

DIRECTORS' REPORT

The directors have pleasure in presenting their report, together with the financial report of Zimbabwe Platinum Mines Limited (Zimplats) and the consolidated financial report of the Group, being Zimplats and its controlled entities, for the year ended 30 June 2004.

Purpose of the Company

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

Reporting currency and rounding of amounts

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

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

Capital

Authorised share capital

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

Issued share capital

During the financial year, a further 3 479 129 new shares were issued following an offer by Impala Platinum Holdings Limited (Implats) to buy all shares held by minority shareholders, and the exercising of all outstanding employee share options that resulted from this offer. A significant proportion of the proceeds of early vested employee share options has been locked up in escrow and can only be paid to the respective employees on completion of a term of employment.

As a consequence of the above, the number of shares in issue at the date of this report is 92,764,489.

Unissued share capital

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

Change in control

On 30 June 2003, Implats purchased the Zimplats shares previously held by Absa Bank Limited (Absa), thereby increasing Implats' shareholding to 50.53% at that date.

Subsequently, on 30 July 2003, Implats made an offer to acquire all the shares held by minority shareholders of Zimplats at a price of A\$4.08 per share. As a result of this offer, Implats has increased its effective shareholding in Zimplats to 83.55% at the date of this report.

Proposed Empowerment Placement

Zimplats supports the Government of Zimbabwe in its endeavours to encourage Zimbabweans to acquire meaningful investments in major companies operating in key sectors of the economy.

Zimplats had previously agreed to place 13 254 273 new ordinary shares (equivalent to 15% of the issued share capital at that time) with the National Investment Trust (NIT), an entity established as a unit trust in order to make such investments affordable to as many Zimbabweans as possible. The NIT was unable to secure the required funding to purchase the shares and as a result, it has officially withdrawn as a prospective empowerment partner in Zimplats.

Subsequently, Zimplats initiated discussions with the Government nominated Needgate Investments (Private) Limited and following lengthy discussions, a deal was about to be concluded with Needgate after the funding was raised. Government then asked Zimplats to delay concluding the deal subject to a further review by Government. This further review has resulted in Government notifying Zimplats that Nkululeko Rusununguko Mining Company of Zimbabwe, (NRM CZ) is now the nominated new empowerment partner for the Company. Preliminary discussions with NRM CZ have commenced.

Results for the year

The results for the first half of the year were adversely affected by a tap hole break out in the smelter resulting in a seven week interruption in the processing of concentrates. However, these concentrates were stockpiled and successfully processed during the second quarter of the year, which consequently reflected positively on the results for that quarter.

Directors

Composition of the board

Following the acquisition of a further interest in the Company, Implats nominated a further three directors to the board. The three new directors, Mr Peter Breese, Mr Derek Engelbrecht, and Mr Mike Rossouw, were elected to the board on 4 December 2003.

Mr Roy Pitchford resigned as a director and Chief Executive Officer on 31 March 2004. Mr Mike Houston, formerly Chief Executive Officer of Makwiro, was appointed director and Chief Executive Officer on 1 April 2004. Mr Greg Sebborn, formerly Finance Director, was appointed Deputy Chief Executive Officer, and Mr Patrick Maseva-Shayawabaya was appointed Finance Director, both appointments effective from 1 April 2004

Mr Peter Breese subsequently resigned as a director on 30 June 2004.

Following Mr Pitchford's resignation, Ms Liz Chitiga, a Zimplats director, was elected Chairman of Makwiro, the operating subsidiary in Zimbabwe.

Chairman

- (Non-executive) – Robert George Still

BCom (Wits), BCom (Hons) (UCT), CTA (Wits), CA (SA)
Appointed as director on 28 July 1998.

Rob Still is a founding member of the Board of Directors and was elected Chairman on 30 March 2001. He has more than nineteen years' experience in mining and mining finance and is currently the Chief Executive Officer of a South African listed mining group.

Executive directors

- Chief Executive Officer – Michael John Houston

MSc (Business Strategy)
Appointed as director on 01 April 2004.

Mike Houston has twenty six years of mining and executive experience in Zimbabwe. Previously he was responsible for all the mining activities of the Anglo American Corporation Zimbabwe Limited group of companies. He is currently also Chief Executive Officer of Makwiro Platinum Mines (Private) Limited.

- Deputy Chief Executive Officer – Gregory Sebborn

FCCA, CA (Z)
Appointed as director on 05 April 2001.

Greg Sebborn has extensive senior and executive management experience in southern Africa. He joined Zimplats in 1998 and established the accounting and administrative framework of the company. He has been intimately involved in all crucial commercial issues since the Company's formation, including negotiations with BHP, Government of Zimbabwe, Implats and Absa.

- Chief Financial Officer – Patrick Maseva-Shayawabaya

BAcc (Hons) (UZ), CA (Z)
Appointed as director on 1 April 2004.

Patrick Maseva-Shayawabaya has over 11 years experience in financial management at senior and executive levels. He is currently also Chief Financial Officer of Makwiro Platinum Mines (Private) Limited prior to which he was the Financial Director of a multi national sugar growing and processing company in Zimbabwe.

Non-executive directors

- David Hugh Brown

BCom (UCT), CTA (UCT), CA (SA)
Appointed as director on 30 March 2001.

David Brown is the Finance Director of Implats and was appointed to the Zimplats board as its representative. He has experience within the information technology and mining industries, five years of which was gained in Europe.

- Leslie John Paton

BSc (Hons) Geology, BCom, Pr.Sci.Nat
Appointed as director on 04 February 2003.

Les Paton is an Executive Director of Implats. He has over 29 years' experience in the mining industry in southern Africa, of which 24 years have been in platinum exploration and mining.

- Elizabeth Chitiga

Appointed as director on 20 November 2002.

Liz Chitiga worked for the Minerals Marketing Corporation of Zimbabwe for sixteen years, six of which as its first female Chief Executive. She serves as a director on several boards and is Chairman of Makwiro Platinum Mines (Private) Limited.

- Derek Graham Engelbrecht

Appointed as director on 04 December 2003.

Derek Engelbrecht joined Implats in 1992 and holds the portfolio of Marketing Executive. He is president of the International Platinum Association, and sits on the board of Impala Japan.

Derek is a member of both the Institute of Chartered Secretaries and Administrators and the Chartered Institute of Management Accountants

- Michael Andre Rossouw

Appointed as director on 04 December 2003.

Mike Rossouw is Group Consulting Engineer with Implats, having some 26 years experience in the industry. Mike has held several directorships, and is Chairman of the South African Energy Intensive Users Group and a director of the South African National Electricity Regulatory Authority. He is an electrical engineer by profession (University of Pretoria) and holds an MBA (World Class Manufacturing) from Brunel University.

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

The directors retiring by rotation at the Annual General Meeting are Mr D G Engelbrecht and Mr L J Paton, who being eligible offer themselves for re-election.

Meetings of Directors

The following table sets out the number of board meetings, including conference call meetings, held by Zimplats during the year under review, and those attended by each director.

	Meetings Held	Meetings Attended
R G Still	4	4
R A Pitchford	4	3
M J Houston	2	2
G Sebborn	4	4
P Maseva-Shayawabaya	2	1
D H Brown	4	4
E Chitiga	4	3
L J Paton	4	3
P B Breese	4	3
D G Engelbrecht	4	2
M A Rossouw	4	3

Directors' interests

On 30 July 2003, Implats made an unconditional offer to acquire all shares held by minority shareholders of Zimplats at an offer price of A\$4.08 per share. The offer was recommended by Zimplats independent directors who agreed to sell their interests in Zimplats shares into the offer.

As a consequence, there are no shares or share options held by directors of Zimplats at the date of release of this report. None of the 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. None of the directors

had an interest in any significant contract with the group during the year and up to the date of this report.

Employment policies

Zimplats does not discriminate on the basis of race, religion, sex or disability and is committed to providing equal opportunities, safe working conditions and attractive remuneration to staff.

Policies on employment have been developed to suit prevailing conditions and in addition, a comprehensive policy on HIV/AIDS awareness, prevention and control has been introduced and is being further developed.

The company endeavours to attract and retain talented and suitably qualified and experienced staff through performance-based reward systems. Following the acquisition of a controlling interest by Implats, the share option scheme for senior executive management has been discontinued. This has been replaced by an incentive scheme which is directly linked to key performance fundamentals for the Company.

Corporate Governance

During the financial year, Implats significantly increased its shareholding in the company and at the date of preparation of this report, Implats holds 83.55% of the Company's issued shares.

This change in ownership and control has impacted on the manner in which corporate governance related activities are effected in practical terms. Many of the technical aspects of the business are now more fully integrated into the activities of the management of Implats, and are thus subject to a far greater degree of involvement by representatives of the major shareholder. This is vital from a strategic planning perspective, given Zimplats' aim to embark on a series of major expansion projects over the next few years.

From a corporate perspective, Implats now has the right to nominate a majority of directors but has nominated a further three directors to the board, one of whom has subsequently resigned.

The Board is currently made up as follows :

Chairman	Independent non-executive	1
Executive directors	Zimplats nominees	3
Non executive directors	Implats nominees	4
Non executive directors	Independent	<u>1</u>
Total		<u>9</u>

Executive directors are incentivised on the basis of performance criteria relating to Zimplats only.

Zimplats is fully cognisant of the ASX Corporate Governance Council recommendations in respect of the directing and controlling of the activities of the company, but these are now applicable in the context of it being a subsidiary company and not an independent entity.

However, the Board of Directors of Zimplats fully supports the highest standards of corporate governance and is committed to the principle of openness, integrity and accountability in dealing with all stakeholders.

Board of Directors – Zimplats

The board fully recognises its responsibilities for setting the company's strategic direction, providing the leadership to put this into effect, supervising the management of the business and reporting to the shareholders on its stewardship. The board meets, either in person or by conference call, at least four times a year. One third of the board retires by rotation at the Annual General Meeting of the company, and may offer themselves as eligible for re-election.

In order for the Board of Directors to discharge its responsibilities with respect to setting strategic direction and providing leadership to give effect to strategic plans, the board has established the following committees:

Performance Evaluation and Remuneration Committee

This committee consists of two directors, both of whom are non-executive directors. The committee assists the Board by reviewing and making recommendations in the following areas:

- Establishing performance objectives for executive directors.
- Review of performance of executive directors.
- Making recommendations to assist directors to achieve established objectives.
- Review of remuneration of executive directors.

This committee meets at least once a year.

Audit Committee

This committee has been established in order for the board to adequately discharge its responsibilities relating to the safeguarding of assets, the operation of adequate systems and controls, and of adding assurance and credibility to the company's financial reporting process.

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

- The financial reporting process.
- The systems of internal control.
- The processes for the management of business risks.
- The audit process.
- The company's process for monitoring compliance with relevant laws and regulations.

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

The audit committee comprises no less than three directors, the majority of whom are non-executive directors. The board, or its nominating committee, appoints committee members and the Chairman of the audit committee from amongst the directors. The Chairman of this committee is a non-executive director who is considered to have the appropriate qualifications and expertise to effectively carry out this role. Members are appointed for a three-year term of office. The audit committee meets no less than three times a year.

Project Steering Committee

This committee has been established in order to ensure that all technical and commercial aspects of the planned expansions are subject to a high degree of scrutiny and review, so as to ensure the feasibility of proposed expansions. This includes ensuring that all aspects of proposed expansions are subject to a full independent third party review.

This committee is chaired by a senior executive of Implats responsible for project planning and implementation. Representatives from Zimplats, and also from Implats as required, sit on this committee and review ongoing progress in respect of all matters relating to the proposed expansion.

The committee meets regularly as required by the progress of the various aspects of the project

Indemnity of Officers

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

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

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

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

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

Insurance for Officers

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

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

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

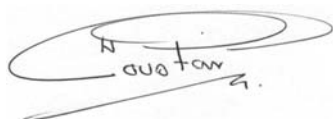
Auditors

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

Annual General Meeting

The Annual General Meeting of the company will be held at The Protea Hotel Balalaika, 20 Maude Street, Sandown, Sandton, Johannesburg, South Africa, on Wednesday 24 November 2004 at 9:00am.

By order of the board



M J Houston
Chief Executive Officer



P Maseva-Shaywabaya
Chief Financial Officer