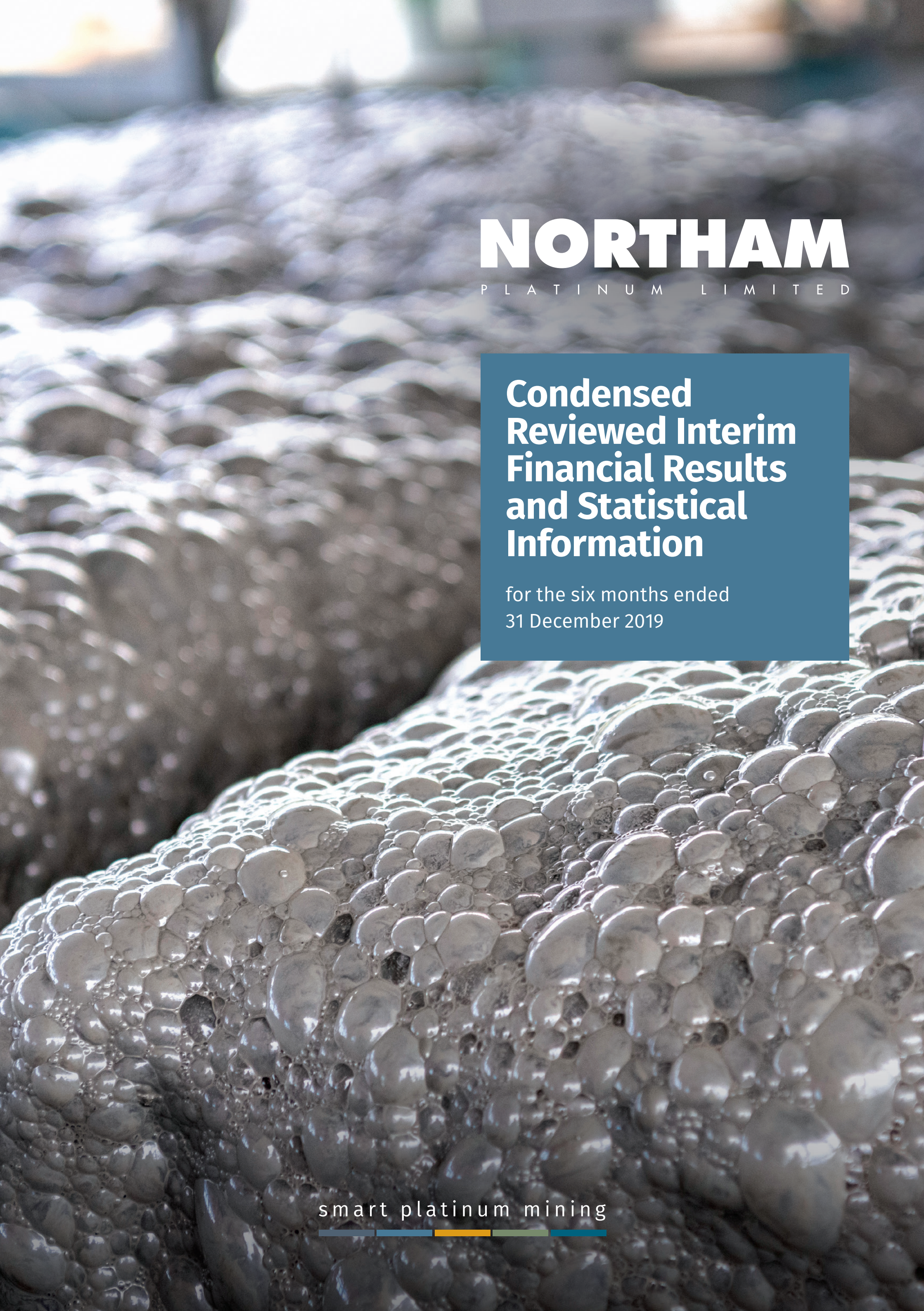

NORTHAM
PLATINUM LIMITED

Condensed Reviewed Interim Financial Results and Statistical Information

for the six months ended
31 December 2019

smart platinum mining

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Introduction

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Directors

What investors need to know about the Northam interim results

- Record production from own operations for an interim period at **306 738 oz 4E** (H1 F2019: 256 461 oz 4E), an increase of 19.6%
- Group unit cash cost per equivalent refined platinum ounce increased by 12.6% to **R24 780/Pt oz** (H1 F2019: R22 007/Pt oz)
- Sales volumes 11.9% higher at **329 760 oz 4E** (H1 F2019: 294 823 oz 4E)
- Sales revenue increased by 57.0% to **R7.8 billion** (H1 F2019: R5.0 billion)
- Total revenue per platinum ounce sold up 44.8% to **R39 864/Pt oz** (H1 F2019 R27 524/Pt oz)
- Record operating profit of **R3.0 billion** (H1 F2019: R1.0 billion)
- Profit after tax of **R1.1 billion** (H1 F2019: loss of R63.8 million)
- Normalised headline earnings increased by 240.5% to **R1.9 billion** (H1 F2019: R553.3 million)
- Capital expenditure of **R1.4 billion**
- Free cash flow generated of **R695.8 million** (H1 F2019: R185.6 million utilised)
- Debt facilities refinanced and average cost of borrowings decreased by 107 basis points from 10.63% to 9.56%
- Net debt at **R5.0 billion** – net debt to EBITDA ratio of 1.1 to 1
- **R2.4 billion** returned to shareholders through the purchase of 32.5 million Zambezi Platinum (RF) Limited preference shares (ZPLP)
- Northam's credit rating of A2(ZA) re-affirmed with the outlook upgraded to positive
- Growth projects on track at Booysendal South, Zondereinde Western extension and Eland
- Five year wage agreement at Booysendal

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 Johannesburg Stock Exchange (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.

Key features for the period ended 31 December 2019

Highest interim production from own operations

306 738 oz 4E

▲ 19.6%

Average basket price achieved

USD1 443 oz 4E

▲ 42.4%

Record interim operating profit

R3.0 bn

▲ 187.1%

Healthy labour relations

Five year wage settlement at Booysendal

Free cash flow generated

R695.8 m

After capex

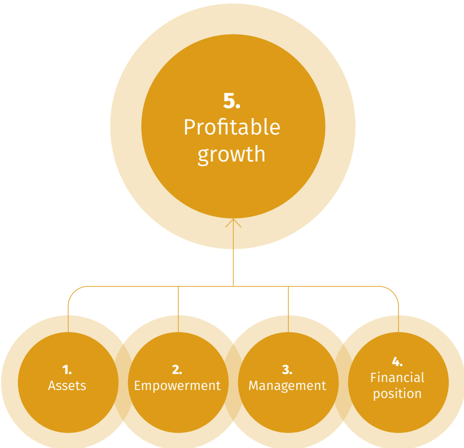
Value returned to shareholders

R2.4 bn

ZPLP purchase

Five reasons to invest in Northam

Northam is a fully empowered, integrated producer of 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. Our growth strategy is underpinned by a belief in the metals we produce and is well advanced, thanks to thorough planning and swift execution.



Our mining and processing assets in South Africa are world class.

Our empowerment credentials secure our tenure and license to operate.

Our management team is strong, as is our financial position.

These four pillars provide a solid foundation for continued profitable growth to our medium-term annual production target of 1 million oz 4E.

1 Our assets

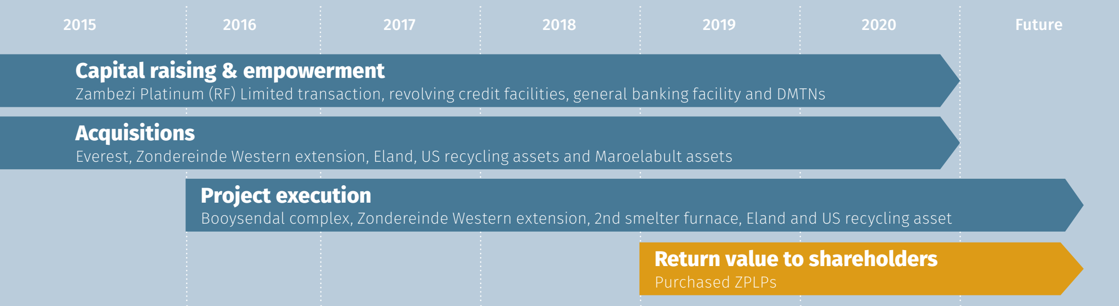
Our assets and infrastructure are world class and our mining methods are tailored to optimally extract and beneficiate our large, long-life orebodies. We own 100% of all our major centres of operation, comprising the Zondereinde, Booysendal North, Booysendal South and Eland mines, as well as our US recycling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

Diversified centres of operation	Quality long life assets	Innovative technologies
4 mines	**243.2 Moz 4E** total resources	Mining methods are tailored to their respective ore body
5 concentrators	**740 metres** average reserve depth	Booysendal commissioned the first aerial rope conveyor system in Southern Africa
2 furnaces	**4.1 g/t** Average 4E head grade	Eland commissioned a first of its kind Mobile Tunnel Borer to optimise ore extraction
1 US recycling facility	**60/40** Conventional vs mechanised mining	Zondereinde pioneered hydro-powered technology in mining and the use of backfill as primary support

2 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



3 Our management

At Northam, it is people that make our business successful and we believe that we have an exceptional team which 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 smart acquisition track record. The purchase of Zondereinde Western extension and the Everest mine unlocked significant synergistic benefits.

Decisive

We have a strong and cohesive team that assesses risk and return, making swift 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.

4 Our financial position

Since F2015, we have invested R10.1 billion to fund our profitable growth strategy. This work is well progressed. Our ongoing production growth and disciplined capital allocation, together with the increasing PGM basket price is strengthening our cash generative ability. This, together with the availability of external funding at progressively attractive borrowing rates positions us to execute our strategy, and return value to our shareholders. During H1 F2020 we did this through the purchase of R2.4 billion of Zambezi preference shares. Other key financial data for our H1 F2020 period are set out below.

R7.8 bn Revenue	**R3.2 bn** EBITDA
40.8% EBITDA margin	**1.1** Net Debt to EBITDA
R4.0 bn Total banking facilities	**R2.0 bn** Operating cash flow

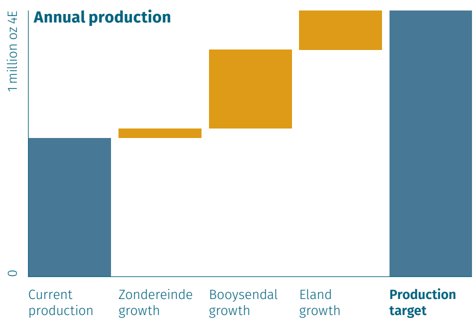
5 Our growth

We are on track to achieve our medium-term annual production target of 1 million oz 4E. All of our growth projects are fully-funded and well progressed, with relatively low execution risk.

Continuing demand for PGMs, coupled with a projected decrease in primary supply over the medium term is fuelling a rising PGM price environment. Northam is ideally positioned to benefit from this.

Medium-term annual production targets:

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



Our group and operations

NORTHAM ZONDEREINDE

Zondereinde mining operations

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

350 000 oz 4E
production

Once the Western extension has been fully developed.

>30 yrs
extended life of mine

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

4%
of after tax profits

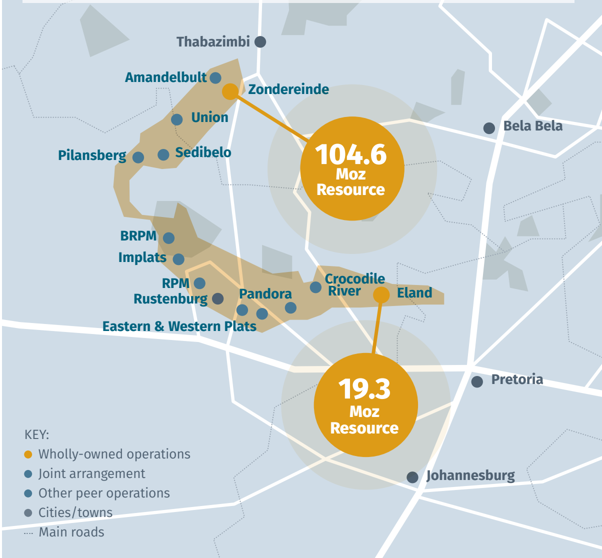
Toro Employee Empowerment Trust profit share scheme.

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

All operating mines and recycling operations are wholly owned.

Our medium-term target is to produce:

1 million oz 4E p.a.



Location:

On the Northern portion of the western limb of the Bushveld Complex near the town of Thabazimbi.

Mineral Reserves and Mineral Resources:

Reserves: 13.4 Moz
Resources: 104.6 Moz

Developments:

Western extension and deepening projects are on track at Zondereinde. These are opening up additional reserves.

Further brownfields expansion is possible.

Zondereinde metallurgical operations

35 MW
smelter complex

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

up to
40%
of all metals may be supplied to Heraeus

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

Eland mining operations

NORTHAM ELAND

Planning to mine at

150 000 oz 4E

Tailings retreatment and recommissioning of concentrating plant taking place.

Development of Kukama shaft approved by the board and commenced during the current period.

Mineral Reserves and Mineral Resources:

Reserves: 3.0 Moz
Resources: 19.3 Moz

NORTHAM BOOYSENDAL

Booysendal mining operations comprising North and South mines

500 000 oz 4E

production

From Booysendal North and South mines at steady state.

>25 yrs

life of mine

Booysendal's existing operations.

R5.6 bn

project on track and on budget

Booysendal South development.

Location:

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

Mineral Reserves and Mineral Resources:

Reserves: 13.6 Moz
Resources: 110.4 Moz

Developments:

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

Further expansion is possible.

Other interests

US recycling operations (wholly owned)

50 000 oz 4E

recycling potential

Slowly commencing operations to secure a working procedure with established, reputable suppliers.

Dwaalkop

50%

interest in the Dwaalkop joint venture with Sibanye-Stillwater Limited

Northam's attributable Mineral Resources 8.9 Moz.

SSG Holdings Proprietary Limited

30%

interest in SSG Holdings Proprietary Limited

Provides security and facility services to the group.

CEO review

Chief executive officer, Paul Dunne discusses Northam's operating environment

Low cost, capital efficient growth with a target of

1 000 000 oz 4E equals Shareholder value

Paul Dunne
Chief executive officer

Operational backdrop

Mining operations in South Africa today are faced with a number of attendant risks. Northam is no different and the successful execution of our strategy depends on how we cope with and manage those risks. Some risks however, are out of the company's control and cannot be mitigated easily.

One of the most serious threats facing the business is the inability of Eskom to provide a reliable source of energy to the country and mining industry specifically. This not only places the safety of our underground workforce at risk, which is totally unacceptable, but impacts our business performance and that of our supplier base and in turn the general economy. This is a major threat, not only to our industry, but to the country and to the Southern African region. We call on the government to urgently take the necessary action required to restore Eskom to the competent and efficient utility it needs to be if South Africa is to have the future we all aspire to.

A general deterioration in the rule of law is also having a material impact on the mining industry. This is evidenced by illegal mining, armed attacks on processing facilities and the theft of products in transit. It is clear that these activities are orchestrated by organised crime and that policing in outlying mining jurisdictions is not equipped to deal with these threats. Mines are also vulnerable to social disorder as a result of high levels of unemployment and poor service delivery to local communities. Again, we call on government to establish a special mining policing unit, resourced and capable of addressing the very specific needs of our industry.

Policy uncertainty remains a serious impediment to growth in the South African mining industry. Government's role in this respect is to provide enabling legislation which will encourage investment. The mining industry has the potential to create businesses with a strong economic multiplier effect and thousands of sustainable jobs with growth and development opportunities for individuals and communities alike.

Business is doing all it can to keep the economy afloat but it cannot do it alone. The state is also part of the economy and needs to play its role in competently managing strategic assets such as Eskom, developing enabling legislation, and ensuring the safety of all citizens and business enterprises.

Market prices

PGM prices, particularly rhodium and palladium have had an extraordinary run especially towards the end of the reporting period. PGMs are fundamentally industrial metals and prices have been driven by industrial demand. Stricter automobile emissions regulations in Europe and China have led to an increase in demand for rhodium and palladium, resulting in market deficits for these metals. This is expected to continue for the foreseeable future. The price of platinum however, is expected to remain relatively soft, unless we see economic substitution of platinum for palladium by automobile manufacturers.

Northam continues to actively participate in market development activities through the World Platinum Investment Council (WPIC), the Platinum Guild International (PGI), Hereaus Industrial Research and the International Platinum Group Metals Association (IPA).

Operations

Zondereinde had a difficult operating period. In July there was a fire on the east side of the mine which was extinguished relatively quickly. Whilst there was no harm to people or assets, it did result in a business interruption. This was further exacerbated by power cuts from Eskom. The mine also recorded a fatal accident. Mr Batswana Solomon Kalaote was fatally injured by a fall of ground whilst operating a high pressure water jet. We extend our sincere condolences to Mr Kalaote's family and friends.

When one of our colleagues is lost in this manner it has a deep effect on the whole workforce. We will take forward learnings from this incident.

Operations at Booysendal North performed well, while at the South mine good progress is being made on the production build-up.

Everything we do is underpinned by operational delivery. This starts with a detailed understanding of the orebody at each of our geographically diverse operations. The orebody dictates the mining method, production potential, operating procedures, safety protocols and the cost of extraction.

We endeavour to continually improve our operational performance through a combination of strong management and the measured application of innovative technologies.

The achievement of our production and operational targets is fundamental to generating the income required to successfully run and grow the business.

Project execution

Our growth strategy is centred around the capital efficient development of Booysendal South, Zondereinde's Western extension and Eland. Good progress continues at Booysendal South, while development of Eland is gaining traction. We've taken the decision to implement the Mobile Tunnel Borer (MTB) full time at Eland and we're incorporating the recently acquired Maroelabult operation into the mine planning.

This will increase the group's production base, enabling higher volumes to be produced at improved margins, enhancing Northam's position on the industry cost curve. This is the best way to compete in what is a highly concentrated sector.

Delivering projects on time and on budget is essential to achieving the desired returns. This requires taking measured risks whilst adopting an entrepreneurial approach. Our experienced management teams do this and do it well.

Funding programme

The ability to raise adequate funding has been key to executing our growth strategy. The funding programme comprises domestic medium-term notes, a revolving credit facility and a general banking facility.

As our growth projects have advanced, the group's risk profile has changed and we have been able to refinance our debt at lower rates, resulting in a lower average cost of debt. In addition, our internal cash generation is improving. We will continue to target a net debt to EBITDA ratio of 1:1 on a forward looking basis.

ESG and sustainability

Environmental – We're acutely aware of the environment in which we operate and the potential impact of our activities. At our greenfields developments, we minimise our mining footprints as far as possible and where impacts are unavoidable we compensate by providing for biodiversity offsets. We have a policy of zero discharge into natural water courses and recycle water as far as possible. Our direct atmospheric discharges are carefully monitored and controlled to not exceed permissible limits.

Social – Northam operates in some of the least economically developed areas of the country and is conscious of its social responsibility as a corporate citizen. We have good relationships with our host communities. Our growth strategy has resulted in significant local economic stimulation and the creation of thousands of new sustainable jobs which offer growth and development opportunities.

Governance – We're transparent in everything we do. We have a strong and experienced board coupled with a skilled and knowledgeable executive management team which safeguards the corporate health of the business.

Shareholder returns

Shareholders are always the last in line to gain from a company's success via returns on capital employed. In the case of Northam, our shareholders have been patient and loyal over a number of years while we have developed and executed our growth strategy, significantly benefitting our broader stakeholder base. That strategy is starting to bear fruit and it's time to reward our shareholders' patience.

There are a number of ways of returning value to shareholders. These include share purchases, either through the purchase of the Zambezi Platinum (RF) Limited preference shares (ZPLPs), a buy-back of Northam ordinary shares or through a distribution of cash dividends. We have carefully considered these options and concluded that currently the most efficient option is to purchase ZPLPs. There is a considerable differential between the preference share coupon and our cost of debt.

The purchase of the ZPLPs reduces the preference share dividend expense and liability included in Northam's financial statements, as well as Northam's potential financial exposure under the guarantee it provided to holders of ZPLPs. In addition, should Zambezi redeem the ZPLPs through a distribution of Northam ordinary shares, Northam will participate which will reduce the number of Northam shares in issue.

In this reporting period we have returned R2.4 billion to shareholders through efficient purchases of the ZPLP instrument.

Given the potential cash generative ability of our operations, the company could consider dividends in the medium term once we have de-risked the preference share structure to our satisfaction .

Conclusion

Despite the challenges we're facing, the operations are performing well and are expected to deliver a solid performance for the full financial year. Project execution is on track and the company is well positioned to benefit from the stronger PGM prices.

I extend my appreciation to all my colleagues and our board for their dedication and hard work, which is essential to achieving our goals.

Paul Dunne
Chief executive officer

Managing risks and opportunities

The risk and assurance steps involved in completing the risk management process are as follows:

Northam's risk management philosophy is underpinned by:

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

The table below reflects the top risks facing the group, along with the actions taken in mitigation thereof. These risks are in no particular order of significance.

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

Exchange rate and commodity price volatility (external risk)

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. PGMs are priced in US dollars while operating costs are denominated in ZAR. This identified risk is not wholly within the control of the group.

Risk/impact	Opportunity	Response
• Lower commodity prices, or ZAR strengthening could reduce ZAR denominated revenue • Without a correlating reduction in unit costs, this would compromise profitability, affecting cash flows, resulting in going concern and impairment risks	• Higher commodity prices and ZAR weakening improves ZAR denominated revenue • Stricter emissions legislations in the largest automotive markets, a focus on NOx reduction, high gasoline penetration in the light duty vehicle market both in China, and increasingly in Europe, is leading to higher palladium and rhodium demand • Insufficient project capital spend from the mining sector over the past 10 years is leading to reduced primary supply • The resultant supply deficit, notably in palladium and rhodium is increasing USD prices • Increased sales volumes will further grow revenue	• A pricing committee oversees price forecasts. Projected exchange rates and prices are included in the monthly cash flow forecasts and inform business plan profiles • Northam has adequate funding in place to support its operations in the short to medium term • Should commodity prices drop, specific projects could be postponed or halted to preserve cash • The group's growth strategy is focused on growing production down the cost curve by developing new shallow mechanisable orebodies, or optimising existing operations

Managing risks and opportunities *continued*

Social licence to operate

Compliance with the Mineral and Petroleum Resources Development Act (MPRDA), Mining Charter and environmental legislation is imperative in the mining industry. This is the risk, amongst others, associated with Northam's reputation as an employer, corporate citizen, and environmental custodian to ensure our social licence to operate.

Risk/impact	Opportunity	Response
• Penalties relating to non-compliance • Withdrawal of mining related licenses • Negative impact on reputation which is likely to affect Northam's rating as a sound investment opportunity • Increased risk of protest action, boycotts and negative public exposure	• On-going adherence to relevant laws and regulations enhances Northam's reputation, improving our rating as a sound investment opportunity	• Ongoing monitoring of legislative requirements and updates • Membership of the Minerals Council, which represents the mining industry in a consolidated approach • Compliance with relevant legislation • Secure empowerment through the Zambezi transaction • Value-sharing and contribution to socio-economic upliftment • Open, honest, continuous and effective stakeholder engagement

Growth project execution and the development of new operations

The group's growth strategy is focused on growing production down the cost curve by developing new shallow mechanisable orebodies, or optimising existing operations.

Risk/impact	Opportunity	Response
• The risk exists that growth projects and new developments underperform and do not meet the cost of capital requirements • Could pose a serious threat to the group's sustainability • Potential to compromise profitability and cash generation • Increasing going concern and impairment risk and negatively impact the relative cost position of the group	• Delivering ahead of schedule and/or below budget improves investment returns and would further enhance market perception of Northam as a company that delivers on its plans • The Booysendal South project provides the group with the opportunity for increased shallow, mechanisable production and lower costs with a short ramp up period • Zondereinde's Western extension provides rapid access to additional higher grade Merensky reef and extends the life of mine to beyond 30 years • The Eland mine ramp up provides the group with the opportunity to access additional resources, increasing semi-mechanised production • The successful commissioning of a second smelter furnace increasing processing capacity and flexibility • These projects will provide the group with the opportunity to generate economies of scale and additional profitability	• Experienced and competent project teams are in place to oversee each of the major pipeline projects currently underway • A comprehensive project approval process is in place and governs every stage, from approval to commissioning. This also includes future scenario planning • Material project risks are comprehensively assessed and, where possible, mitigated before each project proceeds to its next phase • There is a continued focus on cost control by all operations within the group through reporting and monitoring

Health and safety performance

Whilst underground mining is inherently hazardous and risky, our growth strategy requires increasing numbers of new employees across all operations. This inevitably increases the inherent risk related to health and safety.

Risk/impact	Opportunity	Response
• Failure to ensure the health and safety of employees could result in occupational diseases, injuries, or even fatalities. This is likely to affect morale, and will ultimately result in reputational damage • Associated downtime is costly and has an adverse impact on profitability	• Increasing mechanisation moves labour away from working faces, reducing the potential for injury • Improved employee health can result in increased labour productivity	• Focus on compliance with health and safety regulations, operating procedures and standards • Compulsory, continuous, safety training and effective on-site management and supervision • Compulsory use of personal protective equipment • Focus on developing mechanisable orebodies for increased safety and employing technology for improved working conditions • Continuous health checks of employees with a strong focus on prevention

Liquidity management

Prudent liquidity risk management is required through maintaining sufficient cash and cash equivalents and available funding through an adequate amount of committed credit facilities. Insufficient financing to fund operational and expansionary aspirations would impact shareholder value.

Risk/impact	Opportunity	Response
• Insufficient liquidity to meet liabilities as they become due and payable • Insufficient free cash flow for return of value to shareholders • Inadequate free cash flow for capital or sustainability projects • Breach of financial covenants • Compromised profitability, jeopardising sustainability, which poses a going concern risk	• Sufficient liquidity providing flexibility to return value to shareholders • Effective liquidity risk management improving credit ratings, leading to reduced borrowing costs	• The group has substantial uncommitted credit facilities available and applies prudent liquidity risk management • Policy principles on net debt to EBITDA ratio informing borrowing and spending decisions • Regular reviews of capital allocations • Regular forecast and cash flow updates are prepared and reviewed • Maintaining focus on continual cost and capital discipline

Managing risks and opportunities *continued*

Labour relationships

Northam has a large labour workforce and its stability and morale can significantly impact the group's production.

Risk/impact	Opportunity	Response
Workforce strikes, due to labour-related issues, could result in: • Work stoppages and a negative impact on employees and production • Workplace injuries and potential loss of life due to violence • Damage to infrastructure and equipment • Reduced morale and reputational damage	• Sound labour relations will result in unimpeded production • Low staff turn-over leads to improved team dynamics, and resultant productivity	• Open channels of communication with employees and unions • Management intervention on labour related issues • Insurance policies in place in the event of damage or production losses

Community relations (external risk)

South Africa has many social challenges and these manifest in part through community unrest. These same communities are home to our labour forces, and benefit from a significant portion of our procurement spend.

Risk/impact	Opportunity	Response
• Breakdown in stakeholder engagement resulting in community unrest which could impact production • Production stoppages and negative impact on profitability • Damage to infrastructure and equipment	• Strong relations with the local communities enables us to direct community upliftment programs, enabling the development of both a skilled labour pool and sustainable service providing companies	• Continuous engagement and open channels of communication with stakeholders and review of stakeholder requirements • Community upliftment programmes in place, through the Northam Booysendal Community Trust and the Northam Zondereinde Community Trust • Management intervention on community related issues • Insurance policies in place in the event of damage or production losses

Operational performance

Whilst underground mining carries a high fixed proportion of total costs, production volumes drive unit costs and, ultimately, the profitability of the group.

Risk/impact	Opportunity	Response
• Underperformance of operational assets results in production targets not being met • This compromises profitability, jeopardising sustainability, which poses a going concern risk and negatively impacts cash flows • It negatively impacts the group's cost position relative to its peers	• Mining costs are driven by crew productivity and efficiency • Revenue enhanced by higher metal recovered per unit area mined, higher crew productivity and efficiency, allied with improved metal recovery per unit area mined, will positively impact profitability • Mechanisation improves productivity	Over and above the group's growth projects, there is: • Focus on productivity and efficiencies • Continuous cost containment/ monitoring • Ongoing internal optimisation initiatives • Continuous production reviews and interventions where required

Fraud including cyber risk (external risk)

Bribery, collusion with suppliers, misappropriation of funds, employee dishonesty and general misuse of company assets for personal gain negatively impact the company. Similarly, Northam's dependence on its information systems to ensure business continuity increases the risk of financial, operational or reputational damage in the event of failure of the information technology (IT) systems.

Risk/impact	Opportunity	Response
• Reputational damage • Non-compliance with laws and regulations resulting in possibility of fines and penalties • Risk of legal action against Northam • Unauthorised use of confidential or sensitive information or loss of critical information or assets • Financial losses	• None	• Internal controls reviewed continuously for weaknesses and possible improvements identified, with strict adherence to policies and procedures, together with internal and external audits performed throughout the year • Whistle blowing/ethics hotlines in place, together with incident reporting and investigation • Segregation of duties, together with supervisory controls in place. Regular verification of segregation of duties, access control and change management • Regular review of approval framework • Increased awareness campaigns of cyber threats for all IT users • Regular reviews of firewalls and built in security alerts, as well as disaster recovery and back-up plans in place • Downstream operations of the group are not IT dependent • Code of ethics is in place and communicated across the group

Managing risks and opportunities *continued*

Energy supply (external risk)

Northam obtains its bulk supply of energy from Eskom, the South African national electricity supplier. Recent developments have affected the reliability and sustainability of electricity supply. If this situation continues without any meaningful improvement, it will be very difficult for Northam to replace this bulk supply of energy. Associated with this risk, given the trebling of prices over the past decade, electricity is one of the key cost drivers.

This identified risk is not wholly within the control of the group.

Risk/impact	Opportunity	Response
• Compromised safety of underground employees • Increased cost of production • Production downtime due to lack of available electricity supply • Negative impact on profitability	• None	• At an operational level there are effective processes and relationships in place to manage occasional shortfalls and supply interruptions • Northam's long-term energy strategy is based on energy efficiency rather than energy reduction, given the group's expansion strategy • Standby generators are in place at all mines to operate ventilation and people conveyance systems, allowing workers to safely exit the underground workings

Water supply (external risk)

Northam's mining method includes the use of large water volumes in the mining and processing of minerals.

Risk/impact	Opportunity	Response
Constrained water supply could result in: • Operational downtime and loss of production • Increased cost of production • Compromised profitability • A negative effect on water related licenses	• Sound water management, ensuring ongoing production, enhancing our position relative to peers • Positive water balance from certain operations allowing distribution to local communities	• Water conservation and demand management programme(s) in place (water use licenses) • Optimised water usage through recycling • Water management included in our sustainability strategy • On-site water storage facilities

Five-year performance highlights

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Safety performance					
Lost time injury incident rate (LTIIR) per 200 000 hours worked		0.87	0.91	4.4%	0.93
Number of fatalities		1	1	–	1
Operational performance					
Square metres mined	m^2	386 437	344 098	12.3%	695 074
Tonnes mined	t	2 932 614	2 597 855	12.9%	5 267 867
Tonnes milled	t	3 314 896	2 371 060	39.8%	4 892 110
Equivalent refined metal from own operations	oz 4E	306 738	256 461	19.6%	519 954
Equivalent refined metal from external parties	oz 4E	19 398	7 962	143.6%	23 154
Total refined metal produced	oz 4E	319 264	299 323	6.7%	571 028
Chrome concentrate produced	t	469 642	368 288	27.5%	764 528
Cash cost per equivalent refined Pt oz	R/oz	24 780	22 007	(12.6%)	22 847
Cash profit per equivalent refined Pt oz	R/oz	15 084	5 517	173.4%	6 793
Cash margin per equivalent refined Pt oz	%	37.8	20.0	89.0%	22.9
Sales statistics					
Sales revenue	R000	7 824 901	4 982 761	57.0%	10 649 506
Refined metal sold	oz 4E	307 312	294 823	4.2%	570 933
UG2 ore sold	oz 4E	22 448	–	100.0%	12 136
Total metal sold	oz 4E	329 760	294 823	11.9%	583 069
Total revenue per Pt oz	R/oz	39 864	27 524	44.8%	29 640
Financial performance					
Normalised headline earnings/(loss) per share (headline earnings/(loss) adjusted for the impact of the BEE transaction)					
Headline earnings/(loss):	R000	1 148 577	(66 644)	N/A	55 316
Add back:					
Amortisation of liquidity fees paid on preference shares	R000	8 195	8 195	–	16 390
Preference share dividends	R000	618 992	611 761	1.2%	1 305 244
Loss on derecognition of preference share liability	R000	108 148	–	100.0%	–
Normalised headline earnings	R000	1 883 912	553 312	240.5%	1 376 950
Normalised headline earnings per share	cents	369.6	108.5	240.6%	270.1
Number of shares in issue including treasury shares		509 781 212	509 781 212	–	509 781 212
Earnings/(loss) per share	cents	328.0	(18.2)	N/A	17.2
Headline earnings/(loss) per share	cents	328.3	(19.0)	N/A	15.8
Operating profit	R000	2 959 543	1 030 780	187.1%	2 410 025
Operating profit margin	%	37.8	20.7	82.6%	22.6
EBITDA	R000	3 192 549	1 124 540	183.9%	2 638 513
EBITDA margin	%	40.8	22.6	80.5%	24.8
Capital expenditure	R000	1 352 238	1 544 087	(12.4%)	2 859 045
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	63 019 153	22 053 135	185.8%	30 077 092
Closing share price	cents	12 362	4 326	185.8%	5 900
Highest share price traded	cents	12 890	4 400	193.0%	6 902
Lowest share price traded	cents	5 500	3 262	68.6%	3 262
Number of shares traded		271 027 199	109 757 224	146.9%	228 048 504
Value of transactions traded	R000	26 586 016	4 331 569	513.8%	10 924 772
Rolling twelve month liquidity	%	76.4	43.1	77.3%	44.7

Five-year performance highlights *continued*

		6 months ended 31 December 2017	6 months ended 31 December 2016	6 months ended 31 December 2015
Safety performance				
Lost time injury incident rate (LTIIR) per 200 000 hours worked		1.01	1.20	1.42
Number of fatalities		1	–	–
Operational performance				
Square metres mined	m^2	332 732	310 446	272 972
Tonnes mined	t	2 429 097	2 448 303	2 172 795
Tonnes milled	t	2 296 466	2 215 533	2 038 343
Equivalent refined metal from own operations	oz 4E	246 473	235 375	225 730
Equivalent refined metal from external parties	oz 4E	29 770	14 179	18 776
Total refined metal produced	oz 4E	212 133	234 185	247 399
Chrome concentrate produced	t	311 082	281 949	266 265
Cash cost per equivalent refined Pt oz	R/oz	20 851	19 440	17 756
Cash profit per equivalent refined Pt oz	R/oz	5 665	6 280	3 838
Cash margin per equivalent refined Pt oz	%	21.4	24.4	17.8
Sales statistics				
Sales revenue	R000	3 353 270	3 458 827	3 205 558
Refined metal sold	oz 4E	209 861	223 705	248 075
UG2 ore sold	oz 4E	–	–	–
Total metal sold	oz 4E	209 861	223 705	248 075
Total revenue per Pt oz	R/oz	26 516	25 720	21 594
Financial performance				
Normalised headline loss per share (headline loss adjusted for the impact of the BEE transaction)				
Headline loss:	R000	(279 834)	(226 369)	(231 921)
Add back:				
Amortisation of liquidity fees paid on preference shares	R000	8 195	8 195	8 527
Preference share dividends	R000	460 762	482 753	430 414
Loss on derecognition of preference share liability	R000	–	902	–
Normalised headline earnings	R000	189 123	265 481	207 020
Normalised headline earnings per share	cents	37.1	52.1	40.6
Number of shares in issue including treasury shares		509 781 212	509 781 212	509 781 212
Loss per share	cents	(81.1)	(64.8)	(78.0)
Headline loss per share	cents	(80.0)	(64.7)	(66.3)
Operating profit	R000	338 773	351 956	93 405
Operating profit margin	%	10.1	10.2	2.9
EBITDA	R000	532 795	539 354	342 659
EBITDA margin	%	15.9	15.6	10.7
Capital expenditure	R000	2 551 644	772 950	483 986
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	26 646 264	20 646 139	13 453 126
Closing share price	cents	5 227	4 050	2 639
Highest share price traded	cents	5 490	5 600	4 284
Lowest share price traded	cents	3 627	3 593	1 610
Number of shares traded		110 362 256	106 973 471	142 255 143
Value of transactions traded	R000	5 149 007	5 115 570	4 433 524
Rolling twelve month liquidity	%	46.1	44.1	58.5

Group performance

	6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
	R000	R000	%	R000
Sales revenue				
Platinum	2 411 241	2 107 108	14.4%	4 111 344
Palladium	2 334 933	1 351 288	72.8%	2 825 852
Rhodium	1 678 866	703 689	138.6%	1 800 531
Gold	101 007	76 224	32.5%	143 330
Iridium	217 175	163 944	32.5%	363 794
Ruthenium	96 830	116 297	(16.7%)	249 512
Silver	1 385	1 015	36.5%	1 890
Nickel	177 861	125 427	41.8%	256 077
Copper	39 954	38 098	4.9%	67 100
Cobalt	2 096	5 903	(64.5%)	7 781
Chrome	315 536	293 768	7.4%	660 032
UG2 ore	429 892	–	100.0%	162 263
Toll treatment charges	18 125	–	100.0%	–
Total sales revenue	7 824 901	4 982 761	57.0%	10 649 506
Cost of sales				
Operating costs	(5 196 329)	(3 543 074)	(46.7%)	(7 607 161)
Mining operations	(3 386 993)	(2 610 767)	(29.7%)	(5 434 933)
Concentrator operations	(711 684)	(417 060)	(70.6%)	(887 089)
Smelting and base metal removal plant costs	(357 235)	(286 161)	(24.8%)	(598 371)
Chrome processing	(27 454)	(25 135)	(9.2%)	(51 780)
Selling and administration overheads	(132 507)	(102 674)	(29.1%)	(264 674)
Royalty charges	(148 243)	(23 333)	(535.3%)	(91 551)
Share-based payment expenses and profit share scheme	(432 213)	(77 944)	(454.5%)	(224 094)
Rehabilitation	–	–	–	(54 669)
Concentrates, metals and recycling material purchased	(593 836)	(94 062)	(531.3%)	(327 572)
Refining including sampling and handling charges	(86 552)	(71 902)	(20.4%)	(135 104)
Depreciation and write-offs	(337 379)	(251 762)	(34.0%)	(487 165)
Change in metal inventories	1 348 738	8 819	>1 000.0%	317 521
Total cost of sales	(4 865 358)	(3 951 981)	(23.1%)	(8 239 481)
Operating profit	2 959 543	1 030 780	187.1%	2 410 025
Operating margin	37.8%	20.7%	82.6%	22.6%
EBITDA	3 192 549	1 124 540	183.9%	2 638 513
EBITDA margin	40.8%	22.6%	80.5%	24.8%

Group performance *continued*

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Safety					
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.01	0.02	50.0%	0.01
Total injury incidence rate (TIIR) per 200 000 hours worked		1.46	1.48	1.4%	1.63
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.87	0.91	4.4%	0.93
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.50	0.60	16.7%	0.65
Number of fatalities		1	1	–	1
Health					
New cases of noise induced hearing loss		6	6	–	28
New cases of tuberculosis		27	34	20.6%	61
HIV Counselling and Testing (HCT)		3 018	3 321	(9.1%)	8 912
Employment and human rights					
Permanent employees		9 392	8 475	10.8%	8 981
Contractors		6 004	5 506	9.0%	6 377
Total employed		15 396	13 981	10.1%	15 358
Average number of employees including contractors		15 253	13 936	9.5%	14 568
Turnover rate	%	2	4	50.0%	6
HDSAs in management	%	57	56	1.8%	56
Women in mining	%	15	13	15.4%	14
Water usage (000m³)					
Potable water from external sources		1 856	2 030	8.6%	3 691
Fissure water used		144	679	78.8%	1 278
Borehole water used		1 140	27	(>1 000.0%)	52
Water recycled in process		14 945	12 744	17.3%	28 979
Total water usage		18 085	15 480	(16.8%)	34 000
Water recycled	%	83	82	1.2%	85
Electricity consumption (MWh)					
Energy from electricity purchased by shafts		325 588	299 852	(8.6%)	665 021
Energy from electricity purchased by plant		221 653	181 065	(22.4%)	306 015
Total electricity purchased		547 241	480 917	(13.8%)	971 036
Greenhouse gas emissions ($CO_{2}e$ tonnes)					
Scope 1 (direct) emissions		30 563	21 496	(42.2%)	44 263
Scope 2 (indirect) emissions		541 769	476 109	(13.8%)	961 326
Scope 3 (indirect) emissions		80	152	47.4%	221
Total emissions		572 412	497 757	(15.0%)	1 005 810
Land use (hectares)					
Land disturbed by mining related activities		3 037	1 118	(171.6%)	2 507
Land leased for farming purposes		2 412	1 441	67.4%	2 181
Land protected for conservation		2 104	3 514	(40.1%)	2 104
Other		8 406	8 318	1.1%	7 546
Total land under management (freehold)		15 959	14 391	10.9%	14 338

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Merensky production and ore stockpiles					
Square metres mined	m^2	119 408	102 621	16.4%	214 643
Tonnes mined	t	843 411	735 106	14.7%	1 504 070
Tonnes milled	t	607 452	590 765	2.8%	1 212 628
Stockpile	t	125 146	21 624	478.7%	24 988
UG2 production and ore stockpiles					
Square metres mined	m^2	267 029	241 477	10.6%	480 431
Tonnes mined	t	2 089 203	1 862 749	12.2%	3 763 797
Tonnes milled	t	2 707 444	1 780 295	52.1%	3 679 482
Stockpile	t	12 315	290 969	(95.8%)	237 427
Combined production and ore stockpiles					
Square metres mined	m^2	386 437	344 098	12.3%	695 074
Tonnes mined	t	2 932 614	2 597 855	12.9%	5 267 867
Tonnes milled	t	3 314 896	2 371 060	39.8%	4 892 110
Stockpile	t	137 461	312 593	(56.0%)	262 415
Equivalent refined metal from own operations					
Platinum	oz	188 601	155 595	21.2%	316 071
Palladium	oz	87 526	73 918	18.4%	150 043
Rhodium	oz	27 573	23 560	17.0%	46 843
Gold	oz	3 038	3 388	(10.3%)	6 997
4E	oz	306 738	256 461	19.6%	519 954
Iridium	oz	9 993	8 345	19.7%	16 968
Ruthenium	oz	43 824	35 337	24.0%	77 080
6E	oz	360 555	300 143	20.1%	614 002
Equivalent refined metal from external parties					
Platinum	oz	8 802	4 598	91.4%	10 948
Palladium	oz	7 682	2 486	209.0%	10 055
Rhodium	oz	2 425	856	183.3%	1 978
Gold	oz	489	22	>1 000.0%	173
4E	oz	19 398	7 962	143.6%	23 154
Iridium	oz	668	265	152.1%	561
Ruthenium	oz	2 860	1 519	88.3%	3 313
6E	oz	22 926	9 746	135.2%	27 028
Total refined metal produced					
Platinum	oz	189 043	180 905	4.5%	350 837
Palladium	oz	100 797	87 815	14.8%	162 179
Rhodium	oz	24 591	26 284	(6.4%)	50 005
Gold	oz	4 833	4 319	11.9%	8 007
4E	oz	319 264	299 323	6.7%	571 028
Iridium	oz	8 955	8 533	4.9%	17 760
Ruthenium	oz	30 371	34 191	(11.2%)	69 187
6E	oz	358 590	342 047	4.8%	657 975
Refined metal sold					
Platinum	oz	183 018	181 036	1.1%	351 916
Palladium	oz	96 322	89 066	8.1%	162 217
Rhodium	oz	23 315	20 329	14.7%	48 835
Gold	oz	4 657	4 392	6.0%	7 965
4E	oz	307 312	294 823	4.2%	570 933
Iridium	oz	10 057	8 051	24.9%	17 746
Ruthenium	oz	28 485	32 088	(11.2%)	68 683
6E	oz	345 854	334 962	3.3%	657 362

Group performance *continued*

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
UG2 ore sold					
Platinum	oz	13 272	–	100.0%	7 377
Palladium	oz	6 330	–	100.0%	3 469
Rhodium	oz	2 668	–	100.0%	1 116
Gold	oz	178	–	100.0%	174
4E	oz	22 448	–	100.0%	12 136
Iridium	oz	763	–	100.0%	317
Ruthenium	oz	2 986	–	100.0%	1 054
6E	oz	26 197	–	100.0%	13 507
Nickel	t	762	819	(7.0%)	1 563
Copper	t	480	462	3.9%	799
Chrome concentrate	t	469 642	368 288	27.5%	764 528
Total metal sold					
Platinum	oz	196 290	181 036	8.4%	359 293
Palladium	oz	102 652	89 066	15.3%	165 686
Rhodium	oz	25 983	20 329	27.8%	49 951
Gold	oz	4 835	4 392	10.1%	8 139
4E	oz	329 760	294 823	11.9%	583 069
Iridium	oz	10 820	8 051	34.4%	18 063
Ruthenium	oz	31 471	32 088	(1.9%)	69 737
6E	oz	372 051	334 962	11.1%	670 869
Average market prices achieved and sales statistics					
Platinum	USD/oz	895	820	9.1%	824
Palladium	USD/oz	1 647	1 071	53.8%	1 227
Rhodium	USD/oz	4 892	2 427	101.6%	2 602
Gold	USD/oz	1 473	1 222	20.5%	1 264
4E basket price	USD/oz	1 443	1 013	42.4%	1 097
Iridium	USD/oz	1 467	1 432	2.4%	1 444
Ruthenium	USD/oz	231	255	(9.4%)	256
6E basket price	USD/oz	1 344	950	41.5%	1 018
Average exchange rate	R/USD	14.72	14.19	3.7%	14.18
Closing exchange rate	R/USD	14.01	14.36	(2.4%)	14.08
Average nickel market price achieved	USD/t	15 857	10 793	46.9%	11 554
Average copper market price achieved	USD/t	5 655	5 811	(2.7%)	5 922
Average chrome price achieved net of costs	USD/t	46	56	(17.9%)	61
Average chrome price achieved net of costs	R/t	672	798	(15.8%)	863
Total revenue per Pt oz sold	R/oz	39 864	27 524	44.8%	29 640
Total revenue per 4E oz sold	R/oz	23 729	16 901	40.4%	18 265
Total revenue per 6E oz sold	R/oz	21 032	14 876	41.4%	15 874

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Cash costs statistics					
On mine cash cost per tonne mined	R/t	1 398	1 166	(19.9%)	1 200
On mine cash cost per tonne milled	R/t	1 236	1 277	3.2%	1 292
Cash cost per equivalent refined Pt oz	R/oz	24 780	22 007	(12.6%)	22 847
Cash cost per equivalent refined 4E oz	R/oz	15 167	13 345	(13.7%)	13 907
Cash cost per equivalent refined 6E oz	R/oz	12 975	11 435	(13.5%)	11 813
Cash profit and margin					
Cash profit per equivalent refined Pt oz	R/oz	15 084	5 517	173.4%	6 793
Cash margin per equivalent refined Pt oz	%	37.8	20.0	89.0%	22.9
Cash profit per equivalent refined 4E oz	R/oz	8 562	3 556	140.8%	4 358
Cash margin per equivalent refined 4E oz	%	36.1	21.0	71.9%	23.9
Cash profit per equivalent refined 6E oz	R/oz	8 057	3 441	134.1%	4 061
Cash margin per equivalent refined 6E oz	%	38.3	23.1	65.8%	25.6
Capital incurred					
Expansionary capex	R000	1 151 708	1 482 181	(22.3%)	2 637 254
Sustaining capex	R000	200 530	61 906	223.9%	221 791
	R000	1 352 238	1 544 087	(12.4%)	2 859 045
Expansionary capex					
Zondereinde	R000	237 082	360 762	(34.3%)	605 556
Booysendal North	R000	2 602	111 901	(97.7%)	188 467
Booysendal South*	R000	585 732	877 282	(33.2%)	1 472 030
Eland	R000	326 292	132 236	146.7%	371 201
	R000	1 151 708	1 482 181	(22.3%)	2 637 254
Sustaining capex					
Zondereinde	R000	88 385	25 285	249.6%	68 425
Booysendal North	R000	112 145	36 621	206.2%	153 366
	R000	200 530	61 906	223.9%	221 791
Sustaining capex per equivalent refined Pt oz from own operations	R/oz	1 063	398	167.1%	702

* Expansionary capex does not include prepayments relating to the rope conveyance for ore transportation, amounting to R0.1 million (F2019: R0.6 million and H1 F2019: R36.1 million).

Zondereinde performance

	6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
	R000	R000	%	R000
Sales revenue				
Platinum	2 411 241	2 107 108	14.4%	4 111 344
Palladium	2 334 933	1 351 288	72.8%	2 825 852
Rhodium	1 678 866	703 689	138.6%	1 800 531
Gold	101 007	76 224	32.5%	143 330
Iridium	217 175	163 944	32.5%	363 794
Ruthenium	96 830	116 297	(16.7%)	249 512
Silver	1 385	1 015	36.5%	1 890
Nickel	177 861	125 427	41.8%	256 077
Copper	39 954	38 098	4.9%	67 100
Cobalt	2 096	5 903	(64.5%)	7 781
Chrome	103 238	130 805	(21.1%)	290 749
UG2 ore	429 892	–	100.0%	162 263
Toll treatment charges	18 125	–	100.0%	–
Total sales revenue	7 612 603	4 819 798	57.9%	10 280 223
Cost of sales				
Operating costs	(3 169 640)	(2 431 456)	(30.4%)	(5 069 318)
Mining operations	(2 087 746)	(1 795 460)	(16.3%)	(3 687 698)
Concentrator operations	(221 145)	(195 215)	(13.3%)	(389 967)
Smelting and base metal removal plant costs	(357 235)	(286 161)	(24.8%)	(598 371)
Chrome processing	(3 723)	(8 135)	54.2%	(5 437)
Selling and administration overheads	(65 520)	(59 962)	(9.3%)	(132 337)
Royalty charges	(133 059)	(14 715)	(804.2%)	(72 742)
Share-based payment expenses and profit share scheme	(301 212)	(71 808)	(319.5%)	(165 882)
Rehabilitation	–	–	–	(16 884)
Concentrates, metals and recycling material purchased	(3 768 944)	(1 704 598)	(121.1%)	(3 747 389)
Refining including sampling and handling charges	(86 552)	(71 902)	(20.4%)	(135 104)
Depreciation and write-offs	(108 215)	(84 638)	(27.9%)	(166 210)
Change in metal inventories	1 351 986	(95 706)	N/A	148 584
Total cost of sales	(5 781 365)	(4 388 300)	(31.7%)	(8 969 437)
Operating profit	1 831 238	431 498	324.4%	1 310 786
Operating margin	24.1%	9.0%	167.8%	12.8%
EBITDA	1 837 843	422 235	335.3%	1 418 211
EBITDA margin	24.1%	8.8%	173.9%	13.8%

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Safety					
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.02	0.02	–	0.01
Total injury incidence rate (TIIR) per 200 000 hours worked		1.18	1.44	18.1%	1.42
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		1.14	1.27	10.2%	1.29
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.63	0.82	23.2%	0.88
Number of fatalities		1	1	–	1
Health					
New cases of noise induced hearing loss		4	6	33.3%	24
New cases of tuberculosis		23	28	17.9%	52
HIV Counselling and Testing (HCT)		1 670	2 694	(38.0%)	8 073
Employment and human rights					
Permanent employees		6 393	6 328	1.0%	6 386
Contractors		2 897	2 923	(0.9%)	3 148
Total employed		9 290	9 251	0.4%	9 534
Average number of employees including contractors		9 266	9 219	0.5%	9 303
Turnover rate	%	3	4	25.0%	7
HDSAs in management	%	59	60	(1.7%)	61
Women in mining	%	13	13	–	13
Water usage (000m³)					
Potable water from external sources		1 461	1 626	10.1%	2 939
Fissure water used		100	675	85.2%	1 220
Borehole water used		20	16	(25.0%)	32
Water recycled in process		12 113	11 793	2.7%	27 078
Total water usage		13 694	14 110	2.9%	31 269
Water recycled	%	88	84	4.8%	87
Electricity consumption (MWh)					
Energy from electricity purchased by shafts		280 906	275 595	(1.9%)	560 280
Energy from electricity purchased by plant		103 698	106 567	2.7%	206 671
Total electricity purchased		384 604	382 162	(0.6%)	766 951
Greenhouse gas emissions (CO_2e tonnes)					
Scope 1 (direct) emissions		21 715	16 341	(32.9%)	32 801
Scope 2 (indirect) emissions		380 758	378 341	(0.6%)	759 281
Scope 3 (indirect) emissions		71	110	35.5%	201
Total emissions		402 544	394 792	(2.0%)	792 283
Land use (hectares)					
Land disturbed by mining related activities		726	137	(429.9%)	723
Land leased for farming purposes		2 181	1 441	51.4%	2 181
Land protected for conservation		–	800	(100.0%)	–
Other		1 499	893	67.9%	1 502
Total land under management (freehold)		4 406	3 271	34.7%	4 406

Zondereinde performance *continued*

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Merensky production, ore stockpiles and surface sources					
Square metres mined	m²	78 883	75 147	5.0%	158 903
Development metres	m	5 410	5 617	(3.7%)	11 158
Tonnes mined (including waste)	t	619 590	555 001	11.6%	1 117 594
Tonnes milled	t	392 112	400 686	(2.1%)	815 191
Head grade (4E)	g/t	6.23	6.02	3.5%	6.11
Head grade (6E)	g/t	6.74	6.51	3.5%	6.61
Concentrator recoveries	%	90.2	89.7	0.6%	90.0
Stockpile	t	88 423	204	>1 000.0%	2 967
UG2 production and ore stockpiles					
Square metres mined	m²	96 047	111 912	(14.2%)	218 536
Development metres	m	135	248	(45.6%)	497
Tonnes mined	t	594 713	687 687	(13.5%)	1 338 020
Tonnes milled	t	623 770	606 450	2.9%	1 208 637
Head grade (4E)	g/t	4.29	4.28	0.2%	4.26
Head grade (6E)	g/t	5.27	5.26	0.2%	5.23
Concentrator recoveries	%	87.7	87.1	0.7%	87.3
Stockpile	t	12 315	290 969	(95.8%)	234 283
Combined production and ore stockpiles					
Square metres mined	m²	174 930	187 059	(6.5%)	377 439
Development metres	m	5 545	5 865	(5.5%)	11 654
Tonnes mined	t	1 214 303	1 242 688	(2.3%)	2 455 614
Tonnes milled	t	1 015 882	1 007 136	0.9%	2 023 828
Head grade (4E)	g/t	5.08	4.97	2.2%	4.96
Head grade (6E)	g/t	5.88	5.75	2.3%	5.74
Concentrator recoveries	%	88.9	88.4	0.6%	88.4
Stockpile	t	100 738	291 173	(65.4%)	237 250
Equivalent refined metal from own Zondereinde operations					
Platinum	oz	99 539	93 443	6.5%	188 288
Palladium	oz	47 189	44 603	5.8%	88 947
Rhodium	oz	14 028	13 670	2.6%	26 717
Gold	oz	1 624	2 362	(31.2%)	4 514
4E	oz	162 380	154 078	5.4%	308 466
Iridium	oz	5 034	4 299	17.1%	9 562
Ruthenium	oz	21 515	17 750	21.2%	40 872
6E	oz	188 929	176 127	7.3%	358 900

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Equivalent refined metal from external parties					
Platinum	oz	4 696	2 689	74.6%	5 518
Palladium	oz	3 575	1 433	149.5%	4 770
Rhodium	oz	1 321	345	282.9%	955
Gold	oz	477	17	>1 000.0%	95
4E	oz	10 069	4 484	124.6%	11 338
Iridium	oz	433	123	252.0%	271
Ruthenium	oz	1 852	503	268.2%	1 105
6E	oz	12 354	5 110	141.8%	12 714
Total refined metal produced					
Platinum	oz	189 043	180 905	4.5%	350 837
Palladium	oz	100 797	87 815	14.8%	162 179
Rhodium	oz	24 591	26 284	(6.4%)	50 005
Gold	oz	4 833	4 319	11.9%	8 007
4E	oz	319 264	299 323	6.7%	571 028
Iridium	oz	8 955	8 533	4.9%	17 760
Ruthenium	oz	30 371	34 191	(11.2%)	69 187
6E	oz	358 590	342 047	4.8%	657 975
Refined metal sold					
Platinum	oz	183 018	181 036	1.1%	351 916
Palladium	oz	96 322	89 066	8.1%	162 217
Rhodium	oz	23 315	20 329	14.7%	48 835
Gold	oz	4 657	4 392	6.0%	7 965
4E	oz	307 312	294 823	4.2%	570 933
Iridium	oz	10 057	8 051	24.9%	17 746
Ruthenium	oz	28 485	32 088	(11.2%)	68 683
6E	oz	345 854	334 962	3.3%	657 362
UG2 ore sold					
Platinum	oz	13 272	–	100.0%	7 377
Palladium	oz	6 330	–	100.0%	3 469
Rhodium	oz	2 668	–	100.0%	1 116
Gold	oz	178	–	100.0%	174
4E	oz	22 448	–	100.0%	12 136
Iridium	oz	763	–	100.0%	317
Ruthenium	oz	2 986	–	100.0%	1 054
6E	oz	26 197	–	100.0%	13 507
Nickel	t	762	819	(7.0%)	1 563
Copper	t	480	462	3.9%	799
Chrome concentrate	t	178 089	174 928	1.8%	361 154

Zondereinde performance *continued*

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Total metal sold					
Platinum	oz	196 290	181 036	8.4%	359 293
Palladium	oz	102 652	89 066	15.3%	165 686
Rhodium	oz	25 983	20 329	27.8%	49 951
Gold	oz	4 835	4 392	10.1%	8 139
4E	oz	329 760	294 823	11.9%	583 069
Iridium	oz	10 820	8 051	34.4%	18 063
Ruthenium	oz	31 471	32 088	(1.9%)	69 737
6E	oz	372 051	334 962	11.1%	670 869
Average market prices achieved and sales statistics					
Platinum	USD/oz	895	820	9.1%	824
Palladium	USD/oz	1 647	1 071	53.8%	1 227
Rhodium	USD/oz	4 892	2 427	101.6%	2 602
Gold	USD/oz	1 473	1 222	20.5%	1 264
4E basket price	USD/oz	1 443	1 013	42.4%	1 097
Iridium	USD/oz	1 467	1 432	2.4%	1 444
Ruthenium	USD/oz	231	255	(9.4%)	256
6E basket price	USD/oz	1 344	950	41.5%	1 018
Average exchange rate	R/USD	14.72	14.19	3.7%	14.18
Closing exchange rate	R/USD	14.01	14.36	(2.4%)	14.08
Average nickel market price achieved	USD/t	15 857	10 793	46.9%	11 554
Average copper market price achieved	USD/t	5 655	5 811	(2.7%)	5 922
Average chrome price achieved net of costs	USD/t	39	53	(26.4%)	57
Average chrome price achieved net of costs	R/t	580	748	(22.5%)	805
Total revenue per Pt oz sold	R/oz	38 782	26 623	45.7%	28 612
Total revenue per 4E oz sold	R/oz	23 085	16 348	41.2%	17 631
Total revenue per 6E oz sold	R/oz	20 461	14 389	42.2%	15 324

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Cash costs statistics					
On mine cash cost per tonne mined	R/t	1 901	1 602	(18.7%)	1 661
On mine cash cost per tonne milled	R/t	2 273	1 977	(15.0%)	2 015
Cash cost per equivalent refined Pt oz	R/oz	25 890	23 614	(9.6%)	24 124
Cash cost per equivalent refined 4E oz	R/oz	15 814	14 316	(10.5%)	14 735
Cash cost per equivalent refined 6E oz	R/oz	13 641	12 525	(8.9%)	12 677
Cash profit and margin					
Cash profit per equivalent refined Pt oz	R/oz	12 892	3 009	328.4%	4 488
Cash margin per equivalent refined Pt oz	%	33.2	11.3	193.8%	15.7
Cash profit per equivalent refined 4E oz	R/oz	7 271	2 032	257.8%	2 896
Cash margin per equivalent refined 4E oz	%	31.5	12.4	154.0%	16.4
Cash profit per equivalent refined 6E oz	R/oz	6 820	1 864	265.9%	2 647
Cash margin per equivalent refined 6E oz	%	33.3	13.0	156.2%	17.3
Capital incurred					
Expansionary capex	R000	237 082	360 762	(34.3%)	605 556
Sustaining capex	R000	88 385	25 285	249.6%	68 425
	R000	325 467	386 047	(15.7%)	673 981
Sustaining capex per equivalent refined Pt oz from own operations	R/oz	888	271	227.7%	363

Booysendal performance

	6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
	R000	R000	%	R000
Sales revenue*				
Platinum	983 309	674 659	45.7%	1 396 485
Palladium	901 069	480 126	87.7%	1 094 709
Rhodium	886 009	338 706	161.6%	730 719
Gold	28 082	17 212	63.2%	42 425
Iridium	84 266	59 206	42.3%	111 511
Ruthenium	66 525	56 288	18.2%	109 958
Nickel	36 388	26 608	36.8%	45 311
Copper	6 618	5 745	15.2%	12 826
Chrome	182 073	162 963	11.7%	358 600
Total sales revenue	3 174 339	1 821 513	74.3%	3 902 544
Cost of sales				
Operating costs	(1 671 641)	(1 111 618)	(50.4%)	(2 507 955)
Mining operations	(1 107 693)	(815 307)	(35.9%)	(1 747 235)
Concentrator operations	(338 809)	(221 845)	(52.7%)	(490 846)
Chrome processing	(13 431)	(17 000)	21.0%	(23 407)
Selling and administration overheads	(66 987)	(42 712)	(56.8%)	(132 337)
Royalty charges	(15 006)	(8 618)	(74.1%)	(18 756)
Share-based payment expenses	(129 715)	(6 136)	(>1 000.0%)	(57 589)
Rehabilitation	–	–	–	(37 785)
Concentrates purchased	(120 393)	(48 014)	(150.7%)	(96 616)
Depreciation and write-offs	(212 017)	(167 991)	(26.2%)	(304 920)
Change in metal inventories	13 253	25	>1 000.0%	(7 372)
Total cost of sales	(1 990 798)	(1 327 598)	(50.0%)	(2 916 863)
Operating profit	1 183 541	493 915	139.6%	985 681
Operating margin	37.3%	27.1%	37.6%	25.3%
EBITDA	1 391 796	636 760	118.6%	1 221 970
EBITDA margin	43.8%	35.0%	25.1%	31.3%

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

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Safety					
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.00	0.00	–	0.00
Total injury incidence rate (TIIR) per 200 000 hours worked		1.78	1.57	(13.4%)	1.95
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.30	0.10	(200.0%)	0.18
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.30	0.10	(200.0%)	0.18
Number of fatalities		–	–	–	–
Health					
New cases of noise induced hearing loss		2	–	(100.0%)	4
New cases of tuberculosis		4	6	33.3%	9
HIV Counselling and Testing (HCT)		800	627	27.6%	839
Employment and human rights					
Permanent employees		2 631	2 147	22.5%	2 398
Contractors		2 447	2 583	(5.3%)	2 574
Total employed		5 078	4 730	7.4%	4 972
Average number of employees including contractors		4 970	4 717	5.4%	4 764
Turnover rate	%	2	4	50.0%	5
HDSAs in management	%	55	50	10.0%	52
Women in mining	%	17	15	13.3%	16
Water usage (000m³)					
Potable water from external sources		395	404	2.2%	752
Fissure water used		44	4	(1 000.0%)	58
Borehole water used		20	11	(81.8%)	20
Water recycled in process		1 073	951	(12.8%)	1 901
Total water usage		1 532	1 370	(11.8%)	2 731
Water recycled	%	70	69	1.4%	70
Electricity consumption (MWh)					
Energy from electricity purchased by shafts		32 527	24 257	(34.1%)	104 741
Energy from electricity purchased by plant		84 036	74 498	(12.8%)	99 344
Total electricity purchased		116 563	98 755	(18.0%)	204 085
Greenhouse gas emissions (CO_2e tonnes)					
Scope 1 (direct) emissions		7 529	5 155	(46.1%)	11 462
Scope 2 (indirect) emissions		115 397	97 768	(18.0%)	202 045
Scope 3 (indirect) emissions		–	42	100.0%	20
Total emissions		122 926	102 965	(19.4%)	213 527
Land use (hectares)					
Land disturbed by mining related activities		1 784	982	(81.7%)	1 784
Land leased for farming purposes		–	–	–	–
Land protected for conservation		2 104	2 714	(22.5%)	2 104
Other		6 044	7 424	(18.6%)	6 044
Total land under management (freehold)		9 932	11 120	(10.7%)	9 932

Booysendal performance *continued*

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Merensky production and ore stockpiles					
Square metres mined	m^2	40 525	27 474	47.5%	55 740
Tonnes mined	t	223 821	180 105	24.3%	386 476
Tonnes milled	t	215 340	190 079	13.3%	397 437
Head grade (4E)	g/t	2.31	2.41	(4.1%)	2.37
Head grade (6E)	g/t	2.79	2.91	(4.1%)	2.61
Concentrator recoveries	%	88.4	88.2	0.2%	88.0
Stockpile	t	36 723	21 420	71.4%	22 021
UG2 production and ore stockpiles North mine					
Square metres mined	m^2	146 091	129 565	12.8%	250 848
Tonnes mined	t	1 239 734	1 175 062	5.5%	2 243 924
Tonnes milled	t	1 238 297	1 173 845	5.5%	2 267 503
Head grade (4E)	g/t	2.75	2.80	(1.8%)	2.78
Head grade (6E)	g/t	3.33	3.39	(1.8%)	3.31
Concentrator recoveries	%	89.0	86.8	2.5%	86.7
Stockpile	t	–	–	–	3 144
UG2 production and ore stockpiles South mine*					
Square metres mined	m^2	24 856	4 138	500.7%	11 047
Sinking metres	m	1 303	1 113	17.1%	2 370
Tonnes mined	t	224 098	73 013	206.9%	181 853
Tonnes milled	t	284 417	–	100.0%	203 342
Head grade (4E)	g/t	2.11	–	100.0%	2.00
Head grade (6E)	g/t	2.55	–	100.0%	2.38
Concentrator recoveries	%	85.6	–	100.0%	83.3
Combined production and ore stockpiles					
Square metres mined	m^2	211 472	157 039	34.7%	317 635
Tonnes mined	t	1 687 653	1 355 167	24.5%	2 812 253
Tonnes milled	t	1 738 054	1 363 924	27.4%	2 868 282
Head grade (4E)	g/t	2.58	2.77	(6.9%)	2.72
Head grade (6E)	g/t	3.12	3.35	(6.9%)	3.20
Concentrator recoveries	%	88.0	87.0	1.1%	86.9
Stockpile	t	36 723	21 420	71.4%	25 165
Metal in concentrate produced from own operations and ore stockpiles					
Platinum	oz	80 129	63 914	25.4%	131 405
Palladium	oz	38 640	30 147	28.2%	62 828
Rhodium	oz	12 322	10 171	21.1%	20 697
Gold	oz	1 438	1 053	36.6%	2 553
4E	oz	132 529	105 285	25.9%	217 483
Iridium	oz	4 238	4 161	1.9%	7 616
Ruthenium	oz	21 756	18 086	20.3%	37 234
6E	oz	158 523	127 532	24.3%	262 333

*Comparative disclosure for information purposes only.

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Metal in concentrate purchased from third parties					
Platinum	oz	2 861	1 964	45.7%	3 846
Palladium	oz	1 885	1 083	74.1%	1 839
Rhodium	oz	881	525	67.8%	606
Gold	oz	12	4	200.0%	74
4E	oz	5 639	3 576	57.7%	6 365
Iridium	oz	242	146	65.8%	265
Ruthenium	oz	1 037	1 045	(0.8%)	2 104
6E	oz	6 918	4 767	45.1%	8 734
Total metal sold					
Platinum	oz	83 046	67 527	23.0%	136 281
Palladium	oz	40 552	31 851	27.3%	65 159
Rhodium	oz	13 212	10 746	22.9%	21 465
Gold	oz	1 451	1 113	30.4%	2 649
4E	oz	138 261	111 237	24.3%	225 554
Iridium	oz	5 904	4 245	39.1%	8 086
Ruthenium	oz	23 082	18 516	24.7%	36 964
6E	oz	167 247	133 998	24.8%	270 604
Nickel	t	216	250	(13.6%)	389
Copper	t	160	152	5.3%	322
Chrome concentrate	t	253 079	193 360	30.9%	390 698
Average market prices achieved and sales statistics					
Platinum	USD/oz	805	704	14.3%	721
Palladium	USD/oz	1 512	1 061	42.5%	1 181
Rhodium	USD/oz	4 562	2 227	104.9%	2 396
Gold	USD/oz	1 317	1 089	20.9%	1 130
4E basket price	USD/oz	1 377	958	43.7%	1 018
Iridium	USD/oz	971	983	(1.2%)	968
Ruthenium	USD/oz	196	214	(8.4%)	209
6E basket price	USD/oz	1 200	855	40.4%	906
Average exchange rate	R/USD	14.70	14.18	3.7%	14.16
Closing exchange rate	R/USD	14.01	14.36	(2.4%)	14.08
Average nickel market price achieved	USD/t	11 460	7 506	52.7%	8 226
Average copper market price achieved	USD/t	2 814	2 665	5.6%	2 813
Average chrome price achieved net of costs	USD/t	49	59	(16.9%)	65
Average chrome price achieved net of costs	R/t	719	843	(14.7%)	918
Total revenue per Pt oz sold	R/oz	38 224	26 975	41.7%	28 636
Total revenue per 4E oz sold	R/oz	22 959	16 375	40.2%	17 302
Total revenue per 6E oz sold	R/oz	18 980	13 594	39.6%	14 422

Booysendal performance *continued*

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Cash costs statistics					
On mine cash cost per tonne mined	R/t	857	765	(12.0%)	796
On mine cash cost per tonne milled	R/t	832	760	(9.5%)	780
Cash cost per Pt oz in concentrate produced	R/oz	18 714	16 772	(11.6%)	17 904
Cash cost per 4E oz in concentrate produced	R/oz	11 295	10 174	(11.0%)	10 818
Cash cost per 6E oz in concentrate produced	R/oz	9 440	8 393	(12.5%)	8 959
Cash profit and margin					
Cash profit per Pt oz in concentrate produced	R/oz	19 510	10 203	91.2%	10 732
Cash margin per Pt oz in concentrate produced	%	51.0	37.8	34.9%	37.5
Cash profit per 4E oz in concentrate produced	R/oz	11 664	6 201	88.1%	6 484
Cash margin per 4E oz in concentrate produced	%	50.8	37.9	34.0%	37.5
Cash profit per 6E oz in concentrate produced	R/oz	9 540	5 201	83.4%	5 463
Cash margin per 6E oz in concentrate produced	%	50.3	38.3	31.3%	37.9
Capital incurred					
Expansionary capex	R000	2 602	111 901	(97.7%)	188 467
Expansionary capex relating to Booysendal South*	R000	585 732	877 282	(33.2%)	1 472 030
Sustaining capex	R000	112 145	36 621	206.2%	153 366
	R000	700 479	1 025 804	(31.7%)	1 813 863
Sustaining capex per Pt oz in concentrate from own operations	R/oz	1 400	573	144.3%	1 167

* Expansionary capex does not include prepayments relating to the rope conveyance for ore transportation, amounting to R0.1 million (F2019: R0.6 million and H1 F2019: R36.1 million).

Eland performance

	6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
	R000	R000	%	R000
Sales revenue*				
Platinum	124 570	–	100.0%	–
Palladium	58 309	–	100.0%	–
Rhodium	87 234	–	100.0%	–
Gold	408	–	100.0%	–
Iridium	6 351	–	100.0%	–
Ruthenium	3 033	–	100.0%	–
Nickel	1 510	–	100.0%	–
Copper	123	–	100.0%	–
Chrome	30 225	–	100.0%	10 683
Total sales revenue	311 763	–	100.0%	10 683
Cost of sales				
Operating costs	(346 642)	–	(100.0%)	(23 612)
Mining operations	(191 554)	–	(100.0%)	–
Concentrator operations	(143 324)	–	(100.0%)	–
Chrome processing	(10 300)	–	(100.0%)	(22 936)
Royalty charges	(178)	–	(100.0%)	(53)
Share-based payment expenses	(1 286)	–	(100.0%)	(623)
Concentrates purchased	–	–	(100.0%)	(3 803)
Depreciation and write-offs	(13 092)	–	(100.0%)	–
Change in metal inventories	47 059	–	100.0%	3 803
Total cost of sales	(312 675)	–	(100.0%)	(23 612)
Operating loss	(912)	–	(100.0%)	(12 929)
Operating margin	(0.3%)	–	(100.0%)	(121.0%)
EBITDA	3 895	(50 974)	N/A	(144 000)
EBITDA margin	1.2%	–	100.0%	(1 347.9%)

*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.

During the first six months of the previous financial year, the Eland operation was on care and maintenance and all costs associated with the Eland operation were classified as such. Refer to note 8, sundry expenditure included in the condensed reviewed interim results.

Eland performance *continued*

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Safety					
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.00	0.00	–	0.00
Total injury incidence rate (TIIR) per 200 000 hours worked		2.21	3.55	37.7%	2.63
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.97	0.71	(36.6%)	0.53
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.28	0.00	(100.0%)	0.18
Number of fatalities		–	–	–	–
Health					
New cases of noise induced hearing loss		–	–	–	–
New cases of tuberculosis		–	–	–	–
HIV Counselling and Testing (HCT)		548	–	100.0%	–
Employment and human rights					
Permanent employees		368	36	922.2%	196
Contractors		660	384	71.9%	659
Total employed		1 028	420	144.8%	855
Average number of employees including contractors		1 017	292	248.3%	705
Turnover rate	%	3	–	(100.0%)	7
HDSAs in management	%	57	38	50.0%	35
Women in mining	%	18	25	(28.0%)	19
Water usage (000m³)					
Potable water from external sources		–	–	–	–
Fissure water used		–	–	–	–
Borehole water used		1 100	–	(100.0%)	–
Water recycled in process		1 759	–	100.0%	–
Total water usage		2 859	–	(100.0%)	–
Water recycled	%	62	–	100.0%	–
Electricity consumption (MWh)					
Energy from electricity purchased by shafts		12 155	–	(100.0%)	–
Energy from electricity purchased by plant		33 919	–	(100.0%)	–
Total electricity purchased		46 074	–	(100.0%)	–
Greenhouse gas emissions (CO_2e tonnes)					
Scope 1 (direct) emissions		1 319	–	(100.0%)	–
Scope 2 (indirect) emissions		45 614	–	(100.0%)	–
Scope 3 (indirect) emissions		9	–	(100.0%)	–
Total emissions		46 942	–	(100.0%)	–
Land use (hectares)					
Land disturbed by mining related activities		527	527	–	527
Land leased for farming purposes		231	231	–	231
Land protected for conservation		–	–	–	–
Other		863	863	–	863
Total land under management (freehold)		1 621	1 621	–	1 621

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
UG2 production and surface sources					
Square metres mined	m^2	35	–	100.0%	–
Development metres	m	622	–	100.0%	–
Surface sources	t	560 960	–	100.0%	–
Tonnes mined	t	30 658	–	100.0%	–
Tonnes milled	t	560 960	–	100.0%	–
Head grade (4E)	g/t	3.00	–	100.0%	–
Head grade (6E)	g/t	3.39	–	100.0%	–
Concentrator recoveries	%	32.5	–	100.0%	–
Stockpile	t	–	–	100.0%	–
Chrome concentrate produced and sold	t	38 474	–	100.0%	12 676
Metal in concentrate produced from own operations and third party surface sources					
Platinum	oz	11 458	–	100.0%	–
Palladium	oz	2 840	–	100.0%	–
Rhodium	oz	1 607	–	100.0%	–
Gold	oz	16	–	100.0%	–
4E	oz	15 921	–	100.0%	–
Iridium	oz	862	–	100.0%	–
Ruthenium	oz	1 185	–	100.0%	–
6E	oz	17 968	–	100.0%	–

Eland performance *continued*

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Total metal sold					
Platinum	oz	10 454	–	100.0%	–
Palladium	oz	2 528	–	100.0%	–
Rhodium	oz	1 223	–	100.0%	–
Gold	oz	21	–	100.0%	–
4E	oz	14 226	–	100.0%	–
Iridium	oz	447	–	100.0%	–
Ruthenium	oz	1 051	–	100.0%	–
6E	oz	15 724	–	100.0%	–
Nickel	t	9	–	100.0%	–
Copper	t	3	–	100.0%	–
Chrome concentrate	t	38 474	–	100.0%	12 676
Average market prices achieved and sales statistics					
Platinum	USD/oz	819	–	100.0%	–
Palladium	USD/oz	1 585	–	100.0%	–
Rhodium	USD/oz	4 902	–	100.0%	–
Gold	USD/oz	1 335	–	100.0%	–
4E basket price	USD/oz	1 307	–	100.0%	–
Iridium	USD/oz	977	–	100.0%	–
Ruthenium	USD/oz	198	–	100.0%	–
6E basket price	USD/oz	1 223	–	100.0%	–
Average exchange rate	R/USD	14.55	–	100.0%	14.56
Closing exchange rate	R/USD	14.01	–	100.0%	14.08
Average nickel market price achieved	USD/t	11 531	–	100.0%	–
Average copper market price achieved	USD/t	2 818	–	100.0%	–
Average chrome price achieved net of costs	USD/t	54	–	100.0%	58
Average chrome price achieved net of costs	R/t	786	–	100.0%	843
Total revenue per Pt oz sold	R/oz	29 822	–	100.0%	–
Total revenue per 4E oz sold	R/oz	21 915	–	100.0%	–
Total revenue per 6E oz sold	R/oz	19 827	–	100.0%	–

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
				%	
Cash costs statistics					
Cash cost per Pt oz in concentrate produced	R/oz	29 227	–	(100.0%)	–
Cash cost per 4E oz in concentrate produced	R/oz	21 034	–	(100.0%)	–
Cash cost per 6E oz in concentrate produced	R/oz	18 637	–	(100.0%)	–
Cash profit and margin					
Cash profit per Pt oz in concentrate produced	R/oz	595	–	100.0%	–
Cash margin per Pt oz in concentrate produced	%	2.0	–	100.0%	–
Cash profit per 4E oz in concentrate produced	R/oz	881	–	100.0%	–
Cash margin per 4E oz in concentrate produced	%	4.0	–	100.0%	–
Cash profit per 6E oz in concentrate produced	R/oz	1 190	–	100.0%	–
Cash margin per 6E oz in concentrate produced	%	6.0	–	100.0%	–
Capital incurred					
Expansionary capex	R000	326 292	–	100.0%	371 201
	R000	326 292	–	100.0%	371 201

US recycling operation performance

		6 months ended 31 December 2019	6 months ended 31 December 2018	Variance	12 months ended 30 June 2019
		R000	R000	%	R000
Sales revenue					
Platinum		15 371	–	100.0%	7 347
Palladium		52 226	–	100.0%	41 062
Rhodium		13 537	–	100.0%	8 471
Total sales revenue		81 134	–	100.0%	56 880
Cost of sales					
Operating costs		(8 406)	–	(100.0%)	(6 276)
Concentrates purchased		(59 437)	–	(100.0%)	(80 588)
Depreciation and write-offs		(4 921)	–	(100.0%)	(17 767)
Change in metal inventories		(17 384)	–	(100.0%)	25 808
Total cost of sales		(90 148)	–	(100.0%)	(78 823)
Operating loss		(9 014)	–	(100.0%)	(21 943)
Operating margin		(11.1%)	–	(100.0%)	(38.6%)
EBITDA		(4 861)	(10 145)	52.1%	(14 419)
EBITDA margin		(6.0%)	–	(100.0%)	(25.4%)
Recycled metal purchased from third parties*					
Platinum	oz	1 361	–	100.0%	1 022
Palladium	oz	2 339	–	100.0%	3 341
Rhodium	oz	254	–	100.0%	372
4E	oz	3 954	–	100.0%	4 735
Total metal sold					
Platinum	oz	1 297	–	100.0%	668
Palladium	oz	2 677	–	100.0%	2 291
Rhodium	oz	294	–	100.0%	245
4E	oz	4 268	–	100.0%	3 204
Average market prices achieved and sales statistics					
Platinum	USD/oz	831	–	100.0%	772
Palladium	USD/oz	1 368	–	100.0%	1 257
Rhodium	USD/oz	3 229	–	100.0%	2 430
Average exchange rate	R/USD	14.26	–	100.0%	14.18
Closing exchange rate	R/USD	14.01	–	100.0%	14.08

*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 operation.

During the first six months of the previous financial year, the US recycling operation was on care and maintenance and all costs associated with the US recycling operation were classified as such. Refer to note 8, sundry expenditure included in the condensed reviewed interim results.

Results commentary

Shareholder returns will be facilitated through disciplined capital allocation

Group operational overview

Equivalent refined metal from own operations rose by 19.6% to 306 738 oz 4E (H1 F2019: 256 461 oz 4E) with increased contributions from both Booysendal and Zondereinde and new production from Eland. Chrome concentrate production increased by 27.5% to 469 642 tonnes on the back of increased processing of chromite-bearing product at Booysendal and Eland.

Unit cash costs per equivalent refined platinum ounce increased by 12.6% to R24 780/Pt oz. This was the result of an increase of 9.6% at Zondereinde to R25 890/Pt oz, a corresponding increase of 11.6% at Booysendal to R18 714/Pt oz and new production at the ramping up Eland mine at a unit cash cost of R29 227/Pt oz.

Total capital expenditure reduced relative to the previous corresponding period to R1.4 billion as major project milestones were completed. R1.2 billion was spent on expansionary capex and R200.5 million on sustaining capex.

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

At Zondereinde, stoping volumes are building up in the Western extension and further progress has been made on the deepening project. Planning of additional surface access to the Western extension is well advanced and pilot drilling of a raise-bored access shaft is on track for commencement of reaming before the end of the current financial year. At the metallurgical facilities, the new smelter furnace and drying plant, as well as the concentrate dewatering plant continue to operate within design parameters. In addition, further good progress has been made on upgrades to the material handling infrastructure. Planning for capacity increases at the base metal removal plant is well advanced.

The development of Booysendal South is progressing on schedule. At the Central UG2 mine, surface infrastructure construction is almost complete and underground development is on track. Stoping build-up has been slightly delayed in favour of primary development, but this will not impact the target date for steady state production. The South aerial rope conveyor and the PGM circuit of the South concentrator are operating well. Construction of the Central Merensky boxcut is almost complete and underground development will commence before the end of the financial year. In addition, earthworks and civil construction has started for the North aerial rope conveyor. This installation will allow transport of Merensky ore from the North and Central mines to the South concentrator and is scheduled to coincide with the respective stoping ramp up profiles.

At Eland, treatment of surface material through the chrome spirals and secondary PGM circuit of the concentrator is ongoing. Underground development has recommenced after the mine's period of care and maintenance. Development of the Kukama decline system is ahead of schedule, employing mechanised drilling and blasting together with a Mobile Tunnel Borer (MTB) following a successful trial. Primary development will be the focus during the next 18 months, but an early mining demonstration, to optimise stoping methodologies is also in progress. The mine development plan is being reviewed in light of the conditional purchase of the adjacent Maroelabult mine and incorporation of the MTB. This review will be concluded before the end of the financial year.

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

Our growth strategy continues to yield positive results as we move towards our medium-term annual production target of 1 000 000 oz 4E

Zondereinde

It is with regret that we have to report a fatal accident at Zondereinde during the period under review. Mr Batswana Solomon Kalaote, a jetting gun operator with 27 years' service with the company, lost his life in a mining related accident in December. We extend our sincere condolences to his family and friends.

Zondereinde's lost time injury incident rate (LTIIR) improved to 1.14 injuries per 200 000 hours worked. Continuing to improve the safety performance and health and wellness of our workforce remains an important focus area for the business.

Prior to Mr Kalaote's passing, Zondereinde had achieved 2 million fatality free shifts and has recently been ISO 45001 certified.

Production at Zondereinde was negatively impacted by an underground fire at the start of the period. Despite this, the production of equivalent refined metal from own operations increased by 5.4% to 162 380 oz 4E (H1 F2019: 154 078 oz 4E). This was the result of a build-up of 88 423 tonnes of stockpile ahead of the Merensky concentrator, together with a combination of 0.9% higher combined milled tonnages, a 2.2% higher combined 4E mill head grade and a 0.6% improvement in concentrator recoveries. Merensky mined tonnages increased by 11.6%. This underlines the positive impact of reserve build-up in the Western extension section of the mine and, in the main, contributed to a 3.5% increase in Merensky head grade. The Merensky 4E mill head grade further benefitted from a reduction in thickener fines inventory following the successful commissioning of the concentrate dewatering plant. UG2 ore mined was lower than concentrator milling capacity, requiring a 29 057 tonne draw down from the UG2 stockpile. In addition, 192 911 stockpile tonnes were removed from the mine, fulfilling the terms of an ore sale agreement entered into with a third party during F2019. This left a closing UG2 stockpile of 12 315 tonnes.

Equivalent refined metal from external purchases increased by 124.6% to 10 069 oz 4E (H1 F2019: 4 484 oz 4E).

Total operating costs at Zondereinde for the period totalled R3.2 billion (H1 F2019: R2.4 billion), a 30.4% increase. Labour and power costs, together with volume increases account for the majority of this. The combination of higher costs, offset by higher volumes translated into a 9.6% increase in unit cash costs per equivalent refined platinum ounce, to R25 890/Pt oz (H1 F2019: R23 614/Pt oz).

Booysendal

The good safety performance at Booysendal continues and the mine surpassed five million fatality free shifts during the period under review. However, both the LTIIR and the reportable injury incidence rate (RIIR) regressed to 0.30 (H1 F2019: 0.10). Whilst these are very good statistics, additional emphasis is being placed on work practices in order to address this regression.

Production from Booysendal North UG2 mine improved 5.5% relative to the previous corresponding period, to 1 239 734 tonnes (H1 F2019: 1 175 062 tonnes) primarily owing to improved mining productivity. Production from the Merensky North mine increased by 24.3% to 223 821 tonnes (H1 F2019: 180 105 tonnes), following the addition of a fourth stoping crew in the latter part of F2019.

Production from Booysendal Central UG2 mine improved 206.9% to 224 098 tonnes (H1 F2019: 73 013 tonnes) as the mine begins the mining ramp up to steady state. A decision was taken to defer some stoping in favour of primary development. This will not impact the steady state schedule.

Total tonnes milled increased by 27.4% to 1 738 054 tonnes (H1 F2019: 1 363 924 tonnes). Merensky throughput increased by 13.3% to 215 340 tonnes (H1 F2019: 190 079 tonnes), due to increased mining production, whilst UG2 milling increased by 29.7% to 1 522 714 tonnes (H1 F2019: 1 173 845 tonnes). The dense media separation plant at the North concentrator is continuing to operate well within design parameters.

The total operating costs at Booysendal amounted to R1.7 billion (H1 F2019: R1.1 billion), a 50.4% increase. Volume increases, together with stores and power costs led to this rise. Higher production volumes resulted in the unit cash cost increasing by 11.6% to R18 714/Pt oz (H1 F2019: R 16 772/Pt oz). The commissioning of the South mine together with the full operation of the South concentrator (with low volumes) explains, to a large degree, the unit cost increase.

Eland

The mine was on care and maintenance from 2015 until June 2019. Decline tunnel development to open up mineable reserves commenced in July 2019.

Eland's LTIIR and RIIR regressed to 0.97 and 0.28 (H1 F2019: 0.71 and 0.00), respectively. Additional emphasis is being placed on safer working practices.

Treatment of surface PGM and chromite bearing materials commenced during the period under review following recommissioning of the chrome spirals and secondary PGM circuit in the concentrator. Material processed was 560 960 tonnes. This yielded 15 921 oz 4E in concentrate, together with 38 474 tonnes of chrome concentrate sold.

The total operating cost at Eland is reported for the first time at R346.6 million. This represented a cash cost per metal in concentrate produced of R29 227/Pt oz.

In parallel with the processing operations, development of the declines at the Kukama shaft commenced, together with ongoing refurbishment and recommissioning of fixed and mobile underground equipment. In addition, the MTB trial, to test its suitability for advancing the Kukama decline system, was completed. This yielded positive results and the MTB will continue in the coming period to develop the Kukama belt decline barrel. A total of 528 metres were developed on the three-barrel decline system. This is ahead of plan. In addition, an on-reef raise connection was holed in the West 1 section of the mine in order to trial and optimise planned stoping methodologies.

A conditional purchase agreement for the adjacent Maroelabult mine was entered into with the current owners, Eastern Platinum Limited. Eland management has taken over Maroelabult's care and maintenance and security operations. The impending conclusion of this purchase, together with the decision to utilise the MTB in Kukama decline development has allowed re-planning of the Eland development and mining plan. The planning program will be concluded during the second half of the financial year and will inform a revised capital program from next year.

US recycling operation

During the period under review, further small batches of salvaged catalytic convertors were sourced from third parties and processed on a trial basis. The PGM material arising from these recycled convertors is being treated at the Zondereinde metallurgical facilities. Once this trial process has been bedded down, options to re-establish the recycling operations will be considered, taking into account the working capital requirements within the group's capital allocation process, 4 268 oz were treated during the period under review.

Progress of capital projects during the period

During the period under review, the group invested R1.2 billion in the execution of its growth, diversification and optimisation strategy. Group capital expenditure for F2020 is forecast at R2.7 billion. The following progress has been made in respect of the various ongoing capital projects:

Zondereinde

Development within the Western extension section has progressed well on 3 to 12 levels. Footwall strike drives have advanced past the second mining line and development of raise connections continues. Stoping is in progress on the first mining line and is currently generating in the order of 40 000 tonnes per month of Merensky ore. It is expected that 50 000 oz 4E per annum will accrue to Zondereinde's production profile from this expansion project. Ground conditions in stoping and development are good, and exploration drilling ahead of development indicates that these conditions will persist up to, at least, the forecast five year stoping limit.

Planning and early work on Western extension access (Number 3 shaft project) is ongoing. Preparation for a raise bored access shaft is progressing well. Following geotechnical drilling down the length of the proposed shaft, surface site clearance and the completion of a raise bore drilling pad, drilling of the raise bore pilot hole commenced and is ongoing. This had reached a depth of 498 metres by the end of the period and is expected to reach its planned completion depth of 1 430 metres in May 2020. In addition, development of underground access tunnels to the raise bore position on 3 level is progressing ahead of schedule.

The deepening project, which is opening additional Merensky reserves, continues to make good progress. The conveyor decline is currently between 17 and 18 levels and lateral development is well advanced on 17 level. Stoping is continuing on 16 level, which is serviced by both the material and chairlift declines.

Work is ongoing on material handling and logistical infrastructure upgrades at the smelter complex, in order to support our planned concentrate profile. This will be completed before the financial year end. The coming years will see work commence on capacity increases at the base metal removal plant.

Capital expenditure during the period under review decreased by 15.7% to R325.5 million (H1 F2019: R386.0 million). Expansionary project expenditure accounted for R237.1 million, while sustaining expenditure was R88.4 million. The reduction in expansionary capital expenditure resulted from the completion of work related to the commissioning of the second smelter furnace and associated drying plant, together with the concentrate dewatering plant. Current expansionary expenditure relates almost entirely to the ongoing development of the deepening and Western extension sections. Total capital expenditure for F2020 is estimated at R863.9 million.

Booysendal

The North UG2 mine deepening and phase 1 Merensky projects, initiated in 2015 were completed during the past year. A benefit of these projects was improved mining flexibility and this is being seen in ongoing productivity metrics. North mine capital expenditure of R114.7 million (H1 F2019: R148.5 million), included R2.6 million expansionary and R112.1 million sustaining capital. This year-on-year reduction reflects the close out of the UG2 and Merensky projects, together with fleet replacement costs.

Construction of shaft head infrastructure at the Central UG2 complex is still running ahead of schedule, with completion of the offices and change house expected during the coming quarter. Underground development and construction continues and production build-up to a steady state of approximately 220 000 tonnes per month is still on track for F2023.

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

Access to the historical underground workings of the old Everest mine, of which the planned BS4 mining module is the western limit, was achieved during the previous financial year. A backfill plant was constructed and will commence underground tailings deposition into the excavations during the coming financial year. Recommissioning and equipping of the BS4 access decline has started and will continue during the remainder of the coming calendar year.

Construction of the North aerial rope conveyor has commenced and commissioning is expected at the end of the 2021 financial year. This will transport Merensky ore from the North and Central Merensky mining modules to the South concentrator. Earthworks and foundations for the drive station and towers will progress during the remainder of the calendar year, followed by mechanical construction and commissioning.

South mine capital expenditure was entirely expansionary and totalled R585.7 million (H1 F2019: R877.3 million). This reflects the near completion of surface infrastructure and build-up of underground development and equipping at Central UG2 mine, together with the development of the Central Merensky boxcut and earthworks and civil construction for the North aerial rope conveyor.

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

The estimated F2020 capital expenditure for North mine will be almost entirely sustaining and is estimated at R232.1 million. South mine capital expenditure will be entirely expansionary and is estimated at R1.1 billion. Main workflows comprise completion of surface infrastructure construction and underground mining and equipping at the Central UG2 complex, completion of the Central Merensky box cut, together with the commencement of underground development, and the construction of the North aerial rope conveyor system.

Eland

Treatment of surface material through the secondary PGM and Chrome circuits of the Eland concentrator commenced during the period under review. The primary milling circuit, required for treatment of run of mine UG2 ore from Kukama shaft will only be commissioned in F2021. UG2 ore from underground mining will be stockpiled ahead of this.

Capital expenditure for the period, inclusive of pre-production expenditure amounted to R326.3 million.

Planned capital expenditure for Eland in F2020 is estimated to be R543.5 million.

Development of the Kukama decline system will continue. Focus over the coming 18 months will be on reserve build-up, through development of this decline system and strike drives.

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

Revised mine planning, incorporating the adjacent Maroelabult mine and the MTB will be concluded before the financial year end.

Processing of surface materials and re-mining of the TSF will continue, generating both chrome and PGM concentrates.

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

Results commentary *continued*

Financial overview

We continue to deliver on our strategy of developing low-cost, long-life assets that will position the group to yield a strong financial performance even in a subdued or potentially volatile commodities market. We remain committed to creating long-term value for all stakeholders through production growth and sustainable cost control.

The benefits of our growth strategy, initiated in 2015, are evident by some of the key financial highlights listed below:

- A 57.0% increase in revenue to R7.8 billion (H1 F2019: R5.0 billion), driven by an increase in both sales volumes and PGM prices
- A record operating profit of R3.0 billion (H1 F2019: R1.0 billion), which equates to a healthy operating profit margin of 37.8% (H1 F2019: 20.7%)
- A 183.9% increase in EBITDA to R3.2 billion (H1 F2019: R1.1 billion)
- A profit after tax of R1.1 billion (H1 F2019: loss of R63.8 million)
- Normalised headline earnings of R1.9 billion (H1 F2019: R553.3 million)
- First meaningful free cash flow generated since the commencement of our growth strategy
- The purchase of 32.5 million Zambezi Platinum (RF) Limited preference shares, at a cost of R2.4 billion, returning value and decreasing dilutionary risk to ordinary shareholders

The sustainable conduct of our business is dependent on the successful management and allocation of the capital provided by shareholders and debt funders, as well as that generated from operational cash flows. We allocate capital responsibly to fund and sustain our operations, grow our business and return value to shareholders

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 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 R1.9 billion (H1 F2019: R553.3 million), which equates to normalised earnings per share, based on the total number of 509 781 212 issued shares, of 369.6 cents (H1 F2019: 108.5 cents). This is an increase of 240.6%.

	6 months ended 31 December 2019	6 months ended 31 December 2018	Variance
	R000	R000	%
Headline earnings/(loss)	1 148 577	(66 644)	N/A
Add back:			
Amortisation of liquidity fees paid on preference shares	8 195	8 195	–
Preference share dividends	618 992	611 761	1.2%
Loss on derecognition of preference share liability	108 148	–	100.0%
Normalised headline earnings	1 883 912	553 312	240.5%
Normalised headline earnings per share (cents)	369.6	108.5	240.6%
Number of shares in issue including treasury shares	509 781 212	509 781 212	–
Earnings/(loss) per share (cents)	328.0	(18.2)	N/A
Fully diluted earnings/(loss) per share (cents)	328.0	(18.2)	N/A
Headline earnings/(loss) per share (cents)	328.3	(19.0)	N/A
Fully diluted headline earnings/(loss) per share (cents)	328.3	(19.0)	N/A

Revenue

Sales revenue increased by 57.0% from R5.0 billion in H1 F2019 to R7.8 billion in the period under review. The increase is attributable to an 11.9% increase in the volume of PGMs sold, a 42.4% increase in the 4E basket price to USD1 443/oz (H1 F2019: USD1 013/oz) and a 3.7% weaker ZAR/USD exchange rate realised.

The current 4E basket price in USD terms is in excess of USD2 200/oz, some 50% higher than the price achieved during the reporting period.

The average US dollar sales prices achieved during the period under review improved for most metals. Palladium and rhodium both performed well, increasing by 53.8% and 101.6% respectively. Both these metals continued their upward trends subsequent to the period end.

Platinum however, making up roughly 60% of the sales volume of our precious metals basket, continues to be the laggard, with the average price achieved during the period under review at USD895/oz (H1 F2019: USD820/oz), which impacts the 4E basket price achieved. Platinum now only contributes 30.8% (H1 F2019: 42.3%) to total revenue. Any upward movement in the platinum price will have a positive impact on the profitability of the group.

The average nickel price increased by 46.9% to USD15 857/t (H1 F2019: USD10 793/t), whilst the average price for copper decreased by 2.7% to USD5 655/t (H1 F2019: USD5 811/t).

The price received for our chrome concentrate decreased by 17.9% in US dollar terms and 15.8% in South African rand terms. The negative impact of prices was offset by volumes of chrome concentrate produced and sold, which increased by 27.5% to 469 642 tonnes (H1 F2019: 368 288 tonnes). This resulted in the aggregate rand value of chrome concentrate sales increasing by 7.4% to R315.5 million (H1 F2019: R293.8 million).

Total revenue per platinum ounce sold increased by 44.8% from R27 524/Pt oz to R39 864/Pt oz.

Cost of sales, operating profit margin and earnings before interest, taxation, depreciation and amortisation (EBITDA)

A 23.1% increase in cost of sales and corresponding 57.0% increase in revenue resulted in operating profit increasing from R1.0 billion in H1 F2019 to R3.0 billion for the period under review, an all-time record high for the group. This translates to an operating profit margin of 37.8% (H1 F2019: 20.7%).

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

- Mining costs increased by 29.7%. This is attributable to wage increases, a 10.1% net increase in the number of employees and a 12.3% increase in square metres mined.
- Concentrating costs increased by 70.6% with the commissioning of concentrators at Booysendal South and Eland. 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 24.8% owing to both the increase in the electricity unit cost and the additional power consumption required for the treatment of lower grade concentrate received from Booysendal South and Eland during the ramp up phases of these operations. In addition, R34.1 million was spent on essential maintenance.
- Chrome processing costs increased by 9.2% relating to additional variable costs incurred resulting from the 27.5% increase in volumes of chrome concentrate produced and sold.
- Selling and administration overheads 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), Hereaus Industrial Research as well as the International Platinum Group Metals Association (IPA).
- Royalty charges are based on a number of inputs, including the ratio between revenue generated from own operations and custom material, EBITDA and capital expenditure incurred. Zondereinde no longer pays royalties at the minimum royalty rate, and has no further unredeemed capital expenditure to set off against mining income from own operations. However, Booysendal 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.
- 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 contribution to the increase as a result of the higher share price at the period-end. The Toro Employee Empowerment Trust is an employee profit share scheme for Zondereinde employees based on 4% of after tax profit contributions from Zondereinde. During the period under review Zondereinde made a profit after tax of R1.1 billion (H1 F2019: R121.3 million).
- The cost of concentrates, metals and recycling material purchased increased by 531.3%. Volumes purchased increased by 143.6%, 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 20.4%, partially as a result of an increase of 6.7% in refined metal produced. During the 2019 calendar year additional costs were incurred in establishing an independent accredited group laboratory at Eland that will assist in standardising sampling and analysis across the group.
- Depreciation is based mainly on the unit of production depreciation method. With the increased production 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.
- The release in metal quantities on hand was offset by the increase in the cost of production which is reflected in the change in metal inventories.

We are committed to 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:

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Income tax			
Current mining income tax charge	311 021	–	–
Current non-mining income tax charge	23 973	3 041	37 457
Adjustment in respect of current income tax of previous years	19 352	–	9 606
Dividend withholding tax			
Current period/year withholding tax	108	272	543
Deferred tax			
Current and prior period/year deferred tax charge	465 908	236 189	594 248
Income tax expense reported in profit or loss	820 362	239 502	641 854

During the period 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 Zondereinde mine is housed. Taxation on non-mining income comprises mainly 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 with 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 R6.3 billion (30 June 2019: 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 metal prices and exchange rates achieved.

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 differences of R401.2 million has been raised relating to Eland Platinum Proprietary Limited and 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 condensed reviewed interim financial results.

Working capital

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

The 19.6% increase in production from own operations led to an increase in pipeline material which impacted the inventory balance.

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.

Cash flow and net debt

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

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Cash flows from operating activities	2 033 332	1 297 758	2 711 918
Less capital expenditure incurred during the period/year	(1 337 523)	(1 483 344)	(2 711 708)
Free cash flow generated/(utilised) during the period/year	695 809	(185 586)	210

Due to the significant amounts of capital incurred in the execution of the group's growth strategy, it is the first time since 2015 that the group has generated meaningful free cash flow after funding capital expenditure.

It is expected that the group's ability to generate free cash flow will be positively impacted by production growth and the continuing increase in PGM prices, taking into consideration that the total capital expenditure for the group for F2020 is forecast to amount to R2.7 billion.

The group's future cash generation is vulnerable to exchange rate volatility and metal price fluctuations. Adequate credit facilities are in place, through the revolving credit facility (RCF) and a general banking facility (GBF). In addition, further funding is accessible by way of the domestic medium-term note (DMTN) programme.

The group has a policy of not hedging against currency or metal price fluctuations and any changes to this policy will be timeously communicated to the market.

First meaningful free cash flow generated since the commencement of our growth strategy

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

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	**R000**	**R000**
Cash and cash equivalents	874 705	639 660	950 315
Domestic medium-term notes	(4 136 149)	(1 421 702)	(1 814 884)
Revolving credit facility	(1 774 146)	(2 138 741)	(2 137 193)
Net debt position	(5 035 590)	(2 920 783)	(3 001 762)
Rolling 12 month EBITDA	4 706 522	1 699 515	2 638 513
Net debt/EBITDA ratio	1.1	1.7	1.1

Northam adopts a prudent approach to managing its long-term funding facilities. The group's enlarged operational footprint and increased working capital requirements have necessitated an increase in available debt facilities. During the period under review the net debt position increased to R5.0 billion whilst maintaining net debt to EBITDA in line with our conservative, self-imposed target ratio of 1 to 1.

Debt facilities and funding of the group

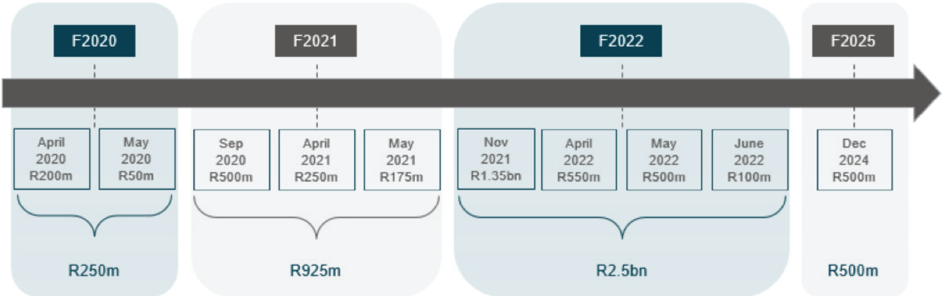
During the period under review, Northam refinanced its R3.5 billion, 5 year RCF and GBF on more favourable terms, extending the maturity date of the RCF from 29 November 2021 to 5 September 2024. The interest rate on the previous R3.5 billion RCF was JIBAR plus 3.3%, whereas the interest rate on the new R3.5 billion 5 year RCF is calculated as JIBAR plus 2.1%, plus a utilisation fee of between 0.1% per annum and 0.5% per annum, 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 RCF is subject to financial covenant compliance which is monitored on an ongoing basis.

The board further approved an increase in the company's DMTN Programme from R2.0 billion to R5.0 billion, which enabled the issue of new DMTNs to facilitate the company's strategy of returning value to shareholders, by way of a purchase of Zambezi Platinum (RF) Limited preference shares.

During the period under review R2.4 billion worth of new DMTNs were issued in the open market on more favourable terms. This issuance together with the refinancing of the RCF and GBF, decreased the group's average cost of borrowing, excluding Zambezi Platinum (RF) Limited, by 107 basis points from 10.63% to 9.56%.

The maturity profile of the current issued DMTNs is listed below:



Below is a summary of the RCF at the period/year end:

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Total revolving credit facility	3 500 000	3 000 000	3 500 000
Facility utilised at period/year end	(1 800 000)	(2 150 000)	(2 150 000)
Available facility at the period/year end	1 700 000	850 000	1 350 000

Subsequent to period end an amount of R800.0 million was repaid increasing the available facility to R2.5 billion.

During the period under review, the credit rating agency, Global Credit Rating Co. (GCR), re-affirmed Northam's national scale long term credit rating of A-(ZA) and revised its short term credit rating to A2(ZA) (in accordance with the changes in GCR's Rating Scales, Symbols and Definitions, May 2019), with the outlook upgraded to positive.

The upgrade to a positive outlook acknowledges Northam's improving trends in its 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 black economic empowerment (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 for the Zambezi preference shares at an issue price of R41 per share. Subscription undertakings for the full value of the 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 preference shares. These preference shares are guaranteed by Northam and as a result consolidated into the Northam group results.

In terms of the preference share terms, the preference shareholders will be entitled to receive cumulative preference dividends equal to the South African prime interest rate plus 3.5% over the 10-year 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 preference shares will not become payable but will instead accumulate and become payable upon redemption of the preference shares.

The preference shares will be compulsorily redeemable on 17 May 2025, being the day immediately preceding the 10th anniversary of the issue date. The 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 defaults as envisaged in the terms of the preference shares.

Upon expiry of the 10-year period, the 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 preference share terms) to the holders of the 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 preference share liability, the guarantee may be called upon by the preference shareholders. If the guarantee is called upon, then Northam will be entitled to settle the preference share liability by making a cash payment directly to the preference shareholders and / or through the issue of new Northam shares to the preference shareholders. The manner of settlement is at Northam's election.

The redemption price of the preference shares as well as any accumulated and unpaid preference dividends on the 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 preference shareholders.

Capital allocation and returning value to shareholders

During the period under review, Northam returned value to shareholders by acquiring 20.3% of the issued Zambezi Platinum (RF) Limited preference shares (representing 32.5 million preference shares) for R2.4 billion. Northam now holds 22.9% of the total issued number of Zambezi Platinum (RF) Limited preference shares, and has maintained its target net debt to EBITDA ratio of 1 to 1.

Below is a summary of the number of preference shares held in Zambezi Platinum (RF) Limited:

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
Number of Zambezi Platinum (RF) Limited preferences shares issued (JSE preference share code: ZPLP)	159 905 453	159 905 453	159 905 453
Number of ZPLP preference shares held by Northam Platinum Limited	(36 688 840)	(4 230 819)	(4 230 819)
Number of ZPLP preference shares held in the open market	123 216 613	155 674 634	155 674 634
% of ZPLP preference shares held by Northam Platinum Limited	22.9%	2.6%	2.6%

Northam intends to continue to direct surplus free cash flow to shareholders.

The return of value to shareholders will be facilitated through disciplined capital allocation

Dividends

The company's dividend policy is to consider an interim and final dividend for each reporting period. At its discretion, the board of directors (board) may consider a special dividend where appropriate and depending 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.

The board has resolved not to declare an interim dividend for the 2020 financial year (H1 F2019: R Nil per share).

At present, the board is of the view that the most efficient way to return value to shareholders is to purchase Zambezi Platinum (RF) Limited preference shares. However, this will be reassessed at every reporting period going forward.

Key accounting estimates, assumptions and judgements

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

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

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

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

Events after the reporting period

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

Changes to the board of directors

During the period under review there were no changes to the board.

Corporate governance

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

Northam's application and explanation of the King IV™ principles is available on the Northam website at www.northam.co.za/downloads/send/103-2019/1259-northam-application-of-the-king-iv-principles-2019.

Going concern

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

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

The condensed reviewed interim financial results have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The board believes that the group will continue to have adequate financial resources and access to capital to continue operating for the foreseeable future and, accordingly, the condensed reviewed interim 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:

- **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 South African rands. 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 – which impact cash flows and profitability.
- **Management of production and performance targets to ensure the successful execution of our business strategy** – Management sets realistic strategic and operational targets for the business. Performance against these targets will affect shareholders and stakeholders alike.
- **Continuing to improve the safety performance and health and wellness of our workforce** – The group strives to improve the safety performance and health and wellness of all employees. By continuously applying appropriate technologies, communication, training and reinforcing operational standards and responsibilities, we seek to improve the safety performance and health and wellness of our workforce.
- **Effective project execution** – The group has a large capital expansion programme in place to secure its future through the creation of long-life, low-cost operations. Successful project execution is key to creating a sustainable business for the long-term benefit of all our stakeholders.
- **Ensuring appropriate capital allocation** – The long term success of the business depends on achieving an optimal balance between growth, sustainable operations and returning value to the providers of capital. Management carefully considers the appropriate allocation of capital in these areas to achieve the group's strategic objectives.
- **Returning value to shareholders** – There are a number of ways that value can be returned to shareholders e.g. cash dividends, share buy-backs or the purchase of the Zambezi Platinum (RF) Limited preference shares. Management continuously assesses and evaluates the most appropriate mechanism to return value to shareholders, taking into consideration the group's capital structure, the economic operating environment and capital commitments.

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. Management is confident that the group's strong financial position, prudent financial controls and the successful execution of our expansion strategy will place the group in a position to take advantage of improved market conditions going forward.

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

On behalf of the board.

KB Mosehla	PA Dunne
Chairman	Chief executive officer

Johannesburg
25 February 2020

Condensed reviewed interim financial results

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

The condensed reviewed interim financial results of the group have been reviewed by Ernst & Young Inc., under the supervision of E Dhorat CA(SA), a registered auditor. A copy of their unmodified review report is available for inspection at the company's registered office.

The condensed reviewed interim financial results of the group are available on the company's website at www.northam.co.za.

Interim condensed consolidated statement of profit or loss and other comprehensive income

		Reviewed 6 months ended 31 December 2019	**Reviewed 6 months ended 31 December 2018**	**Audited 12 months ended 30 June 2019**
		R000	R000	R000
Sales revenue	3	7 824 901	4 982 761	10 649 506
Cost of sales		(4 865 358)	(3 951 981)	(8 239 481)
Operating costs	4	(5 196 329)	(3 543 074)	(7 607 161)
Concentrates purchased		(593 836)	(94 062)	(327 572)
Refining including sampling and handling charges		(86 552)	(71 902)	(135 104)
Depreciation and write-offs	8,11,12	(337 379)	(251 762)	(487 165)
Change in metal inventories		1 348 738	8 819	317 521
Gross profit		2 959 543	1 030 780	2 410 025
Share of earnings from associate	13	4 362	6 174	11 153
Investment income	5	39 671	23 992	56 260
Finance charges excluding preference share dividends	6	(191 544)	(101 149)	(184 027)
Net foreign exchange transaction (losses)/gains		(12 969)	6 649	10 411
Sundry income	7	62 945	39 235	77 472
Sundry expenditure	8	(158 711)	(210 060)	(357 713)
Profit before preference share dividends		2 703 297	795 621	2 023 581
Amortisation of liquidity fees paid on preference shares	20	(8 195)	(8 195)	(16 390)
Preference share dividends	20	(618 992)	(611 761)	(1 305 244)
Loss on derecognition of preference share liability	20	(108 148)	–	–
Profit before tax		1 967 962	175 665	701 947
Tax	9	(820 362)	(239 502)	(641 854)
Profit/(loss) for the period/year		1 147 600	(63 837)	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		36	8 211	11 354
Total comprehensive income for the period/year		1 147 636	(55 626)	71 447

		Reviewed 6 months ended 31 December 2019	**Reviewed 6 months ended 31 December 2018**	**Audited 12 months ended 30 June 2019**
Earnings/(loss) per share (cents)	10	328.0	(18.2)	17.2
Fully diluted earnings/(loss) per share (cents)	10	328.0	(18.2)	17.2

Interim condensed consolidated statement of financial position

		Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
		R000	R000	R000
Assets				
Non-current assets		22 874 019	20 436 302	21 604 214
Property, plant and equipment	11	15 756 250	13 276 555	14 484 795
Mining properties and mineral resources	12	6 687 677	6 751 030	6 722 551
Investment held in escrow		16 841	18 974	16 841
Interest in associate	13	50 661	41 320	46 299
Land and township development		86 834	64 749	71 414
Long-term receivables	14	84 067	86 570	85 536
Investments held by Northam Platinum Restoration Trust Fund	19	125 014	115 073	120 080
Environmental Guarantee investment		52 381	33 556	42 043
Buttonshope Conservancy Trust		14 180	12 460	13 218
Long-term prepayments	15	114	36 015	563
Deferred tax asset		–	–	874
Current assets		6 694 356	4 484 398	5 340 449
Inventories	16	5 142 961	3 426 562	3 762 675
Trade and other receivables	17	669 227	410 129	621 938
Cash and cash equivalents	18	874 705	639 660	950 315
Tax receivable		7 463	8 047	5 521
Total assets		29 568 375	24 920 700	26 944 663

		Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
		R000	R000	R000
Equity and liabilities				
Total equity		8 604 436	7 329 727	7 456 800
Stated capital		13 778 114	13 778 114	13 778 114
Treasury shares		(6 556 123)	(6 556 123)	(6 556 123)
Retained earnings/(accumulated loss)		496 971	(774 559)	(650 629)
Foreign currency translation reserve		11 026	7 847	10 990
Equity settled share-based payment reserve		874 448	874 448	874 448
Non-current liabilities		17 292 246	14 365 462	16 870 813
Deferred tax liability		1 884 501	1 060 634	1 419 467
Long-term provisions	19	711 965	670 752	679 459
Preference share liability	20	9 059 009	10 065 456	10 767 134
Long-term loans	21	133 050	177 722	140 510
Right-of-use liability		67 863	–	–
Long-term share-based payment liability		272 904	77 743	160 746
Domestic medium-term notes	22	3 388 808	174 414	1 566 304
Revolving credit facility	23	1 774 146	2 138 741	2 137 193
Current liabilities		3 671 693	3 225 511	2 617 050
Current portion of long-term loans	21	33 837	24 540	33 837
Current portion of right-of-use liability		17 293	–	–
Current portion of domestic medium-term notes	22	747 341	1 247 288	248 580
Short-term share-based payment liability		179 347	50 652	86 814
Tax payable		201 829	86	24 910
Trade and other payables	24	2 175 997	1 652 796	1 931 173
Provisional pricing derivatives	25	5 703	8 106	26 206
Short-term provisions		310 346	242 043	265 530
Total equity and liabilities		29 568 375	24 920 700	26 944 663

Interim condensed 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 period	–	(63 837)	–	8 211	(55 626)
Loss for the period	–	(63 837)	–	–	(63 837)
Other comprehensive income for the period	–	–	–	8 211	8 211
Balance as at 31 December 2018	7 221 991	(774 559)	874 448	7 847	7 329 727
Total comprehensive income for the period	–	123 930	–	3 143	127 073
Profit for the period	–	123 930	–	–	123 930
Other comprehensive income for the period	–	–	–	3 143	3 143
Balance as at 30 June 2019	7 221 991	(650 629)	874 448	10 990	7 456 800
Total comprehensive income for the period	–	1 147 600	–	36	1 147 636
Profit for the period	–	1 147 600	–	–	1 147 600
Other comprehensive income for the period	–	–	–	36	36
Balance as at 31 December 2019	7 221 991	496 971	874 448	11 026	8 604 436

*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).

Interim condensed consolidated statement of cash flows

	Notes	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
		R000	R000	R000
Cash flows from operating activities		2 033 332	1 297 758	2 711 918
Profit before tax		1 967 962	175 665	701 947
Adjusted for the following non-cash items as well as disclosable items				
Depreciation and write-offs	8,11,12	337 379	255 117	487 267
Changes in provisions		44 816	44 902	44 988
Changes in long-term receivables		1 469	327	16 312
Investment income	5	(39 671)	(23 992)	(56 260)
Finance charges excluding preference share dividends	6	191 544	101 149	184 027
Preference share dividends	20	618 992	611 761	1 305 244
Loss on derecognition of preference share liability	20	108 148	–	–
Amortisation of liquidity fees paid on preference shares	20	8 195	8 195	16 390
Movement in share-based payment liability		204 691	(28 944)	90 221
Share of earnings from associate	13	(4 362)	(6 174)	(11 153)
Profit on sale of property, plant and equipment		(704)	(3 898)	(6 635)
Impairment of property, plant and equipment		2 061	–	–
Net foreign exchange difference		12 969	(6 649)	(10 411)
Amortisation of security of supply contribution	21	(12 219)	–	(29 314)
Other		(12 411)	(2 614)	(7 656)
Change in working capital		(1 237 265)	145 283	(47 856)
Movement relating to land and township development		(15 420)	931	(5 734)
Interest income received		35 288	–	49 969
Dividend income received		1 347	–	3 398
Investment income received		–	22 582	–
Tax (paid)/refund received		(179 477)	4 117	(12 826)

	Notes	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
		R000	R000	R000
Cash flows utilised in investing activities		(1 352 900)	(1 450 510)	(2 686 063)
Property, plant, equipment, mining properties and mineral reserves				
Additions to maintain operations		(200 530)	(61 906)	(221 791)
Additions to expand operations		(1 136 272)	(1 245 447)	(2 277 100)
Disposal proceeds		857	21 169	26 099
Investment held in escrow		–	(18 974)	(16 841)
Amounts paid in terms of long-term prepayments	15	(721)	(175 991)	(212 817)
Refunds received on the cancellation of the Environmental Guarantee investment policy		–	66 406	66 424
Payments made and movements on the Environmental Guarantee investment		(10 338)	(31 063)	(39 568)
Increase in investments held by the Northam Platinum Restoration Trust Fund		(4 934)	(4 447)	(9 454)
Increase in investment held by the Buttonshope Conservancy Trust Fund		(962)	(257)	(1 015)
Cash flows (utilised in)/from financing activities		(756 042)	499 245	615 004
Interest paid		(247 419)	(150 344)	(410 455)
Draw down on general banking facility	18	500 000	–	–
Repayment of general banking facility	18	(500 000)	–	–
Draw down on revolving credit facility	23	2 000 000	650 000	850 000
Repayment of revolving credit facility	23	(2 350 000)	–	(200 000)
Issue of domestic medium-term notes	22	2 350 000	–	1 650 000
Repayment of domestic medium-term notes	22	–	–	(1 250 000)
Repayment of long-term loans	21	–	–	(9 400)
Transaction fees paid	22,23	(61 327)	(411)	(15 141)
Acquisition of Zambezi Platinum (RF) Limited preference shares		(2 443 460)	–	–
Repayment of principal portion of lease liabilities		(3 836)	–	–
(Decrease)/increase in cash and cash equivalents		(75 610)	346 493	640 859
Net foreign exchange difference on cash and cash equivalents		–	–	16 289
Cash and cash equivalents at the beginning of the period/year		950 315	293 167	293 167
Cash and cash equivalents at the end of the period/year	18	874 705	639 660	950 315

Notes to the condensed reviewed interim financial results

1. Accounting policies and the basis of preparation

The condensed reviewed interim financial statements are prepared in accordance with and containing the information required by IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, the JSE Limited Listing Requirements and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous annual financial statements, with the exception of the policies adopted during the period under review as more fully set out below.

- 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 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 condensed interim 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	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	196 246
Weighted average incremental borrowing rate	10.0%
Discounted operating lease commitments as at 1 July 2019	103 118
Less commitments relating to low-value assets	(14 126)
Lease liability as at 1 July 2019	88 992

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. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively. 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 exemptions to leases with lease term 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, 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.

The amendment is effective for annual periods beginning on or after 1 January 2020.

Conceptual Framework

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

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

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

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

Northam notes the new standards, amendments and interpretations which have been issued but not yet effective and does not plan to early adopt any of the standards, amendments and interpretations. 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 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 purchases all of Booysendal and Eland's PGM concentrates, for a percentage of the fair value, except for chrome which is sold directly to a third party customer.

With regards to the US recycling operation, 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 operation.

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

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 R135.8 million (30 June 2019: R156.5 million and 31 December 2018: R142.8 million).

Notes to the condensed reviewed interim financial results *continued*

Segmental statement of profit or loss and other comprehensive income

6 months ended 31 December 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	7 612 603	3 174 339	311 763	81 134	(3 354 938)	–	–	7 824 901
Cost of sales	(5 781 365)	(1 990 798)	(312 675)	(90 148)	3 309 628	–	–	(4 865 358)
Operating costs	(3 169 640)	(1 671 641)	(346 642)	(8 406)	–	–	–	(5 196 329)
Mining operations	(2 087 746)	(1 107 693)	(191 554)	–	–	–	–	(3 386 993)
Concentrator operations	(221 145)	(338 809)	(143 324)	(8 406)	–	–	–	(711 684)
Smelting and base metal removal plant costs	(357 235)	–	–	–	–	–	–	(357 235)
Chrome processing	(3 723)	(13 431)	(10 300)	–	–	–	–	(27 454)
Selling and administration	(65 520)	(66 987)	–	–	–	–	–	(132 507)
Royalty charges	(133 059)	(15 006)	(178)	–	–	–	–	(148 243)
Share-based payment expenses and profit share scheme	(301 212)	(129 715)	(1 286)	–	–	–	–	(432 213)
Concentrates, metals and recycling materials purchased	(3 768 944)	(120 393)	–	(59 437)	3 354 938	–	–	(593 836)
Refining including sampling and handling charges	(86 552)	–	–	–	–	–	–	(86 552)
Depreciation and write-offs	(108 215)	(212 017)	(13 092)	(4 921)	866	–	–	(337 379)
Change in metal inventory	1 351 986	13 253	47 059	(17 384)	(46 176)	–	–	1 348 738
Operating profit/(loss)	1 831 238	1 183 541	(912)	(9 014)	(45 310)	–	–	2 959 543
Share of earnings from associate	–	–	–	–	–	–	4 362	4 362
Investment income	179 551	3 312	129	–	(150 286)	16	6 949	39 671
Finance charges excluding preference share dividends	(296 047)	(29 995)	(54 127)	(2 102)	57 019	–	133 708	(191 544)
Net foreign exchange transaction gains/(losses)	(12 083)	(79)	–	(807)	–	–	–	(12 969)
Sundry income	50 694	3 330	38	39	(10 334 590)	10 333 090	10 344	62 945
Sundry expenditure	(140 221)	(7 013)	(8 323)	–	1 500	(1)	(4 653)	(158 711)
Profit/(loss) before preference share dividends	1 613 132	1 153 096	(63 195)	(11 884)	(10 471 667)	10 333 105	150 710	2 703 297
Amortisation of liquidity fees paid on preference shares	–	–	–	–	(8 195)	–	–	(8 195)
Preference share dividends	–	–	–	–	93 267	(712 259)	–	(618 992)
Loss on derecognition of preference share liability	–	–	–	–	(108 148)	–	–	(108 148)
Profit/(loss) before tax	1 613 132	1 153 096	(63 195)	(11 884)	(10 494 743)	9 620 846	150 710	1 967 962
Tax	(463 781)	(329 210)	289	–	2 327 299	(2 314 617)	(40 342)	(820 362)
Profit/(loss) for the period	1 149 351	823 886	(62 906)	(11 884)	(8 167 444)	7 306 229	110 368	1 147 600

Notes to the condensed reviewed interim financial results *continued*

Segmental statement of profit or loss and other comprehensive income

	Zondereinde operating segment	Booysendal operating segment	Intercompany eliminations	Zambezi and the BEE transaction	Other	Total
6 months ended 31 December 2018	R000	R000	R000	R000	R000	R000
Sales revenue	4 819 798	1 821 513	(1 658 550)	–	–	4 982 761
Cost of sales	(4 388 300)	(1 327 598)	1 763 917	–	–	(3 951 981)
Operating costs	(2 431 456)	(1 111 618)	–	–	–	(3 543 074)
Mining operations	(1 795 460)	(815 307)	–	–	–	(2 610 767)
Concentrator operations	(195 215)	(221 845)	–	–	–	(417 060)
Smelting and base metal removal plant costs	(286 161)	–	–	–	–	(286 161)
Chrome processing	(8 135)	(17 000)	–	–	–	(25 135)
Selling and administration	(59 962)	(42 712)	–	–	–	(102 674)
Royalty charges	(14 715)	(8 618)	–	–	–	(23 333)
Share-based payment expenses and profit share scheme	(71 808)	(6 136)	–	–	–	(77 944)
Concentrates purchased	(1 704 598)	(48 014)	1 658 550	–	–	(94 062)
Refining including sampling and handling charges	(71 902)	–	–	–	–	(71 902)
Depreciation and write-offs	(84 638)	(167 991)	867	–	–	(251 762)
Change in metal inventory	(95 706)	25	104 500	–	–	8 819
Operating profit	431 498	493 915	105 367	–	–	1 030 780
Share of earnings from associate	–	–	–	–	6 174	6 174
Investment income	30 231	3 512	–	16	(9 767)	23 992
Finance charges excluding preference share dividends	(199 676)	(8 020)	–	(1)	106 548	(101 149)
Net foreign exchange transaction gains/(losses)	7 057	(408)	–	–	–	6 649
Sundry income	29 190	8 346	–	–	1 699	39 235
Sundry expenditure	(130 148)	(33 084)	–	(2)	(46 826)	(210 060)
Profit before preference share dividends	168 152	464 261	105 367	13	57 828	795 621
Amortisation of liquidity fees paid on preference shares	–	–	–	(8 195)	–	(8 195)
Preference share dividends	–	–	–	(611 761)	–	(611 761)
Profit/(loss) before tax	168 152	464 261	105 367	(619 943)	57 828	175 665
Tax	(46 885)	(126 011)	(29 503)	(4)	(37 099)	(239 502)
Profit/(loss) for the period	121 267	338 250	75 864	(619 947)	20 729	(63 837)

Notes to the condensed reviewed interim financial results *continued*

Segmental statement of profit or loss and other comprehensive income

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

Notes to the condensed reviewed interim financial results *continued*

Segmental statement of financial position

31 December 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	21 076 711	15 933 873	1 206 903	124 144	(36 220 642)	19 767 512	985 518	22 874 019
Property, plant and equipment	4 402 884	9 378 508	1 198 792	124 144	(45 133)	–	697 055	15 756 250
Mining properties and mineral resources	1 091 986	6 411 044	3 000	–	(954 583)	–	136 230	6 687 677
Investment held in escrow	–	–	–	–	–	–	16 841	16 841
Interest in associate	–	–	–	–	–	–	50 661	50 661
Investment in subsidiaries	12 353 207	–	–	–	(12 353 207)	–	–	–
Investments in Northam Platinum Limited	–	–	–	–	(19 767 512)	19 767 512	–	–
Other investment	3 100 207	–	–	–	(3 100 207)	–	–	–
Land and township development	12 670	65 379	–	–	–	–	8 785	86 834
Long-term receivables	16 063	5 627	611	–	–	–	61 766	84 067
Investments held by Northam Platinum Restoration Trust Fund	62 507	62 507	–	–	–	–	–	125 014
Environmental Guarantee investment	37 187	10 694	4 500	–	–	–	–	52 381
Buttonshope Conservancy Trust	–	–	–	–	–	–	14 180	14 180
Long-term prepayments	–	114	–	–	–	–	–	114
Current assets	7 034 681	480 195	78 609	11 643	(1 011 511)	503	100 236	6 694 356
Short-term subsidiary loan	807 350	132 640	–	–	(946 590)	–	6 600	–
Inventories	4 889 361	252 194	58 405	7 922	(64 921)	–	–	5 142 961
Trade and other receivables	556 593	90 701	12 672	1 902	–	6	7 353	669 227
Cash and cash equivalents	781 377	215	7 511	1 819	–	497	83 286	874 705
Tax receivable	–	4 445	21	–	–	–	2 997	7 463
Total assets	28 111 392	16 414 068	1 285 512	135 787	(37 232 153)	19 768 015	1 085 754	29 568 375

Notes to the condensed reviewed interim financial results *continued*

Segmental statement of financial position

31 December 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	11 260 576	12 882 226	(94 513)	93 284	(21 226 773)	4 937 027	752 609	8 604 436
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	(3 898 729)	1 704 538	(419 513)	(59 860)	(2 519 101)	4 937 027	752 609	496 971
Foreign currency translation reserve	–	–	–	11 026	–	–	–	11 026
Other comprehensive income	207 435	–	–	–	(207 435)	–	–	–
Non distributable reserves	–	2 501 756	–	–	(2 501 756)	–	–	–
Equity settled share-based payment reserve	1 173 756	–	–	–	(299 308)	–	–	874 448
Non-current liabilities	14 206 350	2 761 122	373 555	–	(15 058 791)	14 830 978	179 032	17 292 246
Deferred tax liability	1 105 067	2 351 280	–	–	(4 710 229)	2 959 351	179 032	1 884 501
Long-term provisions	148 673	192 801	370 491	–	–	–	–	711 965
Preference share liability	–	–	–	–	(2 812 618)	11 871 627	–	9 059 009
Long-term loans	93 666	39 384	–	–	–	–	–	133 050
Right-of-use liability	13 205	54 658	–	–	–	–	–	67 863
Long-term share-based payment liability	146 841	122 999	3 064	–	–	–	–	272 904
Financial guarantee liability	7 535 944	–	–	–	(7 535 944)	–	–	–
Domestic medium-term notes	3 388 808	–	–	–	–	–	–	3 388 808
Revolving credit facility	1 774 146	–	–	–	–	–	–	1 774 146
Current liabilities	2 644 466	770 720	1 006 470	42 503	(946 589)	10	154 113	3 671 693
Current portion of long-term loans	23 720	10 117	–	–	–	–	–	33 837
Current portion of right-of-use liability	3 084	14 209	–	–	–	–	–	17 293
Current portion of domestic medium-term notes	747 341	–	–	–	–	–	–	747 341
Short-term share-based payment liability	113 919	65 428	–	–	–	–	–	179 347
Tax payable	201 819	–	–	–	–	10	–	201 829
Subsidiary loans	–	–	846 970	22 547	(946 589)	–	77 072	–
Trade and other payables	1 315 413	610 810	152 777	19 956	–	–	77 041	2 175 997
Provisional pricing derivatives	4 547	–	1 156	–	–	–	–	5 703
Short-term provisions	234 623	70 156	5 567	–	–	–	–	310 346
Total equity and liabilities	28 111 392	16 414 068	1 285 512	135 787	(37 232 153)	19 768 015	1 085 754	29 568 375

Notes to the condensed reviewed interim financial results *continued*

Segmental statement of financial position

31 December 2018	Zondereinde operating segment R000	Boosysendal operating segment R000	Intercompany eliminations R000	Zambezi and the BEE transaction R000	Other R000	Total R000
Assets						
Non-current assets	17 821 991	14 753 828	(20 503 162)	6 917 510	1 446 135	20 436 302
Property, plant and equipment	3 943 979	8 177 999	–	–	1 154 577	13 276 555
Mining properties and mineral resources	1 128 681	6 437 702	(954 583)	–	139 230	6 751 030
Investment held in escrow	–	2 301	–	–	16 673	18 974
Interest in associate	–	–	–	–	41 320	41 320
Investment in subsidiaries	12 351 835	–	(12 351 835)	–	–	–
Investments in Northam Platinum Limited	–	–	(6 917 510)	6 917 510	–	–
Other investment	279 234	–	(279 234)	–	–	–
Land and township development	26 205	31 257	–	–	7 287	64 749
Long-term receivables	12 225	3 683	–	–	70 662	86 570
Investments held by Northam Platinum Restoration Trust Fund	57 517	57 556	–	–	–	115 073
Environmental Guarantee Investment	22 315	7 315	–	–	3 926	33 556
Buttonshope Conservancy Trust	–	–	–	–	12 460	12 460
Long-term prepayments	–	36 015	–	–	–	36 015
Current assets	4 758 324	287 749	(672 876)	474	110 727	4 484 398
Short-term subsidiary loan	611 933	–	(611 933)	–	–	–
Inventories	3 290 537	192 251	(60 943)	–	4 717	3 426 562
Trade and other receivables	308 978	79 420	–	8	21 723	410 129
Cash and cash equivalents	543 287	13 372	–	466	82 535	639 660
Tax receivable	3 589	2 706	–	–	1 752	8 047
Total assets	22 580 315	15 041 577	(21 176 038)	6 917 984	1 556 862	24 920 700
Equity and liabilities						
Total equity	9 308 857	11 813 561	(10 885 153)	(3 610 005)	702 467	7 329 727
Stated capital	13 778 114	8 675 932	(9 141 679)	–	465 747	13 778 114
Treasury shares	–	–	(6 556 123)	–	–	(6 556 123)
(Accumulated loss)/retained earnings	(5 653 094)	635 874	7 623 793	(3 610 005)	228 873	(774 559)
Foreign currency translation reserve	–	–	–	–	7 847	7 847
Other comprehensive income	10 081	–	(10 081)	–	–	–
Non distributable reserves	–	2 501 755	(2 501 755)	–	–	–
Equity settled share-based payment reserve	1 173 756	–	(299 308)	–	–	874 448
Non-current liabilities	10 904 314	2 170 784	(9 678 952)	10 527 988	441 328	14 365 462
Deferred tax liability	750 674	1 906 314	(1 761 427)	80 951	84 122	1 060 634
Long-term provisions	138 100	175 552	–	–	357 100	670 752
Preference share liability	–	–	(381 581)	10 447 037	–	10 065 456
Long-term loans	122 658	55 064	–	–	–	177 722
Long-term share-based payment liability	43 783	33 854	–	–	106	77 743
Financial guarantee liability	7 535 944	–	(7 535 944)	–	–	–
Domestic medium-term notes	174 414	–	–	–	–	174 414
Revolving credit facility	2 138 741	–	–	–	–	2 138 741
Current liabilities	2 367 144	1 057 232	(611 933)	1	413 067	3 225 511
Current portion of long-term loans	16 896	7 644	–	–	–	24 540
Current portion of domestic medium-term notes	1 247 288	–	–	–	–	1 247 288
Short-term share-based payment liability	31 376	19 276	–	–	–	50 652
Tax payable	–	–	–	1	85	86
Subsidiary loans	–	362 502	(611 933)	–	249 431	–
Trade and other payables	867 663	622 240	–	–	162 893	1 652 796
Provisional pricing derivatives	4 704	3 402	–	–	–	8 106
Short-term provisions	199 217	42 168	–	–	658	242 043
Total equity and liabilities	22 580 315	15 041 577	(21 176 038)	6 917 984	1 556 862	24 920 700

Notes to the condensed reviewed interim financial results *continued*

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

Notes to the condensed reviewed interim financial results *continued*

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 loans	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

Revenue can be disaggregated into the following:

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Revenue from contracts with customers	7 814 371	5 057 786	10 725 482
Revenue from fair value adjustments with regards to IFRS 9	10 530	(75 025)	(75 976)
Total sales revenue	7 824 901	4 982 761	10 649 506

Revenue from external customers per metal and per operating segment

	Zondereinde operations Reviewed 6 months ended 31 December 2019	Booysendal operations Reviewed 6 months ended 31 December 2019	Eland operations Reviewed 6 months ended 31 December 2019	US recycling operations Reviewed 6 months ended 31 December 2019	Intercompany eliminations Reviewed 6 months ended 31 December 2019	Total Reviewed 6 months ended 31 December 2019
	R000	R000	R000	R000	R000	R000
Platinum	2 411 241	983 309	124 570	15 371	(1 123 250)	2 411 241
Palladium	2 334 933	901 069	58 309	52 226	(1 011 604)	2 334 933
Rhodium	1 678 866	886 009	87 234	13 537	(986 780)	1 678 866
Gold	101 007	28 082	408	–	(28 490)	101 007
Iridium	217 175	84 266	6 351	–	(90 617)	217 175
Ruthenium	96 830	66 525	3 033	–	(69 558)	96 830
Silver	1 385	–	–	–	–	1 385
Nickel	177 861	36 388	1 510	–	(37 898)	177 861
Copper	39 954	6 618	123	–	(6 741)	39 954
Cobalt	2 096	–	–	–	–	2 096
Chrome	103 238	182 073	30 225	–	–	315 536
UG2 ore	429 892	–	–	–	–	429 892
Toll treatment charges	18 125	–	–	–	–	18 125
	7 612 603	3 174 339	311 763	81 134	(3 354 938)	7 824 901

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.

Revenue from external customers per region and per operating segment

Sales revenue emanates from the following principal regions:

	Zondereinde operations Reviewed 6 months ended 31 December 2019	Booysendal operations Reviewed 6 months ended 31 December 2019	Eland operations Reviewed 6 months ended 31 December 2019	US recycling operations Reviewed 6 months ended 31 December 2019	Total Reviewed 6 months ended 31 December 2019
	R000	R000	R000	R000	R000
Europe	3 523 883	–	–	–	3 523 883
Japan	1 231 307	–	–	–	1 231 307
Asia	103 238	182 073	30 225	–	315 536
North America	2 046 375	–	–	–	2 046 375
South Africa	707 800	–	–	–	707 800
	7 612 603	182 073	30 225	–	7 824 901

Revenue from external customers per metal and per operating segment

	Zondereinde operations Reviewed 6 months ended 31 December 2018	Booysendal operations Reviewed 6 months ended 31 December 2018	Intercompany eliminations Reviewed 6 months ended 31 December 2018	Total Reviewed 6 months ended 31 December 2018
	R000	R000	R000	R000
Platinum	2 107 108	674 659	(674 659)	2 107 108
Palladium	1 351 288	480 126	(480 126)	1 351 288
Rhodium	703 689	338 706	(338 706)	703 689
Gold	76 224	17 212	(17 212)	76 224
Iridium	163 944	59 206	(59 206)	163 944
Ruthenium	116 297	56 288	(56 288)	116 297
Silver	1 015	–	–	1 015
Nickel	125 427	26 608	(26 608)	125 427
Copper	38 098	5 745	(5 745)	38 098
Cobalt	5 903	–	–	5 903
Chrome	130 805	162 963	–	293 768
	4 819 798	1 821 513	(1 658 550)	4 982 761

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

Revenue from external customers per region and per segment

Sales revenue emanates from the following principal regions:

	Zondereinde operations Reviewed 6 months ended 31 December 2018	Booysendal operations Reviewed 6 months ended 31 December 2018	Total Reviewed 6 months ended 31 December 2018
	R000	R000	R000
Europe	2 186 600	–	2 186 600
Japan	928 359	–	928 359
Asia	130 805	162 963	293 768
North America	1 197 310	–	1 197 310
South Africa	376 724	–	376 724
	4 819 798	162 963	4 982 761

Revenue from external customers per metal and per operating segment

	Zondereinde operations	Booysendal operations	Eland operations	US recycling operations	Intercompany eliminations	Total
	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 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 purchases all of the US recycling operations concentrate.

Revenue from external customers per region and per operating segment

Sales revenue emanates from the following principal regions:

	Zondereinde operations	Booysendal operations	Eland operations	US recycling operations	Total
	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 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

4. Operating costs

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Employee cost	1 736 533	1 561 803	3 382 668
Stores	1 206 493	977 611	2 068 201
Utilities	572 646	454 188	945 329
Sundries and contractors	–	549 472	1 359 506
Sundries including royalties and costs associated with share based payment expenses and the profit share scheme	890 734	–	–
Ore material purchased from surface sources	263 490	–	–
Contractors	526 433	–	–
Reallocated to care and maintenance (refer note 8)	–	–	(148 543)
	5 196 329	3 543 074	7 607 161

Operating costs per operating segment

	Zondereinde operations	Booysendal operations	Eland Operations	US recycling operations	Total
	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2019
	R000	R000	R000	R000	R000
Employee cost	1 162 726	537 036	32 830	3 941	1 736 533
Stores	610 805	534 528	61 045	115	1 206 493
Utilities	394 618	129 824	47 949	255	572 646
Sundries	594 044	284 823	8 879	2 988	890 734
Ore material purchased from surface sources	97 516	8 742	157 232	–	263 490
Contractors	309 931	176 688	38 707	1 107	526 433
	3 169 640	1 671 641	346 642	8 406	5 196 329

Percentage breakdown of operating costs per segment

	Zondereinde operations	Booysendal operations	Eland operations	US recycling operations	Total
	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2019
	%	%	%	%	%
Employee cost	36.7	32.1	9.4	46.9	33.4
Stores	19.3	32.0	17.6	1.4	23.2
Utilities	12.4	7.8	13.8	3.0	11.0
Sundries	18.7	17.0	2.6	35.5	17.2
Ore material purchased from surface sources	3.1	0.5	45.4	–	5.1
Contractors	9.8	10.6	11.2	13.2	10.1
	100.0	100.0	100.0	100.0	100.0

Operating costs per operating segment

	Zondereinde operations	Booysendal operations	Total
	Reviewed 6 months ended 31 December 2018	Reviewed 6 months ended 31 December 2018	Reviewed 6 months ended 31 December 2018
	R000	R000	R000
Employee cost	1 152 175	409 628	1 561 803
Stores	621 623	355 988	977 611
Utilities	366 168	88 020	454 188
Sundries and contractors	291 490	257 982	549 472
	2 431 456	1 111 618	3 543 074

Percentage breakdown of operating cost per operating segment

	Zondereinde operations	Booysendal operations	Total
	Reviewed 6 months ended 31 December 2018	Reviewed 6 months ended 31 December 2018	Reviewed 6 months ended 31 December 2018
	%	%	%
Employee cost	47.4	36.9	44.1
Stores	25.5	32.0	27.6
Utilities	15.1	7.9	12.8
Sundries and contractors	12.0	23.2	15.5
	100.0	100.0	100.0

Detail of sundries and contractors are provided for improved disclosure:

	Zondereinde operations	Booysendal operations	Total
	Reviewed 6 months ended 31 December 2018	Reviewed 6 months ended 31 December 2018	Reviewed 6 months ended 31 December 2018
	R000	R000	R000
Sundries	32 353	118 164	150 517
Contractors	259 137	139 818	398 955
Sundries and contractors	291 490	257 982	549 472

Operating costs per operating segment

	Zondereinde operations	Booysendal operations	Eland operations	US recycling operations	Total
	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019
	R000	R000	R000	R000	R000
Employee cost	2 417 355	915 153	42 702	7 458	3 382 668
Stores	1 243 686	792 347	31 839	329	2 068 201
Utilities	732 322	188 950	23 321	736	945 329
Sundries and contractors	675 955	611 505	64 148	7 898	1 359 506
Reallocated to care and maintenance (refer note 8)	–	–	(138 398)	(10 145)	(148 543)
	5 069 318	2 507 955	23 612	6 276	7 607 161

Percentage breakdown of operating costs per operating segment

	Zondereinde operations	Booysendal operations	Eland operations	US recycling operations	Total
	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019
	%	%	%	%	%
Employee cost	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 sundries and contractors are provided for improved disclosure:

	Zondereinde operations	Booysendal operations	Eland operations	US recycling operations	Total
	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019	Audited 12 months ended 30 June 2019
	R000	R000	R000	R000	R000
Sundries	149 276	316 175	29 723	5 794	500 968
Contractors	526 679	295 330	34 425	2 104	858 538
Sundries and contractors	675 955	611 505	64 148	7 898	1 359 506

5. Investment income

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Interest received on cash and cash equivalents	26 780	6 115	26 053
Dividend income received from short-term investments	1 347	1 825	3 398
Interest received from suspensive sale agreements	3 619	4 160	8 135
Interest received relating to the Northam Platinum Restoration Trust Fund	4 908	6 277	11 331
Interest received by the Buttonshope Conservancy Trust	907	402	1 319
Deemed interest on the interest free home loans	1 312	873	1 818
Interest received from the South African Revenue Service	798	4 340	4 206
	39 671	23 992	56 260

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

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Interest recognised on the effective interest rate method	38 324	22 167	52 862
Dividend income received	1 347	1 825	3 398
Total investment income	39 671	23 992	56 260

6. Finance charges excluding preference share dividends

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Finance costs relating to the domestic medium-term notes	(129 573)	(81 096)	(169 740)
Finance costs relating to the revolving credit facility	(119 654)	(96 846)	(213 671)
Finance costs relating to the general banking facility	(10 290)	–	–
Amounts capitalised in terms of IAS 23 Borrowing costs (refer note 11)	135 466	124 538	294 828
Commitment fees on borrowing facilities	(4 564)	(5 503)	(9 724)
Amortisation of the transaction costs relating to the domestic medium-term notes (refer note 22)	(4 891)	(3 974)	(7 585)
Amortisation of the transaction costs relating to the revolving credit facility (refer note 23)	(14 654)	(2 657)	(5 410)
Unwinding of rehabilitation liability (refer note 19)	(32 506)	(30 624)	(62 732)
Unwinding of a research and development liability with Heraeus Deutschland Gmbh & Co. KG (refer note 21)	(4 759)	(3 229)	(6 458)
Finance cost relating to lease liabilities	(4 303)	–	–
Other financial liabilities	(1 816)	(1 758)	(3 535)
	(191 544)	(101 149)	(184 027)

7. Sundry income

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Insurance proceeds relating to a business interruption claim (refer note 31)	40 000	–	–
Treatment charges in respect of concentrate purchased	–	–	1 433
Rent received	923	3 961	5 432
Sale of scrap	5 183	5 411	17 258
Profit on sale of property, plant and equipment	704	3 898	6 635
Accommodation and housing income	5 318	18 609	31 240
Environmental guarantee investment income	–	4 203	1 419
Management fees received from associate (refer note 29)	1 080	1 080	2 160
Other	9 737	2 073	11 895
	62 945	39 235	77 472

8. Sundry expenditure

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Corporate and once-off project costs	(5 852)	(47 846)	(33 364)
Booysendal land management, including depreciation relating to the Buttonshope Conservancy Trust	(3 848)	(2 264)	(5 678)
Booysendal South care and maintenance costs	–	(11 045)	(13 036)
Eland care and maintenance as well as project costs	–	(50 974)	(138 398)
Accommodation and housing expenses	(6 601)	(21 108)	(36 504)
Black Economic Empowerment Trust operating costs	(1 864)	(1 839)	(4 085)
Administrative costs relating to Zambezi Platinum (RF) Limited (refer note 29)	(314)	(814)	(2 061)
Recycling operation care and maintenance costs including depreciation charges	–	(10 145)	(10 145)
Standing time (refer note 31)	(111 730)	–	(36 033)
Environmental guarantee cost	(1 730)	–	–
Employee Labour Court compensation (refer note 30)	–	(55 000)	(55 000)
Impairment of property, plant and equipment (refer note 31)	(2 061)	–	–
Other	(24 711)	(9 025)	(23 409)
	(158 711)	(210 060)	(357 713)

9. Tax

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Income tax			
Current mining income tax charge	311 021	–	–
Current non-mining income tax charge	23 973	3 041	37 457
Adjustment in respect of current income tax of previous years	19 352	–	9 606
Dividend withholding tax			
Current period/year withholding tax	108	272	543
Deferred tax			
Current and prior period/year deferred tax charge	465 908	236 189	594 248
Income tax expense reported in profit or loss	820 362	239 502	641 854

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

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	%	%	%
South African normal tax rate	28.0	28.0	28.0
Adjustment in respect of current income tax of previous years	1.0	–	1.4
Exempt income received	(1.4)	(2.5)	(1.2)
Expenditure and contingencies incurred which are non-deductible	1.3	2.2	1.1
Amortisation of liquidity fees paid on preference shares	0.1	1.3	0.7
Preference share dividends disallowed	8.8	97.5	52.1
Loss on derecognition of preference share liability	1.5	–	–
Deferred tax asset not raised	2.4	9.8	9.3
Effective tax rate	41.7	136.3	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 R401.2 million (30 June 2019: R232.5 million and 31 December 2018: R234.1 million) has been raised relating to Eland Platinum Proprietary Limited and the US recycling operation.

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

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Profit/(loss) for the period/year	1 147 600	(63 837)	60 093
Profit on sale of property, plant and equipment	(704)	(3 898)	(6 635)
Impairment of property, plant and equipment	2 061	–	–
Tax effect on above	(380)	1 091	1 858
Headline earnings/(loss)	1 148 577	(66 644)	55 316
Earnings/(loss) per share – cents	328.0	(18.2)	17.2
Fully diluted earnings/(loss) per share – cents	328.0	(18.2)	17.2
Headline earnings/(loss) per share – cents	328.3	(19.0)	15.8
Fully diluted headline earnings/(loss) per share – cents	328.3	(19.0)	15.8
Dividends per share	–	–	–
Weighted average number of shares in issue	349 875 759	349 875 759	349 875 759
Fully diluted number of shares in issue	349 875 759	349 875 759	349 875 759
Number of shares in issue	509 781 212	509 781 212	509 781 212
Treasury shares in issue	159 905 453	159 905 453	159 905 453
Shares in issue adjusted for treasury shares	349 875 759	349 875 759	349 875 759

Fully diluted earnings/(loss) per share are calculated by dividing the profit/(loss) attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period/year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Currently there are no potential dilutionary shares, and hence there is no difference between the earnings/(loss) per share and the fully diluted earnings/(loss) per share. Similarly, headline earnings/(loss) per share is the same as the fully diluted headline earnings/(loss) per share.

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

Notes to the condensed reviewed interim financial results *continued*

11. Property, plant and equipment

	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	General infrastructure asset including other assets	Decommissioning asset	Assets under construction	Right-of-use assets	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	–	2 679	11 507	–	–	–	–	14 186
Transfer to land and township development	–	–	(16 766)	–	–	–	–	(16 766)
Amounts transferred from non-current prepayments (note 15)	–	–	–	–	–	229 584	–	229 584
Additions	90 886	–	4 954	53 456	–	1 164 852	–	1 314 148
Transfer from assets under construction	254 198	72 842	4 448	13 959	–	(345 447)	–	–
Disposals and write-offs	(20 911)	–	–	(300)	–	–	–	(21 211)
Borrowing costs capitalised	–	–	–	–	–	124 538	–	124 538
Closing cost as at 31 December 2018	7 842 250	3 602 626	749 900	463 580	468 388	3 599 994	–	16 726 738
Foreign currency translation movements	–	(535)	(2 424)	–	–	–	–	(2 959)
Amounts transferred from non-current prepayments (note 15)	–	–	–	–	–	72 278	–	72 278
Additions	–	–	2 311	9 303	–	1 231 066	–	1 242 680
Transfer from assets under construction	3 294 452	427 550	10 178	105 325	–	(3 837 505)	–	–
Disposals and write-offs	–	(2 011)	(531)	(221)	–	–	–	(2 763)
Derecognition of decommissioning asset (note 19)	–	–	–	–	(101 058)	–	–	(101 058)
Borrowing costs capitalised	–	–	–	–	–	170 290	–	170 290
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 adoption of IFRS 16 Leases	–	–	–	–	–	–	88 992	88 992
Foreign currency translation movements	–	(147)	(694)	–	–	–	–	(841)
Amounts transferred from non-current prepayments (note 15)	–	–	–	–	–	1 170	–	1 170
Additions	–	–	1 865	–	–	1 349 203	–	1 351 068
Transfer from assets under construction	692 382	309 783	3 109	26 169	–	(1 031 443)	–	–
Impairments (refer note 31)	(2 061)	–	–	–	–	–	–	(2 061)
Disposals and write-offs	–	–	(230)	(177)	–	–	–	(407)
Borrowing costs capitalised	–	–	–	–	–	135 466	–	135 466
Closing cost as at 31 December 2019	11 827 023	4 337 266	763 484	603 979	367 330	1 690 519	88 992	19 678 593

	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	General infrastructure asset including other assets	Decommissioning asset	Assets under construction	Right-of-use assets	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	–	–	(5 608)	–	–	–	–	(5 608)
Depreciation	(154 398)	(59 950)	(10 945)	(13 398)	(1 711)	–	–	(240 402)
Disposals and write-offs	3 680	–	105	155	–	–	–	3 940
Accumulated balance as at 31 December 2018	(2 274 499)	(753 971)	(203 599)	(178 844)	(39 270)	–	–	(3 450 183)
Foreign currency translation movements	–	376	5 711	–	–	–	–	6 087
Depreciation	(127 765)	(43 107)	(16 923)	(15 074)	(802)	–	–	(203 671)
Disposals and write-offs	–	–	393	177	–	–	–	570
Derecognition of decommissioning asset (note 19)	–	–	–	–	26 786	–	–	26 786
Accumulated balance as at 30 June 2019	(2 402 264)	(796 702)	(214 418)	(193 741)	(13 286)	–	–	(3 620 411)
Foreign currency translation movements	–	100	240	–	–	–	–	340
Depreciation	(194 706)	(68 348)	(11 532)	(20 332)	(463)	–	(7 145)	(302 526)
Disposals and write-offs	–	–	113	141	–	–	–	254
Accumulated balance as at 31 December 2019	(2 596 970)	(864 950)	(225 597)	(213 932)	(13 749)	–	(7 145)	(3 922 343)

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.

Net book value as at 31 December 2018	5 567 751	2 848 655	546 301	284 736	429 118	3 599 994	–	13 276 555
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 31 December 2019	9 230 053	3 472 316	537 887	390 047	353 581	1 690 519	81 847	15 756 250

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 12.19% (30 June 2019: 12.84% and 31 December 2018: 12.77%).

An amount of R135.5 million was capitalised during the period under review (30 June 2019: R294.8 million and 31 December 2018: R124.5 million).

12. Mining properties and mineral resources

	Current production mineral reserves and resources	Project mineral reserves and resources	Total
	R000	R000	R000
Cost			
Opening balance as at 1 July 2018	2 025 809	5 028 056	7 053 865
Additions	355	–	355
Closing balance as at 31 December 2018	2 026 164	5 028 056	7 054 220
Additions	–	–	–
Closing balance as at 30 June 2019	2 026 164	5 028 056	7 054 220
Additions	–	–	–
Closing balance as at 31 December 2019	2 026 164	5 028 056	7 054 220
Accumulated depreciation			
Opening balance as at 1 July 2018	(288 475)	–	(288 475)
Depreciation	(14 715)	–	(14 715)
Closing balance as at 31 December 2018	(303 190)	–	(303 190)
Depreciation	(28 479)	–	(28 479)
Closing balance as at 30 June 2019	(331 669)	–	(331 669)
Depreciation	(34 874)	–	(34 874)
Closing balance as at 31 December 2019	(366 543)	–	(366 543)
Net book value as at 31 December 2018	1 722 974	5 028 056	6 751 030
Net book value as at 30 June 2019	1 694 495	5 028 056	6 722 551
Net book value as at 31 December 2019	1 659 621	5 028 056	6 687 677

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 interpretation of market forecast for the future.

		Reviewed 6 months ended 31 December 2019	**Reviewed 6 months ended 31 December 2018**	**Audited 12 months ended 30 June 2019**
Long-term real platinum price	USD/oz	1 229	1 298	1 357
Long-term real palladium price	USD/oz	1 629	1 298	1 357
Long-term real rhodium price	USD/oz	5 429	2 678	3 846
Long-term real gold price	USD/oz	1 357	1 160	1 176
Long-term real ruthenium prices	USD/oz	271	292	271
Long-term real iridium prices	USD/oz	1 357	1 071	1 357
Long-term real nickel prices	USD/t	13 443	12 368	11 181
Long-term real copper prices	USD/t	5 881	5 801	5 881
Long-term real chrome prices	USD/t	145	200	181
Long-term real exchange rate USD	USD/ZAR	R12.66	R12.45	R12.47
Long-term real discount rate	%	10.10	12.40	11.50

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

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

For those assets, the recoverable amount is calculated on a fair value less cost of disposal basis taking into account earlier binding sales agreements between market participants as well as the market capitalisation of platinum exploration companies relative to their resources base. Below is the value that has been attributable to the recoverable value of Mineral Resources:

		Reviewed 6 months ended 31 December 2019	**Reviewed 6 months ended 31 December 2018**	**Audited 12 months ended 30 June 2019**
4E *in situ* available ounce value	USD/oz	4.69	1.98	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.

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 Reserve estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, recognition of deferred tax assets (if any), and depreciation and amortisation charges. The group estimates and reports 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.

13. Interest in associate

Interest in associate comprises a 30% interest in SSG Holdings Proprietary Limited, a company registered in the Republic of South Africa.

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

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
SSG Holdings Proprietary Limited	50 661	41 320	46 299
	50 661	41 320	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	6 174
Closing balance as at 31 December 2018	41 320
Share of profits from associate	4 979
Closing balance as at 30 June 2019	46 299
Share of profits from associate	4 362
Closing balance as at 31 December 2019	50 661

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

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Net asset value of SSG Holdings Proprietary Limited	96 479	66 847	81 939
Northam Platinum Limited's 30% share of net asset value	28 944	20 054	24 582
Impact of the adoption of IFRS 9	451	–	451
At acquisition fair value adjustment	10 717	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	10 549
Value of investment in associate based on the equity method of accounting	50 661	41 320	46 299

Refer to note 29, Related parties, detailing all transactions between the group and SSG Holdings Proprietary Limited.

14. Long-term receivables

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Long-term receivables with regards to suspensive sale agreements	66 278	75 993	70 585
Interest free home loans	30 370	19 798	25 998
	96 648	95 791	96 583
Current portion of suspensive sale agreements (refer note 17)	(4 794)	(6 279)	(3 423)
Current portion of interest free home loans (refer note 17)	(7 787)	(2 942)	(7 624)
	84 067	86 570	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 the employees bear interest at prime and are repayable over 15 years. In terms of the agreements, employees enjoy the full benefits of home ownership, and at such time as the loan is paid off, the title to the houses will be transferred to the employees.

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

As at 31 December 2019 there was R2.9 million (30 June 2019: R3.3 million and 31 December 2018: R4.7 million) worth of suspensive sale agreements which were impaired and fully provided for.

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

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Current portion	12 581	9 221	11 047
Due within one to five years	39 628	36 978	37 388
Due within five to ten years	35 402	43 629	39 613
More than ten years	9 037	5 963	8 535
	96 648	95 791	96 583

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

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

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Neither past due nor impaired	66 278	75 993	70 585
	66 278	75 993	70 585

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

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

Interest free home loans

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

15. Long-term prepayments

In terms of the aerial ropeway manufacturer agreement with Doppelmayr Transport Technology GmbH, prepayments for manufacturing cost related to both the North and South aerial ropeway conveyor systems at Booysendal mine had to be made.

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Opening balance	563	89 608	89 608
Amounts paid to Doppelmayr Transport Technology GmbH	721	175 991	212 817
Amounts transferred to property, plant and equipment (refer note 11)	(1 170)	(229 584)	(301 862)
	114	36 015	563

The balances relate only to the North aerial ropeway conveyor system, as the South aerial ropeway conveyor has been fully commissioned.

16. Inventories

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Metals on hand and in transit			
Platinum	1 470 367	1 344 892	1 211 775
Palladium	1 376 491	857 252	1 273 034
Rhodium	1 953 295	947 309	978 049
Gold	63 582	62 381	52 977
Total metal inventory	4 863 735	3 211 834	3 515 835
Consumables at cost	279 226	214 728	246 840
Total inventories at the lower of cost and net realisable value	5 142 961	3 426 562	3 762 675

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Breakdown of total metal inventory			
Ore stockpile inventory	359 478	493 883	465 811
Concentrate in process	140 799	240 540	75 361
Concentrate and other surface sources before the smelter	1 103 120	204 169	588 300
Recycling material	64 257	4 717	82 704
Smelter inventory	1 667 724	1 489 294	1 283 744
Base metal removal plant inventory	208 652	188 720	362 921
Precious metal refinery inventory	1 289 950	529 983	656 994
Finished product inventory on hand	29 755	60 528	–
Total metal inventory	4 863 735	3 211 834	3 515 835

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	oz	oz	oz
Metal inventory quantities on hand and in transit			
Platinum	123 509	132 293	120 343
Palladium	59 394	62 088	70 880
Rhodium	29 510	32 212	26 582
Gold	3 301	4 013	3 157
4E	215 714	230 606	220 962

The metals above include ore stockpiles, in process metal as well as finished goods.

Metal inventory quantities on hand and in transit is allocated as follows:

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	oz	oz	oz
Metal inventory quantities on hand and in transit			
Ore stockpile inventory	15 943	35 471	29 640
Concentrate in process	6 245	17 276	4 795
Concentrate and other surface sources before the smelter	48 925	14 664	35 335
Recycling material	2 850	267	4 605
Smelter inventory	73 966	106 963	81 688
Base metal removal plant inventory	9 254	13 554	23 093
Precious metal refinery inventory	57 211	38 063	41 806
Finished product inventory on hand	1 320	4 348	–
4E	215 714	230 606	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 is metal inventory to the value of R127.6 million (30 June 2019: R51.4 million and 31 December 2018: R43.6 million) that was written down to net realisable value. Inventory to the value of R1.5 billion (30 June 2019: R815.8 million and 31 December 2018: R944.4 million) is disclosed at net realisable value.

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 they are 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 and reconciled with periodic surveys, 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 also 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.

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

		Reviewed 6 months ended 31 December 2019	**Reviewed 6 months ended 31 December 2018**	**Audited 12 months ended 30 June 2019**
Platinum price	USD/oz	937	789	808
Palladium price	USD/oz	1 912	1 259	1 510
Rhodium price	USD/oz	6 090	2 500	3 286
Gold price	USD/oz	1 494	1 259	1 386
Closing exchange rate at period/year end	USD/ZAR	R14.01	R14.36	R14.08

17. Trade and other receivables

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Trade receivables	23 968	57 254	53 253
Provisional pricing receivables	358 955	149 845	374 238
Accrued dividends and interest on cash and cash equivalents	9 480	4 974	6 444
Prepayments	43 229	30 364	3 285
Deposits	4 380	4 541	4 555
South African Revenue Service – Value Added Tax	171 470	124 169	139 247
South African Revenue Service - amounts receivable relating to the Mineral and Petroleum Resources Royalty	55	2 890	8
Current portion of suspensive sale agreements (refer note 14)	4 794	6 279	3 423
Current portion of interest free home loans to employees (refer note 14)	7 787	2 942	7 624
Other	45 109	26 871	29 861
	669 227	410 129	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. No balance was provided for or impaired during the period under review (30 June 2019 and 31 December 2018: 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 24 and 25).

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

18. Cash and cash equivalents

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Cash at bank and on hand	6 536	22 736	328 116
Restricted cash	100 765	97 759	99 740
Short-term deposits	767 404	519 165	522 459
Cash and cash equivalents as per the statement of cash flows	874 705	639 660	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 was 7.4% (30 June 2019 and 31 December 2018: 7.4%) and these deposits are all immediately available.

Restricted cash includes a guarantee of R23.0 million (30 June 2019 and 31 December 2018: 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 the Zambezi Platinum (RF) Limited Memorandum of Incorporation.

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

General banking facility

During the previous financial year, the group secured a general banking facility (GBF), e.g. 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 period/year and the available facility at the period/year end:

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Opening balance	–	–	–
General banking facility utilised during the period/year	500 000	–	–
Amounts repaid during the period/year	(500 000)	–	–
General banking facility utilised at the period/year end	–	–	–
Available facility	500 000	N/A	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:

	Facility amount	Utilised amount	Available amount	Interest rate	Repayment date
	Reviewed 6 months ended 31 December 2019	**Reviewed 6 months ended 31 December 2019**	**Reviewed 6 months ended 31 December 2019**	**Reviewed 6 months ended 31 December 2019**	**Reviewed 6 months ended 31 December 2019**
	R000	R000	R000		
Domestic medium-term notes* (refer note 22)	5 000 000	(4 175 000)	825 000	Various	Various
Revolving credit facility (refer note 23)	3 500 000	(1 800 000)	1 700 000	JIBAR plus 2.2% – 2.6%	September 2024
General banking facility	500 000	–	500 000	Prime less 1.75%	90-day notice
	9 000 000	(5 975 000)	3 025 000		

	Facility amount	Utilised amount	Available amount	Interest rate	Repayment date
	Reviewed 6 months ended 31 December 2018	**Reviewed 6 months ended 31 December 2018**	**Reviewed 6 months ended 31 December 2018**	**Reviewed 6 months ended 31 December 2018**	**Reviewed 6 months ended 31 December 2018**
	R000	R000	R000		
Domestic medium-term notes* (refer note 22)	2 000 000	(1 425 000)	575 000	Various	Various
Revolving credit facility (refer note 23)	3 000 000	(2 150 000)	850 000	JIBAR plus 3.3%	April 2020 & November 2021
	5 000 000	(3 575 000)	1 425 000		

	Facility amount	Utilised amount	Available amount	Interest rate	Repayment date
	Audited 12 months ended 30 June 2019	**Audited 12 months ended 30 June 2019**	**Audited 12 months ended 30 June 2019**	**Audited 12 months ended 30 June 2019**	**Audited 12 months ended 30 June 2019**
	R000	R000	R000		
Domestic medium-term notes* (refer note 22)	2 000 000	(1 825 000)	175 000	Various	Various
Revolving credit facility (refer note 23)	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 directors*

Subsequent to period end an amount of R800.0 million was repaid on the revolving credit facility increasing the available facility to R2.5 billion (30 June 2019: R200.0 million was repaid and 31 December 2018: R200.0 million was drawn down subsequent to the period/year).

19. Long-term provisions

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Balance at the beginning of the period/year	679 459	640 128	640 128
Change in estimate relating to the decommissioning costs (note 11)	–	–	(78 070)
Change in estimate relating to the restoration costs	–	–	54 669
Unwinding of discount (note 6)	32 506	30 624	62 732
Total rehabilitation and decommissioning liability provision	711 965	670 752	679 459
Below is a breakdown of the rehabilitation provision:			
Provision for decommissioning costs			
Balance at the beginning of the period/year	485 219	569 761	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)	–	–	(78 070)
Unwinding of discount	23 212	27 256	55 837
	508 431	597 017	485 219
Provision for restoration costs			
Balance at the beginning of the period/year	194 240	70 367	70 367
Change in estimate relating to the decommissioning costs reallocated to restoration costs	–	–	62 309
Change in estimate relating to restoration costs	–	–	54 669
Unwinding of discount	9 294	3 368	6 895
	203 534	73 735	194 240
Total rehabilitation and decommissioning liability provision	711 965	670 752	679 459
The long-term provisions is made up of the provision relating to the rehabilitation and decommissioning liability of:			
Northam Platinum Limited (Zondereinde)	148 673	138 100	141 883
Booysendal Platinum Proprietary Limited	192 801	175 552	184 005
Eland Platinum Proprietary Limited	370 491	357 100	353 571
Total rehabilitation and decommissioning liability provision	711 965	670 752	679 459

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

	Zondereinde operations	Booysendal operations	Eland operations	Total
	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2019
	R000	R000	R000	R000
Provision for decommissioning costs				
Balance at the beginning of the period	90 220	109 740	285 259	485 219
Unwinding of discount	4 318	5 243	13 651	23 212
	94 538	114 983	298 910	508 431
Provision for restoration costs				
Balance at the beginning of the period	51 663	74 265	68 312	194 240
Unwinding of discount	2 472	3 553	3 269	9 294
	54 135	77 818	71 581	203 534
Total rehabilitation and decommissioning liability provision	148 673	192 801	370 491	711 965

	Zondereinde operations	Booysendal operations	Eland operations	Total
	Reviewed 6 months ended 31 December 2018	Reviewed 6 months ended 31 December 2018	Reviewed 6 months ended 31 December 2018	Reviewed 6 months ended 31 December 2018
	R000	R000	R000	R000
Provision for decommissioning costs				
Balance at the beginning of the period	100 119	134 319	335 323	569 761
Unwinding of discount	4 790	6 420	16 046	27 256
	104 909	140 739	351 369	597 017
Provision for restoration costs				
Balance at the beginning of the period	31 674	33 224	5 469	70 367
Unwinding of discount	1 517	1 589	262	3 368
	33 191	34 813	5 731	73 735
Total rehabilitation and decommissioning liability provision	138 100	175 552	357 100	670 752

	Zondereinde operations	Booysendal operations	Eland operations	Total
	Audited 12 months ended 30 June 2019	**Audited 12 months ended 30 June 2019**	**Audited 12 months ended 30 June 2019**	**Audited 12 months ended 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
	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
	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 follows, based on the current Department of Mineral Resources and Energy assessment and requirements:

	Zondereinde operations Reviewed 6 months ended 31 December 2019	Booysendal operations Reviewed 6 months ended 31 December 2019	Eland operations Reviewed 6 months ended 31 December 2019	Total Reviewed 6 months ended 31 December 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	(62 507)	(62 507)	–	(125 014)
Less environmental guarantees	(142 350)	(98 427)	(169 759)	(410 536)
Total (overfunded)/underfunded rehabilitation obligation in terms of current legislation	(27 967)	12 329	(4 837)	(20 475)

	Zondereinde operations Reviewed 6 months ended 31 December 2018	Booysendal operations Reviewed 6 months ended 31 December 2018	Eland operations Reviewed 6 months ended 31 December 2018	Total Reviewed 6 months ended 31 December 2018
	R000	R000	R000	R000
Undiscounted obligation based on the Department of Mineral Resources and Energy, excluding Value Added Tax	168 177	171 422	152 720	492 319
Less funds held by the Northam Platinum Restoration Trust Fund	(57 517)	(57 556)	–	(115 073)
Less environmental guarantees	(142 350)	(98 427)	(160 641)	(401 418)
Total (overfunded)/underfunded rehabilitation obligation in terms of current legislation	(31 690)	15 439	(7 921)	(24 172)

	Zondereinde operations Audited 12 months ended 30 June 2019	Booysendal operations Audited 12 months ended 30 June 2019	Eland operations Audited 12 months ended 30 June 2019	Total Audited 12 months ended 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 legislation.

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

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

Below is a summary of the various guarantees issued:

	Reviewed 6 months ended 31 December 2019	**Reviewed 6 months ended 31 December 2018**	**Audited 12 months ended 30 June 2019**
	R000	R000	R000
Northam Platinum Limited (Zondereinde)			
GR/G/20396/0312/0031	31 000	31 000	31 000
GR/G/20396/0314/165	18 000	18 000	18 000
GR/G/20396/0315/0231	18 000	18 000	18 000
GR/G/20396/0617/0454	35 000	35 000	35 000
CQ/G/30381/1217/003	28 807	28 807	28 807
GR/G/20396/0618/0544	11 543	11 543	11 543
Total guarantees relating to Northam Platinum Limited (Zondereinde)	142 350	142 350	142 350
Booysendal Platinum Proprietary Limited			
GR/G/20396/0311/0011	65 900	65 900	65 900
GR/G/20396/0315/0232	25 000	25 000	25 000
GR/G/20396/0417/0434	1 908	1 908	1 908
GR/G/20396/0517/0459	2 085	2 085	2 085
GR/G/02396/0618/0535	2 267	2 267	2 267
GR/G/02396/0618/0536	1 267	1 267	1 267
Total guarantees relating to Booysendal Platinum Proprietary Limited	98 427	98 427	98 427
Eland Platinum Proprietary Limited			
CQ/G/30381/0118/004	129 545	129 545	129 545
CQ/G/30381/0118/005	31 096	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	–	–
Total guarantees relating to Eland Platinum Proprietary Limited	169 759	160 641	160 641
Total guarantees in issue	410 536	401 418	401 418

Subsequent to the period end an additional guarantee to the value of R0.3 million was issued with regards to Eland Platinum Proprietary Limited.

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

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

The South African National Environmental Management Act 107 of 1998, as well as the Mineral and Petroleum Resources Development Act No 28 of 2002 (MPRDA), which 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.

Northam Platinum Limited makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis. The provision is based on the current best estimate for rehabilitation and decommissioning costs and is determined using commercial closure cost assessments and not the Department of Mineral Resources 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 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 a third party independent expert, SRK Consulting (South Africa) Proprietary Limited.

The present value of the environmental restoration obligation was determined by applying a pre-tax discount rate of 9.8% (30 June 2019 and 31 December 2018: 9.8%) and a long-term inflation rate of 7.2% (30 June 2019 and 31 December 2018: 7.2%) over the remaining life of the various mines.

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

On 20 November 2015, the National Environmental Management Act No. 107 of 1998 (NEMA) Financial Provisioning Regulations, 2015 (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.

20. Preference share liability

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Opening balance	11 159 368	9 818 651	9 818 651
Accrued preference share dividends	712 259	628 387	1 340 717
Preference share liability relating to Zambezi Platinum (RF) Limited	11 871 627	10 447 038	11 159 368
Derecognition of Zambezi Platinum (RF) Limited preference shares held by Northam Platinum Limited together with accrued dividends recognised	(2 723 836)	(276 410)	(295 257)
Liquidity fees relating to the Black Economic Empowerment transaction	(96 977)	(113 367)	(113 367)
Amortisation of liquidity fee for the period/year	8 195	8 195	16 390
	9 059 009	10 065 456	10 767 134

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

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

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

Subscription undertakings for the full value of the preference shares were secured at a 2.5% liquidity fee, amounting to R163.9 million. The liquidity fees are amortised over the 10-year lock-in period.

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

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
Number of Zambezi Platinum (RF) Limited preference shares issued (JSE preference share code: ZPLP)	159 905 453	159 905 453	159 905 453
Number of ZPLP preference shares held by Northam Platinum Limited	(36 688 840)	(4 230 819)	(4 230 819)
Number of ZPLP preference shares held in the open market	123 216 613	155 674 634	155 674 634
Value per Zambezi Platinum (RF) Limited preference share	R74.24	R65.33	R69.79
Zambezi Platinum (RF) Limited (preference share code ZPLP) closing preference share price	R84.50	R66.00	R72.50

During the period under review a loss on derecognition of the preference share liability of R108.1 million was made. The loss relates to the difference between the amortised cost value per Zambezi Platinum (RF) Limited preference shares and the price paid together with transaction costs incurred on the purchases of these Zambezi Platinum (RF) Limited preference shares.

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

	Reviewed 6 months ended 31 December 2019	**Reviewed 6 months ended 31 December 2018**	**Audited 12 months ended 30 June 2019**
	R000	R000	R000
Accrued preference share dividends relating to Zambezi Platinum (RF) Limited	712 259	628 387	1 340 717
Less preference share dividends accrued to Northam Platinum Limited with regards to the preference shares held by Northam Platinum Limited	(93 267)	(16 626)	(35 473)
Preference share dividends per the statement of profit or loss and other comprehensive income	618 992	611 761	1 305 244

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

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

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

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

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

21. Long-term loans

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Security of supply contribution	89 667	123 630	101 886
Heraeus Deutschland GmbH & Co. KG	77 220	78 632	72 461
Total long-term loans	166 887	202 262	174 347
Current portion of security of supply contribution	(24 437)	(15 140)	(24 437)
Current portion of Heraeus Deutschland GmbH & Co. KG	(9 400)	(9 400)	(9 400)
Long-term portion	133 050	177 722	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.

22. Domestic medium-term notes

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Non-current domestic medium-term notes			
Domestic medium-term notes (NHM002)	175 000	175 000	175 000
Transaction costs relating to the NHM002 issue	(1 256)	(1 256)	(1 256)
Amortisation of transaction costs over 60 months	914	670	796
	174 658	174 414	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.

Domestic medium-term notes (NHM006)	250 000	–	250 000
Transaction costs relating to the NHM006 issue	(1 576)	–	(1 576)
Amortisation of transaction costs over 24 months	560	–	164
	248 984	–	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.

Domestic medium-term notes (NHM007)	300 000	–	300 000
Transaction costs relating to the NHM007 issue	(1 851)	–	(1 851)
Amortisation of transaction costs over 36 months	439	–	128
	298 588	–	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.

Domestic medium-term notes (NHM009)	250 000	–	250 000
Transaction costs relating to the NHM009 issue	(1 538)	–	(1 538)
Amortisation of transaction costs over 36 months	351	–	93
	248 813	–	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.

Notes to the condensed reviewed interim financial results *continued*

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Domestic medium-term notes (NHM011)	500 000	–	500 000
Transaction costs relating to the NHM011 issue	(2 905)	–	(2 905)
Amortisation of transaction costs over 36 months	588	–	101
	497 683	–	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.

Domestic medium-term notes (NHM012)	100 000	–	100 000
Transaction costs relating to the NHM012 issue	(866)	–	(866)
Amortisation of transaction costs over 36 months	160	–	14
	99 294	–	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.

Domestic medium-term notes (NHM014)	1 350 000	–	–
Transaction costs relating to the NHM014 issue	(22 520)	–	–
Amortisation of transaction costs over 24 months	1 294	–	–
	1 328 774	–	–

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

Domestic medium-term notes (NHM015)	500 000	–	–
Transaction costs relating to the NHM015 issue	(8 070)	–	–
Amortisation of transaction costs over 60 months	84	–	–
	492 014	–	–

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 March, June, September and December of each year from issue date for a five-year period. These notes mature on 13 December 2024.

Total non-current domestic medium-term notes	3 388 808	174 414	1 566 304

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Current domestic medium-term notes			
Domestic medium-term notes (NHM003)	–	250 000	250 000
Transaction costs relating to the NHM003 issue	–	(4 627)	(4 627)
Amortisation of transaction costs over 36 months	–	3 984	4 627
Domestic medium-term notes repaid (NHM003)	–	–	(250 000)
	–	249 357	–

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

Domestic medium-term notes (NHM004)	–	450 000	450 000
Transaction costs relating to the NHM004 issue	–	(2 778)	(2 778)
Amortisation of transaction costs over 12 months	–	1 949	2 778
Domestic medium-term notes repaid (NHM004)	–	–	(450 000)
	–	449 171	–

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.

Domestic medium-term notes (NHM005)	–	550 000	550 000
Transaction costs relating to the NHM005 issue	–	(3 304)	(3 304)
Amortisation of transaction costs over 12 months	–	2 064	3 304
Domestic medium-term notes repaid (NHM005)	–	–	(550 000)
	–	548 760	–

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.

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	863	–	228
	199 600	–	198 965

On 26 April 2019, Northam issued NHM008, which is R200.0 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 April, July, October and January for a one-year period from issue date. These notes mature on 26 April 2020.

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Domestic medium-term notes (NHM010)	50 000	–	50 000
Transaction costs relating to the NHM010 issue	(430)	–	(430)
Amortisation of transaction costs over 12 months	261	–	45
	49 831	–	49 615
On 24 May 2019, Northam issued NHM010, which is R50.0 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 August, November, February and May from issue date for a one-year period. These notes mature on 24 May 2020.			
Domestic medium-term notes (NHM013)	500 000	–	–
Transaction costs relating to the NHM013 issue	(3 036)	–	–
Amortisation of transaction costs over 12 months	946	–	–
	497 910	–	–
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 December, March, June and September from issue date for a one-year period. These notes mature on 9 September 2020.			
Total current domestic medium-term notes	747 341	1 247 288	248 580
Total domestic medium-term notes	4 136 149	1 421 702	1 814 884

These notes were issued under the R5.0 billion DMTN programme dated 3 August 2012. During the period under review, the limit stipulated in the DMTN programme was increased from R2.0 billion to R5.0 billion.

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 period 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 29) for details of the guarantee issued by Booysendal Platinum Proprietary Limited, with regards to the notes issued.

23. Revolving credit facility

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Opening balance	2 150 000	1 500 000	1 500 000
Amounts drawn down on the revolving credit facility	2 000 000	650 000	850 000
Amounts repaid during the period/year	(2 350 000)	–	(200 000)
Total facility utilised at period/year end	1 800 000	2 150 000	2 150 000
Transaction costs incurred on the previous facility	(21 767)	(17 466)	(21 767)
Amortisation of transaction costs of the previous facility	21 767	6 207	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	1 847	–	–
	1 774 146	2 138 741	2 137 193

During the period 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 and 31 December 2018: 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 revolving credit facility is disclosed as non-current as Northam Platinum Limited has the discretion to refinance or roll over the outstanding facility for at least 12 months after the period/year end under the existing loan facility.

Refer to the related party note (note 29) for various guarantees issued by group companies relating to the revolving credit facility.

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

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Total revolving credit facility	3 500 000	3 000 000	3 500 000
Facility utilised at period/year end	(1 800 000)	(2 150 000)	(2 150 000)
Available facility at the period/year end	1 700 000	850 000	1 350 000

Subsequent to the period end an amount of R800.0 million was repaid on the facility, increasing the available facility, to R2.5 billion (30 June 2019: R200.0 million was repaid and 31 December 2018: R200.0 million was drawn down subsequent to the period/year).

24. Trade and other payables

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Trade payables	445 694	734 008	917 243
Provisional pricing payables	22 988	69 000	5 115
Accruals	905 141	264 311	408 785
Capital accruals	66 498	75 362	52 232
South African Revenue Service – Value Added Tax	93 082	13 996	35 254
South African Revenue Service – amounts payable relating to the Mineral and Petroleum Resources Royalty	18 182	–	13 391
Accrued interest and commitment fees	61 680	87 543	38 899
Employee related accruals	494 372	337 286	375 197
Other	68 360	71 290	85 057
	2 175 997	1 652 796	1 931 173

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

25. Provisional pricing derivatives

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Provisional pricing derivatives	5 703	8 106	26 206
	5 703	8 106	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 price the selling price is finalised and any amounts that are required to be refunded are accounted for as a provisional pricing payable (refer to note 24).

26. Fair value

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

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

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

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

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

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

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

	Reviewed 6 months ended 31 December 2019	**Reviewed 6 months ended 31 December 2018**	**Audited 12 months ended 30 June 2019**
	R000	R000	R000
Preference share liability			
Carrying value (refer note 20)	(9 059 009)	(10 065 456)	(10 767 134)
Fair value as per the Zambezi Platinum (RF) Limited closing preference share price (preference share code ZPLP)	(10 411 804)	(10 274 526)	(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 period/year end:

	Reviewed 6 months ended 31 December 2019	**Reviewed 6 months ended 31 December 2018**	**Audited 12 months ended 30 June 2019**
Number of Zambezi Platinum (RF) Limited preferences shares issued (JSE preference share code: ZPLP)	159 905 453	159 905 453	159 905 453
Number of ZPLP preference shares held by Northam Platinum Limited	(36 688 840)	(4 230 819)	(4 230 819)
Number of ZPLP preference shares held in the open market	123 216 613	155 674 634	155 674 634
Zambezi Platinum (RF) Limited (preference share code ZPLP) closing preference share price	R84.50	R66.00	R72.50
Fair value as per the Zambezi Platinum (RF) Limited closing preference share price (preference share code ZPLP) (R000)	(10 411 804)	(10 274 526)	(11 286 411)

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

27. Capital and other commitments, including guarantees provided

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Capital commitments – Booysendal mine			
Authorised but not contracted	8 042	–	221 918
Contracted	570 701	424 196	1 038 082
	578 743	424 196	1 260 000
Capital commitments - Zondereinde mine			
Authorised but not contracted	328 944	44 374	492 341
Contracted	209 438	119 579	102 659
	538 382	163 953	595 000
Capital commitments - Eland mine			
Authorised but not contracted	164 889	59 445	309 836
Contracted	52 284	108 319	90 164
	217 173	167 764	400 000
Total capital commitments	1 334 298	755 913	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:

	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2018	Audited 12 months ended 30 June 2019
	R000	R000	R000
Bank guarantees			
Eskom Holdings SOC Limited	146 447	89 704	89 706
Other	398	398	398
	146 845	90 102	90 104
Other guarantees			
Department of Mineral Resources and Energy (refer note 19)	410 536	401 418	401 418
	410 536	401 418	401 418

28. Operating 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 operating leases are as follow, including options of renewal where management intends to renew the lease:

	Reviewed 6 months ended 31 December 2019	**Reviewed 6 months ended 31 December 2018**	**Audited 12 months ended 30 June 2019**
	R000	R000	R000
Information Technology			
Due within one year	7 101	25 948	8 241
Due within two to five years	4 138	–	1 949
	11 239	25 948	10 190
Operating lease rentals - office equipment			
Due within one year	2 512	3 695	2 806
Due within two to five years	900	2 186	1 130
	3 412	5 881	3 936
Operating lease rentals for various premises as lessee			
Due within one year	13 457	13 335	17 655
Due within two to five years	31 704	32 969	42 516
More than five years	3 736	–	–
	48 897	46 304	60 171
Operating lease rentals relating to a notarial lease			
Due within one year	3 836	3 671	3 752
Due within two to five years	17 148	16 410	16 775
More than five years	97 110	101 684	99 422
	118 094	121 765	119 949

29. Related parties

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

Guarantees

Northam Platinum Limited currently has finance facilities available in the form of a revolving credit facility of R3.5 billion and a general banking facility to the value of 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.

In addition, Northam Platinum Limited has issued R4.2 billion on the debt capital market, these notes were issued under the R5.0 billion DMTN programme. Booysendal Platinum Proprietary Limited is a guarantor for these issued notes.

Zambezi Platinum (RF) Limited

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

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

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

For purposes of ensuring that Zambezi Platinum (RF) Limited does not incur any liabilities or indebtedness, other than pursuant to the transaction agreements, and that it remains ring-fenced, Zambezi Platinum (RF) Limited and Northam Platinum Limited entered into an administration services agreement in terms of which Zambezi Platinum (RF) Limited has appointed Northam Platinum Limited to attend to the day-to-day management of Zambezi Platinum (RF) Limited's business and the administration of Zambezi Platinum (RF) Limited's affairs at Northam Platinum Limited's sole cost and expense and with no recourse to Zambezi Platinum (RF) Limited subject to maximum costs and expenses of up to R2.0 million per annum, escalating annually at CPI from the 1st (first) anniversary of the implementation date. During the period under review expenses to the value of R0.3 million (30 June 2019: R2.1 million and 31 December 2018: R0.8 million) were incurred.

The current limit relating to expenses paid on behalf of Zambezi Platinum (RF) Limited amounts to R2.4 million (30 June 2019: R2.4 million and 31 December 2018: R2.3 million).

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

	Reviewed 6 months ended 31 December 2019	**Reviewed 6 months ended 31 December 2018**	**Audited 12 months ended 30 June 2019**
	R000	R000	R000
Security and facilities services provided by SSG Holdings Proprietary Limited to the group during the period/year accounted for as part of operating costs	62 147	36 693	92 715
Management fees received from associate (SSG Holdings Proprietary Limited) (refer note 7)	1 080	1 080	2 160
Amounts payable to SSG Holdings Proprietary Limited included as part of trade and other payables	17 823	10 860	17 168

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 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:

	Reviewed 6 months ended 31 December 2019	**Reviewed 6 months ended 31 December 2018**	**Audited 12 months ended 30 June 2019**
	R000	R000	R000
Services provided by SMS Mining Holdings Proprietary Limited to the group during the period/year accounted for as part of operating costs and capital expenditure	53 359	9 364	33 637
Amounts payable to SMS Mining Holdings Proprietary Limited included as part of trade and other payables	18 726	2 533	6 695

30. 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.

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. 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.

31. Insurance claim

At Zondereinde, a fire on the UG2 horizon of the 48 line between 8 and 9 levels was detected on 3 July. 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. Independent confirmation that the fire had been extinguished was sought and following this, stoping and development was sequentially resumed.

An insurance claim is currently being finalised to determine the value of the potential business interruption claim, however at the period end an amount of R40.0 million was recognised in sundry income relating to an interim payment approved and paid by the insurance. 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 relating to damaged property, plant and equipment.

32. Events after the reporting period

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

Summary Mineral Resources and Mineral Reserves

We don't mine the market – we mine the orebody

Northam's Mineral Resources and Mineral Reserves as of 31 December 2019 for its wholly owned Booysendal, Eland and Zondereinde platinum mines are updated estimates considering the depletion of the previous six months' production from the estimate of 30 June 2019. These have been prepared by the company's competent persons using the guidelines of the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016), the SAMREC Code. Mineral Resources for the Dwaalkop joint venture were prepared by Lonmin plc (Lonmin). These Mineral Resources have been publically declared by the Lonmin Lead Competent Person in the Lonmin Mineral Resources and Mineral Reserves Statement 2018. In June 2019, the Lonmin assets were fully acquired by Sibanye Gold Limited, trading as Sibanye Stillwater (Sibanye Stillwater).

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 and, where applicable, the relevant requirements of Section 12 of the JSE Listings Requirements and the Table 1 requirements; and that it may be published in the form and context in which it was intended.

Further details can be found in the full Mineral Resources and Mineral Reserves statement, as at 30 June 2019, which is available on the company's website, www.northam.co.za. Save for the changes stated below, there have been no material changes to the information disclosed in the full Mineral Resources and Mineral Reserves statement as at 30 June 2019.

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

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

* Mineral Resources were compiled by Snowden Industry Consultants under guidance of Lonmin plc. Consent to publish the Mineral Resources for the Dwaalkop prospect is via the proxy of the annual reporting of the Mineral Resources by Lonmin plc (Lonmin) up to 2018.
** No Mineral Reserves have been declared.
*** An employee of Northam Platinum Limited.

The total Mineral Resources and Mineral Reserves are as at 31 December 2019, these being derived from the depletion of six months' production from the annual assessment as at 30 June 2019. The Mineral Resources (total Measured, Indicated and Inferred) are reported inclusive of the Mineral Reserves (Proved and Probable) for 4E (combined platinum, palladium, rhodium and gold). The individual element ratios for platinum, palladium, rhodium and gold are indicative of the Northam group global proportions for the total Mineral Resources in the Merensky and UG2 reefs.

We consider the group's current Mineral Resources and Mineral Reserves positions to be of a sufficient quantum and quality to support a sustainable production profile in line with our strategic intent

Northam group Mineral Reserves estimate (combined Proven and Probable)[1,2,3,4,5,]

		31 December 2019			31 December 2018			30 June 2019		
			4E			4E			4E	
Reef	Operation	Mt	g/t	Moz	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booysendal North mine	12.54	2.80	1.13	18.76	2.88	1.74	12.80	2.79	1.15
	Booysendal South mine	21.50	2.58	1.78	9.84	2.59	0.82	21.50	2.58	1.78
	Eland	5.04	0.86	0.14	5.04	0.86	0.14	5.04	0.86	0.14
	Zondereinde	26.49	5.69	4.85	27.98	5.56	5.00	26.88	5.69	4.92
	Total	65.57	3.75	7.90	61.62	3.89	7.70	66.22	3.75	7.99
UG2	Booysendal North mine	40.86	3.06	4.02	50.33	2.97	4.81	42.24	3.04	4.13
	Booysendal South mine	58.68	3.54	6.68	77.54	2.64	6.57	58.93	3.54	6.70
	Eland	25.50	3.53	2.89	3.77	3.14	0.38	25.50	3.53	2.89
	Zondereinde	62.32	4.27	8.55	63.93	4.26	8.75	62.86	4.27	8.63
	Total	187.36	3.68	22.14	195.57	3.26	20.51	189.53	3.67	22.35
Combined	Booysendal North mine	53.40	3.00	5.15	69.09	2.95	6.55	55.04	2.98	5.28
	Booysendal South mine	80.18	3.28	8.46	87.38	2.63	7.39	80.43	3.28	8.48
	Eland	30.54	3.09	3.03	8.81	1.84	0.52	30.54	3.09	3.03
	Zondereinde	88.81	4.69	13.40	91.91	4.65	13.75	89.74	4.70	13.55
	Total	252.93	3.69	30.04	257.19	3.41	28.21	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.*
5. *There are no Mineral Reserves declared for Dwaalkop. These were removed in 2015 due to the prevailing economic viability at the time of assessment.*

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

		31 December 2019			31 December 2018			30 June 2019		
			4E			4E			4E	
Reef	Operation	Mt	g/t	Moz	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booysendal Prospect[7]	242.35	3.87	30.17	273.67	4.02	35.41	242.35	3.87	30.17
	Booysendal North mine	21.82	3.01	2.11	21.47	3.20	2.21	22.16	2.99	2.13
	Booysendal South mine	27.44	2.72	2.40	11.98	2.78	1.07	27.44	2.72	2.40
	Dwaalkop[6]	38.05	2.98	3.64	38.05	2.98	3.64	38.05	2.98	3.64
	Eland	4.82	1.03	0.16	4.82	1.03	0.16	4.82	1.03	0.16
	Zondereinde	207.55	7.50	50.03	208.29	7.46	49.94	207.88	7.50	50.11
	Total	542.03	5.08	88.51	558.28	5.15	92.43	542.70	5.08	88.61
UG2	Booysendal Prospect[7]	426.01	4.09	56.01	381.10	3.83	46.99	426.01	4.09	56.01
	Booysendal North mine	50.87	3.39	5.54	44.60	4.59	6.58	52.65	3.36	5.68
	Booysendal South mine	118.83	3.70	14.12	129.05	3.05	12.64	119.17	3.69	14.14
	Dwaalkop[6]	37.56	4.35	5.25	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	147.43	4.04	19.16
	Zondereinde	335.82	5.05	54.56	339.05	5.05	55.03	336.34	5.05	54.64
	Total	1 116.52	4.31	154.64	1 078.79	4.20	145.65	1 119.16	4.30	154.88
Combined	Booysendal Prospect[7]	668.36	4.01	86.18	654.77	3.91	82.40	668.36	4.01	86.18
	Booysendal North mine	72.69	3.27	7.65	66.07	4.14	8.79	74.81	3.25	7.81
	Booysendal South mine	146.27	3.51	16.52	141.03	3.02	13.71	146.61	3.51	16.54
	Dwaalkop[6]	75.61	3.66	8.89	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	152.25	3.95	19.32
	Zondereinde	543.37	5.99	104.59	547.34	5.97	104.97	544.22	5.99	104.75
	Total	1 658.55	4.56	243.15	1 637.07	4.52	238.08	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 30 September 2019 while those of the previous year are as at 30 September 2018. There are no Mineral Reserves declared for Dwaalkop. These were removed in 2015 due to the prevailing economic viability at the time of assessment.*
7. *Booysendal Prospect comprises the previously defined and reported areas of Booysendal North and Booysendal South.*

Indicative Northam group PGM prill splits and base metal weight percentages

Prill splits %[1]	Pt	Pd	Rh	Au	Cr_2O_3%	Cu%	Ni%
Merensky	60.9	30.2	4.1	4.8	0.4	0.090	0.194
UG2	59.1	30.0	9.6	1.3	26.6	0.015	0.094
Combined	59.7	30.1	7.6	2.6	18.0	0.039	0.126

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.*

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 more than a 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 Mineral Resources, Mineral Reserves, production and grades in terms of platinum, palladium, rhodium, gold, ruthenium and iridium, collectively expressed as 6E
Average exchange rate	The average exchange rate achieved by the group for the purpose of converting USD sales to ZAR over a period/year, amounting to the sum of the daily close ZAR/USD exchange rate over a period/year divided by the number of days in that period/year
Average market price achieved/realised (USD/oz)	Average market prices achieved/realised in USD/ounce over a specific period/year, calculated as total sales revenue per metal in ZAR divided by the total metal sold in ounces, divided by the average exchange rate over the specific period/year
Capital expenditure or capex	ZAR value assigned for additions to property, plant and equipment as well as mining properties and mineral resources
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 from own operations, plus concentrator operating costs together with selling and administration overhead costs in ZAR divided by platinum ounces produced both from concentrate produced from own operations as well as concentrates purchased
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 from own operations, plus concentrator operating costs together with selling and administration overhead costs in ZAR divided by 4E ounces produced both from concentrate produced from own operations 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 from own operations, plus concentrator operating costs together with selling and administration overhead costs in ZAR divided by 6E ounces produced both from concentrate produced from own operations as well as concentrates purchased
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 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 produced 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 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 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 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 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 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 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 Pt oz in concentrate produced	Total revenue per platinum ounce sold less the cash costs per platinum ounce in concentrate produced, which is utilised to assess the profitability of each platinum ounce in concentrate produced
EBITDA	Earnings before interest (investment income and finance charges excluding preference share dividends), tax, depreciation, amortisation and the impact of the 2015 BEE transaction relating to amortisation of liquidity fees paid on preference shares, the preference share dividends and loss on derecognition of the preference share liability. EBITDA is utilised for, *inter alia*, the assessment of covenants
EBITDA margin	EBITDA as a percentage of sales revenue in ZAR
Equivalent refined metal from external parties	Metal acquired from third parties in concentrate or a more refined form
Equivalent refined metal from own operations	Own metal mined or metal acquired from surface sources which require milling
Expansionary capex	Capital expenditure to increase or enhance property, plant and equipment or mining properties and mineral resources
Headline earnings	Headline earnings as governed by Circular 1/2019 as issued by the South African Institute of Chartered Accountants (SAICA)
Headline earnings per share	Headline earnings per share as governed by Circular 1/2019 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
N/A	Not applicable is included in the percentage variance column if a percentage variance between a positive and negative balance is indicated

Glossary *continued*

Net debt/cash	Cash and cash equivalents less bank overdraft, domestic medium-term notes, revolving credit facility (both the current and non-current portion) as well as the general banking facility, all of which are in ZAR. Net debt is utilised for, *inter alia*, the assessment of covenants
Normalised headline earnings	Headline earnings adjusted for non-cash items relating to the 2015 BEE transaction, whereby headline earnings is adjusted to include amortisation of liquidity fees paid on preference shares, preference share dividends and the loss on derecognition of preference share liability. Normalised headline earnings is considered as managements main measure of performance
Normalised headline earnings per share	Headline earnings per share adjusted for the impact of the 2015 BEE transaction, being normalised headline earnings divided by the total number of shares in issue. Normalised headline earnings per share is considered as managements main measure of performance
On mine cash cost per tonne milled	Cash cost to mill a tonne of production over a specific period/year, calculated as total on mine costs consisting of mining operation's costs and concentrator operations costs in ZAR divided by the total tonnes milled
On mine cash cost per tonne mined	Cash cost to mine a tonne of production over a specific period/year, calculated as total on mine costs consisting of mining operation's costs and concentrator operations costs in ZAR divided by the total tonnes mined
Operating profit	Sales revenue in ZAR less cost of sales in ZAR (gross profit)
Operating profit margin	Operating profit as a percentage of sales revenue in ZAR
Ounce or oz	Troy ounce consisting of 31.1035 grammes
Prime	South African prime interest rate
Sustaining capex	Capital expenditure to maintain property, plant and equipment or mining properties and mineral resources
Sustaining capex per equivalent refined Pt oz from own operations	Sustaining capex divided by equivalent refined platinum ounces from own operations
Total revenue per 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 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

Administration and contact information

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Bond code: NHM002
Bond ISIN: ZAG000129024
Bond code: NHM006
Bond ISIN: ZAG000158577
Bond code: NHM007
Bond ISIN: ZAG000158593
Bond code: NHM008
Bond ISIN: ZAG000158858
Bond code: NHM009
Bond ISIN: ZAG000158866
Bond code: NHM010
Bond ISIN: ZAG000159229
Bond code: NHM011
Bond ISIN: ZAG000159237
Bond code: NHM012
Bond ISIN: ZAG000160136
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