NORTHAM
PLATINUM LIMITED

Protecting our people and our company whilst maintaining our growth strategy

Summarised financial results and group statistical information for the year ended 30 June 2020

smart platinum mining

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Summarised financial results

Additional information

Directors

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

**British*

What investors need to know about the Northam 30 June 2020 results

- 5 million fatality free shifts over 10 years achieved at Booysendal
- One fatality recorded at Zondereinde in December 2019
- Record year for Northam despite the challenges of COVID-19
- Estimated 108 685 oz 4E production loss as a result of COVID-19
- Record sales revenue of R17.8 billion (F2019: R10.6 billion)
- Sales volumes maintained despite challenges as a result of COVID-19
- Total revenue per platinum ounce sold up 78.8% to R53 009/Pt oz (F2019: R29 640/Pt oz)
- Production from own operations at 515 370 oz 4E (F2019: 519 954 oz 4E)
- Group unit cash cost per equivalent refined platinum ounce increased by 28.2% to R29 281/Pt oz (F2019: R22 847/Pt oz)
- Cost of approximately R977.2 million relating to the COVID-19 pandemic included in cost of sales
- Record operating profit of R5.3 billion (F2019: R2.4 billion) and record EBITDA of R6.0 billion (F2019: R2.6 billion)
- Record profit after tax of R2.2 billion (F2019: R60.1 million)
- Free cash flow generated of R4.0 billion (F2019: R0.2 million)
- Net debt at R3.3 billion – net debt to EBITDA ratio of 0.56 to 1
- DMTN programme increased to R10.0 billion and maturities extended
- Return of shareholder value through 46.7% ownership of ZPLP's to date
- Capital expenditure of R2.4 billion mainly in the execution of the group's growth strategy
- All growth projects on track to reach our 1 million oz 4E target
- Inclusion in the FTSE/JSE Top 40 index with a ranking of 32
- 5 year wage agreement concluded at Booysendal
- Zambezi structure in the money

Who we are

Northam Platinum Limited (Northam) 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. 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 JSE Limited (JSE). Its equity share code is NHM and its debt instruments are listed under the symbol NHMI. The company is a constituent of the FTSE/JSE Responsible Investment Index.

Northam is fully empowered. Historically Disadvantaged South African (HDSA) ownership levels in the company stand at 31.4% following the conclusion of a Black Economic Empowerment (BEE) transaction, with Zambezi Platinum (RF) Limited (Zambezi).

Key features

Record revenue

R17.8 bn

Record operating profit

R5.3 bn

Net debt

R3.3 bn

With net debt to EBITDA ratio at 0.56

Estimated loss of production related to COVID-19

108 685

oz 4E

Return of shareholder value

46.7%

Zambezi preference share ownership to date

Five year wage settlement at Booysendal

> Our focus has been on protecting our people, as well as preserving our company position and our future prospects.

Our investment case – five reasons to invest in Northam

Northam is a fully empowered, integrated producer of platinum group metals (PGMs), following the conclusion of an empowerment transaction in 2015. This has allowed us to embark on a four-phase growth strategy, investing significant financial resources to safely, efficiently and sustainably increase our PGM production against the sector trend of depleting supply.

Our growth strategy is underpinned by a belief in the metals we produce and is well advanced, thanks to thorough planning and swift execution. We have entered the fourth phase of this strategy and are now returning meaningful value to our shareholders.

Our operational assets

Our assets and infrastructure are world class and our mining methods are tailored to optimally extract and beneficiate our large, long-life ore bodies. We own 100% of all our major centres of operation, comprising the Zondereinde, Booysendal North, Booysendal South and Eland mines, as well as our US recycling operation.

We beneficiate and sell final metal, thereby benefitting from the full mine to the market value chain.

Diversified centres of operation	Quality long-life assets	Innovative technologies
4 mines	**241.9 Moz 4E** total Mineral Resources	Mining methods are tailored to their respective ore body
5 concentrators	**740 m** average Mineral Reserve depth	Booysendal commissioned the first aerial rope conveyor system in Southern Africa
2 smelter furnaces	**4.1 g/t** average 4E mill feed grade	Eland commissioned a first of its kind Mobile Tunnel Borer to optimise reserve build-up
1 US recycling operation	**50/50** conventional/ mechanised mining ratio	Zondereinde pioneered hydro-powered technology in mining and the use of backfill as primary support

Our empowerment

Our unique, long-term empowerment structure provides security of tenure over our mineral rights. This mutually beneficial empowerment structure injected R4.6 billion of cash into Northam in 2015, providing a solid financial platform to accelerate our growth strategy.

31.4%
empowerment shareholding through Zambezi Platinum (RF) Limited

Our management and our people

At Northam, it is our people that make our business successful and we believe that we have an exceptional team that optimises our world-class assets.

Experienced
Our board and executive management team are highly experienced across multiple disciplines and have an excellent track record of effectively and responsibly directing and managing our operations, whilst growing the business and successfully delivering on all projects.

Innovative
We embrace a culture of innovation, demonstrated through our empowerment transaction, our ability to take measured risk when it comes to the application of new technology and our track record of smart acquisitions. The purchase of the Zondereinde Western extension and the Everest mine unlocked significant synergistic benefits, whilst that of Eland provided group optionality.

Decisive and swift
We have a strong and cohesive team that assesses risk and return, making swift but measured decisions on which we follow through. This is the nature of our business – it is the way we do things, and our track record demonstrates this.

Our financial position

Since F2015, we have invested R12.9 billion to fund our profitable and modular growth strategy. This work is well progressed and is yielding both production growth and internal optimisation benefits. In addition, in these times of economic uncertainty associated with the COVID-19 pandemic, our disciplined approach to modular growth projects and capital allocation has allowed us to suspend some capital projects without significantly compromising current cost benefits or future optionality. This has strengthened our ability to both generate and preserve cash, enhancing our sustainability within what is a relatively constrained primary supply sector. Consequently, we are able to raise external funding at progressively attractive borrowing rates. These factors have positioned us to weather these current uncertain times whilst continuing to execute our strategy. Returning value to our shareholders is core to this strategy, and we commenced this in earnest in F2020 through the purchase of Zambezi Platinum (RF) Limited (Zambezi) preference shares.

Key financial data for our F2020 year are set out below.

R17.8 bn **F2020 revenue**	R6.0 bn **F2020 EBITDA**
33.8% **F2020 EBITDA margin**	0.56 **Net debt to EBITDA**
R4.0 bn **Total available banking facilities**	R4.0 bn **F2020 free cash flow generated**

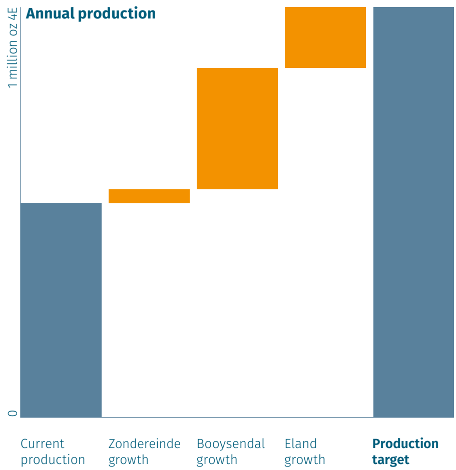
Our growth

Our growth projects are well progressed, with relatively low execution risk. Our medium-term annual production target remains 1 million oz 4E. A temporary pull-back of specific capital growth projects in these uncertain times will result in a short delay to achieving this target. The extent of this delay depends upon the extent and nature of disruption related to COVID-19, which has an impact on both demand and primary supply.

The long-term fundamentals for our basket of metals remain strong. Our robust financial position and the structure of our growth programme ideally positions Northam to benefit from this.

Medium-term annual production targets:

Zondereinde	350 000 oz 4E
Booysendal	500 000 oz 4E
Eland	150 000 oz 4E



How COVID-19 has impacted Northam

The COVID-19 pandemic is having an unprecedented impact on the world, both socially and economically and we have entered extremely uncertain times.

This has affected Northam and we have responded to it.

Management swiftly developed a decisive, detailed and immediate action plan to minimise, as far as possible, the impact of the COVID-19 pandemic on our operations and employees.

Socially, the health and well-being of our employees, as well as that of our host communities is a key concern for the group.

Economically, we are a business that sells our products into a global market that is currently subject to metal price and demand uncertainty. This uncertainty has the potential to impact the group's liquidity.

In compliance with the South African national lockdown, the company suspended all but our essential operations from midnight on Thursday, 26 March 2020, until Monday, 20 April 2020. After this we commenced a phased and controlled restart, in line with regulations relating to Section 27(2) of the Disaster Management Act, 2002.

This phased restart is still in progress. It has required significant procedural health-related interventions and has negatively impacted production volumes. This has flowed through to unit costs, profitability and ultimately the company's cash position.

Our people

Pay

We have committed to protecting the jobs of all of our employees as far as possible.

All of our operational and financial interventions have been aimed at meeting this commitment.

To assist and support our employees, we have paid our people throughout the national lockdown, including those not yet called back to work during the phased restart. This included paying basic salaries, full medical cover, pension contributions and living out allowances. In addition, those not at work were deemed to be absent with permission, such that their leave and sickness allowances were not impacted.

Health and well-being

During the restart process, in the interest of protecting all of our employees, safety measures and protocols were enacted and strictly enforced by Northam. These followed the prescripts of the amended recommendations from the World Health Organisation (WHO) and the National Institute for Communicable Diseases (NICD) and are in line with the procedures for the restart of operations developed for the mining industry through the Minerals Council South Africa (MCSA), in consultation with the Department of Mineral Resources and Energy (DMRE).

These include:

- Detailed risk assessments dealing specifically with the risk of COVID-19, especially during the phased restart, were undertaken. Recommendations from these have been implemented proactively and updated on an ongoing basis;
- Rigorous screening and testing programmes were implemented; including body temperature screening at all strategic access points;
- Comprehensive training, as well as the roll-out of COVID-19 awareness and communication programmes;
- Dedicated hand-sanitising points were established throughout the operations;
- Disinfection of vulnerable areas such as turnstiles, offices, kitchens, canteens and other areas;
- Biometric access controls were suspended for the time being (and replaced with other interim access control measures), to further reduce transmission risk;
- 24/7 operational clinics are available to all employees;
- Quarantine facilities are available for employees who have tested positive for COVID-19;
- Transport assistance is provided to returning workers;
- All employees are issued with the appropriate Personal Protective Equipment (PPE), including masks and gloves, on an ongoing basis;
- In addition, flu vaccine injections have been made available to all employees. This is aimed at reducing the risk of employees falling ill with the flu, which is one of the infections which may compromise the immune system response.
- Higher risk employees, those over 55 and/or with certain medical conditions, recieved additional screening and attention and in some cases, were given flexible working arrangements.

Operations

Lockdown and phased restart impacted F2020 and will impact F2021

The suspension of normal operations, together with the phased restart has had a significant negative impact on production volumes. The impact on equivalent refined metal production for F2020 is estimated to be a reduction of 108 685 oz 4E.

Due to the phased restart, we have down-scaled our F2021 business plan production estimate. Revised own production estimates from our operations are:

- **Zondereinde** – 290 000 equivalent refined oz 4E;
- **Booysendal** – 330 000 oz 4E in concentrate; and
- **Eland** – 50 000 oz 4E in concentrate.

These reductions have negatively impacted the current year, as well as the F2021 forecasted unit costs.

Projects

Reduced cash outflow

In order to reduce cash outflow, we immediately limited the scope or postponed specific capital projects:

- A number of projects at Booysendal South (BS) were suspended or postponed, with the ramp-up at BS4 limited in scope and development at the Central Merensky module suspended;
- Portions of the 3 shaft access project at Zondereinde have been postponed, but reaming of the completed pilot hole will progress; and
- The Eland ramp-up has been postponed for 12 months.

The modular structure of our growth program facilitated this rapid response, which is aimed at minimising its impact on the medium-term production growth targets.

We are reassessing our market view on an ongoing basis and will review this capital expenditure pull-back accordingly.

Financial

Strict cash preservation to support the long-term future of the company is a priority

Actions taken in this regard include:

- The short–term pull back in capital expenditure;
- Restructuring of the company's domestic medium-term note (DMTN) program, to both raise additional capital as well as to push out repayment commitments to longer time horizons;
- Ensuring that we have R4.0 billion in available banking facilities through our existing revolving credit facility (RCF) and general banking facility (GBF).

We are a company that is financially well positioned to withstand the potential negative impacts of the COVID-19 pandemic. We still believe strongly in the fundamental value of our scarce and special metals and the world's long-term need for them. Our greatest defence against challenging economic times is safe, cost effective production and doing this consistently.

Communities

Our operations and social interventions result in significant local economic stimulation

The Northam group operates in some of the least economically developed areas of the country and is conscious of our social responsibility as a corporate citizen. We have good relationships with our host communities and our growth strategy has resulted in significant local economic stimulation. This includes the creation of thousands of new sustainable jobs which offer growth and development opportunities within these communities, as well as the Local Economic Development as defined in the South African National Framework for Local Economic Development 2018-2028 (LED) and Corporate Social Investment (CSI) projects we pursue through our Social and labour plans as contemplated in part II of the Mineral and Petroleum Resources Development Act (Act 28 of 2002) regulations (SLPs). We have continued to progress these SLPs and general social relief programmes throughout the period.

In addition, and through the Zambezi Platinum (RF) Limited structure, the group has established two community trusts, the Northam Booysendal Community Trust and the Northam Zondereinde Community Trust. These trusts represent the interests of identified communities local to the Booysendal and Zondereinde mines.

These two trusts have mandates that include investment in community development activities for the benefit of their respective communities, with particular focus on infrastructure, education and health.

The President has called on business to contribute to the Solidarity Fund. This is a fund into which South African businesses, organisations, individuals and members of the international community can contribute. We are of the view that assistance through our existing Community Trusts would better serve the needs of our host communities. To this end Northam has donated the sum of R1.0 million to each of the Northam Booysendal Community Trust and the Northam Zondereinde Community Trust to assist communities in efforts to combat the spread of the COVID-19 virus, to help track its spread, to care for those who are ill and to support those whose lives are disrupted.

Q&A with the chief executive officer of Northam

This has been a record year for Northam, both financially and in terms of returning value to shareholders.

Paul Dunne

Q

What have been the key highlights of the past year?

A

COVID-19 has dominated the second half of the year, affecting our people as well as our production and financial performance.

Despite this difficult operating environment, our growth strategy remains on track. In addition, this has been a record year for Northam, both financially and in terms of returns to shareholders. To date, we have achieved this through the purchase of 46.7% Zambezi Platinum (RF) Limited preference shares (ZPLPs), which has returned R5.6 billion of value.

We have made progress on our various growth projects at the operations. Booysendal South is ramping up, the Western extension at Zondereinde is delivering significant tonnages and our metallurgical expansion programme is on track.

In response to the uncertainty created by the COVID-19 pandemic, we have trimmed our capital spend by pulling back on some aspects of the Central Merensky module at Booysendal and portions of the 3 shaft project. We have also delayed the mining build-up at Eland.

Q
What has been the impact of the COVID-19 pandemic on the business and what do you expect going forward?

A
The lockdown and phased restart had a severe impact on production and is expected to continue to impact the first half of F2021.

Our management team moved swiftly and decisively in developing and implementing an action plan aimed at protecting the health and well-being of our employees and host communities, ensuring a safe restart of operations and managing our cash position. All these interventions were aimed at protecting our long-term sustainability whilst maintaining strategic optionality.

At the board level, executive directors have foregone a salary increase this year, whilst non-executive directors have donated their fee increases to our Community Trusts. In addition, the company has made donations to the rural regions of our country to assist in the fight against COVID-19.

Whilst continuing to look after the health and well-being of our people and host communities, we need to drive operational normalisation. This is in the interests of all stakeholders and will be achieved using risk-mitigating measures such as protecting the health and wellness of our employees, strongly managing our financial reserves, maintaining effective lines of communication with all stakeholders and focussing on what we do best, which is safe, productive mining.

Q
You have consistently highlighted your focus on employees' health and well-being – can you elaborate on this?

A
The broader health and wellness of our employees, as well as that of our host communities, is one of our key concerns.

The mining industry as a whole has maintained strong health programmes over many years. Our collective achievements in managing HIV and tuberculosis, together with occupational health matters, attest to this.

We have drawn on this experience in our recent response to COVID-19.

Safety in the workplace has always been our first priority. It is pleasing for us to be able to show continuing improvement in our overall safety performance. Also pleasing has been our achievement of five million fatality free shifts at Booysendal. More importantly for Booysendal, we have not had a single fatal accident since the start of mining operations over 10 years ago.

Sadly, at Zondereinde, we lost one of our employees, Mr Batswana Solomon Kalaote, in a fall-of-ground accident in December. We extend our sincere condolences to his family, friends and team members. Accidents of this nature are preventable and management has undertaken appropriate corrective measures to avoid a repeat.

Q
How will capital spend impact your million ounce target?

A
As part of our COVID-19 mitigation plan, we reduced cash outflow by temporarily trimming certain capital growth projects. The structure of our capital programme allowed this without significant impact on our medium-term production target of 1 million ounces. As the market absorbs the impact of COVID-19, and we obtain greater price certainty, we will individually reassess each of our growth projects during the coming year. Nevertheless, the company remains in a strong position to deliver safe production growth down the cost curve.

Q
What are your views on the PGM market in the short to medium-term?

A
Interpreting the market for our metals within the current disruption is difficult. However, it is our considered opinion that, as a consequence of COVID-19, the market for palladium has moved closer to balance; that of rhodium remains in deficit; and, whilst platinum is in surplus, it is being viewed as an investment case offering good value. Industrial demand for all metals remains robust and on a regional basis, Chinese purchases remain strong. Palladium remains the metal of choice in gasoline vehicle autocatalysis for the foreseeable future, although there may be potential for some platinum substitution in the medium-term. Rhodium will continue as the only viable solution for NOx suppression.

These are very special metals and it is our belief that prices for our basket will remain strong throughout the coming decade. A greener, cleaner world needs platinum group metals.

Q
Returning value to shareholders is part of your strategy – what is your current position, taking into account the impact of COVID-19?

A
We remain single-minded in our commitment to returning value to shareholders, and will continue to do so, despite the current turmoil.

We have previously stated that the board currently views the purchase of ZPLPs as our preferred method for achieving this. We have done well so far, securing 46.7% of the preference share structure.

However, all options for returning value to shareholders are now open to us and the board will continue to review this over time.

Q
How has the relationship between business, government and unions evolved?

A
Our relationships with government, especially the DMRE, as well as with organised labour, are very important to us. These relationships have moved significantly closer through the COVID-19 pandemic.

Minister Mantashe's collaborative approach has been critical in this regard. We hope that all parties will continue to move the industry forward whilst we tackle pressing issues with respect to policy and legislative certainty.

Relations with organised labour have matured through ongoing, robust dialogue. This has led to a five-year wage and working conditions agreement having been settled at Booysendal in December.

> We remain single-minded in our commitment to returning value to shareholders, and will continue to do so, despite the current turmoil.

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

A
Our strategy is unchanged. We will continue to focus on:

- Returning value to shareholders;
- Project execution; and
- Growing our margin and improving our relative cost position in the sector. We need to operate in the lower half of the cost curve.

In addition, over the short-term, we need to continue to drive towards operational normalisation as safely and efficiently as possible under difficult and unusual circumstances.

Q
You have been at Northam for six years now; what does the future hold for you?

A
There is much still to do at Northam. We set out a 10-year strategy back in 2015, so we're only halfway in turning this strategy to account.

We have assembled the asset base necessary to deliver on this strategy. We are starting to return value and we will deliver significant value to our loyal shareholders over the next five years.

I will be here for the duration, board and shareholder willing.

Q
What is next for Northam?

A
We've done what we said we would do and you can expect more of the same going forward.

Paul Dunne
Chief executive officer

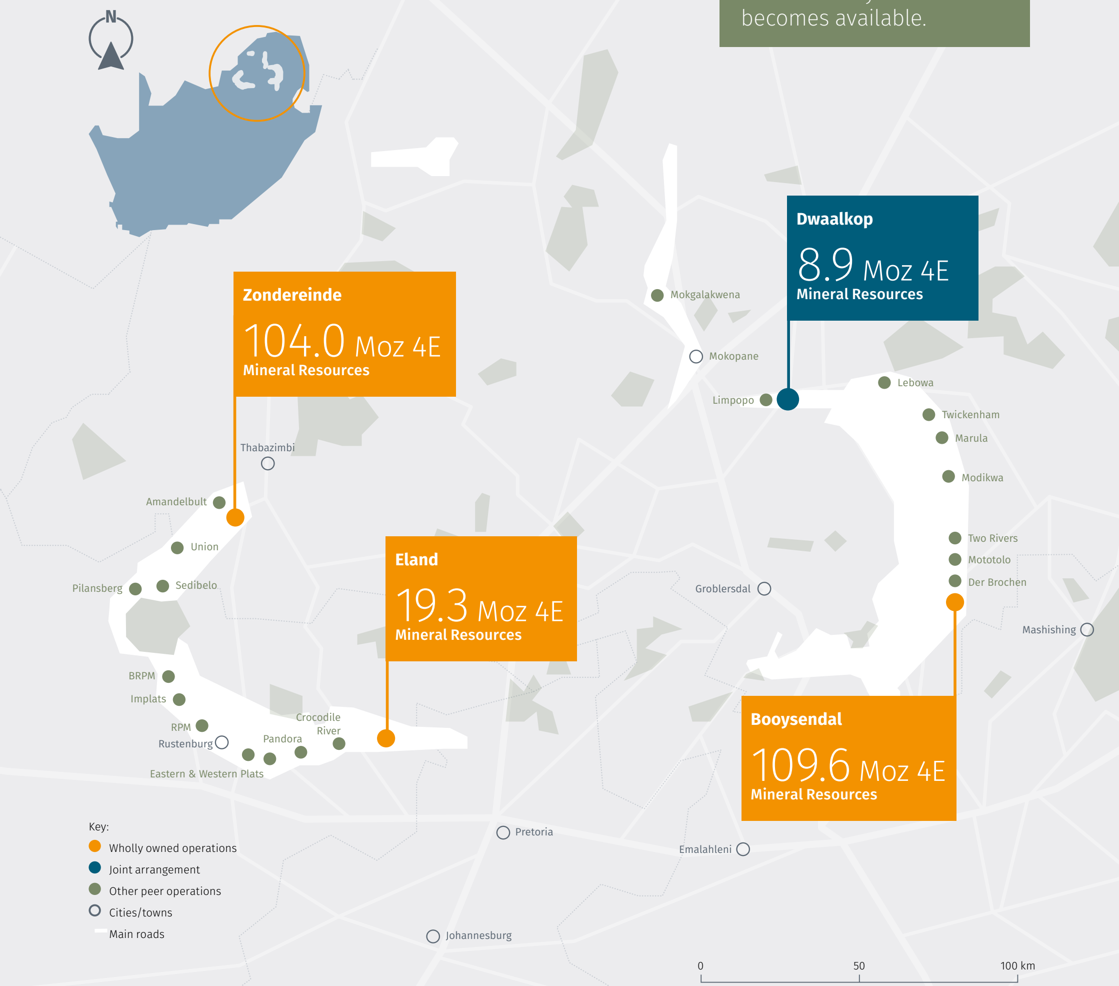
18 August 2020

Company overview

Northam is an independent, fully empowered, integrated PGM producer. All operating mines and the recycling operation are wholly owned.

Our medium-term target is to produce **1 million oz 4E per annum.**

Due to the current impact and medium-term uncertainty surrounding COVID-19, we are delaying some of our growth projects and have reduced our F2021 production targets. This position will be reassessed as greater market clarity becomes available.



NORTHAM ZONDEREINDE

Zondereinde mining operations

An established, conventional, long-life operation mining the UG2 and Merensky ore bodies.

290 000 oz 4E
forecast production for F2021*
350 000 oz 4E once the Western extension has been fully developed.

>30 yrs
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.

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

Mineral Reserves and Mineral Resources:
Reserves: 13.3 Moz 4E
Resources: 104.0 Moz 4E

Developments:
Due to the impact of COVID-19, the Western extension access project has been partially suspended, whilst the deepening project is being temporarily limited to currently accessed mining levels.

Further brownfields expansion is possible.

* equivalent refined metals from own operations
** in concentrate production including third party material

NORTHAM BOOYSENDAL

Booysendal mining operations

Comprising North and South mines

Established and expanding shallow, mechanised, room and pillar mining complex.

330 000 oz 4E
forecast production for F2021**

500 000 oz 4E from Booysendal North and South mines at steady state.

>25 yrs
life of mine

Booysendal's current operations.

Significant potential for production growth and extension.

Booysendal South project

Certain modules postponed for the time being.

Location:
Near the town of Mashishing (formerly Lydenburg) in the southern compartment of the eastern limb of the Bushveld Complex.

Mineral Reserves and Mineral Resources:
Reserves: 13.4 Moz 4E
Resources: 109.6 Moz 4E

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

Further expansion is possible.

NORTHAM ELAND

Eland mining operations

A shallow hybrid mine currently in development with planned steady state of 150 000 oz 4E per annum.

50 000 oz 4E
forecast production for F2021**

Treating surface sources through the concentrating plant.

Development of Kukama shaft commenced. Development rate significantly reduced whilst COVID-19 uncertainty remains.

Mineral Reserves and Mineral Resources:
Reserves: 3.0 Moz 4E
Resources: 19.3 Moz 4E

Other operations

50%
interest in the Dwaalkop Joint Venture with Sibanye-Stillwater Limited

Northam's attributable Mineral Resources: 8.9 Moz 4E

33.7%
interest in SSG Holdings Proprietary Limited

which provides security and facility services to the group.

US recycling operation (wholly owned):

Our approach to recycling continues to be careful and measured in light of recent events.

Metallurgy

Zondereinde metallurgical operations:
Northam's activities are integrated. From underground mining through to concentrating, smelting and base metal removal. Precious metal refining is outsourced.

Heraeus Deutschland GmbH & Co. KG:
Toll refining through a long-term agreement with Heraeus Deutschland GmbH & Co. KG (Heraeus).

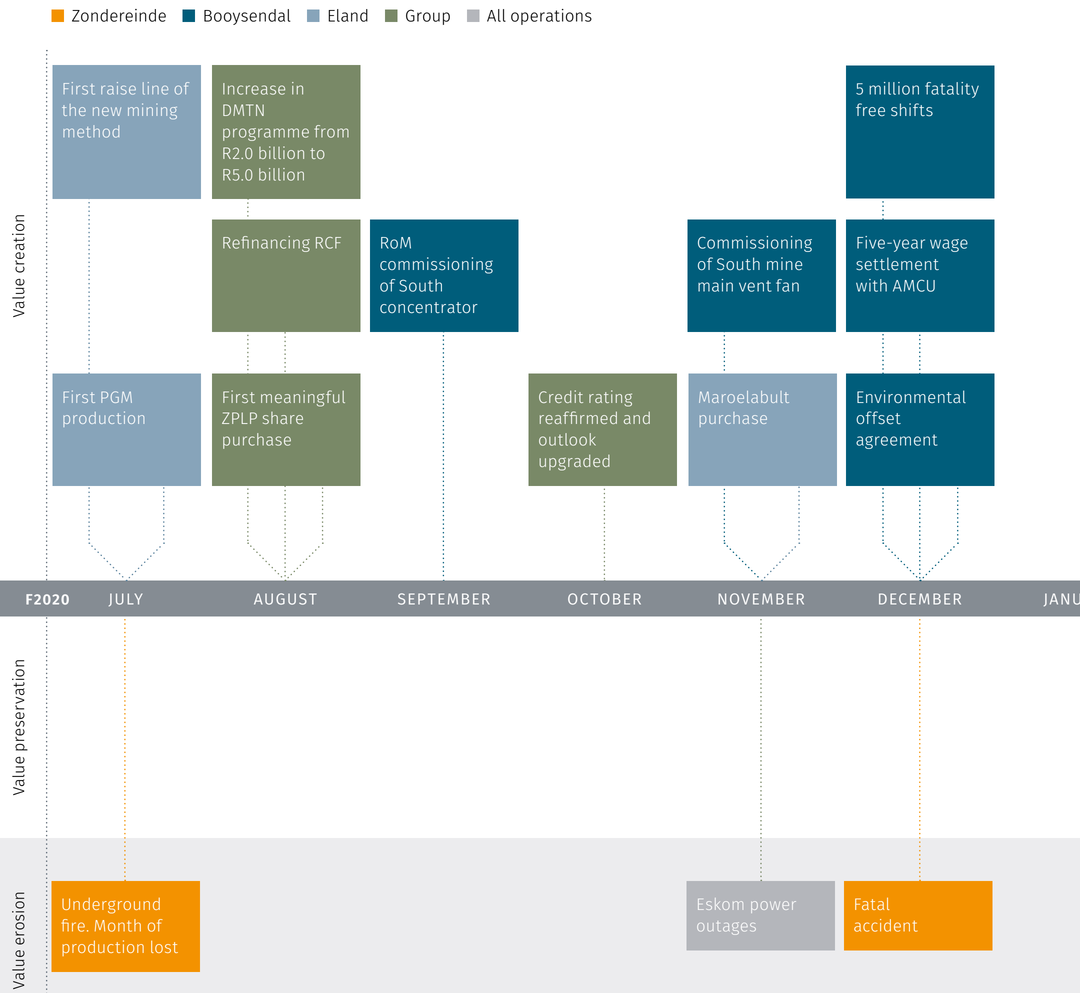
Heraeus is a registered member of the London Platinum and Palladium Market and has London-Zurich 'Good Delivery' status for metal production. The refinery in Hanau is subject to strict European Union materials handling protocols. Product transportation is also strictly defined by international aviation regulations.

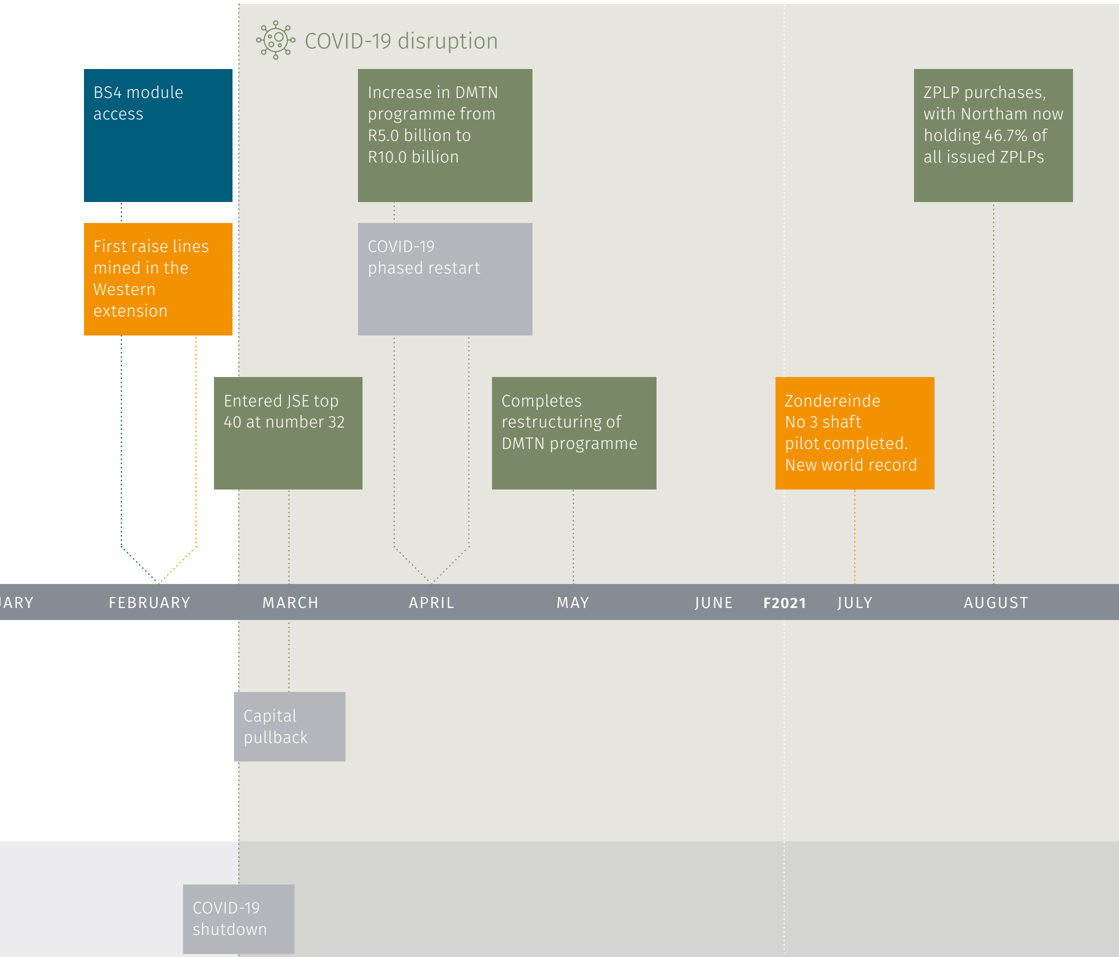
In-house marketing department:
PGMs are sold on international markets where the metal prices are determined by global supply and demand and are US dollar-denominated. The metal is sold in sponge or ingot form to customers across the globe.

Northam's in-house marketing department is responsible for the marketing and sales of products domestically and internationally.

The year at a glance

An opportunity to look back on the key events of the year that influenced our growth as well as our target milestones to 2025. We have also provided an indication of the perceived effect of each event on the business to aid the appreciation of value creation, preservation and erosion over the period.




COVID-19 disruption
BS4 module access
First raise lines mined in the Western extension
Increase in DMTN programme from R5.0 billion to R10.0 billion
COVID-19 phased restart
ZPLP purchases, with Northam now holding 46.7% of all issued ZPLPs
Entered JSE top 40 at number 32
Completes restructuring of DMTN programme
Zondereinde No 3 shaft pilot completed. New world record
ARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
F2021
JULY
AUGUST
Capital pullback
COVID-19 shutdown

Five-year performance highlights

		30 June 2020	30 June 2019	Variance
Safety performance				
Lost time injury incident rate (LTIIR) per 200 000 hours worked		0.78	0.93	16.1%
Number of fatalities		1	1	0.0%
Operational performance				
Square metres mined	m^2	665 762	695 074	(4.2%)
Tonnes mined	t	5 131 548	5 267 867	(2.6%)
Tonnes milled	t	5 752 404	4 892 110	17.6%
Equivalent refined metal from own operations	oz 4E	515 370	519 954	(0.9%)
Equivalent refined metal from third parties	oz 4E	72 443	23 154	212.9%
Total refined metal produced	oz 4E	563 977	571 028	(1.2%)
Chrome concentrate produced	t	782 803	764 528	2.4%
Cash cost per equivalent refined Pt oz	R/oz	29 281	22 847	(28.2%)
Cash profit per equivalent refined Pt oz	R/oz	23 728	6 793	249.3%
Cash margin per equivalent refined Pt oz	%	44.8	22.9	95.6%
Sales statistics				
Sales revenue	R000	17 811 971	10 649 506	67.3%
Refined metal sold	oz 4E	560 238	570 933	(1.9%)
UG2 ore sold	oz 4E	22 448	12 136	85.0%
Total metal sold	oz 4E	582 686	583 069	(0.1%)
Total revenue per Pt oz sold	R/oz	53 009	29 640	78.8%
Financial performance				
Normalised headline earnings per share (headline earnings adjusted for the impact of the BEE transaction)				
Headline earnings	R000	2 167 589	55 316	>1 000.0%
Add back:				
Amortisation of liquidity fees paid on preference shares	R000	16 390	16 390	0.0%
Preference share dividends	R000	1 133 172	1 305 244	13.2%
Loss on derecognition of preference share liability	R000	130 628	–	(100.0%)
Normalised headline earnings	R000	3 447 779	1 376 950	150.4%
Normalised headline earnings per share	cents	676.3	270.1	150.4%
Number of shares in issue including treasury shares		509 781 212	509 781 212	0.0%
Earnings per share	cents	620.0	17.2	>1 000.0%
Headline earnings per share	cents	619.5	15.8	>1 000.0%
Operating profit	R000	5 300 988	2 410 025	120.0%
Operating profit margin	%	29.8	22.6	31.9%
EBITDA	R000	6 023 379	2 638 513	128.3%
EBITDA margin	%	33.8	24.8	36.3%
Capital expenditure	R000	2 367 902	2 859 045	(17.2%)
Market information and share statistics				
Total number of shares in issue		509 781 212	509 781 212	0.0%
Weighted average number of shares in issue		349 875 759	349 875 759	0.0%
Treasury shares held		159 905 453	159 905 453	0.0%
Market capitalisation	R000	59 236 577	30 077 092	96.9%
Closing share price	cents	11 620	5 900	96.9%
Highest share price traded	cents	14 996	6 902	117.3%
Lowest share price traded	cents	4 988	3 262	52.9%
Number of shares traded		606 104 539	228 048 504	165.8%
Value of transactions traded	R000	59 866 941	10 924 772	448.0%
Annual liquidity	%	118.9	44.7	166.0%

		30 June 2018	30 June 2017	30 June 2016
Safety performance				
Lost time injury incident rate (LTIIR) per 200 000 hours worked		1.00	1.30	1.58
Number of fatalities		2	1	–
Operational performance				
Square metres mined	m^2	637 764	614 812	544 907
Tonnes mined	t	4 783 068	4 812 434	4 332 869
Tonnes milled	t	4 601 876	4 450 111	4 186 028
Equivalent refined metal from own operations	oz 4E	483 941	474 007	436 960
Equivalent refined metal from third parties	oz 4E	91 111	30 953	27 618
Total refined metal produced	oz 4E	473 086	452 468	453 228
Chrome concentrate produced	t	650 091	581 385	538 405
Cash cost per equivalent refined Pt oz	R/oz	21 270	19 736	18 877
Cash profit per equivalent refined Pt oz	R/oz	4 833	5 314	3 689
Cash margin per equivalent refined Pt oz	%	18.5	21.2	16.3
Sales statistics				
Sales revenue	R000	7 552 181	6 865 185	6 097 070
Refined metal sold	oz 4E	472 884	453 581	452 393
UG2 ore sold	oz 4E	–	–	–
Total metal sold	oz 4E	472 884	453 581	452 393
Total revenue per Pt oz sold	R/oz	26 103	25 050	22 566
Financial performance				
Normalised headline earnings per share (headline loss adjusted for the impact of the BEE transaction)				
Headline loss:	R000	(701 610)	(636 371)	(492 837)
Add back:				
Amortisation of liquidity fees paid on preference shares	R000	16 390	16 390	18 088
Preference share dividends	R000	1 106 684	1 017 396	918 806
Loss on derecognition of preference share liability	R000	8	901	–
Normalised headline earnings	R000	421 472	398 316	444 057
Normalised headline earnings per share	cents	82.7	78.1	87.1
Number of shares in issue including treasury shares		509 781 212	509 781 212	509 781 212
Loss per share	cents	(201.5)	(181.8)	(145.3)
Headline loss per share	cents	(200.5)	(181.9)	(140.9)
Operating profit	R000	823 314	613 985	383 348
Operating profit margin	%	10.9	8.9	6.3
EBITDA	R000	1 107 770	967 228	843 446
EBITDA margin	%	14.7	14.1	13.8
Capital expenditure	R000	3 777 644	1 645 069	1 173 980
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	349 875 759
Treasury shares held		159 905 453	159 905 453	159 905 453
Market capitalisation	R000	18 698 775	20 620 650	21 920 592
Closing share price	cents	3 668	4 045	4 300
Highest share price traded	cents	6 020	6 035	5 080
Lowest share price traded	cents	3 165	3 593	1 610
Number of shares traded		220 331 693	231 614 075	259 904 423
Value of transactions traded	R000	9 517 061	11 221 478	9 204 577
Annual liquidity	%	43.2	45.4	51.0

Group performance

	30 June 2020 R000	30 June 2019 R000	Variance
Sales revenue			
Platinum	4 355 606	4 111 344	5.9%
Palladium	5 185 373	2 825 852	83.5%
Rhodium	5 792 822	1 800 531	221.7%
Gold	214 412	143 330	49.6%
Iridium	441 443	363 794	21.3%
Ruthenium	237 893	249 512	(4.7%)
Silver	4 063	1 890	115.0%
Nickel	296 083	256 077	15.6%
Copper	71 407	67 100	6.4%
Cobalt	4 018	7 781	(48.4%)
Chrome	599 767	660 032	(9.1%)
UG2 ore	397 351	162 263	144.9%
Toll treatment charges	211 733	–	100.0%
Total sales revenue	17 811 971	10 649 506	67.3%
Cost of sales			
Operating costs	(9 931 934)	(7 607 161)	(30.6%)
Mining operations	(6 857 044)	(5 434 933)	(26.2%)
Concentrator operations	(1 284 362)	(887 089)	(44.8%)
Smelting and base metal removal plant costs	(684 816)	(598 371)	(14.4%)
Chrome processing	(47 868)	(51 780)	7.6%
Selling and administration overheads	(265 612)	(264 674)	(0.4%)
Royalty charges	(228 374)	(91 551)	(149.5%)
Carbon tax	(479)	–	(100.0%)
Share-based payment expenses and profit share scheme	(556 653)	(224 094)	(148.4%)
Rehabilitation	(6 726)	(54 669)	87.7%
Concentrates and recycling material purchased	(2 460 302)	(327 572)	(651.1%)
Refining including sampling and handling charges	(178 718)	(135 104)	(32.3%)
Depreciation and write-offs	(626 152)	(487 165)	(28.5%)
Change in metal inventory	686 123	317 521	116.1%
Total cost of sales	(12 510 983)	(8 239 481)	(51.8%)
Operating profit	5 300 988	2 410 025	120.0%
Operating margin	29.8%	22.6%	31.9%
EBITDA	6 023 379	2 638 513	128.3%
EBITDA margin	33.8%	24.8%	36.3%

		30 June 2020	30 June 2019	Variance
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.01	0.01	0.0%
Total injury incidence rate (TIIR) per 200 000 hours worked		1.31	1.63	19.6%
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.78	0.93	16.1%
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.48	0.65	26.2%
Number of fatalities		1	1	0.0%
Health				
New cases of noise induced hearing loss		12	28	57.1%
New cases of tuberculosis		38	61	37.7%
HIV Counselling and Testing (HCT)		6 814	8 912	(23.5%)
Employment and human rights				
Permanent employees		9 761	8 981	8.7%
Contractors		6 192	6 377	(2.9%)
Total employed		15 953	15 358	3.9%
Average number of employees including contractors		15 631	14 568	7.3%
Turnover rate	%	4	6	33.3%
HDSAs in management	%	60	56	7.1%
Women at mining	%	15	14	7.1%
Water usage (000m³)				
Potable water from external sources		3 416	3 691	(7.5%)
Fissure water used		209	1 278	(83.6%)
Borehole water used		2 183	52	>1000.0%
Water recycled in process		28 092	28 979	(3.1%)
Total water usage		33 900	34 000	(0.3%)
Water recycled	%	83	85	(2.4%)
Electricity consumption (MWh)				
Energy from electricity purchased by shafts		711 946	665 021	7.1%
Energy from electricity purchased by plant		319 603	306 015	4.4%
Total electricity purchased		1 031 549	971 036	6.2%
Greenhouse gas emissions (CO_2e tonnes)				
Scope 1 (direct) emissions		56 179	44 263	26.9%
Scope 2 (indirect) emissions		1 021 183	961 326	6.2%
Scope 3 (indirect) emissions		154	221	(30.3%)
Total emissions		1 077 516	1 005 810	7.1%
Sulphur dioxide (SO_2e tonnes)		5 889	8 649	31.9%
Land use (hectares)				
Land disturbed by mining related activities		3 011	2 507	20.1%
Land leased for farming purposes		2 181	2 181	0.0%
Land protected for conservation		4 054	2 104	92.7%
Other		9 086	7 546	20.4%
Total land under management (freehold)		18 332	14 338	27.9%

		30 June 2020	30 June 2019	Variance
Merensky production and ore stockpiles				
Square metres mined	m^2	195 875	214 643	(8.7%)
Tonnes mined	t	1 418 146	1 504 070	(5.7%)
Tonnes milled	t	1 088 260	1 212 628	(10.3%)
Stockpile	t	125 950	24 988	404.0%
UG2 production and ore stockpiles				
Square metres mined	m^2	469 887	480 431	(2.2%)
Tonnes mined	t	3 713 402	3 763 797	(1.3%)
Tonnes milled	t	4 664 144	3 679 482	26.8%
Stockpile	t	180 287	237 427	(24.1%)
Combined production and ore stockpiles				
Square metres mined	m^2	665 762	695 074	(4.2%)
Tonnes mined	t	5 131 548	5 267 867	(2.6%)
Tonnes milled	t	5 752 404	4 892 110	17.6%
Stockpile	t	306 237	262 415	16.7%
Chrome concentrate produced	t	782 803	764 528	2.4%
Equivalent refined metal from own operations				
Platinum	oz	315 549	316 071	(0.2%)
Palladium	oz	146 753	150 043	(2.2%)
Rhodium	oz	46 573	46 843	(0.6%)
Gold	oz	6 495	6 997	(7.2%)
4E	oz	515 370	519 954	(0.9%)
Iridium	oz	18 555	16 968	9.4%
Ruthenium	oz	74 092	77 080	(3.9%)
6E	oz	608 017	614 002	(1.0%)
Equivalent refined metal from third parties				
Platinum	oz	38 005	10 948	247.1%
Palladium	oz	27 637	10 055	174.9%
Rhodium	oz	6 147	1 978	210.8%
Gold	oz	654	173	278.0%
4E	oz	72 443	23 154	212.9%
Iridium	oz	5 905	561	952.6%
Ruthenium	oz	11 939	3 313	260.4%
6E	oz	90 287	27 028	234.0%
Total refined metal produced				
Platinum	oz	324 464	350 837	(7.5%)
Palladium	oz	178 136	162 179	9.8%
Rhodium	oz	52 661	50 005	5.3%
Gold	oz	8 716	8 007	8.9%
4E	oz	563 977	571 028	(1.2%)
Iridium	oz	15 824	17 760	(10.9%)
Ruthenium	oz	62 728	69 187	(9.3%)
6E	oz	642 529	657 975	(2.3%)

		30 June 2020	30 June 2019	Variance
Refined metal sold				
Platinum	oz	322 748	351 916	(8.3%)
Palladium	oz	176 278	162 217	8.7%
Rhodium	oz	52 458	48 835	7.4%
Gold	oz	8 754	7 965	9.9%
4E	oz	560 238	570 933	(1.9%)
Iridium	oz	19 347	17 746	9.0%
Ruthenium	oz	64 141	68 683	(6.6%)
6E	oz	643 726	657 362	(2.1%)
UG2 ore sold				
Platinum	oz	13 272	7 377	79.9%
Palladium	oz	6 330	3 469	82.5%
Rhodium	oz	2 668	1 116	139.1%
Gold	oz	178	174	2.3%
4E	oz	22 448	12 136	85.0%
Iridium	oz	763	317	140.7%
Ruthenium	oz	2 986	1 054	183.3%
6E	oz	26 197	13 507	94.0%
Total metal sold				
Platinum	oz	336 020	359 293	(6.5%)
Palladium	oz	182 608	165 686	10.2%
Rhodium	oz	55 126	49 951	10.4%
Gold	oz	8 932	8 139	9.7%
4E	oz	582 686	583 069	(0.1%)
Iridium	oz	20 110	18 063	11.3%
Ruthenium	oz	67 127	69 737	(3.7%)
6E	oz	669 923	670 869	(0.1%)
Nickel	t	1 337	1 563	(14.5%)
Copper	t	833	799	4.3%
Chrome concentrate	t	782 803	764 528	2.4%
Average market prices achieved and sales statistics				
Platinum	USD/oz	858	824	4.1%
Palladium	USD/oz	1 870	1 227	52.4%
Rhodium	USD/oz	7 020	2 602	169.8%
Gold	USD/oz	1 557	1 264	23.2%
4E basket price	USD/oz	1 764	1 097	60.8%
Iridium	USD/oz	1 451	1 444	0.5%
Ruthenium	USD/oz	236	256	(7.8%)
6E basket price	USD/oz	1 603	1 018	57.5%
Average exchange rate	R/USD	15.73	14.18	10.9%
Closing exchange rate	R/USD	17.33	14.08	23.1%
Average nickel market price achieved	USD/t	14 078	11 554	21.8%
Average copper market price achieved	USD/t	5 450	5 922	(8.0%)
Average chrome price achieved net of costs	USD/t	49	61	(19.7%)
Average chrome price achieved net of costs	R/t	766	863	(11.2%)
Total revenue per Pt oz sold	R/oz	53 009	29 640	78.8%
Total revenue per 4E oz sold	R/oz	30 569	18 265	67.4%
Total revenue per 6E oz sold	R/oz	26 588	15 874	67.5%

		30 June 2020	30 June 2019	Variance
Cash costs statistics				
On mine cash cost per tonne mined	R/t	1 587	1 200	(32.3%)
On mine cash cost per tonne milled	R/t	1 415	1 292	(9.5%)
Cash cost per equivalent refined Pt oz	R/oz	29 281	22 847	(28.2%)
Cash cost per equivalent refined 4E oz	R/oz	17 799	13 907	(28.0%)
Cash cost per equivalent refined 6E oz	R/oz	15 147	11 813	(28.2%)
Cash profit and margin				
Cash profit per equivalent refined Pt oz	R/oz	23 728	6 793	249.3%
Cash margin per equivalent refined Pt oz	%	44.8	22.9	95.6%
Cash profit per equivalent refined 4E oz	R/oz	12 770	4 358	193.0%
Cash margin per equivalent refined 4E oz	%	41.8	23.9	74.9%
Cash profit per equivalent refined 6E oz	R/oz	11 441	4 061	181.7%
Cash margin per equivalent refined 6E oz	%	43.0	25.6	68.0%
Capital incurred				
Expansionary capex	R000	1 985 686	2 637 254	(24.7%)
Sustaining capex	R000	382 216	221 791	72.3%
	R000	2 367 902	2 859 045	(17.2%)
Expansionary capex				
Zondereinde	R000	461 976	605 556	(23.7%)
Booysendal North	R000	4 219	188 467	(97.8%)
Booysendal South	R000	929 370	1 472 030	(36.9%)
Eland	R000	573 280	371 201	54.4%
Buttonshope Conservancy Trust	R000	16 841	–	100.0%
	R000	1 985 686	2 637 254	(24.7%)
Sustaining capex				
Zondereinde	R000	186 408	68 425	172.4%
Booysendal North	R000	195 808	153 366	27.7%
	R000	382 216	221 791	72.3%
Sustaining capex per equivalent refined Pt oz from own operations	R/oz	1 211	702	72.5%

Zondereinde performance

	30 June 2020	30 June 2019	Variance
	R000	R000	
Sales revenue			
Platinum	4 355 606	4 111 344	5.9%
Palladium	5 185 373	2 825 852	83.5%
Rhodium	5 792 822	1 800 531	221.7%
Gold	214 412	143 330	49.6%
Iridium	441 443	363 794	21.3%
Ruthenium	237 893	249 512	(4.7%)
Silver	4 063	1 890	115.0%
Nickel	296 083	256 077	15.6%
Copper	71 407	67 100	6.4%
Cobalt	4 018	7 781	(48.4%)
Chrome	183 401	290 749	(36.9%)
UG2 ore	397 351	162 263	144.9%
Toll treatment charges	211 733	–	100.0%
Total sales revenue	17 395 605	10 280 223	69.2%
Cost of sales			
Operating costs	(5 828 951)	(5 069 318)	(15.0%)
Mining operations	(4 008 126)	(3 687 698)	(8.7%)
Concentrator operations	(398 591)	(389 967)	(2.2%)
Smelting and base metal removal plant costs	(684 816)	(598 371)	(14.4%)
Chrome processing	(6 238)	(5 437)	(14.7%)
Selling and administration overheads	(132 806)	(132 337)	(0.4%)
Royalty charges	(197 372)	(72 742)	(171.3%)
Carbon tax	(479)	–	(100.0%)
Share-based payment expenses and profit share scheme	(401 689)	(165 882)	(142.2%)
Rehabilitation	1 166	(16 884)	N/A
Concentrates and recycling material purchased	(9 304 685)	(3 747 389)	(148.3%)
Refining including sampling and handling charges	(178 718)	(135 104)	(32.3%)
Depreciation and write-offs	(187 490)	(166 210)	(12.8%)
Change in metal inventory	1 158 533	148 584	679.7%
Total cost of sales	(14 341 311)	(8 969 437)	(59.9%)
Operating profit	3 054 294	1 310 786	133.0%
Operating margin	17.6%	12.8%	37.5%
EBITDA	3 468 697	1 418 211	144.6%
EBITDA margin	19.9%	13.8%	44.2%

		30 June 2020	30 June 2019	Variance
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.01	0.01	0.0%
Total injury incidence rate (TIIR) per 200 000 hours worked		1.05	1.42	26.1%
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		1.03	1.29	20.2%
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.63	0.88	28.4%
Number of fatalities		1	1	0.0%
Health				
New cases of noise induced hearing loss		9	24	62.5%
New cases of tuberculosis		34	52	34.6%
HIV Counselling and Testing (HCT)		4 022	8 073	(50.2%)
Employment and human rights				
Permanent employees		6 482	6 386	1.5%
Contractors		2 953	3 148	(6.2%)
Total employed		9 435	9 534	(1.0%)
Average number of employees including contractors		9 485	9 303	2.0%
Turnover rate	%	5	7	28.6%
HDSAs in management	%	59	61	(3.3%)
Women at mining	%	14	13	7.7%
Water usage (000m³)				
Potable water from external sources		2 595	2 939	(11.7%)
Fissure water used		165	1 220	(86.5%)
Borehole water used		29	32	(9.4%)
Water recycled in process		23 508	27 078	(13.2%)
Total water usage		26 297	31 269	(15.9%)
Water recycled	%	89	87	2.3%
Electricity consumption (MWh)				
Energy from electricity purchased by shafts		532 797	560 280	(4.9%)
Energy from electricity purchased by plant		199 438	206 671	(3.5%)
Total electricity purchased		732 235	766 951	(4.5%)
Greenhouse gas emissions (CO_2e tonnes)				
Scope 1 (direct) emissions		40 773	32 801	24.3%
Scope 2 (indirect) emissions		724 862	759 281	(4.5%)
Scope 3 (indirect) emissions		136	201	(32.3%)
Total emissions		765 771	792 283	(3.3%)
Sulphur dioxide (SO_2e tonnes)		5 889	8 649	31.9%
Land use (hectares)				
Land disturbed by mining related activities		726	723	0.4%
Land leased for farming purposes		2 181	2 181	0.0%
Land protected for conservation		–	–	0.0%
Other		2 098	1 502	39.7%
Total land under management (freehold)		5 005	4 406	13.6%

		30 June 2020	30 June 2019	Variance
Merensky production and ore stockpiles				
Square metres mined	m²	131 593	158 903	(17.2%)
Development metres	m	7 682	11 158	(31.2%)
Tonnes mined (including waste)	t	998 684	1 117 594	(10.6%)
Tonnes milled	t	681 741	815 191	(16.4%)
Head grade (4E)	g/t	6.08	6.11	(0.5%)
Head grade (6E)	g/t	6.58	6.61	(0.5%)
Concentrator recoveries	%	90.1	90.0	0.1%
Stockpile	t	90 264	2 967	>1000.0%
UG2 production and ore stockpiles				
Square metres mined	m²	155 351	218 536	(28.9%)
Development metres	m	336	497	(32.4%)
Tonnes mined	t	956 945	1 338 020	(28.5%)
Tonnes milled	t	994 383	1 208 637	(17.7%)
Head grade (4E)	g/t	4.30	4.26	0.9%
Head grade (6E)	g/t	5.28	5.23	1.0%
Concentrator recoveries	%	87.6	87.3	0.3%
Stockpile sold	t	192 650	–	100.0%
Stockpile	t	1 694	234 283	(99.3%)
Combined production and ore stockpiles				
Square metres mined	m²	286 944	377 439	(24.0%)
Development metres	m	8 018	11 655	(31.2%)
Tonnes mined	t	1 955 629	2 455 614	(20.4%)
Tonnes milled	t	1 676 124	2 023 828	(17.2%)
Head grade (4E)	g/t	5.03	4.96	1.4%
Head grade (6E)	g/t	5.82	5.74	1.4%
Concentrator recoveries	%	88.8	88.4	0.5%
Stockpile	t	91 958	237 250	(61.2%)
Chrome concentrate produced	t	276 889	361 154	(23.3%)
Equivalent refined metal from own Zondereinde operations				
Platinum	oz	151 372	188 288	(19.6%)
Palladium	oz	71 889	88 947	(19.2%)
Rhodium	oz	21 470	26 717	(19.6%)
Gold	oz	3 798	4 514	(15.9%)
4E	oz	248 529	308 466	(19.4%)
Iridium	oz	7 704	9 562	(19.4%)
Ruthenium	oz	32 930	40 872	(19.4%)
6E	oz	289 163	358 900	(19.4%)

		30 June 2020	30 June 2019	Variance
Equivalent refined metal from third parties				
Platinum	oz	31 782	5 518	476.0%
Palladium	oz	22 384	4 770	369.3%
Rhodium	oz	4 521	955	373.4%
Gold	oz	633	95	566.3%
4E	oz	59 320	11 338	423.2%
Iridium	oz	2 896	271	968.6%
Ruthenium	oz	11 353	1 105	927.4%
6E	oz	73 569	12 714	478.6%
Total refined metal produced				
Platinum	oz	324 464	350 837	(7.5%)
Palladium	oz	178 136	162 179	9.8%
Rhodium	oz	52 661	50 005	5.3%
Gold	oz	8 716	8 007	8.9%
4E	oz	563 977	571 028	(1.2%)
Iridium	oz	15 824	17 760	(10.9%)
Ruthenium	oz	62 728	69 187	(9.3%)
6E	oz	642 529	657 975	(2.3%)
Refined metal sold				
Platinum	oz	322 748	351 916	(8.3%)
Palladium	oz	176 278	162 217	8.7%
Rhodium	oz	52 458	48 835	7.4%
Gold	oz	8 754	7 965	9.9%
4E	oz	560 238	570 933	(1.9%)
Iridium	oz	19 347	17 746	9.0%
Ruthenium	oz	64 141	68 683	(6.6%)
6E	oz	643 726	657 362	(2.1%)
UG2 ore sold				
Platinum	oz	13 272	7 377	79.9%
Palladium	oz	6 330	3 469	82.5%
Rhodium	oz	2 668	1 116	139.1%
Gold	oz	178	174	2.3%
4E	oz	22 448	12 136	85.0%
Iridium	oz	763	317	140.7%
Ruthenium	oz	2 986	1 054	183.3%
6E	oz	26 197	13 507	94.0%
Total metal sold				
Platinum	oz	336 020	359 293	(6.5%)
Palladium	oz	182 608	165 686	10.2%
Rhodium	oz	55 126	49 951	10.4%
Gold	oz	8 932	8 139	9.7%
4E	oz	582 686	583 069	(0.1%)
Iridium	oz	20 110	18 063	11.3%
Ruthenium	oz	67 127	69 737	(3.7%)
6E	oz	669 923	670 869	(0.1%)
Nickel	t	1 337	1 563	(14.5%)
Copper	t	833	799	4.3%
Chrome concentrate	t	276 889	361 154	(23.3%)

		30 June 2020	30 June 2019	Variance
Average market prices achieved and sales statistics				
Platinum	USD/oz	858	824	4.1%
Palladium	USD/oz	1 870	1 227	52.4%
Rhodium	USD/oz	7 020	2 602	169.8%
Gold	USD/oz	1 557	1 264	23.2%
4E basket price	USD/oz	1 764	1 097	60.8%
Iridium	USD/oz	1 451	1 444	0.5%
Ruthenium	USD/oz	236	256	(7.8%)
6E basket price	USD/oz	1 603	1 018	57.5%
Average exchange rate	R/USD	15.73	14.18	10.9%
Closing exchange rate	R/USD	17.33	14.08	23.1%
Average nickel market price achieved	USD/t	14 078	11 554	21.8%
Average copper market price achieved	USD/t	5 450	5 922	(8.0%)
Average chrome price achieved net of costs	USD/t	42	57	(26.3%)
Average chrome price achieved net of costs	R/t	662	805	(17.8%)
Total revenue per Pt oz sold	R/oz	51 770	28 612	80.9%
Total revenue per 4E oz sold	R/oz	29 854	17 631	69.3%
Total revenue per 6E oz sold	R/oz	25 967	15 324	69.5%

		30 June 2020	30 June 2019	Variance
Cash costs statistics				
On mine cash cost per tonne mined	R/t	2 253	1 661	(35.6%)
On mine cash cost per tonne milled	R/t	2 629	2 015	(30.5%)
Cash cost per equivalent refined Pt oz	R/oz	32 183	24 124	(33.4%)
Cash cost per equivalent refined 4E oz	R/oz	19 498	14 735	(32.3%)
Cash cost per equivalent refined 6E oz	R/oz	16 790	12 677	(32.4%)
Cash profit and margin				
Cash profit per equivalent refined Pt oz	R/oz	19 587	4 488	336.4%
Cash margin per equivalent refined Pt oz	%	37.8	15.7	140.8%
Cash profit per equivalent refined 4E oz	R/oz	10 356	2 896	257.6%
Cash margin per equivalent refined 4E oz	%	34.7	16.4	111.6%
Cash profit per equivalent refined 6E oz	R/oz	9 177	2 647	246.7%
Cash margin per equivalent refined 6E oz	%	35.3	17.3	104.0%
Capital incurred				
Expansionary capex	R000	461 976	605 556	(23.7%)
Sustaining capex	R000	186 408	68 425	172.4%
	R000	648 384	673 981	(3.8%)
Sustaining capex per equivalent refined Pt oz from own operations	R/oz	1 231	363	239.1%

Booysendal performance

	30 June 2020	30 June 2019	Variance
	R000	R000	
Sales revenue*			
Platinum	1 703 269	1 396 485	22.0%
Palladium	1 833 018	1 094 709	67.4%
Rhodium	2 184 801	730 719	199.0%
Gold	57 199	42 425	34.8%
Iridium	150 354	111 511	34.8%
Ruthenium	120 326	109 958	9.4%
Nickel	72 833	45 311	60.7%
Copper	13 192	12 826	2.9%
Chrome	355 657	358 600	(0.8%)
Total sales revenue	6 490 649	3 902 544	66.3%
Cost of sales			
Operating costs	(3 301 103)	(2 507 955)	(31.6%)
Mining operations	(2 350 782)	(1 747 235)	(34.5%)
Concentrator operations	(604 720)	(490 846)	(23.2%)
Chrome processing	(22 365)	(23 407)	4.5%
Selling and administration overheads	(132 806)	(132 337)	(0.4%)
Royalty charges	(30 845)	(18 756)	(64.5%)
Share-based payment expenses	(148 599)	(57 589)	(158.0%)
Rehabilitation	(10 986)	(37 785)	70.9%
Concentrates purchased	(238 578)	(96 616)	(146.9%)
Depreciation and write-offs	(399 449)	(304 920)	(31.0%)
Change in metal inventory	141 062	(7 372)	N/A
Total cost of sales	(3 798 068)	(2 916 863)	(30.2%)
Operating profit	2 692 581	985 681	173.2%
Operating margin	41.5%	25.3%	64.0%
EBITDA	3 030 615	1 221 970	148.0%
EBITDA margin	46.7%	31.3%	49.2%

*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.

		30 June 2020	30 June 2019	Variance
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.00	0.00	0.0%
Total injury incidence rate (TIIR) per 200 000 hours worked		1.57	1.95	19.5%
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.29	0.18	(61.1%)
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.24	0.18	(33.3%)
Number of fatalities		–	–	0.0%
Health				
New cases of noise induced hearing loss		3	4	25.0%
New cases of tuberculosis		4	9	55.6%
HIV Counselling and Testing (HCT)		1 725	839	105.6%
Employment and human rights				
Permanent employees		2 827	2 398	17.9%
Contractors		2 512	2 574	(2.4%)
Total employed		5 339	4 972	7.4%
Average number of employees including contractors		5 103	4 764	7.1%
Turnover rate	%	4	5	20.0%
HDSAs in management	%	57	52	9.6%
Women at mining	%	17	16	6.3%
Water usage (000m³)				
Potable water from external sources		821	752	9.2%
Fissure water used		44	58	(24.1%)
Borehole water used		54	20	170.0%
Water recycled in process		1 670	1 901	(12.2%)
Total water usage		2 589	2 731	(5.2%)
Water recycled	%	65	70	(7.1%)
Electricity consumption (MWh)				
Energy from electricity purchased by shafts		154 693	104 741	47.7%
Energy from electricity purchased by plant		58 578	99 344	(41.0%)
Total electricity purchased		213 271	204 085	4.5%
Greenhouse gas emissions (CO_2e tonnes)				
Scope 1 (direct) emissions		13 014	11 462	13.5%
Scope 2 (indirect) emissions		211 138	202 045	4.5%
Scope 3 (indirect) emissions		–	20	(100.0%)
Total emissions		224 152	213 527	5.0%
Sulphur dioxide (SO_2e tonnes)		–	–	0.0%
Land use (hectares)				
Land disturbed by mining related activities		1 802	1 784	1.0%
Land leased for farming purposes		–	–	0.0%
Land protected for conservation		4 054	2 104	92.7%
Other		5 850	6 044	(3.2%)
Total land under management (freehold)		11 706	9 932	17.9%

		30 June 2020	30 June 2019	Variance
Merensky production and ore stockpiles				
Square metres	m^2	64 282	55 740	15.3%
Tonnes mined	t	419 462	386 476	8.5%
Tonnes milled	t	406 519	397 437	2.3%
Head grade (4E)	g/t	2.17	2.37	(8.4%)
Head grade (6E)	g/t	2.39	2.61	(8.4%)
Concentrator recoveries	%	88.7	88.0	0.8%
Stockpile	t	35 686	22 021	62.1%
UG2 production and ore stockpiles North mine				
Square metres	m^2	261 950	250 848	4.4%
Tonnes mined	t	2 284 767	2 243 924	1.8%
Tonnes milled	t	2 140 812	2 267 503	(5.6%)
Head grade (4E)	g/t	2.78	2.78	0.0%
Head grade (6E)	g/t	3.31	3.31	0.0%
Concentrator recoveries	%	88.8	86.7	2.4%
Stockpile	t	141 384	3 144	>1000.0%
UG2 production at South mine				
Square metres	m^2	51 698	11 047	368.0%
Sinking metres	m	2 553	2 370	7.7%
Tonnes mined	t	471 690	181 853	159.4%
Tonnes milled	t	465 810	203 342	129.1%
Head grade (4E)	g/t	2.17	2.00	8.5%
Head grade (6E)	g/t	2.58	2.38	8.4%
Concentrator recoveries	%	85.6	83.3	2.8%
Combined production and ore stockpiles				
Square metres	m^2	377 930	317 635	19.0%
Tonnes mined	t	3 175 919	2 812 253	12.9%
Tonnes milled	t	3 013 141	2 868 282	5.1%
Head grade (4E)	g/t	2.59	2.72	(4.8%)
Head grade (6E)	g/t	3.05	3.20	(4.7%)
Concentrator recoveries	%	88.2	86.9	1.5%
Stockpile	t	177 070	25 165	603.6%
Chrome concentrate produced	t	432 990	390 698	10.8%
Metal in concentrate produced from own operations and ore stockpiles				
Platinum	oz	143 281	131 405	9.0%
Palladium	oz	70 701	62 828	12.5%
Rhodium	oz	22 580	20 697	9.1%
Gold	oz	2 720	2 553	6.5%
4E	oz	239 282	217 483	10.0%
Iridium	oz	9 882	7 616	29.8%
Ruthenium	oz	39 319	37 234	5.6%
6E	oz	288 483	262 333	10.0%

		30 June 2020	30 June 2019	Variance
Metal in concentrate purchased from third parties				
Platinum	oz	4 247	3 846	10.4%
Palladium	oz	2 930	1 839	59.3%
Rhodium	oz	1 344	606	121.8%
Gold	oz	16	74	(78.4%)
4E	oz	8 537	6 365	34.1%
Iridium	oz	3 024	265	>1 000.0%
Ruthenium	oz	370	2 104	(82.4%)
6E	oz	11 931	8 734	36.6%
Total metal sold				
Platinum	oz	141 416	136 281	3.8%
Palladium	oz	69 781	65 159	7.1%
Rhodium	oz	22 286	21 465	3.8%
Gold	oz	2 685	2 649	1.4%
4E	oz	236 168	225 554	4.7%
Iridium	oz	9 753	8 086	20.6%
Ruthenium	oz	38 807	36 964	5.0%
6E	oz	284 728	270 604	5.2%
Nickel	t	466	389	19.8%
Copper	t	313	322	(2.8%)
Chrome concentrate	t	432 990	390 698	10.8%
Average market prices achieved and sales statistics				
Platinum	USD/oz	772	721	7.1%
Palladium	USD/oz	1 684	1 181	42.6%
Rhodium	USD/oz	6 284	2 396	162.3%
Gold	USD/oz	1 366	1 130	20.9%
4E basket price	USD/oz	1 568	1 018	54.0%
Iridium	USD/oz	988	968	2.1%
Ruthenium	USD/oz	199	209	(4.8%)
6E basket price	USD/oz	1 362	906	50.3%
Average exchange rate	R/USD	15.60	14.16	10.2%
Closing exchange rate	R/USD	17.33	14.08	23.1%
Average nickel market price achieved	USD/t	10 019	8 226	21.8%
Average copper market price achieved	USD/t	2 702	2 813	(3.9%)
Average chrome price achieved net of costs	USD/t	53	65	(18.5%)
Average chrome price achieved net of costs	R/t	821	918	(10.6%)
Total revenue per Pt oz sold	R/oz	45 898	28 636	60.3%
Total revenue per 4E oz sold	R/oz	27 483	17 302	58.8%
Total revenue per 6E oz sold	R/oz	22 796	14 422	58.1%

		30 June 2020	30 June 2019	Variance
Cash costs statistics				
On mine cash cost per tonne mined	R/t	931	796	(17.0%)
On mine cash cost per tonne milled	R/t	981	780	(25.8%)
Cash cost per Pt oz in concentrate produced	R/oz	21 406	17 904	(19.6%)
Cash cost per 4E oz in concentrate produced	R/oz	12 800	10 818	(18.3%)
Cash cost per 6E oz in concentrate produced	R/oz	10 604	8 959	(18.4%)
Cash profit and margin				
Cash profit per Pt oz in concentrate produced	R/oz	24 492	10 732	128.2%
Cash margin per Pt oz in concentrate produced	%	53.4	37.5	42.4%
Cash profit per 4E oz in concentrate produced	R/oz	14 683	6 484	126.4%
Cash margin per 4E oz in concentrate produced	%	53.4	37.5	42.4%
Cash profit per 6E oz in concentrate produced	R/oz	12 192	5 463	123.2%
Cash margin per 6E oz in concentrate produced	%	53.5	37.9	41.2%
Capital incurred				
Expansionary capex relating to Booysendal North	R000	4 219	188 467	(97.8%)
Expansionary capex relating to Booysendal South	R000	929 370	1 472 030	(36.9%)
Sustaining capex	R000	195 808	153 366	27.7%
	R000	1 129 397	1 813 863	(37.7%)
Sustaining capex per Pt oz in concentrate from own operations	R/oz	1 367	1 167	17.1%

Eland performance

	30 June 2020	30 June 2019	Variance
	R000	R000	
Sales revenue*			
Platinum	325 516	–	N/A
Palladium	196 518	–	N/A
Rhodium	389 837	–	N/A
Gold	1 387	–	N/A
Iridium	21 737	–	N/A
Ruthenium	10 573	–	N/A
Nickel	4 124	–	N/A
Copper	476	–	N/A
Chrome	60 709	10 683	468.3%
Total sales revenue	1 010 877	10 683	>1000.0%
Cost of sales			
Operating costs	(784 356)	(23 612)	(>1000.0%)
Mining operations	(498 136)	–	N/A
Concentrator operations	(263 527)	–	N/A
Chrome processing	(19 265)	(22 936)	16.0%
Royalty charges	(157)	(53)	(196.2%)
Share-based payment expenses	(6 365)	(623)	(921.7%)
Rehabilitation	3 094	–	N/A
Concentrates purchased	(39 476)	(3 803)	(938.0%)
Depreciation and write-offs	(30 448)	–	N/A
Change in metal inventory	4 660	3 803	22.5%
Total cost of sales	(849 620)	(23 612)	(>1000.0%)
Operating profit/(loss)	161 257	(12 929)	N/A
Operating margin	16.0%	(121.0%)	N/A
EBITDA	181 609	(144 000)	N/A
EBITDA margin	18.0%	(1 347.9%)	N/A

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

		30 June 2020	30 June 2019	Variance
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.00	0.00	0.0%
Total injury incidence rate (TIIR) per 200 000 hours worked		2.27	2.63	13.7%
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.82	0.53	(54.7%)
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.27	0.18	(50.0%)
Number of fatalities		–	–	0.0%
Health				
New cases of noise induced hearing loss		–	–	0.0%
New cases of tuberculosis		–	–	0.0%
HIV Counselling and Testing (HCT)		1 067	–	N/A
Employment and human rights				
Permanent employees		452	196	130.6%
Contractors		727	659	10.3%
Total employed		1 179	855	37.9%
Average number of employees including contractors		1 043	705	47.9%
Turnover rate	%	4	7	42.9%
HDSAs in management	%	65	35	85.7%
Women at mining	%	17	19	(10.5%)
Water usage (000m³)				
Potable water from external sources		–	–	0.0%
Fissure water used		–	–	0.0%
Borehole water used		2 100	–	N/A
Water recycled in process		2 914	–	N/A
Total water usage		5 014	–	N/A
Water recycled	%	58	–	N/A
Electricity consumption (MWh)				
Energy from electricity purchased by shafts		24 456	–	N/A
Energy from electricity purchased by plant		61 587	–	N/A
Total electricity purchased		86 043	–	N/A
Greenhouse gas emissions (CO_2e tonnes)				
Scope 1 (direct) emissions		2 392	–	N/A
Scope 2 (indirect) emissions		85 183	–	N/A
Scope 3 (indirect) emissions		18	–	N/A
Total emissions		87 593	–	N/A
Sulphur dioxide (SO_2e tonnes)		–	–	0.0%
Land use (hectares)				
Land disturbed by mining related activities		483	527	(8.3%)
Land leased for farming purposes		–	231	(100.0%)
Land protected for conservation		–	–	0.0%
Other		1 138	863	31.9%
Total land under management (freehold)		1 621	1 621	0.0%

		30 June 2020	30 June 2019	Variance
UG2 production and surface sources				
Square metres mined	m^2	888	–	N/A
Development metres	m	1 093	–	N/A
Surface sources	t	1 071 238	–	N/A
Tonnes milled	t	1 063 139	–	N/A
Head grade (4E)	g/t	2.73	–	N/A
Head grade (6E)	g/t	3.08	–	N/A
Concentrator recoveries	%	37.0	–	N/A
Stockpile	t	37 209	29 110	27.8%
Chrome concentrate produced and sold	t	72 924	12 676	475.3%
Metal in concentrate produced from own operations and third party surface sources				
Platinum	oz	25 550	–	N/A
Palladium	oz	6 285	–	N/A
Rhodium	oz	3 235	–	N/A
Gold	oz	53	–	N/A
4E	oz	35 123	–	N/A
Iridium	oz	1 277	–	N/A
Ruthenium	oz	3 010	–	N/A
6E	oz	39 410	–	N/A
Metal in concentrate purchased from third parties				
Platinum	oz	1 073	716	49.9%
Palladium	oz	455	255	78.4%
Rhodium	oz	126	75	68.0%
Gold	oz	6	5	20.0%
4E	oz	1 660	1 051	57.9%
Iridium	oz	70	33	112.1%
Ruthenium	oz	233	167	39.5%
6E	oz	1 963	1 251	56.9%

		30 June 2020	30 June 2019	Variance
Total metal sold				
Platinum	oz	26 740	–	N/A
Palladium	oz	6 847	–	N/A
Rhodium	oz	3 331	–	N/A
Gold	oz	60	–	N/A
4E	oz	36 978	–	N/A
Iridium	oz	1 340	–	N/A
Ruthenium	oz	3 236	–	N/A
6E	oz	41 554	–	N/A
Nickel	t	26	–	N/A
Copper	t	11	–	N/A
Chrome concentrate	t	72 924	12 676	475.3%
Average market prices achieved and sales statistics				
Platinum	USD/oz	764	–	N/A
Palladium	USD/oz	1 802	–	N/A
Rhodium	USD/oz	7 347	–	N/A
Gold	USD/oz	1 451	–	N/A
4E basket price	USD/oz	1 550	–	N/A
Iridium	USD/oz	1 018	–	N/A
Ruthenium	USD/oz	205	–	N/A
6E basket price	USD/oz	1 428	–	N/A
Average exchange rate	R/USD	15.93	14.56	9.4%
Closing exchange rate	R/USD	17.33	14.08	23.1%
Average nickel market price achieved	USD/t	9 957	–	N/A
Average copper market price achieved	USD/t	2 716	–	N/A
Average chrome price achieved net of costs	USD/t	52	58	(10.3%)
Average chrome price achieved net of costs	R/t	832	843	(1.3%)
Total revenue per Pt oz sold	R/oz	37 804	–	N/A
Total revenue per 4E oz sold	R/oz	27 337	–	N/A
Total revenue per 6E oz sold	R/oz	24 327	–	N/A

		30 June 2020	30 June 2019	Variance
Cash costs statistics				
Cash cost per Pt oz in concentrate produced	R/oz	29 395	–	N/A
Cash cost per 4E oz in concentrate produced	R/oz	21 347	–	N/A
Cash cost per 6E oz in concentrate produced	R/oz	19 009	–	N/A
Cash profit and margin				
Cash profit per Pt oz in concentrate produced	R/oz	8 409	–	N/A
Cash margin per Pt oz in concentrate produced	%	22.2	–	N/A
Cash profit per 4E oz in concentrate produced	R/oz	5 990	–	N/A
Cash margin per 4E oz in concentrate produced	%	21.9	–	N/A
Cash profit per 6E oz in concentrate produced	R/oz	5 318	–	N/A
Cash margin per 6E oz in concentrate produced	%	21.9	–	N/A
Capital incurred				
Expansionary capex	R000	573 280	371 201	54.4%
	R000	573 280	371 201	54.4%

US recycling performance

		30 June 2020	30 June 2019	Variance
		R000	R000	
Sales revenue				
Platinum		16 325	7 347	122.2%
Palladium		63 988	41 062	55.8%
Rhodium		18 069	8 471	113.3%
Total sales revenue		98 382	56 880	73.0%
Cost of sales				
Operating costs		(17 524)	(6 276)	(179.2%)
Concentrates purchased		(61 105)	(80 588)	24.2%
Depreciation and write-offs		(10 497)	(17 767)	40.9%
Change in metal inventory		(23 701)	25 808	N/A
Total cost of sales		(112 827)	(78 823)	(43.1%)
Operating loss		(14 445)	(21 943)	34.2%
Operating margin		(14.7%)	(38.6%)	61.9%
EBITDA		2 123	(14 419)	N/A
EBITDA margin		2.2%	(25.4%)	N/A
Recycled metal purchased from third parties*				
Platinum	oz	1 079	1 022	5.6%
Palladium	oz	2 017	3 341	(39.6%)
Rhodium	oz	202	372	(45.7%)
	oz	3 298	4 735	(30.3%)
Total metal sold				
Platinum	oz	1 374	668	105.7%
Palladium	oz	3 017	2 291	31.7%
Rhodium	oz	325	245	32.7%
	oz	4 716	3 204	47.2%
Average market prices achieved and sales statistics				
Platinum	USD/oz	817	772	5.8%
Palladium	USD/oz	1 458	1 257	16.0%
Rhodium	USD/oz	3 821	2 430	57.2%
Average exchange rate	R/USD	14.55	14.18	2.6%
Closing exchange rate	R/USD	17.33	14.08	23.1%
Capital incurred				
Purchase consideration	R000	–	–	0.0%
	R000	–	–	0.0%

*Recycled metals are sourced and purchased from third party customers and all sales are made to Northam Platinum Limited, at the original cost of the recycled metal purchased from third party customers plus all processing costs incurred at the US recycling operations.

Results commentary

Equivalent refined metal from own operations	Chrome in concentrate sold	Group capital expenditure mainly in the execution of the group's growth strategy
515 370 oz 4E	782 803 tonnes	R2.4 billion
First PGM in concentrate production from Eland	**Estimated loss of production related to COVID-19**	**Group unit cash cost**
35 123 oz 4E	108 685 oz 4E	R29 281/Pt oz

Group operational overview

The key feature of group operational performance during the financial year has been the impact of the COVID-19 pandemic on production during the second half of the financial year. Solid mining performance from the operations during the first half all but mitigated the collective impacts of an underground fire at Zondereinde mine during July 2019, together with intermittent Eskom power outages affecting all operations during November and December 2019. Prior to the onset of the COVID-19 pandemic, the group was on track for a record production year.

The group's equivalent refined metal from own operations fell by 0.9% to 515 370 oz 4E (F2019: 519 954 oz 4E). This is 108 685 oz 4E below target and is directly related to the production losses associated with the national lockdown (lockdown) and phased restart of mining activities following the onset of the COVID-19 pandemic in South Africa. The brunt of losses were felt at the conventional Zondereinde mine, whilst the mechanised Booysendal mine recovered well after the lockdown and group losses were partially offset by additional processing of surface sources at Eland mine. Group chrome concentrate production marginally increased by 2.4% to 782 803 tonnes on the back of additional contributions from Eland mine.

Group unit cash costs per equivalent refined platinum ounce increased by 28.2% to R29 281/Pt oz. Zondereinde mine's costs increased by 33.4% to R32 183/Pt oz, with a corresponding increase of 19.6% at Booysendal mine to R21 406/Pt oz and a first reported cost at Eland mine of R29 395/Pt oz. The increases in unit cash cost are the result of the high fixed cost component of underground mining, allied with the production losses incurred.

Total group capital expenditure reduced year on year to R2.4 billion. This is the result of capital intensive programs having either been completed, or nearing completion at Booysendal mine. R2.0 billion was spent on expansionary capital expenditure and R382.2 million on sustaining capital expenditure. A decision to temporarily scale back on specific growth projects in the interest of liquidity management was made after the onset of the COVID-19 pandemic. The effect of this capital reduction will only be felt in the coming year, wherein group capital expenditure is forecasted to be R2.4 billion. However, the Platinum Group Metal (PGM) market and the impact of the COVID-19 pandemic upon this is fluid. We continue to monitor the market and will amend our capital program accordingly.

Despite the decision to reduce growth capital spend, 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 is already bearing fruit and will continue in positioning Northam to deliver strong financial performance even in subdued market conditions going forward. Projects that have been temporarily scaled back include; the Central Merensky module at Booysendal mine, aspects of the number 3 shaft project at Zondereinde mine and the stoping build-up at Eland mine. Scale backs have been structured to minimise the impact on project critical paths. As such, the overall impact on the group's growth is limited.

At Zondereinde mine, stoping is ramping up within the western extension section and further progress has been made on the deepening project. The pilot hole for the planned number 3 shaft has been completed and reaming to ultimate shaft diameter will commence during the first half of F2021. At the metallurgical facilities, upgrades to the material handling infrastructure are nearing completion. The coming years will see work commence on capacity increases at both the original smelter furnace and the base metal removal plant.

The development of Booysendal South is progressing on schedule and on budget, with surface infrastructure construction almost complete and underground development at the UG2 mine on track. Work on the North aerial rope conveyor is continuing, but COVID-19 related stoppages have led to planned commissioning being delayed by six months, to December 2021. North Merensky mine build-up will continue, with minor adjustments to stockpile scheduling.

At Eland mine, processing of surface materials has out-performed budget and will continue. Development of the Kukama decline system has progressed well. An early mining demonstration is ongoing, as is strike development to connect with the Maroelabult section, which is in the process of being acquired from Eastern Platinum Limited. Despite the decision to pull back on stoping build-up, primary development at Eland mine will continue and this will result in minimal impact on the mine's planned ramp-up to full production.

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

The impact of COVID-19

The impact of COVID-19 was most significant at Zondereinde, which is a conventional mining operation with a considerable workforce. The loss in equivalent refined metal was approximately 21% of annual planned production. A decision to continue paying employees during the lockdown and phased restart resulted in near full costs being incurred and the combination of reduced production at full costs led to a negative impact on unit cash costs. Due to the phased restart, only 80% of mining crews were operating at the end of June 2020. It is expected that full production will only be achieved in the second half of the coming year and the group business plan for F2021 has been accordingly down-scaled by 20%.

Swifter recovery of operations after the lockdown was achieved at the mechanised Booysendal mine, but production losses were still incurred. All mining crews were operating well by the end of June 2020. We expect this to continue in F2021, both at the stable North mine, as well as in the ramp-up of production from the South mine.

Metal production from Eland mine was limited to that derived from processing of surface sources. As such, Eland mine was able to out-perform against annual planned production. This offset some of the losses incurred at Zondereinde mine and Booysendal mine and, in part, reaffirms our operational diversification strategy. Processing and underground tunnel development were operating at planned capacity by the end of June 2020.

	Lost production F2020	Production level at the end of June 2020
	oz 4E	%
Impact of COVID-19		
Zondereinde	70 975	80%
Booysendal	37 710	100%
Eland[2]	–	100%
Total Northam group	108 685	89%

Despite COVID-19, our growth strategy continues to yield positive results as we move towards our aspirational production target of 1 million oz 4E

Zondereinde mine - the year in summary

Sadly, there was one fatal accident at Zondereinde mine during the year. Mr Batswana Solomon Kalaote, a jetting gun operator with 27 years of service with the company, lost his life in a mining related accident. Our condolences go out to his family, friends and work colleagues.

Zondereinde mine's TIIR improved to 1.05 injuries per 200 000 hours worked (F2019: 1.42). Continuing to improve the safety performance and health and wellness of our workforce remains an important focus area for the business.

The lockdown, phased re-start and general restrictions associated with COVID-19 during the second half of the financial year have had a negative impact on all production metrics.

The first half of the financial year saw production losses associated with an underground fire (during July 2019) and Eskom power outages (during November and December 2019). These losses however had been recovered through solid mining performance prior to the onset of COVID-19.

Equivalent refined metal from own operations decreased by 19.4% to 248 529 oz 4E (F2019: 308 466 oz 4E). This decrease, resulted mainly from 17.2% lower combined milled tonnages. Merensky milled tonnages decreased by 16.4%, whilst UG2 ore milled decreased by 17.7%. UG2 milling exceeded that hoisted by 37 438 tonnes. In addition, 192 650 tonnes were removed under a third party ore sale agreement. This almost entirely depleted the UG2 stockpile.

Equivalent refined metal from external parties purchases increased significantly to 59 320 oz 4E (F2019: 11 338 oz 4E) owing to high grade material purchases to honour supply agreements with customers.

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. Development is close to the level ore pass positions which represents a significant milestone. Stoping is continuing on 16 level, which 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 to the third mining line, raises have been holed on the second mining line and stoping is in progress on the entire first mining line. 50 000 oz 4E per annum will ultimately accrue to Zondereinde mine's production profile from this expansion project. Pilot drilling for the number 3 vertical shaft has been completed and reaming of the hole to its 4.8 metre final diameter will be concluded during the coming calendar year.

The new furnace and drying plant at the Zondereinde metallurgical complex are producing and work is almost complete 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 R648.4 million (F2019: R674.0 million). Expansionary project expenditure accounted for R462.0 million, while sustaining expenditure was R186.4 million. Expansionary expenditure related to the ongoing development of the deepening and Western extension sections, including pilot drilling for the planned number 3 shaft, together with various capacity and material handling improvements at the metallurgical complex. Total capital expenditure for F2021 is estimated at R1.1 billion.

The total operating costs at Zondereinde for the period amounted to R5.8 billion (F2019: R5.1 billion), a 15.0% increase. The combination of higher mining and concentrating costs, together with lower volumes translated into a 33.4% increase in unit cash costs per equivalent refined platinum ounce, to R32 183/Pt oz (F2019: R24 124/Pt oz). The majority of this increase in unit cash costs can be ascribed to COVID-19 disruption.

Booysendal mine - the year in summary

The good safety performance at Booysendal mine continues, with the mine exceeding 5 million fatality free shifts during the financial year and more importantly, continuing to have incurred no fatal accidents since mine inception, over 10 years ago. TIIR improved to 1.57 per 200 00 hours worked (F2019: 1.95).

Overall, against the backdrop of the combined challenges of Eskom outages during the first half of the financial year, and COVID-19 during the second half, Booysendal has performed very well.

Production from Booysendal North UG2 mine improved 1.8% year-on-year to 2 284 767 tonnes (F2019: 2 243 924 tonnes), whilst 4E mill feed grade was maintained at 2.78 g/t. This is primarily owing to ongoing improvement in mining productivity in this mature module. Production from the Merensky North mine increased by 8.5% to 419 462 tonnes (F2019: 386 476 tonnes), whilst 4E mill feed grade dropped to 2.17 g/t (F2019: 2.37 g/t). This is the result of a ramp-up in decline development in order to prepare for step up to phase two stoping levels following the planned commissioning of the North aerial rope conveyor during F2022.

Booysendal South UG2 mine is ramping up to planned steady state in F2023. Production this year grew by 159.4% to 471 690 tonnes (F2019: 181 853 tonnes) at the planned 4E mill feed grade of 2.17 g/t. This grade will improve as stoping tonnage grows.

Combined ore stockpiles, inclusive of capitalised ore stocks at Booysendal South, grew to over 350 000 tonnes.

Total tonnes milled increased by 5.1% to 3 013 141 tonnes (F2019: 2 868 282 tonnes). Merensky throughput increased to 406 519 tonnes (F2019: 397 437 tonnes), aligned to mining production, whilst UG2 milling increased by 5.5% to 2 606 622 tonnes (F2019: 2 470 845 tonnes). Additional tonnes milled essentially came from Booysendal South UG2 production. Both the North and South concentrators are operating well and showing year-on-year PGM recovery improvements.

The total operating costs at Booysendal mine were R3.3 billion (F2019: R2.5 billion), a 31.6% increase. Volume increases, together with stores and power costs, as well as the fixed cost component of the currently under-utilised South concentrator led to this increase. Higher production volumes resulted in a cash cost per metal in concentrate produced increasing by 19.6% to R21 406/Pt oz (F2019: R 17 904/Pt oz). This includes all fixed costs carried during the lockdown.

North mine capital expenditure dropped considerably to R200.0 million (F2019: R341.8 million). This was on the back of completion of the deepening expansion project at North UG2 mine. Expansionary capital totalled R4.2 million, whilst sustaining capital totalled R195.8 million.

South mine capital expenditure was entirely expansionary and totalled R929.4 million (F2019: R1.5 billion). Surface infrastructure is near completion and underground equipping is in progress. Earthworks and civil construction for the North aerial rope conveyor are well progressed, and pre-payments for mechanical construction mean that this project is essentially paid for.

The F2021 capital expenditure for North mine will be entirely sustaining and is estimated at R456.2 million. This is higher than our expected ongoing requirement, but is influenced by mechanical fleet replacements. South mine capital expenditure will be entirely expansionary and is estimated at R545.4 million, reflecting the near completion of surface infrastructure and pre-payment for the North aerial rope conveyor. Main workflows include underground mining and equipping at the Central UG2 complex, primary development at the BSU4 module and the mechanical construction of the North aerial rope conveyor system.

The Central Merensky module has been temporarily suspended as part of our capital trimming related the economic uncertainty associated with the COVID-19 pandemic's uncertainty. The boxcut has been completed, so portal and decline development can commence immediately following reinstatement of this project.

Eland - the year in summary

Eland mine's TIIR improved to 2.27 per 200 000 hours worked (F2019: 2.63). Mine development is a phase during which safety management and systems are embedded. Mine management is focussing attention on this critical area.

Recommissioning of the chrome spirals and secondary PGM circuit in the concentrator were completed towards the end of F2019. This allowed processing of just over one million tonnes of ore from surface sources, running at an average 4E mill feed grade of 2.73 g/t. This yielded 35 123 oz 4E in concentrate (F2019: 0 oz 4E), together with 72 924 tonnes of chrome concentrate (F2019: 12 676 tonnes).

Following conclusion of a feasibility study during F2019, the board of directors of Northam approved the initiation of development and stoping ramp-up for the Kukama shaft in parallel with processing operations. Refurbishment and recommissioning of fixed and mobile underground equipment was undertaken and development of a revised underground mining layout commenced.

This entailed reconfiguration of the three barrel decline system, such that all barrels are located in the immediate footwall to the UG2 Reef. Furthermore, strike development in the upper western portion of the mine was progressed, a reef raise was developed and stoping began on the UG2 Reef as part of a planned early mining demonstration.

Trialling of a mobile tunnel borer (MTB), to test its suitability for advancing the decline system, was undertaken. The trial was successfully concluded and the MTB was contracted to develop one of the decline barrels, starting from January 2020.

However, following the onset of COVID-19, capital trimming led to the decision to suspend mining build-up at Kukama shaft for a period of 12 months. Decline development is continuing, but at a reduced rate. As a result of this, the MTB contract was terminated and the machine was removed from the mine.

An agreement to purchase the Maroelabult section of the Crocodile River mine from Barplats Mines Proprietary Limited, a subsidiary of Eastern Platinum Limited, was entered into during the year. An application for transfer of the mining rights is in process and this is expected to be finalised during the coming financial year. Maroelabult section lies immediately west of Kukama shaft and its inclusion in the Eland mining right will have a number of synergistic benefits.

Capital expenditure for the year was R573.3 million (F2019: R371.2 million). Capital expenditure expected in F2021 is R308.9 million and is expected to be funded from internal cash flow from the sale of PGM and chrome concentrates. Work will focus on decline development at a reduced rate, together with development of western strike drives towards the Maroelabult section, as well as with continuation of the early mining demonstration. Work towards recommissioning of the primary PGM circuit at the concentrator will commence towards the end of F2021, in anticipation of recommencing stoping build-up in F2022.

Project update - Zondereinde Western extension

The acquisition of the Western extension in early 2018 provided Zondereinde with immediate access to an additional 3.6 km of mineable strike to the west of its existing underground operations.

Exploration data indicates that this section contains a PGM Mineral Resource of over 21 Moz 4E within both the Merensky and UG2 orebodies. The Merensky Reef is predominantly of the high-grade P2 sub-type and the ground is unaffected by any significant structural breaks.

Progress and significant milestones during the year

During the past year, 4 781 metres of access tunnels have been developed within the Western extension section, which is 907 metres above plan. Strike development has reached the third mining line, raises have been holed throughout most of the second mining line and over 150 000 tonnes of Merensky Reef have been extracted from the first mining line. Crew productivity is benefitting from the combination of very stable reef, good rock conditions and focussed logistics over the 10 mining levels comprising this line.

A study investigating additional access requirements from surface is well progressed and is expected to be finalised before December 2020.

This includes the ultimate role of a vertical shaft, termed number 3 shaft, sited on the second mining line and being developed by raise-boring from surface concurrent to the feasibility study.

The 405 mm diameter pilot hole for number 3 shaft has been drilled from surface and successfully holed into its receiving chamber underground on 18 July 2020. At a length of 1 382 metres, this is a world record depth for a raise-bore pilot hole. In addition, through the use of oil well drilling technologies, lateral deflection, a critical success factor, was limited to less than half the diameter of the pilot hole. Reaming of the hole to a final diameter of 4.8 metres will commence in October 2020 and has an expected duration of 14 months to completion.

The impact of COVID-19 on the project

The lockdown and phased restart negatively impacted underground stoping and development within the Western extension, as it did the entire Zondereinde mine. 321 metres of potential development and approximately 60 000 tonnes of potential Merensky stoping were lost due to the stoppages.

A two month delay to the number 3 shaft pilot drilling was offset by above target advance ahead of the lockdown, shaft development therefore remains on track.

Shaft reaming will continue. However, the group-wide capital pullback has led to a postponement of potential long-lead items related to equipping the shaft. These equipping requirements will only be finalised upon conclusion of the Western extension access feasibility study. As such, the potential impact of COVID-19 on this project is likely to be negligible. In the interim, shaft reaming as well as underground development and stoping continues unhindered.

The Western extension at Zondereinde is progressing well

Project update - Booysendal South mine

Booysendal's Mineral Resource base is significant. Mine development, which commenced in 2010, focussed on the north-eastern portion of the property, with the North UG2, followed by the North Merensky modules. This was due to the generally challenging topography of the property, with best access and availability of sites for surface infrastructure to support underground mining located in the north-eastern portion. The provision of surface infrastructure, including a large PGM and chrome concentrator, together with a tailings storage facility, was the key strategic driver for the acquisition in 2015, of the Everest mine from Aquarius Platinum Limited. This essentially unlocked the potential for mining in the southern portion of Booysendal, and the Booysendal South mine project commenced forthwith.

The current plan to develop three UG2 modules, together with a single Merensky module, unlocks Mineral Reserves of 8.2 Moz 4E, mineable for approximately 30 years. Furthermore, from F2023, the combined modules will annually produce in the order of 250 000 oz 4E in concentrate, doubling Booysendal's current overall PGM production. In doing so, Booysendal will have created around 5 500 meaningful, long-term jobs and will significantly benefit both the local and national economies.

Progress and significant milestones during the year

Focus has shifted to underground development, equipping and stoping build-up at the BSU1 and BSU2 UG2 modules.

During the past year, 2 533 metres of decline development has been achieved. This is 98 metres below plan, which is satisfactory given the delays related to the lockdown. Underground conveyor and tip equipping is progressing on plan, which is assisting development and stoping build-up. Six stoping crews are currently operational. This will grow to 10 stoping crews by the end of F2021 and 16 stoping crews at steady state in F2023.

Surface infrastructure at the Central UG2 complex nears completion. Key infrastructure, including surface conveyors, crusher, South aerial rope conveyor feed system, workshops and change houses are commissioned and operating within design parameters. Final infrastructure, comprising shaft offices and the 132 kV sub-station, will be completed during August 2020.

The boxcut for the Central Merensky module is ready for development of the decline portals. Development of portals has been delayed as part of group-wide capital trimming. Ore from Central Merensky module, together with that of the North Merensky module will ultimately feed onto the North aerial rope conveyor. Earthworks and civil construction for the Central Merensky rope conveyor feed silo will continue during the coming year.

Earthworks and civil construction of the North feed silo, drive station and towers for the North aerial rope conveyor are well progressed. Most tower bases are complete and the drive station and North feed silo will be ready in time for mechanical construction. This will start in January 2021, and the rope conveyor will be ready to start transporting ore in December 2021. Ore from the North Merensky module will then be transported to the South concentrator, permitting the phase two ramp-up of North Merensky to approximately 50 000 oz 4E per year.

Access to the BSU4 module has been accomplished. Construction of shaft head infrastructure was completed and primary development of strike drives has commenced. This is the first phase of module development and will provide through access for services between the existing north and south decline systems. This access will be completed during the coming year. Following which, stoping ramp-up will progress to a steady state of around 25 000 oz 4E per year by F2023.

Concentrate handling and logistics upgrades have been progressing at the South concentrator. A new truck access and loading facility is nearing completion. This is necessary to handle PGM and chrome concentrate dispatches as South mine ramps up. Studies surrounding increasing concentrator throughput, together with tailings handling have been advanced and outcomes are positive for further organic growth from Booysendal South mine.

The impact of COVID-19 on the project

The lockdown and phased restart negatively impacted all workflows of the Booysendal South project. Underground development and equipping of the UG2 modules was delayed by approximately 6 weeks. This work was prioritised during the phased restart.

Finalisation of surface infrastructure at the central complex was impacted. However, this has had little effect due to this work being ahead of schedule and almost at completion.

Excavation of the Central Merensky boxcut was also delayed. A decision was taken to suspend underground Merensky development as part of capital trimming. This reduced the criticality of boxcut completion during the phased restart, allowing resources to be focussed on underground and surface work related to the UG2 modules. Work on the boxcut resumed prior to the financial year end and this is now ready for portal development, once a decision to reinstate development of the Central Merensky module has been made.

Earthworks and civil construction of the North aerial rope conveyor was prioritised during the phased restart. Mechanical construction using specialised crews from our Austrian supplier, Doppelmayr, was planned to commence midway through the first half of F2021. However, delays resulting from the lockdown have meant that we would only be able to commence this work towards the end of the first half of the financial year. Given the uncertainty of international travel, mechanical construction is now planned to commence in January 2021. This will delay commissioning by approximately 6 months, to December 2021. Scheduling of build-up and ore stockpiling for the North Merensky mine has been consequently adjusted.

Booysendal South on track. Focus shifting to underground ramp-up

Project update - Eland mine

Eland mine was acquired from Glencore in December 2017. The mine was on care and maintenance and had significant, quality infrastructure already in place. Large PGM and chrome concentrators and tailings storage facilities, together with all necessary surface infrastructure to support underground mining were in place. Two decline systems, Kukama and Nyala accessed 3 mining levels on the UG2 Reef and were fully equipped. The mine hosts a Mineral Resource base of 19.3 Moz 4E, the majority of which resides within near-surface, thick, high grade UG2. Eland had been developed for mechanised bord and pillar mining, but this was not appropriate for the dip of the UG2 Reef.

A feasibility study to restart UG2 mining as a hybrid of conventional breast stoping, with conveyor ore transport was concluded in F2019. Steady state annual production of 150 000 oz 4E after a six year ramp-up was planned.

Re-processing of surface ore through the recommissioned secondary circuit of the concentrator, producing PGM and chrome concentrates, is being undertaken in parallel with underground mine development.

At steady state the mine will provide direct, meaningful, long term employment for over 2 500 people.

Progress and significant milestones during the year

Decline development has progressed this year. The decline system has been reconfigured, such that the three decline barrels are now located in stable norite rock of the immediate footwall to the UG2 Reef. In addition, decline conveyors and tips, together with mine water handling systems have been extended to the bottom of the mine.

Decline development of 1 093 metres was achieved. This is 138 metres below plan, which was due to lockdown stoppages.

Strike tunnel development in the upper western portion of the mine was progressed, a reef raise was developed and stoping began on the UG2 Reef as part of a planned early mining demonstration. This is designed to test and refine blasting, support and ore handling systems ahead of full mine stoping ramp-up.

An agreement to purchase the Maroelabult section of the Crocodile River mine from Barplats Mines Proprietary Limited, a subsidiary of Eastern Platinum Limited, was entered into during the year. Maroelabult section lies immediately west of Kukama and strike development is in part aimed at connecting with the Maroelabult decline. This will enhance the provision of underground services, as well as build-up of mineable reserve.

Trialling of a mobile tunnel borer (MTB) was undertaken, to test its suitability for advancing the decline system. The trial was successfully concluded and the MTB was contracted to develop one of the decline barrels, starting from January 2020. Capital trimming following the onset of the COVID-19 pandemic led to the decision to suspend mining build-up at Kukama shaft for a period of 12 months. Decline development will continue, but at a reduced rate. As a result of this, the MTB contract was terminated and the machine was removed from the mine.

Despite the set-back of capital trimming, underground tunnel development will continue. The decision to recommission the secondary concentrator circuit has enabled the mine to generate revenue, which is being used to continue reserve build-up.

Mine planning, incorporating Maroelabult, is being progressed and will reduce lead time to steady state.

The impact of COVID-19 on the project

The immediate and direct impact of the COVID-19 pandemic was the stoppage of all underground development, as well as concentrator activities for approximately one month during lockdown. This was then compounded by the phased restart.

The decision at group level to reduce growth capital expenditure in the interest of cash preservation, led to the suspension of stoping build-up at Eland for a minimum of 12 months. Primary development of the declines and western strike drives will however continue in order to minimise the impact on overall mine ramp-up.

Focussing on UG2 underground development and reserve build-up at Eland

The sustainability of our business is dependent on the successful management and allocation of financial capital provided by shareholders, debt funders and generated from operational cash flows

Overview

Despite the challenges of the COVID-19 pandemic, this has been a record year for Northam. We have commenced the fourth strategic phase by returning meaningful value to shareholders and we remain committed to returning further value going forward.

The group achieved record sales revenue, record operating profit and record EBITDA for the year. These record outcomes were achieved notwithstanding the impact of mine and production stoppages which occurred as a result of the COVID-19 induced lockdown. Prior and up to the commencement of the lockdown period, the group was on track to achieve record production from own operations during F2020.

We continue to deliver on our strategy of developing low-cost, long-life assets which are positioning the group for further strong financial performance even in subdued or potentially volatile commodity markets. The benefit of our growth strategy, initiated in 2015, is evidenced by some of the key financial highlights listed below:

Record revenue

R17.8 billion

Record operating profit

R5.3 billion

Net debt

R3.3 billion

With net debt to EBITDA ratio at 0.56

Record normalised headline earnings

R3.4 billion

Record profit after tax

R2.2 billion

Return of shareholder value

46.7% Zambezi preference share ownership to date

For a more comprehensive overview of the group's financial position and performance, please refer to the annual financial statements available on our website at www.northam.co.za

Normalised headline earnings

Normalised headline earnings have been calculated taking into account the headline earnings adjusted for items relating to the 2015 Zambezi Platinum (RF) Limited Broad-Based Black Economic Empowerment (BEE) transaction. These include the preference share dividends associated with the BEE financing structure as well as the loss on derecognition of the preference share liability.

Stripping out the impact of the BEE transaction resulted in normalised headline earnings increasing to R3.4 billion (F2019: R1.4 billion), which equates to normalised headline earnings per share, based on the total number of 509 781 212 issued shares, of 676.3 cents (F2019: 270.1 cents). This is an increase of 150.4%.

Below is the calculation of normalised headline earnings and normalised headline earnings per share:

	30 June 2020	30 June 2019
	R000	R000
Headline earnings	2 167 589	55 316
Add back:		
Amortisation of liquidity fees paid on preference shares	16 390	16 390
Preference share dividends	1 133 172	1 305 244
Loss on derecognition of preference share liability	130 628	–
Normalised headline earnings	3 447 779	1 376 950
Normalised headline earnings per share (cents)	676.3	270.1
Number of shares in issue including treasury shares	509 781 212	509 781 212
Earnings per share (cents)	620.0	17.2
Fully diluted earnings per share (cents)	584.7	17.2
Headline earnings per share (cents)	619.5	15.8
Fully diluted headline earnings per share (cents)	584.3	15.8

Revenue

Sales revenue increased by 67.3% from R10.6 billion in F2019 to R17.8 billion for the year. This increase is attributable to a 60.8% rise in the 4E basket price to USD1 764/oz (F2019: USD1 097/oz) and a 10.9% weaker ZAR/USD exchange rate realised.

Despite logistical hurdles associated with the COVID-19 pandemic, including border closures that made the distribution of refined metal challenging, the group maintained robust refined metal sales of 560 238 4E oz. This highlights the strong relationships that we have developed and maintained with our industrial customer base over many years.

The average US dollar sales prices achieved during the year under review improved for most metals. Palladium and rhodium both performed well, increasing by 52.4% and 169.8% respectively. Both these metals continued their upward trends subsequent to the financial year end.

Platinum however, making up roughly 60% of the sales volume of our precious metals 4E basket, continues to be the laggard. The average price achieved during the year was USD858/oz (F2019: USD824/oz), which impacted the 4E basket price achieved. Platinum now only contributes 28.0% (F2019: 46.3%) to the 4E basket. Any upward movement in the platinum price will have a positive impact on the profitability of the group.

Below is the % contribution of revenue in relation to the 4E basket:

	30 June 2020	30 June 2019
	%	%
Platinum	28.0	46.3
Palladium	33.4	31.8
Rhodium	37.2	20.3
Gold	1.4	1.6
4E basket	100.0	100.0

The price received for our chrome concentrate decreased by 19.7% in US dollar terms and 11.2% in South African rand terms. The negative impact of prices was somewhat offset by volumes of chrome concentrate produced and sold, which increased to 782 803 tonnes (F2019: 764 528 tonnes). This resulted in the aggregate rand value of chrome concentrate sales decreasing by 9.1% to R599.8 million (F2019: R660.0 million).

Toll treatment charges relate to charges received for a once-off contract with a customer.

During the year, 192 650 UG2 stockpile tonnes were sold, fulfilling the terms of an ore sale agreement entered into with a third party during F2019.

Total revenue per platinum ounce sold increased by 78.8% from R29 640/Pt oz to R53 009/Pt oz.

Northam has had a record year. We have commenced meaningful return of value to shareholders and remain committed to this going forward

Cost of sales and operating profit margin

A 51.8% increase in cost of sales and a corresponding 67.3% increase in revenue resulted in operating profit increasing from R2.4 billion in F2019 to R5.3 billion for the year under review, an all-time record high for the group. This translates to an operating profit margin of 29.8% (F2019: 22.6%).

Cost of sales includes all costs relating to the COVID-19 pandemic, which are estimated at approximately R977.2 million.

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

- Mining costs increased by 26.2%. This is attributable to wage increases, a 7.3% net increase in the average number of employees and an increase in square metres mined, which was negatively impacted by the onset of the national lockdown. To assist and support our employees, We paid our people throughout the national lockdown, including those not yet called back to work during the phased restart. This included paying basic salaries, full medical cover, pension contributions and living out allowances. In addition, those not at work were deemed to be absent with permission, such that their leave and sickness allowances were not impacted.
- Concentrating costs increased by 44.8% with the commissioning of the concentrators at Booysendal South and Eland mine. Both these concentrators are not yet operating at full capacity, but carry a high associated fixed cost.
- Smelter and base metal removal plant costs increased by 14.4% owing to both the increase in the electricity unit cost and the additional power consumption required for the treatment of concentrate received from Booysendal South and Eland mine during the ramp-up phases of these operations. In addition, R68.1 million was spent on essential maintenance. Furnace 1 is scheduled for a rebuild during the coming financial year.
- Chrome processing costs were 7.6% lower than the previous year due to once off start up costs incurred at the Eland mine during the prior year.
- Selling and administration overheads marginally increased by 0.4%. These include costs relating to the corporate office and group services, as well as all marketing costs incurred by the group. Northam currently contributes and actively participates in market development activities through the World Platinum Investment Council (WPIC), the Platinum Guild International (PGI) as well as the International Platinum Group Metals Association (IPA).
- Royalty charges, which increased by 149.5%, 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 mine no longer pays royalties at the minimum royalty rate, and has no further unredeemed capital expenditure to set off against mining income from own operations. However, Booysendal mine still paid royalties at the minimum royalty rate of 0.5% based on revenue generated from own operations and the significant amounts of capital expenditure incurred. Overall, the royalty charge increased in line with the increase in revenue generated from own operations, taking into account available unredeemed capital expenditure.
- Share-based payment expenses and profit share scheme costs relate to expenses incurred in respect of the group's employee share plan and contributions made to the Toro Employee Empowerment Trust. The share-based payment expense takes into account the number of outstanding performance and retention shares, which have increased in line with the increase in the number of qualifying employees, as well as the share price, which was the main contributor to the increase as a result of 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 mine. During the year, contributions to the value of R84.6 million (F2019: R31.1 million) were made to the trust.
- The cost of concentrates, metals and recycling material purchased increased by 651.1%. 4E volumes purchased increased by 212.9%, but these were preferentially of higher grade material and finished product, which carry higher premiums. This was, in part, in order to honour supply agreements resulting from changes to pipeline terms with our precious metal refiner.
- Refining costs, including sampling and handling charges, increased by 32.3%, as a result of these costs being euro denominated.
- With the increased capital base and additional capital expenditure incurred by the group, depreciation increased. Depreciation has also commenced on a number of components available as intended for use by management relating to Booysendal South as well as Eland mine.
- The change in metal inventory relates to the increase in the cost of production, mainly relating to purchased material, capitalised to the balance sheet.

We are committed to effective cost control and growing our production base down the cost curve, thereby creating long-term value for our shareholders

Taxation

Taxation was made up as follows:

	30 June 2020 R000	30 June 2019 R000
Income tax		
Current mining income tax charge	573 478	–
Current non-mining income tax charge	113 623	37 457
Adjustment in respect of current income tax of previous years	18 775	9 606
Dividend withholding tax		
Current year withholding tax	201	543
Prior year withholding tax	(323)	–
Deferred tax		
Current and prior year deferred tax charge	758 724	594 248
Total income tax expense reported in profit or loss	1 464 478	641 854

During the year under review, the group started paying tax on mining income as a result of the full utilisation of the unredeemed capital balance relating to Northam Platinum Limited, the statutory entity in which the Zondereinde mine is housed. Taxation on non-mining income comprises mainly toll treatment charges, interest and sundry income earned, which is taxed at the corporate tax rate of 28%.

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 2018. These are in regard to the deductibility of interest expenses between mining and non-mining income when the group moved from a cash positive position to a net debt position. Any tax position taken by the group is supported by formal tax opinions from independent third parties.

Movements in deferred tax are mainly owing to capital expenditure still being incurred by the group.

The balance of unredeemed capital available for utilisation against future taxable mining profits in Booysendal Platinum Proprietary Limited is approximately R5.0 billion (F2019: R7.1 billion). The utilisation of the unredeemed capital balance will depend on the profitability of Booysendal Platinum Proprietary Limited, which is in turn dependent on achieved metal prices and exchange rates.

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, to be prudent, no deferred tax asset relating to the temporary difference of R321.2 million has been raised relating to Eland Platinum Proprietary Limited. In addition, no deferred tax asset has been raised relating to the US recycling operation.

For a reconciliation of the standard rate of South African tax compared with that charged in the statement of comprehensive income, refer to note 9 of the summarised financial results.

Working capital

Working capital management remains a priority. Working capital is still impacted by high inventory levels.

The valuation of inventory was impacted by purchased material not yet processed and sold, relating mainly to higher grade materials, which carry higher premiums. Furnace 1 is scheduled to be rebuilt during the coming year which will impact the processing capacity of the group. The bulk of the purchased material will only be processed in the next financial year (F2022) and is therefore classified as non-current.

Going forward, normal pipeline inventory is considered to be approximately 165 000 4E ounces of metal. All inventory over and above pipeline material is considered excess inventory.

Trade and other payables was also impacted by the liability relating to the purchased material which was due and payable subsequent to year end.

Cash flow and net debt

The group's free cash flow generated has been calculated as follows:

	30 June 2020	30 June 2019
	R000	R000
Cash flows from operating activities	6 387 775	2 711 918
Less capital expenditure incurred during the year	(2 390 152)	(2 711 708)
Free cash flow generated during the year	3 997 623	210
Free cash flow utilised on returning value to shareholders	(3 691 507)	–
Residual free cash flow	306 116	210

Due to the significant amounts of capital incurred in the execution of the group's growth strategy, this year marks the first time since 2015 that the group has generated meaningful free cash flow after funding capital expenditure. This is despite the production losses incurred as a result of the COVID-19 pandemic and attests to the benefits of the groups' growth strategy.

Production growth and favourable rand denominated PGM prices are expected to positively impact free cash flow generation in F2021, taking into account the phased and controlled restart of operations in the coming year.

However, the group's future cash generation potential is vulnerable to exchange rate volatility, metal price fluctuations and production performance.

Adequate credit facilities are in place, through the available revolving credit facility (RCF), of R3.5 billion, together with the general banking facility (GBF), of R500.0 million. In addition, further funding is accessible by way of the domestic medium-term note (DMTN) programme of R10.0 billion, of which R5.6 billion had been placed at year end.

The group has a policy of not hedging against currency or metal price fluctuations in order to provide shareholders with the maximum potential for value creation.

All free cash flow generated will be utilised to return value to shareholders

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

	30 June 2020	30 June 2019
	R000	R000
Cash and cash equivalents	2 160 956	950 315
Domestic medium-term notes issued net of transaction fees	(5 508 412)	(1 814 884)
Revolving credit facility utilised	–	(2 137 193)
General banking facility utilised	–	–
Net debt position	(3 347 456)	(3 001 762)
EBITDA	6 023 379	2 638 513
Net debt/EBITDA ratio	0.56	1.14

Northam adopts a prudent approach to managing its long-term funding facilities.

At the start of the global COVID-19 pandemic, management swiftly developed and implemented a decisive, detailed and immediate action plan to minimise the broader potential impacts of the COVID-19 pandemic and the associated global economic downturn. This was done to protect the company and all stakeholders as far as possible.

All financial measures implemented by management were aimed at strict cash preservation to support the long-term future of the company.

In light of this, and as part of our COVID-19 response measures, the group proactively implemented an action plan to preserve liquidity. This entailed a restructuring of the company's DMTN programme to significantly extend maturity dates of notes in issue, to raise some additional debt funding and to generally smooth the maturity profile of the various note series.

As part of these measures, the RCF was fully drawn down in order to provide the company with sufficient liquidity during the lockdown. Northam continued to pay basic salaries as well as full medical cover, pension contributions and living out allowances. Over and above these costs, the company also incurred ongoing costs, with limited or no production.

The net debt position at the end of F2020 takes into account R2.4 billion spent on capital expenditure and R3.7 billion returned to shareholders by way of the purchase of Zambezi preference shares during the financial year.

Banking facilities

During the year under review, Northam refinanced its R3.5 billion, 5 year RCF and R500.0 million GBF on more favourable terms, extending the maturity date of the RCF from 29 November 2021 to 5 September 2024. The interest rate on the previous R3.5 billion RCF was set at JIBAR plus 3.3%, whereas the interest rate on the new R3.5 billion 5 year RCF comprises JIBAR plus 2.1%, plus a utilisation fee of between 0.1% per annum and 0.5% per annum, dependent 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%. In addition, the interest rate on the GBF was reduced from prime less 1.5% to prime less 1.75%.

The reduced interest rates on the new RCF and GBF lowers the company's weighted average cost of debt funding.

Both these facilities were undrawn at year end.

The group had R4.0 billion of undrawn banking facilities available at year end

Domestic medium-term note (DMTN) programme restructuring

The impact of the COVID-19 pandemic has created significant uncertainty in financial markets. This uncertainty regarding the impact of the pandemic flows through to commodity prices, exchange rates and, potentially, demand for PGMs. This may adversely impact the cash flow profile.

Cash preservation in these circumstances is critical.

In view of this, we restructured the maturities of our DMTN debt. Before the restructuring, DMTNs to the value of R4.7 billion (R925.0 million plus R3.8 billion) would have matured in F2021 and F2022 which could have placed stress on the group's liquidity over the short to medium-term.

The aim of the restructuring was to both preserve liquidity and reduce this potential stress, as well as to raise additional debt funding to further strengthen Northam's balance sheet and to provide positive signalling to the market in respect of Northam's cost of borrowings and credit risk.

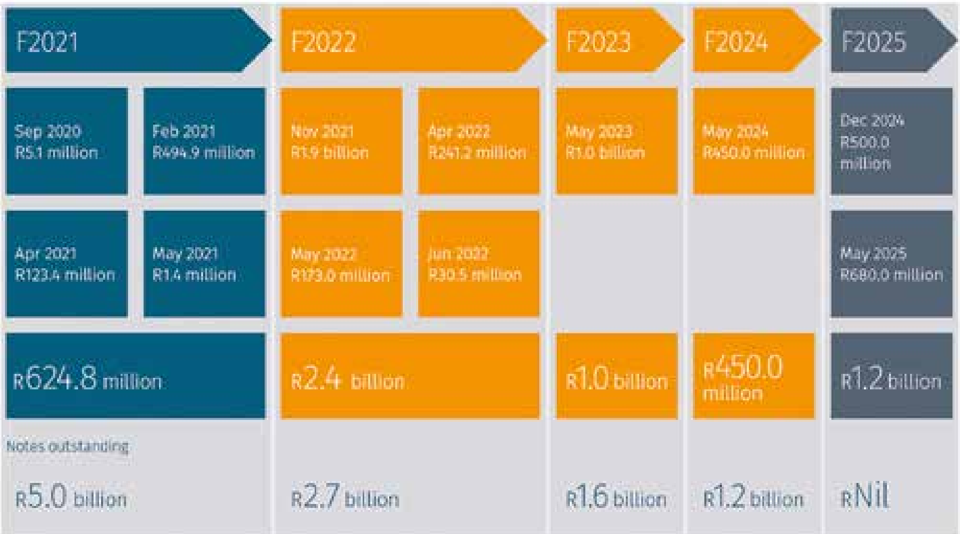
Below is a summary of Northam's DMTN debt maturity profile before the restructuring. The timeline illustrates the capital portion of DMTNs maturing in each financial year until F2025. As illustrated, a total of R925.0 million of DMTNs would have matured in F2021 and R3.8 billion of DMTNs would have matured in F2022. The R3.5 billion RCF and R500.0 million GBF are excluded from the maturity profile as these facilities could be refinanced as they mature.

The outcome of the restructuring of the DMTN debt was as follows:

- R2.2 billion of notes were moved out to longer maturity dates
- Additional liquidity of R940.6 million was created for the current calendar year
- An additional R410.7 million was raised
- Favourable interest rates were negotiated despite the COVID-19 environment

Below is a summary Northam's DMTN debt maturity profile after the restructuring.

The timeline illustrates the capital portion of DMTNs maturing in each financial year until F2025. A total of R3.0 billion of DMTNs will mature in the next two financial years. The R3.5 billion RCF and R500.0 million GBF are excluded from the maturity profile below as these facilities could be refinanced as they mature.



Restructuring of the DMTNs created an overall smoother maturity profile over the next five years and moves maturing DMTNs to periods when cash flow is expected to be enhanced.

In terms of the DMTN programme memorandum, as amended and/or supplemented from time to time, the board of directors of Northam Platinum Limited approved an initial increase in the nominal amount of the DMTN programme from R2.0 billion to R5.0 billion, on 21 August 2019 and a further increase from R5.0 billion to R10.0 billion on 24 March 2020. This increase provides Northam with additional funding flexibility.

All notes have been issued under the R10.0 billion DMTN programme dated 3 August 2012.

Northam's credit rating

The credit rating agency, Global Credit Rating Co. (GCR), re-affirmed Northam's national scale long term credit rating of A-(ZA). In addition, they revised Northam's short term credit rating to A2(ZA) (in accordance with the changes in GCR's Rating Scales, Symbols and Definitions, May 2019), and upgraded the outlook to positive, on 18 October 2019.

The upgrade to a positive outlook acknowledges improving trends in Northam's earnings and production profile, as well as its conservative debt metrics. Moreover, the positive outlook reflects the likelihood of a future upgrade to Northam's credit rating should Northam continue to expand its production profile and operating cash flows in line with expectations, whilst maintaining financial discipline regarding expansionary capital expenditure and shareholder distributions.

Zambezi Platinum (RF) Limited

In terms of Northam's BEE transaction implemented in 2015, Zambezi Platinum (RF) Limited (Zambezi) holds a 31.4% interest in Northam's issued share capital, representing 159 905 453 shares.

The transaction was financed by way of an issue of 159 905 453 listed Zambezi preference shares. Northam shareholders were able to subscribe to the Zambezi preference shares at an issue price of R41 per share. Subscription undertakings for the full value of the Zambezi preference shares were underwritten by Coronation Asset Managers Proprietary Limited and the Public Investment Corporation SOC Limited at a liquidity fee equal to 2.5% of the value of the Zambezi preference shares. These Zambezi preference shares are guaranteed by Northam and as a result consolidated into the Northam group results.

In terms of the Zambezi preference share terms, the holders of Zambezi preference shares will be entitled to receive cumulative preference dividends equal to the South African prime interest rate plus 3.5% over the 10-year lock-in period. Should Zambezi receive any dividends from Northam, then 90% of such dividends will be utilised to settle the preference share dividend. If no dividends are paid by Northam, then the dividends on the Zambezi preference shares will not become payable but will instead accumulate and become payable upon redemption of the Zambezi preference shares.

The Zambezi preference shares will be compulsorily redeemable on 17 May 2025, being the day immediately preceding the 10th anniversary of the issue date. The Zambezi preference shares may only be redeemable before this date if Zambezi has accumulated cash from Northam dividends or upon the occurrence of certain events of default as envisaged in the terms of the Zambezi preference shares.

Upon expiry of the 10-year lock-in period, the Zambezi preference shares will be redeemed and the redemption amount (being the original issue price plus accrued dividends) will be settled by Zambezi through the distribution of a sufficient number of Northam shares held by Zambezi (calculated in accordance with the Zambezi preference share terms) to the holders of the Zambezi preference shares and/or in cash held by Zambezi (if any).

The redemption of the Zambezi preference shares is secured by a guarantee provided by Northam in favour of the holders of the Zambezi preference shares. In the event that the Northam shares and cash (if any) held by Zambezi are not sufficient to settle the Zambezi preference share liability, the guarantee may be called upon by the holders of the Zambezi preference shares. If the guarantee is called upon, then Northam will be entitled to settle the Zambezi preference share liability by making a cash payment directly to the holders of the Zambezi preference shares and/or through the issue of new Northam shares to the holders of the Zambezi preference shares. The manner of settlement is at Northam's election.

The redemption price of the Zambezi preference shares as well as any accumulated and unpaid preference dividends on the Zambezi preference shares 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 financial statements of Northam in terms of International Financial Reporting Standards. This means that the Northam group reflects the BEE equity issued shares as treasury shares and the Zambezi preference shares are reflected as a liability.

It is important to note that the preference share dividends will not be deductible for tax purposes in the accounts of Zambezi or Northam. These dividends will be taxed by way of a withholding tax once paid out to the holders of the Zambezi preference shares.

Dividends are capitalised to the outstanding capital balance as at 31 December of every year.

Below is the net asset value of Zambezi at year end:

	30 June 2020	**30 June 2019**
	R000	R000
Investment held by Zambezi Platinum (RF) Limited in Northam Platinum Limited	18 581 014	9 434 422
Preference share liability included in Zambezi Platinum (RF) Limited	(12 592 218)	(11 159 368)
Deferred tax liability relating to capital gains tax payable in Zambezi Platinum (RF) Limited	(2 693 575)	(644 739)
Net asset/(liability) value of Zambezi Platinum (RF) Limited	3 295 221	(2 369 685)
Number of Northam Platinum Limited ordinary shares held by Zambezi Platinum (RF) Limited	159 905 453	159 905 453
Northam Platinum Limited closing share price at year end (share code: NHM)	R116.20	R59.00
Investment held by Zambezi Platinum (RF) Limited in Northam Platinum Limited	18 581 014	9 434 422

From the above it is evident that the investment in Northam Platinum Limited, as a result of the increase in Northam's share price is now sufficient to cover both the Zambezi preference share liability as well as the capital gains tax on the increase in the share price, therefore realising value for Zambezi ordinary shareholders.

Below are a number of key statistics with regards to the BEE transaction and the Zambezi preference shares (ZPLP):

Northam's closing share price 30 June 2020	**ZPLP face value 30 June 2020**	**Cover ratio**
R116.20/share	R78.75/preference share	1.48 times
Northam's CAGR since 18 May 2015 to 30 June 2020	**ZPLP average preference share dividend rate**	
19.20%	13.51%	

The below chart illustrates the movement in Northam's share price since inception of the BEE transaction on 18 May 2015 versus the face value of Zambezi preference shares until year end, 30 June 2020:

The increase in the Northam share price has realised value for Zambezi

Capital allocation and returning value to shareholders

The long-term success of the business depends on achieving an optimal balance between growth, sustaining 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.

A key element of our strategy is the return of value created through the execution of our strategy to our shareholders.

There are a number of ways that value can be returned to shareholders. The board of directors of Northam (board) continuously assesses and evaluates the most appropriate mechanism to achieve this, taking into consideration the group's capital structure, the economic operating environment and capital commitments.

We believe that, to date, the most efficient mechanism for returning value has been through the purchase of Zambezi preference shares.

Northam's acquisition of Zambezi preference shares reduces the preference share dividend expense and liability included in the summarised financial results, as well as Northam's potential financial exposure under the guarantee it provided to holders of Zambezi preference shares, should the guarantee be called upon. Furthermore, should Zambezi elect to redeem the Zambezi preference shares through a distribution of ordinary shares in Northam held by Zambezi, then the redemption of the Zambezi preference shares held by Northam at such time will result in a distribution of Northam shares to Northam, thereby reducing the number of Northam shares in issue.

Every Zambezi preference share that we purchase in the market therefore mitigates risks for shareholders at the end of the 10-year lock in period, which ends in May 2025, and will reduce the number of Northam shares in issue should Zambezi redeem the Zambezi preference shares held by Northam through a distribution of ordinary shares to Northam.

Northam has purchased Zambezi preference shares in the open market. Below is a summary of the number of shares held together with the fair value of these Zambezi preference shares:

	30 June 2020	30 June 2019
Number of Zambezi preference shares held by Northam at year end	53 595 254	4 230 819
Acquired subsequent to year end	21 134 297	–
Number of Zambezi preference shares held by Northam on publication date	74 729 551	4 230 819
Total Zambezi preference shares in issue	159 905 453	159 905 453
Percentage holding by Northam on publication date	46.7%	2.6%
Redemption price plus accumulated preference share dividends per Zambezi preference share at year end	R78.75	R69.79
Zambezi preference share (code ZPLP) closing share price	R81.00	R72.50

Northam now holds 74 729 551 Zambezi preference shares, representing 46.7% of all Zambezi preference shares in issue.

To date, Northam has returned R5.6 billion to shareholders by way of purchases of Zambezi preference shares and the average premium paid on these purchases has been 2.5%.

A further benefit, as noted above, is the reduction of the share dividend expense in the consolidated financial statements. During the year under review this impact amounted to R299.7 million. This benefit will increase in the future, as a result of the cumulative nature of these Zambezi preference shares.

With the acquisition of 46.7% of all Zambezi preference shares, consideration can now be given to other mechanisms for returning value to shareholders in the future.

A key element of our strategy is – the return of value created through the execution of our strategy to our shareholders

Key accounting estimates, assumptions and judgements

The preparation of the annual financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent assets and 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 the future.

The estimates and assumptions have been evaluated based on current information, historical trends and experience as well as management's expectations of future events that are believed to be reasonable under the current circumstances. However, the current COVID-19 pandemic and global socio-economic disruption has increased uncertainty in the assumptions and estimates applied.

Comprehensive information relating to the individual estimates, assumptions and judgements made by management, taking into account the current COVID-19 pandemic, have been included in the annual financial statements.

Changes to the board of directors

There have been no changes to the board of directors of Northam (board) during the year under review.

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. Governance areas were enhanced and updated which included the expanded group governance framework (GGF), board and committee charters, the code of ethics and conduct and various internal policies and procedures.

In particular, the board reviewed and updated its charter in November 2019. Consideration was given to how the board chairperson's committee membership affects the overall concentration and balance of power on the board, in line with King IV™ principle 7, practice note 36.

The board operates in terms of a board charter, which defines its functions and responsibilities. The responsibilities of the chairman and the CEO are clearly defined and separated, as set out in our board charter. Whilst the board may delegate authority to the CEO, the separation of responsibilities is designed to ensure that no single person or group has unrestricted powers and that appropriate balances of power and authority exist on the board.

The board is satisfied that it has fulfilled its responsibilities in accordance with its charter.

Mr Nel and Dr Jekwa were appointed as members of the investment committee and the health, safety and environmental committees respectively, with effect from 1 November 2019.

We believe that the composition of the board and its committees underpins effective governance. Board refreshment and succession planning are ongoing initiatives and will be done gradually and in an orderly manner to maintain and preserve institutional knowledge, continuity and diversity.

Each committee provides governance in terms of its specific charter, with all charters being available on the Northam website at www.Northam.co.za/governance/policies-and-procedures

Annual independence evaluations are conducted for all directors. During the year under review Mr Chabedi and Ms Kgosi's designations changed from independent non-executive to non-executive directors, as a result of their shareholdings in Zambezi Platinum (RF) Limited (Zambezi).

Ethics and integrity are fundamental to an effective governance framework and the foundation for a culture that supports employee, customer and investor confidence.

The group's code of ethics and conduct was updated and refreshed during the year under review. It was reviewed and approved by the social, ethics, human resources and transformation (SEHR&T) committee and board in November 2019.

The board is satisfied that Northam has applied all the principles as per King IV™ across the group. Northam's application and explanation of the King IV™ principles are available on the Northam website at www.northam.co.za.

For full details with regards to Northam's Corporate governance refer to the website for the full report.

Dividends and other means of returning value to shareholders

There are a number of ways that value can be returned to shareholders. This includes cash dividends, but also includes share buy-backs or the purchase of the Zambezi preference shares.

The company's dividend policy is to consider an interim and final dividend at each reporting period. At its discretion, the board may consider a special dividend where appropriate and dependent on the perceived need to retain funds for expansion or operating purposes. The quantum of any dividend would ultimately be subject to expected future market and capital commitments at the time of consideration by the board.

During the year under review, Northam returned value to shareholders by acquiring 49 364 435 Zambezi preference shares for R3.7 billion. Subsequent to year end an additional 21 134 297 preference shares were acquired for R1.7 billion. Northam now holds 46.7% of the total issued number of Zambezi preference shares.

The board has therefore resolved not to declare a final dividend for the current financial year (30 June 2019: RNil per share).

The board is of the view that at this time, the most efficient way to return value to shareholders is to purchase the Zambezi preference shares.

This position will be reassessed at every reporting period going forward.

Going concern

Mining operations have a finite life and their profitability is influenced by both internal and external factors. Internal factors include, amongst other things, geological, technical and productivity aspects. External influences include economic factors such as commodity prices and exchange rates.

In addition, mining is a capital intensive business with relatively long time horizons. Commodity prices follow shorter period cyclical patterns. Therefore, capital allocation planning requires consideration of both short and long-term technical planning as well as that of the global economic outlook and cyclical commodity price variance. This manifests in conservative long-term price estimates and the incorporation of sensitivity analysis to increase confidence in financial viability even during depressed market conditions, as well as to moderate increasing estimate uncertainty over time.

To this end, the individual group operations undergo techno-economic studies on an annual basis in the form of Competent Person reports and new projects follow economic feasibility studies on both a standalone and integrated basis. These include consideration of the operations' ability to respond to changing circumstances, as well as the financial reserves required to sustain operations through adverse conditions, such as commodity price down-cycles or periods of reduced production or sales demand.

This assists the group in managing its capital to ensure that it has the necessary reserves to sustain operations through adverse conditions, to maximise the return to shareholders through the optimisation of debt and equity balances, and to ensure that all externally imposed capital requirements are complied with. This enables it to continue as a going concern.

The real and potential impacts of the COVID-19 pandemic have been specifically considered in business planning and the going concern assessment. These impacts include:

- Reduced production due to work stoppages. Underground mining carries a large fixed cost component which accrues irrespective of production levels. As such, lower production negatively impacts unit production costs. In addition, lower units of production result in lower total revenue.
- Reduced sales demand leading to,
- Potentially lower sales volumes, and
- Poorer commodity prices, as well as
- Lower liquidity in the debt market; which reduces the availability, as well as increases the cost, of debt.

These factors reduce operational cash flow, as well as the availability of debt funding. This depletes available sustaining financial reserves.

The lockdown enacted in South Africa on 26 March 2020 resulted in the suspension of normal operations. The phased restart of mining, announced on 16 April 2020, allowed for a controlled build-up to, initially, 50% and then 100% of normal production. This brought about significant production losses, resulting in reduced sales revenue and increased unit production costs.

Northam has developed a multipronged approach to mitigating the economic impacts of the COVID-19 pandemic. This is in order to protect financial reserves as far as possible by reducing capital outflow, strengthening our debt facilities and improving operational profitability. It includes:

- Reducing planned capital expenditure through the suspension or slowing of a number of our expansion projects over the coming 24 months. We adopted a modular approach to the development of these projects and this has allowed us to timeously adapt without significantly compromising current cost benefits or future optionality.
    - at Booysendal South mine, ramp-up of the BS4 module will be limited and development of the Central Merensky module has been delayed;
    - at Zondereinde mine, portions of the Western extension access project (Number 3 shaft) have been delayed. However, pilot drilling of the planned raise bored shaft continued, as has underground reserve build-up;
    - the stoping ramp-up of Eland mine has been postponed for 12 months; and
    - in addition, further reduction in capital expenditure can be considered in the event of depressed market conditions.
- Reducing group operational unit costs by preferentially growing production at the lower cost, mechanised, Booysendal mine.
    - during the coming 24 months, production of saleable 4E oz from Zondereinde mine is estimated at 290 000 oz for the coming year and 340 000 oz thereafter, whilst Booysendal mine production is expected to grow to 330 000 oz in the coming year and approximately 400 000 oz in the following year;
    - the PGM supply sector is relatively constrained. Operating lower on the industry cost curve improves our relative position in the sector. This, in turn, enhances our sustainability and increases our ability to raise debt funding where required.
- Substantially slowing US recycling operations as this significantly reduces associated working capital requirements. The company will however review this position at every reporting period going forward.
- Increasing the DMTN programme from R5.0 billion to R10.0 billion.
    - the company has issued R5.6 billion in DMTNs, allowing R4.4 billion of potential head room;
    - R624.8 million of the DMTN debt will mature in the coming year. This debt will be settled in full unless the maturity term is extended.
- Maintaining the RCF of R3.5 billion and the GBF of R500.0 million, both these facilities are with Nedbank and were not drawn down at year end.

In addition, the company derives revenue from sales to a limited number of large customers with whom we have long-standing relationships. In respect of PGMs, our buyers are predominantly industrial companies. This reduces our exposure to demand in the automotive sector. Our chrome product is sold through a single third party via a guaranteed offtake and security of supply contributions agreement. This lowers down-side risk to sales and sales revenue, even during depressed market conditions.

The capital structure of the group consists of debt, which includes borrowings disclosed in these summarised financial results, issued capital, reserves and retained earnings. At year end, the company had cash reserves of R2.2 billion, as well as R4.0 billion of available banking facilities.

The summarised financial results have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. We continue to monitor factors impacting price forecasts, which inform detailed cash flow estimates.

Based on the latest available information the board believes that the group will continue to have adequate financial resources and access to capital to settle its liabilities as and when they fall due, to continue operating for the foreseeable future. Accordingly, the summarised financial results have been prepared on a going concern basis.

Outlook and key factors impacting future financial results

The following key factors could impact future financial results:

- **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.
- **Normalisation of our operations** – Our operational focus is now on the safe and efficient normalisation of production. This will be concluded within the first half of the coming year.
- **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.
- **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 performance targets for the business. The success of the strategy will affect shareholders and other stakeholders alike.
- **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 the exchange rate and commodity prices together with a stable operating environment. Management is confident that the group's strong financial position, prudent financial controls and the successful execution of our expansion strategy will place Northam 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 low cost expansion projects, that the unit cost will be well contained going forward.

On behalf of the board.

KB Mosehla
Chairman

PA Dunne
Chief executive officer

Johannesburg
18 August 2020

Summarised financial results

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

This summary of the 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 summarised report and that the financial information has been correctly extracted from the underlying audited annual financial statements.

The annual financial statements have been audited by Ernst & Young Incorporated., under the supervision of E Dhorat CA (SA) a registered auditor. The audited annual financial statements and the unqualified audit opinion are available for inspection at the company's registered office.

The audited financial statements incorporating the unqualified audit opinion are also available on the company's website at www.northam.co.za

Consolidated statement of profit or loss and other comprehensive income

		30 June 2020	30 June 2019
		R000	R000
Sales revenue	3	17 811 971	10 649 506
Cost of sales		(12 510 983)	(8 239 481)
Operating costs	4	(9 931 934)	(7 607 161)
Concentrates purchased		(2 460 302)	(327 572)
Refining and other costs		(178 718)	(135 104)
Depreciation and write-offs	11 & 12	(626 152)	(487 165)
Change in metal inventory	16	686 123	317 521
Gross profit		5 300 988	2 410 025
Share of earnings from associate	13	16 358	11 153
Investment income	5	119 220	56 260
Finance charges excluding preference share dividends	6	(602 595)	(184 027)
Net foreign exchange transaction gains		84 765	10 411
Sundry income	7	238 903	77 472
Sundry expenditure	8	(243 787)	(357 713)
Profit before preference share dividends		4 913 852	2 023 581
Amortisation of liquidity fees paid on preference shares	20	(16 390)	(16 390)
Preference share dividends	20	(1 133 172)	(1 305 244)
Loss on derecognition of preference share liability	20	(130 628)	–
Profit before tax		3 633 662	701 947
Tax	9	(1 464 478)	(641 854)
Profit for the year		2 169 184	60 093
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		24 331	11 354
Total comprehensive income for the year		2 193 515	71 447

		30 June 2020	30 June 2019
Earnings per share (cents)	10	620.0	17.2
Fully diluted earnings per share (cents)	10	584.7	17.2

Consolidated statement of financial position

		30 June 2020	30 June 2019
		R000	R000
Assets			
Non-current assets		24 299 715	21 604 214
Property, plant and equipment	11	16 522 533	14 484 795
Mining properties and Mineral Resources	12	6 663 425	6 722 551
Investment held in escrow		–	16 841
Interest in associate	13	62 657	46 299
Land and township development		75 967	71 414
Long-term receivables	14	82 232	85 536
Investments held by Northam Platinum Restoration Trust Fund	19	128 732	120 080
Environmental Guarantee investment		62 953	42 043
Buttonshope Conservancy Trust		15 850	13 218
Long-term prepayments	15	–	563
Other financial assets	24	23 084	–
Non-current inventories	16	662 282	–
Deferred tax asset		–	874
Current assets		6 367 790	5 340 449
Inventories	16	3 744 313	3 762 675
Trade and other receivables	17	456 494	621 938
Cash and cash equivalents	18	2 160 956	950 315
Tax receivable		6 027	5 521
Total assets		30 667 505	26 944 663

	Notes	30 June 2020	30 June 2019
		R000	R000
Equity and liabilities			
Total equity		9 650 315	7 456 800
Stated capital		13 778 114	13 778 114
Treasury shares		(6 556 123)	(6 556 123)
Retained earnings/(accumulated loss)		1 518 555	(650 629)
Foreign currency translation reserve		35 321	10 990
Equity settled share-based payment reserve		874 448	874 448
Non-current liabilities		16 639 103	16 870 813
Deferred tax liability		2 177 317	1 419 467
Long-term provisions	19	729 327	679 459
Preference share liability	20	8 291 117	10 767 134
Long-term loans	21	130 533	140 510
Lease liability		64 361	–
Long-term share-based payment liability	22	354 363	160 746
Domestic medium-term notes	23	4 892 085	1 566 304
Revolving credit facility	24	–	2 137 193
Current liabilities		4 378 087	2 617 050
Current portion of long-term loans	21	28 472	33 837
Current portion of lease liability		16 261	–
Current portion of domestic medium-term notes	23	616 327	248 580
Short-term share-based payment liability	22	183 029	86 814
Tax payable		229 628	24 910
Trade and other payables	25	2 939 251	1 931 173
Provisional pricing derivatives	26	–	26 206
Short-term provisions		365 119	265 530
Total equity and liabilities		30 667 505	26 944 663

Consolidated statement of changes in equity

	Stated capital	(Accumulated loss)/retained earnings	Equity settled share-based payment reserve	Foreign currency translation reserve*	Total
	R000	R000	R000	R000	R000
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
Total comprehensive income for the year	–	2 169 184	–	24 331	2 193 515
Profit for the year	–	2 169 184	–	–	2 169 184
Other comprehensive income for the year	–	–	–	24 331	24 331
Balance as at 30 June 2020	7 221 991	1 518 555	874 448	35 321	9 650 315

*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 operations)

Consolidated statement of cash flows

		30 June 2020	30 June 2019
		R000	R000
Cash flows from operating activities		6 387 775	2 711 918
Profit before tax		3 633 662	701 947
Adjusted for the following non-cash items as well as disclosable items			
Depreciation and write-offs	11 & 12	626 194	487 267
Changes in provisions		106 315	44 988
Changes in long-term receivables		3 304	16 312
Investment income	5	(119 220)	(56 260)
Finance charges excluding preference share dividends	6	602 595	184 027
Preference share dividends	20	1 133 172	1 305 244
Loss on derecognition of preference share liability		130 628	–
Amortisation of liquidity fees paid on preference shares	20	16 390	16 390
Movement in share-based payment liability		289 832	90 221
Share of earnings from associate	13	(16 358)	(11 153)
Profit on sale of property, plant and equipment		(4 276)	(6 635)
Impairment of property, plant and equipment	11	2 061	–
Net foreign exchange difference		(106 133)	(10 411)
Amortisation of security of supply contribution	21	(22 777)	(29 314)
Other		(13 782)	(7 656)
Change in working capital		519 596	(47 856)
Movement relating to land and township development		(4 553)	(5 734)
Interest income received		103 847	49 969
Dividend income received		8 820	3 398
Tax paid		(501 542)	(12 826)

		30 June 2020	30 June 2019
		R000	R000
Cash flows utilised in investing activities		(2 400 824)	(2 686 063)
Property, plant, equipment, mining properties and Mineral Reserves			
Additions to maintain operations		(382 216)	(221 791)
Additions to expand operations		(2 007 177)	(2 277 100)
Disposal proceeds		4 681	26 099
Investment held in escrow		16 841	(16 841)
Amounts paid in terms of long-term prepayments	15	(759)	(212 817)
Refunds received on the cancellation of the Environmental Guarantee investment policy		–	66 424
Payments made relating to the investments held by the Environmental Guarantee investment		(20 910)	(39 568)
Increase in investments held by the Northam Platinum Restoration Trust Fund		(8 652)	(9 454)
Increase in investment held by the Buttonshope Conservancy Trust		(2 632)	(1 015)
Cash flows from financing activities		(2 878 025)	615 004
Interest paid		(588 364)	(410 455)
Draw down on revolving credit facility	24	4 800 000	850 000
Repayment of revolving credit facility	24	(6 950 000)	(200 000)
Issue of domestic medium-term notes	23	6 266 200	1 650 000
Repayment of domestic medium-term notes	23	(215 000)	(1 250 000)
Domestic medium-term notes settled as part of note switches	23	(2 235 451)	–
Repayment of long-term loans	21	–	(9 400)
Transaction fees paid	20,23,24	(182 467)	(15 141)
Repayment of principal portion of lease liabilities		(16 736)	–
Acquisition of Zambezi Platinum (RF) Limited preference shares	20	(3 691 507)	–
Transaction fees paid on the acquisition of Zambezi Platinum (RF) Limited preference shares	20	(64 700)	–
Increase in cash and cash equivalents		1 108 926	640 859
Net foreign exchange difference on cash and cash equivalents		101 715	16 289
Cash and cash equivalents at the beginning of the year		950 315	293 167
Cash and cash equivalents at the end of the year	18	2 160 956	950 315

Notes to the summarised 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 2020. These financial statements incorporate the accounting policies which are in terms of IFRS and have been applied on a basis consistent with the previous financial year, with the exception of the policies adopted during the period as more fully set out below.

The summarised 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 (JSE) 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 2019:

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IAS 23 Borrowing costs – Borrowing costs eligible for capitalisation

The nature and effect of the changes as a result of the adoption of these new accounting standards are described below.

The adoption of all other standards, amendments or interpretations, other than IFRS 16 had no impact on the annual financial statements.

IFRS 16 Leases

IFRS 16 supersedes 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 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17 for the group. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the group is the lessor.

The group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. Under this method, the standard is applied with the cumulative effect of initially applying the standard recognised at the date of initial application. The group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adoption of IFRS 16 as at 1 July 2019 is as follows:

	R000
Assets	
Property, plant and equipment – Right-of-use asset (refer to note 11)	88 992
Deferred tax asset	24 918
Total assets	113 910
Liabilities	
Non-current lease liabilities	71 952
Current lease liabilities	17 040
Deferred tax liability	24 918
Total equity and liabilities	113 910

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as at 30 June 2019 as follows:

	R000
Operating lease commitments as at 30 June 2019	74 297
Less commitments relating to low-value assets	(14 126)
Add lease payments relating to renewal period not previously included	114 960
Less effect of discounting	(86 139)
Lease liability as at 1 July 2019	88 992
Weighted average incremental borrowing rate applies	10.0%

The group has lease contracts for various buildings and land. Before the adoption of IFRS 16, the group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Upon adoption of IFRS 16, the group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Leases previously accounted for as operating leases

The group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemption to leases with lease terms that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, such as indirect taxes, Mineral Royalty charges and Value Added Tax, nor does it specifically include requirements relating to interest and penalties associated with uncertain 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
- How an entity considers changes in facts and circumstances

The group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The group applies judgement in identifying uncertainties over income tax treatments. Since the group operates in a complex mining tax environment, it assessed whether the interpretation had an impact on its consolidated financial statements. Upon adoption of the interpretation, the group considered whether it has any uncertain tax positions, particularly those relating to mining tax. The group determined, based on its tax compliance study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on the consolidated financial statements of the group.

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, with early application permitted.

This amendment was taken into account when determining general borrowing costs which can be capitalised to qualifying assets, in accordance with the transitional provisions. Since the group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of 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:

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.

This revision is not expected to have a material impact on the group.

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

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

On 23 January 2020, the International Accounting Standards Board (IASB) issued Classification of Liabilities as Current or Non-current, which amends IAS 1 Presentation of Financial Statements.

The amendments affect requirements in IAS 1 for the presentation of liabilities. Specifically, they clarify a criterion for classifying a liability as non-current.

As a result of the COVID-19 pandemic, the IASB has tentatively decided to publish an exposure draft proposing to delay the effective date of the amendments by one year to annual reporting periods beginning on or after 1 January 2023.

This amendment is not expected to have a material impact on the group.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment must be applied retrospectively, effective for annual periods beginning on or after 1 January 2022 only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

There is no transition relief for first-time adopters.

The impact on the group is still being assessed.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments must be applied prospectively for annual periods beginning on or after 1 January 2022, to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier 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.

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. There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. Segmental analysis

The group has two operating 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.

Eland mine 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.

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

With regards to the US recycling operations, metals in concentrate are sourced and purchased from third party customers and all sales are made to Northam Platinum Limited (Zondereinde) at the original cost of the metal in concentrate purchased from third party customers plus all processing costs incurred at the US recycling operations.

Zambezi Platinum (RF) Limited (Zambezi) 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 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.

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 R152.8 million (30 June 2019: R156.5 million).

Segmental statement of profit or loss and other comprehensive inco

30 June 2020	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
Sales revenue	17 395 605	6 490 649	1 010 877	98 382	(7 183 542)	–	–	17 811 971
Cost of sales	(14 341 311)	(3 798 068)	(849 620)	(112 827)	6 590 843	–	–	(12 510 983)
Operating costs	(5 828 951)	(3 301 103)	(784 356)	(17 524)	–	–	–	(9 931 934)
Mining operations	(4 008 126)	(2 350 782)	(498 136)	–	–	–	–	(6 857 044)
Concentrator operations	(398 591)	(604 720)	(263 527)	(17 524)	–	–	–	(1 284 362)
Smelting and base metal removal plant costs	(684 816)	–	–	–	–	–	–	(684 816)
Chrome processing	(6 238)	(22 365)	(19 265)	–	–	–	–	(47 868)
Selling and administration	(132 806)	(132 806)	–	–	–	–	–	(265 612)
Royalty charges	(197 372)	(30 845)	(157)	–	–	–	–	(228 374)
Carbon tax	(479)	–	–	–	–	–	–	(479)
Share-based payment expenses and profit share scheme	(401 689)	(148 599)	(6 365)	–	–	–	–	(556 653)
Rehabilitation	1 166	(10 986)	3 094	–	–	–	–	(6 726)
Concentrates purchased	(9 304 685)	(238 578)	(39 476)	(61 105)	7 183 542	–	–	(2 460 302)
Refining including sampling and handling charges	(178 718)	–	–	–	–	–	–	(178 718)
Depreciation and write-offs	(187 490)	(399 449)	(30 448)	(10 497)	1 732	–	–	(626 152)
Change in metal inventory	1 158 533	141 062	4 660	(23 701)	(594 431)	–	–	686 123
Operating profit/(loss)	3 054 294	2 692 581	161 257	(14 445)	(592 699)	–	–	5 300 988
Share of earnings from associate	–	–	–	–	–	–	16 358	16 358
Investment income	495 342	5 934	66	–	(394 871)	29	12 720	119 220
Finance charges excluding preference share dividends	(685 272)	(24 817)	(97 500)	(3 486)	66 335	–	142 145	(602 595)
Net foreign exchange transaction gains/(losses)	79 178	(444)	–	6 031	–	–	–	84 765
Sundry income	321 518	5 228	1 549	40	(9 321 173)	9 146 592	85 149	238 903
Sundry expenditure	(173 783)	(66 199)	(11 645)	–	86 500	(1)	(78 659)	(243 787)
Profit/(loss) before preference share dividends	3 091 277	2 612 283	53 727	(11 860)	(10 155 908)	9 146 620	177 713	4 913 852
Amortisation of liquidity fees paid on preference shares	–	–	–	–	(16 390)	–	–	(16 390)
Preference share dividends	–	–	–	–	299 678	(1 432 850)	–	(1 133 172)
Loss on derecognition of preference share liability	–	–	–	–	(130 628)	–	–	(130 628)
Profit/(loss) before tax	3 091 277	2 612 283	53 727	(11 860)	(10 003 248)	7 713 770	177 713	3 633 662
Tax	(856 465)	(683 514)	207	–	2 168 774	(2 048 844)	(44 636)	(1 464 478)
Profit/(loss) for the year	2 234 812	1 928 769	53 934	(11 860)	(7 834 474)	5 664 926	133 077	2 169 184

Segmental statement of profit or loss and other comprehensive income

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
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

Segmental statement of financial position

30 June 2020	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	21 617 505	16 192 929	1 438 142	147 723	(34 680 149)	18 581 014	1 002 551	24 299 715
Property, plant and equipment	4 652 884	9 651 268	1 420 280	147 723	(73 128)	–	723 506	16 522 533
Mining properties and Mineral Resources	1 080 139	6 398 637	3 000	–	(954 581)	–	136 230	6 663 425
Investment held in escrow	–	–	–	–	–	–	–	–
Interest in associate	–	–	–	–	–	–	62 657	62 657
Investment in subsidiaries	12 353 207	–	–	–	(12 353 207)	–	–	–
Investments in Northam Platinum Limited	–	–	–	–	(18 581 014)	18 581 014	–	–
Other investment	1 921 141	–	–	–	(1 921 141)	–	–	–
Land and township development	10 826	57 263	–	–	–	–	7 878	75 967
Long-term receivables	19 222	5 779	801	–	–	–	56 430	82 232
Investments held by Northam Platinum Restoration Trust Fund	64 366	64 366	-	–	–	–	–	128 732
Environmental Guarantee investment	33 276	15 616	14 061	–	–	–	–	62 953
Buttonshope Conservancy Trust	–	–	–	–	–	–	15 850	15 850
Long-term prepayments	–	–	–	–	–	–	–	–
Long-term subsidiary loan	797 078	–	–	–	(797 078)	–	–	–
Other financial assets	23 084	–	–	–	–	–	–	23 084
Non-current inventory	662 282	–	–	–	–	–	–	662 282
Deferred tax asset	–	–	–	–	–	–	–	–
Current assets	6 512 518	1 760 035	39 420	5 060	(2 049 811)	502	100 066	6 367 790
Short-term subsidiary loan	105 142	1 331 270	–	–	(1 436 634)	–	222	–
Inventories	4 014 805	320 556	19 607	2 522	(613 177)	–	–	3 744 313
Trade and other receivables	324 754	104 744	19 585	666	–	1	6 744	456 494
Cash and cash equivalents	2 067 817	391	228	1 872	–	501	90 147	2 160 956
Tax receivable	–	3 074	–	–	–	–	2 953	6 027
Total assets	28 130 023	17 952 964	1 477 562	152 783	(36 729 960)	18 581 516	1 102 617	30 667 505

Segmental statement of financial position

30 June 2020	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	12 138 602	13 987 107	22 328	117 603	(20 685 850)	3 295 723	774 802	9 650 315
Stated capital	13 778 114	8 675 932	325 000	142 118	(9 147 408)	–	4 358	13 778 114
Treasury shares	–	–	–	–	(6 556 123)	–	–	(6 556 123)
(Accumulated loss)/retained earnings	(2 813 268)	2 809 420	(302 672)	(59 836)	(2 181 256)	3 295 723	770 444	1 518 555
Foreign currency translation reserve	–	–	–	35 321	–	–	–	35 321
Other comprehensive income	–	–	–	–	–	–	–	–
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	11 442 622	3 167 233	372 348	–	(13 810 398)	15 285 793	181 505	16 639 103
Deferred tax liability	1 089 952	2 704 110	–	–	(4 491 825)	2 693 575	181 505	2 177 317
Long-term provisions	149 292	220 656	366 717	–	(7 338)	–	–	729 327
Preference share liability	–	–	–	–	(4 301 101)	12 592 218	–	8 291 117
Long-term loan	95 566	34 967	–	–	–	–	–	130 533
Lease liability	12 492	51 869	–	–	–	–	–	64 361
Long-term share-based payment liability	193 101	155 631	5 631	–	–	–	–	354 363
Financial guarantee liability	5 010 134	–	–	–	(5 010 134)	–	–	–
Domestic medium-term notes	4 892 085	–	–	–	–	–	–	4 892 085
Revolving credit facility	–	–	–	–	–	–	–	–
Current liabilities	4 548 799	798 624	1 082 886	35 180	(2 233 712)	–	146 310	4 378 087
Current portion of long-term loans	18 526	9 946	–	–	–	–	–	28 472
Current portion of lease liability	3 062	13 199	–	–	–	–	–	16 261
Current portion of domestic medium-term notes	616 327	–	–	–	–	–	–	616 327
Short-term share-based payment liability	131 348	51 681	–	–	–	–	–	183 029
Tax payable	229 394	–	61	–	–	–	173	229 628
Subsidiary loans	1 338 132	–	797 430	32 449	(2 233 712)	–	65 701	–
Trade and other payables	1 949 818	631 628	274 638	2 731	–	–	80 436	2 939 251
Provisional pricing derivatives	–	–	–	–	–	–	–	–
Short-term provisions	262 192	92 170	10 757	–	–	–	–	365 119
Total equity and liabilities	28 130 023	17 952 964	1 477 562	152 783	(36 729 960)	18 581 516	1 102 617	30 667 505

Segmental statement of financial position

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

Segmental statement of financial position

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

3. Sales revenue

Sales revenue can be disaggregated into the following:

	30 June 2020	30 June 2019
	R000	R000
Revenue from contracts with customers	17 759 371	10 725 482
Revenue from fair value adjustments with regards to IFRS 9	52 600	(75 976)
Total sales revenue	17 811 971	10 649 506

Sales revenue comprises revenue from the following metals

	30 June 2020	30 June 2019
	R000	R000
Platinum	4 355 606	4 111 344
Palladium	5 185 373	2 825 852
Rhodium	5 792 822	1 800 531
Gold	214 412	143 330
Iridium	441 443	363 794
Ruthenium	237 893	249 512
Silver	4 063	1 890
Nickel	296 083	256 077
Copper	71 407	67 100
Cobalt	4 018	7 781
Chrome	599 767	660 032
UG2 ore	397 351	162 263
Toll treatment charges	211 733	–
	17 811 971	10 649 506

Sales revenue from external customers per metal and per operating segment

	Zondereinde operations 30 June 2020 R000	Booysendal operations 30 June 2020 R000	Eland operations 30 June 2020 R000	US recycling operations 30 June 2020 R000	Intercompany eliminations 30 June 2020 R000	Total 30 June 2020 R000
Platinum	4 355 606	1 703 269	325 516	16 325	(2 045 110)	4 355 606
Palladium	5 185 373	1 833 018	196 518	63 988	(2 093 524)	5 185 373
Rhodium	5 792 822	2 184 801	389 837	18 069	(2 592 707)	5 792 822
Gold	214 412	57 199	1 387	–	(58 586)	214 412
Iridium	441 443	150 354	21 737	–	(172 091)	441 443
Ruthenium	237 893	120 326	10 573	–	(130 899)	237 893
Silver	4 063	–	–	–	–	4 063
Nickel	296 083	72 833	4 124	–	(76 957)	296 083
Copper	71 407	13 192	476	–	(13 668)	71 407
Cobalt	4 018	–	–	–	–	4 018
Chrome	183 401	355 657	60 709	–	–	599 767
UG2 ore	397 351	–	–	–	–	397 351
Toll treatment charges	211 733	–	–	–	–	211 733
	17 395 605	6 490 649	1 010 877	98 382	(7 183 542)	17 811 971

Zondereinde purchases all of Booysendal's and Eland'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.

Sales revenue from external customers per region and per operating segment

Sales revenue emanates from the following principal regions:

	Zondereinde operations 30 June 2020 R000	Booysendal operations 30 June 2020 R000	Eland operations 30 June 2020 R000	US recycling operations 30 June 2020 R000	Total 30 June 2020 R000
Europe	6 691 980	–	–	–	6 691 980
Japan	3 802 269	–	–	–	3 802 269
Asia	183 401	355 657	60 709	–	599 767
Northam America	5 781 664	–	–	–	5 781 664
South Africa	936 291	–	–	–	936 291
	17 395 605	355 657	60 709	–	17 811 971

Sales 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.

Sales 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

The following customers each account for a significant portion of the total sales revenue of the group, either in the current or prior year:

	30 June 2020	30 June 2019
	R000	R000
Customer 1	196 237	458 522
Customer 2	3 662 465	1 808 417
Customer 3	739 583	865 655
Customer 4	934 446	737 375
Customer 5	4 327 746	1 730 212
Customer 6	4 946 545	2 601 953
Customer 7	599 767	660 032
Customer 8	1 289 482	562 096
Other	1 115 700	1 225 244
Total sales revenue	17 811 971	10 649 506

4. Operating costs

	30 June 2020	30 June 2019
	R000	R000
Employee cost	3 710 644	3 382 668
Stores	2 367 233	2 068 201
Utilities	1 121 301	945 329
Sundries and contractors	–	1 359 506
Sundries including profit share scheme	715 848	–
Royalties	228 374	–
Share-based payment expenses (refer note 22)	472 079	–
Toro Employee Empowerment Trust	84 574	–
Ore material purchased from surface sources	489 002	–
Contractors	1 010 835	–
Carbon tax	479	–
Rehabilitation (refer note 19)	6 726	–
Development costs capitalised to property, plant and equipment	(275 161)	–
Reallocated to care and maintenance	–	(148 543)
	9 931 934	7 607 161

Operating costs per operating segment

	Zondereinde operations 30 June 2020	Booysendal operations 30 June 2020	Eland operations 30 June 2020	US recycling operations 30 June 2020	Total 30 June 2020
	R000	R000	R000	R000	R000
Employee costs	2 345 837	1 136 532	220 082	8 193	3 710 644
Stores	1 125 698	1 071 865	169 459	211	2 367 233
Utilities	764 262	244 346	112 121	572	1 121 301
Sundries	345 342	315 039	49 271	6 196	715 848
Royalties	197 372	30 845	157	–	228 374
Share-based payment expenses	317 115	148 599	6 365	–	472 079
Toro Employee Empowerment Trust contribution	84 574	–	–	–	84 574
Ore material purchased from surface sources	100 611	6 805	381 586	–	489 002
Contractors	548 827	336 086	123 570	2 352	1 010 835
Carbon tax	479	–	–	–	479
Rehabilitation	(1 166)	10 986	(3 094)	–	6 726
Development costs capitalised to property, plant and equipment	–	–	(275 161)	–	(275 161)
	5 828 951	3 301 103	784 356	17 524	9 931 934

Percentage breakdown of operating costs per operating segment

	Zondereinde operations 30 June 2020	Booysendal operations 30 June 2020	Eland operations 30 June 2020	US recycling operations 30 June 2020	Total 30 June 2020
	%	%	%	%	%
Employee costs	40.3	34.4	20.8	46.7	36.4
Stores	19.3	32.5	16.0	1.2	23.2
Utilities	13.1	7.4	10.6	3.3	11.0
Sundries	5.9	9.6	4.6	35.4	7.0
Royalties	3.4	0.9	0.0	0.0	2.2
Share-based payment expenses	5.4	4.5	0.6	0.0	4.6
Toro Employee Empowerment Trust contribution	1.5	0.0	0.0	0.0	0.8
Ore material purchased from surface sources	1.7	0.2	36.0	0.0	4.8
Contractors	9.4	10.2	11.7	13.4	9.9
Carbon tax	0.0	0.0	0.0	0.0	0.0
Rehabilitation	0.0	0.3	(0.3)	0.0	0.1
	100.0	100.0	100.0	100.0	100.0

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
Employee costs*	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

**Employee costs previously included amounts relating to share-based payment expenses and the Toro Employee Empowerment Trust contributions.*

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
	%	%	%	%	%
Employee costs	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

Detail of operating costs are provided for improved disclosure:

	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
Total employee costs disclosed	2 417 355	915 153	42 702	7 458	3 382 668
Employee costs	2 251 472	857 565	42 079	7 458	3 158 574
Share-based payment expenses	134 784	57 588	623	–	192 995
Toro Employee Empowerment Trust contribution	31 099	–	–	–	31 099
Stores	1 243 686	792 347	31 839	329	2 068 201
Utilities	732 322	188 950	23 321	736	945 329
Sundries	59 650	259 634	29 670	5 794	354 748
Royalties	72 742	18 756	53	–	91 551
Contractors	526 679	295 330	34 425	2 104	858 538
Rehabilitation	16 884	37 785	–	–	54 669
Development costs capitalised to property, plant and equipment	–	–	(138 398)	(10 145)	(148 543)
	5 069 318	2 507 955	23 612	6 276	7 607 161

5. Investment income

	30 June 2020 R000	30 June 2019 R000
Interest received on cash and cash equivalents	91 134	26 053
Dividend income received from short-term investments	8 820	3 398
Interest received from suspensive sale agreements	6 500	8 135
Interest received relating to the Northam Platinum Restoration Trust Fund	8 398	11 331
Interest received by the Buttonshope Conservancy Trust	1 342	1 319
Deemed interest on the interest free home loans	1 425	1 818
Interest received from the South African Revenue Service	1 025	4 206
Other	576	–
	119 220	56 260

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

	30 June 2020 R000	30 June 2019 R000
Interest recognised on the effective interest rate method	110 400	52 862
Dividend income received from short-term investments	8 820	3 398
Total investment income	119 220	56 260

6. Finance charges excluding preference share dividends

	30 June 2020 R000	30 June 2019 R000
Finance costs relating to the domestic medium-term notes	(347 728)	(169 740)
Finance costs relating to the revolving credit facility	(213 636)	(213 671)
Finance costs relating to the general banking facility	(18 475)	–
Amounts capitalised in terms of IAS 23 Borrowing costs (refer note 11)	145 096	294 828
Commitment and utilisation fees on borrowing facilities	(18 590)	(9 724)
Amortisation of the transaction costs relating to the domestic medium-term notes (refer note 23)	(32 545)	(7 585)
Amortisation of the transaction costs relating to the revolving credit facility (refer note 24)	(17 424)	(5 410)
Unwinding of rehabilitation liability (refer note 19)	(66 578)	(62 732)
Unwinding of a research and development liability with Heraeus Deutschland Gmbh & Co. KG (refer note 21)	(21 218)	(6 458)
Finance cost relating to lease liabilities	(8 397)	–
Other financial liabilities	(3 100)	(3 535)
	(602 595)	(184 027)

7. Sundry income

	30 June 2020	30 June 2019
	R000	R000
Insurance proceeds relating to a business interruption claim (refer note 32)	192 210	–
Treatment charges in respect of concentrate purchased	–	1 433
Rent received	1 731	5 432
Sale of scrap	8 245	17 258
Profit on sale of property, plant and equipment	4 276	6 635
Accommodation and housing income	10 292	31 240
Environmental guarantee investment income	2 370	1 419
Management fees received from associate (refer note 30)	2 249	2 160
Profit on modification of the agreement terms relating to the research and development liability with Heraeus Deutschland Gmbh & Co. KG (refer note 21)	13 782	–
Other income	3 748	11 895
	238 903	77 472

8. Sundry expenditure

	30 June 2020	30 June 2019
	R000	R000
Corporate and once-off project costs	(11 661)	(33 364)
Booysendal land management, including depreciation relating to the Buttonshope Conservancy Trust	(7 049)	(5 678)
Booysendal South care and maintenance costs	–	(13 036)
Eland care and maintenance as well as project costs	–	(138 398)
Accommodation and housing expenses	(12 312)	(36 504)
Black Economic Empowerment Trust operating costs (refer note 30)	(5 753)	(4 085)
Administrative costs relating to Zambezi Platinum (RF) Limited (refer note 30)	(1 387)	(2 061)
Recycling operation care and maintenance costs including depreciation charges	–	(10 145)
Standing time and transition costs	(153 975)	(36 033)
Environmental guarantee cost	(3 754)	–
Employee Labour Court compensation (refer note 31)	–	(55 000)
Impairment of property, plant and equipment (refer note 32)	(2 061)	–
Donations	(3 599)	–
Other expenditure	(42 236)	(23 409)
	(243 787)	(357 713)

9. Tax

	30 June 2020	30 June 2019
	R000	R000
Income tax		
Current mining income tax charge	573 478	–
Current non-mining income tax charge	113 623	37 457
Adjustment in respect of current income tax of previous years	18 775	9 606
Dividend withholding tax		
Current year withholding tax	201	543
Prior year withholding tax	(323)	–
Deferred tax		
Current and prior year deferred tax charge	758 724	594 248
Income tax expense reported in profit or loss	1 464 478	641 854

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

	30 June 2020	30 June 2019
	%	%
South African normal tax rate	28.0	28.0
Adjustment in respect of current income tax of previous years	0.5	1.4
Exempt income received	(0.6)	(1.2)
Expenditure and contingencies incurred which are non-deductible	0.1	1.1
Amortisation of liquidity fees paid on preference shares	0.1	0.7
Preference share dividends disallowed	8.7	52.1
Loss on derecognition of preference share liability	1.0	–
Deferred tax asset not raised	2.5	9.3
Effective tax rate	40.3	91.4

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 R321.2 million (30 June 2019: R232.5 million) has been raised relating to Eland Platinum Proprietary Limited.

10. Reconciliation of headline earnings per share and dividend per share

	30 June 2020	30 June 2019
	R000	R000
Profit for the year	2 169 184	60 093
Profit on sale of property, plant and equipment	(4 276)	(6 635)
Tax effect on profit on sale of property, plant and equipment	1 197	1 858
Impairment of property, plant and equipment	2 061	–
Tax effect on impairment of property, plant and equipment	(577)	–
Headline earnings	2 167 589	55 316
Reconciliation of the fully diluted number of shares in issue		
Weighted average number of shares in issue	349 875 759	349 875 759
Adjusted for:		
Performance and retention share options including the lock-in and incentive mechanism share options	–	–
Potential shareholding as a result of the Zambezi Platinum (RF) Limited preference share holding	–	–
Potential share issue as a result of the residual asset value in Zambezi Platinum (RF) Limited to strategic partners*	21 126 841	–
	371 002 600	349 875 759

**Calculated as the net asset value of Zambezi Platinum (RF) Limited relating to the strategic partners 74.5% shareholding in Zambezi Platinum (RF) Limited taking into account the share price at year end.*

	30 June 2020	30 June 2019
Earnings per share – cents	620.0	17.2
Fully diluted earnings per share – cents	584.7	17.2
Headline earnings per share – cents	619.5	15.8
Fully diluted headline earnings per share – cents	584.3	15.8
Dividends per share	–	–
Weighted average number of shares in issue	349 875 759	349 875 759
Fully diluted number of shares in issue	371 002 600	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

The weighted average number of ordinary shares in issue outside the group for the purpose of calculating the earnings per share is calculated as the number of shares in issue less the treasury shares held.

11. Property, plant and equipment

	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	General infrastructure asset including other assets	Decommissioning asset	Right-of-use asset	Assets under construction	Total
	R000	R000	R000	R000	R000	R000	R000	R000
Cost								
Opening balance as at 1 July 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 (refer 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
Impact of the adoption of IFRS 16 Leases	–	–	–	–	–	88 992	–	88 992
Reassessment of IFRS 16 Leases	–	–	–	–	–	(31)	–	(31)
Foreign currency translation movements	–	5 884	27 942	–	–	–	–	33 826
Amounts transferred from non-current prepayments (refer note 15)	–	–	–	–	–	–	1 322	1 322
Additions	–	–	25 041	–	–	–	2 341 540	2 366 581
Transfer from assets under construction	1 104 634	409 986	3 109	56 214	–	–	(1 573 943)	–
Disposals and write-offs	–	(123)	(837)	(178)	–	–	–	(1 138)
Impairments	(2 061)	–	–	–	–	–	–	(2 061)
Derecognition of decommissioning asset (refer note 19)	–	–	–	–	(23 436)	–	–	(23 436)
Borrowing costs capitalised	–	–	–	–	–	–	145 096	145 096
Closing cost as at 30 June 2020	12 239 275	4 443 377	814 689	634 023	343 894	88 961	2 150 138	20 714 357

	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	General infrastructure asset including other assets	Decommissioning asset	Right-of-use asset	Assets under construction	Total
	R000	R000	R000	R000	R000	R000	R000	R000
Accumulated depreciation								
Opening balance as at 1 July 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 depreciation as at 30 June 2019	(2 402 264)	(796 702)	(214 418)	(193 741)	(13 286)	–	–	(3 620 411)
Foreign currency translation movements	–	(1 492)	(3 586)	–	–	–	–	(5 078)
Depreciation	(364 031)	(124 599)	(23 558)	(39 761)	(833)	(14 286)	–	(567 068)
Disposals and write-offs	–	28	563	142	–	–	–	733
Accumulated depreciation as at 30 June 2020	(2 766 295)	(922 765)	(240 999)	(233 360)	(14 119)	(14 286)	–	(4 191 824)
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
Net book value as at 30 June 2020	9 472 980	3 520 612	573 690	400 663	329 775	74 675	2 150 138	16 522 533

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 require 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.

The development of Booysendal South has previously been designated as a qualifying asset.

On 26 June 2019, it was announced that mining operations at the Kukama shaft situated at Eland mine will commence in the new financial year (F2020), the development came after the successful conclusion of a feasibility study for the Kukama project. Therefore, the Kukama shaft has also been designated as a qualifying asset.

Borrowing costs on both Booysendal South and the Kukama shaft have been capitalised on consolidation at the average cost of borrowings, taking into account the cost of borrowings for the revolving credit facility, the general banking 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 11.38% (30 June 2019: 12.84%).

An amount of R145.1 million was capitalised during the year under review (30 June 2019: R294.8 million). Also refer to note 6.

Impact of COVID-19 on capitalisation of borrowing costs in terms of IAS 23 Borrowing costs

Per IAS 23 paragraph 20, an entity shall suspend capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

IAS 23 does not specify how long an extended period of suspension of active development is.

The lockdown enacted in South Africa on 26 March 2020 and subsequent controlled restart of all mining operations is considered an extended period.

Capitalisation of borrowing costs was therefore suspended from the end of February 2020 to year-end, as the length of the lockdown and the period to recommence the various projects would not ordinarily be expected for construction of these qualifying assets.

12. Mining properties and Mineral Resources

	Current production Mineral Reserves and Mineral Resources	Project Mineral Reserves and Mineral Resources	Total
	R000	R000	R000
Cost			
Opening balance as at 1 July 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
Additions	–	–	–
Closing balance as at 30 June 2020	2 026 164	5 028 056	7 054 220
Accumulated depreciation			
Opening balance as at 1 July 2018	(288 475)	–	(288 475)
Depreciation	(43 194)	–	(43 194)
Closing balance as at 30 June 2019	(331 669)	–	(331 669)
Depreciation	(59 126)	–	(59 126)
Closing balance as at 30 June 2020	(390 795)	–	(390 795)
Net book value as at 30 June 2019	1 694 495	5 028 056	6 722 551
Net book value as at 30 June 2020	1 635 369	5 028 056	6 663 425

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 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's interpretation of market forecast for the future.

		30 June 2020	**30 June 2019**
Long-term real platinum price	USD/oz	846	1 357
Long-term real palladium price	USD/oz	1 817	1 357
Long-term real rhodium price	USD/oz	7 267	3 846
Long-term real gold price	USD/oz	1 544	1 176
Long-term real ruthenium prices	USD/oz	273	271
Long-term real iridium prices	USD/oz	1 453	1 357
Long-term real nickel prices	USD/t	9 027	11 181
Long-term real copper prices	USD/t	4 373	5 881
Long-term real chrome prices	USD/t	136	181
Long-term real exchange rate USD	USD/ZAR	R15.47	R12.47
Long-term real discount rate	%	12.00	11.50

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

Impact of COVID-19 on impairment of assets and assessment of cash generating units

The lockdown enacted in South Africa on 26 March 2020 resulted in the suspension of normal operations. The phased restart of mining, announced on 16 April 2020, allows for a controlled build-up to, initially, 50% and then 100% of normal productions – this will take some time to achieve. The lockdown resulted in loss of production, and consequently reduced sales revenue and increased unit production costs for the current financial year and is budgeted to impact these in F2021.

In light of the economic uncertainty related to the COVID-19 pandemic management has developed a decisive, detailed and immediate action plan to protect the company and its employees. The action plan has been focussed on cash preservation and a structured, steady return to normal operations. It has included immediately reducing and curtailing capital expenditure through the suspension or slowing down of a number of growth projects:

- at Booysendal South (BS) – the Central Merensky decline has been suspended;
- the 3 shaft access project at Zondereinde has been suspended, but piloting of the planned raise bored shaft will continue; and
- Eland stoping ramp-up has been postponed for a minimum of 12 months. However, development of the Kukama declines will continue.

Despite this pull back on growth capital expenditure, our growth strategy of developing low-cost, long-life operations remains firmly in place. This will benefit the group by improving our relative position on the sector cost curve.

Forecasted production has also been revised to take cognisance of the phased restart of mining operations, especially at Zondereinde mine, which is a deep level, labour-intensive mine.

Appropriate sensitivity analysis have been performed and all key assumptions have been updated to take into account the impacts of the COVID-19 pandemic.

The global economic outlook remains uncertain, resulting in volatile metal markets and exchange rates. The group's financial performance will depend on achieving favourable metal sales prices and a stable operating performance.

Incorporating updated assumptions into the impairment assessment indicates that the recoverable value of all CGUs are still in excess of the carrying value and therefore no impairment is required.

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:

		30 June 2020	30 June 2019
4E *in situ* available ounce value	USD/oz	4.33	3.30

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.

Impact of COVID-19 on the recoverable amount of Mineral Resources (based on the *in situ* 4E available ounces) outside the approved mine plans

As part of the annual assessment of the recoverable value of Mineral Resources the impact of the COVID-19 pandemic was included in determining the valuation, as market information was used to evaluate the 4E *in situ* ounce valuation.

Based on the valuation, taking into account market inputs, the recoverable value of all Mineral Resources were in excess of the carrying value and therefore there is no requirement for impairment.

Significant judgements and estimates: Mineral Reserve and Mineral Resource estimates (life of mine)

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

Mineral 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 Mineral 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 Mineral 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 Mineral Reserves 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 Mineral 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 of Mineral Reserves and Mineral Resources estimates:

- the grade of Mineral Reserves may vary between estimations made and actual grade achieved;
- commodity price 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.

Impact of COVID-19 on Mineral Reserve and Mineral Resource estimates (life of mine)

The impact of the COVID-19 pandemic does not affect the geological data informing the Mineral Reserves and Mineral Resources estimates.

Geological data takes into account the size, depth and shape of the ore body, and require complex geological interpreting judgements, none of which are impacted by the pandemic.

The estimation of the recoverability of the Mineral Reserves takes into account market factors such as foreign exchange rates, commodity prices, future capital requirements, and production costs along with the geological assumptions and judgements discussed above.

These market related inputs take into consideration the impact of the COVID-19 pandemic on market valuation and hence the impact on assumptions used to value Mineral Reserves and Mineral Resources.

Based on the valuation performed the recoverable value of all Mineral Reserves and Mineral Resources are in excess of the carrying value and therefore no impairment is required as a result of the impact of the COVID-19 pandemic on market inputs.

13. Interest in associate

Interest in associate comprise a 33.7% interest (30 June 2019: 30% interest) in SSG Holdings Proprietary Limited, a company registered in the Republic of South Africa.

At the end of February 2020, an 11% shareholding in SSG Holdings Proprietary Limited was bought back by SSG Holdings Proprietary Limited and cancelled, this resulted in Northam Platinum Limited's shareholding increasing from 30% to 33.7%.

The investment in SSG Holdings Proprietary Limited is accounted for as an associate.

	30 June 2020	**30 June 2019**
	R000	R000
SSG Holdings Proprietary Limited	62 657	46 299
	62 657	46 299

The investment in associate is considered significant.

Below is a reconciliation of the interest in associate:

	Interest in SSG Holdings Proprietary Limited
	R000
Opening balance as at 1 July 2018	35 146
Share of profits from associate	11 153
Balance as at 30 June 2019	46 299
Share of profits from associate	16 358
Balance as at 30 June 2020	62 657

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 2020	**30 June 2019**
	R000	R000
Net asset value of SSG Holdings Proprietary Limited	85 429	81 939
Northam Platinum Limited's 33.7% share of net asset value	28 796	24 582
Impact of the adoption of IFRS 9	451	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
Fair value adjustment with the cancellation of 11% of issued shares in SSG Holdings Proprietary Limited, increasing Northam's investment from 30% to 33.7%	12 144	–
Value of investment in associate based on the equity method of accounting	62 657	46 299

Refer to note 30, Related parties, detailing all transactions between the group and SSG Holdings Proprietary Limited.

14. Long-term receivables

	30 June 2020 R000	30 June 2019 R000
Long-term receivables with regards to suspensive sale agreements	61 573	70 585
Interest free home loans	36 327	25 998
Total long-term receivables	97 900	96 583
Current portion of suspensive sale agreements (refer note 17)	(5 415)	(3 423)
Current portion of interest free home loans (refer note 17)	(10 253)	(7 624)
Long-term portion of long-term receivables	82 232	85 536

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 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.

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

As at 30 June 2020 there was R2.7 million (30 June 2019: R3.3 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 2020 R000	30 June 2019 R000
Current portion	15 668	11 047
Due within 1 – 5 years	42 098	37 388
Due within 5 – 10 years	29 669	39 613
More than 10 years	10 465	8 535
	97 900	96 583

The interest free home loans are not in default/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 2020 R000	30 June 2019 R000
Not in default nor impaired	61 573	70 585
	61 573	70 585

Significant judgements and estimates: Long-term receivables and the Expected Credit Losses (ECL)

An assessment of the expected credit losses relating to long-term receivables is undertaken in terms of the requirements of IFRS 9 Financial Instruments at every reporting period. The balance of outstanding long-term receivable amounts relating to the suspensive sale agreements are examined and the expected amounts which are considered to be unrecoverable based on the impairment policy of the group is provided for.

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 are applied by management in determining the potential impairment:

Suspensive sale agreements

- All overdue amounts as at the end of the current year are provided for in full. These are included in stage 2 of the impairment assessment model based on the general approach.
- The suspensive sale agreement balances are tested for impairment in accordance with IFRS 9 Financial Instruments, taking into account the security held in the form of the tittle to the houses.
- Any suspensive sale agreements which were handed over to the group's lawyers for legal processing, in stage 3, take into account the market value of the houses being higher than the outstanding balances of these default loans, when calculating the expected credit loss.

Interest free home loans

- No amounts relating to the interest free home loans have been provided for as they are not in default 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.

Impact of COVID-19 on long-term receivables and the Expected Credit Losses (ECL)

The volatility of prevailing interest rates due to the COVID-19 pandemic, and the corresponding impact on the recoverability of long-term receivables should be considered as part of the determination of ECL.

Long-term receivables relate to balances due by employees in respect of Northam Platinum Limited's home ownership programme under suspensive sale agreements and interest free home loans to qualifying employees.

For suspensive sale agreements, the legal title for those properties remain with the group until full and final settlement occurs and therefore serves as security for these receivables until full payment has been received.

Interest free home loan repayments are deducted from employee's salaries on a monthly basis and are secured with a second mortgage bond over the property. In the event of an employee resigning, any outstanding balance is required to be settled in full.

When considering the impact of the COVID-19 pandemic, the probability of the recoverability of these assets remains high. In order to assist and support our employees, Northam Platinum Limited paid all employees throughout the national lockdown, including those not yet called back to work during the phased restart. This included paying basic salaries, full medical cover, pension contributions and living out allowances. In addition, those not at work were deemed to be absent with permission, such that their leave and sickness allowances were not impacted.

All overdue amounts are provided for in terms of IFRS 9 at the end of every reporting period and amounts recognised as receivables are those amounts still recoverable. Therefore, consideration to the impact of the COVID-19 pandemic has been taken into account in the ECL model assessment, with additional anticipated losses due to the COVID-19 pandemic being provided for in line with the 3-stage assessment approach.

The impact of the COVID-19 pandemic is therefore included in the assessment of all outstanding balances, however the impact has been assessed as negligible.

15. Long-term prepayments

In terms of the aerial ropeway manufacturing 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 2020	30 June 2019
	R000	R000
Opening balance	563	89 608
Amounts paid to Doppelmayr Transport Technology GmbH	759	212 817
Amounts transferred to property, plant and equipment (refer note 11)	(1 322)	(301 862)
	–	563

16. Inventories

	30 June 2020	30 June 2019
	R000	R000
Metals on hand and in transit		
Platinum	937 160	1 211 775
Palladium	1 356 869	1 273 034
Rhodium	1 872 656	978 049
Gold	35 273	52 977
Total metal inventory at the lower of cost and net realisable value	4 201 958	3 515 835
Less non-current metal inventories	(662 282)	–
Current metal inventory at the lower of cost and net realisable value	3 539 676	3 515 835
Consumables at the lower of cost and net realisable value	204 637	246 840
Total current inventory at the lower of cost and net realisable value	3 744 313	3 762 675

Below is a breakdown of inventory disclosed as own production, purchased material and classified as non-current inventory:

	Own production 30 June 2020	Purchased material 30 June 2020	Total metal inventories 30 June 2020	Non-current metal inventories 30 June 2020	Current metal inventories 30 June 2020
	R000	R000	R000	R000	R000
Platinum	800 417	136 743	937 160	(96 707)	840 453
Palladium	919 447	437 422	1 356 869	(383 268)	973 601
Rhodium	1 606 966	265 690	1 872 656	(177 620)	1 695 036
Gold	32 197	3 076	35 273	(4 687)	30 586
Total metal inventory	3 359 027	842 931	4 201 958	(662 282)	3 539 676

Detail of total metal inventory on hand are provided for improved disclosure:

	Own production 30 June 2019	Purchased material 30 June 2019	Total metal inventories 30 June 2019	Non-current metal inventories 30 June 2019	Current metal inventories 30 June 2019
	R000	R000	R000	R000	R000
Platinum	1 200 671	11 104	1 211 775	–	1 211 775
Palladium	1 214 384	58 650	1 273 034	–	1 273 034
Rhodium	965 099	12 950	978 049	–	978 049
Gold	52 977	–	52 977	–	52 977
Total metal inventory	3 433 131	82 704	3 515 835	–	3 515 835

	Own production 30 June 2020	Purchased material 30 June 2020	Total metal inventories 30 June 2020
	R000	R000	R000
Change in metal inventory for the year	(74 104)	760 227	686 123

Below is a breakdown of inventory disclosed as own production, purchased material and classified as non-current inventory:

	Own production 30 June 2020	Purchased material 30 June 2020	Total metal inventories 30 June 2020	Non-current metal inventories 30 June 2020	Current metal inventories 30 June 2020
	oz	oz	oz	oz	oz
Platinum	112 015	11 315	123 330	(13 772)	109 558
Palladium	54 016	14 430	68 446	(15 772)	52 674
Rhodium	22 818	2 520	25 338	(3 859)	21 479
Gold	2 955	103	3 058	(966)	2 092
4E	191 804	28 368	220 172	(34 369)	185 803

Detail of total metal inventory on hand are provided for improved disclosure:

	Own production 30 June 2019	Purchased material 30 June 2019	Total metal inventories 30 June 2019	Non-current metal inventories 30 June 2019	Current metal inventories 30 June 2019
	oz	oz	oz	oz	oz
Platinum	119 349	994	120 343	–	120 343
Palladium	67 631	3 249	70 880	–	70 880
Rhodium	26 220	362	26 582	–	26 582
Gold	3 157	–	3 157	–	3 157
4E	216 357	4 605	220 962	–	220 962

Below is the breakdown of total metal inventory:

	30 June 2020	30 June 2019
	R000	R000
Non-current inventory	662 282	–
Ore stockpile inventory	268 853	465 811
Concentrate in process	78 504	75 361
Concentrate and other surface sources before the smelter	611 957	588 300
Recycling material	2 103	82 704
Smelter inventory	1 288 076	1 283 744
Base metal removal plant inventory	161 226	362 921
Precious metal refinery inventory	1 126 733	656 994
Finished product inventory on hand	2 224	–
Total metal inventory	4 201 958	3 515 835

Metal inventory quantities on hand is allocated as follows:

	30 June 2020	30 June 2019
	oz	oz
Non-current inventory	34 369	–
Ore stockpile inventory	14 112	29 640
Concentrate in process	4 121	4 795
Concentrate and other surface sources before the smelter	32 123	35 335
Recycling material	110	4 605
Smelter inventory	67 613	81 688
Base metal removal plant inventory	8 463	23 093
Precious metal refinery inventory	59 144	41 806
Finished product inventory on hand	117	–
4E	220 172	220 962

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 R14.6 million relating to own production (30 June 2019: R51.4 million) that were written down to net realisable value. Inventory to the value of R474.1 million relating to own production (30 June 2019: R815.8 million) is disclosed at net realisable value.

Consumables to the value of R36.6 million was written off during the year.

Normalised pipeline inventory is considered to be approximately 165 000 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 metal 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 and ore purchased which are 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.

Non-current inventory is determined as inventory that will not be processed within the next 12 months.

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

		30 June 2020	**30 June 2019**
Platinum price	USD/oz	813	808
Palladium price	USD/oz	1 894	1 510
Rhodium price	USD/oz	8 145	3 286
Gold price	USD/oz	1 752	1 386
Closing exchange rate at year end	USD/ZAR	R17.33	R14.08

Impact of COVID-19 on the valuation of inventory

The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average over a number of periods or seasons under normal circumstances, taking into account the loss of capacity resulting from planned maintenance. The actual level of production may be used if it approximates normal capacity. The amount of fixed overheads allocated to each unit of production is not increased as a consequence of low production or idle plant. Unallocated overheads are recognised as an expense in the period in which they are incurred.

The lockdown resulted in limited to no production, with fixed overhead costs still being incurred which should not be allocated to the cost of inventories. As a result, management allocated normalised fixed overhead costs to value inventory, based on actual production. Concentrates purchased were valued at the cost of acquisition. The valuation of inventory therefore does not include abnormal fixed overheads as a consequence of low production volumes.

Inventory is further required to be assessed at year end for possible write downs due to net realisable values being lower than the costs allocated to inventory.

Net realisable value tests are performed on a monthly basis and represent the expected selling prices which are based on prevailing market prices, less estimated costs to complete production and to bring the product to sale.

All net realisable value adjustments have been disclosed.

17. Trade and other receivables

	30 June 2020	30 June 2019
	R000	R000
Trade receivables	17 248	53 253
Provisional pricing receivables	181 090	374 238
Accrued dividends and interest on cash and cash equivalents	12 997	6 444
Prepayments	26 560	3 285
Deposits	4 733	4 555
South African Revenue Service – Value Added Tax	189 067	139 247
South African Revenue Service - amounts receivable relating to the Mineral and Petroleum Resources Royalty	371	8
Current portion of suspensive sale agreements (refer note 14)	5 415	3 423
Current portion of interest free home loans to employees (refer note 14)	10 253	7 624
Other	8 760	29 861
	456 494	621 938

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. R Nil was provided for or impaired during the current year (30 June 2019: 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 are 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 result in amounts required to be refunded to the customer (refer note 25 and 26).

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

Significant estimate: Trade and other receivables and Expected Credit Losses (ECL)

The group applies the simplified approach in calculating ECLs and therefore recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The group considered historical loss experiences, adjusted for forward looking factors, that could indicate impairments taking into account the specific debtor and economic environment.

Platinum Group Metal debtors have payment terms of between 2 to 5 days with no historical defaults on these debtors and all outstanding balances as at year end has subsequently been received.

Base metal and chrome debtor balances are held with only a limited number of selected premium customers and are generally on 30 to 60-day terms with no historical defaults.

Trade receivables 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 customers that these balances are held with.

The assessment of the correlation between historical observed recovery rates, forecast economic conditions and ECLs is an estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Impact of COVID-19 on Trade and other receivables and ECL

Increased uncertainty in financial market and the economy as a whole, has increased the risk of default on all financial assets, including trade and other receivables.

The group trades only with recognised, creditworthy third parties. It is the groups' policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant.

Sales are only made to customers with an appropriate credit history. Trade debtors comprise a number of customers, dispersed across different geographical areas.

There are further no material concentration of credit risk associated with trade and other receivables.

A detailed assessment was performed to confirm the recoverability of trade and other receivables at year end and all balances are considered recoverable.

18. Cash and cash equivalents

	30 June 2020	30 June 2019
	R000	R000
Cash at bank and on hand	627 335	328 116
Restricted cash	103 767	99 740
Short-term deposits	1 429 854	522 459
Cash and cash equivalents as per the statement of cash flows	2 160 956	950 315

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 on cash and cash equivalents was 6.5% (30 June 2019: 7.4%) and these funds are all immediately available.

Restricted cash includes a deposit held of R23.0 million (30 June 2019: 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 Employees 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 Zambezi Platinum (RF) Limited's Memorandum of Incorporation.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and cash equivalents balance as the group did not utilise the general banking facility at year end (30 June 2019: R Nil).

General banking facility

During the previous financial year, the group secured a general banking facility (GBF), i.e. overdraft facility, of R500.0 million. The GBF accrues interest at the South African prime interest rate less 1.75% (30 June 2019: South African prime interest rate less 1.5%), and is payable on a 90-day notice period.

Commitment fees are payable on the GBF amounting to 0.55% (30 June 2019: 0.60%) per annum on the unutilised portion of the facility.

Below is a summary of the utilisation of the GBF during the year and the available facility at the year-end:

	30 June 2020	30 June 2019
	R000	R000
Opening balance	–	–
General banking facility utilised during the year	500 000	–
Amounts repaid during the year	(500 000)	–
General banking facility utilised at the year end	–	–
Available facility	500 000	500 000

The GBF is utilised as an overdraft facility as and when required for working capital requirements.

The group's utilised and available facilities are listed below:

	Total facility 30 June 2020	Utilised amount 30 June 2020	Available facility 30 June 2020	Interest rate 30 June 2020	Repayment date 30 June 2020
	R000	R000	R000		
Domestic medium-term notes* (refer note 23)	10 000 000	(5 640 749)	4 359 251	Various	Various
Revolving credit facility (refer note 24)	3 500 000	–	3 500 000	JIBAR plus 2.2% – 2.6%	September 2024
General banking facility	500 000	–	500 000	Prime less 1.75%	90-day notice
	14 000 000	(5 640 749)	8 359 251		

** Uncommitted but approved by the board of director's*

In terms of the programme memorandum in respect of Northam Platinum Limited's Domestic medium-term note programme dated 3 August 2012, as amended and/or supplemented from time to time, the board of directors of Northam Platinum Limited approved an initial increase in the nominal amount from R2.0 billion to R5.0 billion on 21 August 2019 and a further increase to R10.0 billion on 24 March 2020. This increase will provide Northam with additional funding flexibility.

	Total facility 30 June 2019	Utilised amount 30 June 2019	Available facility 30 June 2019	Interest rate 30 June 2019	Repayment date 30 June 2019
	R000	R000	R000		
Domestic medium-term notes* (refer note 23)	2 000 000	(1 825 000)	175 000	Various	Various
Revolving credit facility (refer note 24)	3 500 000	(2 150 000)	1 350 000	JIBAR plus 3.3%	November 2021
General banking facility	500 000	–	500 000	Prime less 1.5%	90-day notice
	6 000 000	(3 975 000)	2 025 000		

** Uncommitted but approved by the board of director's*

19. Long-term provisions

	30 June 2020	30 June 2019
	R000	R000
Balance at the beginning of the year	679 459	640 128
Change in estimate relating to the decommissioning costs (note 11)	(23 436)	(78 070)
Change in estimate relating to the restoration costs	6 726	54 669
Unwinding of discount (note 6)	66 578	62 732
Total rehabilitation and decommissioning liability provision	729 327	679 459
Below is a breakdown of the long-term provision:		
Provision for decommissioning costs		
Balance at the beginning of the year	485 219	569 761
Change in estimate relating to the decommissioning costs reallocated to restoration costs	–	(62 309)
Change in estimate relating to the decommissioning costs (note 11)	(23 436)	(78 070)
Unwinding of discount (note 6)	47 542	55 837
Total provision for decommissioning costs	509 325	485 219
Provision for restoration costs		
Balance at the beginning of the year	194 240	70 367
Change in estimate relating to the decommissioning costs reallocated to restoration costs	–	62 309
Change in estimate relating to restoration costs	6 726	54 669
Unwinding of discount (note 6)	19 036	6 895
Total provision for restoration costs	220 002	194 240
Total rehabilitation and decommissioning liability provision	729 327	679 459
The long-term provisions is made up of the provision relating to the rehabilitation and decommissioning liability of:		
Northam Platinum Limited (Zondereinde operation)	149 292	141 883
Booysendal Platinum Proprietary Limited (Booysendal operation)	213 318	184 005
Eland Platinum Proprietary Limited (Eland operation)	366 717	353 571
Total rehabilitation and decommissioning liability provision	729 327	679 459

All changes in the estimate relating to the decommissioning and restoration costs provision relate to the develoment of Booysendal South and the Eland operation.

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

	Zondereinde operations 30 June 2020	Booysendal operations 30 June 2020	Eland operations 30 June 2020	Total 30 June 2020
	R000	R000	R000	R000
Provision for decommissioning costs				
Balance at the beginning of the year	90 220	109 740	285 259	485 219
Change in estimate relating to the decommissioning costs	(5 330)	304	(18 410)	(23 436)
Unwinding of discount	8 842	10 745	27 955	47 542
Total provision for decommissioning costs	93 732	120 789	294 804	509 325
Provision for restoration costs				
Balance at the beginning of the year	51 663	74 265	68 312	194 240
Change in estimate relating to restoration costs	(1 166)	10 986	(3 094)	6 726
Unwinding of discount	5 063	7 278	6 695	19 036
Total provision for restoration costs	55 560	92 529	71 913	220 002
Total rehabilitation and decommissioning liability provision	149 292	213 318	366 717	729 327

	Zondereinde operations 30 June 2019	Booysendal operations 30 June 2019	Eland operations 30 June 2019	Total 30 June 2019
	R000	R000	R000	R000
Provision for decommissioning costs				
Balance at the beginning of the year	100 119	134 319	335 323	569 761
Change in estimate relating to the decommissioning costs 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
Total provision for decommissioning costs	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 costs reallocated to restoration costs	–	–	62 309	62 309
Change in estimate relating to restoration costs	16 884	37 785	–	54 669
Unwinding of discount	3 105	3 256	534	6 895
Total provision for restoration costs	51 663	74 265	68 312	194 240
Total rehabilitation and decommissioning liability provision	141 883	184 005	353 571	679 459

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

	Zondereinde operations 30 June 2020	Booysendal operations 30 June 2020	Eland operations 30 June 2020	Total 30 June 2020
	R000	R000	R000	R000
Undiscounted obligation based on the Department of Mineral Resources and Energy, excluding Value Added Tax	194 877	205 324	169 075	569 276
Less funds held by the Northam Platinum Restoration Trust Fund	(64 366)	(64 366)	–	(128 732)
Less environmental guarantees	(142 350)	(98 427)	(170 061)	(410 838)
Total (overfunded)/underfunded rehabilitation obligation in terms of current legislation	(11 839)	42 531	(986)	29 706

	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 and Energy, 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)

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 and Energy in terms of applicable legislation.

The environmental obligation will be financed, other than the amounts already covered by the investment held through the Northam Platinum Restoration Trust Fund, 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 procures 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 environmental guarantees issued:

	30 June 2020	**30 June 2019**
	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
CQ/G/30381/0919/006	2 200	–
CQ/G/30381/1119/007	5 359	–
CQ/G/30381/1119/008	1 559	–
CQ/G/30381/0120/009	302	–
Total guarantees relating to Eland Platinum Proprietary Limited	170 061	160 641
Total environmental guarantees in issue	410 838	401 418

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. The Northam Platinum Limited group has incurred, and expects to incur in future, expenditure to comply with such laws and regulations, but cannot predict the full amount of such expenditure. Estimated future rehabilitation costs are based on current legal and regulatory requirements.

The South African National Environmental Management Act No.107 of 1998, as well as the Mineral and Petroleum Resources Development Act No 28 of 2002 (MPRDA), which apply to all prospecting and mining operations, require 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 decommissioning and restoration costs that will be incurred upon the cessation of mining activities.

The group makes full provision for the future commercial cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. The rehabilitation and decommissioning 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 an independent third party expert, SRK Consulting (South Africa) Proprietary Limited, with the Principal Scientist being James Lake Pr Sci Nat, Msc (Geochemistry).

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 and Energy published rates. Management believes using commercial closure cost assessments more accurately reflects the potential future costs and therefore the liability. The commercial closure costs assessment is significantly more than what the liability would have been should the current published Department of Mineral Resources and Energy 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 present value of the environmental restoration obligation was determined by applying a pre-tax discount rate of 8.6% (30 June 2019: 9.8%) and a long-term inflation rate of 6.0% (30 June 2019: 7.2%) over the remaining life of the various mines.

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial results. 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 (2015 Regulations) were promulgated, resulting in significant changes from the requirements contained in the MPRDA.

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). In terms of the 2015 Regulations' transitional provisions, holders of a right or permit were able to elect to comply 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 timeframe, holders of a right or permit were initially granted an extended transitional period of 39 months from the 2015 Regulations' date of promulgation to comply.

In 2019, the Department of Environment, Forestry and Fisheries published a second set of new draft financial provision Regulations (2019 Draft Regulations), which would result in a complete overhaul of the 2015 Regulations. The 2019 Draft Regulations have yet to be promulgated.

On 17 January 2020, the 2015 Regulations' transitional period was further extended for holders of a right or permit to 19 June 2021. It is anticipated that the proposed 2019 Draft Regulations will be published into law prior to this date.

The group will comply with the relevant financial provision Regulations when required to do so.

Impact of COVID-19 on determination of the rehabilitation and decommissioning liabilities of the group

The provision for estimated future rehabilitation and decommissioning costs is reviewed annually, updated for current and expected future market conditions, including the impact of the COVID-19 pandemic, and discounted to a present value for disclosure in the financial statements. The provision is based on the current best estimate of future costs required. The assessment is subject to assumptions and inputs which are open to judgement and estimation.

Updates to the assessment which incorporate the COVID-19 pandemic include updates to the pre-tax discount rate as well as the long-term inflation rate, which has been updated accordingly taking into account current market assumptions.

20. Preference share liability

	30 June 2020 R000	30 June 2019 R000
Opening balance	11 159 368	9 818 651
Accrued preference share dividends	1 432 850	1 340 717
Preference shares liability relating to Zambezi Platinum (RF) Limited	12 592 218	11 159 368
Derecognition of Zambezi Platinum (RF) Limited preference shares held by Northam Platinum Limited together with accrued dividends recognised	(4 220 514)	(295 257)
Liquidity fees relating to the Black Economic Empowerment transaction net of accumulated amortisation	(96 977)	(113 367)
Current year amortisation of liquidity fee	16 390	16 390
	8 291 117	10 767 134

On 18 May 2015, 159 905 453 cumulative redeemable preference shares were issued by Zambezi Platinum (RF) Limited (Zambezi) at an issue price of R41 per share. The preference shares are redeemable in 10 years' time (from inception), which will be 17 May 2025, at R41 per share plus the cumulative preference dividends. The Zambezi 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 preference shares are set out in the Zambezi Memorandum of Incorporation.

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

Subscription undertakings for the full value of the Zambezi preference shares were secured at a 2.5% liquidity fee, amounting to R163.9 million.

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

Northam Platinum Limited has purchased Zambezi preference shares in the open market. Below is a summary of the number of shares held together with the amortised cost and closing market value of these Zambezi preference shares:

	30 June 2020	30 June 2019
Total number of Zambezi Platinum (RF) Limited preferences shares (issued under JSE preference share code: ZPLP)	159 905 453	159 905 453
Number of Zambezi Platinum (RF) Limited preference shares held by Northam Platinum Limited	(53 595 254)	(4 230 819)
Number of Zambezi Platinum (RF) Limited preference shares held in the open market	106 310 199	155 674 634
Percentage holding by Northam Platinum Limited in the Zambezi Platinum (RF) Limited preference shares	33.5%	2.6%
Value per Zambezi Platinum (RF) Limited preference share	R78.75	R69.79
Zambezi Platinum (RF) Limited (preference share code ZPLP) closing preference share price	R81.00	R72.50

Subsequent to year-end, Northam Platinum Limited acquired an additional 21 134 297 Zambezi preference shares in the open market, increasing the percentage holding to 46.7% and a total shareholding of 74 729 551 Zambezi preference shares.

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

	30 June 2020	30 June 2019
	R000	R000
Accrued preference share dividends relating to Zambezi Platinum (RF) Limited	1 432 850	1 340 717
Less preference share dividends accrued to Northam Platinum Limited with regards to the preference shares held by Northam Platinum Limited	(299 678)	(35 473)
Preference share dividends per the statement of profit or loss and other comprehensive income	1 133 172	1 305 244

Below is a reconciliation of the loss on derecognition of the preference share liability:

	30 June 2020	30 June 2019
	R000	R000
Opening balance of Zambezi Platinum (RF) Limited preference shares held by Northam Platinum Limited	295 257	–
Acquisition of Zambezi Platinum (RF) Limited preferences shares, including transaction costs during the year	3 756 207	–
Preference share dividends accrued to Northam Platinum Limited with regards to the preference shares held by Northam Platinum Limited	299 678	–
Derecognition of Zambezi Platinum (RF) Limited preference shares held by Northam Platinum Limited together with accrued dividends recognised	(4 220 514)	–
	130 628	–

The loss on derecognition of preference share liability of R130.6 million relates to the difference between the amortised cost value per Zambezi preference shares and the price paid together with transaction costs incurred on the purchases of these Zambezi preference shares.

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

In terms of the Northam BEE transaction, Zambezi holds a combined 31.4% interest in Northam's issued stated capital.

The transaction was financed by way of 159 905 453 new listed Zambezi preference shares, redeemable at the end of a 10-year lock-in period. These Zambezi preference shares are guaranteed by Northam and as a result of the guarantee consolidated into the Northam group results.

In terms of the preference share agreement between Zambezi 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 lock-in period. The Zambezi preference shares will be compulsorily redeemable on the day immediately preceding the 10th anniversary of the implementation date. The Zambezi 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 Zambezi preference shares' issue price. In terms of the Zambezi preference shares agreement, the Zambezi preference dividends will accumulate (compounded) at the rate mentioned above for the 10-year lock-in 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 Zambezi 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 financial statements of Northam in terms of International Financial Reporting Standards. This means that the Northam group reflects the BEE equity issued shares (Northam shares) as treasury shares (for accounting purposes) and the Zambezi preference shares are reflected as a liability.

The redemption of the preference share liability will occur in part through 90% of the dividends received from Northam. There is however no obligation to settle the Zambezi preference share liability during the 10-year lock-in period should no dividends be received from Northam. After the lock-in period of 10 years, the Zambezi preference share liability will be redeemed in a bullet payment through the possible sell-off of the Northam shares owned by Zambezi into the market to realise the capital value. In the event that this is not sufficient to settle the liability, the preference share liability will be secured in terms of a financial guarantee issued by Northam. Should a liability arise under the Northam guarantee, Northam may settle this liability by capitalising Zambezi with cash and/or Northam shares before the redemption amount becomes due or making payment directly to the preference shareholders. The manner of settlement is a choice and is not contractually specified between the two ways mentioned above.

Zambezi was created and designed for the sole purpose of providing Northam with BEE credentials and as a structure to hold the listed Zambezi 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 BEE transaction, to ensure that the design and operation of Zambezi achieves the purpose for which it was created.

In terms of the BEE 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 BEE transaction's agreements and in other limited instances aimed at maintaining the integrity of the BEE transaction at all times. Zambezi also cannot dispose of the Northam 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 does not have majority of the voting rights in Zambezi, it still has control over the entity, and therefore consolidates the results of Zambezi.

COVID-19 had no impact on the fact that Zambezi Platinum (RF) Limited is consolidated into the Northam Platinum Limited group

The interest rate at which the South African Reserve Bank (SARB) lends to commercial banks, known as the repo rate, was decreased by 250 basis points from March 2020 to year end. This is part of the South African government's attempt to support and relieve some of the mounting pressure on individuals and businesses alike, effectively reducing the cost of borrowings.

Consequently the prime interest rate has dropped in line with the repo rate. This has resulted in a reduction of the preference share dividend accounted for in the statement of profit or loss and effectively reduced the preference share liability accounted for in the statement of financial position.

21. Long-term loans

	30 June 2020	30 June 2019
	R000	R000
Security of supply contribution	79 109	101 886
Heraeus Deutschland GmbH & Co. KG	79 896	72 461
Total long-term loans	159 005	174 347
Current portion of security of supply contribution	(23 772)	(24 437)
Current portion of Heraeus Deutschland GmbH & Co. KG	(4 700)	(9 400)
Long-term portion	130 533	140 510

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.

During the year under review, the development and research cost of R9.4 million was waived by Heraeus Deutschland GmbH & Co. KG and reduced to R4.7 million, representing half of the annual fee, for the year thereafter, payable before 31 December 2021. The annual payment of R9.4 million as per the original agreement will resume thereafter.

Also refer to note 6 and note 7 for the impact of the changes to the Heraeus Deutschland GmbH & Co. KG liability during the year.

22. Share-based payment liability

	30 June 2020	30 June 2019
	R000	R000
Performance and retention share-based payment liability	369 273	186 025
Lock-in and incentive mechanism share-based payment liability	168 119	61 535
Total share-based payment liability	537 392	247 560
Short-term portion of share-based payment liability	(183 029)	(86 814)
Long-term share-based payment liability	354 363	160 746

The movement in the share-based payment liability is made up as follows:

	30 June 2020	30 June 2019
	R000	R000
Opening balance	247 560	157 339
Share-based payment expense during the year (refer note 4)	472 079	192 995
Performance and retention shares cash settled during the year	(182 247)	(102 774)
Total share-based payment liability	537 392	247 560

The short-term portion is based on the shares which will be settled or expire in the next 12 months, all other share-based payment liabilities are disclosed as non-current due to the contractual terms as per the share incentive plan.

Share incentive plan (the SIP)

Below is an analysis of share incentives held relating to performance and retention shares:

	30 June 2020 Retention shares Number of awards	30 June 2020 Performance shares Number of awards	30 June 2020 Total Number of awards
Balance as at 1 July 2019	1 832 400	5 470 700	7 303 100
Shares awarded during the year	449 705	1 351 815	1 801 520
Shares forfeited	(42 305)	(127 360)	(169 665)
Shares cash settled during the year	(487 570)	(1 443 630)	(1 931 200)
Balance as at 30 June 2020	1 752 230	5 251 525	7 003 755

	30 June 2019 Retention shares Number of awards	30 June 2019 Performance shares Number of awards	30 June 2019 Total Number of awards
Balance as at 1 July 2018	1 824 950	5 398 550	7 223 500
Shares awarded during the year	819 500	2 480 100	3 299 600
Shares forfeited	(62 050)	(592 132)	(654 182)
Shares cash settled during the year	(750 000)	(1 815 818)	(2 565 818)
Balance as at 30 June 2019	1 832 400	5 470 700	7 303 100

The shares awarded in terms of the rules of the share incentive plan (SIP) comprise: retention shares, which vest after three years from grant date with no performance criteria, and performance shares, which vest after three years from grant date. The final number of performance shares that an employee will receive will be subject to certain performance criteria being met, which includes safety, production, unit cash cost and share performance.

The following table lists the inputs to the model used for the share incentive plan:

	30 June 2020 F2018 awards	**30 June 2020** F2019 awards	**30 June 2020** F2020 awards
Dividend yield (%)	–	–	–
Forfeiture rate (%)	10.0	10.0	10.0
Expected life of share awards (years)	0.34	1.35	2.34
30-day VWAP (R/share)	R108.10	R108.10	R108.10
Model used*	Market value	Market value	Market value

Given that the value of the shares will be paid out, and not just the growth in the price, an option valuation model is not appropriate, but the 30-day VWAP at year end adjusted for dividends forfeited during the vesting period was used.

	30 June 2019 F2017 awards	**30 June 2019** F2018 awards	**30 June 2019** F2019 awards
Dividend yield (%)	–	–	–
Forfeiture rate (%)	10.0	10.0	10.0
Expected life of share awards (years)	0.36	1.35	2.36
30-day VWAP (R/share)	R57.22	R57.22	R57.22
Model used*	Market value	Market value	Market value

Given that the value of the shares will be paid out, and not just the growth in the price, an option valuation model is not appropriate, but the 30-day VWAP at year end adjusted for dividends forfeited during the vesting period was used.

The expected life is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur.

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the incentive shares is indicative of future trends, which may not necessarily be the actual outcome.

Lock-in and incentive mechanism (LIM)

Below is a summary of the lock-in and incentive mechanism incentives held:

	30 June 2020	30 June 2019
	Number of awards	Number of awards
Zambezi Platinum (RF) Limited lock-in incentive mechanism share awards	3 400 000	3 400 000
	3 400 000	3 400 000

The implementation of the Zambezi BEE transaction resulted in a number of significant benefits for the group including compliance with the required empowerment criteria in terms of the Mineral Petroleum Resources Development Act, No. 28 of 2002 and the Mining Charter, as well as a significant cash injection to fund both acquisitions and organic growth.

However, the guarantee provided by Northam Platinum Limited to the holders of the Zambezi preference shares issued by Zambezi may result in a dilution for Northam shareholders, eroding shareholder value as a result.

The lock-in and incentive mechanism aligns the long-term interest of the participants with those of Northam shareholders through equity participation. It forms part of the SIP and will reward management for the successful delivery and implementation of the group's BEE transaction.

Vesting will be subject to the satisfaction of the performance condition that Zambezi fully settles the redemption amount; and fully settles or makes adequate provision for all its tax liabilities arising from settlement of the redemption amount, on the basis that no guarantee liability will arise and no member of the group will be required to give any direct or indirect financial assistance for the purpose of, or in connection with, the settlement of the redemption amount.

The following table lists the inputs to the model used for the lock-in and incentive mechanism incentive plan:

	30 June 2020	30 June 2019
Dividend yield (%)	–	–
Forfeiture rate (%)	–	–
Expected life of share awards (years)	4.88	5.91
Spot price (R/share)	R116.20	R59.00
Model used*	Market value	Market value

**Given that the value of the shares will be paid out, and not just the growth in the price, an option valuation model is not appropriate, but the share price at year end adjusted for dividends forfeited during the vesting period was used.*

23. Domestic medium-term notes

	30 June 2020	30 June 2019
	R000	R000
Non-current domestic medium-term notes		
Domestic medium-term notes (NHM002)	175 000	175 000
NHM002 switched to NHM018	(173 600)	–
Transaction costs relating to the NHM002 issue	(1 256)	(1 256)
Amortisation of transaction costs over 60 months	1 254	796
Transfer to current domestic medium-term notes	(1 398)	–
	–	174 540

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.

	30 June 2020	30 June 2019
Domestic medium-term notes (NHM006)	250 000	250 000
NHM006 switched to NHM016	(28 907)	–
NHM006 switched to NHM018	(97 700)	–
Transaction costs relating to the NHM006 issue	(1 576)	(1 576)
Amortisation of transaction costs over 24 months	1 269	164
Transfer to current domestic medium-term notes	(123 086)	–
	–	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 issue date for a two-year period, and will be redeemed on 16 April 2021.

	30 June 2020	30 June 2019
Domestic medium-term notes (NHM007)	300 000	300 000
NHM007 switched to NHM016	(58 814)	–
NHM007 switched to NHM018	(100 000)	–
Transaction costs relating to the NHM007 issue	(1 851)	(1 851)
Amortisation of transaction costs over 36 months	1 331	128
	140 666	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 issue date for a three-year period. These notes mature on 16 April 2022.

	30 June 2020	30 June 2019
	R000	R000
Domestic medium-term notes (NHM009)	250 000	250 000
NHM009 switched to NHM018	(150 000)	–
Transaction costs relating to the NHM009 issue	(1 538)	(1 538)
Amortisation of transaction costs over 36 months	1 165	93
	99 627	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 issue date for a three-year period. These notes mature on 26 April 2022.

	30 June 2020	30 June 2019
Domestic medium-term notes (NHM011)	500 000	500 000
NHM011 switched to NHM016	(277 000)	–
NHM011 switched to NHM018	(50 000)	–
Transaction costs relating to the NHM011 issue	(2 905)	(2 905)
Amortisation of transaction costs over 36 months	2 270	101
	172 365	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 issue date for a three-year period. These notes mature on 24 May 2022.

	30 June 2020	30 June 2019
Domestic medium-term notes (NHM012)	100 000	100 000
NHM012 switched to NHM016	(69 530)	–
Transaction costs relating to the NHM012 issue	(866)	(866)
Amortisation of transaction costs over 36 months	694	14
	30 298	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 issue date for a three-year period. These notes mature on 13 June 2022.

	30 June 2020	30 June 2019
Domestic medium-term notes (NHM014)	2 620 000	–
NHM014 switched to NHM018	(300 000)	–
NHM014 switched to NHM019	(400 000)	–
Transaction costs relating to the NHM014 issue	(27 310)	–
Amortisation of transaction costs over 24 months	15 715	–
	1 908 405	–

On 20 November 2019, Northam issued NHM014, which is R1.35 billion worth of two-year senior unsecured floating rate notes and on 3 April 2020 R1.27 billion additional notes were issued under the same terms and conditions. The notes attract a floating coupon rate of 3-month JIBAR plus 250 basis points, which is payable on a quarterly basis in November, February, May and August of each year from issue date for a two-year period. These notes mature on 20 November 2021.

	30 June 2020	30 June 2019
	R000	R000
Domestic medium-term notes (NHM015)	500 000	–
Transaction costs relating to the NHM015 issue	(8 070)	–
Amortisation of transaction costs over 60 months	888	–
	492 818	–

On 13 December 2019, the Industrial Development Corporation of South Africa Limited subscribed to NHM015, which is R500.0 million worth of five-year senior unsecured floating rate notes. The notes attract a floating coupon rate of 3-month JIBAR plus 330 basis points, which is payable on a quarterly basis in December, March, June and September of each year from issue date for a five-year period. These notes mature on 13 December 2024.

Domestic medium-term notes (NHM016)	680 000	–
Transaction costs relating to the NHM016 issue	(51 807)	–
Amortisation of transaction costs over 60 months	1 447	–
	629 640	–

On 11 May 2020, Northam issued NHM016, which is R550.0 million worth of five-year senior unsecured floating rate notes, and on 8 June 2020 R130.0 million additional notes were issued under the same terms and conditions. The notes attract a floating coupon rate of 3-month JIBAR plus 425 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issue date for a five-year period. These notes mature on 11 May 2025.

Domestic medium-term notes (NHM018)	1 021 300	–
Transaction costs relating to the NHM018 issue	(36 434)	–
Amortisation of transaction costs over 36 months	1 231	–
	986 097	–

On 25 May 2020, Northam issued NHM018, which is R671.3 million worth of three-year senior unsecured floating rate notes and on 8 June 2020 issued R350.0 million worth of additional under the same terms and conditions. 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 issue date for a three-year period. These notes mature on 25 May 2023.

Domestic medium-term notes (NHM019)	450 000	–
Transaction costs relating to the NHM019 issue	(18 294)	–
Amortisation of transaction costs over 48 months	463	–
	432 169	–

On 25 May 2020, Northam issued NHM019, which is R450.0 million worth of four-year senior unsecured floating rate notes. The notes attract a floating coupon rate of 3-month JIBAR plus 400 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issue date for a four-year period. These notes mature on 25 May 2024.

Total non-current domestic medium-term notes	4 892 085	1 566 304

	30 June 2020	30 June 2019
	R000	R000
Current domestic medium-term notes		
Transfer from non-current domestic medium-term notes (NHM002)	1 398	–
	1 398	–
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)
	–	–

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 June, September, December and March of every year for a three-year period. These notes matured on 9 June 2019.

	30 June 2020	30 June 2019
Domestic medium-term notes (NHM004)	–	450 000
Transaction costs relating to the NHM004 issue	–	(2 778)
Amortisation of transaction costs over 12 months	–	2 778
Domestic medium-term notes repaid (NHM004)	–	(450 000)
	–	–

On 20 April 2018 Northam issued NHM004, which is R450.0 million of 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 2020	30 June 2019
Domestic medium-term notes (NHM005)	–	550 000
Transaction costs relating to the NHM005 issue	–	(3 304)
Amortisation of transaction costs over 12 months	–	3 304
Domestic medium-term notes repaid (NHM005)	–	(550 000)
	–	–

On 18 May 2018 Northam issued NHM005, which is R550.0 million of 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.

	30 June 2020	30 June 2019
Transfer from non-current domestic medium-term notes (NHM006)	123 086	–
	123 086	–

	30 June 2020 R000	30 June 2019 R000
Domestic medium-term notes (NHM008)	200 000	200 000
Transaction costs relating to the NHM008 issue	(1 263)	(1 263)
Amortisation of transaction costs over 12 months	1 263	228
Domestic medium-term notes repaid (NHM008)	(200 000)	–
	–	198 965

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

	30 June 2020 R000	30 June 2019 R000
Domestic medium-term notes (NHM010)	50 000	50 000
NHM010 switched to NHM016	(35 000)	–
Transaction costs relating to the NHM010 issue	(430)	(430)
Amortisation of transaction costs over 12 months	430	45
Domestic medium-term notes repaid (NHM010)	(15 000)	–
	–	49 615

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

	30 June 2020 R000	30 June 2019 R000
Domestic medium-term notes (NHM013)	500 000	–
NHM013 switched to NHM017	(494 900)	–
Transaction costs relating to the NHM013 issue	(3 036)	–
Amortisation of transaction costs over 12 months	3 030	–
	5 094	–

On 9 September 2019, Northam issued NHM013, which is R500.0 million of 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 September, December, March and June from issue date for a one-year period. These notes mature on 9 September 2020.

	30 June 2020 R000	30 June 2019 R000
Domestic medium-term notes (NHM017)	494 900	–
Transaction costs relating to the NHM017 issue	(9 815)	–
Amortisation of transaction costs over 9 months	1 664	–
	486 749	–

On 13 May 2020, Northam issued NHM017, which is R494.9 million of nine-month 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 August, November and February from issue date for a nine-month period. These notes mature on 26 February 2021.

	30 June 2020 R000	30 June 2019 R000
Total current domestic medium-term notes	616 327	248 580
Total domestic medium-term notes	5 508 412	1 814 884

These notes were issued under the R10.0 billion DMTN programme dated 3 August 2012.

In terms of the programme memorandum in respect of Northam Platinum Limited's domestic medium-term note programme dated 3 August 2012, as amended and/or supplemented from time to time, the board of directors of Northam Platinum Limited approved an initial increase in the nominal amount from R2.0 billion to R5.0 billion on 21 August 2019 and a further increase from R5.0 billion to R10.0 billion on 24 March 2020. This increase will provide Northam with additional funding flexibility.

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.

During the year under review the Industrial Development Corporation of South Africa Limited subscribed to NHM015 for R500.0 million, five-year senior unsecured floating rate notes. Proceeds from NHM015 will be applied towards the recommissioning and development of Eland mine, consequently creating new employment opportunities in the region.

Refer to the related party note (note 30) for details of the guarantee issued by Booysendal Platinum Proprietary Limited, with regards to the notes issued.

The maturity profile of the group's domestic medium-term notes is set out below, into the relevant maturity grouping based on the remaining period at the reporting date to the contractual maturity date representing the undiscounted contractual cash flows:

	30 June 2020	30 June 2019
	R000	R000
Matured during F2020	N/A	250 000
Maturing during F2021	624 793	425 000
NHM002	1 400	175 000
NHM006	123 393	250 000
NHM013	5 100	–
NHM017	494 900	–
Maturing during F2022	2 364 656	1 150 000
NHM007	141 186	300 000
NHM009	100 000	250 000
NHM011	173 000	500 000
NHM012	30 470	100 000
NHM014	1 920 000	–
Maturing during F2023 – NHM018	1 021 300	–
NHM018	1 021 300	–
Maturing during F2024 – NHM019	450 000	–
NHM019	450 000	–
Maturing during F2025	1 180 000	–
NHM015	500 000	–
NHM016	680 000	–
Total domestic medium-term notes (excluding capitalised transaction costs)	5 640 749	1 825 000
Transaction costs incurred	(166 451)	(11 685)
Amortised transaction costs	34 114	1 569
Total domestic medium-term notes	5 508 412	1 814 884

During the year under review the following movements occurred relating to the domestic medium-term notes:

	30 June 2020	30 June 2019
	R000	R000
Opening balance	1 825 000	1 425 000
Notes issued	6 266 200	1 650 000
NHM006	–	250 000
NHM007	–	300 000
NHM008	–	200 000
NHM009	–	250 000
NHM010	–	50 000
NHM011	–	500 000
NHM012	–	100 000
NHM013	500 000	–
NHM014	2 620 000	–
NHM015	500 000	–
NHM016	680 000	–
NHM017	494 900	–
NHM018	1 021 300	–
NHM019	450 000	–
Notes repaid	(215 000)	(1 250 000)
NHM003	–	(250 000)
NHM004	–	(450 000)
NHM005	–	(550 000)
NHM008	(200 000)	–
NHM010	(15 000)	–
Notes switched	(2 235 451)	–
NHM002	(173 600)	–
NHM006	(126 607)	–
NHM007	(158 814)	–
NHM009	(150 000)	–
NHM010	(35 000)	–
NHM011	(327 000)	–
NHM012	(69 530)	–
NHM013	(494 900)	–
NHM014	(700 000)	–
Total domestic medium-term notes (excluding capitalised transaction costs)	5 640 749	1 825 000
Transaction costs incurred	(166 451)	(11 685)
Amortised transaction costs	34 114	1 569
Total domestic medium-term notes	5 508 412	1 814 884

24. Revolving credit facility

	30 June 2020	30 June 2019
	R000	R000
Opening balance	2 150 000	1 500 000
Amounts drawn down on the revolving credit facility	4 800 000	850 000
Amounts repaid during the year	(6 950 000)	(200 000)
Total facility utilised at year end	–	2 150 000
Transaction costs incurred on the previous facility	(21 767)	(21 767)
Amortisation of transaction costs of the previous facility	21 767	8 960
Transaction costs incurred on the new revolving credit facility	(27 701)	–
Amortisation of transaction costs on the new revolving credit facility amortised over 60 months	4 617	–
	(23 084)	2 137 193

During the year under review, Northam refinanced its R3.5 billion 5-year revolving credit facility on more favourable terms, extending the maturity date from 29 November 2021 to 5 September 2024. The interest rate was previously JIBAR plus 3.3%, whereas the interest rate on the new revolving credit facility 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 revolving credit facility drawdown. The effective interest rate on the refinanced revolving credit facility therefore ranges between JIBAR plus 2.2% and JIBAR plus 2.6%, depending on the amount of the drawdown.

Commitment fees are payable on the revolving credit facility amounting to 0.70% per annum (30 June 2019: 0.99% per annum) on the unutilised portion of the facility. No commitment fee shall accrue during periods where more than R2.5 billion of the facility has been utilised.

The utilised revolving credit facility is disclosed as non-current as Northam 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 30) for various guarantees issued by group companies relating to the revolving credit facility.

Below is a summary of the facility available at year-end:

	30 June 2020	30 June 2019
	R000	R000
Total revolving credit facility	3 500 000	3 500 000
Facility utilised at year end	–	(2 150 000)
Available facility at year end	3 500 000	1 350 000

The full facility was available at year-end.

25. Trade and other payables

	30 June 2020 R000	30 June 2019 R000
Trade payables	630 613	917 243
Provisional pricing payables	10 159	5 115
Accruals	286 500	408 785
Concentrate purchased accruals	1 309 142	–
Capital accruals	29 420	52 232
South African Revenue Service – Value Added Tax	72 886	35 254
South African Revenue Service – amounts payable relating to the Mineral and Petroleum Resources Royalty	84	13 391
Accrued interest and commitment fees	52 064	38 899
Employee related accruals	419 323	375 197
Employee labour court judgement (refer to note 31)	55 000	–
Other	74 060	85 057
	2 939 251	1 931 173

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

The carrying value of trade and other payables approximate their value, due to their short-term nature.

Details of accruals are provided for improved disclosure:

	30 June 2019 R000
Accruals	235 614
Concentrate purchased accruals	118 171
Employee labour court judgement (refer to note 31)	55 000
Accruals as disclosed in the 30 June 2019 annual financial statements	408 785

26. Provisional pricing derivatives

	30 June 2020 R000	30 June 2019 R000
Provisional pricing derivatives	–	26 206
	–	26 206

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 period, 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 25).

27. 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 carrying amount of financial assets and financial liabilities approximate their fair value with the exception of the following:

	30 June 2020	30 June 2019
	R000	R000
Preference share liability		
Carrying value (refer note 20)	(8 291 117)	(10 767 134)
Fair value as per the Zambezi Platinum (RF) Limited closing preference share price (preference share code ZPLP)	(8 611 126)	(11 286 411)

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 2020	30 June 2019
Number of Zambezi Platinum (RF) Limited preferences shares issued (JSE preference share code: ZPLP)	159 905 453	159 905 453
Number of ZPLP preference shares held by Northam Platinum Limited	(53 595 254)	(4 230 819)
Number of ZPLP preference shares held in the open market	106 310 199	155 674 634
Zambezi Platinum (RF) Limited (preference share code ZPLP) closing preference share price	R81.00	R72.50
Fair value as per the Zambezi Platinum (RF) Limited closing preference share price (preference share code ZPLP) (R000)	(8 611 126)	(11 286 411)

The provisional pricing derivatives and receivables are also classified as level 2 as the balances are underlined by quoted commodity prices.

Investments held in the Northam Platinum Restoration Trust Fund, Environmental Guarantee Investment and Buttonshope Conservancy Trust are classified as level 1 as these balances are underlined by quoted (unadjusted) prices in active markets for identical assets.

28. Capital and other commitments, including guarantees provided

At year end, the group had the following commitments arising in the ordinary course of business:

	30 June 2020	30 June 2019
	R000	R000
Capital commitments – Booysendal mine		
Authorised but not contracted	664 123	221 918
Contracted	337 448	1 038 082
	1 001 571	1 260 000
Capital commitments – Zondereinde mine		
Authorised but not contracted	955 608	492 341
Contracted	161 854	102 659
	1 117 462	595 000
Capital commitments – Eland mine		
Authorised but not contracted	295 719	309 836
Contracted	13 151	90 164
	308 870	400 000
Total capital commitments	2 427 903	2 255 000

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

Below is a summary of the bank guarantees issued as well as guarantees issued to the Department of Mineral Resources and Energy:

	30 June 2020	30 June 2019
	R000	R000
Bank guarantees		
Eskom Holdings SOC Limited	146 473	89 706
Other	398	398
	146 871	90 104
Other environmental guarantees		
Department of Mineral Resources and Energy (refer note 19)	410 838	401 418
	410 838	401 418

29. Lease commitments – group as lessee

The group has entered into leases for the corporate office, accommodation, notarial agreement of lease of land relating to Booysendal Platinum Proprietary Limited and a number of low value information technology and office equipment leases.

The lease for the corporate office is for a period of five years, with the option to renew the lease for an additional five years. Leases relating to accommodation are generally between five and ten years, with options to renew for an additional five years.

The notarial agreement for lease of land relating to Booysendal Platinum Proprietary Limited is for life of mine and payable to the Bakoni Ba Phetla Communal Property Association.

The group also has certain leases of assets with low value, relating to leases for information technology and office equipment. The group has applied the lease of low-value assets recognition exemptions for these assets under IFRS 16.

The future minimum lease payments under non-cancellable leases are as follow, including options of renewal where management intends to renew the lease:

	30 June 2020	**30 June 2019**
	R000	R000
Lease rentals for various premises as lessee		
Due within one year	13 078	17 655
Due within two to five years	27 593	42 516
More than five years	1 494	–
	42 165	60 171
Lease rentals relating to a notarial lease of land		
Due within one year	3 921	3 752
Due within two to five years	17 530	16 775
More than five years	94 746	99 422
	116 197	119 949

30. Related parties

Related party relationships exist between the company, subsidiaries and an associate 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 (RCF) of R3.5 billion (30 June 2019: R3.5 billion) and a general banking facility (GBF) to the value of R500.0 million (30 June 2019: R500.0 million) with Nedbank Limited. Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited have both signed a letter of guarantee concerning these facilities.

Refer to note 18 for details on the GBF and note 24 for details relating to the RCF.

In addition, as at 30 June 2020, Northam Platinum Limited had R5.6 billion (30 June 2019: R1.8 billion) in issue on the debt capital market, these notes were issued under the R10.0 billion DMTN programme. Booysendal Platinum Proprietary Limited is a guarantor for these issued notes.

Refer to note 23 for details on the notes issued.

Zambezi Platinum (RF) Limited

Zambezi Platinum (RF) Limited (Zambezi) 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 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 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 Platinum Limited's prior written consent.

Northam Platinum Limited assumes full responsibility for the administration of Zambezi as well as any costs incurred by Zambezi up to a certain limit. Furthermore, Northam Platinum Limited provides a guarantee for Zambezi's obligation in respect of the Zambezi preference shares. Northam Platinum Limited has been involved from the inception of the BEE transaction, to ensure that the design and operation of Zambezi achieves the purpose for which it was created. In terms of the BEE transaction, a 'N' share was issued to Northam Platinum Limited, which gives Northam Platinum Limited 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 Platinum Limited ordinary shares without the prior consent of Northam Platinum Limited. Northam Platinum Limited 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 Platinum Limited. The decision-making power of Zambezi'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, it still has control over the entity, and therefore it is consolidated into the Northam Platinum Limited group.

For purposes of ensuring that Zambezi does not incur any liabilities or indebtedness, other than pursuant to the BEE transaction agreements, and that it remains ring-fenced, Zambezi and Northam Platinum Limited entered into an administration services agreement in terms of which Zambezi has appointed Northam Platinum Limited to attend to the day-to-day management of Zambezi's business and the administration of Zambezi's affairs at Northam Platinum Limited's sole cost and expense and with no recourse to Zambezi 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 year under review expenses to the value of R1.4 million (30 June 2019: R2.1 million) were incurred.

The current limit relating to expenses paid on behalf of Zambezi amounts to R2.5 million (30 June 2019: R2.4 million).

Refer to note 8 sundry expenditure for details of the expenditure incurred.

The Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the Northam Employees Trust

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, direct the relevant activities 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 shares 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 consolidated into the Northam group.

In terms of the Trust Deed of the Northam Employees 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 33.7% (30 June 2019: 30%) interest in SSG Holdings Proprietary Limited, through a wholly owned subsidiary, Mining Technical Services Proprietary Limited. SSG Holdings Proprietary Limited provides security and facility services to the group. Below is a summary of transactions between the group and SSG Holdings Proprietary Limited:

	30 June 2020	30 June 2019
	R000	R000
SSG Facilities Proprietary Limited	43 739	31 025
SSG Securities Solutions Proprietary Limited	80 860	61 690
Security and facilities services provided by SSG Holdings Proprietary Limited to the group during the year accounted for as part of operating costs	124 599	92 715
Management fees received from associate (SSG Holdings Proprietary Limited) (refer note 7)	2 249	2 160
Amounts payable to SSG Holdings Proprietary Limited included as part of trade and other payables	17 414	17 168

Also refer to note 13 for details of the investment held in SSG Holdings Proprietary Limited.

SMS Mining Holdings Proprietary Limited is a company which provides secondary support work, including the supply and application of shotcrete and anchor installation to the Northam 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 2020	30 June 2019
	R000	R000
Services provided by SMS Mining Holdings Proprietary Limited to the group during the year accounted for as part of operating costs and capital expenditure	87 338	33 637
Amounts payable to SMS Mining Holdings Proprietary Limited included as part of trade and other payables	7 272	6 695

31. Employee Labour Court judgement

Northam Platinum Limited received judgement in 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, refer to note 25.

The employees seek reinstatement and have been granted leave to appeal to the Labour Appeal Court. Northam Platinum Limited opposed the appeal. The matter was heard in the Labour Appeal Court on 11 February 2020, and judgement is yet to be handed down. As a result, Northam Platinum Limited is unable to execute the instructions contained in the Labour Court judgement.

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

32. Insurance claim

At Zondereinde, a fire on the UG2 horizon of the 48 line between 8 and 9 levels was detected on 3 July 2019. An investigation into the cause of the fire was conducted with an inconclusive outcome.

The incident resulted in all underground production being suspended from the start of the fire, up until 16 July 2019. Independent confirmation that the fire had been extinguished was sought and following this, stoping and development sequentially resumed.

An insurance claim for a business interruption claim was finalised and an amount of R192.2 million was approved and paid by the insurance, which was recognised in sundry income (refer note 7). In addition, R111.7 million was reallocated to standing charges which relate to variable costs incurred during the standing time as well as an impairment of R2.1 million (refer note 6) relating to damaged property, plant and equipment, which was recognised in sundry expenditure (refer note 8).

33. Contingent liability – SARS VAT claim

In 2015 Northam Platinum Limited concluded an R6.6 billion Broad Based Economic Empowerment (BEE) transaction which secured a sustainable 31.4% historically disadvantaged South African interest in Northam and at the same time secured funding for the group's expansion and growth plans. As part the transaction, Northam bought back ordinary Northam shares from existing shareholders, via a BEE special purpose vehicle (Zambezi Platinum (RF) Limited).

Northam claimed input VAT in relation to this BEE transaction.

The South African Revenue Services (SARS) disallowed this input VAT, alleging that the relevant costs were not incurred for the purpose of consumption, use or supply in the course of making taxable supplies. Additional assessments were raised by SARS to disallow the input VAT claimed by Northam and an understatement penalty was imposed in terms of section 223(1) of the Tax Administration Act (TAA).

The objection raised by Northam against the additional assessments and understatement penalties was disallowed, upon which Northam appealed to the Tax Court. The current status of the appeal is that SARS must issue its statement of grounds of assessment and opposing appeal (Rule 31 statement). Northam's attorneys anticipate that the matter will proceed to court towards the end of 2021, or early in 2022.

Northam has received legal advice that it is more likely than not that Northam's tax position will be upheld if the matter proceeds to court. There are, however, always uncertainties involved in the dispute process.

34. Contingent asset – COVID-19 Temporary Employee Relief Scheme (C-19 TERS)

Due to the COVID-19 pandemic affecting business, the government has introduced the COVID-19 Temporary Employee Relief Scheme (C-19 TERS) available to all businesses affected by the lockdown.

Northam Platinum Limited has submitted a first C-19 TERS claim to the value of R67.8 million, for which part payment has been received subsequent to year end. Once the first claim has been finalised, the second and third claim will be submitted.

35. Events after the reporting period

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

Summary Mineral Resources and Mineral Reserves

Northam's Mineral Resources and Mineral Reserves 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 (2016). The Mineral Resources for the Dwaalkop joint venture were prepared and assessed by Sibanye-Stillwater Limited and have been reported using the guidelines of the SAMREC Code (2016) as at 31 December 2019 in the Sibanye-Stillwater Mineral Resources and Mineral Reserves Statement 2019.

The total Mineral Resources and Mineral Reserves are reported as at 30 June 2020. The total Mineral Resources comprising *in situ* content for the combined Measured, Indicated and Inferred categories (241.85 Moz 4E) are reported inclusive of the total content in Mineral Reserves (29.75 Moz 4E), these being Proved and Probable categories of metal delivered to the concentrators. The 4E represents the combined platinum, palladium, rhodium and gold, and the individual element ratios for elements are indicative of the Northam group global proportions for the total Mineral Resources in the Merensky and UG2 reefs.

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. The company declares that it has written confirmation from the lead Competent Person, that the information disclosed in this report is compliant with the SAMREC Code (2016) and, where applicable, the relevant requirements of Section 12.13 of the JSE Limited Listings Requirements as well as those of SAMREC Table 1; and that it may be published in the form and context in which it was intended.

In 2019, Northam commenced 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, and on Eland mine in 2020. No substantial findings were identified at either operation, and the auditors, Pivot Mining Consultants, have endorsed the Mineral Resources and Mineral Reserves estimates of the Booysendal mine for 2019 and the Eland mine for 2020. Further independent audits of Zondereinde mine's Mineral Resources and Mineral Reserves are scheduled for the coming years.

This report is a summary of the full Mineral Resources and Mineral Reserves statement, and 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.

Competent Persons for the compilation of Mineral Resources and Mineral Reserves are listed below:

Company	Operation	Mineral Resources	Mineral Reserves
Northam	Zondereinde	Mpumelelo Thabethe***	Charl van Jaarsveld***
	Zondereinde (Middledrift Section)	Damian Smith ***	**
	Booysendal	Meshack Mqadi***	Willie Swartz***
	Eland	Paula Preston***	Coenie Roux***
	Northam Group	Damian Smith***	Damian Smith***
Sibanye Stillwater	Dwaalkop	Andrew Brown*	**

** Mineral Resources for the Dwaalkop joint venture were declared by Sibanye-Stillwater Limited. Northam has consent from Sibanye-Stillwater's lead Competent Person for their managed PGM operations and projects to publish the Mineral Resources as at 31 December 2019.*
*** No Mineral Reserves have been declared.*
**** An employee of Northam Platinum Limited.*

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

Mineral Resources (total Measured, Indicated and Inferred) are reported as in-situ estimates inclusive of Mineral Reserves (total Proved and Probable).

Northam group Mineral Reserves estimate (combined Proved and Probable)[1,2,3,4]

		30 June 2020			30 June 2019		
			4E			4E	
Reef	Operation	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booysendal North mine	12.99	2.75	1.15	12.80	2.79	1.15
	Booysendal South mine	22.16	2.58	1.84	21.50	2.58	1.78
	Eland	5.27	0.89	0.15	5.04	0.86	0.14
	Zondereinde	26.41	5.74	4.87	26.88	5.69	4.92
	Total	66.83	3.73	8.01	66.22	3.75	7.99
UG2	Booysendal North mine	40.74	3.09	4.04	42.24	3.04	4.13
	Booysendal South mine	57.44	3.44	6.35	58.93	3.54	6.70
	Eland	25.71	3.50	2.89	25.50	3.53	2.89
	Zondereinde	61.57	4.27	8.46	62.86	4.27	8.63
	Total	185.46	3.65	21.74	189.53	3.67	22.35
Combined	Booysendal North mine	53.73	3.00	5.19	55.04	2.98	5.28
	Booysendal South mine	79.60	3.20	8.19	80.43	3.28	8.48
	Eland	30.98	3.05	3.04	30.54	3.09	3.03
	Zondereinde	87.98	4.71	13.33	89.74	4.70	13.55
	Total	252.29	3.67	29.75	255.75	3.69	30.34

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% interest).*
2. *Mineral Resources and Mineral Reserves rest entirely within the Merensky and UG2 ore bodies of the Bushveld Complex, South Africa.*
3. *PGM grade is expressed as 4E (combined platinum, palladium, rhodium and gold) grade; this being synonymous with 3PGE & Au.*
4. *Rounding of numbers in the tables may result in minor computational discrepancies. Where this occurs, it is deemed insignificant.*

Northam group Mineral Resources estimate (combined Measured, Indicated and Inferred)[1,2,3,4,5,6,7]

		30 June 2020			30 June 2019		
			4E			4E	
Reef	Operation	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booysendal Prospect[7]	242.38	3.86	30.06	242.35	3.87	30.17
	Booysendal North mine	19.96	3.12	2.00	22.16	2.99	2.13
	Booysendal South mine	27.44	2.72	2.40	27.44	2.72	2.40
	Dwaalkop[6]	38.05	2.98	3.64	38.05	2.98	3.64
	Eland	4.82	1.05	0.16	4.82	1.03	0.16
	Zondereinde	207.00	7.49	49.88	207.88	7.50	50.11
	Total	539.65	5.08	88.14	542.70	5.08	88.61
UG2	Booysendal Prospect[7]	425.24	4.09	55.87	426.01	4.09	56.01
	Booysendal North mine	49.63	3.31	5.28	52.65	3.36	5.68
	Booysendal South mine	118.56	3.67	14.00	119.17	3.69	14.14
	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	333.98	5.04	54.15	336.34	5.05	54.64
	Total	1 112.40	4.30	153.71	1 119.16	4.30	154.88
Combined	Booysendal Prospect[7]	667.62	4.00	85.93	668.36	4.01	86.18
	Booysendal North mine	69.59	3.25	7.28	74.81	3.25	7.81
	Booysendal South mine	146.00	3.49	16.40	146.61	3.51	16.54
	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	540.98	5.98	104.03	544.22	5.99	104.75
	Total	1 652.05	4.55	241.85	1 661.86	4.56	243.49

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 31 December 2019 while those of the previous year are at 30 September 2018. There are no Mineral Reserves declared for Dwaalkop.*
7. *Booysendal Prospect comprises the previously defined and reported areas of Booysendal North and Booysendal South.*

Northam's attributable total Mineral Resources for 30 June 2020 comprise 241.85 Moz 4E, a decrease of 1.64 Moz 4E on the previous year, 2019. The total Mineral Reserves comprises 29.75 Moz of 4E, a decrease 0.59 Moz 4E from 30 June 2019.

Indicative Northam group PGM prill splits and base metal weight percentages[1,2,]

Prill splits %	Pt	Pd	Rh	Au	Cr_2O_3%	Cu%	Ni%
Merensky	60.9	30.2	4.1	4.8	0.4	0.089	0.194
UG2	59.3	29.7	9.6	1.3	26.7	0.016	0.095
Combined	59.9	29.9	7.6	2.6	18.1	0.040	0.127

1. *Prill splits are means weighted on Mineral Resources 4E content. Total base metal weight percentages are means weighted on Mineral Resources mass.*
2. *PGM prill, base metal and chromitite are indicative estimates of the global weight percentage proportions of each reef-type, these not being assigned to the individual confidence categories.*

Changes to the Mineral Reserves during the year

Northam's attributable Mineral Reserves decreased by 0.59 Moz. This is the net effect of mining depletions at the Booysendal and Zondereinde mines, re-evaluation of Booysendal North mine's Merensky mining cut, an extension of the Merensky Reef mine design at Booysendal South mine, re-evaluation of both Merensky and UG2 resources at Zondereinde mine and a marginal increase at Eland mine.

- Booysendal Merensky Mineral Reserve increased following ongoing mine planning resulting in North mine mining cut and South mine boundary changes.
- Eland Merensky Mineral Reserve increased marginally by 0.01 Moz, on re-evaluation of the open-pit design.

Changes to the Mineral Resources during the year

Northam's attributable Mineral Resources decreased by 1.64 Moz. This is the net effect of mining depletions and mining channel re-evaluation at the Booysendal and Zondereinde mines. Mineral Resources at Eland mine and Dwaalkop are unchanged.

Contact details for the Northam group lead Competent Person are:

Mr D Smith
PO Box 412694
Craighall
2024

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 Platinum Limited.

>1 000.0%	Indicated variance if the variance between two periods/years is greater than one thousand percent
4E	Northam reports Mineral Resources, Mineral Reserves, production and grades in terms of platinum, palladium, rhodium and gold, collectively expressed as 4E this is synonymous with 3PGE & Au
6E	Northam reports ore resources, reserves, production and grades in terms of platinum, palladium, rhodium, gold, ruthenium and iridium, collectively expressed as 6E
AGM	Annual General Meeting
AMCU	The Association of Mineworkers and Construction Union
Annual liquidity	Annual liquidity is the measure of the liquidity of the listed Northam shares calculated by dividing the total number of shares traded during the financial year by the number of shares in issue of 509 781 212 ordinary shares
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 over the specific period/year
Average number of employees including contractors	The number of permanent employees and contractors working at the company's operations per month averaged over a reporting period
BEE	Broad-Based Black Economic Empowerment as defined in the Broad-Based Black Economic Empowerment Act (Act 53 of 2003). Also termed BBBEE
bn	billion
Borehole water used	Water abstracted from boreholes which is used by the operations, expressed as a volume
CAGR	Compound Annual Growth Rate
Capital expenditure or capex	ZAR value assigned for future additions to, and maintenance of 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 costs, selling and administration overhead costs 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 costs, selling and administration overhead costs 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 costs, selling and administration overhead costs 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
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
Competent Person	As defined in the SAMREC Code, a person with sufficient expertise and experience, together with affiliation to a recognised professional organisation, to estimate Mineral Resources and/or Mineral Reserves
Contractors	Temporary, fixed term or part time staff working at the company's operations who are not employed by Northam
Conversion from concentrate produced to equivalent refined metal	Concentrate produced multiplied by 99% (taking into account smelter recoveries) multiplied by 99% (taking into account base metal removal plant recoveries) multiplied by 99.218% (taking into account the average precious metal recoveries)
Corporate Social Investment (CSI)	Discretionary contributions initiated and implemented at the operations where the objective is not to provide infrastructure or facilitate income generating activities for targeted beneficiaries who are outside of the organisation. These can include, but are not limited to: Contributions to charities, NGOs and research institutions; Direct costs associated with social programmes, including arts, education etc.
Direct emissions	Emissions from sources that are owned or controlled by Northam, e.g. direct emissions related to combustion would arise from burning fuel for energy within Northam's operational boundaries
DMRE	The Department of Mineral Resources and Energy of South Africa
DMTN	Domestic medium-term notes
DWS	The Department of Water and Sanitation of South Africa
Earnings per share	The amount is calculated by dividing the profit for the year attributable to shareholders by the weighted average number of ordinary shares in issue
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 amortisation of liquidity fees paid on preference shares, the preference share dividends and loss on de-recognition 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

Employee turnover rate percentage	Number of employees at the Zondereinde, Booysendal or Eland operations who leave the organisation during the reporting period due to dismissal, retrenchment, death in service or voluntarily through resignation or early retirement, expressed as a percentage of the total employee workforce working at the operation, based on payroll data at the end of the reporting period
Employees on TB treatment	The number of employees at the Zondereinde, Booysendal and Eland operations receiving treatment for TB through the operation's wellness programme
EMPr	Environmental Management Programme
Energy from electricity purchased by plant	Energy consumed provided by electricity purchased from third-parties during the reporting period which is used for the metallurgical processing operations. This excludes electricity generated by the operations themselves
Energy from electricity purchased by shafts	Energy consumed provided by electricity purchased from third-parties during the reporting period which is used for the underground mining operations. This excludes electricity generated by the operations themselves
Equivalent refined metal from own operations	Own metal mined or metal acquired from surface sources which require milling
Equivalent refined metal from third parties	Metal acquired from third parties in concentrate or a more refined form
ESD	Enterprise and Supplier Development as required by the B-BBEE codes
Expansionary capex	Capital expenditure to increase or enhance property, plant and equipment or mining properties and mineral resources
Fatal injury	Any terminal injury sustained by an employee, contractor or contractor employee or visitor who is involved in an incident whilst performing their duties at the company's operations
Fatal injury incidence rate (FIIR) per 200 000 hours worked	[1] GNR 93 of 15 January 1997 published in terms of Mine Health and Safety Act 29 of 1996 (MHSA Regulations), Regulation 23.1(a) and 23.1(b)
Fissure water used	Water collected in the underground workings as a result of water seepage (inflow from groundwater aquifers) which is pumped to surface for re-use by the respective operation, expressed as a volume
Fully diluted earnings per share	The amount is calculated by dividing the profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year under review 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
Fully diluted headline earnings per share	The amount is calculated by dividing the headline earnings by the weighted average number of ordinary shares outstanding during the year under review 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
GBF	General Banking Facility with Nedbank Limited
Greenhouse gas emissions	Carbon dioxide equivalent (CO_2e) emissions, including carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O). For reporting purposes, Total GHG emissions, comprising direct (Scope 1) and indirect (Scope 2 and Scope 3) emissions, are calculated according to the GHG protocol using emissions factors and Global Warming Potential (GWP) factors issued by the Intergovernmental Panel on Climate Change (IPCC). The CO_2 equivalent for a gas is derived by multiplying the tonnes of the gas by the associated GWP
Groundwater	Water abstracted from boreholes, underground aquifers etc., and which is used by the operation
HDP	Historically Disadvantaged Person as defined in the mineral and Petroleum Resources Development Act, Act 28 of 2002
HDSA	Historically Disadvantaged South Africans - South African citizens, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) came into operation which should be representative of the demographics of the country
HDSAs in management	The total number of HDSA employees in Top, Senior, Middle and Junior management expressed either as a number or as a percentage of the total number of employees by management level
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 (cents)	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, expressed in South African cents per share
Heraeus	Heraeus Deutschland GmbH & Co. KG

HIV Counselling and Testing	Voluntary counselling and testing for HIV, synonymous with HCT
IDP	Integrated Development Plan - a process through which municipalities, together with their constituencies, various stakeholders, interested parties including traditional authorities and affected parties, compile a strategic planning instrument for municipalities
ILO	The International Labour Organisation
Indirect emissions	Emissions that result from the activities of Northam but are generated from sources owned or controlled by another organization. In the context of this indicator, indirect emissions refer to GHG emissions from the generation of electricity, imported and consumed by Northam (Scope 2) as well as other sources including emissions attributable to contractors transporting waste rock and recyclable waste on site (Scope 3)
IPA	The International Platinum Group Metals Association - an association representing the interests of the leading mining, production and fabrication companies of the global platinum group metals (PGMs) industry
JIBAR	The Johannesburg Interbank Average Rate is the money market rate, used in South Africa. It is calculated as the average interest rate at which banks buy and sell money
JSE	The Johannesburg Securities Exchange or JSE Limited
King IV™	The King IV Report on Corporate Governance for South Africa, 2016
Land disturbed by mining related activities	Land, measured in hectares (Ha), that has been physically or chemically disturbed due to Northam's mining and related activities, including the shaft complex, concentrators, smelter complex, waste dump, rock dumps, tailings disposal facility, water return dams and administrative and residential properties that have either; not been rehabilitated during the reporting period, or newly disturbed within the reporting period
Land leased for farming purposes	Land owned by Northam or any of its subsidiaries, measured in hectares (Ha), that is leased to third parties for farming purposes
Land protected for conservation	Land, measured in hectares (Ha), that is currently protected, including land leased, owned or set aside in a biodiversity offset or conservation programme due to requirements in an environmental authorisation, approved environmental management programme or by request of environmental authorities, where the environment remains in its original state with a healthy and functioning ecosystem
LED	Local Economic Development as defined in the South African National Framework for Local Economic Development 2018-2028
Long-term	A period longer than 5 years
Lost time injury	An injury to an employee or contractor, confirmed by an appointed medical practitioner, resulting from an incident while on duty at the company's operations, which incapacitates the injured person from attending work or performing their normal or similar work duties on their next scheduled shift, regardless of the injured persons next rostered shift. Lost time injuries include: fatalities and injuries defined as reportable injuries; injuries requiring further treatment due to complications arising from an injury originally classified as a non-lost time injury that leads to absence from work; where any employee or contractor is required to undergo treatment or observation longer than 24 hours following loss of consciousness or incapacitation while on duty due to an incident which resulted in: heat stroke; oxygen deficiency; inhalation of fumes or poisonous gas, or; electric shock or electric burn incidents
Lost time injury incidence rate (LTIIR) per 200 000 hours worked	The number of employee and contractor lost time injuries resulting from accidents while working at the company's operations multiplied by 200 000 and divided by the total number of employee and contractor hours worked
Medium-term	A period of between 1 – 5 years
Metal in concentrate	Metal produced from mining operations during the reporting period, that has been concentrated ahead of smelting
Mineral Reserves	An estimate of mineable mineralisation as defined in the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016), the SAMREC code
Mineral Resources	An estimate of *in situ* mineralisation as defined in the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016), the SAMREC code
Minerals Council	Minerals Council South Africa - a mining industry employers' organisation that supports and promotes the South African mining industry
Moz	Million ounces
MPRDA	The Mineral and Petroleum Resources Development Act

MTPA	Mpumalanga Tourism and Parks Association - a branch of the provincial government of Mpumalanga
MW	Megawatt, a unit of power, generally pertaining to electricity, equal to one million watts
N/A	Not applicable is included in the percentage variance column if a percentage variance between a positive and negative balance is indicated
Net (debt)/cash	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
New cases of noise induced hearing loss	the number of new cases of impairment of employees hearing due to exposure to excessive noise at the company's operations in the reporting period, leading to a Percentage Hearing Loss (PHL) shift of 5% or more from a baseline audiogram level
New cases of tuberculosis	The number of employees at the Zondereinde, Booysendal or Eland operations confirmed as having Pulmonary Tuberculosis (TB) by a medical practitioner, during the reporting period
NHM	Northam Platinum Limited, synonymous with Northam Platinum Limited, a company listed on the exchange operated by the JSE, using the ticker code NHM
NICD	The National Institute For Communicable Diseases Of South Africa
Noise induced hearing loss (NIHL)	Impairment of an employee's hearing due to exposure to excessive noise, at the Zondereinde, Booysendal or Eland operations in the reporting period, leading to a percentage hearing loss shift of 5% or more from a baseline audiogram level
Non-discretionary procurement expenditure	Expenditure that cannot be influenced by a mining company, such as procurement from the public sector and public enterprise
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 de-recognition of preference share liability. Normalised headline earnings is considered as management's main measure of performance
Normalised headline earnings per share (cents)	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, expressed in South African cents per share
Northam	Northam Platinum Limited, a company listed on the JSE Limited with share code: NHM and debt issuer code NHMI
NUM	The National Union of Mineworkers
Number of fatalities	The number of employee and contractor deaths resulting from accidents while performing their duties, working at the company's operations
Number of new compensable NIHL cases:	The number of cases of NIHL identified at the Zondereinde, Booysendal or Eland operations and confirmed by an audiologist where the percentage hearing loss shift is more than 10% and which has or will be referred to the insurance provider for compensation in the reporting period
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
Other land	Land, measured in hectares (Ha), falling under the direct management of Northam, excluding; land disturbed by mining related activities, land leased for farming purposes or land protected for conservation
Ounces or oz	Troy ounces – one ounce equals 31.103475 grams
p.a.	Per annum
PAYE	Pay As You Earn taxation
Permanent employees	Full time staff employed by Northam

PGE	Platinum Group Elements, synonymous with PGM
PGI	The platinum guild international – a marketing organisation that promotes the development of platinum jewellery demand
PGM	Platinum Group Metals, synonymous with PGE
Potable water from external sources	Potable water consumed on site, that is purchased from municipal or other public or private water service provider, expressed as a volume
PPE	Personal Protective Equipment
Preferential Procurement	Expenditure (excluding non-discretionary procurement expenditure) on Capital goods, Consumables and Services provided by BEE entities
Prill split	The percentage by mass of individual PGEs within the 4E or 6E content
Prime	South African prime interest rate
R	South African Rand, synonymous with the abbreviation ZAR
RCF	Revolving Credit Facility with Nedbank Limited
Rehabilitation and closure costs	The Environmental liability estimation and provisions required to undertake an agreed works programme (Rehabilitation or Closure Plan) and rehabilitate mining and production areas to an agreed end land use
Reportable injury	An injury to an employee or contractor resulting from an incident at the company's operations which either incapacitates the injured employee from performing that person's normal or a similar occupation for a period totalling 14 days or more, or which causes the injured person to suffer the loss of a joint, or a part of a joint, or sustain a permanent disability
Reportable injury incidence rate (RIIR) per 200 000 hours worked	The number of employee and contractor Reportable Injuries multiplied by 200 000 and divided by the total number of contractor and employee hours worked
RoE	Rate of exchange, synonymous with exchange rate. The value of one currency in relation to another
ROM	Run-of-mine
Saleable metal	Total refined metal available for sale during the reporting period
SAMREC (2016)	South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016)
SARS	The South African Revenue Service
Scope 1 (direct) emissions	Emissions from sources that are owned or controlled by Northam e.g. emissions related to combustion that arise from burning fuel for energy within Northam's operational boundaries
Scope 2 (indirect) emissions	Emissions that result from the activities of Northam but are generated from sources owned or controlled by another organization - in this case, emissions from the generation of electricity, imported and consumed by Northam
Scope 3 (indirect) emissions	Emissions that result from the activities of Northam but are generated from sources owned or controlled by another organization - in this case, emissions attributable to contractors transporting waste rock and recyclable waste on site
SEHR&T committee	Social, ethics, human resources and transformation committee - a Northam board sub-committee
SENS	Johannesburg Stock Exchange News Service
Short-term	Within a period of 12 months
SLP	Social and labour plan as contemplated in part II of the Mineral and Petroleum Resources Development Act (Act 28 of 2002) regulations
SOEs	State Owned Enterprises
Sulphur Dioxide (SO_2) emissions	Significant air emissions into the atmosphere of sulphur and its compounds formed due to combustion or production processes from the Zondereinde smelting facility, based on site-specific data
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
Sustaining capex per Pt oz in concentrate from own operations	Sustaining capex divided by platinum ounces in concentrate from own operations
TB	Pulmonary Tuberculosis
Total electricity purchased	Total electricity purchased from third-parties during the reporting period which is used in the production of the primary products on site, and which excludes electricity generated by the operations themselves
Total emissions	Total greenhouse gas emissions, comprising direct (Scope 1) and indirect (Scope 2 and Scope 3) emissions
Total employed	Total number of permanent employees and contractors working at the company's operations
Total injury incidence rate (TIIR) per 200 000 hours worked	The sum of employee and contractor Fatalities, LTIs and Dressing Case injuries multiplied by 200 000 and divided by the total number of contractor and employee hours worked
Total land under management (freehold)	Land, measured in hectares (Ha), falling under the direct management of Northam (including land covered by surface rights, or occupied by third parties), but excluding all land leased and undeveloped projects / prospects where the land does not yet fall under the direct management of Northam
Total number of TB cases	The total number of employees at the Zondereinde, Booysendal or Eland operations, including existing and new TB cases, confirmed as having TB by the occupational medical practitioner for the reporting period
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
Total water usage	All water used at Northam's operations to produce its primary products, which includes water withdrawn by source as well as water recycled, expressed as a volume
Turnover rate	Number of employees at the company's operations who leave the organisation during a reporting period due to dismissal, retrenchment, death in service or voluntarily through resignation or early retirement, expressed as a percentage of the total employee workforce working at the operation, based on payroll data at the end of the reporting period
USD	United States Dollar, synonymous with $US
VWAP	Volume Weighted Average Price, is a trading benchmark used by traders that gives the average price a security has traded over a specific period, based on both volume and price
Water from underground	Excess water collected from drilling equipment and / or cooling purposes
Water recycled	Water that is recycled and reused at Northam's operations to produce its primary products, expressed as a percentage of total water use
Water recycled in process	Water that is recycled and reused at Northam's operations to produce its primary products, expressed as a volume
Water use	All water used at Northam's operations to produce its primary products, which includes water withdrawn by source as well as water recycled
WHO	The World Health Organisation
WIPC	The World Platinum Investment Council - a marketing organisation that promotes the development of platinum investment demand
Women at mining	The total number of female employees and contractors working at the Zondereinde, Booysendal and Eland operations based on payroll data at the end of the reporting period
Women in mining	The total number of women working in core disciplines including mining, engineering and metallurgy at the company's operations, based on payroll data at the end of the reporting period, expressed as either a number or as a percentage of total employed
Zambezi	Zambezi Platinum (RF) Limited
ZAR	South African Rand, synonymous with the abbreviation R
ZPLP	Zambezi Platinum (RF) Limited preference share, trading under JSE preference share code: ZPLP

Analysis of shareholders

The analysis of shareholders as at 30 June 2020 was as follows:

Shareholding range	Number of shareholders	Total shareholding	Percentage holding (%)
1 – 5 000	5 569	3 464 376	0.68
5 001 – 10 000	287	2 088 339	0.41
10 001 – 50 000	603	14 794 741	2.90
50 001 – 100 000	197	13 756 943	2.70
100 001 – 1 000 000	292	83 163 484	16.31
1 000 000 and more	61	392 513 329	77.00
	7 009	509 781 212	100.00

Geographical analysis of shareholders	Total shareholding	Percentage holding (%)
South Africa	391 397 310	76.78
Americas	50 028 062	9.81
Europe and United Kingdom	47 222 626	9.26
Far East	19 765 584	3.88
Africa (excluding South Africa)	1 065 798	0.21
Australasia	301 832	0.06
	509 781 212	100.00

Major shareholders	Number of shares	Percentage holding (%)
Zambezi Platinum (RF) Limited	159 905 453	31.37
Public Investment Corporation SOC Limited	68 562 924	13.45
BlackRock Inc.	40 363 798	7.92
Fairtree Capital Proprietary Limited	27 476 857	5.39
Coronation Asset Management Proprietary Limited	23 210 011	4.55

Shareholder spread	Number of shareholders	Percentage holding (%)
Public	7 003	67.45
Non-public		
Zambezi Platinum (RF) Limited	1	31.37
Directors	5	1.18
	7 009	100.00

Administration and contact information

Administration and contact information

Northam Platinum Limited
Incorporated in the Republic of South Africa
Registration number 1977/003282/06
Share code: NHM ISIN: ZAE000030912
Debt issuer code: NHMI

Bond code: NHM002
Bond ISIN: ZAG000129024
Bond code: NHM006
Bond ISIN: ZAG000158577
Bond code: NHM007
Bond ISIN: ZAG000158593
Bond code: NHM009
Bond ISIN: ZAG000158866
Bond code: NHM011
Bond ISIN: ZAG000159237
Bond code: NHM012
Bond ISIN: ZAG000160136
Bond code: NHM013
Bond ISIN: ZAG000162181
Bond code: NHM014
Bond ISIN: ZAG000163650
Bond code: NHM015
Bond ISIN: ZAG000164922
Bond code: NHM016
Bond ISIN: ZAG000167750
Bond code: NHM017
Bond ISIN: ZAG000167891
Bond code: NHM018
Bond ISIN: ZAG000168097
Bond code: NHM019
Bond ISIN: ZAG000168105

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South Africa

Transfer secretaries
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