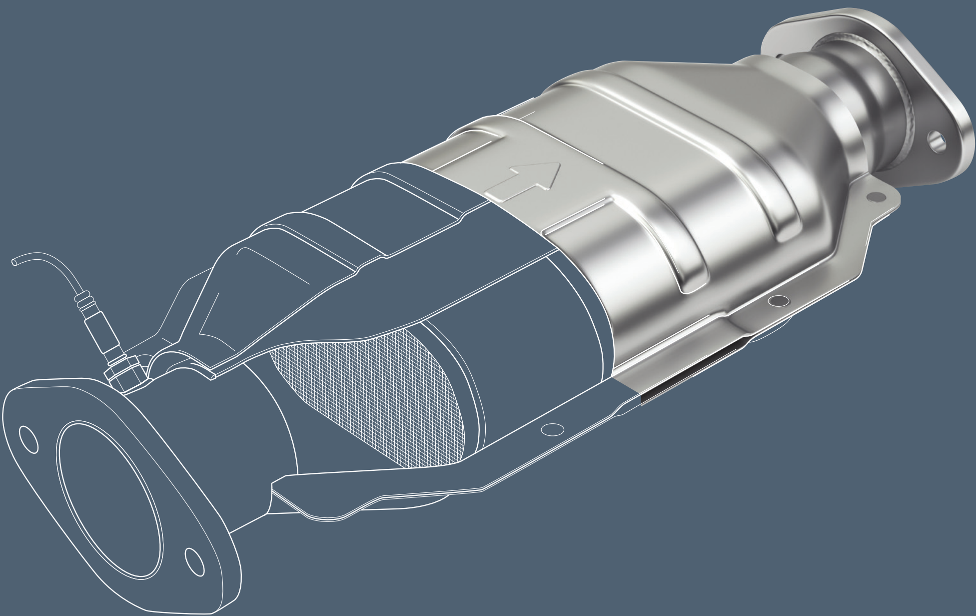
NORTHAM
PLATINUM LIMITED



SOLID SUSTAINABLE GROWTH

CONDENSED FINANCIAL RESULTS
AND GROUP STATISTICAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

SOLID SUSTAINABLE GROWTH

Natural platinum nugget

Platinum group metals (PGMs) are known for their denseness, hardness and resistance to tarnishing.

They are electrically and thermally conductive and have catalytic properties which promote chemical reactions. They are among the rarest and most precious metals and have unique properties that make them essential in a number of industrial applications.

PGMs play an essential role in our day-to-day lives.

Growth for our investors ...

Returning value to investors through disciplined capital allocation.

Growth for our people ...

The growth of our business ensures meaningful employment for our people and creates opportunities for skills development and training for thousands of South Africans.

Growth for the future ...

We are growing our business safely and efficiently into a major producer of PGMs, while continuously moving down the cost curve, ensuring that Northam will be a long-life producer of PGMs.

smart platinum mining

Who we are

Northam Platinum Limited (Northam or the company or the group) is a primary producer of platinum group metals (PGMs). The principal consumers of PGMs are the motor-manufacturing and jewellery industries. Other industrial uses range from chemical and electrical applications to glass manufacturing.

PGMs are traded on international markets where the metal prices are determined by global supply and demand, and are US dollar-denominated. This means that South African PGMs realise prices in US dollars, which are then converted to and reported in South African rands (ZAR). Northam has no influence on the sales price of its metal and is essentially a price taker. The metal is sold in sponge or ingot form to customers in the US, Europe and the Far East.

Northam's shares are listed on the securities exchange operated by the JSE Limited (JSE). Its equity share code is NHM and its debt instruments are listed under the code NHMI. The company is a constituent of the FTSE/JSE Responsible Investment Index and the FTSE4Good index series.

Northam is fully empowered. Historically Disadvantaged South African (HDSA) ownership levels in the company stand at 31.4% following the conclusion of a R6.6 billion black economic empowerment (BEE) transaction, which included the successful capital raising of R4.6 billion. The BEE transaction was approved by shareholders in March 2015. Pursuant to the transaction, Northam issued 22.0% of its share capital to a special purpose BEE vehicle known as Zambezi Platinum (RF) Limited (Zambezi). These shares were supplemented by additional shares, equivalent to 9.4% of Northam's issued share capital, being sold to Zambezi by the Public Investment Corporation SOC Limited (PIC), a long-standing Northam shareholder.

Zambezi comprises a range of HDSA stakeholders including an employee trust, two community trusts, a women's group and a core of strategic partners. Participants are bound to a 10-year lock-in period from May 2015. Zambezi financed the acquisition of shares in Northam through a preference share arrangement, with the shares being listed on the JSE in May 2015.

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Introduction

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Condensed financial results

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Additional information

Directors

KB Mosehla	non-executive chairman
R Havenstein	lead independent director
PA Dunne*	chief executive officer
AH Coetzee	chief financial officer
DH Brown	independent non-executive director
CK Chabedi	independent non-executive director
HH Hickey	independent non-executive director
Dr NY Jekwa	independent non-executive director
MH Jonas	independent non-executive director
TE Kgosi	independent non-executive director
TI Mvusi	independent non-executive director
JJ Nel	independent non-executive director
JG Smithies*	independent non-executive director

**British*

Growth for our investors

We are investing in our business in order to, safely and efficiently, grow all operations into long-life producers of PGMs, while continuously moving down the cost curve. Our focus remains on disciplined capital allocation while returning value to investors by way of an ordinary share repurchase programme, the purchase of Zambezi Platinum (RF) Limited preference shares or a combination of the two.

Key features for the year ended 30 June 2019

Record operating profit

R2.4 bn

F2018: R0.8 bn

Normalised headline earnings

▲226.7%

F2019: R1.4 bn
F2018: R421.5 m

Solid operating performance from both operations. Record production up:

▲7.4%

to 519 954 oz 4E

Commendable safety performance (LTIIR)

0.93

F2018: 1.0

Net debt

R3.0 bn

Net debt / EBITDA ratio at 1.1:1
F2018: 2.4:1

Capex to advance execution of growth strategy

R2.9 bn

F2018: R3.8 bn

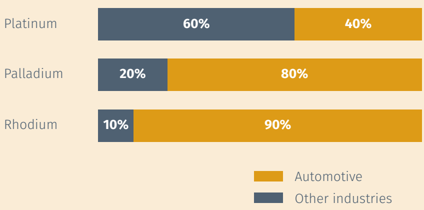
Return of value has commenced with the purchase of Zambezi Platinum (RF) Limited preference shares

Growth for the future

The increase in demand for PGMs, coupled with a projected decrease in supply from primary producers puts Northam in an ideal position to grow meaningfully in the future.

We are growing all operations into long-life producers of PGMs in order to reach our aspirational target of 1 million oz 4E per annum.

Percentage of PGMs used in industry



Growth for our people

The growth of our business ensures meaningful employment for our people and creates opportunities for skills development and training for thousands of South Africans.

Key stakeholders in our business include the communities within which we operate.

We recognise our responsibility to share the value we create at our mining operations, thus contributing to the socio-economic upliftment of our communities.

R76.3 million set aside for the benefit of the Northam Employee Trust, the Northam Zondereinde Community Trust and the Northam Booysendal Community Trust

2 100 new jobs created during the year

We employ 15 358 permanent employees and contractors (F2018: 13 258 employees and contractors)

56% of management are HDSA (F2018: 56%)

R3.4 billion spent on labour costs (F2018: R2.3 billion)

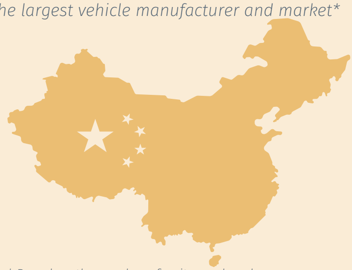
The supply of PGMs from South Africa is under pressure, as underinvestment, motivated by several years of weak prices, will begin to impact production going forward.

The outlook for automotive PGM use is improving, due to stricter vehicle emission testing procedures and higher PGM loadings required.

Increased PGM loadings in China will be the new fundamental market driver as China rolls out tighter emissions standards from July 2020. The China VI standards will be more stringent than Euro VI.

China

*The largest vehicle manufacturer and market**



** Based on the number of units produced*

Group at a glance

Our group and operations

NORTHAM ZONDEREINDE

Zondereinde mining operations

The Zondereinde mine is an established, conventional, long-life operation mining the UG2 and Merensky ore bodies.

350 000 oz 4E

production

Once the Western extension has been fully developed

>30 yrs

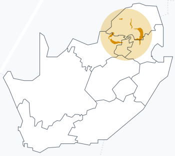
extended life of mine

The acquisition of the Western extension provides access to additional Merensky and UG2 resources, and increases the life of mine to more than 30 years

4%

of after tax profits

Toro Employee Empowerment Trust profit share scheme

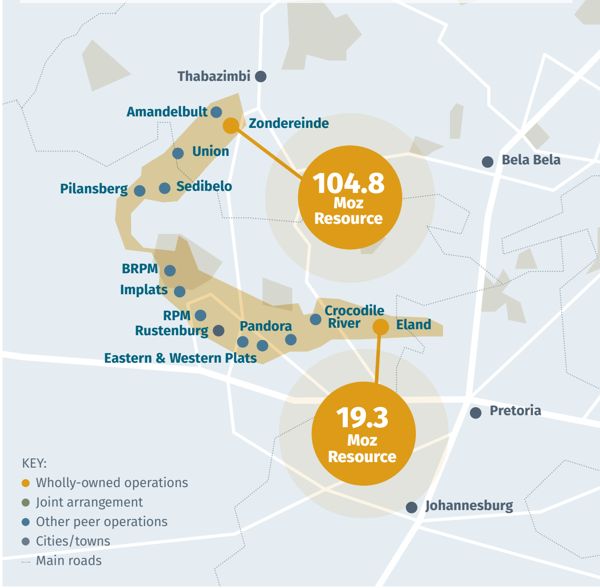


Northam is an independent, fully empowered, integrated PGM producer.

All operating mines and recycling operations are wholly owned.

Our aspirational target is to produce:

1 million oz 4E p.a.



Location:
On the northern portion of the western limb of the Bushveld Complex near the town of Thabazimbi.

Reserves and resources:
Reserves: 13.6 Moz
Resources: 104.8 Moz

Developments:
Western extension and deepening project are on track at Zondereinde, which will open up additional reserves.

Further brownfields expansion is possible.

Zondereinde metallurgical operations

up to

40%

of all metals may be supplied to Heraeus

Northam's activities are integrated, from the underground mining function through to concentrating, smelting and base metal removal.

35 MW

smelter complex after the commissioning of the additional 20MW furnace

Copper and nickel are extracted at the on-site base metal removal plant and sold on the domestic market.

Eland mining operations

NORTHAM ELAND

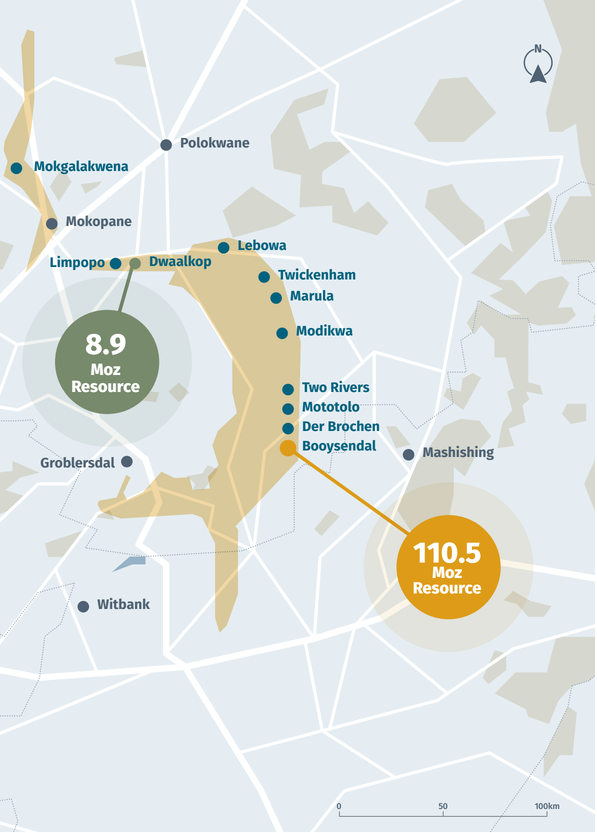
Planning to mine at

150 000 oz 4E

Tailings retreatment and recommissioning of concentrating plant taking place

Development of Kukama shaft approved by the board and commencing F2020

Reserves and resources:
Reserves: 3.0 Moz
Resources: 19.3 Moz



NORTHAM BOOYSENDAL

Booysendal mining operations comprising North and South mines

500 000 oz 4E

production

From Booysendal North and South mines at steady state

>25 yrs

life of mine

Booysendal's existing operations

R5.6 bn

project on track and on budget

Booysendal South development

Developments:
The extensive orebody lends itself to brownfields expansion opportunities, which are currently being established.

Further expansion is possible.

Reserves and resources:
Reserves: 13.8 Moz
Resources: 110.5 Moz

Location:
The shallow, mechanised, room and pillar Booysendal mines are located near the town of Mashishing (formerly Lydenburg) on the eastern limb of the Bushveld Complex.

Other interests

US recycling operations (wholly owned)

50 000 oz 4E

recycling potential

Slowly commencing operations to establish a working procedure with reputable suppliers

Dwaalkop

50%

interest in the Dwaalkop joint venture with Sibanye-Stillwater Limited

Northam's attributable resources 8.9 Moz

SSG Holdings Proprietary Limited

30%

interest in SSG Holdings Proprietary Limited, which provides security and facility services to the group

Managing risks

Northam's risk management philosophy is underpinned by:

- the group's ability to identify risk which may hamper its performance
- the group's ability to tolerate and accept a certain level of risk in order to achieve its strategic goals
- the development of a risk register and the attachment of weightings and significance to the identified risks
- constant evaluation and re-rating of identified risks

The table below constitutes a discussion of some of the most significant risks facing the group, along with the actions taken in mitigation thereof.

A more comprehensive exposition of the group's risks can be found in the annual integrated report, available on our website www.northam.co.za

Identified risk	Response
Losing our social licence to operate in an ever-changing regulatory environment The Mineral and Petroleum Resources Development Act, No. 28 of 2002 (MPRDA), Mining Charter and environmental legislation in particular, are subject to frequent updates and amendments. This increases the risk of non-compliance with legislation. This is the risk, amongst others, associated with Northam's reputation as an employer, corporate citizen, and environmental custodian.	· Ongoing monitoring of legislative requirements and updates · Membership of the Minerals Council South Africa, which represents the mining industry in a consolidated approach · Compliance with relevant legislation · Value-sharing and contribution to socio-economic upliftment · Open, honest, continuous and effective stakeholder engagement
The impact of a volatile exchange rate and commodity prices on our business PGMs are priced in US dollars while operating costs are denominated in ZAR. Exchange rate and commodity price volatility results in significant financial exposure for the group. Northam is a price taker, with no ability to influence the price of commodities or the exchange rate offered – therefore impacting cash flows and profitability.	· A pricing committee deals with price forecasts and hedging. Projected exchange rates and prices are included in the monthly cash flow forecasts · Northam has adequate funding in place to support its operations in the short to medium term · Should commodity prices stay lower for longer, specific projects could be postponed or halted to preserve cash · Northam's growth strategy focuses on synergies, lower costs and shallow orebodies where it is possible to mechanise · There is a continued focus on cost control by all operations within the group

Identified risk	Response
Execution risk associated with growth projects and the development of new operations The group's growth strategy is focused on growing production down the cost curve by developing new shallow mechanisable orebodies, or optimising existing operations. The risk exists that growth projects and new developments underperform and do not meet the cost of capital requirements.	· The Booysendal South project provides the group with the opportunity of increased shallow, mechanisable production and lowering costs with a short ramp up period · Zondereinde's Western extension provides rapid access to additional higher grade Merensky reef and extends the life of mine to beyond 30 years · The Eland mine ramp up provides the group with the opportunity to access additional resources, increasing semi-mechanised production · The successful commissioning of a second smelter furnace, increasing processing capacity and flexibility · These projects will provide the group with the opportunity to generate additional profitability
Health and safety risk Mining is inherently hazardous and risky. Failure to ensure the health and safety of employees could result in occupational diseases, injuries, or even fatalities.	· Focus on full compliance with health and safety regulations, operating procedures and standards · Compulsory continuous safety training · Compulsory use of personal protective equipment · Disciplinary proceedings for any non-compliance · Focus on developing mechanisable orebodies for increased safety · Focus on employing technology for improved working conditions · Effective on-site management and supervision · Continuous health checks of employees with a strong focus on prevention
Liquidity risk Risk of insufficient financing to fund operational and expansionary aspirations and therefore impacting shareholder value.	· Prudent liquidity risk management · Regular reviews of capital allocations · Regular forecast and cash flow updates prepared and reviewed · Maintaining focus on continual cost and capital discipline · Currently the group has substantial uncommitted credit facilities available

Managing risks continued

Identified risk	Response
Labour unrest Workforce strikes due to labour-related issues, could result in work stoppages and a negative impact on employees and production.	· Open channels of communication with employees and unions · Immediate management intervention on labour related issues · Insurance policies are in place in the event of damage or production losses
Community unrest Breakdown in stakeholder engagement resulting in community unrest which could impact production.	· Continuous engagement and open channels of communication with stakeholders · Community upliftment programmes are in place, through the Northam Booysendal Community Trust and the Northam Zondereinde Community Trust · Continuous review of stakeholder requirements · Immediate management intervention on community related issues · Insurance policies are in place in the event of damage or production losses
Operational underperformance Underperformance of operational assets resulting in production targets not being met. Given that fixed costs make up a significant portion of total production costs, production needs to be sustained above certain levels to ensure profitability.	· Focus on productivity and efficiencies · Continuous cost containment/monitoring · Ongoing internal optimisation initiatives · Continuous production reviews and interventions where required
Fraud and corruption The risk of bribery, misappropriation of funds, management dishonesty and general misuse of company assets for personal gain.	· Internal controls reviewed continuously for weaknesses and possible improvements identified with strict adherence to policies and procedures · Whistle blowing/ethics hotlines in place · Incident reporting and investigation · Segregation of duties · Supervisory controls in place · Regular review of approval framework · Internal and external audits performed throughout the year

Identified risk	Response
Cyber risk Northam is dependent on information systems to ensure business continuity. The risk exists of financial loss, disruption or reputational damage from failure of the information technology (IT) systems of the group.	· Increased awareness campaigns of cyber threats for all IT users · Regular verification of segregation of duties, access control and change management · Regular reviews of firewalls and built in security alerts · Disaster recovery and back-up plans in place
Unreliable energy supply (new risk) Northam obtains the bulk of its energy from Eskom, the South African national electricity supplier. Recent developments have affected the sustainability and reliability of supply. If this situation continues without any meaningful improvement, it will be very difficult for Northam to replace this bulk supply of energy. Given the trebling of prices over the past decade, electricity is one of the key cost drivers.	· At an operational level there are effective processes and relationships in place to manage occasional shortfalls and supply interruptions · Northam's long-term energy strategy is based on energy efficiency rather than energy reduction, given the group's expansion strategy · Standby generators are in place on all operations to operate ventilation and people conveyance systems, allowing workers to exit the underground workings
Water scarcity (new risk) Large volumes of water are used in the mining and processing of minerals. Constrained water supply could result in operational downtime and loss of production.	· Water conservation and demand management programmes are in place (water use license) · Optimised water usage through recycling · Water management included in sustainability strategy · On-site water storage facilities
Tailings storage facility failure (new risk) Overtopping of tailings storage facility, resulting in overflow or possible tailings dam wall failure.	· Ensuring legal compliance to dam safety · Regular comprehensive risk assessments performed by competent engineers with updated associated emergency response plans in place · Prescribed audit and review cycle in place and implemented · Independent annual reviews performed · Ensuring the operational plan is executed as required · Change management system in place during the lifecycle of dam

Chief executive officer, Paul Dunne's thoughts on the 2019 financial year

Paul Dunne
Chief executive officer

Q You embarked on a strategy with the funds generated through the Zambezi Platinum (RF) Limited transaction in 2015. In terms of executing this strategy, where are you in the process?

A We have a four phase strategy. In 2015 we raised money and we solved for empowerment simultaneously – that's what the Zambezi transaction represents. We applied some of the money through an M&A phase (i.e. the Western extension at Zondereinde, Everest, Eland, the US recycling business) which is complete. The third phase is project execution – we are busy. The fourth phase, which is yet to come but will start to materialize in the coming year, is returning value to shareholders. This is a very important phase. The way Zambezi is structured gives us a very obvious and powerful way to return value to shareholders through the purchase of the Zambezi preference shares.

Q You refer to returning value to shareholders, what does this entail?

A We believe an appropriate net debt position would be one times EBITDA and we're effectively approaching that level now. Any free cash over and above that point will be used to return value to shareholders and again, we will do that through a repurchase of the ordinary shares or purchase of the Zambezi preference shares or a combination of the two. The ratio of debt to EBITDA will be forward looking.

Q Northam talks about 'solid sustainable growth'. Please explain this within the context of the business performance over the last year.

A We have some strong views on what makes a good mining company. One of them is a very important one – the quality and quantity of the ore body and, how that translates into value. This is not a one-day game. It is a long, rigorous, disciplined approach to making value from the potential value which is the ore body. Northam has experience in how to do that. We own and operate very good quality ore bodies and long-life ore bodies – sustainable ore bodies. Sustainability is an extremely important word in the mining context. We want to create sustainable production platforms for very long periods of time and that is why the ore bodies we target, either through the ones we already own or the ones we purchase, must have the ability to produce a long-life production platform.

Q Three main highlights from the past year that are relevant at each of the three mines

A **1.** We transformed Zondereinde through the acquisition of the Western extension, but we also accessed the Western extension in the past year – quite substantially and successfully. The development rates are quite astounding. One of the important reasons why that is so, is the quality of the ground is top-class. It really is excellent. Not just from a grade or metal content point of view, but from a competence point of view and the development rates show this. Our teams can mine – if we present them with sufficient quality and quantity of ore body – our teams will deliver for us. That is what we are endeavoring to do and that is what we have done with respect to the Western extension, and so far, we've been successful.

2. What we have managed to do with Booysendal is a tremendous conversion of resources to reserves through the Booysendal South project. This was enabled through the purchase of the infrastructure at Everest and combining that with our own ore body unlocking incredible value. We now have a fully-fledged mine at Booysendal South and the project execution risk is reducing rapidly. The application of capital will also reduce now and the cash flow will follow. We're really proud of what we've achieved in a very short time.

3. The third thing is the recent approval of Eland which will obviously, from an execution point of view, start coming through next year. Eland has been a couple of years in planning and it's been very well thought through. Again, it's founded on a very attractive purchase price a couple of years ago when we secured a large ore body with a world class infrastructure already built. But the purchase wasn't for the infrastructure, it was for the ore body. It's a shallow, large relatively untouched piece of ground.

We are building long-life assets and diversifying our operational footprint which is risk mitigating in itself.

When it comes to safety, it goes without saying – it is non-negotiable. We develop things safely, that's inherently what we do – safe sustainable production.

Unfortunately we did have one serious accident during the year. We deeply regret the passing of Mr Stepher van Niekerk in October 2018. Mr van Niekerk was involved in a surface construction accident at the Zondereinde concentrator. Despite this set back, all operations have shown an improvement in the lost time injury frequency rate over the past year.

Q How is innovation playing a role in your project execution?

A I will point to the fact that historically, Northam has been an innovator. Why do I say that? Well, if you look at Zondereinde it's the only hydro-powered platinum mine that also applies backfill as primary support. These are very powerful innovations; the technology remains cutting edge even though it's been applied at Zondereinde for a long time. Again, inside the culture of the company there is a preparedness and the ability to take measured risk when it comes to the application of new technology. In recent times we've demonstrated this with the rope

Chief executive officer, Paul Dunne's thoughts on the 2019 financial year continued

conveyor at Booysendal. We're going to apply hydro power at Eland and we're going to trial, with some degree of measured risk, the Mobile Tunnel Borer machine, MTB as it's called, which is much shorter than the classic tunnel boring machine and more flexible.

Q Please explain how Northam's approach to Environmental, Social and Governance (ESG) is a necessity for solid sustainable growth and long-term value creation.

A We don't operate in isolation. We're very conscious of the pressing issues with respect to ESG.

Governance: Northam is a very well-managed company and we're transparent in what we do. We have a strong board, they are aligned with the strategy, diverse and highly experienced. We have strong governance and controls in place through the CFO's office. The disclosure we provide on a six month and annual basis clearly demonstrates this and we will continue in that way. Therefore, I don't see too many issues from the governance element of ESG to be concerned about at this stage.

Environmental: The world is extremely conscious of global warming and health issues around the industrialisation that's happened over hundreds of years now. The suite of metals we produce are green metals. They are used in greening applications and have enormous environmental application.

We are a mining company and inherently we have an impact on the environment. We have two primary approaches we take to address our environmental impact: we minimize and we offset. We minimize our impact; we are conscious of the impact we make and where we cannot avoid an impact, we off-set and preserve. Offsetting and preservation is an important leg of the strategy to mitigate unavoidable impacts.

Northam has a strong entrepreneurial culture. We are quick, we take good solid decisions pretty quickly and we follow through. This is the nature of the company – it's the way we do things.

This has been exemplified through the Buttonshope Conservancy Trust.

Social: Social issues in South Africa are becoming extreme, unfortunately. Particularly in the areas in which we operate. Small towns and rural areas are impoverished often with failed local government structures resulting in severe under delivery of services and a general lack of economic opportunity. The outcome of that is severe unemployment in particular amongst the youth. In our areas of operation, youth unemployment is in excess of 50%. When centres of economic activity are created, such as a mine in a rural area, we experience community protests because people want jobs. At Booysendal, there are 300 000 people within our recognized communities. We have just built a mine that will employ an additional 2100 people. The order of magnitude is over a hundred times greater. We are currently engaging with government as there are some unrest issues symptomatic of the problem. We will play our part but what we are demanding now is action from government to play their part, in particular in respect of the rule of law.

Northam is pulling its weight as a company. Where many peers are reducing employment, Northam is creating thousands of new sustainable jobs and that is something our country so dearly needs.

Q There has been a lot of price movement in the PGM market in the last couple of months, where do you see the market going and will Northam's operations benefit from this?

A We see a great future for these metals. They are fundamentally industrial metals. They do have a precious metal aspect through jewellery and investment but primarily the suite of metals is industrial. Industrial demand is where we derive, in our view, most of our pricing signals and it looks to us that the industrial sector is returning to health.

We believe that dollar pricing will continue to be led by palladium in the immediate future. Rhodium will follow because the 6's legislation (Euro VI, China VI) focuses on CO_2 and NOx however, it is biased towards the control of NOx and the only true solution for that is rhodium. Rhodium has already been thrifted as much as it can be and if you want to control more of the NOx you need to put more rhodium in. Rhodium is a thin market and most of the world's rhodium comes from South Africa and specifically from the UG2 ore body. Most of our growth comes from UG2 ore bodies.

In the immediate future unfortunately, platinum will remain soft. If we see economic substitution of platinum for palladium then of course platinum could do very well.

Q What do you believe are the biggest challenges facing Northam and the industry over the next 12 months? How is Northam addressing these challenges?

A We've covered most of the issues under the social element of our ESG story. Management and heads of operations in the various areas need to be quite attuned to these issues alongside production and safety. We are a large user of energy and we are required to use two hard independent supplies to each shaft. There is only one company that can supply this – Eskom. Zondereinde has two very large vertical shafts. We depend heavily on Eskom and our greatest fear is non-availability of power. We got to stage 4 load shedding earlier in the year. If we had gone one more stage up it would start to affect mining operations directly because of the risk to people underground. If you are in a situation where you may not have power, you cannot take the risk of putting a shift down. If we are in trouble, our supplier base is in trouble and that can affect the economy heavily.

Q What are your key focus areas for the coming year?

A **1.** Returning value to shareholders

2. Project execution

3. Booysendal wage negotiations

4. Growing our margin and maintaining our relative cost position. Our best protection is in fact the stretch in the cost curve and we need to operate well into the lower half.

Q You've been with Northam for about 6 years – what makes the company unique to you?

A It is the people that make the business. Mining is not a one-man game and it's important we have the right teams in place. Northam is a very special company and it's got very special people; together we are a strong team.

Paul Dunne

Chief executive officer

20 August 2019

Five-year performance highlights

		30 June 2019	30 June 2018	Variance
				%
Safety performance				
Lost time injury incident rate (LTIIR) per 200 000 hours worked		0.93	1.00	7.0%
Number of fatalities		1	2	50.0%
Operational performance				
Square metres mined	m^2	695 074	637 764	9.0%
Tonnes mined	t	5 267 867	4 783 068	10.1%
Tonnes milled	t	4 892 110	4 601 876	6.3%
Equivalent refined metal from own operations	oz 4E	519 954	483 941	7.4%
Equivalent refined metal from external parties	oz 4E	23 154	91 111	(74.6%)
Total refined metal produced	oz 4E	571 028	473 086	20.7%
Chrome concentrate produced	t	764 528	650 091	17.6%
Cash cost per equivalent refined Pt oz	R/oz	22 847	21 270	(7.4%)
Cash profit per equivalent refined Pt oz	R/oz	6 793	4 833	40.6%
Cash margin per equivalent refined Pt oz	%	22.9	18.5	23.8%
Sales statistics				
Sales revenue	R000	10 649 506	7 552 181	41.0%
Total metal sold	oz 4E	570 933	472 884	20.7%
UG2 ore sold	oz 4E	12 136	–	100.0%
Revenue per Pt oz	R/oz	29 640	26 103	13.6%
Financial performance				
Normalised headline earnings/(loss) per share (headline earnings/(loss) adjusted for the impact of the BEE transaction)				
Headline earnings/(loss):	R000	55 316	(701 610)	N/A
Add back:				
Amortisation of liquidity fees paid on preference shares	R000	16 390	16 390	–
Preference share dividends	R000	1 305 244	1 106 684	17.9%
Loss on derecognition of preference share liability	R000	–	8	100.0%
Normalised headline earnings	R000	1 376 950	421 472	226.7%
Normalised headline earnings per share (cents)		270.1	82.7	226.6%
Number of shares in issue including treasury shares		509 781 212	509 781 212	–
Earnings/(loss) per share (cents)		17.2	(201.5)	N/A
Headline earnings/(loss) per share (cents)		15.8	(200.5)	N/A
Operating profit	R000	2 410 025	823 314	192.7%
Operating profit margin	%	22.6	10.9	107.3%
EBITDA	R000	2 638 513	1 107 770	138.2%
EBITDA margin	%	24.8	14.7	68.7%
Capital expenditure	R000	2 859 045	3 777 644	(24.3%)
Market information and share statistics				
Total number of shares in issue		509 781 212	509 781 212	–
Weighted average number of shares in issue		349 875 759	349 875 759	–
Treasury shares held		159 905 453	159 905 453	–
Market capitalisation	R000	30 077 092	18 698 775	60.9%
Closing share price (cents)		5 900	3 668	60.9%
Highest share price traded (cents)		6 902	6 020	14.7%
Lowest share price traded (cents)		3 262	3 165	3.1%
Number of shares traded		228 048 504	220 331 693	3.5%
Value of transactions traded	R000	10 924 772	9 517 061	14.8%
Annual liquidity	%	44.7	43.2	3.5%

		30 June 2017	30 June 2016	30 June 2015
Safety performance				
Lost time injury incident rate (LTIIR) per 200 000 hours worked		1.30	1.58	1.13
Number of fatalities		1	–	–
Operational performance				
Square metres mined	m^2	614 812	544 907	493 602
Tonnes mined	t	4 812 434	4 332 869	3 739 941
Tonnes milled	t	4 450 111	4 186 028	3 646 759
Equivalent refined metal from own operations	oz 4E	474 007	436 960	377 770
Equivalent refined metal from external parties	oz 4E	30 953	27 618	47 390
Total refined metal produced	oz 4E	452 468	453 228	422 074
Chrome concentrate produced	t	581 385	538 405	371 051
Cash cost per equivalent refined Pt oz	R/oz	19 736	18 877	19 088
Cash profit per equivalent refined Pt oz	R/oz	5 314	3 689	4 693
Cash margin per equivalent refined Pt oz	%	21.2	16.3	19.7
Sales statistics				
Sales revenue	R000	6 865 185	6 097 070	6 035 535
Total metal sold	oz 4E	453 581	452 393	422 631
UG2 ore sold	oz 4E	–	–	–
Revenue per Pt oz	R/oz	25 050	22 566	23 781
Financial performance				
Normalised headline loss per share (headline loss adjusted for the impact of the BEE transaction)				
Headline loss:	R000	(636 371)	(492 837)	(794 963)
Add back:				
Once off charges at inception of the BEE transaction	R000	–	–	1 116 877
Amortisation of liquidity fees paid on preference shares	R000	16 390	18 088	–
Preference share dividends	R000	1 017 396	918 806	100 767
Loss on derecognition of preference share liability	R000	901	–	–
Normalised headline earnings	R000	398 316	444 057	422 681
Normalised headline earnings per share (cents)		78.1	87.1	82.9
Number of shares in issue including treasury shares		509 781 212	509 781 212	509 781 212
Loss per share (cents)		(181.8)	(145.3)	(264.3)
Headline loss per share (cents)		(181.9)	(140.9)	(202.9)
Operating profit	R000	613 985	383 348	595 813
Operating profit margin	%	8.9	6.3	9.9
EBITDA	R000	967 228	843 446	(354 483)
EBITDA margin	%	14.1	13.8	(5.9)
Capital expenditure	R000	1 645 069	1 173 980	1 102 048
Market information and share statistics				
Total number of shares in issue		509 781 212	509 781 212	509 781 212
Weighted average number of shares in issue		349 875 759	349 875 759	391 835 000
Treasury shares held		159 905 453	159 905 453	159 905 453
Market capitalisation	R000	20 620 650	21 920 592	20 523 792
Closing share price (cents)		4 045	4 300	4 026
Highest share price traded (cents)		6 035	5 080	5 200
Lowest share price traded (cents)		3 593	1 610	3 120
Number of shares traded		231 614 075	259 904 423	283 424 050
Value of transactions traded	R000	11 221 478	9 204 577	11 622 619
Annual liquidity	%	45.4	51.0	72.3

Group performance

	30 June 2019	30 June 2018	Variance
	R000	R000	%
Sales revenue			
Platinum	4 111 344	3 466 598	18.6%
Palladium	2 825 852	1 723 269	64.0%
Rhodium	1 800 531	814 506	121.1%
Gold	143 330	110 050	30.2%
Iridium	363 794	182 978	98.8%
Ruthenium	249 512	116 580	114.0%
Silver	1 890	1 650	14.5%
Nickel	256 077	257 760	(0.7%)
Copper	67 100	65 547	2.4%
Cobalt	7 781	10 691	(27.2%)
Chrome	660 032	802 552	(17.8%)
UG2 ore	162 263	–	100.0%
Total sales revenue	10 649 506	7 552 181	41.0%
Cost of sales			
Operating costs	(7 607 161)	(6 318 000)	(20.4%)
Mining operations	(5 434 933)	(4 792 698)	(13.4%)
Concentrator operations	(887 089)	(707 322)	(25.4%)
Smelting and base metal removal plant costs	(598 371)	(417 828)	(43.2%)
Chrome processing	(51 780)	(75 065)	31.0%
Selling and administration overheads	(264 674)	(188 742)	(40.2%)
Royalty charges	(91 551)	(26 914)	(240.2%)
Share-based payment expenses and profit share scheme	(224 094)	(107 344)	(108.8%)
Rehabilitation	(54 669)	(2 087)	(2 519.5%)
Concentrates and recycling material purchased	(327 572)	(1 410 506)	76.8%
Refining including sampling and handling charges	(135 104)	(123 840)	(9.1%)
Depreciation and write-offs	(487 165)	(441 865)	(10.3%)
Change in metal inventories	317 521	1 565 344	79.7%
Total cost of sales	(8 239 481)	(6 728 867)	(22.4%)
Operating profit	2 410 025	823 314	192.7%
Operating margin	22.6%	10.9%	107.3%
EBITDA	2 638 513	1 107 770	138.2%
EBITDA margin	24.8%	14.7%	68.7%

		30 June 2019	30 June 2018	Variance
				%
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.01	0.02	50.0%
Total injury incidence rate (TIIR) per 200 000 hours worked		1.63	1.98	17.7%
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.93	1.00	7.0%
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.65	0.66	1.5%
Number of fatalities		1	2	50.0%
Health				
New cases of noise induced hearing loss		28	68	58.8%
New cases of tuberculosis		61	61	–
Voluntary counselling and testing encounters		8 912	3 342	166.7%
Employment and human rights				
Permanent employees		8 981	8 260	8.7%
Contractors		6 377	4 998	27.6%
Total employed		15 358	13 258	15.8%
Average number of employees		14 568	13 151	10.8%
Turnover rate	%	6	6	–
HDSAs in management	%	56	56	–
Women in mining	%	14	13	7.7%
Water usage (000m³)				
Potable water from external sources		3 691	3 448	(7.0%)
Fissure water used		1 278	273	(368.1%)
Borehole water used		52	40	(30.0%)
Water recycled in process		28 979	28 577	1.4%
Total water usage		34 000	32 338	(5.1%)
Water recycled	%	85	88	(3.4%)
Electricity consumption (MWh)				
Energy from electricity purchased by shafts		665 021	592 488	(12.2%)
Energy from electricity purchased by plant		306 015	298 958	(2.4%)
Total electricity purchased		971 036	891 446	(8.9%)
Greenhouse gas emissions (CO_2e tonnes)				
Scope 1 (direct) emissions		44 263	41 242	(7.3%)
Scope 2 (indirect) emissions		961 326	882 531	(8.9%)
Scope 3 (indirect) emissions		221	228	3.1%
Total emissions		1 005 810	924 001	(8.9%)
Land use (hectares)				
Land disturbed by mining related activities		2 507	1 118	124.2%
Land leased for farming purposes		2 181	1 441	51.4%
Land protected for conservation		2 104	3 514	(40.1%)
Other		7 546	8 318	(9.3%)
Total land under management (freehold)		14 338	14 391	(0.4%)

Group performance continued

		30 June 2019	30 June 2018	Variance %
Merensky production and ore stockpiles				
Square metres mined	m^2	214 643	190 764	12.5%
Tonnes mined	t	1 504 070	1 285 094	17.0%
Tonnes milled	t	1 212 628	1 197 466	1.3%
Stockpile	t	24 988	34 762	28.1%
UG2 production and ore stockpiles				
Square metres mined	m^2	480 431	447 000	7.5%
Tonnes mined	t	3 763 797	3 497 974	7.6%
Tonnes milled	t	3 679 482	3 404 410	8.1%
Stockpile	t	237 427	230 631	(2.9%)
Combined production and ore stockpiles				
Square metres mined	m^2	695 074	637 764	9.0%
Tonnes mined	t	5 267 867	4 783 068	10.1%
Tonnes milled	t	4 892 110	4 601 876	6.3%
Stockpile	t	262 415	265 393	1.1%
Chrome concentrate produced	t	764 528	650 091	17.6%
Equivalent refined metal from own operations				
Platinum	oz	316 071	293 323	7.8%
Palladium	oz	150 043	140 499	6.8%
Rhodium	oz	46 843	43 361	8.0%
Gold	oz	6 997	6 758	3.5%
4E	oz	519 954	483 941	7.4%
Iridium	oz	16 968	15 753	7.7%
Ruthenium	oz	77 080	72 149	6.8%
6E	oz	614 002	571 843	7.4%
Equivalent refined metal from external parties including recycling material and metal to be returned				
Platinum	oz	10 948	58 074	(81.1%)
Palladium	oz	10 055	23 955	(58.0%)
Rhodium	oz	1 978	7 138	(72.3%)
Gold	oz	173	1 944	(91.1%)
4E	oz	23 154	91 111	(74.6%)
Iridium	oz	561	2 821	(80.1%)
Ruthenium	oz	3 313	11 630	(71.5%)
6E	oz	27 028	105 562	(74.4%)
Total refined metal produced				
Platinum	oz	350 837	289 962	21.0%
Palladium	oz	162 179	137 882	17.6%
Rhodium	oz	50 005	38 609	29.5%
Gold	oz	8 007	6 633	20.7%
4E	oz	571 028	473 086	20.7%
Iridium	oz	17 760	13 956	27.3%
Ruthenium	oz	69 187	62 458	10.8%
6E	oz	657 975	549 500	19.7%

		30 June 2019	30 June 2018	Variance
				%
Total metal sold				
Platinum	oz	351 916	289 327	21.6%
Palladium	oz	162 217	137 584	17.9%
Rhodium	oz	48 835	39 335	24.2%
Gold	oz	7 965	6 638	20.0%
4E	oz	570 933	472 884	20.7%
Iridium	oz	17 746	13 929	27.4%
Ruthenium	oz	68 683	62 695	9.6%
6E	oz	657 362	549 508	19.6%
UG2 ore sold				
Platinum	oz	7 377	–	100.0%
Palladium	oz	3 469	–	100.0%
Rhodium	oz	1 116	–	100.0%
Gold	oz	174	–	100.0%
4E	oz	12 136	–	100.0%
Iridium	oz	317	–	100.0%
Ruthenium	oz	1 054	–	100.0%
6E	oz	13 507	–	100.0%
Nickel	t	1 563	1 569	(0.4%)
Copper	t	799	757	5.5%
Chrome concentrate	t	764 528	650 091	17.6%
Average market prices achieved and sales statistics				
Platinum	USD/oz	824	934	(11.8%)
Palladium	USD/oz	1 227	976	25.7%
Rhodium	USD/oz	2 602	1 618	60.8%
Gold	USD/oz	1 264	1 296	(2.5%)
4E basket price	USD/oz	1 097	1 008	8.8%
Iridium	USD/oz	1 444	1 014	42.4%
Ruthenium	USD/oz	256	144	77.8%
6E basket price	USD/oz	1 018	910	11.9%
Average exchange rate	R/USD	14.18	12.82	10.6%
Closing exchange rate	R/USD	14.08	13.73	2.5%
Average nickel market price achieved	USD/t	11 554	12 811	(9.8%)
Average copper market price achieved	USD/t	5 922	6 756	(12.3%)
Average chrome price achieved net of costs	USD/t	61	96	(36.5%)
Average chrome price achieved net of costs	R/t	863	1 235	(30.1%)
Total revenue per Pt oz sold	R/oz	29 640	26 103	13.6%
Total revenue per 4E oz sold	R/oz	18 265	15 970	14.4%
Total revenue per 6E oz sold	R/oz	15 874	13 744	15.5%

Group performance continued

		30 June 2019	30 June 2018	Variance %
Cash costs statistics				
On mine cash cost per tonne mined	R/t	1 200	1 150	(4.3%)
On mine cash cost per tonne milled	R/t	1 292	1 195	(8.1%)
Cash cost per equivalent refined Pt oz	R/oz	22 847	21 270	(7.4%)
Cash cost per equivalent refined 4E oz	R/oz	13 907	12 909	(7.7%)
Cash cost per equivalent refined 6E oz	R/oz	11 813	10 947	(7.9%)
Cash profit and margin				
Cash profit per equivalent refined Pt oz	R/oz	6 793	4 833	40.6%
Cash margin per equivalent refined Pt oz	%	22.9	18.5	23.8%
Cash profit per equivalent refined 4E oz	R/oz	4 358	3 061	42.4%
Cash margin per equivalent refined 4E oz	%	23.9	19.2	24.5%
Cash profit per equivalent refined 6E oz	R/oz	4 061	2 797	45.2%
Cash margin per equivalent refined 6E oz	%	25.6	20.4	25.5%
Capital incurred				
Expansionary capex	R000	2 637 254	3 392 035	(22.3%)
Sustaining capex	R000	221 791	385 609	(42.5%)
	R000	2 859 045	3 777 644	(24.3%)
Sustaining capex per equivalent refined Pt oz from own operations	R/oz	702	1 315	(46.6%)
Expansionary capex				
Zondereinde	R000	605 556	1 583 771	(61.8%)
Contribution received for capital assets	R000	–	(303 106)	(100.0%)
Booysendal North	R000	188 467	326 146	(42.2%)
Booysendal South*	R000	1 472 030	1 490 948	(1.3%)
Eland	R000	371 201	190 759	94.6%
Other including intercompany eliminations	R000	–	103 517	(100.0%)
	R000	2 637 254	3 392 035	(22.3%)
Sustaining capex				
Zondereinde	R000	68 425	249 467	(72.6%)
Booysendal North	R000	153 366	136 142	12.7%
	R000	221 791	385 609	(42.5%)

* Expansionary capex does not include prepayments relating to the rope conveyance for ore transportation, amounting to R0.6 million (F2018: R89.6 million).

Zondereinde performance

	30 June 2019	30 June 2018	Variance
	R000	R000	%
Sales revenue			
Platinum	4 111 344	3 466 598	18.6%
Palladium	2 825 852	1 723 269	64.0%
Rhodium	1 800 531	814 506	121.1%
Gold	143 330	110 050	30.2%
Iridium	363 794	182 978	98.8%
Ruthenium	249 512	116 580	114.0%
Silver	1 890	1 650	14.5%
Nickel	256 077	257 760	(0.7%)
Copper	67 100	65 547	2.4%
Cobalt	7 781	10 691	(27.2%)
Chrome	290 749	393 264	(26.1%)
UG2 ore	162 263	–	100.0%
Total sales revenue	10 280 223	7 142 893	43.9%
Cost of sales			
Operating costs	(5 069 318)	(4 240 251)	(19.6%)
Mining operations	(3 687 698)	(3 254 293)	(13.3%)
Concentrator operations	(389 967)	(353 861)	(10.2%)
Smelting and base metal removal plant costs	(598 371)	(417 828)	(43.2%)
Chrome processing	(5 437)	(21 344)	74.5%
Selling and administration overheads	(132 337)	(106 331)	(24.5%)
Royalty charges	(72 742)	(12 119)	(500.2%)
Share-based payment expenses and profit share scheme	(165 882)	(76 980)	(115.5%)
Rehabilitation	(16 884)	2 505	N/A
Concentrates and recycling material purchased	(3 747 389)	(3 963 939)	5.5%
Refining including sampling and handling charges	(135 104)	(123 840)	(9.1%)
Depreciation and write-offs	(166 210)	(152 041)	(9.3%)
Change in metal inventories	148 584	1 692 602	91.2%
Total cost of sales	(8 969 437)	(6 787 469)	(32.1%)
Operating profit	1 310 786	355 424	268.8%
Operating margin	12.8%	5.0%	156.0%
EBITDA	1 418 211	527 944	168.6%
EBITDA margin	13.8%	7.4%	86.5%

Zondereinde performance continued

		30 June 2019	30 June 2018	Variance
				%
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.01	0.02	50.0%
Total injury incidence rate (TIIR) per 200 000 hours worked		1.42	1.64	13.4%
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		1.29	1.29	–
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.88	0.87	(1.1%)
Number of fatalities		1	2	50.0%
Health				
New cases of noise induced hearing loss		24	61	60.7%
New cases of tuberculosis		52	48	(8.3%)
Voluntary counselling and testing encounters		8 073	2 502	222.7%
Employment and human rights				
Permanent employees		6 386	6 323	1.0%
Contractors		3 148	2 784	13.1%
Total employed		9 534	9 107	4.7%
Average number of employees including contractors		9 303	8 950	3.9%
Turnover rate	%	7	7	–
HDSAs in management	%	61	57	7.0%
Women in mining	%	13	12	8.3%
Water usage (000m³)				
Potable water from external sources		2 939	2 765	(6.3%)
Fissure water used		1 220	211	(478.2%)
Borehole water used		32	20	(60.0%)
Water recycled in process		27 078	26 703	1.4%
Total water usage		31 269	29 699	(5.3%)
Water recycled	%	87	90	(3.3%)
Electricity consumption (MWh)				
Energy from electricity purchased by shafts		560 280	532 101	(5.3%)
Energy from electricity purchased by plant		206 671	197 551	(4.6%)
Total electricity purchased		766 951	729 652	(5.1%)
Greenhouse gas emissions (CO_2e tonnes)				
Scope 1 (direct) emissions		32 801	32 425	(1.2%)
Scope 2 (indirect) emissions		759 281	722 355	(5.1%)
Scope 3 (indirect) emissions		201	228	11.8%
Total emissions		792 283	755 008	(4.9%)
Land use (hectares)				
Land disturbed by mining related activities		723	137	427.7%
Land leased for farming purposes		2 181	1 441	51.4%
Land protected for conservation		–	800	(100.0%)
Other		1 502	893	68.2%
Total land under management (freehold)		4 406	3 271	34.7%

		30 June 2019	30 June 2018	Variance
				%
Merensky production and ore stockpiles				
Square metres mined	m²	158 903	148 552	7.0%
Tonnes mined (including waste)	t	1 117 594	958 424	16.6%
Total development tonnes reef and waste mined	t	313 076	218 985	43.0%
Tonnes milled (includes fines from the thickeners)	t	815 191	739 439	10.2%
Head grade (4E)	g/t	6.11	6.04	1.2%
Head grade (6E)	g/t	6.61	6.53	1.2%
Concentrator recoveries	%	90.0	90.0	–
Stockpile	t	2 967	1 780	(66.7%)
UG2 production and ore stockpiles				
Square metres mined	m²	218 536	221 228	(1.2%)
Tonnes mined	t	1 338 020	1 315 382	1.7%
Tonnes milled	t	1 208 637	1 193 365	1.3%
Head grade (4E)	g/t	4.26	4.27	(0.2%)
Head grade (6E)	g/t	5.23	5.24	(0.2%)
Concentrator recoveries	%	87.3	87.4	(0.1%)
Stockpile	t	234 283	210 379	(11.4%)
Combined production and ore stockpiles				
Square metres mined	m²	377 439	369 780	2.1%
Tonnes mined	t	2 455 614	2 273 806	8.0%
Total development tonnes reef and waste mined	t	313 076	218 985	43.0%
Tonnes milled	t	2 023 828	1 932 804	4.7%
Head grade (4E)	g/t	4.96	4.95	0.2%
Head grade (6E)	g/t	5.74	5.73	0.2%
Concentrator recoveries	%	88.4	88.6	(0.2%)
Stockpile	t	237 250	212 159	(11.8%)
Chrome concentrate produced	t	361 154	341 412	5.8%
Equivalent refined metal from own Zondereinde operations				
Platinum	oz	188 288	181 624	3.7%
Palladium	oz	88 947	86 940	2.3%
Rhodium	oz	26 717	26 310	1.5%
Gold	oz	4 514	4 421	2.1%
4E	oz	308 466	299 295	3.1%
Iridium	oz	9 562	9 338	2.4%
Ruthenium	oz	40 872	40 255	1.5%
6E	oz	358 900	348 888	2.9%

Zondereinde performance continued

		30 June 2019	30 June 2018	Variance
				%
Equivalent refined metal from external parties including recycling material and metal to be returned				
Platinum	oz	5 518	55 123	(90.0%)
Palladium	oz	4 770	22 265	(78.6%)
Rhodium	oz	955	6 375	(85.0%)
Gold	oz	95	1 933	(95.1%)
4E	oz	11 338	85 696	(86.8%)
Iridium	oz	271	2 304	(88.2%)
Ruthenium	oz	1 105	9 974	(88.9%)
6E	oz	12 714	97 974	(87.0%)
Total refined metal produced				
Platinum	oz	350 837	289 962	21.0%
Palladium	oz	162 179	137 882	17.6%
Rhodium	oz	50 005	38 609	29.5%
Gold	oz	8 007	6 633	20.7%
4E	oz	571 028	473 086	20.7%
Iridium	oz	17 760	13 956	27.3%
Ruthenium	oz	69 187	62 458	10.8%
6E	oz	657 975	549 500	19.7%
Total metal sold				
Platinum	oz	351 916	289 327	21.6%
Palladium	oz	162 217	137 584	17.9%
Rhodium	oz	48 835	39 335	24.2%
Gold	oz	7 965	6 638	20.0%
4E	oz	570 933	472 884	20.7%
Iridium	oz	17 746	13 929	27.4%
Ruthenium	oz	68 683	62 695	9.6%
6E	oz	657 362	549 508	19.6%
UG2 ore sold				
Platinum	oz	7 377	–	100.0%
Palladium	oz	3 469	–	100.0%
Rhodium	oz	1 116	–	100.0%
Gold	oz	174	–	100.0%
4E	oz	12 136	–	100.0%
Iridium	oz	317	–	100.0%
Ruthenium	oz	1 054	–	100.0%
6E	oz	13 507	–	100.0%
Nickel	t	1 563	1 569	(0.4%)
Copper	t	799	757	5.5%
Chrome concentrate	t	361 154	341 412	5.8%

		30 June 2019	30 June 2018	Variance
				%
Average market prices achieved and sales statistics				
Platinum	USD/oz	824	934	(11.8%)
Palladium	USD/oz	1 227	976	25.7%
Rhodium	USD/oz	2 602	1 618	60.8%
Gold	USD/oz	1 264	1 296	(2.5%)
4E basket price	USD/oz	1 097	1 008	8.8%
Iridium	USD/oz	1 444	1 014	42.4%
Ruthenium	USD/oz	256	144	77.8%
6E basket price	USD/oz	1 018	910	11.9%
Average exchange rate	R/USD	14.18	12.82	10.6%
Closing exchange rate	R/USD	14.08	13.73	2.5%
Average nickel market price achieved	USD/t	11 554	12 811	(9.8%)
Average copper market price achieved	USD/t	5 922	6 756	(12.3%)
Average chrome price achieved net of costs	USD/t	57	90	(36.7%)
Average chrome price achieved net of costs	R/t	805	1 152	(30.1%)
Total revenue per Pt oz sold	R/oz	28 612	24 688	15.9%
Total revenue per 4E oz sold	R/oz	17 631	15 105	16.7%
Total revenue per 6E oz sold	R/oz	15 324	12 999	17.9%

Zondereinde performance continued

		30 June 2019	30 June 2018	Variance
				%
Cash costs statistics				
On mine cash cost per tonne mined	R/t	1 661	1 587	(4.7%)
On mine cash cost per tonne milled	R/t	2 015	1 867	(7.9%)
Cash cost per equivalent refined Pt oz	R/oz	24 124	22 101	(9.2%)
Cash cost per equivalent refined 4E oz	R/oz	14 735	13 425	(9.8%)
Cash cost per equivalent refined 6E oz	R/oz	12 677	11 521	(10.0%)
Cash profit and margin				
Cash profit per equivalent refined Pt oz	R/oz	4 488	2 587	73.5%
Cash margin per equivalent refined Pt oz	%	15.7	10.5	49.5%
Cash profit per equivalent refined 4E oz	R/oz	2 896	1 680	72.4%
Cash margin per equivalent refined 4E oz	%	16.4	11.1	47.7%
Cash profit per equivalent refined 6E oz	R/oz	2 647	1 478	79.1%
Cash margin per equivalent refined 6E oz	%	17.3	11.4	51.8%
Capital incurred				
Expansionary capex	R000	605 556	1 583 771	(61.8%)
Contribution received for capital assets	R000	–	(303 106)	(100.0%)
Sustaining capex	R000	68 425	249 467	(72.6%)
	R000	673 981	1 530 132	(56.0%)
Sustaining capex per equivalent refined Pt oz from Zondereinde own operations	R/oz	363	1 374	(73.6%)

Booysendal performance

	30 June 2019	30 June 2018	Variance
	R000	R000	%
Sales revenue*			
Platinum	1 396 485	1 286 051	8.6%
Palladium	1 094 709	666 754	64.2%
Rhodium	730 719	399 885	82.7%
Gold	42 425	37 821	12.2%
Iridium	111 511	66 740	67.1%
Ruthenium	109 958	69 374	58.5%
Nickel	45 311	83 664	(45.8%)
Copper	12 826	15 297	(16.2%)
Chrome	358 600	409 288	(12.4%)
Total sales revenue	3 902 544	3 034 874	28.6%
Cost of sales			
Operating costs	(2 507 955)	(2 077 749)	(20.7%)
Mining operations	(1 747 235)	(1 538 405)	(13.6%)
Concentrator operations	(490 846)	(353 461)	(38.9%)
Chrome processing	(23 407)	(53 721)	56.4%
Selling and administration overheads	(132 337)	(82 411)	(60.6%)
Royalty charges	(18 756)	(14 795)	(26.8%)
Share-based payment expenses	(57 589)	(30 364)	(89.7%)
Rehabilitation	(37 785)	(4 592)	(722.8%)
Concentrates purchased	(96 616)	(72 153)	(33.9%)
Depreciation and write-offs	(304 920)	(291 556)	(4.6%)
Change in metal inventories	(7 372)	(68 058)	89.2%
Total cost of sales	(2 916 863)	(2 509 516)	(16.2%)
Operating profit	985 681	525 358	87.6%
Operating margin	25.3%	17.3%	46.2%
EBITDA	1 221 970	692 382	76.5%
EBITDA margin	31.3%	22.8%	37.3%

*Zondereinde purchases all of Booysendal's concentrate, for a percentage of the fair value, except for chrome which is sold directly to a third party customer.

Booysendal performance continued

		30 June 2019	30 June 2018	Variance
				%
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.00	0.00	–
Total injury incidence rate (TIIR) per 200 000 hours worked		1.95	2.78	29.9%
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.18	0.31	41.9%
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.18	0.18	–
Number of fatalities		–	–	–
Health				
New cases of noise induced hearing loss		4	7	42.9%
New cases of tuberculosis		9	13	30.8%
Voluntary counselling and testing encounters		839	840	(0.1%)
Employment and human rights				
Permanent employees		2 398	1 937	23.8%
Contractors		2 574	2 214	16.3%
Total employed		4 972	4 151	19.8%
Average number of employees (including contractors)		4 764	4 201	13.4%
Turnover rate	%	5	1	400.0%
HDSAs in management	%	52	52	–
Women in mining	%	16	15	6.7%
Water usage (000m³)				
Potable water from external sources		752	683	(10.1%)
Fissure water used		58	62	6.5%
Borehole water used		20	20	–
Water recycled in process		1 901	1 874	1.4%
Total water usage		2 731	2 639	(3.5%)
Water recycled	%	70	71	(1.4%)
Electricity consumption (MWh)				
Energy from electricity purchased by shafts		104 741	60 387	(73.4%)
Energy from electricity purchased by plant		99 344	101 407	2.0%
Total electricity purchased		204 085	161 794	(26.1%)
Greenhouse gas emissions (CO_2e tonnes)				
Scope 1 (direct) emissions		11 462	8 817	(30.0%)
Scope 2 (indirect) emissions		202 045	160 176	(26.1%)
Scope 3 (indirect) emissions		20	–	(100.0%)
Total emissions		213 527	168 993	(26.4%)
Land use (hectares)				
Land disturbed by mining related activities		1 784	982	81.7
Land leased for farming purposes		–	–	–
Land protected for conservation		2 104	2 714	(22.5%)
Other		6 044	7 424	(18.6%)
Total land under management (freehold)		9 932	11 120	(10.7%)

		30 June 2019	30 June 2018	Variance
				%
Merensky production and ore stockpiles				
Square metres	m^2	55 740	42 212	32.0%
Tonnes mined	t	386 476	326 670	18.3%
Tonnes milled	t	397 437	458 027	(13.2%)
Head grade (4E)	g/t	2.37	2.06	15.0%
Head grade (6E)	g/t	2.61	2.27	15.0%
Concentrator recoveries	%	88.0	87.4	0.7%
Stockpile	t	22 021	32 982	33.2%
UG2 production and ore stockpiles North mine				
Square metres	m^2	250 848	225 772	11.1%
Tonnes mined	t	2 243 924	2 182 592	2.8%
Tonnes milled	t	2 267 503	2 211 045	2.6%
Head grade (4E)	g/t	2.78	2.78	–
Head grade (6E)	g/t	3.31	3.31	–
Concentrator recoveries	%	86.7	85.8	1.0%
Stockpile	t	3 144	20 252	84.5%
UG2 production and ore stockpiles Central mine				
Square metres	m^2	11 047	4 957	122.9%
Sinking metres	m	2 370	1 882	25.9%
Tonnes mined	t	181 853	–	100.0%
Tonnes milled	t	203 342	–	100.0%
Head grade (4E)	g/t	2.00	–	100.0%
Head grade (6E)	g/t	2.38	–	100.0%
Concentrator recoveries	%	83.3	–	100.0%
Combined production and ore stockpiles				
Square metres	m^2	317 635	267 984	18.5%
Tonnes mined	t	2 812 253	2 509 262	12.1%
Tonnes milled	t	2 868 282	2 669 072	7.5%
Head grade (4E)	g/t	2.72	2.71	0.4%
Head grade (6E)	g/t	3.20	3.19	0.3%
Concentrator recoveries	%	86.9	86.0	1.0%
Stockpile	t	25 165	53 234	52.7%
Chrome concentrate produced	t	390 698	308 679	26.6%
Metal in concentrate produced from own operations and ore stockpiles				
Platinum	oz	131 405	114 865	14.4%
Palladium	oz	62 828	55 077	14.1%
Rhodium	oz	20 697	17 534	18.0%
Gold	oz	2 553	2 404	6.2%
4E	oz	217 483	189 880	14.5%
Iridium	oz	7 616	6 597	15.4%
Ruthenium	oz	37 234	32 798	13.5%
6E	oz	262 333	229 275	14.4%

Booysendal performance continued

		30 June 2019	30 June 2018	Variance
				%
Metal in concentrate purchased from third parties				
Platinum	oz	3 846	3 035	26.7%
Palladium	oz	1 839	1 738	5.8%
Rhodium	oz	606	785	(22.8%)
Gold	oz	74	10	640.0%
4E	oz	6 365	5 568	14.3%
Iridium	oz	265	532	(50.2%)
Ruthenium	oz	2 104	1 703	23.5%
6E	oz	8 734	7 803	11.9%
Total metal sold				
Platinum	oz	136 281	122 070	11.6%
Palladium	oz	65 159	58 532	11.3%
Rhodium	oz	21 465	18 634	15.2%
Gold	oz	2 649	2 555	3.7%
4E	oz	225 554	201 791	11.8%
Iridium	oz	8 086	6 884	17.5%
Ruthenium	oz	36 964	33 776	9.4%
6E	oz	270 604	242 451	11.6%
Nickel	t	389	656	(40.7%)
Copper	t	322	377	(14.6%)
Chrome concentrate	t	390 698	308 679	26.6%
Average market prices achieved and sales statistics				
Platinum	USD/oz	721	820	(12.1%)
Palladium	USD/oz	1 181	884	33.6%
Rhodium	USD/oz	2 396	1 671	43.4%
Gold	USD/oz	1 130	1 168	(3.3%)
4E basket price	USD/oz	1 018	921	10.5%
Iridium	USD/oz	968	745	29.9%
Ruthenium	USD/oz	209	160	30.6%
6E basket price	USD/oz	906	810	11.9%
Average exchange rate	R/USD	14.16	12.86	10.1%
Closing exchange rate	R/USD	14.08	13.73	2.5%
Average nickel market price achieved	USD/t	8 226	9 917	(17.1%)
Average copper market price achieved	USD/t	2 813	3 153	(10.8%)
Average chrome price achieved net of costs	USD/t	65	103	(36.9%)
Average chrome price achieved net of costs	R/t	918	1 326	(30.8%)
Total revenue per Pt oz sold	R/oz	28 636	24 862	15.2%
Total revenue per 4E oz sold	R/oz	17 302	15 040	15.0%
Total revenue per 6E oz sold	R/oz	14 422	12 517	15.2%

		30 June 2019	30 June 2018	Variance
				%
Cash costs statistics				
On mine cash cost per tonne mined	R/t	796	754	(5.6%)
On mine cash cost per tonne milled	R/t	780	709	(10.0%)
Cash cost per Pt oz in concentrate produced	R/oz	17 904	17 090	(4.8%)
Cash cost per 4E oz in concentrate produced	R/oz	10 818	10 332	(4.7%)
Cash cost per 6E oz in concentrate produced	R/oz	8 959	8 548	(4.8%)
Cash profit and margin				
Cash profit per Pt oz in concentrate produced	R/oz	10 732	7 772	38.1%
Cash margin per Pt oz in concentrate produced	%	37.5	31.3	19.8%
Cash profit per 4E oz in concentrate produced	R/oz	6 484	4 708	37.7%
Cash margin per 4E oz in concentrate produced	%	37.5	31.3	19.8%
Cash profit per 6E oz in concentrate produced	R/oz	5 463	3 969	37.6%
Cash margin per 6E oz in concentrate produced	%	37.9	31.7	19.6%
Capital incurred				
Expansionary capex	R000	188 467	326 146	(42.2%)
Expansionary capex relating to Booysendal South*	R000	1 472 030	1 490 948	(1.3%)
Sustaining capex	R000	153 366	136 142	12.7%
	R000	1 813 863	1 953 236	(7.1%)
Sustaining capex per Pt oz in concentrate	R/oz	1 167	1 185	(1.5%)

* Expansionary capex does not include prepayments relating to the rope conveyance for ore transportation, amounting to R0.6 million (F2018: R89.6 million).

Eland performance

		30 June 2019	30 June 2018	Variance
		R000	R000	%
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.00	–	–
Total injury incidence rate (TIIR) per 200 000 hours worked		2.63	–	–
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.53	–	–
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.18	–	–
Number of fatalities		–	–	–
Sales revenue - Chrome		10 683	–	100.0%
Total sales revenue		10 683	–	100.0%
Cost of sales				
Operating costs		(23 612)	–	(100.0%)
Chrome processing		(22 936)	–	(100.0%)
Royalty charges		(53)	–	(100.0%)
Share-based payment expenses		(623)	–	(100.0%)
Concentrates purchased		(3 803)	–	(100.0%)
Change in metal inventories		3 803	–	(100.0%)
Total cost of sales		(23 612)	–	(100.0%)
Operating loss		(12 929)	–	(100.0%)
Operating margin		(121.0%)	–	(100.0%)
EBITDA*		(144 000)	(106 565)	(35.1%)
EBITDA margin		(1 347.9%)	–	(100.0%)
Chrome concentrate produced and sold	t	12 676	–	100.0%
Metal in concentrate purchased from third parties				
Platinum	oz	716	–	100.0%
Palladium	oz	255	–	100.0%
Rhodium	oz	75	–	100.0%
Gold	oz	5	–	100.0%
4E	oz	1 051	–	100.0%
Iridium	oz	33	–	100.0%
Ruthenium	oz	167	–	100.0%
6E	oz	1 251	–	100.0%
Average exchange rate	R/USD	14.56	12.82	13.6%
Closing exchange rate	R/USD	14.08	13.73	2.5%
Average chrome price achieved net of costs	USD/t	58	–	100.0%
Average chrome price achieved net of costs	R/t	843	–	100.0%
Capital incurred				
Purchase consideration	R000	–	175 000	(100.0%)
Expansionary capex and professional fees	R000	371 201	15 759	2 255.5%
	R000	371 201	190 759	94.6%

*During the prior year the Eland operation was on care and maintenance and all costs associated with the Eland operation was classified as such. Refer to note 8, sundry expenditure included in the condensed financial results.

US recycling operation performance

		30 June 2019	30 June 2018	Variance
		R000	R000	%
Sales revenue				
Platinum		7 347	–	100.0%
Palladium		41 062	–	100.0%
Rhodium		8 471	–	100.0%
Total sales revenue		56 880	–	100.0%
Cost of sales				
Operating costs		(6 276)	–	(100.0%)
Concentrates purchased		(80 588)	–	(100.0%)
Depreciation and write-offs		(17 767)	–	(100.0%)
Change in metal inventories		25 808	–	(100.0%)
Total cost of sales		(78 823)	–	(100.0%)
Operating loss		(21 943)	–	(100.0%)
Operating margin		(38.6%)	–	(100.0%)
EBITDA*		(14 419)	(12 176)	(18.4%)
EBITDA margin		(25.4%)	–	(100.0%)
Recycled metal purchased from third parties**				
Platinum	oz	1 022	–	100.0%
Palladium	oz	3 341	–	100.0%
Rhodium	oz	372	–	100.0%
	oz	4 735	–	100.0%
Total metal sold				
Platinum	oz	668	–	100.0%
Palladium	oz	2 291	–	100.0%
Rhodium	oz	245	–	100.0%
	oz	3 204	–	100.0%
Average market prices achieved and sales statistics				
Platinum	USD/oz	772	–	100.0%
Palladium	USD/oz	1 257	–	100.0%
Rhodium	USD/oz	2 430	–	100.0%
Average exchange rate	R/USD	14.18	12.79	10.9%
Closing exchange rate	R/USD	14.08	13.73	2.5%
Capital incurred				
Purchase consideration	R000	–	140 815	(100.0%)
	R000	–	140 815	(100.0%)

*During the prior year the recycling operation was on care and maintenance and all costs associated with the US recycling operation was classified as such. Refer to note 8, sundry expenditure included in the condensed financial results.

**Metals in concentrate are sourced and purchased from third party customers and all sales are made to Northam Platinum Limited, at the original cost of the metal in concentrate purchased from third party customers plus all processing costs incurred at the US recycling operation.

Results commentary

Northam's growth strategy remains firmly in place. Project execution is on track and we are confident that the group is in a position to deliver a strong financial performance even in subdued market conditions going forward.

Both operating mines performed well during a challenging year. Our focus remains on project execution, sustainable cost control and creating long-term value for all stakeholders.

Group operational overview

The group's equivalent refined metal from own operations rose by 7.4% to 519 954 oz 4E (F2018: 483 941 oz 4E) with increased contributions from both Booysendal and Zondereinde. Group chrome concentrate production increased by 17.6% to 764 528 tonnes (F2018: 650 091 tonnes) on the back of growth at Booysendal and Zondereinde, as well as first production from Eland.

Group unit cash costs per equivalent refined platinum ounce increased by 7.4% to R22 847/Pt oz (F2018: R21 270/Pt oz). Zondereinde's costs increased by 9.2% to R24 124/Pt oz (F2018: R22 101/Pt oz) with a corresponding increase of 4.8% at Booysendal to R17 904/Pt oz (F2018: R17 090/Pt oz).

Total group capital expenditure reduced year on year to R2.9 billion as major project milestones were completed. R2.6 billion was spent on expansionary capex and R221.8 million on sustaining capex.

The group continues to deliver on its strategy of developing low-cost, long-life assets in order to position itself at the lower end of the industry cost curve. We believe that the development of our project pipeline which builds on our pre-existing and recently acquired asset base will position the group to deliver strong financial performance even in subdued market conditions going forward. Now, more than ever is the time to accelerate good capital spend.

At Zondereinde, stoping has commenced within the Western extension section and further progress has been made on the deepening project. At the metallurgical facilities, the new smelter furnace and the concentrate dewatering plant are operating within design parameters and progress has been made on upgrades to the material handling infrastructure.

The development of Booysendal South is progressing on schedule and on budget. At the Central UG2 complex, underground reserve build-up is on track whilst surface infrastructure construction is ahead of target. Major milestones include the commissioning of the South aerial rope conveyor and the PGM circuit of the South concentrator.

At Eland, recommissioning of the chrome spirals and the secondary PGM circuit was enabled by the commencement of hydro-mining of the tailings storage facility (TSF).

With recycling, we continue our measured approach by testing the market and developing our internal processes.

Our growth strategy continues to yield positive results as we move towards our aspirational production target of 1 000 000 oz 4E per annum

Zondereinde

There was one fatal accident at Zondereinde during the year. Mr Stepher van Niekerk lost his life in an engineering-related accident during construction of the concentrator dewatering plant. Notwithstanding this tragedy, the mine recorded one million fatality free shifts in May 2019. The Zondereinde's lost time injury incident rate (LTIIR) remained flat at 1.29 injuries per 200 000 hours worked. Improving the safety performance and health and wellness of our workforce remains an important focus area for the business.

The production of equivalent refined metal from own operations increased by 3.1% to 308 466 oz 4E (F2018: 299 295 oz 4E). This increase resulted from a combination of 4.7% higher combined milled tonnages and marginally (0.2%) higher combined mill head grade, offset by marginally lower (0.2%) concentrator recoveries. Merensky milled tonnages increased by 10.2%, underlining the positive impact of reserve build-up in both the deepening and Western extension sections of the mine. UG2 ore mined exceeded concentrator milling capacity by 129 383 tonnes. An ore sale agreement was entered into with a third party, and by year-end 104 539 tonnes had been removed, leaving a closing UG2 ore stockpile balance of 234 283 tonnes. We expect a further 195 000 tonnes will be sold under this agreement during F2020.

Concentrate purchases decreased significantly to 11 338 oz 4E (F2018: 85 696 oz 4E) owing to the expiry of a contract with a third party supplier at the end of June 2018.

Further good progress has been made on the deepening project, which is opening additional Merensky reserves. The conveyor decline is currently between 17 and 18 levels and lateral development is well progressed on 17 level. Stoping is continuing on 16 level. This is being serviced by both the material and chairlift declines, which are equipped and commissioned.

Development within the Western extension section has progressed well on 3 to 12 levels. Footwall strike drives have advanced past the second mining line. Stoping has commenced on the upper levels of the first mining line, and will be in progress on 3 to 12 levels before the end of the first half of F2020. 50 000 oz 4E will accrue to Zondereinde's production profile from this expansion project.

The new furnace and drying plant at the Zondereinde metallurgical complex are producing and work is ongoing on material handling and logistical infrastructure upgrades to support our planned concentrate profile. The coming years will see work commence on capacity increases at both the original smelter furnace and the base metal removal plant.

Capital expenditure during the current year decreased to R674.0 million (F2018: R1.5 billion). Expansionary project expenditure accounted for R605.6 million, while sustaining expenditure was R68.4 million. This is the result of last year's once off payment for the acquisition of the Western extension. Expansionary expenditure related to the ongoing development of the deepening and Western extension sections, together with various improvements at the PGM concentrator and metallurgical complex. This included the dewatering plant and material handling upgrades. Total capital expenditure for F2020 is estimated at R595.0 million.

Total operating costs at Zondereinde for the period were R5.1 billion (F2018: R4.2 billion), a 19.6% increase. Labour and power costs, together with volume increases account for the majority of this. In addition, costs relating to ore reserve development increased. Over 11.6 kilometres of ore reserve development (F2018: 9.8 kilometres) was progressed, with the bulk of this being in the Western extension section. The combination of higher costs, offset by higher volumes translated into a 9.2% increase in unit cash costs per equivalent refined platinum ounce, to R24 124/Pt oz (F2018: R22 101/Pt oz).

Results commentary continued

Booysendal

The good safety performance at Booysendal continues, with the mine exceeding 4.5 million fatality free shifts during the year. The LTIIR improved to 0.18 (F2018: 0.31), whilst the reportable injury incident rate (RIIR) remained flat at 0.18 injuries per 200 000 hours worked.

Production from Booysendal North UG2 mine improved 2.8% year-on-year to 2 243 924 tonnes (F2018: 2 182 592 tonnes) primarily owing to improved mining productivity following the bedding down of the owner mining model and employment of an amended shift regime. Production from the Merensky North mine increased by 18.3% to 386 476 tonnes (F2018: 326 670 tonnes), following the addition of a fourth stoping crew in the latter part of the year. First stoping production was achieved from the Booysendal Central UG2 mine, adding 181 853 tonnes to the existing stockpile of 71 000 tonnes derived from underground development up to the end of F2018.

Total tonnes milled increased by 7.5% to 2 868 282 tonnes (F2018: 2 669 072 tonnes). Merensky throughput decreased to 397 437 tonnes (F2018: 458 027 tonnes), aligned to mining production, whilst UG2 milling increased by 11.8% to 2 470 845 tonnes (F2018: 2 211 045 tonnes). Additional tonnes milled essentially came from Booysendal Central UG2 production. The dense media separation plant at the North concentrator is operating well within design parameters.

The total operating costs at Booysendal were R2.5 billion (F2018: R2.1 billion), a 20.7% increase. Volume increases, together with stores and power costs led to this increase. Higher production volumes resulted in a cash cost per platinum ounce in concentrate produced increasing by 4.8% to R17 904/Pt oz (F2018: R 17 090/Pt oz).

North mine capital expenditure of R341.8 million (F2018: R462.3 million), included R188.5 million expansionary and R153.3 million sustaining capital. This year-on-year reduction reflects the close out of the phase 1 Merensky North and UG2 North deepening projects.

South mine capital expenditure totalled R1.5 billion (F2018: R1.5 million) and reflects surface infrastructure construction ahead of schedule, together with North aerial rope conveyor pre-payments which partially de-risk the overall project work and cash flows.

The F2020 capital expenditure for North mine will be entirely sustaining and is estimated at R220.0 million. The South mine capital expenditure is estimated at R1.0 billion. Main workflows comprise ongoing surface infrastructure construction and underground mining and equipping at the Central UG2 complex, completion of the Central Merensky box cut, together with the commencement of underground development, and the construction of the North aerial rope conveyor system.

Eland

Eland mine has existing surface infrastructure comprising; a 250 000 tonnes per month capacity concentrator with both PGM and chrome circuits, a large TSF, offices, change houses, medical station, training centre, laboratory and workshops. Two decline systems, Kukama and Nyala, have been pre-developed to lengths of 1 300 metres and 850 metres from surface access. These are equipped with underground dip and strike conveyors for ore transport, chairlifts for people transport, as well as electricity and water reticulation systems. The decline systems comprise two on-reef barrels and one approximately 25 metres below reef housing the dip conveyors.

The mine has been on care and maintenance since 2015. Hydro-mining and reprocessing of tailings from the TSF has commenced. Underground mining will recommence in F2020.

Work at Eland during the year focused on recommissioning the chrome spirals and secondary PGM circuit in the concentrator to receive feedstock from the tailings dam for re-processing. A total of 12 676 tonnes of chrome concentrate was produced and sold. This operation will continue in the new financial year, together with the processing of purchased material to recover PGMs.

In parallel with the processing operations, a feasibility study to restart underground mining was completed together with the refurbishment and recommissioning of fixed and mobile underground equipment in anticipation of the restart. Development of a revised underground mining layout will start at the Kukama shaft in F2020. In addition, preparation for a mobile tunnel borer (MTB) trial, to test its suitability for advancing the decline system, was undertaken.

This, together with pre-production costs resulted in capital expenditure for the year of R371.2 million. Capital expenditure expected in F2020 is R400 million.

US recycling assets

During the year, small batches of salvaged catalytic convertors were sourced from third parties and processed on a trial basis. The PGM material arising from these recycled convertors will be treated at the Zondereinde metallurgical facilities. Once this trial process has been bedded down, options to re-establish the recycling operations will be considered taking into account the working capital requirements within the group capital allocations.

The group's strategy of operational diversification and internal optimisation continues. This approach is fundamental to developing a suite of sustainable long-life mining assets that will deliver benefits to all our stakeholders

Project pipeline

Group capital expenditure for F2020 is forecast to amount to R2.3 billion.

Zondereinde

Planned expenditure for Zondereinde in F2020 is estimated to be R595.0 million.

Capital will be focused on the Western extension and deepening sections of the mine, as well as at the metallurgical complex.

In the Western extension section, strike development and establishment of additional Mineral Reserves will continue. In addition, the study and early works development of additional surface access to the section will be progressed. Development will advance to the underground reaming chamber position for a raise-bored shaft, whilst the corresponding collar site on surface will be prepared for establishment of the raise bore rig, which is scheduled for September 2019.

The deepening project will continue, with the conveyor decline developing towards ore pass positions for 17 level. Whilst on 17 level itself, strike development to and preparation of the corresponding tips will progress ahead of raise bore development of the ore passes.

Upgrades to the material handling and logistics infrastructure at the metallurgical complex will continue into the second half of the coming financial year.

Booysendal

Planned expenditure for Booysendal South mine in F2020 is estimated to be R1.0 billion.

Work will focus on the Central mining complex. This will include continued surface infrastructure construction at the Central UG2 box cut, as well as mining and underground equipping of the BS1 and BS2 mining modules, in line with the planned production ramp up.

Construction of the North aerial rope conveyor will commence and is planned to be commissioned in F2021. This conveyor will run from the North Merensky mine, via the Central Merensky mine to the South aerial rope conveyor feed silo at the Central complex. This will enable the transport of ore from both the North and Central Merensky mines to the South concentrator, which has sufficient capacity to treat this, as well as ore from the Central UG2 mines. This project forms part of the greater Booysendal strategy of best utilising infrastructure to service mining of the operation's significant Mineral Reserves.

The box cut for the Central Merensky mine will be completed in the coming financial year. This will allow the establishment of the portals and underground development of the decline system. Site preparation will commence for an ore silo and feed belt to tie into the North aerial rope conveyor.

Work will continue on underground equipping and access development into the BS4 mining block, with planned build up to a steady state of approximately 30 000 tonnes per month by F2023.

Eland

Planned expenditure for Eland in F2020 is estimated to be R400.0 million.

Planning for the restart of the Kukama shaft is complete. Focus over the coming 24 months will be on reserve build-up, through development of the decline system and strike drives. During the coming financial year, the on-reef and footwall declines will be aligned in the immediate reef footwall.

An early mining demonstration will be progressed in the Kukama west 1 section. This will include on-reef development of strike drives, together with limited reef stoping. It will be used to optimise elements of the planned mining process, including hydropowered rock-drilling, support installation and in-line conveyor loading.

In addition, performance verification of the MTB will be undertaken in the footwall decline. This will allow us to test and optimise both the efficacy of the machine as well as service functions that support the machine's operation. Outcomes from this process will enable a decision on whether we employ the MTB in primary development, but will also inform our broader mine planning parameters.

Re-mining of the TSF will continue, generating both chrome and PGM concentrates.

Results commentary continued

Normalised headline earnings

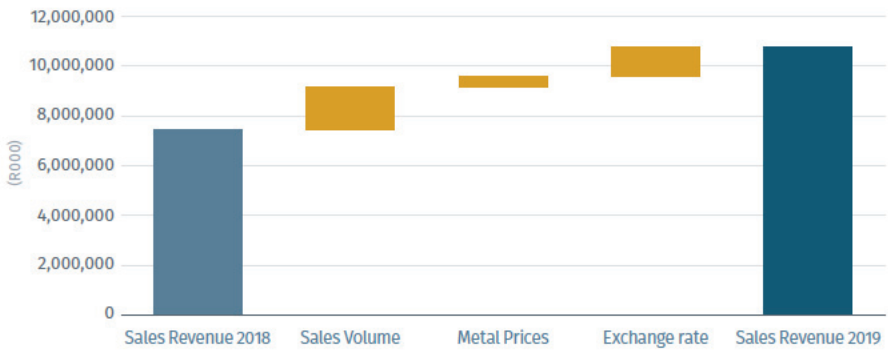
Normalised headline earnings have been calculated, taking account of the headline earnings adjusted for non-cash items relating to the 2015 Zambezi Platinum (RF) Limited BEE transaction. These include the preference share dividends associated with the BEE transaction's financing structure.

Stripping out these non-cash items resulted in normalised headline earnings increasing to R1.4 billion (F2018: R421.5 million), which equates to a normalised earnings per share of 270.1 cents (F2018: 82.7 cents) based on the total number of 509 781 212 issued shares. This represents an increase of 226.6%.

Revenue

Sales revenue increased by 41.0% from R7.6 billion in F2018 to R10.6 billion in the current financial year. The increase is attributable to a 20.7% increase in the volume of PGMs sold, an 8.8% increase in the 4E basket price to USD1 097/oz and a 10.6% weaker ZAR/USD exchange rate realised.

The graph below visually displays the movement in revenue over the year:



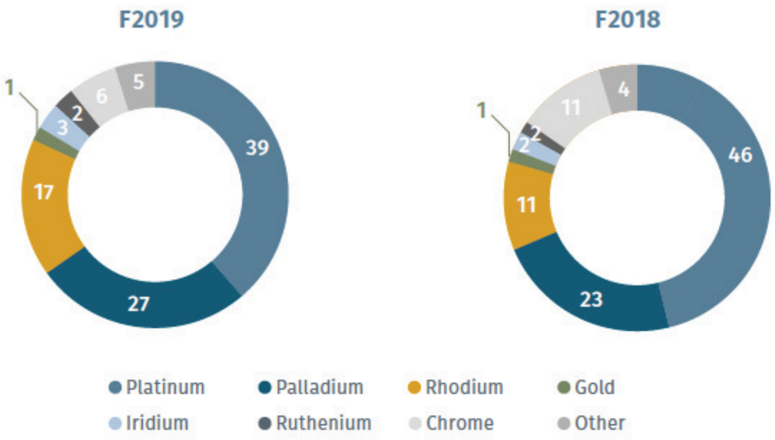
The average US dollar sales prices achieved during the year improved for most metals, except platinum which continued its downward trend to USD824/oz (F2018: USD934/oz). Palladium and rhodium both performed well, increasing by 25.7% and 60.8% respectively. The minor metals, iridium and ruthenium also performed well with increases of 42.4% and 77.8% respectively, to USD1 444/oz and USD256/oz.

Platinum makes up roughly 60% of the sales volume of our precious metals basket. So even with the favourable increase in palladium and rhodium, the 4E basket price in US dollars terms increased by only 8.8%.

Base metal prices were weaker during the year with the average nickel price down 9.8% to USD11 554/t (F2018: USD12 811/t) and the average price for copper decreasing by 12.3% to USD5 922/t (F2018: USD6 756/t).

The price of chrome concentrate decreased by 36.5% in US dollar terms and 30.1% in South African rand terms. This negatively impacted the aggregate rand value of chrome concentrate sales, which decreased by 17.8% from R802.6 million in F2018 to R660.0 million in the current year. This, despite a 17.6% increase in volumes sold to 764 528 tonnes (F2018: 650 091 tonnes).

The graphs below summarise percentage revenue contributions by the various metals produced for the current and previous financial year:



Total revenue per platinum ounce sold increased by 13.6% from R26 103/Pt ounce to R29 640/Pt ounce.

Adoption of IFRS 15 Revenue from Contracts with Customers

The groups' base metal and chrome sale agreements contain terms which allow for price adjustments based on the market price at the end of a relevant quotational period stipulated in the contract, referred to as provisionally priced sales agreements.

There was no impact on the net profit or loss arising from the adoption of IFRS 15, with the only impact being presentation and disclosure requirements for provisionally priced sales agreements.

Cost of sales and operating margin

The 22.4% increase in cost of sales and 41.0% increase in revenue resulted in operating profit increasing from R823.3 million in F2018 to R2.4 billion for the current financial year, an all-time record for the group. This translates to an operating profit margin of 22.6% (F2018: 10.9%).

Movements of the individual elements making up cost of sales are discussed below:

- Mining costs increased by 13.4% attributable to labour cost increases, a net increase in the number of employees and higher production volumes.
- Concentrating costs increased by 25.4% with the commissioning of the concentrator at Booysendal South.
- Smelter and base metal removal plant costs increased significantly owing to additional power required by the second furnace as well as a 20.7% increase in refined metal production.
- Chrome processing costs were impacted by a once off credit, due to a change in the amortisation period of the security of supply contribution.
- Included in selling and administration overheads are costs incurred relating to the corporate office, the establishment of group services, which includes the cost associated with the implementation and support of our SAP IT infrastructure, as well as all marketing costs incurred by the group.
- Royalty charges are based on a number of inputs, including the ratio between revenue generated from own operations and custom material, EBITDA and capital expenditure incurred. Zondereinde no longer pays royalties at the minimum royalty rate, however Booysendal still paid royalties at the minimum royalty rate of 0.5% based on revenue from own operations and the significant amounts of capital expenditure incurred. Overall, the royalty charge increased in line with the increase in revenue.
- Share-based payment expenses and profit share scheme costs relate to expenses incurred in respect of the group's share plan and contributions made to the Toro Employee Empowerment Trust. The main inputs in calculating the share-based payment liability are the number of outstanding performance and retention shares, which has increased in line with the increase in the number of qualifying employees and the higher share price at year-end. The Toro Employee Empowerment Trust is an employee profit share scheme for Zondereinde employees based on 4% of after tax profit contributions from Zondereinde.
- During the financial year under review, an independent assessment was again performed on the potential rehabilitation and decommissioning costs for the group based on a commercial closure cost assessment. The updated assessment resulted in changes in the estimated rehabilitation and closure costs which was charged to the income statement.
- Concentrates purchased decreased by 76.8%, owing to the expiry of a contract with a third party concentrate supplier at the end of June 2018. Metal from external parties decreased by 74.6% to 23 154 oz 4E (F2018: 91 111 oz 4E).
- Refining, including sampling and handling charges, increased by 9.1%, despite the total refined metal production increasing by 20.7%. The reason for this is a change in the nickel sales agreement. Nickel refining charges are now offset against sales revenue and not charged separately as done previously.
- Depreciation is based on the unit of production depreciation method. With the increased production and additional capital expenditure incurred by the group, depreciation increased.
- The commencement of destocking was offset by the increase in the cost of production which is reflected in the change in metal inventories.

Our commitment is to cost control, and growing our production base down the cost curve thereby creating long-term value for our shareholders

Taxation

During the current financial year, the group only paid tax on non-mining income which comprises mainly interest and sundry income earned. With the higher average cash balances during the current year, non-mining tax increased to R37.5 million (F2018: R10.2 million).

Adjustments in respect of income tax in previous years relate to tax positions taken when tax assessments were submitted to the South African Revenue Service in 2015 with regards to the utilisation of assessed losses against mining and non-mining income. Any tax position taken by the group is supported by formal tax opinions from independent third parties.

Deferred tax increased owing to the significant amounts of capital expenditure incurred by the group.

The balance of unredeemed capital available for utilisation against future taxable mining profits for Northam Platinum Limited (Zondereinde) approximates R348.4 million (F2018: R865.1 million) and for Booysendal Platinum Proprietary Limited approximates R7.1 billion (F2018: R6.5 billion).

Capital expenditure

During the year under review the group invested R2.9 billion, mainly in the execution of our growth, diversification and optimisation strategy.

The following progress has been made in respect of the various ongoing capital projects:

Zondereinde

Underground work in the Western extension is progressing well. Stoping has commenced on the first mining line (11 line). Cross-cuts and raises are being developed on the second mining line and strike development has reached the third mining line. Ground conditions in stoping and development are good, and exploration drilling ahead of development indicates that these conditions will persist up to, at least, the forecast five year stoping limit.

Planning and early work on access to the Western extension from surface (the 3 shaft project) is ongoing. Preparation for a raise bored access shaft is progressing well. Surface site clearance is complete, as is geotechnical drilling down the length of the proposed shaft which has revealed very good rock mass quality. Excavation of the raise bore pad is complete, and ground compaction, ahead of casting of a concrete drilling slab is in progress.

The deepening project has progressed on schedule. The conveyor decline is currently between 17 and 18 levels and lateral development is well progressed on 17 level. Stoping is continuing on 16 level. This is being serviced by both the material and chairlift declines, which are equipped and commissioned.

A dewatering plant at the Zondereinde concentrator was commissioned and is performing within design parameters. Upgrades to the material handling and logistics infrastructure at the metallurgical complex have progressed well. These upgrades are required to optimise downstream processing of our planned concentrate production.

Booysendal

The North UG2 mine deepening project, initiated in June 2015 was completed during the year, at a total capital cost of R269.5 million. The project has added two additional mining levels to the current operation, together with an ore silo that decouples production between the upper and lower levels of the mine. This significantly improves mining flexibility.

The phase 1 North Merensky mine is operating at design production levels of approximately 30 000 tonnes per month, at a total capital cost of R362.8 million. Phase 2 build up to approximately 50 000 tonnes per month will align with completion of the North aerial rope conveyor commissioning in F2021.

South mine comprises four mining modules; two UG2 (BS1 and BS2) and one Merensky (BCM) module in the Central complex, together with an additional UG2 module in the south (BS4). Project development commenced in June 2016 following the acquisition of the contiguous Everest mine from Aquarius Platinum (South Africa) Proprietary Limited for R450.0 million, which provided various supporting infrastructure including the South concentrator with PGM and chrome circuits, as well as a TSF. The South concentrator has been fully commissioned and has, during the year, processed the first run of mine ore from the Central UG2 mining complex. Other surface infrastructure to service the Central and South complexes has been constructed. This includes; a 12 kilometre long access road which connects North mine with the Central complex and South concentrator, and the South aerial rope conveyor which transports ore from the Central complex to the South concentrator, both having been completed in December 2018.

Construction of shaft head infrastructure at the Central UG2 complex is running ahead of schedule, with completion of the surface conveyors and crusher circuit, together with the pollution control dam, process water dam and workshops. Offices and change house construction is ongoing and will be completed during the coming financial year. Underground development and construction continues and production build-up to a steady state of approximately 220 000 tonnes per month is still on track for F2023.

Development of the Central Merensky box cut is on schedule and portal development for underground access will commence early in the second half of F2020. The Central Merensky module is planned to reach steady state production of 50 000 tonnes per month by F2024.

Access to the historical underground workings of the old Everest mine, of which the planned BS4 mining module is the western limit, was achieved during the year. A backfill plant was constructed and will commence underground tailings deposition into the excavations during the coming financial year.

Hydro-mining and reprocessing of tailings from the South TSF continues. A total of 1 373 655 tonnes were processed during the year, yielding sales of 92 651 tonnes of chromite concentrate and 3 569 oz 4E in concentrate.

Construction of the North aerial rope conveyor, which will transport Merensky ore from the North and Central Merensky mining modules will commence in the coming financial year, following a delay in the receipt of the necessary environmental authorisation. During the year, payments amounting to R141.4 million were made for equipment and installation of this conveyor.

The South mine project remains on schedule and the total capital forecast remains at R5.6 billion.

Eland

Hydro-mining of the Eland TSF commenced. This enabled commissioning of the secondary mill, PGM flotation and chrome recovery circuits of the Eland concentrator. This produced chrome concentrates and will yield PGM concentrates in the coming financial year. The primary milling circuit, required for treatment of run of mine UG2 ore from Kukama shaft, will only be commissioned in F2021. UG2 ore from underground mining will be stockpiled ahead of this.

Working capital

Working capital management remains a priority, which was impacted by high inventory levels.

During the year, the group destocked 39 600 oz 4E, with all inventory moving along through the process pipeline.

An ore sale agreement was entered into with a third party, and by the year-end 12 136 oz 4E contained in 104 539 tonnes of UG2 ore was sold, leaving a closing UG2 ore stockpile balance of 234 283 tonnes. We expect a further 195 000 tonnes to be sold under this agreement during the coming financial year (representing roughly 23 300 oz 4E).

Concentrate in process decreased due to the commissioning of the concentrate dewatering plant at Zondereinde during the year.

It will be important for us in the coming financial to further decrease smelter inventory, which includes reverts. The treatment of reverts has been more challenging than anticipated. However, a successful long-term processing route has now been established.

The normal pipeline inventory is considered to be approximately 150 000 oz 4E of metal going forward. All inventory over and above pipeline material is considered excess inventory. Please see the inventory note included in the condensed financial results section of this report for further details regarding metal inventory.

Cash flow and net debt

The group's net debt position has been calculated as follows:

	30 June 2019	30 June 2018
	R000	R000
Cash and cash equivalents	950 315	388 702
Bank overdraft	–	(95 535)
Domestic medium-term notes	(1 814 884)	(1 417 728)
Revolving credit facility	(2 137 193)	(1 486 495)
	(3 001 762)	(2 611 056)

During the year under review, R2.7 billion (F2018: utilisation of R342.2 million) was generated from operating activities and R2.7 billion (F2018: R3.6 billion) of capital expenditure was paid for in cash.

Northam has incurred significant amounts of capital expenditure to sustainably establish and grow the production base of the group. During the previous and current year, debt facilities were utilised to fund the expansion programme. In addition, the destocking of reverts has taken longer than initially anticipated.

The group has drawn down on R650.0 million (net) of the revolving credit facility (RCF). It was previously reported that domestic medium-term notes (DMTN) to the value of R1.25 billion were maturing during April, May and June 2019. The DMTNs were refinanced in full and an additional R400.0 million of notes were issued in the market. During the year R410.5 million was paid in respect of interest on the DMTNs and the RCF.

The net of the above resulted in an increase in cash and cash equivalents of R657.1 million to R950.3 million, which mainly relates to the movement in the financing activities of the group.

The group's future cash generation is vulnerable to exchange rate volatility and metal price fluctuations. The company has put adequate credit facilities in place, through the RCF and general banking facility. The group further has access to funding from the DMTN programme.

The RCF contains covenant requirements which are monitored on an ongoing basis.

It is the policy of the group not to hedge currency or metal. Should changes be required to this policy, these will be timeously communicated to the market.

Debt facilities

On 16 April 2019, Northam announced that it had completed a private placement of R1.65 billion of DMTN under its R2.0 billion DMTN programme, the proceeds of which were applied towards settling existing DMTNs to the value of R1.25 billion that matured between April, May and June 2019. The maturity dates on the new DMTNs vary between 1 and 3 years, with approximately 70% of the new DMTNs having a maturity date of 3 years. The result was a R400.0 million net increase in DMTNs in issue (R1.65 billion less R1.25 billion). Total DMTNs in issue as at 30 June 2019 amounted to R1.8 billion.

In addition, Northam announced a R1.0 billion increase in funding facilities on 31 May 2019, comprising a R500.0 million increase in the RCF and a new R500.0 million GBF. The maturity date of the existing R1.0 billion RCF was also extended from 24 April 2020 to 29 November 2021 to align with the R2.0 billion facility. As at 30 June 2019, the total RCF and GBF amounted to R4.0 billion, comprising a R3.5 billion RCF and R500.0 million GBF. The net increase in the RCF drawdown during the year amounted to R650.0 million.

The rationale for the R400.0 million increase in DMTNs and the R1.0 billion increase in available debt facilities was to:

- Right size Northam's available debt facilities to align with the group's expanded production base and working capital requirements.
- Maintain sufficient funding headroom to withstand adverse cash flow events which the group remains exposed to (e.g. a decrease in commodity prices, ZAR strengthening against the USD and unforeseen production stoppages).
- Facilitate the company's strategy to return value to its shareholders, in due course, by way of a repurchase of ordinary shares and/or a purchase of Zambezi Platinum (RF) Limited preference shares.

The group's total available debt facilities have increased by R1.4 billion, from R4.4 billion in June 2018 to R5.8 billion as at 30 June 2019. Notwithstanding this increase, the weighted average annual effective cost of debt has also decreased from 10.8% to 10.6%.

Subsequent to 30 June 2019, Northam refinanced its R3.5 billion 5 year RCF on more favourable terms, extending the maturity date from 29 November 2021 to August 2024. The interest rate on the previous RCF was JIBAR plus 3.3% whereas the interest rate on the new R3.5 billion 5 year RCF is calculated as JIBAR plus 2.1%, plus a utilisation fee of between 0.1% per annum and 0.5% per annum, depending on the amount of the RCF drawdown. The effective interest rate on the new RCF therefore ranges between JIBAR plus 2.2% and JIBAR plus 2.6%, depending on the amount of the RCF drawdown. In addition, the interest rate on the GBF was reduced from prime less 1.5% to prime less 1.75%. The interest rate on the new RCF and GBF will further reduce the weighted average cost of debt funding.

In addition, the board of directors (the board) has approved an increase in the R2.0 billion DMTN Programme from R2.0 billion to R5.0 billion. This increase will facilitate a future refinance of existing DMTNs in issue, by way of a placement of new DTMNs (increasing the total in issue above R2.0 billion) and an immediate subsequent settlement of maturing DMTNs. The increase also enables the issue of new DMTNs to facilitate the strategy of returning value to shareholders.

Capital allocation

The long-term success of the business depends on achieving an optimal balance between growth, sustainable operations and returning value to the providers of capital.

Management carefully considers the appropriate allocation of capital in these areas to achieve the group's strategic objectives.

Subsequent to year-end the group commenced with returning value to shareholders by purchasing 1 477 639 Zambezi Platinum (RF) Limited preference shares for R104.1 million.

Northam intends to direct surplus free cash flow to shareholders by way of an ordinary share repurchase programme, the purchase of Zambezi Platinum (RF) Limited preference shares or a combination thereof, depending on the respective pricing of these instruments.

Shareholder returns will be facilitated through disciplined capital allocation

Key accounting estimates, assumptions and judgements

The preparation of the condensed financial results requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date.

However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of assets or liabilities affected in future.

These estimates and assumptions are continually evaluated and are based on historical experience and expectations of future events that are believed to be reasonable under the circumstances.

Comprehensive information relating to the individual estimates, assumptions and judgements made by management have been included in the notes to the condensed financial results.

Summary Mineral Resources and Mineral Reserves

Northam's Mineral Resources and Mineral Reserves estimate for its wholly owned Booysendal, Eland and Zondereinde platinum mines have been prepared by the group's competent persons using the guidelines of the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016), the SAMREC Code. Mineral Resources for the Dwaalkop joint venture were prepared by Lonmin plc, now Sibanye-Stillwater Limited. Mineral Resources are reported inclusive of Mineral Reserves. Mr Damian Smith BSc (Hons), MSc, Northam's Group Geologist and lead competent person takes full accountability for the reporting of the Mineral Resources and the Mineral Reserves.

Northam has commenced with an independent audit and review of its Mineral Resources and Mineral Reserves. A process and verification audit on the Booysendal mine was conducted in 2019. No significant findings were identified, and the auditors, Pivot Mining Consultants Proprietary Limited, have endorsed the Mineral Resources and Mineral Reserves estimate. External audits on the Zondereinde and Eland mines are scheduled for future years.

Further details can be found in the full Mineral Resources and Mineral Reserves statement, which is available on the company's website, www.northam.co.za.

The following tables summarise the Mineral Reserves and Mineral Resources attributable to the group for both the current period and previous year.

Mineral Resources are reported as in-situ estimates inclusive of Mineral Reserves.

Northam group Mineral Reserves estimate (combined proven and probable)[1,2,4,5,6]

		30 June 2019			30 June 2018		
			4E			4E	
Reef	Operation	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booysendal North mine	12.80	2.79	1.15	18.99	2.87	1.75
	Booysendal South mine	21.50	2.58	1.78	9.84	2.59	0.82
	Eland	5.04	0.86	0.14	5.04	0.86	0.14
	Zondereinde	26.88	5.69	4.92	28.38	5.57	5.08
	Total	66.22	3.75	7.99	62.25	3.89	7.79
UG2	Booysendal North mine	42.24	3.04	4.13	51.85	2.95	4.92
	Booysendal South mine	58.93	3.54	6.70	77.54	2.64	6.57
	Eland	25.50	3.53	2.89	3.77	3.14	0.38
	Zondereinde	62.86	4.27	8.63	64.54	4.26	8.83
	Total	189.53	3.67	22.35	197.70	3.26	20.70
Combined	Booysendal North mine	55.04	2.98	5.28	70.84	2.93	6.67
	Booysendal South mine	80.43	3.28	8.48	87.38	2.63	7.39
	Eland	30.54	3.09	3.03	8.81	1.84	0.52
	Zondereinde	89.74	4.70	13.55	92.92	4.66	13.91
	Total	255.75	3.69	30.34	259.95	3.41	28.49

1. *Mineral Resources and Mineral Reserves estimates are reported on a Northam Platinum Limited attributable basis. These include those which are either from properties wholly-owned by Northam or its wholly owned subsidiaries (Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited), or from joint arrangements in which Northam holds an interest (this being the Dwaalkop joint venture, in which Northam holds a 50% stake).*
2. *Mineral Resources and Mineral Reserves rest entirely within the Merensky and UG2 ore bodies of the Bushveld Complex, South Africa.*
3. *Mineral Resources are reported as in-situ estimates inclusive of Mineral Reserves.*
4. *PGM grade is expressed as 4E (combined platinum, palladium, rhodium and gold) grade; this being synonymous with 3PGE+Au.*
5. *Rounding of numbers in the tables may result in minor computational discrepancies. Where this occurs, it is deemed insignificant.*
6. *Current Mineral Resources for Dwaalkop are quoted as at 30 September 2018 while those of the previous year are at 30 September 2017. There are no Mineral Reserves declared for Dwaalkop. These were removed in 2015 due to the prevailing economic viability at the time of assessment.*

Northam group Mineral Resources estimate (combined measured, indicated and inferred)[1,2,3,4,5]

		30 June 2019			30 June 2018		
			4E			4E	
Reef	Operation	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booysendal Prospect[7]	242.35	3.87	30.17	273.67	4.02	35.41
	Booysendal North mine	22.16	2.99	2.13	21.71	3.19	2.23
	Booysendal South mine	27.44	2.72	2.40	11.98	2.78	1.07
	Dwaalkop[6]	38.05	2.98	3.64	38.05	2.98	3.64
	Eland	4.82	1.03	0.16	4.82	1.03	0.16
	Zondereinde	207.88	7.50	50.11	208.88	7.45	50.05
	Total	542.70	5.08	88.61	559.11	5.15	92.56
UG2	Booysendal Prospect[7]	426.01	4.09	56.01	381.10	3.84	46.99
	Booysendal North mine	52.65	3.36	5.68	46.12	4.53	6.72
	Booysendal South mine	119.17	3.69	14.14	129.05	3.05	12.65
	Dwaalkop[6]	37.56	4.35	5.25	37.56	4.35	5.25
	Eland	147.43	4.04	19.16	147.43	4.04	19.16
	Zondereinde	336.34	5.05	54.64	340.00	5.05	55.16
	Total	1 119.16	4.30	154.88	1 081.26	4.20	145.92
Combined	Booysendal Prospect[7]	668.36	4.01	86.18	654.77	3.91	82.40
	Booysendal North mine	74.81	3.25	7.81	67.83	4.10	8.95
	Booysendal South mine	146.61	3.51	16.54	141.03	3.02	13.71
	Dwaalkop[6]	75.61	3.66	8.89	75.61	3.66	8.89
	Eland	152.25	3.95	19.32	152.25	3.95	19.32
	Zondereinde	544.22	5.99	104.75	548.88	5.96	105.21
	Total	1 661.86	4.56	243.49	1 640.37	4.52	238.48

1. *Mineral Resources and Mineral Reserves estimates are reported on a Northam Platinum Limited attributable basis. These include those which are either from properties wholly-owned by Northam or its wholly owned subsidiaries (Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited), or from joint arrangements in which Northam holds an interest (this being the Dwaalkop joint venture, in which Northam holds a 50% stake).*
2. *Mineral Resources and Mineral Reserves rest entirely within the Merensky and UG2 ore bodies of the Bushveld Complex, South Africa.*
3. *Mineral Resources are reported as in-situ estimates inclusive of Mineral Reserves.*
4. *PGM grade is expressed as 4E (combined platinum, palladium, rhodium and gold) grade; this being synonymous with 3PGE+Au.*
5. *Rounding of numbers in the tables may result in minor computational discrepancies. Where this occurs, it is deemed insignificant.*
6. *Current Mineral Resources for Dwaalkop are quoted as at 30 September 2018 while those of the previous year are at 30 September 2017. There are no Mineral Reserves declared for Dwaalkop. These were removed in 2015 due to the prevailing economic viability at the time of assessment.*
7. *Booysendal Prospect comprises the previously defined and reported areas of Booysendal North and Booysendal South.*

Indicative Northam group PGM prill splits and base metal weight percentages

Prill splits %[1]	Pt	Pd	Rh	Au	Cr_2O_3%	Cu%	Ni%
Merensky	60.9	30.2	4.1	4.8	0.4	0.082	0.182
UG2	59.1	30.0	9.6	1.3	26.6	0.012	0.089
Combined	59.7	30.1	7.6	2.6	18.0	0.035	0.119

1. Prill splits are means weighted on Mineral Resources 4E content. Total base metal weight percentages are means weighted on Mineral Resources mass.

Changes to the Mineral Reserves during the year under review

Northam's attributable Mineral Reserves increased by 1.85 Moz. This is the net effect of an increase at Eland being partially offset by mining depletion at Zondereinde and combined mining depletion and re-evaluation at Booysendal.

- Eland UG2 Mineral Reserve increased following conclusion of a mining feasibility assessment.
- Booysendal UG2 Mineral Reserve marginally decreased, with a concomitant increase in grade, following reassessment of the mining cut.
- Booysendal Merensky Mineral Reserve increased following ongoing mine planning resulting in South mine boundary changes.

Changes to the Mineral Resources during the year under review

Northam's attributable total Mineral Resources increased by 5.01 Moz. This is the net effect of an increase at Booysendal being partially offset by mining depletion at Zondereinde. Mineral Resources at Eland and Dwaalkop are unchanged.

- Booysendal UG2 Inferred Mineral Resource increased following re-evaluation of the ore body and reassessment of the mining cut-off grade.
- Booysendal Merensky Mineral Resource decreased to a lesser extent following re-evaluation incorporating new data.

Results commentary continued

Changes to the board of directors

During the year under review the following changes to the board occurred:

Mr MH Jonas and Mr JJ Nel were appointed as independent non-executive directors, on 6 November 2018.

Ms AH Coetzee was appointed as the chief financial officer and an executive director, on 15 November 2018. Ms Coetzee replaced Mr AZ Khumalo following his resignation on 1 November 2018.

Corporate governance

The group has adopted the King IV Report on Corporate Governance for South Africa, 2016 (King IV™). The board has monitored the integration of the recommended practices in terms of the 16 Principles of King IV™ applicable to Northam ensuring that an ethical culture is created that supports the effective control of the group at all levels.

Northam's application and explanation of the King IV™ principles is available on the Northam website at www.northam.co.za.

Going concern

Mining operations have a finite life and are dependent amongst other things on geological, technical as well as economic factors such as commodity prices and exchange rates. The global economic outlook and the low platinum US dollar metal price are a concern. Operations continue to be under pressure due to increasing input costs.

The group manages its capital to ensure that it will be able to continue as a going concern, to maximise the return to stakeholders through the optimisation of the debt and equity balance, and to ensure that all externally imposed capital requirements are complied with. The capital structure of the group consists of debt, which includes borrowings disclosed in these condensed financial results, issued capital, reserves and retained earnings.

The condensed financial results have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The board believe that the group will continue to have adequate financial resources and access to capital to continue operating for the foreseeable future and, accordingly, the condensed financial results have been prepared on a going concern basis.

Dividends

The company's dividend policy is to consider an interim and final dividend for each reporting period. At its discretion, the board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board may pass the payment of dividends.

The quantum of any dividend would ultimately be subject to expected future market and capital commitments at the time of consideration by the board.

Given the company's current capital structure, project commitments and economic operating environment, the board is of the view that the most efficient way to return value to investors precludes the payment of a cash dividend. The board has therefore resolved not to declare a dividend for the 2019 financial year (F2018: R Nil per share).

Outlook and key factors impacting future financial results

The following key factors could impact future financial results:

- **Unreliable energy supply** – Northam obtains the bulk of its energy from Eskom, the national power utility. Recent developments at Eskom have affected the reliability of supply which could result in the loss of production and compromise the safety of underground employees. Continued above-inflation electricity price increases will raise the cost of production and reduce profitability.
- **Wage negotiations** – Booysendal will be negotiating a new wage agreement with representative unions this year. Any disruption to operations as a consequence of industrial action would impact operational performance.
- **Effective cost control** – Cost containment is essential to the group's sustainability. We continue to strive to maintain our relative position in the lower half of the industry cost curve.
- **The impact of a volatile exchange rate and commodity prices on our business** – PGMs are priced in US dollars while operating costs are denominated in ZAR. Exchange rate and commodity price volatility results in significant financial exposure for the group. Northam is a price taker, with no ability to influence the price of our commodities or the exchange rate offered – therefore impacting cash flows and profitability.
- **Management of production and performance targets to ensure the successful execution of our business strategy** – Management sets realistic strategic targets for the business. The success of the strategy will affect shareholders and stakeholders alike.
- **Continuing to improve the safety performance and health and wellness of our workforce** – The group strives to improve the safety performance and health and wellness of all employees. By continuously seeking to reduce injuries, applying appropriate technologies, communication and training and reinforcing operational standards and responsibilities, we seek to improve the safety performance and health and wellness of our workforce.
- **Effective project execution** – The group has a large capital expansion programme in place to secure its future through the creation of long-life, low-cost operations. Successful project execution is key to creating a sustainable business for the long-term benefit of all our stakeholders.

The global economic outlook remains uncertain resulting in volatile metal markets and exchange rates. The group's financial performance will depend on achieving higher metal sales prices and a stable operating performance. Management is confident that the group's strong financial position, prudent financial controls and the successful execution of our expansion strategy will place the group in a position to take advantage of improved market conditions going forward.

Cost control will continue to remain a key focus area and management is confident that through various initiatives and increasing the production base that the unit cost will be well contained going forward.

On behalf of the board.

KB Mosehla	PA Dunne
Chairman	Chief executive

Johannesburg
20 August 2019

Condensed financial results

These condensed results have been prepared under the supervision of the chief financial officer, AH Coetzee CA(SA).

This condensed financial information has been extracted from the audited annual financial statements, but is itself not audited. The directors take full responsibility for the preparation of this condensed report and that the financial information has been correctly extracted from the underlying audited annual financial statements.

The audited financial statements are available on the company's website at www.northam.co.za

Condensed consolidated statement of profit or loss and other comprehensive income

		30 June 2019	30 June 2018
		R000	R000
Sales revenue	3	10 649 506	7 552 181
Cost of sales		(8 239 481)	(6 728 867)
Operating costs	4	(7 607 161)	(6 318 000)
Concentrates purchased		(327 572)	(1 410 506)
Refining and other costs		(135 104)	(123 840)
Depreciation and write-offs	8,11 & 12	(487 165)	(441 865)
Change in metal inventories		317 521	1 565 344
Gross profit		2 410 025	823 314
Share of earnings from associate	13	11 153	4 162
Investment income	5	56 260	52 633
Finance charges excluding preference share dividends	6	(184 027)	(68 481)
Net foreign exchange transaction gains		10 411	2 368
Sundry income	7	77 472	217 005
Sundry expenditure	8	(357 713)	(380 944)
Profit before preference share dividends		2 023 581	650 057
Amortisation of liquidity fees paid on preference shares	20	(16 390)	(16 390)
Preference share dividends	20	(1 305 244)	(1 106 684)
Loss on derecognition of preference share liability		–	(8)
Profit/(loss) before tax		701 947	(473 025)
Tax	9	(641 854)	(231 973)
Profit/(loss) for the year		60 093	(704 998)
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		11 354	(364)
Total comprehensive income for the year		71 447	(705 362)

		30 June 2019	30 June 2018
Earnings/(loss) per share – cents	10	17.2	(201.5)
Fully diluted earnings/(loss) per share – cents	10	17.2	(201.5)

Condensed consolidated statement of financial position

	Note	30 June 2019	Restated* 30 June 2018	Restated* 1 July 2017
		R000	R000	R000
Assets				
Non-current assets		21 604 214	19 108 944	15 483 553
Property, plant and equipment	11	14 484 795	11 874 146	9 022 260
Mining properties and mineral resources	12	6 722 551	6 765 390	5 772 572
Investment held in escrow		16 841	–	–
Interest in associate	13	46 299	35 146	30 984
Land and township development		71 414	65 680	48 529
Long-term receivables	14	85 536	86 897	83 745
Investments held by Northam Platinum Restoration Trust Fund	19	120 080	110 626	102 233
Environmental Guarantee investment		42 043	68 899	68 104
Buttonshope Conservancy Trust		13 218	12 203	11 126
Long-term prepayments	15	563	89 608	336 409
Other financial assets		–	–	7 591
Deferred tax asset		874	349	–
Current assets		5 340 449	4 715 090	4 103 337
Inventories	16	3 762 675	3 386 795	1 729 102
Trade and other receivables	17	621 938	924 085	548 997
Cash and cash equivalents	18	950 315	388 702	1 786 865
Tax receivable		5 521	15 508	38 373
Non-current assets held for sale		–	–	49 222
Total assets		26 944 663	23 824 034	19 636 112

*Restated after the adoption of IFRS 15 Revenue from Contracts with Customers (refer note 1 and 3), as well as the retrospective amendment of the mining properties and mineral resources relating to the Dwaalkop Joint Arrangement (refer note 12)

Condensed financial results continued

	Note	30 June 2019	Restated* 30 June 2018	Restated* 1 July 2017
		R000	R000	R000
Equity and liabilities				
Total equity		7 456 800	7 386 679	8 092 041
Stated capital		13 778 114	13 778 114	13 778 114
Treasury shares		(6 556 123)	(6 556 123)	(6 556 123)
Accumulated loss		(650 629)	(709 396)	(4 398)
Foreign currency translation reserve		10 990	(364)	–
Equity settled share-based payment reserve		874 448	874 448	874 448
Non-current liabilities		16 870 813	12 832 267	9 929 685
Deferred tax liability		1 419 467	824 794	585 883
Long-term provisions	19	679 459	640 128	304 829
Preference share liability	20	10 767 134	9 445 500	8 279 825
Long-term loans	21	140 510	182 063	249 428
Long-term share-based payment liability		160 746	78 999	88 639
Domestic medium-term notes	22	1 566 304	174 288	421 081
Revolving credit facility	23	2 137 193	1 486 495	–
Current liabilities		2 617 050	3 605 088	1 614 386
Current portion of long-term loans	21	33 837	24 540	13 434
Current portion of domestic medium-term notes	22	248 580	1 243 440	–
Short-term share-based payment liability		86 814	78 340	75 026
Tax payable		24 910	117	102 550
Trade and other payables	24	1 931 173	1 963 202	1 203 596
Provisional pricing derivatives	25	26 206	2 773	64 576
Bank overdraft	18	–	95 535	–
Short-term provisions		265 530	197 141	155 204
Total equity and liabilities		26 944 663	23 824 034	19 636 112

*Restated after the adoption of IFRS 15 Revenue from Contracts with Customers (refer note 1 and 3), as well as the retrospective amendment of the mining properties and mineral resources relating to the Dwaalkop Joint Arrangement (refer note 12)

Condensed consolidated statement of changes in equity

	Stated capital	Accumulated loss	Equity settled share-based payment reserve	Foreign currency translation reserve**	Total
	R000	R000	R000	R000	R000
Closing balance as at 30 June 2017	7 221 991	(4 398)	874 448	–	8 092 041
Impact of the adoption of IFRS 15*	–	–	–	–	–
Opening balance as at 1 July 2017	7 221 991	(4 398)	874 448	–	8 092 041
Total comprehensive income for the year	–	(704 998)	–	(364)	(705 362)
Loss for the year	–	(704 998)	–	–	(704 998)
Other comprehensive income for the year	–	–	–	(364)	(364)
Balance as at 30 June 2018	7 221 991	(709 396)	874 448	(364)	7 386 679
Impact of the adoption of IFRS 9 (refer note 1 and 14)	–	(1 326)	–	–	(1 326)
Opening balance as at 1 July 2018	7 221 991	(710 722)	874 448	(364)	7 385 353
Total comprehensive income for the year	–	60 093	–	11 354	71 447
Profit for the year	–	60 093	–	–	60 093
Other comprehensive income for the year	–	–	–	11 354	11 354
Balance as at 30 June 2019	7 221 991	(650 629)	874 448	10 990	7 456 800

*No adjustment required after the adoption of IFRS 15 Revenue from Contracts with Customers (refer notes 1 and 3)

**The foreign currency translation reserve has been created to account for the foreign exchange gain or loss on translation of a foreign operation (US recycling assets)

Condensed consolidated statement of cash flows

		30 June 2019 R000	30 June 2018 R000
Cash flows from/(utilised in) operating activities		2 711 918	(342 232)
Profit/(loss) before tax		701 947	(473 025)
Adjusted for the following non-cash items as well as disclosable items			
Depreciation and write-offs	8,11,12	487 267	441 865
Changes in provisions		44 988	49 493
Changes in long-term receivables		16 312	(3 152)
Investment income	5	(56 260)	(52 633)
Finance charges excluding preference share dividends	6	184 027	68 481
Preference share dividends	20	1 305 244	1 106 684
Loss on derecognition of preference share liability		–	8
Amortisation of liquidity fees paid on preference shares	20	16 390	16 390
Movement in share-based payment liability		90 221	(6 326)
Share of earnings from associate	13	(11 153)	(4 162)
(Profit)/loss on sale of property, plant and equipment		(6 635)	4 706
Net foreign exchange difference		(10 411)	(2 368)
Amortisation of security of supply contribution	21	(29 314)	(7 792)
Other		(7 656)	(5 982)
Change in working capital		(47 856)	(1 547 247)
Movement relating to land and township development		(5 734)	(17 151)
Interest income received		49 969	53 608
Dividend income received		3 398	7 450
Tax (paid)/refund received		(12 826)	28 921

	Notes	30 June 2019	30 June 2018
		R000	R000
Cash flows utilised in investing activities		(2 686 063)	(3 580 937)
Property, plant, equipment, mining properties and mineral reserves			
Additions to maintain operations		(221 791)	(385 609)
Additions to expand operations		(2 277 100)	(3 036 727)
Disposal proceeds		26 099	5 133
Investment held in escrow		(16 841)	–
Amounts paid in terms of long-term prepayments	15	(212 817)	(202 691)
Additional investment made in associate/cash calls		–	(1 347)
Refunds received on the cancellation of the Environmental Guarantee investment policy		66 424	–
Payments made and movements on the investments held by the Environmental Guarantee investment		(39 568)	(795)
Increase in investments held by the Northam Platinum Restoration Trust Fund		(9 454)	(8 393)
Increase in investment held by the Buttonshope Conservancy Trust Fund		(1 015)	(1 077)
Proceeds received from the sale of the non-current asset held for sale		–	50 569
Cash flows from financing activities		615 004	2 421 486
Interest paid		(410 455)	(158 170)
Draw down on revolving credit facility	23	850 000	2 000 000
Repayment of revolving credit facility	23	(200 000)	(500 000)
Issue of domestic medium-term notes	22	1 650 000	1 000 000
Repayment of domestic medium-term notes	22	(1 250 000)	–
Issue of long-term loans		–	100 000
Repayment of long-term loans	21	(9 400)	(9 400)
Transaction fees paid		(15 141)	(9 267)
Acquisition of Zambezi Platinum (RF) Limited preference shares		–	(1 677)
Increase/(decrease) in cash and cash equivalents		640 859	(1 501 683)
Net foreign exchange difference on cash and cash equivalents		16 289	7 985
Cash and cash equivalents at the beginning of the year		293 167	1 786 865
Cash and cash equivalents at the end of the year	18	950 315	293 167

Notes to the condensed financial results

1. Accounting policies and the basis of preparation

The financial statements have been prepared on the historical cost basis, except for the financial instruments to the extent required or permitted under International Financial Reporting Standards (IFRS) and as set out in the relevant accounting policies detailed in Northam's Annual Integrated Report, which includes the annual financial statements for the year ended 30 June 2019. These financial statements incorporate the accounting policies which are in terms of IFRS and have been applied on a basis consistent with the previous year, with the exception of the policies adopted during the period as more fully set out below.

The condensed financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, its interpretations issued by the IFRS Interpretations Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, presentation and disclosures as required by IAS 34 Interim Financial Reporting, the JSE Limited Listings Requirements and the requirements of the Companies Act No. 71 of 2008 (Companies Act) including the adoption of the following standards, amendments or interpretations with effect from 1 July 2018:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- Amendments to IFRS 2 Share-based Payment – Classification and Measurement of Share-Based Payment Transactions
- IFRIC 22 – Foreign Currency Transactions and Advance Consideration

The group has adopted IFRS 15 and IFRS 9 for the first time with a date of initial application of 1 July 2018. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

The adoption of all other standards, amendments or interpretations, other than IFRS 15 and IFRS 9 had no impact on the annual financial statements.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is the International Accounting Standards Board (IASB)'s replacement of IAS 39 Financial Instruments: Recognition and Measurement. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting of financial instruments.

The new Standard contains substantial changes from the previous financial instruments Standard (IAS 39) with regards to the classification, measurement, impairment and hedge accounting requirements.

IFRS 9 establishes a new model for recognition and measurement of impairments in financial assets that are measured at amortised cost or fair value though other comprehensive income (FVOCI), the so-called expected credit loss model. This is the only impairment model that applies in IFRS 9 because all other assets are classified and measured at fair value through profit or loss (FVPL) or, in the case of qualifying equity investments, FVOCI with no recycling to profit or loss.

Expected credit losses are calculated by: identifying scenarios in which a financial asset defaults; estimating the cash shortfall that would be incurred in each scenario if a default were to happen; multiplying that loss by the probability of the default happening; and summing the results of all such possible default events. Because every financial asset has at least some probability of defaulting in the future, every financial asset has an expected credit loss associated with it from the moment of its origination or acquisition.

IFRS 9 does not require an entity to restate prior periods. Restatement is permitted, if and only if, it is possible without the use of hindsight and the restated financial statements reflect all of the requirements of IFRS 9. If the entity does not restate prior periods, any difference between previous carrying amounts and those determined under IFRS 9 at the date of initial application should be included in the current year opening retained earnings (or other equivalent component of equity).

IFRS 9 has been applied for the current period presented and comparatives have not been restated.

Below is a summary of the impact that IFRS 9 has had on the statement of financial position:

Classification

The group completed a detailed assessment of its financial assets and liabilities. The following table represents the original classification according to IAS 39 and the new classification according to IFRS 9:

	Original classification per IAS 39	New classification per IFRS 9
Financial assets		
Long-term receivables	Loans and receivables	Amortised cost
Investments held by Northam Platinum Restoration Trust Fund	Loans and receivables	Fair value through profit or loss
Environmental Guarantee Investment	Loans and receivables	Fair value through profit or loss
Buttonshope Conservancy Trust	Loans and receivables	Fair value through profit or loss
Trade and other receivables (excluding Provisional pricing receivable)	Loans and receivables	Amortised cost
Provisional pricing receivable included in trade and other receivables (previously included in trade and other receivables and not disclosed separately)	Fair value through profit or loss	Fair value through profit or loss
Cash and cash equivalents	Loans and receivables	Amortised cost
Financial liabilities		
Long-term loans	Financial liabilities at amortised cost	Amortised cost
Domestic medium-term notes	Financial liabilities at amortised cost	Amortised cost
Preference share liability	Financial liabilities at amortised cost	Amortised cost
Revolving credit facility	Financial liabilities at amortised cost	Amortised cost
Trade and other payables	Loans and receivables	Amortised cost
Provisional pricing payables	Fair value through profit or loss	Fair value through profit or loss
Provisional pricing derivatives (previously included in trade and other payables, but now disclosed as a separate line item on the statement of financial position)	Fair value through profit or loss	Fair value through profit or loss
Bank overdraft	Loans and receivables	Amortised cost

Financial assets

The characteristics of Long-term receivables, Trade and other receivables and Cash and cash equivalents were reassessed based on the requirements of IFRS 9 and with consideration of the group business model, which is to collect contractual cash flows, and it was concluded that they meet the criteria for amortised cost measurement. Therefore, re-measurement of these instruments was not required.

The characteristics of the Investments held by Northam Platinum Restoration Trust Fund, Environmental Guarantee Investment and the Buttonshope Conservancy Trust were reassessed based on the requirements of IFRS 9. These financial assets are not considered to derive contractual cash flows which are solely principal and interest on the principal amount, they therefore are not classified as at amortised cost, and default into the fair value through profit or loss measurement category.

Other investments are classified at fair value through other comprehensive income as these investments are held for collection of payment of principle and interest and to sell the investment if and when required by the group.

Provisional pricing receivables measured at fair value through profit or loss relate to financial assets recognised as a result of satisfaction of performance obligations relating to revenue from contracts with customers. The group therefore has an unconditional right to the consideration that is due. The value of the receivable fluctuates in line with market factors, resulting in this class of financial asset being measured at fair value through profit or loss. The balance of the financial asset was previously recognised within trade and other receivables, but has now been separately disclosed for improved disclosure.

Financial liabilities

There were no changes to the recognition and measurement criteria of financial liabilities. Therefore all existing financial liabilities remain at their original classification and measurement.

A Provisional pricing derivative is recognised when payment by the customer made on provisionally priced goods results in an effective overpayment due to fluctuations in market factors until final pricing is confirmed. Provisional pricing derivatives measured at fair value through profit or loss relate to financial liabilities recognised as a result of the satisfaction of performance obligations relating to revenue from contracts with customers.

The value of the payable fluctuates in line with market factors, resulting in this class of financial liability being measured at fair value through profit or loss. The balance of this financial liability was previously recognised within Trade and other payables but has been separated out for better disclosure in the current and comparative period.

Once pricing on goods are finalised and no further market fluctuations affect the value of consideration refundable to the customer, the balance of Provisional pricing derivatives is transferred to Trade and other payables.

Impairment

Previously under IAS 39, impairment or credit losses are only recognised when a credit loss event occurs (incurred loss model). Under IFRS 9, the new impairment requirements are based on expected credit losses (expected credit loss model). Expected credit losses (ECLs) are an estimate of credit losses over the life of a financial instrument, and are recognised as a loss allowance or provision. The amount of ECLs to be recognised depends on the extent of credit deterioration since initial recognition.

IFRS 9 requires an entity to apply the expected credit loss model to all debt instruments classified as measured at amortised cost, or at fair value through other comprehensive income, including lease receivables and contract assets.

In applying the IFRS 9 requirement of assessment of impairment, the group considers both approaches: the general approach and the simplified approach. For trade receivables (not subject to provisional pricing) due in less than 12 months, the group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The group considers its historical credit loss experience, adjusted for forward looking factors, that could indicate impairments taking into account the specific debtors and the economic environment.

The general approach requires the assessment of financial assets to be split into 3 stages:

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 under-performing. 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.

Once a default has occurred, it is considered a deterioration of credit risk and therefore an increase in the credit risk.

The group considers a wide variety of indicators when assessing the increase in credit risk as well as the probability of the default happening for impairment purposes. Some indicators considered include: Significant changes in the expected performance and behaviour of the debtor; past due information; significant changes in external market indicators including market information related to the debtor, existing or forecast adverse changes in business, financial or economic conditions; an actual or expected significant adverse change in the regulatory, economic, or technological environment; actual or expected significant internal credit rating downgrade or decrease; actual or expected significant change in the operating results of the debtor.

The expected credit loss value is determined as the estimated cash shortfall that would be incurred, multiplied by the probability of the default occurring.

The group has assessed the expected credit losses on the following financial assets as at 30 June 2018 as follows, which is over and above any previous impairments provided for in prior years:

Additional impairment value

	R000
Impairments provided for with the adoption of IFRS 9	1 426
Deferred tax implication	(100)
Long-term receivables (net of tax)	1 326

All other financial assets have been assessed for expected credit losses, and the effect is considered to be negligible due to the group's history of recovery of these balances; as well as the credit rating of the various financial institutions that some of the balances are held with.

The probability of a shortfall being incurred is considered remote in the current economic environment, and the group therefore does not account for any credit losses relating to the other financial assets.

Impact of adopting IFRS 9

In adopting IFRS 9 in the current period, the group's carrying value of financial instruments was only impacted with the impairment disclosed above. Minor amendments were accounted for on the disclosure requirements on adoption of IFRS 9.

For financial instruments where the classification under IFRS 9 changed from the previous classification under IAS 39, the values were approximately the same.

Measurement

Fair value through profit or loss

Financial assets with provisional pricing arrangements (provisional pricing receivables) are recognised as a separate category of trade and other receivables.

These instruments represent all movements after the date of sale, which are determined to be fair value gains or losses on provisionally priced sales throughout the quotational period until the sale value is finalised. The balance represents amounts owing to the group.

The movements are therefore not considered to be contractual cash flows of principal and interest on the principle. Therefore this financial asset is required to be classified and measured as at fair value through profit or loss.

Financial liabilities with provisional pricing arrangements (provisional pricing derivatives) are recognised as a separate category of financial liability.

These instruments represent all movements after the date of sale, which are determined to be fair value gains or losses on provisionally priced sales throughout the quotational period until the sale value is finalised. The balance represents amounts owing by the group.

This financial liability is classified and measured as at fair value through profit or loss.

These financial instruments are subsequently measure at fair value with all gains or losses recognised directly in profit or loss in line with the requirements of IFRS 9.

The measurement principles applied by the group in line with IFRS 9 disclosed above are relatively consistent with the IAS 39 measurement principles which were previously applied.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance. The core principle is that an entity recognises revenue based on a five-step model to reflect the transfer of goods or services, measured at the amount to which the entity expects to be entitled in exchange for those goods or services.

The application of the five-step model in IFRS 15 has required the exercise of judgement, considering all facts and circumstances relative to each contract. Judgements and estimates relating to IFRS 15 have been disclosed in the notes (refer to note 3) to the condensed financial statements. The standard also provides guidance on the accounting treatment of costs attributable to fulfilling the contract, as well as the incremental costs of obtaining the contract.

In terms of IFRS 15, the group identifies each separate performance obligation contained in the contract and allocates a portion of the contract revenue to each performance obligation. Revenue is then only recognised on the satisfaction of each of the relevant performance obligations. Revenue from contracts with customers is recognised when control is transferred to the customer.

IFRS 15 Revenue from Contracts with Customers has been adopted using the full retrospective method, making use of some of the practical expedients, and therefore comparative information has been restated in line with the new accounting standard. IFRS 15 replaces IAS 18 Revenue and all related amendments and interpretations.

Below is a summary of the impact of the adoption of IFRS 15:

The group undertook a detailed assessment of the impact of the new revenue standard based on a review of the contractual terms of its principal revenue streams with the primary focus being to identify differences in the timing and amount of revenue recognised under IFRS 15. For all of the revenue streams, the nature and timing of satisfaction of the performance obligations, and, hence, the amount and timing of revenue recognised under IFRS 15, is the same as that under IAS 18.

There were however some disclosure reclassifications required as a result of the adoption of IFRS 15 (in conjunction with IFRS 9) and additional impact on presentation requirements. The adoption of IFRS 15 did not have an impact on the opening retained earnings balance.

The following 2 practical expedients which are available in IFRS 15 have been utilised in the preparation of the financial information:

- Significant financing components

  Sales terms are for payment from the customer to be made shortly after delivery. IFRS 15 contains a practical expedient where the promised amount of consideration (the transaction price) need not be adjusted for the effects of the time value of money if the entity expects, at contract inception, that the period between transfer of the goods and receipt of payment for those goods will be one year or less. This would therefore not result in the recognition of any significant financing component contained within the sales agreement due to the short-term nature of the time between delivery of the metal and receipt of cash as all contracts are finalised within one to four months.

- Future performance obligations

  IFRS 15 requires entities to disclose information relating to remaining performance obligations on current open contracts. Disclosures relating to the nature, timing and amount, as well as any specific terms contained in the open contract, are required. IFRS 15 provides a practical expedient when the performance obligations on contracts are expected to be completed within one year from inception of the contract. The group's contracts are all finalised within one to four months of inception and therefore are considered to be short-term.

  The practical expedient has therefore been applied to this disclosure as any future performance obligations on open contracts are expected to be finalised shortly after the reporting period. This is in line with the contractual terms, standard business operations, as well as historical information on open contracts.

Most contracts' performance obligations are satisfied at a point in time when product is delivered. Delivery takes place, either at the determined Northam location, or at the customer's premises. This is also the point at which control transfers to the customer.

Precious metal sales

Revenue from platinum group metal (PGM) sales are recognised based on contractual terms specific to each transaction. The contractual terms stipulate a fixed price relating to the commodity as well as exchange rates in the month in which the product is purchased. Platinum and Palladium sales are recorded at the daily London Metal Exchange: LBMA price. Rhodium, Iridium and Ruthenium sales are recorded at the weekly Platts New York Dealer price.

No adjustments are accounted for relating to volume of product or price on PGM sales as all these inputs are finalised on delivery date, which is the date on which revenue is recognised. Therefore there were no changes identified relating to the timing or amount of revenue recognition.

Base metal sales

Revenue from base metal sales are recognised based on the initial assayed quantity of product; prevailing market prices and exchange rates. Revenue is accounted for when control has transferred to the customer on delivery. Revenue accounted for, is the estimation of the amount of consideration to which the group will be entitled at the date of sale. Movement in assay amounts were assessed in detail and were found to be immaterial and are therefore included in the disclosure of all other movements relating to fair value adjustments which are separately disclosed in Revenue.

Payment on base metal sales is only made once provisional pricing has been finalised. Adjustments to the provisional pricing value occurs at the reporting date and on finalisation of the sales transaction. A Provisional pricing receivable is recognised, in line with IFRS 9, to account for the fluctuations in market factors until final pricing is confirmed. All fair value movements after the date of sale relating to provisionally priced amounts are recognised separately within revenue as Revenue from fair value adjustments. There were no changes identified relating to the timing or amount of revenue recognition.

Chrome sales

Revenue from chrome sales are recognised based on the initial assayed quantity of product; prevailing market prices and exchange rates. Revenue is accounted for when control has transferred to the customer on delivery and is based on the provisional pricing value which is the amount that reflects the best estimate of the consideration to which the group expects to be entitled in terms of the calculation of revenue in line with IFRS 15 to the end of the quotational period.

Payment on chrome sales is made based on the initial assayed quantity of product and related market inputs. Adjustments to the provisional pricing value occurs at the reporting date and on finalisation of the sales transaction. A Provisional pricing derivative is recognised, in line with IFRS 9, when payment by the customer made on provisionally priced goods results in an effective overpayment due to fluctuations in market factors until final pricing is confirmed. A provisional pricing receivable is recognised when the initial payment by the customer on the provisionally priced goods resulted in an underpayment due to the fluctuations in market factors until final pricing is confirmed.

All fair value movements after the date of sale relating to provisionally priced amounts are recognised separately within revenue as Revenue from fair value adjustments. There were no changes identified relating to the timing or amount of revenue recognition.

Contract balances

Provisional pricing receivables are recognised in line with IFRS 9, when the group has satisfied its performance obligation relating to delivery of the product and has an unconditional right to the consideration that is due. This will be recognised when only the passage of time is required before payment is made by the customer. All fair value adjustments relating to the movements in this balance are recognised within revenue from fair value adjustments.

A Provisional pricing derivative is recognised in line with IFRS 9, when payment by the customer made on provisionally priced goods results in an effective overpayment due to fluctuations in market factors until final pricing is confirmed. All fair value adjustments relating to the movements in this balance are recognised within revenue from fair value adjustments.

Provisional pricing derivatives are reallocated to trade and other payables at the end of the quotational period once the consideration relating to the sale is no longer variable. The finalised consideration refundable is therefore no longer subject to fair value fluctuations.

Impact of adopting IFRS 15

The groups' base metal and chrome sale agreements contain terms which allow for price adjustments based on the market price at the end of a relevant quotational period stipulated in the contract, referred to as provisionally priced sales agreements.

Under previous accounting standards (IAS 18 and IAS 39), provisionally priced sales were considered to contain an embedded derivative, which was required to be separated from the host contract for accounting purposes from the date of delivery. Revenue was initially recognised for these arrangements at the date of delivery (which was when risks and rewards passed) and was based on the most recently determined estimate of metal in concentrate (based on initial assay results) and the estimated price which was expected to receive at the end of the quotational period, determined at the date of delivery. Subsequent changes in the fair value of the embedded derivative were recognised in profit or loss each period until the end of the quotational period, and were presented as part of revenue.

Under IFRS 15, the accounting for revenue will remain unchanged in that revenue will be recognised when control passes to the customer (which will continue to be the date of delivery) and will be measured at the amount to which the group expects to be entitled. This will be the estimate of the price expected to be received at the end of the quotational period. It will be the impact of the requirements of IFRS 9 that will lead to a changes in the disclosure of the results of the group.

While the group will continue to present such movements as part of revenue on the face of the statement of profit or loss and other comprehensive income, presentation and disclosure changes are required. This is because the movements throughout the quotational period are not within the scope of IFRS 15, and therefore required to be disclosed separately from revenue from contracts with customers within the scope of IFRS 15.

In adopting IFRS 15 in the current period, the only impact affecting the group is the disclosure requirements of revenue from contracts with customers being separately presented from other revenue items in the notes to the financial statements, as well as the expanded disclosures on disaggregated revenue in the notes to the financial statements (refer to note 3). IFRS 15 did not impact profit or loss for the period, there was no impact on the statement of cash flows, or EPS, and there was no required adjustment to the opening balance of retained earnings.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the group must determine a date of the transaction for each payment or receipt of advance consideration. The amendments are intended to eliminate diversity in practice, when recognising the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration received or paid in a foreign currency.

This interpretation did not have an impact on the condensed financial results.

Amendments to IFRS 2 Share-based Payment

The IASB has issued amendments to IFRS 2 Share-based Payment in relation to the classification and measurement of share-based payment transactions. The amendments are intended to eliminate diversity in practice in three main areas. The effects of vesting conditions on the measurement of a cash-settled share based payment transaction. The classification of a share-based payment transaction with net settlement features for withholding tax obligations. The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.

The amendment did not have an impact on the financial results as the clarifications are consistent with current practices applied by the group.

The following new standards, interpretations and amendments to standards are not effective and have not been early adopted, but will be adopted once these new standards, interpretations and amendments become effective:

IFRS 16 Leases

IFRS 16 Leases is the International Accounting Standards Board (IASB)'s replacement of the following suite of standards: IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard includes requirements for recognition, measurement, presentation and disclosure of leases. The new standard contains substantial changes and requires lessees to account for all leases by establishing a new on-balance sheet model similar to the accounting of finance leases under the old IAS 17 Leases standard. Additional and more extensive disclosures are also required under IFRS 16 compared to IAS 17.

Lessees

The on-balance sheet model requires the lessee to recognise a liability representing the required payments on the lease (i.e., the lease liability) and an asset representing the lessee's right to use the underlying asset over the lease term (i.e., the right-of-use asset). Interest expense is calculated and recognised by the lessee on the lease liability and a separate depreciation expense is recognised on the right-of-use asset.

The following 2 recognition expedients are available in IFRS 16. Northam plans to utilise both expedients in the preparation of the financial information in the year in which the new standard is effective:

- leases of 'low-value' assets (e.g. personal computers); and
- short-term leases (i.e. leases with a lease term of 12 months or less).

Leases that fall within the above 2 categories will continue to be accounted for as operating leases, however the lease payments associated with those leases shall be recognised as an expense on a straight-line basis over the lease term with no right-of-use asset or lease liability being recognised and no corresponding depreciation or interest expense taken through the statement of profit or loss.

IFRS 16 requires the lease liability to be remeasured by the lessee on the occurrence of certain events. The remeasurement gain or loss will result in an adjustment to the right-of-use asset. Possible events that would require the lessee to perform a remeasurement calculation include: changes to the lease term, changes to the lease payments, changes to an index or rate utilised to calculate the lease payments.

Lessors

There were no changes to the recognition and measurement of leases for lessor accounting. IFRS 16 in this regards is substantially unchanged from the previous accounting under IAS 17. IFRS 16 still requires lessors to identify leases as either operating or financing leases and utilises the same recognition and measurement criteria as in IAS 17. There are however additional disclosure requirements under IFRS 16.

Transition to IFRS 16

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Lessees must apply IFRS 16 using either a full retrospective or a modified retrospective approach.

Northam plans to adopt IFRS 16 using the modified retrospective approach. The new standard will therefore be applied to the annual period beginning 1 July 2019 for the 30 June 2020 year-end, with the cumulative impact on adoption being recognised as at 1 July 2019 and comparatives not being restated.

Notes to the condensed financial results continued

During the 2019 financial year, Northam continued its detailed assessment on the impact of the new standard on the recognition, measurement and disclosure of leases. The assessment process included the following:

- Reviewing the accounting policy of the group against the new requirements of IFRS 16 and performing a gap analysis
- Identifying all contracts or agreements that fall outside the 2 practical expedients adopted by the group
- Critically analysing the contracts or agreements identified above for evidence of a right-of-use asset (and therefore a lease) which would require recognition on the balance sheet for Northam in line with IFRS 16
- Evaluating and calculating the impact that those leases would have on the recognition, measurement and disclosure requirements of IFRS 16

Based on progress to date of the detailed assessment outlined above, Northam has identified specific lease arrangements relating to housing which would be subject to the requirements of IFRS 16. This would therefore result in an adjustment to the opening balance of retained earnings on 1 July 2019, with a subsequent change to the classification of those leases as well as the timing of the expenses recognised in the statement of profit or loss. Leases that will be impacted by the application of the new standard will also require an amendment to the disclosure of the relevant cash flows relating to lease payments. Previously operating lease payments would be disclosed as operating cash flows, however leases that are affected by the application of the new leases standard are required to have lease payments disclosed as financing cash flows. All other contracts and agreements which have been assessed to date have no material impact on adoption which is expected to be minimal taking into consideration the two practical expedients adopted by the group. Northam will continue to assess the impact of any developments relating to the new standard, including practical application of the standard by other entities.

IFRIC 23 Uncertainty over Income Tax Treatments

The IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments (the Interpretation). The Interpretation clarifies application of recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: whether an entity considers uncertain tax treatments separately, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and how an entity considers changes in facts and circumstances.

The interpretation is effective for periods beginning on or after 1 January 2019.

This interpretation is currently not considered to have a material impact on the group results, however this will be assessed on a continuous basis.

Amendments to IAS 23 Borrowing costs

The amendments clarify that an entity treats, as part of general borrowings, any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019.

This amendment will be taken into account when determining general borrowing costs which can be capitalised to qualifying assets, in accordance with the transitional provisions.

Definition of a Business – Amendments to IFRS 3

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, entities do not have to revisit such transactions that occurred in prior periods. Early application is permitted and must be disclosed.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the group will not be affected by these amendments on transition.

Definition of Material – Amendments to IAS 1 and IAS 8

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of material across the standards and to clarify certain aspects of the definition. The new definition states that, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The definition of material in the Conceptual Framework and IFRS Practice Statement 2: Making Materiality Judgements were amended to align with the revised definition of material in IAS 1 and IAS 8.

The amendments must be applied prospectively. Early application is permitted and must be disclosed.

Although the amendments to the definition of material is not expected to have a significant impact on the group's financial statements, the introduction of the term obscuring information in the definition could potentially impact how materiality judgements are made in practice, by elevating the importance of how information is communicated and organised in the financial statements. The amendment is effective for annual periods beginning on or after 1 January 2020.

Conceptual Framework

The IASB has revised its Conceptual Framework. The primary purpose of the Framework is to assist the IASB (and the Interpretations Committee) by identifying concepts that it will use when setting standards. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting, which is to provide information that is useful in making resource allocation decisions;
- reinstating prudence, defined as the exercise of caution when making judgements under conditions of uncertainty, as a component of neutrality;
- defining a reporting entity, which might be a legal entity or a portion of a legal entity;
- revising the definition of an asset as a present economic resource controlled by the entity as a result of past events;
- revising the definition of a liability as a present obligation of the entity to transfer an economic resource as a result of past events;
- removing the probability threshold for recognition, and adding guidance on derecognition;
- adding guidance on the information provided by different measurement bases, and explaining factors to consider when selecting a measurement basis; and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where the relevance or faithful representation of the financial statements would be enhanced.

The Board and Interpretations Committee will immediately begin using the revised Framework, and the group will consider it when needed in terms of the IAS 8 hierarchy dealing with selecting accounting policies not covered by an IFRS standard.

The revised Conceptual Framework is effective for period beginning on or after 1 January 2020.

Northam notes the new standards amendments and interpretations which have been issued but not yet effective and does not plan to early adopt any of the standards, amendments and interpretations.

2. Segmental analysis

The group has two business segments, the Zondereinde mine and the Booysendal mine. The group's executive committee considers the performance of the Zondereinde and Booysendal mines when allocating resources and assessing the segmental performance.

Zambezi Platinum (RF) Limited has been included in the table below in order to reconcile the amounts to the reported statement of financial position and statement of profit or loss and other comprehensive income. Zambezi Platinum (RF) Limited is not a separate operating segment as it does not engage in business activities from which it earns revenue and/or incurs expenses. Neither are its operating results subject to regular review by the chief operating decision makers in assessing the performance of the entity.

Eland Platinum Proprietary Limited and the US recycling operations have also been included as operating segments even though these operations currently do not fulfil the criteria to be separately disclosed as a segment. This is because the operating results are subject to regular review by the chief operating decision makers in assessing the performance of the entity.

Other relates to various subsidiaries, consolidation adjustments made as well as the capitalisation of borrowing costs. No segments were aggregated.

All assets of the group are South African based assets, except for assets held by the US subsidiaries amounting to R156.5 million (F2018: R137.5 million).

Segmental statement of profit or loss and other comprehensive income

30 June 2019	Zondereinde operating segment R000	Booysendal operating segment R000	Eland operating segment	US recycling operating segment	Intercompany eliminations R000	Zambezi Platinum (RF) Limited R000	Other R000	Total R000
Sales revenue	10 280 223	3 902 544	10 683	56 880	(3 600 824)	–	–	10 649 506
Cost of sales	(8 969 437)	(2 916 863)	(23 612)	(78 823)	3 749 254	–	–	(8 239 481)
Operating costs	(5 069 318)	(2 507 955)	(23 612)	(6 276)	–	–	–	(7 607 161)
Mining operations	(3 687 698)	(1 747 235)	–	–	–	–	–	(5 434 933)
Concentrator operations	(389 967)	(490 846)	–	(6 276)	–	–	–	(887 089)
Smelting and base metal removal plant costs	(598 371)	–	–	–	–	–	–	(598 371)
Chrome processing	(5 437)	(23 407)	(22 936)	–	–	–	–	(51 780)
Selling and administration	(132 337)	(132 337)	–	–	–	–	–	(264 674)
Royalty charges	(72 742)	(18 756)	(53)	–	–	–	–	(91 551)
Share-based payment expenses and profit share scheme	(165 882)	(57 589)	(623)	–	–	–	–	(224 094)
Rehabilitation	(16 884)	(37 785)	–	–	–	–	–	(54 669)
Concentrates purchased	(3 747 389)	(96 616)	(3 803)	(80 588)	3 600 824	–	–	(327 572)
Refining including sampling and handling charges	(135 104)	–	–	–	–	–	–	(135 104)
Depreciation and write-offs	(166 210)	(304 920)	–	(17 767)	1 732	–	–	(487 165)
Change in metal inventory	148 584	(7 372)	3 803	25 808	146 698	–	–	317 521
Operating profit/(loss)	1 310 786	985 681	(12 929)	(21 943)	148 430	–	–	2 410 025
Share of earnings from associate	–	–	–	–	–	–	11 153	11 153
Investment income	168 951	6 453	197	–	(133 585)	32	14 212	56 260
Finance charges excluding preference share dividends	(425 613)	(91 409)	(53 007)	(3 542)	98 112	(1)	291 433	(184 027)
Net foreign exchange transaction gains/(losses)	11 098	(366)	–	(321)	–	–	–	10 411
Sundry income	64 919	11 302	7 666	223	(3 599 489)	3 569 090	23 761	77 472
Sundry expenditure	(134 802)	(79 567)	(138 737)	(10 145)	9 179	(4)	(3 637)	(357 713)
Profit/(loss) before preference share dividends	995 339	832 094	(196 810)	(35 728)	(3 477 353)	3 569 117	336 922	2 023 581
Amortisation of liquidity fees paid on preference shares	–	–	–	–	(16 390)	–	–	(16 390)
Preference share dividends	–	–	–	–	35 473	(1 340 717)	–	(1 305 244)
Profit/(loss) before tax	995 339	832 094	(196 810)	(35 728)	(3 458 270)	2 228 400	336 922	701 947
Tax	(269 057)	(249 067)	(3)	(69)	605 659	(644 747)	(84 570)	(641 854)
Profit/(loss) for the year	726 282	583 027	(196 813)	(35 797)	(2 852 611)	1 583 653	252 352	60 093

Notes to the condensed financial results continued

30 June 2018	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Zambezi and the BEE transaction R000	Other R000	Total R000
Sales revenue	7 142 893	3 034 874	(2 625 586)	–	–	7 552 181
Cost of sales	(6 787 469)	(2 509 516)	2 568 118	–	–	(6 728 867)
Operating costs	(4 240 251)	(2 077 749)	–	–	–	(6 318 000)
Mining operations	(3 254 293)	(1 538 405)	–	–	–	(4 792 698)
Concentrator operations	(353 861)	(353 461)	–	–	–	(707 322)
Smelting and base metal removal plant costs	(417 828)	–	–	–	–	(417 828)
Chrome processing	(21 344)	(53 721)	–	–	–	(75 065)
Selling and administration	(106 331)	(82 411)	–	–	–	(188 742)
Royalty charges	(12 119)	(14 795)	–	–	–	(26 914)
Share-based payment expenses and profit share scheme	(76 980)	(30 364)	–	–	–	(107 344)
Rehabilitation	2 505	(4 592)	–	–	–	(2 087)
Concentrates purchased	(3 963 939)	(72 153)	2 625 586	–	–	(1 410 506)
Refining including sampling and handling charges	(123 840)	–	–	–	–	(123 840)
Depreciation and write-offs	(152 041)	(291 556)	1 732	–	–	(441 865)
Change in metal inventory	1 692 602	(68 058)	(59 200)	–	–	1 565 344
Operating profit/(loss)	355 424	525 358	(57 468)	–	–	823 314
Share of earnings from associate	–	–	–	–	4 162	4 162
Investment income	63 761	4 550	–	35	(15 713)	52 633
Finance charges excluding preference share dividends	(210 428)	(18 603)	–	–	160 550	(68 481)
Net foreign exchange transaction gains/(losses)	4 135	(1 767)	–	–	–	2 368
Sundry income	86 685	9 096	–	–	121 224	217 005
Sundry expenditure	(70 341)	(131 861)	11 074	(1)	(189 815)	(380 944)
Profit/(loss) before preference share dividends	229 236	386 773	(46 394)	34	80 408	650 057
Amortisation of liquidity fees paid on preference shares	–	–	–	(16 390)	–	(16 390)
Preference share dividends	–	–	–	(1 106 684)	–	(1 106 684)
Loss on derecognition of preference share liability	–	–	–	(8)	–	(8)
Profit/(loss) before tax	229 236	386 773	(46 394)	(1 123 048)	80 408	(473 025)
Tax	(86 624)	(109 287)	13 611	(10)	(49 663)	(231 973)
Profit/(loss) for the year	142 612	277 486	(32 783)	(1 123 058)	30 745	(704 998)

30 June 2019	Zondereinde operating segment R000	Booysendal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercompany eliminations R000	Zambezi Platinum (RF Limited R000	Other R000	Total R000
Assets								
Non-current assets	18 510 908	15 351 334	892 816	129 566	(23 565 543)	9 434 422	850 711	21 604 214
Property, plant and equipment	4 152 118	8 801 909	885 592	129 566	(62 840)	–	578 450	14 484 795
Mining properties and mineral resources	1 110 723	6 427 181	3 000	–	(954 583)	–	136 230	6 722 551
Investment held in escrow	–	–	–	–	16 841	–	–	16 841
Interest in associate	–	–	–	–	–	–	46 299	46 299
Investment in subsidiaries	12 353 207	–	–	–	(12 353 207)	–	–	–
Investments in Northam Platinum Limited	–	–	–	–	(9 434 422)	9 434 422	–	–
Other investment	306 734	–	–	—	(306 734)	–	–	–
Land and township development	16 600	46 336	–	—	–	–	8 478	71 414
Long-term receivables	13 851	4 407	116	–	–	–	67 162	85 536
Investments held by Northam Platinum Restoration Trust Fund	60 040	60 040	–	–	–	–	–	120 080
Environmental Guarantee investment	27 037	10 898	4 108	–	–	–	–	42 043
Buttonshope Conservancy Trust	–	–	–	–	–	–	13 218	13 218
Long-term prepayments	–	563	–	–	–	–	–	563
Long-term subsidiary loan	470 598	–	–	–	(470 598)	–	–	–
Deferred tax asset	–	–	–	–	–	–	874	874
Current assets	5 512 210	318 246	47 054	26 891	(635 677)	493	71 232	5 340 449
Short-term subsidiary loan	639 739	–	–	–	(616 932)	–	(22 807)	–
Inventories	3 538 150	211 116	6 330	25 824	(18 745)	–	–	3 762 675
Trade and other receivables	480 679	103 969	31 463	545	–	6	5 276	621 938
Cash and cash equivalents	853 642	222	9 260	522	–	487	86 182	950 315
Tax receivable	–	2 939	1	–	–	–	2 581	5 521
Total assets	24 023 118	15 669 580	939 870	156 457	(24 201 220)	9 434 915	921 943	26 944 663

Notes to the condensed financial results continued

30 June 2019	Zondereinde operating segment R000	Booysendal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercompany eliminations R000	Zambezi Platinum (RF) Limited R000	Other R000	Total R000
Equity and liabilities								
Total equity	9 911 991	12 058 339	(31 608)	105 132	(12 860 093)	(2 369 202)	642 241	7 456 800
Stated capital	13 778 114	8 675 932	325 000	142 118	(9 143 050)	–	–	13 778 114
Treasury shares	–	–	–	–	(6 556 123)	–	–	(6 556 123)
(Accumulated loss)/retained earnings	(5 048 080)	880 652	(356 608)	(47 976)	5 648 344	(2 369 202)	642 241	(650 629)
Foreign currency translation reserve	–	–	–	10 990	–	–	–	10 990
Other comprehensive income	8 201	–	–	–	(8 201)	–	–	–
Non distributable reserves	–	2 501 755	–	–	(2 501 755)	–	–	–
Equity settled share-based payment reserve	1 173 756	–	–	–	(299 308)	–	–	874 448
Non-current liabilities	12 506 089	2 318 721	354 194	–	(10 253 597)	11 804 107	141 299	16 870 813
Deferred tax liability	937 802	2 021 046	–	–	(2 325 419)	644 739	141 299	1 419 467
Long-term provisions	141 883	184 005	353 571	–	–	–	–	679 459
Preference share liability	–	–	–	–	(392 234)	11 159 368	–	10 767 134
Long-term loan	96 067	44 443	–	–	–	–	–	140 510
Long-term share-based payment liability	90 896	69 227	623	–	–	–	–	160 746
Financial guarantee liability	7 535 944	–	–	–	(7 535 944)	–	–	–
Domestic medium-term notes	1 566 304	–	–	–	–	–	–	1 566 304
Revolving credit facility	2 137 193	–	–	–	–	–	–	2 137 193
Current liabilities	1 605 038	1 292 520	617 284	51 325	(1 087 530)	10	138 403	2 617 050
Current portion of long-term loans	23 720	10 117	–	–	–	–	–	33 837
Current portion of domestic medium-term notes	248 580	–	–	–	–	–	–	248 580
Short-term share-based payment liability	52 720	34 094	–	–	–	–	–	86 814
Tax payable	24 865	–	–	–	–	10	35	24 910
Subsidiary loans	–	532 648	470 282	27 454	(1 087 530)	–	57 146	–
Trade and other payables	1 032 668	651 262	142 367	23 654	–	–	81 222	1 931 173
Provisional pricing derivatives	17 055	7 577	1 574	–	–	–	–	26 206
Short-term provisions	205 430	56 822	3 061	217	–	–	–	265 530
Total equity and liabilities	24 023 118	15 669 580	939 870	156 457	(24 201 220)	9 434 915	921 943	26 944 663

30 June 2018	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Zambezi and the BEE transaction R000	Other R000	Total R000
Assets						
Non-current assets	17 554 936	13 944 299	(19 421 368)	5 865 332	1 165 745	19 108 944
Property, plant and equipment	3 658 338	7 325 181	–	–	890 627	11 874 146
Mining properties and mineral resources	1 130 284	6 450 459	(954 583)	–	139 230	6 765 390
Interest in associate	–	–	–	–	35 146	35 146
Investment in subsidiaries	12 351 835	–	(12 351 835)	–	–	–
Investments in Northam Platinum Limited	–	–	(5 865 332)	5 865 332	–	–
Other investment	249 618	–	(249 618)	–	–	–
Land and township development	45 444	12 085	–	–	8 151	65 680
Long-term receivables	8 451	2 581	–	–	75 865	86 897
Investments held by Northam Platinum Restoration Trust Fund	55 333	55 293	–	–	–	110 626
Environmental Guarantee investment	55 633	9 092	–	–	4 174	68 899
Buttonshope Conservancy Trust	–	–	–	–	12 203	12 203
Long-term prepayments	–	89 608	–	–	–	89 608
Deferred tax asset	–	–	–	–	349	349
Current assets	4 765 438	334 314	(511 596)	474	126 460	4 715 090
Short-term subsidiary loan	99 225	–	(99 225)	–	–	–
Inventories	3 381 744	170 494	(165 443)	–	–	3 386 795
Trade and other receivables	993 403	160 088	(246 928)	6	17 516	924 085
Cash and cash equivalents	280 916	372	–	468	106 946	388 702
Tax receivable	10 150	3 360	–	–	1 998	15 508
Total assets	22 320 374	14 278 613	(19 932 964)	5 865 806	1 292 205	23 824 034
Equity and liabilities						
Total equity	9 177 508	11 475 312	(9 970 890)	(3 952 855)	657 604	7 386 679
Stated capital	13 778 114	8 675 932	(9 141 679)	–	465 747	13 778 114
Treasury shares	–	–	(6 556 123)	–	–	(6 556 123)
(Accumulated loss)/retained earnings	(5 774 362)	297 625	8 527 975	(3 952 855)	192 221	(709 396)
Foreign currency translation reserve	–	–	–	–	(364)	(364)
Non distributable reserves	–	2 501 755	(2 501 755)	–	–	–
Equity settled share-based payment reserve	1 173 756	–	(299 308)	–	–	874 448
Non-current liabilities	10 197 831	2 041 603	(9 615 921)	9 818 650	390 104	12 832 267
Deferred tax liability	700 878	1 781 431	(1 706 827)	–	49 312	824 794
Long-term provisions	131 793	167 543	–	–	340 792	640 128
Preference share liability	–	–	(373 150)	9 818 650	–	9 445 500
Long-term loan	123 176	58 887	–	–	–	182 063
Long-term share-based payment liability	45 257	33 742	–	–	–	78 999
Financial guarantee liability	7 535 944	–	(7 535 944)	–	–	–
Domestic medium-term notes	174 288	–	–	–	–	174 288
Revolving credit facility	1 486 495	–	–	–	–	1 486 495
Current liabilities	2 945 035	761 698	(346 153)	11	244 497	3 605 088
Current portion of long-term loans	16 896	7 644	–	–	–	24 540
Current portion of domestic medium-term notes	1 243 440	–	–	–	–	1 243 440
Short-term share-based payment liability	44 604	33 736	–	–	–	78 340
Tax payable	–	–	–	11	106	117
Subsidiary loans	–	198 978	(346 153)	–	147 175	–
Trade and other payables	1 368 964	497 800	–	–	96 438	1 963 202
Provisional pricing derivatives	–	2 773	–	–	–	2 773
Bank overdraft	95 228	–	–	–	307	95 535
Short-term provisions	175 903	20 767	–	–	471	197 141
Total equity and liabilities	22 320 374	14 278 613	(19 932 964)	5 865 806	1 292 205	23 824 034

3. Sales revenue

Revenue can be disaggregated into the following:

	30 June 2019	Restated* 30 June 2018
	R000	R000
Revenue from contracts with customers	10 725 482	7 478 259
Revenue from fair value adjustments with regards to IFRS 9	(75 976)	73 922
Total sales revenue	10 649 506	7 552 181

*Restated after the adoption of IFRS 15 Revenue from Contracts with Customers

Sale of base metal and chrome

Contract terms for the group's sale of base metal and chrome allow for a price adjustment based on final assay results to determine the final metal content. These are referred to as provisional pricing arrangements, and are such that the selling price is based on prevailing spot prices on a specified future date after shipment to the customer (the quotational period (QP)). Adjustments to the sales price occur based on movements in quoted market prices as well as final assay results. The period between provisional invoicing and final invoicing can be between one to four months.

Revenue is recognised at the estimated fair value of the total consideration received or receivable when the concentrate is delivered, which is either when it passes to the buyers trucks or delivered to the customers premises.

This requirement has an impact on disclosure in the current year as the group previously recognised fair value movements in revenue without separately disclosing revenue from contracts with customers.

Any subsequent adjustments relating to pricing adjustments are accounted for separately within revenue as fair value adjustments with regards to IFRS 9.

IFRS 15 states that if a contract is partially within scope of this standard and partially in the scope of another standard, an entity will first apply the separation and measurement requirements of the other standard(s). Therefore, to the extent that provisional pricing features are considered to be in the scope of another standard, they will be outside the scope of IFRS 15 and entities will be required to account for these in accordance with IFRS 9.

Impact of IFRS 15 on the restated consolidated statement of financial position

The disclosure in the current year has been amended retrospectively to ensure all comparative information is appropriately presented to the users of financial statements. The extracts of the affected line items in the consolidated financial statements would appear as follows after the retrospective amendment:

	Previously presented audited 30 June 2017	IFRS 15 adjustments	Restated 1 July 2017
	R000	R000	R000
Trade and other payables	(1 268 172)	64 576	(1 203 596)
Provisional pricing derivatives	–	(64 576)	(64 576)

	Previously presented audited 30 June 2018	IFRS 15 adjustments	Restated 30 June 2018
	R000	R000	R000
Trade and other payables	(1 965 975)	2 773	(1 963 202)
Provisional pricing derivatives	–	(2 773)	(2 773)

Provisional pricing derivatives relate to amounts received in advance for chrome deliveries during the quotation period. Therefore any negative movement in the chrome price subsequent to payment being received will result in a payable to the customer as reflected above.

Subsequent to the quotational price the selling price is finalised and any amounts that is required to be refunded is accounted for as a provisional pricing payable.

The above restatement disclosure adjustments have been made to clearly differentiate between finalised amounts payable relating to chrome deliveries, which is disclosed as part of trade and other payables versus amounts which are still in the quotational period, disclosed as provisional pricing derivatives.

Impact of the adoption of IFRS 15 on the per share financial performance of the group

No change was required in the calculation or timing of revenue recognised for the year or previous years, the adoption of IFRS 15 therefore only had an impact on the disclosure requirements of the group.

Notes to the condensed financial results continued

Revenue from external customers per metal and per operating segment

	Zondereinde operations 30 June 2019	Booysendal operations 30 June 2019	Eland operations 30 June 2019	US recycling operations 30 June 2019	Intercompany eliminations 30 June 2019	Total 30 June 2019
	R000	R000	R000	R000	R000	R000
Platinum	4 111 344	1 396 485	–	7 347	(1 403 832)	4 111 344
Palladium	2 825 852	1 094 709	–	41 062	(1 135 771)	2 825 852
Rhodium	1 800 531	730 719	–	8 471	(739 190)	1 800 531
Gold	143 330	42 425	–	–	(42 425)	143 330
Iridium	363 794	111 511	–	–	(111 511)	363 794
Ruthenium	249 512	109 958	–	–	(109 958)	249 512
Silver	1 890	–	–	–	–	1 890
Nickel	256 077	45 311	–	–	(45 311)	256 077
Copper	67 100	12 826	–	–	(12 826)	67 100
Cobalt	7 781	–	–	–	–	7 781
Chrome	290 749	358 600	10 683	–	–	660 032
UG2 ore	162 263	–	–	–	–	162 263
	10 280 223	3 902 544	10 683	56 880	(3 600 824)	10 649 506

Zondereinde purchases all of Booysendal's concentrate, for a percentage of the fair value, except for chrome which is sold directly to third party customers.

Zondereinde further purchased all of the US recycling operations concentrate.

Revenue from external customers per region and per operating segment

Sales revenue emanates from the following principal regions:

	Zondereinde operations 30 June 2019	Booysendal operations 30 June 2019	Eland operations 30 June 2019	US recycling operations 30 June 2019	Total 30 June 2019
	R000	R000	R000	R000	R000
Europe	4 273 446	–	–	–	4 273 446
Japan	1 973 643	–	–	–	1 973 643
Asia	290 749	358 600	10 683	–	660 032
North America	2 859 105	–	–	–	2 859 105
South Africa	883 280	–	–	–	883 280
	10 280 223	358 600	10 683	–	10 649 506

Revenue from external customers per metal and per operating segment

	Zondereinde operations 30 June 2018	Booysendal operations 30 June 2018	Intercompany eliminations 30 June 2018	Total 30 June 2018
	R000	R000	R000	R000
Platinum	3 466 598	1 286 051	(1 286 051)	3 466 598
Palladium	1 723 269	666 754	(666 754)	1 723 269
Rhodium	814 506	399 885	(399 885)	814 506
Gold	110 050	37 821	(37 821)	110 050
Iridium	182 978	66 740	(66 740)	182 978
Ruthenium	116 580	69 374	(69 374)	116 580
Silver	1 650	–	–	1 650
Nickel	257 760	83 664	(83 664)	257 760
Copper	65 547	15 297	(15 297)	65 547
Cobalt	10 691	–	–	10 691
Chrome	393 264	409 288	–	802 552
	7 142 893	3 034 874	(2 625 586)	7 552 181

Zondereinde purchases all of Booysendal's concentrate, for a percentage of the fair value, except for chrome which is sold directly to third party customers.

Revenue from external customers per region and per operating segment

Sales revenue emanates from the following principal regions:

	Zondereinde operations 30 June 2018	Booysendal operations 30 June 2018	Total 30 June 2018
	R000	R000	R000
Europe	2 967 616	–	2 967 616
Japan	1 306 910	–	1 306 910
Asia	393 264	409 288	802 552
North America	1 584 056	–	1 584 056
South Africa	891 047	–	891 047
	7 142 893	409 288	7 552 181

Notes to the condensed financial results continued

4. Operating costs

	30 June 2019	30 June 2018
	R000	R000
Labour	3 382 668	2 306 559
Stores	2 068 201	1 355 946
Utilities	945 329	785 861
Sundries and contractors	1 359 506	1 869 634
Reallocated to care and maintenance (refer note 8)	(148 543)	–
	7 607 161	6 318 000

Operating costs per operating segment

	Zondereinde operations 30 June 2019	Booysendal operations 30 June 2019	Eland operations 30 June 2019	US recycling operations 30 June 2019	Total 30 June 2019
	R000	R000	R000	R000	R000
Labour	2 417 355	915 153	42 702	7 458	3 382 668
Stores	1 243 686	792 347	31 839	329	2 068 201
Utilities	732 322	188 950	23 321	736	945 329
Sundries and contractors	675 955	611 505	64 148	7 898	1 359 506
Reallocated to care and maintenance (refer note 8)	–	–	(138 398)	(10 145)	(148 543)
	5 069 318	2 507 955	23 612	6 276	7 607 161

Percentage breakdown of operating costs per operating segment

	Zondereinde operations 30 June 2019	Booysendal operations 30 June 2019	Eland operations 30 June 2019	US recycling operations 30 June 2019	Total 30 June 2019
	%	%	%	%	%
Labour	47.7	36.5	26.4	45.4	43.6
Stores	24.5	31.6	19.6	2.0	26.7
Utilities	14.5	7.5	14.4	4.5	12.2
Sundries and contractors	13.3	24.4	39.6	48.1	17.5
	100.0	100.0	100.0	100.0	100.0

Operating costs per operating segment

	Zondereinde operations	Booysendal operations	Total
	30 June 2018	30 June 2018	30 June 2018
	R000	R000	R000
Labour	2 034 063	272 496	2 306 559
Stores	1 122 180	233 766	1 355 946
Utilities	642 276	143 585	785 861
Sundries and contractors	441 732	1 427 902	1 869 634
	4 240 251	2 077 749	6 318 000

Percentage breakdown of operating costs per operating segment

	Zondereinde operations	Booysendal operations	Total
	30 June 2018	30 June 2018	30 June 2018
	%	%	%
Labour	48.0	13.1	36.5
Stores	26.5	11.3	21.5
Utilities	15.1	6.9	12.4
Sundries and contractors	10.4	68.7	29.6
	100.0	100.0	100.0

Labour costs in terms of the contracting mining at the Booysendal operations were included in sundries and contractors costs and not in labour costs. With the changeover to owner operator mining, in May 2018, all labour costs will be disclosed as such in future years.

5. Investment income

	30 June 2019	30 June 2018
	R000	R000
Interest received on cash and cash equivalents	26 053	21 536
Dividend income received from short-term investments	3 398	7 450
Interest received from suspensive sale agreements	8 135	8 940
Interest received relating to the Northam Platinum Restoration Trust Fund	11 331	8 393
Interest received by the Buttonshope Conservancy Trust	1 319	822
Deemed interest on the interest free home loans	1 818	943
Interest received from the South African Revenue Service	4 206	4 549
	56 260	52 633

Below is a reconciliation of interest recognised on the effective interest rate method in comparison to investment income disclosed above:

	30 June 2019	30 June 2018
	R000	R000
Interest recognised on the effective interest rate method	52 862	45 183
Dividend income received and interest received from the South African Revenue Service	3 398	7 450
Total investment income	56 260	52 633

6. Finance charges excluding preference share dividends

	30 June 2019	30 June 2018
	R000	R000
Finance costs relating to the domestic medium-term notes	(169 740)	(68 264)
Finance costs relating to the revolving credit facility	(213 671)	(110 868)
Amounts capitalised in terms of IAS 23 Borrowing costs (refer note 11)	294 828	179 132
Commitment fees on borrowing facilities	(9 724)	(7 535)
Amortisation of the transaction costs relating to the domestic medium-term notes (refer note 22)	(7 585)	(2 729)
Amortisation of the transaction costs relating to the revolving credit facility (refer note 23)	(5 410)	(2 548)
Unwinding of rehabilitation liability (refer note 19)	(62 732)	(32 381)
Unwinding of a research and development liability with Heraeus Deutschland Gmbh & Co. KG (refer note 21)	(6 458)	(10 118)
Other financial liabilities	(3 535)	(13 170)
	(184 027)	(68 481)

7. Sundry income

	30 June 2019	30 June 2018
	R000	R000
Treatment charges in respect of concentrate purchased	1 433	45 174
Rent received	5 432	8 093
Sale of scrap	17 258	14 751
Profit on sale of property, plant and equipment	6 635	–
Accommodation and housing income	31 240	8 794
Environmental guarantee investment income	1 419	189
Management fees received from associate (refer note 28)	2 160	4 698
Corporate action once-off income	–	134 816
Other	11 895	490
	77 472	217 005

8. Sundry expenditure

	30 June 2019	30 June 2018
	R000	R000
Corporate and once-off project costs	(33 364)	(96 474)
Booysendal land management	(5 678)	(5 218)
Booysendal South care and maintenance costs	(13 036)	(31 139)
Eland care and maintenance as well as project costs	(138 398)	(106 565)
Accommodation and housing expenses	(36 504)	(13 467)
Black Economic Empowerment Trust operating costs	(4 085)	(3 222)
Administrative costs relating to Zambezi Platinum (RF) Limited (refer note 28)	(2 061)	(1 655)
Loss on sale of property, plant and equipment	–	(4 706)
Recycling operation care and maintenance costs including depreciation charges	(10 145)	(12 176)
Transition costs and standing time	(36 033)	(86 405)
Environmental guarantee cost	–	(5 536)
Employee Labour Court compensation (refer note 29)	(55 000)	–
Other	(23 409)	(14 381)
	(357 713)	(380 944)

9. Tax

	30 June 2019	30 June 2018
	R000	R000
Income tax		
Current non-mining income tax charge	37 457	10 235
Adjustment in respect of current income tax of previous years	9 606	(17 679)
Dividend withholding tax		
Current year withholding tax	543	855
Deferred tax		
Current and prior year deferred tax charge	594 248	238 562
Income tax expense reported in profit or loss	641 854	231 973

A reconciliation of the standard rate of South African tax compared with that charged in the statement of comprehensive income is set out below:

	30 June 2019	30 June 2018
	%	%
South African normal tax rate	28.0	28.0
Adjustment in respect of current income tax of previous years	1.4	(3.7)
Exempt income received	(1.2)	0.4
Expenditure and contingencies incurred which are non-deductible	1.1	(8.3)
Contribution received for capital assets	–	(8.4)
Amortisation of liquidity fees paid on preference shares	0.7	(1.0)
Deferred tax asset not raised	9.3	9.5
Preference share dividends disallowed	52.1	(65.5)
Effective tax rate	91.4	(49.0)

The utilisation of a deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of taxable temporary differences. Therefore, no deferred tax asset relating to the temporary difference of R232.5 million (F2018: R172.7 million) has been raised relating to Eland Platinum Proprietary Limited and the US recycling operation.

10. Reconciliation of headline earnings/(loss) per share

	30 June 2019	30 June 2018
	R000	R000
Profit/(loss) for the year	60 093	(704 998)
(Profit)/loss on sale of property, plant and equipment	(6 635)	4 706
Tax effect on above	1 858	(1 318)
Headline earnings/(loss)	55 316	(701 610)
Earnings/(loss) per share – cents	17.2	(201.5)
Fully diluted earnings/(loss) per share – cents	17.2	(201.5)
Headline earnings/(loss) per share – cents	15.8	(200.5)
Fully diluted headline earnings/(loss) per share – cents	15.8	(200.5)
Dividends per share	–	–
Weighted average number of shares in issue	349 875 759	349 875 759
Fully diluted number of shares in issue	349 875 759	349 875 759
Number of shares in issue	509 781 212	509 781 212
Treasury shares in issue	159 905 453	159 905 453
Shares in issue adjusted for treasury shares	349 875 759	349 875 759

Fully diluted earnings/(loss) per share amounts are calculated by dividing the profit/(loss) attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The weighted average number of ordinary shares in issue outside the group for the purpose of calculating the earnings/(loss) per share and the weighted average number of ordinary shares for diluted earnings/(loss) per share are calculated as the number of shares in issue less the treasury shares held.

Notes to the condensed financial results continued

11. Property, plant and equipment

	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	General infrastructure asset including other assets	Decommis-sioning asset	Assets under construction	Total
	R000	R000	R000	R000	R000	R000	R000
Cost							
Opening balance as at 1 July 2017	7 053 033	2 591 172	517 903	286 945	173 026	1 347 597	11 969 676
Transfers between asset classes	(20 803)	26 465	15 385	(21 047)	–	–	–
Amounts transferred from non-current prepayments	–	–	–	–	–	449 492	449 492
Additions	3 938	167 657	166 145	20 745	–	2 251 906	2 610 391
Contribution received for capital assets	–	–	–	–	–	(303 106)	(303 106)
Transfer from assets under construction	481 909	789 493	46 777	224 645	–	(1 542 824)	–
Disposals and write-offs	–	(47 682)	(453)	(114 823)	–	–	(162 958)
Present value of decommissioning asset capitalised (note 19)	–	–	–	–	295 362	–	295 362
Borrowing costs capitalised	–	–	–	–	–	223 402	223 402
Closing cost as at 30 June 2018	7 518 077	3 527 105	745 757	396 465	468 388	2 426 467	15 082 259
Foreign currency translation movements	–	2 144	9 083	–	–	–	11 227
Transfer to land and township development	–	–	(16 766)	–	–	–	(16 766)
Amounts transferred from non-current prepayments (note 15)	–	–	–	–	–	301 862	301 862
Additions	90 885	–	7 265	62 759	–	2 395 919	2 556 828
Transfer from assets under construction	3 548 651	500 392	14 626	119 284	–	(4 182 953)	–
Disposals and write-offs	(20 911)	(2 011)	(531)	(521)	–	–	(23 974)
Derecognition of decommissioning asset (note 19)	–	–	–	–	(101 058)	–	(101 058)
Borrowing costs capitalised	–	–	–	–	–	294 828	294 828
Closing cost as at 30 June 2019	11 136 702	4 027 630	759 434	577 987	367 330	1 236 123	18 105 206

	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	General infrastructure asset including other assets	Decommis-sioning asset	Assets under construction	Total
	R000	R000	R000	R000	R000	R000	R000
Accumulated depreciation							
Opening balance as at 1 July 2017	(1 937 688)	(653 171)	(162 566)	(161 226)	(32 765)	–	(2 947 416)
Transfer between asset classes	84 455	9 190	(9 898)	(83 747)	–	–	–
Depreciation	(270 548)	(93 982)	(15 141)	(29 351)	(4 794)	–	(413 816)
Disposals and write-offs	–	43 942	454	108 723	–	–	153 119
Accumulated balance as at 30 June 2018	(2 123 781)	(694 021)	(187 151)	(165 601)	(37 559)	–	(3 208 113)
Foreign currency translation movements	–	376	103	–	–	–	479
Depreciation	(282 163)	(103 057)	(27 868)	(28 472)	(2 513)	–	(444 073)
Disposals and write-offs	3 680	–	498	332	–	–	4 510
Derecognition of decommissioning asset (note 19)	–	–	–	–	26 786	–	26 786
Accumulated balance as at 30 June 2019	(2 402 264)	(796 702)	(214 418)	(193 741)	(13 286)	–	(3 620 411)
Net book value as at 30 June 2018	5 394 296	2 833 084	558 606	230 864	430 829	2 426 467	11 874 146
Net book value as at 30 June 2019	8 734 438	3 230 928	545 016	384 246	354 044	1 236 123	14 484 795

A register containing the information required by regulation 25(3) of the Companies Regulations 2011 is available for inspection at the registered office of the company.

Significant judgements: Capitalisation of borrowing costs in terms of IAS 23 Borrowing costs

IAS 23 Borrowing costs requires borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset (whether or not the funds have been borrowed specifically). These borrowing costs are included in the cost of the asset, all other borrowing costs are recognised as an expense in the period in which they occur.

IAS 23 defines a qualifying asset as an asset that necessarily takes a substantial period of time to get ready for its intended use. IAS 23 does not define substantial period of time and this will therefore require the exercise of judgement after considering the specific facts and circumstances. Northam regards an asset that normally takes 12 months or more to be ready for its intended use to be a qualifying asset.

Previously two projects were designated as qualifying assets, being the furnace construction of the new 20MW furnace at Zondereinde and the development of Booysendal South.

With the commissioning of the new 20MW furnace at Zondereinde in December 2017 capitalisation of borrowing costs in the company accounts were ceased. However the development of Booysendal South is still continuing and hence borrowing costs have been capitalised on consolidation at the average cost of borrowings, taking into account the cost of borrowings for the revolving credit facility, the various domestic medium-term notes issued and the Zambezi Platinum (RF) Limited preference shares.

Borrowing costs were capitalised at the weighted average cost of borrowing of 12.84% (F2018: 13.30%).

An amount of R294.8 million was capitalised during the year under review (F2018: R223.4 million).

12. Mining properties and mineral resources

	Current production mineral reserves and resources	Project mineral reserves and resources	Total
	R000	R000	R000
Cost			
Opening balance as at 1 July 2017	1 007 942	4 888 826	5 896 768
Correction of prior period error: reclassification from interest in associate	–	136 230	136 230
Restated opening balance as at 1 July 2017	1 007 942	5 025 056	6 032 998
Transfer between classes	(990)	990	–
Additions	1 018 857	2 010	1 020 867
Restated closing balance as at 30 June 2018	2 025 809	5 028 056	7 053 865
Additions	355	–	355
Closing balance as at 30 June 2019	2 026 164	5 028 056	7 054 220
Accumulated depreciation			
Opening balance as at 1 July 2017	(260 426)	–	(260 426)
Depreciation	(28 049)	–	(28 049)
Closing balance as at 30 June 2018	(288 475)	–	(288 475)
Depreciation	(43 194)	–	(43 194)
Closing balance as at 30 June 2019	(331 669)	–	(331 669)
Restated net book value as at 30 June 2018	1 737 334	5 028 056	6 765 390
Net book value as at 30 June 2019	1 694 495	5 028 056	6 722 551

Prior period error: reclassification of Dwaalkop between investment in associates and mining properties and mineral resources

Previously the group consolidated financial statements disclosed R136.2 million as the group's interest in the Dwaalkop Joint Arrangement as part of interest in associates. This balance relates to mining rights that are jointly held by Mvelaphanda Resources Proprietary Limited (a subsidiary of Northam Platinum Limited) and Lonmin plc, now Sibanye-Stillwater Limited. The amount should therefore have been disclosed under mining properties and mineral resources in the groups consolidated financial statements.

The Joint Arrangement meets the accounting requirements for recognition as a Joint Operation and as such, all assets and liabilities relating to Dwaalkop should be included in the group consolidated financial statements.

The disclosure in the current period has been amended retrospectively to ensure all comparative information is appropriately presented to the users of the financial statements. The extracts of the affected line items in the consolidated financial statements appear as follows after the retrospective amendment:

	Previously stated 30 June 2017	**Correction of error through reclassification**	**Restated balance 1 July 2017**
	R000	R000	R000
Mining properties and mineral resources	5 636 342	136 230	5 772 572
Interest in associate	167 214	(136 230)	30 984

	Previously stated 30 June 2018	**Correction of error through reclassification**	**Restated balance 30 June 2018**
	R000	R000	R000
Mining properties and mineral resources	6 629 160	136 230	6 765 390
Interest in associate	171 376	(136 230)	35 146

The amendment does not have any impact on the group consolidated statement of profit or loss and other comprehensive income as it is purely a reclassification from one asset class to another.

The R136.2 million allocated to mining properties and mineral resources relates to Northam Platinum Limited's share of the Dwaalkop mineral resource. The Dwaalkop mineral resource includes portions of the farms Dwaalkop, Rooibokbult and Turfpan. The mineral deposit has the potential to be developed into an open stope retreat mining operation.

All mineral reserves and resources are amortised using the unit of production method. The mineral reserves and resources relating to Dwaalkop are currently not being mined, and therefore no amortisation has been accounted for in the current or previous periods.

Notes to the condensed financial results continued

Significant judgements and estimates: Impairment of assets and assessment of cash generating units

The group assesses, at each reporting date, whether there are indications that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets then the recoverable amount is determined for the CGU. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment testing requires management to make significant judgements concerning the existence of impairment indicators, identification of CGUs and estimates of projected cash flows. Management's analysis of CGUs involves an assessment of a group of assets' ability to independently generate cash inflows and involves analysing the extent to which different products make use of the same assets. Management's judgement is also required when assessing whether a previously-recognised impairment loss should be reversed.

In assessing recoverable values, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining recoverable values, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly-traded companies or other available fair value indicators.

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. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans, using assumptions that an independent market participant may take into account. Cash flows are discounted by an appropriate discount rate to determine the net present value.

The group bases its impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year, over the life of the mine.

The determined value of the recoverable value is most sensitive to commodity prices, the US dollar exchange rate and the discount rate. Other judgements made by management include: total capital expenditure, operating costs, production levels, inflation factors and life of mine.

The following key assumptions were made by management, which are based on management interpretation of market forecast for the future.

		30 June 2019	30 June 2018
Long-term real platinum price	USD/oz	1 357	1 298
Long-term real palladium price	USD/oz	1 357	1 298
Long-term real rhodium price	USD/oz	3 846	2 678
Long-term real gold price	USD/oz	1 176	1 205
Long-term real ruthenium prices	USD/oz	271	292
Long-term real iridium prices	USD/oz	1 357	893
Long-term real nickel prices	USD/t	11 181	12 912
Long-term real copper prices	USD/t	5 881	6 248
Long-term real chrome prices	USD/t	181	179
Long-term real exchange rate USD	USD/ZAR	R12.47	R12.35
Long-term real discount rate	%	11.50	12.30

All the above estimates are subject to risks and uncertainties including the achievement of mine plans, future metal prices and exchange rates.

Management also estimated the recoverable amount of mineral resources (based on the *in situ* 4E available ounces) outside the approved mine plans.

For those assets, the recoverable amount is calculated on a fair value less cost of disposal basis taking into account earlier binding sales agreements between market participants as well as the market capitalisation of platinum exploration companies relative to their resources base. Below is the value that has been attributable to the recoverable value of mineral resources (based on the *in situ* 4E available ounces):

		30 June 2019	**30 June 2018**
4E *in situ* available ounce value	USD/oz	3.30	2.00

Based on the impairment assessment performed by management, the recoverable values of all CGU's are higher than the carrying value and therefore no impairment required.

Significant judgements and estimates: Ore reserve and mineral resource estimates (life of mine)

The estimation of reserves impacts depreciation and the recoverable value of assets.

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the group's mining properties. The group estimates its ore reserves and mineral resources, based on information compiled by appropriately-qualified persons, relating to the geological data on the size, depth and shape of the ore body, and require complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgements made in estimating the size and grade of the orebody. Changes in the reserve estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, recognition of deferred tax assets (if any), and depreciation and amortisation charges. The group estimates and reports ore reserves in line with the principles contained in the South African Code for Reporting of Mineral Resources and Mineral Reserves of 2007, revised in 2016 (SAMREC 2016).

Factors impacting the determination ore reserves and mineral resources estimates:

- the grade of mineral reserves may vary between estimations made and actual grade achieved;
- commodity prices estimations will be different to those actually achieved;
- changes in discount rates and foreign exchange rate assumptions; and
- unforeseen changes in operating, mining, processing and refining costs.

Cognisance is also given to the mining licence tenure of the operations when the life of mine calculation is performed.

Notes to the condensed financial results continued

13. Interest in associate

Interest in associate comprise a 30% interest in SSG Holdings Proprietary Limited. The investment in SSG Holdings Proprietary Limited is accounted for as an associate.

	30 June 2019	Restated* 30 June 2018	Restated* 1 July 2017
	R000	R000	R000
SSG Holdings Proprietary Limited	46 299	35 146	30 984
	46 299	35 146	30 984

* Restated as a result of the prior period error (refer note 12)

The investment in associate is considered significant.

Below is a reconciliation of the interest in associate:

	Interest in Dwaalkop joint venture	Interest in SSG Holdings Proprietary Limited	Total
	R000	R000	R000
Opening balance as at 1 July 2017	136 230	30 984	167 214
Correction of prior period error: reclassification to mining properties and mineral resources	(136 230)	–	(136 230)
Restated opening balance as at 1 July 2017	–	30 984	30 984
Share of profits from associate	–	4 162	4 162
Restated closing balance as at 30 June 2018	–	35 146	35 146
Share of profits from associate	–	11 153	11 153
Closing balance as at 30 June 2019	–	46 299	46 299

Below is a reconciliation of the value in the investment in associate based on the equity method to the carrying value of the investment:

	30 June 2019	30 June 2018
	R000	R000
Net asset value of SSG Holdings Proprietary Limited	81 939	46 265
Northam Platinum Limited's 30% share of net asset value	24 582	13 880
Impact of the adoption of IFRS 9	451	–
At acquisition fair value adjustment	10 717	10 717
Subsequent fair value adjustment with the increase in shareholding from 20% to 30% and the conversion of a loan to an equity investment	10 549	10 549
Value of investment in associate based on the equity method of accounting	46 299	35 146

14. Long-term receivables

	30 June 2019	30 June 2018
	R000	R000
Long-term receivables with regards to suspensive sale agreements	70 585	82 887
Interest free home loans	25 998	13 514
	96 583	96 401
Current portion of suspensive sale agreements (refer note 17)	(3 423)	(8 022)
Current portion of interest free home loans (refer note 17)	(7 624)	(1 482)
	85 536	86 897

Long-term receivables comprise balances due by employees in respect of Northam's employee home ownership scheme under suspensive sale agreements and interest free home loans provided to qualifying employees.

The suspensive sale agreement loans to the employees bear interest at prime and are repayable over 15 years. In terms of the agreements, employees enjoy the full benefits of home ownership, and at such time as the loan is paid off, the title to the houses will be transferred to the employees.

The interest free home loans are non-interest bearing loans provided to qualifying employees. These loans provided to qualifying employees are based on only a portion of the value of the property acquired by the employee. These loans are repayable over a maximum of 20 years from grant date. The average remaining repayment period is between 10 and 20 years. These loans are secured by a second bond over the residential properties.

As at 30 June 2019 there was R3.3 million (F2018: R1.7 million) worth of suspensive sale agreements which were impaired and fully provided for.

The table below summarises the payment terms of the group's long-term receivables:

	30 June 2019	30 June 2018
	R000	R000
Current portion	11 047	9 504
Due within 1 – 5 years	37 388	35 251
Due within 5 – 10 years	39 613	46 072
More than 10 years	8 535	5 574
	96 583	96 401

Notes to the condensed financial results continued

The interest free home loans are neither past due nor impaired. Monthly instalments relating to the interest free home loans are deducted from employees' salaries on a monthly basis. Should an employee resign, the interest free home loan needs to be settled in full.

With regards to the suspensive sale agreements the table below summarises the age analysis of these suspensive sale agreements:

	30 June 2019	30 June 2018
	R000	R000
Neither past due nor impaired	70 585	82 587
30 to 60 days	–	13
60 to 90 days	–	25
More than 90 days	–	252
	70 585	82 887

IFRS 9 Financial Instruments – Long-term receivables and the Expected Credit Losses (ECL)

An assessment of the expected credit losses relating to long-term receivables was undertaken upon implementation of IFRS 9 in the current year. The balance of outstanding long-term receivable amounts relating to the suspensive sale agreements were examined and the expected amounts which were considered to be unrecoverable based on the impairment policy of the group were provided for in the current year.

For all suspensive sale agreements, legal title to the houses remain with the group until full and final payment has been made. The houses therefore serve as security for these loans. In most instances the value of the security is more than the value of the outstanding loan balance relating to the suspensive sale agreements.

The following specific judgements and estimates were applied by management in determining the amount impaired in the current financial year.

Suspensive sale agreements

- All overdue amounts as at the end of the current year were provided for in full. These were included in stage 2 of the impairment assessment model based on the general approach.
- For the suspensive sale agreement balances on which defaults had occurred in the current financial year, the next 12 months expected repayments were also provided for in full as these are expected to default in the foreseeable future.
- Any suspensive sale agreement which were handed over to the group's lawyers for legal processing, in stage 3, due to defaults on the loan payments, were excluded from the calculation of the expected losses due to the market value of the houses being higher than the outstanding balances of these default loans. These loans are not expected to incur further losses as the houses can be sold on the open market and the loan balances therefore recovered.

Interest free home loans

- No amounts relating to the interest free home loans have been provided for as they are neither past due nor impaired and with no historical impairment on these loans. There has been no significant deterioration in credit quality and the probability of default has been assessed as minimal.

15. Long-term prepayments

In terms of the aerial ropeway manufacturer agreement with Doppelmayr Transport Technology GmbH, prepayments for both the North and South aerial ropeway conveyor system had to be made in terms of the manufacturing costs.

	30 June 2019	30 June 2018
	R000	R000
Opening balance	89 608	336 409
Amounts paid to Doppelmayr Transport Technology GmbH	212 817	202 691
Amounts transferred to property, plant and equipment (refer note 11)	(301 862)	(449 492)
	563	89 608

16. Inventories

	30 June 2019	30 June 2018
	R000	R000
Metals on hand and in transit		
Platinum	1 211 775	1 611 709
Palladium	1 273 034	851 336
Rhodium	978 049	674 197
Gold	52 977	61 056
Total metals inventory	3 515 835	3 198 298
Consumables at cost	246 840	188 497
Total inventories at the lower of cost and net realisable value	3 762 675	3 386 795

	30 June 2019	30 June 2018
	R000	R000
Breakdown of total metals inventory		
Ore stockpile inventory	465 811	348 930
Concentrate in process	75 361	295 487
Concentrate before the smelter	588 300	919 639
Recycling material	82 704	–
Smelter inventory (including reverts)	1 283 744	1 021 334
Base metal removal plant inventory	362 921	112 669
Precious metal refinery inventory	656 994	496 287
Finished product inventory on hand	–	3 952
Total metals inventory	3 515 835	3 198 298

	30 June 2019	30 June 2018
	oz	oz
Metals inventory quantities on hand and in transit		
Platinum	120 343	152 590
Palladium	70 880	74 768
Rhodium	26 582	29 171
Gold	3 157	4 033
	220 962	260 562

The metals above include ore stockpiles, in process metal as well as finished goods. Metal inventory is allocated as follows:

	30 June 2019	30 June 2018
	oz	oz
Metals inventory quantities in the various pipeline phases		
Ore stockpile inventory	29 640	28 427
Concentrate in process	4 795	24 073
Concentrate before the smelter	35 335	74 922
Recycling material	4 605	–
Smelter inventory (including reverts)	81 688	83 207
Base metal removal plant inventory	23 093	9 179
Precious metal refinery inventory	41 806	40 432
Finished product inventory on hand	–	322
	220 962	260 562

The cost of sales figure disclosed in the statement of profit or loss and other comprehensive income approximates the cost of inventory expensed.

Included in cost of sales are metals inventory to the value of R51.4 million (F2018: R156.5 million) that were written down to net realisable value. Inventory to the value of R815.8 million (F2018: R535.8 million) is disclosed at net realisable value.

Inventory in the pipeline is considered to be approximately 150 000 4E ounces going forward.

All inventory over and above pipeline material is considered excess inventory. No inventories are encumbered.

Significant estimates: Net realisable value and measurement of inventory

Work in progress metals inventory is valued at the lower of net realisable value and the average cost of production less net revenue from sales of by-products in the ratio of the contribution of these metals to gross sales revenue. Production costs are allocated to platinum, palladium, rhodium and gold (joint products) by dividing the mine output into total mine production costs, determined on a six-month rolling average basis except for concentrates purchased which is recognised in the month in which it is purchased and not on a six-month rolling average. The quantity of ounces of joint products in work in progress is calculated based on the following factors: Theoretical inventory is calculated by adding the inputs to the previous physical inventory and then deducting the outputs for the inventory period. The inputs and outputs include estimates due to the delay in finalising analytical values. The estimates are subsequently trued up to the final metal accounting quantities when available. The theoretical inventory is then converted to a refined equivalent inventory by applying appropriate recoveries depending on where the material is within the production pipeline. The recoveries are based on actual results as determined by the inventory count and are in line with industry standards.

The nature of the production process inherently limits the ability to precisely measure recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the variables used in the process are refined based on actual results over time.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained 4E ounces is based on assay data, and the estimated recovery percentage is based on the expected processing method.

Stockpile tonnages are verified by independent third party surveyors.

Net realisable value tests are performed on a monthly basis and represent the expected selling prices which are based on prevailing market prices of the product, less estimated costs to complete production and to bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

Below is a summary of the commodity prices and exchange rate used to determine the net realisable value of inventories:

		30 June 2019	30 June 2018
Platinum price	USD/oz	808	865
Palladium price	USD/oz	1 510	959
Rhodium price	USD/oz	3 286	2 250
Gold price	USD/oz	1 386	1 265
Closing exchange rate at year end	USD/ZAR	R14.08	R13.73

17. Trade and other receivables

	30 June 2019	Restated* 30 June 2018	Restated* opening balance 1 July 2017
	R000	R000	R000
Trade receivables	53 253	321 334	184 063
Provisional pricing receivables	374 238	217 799	99 083
Accrued dividends and interest on cash and cash equivalents	6 444	3 564	11 989
Prepayments	3 285	47 022	44 797
Deposits	4 555	4 233	2 889
South African Revenue Service – Value Added Tax	139 247	234 270	143 775
South African Revenue Service - amounts receivable relating to the Mineral and Petroleum Resources Royalty	8	1 174	17 258
Current portion of suspensive sale agreements (refer note 14)	3 423	8 022	7 334
Current portion of interest free home loans to employees (refer note 14)	7 624	1 482	6 367
Other	29 861	85 185	31 442
	621 938	924 085	548 997

* Restated after the adoption of IFRS 15 Revenue from Contracts with Customers

Trade receivables are unsecured, non-interest bearing and are generally on 30 to 60 day terms except for Platinum Group Metal debtors who have payment terms of between 2 to 5 days. No balance was provided for or impaired during the current year (F2018: R Nil).

Provisional pricing receivables

Base metal and chrome sales allow for price adjustments based on the market price at the end of the relevant quotational period stipulated in the sales agreements. These are referred to as provisional pricing arrangements and are such that the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after delivery to the customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the quotational period. The period between provisional invoicing and the end of the quotational period can be between one and four months.

Provisional pricing receivables are non-interest bearing, but are exposed to future commodity price movements over the quotational period and measured at fair value up until the date of settlement. Provisional pricing receivables are initially measured at the amount which the group expects to be entitled, being the estimate of the price expected to be received at the end of the quotational period.

The full value of the provisional invoice relating to chrome sales is received in cash a month after delivery, any negative movement in the chrome price could therefore results in amounts required to be refunded to the customer (refer note 24 and 25).

For all other base metal sales payment is only due after the end of the quotational period.

18. Cash and cash equivalents

	30 June 2019	30 June 2018
	R000	R000
Cash at bank and on hand	328 116	9 310
Restricted cash	99 740	97 708
Short-term deposits	522 459	281 684
Cash and cash equivalents	950 315	388 702
Less bank overdraft	–	(95 535)
Cash and cash equivalents as per the statement of cash flows	950 315	293 167

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the group and earn interest at the respective short-term deposit rates.

The weighted average effective interest rate was 7.4% (F2018: 6.9%) and these deposits are all immediately available.

At 30 June 2019 the group had R1.9 billion (F2018: R1.5 billion) of undrawn committed borrowing facilities.

Restricted cash includes a guarantee of R23.0 million (F2018: R23.0 million) relating to an electricity supply agreement between Northam Platinum Limited and Eskom Holdings SOC Limited. Restricted cash also includes money ring-fenced for the benefit of the Northam Employee Trust, the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and Zambezi Platinum (RF) Limited which may only be spent in terms of the various Trust Deeds and Memorandum of Incorporation.

During the year under review the group secured a new General Banking Facility (GBF), e.g. overdraft facility, of R510.0 million, of which R10.0 million relates to an existing foreign exchange facility being consolidated into the new R500.0 million GBF agreement. The GBF accrues interest at the South African prime interest rate less 1.5%, and is payable with a 90 day notice period.

Subsequent to year-end the full R500.0 million GBF was drawn down.

Commitment fees are payable on the GBF amounting to 0.60% per annum on the unutilised portion of the facility.

For the purposes of the statement of cash flows, cash and cash equivalents comprise both the cash and cash equivalents balance as well as the overdraft.

19. Long-term provisions

	30 June 2019	30 June 2018
	R000	R000
Rehabilitation provision opening balance	640 128	304 829
Recognition of a decommissioning liability (note 11)	–	335 323
Change in estimate relating to the decommissioning costs (note 11)	(78 070)	(39 961)
Change in estimate relating to the restoration costs	54 669	2 087
Recognition of a restoration liability	–	5 469
Unwinding of discount (note 6)	62 732	32 381
Total rehabilitation and decommissioning liability provision	679 459	640 128

Below is a breakdown of the rehabilitation provision:

	30 June 2019	30 June 2018
Provision for decommissioning costs		
Balance at the beginning of the year	569 761	248 047
Recognition of a decommissioning liability (note 11)	–	335 323
Change in estimate relating to the decommissioning cost reallocated to restoration costs	(62 309)	–
Change in estimate relating to the decommissioning costs (note 11)	(78 070)	(39 961)
Unwinding of discount (note 6)	55 837	26 352
	485 219	569 761
Provision for restoration costs		
Balance at the beginning of the year	70 367	56 782
Recognition of a restoration liability	–	5 469
Change in estimate relating to the decommissioning cost reallocated to restoration costs	62 309	–
Change in estimate relating to restoration costs	54 669	2 087
Unwinding of discount (note 6)	6 895	6 029
	194 240	70 367
Total rehabilitation and decommissioning liability provision	679 459	640 128

The rehabilitation provision is made up of the provisions relating to:

	30 June 2019	30 June 2018
Northam Platinum Limited (Zondereinde)	141 883	131 793
Booysendal Platinum Proprietary Limited	184 005	167 543
Eland Platinum Proprietary Limited	353 571	340 792
Total rehabilitation and decommissioning liability provision	679 459	640 128

Notes to the condensed financial results continued

Below is a breakdown of the rehabilitation and decommissioning liabilities of the various operations:

	Zondereinde operations 30 June 2019 R000	Booysendal operations 30 June 2019 R000	Eland operations 30 June 2019 R000	Total 30 June 2019 R000
Provision for decommissioning cost				
Balance at the beginning of the year	100 119	134 319	335 323	569 761
Change in estimate relating to the decommissioning cost reallocated to restoration costs	–	–	(62 309)	(62 309)
Change in estimate relating to the decommissioning costs	(19 711)	(37 741)	(20 618)	(78 070)
Unwinding of discount	9 812	13 162	32 863	55 837
	90 220	109 740	285 259	485 219
Provision for restoration costs				
Balance at the beginning of the year	31 674	33 224	5 469	70 367
Change in estimate relating to the decommissioning cost reallocated to restoration costs	–	–	62 309	62 309
Change in estimate relating to restoration cost	16 884	37 785	–	54 669
Unwinding of discount	3 105	3 256	534	6 895
	51 663	74 265	68 312	194 240
Total rehabilitation and decommissioning liability provision	141 883	184 005	353 571	679 459

	Zondereinde operations 30 June 2018 R000	Booysendal operations 30 June 2018 R000	Eland operations 30 June 2018 R000	Total 30 June 2018 R000
Provision for decommissioning cost				
Balance at the beginning of the year	110 385	137 662	–	248 047
Recognition of a decommissioning liability	–	–	335 323	335 323
Change in estimate relating to the decommissioning costs	(21 991)	(17 970)	–	(39 961)
Unwinding of discount	11 725	14 627	–	26 352
	100 119	134 319	335 323	569 761
Provision for restoration costs				
Balance at the beginning of the year	30 899	25 883	–	56 782
Recognition of a restoration liability	–	–	5 469	5 469
Change in estimate relating to restoration cost	(2 505)	4 592	–	2 087
Unwinding of discount	3 280	2 749	–	6 029
	31 674	33 224	5 469	70 367
Total rehabilitation and decommissioning liability provision	131 793	167 543	340 792	640 128

Significant judgements and estimates: Determination of the rehabilitation and decommissioning liabilities of the group

Northam Platinum Limited's mining activities are subject to extensive environmental laws and regulations. These laws and regulations are continually changing and are generally becoming more restrictive. Northam Platinum Limited has incurred, and expects to incur in future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such expenditures. Estimated future rehabilitation costs are based on current legal and regulatory requirements.

The South African National Environmental Management Act 107 of 1998, as well as the Mineral and Petroleum Resources Development Act No 28 of 2002 (MPRDA), which applies to all prospecting and mining operations, requires that operations are carried out in accordance with generally accepted principles of sustainable development. It is a MPRDA requirement that an applicant for a mining right must make prescribed financial provision for the rehabilitation or management of negative environmental impacts, which must be reviewed annually.

In terms of, *inter alia*, the MPRDA, mining operations are required to make financial provision for its decommissioning and restoration costs that will be incurred upon the cessation of mining activities.

Northam Platinum Limited makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis. The provision is based on the current best estimate for rehabilitation and decommissioning costs and is determined using commercial closure cost assessments and not the Department of Mineral Resources published rates. Management believes using commercial closure cost assessments more accurately reflect the potential future costs. The commercial closure costs assessment is significantly more than what the liability would have been should the current published Department of Mineral Resources rates have been used.

Financial provision is not however required to be made for the decommissioning of certain structures, such as housing, which may have an alternative use.

The rehabilitation provision represents the present value of rehabilitation and decommissioning costs relating to mine sites, which is expected to be incurred in subsequent years. These provisions have been based on assessments prepared by a third party independent expert, SRK Consulting (South Africa) Proprietary Limited.

The present value of the environmental restoration obligation was determined by applying a pre-tax discount rate of 9.8% (F2018: 9.8%) and a long-term inflation rate of 7.2% (F2018: 7.2%) over the remaining life of the various mines.

Actual rehabilitation and decommissioning costs will ultimately depend upon future market prices for necessary rehabilitation works which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation will likely depend on when the various operations cease to produce at economically-viable rates which will, in turn, depend on future commodity prices and exchange rates, which are inherently uncertain.

On 20 November 2015, the National Environmental Management Act No. 107 of 1998 (NEMA) Financial Provisioning Regulations, 2015 were promulgated, resulting in significant changes from the requirements contained in the MPRDA (2015 Regulations).

The 2015 Regulations were immediately applicable to applicants for a prospecting right, mining permit, mining right, exploration right or production right (i.e. new applicants). Holders and holders of a right and permit were allowed to choose the transitional period, being either within three months of their financial year end or 15 months from promulgation of the 2015 Regulations. Due to an outcry from the minerals industry around the practical implications of complying within such a limited time frame, holders and holders of a right and permit were granted an extended transitional period of 39 months from date of promulgation and now have until 19 February 2020 to comply.

The group is evaluating the implications of the release of the 2015 Regulations under NEMA and intends to comply with the new 2015 Regulations.

At the reporting date the net unfunded future obligations were as follows, based on the current Department of Mineral Resources assessment and requirements:

	Zondereinde operations 30 June 2019	Booysendal operations 30 June 2019	Eland operations 30 June 2019	Total 30 June 2019
	R000	R000	R000	R000
Undiscounted obligation based on the Department of Mineral Resources, excluding Value Added Tax	176 890	173 263	164 922	515 075
Less funds held by the Northam Platinum Restoration Trust Fund	(60 040)	(60 040)	–	(120 080)
Less environmental guarantees	(142 350)	(98 427)	(160 641)	(401 418)
Total (overfunded)/underfunded rehabilitation obligation in terms of current legislation	(25 500)	14 796	4 281	(6 423)

	Zondereinde operations 30 June 2018	Booysendal operations 30 June 2018	Eland operations 30 June 2018	Total 30 June 2018
	R000	R000	R000	R000
Undiscounted obligation based on the Department of Mineral Resources, excluding Value Added Tax	168 177	154 314	152 720	475 211
Less funds held by the Northam Platinum Restoration Trust Fund	(55 333)	(55 293)	–	(110 626)
Less environmental guarantees	(142 350)	(98 427)	(160 641)	(401 418)
Total (overfunded)/underfunded rehabilitation obligation in terms of current legislation	(29 506)	594	(7 921)	(36 833)

The future value of the environmental obligation could either be paid over to the Northam Platinum Restoration Trust Fund over the remaining life of the various operations, or through other financial provisions, insurance or financial products as approved by the Department of Mineral Resources in terms of legislation.

Going forward the environmental obligation will be financed either by way of guarantees or other insurance products and not through cash contributions to the Northam Platinum Restoration Trust Fund, due to the uncertainty created by changes in legislation.

The group has procured the issue of guarantees in respect of the unfunded decommissioning and restoration costs, not covered by the investment held through the Northam Platinum Restoration Trust Fund.

Below is a summary of the various guarantees issued:

	30 June 2019	30 June 2018
	R000	R000
Northam Platinum Limited (Zondereinde)		
GR/G/20396/0312/0031	31 000	31 000
GR/G/20396/0314/165	18 000	18 000
GR/G/20396/0315/0231	18 000	18 000
GR/G/20396/0617/0454	35 000	35 000
CQ/G/30381/1217/003	28 807	28 807
GR/G/20396/0618/0544	11 543	11 543
Total guarantees relating to Northam Platinum Limited (Zondereinde)	142 350	142 350
Booysendal Platinum Proprietary Limited		
GR/G/20396/0311/0011	65 900	65 900
GR/G/20396/0315/0232	25 000	25 000
GR/G/20396/0417/0434	1 908	1 908
GR/G/20396/0517/0459	2 085	2 085
GR/G/02396/0618/0535	2 267	2 267
GR/G/02396/0618/0536	1 267	1 267
Total guarantees relating to Booysendal Platinum Proprietary Limited	98 427	98 427
Eland Platinum Proprietary Limited		
CQ/G/30381/0118/004	129 545	129 545
CQ/G/30381/0118/005	31 096	31 096
Total guarantees relating to Eland Platinum Proprietary Limited	160 641	160 641
Total guarantees in issue	401 418	401 418

20. Preference share liability

	30 June 2019	30 June 2018
	R000	R000
Opening balance	9 818 651	8 636 558
Accrued preference share dividends	1 340 717	1 182 093
Preference shares liability relating to Zambezi Platinum (RF) Limited	11 159 368	9 818 651
Derecognition of Zambezi Platinum (RF) Limited preference shares through the investment in the preference shares together with the accrued dividends	(295 257)	(259 784)
Liquidity fees relating to the Black Economic Empowerment transaction	(113 367)	(129 757)
Amortisation of liquidity fee for the year	16 390	16 390
	10 767 134	9 445 500

On 18 May 2015, 159 905 453 cumulative redeemable preference shares were issued by Zambezi Platinum (RF) Limited at an issue price of R41 per share. The preference shares are redeemable in 10 years' time (from inception), which will be May 2025, at R41 per share plus the cumulative preference dividends. The preference shareholders are entitled to receive a dividend equal to the issue price multiplied by the dividend rate of the South African prime interest rate plus 3.5% calculated on a daily basis based on a 365-day year compounded annually and capitalised at the end of December of every year.

The preference rights, limitations and other terms associated with the Zambezi Platinum (RF) Limited preference shares are set out in the Zambezi Platinum (RF) Limited Memorandum of Incorporation.

The redeemable preference shares do not carry the right to vote.

Subscription undertakings for the full value of the preference shares were secured at a 2.5% liquidity fee.

The liquidity fees are amortised over the 10-year lock-in period.

Northam Platinum Limited has purchased some of the redeemable preference shares in the open market. Below is a summary of the number of shares held together with the fair value of these Zambezi Platinum (RF) Limited preference shares:

	30 June 2019	30 June 2018
Number of Zambezi Platinum (RF) Limited preferences shares issued under preference share code ZPLP	159 905 453	159 905 453
Number of Zambezi Platinum (RF) Limited preference shares held by Northam Platinum Limited	(4 230 819)	(4 230 819)
Number of Zambezi Platinum (RF) Limited preference shares held in the open market	155 674 634	155 674 634
Fair value per share	R69.79	R61.40

Subsequent to year-end, Northam Platinum Limited acquired 1 477 639 preference shares in the open market, at fair value, being the issued price of R41 per share plus accrued preference share dividends at the transaction date for R104.1 million.

Below is a reconciliation of the accrued dividends as per the preference share liability relating to Zambezi Platinum (RF) Limited and the amounts recognised in profit or loss:

	30 June 2019	30 June 2018
	R000	R000
Accrued dividends	1 340 717	1 182 093
Less interest capitalised to property, plant and equipment in terms of IAS 23 Borrowing costs	–	(44 270)
Less dividends accrued to Northam Platinum Limited with regards to the preference shares owned	(35 473)	(31 139)
Preference share dividends per the statement of profit or loss and other comprehensive income	1 305 244	1 106 684

Significant judgements and estimates: consolidation of Zambezi Platinum (RF) Limited

In terms of the preference share agreement between Zambezi Platinum (RF) Limited and its preference shareholders, the preference shareholders will be entitled to receive dividends equal to the South African prime interest rate plus 3.5% over the 10-year period. The preference shares will be compulsorily redeemable on the day immediately preceding the 10th anniversary of the implementation date. The preference shares can only be redeemable before this date upon the occurrence of an early redemption event which is defined in the agreement. The redemption price will be equal to the preference shares' issue price. In terms of the preference shares agreement, the preference dividends will accumulate (compounded) at the rate mentioned above for the 10-year period if not paid by Zambezi. On the redemption date, Zambezi has to settle any outstanding dividends accumulated, together with the redemption price. Zambezi does not have any discretion to avoid the payment of cumulative preference dividends or the payment of the redemption price, and is therefore obliged to settle this amount by delivering cash, a variable number of Northam shares or a combination of the two. The preference shares as well as any accumulated and unpaid preference dividends meet the definition of a financial liability, and are accounted for as such in the statement of financial position of Zambezi, and consolidated in the financials of Northam in terms of International Financial Reporting Standards. This means that the Northam group reflects the BEE equity issued shares as treasury shares (for accounting purposes) and the BEE preference shares are reflected as a liability.

Zambezi was created and designed for the sole purpose of providing Northam with BEE credentials and as a structure to hold the listed BEE preference shares. If Northam does not comply with the HDSA requirements in the Mining Charter they will not be able to retain their mining rights. Northam is able to direct the strategic direction of Zambezi and as per the subscription and relationship agreement between the two companies, Zambezi's memorandum of incorporation may not be amended or replaced without Northam's prior written consent. Northam assumes full responsibility for the administration of Zambezi as well as any costs incurred by Zambezi up to a certain limit. Furthermore, Northam provides a guarantee for Zambezi's obligation in respect of the preference shares. All these points indicate that Northam has been involved from the inception of the transaction, to ensure that the design and operation of Zambezi achieves the purpose for which it was created.

In terms of the transaction, an 'N' share was issued to Northam, which gave them the right to implement mitigating action should Zambezi not comply with certain undertakings as per the transaction's agreements and in other limited instances aimed at maintaining the integrity of the transaction at all times. Zambezi also cannot dispose of the Northam ordinary shares without the prior consent of Northam. Northam has significant exposure to the variable returns of Zambezi, through the creation and maintenance of the BEE credentials during the 10-year lock-in period as well as through the guarantee provided by Northam. The decision-making power of Zambezi's board of directors is restricted to maintaining Northam's BEE credentials and funding arrangements.

All of these factors have been considered in determining that even though Northam Platinum Limited does not have majority of the voting rights in Zambezi Platinum (RF) Limited it still has control over the entity.

21. Long-term loans

	30 June 2019	30 June 2018
	R000	R000
Security of supply contribution	101 886	131 200
Heraeus Deutschland GmbH & Co. KG	72 461	75 403
Total long-term loans	174 347	206 603
Current portion of security of supply contribution	(24 437)	(15 140)
Current portion of Heraeus Deutschland GmbH & Co. KG	(9 400)	(9 400)
Long-term portion	140 510	182 063

The security of supply contribution relates to amounts received to guarantee the supply of future product. These amounts will be recognised over the guaranteed supply period, which commenced during the 2017 financial year.

In terms of an agreement entered into with Heraeus Deutschland GmbH & Co. KG an annual payment of R9.4 million is made for development and research costs for a period of 20 years. A liability was recognised at contract inception, being 16 April 2016. The liability is measured at the present value of the R9.4 million payments over 20 years using the prevailing South African prime interest rate. The contra side of the entry was included as a cost to the furnace, in the 2016 financial year.

22. Domestic medium-term notes

	30 June 2019	30 June 2018
	R000	R000
Non-current domestic medium-term notes		
Domestic medium-term notes (NHM002)	175 000	175 000
Transaction costs relating to the NHM002 issue	(1 256)	(1 256)
Amortisation of transaction costs over 60 months	796	544
	174 540	174 288

On 13 May 2016, Northam issued NHM002, which is R175.0 million's worth of five-year senior unsecured fixed rate notes. The notes bear a fixed coupon of 13.50% per annum, payable semi-annually in May and November of every year, and will be redeemed on 12 May 2021.

Domestic medium-term notes (NHM003)	–	250 000
Transaction costs relating to the NHM003 issue	–	(4 627)
Amortisation of transaction costs over 36 months	–	3 213
Transfer to current domestic medium-term notes	–	(248 586)
	–	–
Domestic medium-term notes (NHM006)	250 000	–
Transaction costs relating to the NHM006 issue	(1 576)	–
Amortisation of transaction costs over 24 months	164	–
	248 588	–

On 16 April 2019, Northam issued NHM006, which is R250.0 million's worth of two-year senior unsecured floating rate notes. The notes attract a floating coupon rate of 3-month JIBAR plus 325 basis points, which is payable on a quarterly basis in April, July, October and January of each year from issued date for a two-year period, and will be redeemed on 16 April 2021.

Domestic medium-term notes (NHM007)	300 000	–
Transaction costs relating to the NHM007 issue	(1 851)	–
Amortisation of transaction costs over 36 months	128	–
	298 277	–

On 16 April 2019, Northam issued NHM007, which is R300.0 million worth of three-year senior unsecured floating rate notes. The notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in April, July, October and January of each year from issued date for a three-year period. These notes mature on 16 April 2022.

Domestic medium-term notes (NHM009)	250 000	–
Transaction costs relating to the NHM009 issue	(1 538)	–
Amortisation of transaction costs over 36 months	93	–
	248 555	–

On 26 April 2019, Northam issued NHM009 which is R250.0 million worth of three-year senior unsecured floating rate notes. The notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in April, July, October and January of each year from issued date for a three-year period. These notes mature on 26 April 2022.

Notes to the condensed financial results continued

	30 June 2019	30 June 2018
	R000	R000
Domestic medium-term notes (NHM011)	500 000	–
Transaction costs relating to the NHM011 issue	(2 905)	–
Amortisation of transaction costs over 36 months	101	–
	497 196	–

On 24 May 2019, Northam issued NHM011, which is R500.0 million worth of three-year senior unsecured floating rate notes. The notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issued date for a three-year period. These notes mature on 24 May 2022.

	30 June 2019	30 June 2018
Domestic medium-term notes (NHM012)	100 000	–
Transaction costs relating to the NHM012 issue	(866)	–
Amortisation of transaction costs over 36 months	14	–
	99 148	–

On 13 June 2019, Northam issued NHM012, which is R100.0 million worth of three-year senior unsecured floating rate notes. The notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in June, September, December and March of each year from issued date for a three-year period. These notes mature on 13 June 2022.

	30 June 2019	30 June 2018
Total non-current domestic medium-term notes	1 566 304	174 288

Current domestic medium-term notes

	30 June 2019	30 June 2018
Transfer from non-current domestic medium-term notes	–	248 586
Domestic medium-term notes (NHM003)	250 000	–
Transaction costs relating to the NHM003 issue	(4 627)	–
Amortisation of transaction costs over 36 months	4 627	–
Domestic medium-term notes repaid (NHM003)	(250 000)	–
Domestic medium-term notes (NHM003)	–	248 586

The Industrial Development Corporation of South Africa Limited subscribed to NHM003 for R250.0 million, three-year senior unsecured floating rate notes on 10 June 2016. The notes attracted a floating coupon rate of 3-month JIBAR plus 390 basis points, which was payable on a quarterly basis in September, December, March and June of every year for a three-year period. These notes matured on 9 June 2019.

	30 June 2019	30 June 2018
Domestic medium-term notes (NHM004)	450 000	450 000
Transaction costs relating to the NHM004 issue	(2 778)	(2 778)
Amortisation of transaction costs over 12 months	2 778	538
Domestic medium-term notes repaid (NHM004)	(450 000)	–
	–	447 760

On 20 April 2018 Northam issued NHM004, which is R450.0 million one-year senior unsecured fixed rate notes. The notes bore a fixed coupon of 11.0% per annum, payable on the redemption date, which was 20 April 2019.

	30 June 2019	30 June 2018
	R000	R000
Domestic medium-term notes (NHM005)	550 000	550 000
Transaction costs relating to the NHM005 issue	(3 304)	(3 304)
Amortisation of transaction costs over 12 months	3 304	398
Domestic medium-term notes repaid (NHM005)	(550 000)	–
	–	547 094

On 18 May 2018 Northam issued NHM005, which is R550.0 million one-year senior unsecured fixed rate notes. The notes bore a fixed coupon of 11.0% per annum, payable on the redemption date, which was 18 May 2019.

Domestic medium-term notes (NHM008)	200 000	–
Transaction costs relating to the NHM008 issue	(1 263)	–
Amortisation of transaction costs over 12 months	228	–
	198 965	–

On 26 April 2019, Northam issued NHM008, which is R200.0 million one-year senior unsecured floating rate notes. The notes attract a floating coupon rate of 3-month JIBAR plus 240 basis points, which is payable on a quarterly basis on April, July, October and January for a one-year period from issue date. These notes mature on 26 April 2020.

Domestic medium-term notes (NHM010)	50 000	–
Transaction costs relating to the NHM010 issue	(430)	–
Amortisation of transaction costs over 12 months	45	–
	49 615	–

On 24 May 2019, Northam issued NHM010, which is R50.0 million one-year senior unsecured floating rate notes. The notes attract a floating coupon rate of 3-month JIBAR plus 240 basis points, which is payable on a quarterly basis on May, August, November and February from issue date for a one-year period. These notes mature on 24 May 2020.

Total current domestic medium-term notes	248 580	1 243 440
Total domestic medium-term notes	1 814 884	1 417 728

Transaction costs are amortised over the period of the financial liability.

The funds generated from the issue of the various notes were used for general corporate purposes, except for NHM003 from which the proceeds had to be applied for the development of the Booysendal mine expansion project, in terms of the agreement with the Industrial Development Corporation of South Africa Limited.

Refer to the related party note (note 28) for various guarantees issued by group companies relating to the notes issued.

These notes were issued under the R2.0 billion DMTN programme dated 3 August 2012.

23. Revolving credit facility

	30 June 2019 R000	30 June 2018 R000
Opening balance	1 500 000	–
Amounts drawn down on the revolving credit facility	850 000	2 000 000
Amounts repaid during the year	(200 000)	(500 000)
Total facility utilised at year end	2 150 000	1 500 000
Transaction costs incurred	(21 767)	(17 055)
Amortisation of transaction costs of the various facilities	8 960	3 550
	2 137 193	1 486 495

The group has a revolving credit facility with Nedbank Limited. The facility was effective from November 2016 for a period of 60 months to the value of R2.0 billion. During the previous financial year, an additional R1.0 billion facility was negotiated for a period of 24 months effective 18 April 2018. During the year under review, the facility was increased by a further R500.0 million, from R3.0 billion to R3.5 billion. Both of Northam's existing R1.0 billion and R2.0 billion revolving credit facilities, as well as the R500.0 million increase, have been combined into a single R3.5 billion revolving credit facility maturing on 29 November 2021.

The interest rate on the total revolving credit facility remains unchanged. Interest accrues at JIBAR plus 3.30% on any outstanding loan balance.

Commitment fees are payable on the revolving credit facility amounting to 0.99% per annum on the unutilised portion of the facility.

Subsequent to period/year end an amount of R200.0 million was repaid on the facility (F2018: R250.0 million was drawn down subsequent to the year-end).

The revolving credit facility is disclosed as non-current as Northam Platinum Limited has the discretion, to refinance or roll over the outstanding facility for at least 12 months after the year-end under the existing loan facility.

Refer to the related party note (note 28) for various guarantees issued by group companies relating to the revolving credit facility.

24. Trade and other payables

	30 June 2019	Restated* 30 June 2018	Restated* opening balance 1 July 2017
	R000	R000	R000
Trade payables	917 243	590 045	503 007
Provisional pricing payables	5 115	27 967	58 226
Accruals	408 785	875 656	337 386
Capital accruals	52 232	84 978	29 977
South African Revenue Service – Value Added Tax	35 254	15 920	11 024
South African Revenue Service – amounts payable relating to the Mineral and Petroleum Resources Royalty	13 391	–	–
Accrued interest and commitment fees	38 899	52 684	5 741
Employee related accruals	375 197	248 645	193 690
Other	85 057	67 307	64 545
	1 931 173	1 963 202	1 203 596

* Restated after the adoption of IFRS 15 Revenue from Contracts with Customers

Trade payables and accruals are unsecured, non-interest bearing and generally settled on 30-day terms.

25. Provisional pricing derivatives

	30 June 2019	Restated* 30 June 2018	Restated* opening balance 1 July 2017
	R000	R000	R000
Provisional pricing derivatives	26 206	2 773	64 576
	26 206	2 773	64 576

* Restated after the adoption of IFRS 15 Revenue from Contracts with Customers

Provisional pricing derivatives relate to amounts received in advance for chrome deliveries during the quotation period. Therefore any negative movement in the chrome price subsequent to payment being received will result in a payable to the customer as reflected above.

Subsequent to the quotational price the selling price is finalised and any amounts that is required to be refunded is accounted for as a provisional pricing payable (refer to note 24).

26. Fair value

The fair value of financial instruments is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using other valuation techniques.

The fair values have been determined using available market information and appropriate valuation methodologies.

Management applies the established fair value hierarchy that categorises the inputs into valuation techniques used to measure fair value into three levels:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 – a technique where all inputs that have an impact on the value are observable, either directly or indirectly

Level 3 – a technique where all inputs that have an impact on the value are not observable.

The following financial instruments have a fair value different from their carrying amount:

	30 June 2019	**30 June 2018**
	R000	R000
Preference share liability		
Carrying value (refer note 20)	(10 767 134)	(9 445 500)
Fair value as per the Zambezi Platinum (RF) Limited closing preference share price (preference share code ZPLP)	(11 286 411)	(9 184 803)

The preference share liability is classified as level 2 due to the low level of activity in the South African debt market.

The fair value of the preference share liability has been determined by reference to the closing price of the preference shares on the debt market at year-end:

	30 June 2019	**30 June 2018**
Zambezi Platinum (RF) Limited (preference share code ZPLP) closing preference share price	R72.50	R59.00
Number of preference shares held in the open market	155 674 634	155 674 634

Subsequent to year-end, Northam Platinum Limited acquired 1 477 639 preference shares in the open market.

27. Commitments

	30 June 2019	30 June 2018
	R000	R000
Capital expenditure – Booysendal mine		
Authorised but not contracted	221 918	981 666
Contracted	1 038 082	318 334
	1 260 000	1 300 000
Capital expenditure - Zondereinde mine		
Authorised but not contracted	492 341	430 424
Contracted	102 659	119 576
	595 000	550 000
Capital expenditure - Eland mine		
Authorised but not contracted	309 836	200 000
Contracted	90 164	–
	400 000	200 000
Information Technology - outsource service provided		
Due within one year	8 241	18 370
Due within two to five years	1 949	–
	10 190	18 370
Operating lease rentals - office equipment		
Due within one year	2 806	3 884
Due within two to five years	1 130	3 939
	3 936	7 823
Operating lease rentals – premises as lessee		
Due within one year	17 655	12 790
Due within two to five years	42 516	39 505
	60 171	52 295
The lease rentals for the corporate office contains an option to renew the lease for an additional five years		
Bank guarantees		
Eskom Holdings SOC Limited	89 706	73 895
Other	398	398
	90 104	74 293
Guarantees – Department of Mineral Resources (refer note 19)	401 418	401 418

These commitments will be funded from a combination of internal retentions and debt.

28. Related parties

Related party relationships exist between the company and subsidiaries within the Northam Platinum Limited group of companies. Below is a summary of the key related party transactions:

Guarantees

Northam Platinum Limited currently has finance facilities available in the form of a revolving credit facility of R3.5 billion with Nedbank Limited, and has issued R1.8 billion on the debt capital market, these notes were issued under the R2.0 billion DMTN programme.

Booysendal Platinum Proprietary Limited has signed a letter of guarantee concerning both these facilities and Eland Platinum Proprietary Limited has signed a letter of guarantee concerning the revolving credit facility.

Zambezi Platinum (RF) Limited

Zambezi Platinum (RF) Limited was created and designed for the sole purpose of providing Northam Platinum Limited with Black Economic Empowerment (BEE) credentials and as a structure to hold the listed BEE preference shares. If Northam Platinum Limited does not comply with the Historically Disadvantaged South African requirements in the Mining Charter, it will not be able to retain its mining rights. Northam Platinum Limited is able to direct the strategic direction of Zambezi Platinum (RF) Limited and as per the subscription and relationship agreement between the two companies, Zambezi Platinum (RF) Limited's Memorandum of Incorporation may not be amended or replaced without Northam Platinum Limited's prior written consent.

Northam Platinum Limited assumes full responsibility for the administration of Zambezi Platinum (RF) Limited as well as any costs incurred by Zambezi Platinum (RF) Limited up to a certain limit. Furthermore, Northam Platinum Limited provides a guarantee for Zambezi Platinum (RF) Limited's obligation in respect of the preference shares. All these points indicate that Northam Platinum Limited has been involved from the inception of the transaction, to ensure that the design and operation of Zambezi Platinum (RF) Limited achieves the purpose for which it was created. In terms of the transaction, an 'N' share was issued to Northam Platinum Limited, which gives Northam Platinum Limited the right to implement mitigating action should Zambezi Platinum (RF) Limited not comply with certain undertakings as per the transaction's agreements and in other limited instances aimed at maintaining the integrity of the transaction at all times. Zambezi Platinum (RF) Limited also cannot dispose of the Northam Platinum Limited ordinary shares without the prior consent of Northam Platinum Limited. Northam Platinum Limited has significant exposure to the variable returns of Zambezi Platinum (RF) Limited, through the creation and maintenance of the BEE credentials during the 10-year lock-in period as well as through the guarantee provided by Northam Platinum Limited. The decision-making power of Zambezi Platinum (RF) Limited's board of directors is restricted to maintaining Northam Platinum Limited's BEE credentials and funding arrangements.

All of these factors have been considered in determining that even though Northam Platinum Limited does not have majority of the voting rights in Zambezi Platinum (RF) Limited, it still has control over the entity, and therefore consolidated into the group.

For purposes of ensuring that Zambezi Platinum (RF) Limited does not incur any liabilities or indebtedness, other than pursuant to the transaction agreements, and that it remains ring fenced, Zambezi Platinum (RF) Limited and Northam Platinum Limited entered into an administration services agreement in terms of which Zambezi Platinum (RF) Limited has appointed Northam Platinum Limited to attend to the day-to-day management of Zambezi Platinum (RF) Limited's business and the administration of Zambezi Platinum (RF) Limited's affairs at Northam Platinum Limited's sole cost and expense and with no recourse to Zambezi Platinum (RF) Limited subject to maximum costs and expenses of up to R2.0 million per annum, escalating annually at CPI from the 1st (first) anniversary of the implementation date. During the current year expenses to the value of R2.1 million (F2018: R1.7 million) were incurred.

BEE Community and ESOP Trusts

The manner in which the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the Northam Employees' Trust were set up and the contracts governing the relationships between Northam Platinum Limited and these trusts, shows that their relevant activities had already been determined when these trusts were created and will continue to be carried out until such time as the 10-year lock-in period is over or the BEE credentials are no longer required by Northam Platinum Limited. There is no scope for any other commercial activity outside of the maintenance of the BEE credentials, the allocation of returns on the Northam Platinum Limited share to the beneficiaries of these trusts and the facilitation and maintenance of the external BEE preference share funding.

These trusts are therefore under the control of Northam Platinum Limited and therefore consolidated into the group.

In terms of the Trust Deed of the Northam Employee Trust, Northam Platinum Limited has committed to contribute R1.0 million per annum for the duration of the lock-in period.

Other related party transactions

The group has a 30% interest in SSG Holdings Proprietary Limited, a company providing security and facility services to the group. Below is a summary of transactions between the group and SSG Holdings Proprietary Limited:

	30 June 2019	**30 June 2018**
	R000	R000
Security and facilities services provided by SSG Holdings Proprietary Limited to the group during the year accounted for as part of operating costs	92 715	70 472
Management fees received from associate (SSG Holdings Proprietary Limited) (refer note 7)	2 160	4 698
Amounts payable to SSG Holdings Proprietary Limited included as part of trade payables	17 168	10 073

SMS Mining Holdings Proprietary Limited is a company who provides secondary support work, including the supply and application of shotcrete and anchor installation to the group. Messrs. KB Mosehla, Northam Platinum Limited's chairman, GS Mseleku and PL Zim, who are Zambezi Platinum (RF) Limited shareholders each hold a 10% indirect interest in SMS Mining Holdings Proprietary Limited. Below is a summary of transactions between the group and SMS Mining Holdings Proprietary Limited:

	30 June 2019	**30 June 2018**
	R000	R000
Services provided by SMS Mining Holdings Proprietary Limited to the group during the year accounted for as part of operating costs	33 637	2 792
Amounts payable to SMS Mining Holdings Proprietary Limited included as part of trade payables	6 695	2 599

Notes to the condensed financial results continued

29. Employee Labour Court judgement

Northam Platinum Limited received judgement on a Labour Court case in which employees claimed that they were unfairly dismissed when they did not return to work after an unprotected work stoppage in 2016.

According to the Labour Court, the employees' dismissal was substantively unfair. Northam Platinum Limited has been ordered to pay compensation for each employee equivalent to 12 months' remuneration calculated at the rate of remuneration on dismissal. An amount of R55.0 million has therefore been accrued for in the accounts.

The employees seek reinstatement and have been granted leave to appeal to the Labour Appeal Court. The matter is yet to be set down for hearing in the Labour Appeal Court. As a result, Northam Platinum Limited is unable to execute the instructions contained in the judgement.

Due to the uncertainty of the outcome of the appeal, no further provision has been raised.

30. Events after the reporting period

There have been no events, other than what has been disclosed, subsequent to the current financial year-end which require additional disclosure or adjustment to these condensed financial results.

Glossary

Performance measures (PMs) not defined by the International Financial Reporting Standards (IFRS) and which are disclosed in this report, are not uniformly defined or used by all entities, and may not be comparable with similar disclosures provided by other entities. To obtain an understanding of, *inter alia*, the purpose and computation of the PMs, shareholders are referred to the glossary set out below.

The responsibility of the PMs, and the financial reporting procedures relating to the PMs, remains with the board of directors of Northam.

4E	Northam reports ore resources, reserves, production and grades in terms of platinum, palladium, rhodium and gold, collectively expressed as 4E
6E	Northam reports ore resources, reserves, production and grades in terms of platinum, palladium, rhodium, gold, ruthenium and iridium, collectively expressed as 6E
Average exchange rate	The average exchange rate achieved by the group for the purpose of converting USD sales to ZAR over a period/year, amounting to the sum of the daily close ZAR/USD exchange rate over a period/year divided by the number of days in that period/year
Average market price achieved/realised (USD/oz)	Average market prices achieved/realised in USD/ounce over a specific period/year, calculated as total sales revenue per metal in ZAR divided by the total metal sold in ounces, divided by the average exchange rate
Capital expenditure or capex	ZAR value assigned for future additions to property, plant and equipment as well as mining properties and mineral resources
Cash costs per 4E oz in concentrate produced	Cash costs for each 4E ounce in concentrate produced over a specific period/year, calculated as mining operations costs in ZAR divided by 4E ounces in concentrate produced, plus concentrator operating costs together with selling and administration overhead costs in ZAR divided by 4E ounces produced both from concentrate produced as well as concentrates purchased
Cash costs per 6E oz in concentrate produced	Cash costs for each 6E ounce in concentrate produced over a specific period/year, calculated as mining operations costs in ZAR divided by 6E ounces in concentrate produced, plus concentrator operating costs together with selling and administration overhead costs in ZAR divided by 6E ounces produced both from concentrate produced as well as concentrates purchased
Cash costs per equivalent refined 4E oz	Cash costs for each equivalent refined 4E ounce produced over a specific period/year, calculated as mining costs in ZAR (mining operations and concentrator operations costs) divided by the equivalent 4E refined metal quantities in ounces produced from own operations, plus smelting and base metal removal plant cost, selling and administration overhead and refining including sampling and handling charges in ZAR divided by total 4E refined metal quantities in ounces produced
Cash costs per equivalent refined 6E oz	Cash costs for each equivalent refined 6E ounce production over a specific period/year, calculated as mining costs in ZAR (mining operations and concentrator operations costs) divided by the equivalent 6E refined metal quantities in ounces produced from own operations, plus smelting and base metal removal plant cost, selling and administration overhead and refining including sampling and handling charges in ZAR divided by total 6E refined metal quantities in ounces produced
Cash costs per equivalent refined Pt oz	Cash costs for each equivalent refined Platinum ounce produced over a specific period/year, calculated as mining costs in ZAR (mining operations and concentrator operations costs) divided by the equivalent platinum refined metal quantities in ounces produced from own operations, plus smelting and base metal removal plant cost, selling and administration overhead and refining including sampling and handling charges in ZAR divided by total platinum refined metal quantities in ounces produced
Cash costs per Pt oz in concentrate produced	Cash costs for each Platinum ounce in concentrate produced over a specific period/year, calculated as mining operations costs in ZAR divided by platinum ounces in concentrate produced, plus concentrator operating costs together with selling and administration overhead costs in ZAR divided by platinum ounces produced both from concentrate produced as well as concentrates purchased
Cash margin per 4E oz in concentrate produced	Cash profit per 4E ounce in concentrate produced as a percentage of the total revenue per 4E ounce sold, which ratio is utilised to assess the profitability of each 4E ounce in concentrate produced
Cash margin per 6E oz in concentrate produced	Cash profit per 6E ounce in concentrate produced as a percentage of the total revenue per 6E ounce sold, which ratio is utilised to assess the profitability of each 6E ounce in concentrate produced
Cash margin per equivalent refined 4E oz	Cash profit per equivalent refined 4E ounce as a percentage of the total revenue per 4E ounce sold, which ratio is utilised to assess the profitability of each equivalent refined 4E ounce produced

Glossary continued

Cash margin per equivalent refined 6E oz	Cash profit per equivalent refined 6E ounce as a percentage of the total revenue per 6E ounce sold, which ratio is utilised to assess the profitability of each equivalent refined 6E ounce produced
Cash margin per equivalent refined Pt oz	Cash profit per equivalent refined Platinum ounce as a percentage of the total revenue per Platinum ounce sold, which ratio is utilised to assess the profitability of each equivalent refined Platinum ounce produced
Cash margin per Pt oz in concentrate produced	Cash profit per Platinum ounce in concentrate produced as a percentage of the total revenue per Platinum ounce sold, which ratio is utilised to assess the profitability of each Platinum ounce in concentrate produced
Cash profit per 4E oz in concentrate produced	Total revenue per 4E ounce sold less the cash cost per 4E ounce in concentrate produced, which is utilised to assess the profitability of each 4E ounce in concentrate produced
Cash profit per 6E oz in concentrate produced	Total revenue per 6E ounce sold less the cash cost per 6E ounce in concentrate produced, which is utilised to assess the profitability of 6E ounce in concentrate produced
Cash profit per equivalent refined 4E oz	Total revenue per 4E ounce sold less the cash costs per equivalent refined 4E ounce, which is utilised to assess the profitability of each equivalent refined 4E ounce produced
Cash profit per equivalent refined 6E oz	Total revenue per 6E ounce sold less the cash costs per equivalent refined 6E ounce, which is utilised to assess the profitability of each equivalent refined 6E ounce produced
Cash profit per equivalent refined Pt oz	Total revenue per Platinum ounce sold less the cash costs per equivalent refined Platinum ounce, which is utilised to assess the profitability of each equivalent refined Platinum ounce produced
Cash profit per Pt oz in concentrate produced	Total revenue per Platinum ounce sold less the cash costs per Platinum ounce in concentrate produced, which is utilised to assess the profitability of each Platinum ounce in concentrate produced
EBITDA	Earnings before interest (investment income and finance charges excluding preference share dividends), tax, depreciation, amortisation and the impact of the 2015 BEE transaction relating to amoritsation of liquidity fees paid on preference shares, the preference share dividends and loss on derecognition of the preference share liability. EBITDA is utilised for, *inter alia*, the assessment of covenants
EBITDA margin	EBITDA as a percentage of sales revenue in ZAR
Expansionary capex	Capital expenditure to increase or enhance property, plant and equipment or mining properties and mineral resources
Headline earnings	Headline earnings is governed by Circular 4/2018 as issued by the South African Institute of Chartered Accountants (SAICA)
Headline earnings per share	Headline earnings per share is governed by Circular 4/2018 as issued by the South African Institute of Chartered Accountants (SAICA). The JSE Listings Requirements require disclosure of headline earnings per share and an itemised reconciliation of earnings to headline earnings
Net debt	Cash and cash equivalents less bank overdraft, domestic medium-term notes and revolving credit facility (both the current and non-current portion), all of which are in ZAR. Net debt is utilised for, *inter alia*, the assessment of covenants
Normalised headline earnings	Headline earnings adjusted for non-cash items relating to the 2015 BEE transaction, whereby headline earnings is adjusted to include amortisation of liquidity fees paid on preference shares, preference share dividends and the loss on derecognition of preference share liability. Normalised headline earnings is considered as managements main measure of performance
Normalised headline earnings per share	Headline earnings per share adjusted for the impact of the 2015 BEE transaction, being normalised headline earnings divided by the total number of shares in issue. Normalised headline earnings per share is considered as managements main measure of performance
On mine cash cost per tonne milled	Cash cost to mill a tonne of production over a specific period/year, calculated as total on mine costs consisting of mining operation's costs and concentrator operations costs in ZAR divided by the total tonnes milled

On mine cash cost per tonne mined	Cash cost to mine a tonne of production over a specific period/year, calculated as total on mine costs consisting of mining operation's costs and concentrator operations costs in ZAR divided by the total tonnes mined
Operating profit	Sales revenue in ZAR less cost of sales in ZAR (gross profit)
Operating profit margin	Operating profit as a percentage of sales revenue in ZAR
Ounce or oz	Troy ounce consisting of 32.1507 grammes
Sustaining capex	Capital expenditure to maintain property, plant and equipment or mining properties and mineral resources
Sustaining capex per equivalent refined Pt oz from own operations	Sustaining capex divided by equivalent refined platinum ounces from own operations
Total revenue per 4E oz sold	Revenue generated for each 4E ounce sold over a specific period/year, calculated as total sales revenue in ZAR for all metals for a period/year divided by the number of 4E ounces sold during that period/year
Total revenue per 6E oz sold	Revenue generated for each 6E ounce sold over a specific period/year, calculated as total sales revenue in ZAR for all metals for a period/year divided by the number of 6E ounces sold during that period/year
Total revenue per Pt oz sold	Revenue generated for each Platinum ounce sold over a specific period/year, calculated as total sales revenue in ZAR for all metals for a period/year divided by the number of platinum ounces sold during that period/year

Notes

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Bond ISIN: ZAG000158593
Bond code: NHM008
Bond ISIN: ZAG000158858
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Bond ISIN: ZAG000158866
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