders, guided by the board approved (i) Social Media Policy and Guidelines, (ii) Anti-Bribery and Corruption Policy and (iii) Ethics Policy, which are all aligned to Group policies. The policies provide clear guidance on social media engagement, 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 Ethics Policy, Anti-Bribery and Corruption Policy and Social Media Policy and Guidelines, and resultant procedures.

In order to further promote ethical behaviour and assure confidentiality, the Group continues to subscribe to an independent and anonymous "whistle-blower" programme administered by Deloitte & Touche 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 20 allegations were reported and fully investigated. 8 cases were founded, and 12 were unfounded. 8 contractor employees were dismissed as a result of the investigations, and there were no employee dismissals.

## Corporate Governance Report (continued)

An analysis of reports follows:

	FY2022	FY2021
Number of reports received	20	13
Number of employee dismissals	-	-
Number of rewards paid out	7	-
<b>Total value of rewards paid out</b>	<b>ZWL609 421</b>	-

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 half year interim or year-end results of the Company and ultimate holding company, as the case may be, during which neither directors nor officers may deal, with 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 Group audit and risk committee (the 'committee') is pleased to present its report for the financial year ended 30 June 2022. The committee discharged its duties, informed by its terms of reference which require that the committee support and assist the board of directors of the Company in discharging their responsibilities relating to; the safeguarding of assets, the operation of adequate and effective systems and control processes, the preparation of fairly presented financial statements in compliance with all applicable legal and regulatory requirements and accounting standards, and the oversight of the external and internal audit appointments and functions. The discharge of the aforementioned duties are informed by good corporate governance practices, and in line with the requirements of the ASX Corporate Governance Principles and Recommendations, Third Edition ('the ASX Corporate Governance Principles and Recommendations'), and the requirements of the King IV Report on Corporate Governance for South Africa (King IV) and all other duties assigned to it by the board.*

The committee is an advisory committee and not an executive committee, and thus does not perform any management functions nor does it assume any management responsibilities. Further, the committee performs its duties on behalf of all the subsidiaries of the Company.

The duties of the committee are delegated to it by the board. The role of the committee is governed by formal board approved terms of reference, a Group Approval Framework, and other Group policies, all which collectively are reviewed annually and approved by the board, to ensure that the committee is capacitated to discharge its duties through reference and application of comprehensive source documents, in an independent and objective manner, ultimately for the benefit of and in the best interests of the Group and its stakeholders. Details of the membership, objectives and corporate governance practices of the committee are included in the integrated annual report which will be released on or before 6 October 2022 and can be accessed at [www.zimplats.com](http://www.zimplats.com). Likewise, the committee's terms of reference can be accessed on [www.zimplats.com](http://www.zimplats.com).

### MANDATE OF THE COMMITTEE - DISCHARGE OF DUTIES

The committee discharged its obligations from a rolling agenda, which is informed by a comprehensive 'Work Plan' which is aligned to the terms of reference, which set out the standard matters for consideration at the quarterly and year end audit and risk committee meetings. These are categorised into, external audit – financials, internal audit, risk management, compliance, financial information, taxation, sustainable development information, ICT

governance, integrated report and other. Details of the specific issues falling into each category, that the committee looked at is detailed in the latter part of the report.

In line with issues that are gaining global emphasis and recognition, the committee paid particular emphasis on issues pertaining to ICT particularly as the committee is cognisant of the critical role ICT plays in the implementation of the overall Group strategy, with the resultant effect of significantly improving operational excellence and organisational effectiveness. Other areas of special emphasis the committee spent time on pertained to ESG, sustainable development, climate change, and the business risks whose profile was elevated as a result of events that occurred at a global scale. In considering these and other key risks, the Company reviewed and recommended to the board, the Company's risk appetite and tolerance curves for significant risks that impact the business, ranging from; safety, health, environment, industrial relations, production. The committee's recommendation was approved by the board and now guides management in its decision-making process throughout the year.

The committee also performed the following activities during the year to discharge its responsibilities:-

#### External reporting

- Reviewing accounting policies and key accounting judgements and estimates
- Reviewing tax provisions and contingencies including uncertain tax matters

## Audit and Risk Committee Report (*continued*)

- Reviewing reports of the 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 weakness identified
- Monitoring the reporting process and the preparation of fairly presented financial statements in compliance with the applicable legal and regulatory requirements and accounting standards
- Reviewing and recommending for adoption by the board, the financial information that is publicly disclosed, which for the year included:
  - the interim results for the half year ended 31 December 2021;
  - the annual results for the year ended 30 June 2022; and
  - ASX Quarterly activities reports
- Reviewing a documented assessment prepared by management on the going concern status of the Group and Company, including the key assumptions, and made recommendations to the board accordingly
- Reviewing the key audit matters in the external auditors' report. The committee was comfortable with the conclusions reached by management and the external auditors
- Recommending the integrated annual report to the board for approval.

### External auditors

The committee:-

- Ensured that the audit plan made provision to effectively deal with and address key risk areas in the business
- Monitored closely the activities of external auditors including their independence and ensuring that the scope of their non-audit services do not impair their independence
- Approved the auditor's remuneration for audit and non-audit services, after satisfying itself that the fees were appropriate given; the size of the Group, complexity of the issues the external auditor is to handle during the audit, and quality of work the external auditor is to submit during the course of the year
- Met with the external auditors where management was not present and discussed (i) major issues which arose during the audit, (ii) accounting and audit judgements and (iii) levels of errors identified during the audit
- The committee is responsible for making a recommendation to the board for it to put to the Company's shareholders for approval at the annual general meeting (AGM), the appointment, reappointment or removal of the external auditor. At the November 2021 AGM, the shareholders approved the resolution to reappoint Deloitte and Touche Chartered Accountants (Zimbabwe) as the external auditor until the conclusion of the next AGM. The committee is satisfied with the quality and independence of the audit conducted by the external auditor, and it has recommended to the board that it propose at the October 2022 AGM that Deloitte and Touche Chartered Accountants (Zimbabwe) be appointed as the external auditor of the Company for the year ending 30 June 2023.

### Internal controls and risk management

- Reviewed the reports of the internal 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 weakness identified
- 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
- Reviewed reports received through the "whistle-blowing" system
- Reviewed and approved the internal audit terms of reference
- Received and reviewed the internal auditors' FY2022 written assessment on effectiveness of internal controls and risk management process
- Reviewed and approved the internal auditors' FY2022 audit plan
- Met with the internal auditors where management was not present
- Considered and reviewed with management and the internal auditors, significant findings during the year and management's responses thereto in relation to reliable reporting, corporate governance and adequate and effective internal control

## Audit and Risk Committee Report *(continued)*

- Monitored the maintenance of proper and adequate accounting records, the overall operation and financial reporting environment and the performance of the internal audit function in terms of agreed goals and objectives
- Ensured that the combined assurance model was applied to provide a coordinated approach to all assurance activities
- In respect of the internal audit function, the committee received written confirmation from the service provider of their fulfilment of the internal audit mandate during the year and the conclusion on the adequacy and effectiveness of internal financial controls and;
- Considered and reviewed with management and the internal auditors, significant findings during the year, and management's responses thereto, in relation to, reliable reporting, corporate governance and adequate and effective internal controls. Further, the combined assurance review of the risk management process was rated as good by the internal auditors. The committee has reported accordingly to the board.

### **Ethics and Governance**

The committee is obligated to assist with the establishment of a clearly defined and documented code of ethics, giving due cognisance to the various statutory, common law and other requirements that cover the ethical behaviour of the directors and employees of Zimplats. As it relates to this function, the committee, during the course of the year, inter alia :-

- Reviewed and made recommendations regarding dividend declarations in line with the Group capital allocation framework, dividend policy, liquidity and solvency test
- Reviewed and recommended for board approval, the Group Approval Framework, and the Tax Risk Policy and ensured compliance therewith
- Reviewed and approved contracts in excess of US\$7 million and ensured that the procurement protocols and policies pertaining to the aforementioned contracts were followed

- Received, considered and interrogated the information and technology reports. The committee is excited by the long-term evolution (LTE) project, the Company is pursuing which will see increased automation of mine site technologies. The committee also received reports throughout the year on the various technologies that have been deployed to monitor and report ESG, including gas, air quality, carbon emission and tailings water level monitoring technologies
- Considered the outcomes of the ICT Governance and application security audit carried out by the Internal auditor. The committee is pleased to report that the Internal Auditors findings showed an improvement from the previous years of the maturity of the security function
- Received and considered the legislative developments and legal update throughout the year and ensured compliance with the relevant laws and regulations that govern Zimplats operations and business conduct.

### **ANNUAL FINANCIAL STATEMENTS**

The committee has advised the board that in its view the financial statements for the year ended 30 June 2022, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's financial position and performance. The committee, in advising the board of this position; critically assessed the financial statements against the external auditors workplan and parameters set out in its letter of engagement, discussed with external audit and management extensively on issues arising from the financial statements, and where necessary required external counsel to opine on specific issues, as well as discussed and considered input from management, in ensuring that the annual financial statements for the year ended 30 June 2022 comply, in all material aspects, with the requirements of International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee, applicable to companies reporting under IFRS, Companies (Guernsey) Law 2008, and the Listing Requirements of the Australian Stock Exchange.

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## Audit and Risk Committee Report (continued)

The committee assessed and confirmed the appropriateness of the going-concern assumption used in the annual financial statements, considering the reasonableness of the values and commodity prices included in management budgets and the capital and liquidity plans. Accordingly, the committee has recommended the approval of the annual financial statements to the board. The board has subsequently approved the annual financial statements.

### CHIEF FINANCE OFFICER AND FINANCE FUNCTION REVIEW

Mrs Patricia Zvandasara is a fellow chartered accountant, and she was appointed chief finance officer with effect from 1 November 2019. The committee has reviewed her qualifications and expertise and found her to be suitably qualified and experienced to lead the finance function.

### CONCLUSION

The committee is satisfied that it has considered and discharged its responsibilities in accordance with its mandate, statutory responsibilities and terms of reference during the current year.



**Mrs C Mtasa**  
 Chairperson of the Audit and Risk Committee

2 September 2022



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## 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') and its subsidiaries (together 'the Group') for the year ended 30 June 2022.*

### PURPOSE OF THE COMPANY

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

### REPORTING CURRENCY AND ROUNDING OFF OF AMOUNTS

The financial statements 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 since the last period at 500 million ordinary shares of US\$0.10 each.

#### Issued share capital

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

#### Unissued share capital

In terms of the articles of incorporation of the Company, unissued shares are under the control of the directors.

#### Majority Shareholding in the Company

The number of shares held by the majority shareholder, Impala Platinum B.V., was unchanged at 93 644 430 shares.

### COVID-19 PANDEMIC

Zimbabwe continues to experience a decline in Covid-19 cases nationwide. Cognisant of this decline in cases, government has further relaxed the non-economic activity related Covid-19 restrictions, whilst intensifying vaccination activities for the nation to achieve herd immunity. Zimbabwe Platinum Mines (Private) Limited remained designated an "essential service" and was able to continue mining operations, subject to complying with the health and safety guidelines, fortified by international best practices, set out in Covid-19 Code of Practice which applies to all internal staff, contractors and third parties.

Through the roll out of a successful vaccination campaign, Zimplats is pleased to report that 100% of its employees and contractors were vaccinated at operations. This notwithstanding, the Covid-19 situation remains fluid, and the Company remains vigilant and shall continue to implement the health and safety guidelines set out in the Code of Practice informed by any laws gazetted by the government from time to time, and/or issued by the World Health Organisation.

### EMPOWERMENT

The position as it relates to empowerment remains as previously reported. The Government of Zimbabwe, through Finance (No. 2) Act, 2020 amended section 3(1) of the Indigenisation and Empowerment Act [Chapter 14:33] (the Act) by giving the Minister, the discretion to prescribe which entities shall be classified as "designated extractive businesses", being a company, entity or business involved in the extraction of such mineral as may be prescribed by the Minister in consultation with the Minister responsible for Mines and Mining Development and the Minister responsible for Finance. Finance Act

## Directors' Report (continued)

(No.2) repealed section 3 (a) and (b) of the Act, which previously required that only businesses involved in the extraction of "platinum" or "diamonds", comply with the 51% ownership by an appropriate designated entity requirement.

The above-mentioned amendment to the Act was clarified by a Joint Press Statement, issued by the Minister of Finance and Economic Development and Minister of Mines and Mining Development, dated 2 February 2021. The Press Statement clarified the government position, which is that "there are no minerals the extraction of which require a business extracting same to have 51% of its shareholding being owned by a designated entity". The amendments appearing in Finance (No. 2) Act, 2020, which imply otherwise, are to be deleted, to align the Act with the mantra "Zimbabwe is open for business".

The amendments to the Indigenisation laws, clarified by the Press Statement, mean that there is no express indigenisation requirement as was in previous legislation. Accordingly, Zimplats focus is now on empowerment, guided by government statements to date on its desire to enact empowerment focused legislation.

### FINANCIAL AFFAIRS

The financial results for the year are set out on pages 131 to 188. The Company's financial results were positive, notwithstanding the challenging economic environment the Company operates in, which was further impacted by events that occurred at a global scale.

There have been no significant events that have occurred since the date of these financial statements and the date of approval that would affect the ability of the user of these financial statements to make proper evaluations and decisions.

The financial statements were prepared using the appropriate accounting policies and supported by reasonable and prudent judgments and estimates. The directors have a reasonable expectation that the Group and Company have adequate resources to continue as a going concern in the foreseeable future. As a result, the

financial statements have been prepared on a going-concern basis using appropriate accounting policies and supported by reasonable and prudent judgments and estimates. However, given the current economic environment, and impact of the continuing Russia and Ukraine war, this expectation will need to be continuously reassessed to determine its reasonableness.

### EVENTS AFTER REPORTING PERIOD

After the reporting date, the board of directors declared a final dividend of US\$120 million (equating to US\$1.11 per share) to shareholders on record as at 22 August 2022. These financial statements do not reflect this dividend payable in accordance with the requirements of International Accounting Standard (IAS) 10, Events After Reporting Period, and IAS 1, Presentation of Financial Statements.

The dividend declaration is in line with the Company's commitment to prioritising returns to shareholders and it satisfies the requirements of the Company's memorandum and articles of incorporation (article 30) and the solvency test as provided in the Companies (Guernsey) Law.

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

### 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 financial statements present a true and fair view, in all material respects, of the financial condition and operational results of the Group and Company 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; and
- That the Group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

## Directors' Report (continued)

### COMPOSITION OF THE BOARD

No directorate changes occurred during the year under review. The members of the board of directors remain as follows:

- Professor 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 article 16.2 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. Mrs C Mtasa, Mrs P Zvandasara and Mr Alec Muchadehama will be retiring in terms of article 16.2 of the Articles
- All the retiring directors, being eligible, offer themselves for re-election.

### BOARD DIVERSITY

Gender	
Male	6
Female	4
Nationality	
South African	5
Zimbabwean	5
Independence	
Executive	2
Non-Executive	8

### 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.

### INDEMNITY OF OFFICERS

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

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

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

The Company has given 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.

### SPECIAL RESOLUTIONS PASSED

No special resolutions were passed by shareholders during the year.

## Directors' Report *(continued)*

### 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.

### AUDITORS

Deloitte & Touche Chartered Accountants (Zimbabwe), the Company's independent auditors, 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 twenty second annual general meeting (the meeting) of the Company will be held at the offices of Impala Platinum Holdings Limited, 2 Fricker Road, Illovo, Johannesburg, South Africa and virtually at <https://78449.themediaframe.com/links/zimplats221020.html> on Thursday 20 October 2022, at 11:00am, South African time (GMT +2). Notwithstanding the relaxation of Covid-19 restrictions worldwide, in the interests of 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 of the annual general meeting.

### BY ORDER OF THE BOARD

2 September 2022



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## The Directors' Statement of Responsibility

For the year ended 30 June 2022

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 2022, 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 Group and Company 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 128 to 130.

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

2 September 2022

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## Financial Review

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Notes to the Financial Statements

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## Independent Auditor's Report To the Shareholders of Zimplats Holdings Limited

### Opinion

We have audited the accompanying financial statements of Zimplats Holdings Limited ('the Company') and its subsidiaries (together 'the Group') set out on pages 131 to 188, which comprise the consolidated and separate statement of financial position as at 30 June 2022 and the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the 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 2022 and its consolidated and separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and Companies (Guernsey) Law 2008.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There were no matters determined to be key audit matters for the current year.



A full list of partners and directors is available on request.

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

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## Independent Auditor's Report (*continued*)

### **Other Information**

The directors are responsible for the other information. The other information comprises the audit and risk committee report, the directors' report, the directors' statement of responsibility and the additional information section of the annual financial statements, which we obtained prior to the date of this auditor's report and the Integrated Report, which is expected to be made available to us after that date. 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 and will 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 the Companies (Guernsey) Law 2008 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 and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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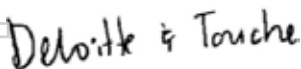
## Independent Auditor's Report (*continued*)

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

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

We also provide those charged with governance 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**  
**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 Practising certificate Number 8190859

**Harare**  
**Zimbabwe**

**2 September 2022**

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## Statement of Financial Position

As at 30 June 2022

	Notes	Group		Company	
		2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	1 404 612	1 225 940	4 839	4 974
Investments in subsidiaries	5	-	-	76 778	112 574
Investments in equity-accounted entities	6	702	-	-	-
Loans receivable	7	2 070	-	35 922	-
Other financial assets	8	-	16	-	-
		<b>1 407 384</b>	<b>1 225 956</b>	<b>117 539</b>	<b>117 548</b>
<b>Current assets</b>					
Inventories	9	101 696	132 539	-	-
Prepayments	10	99 702	50 246	241	-
Trade and other receivables	11	437 719	396 592	50 167	6 018
Current tax receivable	20	-	23 460	-	-
Equity Instruments at fair value through profit or loss	12	-	4 254	-	4 254
Other financial assets	8	-	216	-	-
Cash and cash equivalents	13	377 975	344 815	291 634	237 942
		<b>1 017 092</b>	<b>952 122</b>	<b>342 042</b>	<b>248 214</b>
<b>Total assets</b>		<b>2 424 476</b>	<b>2 178 078</b>	<b>459 581</b>	<b>365 762</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Capital and reserves					
Share capital	14	10 763	10 763	10 763	10 763
Share premium	14	89 166	89 166	89 166	89 166
Retained earnings		1 794 833	1 646 193	359 494	265 531
		<b>1 894 762</b>	<b>1 746 122</b>	<b>459 423</b>	<b>365 460</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Provision for environmental rehabilitation	15	26 004	20 256	-	-
Deferred tax	16	352 220	280 346	-	-
Lease liabilities	17	-	559	-	-
Share based compensation	18	2 759	3 124	-	-
		<b>380 983</b>	<b>304 285</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Trade and other payables	19	130 607	98 159	158	302
Current tax payable	20	5 326	-	-	-
Lease liabilities	17	734	2 221	-	-
Share based compensation	18	12 064	27 291	-	-
		<b>148 731</b>	<b>127 671</b>	<b>158</b>	<b>302</b>
<b>Total equity and liabilities</b>		<b>2 424 476</b>	<b>2 178 078</b>	<b>459 581</b>	<b>365 762</b>

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

2 September 2022

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## Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Notes	Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
		US\$ 000	US\$ 000	US\$ 000	US\$ 000
Revenue	21	1 243 140	1 353 792	356 400	328 500
Cost of sales	22	(594 319)	(546 730)	-	-
<b>Gross profit</b>		<b>648 821</b>	<b>807 062</b>	<b>356 400</b>	<b>328 500</b>
Administrative expenses	23	(7 460)	(5 608)	(2 540)	(1 878)
Net foreign currency exchange transactions losses	24	(40 527)	(218)	(6)	-
Other expenses	26	(8 614)	(2 627)	(1 645)	-
Other income	27	2 668	6 385	217	5 941
Finance income	28	714	38	-	-
Finance cost	29	(2 000)	(4 484)	-	-
Impairment of investment in subsidiary		-	-	-	(3 066)
Share of profit of equity-accounted entities	6	7	-	-	-
<b>Profit before income tax</b>		<b>593 609</b>	<b>800 548</b>	<b>352 426</b>	<b>329 497</b>
Income tax expense	30	(239 969)	(237 426)	(53 460)	(49 275)
<b>Profit for the year</b>		<b>353 640</b>	<b>563 122</b>	<b>298 966</b>	<b>280 222</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>353 640</b>	<b>563 122</b>	<b>298 966</b>	<b>280 222</b>
<b>Earnings per share from continuing operations attributable to owners of the parent during the year:</b>					
Basic earnings per share (cents)	31	329	523	278	260
Diluted earnings per share (cents)	31	329	523	278	260

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

## Statement of Changes in Equity

For the year ended 30 June 2022

	Share capital US\$ 000	Share premium US\$ 000	Retained earnings US\$ 000	Total US\$ 000
<b>GROUP</b>				
<b>Balance as at 1 July 2020</b>	10 763	89 166	1 172 070	1 271 999
Total comprehensive income for the year	-	-	563 122	563 122
Profit for the year	-	-	563 122	563 122
Other comprehensive income for the year	-	-	-	-
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid (note 36)	-	-	(88 999)	(88 999)
<b>Balance as at 30 June 2021</b>	10 763	89 166	1 646 193	1 746 122
<b>Balance as at 1 July 2021</b>	10 763	89 166	1 646 193	1 746 122
Total comprehensive income for the year	-	-	353 640	353 640
Profit for the year	-	-	353 640	353 640
Other comprehensive income for the year	-	-	-	-
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid (note 36)	-	-	(205 000)	(205 000)
<b>Balance as at 30 June 2022</b>	10 763	89 166	1 794 833	1 894 762
<b>COMPANY</b>				
<b>Balance as at 1 July 2020</b>	10 763	89 166	74 309	174 238
Total comprehensive income for the year	-	-	280 218	280 218
Profit for the year	-	-	280 218	280 218
Other comprehensive income for the year	-	-	-	-
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid (note 36)	-	-	(88 999)	(88 999)
<b>Balance as at 30 June 2021</b>	10 763	89 166	265 528	365 457
<b>Balance as at 1 July 2021</b>	10 763	89 166	265 528	365 457
Total comprehensive income for the year	-	-	298 966	298 966
Profit for the year	-	-	298 966	298 966
Other comprehensive income for the year	-	-	-	-
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid (note 36)	-	-	(205 000)	(205 000)
<b>Balance as at 30 June 2022</b>	10 763	89 166	359 494	459 423

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

## Statement of Cash Flows

For the year ended 30 June 2022

	Notes	Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
		US\$ 000	US\$ 000	US\$ 000	US\$ 000
<b>Cash flows from operating activities</b>					
Net cash generated from operations	32	675 832	779 286	309 678	321 105
Finance income	28	714	38	-	-
Finance costs paid	29	(489)	(3 095)	-	-
Share-based compensation payments	18	(13 154)	(33 145)	-	-
Payments made for environmental rehabilitation	15	(4 630)	(901)	-	-
Income taxes and withholding taxes paid	20	(148 176)	(289 500)	(53 460)	(49 275)
<b>Net cash inflow from operating activities</b>		<b>510 097</b>	<b>452 683</b>	<b>256 218</b>	<b>271 830</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	4	(270 276)	(159 072)	-	-
Proceeds from disposal of property, plant and equipment		189	387	-	-
Disposals of equity instruments	12	2 609	10 327	2 609	9 951
Proceeds from sale of subsidiary	5	500	2 800	-	-
Investments in equity-accounted entities	6	(702)	-	-	-
Movement in loans to subsidiaries		-	-	(129)	(33)
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(267 680)</b>	<b>(145 558)</b>	<b>2 480</b>	<b>9 918</b>
<b>Cash flows from financing activities</b>					
Loans to equity-accounted entities	7	(2 070)	-	-	-
Lease payments	17	(2 046)	(1 853)	-	-
Dividends paid	36	(205 000)	(88 999)	(205 000)	(88 999)
<b>Net cash outflow from financing activities</b>		<b>(209 116)</b>	<b>(90 852)</b>	<b>(205 000)</b>	<b>(88 999)</b>
<b>Net increase in cash and cash equivalents</b>		<b>33 301</b>	<b>216 273</b>	<b>53 698</b>	<b>192 749</b>
Cash and cash equivalents at beginning of the year		344 815	128 542	237 942	45 193
Exchange losses on cash and cash equivalents		(141)	-	(6)	-
<b>Cash and cash equivalents at the end of the year</b>	13	<b>377 975</b>	<b>344 815</b>	<b>291 634</b>	<b>237 942</b>

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

## Notes to the financial statements

For the year ended 30 June 2022

### 1 GENERAL INFORMATION

Zimplats Holdings Limited (the 'Company') is a public company domiciled in Guernsey, Channel Islands and listed on the ASX. The consolidated and separate financial statements of the Group for the year ended 30 June 2022 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. The US\$ is the functional and presentation currency of the Group.

### 2 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The significant accounting policies, estimates and judgements, that are deemed material and have been applied in the preparation of these financial statements are set out within the relevant notes to the financial statements and are indicated as follows throughout the document:

<b>Accounting policy (AP)</b>	The specific principles, bases, conventions, rules and practices applied by the Group and Company for preparing and presenting the financial statements.
<b>Significant estimates and judgements (EJ)</b>	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.

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 consolidated and separate 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 consolidated financial statements where relevant. The composition of the Group is further described in note 5 of the consolidated financial statements.

#### 2.1 New and revised International Financial Reporting Standards (IFRS)

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

## Notes to the financial statements (*continued*)

For the year ended 30 June 2022

The following amendments to standards were adopted by the Group on 1 July 2021:

### **IAS 16 Property, Plant and Equipment**

#### **Amendments to IAS 16 - Proceeds before intended use**

- The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.
- The adoption of these amendments had no material impact on the Group.

#### **Amendments to IFRS 3 – Reference to the Conceptual Framework**

- The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.
- Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.
- The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.
- The adoption of these amendments had no material impact on the Group.

#### **Amendments to IAS 37 - Onerous contracts – Cost of fulfilling a contract**

- The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
- The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- The adoption of these amendments had no material impact on the Group.

### **IFRS 9 Financial Instruments**

- The amendment clarifies that in applying the ‘10 per cent’ test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

- The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.
- The amendment is effective for annual periods beginning on or after 1 January 2022.
- The adoption of these amendments had no material impact on the Group.

### **Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction**

- The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.
- The amendment is effective for annual periods beginning on or after 1 January 2023 but was early adopted by the Group.
- The amendment had no impact as the Group provides for deferred tax on lease assets and liabilities as well as rehabilitation provisions and the associated assets.

The following amendments to the standards, relevant to the Group, are not yet effective and were not early adopted by the Group on 1 July 2021.

### **Amendments to IAS 8 - Definition of Accounting Estimates**

- The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.
- It is not expected that the amendments will have a material impact on the Group.

### **Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies**

- The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial; accounting policy information is material if users of an entity’s financial statements would need it to understand other material information in the financial statements; and the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.
- It is not expected that the amendments will have a material impact on the Group.

## Notes to the financial statements (*continued*)

For the year ended 30 June 2022

### **Amendments to IFRS 10 and IAS 28 - Sale or Contribution of assets between an investor and its associate or joint venture**

The amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

- It is not expected that the amendments will have a material impact on the Group.

### **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

- The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.
- The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
- The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. It is not expected that the amendments will have a material impact on the Group.

## **2.2 Statement of compliance**

The financial statements have been prepared in accordance with IFRSs and interpretations issued by the IFRS Interpretations Committee, 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 consolidated financial statements have been prepared under the historical cost convention except for the following:

- Equity instruments designated as financial assets measured at fair 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.

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.

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## Notes to the financial statements (continued)

For the year ended 30 June 2022

The consolidated 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 consolidated financial statements on a going concern basis is still appropriate.

Managing the Covid-19 pandemic remained a critical imperative in the period under review. The best-practice measures and processes put in place in prior periods, and which served the Group well, remained active throughout the year.

The preparation of consolidated 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 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 and have a risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year, are disclosed in the notes where necessary and indicated with EJ.

Summary of critical estimates and judgements:

- Income taxes (notes 16, 20 and 33)
- Inventory valuation and quantities (note 9)
- Environmental rehabilitation provision (note 15)
- Share-based compensation (note 18)
- Investments in subsidiaries (note 5)
- Investments in equity-accounted entities (note 6).

Summary of accounting policy selections:

- 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 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.

## Notes to the financial statements (*continued*)

### For the year ended 30 June 2022

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 using 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.

#### **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 consolidated financial statements are presented in United States Dollars (US\$), which is the Group's functional and presentation currency.

##### **Transactions and balances**

Foreign currency transactions are 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.

##### **Functional currency of Zimbabwe Platinum Mines (Private) Limited**

Considering the primary economic environment in which the Company operates, as well as considering factors such as which currency influences sales prices, competitive forces and regulations primarily determining sales prices, cost, financing activities and the currency in which receipts from operating activities are retained, management concluded that the Company's functional currency remains the US\$. The exchange rate between the US\$ and the Zimbabwean Dollar (ZWL) was established through the Reserve Bank of Zimbabwe foreign currency auction market up to 6 May 2022. Thereafter, the exchange rate was obtained from the interbank market.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### Exchange rates

#### South African Rand (ZAR)

Year-end rate: ZAR16.27: US\$1 (2021: ZAR14.32:US\$1)

Average rate: ZAR15.37: US\$1 (2021: ZAR15.40: US\$1)

#### ZWL

Year-end rate: ZWL372.87: US\$1 (2021: ZWL85.47: US\$1)

Average rate: ZWL149.04: US\$1 (2021: ZWL81.84: US\$1)

### 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 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. The Group has one customer, Impala Platinum Limited.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 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	Service and other assets US\$ 000	Assets under construction US\$ 000	Total US\$ 000
<b>Year ended 30 June 2022</b>							
Opening net book amount	140 456	376 990	375 110	76 959	129 031	127 394	1 225 940
Additions	-	3 235	-	27 296	-	239 745	270 276
Environmental rehabilitation asset adjustment (note 15)	-	8 867	-	-	-	-	8 867
Transfer from assets under construction	6 988	47 362	11 008	9 286	1 282	(75 926)	-
Disposals	-	(1 160)	(1 181)	(16 068)	(4 145)	-	(22 554)
Accumulated depreciation on disposals	-	1 161	1 181	15 906	1 904	-	20 152
Depreciation charge	(4 657)	(20 631)	(27 388)	(37 340)	(8 053)	-	(98 069)
Closing net book amount	142 787	415 824	358 730	76 039	120 019	291 213	1 404 612
<b>At 30 June 2022</b>							
Cost	207 856	602 257	558 126	229 045	207 949	291 213	2 096 446
Accumulated depreciation	(65 069)	(186 433)	(199 396)	(153 006)	(87 930)	-	(691 834)
Net book amount	142 787	415 824	358 730	76 039	120 019	291 213	1 404 612
<b>Year ended 30 June 2021</b>							
Opening net book amount	139 196	326 323	370 100	59 881	134 091	130 313	1 159 904
Additions	-	-	-	47 536	-	111 536	159 072
Environmental rehabilitation asset adjustment (note 15)	-	745	-	-	-	-	745
Transfer from assets under construction	9 205	70 208	31 755	(1 804)	5 091	(114 455)	-
Disposals	(3 518)	(2 361)	(14 949)	(34 050)	(1 208)	-	(56 085)
Accumulated depreciation on disposals	15	2 361	14 949	33 860	1 208	-	52 392
Depreciation charge	(4 442)	(20 286)	(26 745)	(28 464)	(10 151)	-	(90 088)
Closing net book amount	140 456	376 990	375 110	76 959	129 031	127 394	1 225 940
<b>At 30 June 2021</b>							
Cost	200 868	543 953	548 299	208 531	210 814	127 394	1 839 858
Accumulated depreciation	(60 412)	(166 963)	(173 189)	(131 572)	(81 783)	-	(613 918)
Net book amount	140 456	376 990	375 110	76 959	129 031	127 394	1 225 940

## Notes to the financial statements (continued)

For the year ended 30 June 2022

	Company	
	2022 US\$ 000	2021 US\$ 000
Mining claims		
Opening net book amount	4 974	5 099
Depreciation charge	(135)	(125)
Closing net book amount	4 839	4 974
At 30 June		
Cost	6 261	6 261
Accumulated depreciation	(1 422)	(1 287)
Net book amount	4 839	4 974

	Group		
	Land and buildings US\$ 000	Mobile equipment US\$ 000	Total US\$ 000
<b>Right-of-use assets included in property, plant and equipment</b>			
Opening net book value - 1 July 2020	222	4 204	4 426
Depreciation	(92)	(1 802)	(1 894)
Closing net book value - 30 June 2021	130	2 402	2 532
Depreciation	(92)	(1 802)	(1 894)
Closing net book value - 30 June 2022	38	600	638

	Group	
	2022 US\$ 000	2021 US\$ 000
<b>Assets under construction comprise:</b>		
Ngezi Third Concentrator plant	73 872	16 835
Mupani Mine	50 426	34 172
Bimha Mine upgrades	38 741	6 874
Smelter and SO <sub>2</sub> abatement	34 165	1 168
Base Metal Refinery	22 642	18 960
Housing development	16 039	1 650
SMC Tailings storage facility	8 949	593
Borrowing costs capitalised	2 621	5 561
Ngezi phase 2	2 273	1 644
Information, communication and technology systems	1 381	4 574
Bimha Mine re-development	-	21 466
Ngwarati Mine high wall	-	5 186
Other*	40 104	8 711
	291 213	127 394

\*Exploration drilling, trackless mining machinery re-manufacture, trial mining for resources from 14 degrees to 22 degrees, pillar reclamation trial at Rukodzi Mine and other various small projects.

	Group	
	2022 US\$ 000	2021 US\$ 000
<b>Commitments in respect of property, plant and equipment</b>		
Commitments contracted for	353 361	155 967
Approved capital expenditure not yet contracted	526 855	490 144
	880 216	646 111
Less than one year	424 141	252 739
Between one and five years	452 001	378 014
Greater than five years	4 074	15 358
	880 216	646 111

This expenditure will be funded internally 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 2022

### 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.

Interest on general or specific borrowings to finance the establishment or expansion of mining and processing assets is capitalised during the construction phase at the weighted average cost of the debt on qualifying expenditure, limited to actual interest incurred. 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.

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

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

#### Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

#### Derecognition

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

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## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 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.

### 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 estimates and judgements

### 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.

As at 30 June 2022, the life of mine was estimated as follows:

Mine	Estimated useful life
Ngwarati Mine	2 years
Bimha Mine	31 years
Mupfuti Mine	5 years
Mupani Mine	38 years

#### Metallurgical assets

Metallurgical assets mainly include the concentrator plants in Ngezi and Selous and the smelter plant in Selous. These assets are depreciated using the straight line method over a maximum of the lower of the life-of-mine and 30 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. The useful life of land and buildings under right-of-use assets is limited to the 3-year lease term.

## Notes to the financial statements (*continued*)

For the year ended 30 June 2022

### 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	
<i>Light</i>	10 years
<i>Heavy</i>	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.

### 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 (UOP) depreciation methodology. Changes in proved and probable mineral reserves will impact the useful lives of the assets depreciated on the UOP method and this will similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life-of-mine.

### 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 (i.e. differences between actual grades mined and resource model grades)
- Differences between actual commodity prices and commodity price assumptions
- Unforeseen operational issues at mine sites
- Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

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## Notes to the financial statements *(continued)*

For the year ended 30 June 2022

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**

No significant changes were made in respect of ore reserves which form the basis of the units-of-production for depreciation computations.

**Impairment**

**AP Accounting policy**

**Impairment of property, plant and equipment**

These assets are assessed for indicators of impairment at each reporting date. 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 estimates and judgements**

**Impairment of property, plant and equipment**

The Group carried out an impairment assessment of property, plant and equipment as at 30 June 2022. 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.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

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, climate change and other factors in the global environment were 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 basket price per 6E ounce sold of US\$1 550
- Long-term pre-tax real discount rate of 13.55%
- Inflation rate of 2% per annum applied on costs after 30 June 2027.

### Sensitivity analysis:

- A change in the discount rate by an additional 10% would not result in impairment
- A change of 10% in the long-term real basket price per 6E ounce sold would not result in impairment.

## 5 INVESTMENTS IN SUBSIDIARIES

The Group's subsidiaries as at 30 June 2022 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	
			2022 %	2021 %
Always 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
Zimplats Enterprises (Private) Limited	Zimbabwe	Subsidiary	100	100

\*In 2017, Zimbabwe Platinum Mines (Private) Limited issued a 10% equity stake for a consideration of US\$95 million to the Zimplats Employee Share Ownership Trust (the ESOT), which holds the shares for the benefit of the participating employees. The ESOT is consolidated as it acts as an agent for the Group.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
<b>Investments in subsidiaries</b>				
<b>Equity</b>				
Zimbabwe Platinum Mines (Private) Limited	-	-	76 778	76 778
<b>Long term loans to subsidiaries*</b>				
Hartley Minerals Zimbabwe (Proprietary) Limited	-	-	-	27 965
Mhondoro Holdings Limited	-	-	-	465
Zimbabwe Platinum Mines (Private) Limited	-	-	-	7 366
	-	-	-	35 796
Total investment in subsidiaries	-	-	76 778	112 574

\*The long term loans to subsidiaries have been disclosed separately in the current year. Current year amounts are shown on note 7.

### Disposal of subsidiary

In February 2021, the group disposed of its subsidiary, Baydonhill Investments (Private) Limited. Details of the disposal were as follows:

	Group	
	2022 US\$ 000	2021 US\$ 000
Carrying amounts of net assets over which control was lost:		
<b>Non-current assets</b>		
Property, plant and equipment	-	3 245
<b>Current liabilities</b>		
Trade payables	-	3
Net assets derecognised	-	3 242
<b>Consideration received:</b>		
Cash	500	2 800
Deferred consideration	-	500
Total consideration received	500	3 300
<b>Gain on disposal:</b>		
Consideration received	-	3 300
Net assets derecognised	-	(3 242)
Gain on disposal	-	58
The gain on disposal of the subsidiary was recorded as part of profit for the prior year in the statement of profit or loss and other comprehensive income.		
<b>Net cash inflow arising on disposal:</b>		
Cash consideration received	500	2 800

The deferred consideration was settled by the purchaser in full in the current year.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 6 INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES

Name	Country of incorporation	Ownership interest	
		2022 %	2021 %
Palmline Investments (Private) Limited	Zimbabwe	45	45
Haskval Mining (Private) Limited	Zimbabwe	45	-
Value Bridge Investments (Private) Limited	Zimbabwe	40	-
Voltron Mining (Private) Limited	Zimbabwe	40	-
Mine Support Solutions (Private) Limited	Zimbabwe	15	15

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Palmline Investments (Private) Limited	-	-	-	-
Haskval Mining (Private) Limited	656	-	-	-
Value Bridge Investments (Private) Limited	39	-	-	-
Voltron Mining (Private) Limited	-	-	-	-
Mine Support Solutions (Private) Limited	7	-	-	-
<b>Total investments in equity-accounted entities</b>	<b>702</b>	<b>-</b>	<b>-</b>	<b>-</b>

Palmline Investments (Private) Limited is a start-up venture involved in cattle ranching in which the Group subscribed for a 45% equity interest in 2021.

Haskval Mining (Private) Limited is a start-up company in the business of mining and processing of gold and other metals. The Group subscribed for a 45% equity interest in the company in 2022.

Value Bridge Investments (Private) Limited is a start-up venture that operates an integrated batch plant that produces material for the Group's construction and wetcreting requirements. The Group subscribed for a 40% equity interest in the company in 2022.

Voltron Mining (Private) Limited is a start-up venture responsible for the provision of maintenance services for the Group's trackless mining machines. The Group subscribed for a 40% equity interest in the company in 2022.

Mine Support Solutions (Private) Limited is a start-up venture in the business of manufacturing and supplying underground mine support products in which the Group subscribed for a 15% equity interest in 2021.

The investments in Palmline Investments (Private) Limited and Mine Support Solutions (Private) Limited were done as part of the Group's corporate social responsibility programme and were charged to the statement of profit or loss in the prior year.

There were no impairment losses on investments in equity-accounted entities in the current year (2021: US\$nil).

#### Movement in investments in equity-accounted entities

	2022 US\$ 000	2021 US\$ 000
Beginning of the year	-	-
Share of profit	7	-
Shareholder funding – Haskval Mining (Private) Limited	656	-
Shareholder funding – Value Bridge Investments (Private) Limited	39	-
Share of other comprehensive income	-	-
Dividends received	-	-
<b>End of the year</b>	<b>702</b>	<b>-</b>
Share of profit of equity-accounted entities is made up as follows:		
Share of profit	7	-
Unrealised profit in inventory movements	-	-
<b>Total share of profit of equity-accounted entities</b>	<b>7</b>	<b>-</b>

## Notes to the financial statements (continued)

For the year ended 30 June 2022

Summarised financial information of the Group's associates is set out below:

	Voltron Mining		Mine Support Solutions		Palmline Investments	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Non-current assets	296	-	5	23	5 104	4 197
Current assets	8 660	-	121	236	76	351
	8 956	-	126	259	5 180	4 548
Capital and reserves	(1 703)	-	96	37	(2 035)	1 363
Non-current liabilities	525	-	-	-	5 534	2 033
Current liabilities	10 134	-	30	222	1 681	1 152
	8 956	-	126	259	5 180	4 548
<b>The above amounts of assets and liabilities include the following:</b>						
Cash and cash equivalents	187	-	321	77	3	294
Current financial liabilities (excluding trade and other payables and provisions)	-	-	15	213	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	5 534	2 033
Revenue	9 909	-	1 575	289	861	134
(Loss)/Profit for the year	(1 178)	-	46	29	(2 962)	(923)
Total comprehensive income	(1 178)	-	46	29	(2 962)	(923)
The above profit for the year includes the following:						
Depreciation and amortisation	-	-	-	3	257	35
Interest income	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Income tax (credit)/expense	(525)	-	15	11	(82)	(27)
Reconciliation of the summarised financial information to the carrying amount of the investment recognised in the consolidated carrying amount of the investment recognised in the consolidated financial statements:						
Net assets of the entity	(1 703)	-	96	37	(2 035)	(1 363)
Proportion of the Group's ownership interest in the investment	(681)	-	14	6	(916)	(613)
Dividends received by the Group	-	-	-	-	-	-

## Notes to the financial statements (continued)

For the year ended 30 June 2022

	Haskval Mining		Value Bridge	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Non-current assets	655	-	536	-
Current assets	1	-	-	-
	656	-	536	-
Capital and reserves	656	-	498	-
Non-current liabilities	-	-	-	-
Current liabilities	-	-	38	-
	656	-	536	-
The above amounts of assets and liabilities include the following:				
Cash and cash equivalents	1	-	-	-
Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-
	-	-	-	-
Revenue	-	-	-	-
(Loss)/Profit for the year	-	-	-	-
Total comprehensive income	-	-	-	-
The above profit for the year includes the following:				
Depreciation and amortisation	-	-	-	-
Interest income	-	-	-	-
Interest expense	-	-	-	-
Income tax (credit)/expense	-	-	-	-
Reconciliation of the summarised financial information to the carrying amount of the investment recognised in the consolidated carrying amount of the investment recognised in the consolidated financial statements:				
Net assets of the entity	656	-	498	-
Proportion of the Group's ownership interest in the investment	295	-	199	-
Dividends received by the Group	-	-	-	-

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### **EJ Areas of estimates and judgements**

Equity-accounted investments are regarded as cash-generating units and are tested for impairment on an individual basis. Any impacts of Covid-19, climate change and other factors in the global environment in which the Group operates are incorporated in the cash flows and other estimates and assumptions that may impact future returns, in the discounted cash flow calculations of the Group's equity-accounted investments, to the extent that they are applicable. No impairment was required in the current year.

### **AP Accounting policy**

#### **Associates**

Associates are undertakings in which the Group has a long-term interest and over which it exercises significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

#### **Equity method of accounting**

The equity method of accounting is used to account for the acquisition of associates by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Equity-accounting involves recognising in profit or loss and in other comprehensive income respectively, the Group's share of the associate's post-acquisition profit or loss for the year, and its share of post-acquisition movements in other comprehensive income.

Under the equity method, the investment in the associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of profit or loss and movement in other comprehensive income of the investee, after the date of acquisition. Dividends and other equity receipts received reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains or losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

No goodwill relating to an associate is recognised. It is included in the carrying amount of the investment and is not amortised.

#### **Discontinuing use of equity-accounting method**

Use of the equity-accounting method is discontinued from the date when the investment ceases to be an associate. If the retained interest of a former associate is a financial asset, the retained interest is initially recognised at fair value and is accounted for as an equity investment subsequently measured at fair value through other comprehensive income. The difference between the fair value of the retained interest plus any proceeds from the part disposal of the associate and the carrying amount of the equity-accounted investment, at the date at which the equity method was discontinued, is recognised in profit or loss.

If the investment becomes a subsidiary, the change in control is accounted for as a business combination and the investment is subsequently consolidated into the Group.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### Impairment

Equity-accounted investments are assessed for indicators of impairment at each reporting date. The carrying amount of each equity-accounted investment is tested for impairment separately. An impairment loss is provided for, in profit or loss, equal to the amount by which the carrying amount exceeds the higher of fair value less cost to sell and value in use (Group's share of expected cash flows) and reduces the carrying amount of the investment.

When impairments are reversed, due to a change in circumstances, the reversals are limited to the lower of initial impairment and the newly equity-accounted investment value.

## 7 LOANS RECEIVABLE

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
<b>Long term loans to subsidiaries</b>				
Hartley Minerals Zimbabwe (Proprietary) Limited	-	-	27 971	-
Mhondoro Holdings Limited	-	-	587	-
Zimbabwe Platinum Mines (Private) Limited	-	-	7 364	-
	-	-	35 922	-
<b>Long term loans to equity-accounted entities</b>				
Voltron Mining (Private) Limited	1 589	-	-	-
Palmline Investments (Private) Limited	481	-	-	-
	2 070	-	-	-

\*Prior year amounts are shown on note 5.

### AP Accounting Policy

Loans receivable are carried at amortised cost using the effective interest method, less any accumulated impairments. Interest earned on loans receivable is recognised on an accrual basis using the effective interest rate method. The loans to subsidiaries are unsecured, bear no interest and have no fixed repayment terms. The Group provides its associates with loans at interest rates comparable to average commercial rates and fixed repayment terms. Such loans are not capitalised.

The loan to Voltron Mining (Private) Limited is denominated in US\$ and accrues interest at a rate of 8% per annum with a moratorium period of 12 months from the effective date.

The loan to Palmline Investments (Private) Limited is denominated in US\$ and accrues interest at a rate of 7% per annum.

### Impairment of loans receivable

The general expected credit loss (ECL) model is applied to loans receivable 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:

## Notes to the financial statements (continued)

For the year ended 30 June 2022

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

All loans to subsidiaries and associates are considered to be low credit risk as they have a low risk of default. As a result, no loss allowance was recognised in the period.

Indicators of an increase in credit risk requires judgement and may include historical information about the borrower, 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.

### 8 OTHER FINANCIAL ASSETS

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Loans carried at amortised cost	-	232	-	-
Non-current	-	16	-	-
Current	-	216	-	-
	-	232	-	-

#### 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. Those 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 11) 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.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

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.

### EJ Areas of estimates and judgements

#### 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% (2021; 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.

### 9 INVENTORIES

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Ore, concentrate and matte stocks	34 054	63 814	-	-
Consumables	71 934	75 482	-	-
	105 988	139 296	-	-
Less: provision for obsolete consumables	(4 292)	(6 757)	-	-
	101 696	132 539	-	-
No inventories were encumbered.				
The movement in the provision for obsolete consumables is as follows:				
At the beginning of the year	6 757	6 757	-	-
Credited to the statement of profit or loss during the year*	(2 465)	-	-	-
At the end of the year	4 292	6 757	-	-
In the statement of cash flows, increase in inventory comprises:				
Movement as per the statement of financial position	30 843	(40 647)	-	-
Decrease in provision for obsolete consumables (note 32)	2 465	-	-	-
	33 308	(40 647)	-	-

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 22.

\*Management assessed consumables for redundancy which resulted in a part reversal of prior years' provision.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### EJ Areas of estimates and judgements

#### 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.

#### 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.

## 10 PREPAYMENTS

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Deposits on property, plant and equipment	65 575	32 932	-	-
Consumables and other operating expenditure	27 967	17 314	-	-
Insurance premiums	6 160	-	241	-
	99 702	50 246	241	-

Property, plant and equipment prepayments mainly relate to amounts prepaid on capital equipment for tailings storage facility, employee housing development, replacement mines, the Ngezi Third Concentrator plant and smelter expansion and SO<sub>2</sub> abatement plant projects.

### 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.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 11 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Trade receivables due from related parties (note 35.2c)	391 629	374 406	-	-
Value added tax receivable	12 434	20 240	-	-
Dividends receivable (note 35.2c)	-	-	40 800	-
Other receivables	33 656	1 946	9 367	6 018
	437 719	396 592	50 167	6 018
Trade and other receivables are denominated in different currencies as follows:				
United States dollars	426 351	378 100	50 167	6 018
Zimbabwean dollars	11 368	18 492	-	-
	437 719	396 592	50 167	6 018
In the statement of cash flows, movement in trade and other receivables comprises:				
Movement as per the statement of financial position	(41 127)	(108 644)	(44 149)	(6 018)
Unrealised foreign exchange loss (note 24)	(5 466)	(463)	-	-
Deferred consideration on disposal of subsidiary	(500)	500	-	-
	(47 093)	(108 607)	(44 149)	(6 018)

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

As a statutory requirement, the Group surrenders part of its foreign currency from export proceeds to the Reserve Bank of Zimbabwe (RBZ) in exchange for ZWL. The funds are placed with the RBZ until such a time that they are required and drawdowns are made in ZWL at the prevailing interbank rate. As at 30 June 2022, the amount due from the RBZ was US\$22 million and is included in other receivables.

Refer to note 34 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.

Trade receivables relate to amounts due from Impala Platinum Limited, a fellow subsidiary. From the assessments done, the customer has not defaulted in the past. As a result, the Group has not recognised a loss allowance.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for credit losses. Other receivables are classified as assets with a low credit risk as such the probability of default is nil and therefore the expected credit losses are insignificant.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 12 EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
<b>Equity instruments</b>				
Investment in Impala Platinum Holdings Limited (Implats) listed shares	-	4 254	-	4 254
The movement in equity instruments at fair value through profit or loss is as follows:				
At the beginning of the year	4 254	8 640	4 254	8 640
Acquisitions	-	-	-	-
Fair value adjustments (note 26, 27)	(1 645)	5 941	(1 645)	5 941
Disposals	(2 609)	(10 327)	(2 609)	(10 327)
At the end of the year	-	4 254	-	4 254

During the year, the Company disposed of shares in Implats pursuant to the Implats Group Bonus Share Plan. The shares were held for distribution to the Group's employees in terms of the rules of the scheme on vesting (note 18).

Refer to note 34 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.

### 13 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Cash at bank	377 960	344 802	291 634	237 942
Cash on hand	15	13	-	-
Cash and cash equivalents	377 975	344 815	291 634	237 942
Cash and bank balances are denominated in US\$ except the net exposures to foreign currency detailed below:				
Balances with banks (Zimbabwean dollars - ZWL)	<b>ZWL 000</b> 161 329	<b>ZWL 000</b> 35 982	<b>ZWL 000</b> -	<b>ZWL 000</b> -
Balances with banks (Australian dollars - AUD)	<b>AUD 000</b> 66	<b>AUD 000</b> 65	<b>AUD 000</b> 66	<b>AUD 000</b> 65
Balances with banks (South African Rands - ZAR)	<b>ZAR 000</b> 1	<b>ZAR 000</b> 1	<b>ZAR 000</b> 1	<b>ZAR 000</b> 1

Refer to note 34 for fair value and financial risk disclosures.

#### AP Accounting Policy

Cash and cash equivalents comprise cash on hand and on demand bank deposits. 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 2022

### 14 SHARE CAPITAL AND SHARE PREMIUM

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
<b>Authorised</b>				
500 000 000 ordinary shares of US\$0.10 each	50 000	50 000	50 000	50 000
<b>Issued and fully paid</b>				
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.

### 15 ENVIRONMENTAL REHABILITATION PROVISION

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
At the beginning of the year	20 256	19 023	-	-
Change in estimate - rehabilitation asset (note 4)	8 867	745	-	-
Interest accrued - present value adjustment (note 29)	1 511	1 389	-	-
Payments made during the year	(4 630)	(901)	-	-
At the end of the year	26 004	20 256	-	-

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\$46.4 million (2021: US\$38.5 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

## Notes to the financial statements (continued)

For the year ended 30 June 2022

the life of the operation and the increase in the net present value of the provision for the expected cost, apart from unwinding the discount, which is recognised in the statement of profit or loss as a finance cost, is also capitalised. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site. The provision is reviewed annually to take into account the effects of changes in the estimates.

Where there is a change in the expected decommissioning and restoration costs, an adjustment is recorded against the carrying value of the provision and any related asset, and the effect is then recognised in the statement of 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 the statement of profit or loss as incurred.

### **EJ** Areas of estimates and judgements

#### **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. Estimates are determined by independent environmental specialists in accordance with environmental regulations. Provisions for future rehabilitation costs have been determined, based on calculations which require the use of estimates.

The pre-tax discount rate used was 7.5% (2021: 7.3%) at the time of calculation. The net present value of current rehabilitation estimates is based on the assumption of a long-term real inflation rate of 3.8% (2021: 2.0%).

At 30 June 2022, if the discount rate had decreased by 2% with all other variables held constant, the present value of the current rehabilitation estimate would have been US\$33.7 million.

At 30 June 2022, if the discount rate had increased by 2% with all other variables held constant, the present value of the current rehabilitation estimate would have been US\$22.1 million.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 16 DEFERRED TAX

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
The analysis of deferred tax liabilities is as follows:				
Deferred tax assets	(15 929)	(19 389)	-	-
Deferred tax liabilities	368 149	299 735		
Deferred tax liabilities (net)	352 220	280 346	-	-
The movement on the deferred tax account is as follows:				
At the beginning of the year	280 346	301 034	-	-
Charged to statement of profit or loss (note 30)	71 874	(20 688)	-	-
At the end of the year	352 220	280 346	-	-

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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

#### Deferred tax assets

	Environmental rehabilitation provision US\$ 000	Share based compensation US\$ 000	Leave pay US\$ 000	Lease liabilities and other provisions US\$ 000	Total US\$ 000
As at 1 July 2020	(5 219)	(4 774)	(2 280)	(4 949)	(17 222)
Charged/(credited) to the statement of profit or loss	213	(2 750)	(160)	530	(2 167)
As at 30 June 2021	(5 006)	(7 524)	(2 440)	(4 419)	(19 389)
(Credited)/charged to the statement of profit or loss	(1 421)	3 855	(273)	1 299	3 460
As at 30 June 2022	(6 427)	(3 669)	(2 713)	(3 120)	(15 929)

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

The Group uses the board-approved financial forecasts as the basis for the profits expected to arise in the foreseeable future. Based on these financial forecasts, the Group expects to have sufficient taxable profits in the future against which the deferred tax assets will be utilised.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### Deferred tax liabilities

	Accelerated tax depreciation US\$ 000	Prepayments US\$ 000	Exchange gains US\$ 000	Total US\$ 000
As at 1 July 2020	285 640	5 349	27 267	318 256
Charged/(credited) to the statement of profit or loss	5 783	2 556	(26 860)	(18 521)
As at 30 June 2021	291 423	7 905	407	299 735
Charged to the statement of profit or loss	44 100	7 938	16 376	68 414
As at 30 June 2022	335 523	15 843	16 783	368 149

### AP Accounting Policy

#### Deferred tax

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However deferred tax is not provided for, if the deferred tax arises from the initial recognition of an asset or liability, as a result of a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, and if at the time of the transaction, the temporary difference does not give rise to equal taxable and deductible temporary differences. Deferred 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 tax asset is realised or deferred tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to the same taxation authority. Current 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 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.

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## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 17 LEASE LIABILITIES

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
<b>Non-current</b>				
Lease liabilities	-	559	-	-
<b>Current</b>				
Lease liabilities	734	2 221	-	-
<b>Total</b>	<b>734</b>	<b>2 780</b>	<b>-</b>	<b>-</b>
The movement in borrowings is as follows:				
At the beginning of the year	2 780	4 633	-	-
Interest accrued (note 29)	176	367	-	-
Repayments	(2 222)	(2 220)	-	-
Capital: Lease liability	(2 046)	(1 853)	-	-
Interest	(176)	(367)	-	-
At the end of the year	734	2 780	-	-
The maturity analysis of the Group's leases as at the end of the reporting period is as follows:				
On demand and up to 6 months	734	997	-	-
6 months to 1 year	-	1 046	-	-
1 year to 2 years	-	737	-	-
	734	2 780	-	-
The maturity analysis of the Group's lease payments as at the end of the reporting period is as follows:				
On demand and up to 6 months	749	1 110	-	-
6 months to 1 year	-	1 110	-	-
1 year to 2 years	-	750	-	-
	749	2 970	-	-

#### 17.1 Leasing activities

The Group had two leases deemed as material as at 30 June 2022, as follows:

##### Ore and concentrates haulage

The Group has a contract for haulage trucks used for the transportation of ore and concentrates between Ngezi and the Selous Metallurgical Complex. The contract has a period of five years from 1 November 2017 to 31 October 2022. As at 30 June 2022, the present value of the lease liability was US\$0.7 million (2021: US\$2.7 million) at a discount rate of 9.6%.

##### Borrowdale office park

The lessor and Zimplats entered into a lease agreement in which Zimplats leases premises measuring 1 146m<sup>2</sup> – 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 has since been extended to November 2022. As at 30 June 2022, the present value of the lease liability was US\$44 000 (2021: US\$0.1 million) at a discount rate of 9.6%.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### AP Accounting Policy

#### Leases

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.

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.

### 18 SHARE BASED COMPENSATION

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
At the beginning of the year	30 415	18 516	-	-
(Credited)/charged to the statement of profit or loss	(2 438)	45 044	-	-
Payments to employees during the year	(13 154)	(33 145)	-	-
At the end of the year	14 823	30 415	-	-
Current liabilities	12 064	27 291	-	-
Non-current liabilities	2 759	3 124	-	-
	14 823	30 415	-	-

## Notes to the financial statements (continued)

For the year ended 30 June 2022

During the year ended 30 June 2022, 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 of shares in issue	-	756 029	453 258
Carrying amount	US\$ nil (2021: US\$130 000)	US\$5 288 000 (2021: US\$7 605 000)	US\$3 174 000 (2021: US\$9 390 000)
Average contractual life	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 (50%) 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 of shares in issue	651 733	-
Carrying amount	US\$5 655 000 (2021: US\$10 038 000)	US\$706 000 (2021: US\$3 252 000)
Average contractual life	Three years before vesting and another three years before lapse	Lapse ten years after issue: <ul style="list-style-type: none"> <li>• First 25% lapse eight years after vesting</li> <li>• Second 25% lapse seven years after vesting</li> <li>• Third 25% lapse six years after vesting</li> <li>• Fourth 25% lapse five years after vesting</li> </ul>
Vesting conditions	Three years service and defined performance vesting conditions over the performance period	<ul style="list-style-type: none"> <li>• First 25% after two years' service</li> <li>• Second 25% after three years' service</li> <li>• Third 25% after four years' service</li> <li>• Fourth 25% after five years' service</li> </ul>

### 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		LTIP - SAR - Run off	
		2022	2021	2022	2021
Weighted average option value (ZAR)	i)	141.14	196.68	-	79.49
Weighted average share price on valuation date (ZAR)	ii)	181.14	235.49	-	235.49
Weighted average exercise price (ZAR)	iii)	39.25	38.81	-	156.00
Volatility	iv)	43.87	48.91	-	48.91
Risk-free interest rate (%)		6.30	4.68	-	4.68

- 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.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

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

	2022	2022	2021	2021
	Number of options	Weighted average exercise price ZAR	Number of options	Weighted average exercise price ZAR
<b>Conditional share plan (LTIP - CSP)</b>				
Outstanding at start of year	2 172 995	-	3 714 146	-
Granted	-	-	-	-
Forfeited	-	-	(50 233)	-
Exercised	(2 172 995)	-	(1 490 918)	-
Outstanding at end of year	-	-	2 172 995	-
Exercisable at end of year	-	-	-	-
<b>Bonus share plan (LTIP - BSP)</b>				
Outstanding at start of year	696 283	-	1 279 110	-
Granted	567 510	-	438 388	-
Forfeited	(29 581)	-	-	-
Exercised	(478 183)	-	(1 021 215)	-
Outstanding at end of year	756 029	-	696 283	-
Exercisable at end of year	-	-	-	-
<b>Performance share plan (LTIP - PSP)</b>				
Outstanding at start of year	790 529	-	1 024 363	-
Granted	134 494	-	148 240	-
Forfeited	-	-	(382 074)	-
Exercised	(471 765)	-	-	-
Outstanding at end of year	453 258	-	790 529	-
Exercisable at end of year	-	-	-	-
<b>Share appreciation rights (LTIP - SAR - new)</b>				
Outstanding at start of year	730 684	36.08	1 151 687	37.81
Granted	-	-	-	-
Forfeited	(30 037)	39.25	(248 205)	36.08
Exercised	(48 914)	39.25	(172 798)	36.08
Outstanding at end of year	651 733	39.25	730 684	36.08
Exercisable at end of year	-	-	-	-
<b>Share appreciation rights (LTIP - SAR - run-off)</b>				
Outstanding at start of year	431 785	156.00	1 281 223	171.30
Forfeited	-	-	(685 134)	-
Exercised	(431 785)	156.00	(164 304)	156.00
Outstanding at end of year	-	-	431 785	156.00
Exercisable at end of year	-	-	431 785	156.00

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## Notes to the financial statements (*continued*)

### For the year ended 30 June 2022

#### **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 estimates and judgements**

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.

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## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 19 TRADE AND OTHER PAYABLES

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Trade payables	83 373	49 908	-	-
Leave liability*	10 968	9 861	-	-
Royalty and export commission payable	14 302	16 451	-	-
Amounts due to related parties (note 35.2d)	4	1 456	-	-
Accruals	21 804	18 691	129	274
Other payables	156	1 792	29	28
	<b>130 607</b>	<b>98 159</b>	<b>158</b>	<b>302</b>
<p>Trade payables are unsecured, non-interest bearing and are normally settled within 30 days from the invoice date. The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short term nature.</p> <p>The payables are denominated in different currencies as follows:</p>				
United States Dollars	81 724	57 813	117	261
South African Rands	39 950	21 955	-	-
Zimbabwean Dollars	5 248	15 856	-	-
Euro	3 644	2 494	-	-
Australian dollars	41	41	41	41
	<b>130 607</b>	<b>98 159</b>	<b>158</b>	<b>302</b>
<p>In the statement of cash flows, movement in trade and other payables comprises:</p>				
	34 940	13 293	(144)	162
Movement as per the statement of financial position	32 448	13 548	(144)	162
Unrealised foreign currency exchange gains	2 492	(255)	-	-
<p>*Employee entitlements to annual leave are recognised on an ongoing basis. The liability for annual leave as a result of services rendered by employees (leave liability) is accrued up to the reporting date. The movement in the leave liability is as follows:</p>				
<b>Leave liability</b>				
Movement in the provision for leave pay is as follows:				
At the beginning of the year	9 861	8 853	-	-
Used in the current year	(3 431)	(4 499)	-	-
Charged to the statement of profit or loss	4 538	5 507	-	-
At the end of the year	<b>10 968</b>	<b>9 861</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 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.

The foreign currency exchange loss was realised on offsetting the ZWL denominated income tax receivable against current tax liabilities.

### 20 CURRENT TAX (RECEIVABLE)/PAYABLE

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Current tax (receivable)/payable at the beginning of the year	(23 460)	10 383	-	-
Charge to the statement of profit or loss (note 30)	168 095	258 114	53 460	49 275
Foreign currency exchange loss/(gain)	8 867	(2 457)	-	-
Payments made during the year	(148 176)	(289 500)	(53 460)	(49 275)
Current tax payable/(receivable) at the end of the year	5 326	(23 460)	-	-

The foreign currency exchange loss was realised on offsetting the ZWL denominated income tax receivable against current tax liabilities.

### AP Accounting Policy

#### Current tax

The tax currently payable/(receivable) 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 asset or 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 2022

### 21 REVENUE

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Revenue from contracts with customers	1 340 061	1 181 329	-	-
Revenue from movements in commodity prices	(96 921)	172 463	-	-
	1 243 140	1 353 792	-	-
The Group derives its revenue from the following metal products:				
Palladium	451 929	498 851	-	-
Rhodium	312 045	440 305	-	-
Platinum	248 799	246 057	-	-
Nickel	110 974	63 587	-	-
Gold	57 660	49 889	-	-
Iridium	23 135	25 000	-	-
Copper	30 180	23 419	-	-
Ruthenium	7 337	5 949	-	-
Silver	374	412	-	-
Cobalt	707	323	-	-
	1 243 140	1 353 792	-	-
The Company derives its revenue from dividend income:				
Zimbabwe Platinum Mines (Private) Limited	-	-	356 400	328 500

#### 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 in South Africa, 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.

#### Revenue from movements in commodity prices

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.

#### 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 2022

### EJ Areas of estimates and judgements

#### Significant judgements made in applying IFRS 15 to contracts with customers

The Group has recognised revenue amounting to US\$1.24 billion (2021: US\$1.35 billion) 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 2022. 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.

### 22 COST OF SALES

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
<b>Mining operations</b>	221 342	202 505	-	-
Employee benefit expenses (note 25)	61 466	57 382	-	-
Materials and other mining costs	151 418	136 773	-	-
Utilities	8 458	8 350	-	-
<b>Concentrating and smelting operations</b>	111 405	105 208	-	-
Employee benefit expenses (note 25)	17 281	16 394	-	-
Materials and consumables	57 524	53 245	-	-
Utilities	36 600	35 569	-	-
Depreciation	97 600	89 650	-	-
Movement in ore, concentrate and matte stocks	29 760	(27 362)	-	-
<b>Shared services</b>	79 109	116 085	-	-
Employee benefit expenses (note 25)	39 408	83 203	-	-
Insurance	12 516	8 620	-	-
Information, communication and technology	9 989	7 438	-	-
Selling and distribution expenses	3 862	3 175	-	-
Other costs	13 334	13 649	-	-
Royalty	44 013	49 214	-	-
Export commission expense	11 090	11 429	-	-
	594 319	546 730	-	-

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 23 ADMINISTRATIVE EXPENSES

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Corporate social responsibility costs	4 243	3 149	-	-
Employee benefit expenses	211	58	58	58
Insurance	277	238	277	238
Depreciation	135	439	135	125
Consulting fees	62	810	62	810
Non-executive directors' fees	417	394	412	391
Independent auditors' remuneration	283	257	68	66
Other corporate costs	1 832	263	1 528	190
	7 460	5 608	2 540	1 878

### 24 NET FOREIGN EXCHANGE TRANSACTIONS

Unrealised foreign exchange (gains)/losses on the translation of the monetary assets and liabilities (net):	2 962	650	6	-
Trade and other receivables (note 11)	5 466	463	-	-
Trade and other payables (note 19)	(2 492)	254	-	-
Current income tax liabilities	(153)	(68)	-	-
Cash and cash equivalents	141	-	6	-
Realised foreign exchange losses/(gains) on translation of monetary assets and liabilities (net):	37 565	(432)	-	-
Trade and other receivables	21 002	7 681	-	-
Trade and other payables	(799)	(5 319)	-	-
Current income tax liabilities	9 021	(2 389)	-	-
Cash and cash equivalents	8 341	(405)	-	-
Foreign currency exchange losses (net)	40 527	218	6	-
For the purposes of the statement of cash flows, the foreign currency exchange adjustment comprises of:				
Unrealised foreign currency exchange losses (net)	2 972	650	-	-
Net foreign currency exchange loss/(gain) on current income tax liabilities	8 868	(2 389)	-	-
Foreign exchange loss on cash and cash equivalents	141	-	6	-
Foreign currency exchange adjustment	11 981	(1 739)	6	-

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 25 EMPLOYEE BENEFIT EXPENSES

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Wages and salaries	113 779	105 829	53	53
Share based payments (note 18)	(2 438)	45 034	-	-
Pension costs - defined contribution	7 025	6 174	5	5
	118 366	157 037	58	58
Employee benefit expenses have been disclosed as follows:				
<b>Cost of sales:</b>				
- Mining operations	61 466	57 382	-	-
- Concentrating and smelting operations	17 281	16 394	-	-
- Central services	39 408	83 203	-	-
Administrative expenses	211	58	58	58
	118 366	157 037	58	58
Average number of employees during the year	3 665	3 400	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.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 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.

### Employee share ownership plan

The Group has in place an employee share ownership plan which holds 10% of the issued shares in the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited. This was done through the establishment of a trust, Zimplats ESOT which holds the shares for the benefit of the participating employees. The ESOT is consolidated as it acts as an agent of the Group.

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

## 26 OTHER EXPENSES

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Ngwarati Mine high wall repairs	784	1 640	-	-
Care and maintenance costs for Hartley Platinum Mine	3 455	926	-	-
Loss on re-measurement of equity instruments at fair value through profit or loss (note 12)	1 645	-	1 645	-
Loss on disposal of property, plant and equipment	2 214	61	-	-
Other expenses	516	-	-	-
	8 614	2 627	1 645	-

## 27 OTHER INCOME

Gain on re-measurement equity instruments at fair value through profit or loss (note 12)	-	5 941	-	5 941
Insurance claim on Ngwarati Mine high wall collapse	2 115	-	-	-
Other income	553	444	217	-
	2 668	6 385	217	5 941

## 28 FINANCE INCOME

Interest earned on cash and cash equivalents	701	32	-	-
Interest earned on staff vehicle loan scheme	13	6	-	-
	714	38	-	-

### AP Accounting Policy

#### Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 29 FINANCE COSTS

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Interest expense on bank overdraft	313	2 728	-	-
Unwinding of the environmental rehabilitation provision (note 15)	1 511	1 389	-	-
Interest expense on leases (note 17)	176	367	-	-
	2 000	4 484	-	-

#### 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.

### 30 INCOME TAX EXPENSE

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Corporate tax:	108 657	203 364	-	-
- Current tax on profits for the year	112 430	200 499	-	-
- Adjustment in respect of prior years	(3 773)	2 865	-	-
Withholding tax	59 438	54 750	53 460	49 275
Total current tax	168 095	258 114	53 460	49 275
Deferred tax (note 16)	71 874	(20 688)	-	-
Temporary differences	68 421	(8 647)	-	-
Adjustment in respect of prior years	3 453	-	-	-
Change in tax rate	-	(12 041)	-	-
Total income tax expense	239 969	237 426	53 460	49 275

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### Reconciliation of tax charge:

The tax on profit before income tax differs from the theoretical amount that would arise using the weighted tax rate applicable to profits for the Group and Company of 24.72% (2021: 24.72%) as follows:

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Profit before income tax	593 609	800 548	352 426	329 497
Notional tax on profit for the year based on weighted tax rate	146 740	197 896	-	-
Tax effect of:				
Withholding tax on interest and dividends	59 438	54 750	53 460	49 275
Expenses not deductible for tax purposes:	4 375	8 599	-	-
- Renewals	-	4 422	-	-
- ESOT dividend subject to withholding tax	2 080	2 059	-	-
- Donations	1 167	807	-	-
- Disallowed pension costs	592	441	-	-
- HMZ depreciation	-	356	-	-
- Corporate costs	536	514	-	-
Impact of ZWL exchange gain on pipeline sales	28 538	-	-	-
Deferred tax adjustment due to change in tax rate	-	(12 041)	-	-
Exchange differences - change in tax computation methodology	-	(12 468)	-	-
Gain on re-measurement of equity instruments at fair value	-	(1 469)	-	-
Adjustment in respect of prior years - corporate tax	(3 773)	2 865	-	-
Adjustment in respect of prior years - deferred tax	3 453	-	-	-
Utilisation of HMZ tax loss	-	(706)	-	-
Other items	1 198	-	-	-
Income tax expense	239 969	237 426	53 460	49 275

The statutory tax rate for the Company is 0% as it is domiciled in Guernsey. The statutory tax rate of the Group's operating subsidiary is 24.72% (2021: 24.72%).

### AP Accounting Policy

#### Income tax

Income tax includes current 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. Deferred 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.

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.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 31 EARNINGS PER SHARE

#### 31.1 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		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Profit attributable to equity holders of the Company	353 640	563 122	298 966	280 222
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)	329	523	278	260

#### 31.2 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 (2021: nil).

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Profit attributable to equity holders of the Company	353 640	563 122	298 966	280 222
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)	329	523	278	260

### 32 CASH GENERATED FROM OPERATIONS

	Note	Group		Company	
		2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Profit before income tax		593 609	800 550	352 426	329 497
<b>Adjustments for:</b>					
Depreciation	4	98 069	90 088	135	125
Provision for obsolete inventories	9	(2 465)	-	-	-
Provision for share based compensation	18	(2 438)	45 044	-	-
Foreign currency exchange adjustment	24	11 981	(1 739)	6	-
Loss on disposal of property, plant and equipment	26	2 214	61	-	-
Impairment of investment in subsidiary		-	-	-	3 066
Profit on sale of subsidiary		-	(58)	-	-
Loss/(gain) on remeasuring of equity instruments at fair value through profit and loss	12	1 645	(5 941)	1 645	(5 941)
Finance income	28	(714)	(38)	-	-
Finance costs	29	2 000	4 484	-	-
<b>Changes in operating assets and liabilities</b>					
Decrease/(increase) in inventories	9	33 308	(40 647)	-	-
(Increase)/decrease in prepayments		(49 456)	(17 273)	(241)	214
Increase in trade and other receivables	11	(47 093)	(108 607)	(44 149)	(6 018)
Decrease in other financial assets		232	69	-	-
Increase/(decrease) in trade and other payables	19	34 940	13 293	(144)	162
Net cash generated from operations		675 832	779 286	309 678	321 105

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 33 CONTINGENCIES

#### 33.1 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.

#### 33.2 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 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 to the extent that disclosure does not prejudice the Group.

#### 33.3 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.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 34 FINANCIAL RISK MANAGEMENT

#### 34.1 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:

	2022 US\$ 000	2021 US\$ 000
<b>Assets as per statement of financial position</b>		
<b>At amortised cost</b>		
Other financial assets (note 8)	-	232
Other receivables (note 11)	33 656	1 946
Cash and cash equivalents (note 13)	377 975	344 815
	411 631	346 993
<b>At fair value through profit or loss</b>		
Trade receivables (note 11)	391 629	374 406
Equity instruments (note 12)	-	4 254
	391 629	378 660
<b>Total financial assets</b>	<b>803 260</b>	<b>725 653</b>
<b>Liabilities as per statement of financial position</b>		
<b>Financial liabilities at amortised cost</b>		
Lease liabilities (note 17)	734	2 780
Trade and other payables (excluding statutory liabilities)	116 155	82 034
<b>Total financial liabilities</b>	<b>116 889</b>	<b>84 814</b>

##### 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.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

The following financial instruments are carried at fair value:

	2022 US\$ 000	2021 US\$ 000	Fair value hierarchy	Valuation technique and key inputs
<b>Financial assets at fair value through profit or loss</b>				
Trade receivables (note 11)	391 629	374 406	Level 2	Quoted market metal price and estimates of metals contained in matte/concentrate sold
Equity instruments (note 12)	-	4 254	Level 1	Quoted market price for the same instrument
	391 629	378 660		

The carrying amount of financial assets and liabilities which are not carried at fair value is a reasonable approximation of their fair value.

### 34.2 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.

#### 34.2.1 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, interest bearing liabilities and commodity prices to the extent that these are exposed to general and specific market movements.

##### (i) Price risk

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

The Group is exposed to commodity price risk as trade receivables include pipeline sales amounting to US\$294 million (2021: US\$226.7 million) which will be re-measured at future metal prices according to the sales contract with Impala.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

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).

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

	2022 US\$ 000	2021 US\$ 000
Rhodium	10 731	9 485
Palladium	8 532	6 921
Platinum	4 875	3 317
Nickel	2 353	940
Gold	1 129	662
Copper	567	370
Cobalt, Iridium, Ruthenium and Silver	1 214	973
<b>Total</b>	<b>29 401</b>	<b>22 668</b>

### (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 Zimbabwean Dollar (see note 19). The Group does not use forward exchange contracts to hedge its foreign currency risk.

At 30 June 2022, if the US\$ had weakened/strengthened by 20% (2021: 20%) against the South African Rand with all other variables held constant, post-tax profit for the year would have been US\$6.27 million (2021: US\$3.06 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of ZAR denominated trade payables.

At 30 June 2022, if the US\$ had weakened/strengthened by 50% (2021: 50%) against the ZWL with all other variables held constant, post-tax profit for the year would have been US\$5.03 million (2021: 0.37 million) higher/lower.

### (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. The bank overdraft, issued at a fixed rate, exposes the Group to fair value interest rate risk. During the year, the Group arranged for ZWL denominated overdraft facilities on need basis.

A treasury committee meets each month to discuss various scenarios including cash flow forecasts and projections, allocations of funds and other treasury related issues.

Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. The board of directors approves loans per the Group's approval framework, including the interest rate terms.

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 34.2.2 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 (2021: 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:

	2022 US\$ 000	2021 US\$ 000
Trade and other receivables (excluding value added tax)	425 285	376 352
Other financial assets	-	232
Cash and balances with banks (excluding cash on hand)	377 960	344 802
	803 245	721 386

#### 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 second bond over residential properties and certificate of title respectively. Ownership is only transferred after the loan has been paid in full. There is limited credit risk associated with loans and receivables from employees as repayments are deducted periodically through the payroll.

#### Cash and balances with banks

The Group holds accounts with large financial institutions with sound capital and financial cover and good credit ratings.

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
AA	85 317	105 864	-	-
A+	48	49	48	49
A	30	2	-	-
BB	291 586	-	291 586	-
BB-	975	238 887	-	237 894
BB+	4	-	-	-
	377 960	344 802	291 634	237 943

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

## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 34.2.3 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.

Group	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
<b>At 30 June 2022</b>						
<b>Liabilities</b>						
Lease liabilities	734	-	-	-	734	749
Trade and other payables (excluding statutory liabilities and provisions)	116 155	-	-	-	116 155	116 155
<b>Total liabilities</b>	<b>116 889</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116 889</b>	<b>116 889</b>
<b>Assets</b>						
Trade and other receivables (excluding value added tax)	425 116	336	-	182	425 634	425 634
Cash and balances with banks	377 975	-	-	-	377 975	377 975
<b>Total assets</b>	<b>803 091</b>	<b>336</b>	<b>-</b>	<b>182</b>	<b>803 609</b>	<b>803 609</b>
Liquidity surplus	686 202	336	-	182	686 720	686 720
Cumulative liquidity surplus	686 202	686 538	686 538	686 720	-	-

## Notes to the financial statements (continued)

For the year ended 30 June 2022

Group	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
<b>At 30 June 2021</b>						
<b>Liabilities</b>						
Lease liabilities	1 110	1 110	750	-	2 970	2 780
Trade and other payables (excluding statutory liabilities and provisions)	82 034	-	-	-	82 034	82 034
<b>Total liabilities</b>	<b>83 144</b>	<b>1 110</b>	<b>750</b>	<b>-</b>	<b>85 004</b>	<b>84 814</b>
<b>Assets</b>						
Trade and other receivables (excluding value added tax)	376 565	3	16	-	376 584	376 584
Cash and balances with banks	344 815	-	-	-	344 815	344 815
<b>Total assets</b>	<b>721 380</b>	<b>3</b>	<b>16</b>	<b>-</b>	<b>721 399</b>	<b>721 399</b>
Liquidity surplus/(gap)	638 236	(1 107)	(734)	-	636 395	636 585
Cumulative liquidity surplus	638 236	637 129	636 395	636 395	-	

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.

### 34.3 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 capital on the basis of the debt to equity ratio. This ratio is calculated as debt divided by equity. The group excludes leases in its determination of net debt. Net debt to equity ratio as at 30 June 2022 was nil% (2021: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

## Notes to the financial statements (*continued*)

For the year ended 30 June 2022

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.

#### Initial recognition

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 credit losses. Other receivables are classified as assets with a low credit risk as such the probability of default is nil and therefore the expected credit losses are insignificant.

#### 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.

#### Initial recognition

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.

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## Notes to the financial statements (continued)

For the year ended 30 June 2022

### 35 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.

#### 35.1 Directors and key management personnel

The directors named in the directors' report held office as directors of the Company during the year ended 30 June 2022.

#### 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\$417 000 (2021: US\$394 000). Remuneration to executive directors and key management personnel is analysed as follows:

	2022 US\$ 000	2021 US\$ 000
Short-term employee benefits	15 490	11 954
Post-employment benefits	2 693	1 252
Share-based payments	13 153	23 758
	31 336	36 964

#### 35.2 Related party transactions and balances

The following transactions were carried out with related parties:

##### a) Revenue

Sales of metal products to:

	Group 2022 US\$ 000	Group 2021 US\$ 000	Company 2022 US\$ 000	Company 2021 US\$ 000
Impala Platinum Limited (note 21)	1 243 140	1 353 792	-	-
Dividend income from Zimbabwe Platinum Mines (Private) Limited	-	-	356 400	328 500
	1 243 140	1 353 792	356 400	328 500

##### b) Support services

Services rendered to Zimbabwe Platinum Mines (Private) Limited by Impala Platinum Limited

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

##### c) Amounts due from related parties

Impala Platinum Limited: trade receivables (note 11)	391 629	374 406	-	-
Zimbabwe Platinum Mines (Private) Limited: dividends (note 11)	-	-	40 800	-
	391 629	374 406	40 800	-

## Notes to the financial statements (continued)

For the year ended 30 June 2022

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	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
<b>d) Amounts due to related parties</b>				
Impala Platinum Limited (note 19)	4	1 456	-	-

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.

### 36 DIVIDENDS

	Group		Company	
	2022 US\$ 000	2021 US\$ 000	2022 US\$ 000	2021 US\$ 000
Amounts recognised as distributions to equity holders in the year:				
Interim dividend for the year ended 30 June 2022	120 000		120 000	
Final dividend for the year ended 30 June 2021	85 000		85 000	
Interim dividend for the year ended 30 June 2021		45 000		45 000
Final dividend for the year ended 30 June 2020		43 999		43 999
	205 000	88 999	205 000	88 999

#### 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.

### 37 EVENTS AFTER THE REPORTING PERIOD

After the reporting date, the board of directors declared a final dividend of US\$120 million (equating to US\$1.11 per share) to shareholders on record as at 22 August 2022. These financial statements do not reflect this dividend payable in accordance with the requirements of International Accounting Standard (IAS) 10, 'Events after the reporting period' and IAS 1, 'Presentation of financial statements'.

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

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## Shareholder and Other Information

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## Analysis of Shareholders

### Shareholding

Shareholding information is current at 30 June 2022.

### 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	6 152 285	5.72

### 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 11:00am South African Standard Time (GMT +1) on Tuesday, 18 October 2022 ("the 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	6 152 285	5.72
3	J P Morgan Nominees Australia Pty Limited	3 407 552	3.17
4	HSBC Custody Nominees (Australia) Limited	2 366 298	2.20
5	Dr David Samuel Kleinman	160 600	0.15
6	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	159 010	0.15
7	Mr Emanuel Jose Fernandes Dias	153 615	0.14
8	BNP Paribas Noms Pty Ltd <Drp>	143 194	0.13
9	Tierra De Suenos Sa	112 312	0.10
10	Mr Hugh Farmer	72 000	0.07
11	BNP Paribas Nominees Pty Ltd Acf Clearstream	64 184	0.06
12	Mr Peter Martin Vanderspuy	47 059	0.04
13	Swiss Trading Overseas Corp	40 516	0.04
14	CS Fourth Nominees Pty Limited <HSBC Cust Nom Au Ltd 11 A/C>	37 212	0.03
15	Montana Finance Corp Pty Ltd	36 000	0.03
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	HSBC Custody Nominees (Australia) Limited - A/C 2	13 119	0.01
20	Ms Beryl June Byrnes	10 000	0.01
	Mrs Trudy Egan	10 000	0.01
	Mr Andrew N Ferguson	10 000	0.01
	Helliel Pty Ltd <The Poynter Family A/C>	10 000	0.01
	Mr Wilhelm Kuhlmann	10 000	0.01
	Mrs Petro Kuiper	10 000	0.01
	Mr Joseph Falcomata	10 000	0.01
	Wonfair Investments Pty Ltd	10 000	0.01
<b>Total</b>	<b>106 733 873</b>	<b>99.16</b>	

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## Analysis of Shareholders (continued)

Rank	Number of shares	% of issued share capital
1 to 20	106 733 873	99.16
21 to 40	102 775	0.10
41 to 60	91 110	0.08
61 to 80	62 361	0.06
81 to 100	52 460	0.05
101 to 120	72 225	0.07
Other	522 845	0.49
<b>Total</b>	<b>107 637 649</b>	<b>100.00</b>

### Distribution of shareholding at 30 June 2022

Number of shares held	Numbers of holders	Number of shares	% of issued share capital
1 to 1 000	1 590	378 839	0.35
1 001 to 5 000	196	394 337	0.37
5 001 to 10 000	26	210 600	0.20
10 001 to 100 000	10	354 577	0.33
100 001 to 100 000 000	9	106 299 296	98.76
<b>Total</b>	<b>1 831</b>	<b>107 637 649</b>	<b>100.00</b>

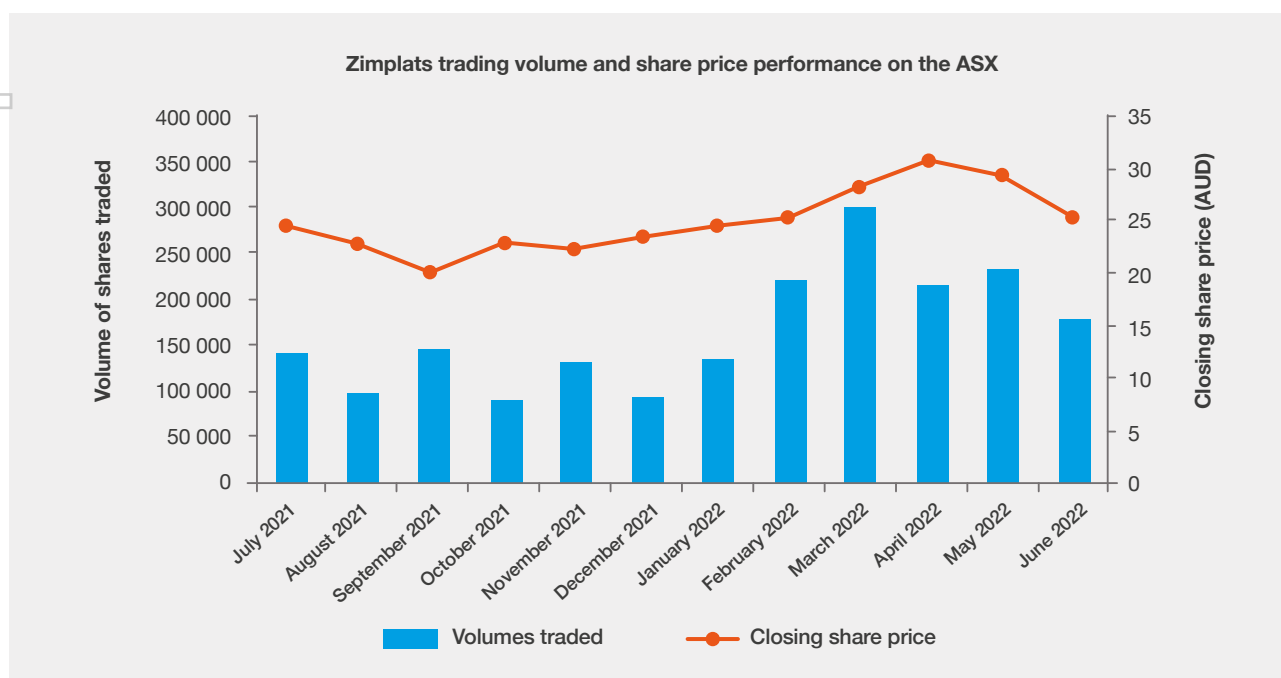
In terms of the definition under the ASX Listing Rule 4.10.8., the number of shareholders holding less than marketable parcel (US\$500) of ordinary shares is 139 (2021: 54).

### On-market buy back

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

### Trading volume

Because of Implats shareholding of 87% (2021: 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 OF ANNUAL GENERAL MEETING

Notice is hereby given that the twenty second 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/zimplats221020.html> on 20 October 2022 at 11:00am 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 2022.
2. To appoint Deloitte & Touche Chartered Accountants (Zimbabwe) as independent auditors of the Company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company.
3. To approve the audit fees of US\$26 500 for the year ended 30 June 2022.
4. To approve an adjustment in relation to the annual fees for non-executive directors effective 1 July 2022.
5. Election of directors:
  - (a) To re-elect Mrs C Mtasa as a director
  - (b) To re-elect Mrs P Zvandasara as a director
  - (c) To re-elect Mr A Muchadehama as a director.

### NOTES

1. 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 194 - 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 11:00am South African Standard Time (GMT +2) on Tuesday 18 October 2022 (“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 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 2022 be received and considered.

##### **Directors' recommendation**

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

#### **RESOLUTION 2 – APPOINTMENT OF DELOITTE & TOUCHE CHARTERED ACCOUNTANTS (ZIMBABWE) AS INDEPENDENT AUDITORS UNTIL THE NEXT ANNUAL GENERAL MEETING**

Resolution 2, which is an ordinary resolution, proposes that Deloitte & Touche Chartered Accountants (Zimbabwe) be appointed as independent auditors of the Company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company. In accordance with section 257 of the Companies (Guernsey) Law, 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 Chartered Accountants (Zimbabwe) have indicated that they are in a position to accept appointment as independent auditors of the Company for the year ending 30 June 2023.

##### **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 2022**

Resolution 3, which is an ordinary resolution, proposes that the audit fees of US\$26 500 for the year ended 30 June 2022 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 2022.

## Notice of Annual General Meeting (continued)

### Directors' recommendation

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

### RESOLUTION 4 – APPROVE THE INCREASE IN NON-EXECUTIVE DIRECTORS FEES EFFECTIVE 1 JULY 2022

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 2022 as follows:

	Current annual fee (FY2022) US\$	Proposed annual fee (FY2023) US\$	% increase
<b>BOARD FEES</b>			
Chairperson	88 100	91 620	4
Deputy Chairperson	58 235	60 570	4
Non-executive director	42 420	44 120	4
<b>COMMITTEE FEES</b>			
<b>Audit and Risk Committee</b>			
Chairperson	23 165	24 090	4
Member	12 100	12 590	4
<b>Remuneration Committee</b>			
Chairperson	21 180	22 030	4
Member	11 550	12 010	4
<b>Safety, Health, Environment and Community Committee</b>			
Chairperson	21 180	22 030	4
Member	11 550	12 010	4

- FY in this notice refers to the financial year for the Company which ends on 30 June.
- Board fees are not based on attendance.
- Committee fees are payable based on attendance.
- 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) to 5(c), 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 the third annual general meeting following his or her last election and will be eligible for re-election.

The board of directors believe that these directors who are retiring, and who are offering themselves for re-election, should continue to be directors of the Company as they bring wide, current and relevant business experience that allows them to contribute effectively to the leadership of the Company.

## Notice of Annual General Meeting (*continued*)

### (a) Re-election of Mrs Chipo Mtasa as a director of the Company

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

Mrs Mtasa was appointed to the board at the annual general meeting held on 28 October 2019. Mrs Mtasa is an experienced business executive who is currently 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 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.

### (b) Re-election of Mrs Patricia 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. Mrs Zvandasara 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.

### (c) Alec Muchadehama

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

Mr Muchadehama was appointed to the board on 17 October 2016. Mr Muchadehama 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. Mr Muchadehama is a member of the board's audit and risk committee and remuneration committee.

### Directors' recommendation

All of the existing directors of the Company, other than those standing for re-election, recommend that you vote in favour of the re-election of Mrs Mtasa, Mrs Zvandasara and Mr Muchadehama, 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/zimplats221020.html>, by no later than Tuesday, 18 October 2022. 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, 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1EW. Fax +44 1481 738917; or Custodians – subscribers of Intermediary Online, by no later than Tuesday, 18 October 2022, in order for the transfer secretaries and/or the Company Secretaries to verify the shareholder/proxy credentials submitted by shareholders.

### APPOINTMENT OF PROXIES AND VOTING BY PROXY

3. To appoint a representative or chairman as your proxy go to the Investor Vote portal [www.investorvote.com.au](http://www.investorvote.com.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 by no later than 11:00am (South African Standard Time (GMT +2)) on Tuesday, 18 October 2022.
4. Custodians and/or subscribers of Intermediary Online may lodge their votes electronically at [www.intermediaryonline.com](http://www.intermediaryonline.com) by no later than 48 hours before the meeting (being 11:00am South African Standard Time (GMT +2)) on Tuesday, 18 October 2022.

## Notice of Annual General Meeting (*continued*)

5. 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, 18 October 2022. A form may be obtained from Computershare or online at [www.investorcentre.com](http://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 (being 11:00am South African Standard Time (GMT +2)) on Tuesday, 18 October 2022 on [www.investorvote.com.au](http://www.investorvote.com.au).
2. Shareholders are to note that no voting shall take place 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.themediiframe.com/links/zimplats221020.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](http://www.zimplats.com) to view the financial statements or access information pertaining to the Company.

### **QUESTIONS AND REQUESTS FOR ASSISTANCE**

1. Questions 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 from the conclusion of the meeting and the Resolutions will be deemed to be passed on the date of the meeting, subject to the 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](http://www.zimplats.com) under the section "Investor Relations" and on the ASX website.

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## 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	22, 28
102-15	Key impacts, risks and opportunities	Fully	Sustainability matters	53-84
Organisational Profile				
102-1	Name of the organisation	Fully	<ul style="list-style-type: none"> <li>• Scope of this report</li> <li>• About this integrated report</li> <li>• Business profile</li> </ul>	Inside front cover, 5, 10
102-2	Activities, brands, products, and services	Fully	<ul style="list-style-type: none"> <li>• Business profile</li> <li>• Directors' report</li> <li>• Financial statements</li> </ul>	10, 120, 131
102-3	Location of headquarters	Fully	<ul style="list-style-type: none"> <li>• Business profile</li> <li>• Financial statements</li> <li>• Contact details</li> </ul>	10, 131, 214
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	<ul style="list-style-type: none"> <li>• Business profile</li> <li>• Location and operations</li> </ul>	10, 11
102-5	Nature of ownership and legal form	Fully	<ul style="list-style-type: none"> <li>• Business profile</li> <li>• Corporate structure</li> <li>• Financial statements</li> <li>• Analysis of shareholders</li> </ul>	10, 14, 187, 192, 193
102-6	Markets served (including geographic breakdown, services and types of customers/beneficiaries)	Fully	<ul style="list-style-type: none"> <li>• Business profile</li> <li>• Financial statements</li> </ul>	10, 171, 187
102-7	Scale of the reporting organisation	Fully	<ul style="list-style-type: none"> <li>• Business profile</li> <li>• Locations and operations</li> </ul>	10, 11
102-8	Total number of employees by employment contract and gender. Report permanent employees by employment type, and gender, total workforce by region and gender, total workforce by employees, supervised workers and by gender, report total workforce by region and gender, report if substantial portion of work is by self-employees or contractors, report significant variations in employment numbers (seasonal variations)	Fully	<ul style="list-style-type: none"> <li>• Business profile</li> <li>• Chief executive officer's report</li> <li>• Five year review</li> <li>• Sustainability matters</li> </ul>	10, 35, 41, 82
102-41	Report the percentage of total employees covered by collective bargaining agreements	Fully	Sustainability matters	82
102-9	Describe the organisation's supply chain	Fully	Sustainability matters	61, 62, 63

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## Global Reporting Initiative (GRI) Index *(continued)*

GRI 102: General Disclosures 2016	Description	Reporting level	Cross reference/Direct answer/ Notes	Page number
<b>Organisational Profile</b>				
102-10	Significant changes during the reporting period regarding size, structure, or ownership	Fully	<ul style="list-style-type: none"> <li>• Scope of this report</li> <li>• Business profile</li> <li>• Corporate structure</li> </ul>	Inside front cover, 10, 14
102-11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Fully	The firm has a range of risk assessment and management processes across the enterprise. In addition we have analysed our environmental impacts and taken precautionary action by reducing our greenhouse gas emissions and other environmental impacts (see sustainability matters section)	53 - 60, 72 - 80
102-12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	Fully	<ul style="list-style-type: none"> <li>• Zimplats endorses the Voluntary Principles on human rights</li> <li>• Zimplats is compliant with ISO 9001, ISO 14001 and OHSAS 18001 systems</li> </ul>	42, 44, 72, 74
102-13	Memberships in associations (such as industry associations) and or national/ international advocacy organisations in which the organisation <ul style="list-style-type: none"> <li>• Has positions on the governance body</li> <li>• Participates in projects or committees</li> <li>• Provides substantive funding beyond routine membership dues; or</li> <li>• Views membership as strategic</li> </ul>	Fully	Zimbabwe Platinum Mines (Private) Limited is an active member of the Chamber of Mines (Zimbabwe)	61, 72, 73
<b>Identified Material Aspects and Boundaries</b>				
102-45	All entities included in the organisation's consolidated financial statements and if any of these are not covered in this report	Fully	<ul style="list-style-type: none"> <li>• About this integrated report</li> <li>• Notes 1 and 5 of the financial statements</li> </ul>	5, 135, 148, 149, 150, 151, 152
102-46	Process for defining our report content and aspect boundaries and how the organisation implemented the Reporting Principles for defining report content	Fully	<ul style="list-style-type: none"> <li>• Scope of this report</li> <li>• About this integrated report</li> <li>• Sustainability matters</li> </ul>	Inside front cover, 5, 53
102-47	List all the material aspects identified in the process of defining report content	Fully	<ul style="list-style-type: none"> <li>• Scope of this report</li> <li>• About this integrated report</li> <li>• Sustainability matters</li> </ul>	Inside front cover, 5, 53
103-1	Explanation of the material topic and its boundary	Fully	<ul style="list-style-type: none"> <li>• Value creation model</li> <li>• Our strategy</li> <li>• Sustainability matters</li> </ul>	12, 13, 54, 60, 61

## Global Reporting Initiative (GRI) Index *(continued)*

GRI 102: General Disclosures 2016	Description	Reporting level	Cross reference/Direct answer/ Notes	Page number
102-48	Report the effect of any restatements of information provided in previous reports and the reasons for such restatements	Fully	• Scope of this report	Inside front cover
102-49	Report significant changes from previous reporting periods in the scope and aspect boundaries	Fully	There have been no significant changes to the report scope and aspect boundaries	Inside front cover
<b>Stakeholder Engagement</b>				
102-40	Provide a list of stakeholder groups engaged by the organisation	Fully	Sustainability matters	60 - 61
102-42	Basis for identification and selection of stakeholders with whom to engage	Fully	Sustainability matters	60
102-43	Approaches to stakeholder engagement, including frequency of engagement by type and stakeholder group	Fully	Sustainability matters	60 - 61
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	61
<b>Report Profile</b>				
102-50	Reporting period (e.g. fiscal/calendar year) for information provided	Fully	About this integrated report	5
102-51	Date of most recent previous report	Fully	About this integrated report	5
102-52	Reporting cycle (such as annual, bi-annual)	Fully	Integrated report is published annually	5
102-53	Contact point for questions regarding the report or its contents?	Fully	About this integrated report	5
102-54	Claims of reporting in accordance with the GRI Standard		• Scope of this report • Sustainability matter	Inside front cover, 53
102-55	GRI content index	Fully	GRI index	199 - 203
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	206 - 209
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	102 - 111

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## 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	<ul style="list-style-type: none"> <li>Board of directors</li> <li>Corporate governance report</li> </ul>	15 - 17 102 - 111
102-23	Indicate whether the Chair of the highest governance body is also an executive officer	Fully	<ul style="list-style-type: none"> <li>The Chairman is a non-executive director</li> <li>Corporate governance report</li> </ul>	15, 107
102-29	Highest governance body's role in the identification, and management of economic, environmental, and social impacts, risks and opportunities, including due diligence, and stakeholder consultation	Fully	Corporate governance report	99 - 115
<b>Ethics and Integrity</b>				
102-16	The organisation's , values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Fully	<ul style="list-style-type: none"> <li>Mission, vision and values</li> <li>Our strategy</li> <li>Corporate governance report</li> </ul>	7, 54, 114
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	114
Specific Standard Disclosures				
<b>ECONOMIC</b>				
Aspect: Economic Performance				
103-2	Management approach and its components	Fully	<ul style="list-style-type: none"> <li>Chairman's letter</li> <li>Chief executive officer's report</li> <li>Five-year review</li> <li>Financial statements</li> </ul>	23, 25, 30, 31, 35, 36, 40, 41, 131, 132
201-1	Direct Economic value generated and distributed	Fully	<ul style="list-style-type: none"> <li>Chairman's letter</li> <li>Cash utilisation</li> </ul>	24, 25, 29, 34, 36, 40, 41, 131, 132
Aspect: Procurement Practices				
103-2	Management approach and its components	Fully	<ul style="list-style-type: none"> <li>Chief executive officer's report</li> <li>Sustainability matters</li> <li>Corporate governance report</li> </ul>	35, 62, 111
204-1	Proportion of spending on local suppliers at significant locations of operation	Fully	<ul style="list-style-type: none"> <li>Chief executive officer's report</li> <li>Five-year review</li> <li>Sustainability matters</li> </ul>	34, 40, 63
<b>SOCIAL: LABOUR PRACTICES AND DECENT WORK</b>				
Aspect: Occupational Health and Safety				
103-3	Evaluation of the management approach	Fully	Sustainability matters	70 - 72, 81

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## Global Reporting Initiative (GRI) Index (continued)

GRI 102: General Disclosures 2016	Description	Reporting level	Cross reference/Direct answer/ Notes	Page number
<b>SOCIAL: LABOUR PRACTICES AND DECENT WORK</b>				
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	<ul style="list-style-type: none"> <li>Chairman's letter</li> <li>Chief executive officer's report</li> <li>Sustainability matters</li> </ul>	23, 24, 29, 30, 70
<b>ENVIRONMENTAL</b>				
Aspect: Materials				
103-3	Evaluation of the management approach	Fully	Sustainability matters	72, 78
301-1	Material used by weight and volume	Yes	Sustainability matters	79-80
Aspect: Energy				
103-3	Evaluation of the management approach	Fully	Sustainability matters	75
302-1	*Energy consumption within the organisation	Yes	Sustainability matters	75, 76
302-2	*Energy consumption outside the organisation	Yes	Sustainability matters	75
Aspect: Water				
103-3	Evaluation of the management approach	Fully	Sustainability matters	74
303-1	Total water withdrawal by source.	Yes	Sustainability matters	74, 75
303-3	Percentage and total volume of water recycled and reused	Yes	Sustainability matters	74, 75
Aspect: Emissions				
103-3	Evaluation of the management approach	Fully	Sustainability matters	75, 78
305-1	*Direct Greenhouse Gas (GHG) Emissions - Scope 1	Yes	Sustainability matters	75, 76
305-2	*Energy Indirect Greenhouse Gas (GHG) Emissions - Scope 2	Yes	Sustainability matters	76
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	<ul style="list-style-type: none"> <li>Chairman's letter</li> <li>Chief executive officer's report</li> <li>Sustainability matters</li> </ul>	24, 31, 73

## 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	<p>Number of lost time injuries per 1,000,000 hours worked.</p> <p>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</p> <p>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)</p> <p>Hours worked – total number of hours worked including overtime and training during the reporting period</p>
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	<p>Total energy (total energy electricity + total energy fuels)</p> <p>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</p> <p>Electricity: electricity consumed for processes and utilities during the reporting period</p> <p>Conversion factors: Implats Group conversion factors and specific electricity and coal conversion factors</p>
Water withdrawn	Limited	Zimplats Group	<p>Water that is withdrawn from any water source that is either withdrawn directly by the organisation or through intermediaries such as water utilities. This includes the abstraction of cooling water</p> <p>Sources include:</p> <ul style="list-style-type: none"> <li>• Water from dams</li> <li>• Water from ground water</li> </ul>

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## 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 <sub>2</sub> ) emissions	Limited	Zimplats Group	Emissions from electricity purchased Conversion factor: Implats Group GHG Handbook
Total direct carbon dioxide (CO <sub>2</sub> ) emissions	Limited	Zimplats Group	Total emissions from operations. <ul style="list-style-type: none"> <li>• CO<sub>2</sub> emissions due to petrol consumption</li> <li>• CO<sub>2</sub> emissions due to diesel consumption</li> <li>• CO<sub>2</sub> emissions due to coal consumption</li> </ul> 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: <ul style="list-style-type: none"> <li>• Empowerment of community structures</li> <li>• Health, safety and environment</li> <li>• Education</li> <li>• Government and rural district councils support infrastructure</li> <li>• Sport development</li> <li>• Enterprise development</li> <li>• Community welfare, arts and culture</li> </ul>
Total Sulphur dioxide (SO <sub>2</sub> ) emissions	None	Zimplats Group	SO <sub>2</sub> 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 enrollment 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 enrollments and excludes number of default cases (all causes)  Number is net enrollment at year end
Employee Voluntary Counselling and Testing Programme 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 2022**



**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 2022 (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 (inside cover) of the Integrated 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 2022 (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.

**Subject matter**

Our limited assurance engagement was performed for the selected Key Performance Indicators (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): 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

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.

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## 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 2022 (continued)

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.

### Our independence and quality control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants as well as the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

In accordance with International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Service Engagements, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## INDEPENDENT LIMITED ASSURANCE REPORT FOR SELECTED KEY PERFORMANCE INDICATORS AND APPLICATION OF THE GRI STANDARDS: CORE OPTION IN ZIMPLATS HOLDINGS LIMITED'S INTEGRATED ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022 (continued)

### 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 ISAE 3410 involves assessing the suitability in the circumstances of managements' internally developed measurement and reporting criteria as the basis of preparation for reporting the selected KPIs, assessing the risks of material misstatement of those selected KPIs, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

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

- Reviewed Zimplats activities, processes and documents at group-level that support the assertions and claims made in the Report
- Interviewed management and senior executives to obtain an understanding of the following that is relevant to the sustainability reporting process:
  - ▶ 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)
- Performed analytical procedures to evaluate the relevant data generation and reporting processes against management's measurement and reporting criteria
- Inspected the GRI content index prepared by management to assess presentation of the Report in accordance with the core-level GRI Standards
- Inspected supporting documentation on a sample basis, to corroborate the statements of management and senior executives in our interviews

## 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 2022 *(continued)*

- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation and application of the selected sustainability information subject to assurance
- Evaluated whether the selected sustainability information subject to assurance as presented in the Report, and management's GRI assertion that the Report is presented in accordance with the GRI Standards, is consistent with our overall knowledge and experience of sustainability and carbon footprint management and performance at Zimplats.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in our limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the selected KPIs presented in the Report have been prepared, in all material respects, in accordance with management's internally developed measurement and reporting criteria for those KPIs.

### Other matters

Information relating to prior reporting periods has not been 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 2022, 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

Fellow Chartered Accountant (Zimbabwe)

Ernst & Young

PO Box 702

Harare

Zimbabwe

26 September 2022

## 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 workday 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.

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## 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	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

## 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	<p>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.</p> <p>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.</p> <p>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.</p>
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.
Rh	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, panels (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 six to seven metres wide while in-stope pillars have a minimum width of four metres. As mining advances, a grid-like pattern of rooms and pillars is formed.
SAG	Semi autogenous grinding.
SMC	Selous Metallurgical Complex.

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## 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.
SO <sub>2</sub>	Sulphur dioxide.
Tailings	A finely ground waste product from ore processing.
TSF	Tailings storage facility.
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.
ZOF	Zone of influence. This refers to an area around the TSF with a potential to be inundated in the event of a dam break.

### UNITS OF MEASURE

GJ	billion joules
g/t	grams per tonne
ha	hectares
kg	kilograms
kl	kilolitre
km	kilometres
kt	thousand tonnes
lcm	loose cubic metre
m	metres
micron	one millionth of a metre
ML	mega litres
moz	million ounces
Mt	million tonnes
Mtpa	million tonnes per annum
MW	megawatts
oz	troy ounces
t	metric tonnes

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## Shareholder Calendar 2022/2023

### 2022 calendar year

FY2022 year-end

June 2022 quarterly activities report released

FY2022 Integrated annual report released

Annual General Meeting

30 June 2022

30 July 2022

30 September 2022

20 October 2022

### 2023 calendar year

September 2022 quarterly activities report released

December 2022 quarterly activities report released

December 2022 half year report and accounts released

March 2023 quarterly activities report released

FY2023 year-end

June 2023 quarterly activities report released

Release of preliminary FY2023 results

FY2023 Integrated annual report released

September 2023 quarterly activities report released

Annual general meeting

31 October 2022

31 January 2023

28 February 2023

30 April 2023

30 June 2023

31 July 2023

31 August 2023

September 2023

31 October 2023

October 2023

## Contact Details

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1. Zimplats has a web page, which can be viewed at [www.zimplats.com](http://www.zimplats.com). Whilst visiting our page, please register for e-mail alerts in order that you may be kept up to date with what is happening within the Company.
2. Stock exchange information and announcements can be viewed online at [www.asx.com.au](http://www.asx.com.au).
3. The ASX company code is ZIM.

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