ASX
AUSTRALIAN STOCK EXCHANGE

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15 October 2004

Gregory Sebborn
Chief Financial Officer
Level 4
20 Loftus Street
Sydney NSW 2000

Facsimile: (02) 9252 7882

Dear Gregory

**ZIMBABWE PLATINUM MINES LIMITED- (the "Company") CEO REMUNERATION**

We refer to the following;

1. The announcement by the Company on 3 March 2004 of the appointment of Mike Houston as CEO of the Company.
2. Email dated 3 March 2004 from Australian Stock Exchange Limited ("ASX") stating ASX's policy requiring companies to disclose to the market the composition of new CEOs remuneration.
3. Email dated 8 October 2004 from from ASX restating the information required in point 2.
4. Telephone conversation on 8 October 2004 between yourself and Sean Ward, ASX Senior Companies Adviser on the emails contained in points 1 and 2 and ASX's policy for requiring companies to disclose to the market the composition of new CEOs remuneration.
5. Email dated 12 October 2004 containing examples of announcements on the disclosure of remuneration packages for other listed entites.
6. Letter dated 15 October 2004 from your legal advisers outlining the Company's position that its contract with Mike Houston does not trigger any obligation to disclose the remuneration package to the market.

We wish to draw your attention to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations dated 31 March 2003, ASX - Guidance Note 9A to the ASX Listing Rules and the ASX Companies Update dated 1 May 2003 regarding continuous disclosure and Chief Executive Officer remuneration.

We also note listing rule 3.1 which provides that once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information for release to the market. The exceptions to this requirement are set out in listing rule 3.1A.

Information which a reasonable person would expect to have a material effect on the price or value of the entity's securities for the purpose of listing rule 3.1 is not confined to information that is relevant because of its dollar value. It can extend to matters of strategic and operational importance likely to influence an investment decision. Accordingly ASX expects entities announcing the appointment of a new Chief Executive Officer (or equivalent) to disclose the key terms and conditions of the relevant contract entered into and has indicated that it will be querying entities that do not release such information.

Having regard to the above we ask that you respond to the following:

1. Please set out the key terms and conditions of the remuneration arrangements of the new Chief Executive Officer (or equivalent) in its response.

   I note that listed entities are advised that the market should be made aware of the proportional components of the remuneration which may govern the actions of Chief Executive Officer (or equivalent) and drive levels of performance. While it is not expected that your response will necessarily include the quantum of the components, the Corporations Act will require detailed disclosure in the Annual Report in any event. An example of the proportional components to be considered by the Company in making its response include;

   - base pay;
   - performance related - pay (and over what time frame );
   - pay tied to movements in the share price (and over what duration);
   - whether there is any add on for longevity;
   - whether there are termination entitlements;
   - any other built in components.

2. Alternatively, if the Company decides to make no further disclosure in relation to the remuneration of the Chief Executive Officer (or equivalent) could the Company please advise the basis on which the Company has not made the disclosure. Your response should address the materiality of the information to shareholders and the basis for the Company's belief that this information is not relevant to shareholders.

3. If the Company intends to make an announcement but is not able to do so immediately the Company should advise why not and when it is expected that an announcement will be made?

   If an announcement cannot be made immediately, you need to contact us to discuss this and whether a trading halt is appropriate (see below).

4. Please confirm that the Company is in compliance with the ASX Listing Rules and, in particular, listing rule 3.1.

Under listing rule 18.7A, a copy of this letter and your response will be released to the market, so your response should be in a form suitable for release to the market and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Your response should be provided as soon as possible and, in any event, not later than half an hour prior to the commencement of trading (ie prior to 9.30 a.m. E.S.T.) on Monday, 18 October 2004 would be appreciated. Your response should be sent to the attention of Sean Ward on facsimile number (02) 9241 7620 or by return email to sean.ward@asx.com.au.

**Trading halt**

If you are unable to respond by the time requested and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and the guidance note titled "Trading halts" we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

Sean Ward
SENIOR COMPANIES ADVISER

zimplats

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18 October 2004

Sean Ward
Senior Companies Advisor
Australian Stock Exchange Limited

Dear Sean

**Zimbabwe Platinum Mines Limited - CEO Remuneration**

We refer to your letter of 15 October 2004, regarding the disclosure of CEO remuneration, which you have advised will be released to the market. This letter sets out the company's response to your letter which you have also advised will be released to the market.

The company has considered this matter further having regard to:

- the ASX Listing Rules;
- the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations;
- ASX Guidance Note 9A;
- the ASX Companies Update dated 1 May 2003; and
- the matters set out in your letter of 15 October 2004,

and the company wishes to confirm its view that:

1. none of the documents or matters referred to above places an obligation on the company to notify the market of the CEO's remuneration package; and
2. the CEO's remuneration package is not of a nature that a reasonable person would expect that the terms and conditions of the CEO's remuneration package, if disclosed, would have a material effect on the price or value of the company's securities. The total package (assuming all incentive payments are made) is less than 0.1% of the company's market capitalisation.

The company is prepared to disclose the following information in relation to the CEO's remuneration package:

- the CEO will receive an annual base salary with superannuation equal to 10% of base salary;
- the CEO is eligible to receive an incentive payment limited to 3 months base salary per annum;
- the CEO is eligible to receive a maximum of 6 months salary if a period of 3 continuous years is served satisfactorily. Payments will be made at the end of each

year of service (for the first 3 years) unless the CEO has acted outside the terms of his contract with the company;

- the remuneration package includes full medical aid cover for the CEO and his wife and full use of a company vehicle; and
- the company may terminate the appointment of the CEO at any time with 3 months notice or the payment of 3 months salary.

As requested in your letter, the company confirms that it is in compliance with the ASX Listing Rules (in particular, Listing Rule 3.1).

Yours sincerely

Greg Sebborn
Deputy Chief Executive Officer