NORTHAM
PLATINUM HOLDINGS LIMITED

The new Northam: continuing to create value for all stakeholders

Summarised financial results and group statistical information 30 June 2021

smart platinum mining

Rhodium – the rose

Rhodium is considered the rarest and most valuable precious metal in the world.

In its pure form it is silvery-white and the most reflective of all metals. It was, however, first isolated from a rosey-red coloured chloride salt in 1803 by the English scientist, William Hyde Wollaston. This led to him naming it after the Greek word for rose, "rhodon".

The photograph on the front cover of this report shows powdered rhodium chloride.

Rhodium has in the past been lesser known in comparison to its sister metals, platinum and palladium. It has become more prominent in recent times as a result of its very special application when it comes to human health – rhodium is used extensively in the automotive sector to control the emissions of nitrous oxides (NOx) which are deleterious to pulmonary health.

Only around 30 tonnes of rhodium are sold each year, but its price over the past year averaged over R9 million per kilogram. This is important for South Africa and particularly for South African Platinum Group Metal (PGM) miners, as over 85% of the world's rhodium comes from the Bushveld, predominantly from our UG2 orebodies. The remainder is derived from Norilsk in Russia, and from the Sudbury Complex in Canada.

In the past, the world was generally at a loss to find significant uses for rhodium, as it was with all of the PGMs. We had to wait for the disciplines of chemistry and engineering to evolve.

Rhodium's physical properties were harnessed in its earliest uses. These include a high melting point, extreme hardness, durability, lustre (or reflectivity) and resistance to corrosion. Alloying rhodium with other PGMs also increases their hardness and lustre.

Uses included pen nibs and razor blades, high-temperature laboratory instruments such as crucibles and thermometers (termed thermocouples) and low resistance electrical contacts in motors and electronic circuits. Durability, along with reflectivity led to its application as a thin, electroplated coating to platinum jewellery, giving lustre to what would otherwise be a relatively dull surface. This property is also employed in the reflective surfaces required for powerful searchlights and lighthouse beacons.

Only in the 1950s was it found that rhodium acted as a catalyst in numerous organic reactions. This has had profound positive implications for our modern world. Catalysts are defined as substances that either increase the rate, or lower the activation energy of a chemical reaction without the catalysts themselves being consumed or undergoing any permanent chemical change. This leads to significant energy and cost savings in industrial processes.

One of the earliest catalytic applications for rhodium was in the Monsato process, in which acetic acid is produced from methanol. A second and by far the most important application of the metal, accounting for over 90% of global consumption, is in the reduction of NOx emissions from vehicle exhausts. Developments in modern organic chemistry are leading to the discovery of an ever increasing number of catalytic applications.

Environmental legislation in Europe, China, India and more recently, the United States, is heavily focussed on NOx gases. This is creating significant demand-pull. In addition, since the global financial crisis of 2008, there has been significant under investment in PGM mining assets. This has negatively impacted the ability of South African primary producers to meet the growing demand. This, in turn, led to price appreciation, with a consequent flow-through to the basket price received by miners of UG2 ore. Current weak pricing is related to silicon chip supply constraints restricting automotive manufacturing. This is expected to be a short-term event and the prices should rebound once supplies are restored.

At Northam, rhodium represents only around 8% by mass of all of the precious metals we produce and sell. However, for the past year it contributed on average 50% of our revenue. This contribution will increase as our UG2 dominated production growth strategy plays out and automotive supply normalises.

We believe in the metals that we produce, including rhodium. They are special. Our counter-cyclical investment in various growth projects demonstrates this confidence.

Northam will continue to produce many roses for years to come.

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Directors

PA Dunne*	Chief executive officer	GT Lewis*	Independent non-executive director
AH Coetzee	Chief financial officer	TI Mvusi	Independent non-executive director
DH Brown	Independent non-executive chairman	JJ Nel	Independent non-executive director
HH Hickey	Independent non-executive director	JG Smithies*	Independent non-executive director
NY Jekwa	Independent non-executive director	TE Kgosi	Non-executive director
MH Jonas	Independent non-executive director		

*British

Introduction and scope of report

Northam has embarked on a new phase in its development with the introduction of Northam Platinum Holdings Limited (Northam Holdings).

Northam Holdings is a primary producer of platinum group metals (PGMs). Our Shares are listed on the Johannesburg Securities Exchange, operated by the JSE Limited (JSE) under equity code NPH. Our debt instruments are listed under the code NHMI.

Northam Holdings was established on 2 December 2020 in order to facilitate the early maturity of the Zambezi BEE Transaction and the subsequent Extended Empowerment Transaction, collectively referred to as the Composite Transaction. Following the year-end, 30 June 2021, Northam Holdings acquired all of the issued Northam Platinum Limited (Northam) Ordinary Shares (share code: NHM) in exchange for Northam Holdings Shares (excluding Treasury Shares) on a one-for-one basis.

Simultaneously, Northam became a subsidiary of Northam Holdings, all Northam's Shares were delisted from the Main Board of the JSE and all Northam Holdings Shares were listed on the Main Board of the JSE, thereby ensuring the continuation of the Northam group listing.

The summarised financial results contained within this booklet are prepared in accordance with and contain the information required by International Accounting Standard – IAS 34, Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements and the requirements of the Companies Act No. 71 of 2008.

Events subsequent to the reporting period with regards to the Composite Transaction

The disclosures included in the 30 June 2021 reporting suite regarding the Composite Transaction are made in accordance with the requirements of IAS 10, Events after the Reporting Period. IAS 10 paragraph 21 requires the disclosure of material non-adjusting events occurring after the reporting period when non-disclosure could influence the decisions of users on the basis of those annual financial statements. The Composite Transaction constitutes such an event.

The following disclosures are required: (a) the nature of the event and; (b) an estimate of its financial effect, or a statement that such an estimate cannot be made.

In line with the reporting requirements of International Financial Reporting Standards (IFRS) and following the guidance of IAS 10 as disclosed above, all values and number of shares relating to the Composite Transaction have been disclosed based on calculations as at the Last Practicable Date (LPD), being 30 April 2021, in accordance with the base case disclosures made in the Circular to Northam Shareholders, accompanied by the Prospectus in respect of Northam Platinum Holdings Limited, issued on Monday, 31 May 2021 (collectively, the Transaction Documents).

Users of the Northam reporting suite are referred to the Transaction Documents for additional information relating to the Composite Transaction, as well as the underlying assumptions and judgements applied in calculating the number of shares and the values disclosed, in order to obtain a fully informed view of the nature and impact of the Composite Transaction.

Forward-looking statements

This report contains certain forward-looking statements with respect to Northam Holdings' financial position, results, operations and business. These statements and forecasts involve risk and uncertainty as they relate to events and depend on circumstances that occur in the future. There are various factors that could cause actual results or developments to differ from those expressed or implied by these forward-looking statements. Consequently, all forward-looking statements have not been reviewed or reported on by the group's auditors.

Forward-looking statements compiled by Northam Holdings at the time of releasing the 30 June 2021 results, on 30 September 2021, were informed by the group's business plans and economic forecasts that were finalised and approved by the company's board of directors in July 2021. Should there be any changes to financial guidance provided, these will be reported via announcements on the Stock Exchange News Service operated by the JSE (SENS).

Our reporting suite

Our annual integrated report is supplemented by a full suite of online publications, which cater for the diverse needs of our broad stakeholder base as part of our comprehensive integrated reporting.

These can be accessed on our website at www.northam.co.za

"We believe in the positive impact of mining, mining that benefits our employees, our communities, the environment and our investors. Our strategy is underpinned by our belief in mining, PGMs, our country, our people and our company.

Key features of the year

Revenue
R32.6 bn
F2020: R17.8 bn

Operating profit
R16.1 bn
F2020: R5.3 bn

EBITDA
R16.7 bn
F2020: R6.0 bn

Cash cost per equivalent refined Pt oz
R28 662
F2020: R29 281

Normalised headline earnings
R10.9 bn
F2020: R3.4 bn

Equivalent refined metal from own operations
690 867 oz 4E
F2020: 515 370 oz 4E

Net debt
R3.7 bn
With net debt to EBITDA ratio of 0.22

Capital Expenditure
R3.3 bn
F2020: R2.4 bn

Safety
2
fatalities at the Zondereinde mine

Return of shareholder value
28.9%
Reduction in the Northam shares in issue

Production on track to reach our
1 Moz 4E
medium-term target

Extended Empowerment Transaction
Focussing on our employees, together with our host and affected communities

What investors need to know about the Northam full year results

1. Record metal production for the company, with all growth projects on track to reach our medium-term target of 1 Moz 4E

2. Reinstatement of full capital programme, inclusive of Booysendal South and Eland, with capital budgeted for F2022 of R4.0 billion

3. Approval of Zondereinde 3 shaft project, with significant progress on shaft development

4. Material production ramp-up at Booysendal South, with first meaningful metal delivered of 115 164 oz 4E

5. Successful rebuild and upgrade to smelter furnace 1 at the Zondereinde Metallurgical complex, aligning downstream processing capacity to our future production profile

6. Northam Scheme, share for share transaction, implemented on 20 September 2021, with trading in Northam Holdings Shares having commenced on 21 September 2021

7. Free cash flow of R8.9 billion generated (F2020: R4.0 billion), taking into account cash capital expenditure of R3.2 billion incurred mainly in the execution of the group's growth strategy

8. DMTN Programme increased to R15.0 billion, with R7.8 billion of Notes issued

9. Upgrade to Northam's long-term and short-term credit ratings with a stable outlook

10. Independent non-executive chairman, DH Brown appointed on 22 June 2021

Q&A with the chief executive officer, Paul Dunne

It is people that make the business. Northam is a special company, with special people, producing special metals.

Paul Dunne
Chief executive officer

What have been the key highlights of the past year?

From an operational point of view, the normalisation of production and resumption of our growth trajectory following the COVID-19 interruption of last year has been a tremendous effort, from both employees and management alike.

At the corporate level, I am pleased that our Shareholders agreed to accelerate the maturity of the Zambezi BEE Transaction, as well as to cement our empowerment credentials for a further 15 years. This is in line with our strategic intent of returning value to shareholders. It both ensures our license to operate and positions the company well for the future.

What are the benefits to Shareholders of accelerating the maturity and wind-up of the Zambezi BEE Transaction?

Accelerating the maturity of the Zambezi BEE Transaction permanently secures, unlocks and transfers unencumbered value created within Zambezi and, in so doing, has removed maturation risk for both Northam and Zambezi Shareholders.

The structure of the transaction results in a 28.9% share buy-back at a fair price. Also, it removes the perceived overhang of the Zambezi liability in 2025, associated with any unforeseen and adverse market event at that time.

Why implement an Extended Empowerment Transaction?

Northam has already made a tremendous contribution towards empowerment through the Zambezi structure. We now want to focus our empowerment initiatives through the extension of our broad-based employee and community participation. This is the right thing to do.

In addition, the Extended Empowerment Transaction secures HDP ownership in the Northam group for a further 15 years and ensures compliance with current Mining Charter requirements. It is in the best interest of the company and Shareholders to do this.

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

Despite the inherent uncertainty of recent times, there are some very positive signs of global economic recovery coming through. The health of the automotive sector is important to the PGM market and the rapid rebound in metrics such as light duty vehicle sales following the first wave of COVID-19 was encouraging. We can expect a similar outcome once silicon chip supplies are restored.

Given this outlook, our view for the major PGM metals is that:

The market for palladium will remain in deficit. It remains the metal of choice for gasoline engines for the foreseeable future, although there is some traction for around 15% platinum substitution over the medium-term.

Platinum, whilst still in surplus, is viewed as an investment case offering good relative value. We may expect pricing of these two metals to reach parity over time, as platinum benefits from the emerging hydrogen economy.

Rhodium remains in significant deficit and will continue as the only viable solution for the control of nitrous oxides.

In addition, our basket contains what have historically been considered the minor PGMs, together with base metal by-products. Global economic recovery, together with the growing shift towards renewable energy sources, are adding prominence to these metals. This is positively impacting their prices. The production of green hydrogen and the growing use of hydrogen fuel cells in various applications are increasing demand for iridium and ruthenium respectively. Ruthenium is our third PGM by production volume, so we watch this space with interest.

Lastly, we expect that the trend towards electrification, together with the need for battery storage to complement green energy production, will bolster prices for copper and nickel over the medium-term.

The metals we produce are special and their myriad of uses throughout the energy, transport and industrial sectors will maintain their prominence over the remainder of this decade and into the future.

Will you be implementing a dividend policy?

We have committed to continue to return to our shareholders free cash not required in the advancement of our ongoing growth programme. We have previously done this through the purchase of Zambezi Preference Shares and more recently, through the acceleration of the maturity of the Zambezi structure, which together with additional share purchases has resulted in a significant reduction in shares in issue. Whilst considering prevailing market conditions we will look at implementing a dividend policy in the coming year.

What are the key focus areas for the coming year?

Operationally, we must continue to focus on safe, cost effective growth. In order to do this, we have concluded wage negotiations at Zondereinde and Eland and we will maintain our focus on project execution, including the successful restart of smelter furnace 1 following its recent rebuild. There is still much to be delivered in terms of growth and production over the coming years. Our plate is full.

At a corporate level, we will continue to generate and return value to our shareholders through strong dividend flow. This will accelerate as our production ramps up over the course of the next five years.

Why is Northam unique?

Northam is a special company, with special people, producing special metals. Together we are a strong team and ultimately it is the people that make the business. This is why our new 15 year empowerment structure primarily focuses on our employees. They will appreciably share in the value this company will generate well into the future. This is real empowerment.

Paul Dunne
Chief executive officer

23 September 2021

Our growing operations

We are an independent, integrated PGM producer. All operating mines and the recycling operation are wholly owned. Our medium-term target remains at 1 Moz 4E per annum.

Zondereinde

Mineral Resources

80.1 Moz 4E

Strengths

- Highest grade UG2 and Merensky ore bodies in the Bushveld Complex
- More than 30 years life of mine on current planning
- 350 000 oz 4E annual production once the Western extension is fully operational
- Further brownfields expansion possible
- Lower half of the industry cost curve
- Access to both Merensky and UG2 ore bodies via shared infrastructure
- Established conventional long-life operation
- Concentrator, smelter and base metal removal facilities on site

Challenges

- Deepest PGM mine in the world
- Large employee base
- High fixed component of total costs

Eland

Mineral Resources

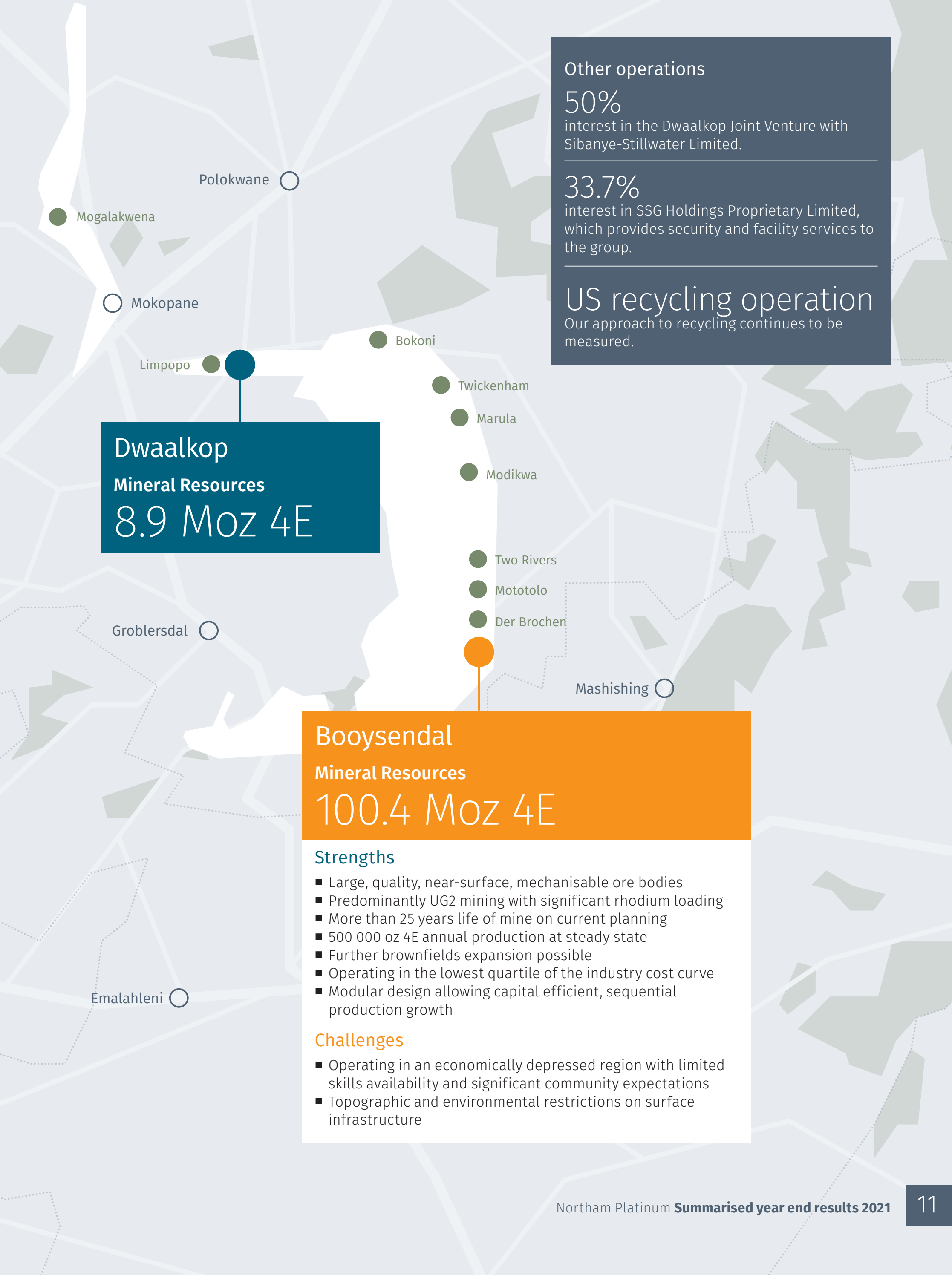
14.3 Moz 4E

Strengths

- Quality, near-surface, UG2 ore body
- Significant rhodium loading
- More than 30 years life of mine on current planning
- 150 000 oz 4E annual production in the medium-term
- Hybrid and open pit mining
- Under-utilised concentrator, allowing for processing of third party feed

Challenges

- Project risk during production build-up
- Availability and recruitment of skilled employees
- Economically challenged region with significant community expectations



Other operations

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

33.7%
interest in SSG Holdings Proprietary Limited, which provides security and facility services to the group.

US recycling operation
Our approach to recycling continues to be measured.

Dwaalkop

Mineral Resources

8.9 Moz 4E

Booysendal

Mineral Resources

100.4 Moz 4E

Strengths

- Large, quality, near-surface, mechanisable ore bodies
- Predominantly UG2 mining with significant rhodium loading
- More than 25 years life of mine on current planning
- 500 000 oz 4E annual production at steady state
- Further brownfields expansion possible
- Operating in the lowest quartile of the industry cost curve
- Modular design allowing capital efficient, sequential production growth

Challenges

- Operating in an economically depressed region with limited skills availability and significant community expectations
- Topographic and environmental restrictions on surface infrastructure

The year at a glance

Key events for the year that influenced growth

We have also provided an indication of the perceived effect of each event on the business to aid the appreciation of value creation, preservation and erosion over the period.

JUL | AUG | SEP | OCT | NOV | DEC | **2021**

- △ Zondereinde number 3 shaft pilot drilling completed
- △ Normalisation of operational production levels at Booysendal and Eland following COVID-19 disruption

- △ Production from the Western extension exceeds 50ktpm
- △ Number 26 on the FTSE/JSE Top 40 Index
- △ Reinstatement of capital projects
- △ Completion of upgrade to smelter material handling system
- △ Production levels at South mine exceed 100ktpm
- △ First underground ore production from the Kukama shaft

- △ Zambezi Preference Share ownership reaches 70% mark
- △ Upgrade to Northam's long-term and short-term credit ratings, with a stable outlook
- △ Market capitalisation exceeds R100.0bn for the first time
- △ Appointment of Debt officer, AH Coetzee
- △ Completion of North aerial rope conveyor earthworks and foundations

- △ Issue of R1.3bn of DMTNs to finance Zambezi Preference Share purchases
- △ Increase of the DMTN Programme from R10.0bn to R15.0bn
- △ Cautionary announcement issued regarding a potential transaction to accelerate the maturity of the Zambezi BEE Transaction
- △ Northam included in the Sunday Times Top 100 companies at number 10
- △ Initial access development for the BS4 module completed

- △ Incorporation of Northam Platinum Holdings Limited
- △ Zambezi Preference Share ownership reaches 80% mark
- △ Number 24 on the FTSE/JSE Top 40 Index
- △ BSM1 Merensky portal development complete and declines commenced
- △ Zondereinde 3 shaft raisebore reaming starts
- △ Cumulative ore tonnage processed by South concentrator exceeds 700kt

Operations
- Zondereinde
- Booysendal
- Eland
- Group
- All operations

Value
- △ Value creation
- ▽ Value erosion

Normalisation of production and resumption of our growth strategy following COVID-19, together with the securing of our long-term empowerment credentials bodes well for the company's future.

JAN	FEB	MAR	APR	MAY	JUN	Subsequent to year end

JAN
- Smelter furnace 2 slag handling upgrade, improving throughput and reducing operational risk

FEB
- Achieved six million fatal free shifts

MAR
- Fully settled the RCF
- Number 21 on the FTSE/JSE Top 40 Index
- Additional R100.0m of DMTNs issued
- Announced the Composite Transaction proposal
- Zambezi Preference Share ownership reaches 87.5% mark
- Suffered two fatalities in two incidents

APR / MAY
- Distributed the Northam Circular and Northam Holdings Prospectus in respect of the Composite Transaction
- Additional R650.0m of DMTNs issued
- Commenced rebuild and upgrade of smelter furnace 1

JUN
- Shareholders vote in favour of the Composite Transaction
- Appointment of independent chairman, DH Brown

Composite Transaction

The Composite Transaction consists of two parts: firstly, the acceleration of the maturity and wind-up of the Zambezi BEE Transaction, including the acquisition by Northam of all Zambezi Preference Shares in issue not already held by Northam and the acquisition by Northam of Northam Shares held by Zambezi and the ESOP pursuant to the Share Acquisitions Scheme and; secondly, an Extended Empowerment Transaction, including Northam Holdings' offer to acquire all Northam Shares, excluding Treasury Shares, in exchange for Northam Holdings Shares. This being by way of a scheme of arrangement, in terms of section 114(1) as read with section 115 of the Companies Act, between Northam and Northam Shareholders, together with the simultaneous termination of the listing of all Northam Shares and new listing of all Northam Holdings' Shares on the Main Board of the JSE.

Operational guidance for F2022

	Zondereinde	Booysendal	Eland	Group
Production	Production of equivalent refined metal (oz 4E) 330 000 - 340 000	Production of metal in concentrate (oz 4E) 400 000 - 410 000	Production of metal in concentrate (oz 4E) 30 000 - 40 000	Production of equivalent refined metal from own operations (oz 4E) 750 000 - 780 000
				Production of equivalent refined metal from third parties (oz 4E) 50 000
Unit cash cost	Unit cash cost per Pt oz R32 000 – R33 000	Unit cash cost per Pt oz R21 000 – R22 000	Unit cash cost per Pt oz* R36 500 – R37 500	Unit cash cost per Pt oz R29 000 – R30 000
Capital expenditure	Capital expenditure R1.8bn	Capital expenditure R1.1bn	Capital expenditure R1.1bn	Capital expenditure R4.0bn

790 000 – 810 000

Sales oz 4E

* Eland mine's production is currently being derived from surface sources and purchased at prevailing metal prices, therefore impacting the unit cash cost for Eland but also impacting the group unit cash cost.

The next five years

How we will continue to deliver on our strategy in the medium-term

F2022	F2023	F2024	F2025	F2026
Delisting of Northam and listing of Northam Holdings	Three UG2 mining modules at Booysendal South (BS1, BS2 and BS4) reach steady state production	Booysendal reaches 500 000 oz 4E production level	Completion of upgrade to Booysendal South tailings storage facility to over 100 m tonnes capacity, catering for increased production, as well as longer life of mine	Eland reaches 150 000 oz 4E production level
Completion of rebuild and upgrade of smelter furnace 1 at Zondereinde Metallurgical operations, increasing processing capacity and significantly reducing operational risk		Zondereinde reaches 350 000 oz 4E production level		Completion of upgrade to Base Metal Removal Plant at Zondereinde Metallurgical operations.
Commissioning of two dedicated recycling smelter furnaces at Zondereinde Metallurgical operations		Merensky mining module at Booysendal South (BSM1) reaches steady state production		
Commissioning of the North aerial rope conveyor at Booysendal, optimising mining and concentrating capacity		Zondereinde 3 shaft fully operational, adding significant operational flexibility		
Completion of reaming and commencement of equipping of Zondereinde 3 shaft				
Commencement of mining of the UG2 open pit and the Maroelabult section at Eland				
Commissioning of the primary milling circuit at Eland allowing treatment of run of mine ore				
Production forecast 750 000 – 780 000 oz 4E	Production forecast 840 000 – 860 000 oz 4E	Production forecast 910 000 – 930 000 oz 4E	Production forecast 970 000 – 990 000 oz 4E	Production forecast 980 000 – 1 000 000 oz 4E
Capital forecast R4.0 bn	Capital forecast R4.3 bn	Capital forecast R4.4 bn	Capital forecast R4.0 bn	Capital forecast R4.0 bn

Operations
- Zondereinde
- Booysendal
- Eland
- Group

The Composite Transaction: Empowering Northam for the future

Before the Composite Transaction

4 years
Remaining empowerment credentials

8%
Effective employee and community shareholding

509 781 212
Northam Shares in issue

Key objectives of the Composite Transaction

Accelerate maturity of the Zambezi BEE Transaction

1. **Secure value –** by unlocking and transferring unencumbered value to Zambezi Ordinary Shareholders
2. **Mitigate maturity risks –** by eliminating the potential trigger of the Northam Guarantee and preventing the resultant share overhang
3. **Significant share buy-back –** the acquisition of all the Zambezi Preference Shares, together with additional Northam Share purchases

The new Northam...

Crystallising value for Zambezi Ordinary Shareholders

Substantial buy-back of Northam Shares

All values and number of Shares relating to the Composite Transaction have been disclosed based on calculations for the base case *pro forma* financial information of Zambezi as at the Last Practicable Date (LPD) in accordance with the disclosures made in the Transaction Documents. Users of the various Northam Publications are referred to the Transaction Documents for additional information relating to the Composite Transaction, as well as the underlying assumptions and judgements applied.

After the Composite Transaction

15 years
Remaining empowerment credentials

c. 26.5%
Effective HDP ownership in Northam

23%
Effective employee and community shareholding

R150m
per annum to be transferred to employees and host and affected communities

362 216 153
Northam Holdings Shares in issue

New listed entity
Northam Platinum Holding Limited

Rationale for the Extended Empowerment Transaction

Secure extended HDP ownership

4

Extend HDP ownership – securing Northam's HDP ownership for the next 15 years, with emphasis on employees and host and affected communities

5

Structural optionality – providing structural optionality for future transactions/ empowerment within the Northam group, as well as potential changes to the Mining Charter

Mining Charter compliance	■ Northam ensures HDP ownership for existing mining rights
Structural optionality for future transactions / empowerment	■ Northam is positioned to provide additional HDP ownership for future new mining rights ■ The introduction of Northam Holdings provides flexibility to comply with future changes in Mining Charter requirements
Facilitate broad-based empowerment	■ Extends HDP ownership for 15 years from implementation ■ Significantly increases participation by Northam employees and host and affected communities together with women and youth groupings ■ Further HDP participation on a listed exchange through the proposed listing on the Empowerment Segment of the JSE

...continuing to create value for all stakeholders

Transferring unencumbered Northam Shares to Zambezi Ordinary Shareholders

Focus on employees and communities in a 15 year Extended Empowerment Transaction

Frequently asked questions regarding the Composite Transaction

Why accelerate the maturity of the Zambezi BEE Transaction?

This is the way in which Northam can control value enhancement for all stakeholders, whilst ensuring that there is no dilution for Northam Ordinary Shareholders.

As highlighted by the COVID-19 pandemic, settlement of the Zambezi BEE Transaction is subject to any potential adverse market events on the maturity date. Accelerating maturity prevents the risk of a claim against Northam under the Northam Guarantee. It also crystallises unencumbered value for Zambezi Ordinary Shareholders.

In addition, allowing the Zambezi BEE Transaction to conclude on the original maturity date, without having secured future extended empowerment ownership, would leave Northam with no certainty regarding compliance with the Mining Charter.

Why are you re-empowering?

At Northam we believe it is in the best interest of all stakeholders that we maintain our empowerment credentials. From a sustainability and risk point of view this is the correct course of action. The Extended Empowerment Transaction ensures Northam's compliance with current Mining Charter requirements in respect of existing mining rights and provides the group with flexibility regarding new mining rights and potential future changes to the Mining Charter requirements.

Furthermore, ownership under the Extended Empowerment Transaction will be broad-based and predominantly held by our employees and host and affected communities. We consider this to be a sustainable model, aligning the interests of all stakeholders in the pursuit of the group's goals.

With the uncertainty surrounding "once empowered, always empowered", why is Northam pursuing another BEE transaction?

Empowerment is a condition to our existing mining rights and a requirement for the group's ability to undertake future acquisitions of new mining rights.

The Extended Empowerment Transaction is not just about compliance. We believe that the structure of our broad-based extended empowerment will be value accretive for all stakeholders.

When will the Extended Empowerment Transaction be implemented?

Implementation is dependent upon the successful completion of, amongst others, the following:

1. Constructive engagement between Northam and the affected parties, these being our employees and host and affected communities.

2. Finalisation of all required legal agreements.

If the Extended Empowerment Transaction takes time to implement, will this mean that Northam will not have the necessary empowerment for a period of time?

There will be a reduction in Northam's HDP ownership in the period between completion of the early wind up of the Zambezi BEE Transaction and implementation of the Extended Empowerment Transaction. Northam, however, does not believe that this poses a significant risk to the company as the Composite Transaction has been approved by Shareholders and the reduction to its empowerment credentials is of a temporary nature.

What happens to Zambezi Ordinary Shareholders upon the early maturity of the Zambezi BEE Transaction?

They will receive the residual Northam Shares held in Zambezi and thereby become Northam Shareholders. Upon implementation of the Northam Scheme, Zambezi Ordinary Shareholders exchanged their Northam Shares on a one-for-one basis for Northam Holdings Shares, along with all other Northam Shareholders.

Would it not have been economically beneficial for Zambezi Preference Shareholders to wait until May 2025?

The cash settlement consideration guarantees a return and removes future market risk.

The *pro forma* financial information includes an indicative IFRS 2 share-based payment expense. What does this represent?

The share-based payment charge is an accounting (IFRS) disclosure concept. This represents a once-off, non-cash IFRS charge through the income statement reflecting the fair value of the future potential BEE equity-settled share-based payments.

Does the Extended Empowerment Transaction meet the requirements of the Mining Charter?

Yes, Northam will have an effective 26.5% HDP ownership, which exceeds the Mining Charter requirement of 26% for existing mining rights.

Will the Extended Empowerment Transaction result in dilution in the shareholding held by Northam Shareholders?

Potential dilution for Northam Shareholders will arise on maturity of the Extended Empowerment Transaction to the extent that the value of the shares issued to the HDP vehicles at inception of the Extended Empowerment Transaction (i.e. an appreciation in the Share price from the issue date) exceeds the settlement price of the funding Preference Shares to be issued by the HDP vehicles to Northam Holdings and Northam in order to fund the subscription (i.e. the issue price of the Preference Shares and the accumulated dividends thereon at the coupon rate which will be no less than 80% of the prevailing prime rate). Should there be excess value, then Northam will receive a 35% portion thereof.

To ensure value transfer throughout the empowerment term, Northam will advance up to R150 million (escalating by no more than 5% per annum) in aggregate to the community and employee vehicles on an annual basis by way of an appropriate funding structure.

Under what circumstances could the maturity of the Extended Empowerment Transaction be accelerated?

Northam will be entitled to accelerate maturity after the 5th year of its implementation if:

- There is a change to BEE requirements, or
- If it is not commercially feasible to meet the requirements of the BEE laws within the structure.

Is there any further information about the HDP entities that will hold shares in HDP SPV?

A minimum of 5 HDP groups will be introduced as the initial ordinary shareholders of HDP SPV. These groups will be broad-based BEE groups to be identified by Northam, each of which will:

- qualify as an HDP;
- have at least 500 beneficiaries, with no single beneficiary having a see-through interest of more than 0.5%;
- benefit its beneficiaries through meaningful initiatives including, *inter alia*, education, entrepreneurial development, small business development and farming;
- have an operational track record of at least three consecutive years;
- have audited annual financial statements for its preceding three financial years and no modified audit opinions over such period;
- be in good standing with all relevant authorities, including SARS and the CIPC;
- not have any actual, pending or threatened legal proceedings instituted against it; and
- have a good reputation.

Zambezi and the current Zambezi Ordinary Shareholders, including their ultimate beneficiaries (other than the ESOP and the community trusts and their beneficiaries) will not participate in the Extended Empowerment Transaction, unless they acquire listed Shares in HDP SPV through the market.

Do the transaction fees represent appropriate value for all stakeholders?

The transaction fees must be considered within the context of the complexity of the Composite Transaction, together with the duration and amount of work involved.

The complexity of the Composite Transaction flows from the fact that it comprises two inter-dependent transactions which require; three schemes of arrangements, three regulated affected transactions, two new listings as well as two de-listings from the JSE. In addition, three new BEE subscription and specialist funding structures have to be set up. All of these require extensive regulatory approval, as well as approval from three groups of Shareholders/ Preference Shareholders, all of which had different commercial interests and objectives.

Work on this transaction has been ongoing for more than 18 months with our advisors. There have been several iterations of potential outcomes that were required to be considered, debated and tested.

In addition, and very importantly, management, namely the CEO and CFO, were precluded from conducting any of the negotiations, which therefore required the advisors to conduct all of these negotiations on instruction of the board and/or independent board.

We believe that the outcome and the value proposition of the Composite Transaction speaks for itself.

This is not just an empowerment transaction, we have bought back 28.9% of the company at a very substantial discount, and in so doing, unlocking tremendous value for Northam Shareholders whilst simultaneously offering a significant exit premium to the remaining Zambezi Preference Shareholders. All in all, this represents very significant value creation for all. In particular, we believe our advisors secured excellent value for Shareholders in negotiating a fixed buy-back price at a material discount to the market price.

We believe that the fees associated with the Composite Transaction are substantiated considering the amount of work involved, the regulatory and commercial complexity of the transactions, the level of innovation and problem solving that was effectively delivered, the execution capacity and speed, the overall value proposition and most importantly, the positive outcome for all stakeholders.

Five-year performance highlights

		30 June 2021	30 June 2020	Variance
				%
Safety performance				
Lost time injury incident rate (LTIIR) per 200 000 hours worked		0.60	0.78	23.1%
Number of fatalities		2	1	(100.0%)
Operational performance				
Square metres mined	m^2	921 287	665 762	38.4%
Tonnes mined	t	7 048 754	5 131 548	37.4%
Surface sources including TSF	t	2 585 051	3 138 281	(17.6%)
Tonnes milled	t	8 145 457	5 752 404	41.6%
Equivalent refined metal from own operations	oz 4E	690 867	515 370	34.1%
Equivalent refined metal from third parties	oz 4E	55 707	72 443	(23.1%)
Total refined metal produced	oz 4E	655 741	563 977	16.3%
Chrome concentrate produced	t	1 017 304	782 803	30.0%
Cash cost per equivalent refined Pt oz	R/oz	28 662	29 281	2.1%
Cash profit per equivalent refined Pt oz	R/oz	54 615	23 728	130.2%
Cash margin per equivalent refined Pt oz	%	65.6	44.8	46.4%
Sales statistics				
Sales revenue	R000	32 626 918	17 811 971	83.2%
Refined metal sold	oz 4E	654 057	560 238	16.7%
UG2 ore sold	oz 4E	–	22 448	(100.0%)
Total metal sold	oz 4E	654 057	582 686	12.2%
Total revenue per Pt oz sold	R/oz	83 277	53 009	57.1%
Financial performance				
Normalised headline earnings per share (headline earnings adjusted for the impact of the BEE transaction)				
Headline earnings	R000	9 404 204	2 167 589	333.9%
Add back:				
Amortisation of liquidity fees paid on Zambezi Preference Shares	R000	16 390	16 390	0.0%
Zambezi Preference Share dividends	R000	378 678	1 133 172	66.6%
Loss on derecognition of Zambezi Preference Share liability	R000	1 068 558	130 628	(718.0%)
Normalised headline earnings	R000	10 867 830	3 447 779	215.2%
Normalised headline earnings per share	cents	2 131.9	676.3	215.2%
Number of shares in issue including Treasury Shares		509 781 212	509 781 212	0.0%
Earnings per share	cents	2 681.8	620.0	332.5%
Headline earnings per share	cents	2 687.9	619.5	333.9%
Operating profit	R000	16 107 293	5 300 988	203.9%
Operating profit margin	%	49.4	29.8	65.8%
EBITDA	R000	16 655 317	6 023 379	176.5%
EBITDA margin	%	51.0	33.8	50.9%
Capital expenditure	R000	3 332 204	2 367 902	40.7%
Market information and share statistics				
Total number of shares in issue		509 781 212	509 781 212	0.0%
Weighted average number of shares in issue		349 875 759	349 875 759	0.0%
Treasury Shares held		159 905 453	159 905 453	0.0%
Market capitalisation	R000	110 586 838	59 236 577	86.7%
Closing share price	cents	21 693	11 620	86.7%
Highest share price traded	cents	27 918	14 996	86.2%
Lowest share price traded	cents	11 120	4 988	122.9%
Number of shares traded		365 907 903	606 104 539	(39.6%)
Value of transactions traded	R000	71 313 739	59 866 941	19.1%
Annual liquidity	%	71.8	118.9	(39.6%)

Five-year performance highlights continued

		30 June 2019	30 June 2018	30 June 2017
Safety performance				
Lost time injury incident rate (LTIIR) per 200 000 hours worked		0.93	1.00	1.30
Number of fatalities		1	2	1
Operational performance				
Square metres mined	m^2	695 074	637 764	614 812
Tonnes mined	t	5 267 867	4 783 068	4 812 434
Surface sources	t	–	–	–
Tonnes milled	t	4 892 110	4 601 876	4 450 111
Equivalent refined metal from own operations	oz 4E	519 954	483 941	474 007
Equivalent refined metal from third parties	oz 4E	23 154	91 111	30 953
Total refined metal produced	oz 4E	571 028	473 086	452 468
Chrome concentrate produced	t	764 528	650 091	581 385
Cash cost per equivalent refined Pt oz	R/oz	22 847	21 270	19 736
Cash profit per equivalent refined Pt oz	R/oz	6 793	4 833	5 314
Cash margin per equivalent refined Pt oz	%	22.9	18.5	21.2
Sales statistics				
Sales revenue	R000	10 649 506	7 552 181	6 865 185
Refined metal sold	oz 4E	570 933	472 884	453 581
UG2 ore sold	oz 4E	12 136	–	–
Total metal sold	oz 4E	583 069	472 884	453 581
Total revenue per Pt oz sold	R/oz	29 640	26 103	25 050
Financial performance				
Normalised headline earnings per share (headline loss adjusted for the impact of the BEE transaction)				
Headline earnings/(loss):	R000	55 316	(701 610)	(636 371)
Add back:				
Amortisation of liquidity fees paid on Zambezi Preference Shares	R000	16 390	16 390	16 390
Zambezi Preference Share dividends	R000	1 305 244	1 106 684	1 017 396
Loss on derecognition of Zambezi Preference Share liability	R000	–	8	901
Normalised headline earnings	R000	1 376 950	421 472	398 316
Normalised headline earnings per share	cents	270.1	82.7	78.1
Number of shares in issue including Treasury Shares		509 781 212	509 781 212	509 781 212
Earnings/(loss) per share	cents	17.2	(201.5)	(181.8)
Headline earnings/(loss) per share	cents	15.8	(200.5)	(181.9)
Operating profit	R000	2 410 025	823 314	613 985
Operating profit margin	%	22.6	10.9	8.9
EBITDA	R000	2 638 513	1 107 770	967 228
EBITDA margin	%	24.8	14.7	14.1
Capital expenditure	R000	2 859 045	3 777 644	1 645 069
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	30 077 092	18 698 775	20 620 650
Closing share price	cents	5 900	3 668	4 045
Highest share price traded	cents	6 902	6 020	6 035
Lowest share price traded	cents	3 262	3 165	3 593
Number of shares traded		228 048 504	220 331 693	231 614 075
Value of transactions traded	R000	10 924 772	9 517 061	11 221 478
Annual liquidity	%	44.7	43.2	45.4

Group performance

	30 June 2021	30 June 2020	Variance
	R000	R000	%
Sales revenue			
Platinum	6 260 523	4 355 606	43.7%
Palladium	7 413 220	5 185 373	43.0%
Rhodium	16 004 640	5 792 822	176.3%
Gold	234 094	214 412	9.2%
Iridium	1 024 305	441 443	132.0%
Ruthenium	452 095	237 893	90.0%
Silver	7 411	4 063	82.4%
Nickel	380 445	296 083	28.5%
Copper	118 232	71 407	65.6%
Cobalt	5 161	4 018	28.4%
Chrome	726 792	599 767	21.2%
UG2 ore	–	397 351	(100.0%)
Toll treatment charges	–	211 733	(100.0%)
Total sales revenue	32 626 918	17 811 971	83.2%
Cost of sales			
Operating costs	(14 484 980)	(9 931 934)	(45.8%)
Mining operations	(9 003 678)	(6 857 044)	(31.3%)
Concentrator operations	(1 543 974)	(1 284 362)	(20.2%)
Smelting and base metal removal plant costs	(817 281)	(684 816)	(19.3%)
Chrome processing	(59 203)	(47 868)	(23.7%)
Selling and administration overheads	(289 954)	(265 612)	(9.2%)
Royalty charges	(1 473 258)	(228 374)	(545.1%)
Carbon tax	(1 391)	(479)	(190.4%)
Share-based payment expenses	(969 898)	(472 079)	(105.5%)
Toro Employee Empowerment Trust	(317 268)	(84 574)	(275.1%)
Employee profit share scheme	(16 421)	–	(100.0%)
Rehabilitation	7 346	(6 726)	N/A
Concentrates and recycling material purchased	(2 883 816)	(2 460 302)	(17.2%)
Refining including sampling and handling charges	(216 629)	(178 718)	(21.2%)
Depreciation and write-offs	(844 446)	(626 152)	(34.9%)
Change in metal inventory	1 910 246	686 123	178.4%
Total cost of sales	(16 519 625)	(12 510 983)	(32.0%)
Operating profit	16 107 293	5 300 988	203.9%
Operating margin	49.4%	29.8%	65.8%
EBITDA	16 655 317	6 023 379	176.5%
EBITDA margin	51.0%	33.8%	50.9%

Group performance continued

		30 June 2021	30 June 2020	Variance
				%
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.01	0.01	0.0%
Total injury incidence rate (TIIR) per 200 000 hours worked		1.15	1.31	12.2%
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.60	0.78	23.1%
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.41	0.48	14.6%
Number of fatalities		2	1	(100.0%)
Health				
New cases of noise induced hearing loss		24	12	(100.0%)
New cases of tuberculosis		32	38	15.8%
HIV Counselling and Testing (HCT)		7 334	6 814	7.6%
Employment and human rights				
Permanent employees		10 478	9 761	7.3%
Contractors		7 810	6 192	26.1%
Total employed		18 288	15 953	14.6%
Average number of employees including contractors		16 636	15 631	6.4%
Turnover rate	%	8	4	100.0%
HDSAs in management	%	62	60	3.3%
Women at mining	%	17	15	13.3%
Water usage (000m³)				
Potable water from external sources		4 936	3 416	(44.5%)
Fissure water used		1 022	209	(389.0%)
Borehole water used		1 116	2 183	48.9%
Water recycled in process		32 002	28 092	13.9%
Total water usage		39 076	33 900	(15.3%)
Water recycled	%	82	83	(1.2%)
Electricity consumption (MWh)				
Energy from electricity purchased by shafts		704 152	711 946	1.1%
Energy from electricity purchased by plant		480 146	319 603	(50.2%)
Total electricity purchased		1 184 298	1 031 549	(14.8%)
Greenhouse gas emissions (CO_2e tonnes)				
Scope 1 (direct) emissions		58 994	56 179	(5.0%)
Scope 2 (indirect) emissions		1 279 042	1 021 183	(25.3%)
Scope 3 (indirect) emissions		450	154	(192.2%)
Total emissions		1 338 486	1 077 516	(24.2%)
Sulphur dioxide (SO_2e tonnes)		7 488	5 889	(27.2%)
Land use (hectares)				
Land disturbed by mining related activities		1 669	3 011	44.6%
Land used for farming purposes		3 258	2 181	49.4%
Land protected for conservation*		14 352	4 054	254.0%
Other land		837	9 086	(90.8%)
Total land under management (freehold)		20 116	18 332	9.7%

**Includes 3 168 hectares of land managed by the Buttonshope Conservancy Trust*

Group performance continued

		30 June 2021	30 June 2020	Variance
				%
Merensky production and ore stockpiles				
Square metres mined	m^2	259 341	195 875	32.4%
Tonnes mined	t	1 711 476	1 418 146	20.7%
Tonnes milled	t	1 393 493	1 088 260	28.0%
Stockpile	t	198 958	125 950	58.0%
UG2 production and ore stockpiles				
Square metres mined	m^2	661 946	469 887	40.9%
Surface sources including TSF	t	2 585 051	3 138 281	(17.6%)
Tonnes mined	t	5 337 278	3 713 402	43.7%
Tonnes milled	t	6 751 964	4 664 144	44.8%
Stockpile	t	128 322	180 287	(28.8%)
Combined production and ore stockpiles				
Square metres mined	m^2	921 287	665 762	38.4%
Surface sources including TSF	t	2 585 051	3 138 281	(17.6%)
Tonnes mined	t	7 048 754	5 131 548	37.4%
Tonnes milled	t	8 145 457	5 752 404	41.6%
Stockpile	t	327 280	306 237	6.9%
Chrome concentrate produced	t	1 017 304	782 803	30.0%
Equivalent refined metal from own operations				
Platinum	oz	417 139	315 549	32.2%
Palladium	oz	201 412	146 753	37.2%
Rhodium	oz	63 860	46 573	37.1%
Gold	oz	8 456	6 495	30.2%
4E	oz	690 867	515 370	34.1%
Iridium	oz	33 370	18 555	79.8%
Ruthenium	oz	116 243	74 092	56.9%
6E	oz	840 480	608 017	38.2%
Equivalent refined metal from third parties				
Platinum	oz	28 137	38 005	(26.0%)
Palladium	oz	21 039	27 637	(23.9%)
Rhodium	oz	5 675	6 147	(7.7%)
Gold	oz	856	654	30.9%
4E	oz	55 707	72 443	(23.1%)
Iridium	oz	2 252	5 905	(61.9%)
Ruthenium	oz	24 356	11 939	104.0%
6E	oz	82 315	90 287	(8.8%)
Total refined metal produced				
Platinum	oz	392 112	324 464	20.8%
Palladium	oz	199 539	178 136	12.0%
Rhodium	oz	55 838	52 661	6.0%
Gold	oz	8 252	8 716	(5.3%)
4E	oz	655 741	563 977	16.3%
Iridium	oz	18 079	15 824	14.3%
Ruthenium	oz	88 770	62 728	41.5%
6E	oz	762 590	642 529	18.7%

Group performance continued

		30 June 2021	30 June 2020	Variance
				%
Refined metal sold				
Platinum	oz	391 788	322 748	21.4%
Palladium	oz	199 357	176 278	13.1%
Rhodium	oz	54 644	52 458	4.2%
Gold	oz	8 268	8 754	(5.6%)
4E	oz	654 057	560 238	16.7%
Iridium	oz	18 109	19 347	(6.4%)
Ruthenium	oz	88 771	64 141	38.4%
6E	oz	760 937	643 726	18.2%
UG2 ore sold				
Platinum	oz	–	13 272	(100.0%)
Palladium	oz	–	6 330	(100.0%)
Rhodium	oz	–	2 668	(100.0%)
Gold	oz	–	178	(100.0%)
4E	oz	–	22 448	(100.0%)
Iridium	oz	–	763	(100.0%)
Ruthenium	oz	–	2 986	(100.0%)
6E	oz	–	26 197	(100.0%)
Total metal sold				
Platinum	oz	391 788	336 020	16.6%
Palladium	oz	199 357	182 608	9.2%
Rhodium	oz	54 644	55 126	(0.9%)
Gold	oz	8 268	8 932	(7.4%)
4E	oz	654 057	582 686	12.2%
Iridium	oz	18 109	20 110	(10.0%)
Ruthenium	oz	88 771	67 127	32.2%
6E	oz	760 937	669 923	13.6%
Nickel	t	1 520	1 337	13.7%
Copper	t	998	833	19.8%
Chrome concentrate	t	1 017 304	782 803	30.0%
Average market prices achieved				
Platinum	USD/oz	1 065	858	24.1%
Palladium	USD/oz	2 479	1 870	32.6%
Rhodium	USD/oz	19 526	7 020	178.1%
Gold	USD/oz	1 888	1 557	21.3%
4E basket price	USD/oz	3 049	1 764	72.8%
Iridium	USD/oz	3 771	1 451	159.9%
Ruthenium	USD/oz	340	236	44.1%
6E basket price	USD/oz	2 750	1 603	71.6%
Average exchange rate	R/USD	15.00	15.73	(4.6%)
Closing exchange rate	R/USD	14.28	17.33	(17.6%)
Average nickel market price achieved	USD/t	16 686	14 078	18.5%
Average copper market price achieved	USD/t	7 898	5 450	44.9%
Average chrome price achieved net of costs	USD/t	48	49	(2.0%)
Average chrome price achieved net of costs	R/t	714	766	(6.8%)
Total revenue per Pt oz sold	R/oz	83 277	53 009	57.1%
Total revenue per 4E oz sold	R/oz	49 884	30 569	63.2%
Total revenue per 6E oz sold	R/oz	42 877	26 588	61.3%

Group performance continued

		30 June 2021	30 June 2020	Variance %
Cash costs statistics				
On mine cash cost per tonne mined	R/t	1 496	1 587	5.7%
On mine cash cost per tonne milled	R/t	1 295	1 415	8.5%
Cash cost per equivalent refined Pt oz	R/oz	28 662	29 281	2.1%
Cash cost per equivalent refined 4E oz	R/oz	17 286	17 799	2.9%
Cash cost per equivalent refined 6E oz	R/oz	14 286	15 147	5.7%
Cash profit and margin				
Cash profit per equivalent refined Pt oz	R/oz	54 615	23 728	130.2%
Cash margin per equivalent refined Pt oz	%	65.6	44.8	46.4%
Cash profit per equivalent refined 4E oz	R/oz	32 598	12 770	155.3%
Cash margin per equivalent refined 4E oz	%	65.3	41.8	56.2%
Cash profit per equivalent refined 6E oz	R/oz	28 591	11 441	149.9%
Cash margin per equivalent refined 6E oz	%	66.7	43.0	55.1%
Capital incurred				
Expansionary capex	R000	1 806 279	1 985 686	(9.0%)
Sustaining capex	R000	1 525 925	382 216	299.2%
	R000	3 332 204	2 367 902	40.7%
Expansionary capex				
Zondereinde	R000	615 608	461 976	33.3%
Booysendal North	R000	2 145	4 219	(49.2%)
Booysendal South	R000	678 163	929 370	(27.0%)
Eland	R000	510 363	573 280	(11.0%)
Buttonshope Conservancy Trust	R000	–	16 841	(100.0%)
	R000	1 806 279	1 985 686	(9.0%)
Sustaining capex				
Zondereinde	R000	784 492	186 408	320.8%
Booysendal North	R000	741 433	195 808	278.7%
	R000	1 525 925	382 216	299.2%
Sustaining capex per equivalent refined Pt oz from own operations	R/oz	3 658	1 211	202.1%

Zondereinde performance

	30 June 2021	30 June 2020	Variance
	R000	R000	%
Sales revenue			
Platinum	6 260 523	4 355 606	43.7%
Palladium	7 413 220	5 185 373	43.0%
Rhodium	16 004 640	5 792 822	176.3%
Gold	234 094	214 412	9.2%
Iridium	1 024 305	441 443	132.0%
Ruthenium	452 095	237 893	90.0%
Silver	7 411	4 063	82.4%
Nickel	380 445	296 083	28.5%
Copper	118 232	71 407	65.6%
Cobalt	5 161	4 018	28.4%
Chrome	252 389	183 401	37.6%
UG2 ore	–	397 351	(100.0%)
Toll treatment charges	–	211 733	(100.0%)
Total sales revenue	32 152 515	17 395 605	84.8%
Cost of sales			
Operating costs	(7 805 673)	(5 828 951)	(33.9%)
Mining operations	(4 769 208)	(4 008 126)	(19.0%)
Concentrator operations	(462 891)	(398 591)	(16.1%)
Smelting and base metal removal plant costs	(817 281)	(684 816)	(19.3%)
Chrome processing	(10 663)	(6 238)	(70.9%)
Selling and administration overheads	(144 977)	(132 806)	(9.2%)
Royalty charges	(698 227)	(197 372)	(253.8%)
Carbon tax	(1 391)	(479)	(190.4%)
Share-based payment expenses	(592 638)	(317 115)	(86.9%)
Toro Employee Empowerment Trust	(317 268)	(84 574)	(275.1%)
Rehabilitation	8 871	1 166	660.8%
Concentrates and recycling material purchased	(18 923 546)	(9 304 685)	(103.4%)
Refining including sampling and handling charges	(216 629)	(178 718)	(21.2%)
Depreciation and write-offs	(194 137)	(187 490)	(3.5%)
Change in metal inventory	3 689 029	1 158 533	(218.4%)
Total cost of sales	(23 450 956)	(14 341 311)	(63.5%)
Operating profit	8 701 559	3 054 294	184.9%
Operating margin	27.1%	17.6%	54.0%
EBITDA	9 622 519	3 468 697	177.4%
EBITDA margin	29.9%	19.9%	50.3%

Zondereinde performance continued

		30 June 2021	30 June 2020	Variance
				%
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.03	0.01	(200.0%)
Total injury incidence rate (TIIR) per 200 000 hours worked		0.82	1.05	21.9%
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.79	1.03	23.3%
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.54	0.63	14.3%
Number of fatalities		2	1	(100.0%)
Health				
New cases of noise induced hearing loss		19	9	(111.1%)
New cases of tuberculosis		26	34	23.5%
HIV Counselling and Testing (HCT)		3 921	4 022	(2.5%)
Employment and human rights				
Permanent employees		6 470	6 482	(0.2%)
Contractors		3 837	2 953	29.9%
Total employed		10 307	9 435	9.2%
Average number of employees including contractors		9 508	9 485	0.2%
Turnover rate	%	8	5	60.0%
HDSAs in management	%	62	59	5.1%
Women at mining	%	16	14	14.3%
Water usage (000m³)				
Potable water from external sources		3 371	2 595	(29.9%)
Fissure water used		212	165	(28.5%)
Borehole water used		20	29	31.0%
Water recycled in process		25 870	23 508	10.0%
Total water usage		29 473	26 297	(12.1%)
Water recycled	%	88	89	(1.1%)
Electricity consumption (MWh)				
Energy from electricity purchased by shafts		596 029	532 797	(11.9%)
Energy from electricity purchased by plant		218 723	199 438	(9.7%)
Total electricity purchased		814 752	732 235	(11.3%)
Greenhouse gas emissions (CO_2e tonnes)				
Scope 1 (direct) emissions		37 697	40 773	7.5%
Scope 2 (indirect) emissions		879 933	724 862	(21.4%)
Scope 3 (indirect) emissions		242	136	(77.9%)
Total emissions		917 872	765 771	(19.9%)
Sulphur dioxide (SO_2e tonnes)		7 488	5 889	(27.2%)
Land use (hectares)				
Land disturbed by mining related activities		593	726	18.3%
Land used for farming purposes		2 253	2 181	3.3%
Land protected for conservation		2 829	–	100.0%
Other land		122	2 098	(94.2%)
Total land under management (freehold)		5 797	5 005	15.8%

Zondereinde performance continued

		30 June 2021	30 June 2020	Variance
				%
Merensky production and ore stockpiles				
Square metres mined	m²	194 652	131 593	47.9%
Development metres	m	8 419	7 682	9.6%
Tonnes mined (including waste)	t	1 239 828	998 684	24.1%
Tonnes milled	t	1 001 678	681 741	46.9%
Head grade (4E)	g/t	5.73	6.08	(5.8%)
Head grade (6E)	g/t	6.20	6.58	(5.8%)
Concentrator recoveries	%	90.3	90.1	0.2%
Stockpile	t	83 440	90 264	(7.6%)
UG2 production and ore stockpiles				
Square metres mined	m²	188 020	155 351	21.0%
Development metres	m	2 068	336	515.5%
Tonnes mined	t	1 164 194	956 945	21.7%
Tonnes milled	t	1 127 085	994 383	13.3%
Head grade (4E)	g/t	4.23	4.30	(1.6%)
Head grade (6E)	g/t	5.19	5.28	(1.7%)
Concentrator recoveries	%	87.9	87.6	0.3%
Stockpile sold	t	–	192 650	(100.0%)
Stockpile	t	9 932	1 694	486.3%
Chrome concentrate produced	t	358 703	276 889	29.5%
Combined production and ore stockpiles				
Square metres mined	m²	382 672	286 944	33.4%
Development metres	m	10 487	8 018	30.8%
Tonnes mined	t	2 404 022	1 955 629	22.9%
Tonnes milled	t	2 128 763	1 676 124	27.0%
Head grade (4E)	g/t	4.94	5.03	(1.8%)
Head grade (6E)	g/t	5.67	5.82	(2.6%)
Concentrator recoveries	%	89.2	88.8	0.5%
Stockpile	t	93 372	91 958	1.5%
Chrome concentrate produced	t	358 703	276 889	29.5%
Equivalent refined metal from own Zondereinde operations				
Platinum	oz	191 344	151 372	26.4%
Palladium	oz	90 690	71 889	26.2%
Rhodium	oz	24 543	21 470	14.3%
Gold	oz	5 725	3 798	50.7%
4E	oz	312 302	248 529	25.7%
Iridium	oz	17 916	7 704	132.6%
Ruthenium	oz	51 552	32 930	56.6%
6E	oz	381 770	289 163	32.0%

Zondereinde performance continued

		30 June 2021	30 June 2020	Variance
				%
Equivalent refined metal from third parties				
Platinum	oz	8 795	31 782	(72.3%)
Palladium	oz	9 940	22 384	(55.6%)
Rhodium	oz	1 411	4 521	(68.8%)
Gold	oz	798	633	26.1%
4E	oz	20 944	59 320	(64.7%)
Iridium	oz	891	2 896	(69.2%)
Ruthenium	oz	15 249	11 353	34.3%
6E	oz	37 084	73 569	(49.6%)
Total refined metal produced				
Platinum	oz	392 112	324 464	20.8%
Palladium	oz	199 539	178 136	12.0%
Rhodium	oz	55 838	52 661	6.0%
Gold	oz	8 252	8 716	(5.3%)
4E	oz	655 741	563 977	16.3%
Iridium	oz	18 079	15 824	14.3%
Ruthenium	oz	88 770	62 728	41.5%
6E	oz	762 590	642 529	18.7%
Refined metal sold				
Platinum	oz	391 788	322 748	21.4%
Palladium	oz	199 357	176 278	13.1%
Rhodium	oz	54 644	52 458	4.2%
Gold	oz	8 268	8 754	(5.6%)
4E	oz	654 057	560 238	16.7%
Iridium	oz	18 109	19 347	(6.4%)
Ruthenium	oz	88 771	64 141	38.4%
6E	oz	760 937	643 726	18.2%
UG2 ore sold				
Platinum	oz	–	13 272	(100.0%)
Palladium	oz	–	6 330	(100.0%)
Rhodium	oz	–	2 668	(100.0%)
Gold	oz	–	178	(100.0%)
4E	oz	–	22 448	(100.0%)
Iridium	oz	–	763	(100.0%)
Ruthenium	oz	–	2 986	(100.0%)
6E	oz	–	26 197	(100.0%)
Total metal sold				
Platinum	oz	391 788	336 020	16.6%
Palladium	oz	199 357	182 608	9.2%
Rhodium	oz	54 644	55 126	(0.9%)
Gold	oz	8 268	8 932	(7.4%)
4E	oz	654 057	582 686	12.2%
Iridium	oz	18 109	20 110	(10.0%)
Ruthenium	oz	88 771	67 127	32.2%
6E	oz	760 937	669 923	13.6%
Nickel	t	1 520	1 337	13.7%
Copper	t	998	833	19.8%
Chrome concentrate	t	358 703	276 889	29.5%

Zondereinde performance continued

		30 June 2021	30 June 2020	Variance
				%
Average market prices achieved				
Platinum	USD/oz	1 065	858	24.1%
Palladium	USD/oz	2 479	1 870	32.6%
Rhodium	USD/oz	19 526	7 020	178.1%
Gold	USD/oz	1 888	1 557	21.3%
4E basket price	USD/oz	3 049	1 764	72.8%
Iridium	USD/oz	3 771	1 451	159.9%
Ruthenium	USD/oz	340	236	44.1%
6E basket price	USD/oz	2 750	1 603	71.6%
Average exchange rate	R/USD	15.00	15.73	(4.6%)
Closing exchange rate	R/USD	14.28	17.33	(17.6%)
Average nickel market price achieved	USD/t	16 686	14 078	18.5%
Average copper market price achieved	USD/t	7 898	5 450	44.9%
Average chrome price achieved net of costs	USD/t	47	42	11.9%
Average chrome price achieved net of costs	R/t	704	662	6.3%
Total revenue per Pt oz sold	R/oz	82 066	51 770	58.5%
Total revenue per 4E oz sold	R/oz	49 159	29 854	64.7%
Total revenue per 6E oz sold	R/oz	42 254	25 967	62.7%

Zondereinde performance continued

		30 June 2021	30 June 2020	Variance
				%
Cash costs statistics				
On mine cash cost per tonne mined	R/t	2 176	2 253	3.4%
On mine cash cost per tonne milled	R/t	2 458	2 629	6.5%
Cash cost per equivalent refined Pt oz	R/oz	30 350	32 183	5.7%
Cash cost per equivalent refined 4E oz	R/oz	18 551	19 498	4.9%
Cash cost per equivalent refined 6E oz	R/oz	15 251	16 790	9.2%
Cash profit and margin				
Cash profit per equivalent refined Pt oz	R/oz	51 716	19 587	164.0%
Cash margin per equivalent refined Pt oz	%	63.0	37.8	66.7%
Cash profit per equivalent refined 4E oz	R/oz	30 608	10 356	195.6%
Cash margin per equivalent refined 4E oz	%	62.3	34.7	79.5%
Cash profit per equivalent refined 6E oz	R/oz	27 003	9 177	194.2%
Cash margin per equivalent refined 6E oz	%	63.9	35.3	81.0%
Capital incurred				
Expansionary capex	R000	615 608	461 976	33.3%
Sustaining capex	R000	784 492	186 408	320.8%
	R000	1 400 100	648 384	115.9%
Sustaining capex per equivalent refined Pt oz from own operations	R/oz	4 100	1 231	233.1%

Booysendal performance

	30 June 2021	30 June 2020	Variance
	R000	R000	%
Sales revenue*			
Platinum	2 880 646	1 703 269	69.1%
Palladium	3 449 859	1 833 018	88.2%
Rhodium	9 134 862	2 184 801	318.1%
Gold	65 031	57 199	13.7%
Iridium	488 364	150 354	224.8%
Ruthenium	272 926	120 326	126.8%
Nickel	124 399	72 833	70.8%
Copper	24 896	13 192	88.7%
Chrome	443 400	355 657	24.7%
Total sales revenue	16 884 383	6 490 649	160.1%
Cost of sales			
Operating costs	(5 547 474)	(3 301 103)	(68.0%)
Mining operations	(3 487 488)	(2 350 782)	(48.4%)
Concentrator operations	(759 298)	(604 720)	(25.6%)
Chrome processing	(28 965)	(22 365)	(29.5%)
Selling and administration overheads	(144 977)	(132 806)	(9.2%)
Royalty charges	(770 833)	(30 845)	(>1 000.0%)
Share-based payment expenses	(347 188)	(148 599)	(133.6%)
Employee profit share scheme	(13 796)	–	(100.0%)
Rehabilitation	5 071	(10 986)	N/A
Concentrates purchased	(1 193 386)	(238 578)	(400.2%)
Depreciation and write-offs	(566 072)	(399 449)	(41.7%)
Change in metal inventory	258 296	141 062	83.1%
Total cost of sales	(7 048 636)	(3 798 068)	(85.6%)
Operating profit	9 835 747	2 692 581	265.3%
Operating margin	58.3%	41.5%	40.5%
EBITDA	10 382 856	3 030 615	242.6%
EBITDA margin	61.5%	46.7%	31.7%

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

Booysendal performance continued

		30 June 2021	30 June 2020	Variance
				%
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.00	0.00	0.0%
Total injury incidence rate (TIIR) per 200 000 hours worked		1.67	1.57	(6.4%)
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.28	0.29	3.4%
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.22	0.24	8.3%
Number of fatalities		0	0	0.0%
Health				
New cases of noise induced hearing loss		5	3	(66.7%)
New cases of tuberculosis		6	4	(50.0%)
HIV Counselling and Testing (HCT)		740	1 725	(57.1%)
Employment and human rights				
Permanent employees		3 275	2 827	15.8%
Contractors		3 097	2 512	23.3%
Total employed		6 372	5 339	19.3%
Average number of employees including contractors		5 852	5 103	14.7%
Turnover rate	%	7	4	75.0%
HDSAs in management	%	61	57	7.0%
Women at mining	%	18	17	5.9%
Water usage (000m³)				
Potable water from external sources		765	821	6.8%
Fissure water used		810	44	(>1 000.0%)
Borehole water used		45	54	16.7%
Water recycled in process		3 716	1 670	122.5%
Total water usage		5 336	2 589	(106.1%)
Water recycled	%	70	65	7.7%
Electricity consumption (MWh)				
Energy from electricity purchased by shafts		81 223	154 693	47.5%
Energy from electricity purchased by plant		190 671	58 578	(225.5%)
Total electricity purchased		271 894	213 271	(27.5%)
Greenhouse gas emissions (CO_2e tonnes)				
Scope 1 (direct) emissions		18 765	13 014	(44.2%)
Scope 2 (indirect) emissions		293 646	211 138	(39.1%)
Scope 3 (indirect) emissions		104	–	(100.0%)
Total emissions		312 515	224 152	(39.4%)
Sulphur dioxide (SO_2e tonnes)		–	–	0.0%
Land use (hectares)				
Land disturbed by mining related activities		355	1 802	80.3%
Land used for farming purposes		839	–	100.0%
Land protected for conservation*		11 278	4 054	178.2%
Other land		293	5 850	(95.0%)
Total land under management (freehold)		12 765	11 706	9.0%

**Includes 3 168 hectares of land managed by the Buttonshope Conservancy Trust*

Booysendal performance continued

		30 June 2021	30 June 2020	Variance
				%
Merensky production and ore stockpiles				
Square metres	m^2	64 689	64 282	0.6%
Tonnes mined	t	471 648	419 462	12.4%
Tonnes milled	t	391 815	406 519	(3.6%)
Head grade (4E)	g/t	1.88	2.17	(13.4%)
Head grade (6E)	g/t	2.07	2.39	(13.4%)
Concentrator recoveries	%	85.4	88.7	(3.7%)
Stockpile	t	115 518	35 686	223.7%
UG2 production and ore stockpiles at North mine				
Square metres	m^2	305 783	261 950	16.7%
Tonnes mined	t	2 578 645	2 284 767	12.9%
Tonnes milled	t	2 624 373	2 140 812	22.6%
Head grade (4E)	g/t	2.89	2.78	4.0%
Head grade (6E)	g/t	3.44	3.31	3.9%
Concentrator recoveries	%	88.5	88.8	(0.3%)
Stockpile	t	85 438	141 384	(39.6%)
Chrome concentrate produced	t	363 859	280 639	29.7%
UG2 production at South mine				
Square metres	m^2	165 623	51 698	220.4%
Sinking metres	m	2 305	2 553	(9.7%)
Tonnes mined	t	1 441 570	471 690	205.6%
Surface sources including TSF	t	1 072 627	1 703 311	(37.0%)
Tonnes milled	t	1 479 958	465 810	217.7%
Head grade (4E)	g/t	2.81	2.17	29.5%
Head grade (6E)	g/t	3.35	2.58	29.8%
Concentrator recoveries	%	85.5	85.6	(0.1%)
Stockpile	t	29 273	–	100.0%
Chrome concentrate produced	t	250 295	152 351	64.3%
Combined production and ore stockpiles				
Square metres	m^2	536 095	377 930	41.9%
Tonnes mined	t	4 491 863	3 175 919	41.4%
Surface sources including TSF	t	1 072 627	1 703 311	(37.0%)
Tonnes milled	t	4 496 146	3 013 141	49.2%
Head grade (4E)	g/t	2.78	2.59	7.3%
Head grade (6E)	g/t	3.29	3.05	7.9%
Concentrator recoveries	%	87.6	88.2	(0.7%)
Stockpile	t	230 229	177 070	30.0%
Chrome concentrate produced	t	614 154	432 990	41.8%
Metal in concentrate produced from own operations and ore stockpiles				
Platinum	oz	209 451	143 281	46.2%
Palladium	oz	107 488	70 701	52.0%
Rhodium	oz	36 978	22 580	63.8%
Gold	oz	2 703	2 720	(0.6%)
4E	oz	356 620	239 282	49.0%
Iridium	oz	14 530	9 882	47.0%
Ruthenium	oz	62 540	39 319	59.1%
6E	oz	433 690	288 483	50.3%

Booysendal performance continued

		30 June 2021	30 June 2020	Variance
				%
Metal in concentrate purchased from third parties				
Platinum	oz	9 561	4 247	125.1%
Palladium	oz	6 130	2 930	109.2%
Rhodium	oz	3 294	1 344	145.1%
Gold	oz	26	16	62.5%
4E	oz	19 011	8 537	122.7%
Iridium	oz	884	370	138.9%
Ruthenium	oz	7 607	3 024	151.6%
6E	oz	27 502	11 931	130.5%
Total metal in concentrate sold to Zondereinde				
Platinum	oz	204 501	141 416	44.6%
Palladium	oz	104 953	69 781	50.4%
Rhodium	oz	36 080	22 286	61.9%
Gold	oz	2 630	2 685	(2.0%)
4E	oz	348 164	236 168	47.4%
Iridium	oz	14 185	9 753	45.4%
Ruthenium	oz	61 057	38 807	57.3%
6E	oz	423 406	284 728	48.7%
Nickel	t	680	466	45.9%
Copper	t	412	313	31.6%
Chrome concentrate	t	614 154	432 990	41.8%
Average market prices achieved				
Platinum	USD/oz	937	772	21.4%
Palladium	USD/oz	2 186	1 684	29.8%
Rhodium	USD/oz	16 834	6 284	167.9%
Gold	USD/oz	1 644	1 366	20.4%
4E basket price	USD/oz	2 966	1 568	89.2%
Iridium	USD/oz	2 289	988	131.7%
Ruthenium	USD/oz	297	199	49.2%
6E basket price	USD/oz	2 558	1 362	87.8%
Average exchange rate	R/USD	15.04	15.60	(3.6%)
Closing exchange rate	R/USD	14.28	17.33	(17.6%)
Average nickel market price achieved	USD/t	12 164	10 019	21.4%
Average copper market price achieved	USD/t	4 018	2 702	48.7%
Average chrome price achieved net of costs	USD/t	48	53	(9.4%)
Average chrome price achieved net of costs	R/t	722	821	(12.1%)
Total revenue per Pt oz sold	R/oz	82 564	45 898	79.9%
Total revenue per 4E oz sold	R/oz	48 495	27 483	76.5%
Total revenue per 6E oz sold	R/oz	39 878	22 796	74.9%

Booysendal performance continued

		30 June 2021	30 June 2020	Variance
				%
Cash costs statistics				
On mine cash cost per tonne mined	R/t	945	931	(1.5%)
On mine cash cost per tonne milled	R/t	945	981	3.7%
Cash cost per Pt oz in concentrate produced	R/oz	20 780	21 406	2.9%
Cash cost per 4E oz in concentrate produced	R/oz	12 187	12 800	4.8%
Cash cost per 6E oz in concentrate produced	R/oz	10 002	10 604	5.7%
Cash profit and margin				
Cash profit per Pt oz in concentrate produced	R/oz	61 784	24 492	152.3%
Cash margin per Pt oz in concentrate produced	%	74.8	53.4	40.1%
Cash profit per 4E oz in concentrate produced	R/oz	36 308	14 683	147.3%
Cash margin per 4E oz in concentrate produced	%	74.9	53.4	40.3%
Cash profit per 6E oz in concentrate produced	R/oz	29 876	12 192	145.0%
Cash margin per 6E oz in concentrate produced	%	74.9	53.5	40.0%
Capital incurred				
Expansionary capex relating to Booysendal North	R000	2 145	4 219	(49.2%)
Expansionary capex relating to Booysendal South	R000	678 163	929 370	(27.0%)
Sustaining capex	R000	741 433	195 808	278.7%
	R000	1 421 741	1 129 397	25.9%
Sustaining capex per Pt oz in concentrate from own operations	R/oz	3 540	1 367	159.0%

Eland performance

	30 June 2021	30 June 2020	Variance
	R000	R000	%
Sales revenue*			
Platinum	274 882	325 516	(15.6%)
Palladium	204 244	196 518	3.9%
Rhodium	691 236	389 837	77.3%
Gold	2 343	1 387	68.9%
Iridium	41 617	21 737	91.5%
Ruthenium	16 757	10 573	58.5%
Nickel	3 789	4 124	(8.1%)
Copper	577	476	21.2%
Chrome	31 003	60 709	(48.9%)
Total sales revenue	1 266 448	1 010 877	25.3%
Cost of sales			
Operating costs	(1 110 934)	(784 356)	(41.6%)
Mining operations	(746 982)	(498 136)	(50.0%)
Concentrator operations	(300 886)	(263 527)	(14.2%)
Chrome processing	(19 575)	(19 265)	(1.6%)
Royalty charges	(4 198)	(157)	(>1 000.0%)
Share-based payment expenses	(30 072)	(6 365)	(372.5%)
Employee profit share scheme	(2 625)	–	(100.0%)
Rehabilitation	(6 596)	3 094	N/A
Concentrates purchased	(459 789)	(39 476)	(>1 000.0%)
Depreciation and write-offs	(40 450)	(30 448)	(32.8%)
Change in metal inventory	583 526	4 660	>1 000.0%
Total cost of sales	(1 027 647)	(849 620)	(21.0%)
Operating profit	238 801	161 257	48.1%
Operating margin	18.9%	16.0%	18.1%
EBITDA	265 642	181 609	46.3%
EBITDA margin	21.0%	18.0%	16.7%

**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.*

Eland performance continued

		30 June 2021	30 June 2020	Variance
				%
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.00	0.00	0.0%
Total injury incidence rate (TIIR) per 200 000 hours worked		1.62	2.27	28.6%
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.48	0.82	41.5%
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.19	0.27	29.6%
Number of fatalities		0	0	0.0%
Health				
New cases of noise induced hearing loss		–	–	0.0%
New cases of tuberculosis		–	–	0.0%
HIV Counselling and Testing (HCT)		2 673	1 067	150.5%
Employment and human rights				
Permanent employees		733	452	62.2%
Contractors		876	727	20.5%
Total employed		1 609	1 179	36.5%
Average number of employees including contractors		1 282	1 043	22.9%
Turnover rate	%	5	4	25.0%
HDSAs in management	%	67	65	3.1%
Women at mining	%	19	17	11.8%
Water usage (000m³)				
Potable water from external sources		800	–	(100.0%)
Fissure water used		–	–	0.0%
Borehole water used		1 051	2 100	50.0%
Water recycled in process		2 416	2 914	(17.1%)
Total water usage		4 267	5 014	14.9%
Water recycled	%	57	58	(1.7%)
Electricity consumption (MWh)				
Energy from electricity purchased by shafts		26 900	24 456	(10.0%)
Energy from electricity purchased by plant		70 752	61 587	(14.9%)
Total electricity purchased		97 652	86 043	(13.5%)
Greenhouse gas emissions (CO_2e tonnes)				
Scope 1 (direct) emissions		2 532	2 392	(5.9%)
Scope 2 (indirect) emissions		105 463	85 183	(23.8%)
Scope 3 (indirect) emissions		104	18	(477.8%)
Total emissions		108 099	87 593	(23.4%)
Sulphur dioxide (SO_2e tonnes)		–	–	0.0%
Land use (hectares)				
Land disturbed by mining related activities		721	483	(49.3%)
Land used for farming purposes		166	–	100.0%
Land protected for conservation		245	–	100.0%
Other land		422	1 138	(62.9%)
Total land under management (freehold)		1 554	1 621	(4.1%)

Eland performance continued

		30 June 2021	30 June 2020	Variance
				%
UG2 production and surface sources				
Square metres mined	m^2	2 520	888	183.8%
Development metres	m	2 288	1 093	109.3%
Surface sources including TSF	t	1 512 424	1 434 970	5.4%
Tonnes mined	t	152 869	–	100.0%
Tonnes milled	t	1 520 548	1 063 139	43.0%
Head grade (4E)	g/t	2.45	2.73	(10.3%)
Head grade (6E)	g/t	2.76	3.08	(10.4%)
Concentrator recoveries	%	37.8	37.0	2.2%
Stockpile	t	3 679	37 209	(90.1%)
Chrome concentrate produced and sold	t	44 447	72 924	(39.1%)
Metal in concentrate produced from own operations and third party surface sources				
Platinum	oz	22 744	25 550	(11.0%)
Palladium	oz	6 372	6 285	1.4%
Rhodium	oz	3 454	3 235	6.8%
Gold	oz	106	53	100.0%
4E	oz	32 676	35 123	(7.0%)
Iridium	oz	1 362	1 277	6.7%
Ruthenium	oz	3 985	3 010	32.4%
6E	oz	38 023	39 410	(3.5%)
Metal in concentrate purchased from third parties				
Platinum	oz	7 092	1 073	561.0%
Palladium	oz	2 888	455	534.7%
Rhodium	oz	974	126	673.0%
Gold	oz	34	6	466.7%
4E	oz	10 988	1 660	561.9%
Iridium	oz	515	70	635.7%
Ruthenium	oz	1 758	233	654.5%
6E	oz	13 261	1 963	575.5%

Eland performance continued

		30 June 2021	30 June 2020	Variance
				%
Total metal in concentrate sold to Zondereinde				
Platinum	oz	19 977	26 740	(25.3%)
Palladium	oz	6 192	6 847	(9.6%)
Rhodium	oz	2 959	3 331	(11.2%)
Gold	oz	93	60	55.0%
4E	oz	29 221	36 978	(21.0%)
Iridium	oz	1 253	1 340	(6.5%)
Ruthenium	oz	3 825	3 236	18.2%
6E	oz	34 299	41 554	(17.5%)
Nickel	t	21	26	(19.2%)
Copper	t	10	11	(9.1%)
Chrome concentrate	t	44 447	72 924	(39.1%)
Average market prices achieved				
Platinum	USD/oz	895	764	17.1%
Palladium	USD/oz	2 145	1 802	19.0%
Rhodium	USD/oz	15 189	7 347	106.7%
Gold	USD/oz	1 638	1 451	12.9%
4E basket price	USD/oz	2 609	1 550	68.3%
Iridium	USD/oz	2 160	1 018	112.2%
Ruthenium	USD/oz	285	205	39.0%
6E basket price	USD/oz	2 334	1 428	63.4%
Average exchange rate	R/USD	15.38	15.93	(3.5%)
Closing exchange rate	R/USD	14.28	17.33	(17.6%)
Average nickel market price achieved	USD/t	11 731	9 957	17.8%
Average copper market price achieved	USD/t	3 752	2 716	38.1%
Average chrome price achieved net of costs	USD/t	45	52	(13.5%)
Average chrome price achieved net of costs	R/t	698	832	(16.1%)
Total revenue per Pt oz sold	R/oz	63 395	37 804	67.7%
Total revenue per 4E oz sold	R/oz	43 340	27 337	58.5%
Total revenue per 6E oz sold	R/oz	36 924	24 327	51.8%

Eland performance continued

		30 June 2021	30 June 2020	Variance
				%
Cash costs statistics				
Cash cost per Pt oz in concentrate produced	R/oz	42 928	29 395	(46.0%)
Cash cost per 4E oz in concentrate produced	R/oz	29 751	21 347	(39.4%)
Cash cost per 6E oz in concentrate produced	R/oz	25 513	19 009	(34.2%)
Cash profit and margin				
Cash profit per Pt oz in concentrate produced	R/oz	20 467	8 409	143.4%
Cash margin per Pt oz in concentrate produced	%	32.3	22.2	45.5%
Cash profit per 4E oz in concentrate produced	R/oz	13 589	5 990	126.9%
Cash margin per 4E oz in concentrate produced	%	31.4	21.9	43.4%
Cash profit per 6E oz in concentrate produced	R/oz	11 411	5 318	114.6%
Cash margin per 6E oz in concentrate produced	%	30.9	21.9	41.1%
Capital incurred				
Expansionary capex	R000	510 363	573 280	(11.0%)
	R000	510 363	573 280	(11.0%)

US recycling performance

		30 June 2021	30 June 2020	Variance
		R000	R000	%
Sales revenue				
Platinum		41 376	16 325	153.5%
Palladium		75 700	63 988	18.3%
Rhodium		24 738	18 069	36.9%
Total sales revenue		141 814	98 382	44.1%
Cost of sales				
Operating costs – concentrator operations		(20 899)	(17 524)	(19.3%)
Concentrates purchased		(125 337)	(61 105)	(105.1%)
Depreciation and write-offs		(10 298)	(10 497)	1.9%
Change in metal inventory		1 177	(23 701)	N/A
Total cost of sales		(155 357)	(112 827)	(37.7%)
Operating loss		(13 543)	(14 445)	6.2%
Operating margin		(9.6%)	(14.7%)	34.7%
EBITDA		(11 193)	2 123	N/A
EBITDA margin		(7.9%)	2.2%	N/A
Recycled metal purchased from third parties*				
Platinum	oz	3 237	1 079	200.0%
Palladium	oz	2 396	2 017	18.8%
Rhodium	oz	117	202	(42.1%)
4E	oz	5 750	3 298	74.3%
Total metal in concentrate sold to Zondereinde				
Platinum	oz	3 245	1 374	136.2%
Palladium	oz	2 415	3 017	(20.0%)
Rhodium	oz	120	325	(63.1%)
4E	oz	5 780	4 716	22.6%
Average market prices achieved				
Platinum	USD/oz	828	817	1.3%
Palladium	USD/oz	2 035	1 458	39.6%
Rhodium	USD/oz	13 386	3 821	250.3%
Average exchange rate	R/USD	15.40	14.55	5.8%
Closing exchange rate	R/USD	14.28	17.33	(17.6%)
Capital incurred				
Purchase consideration	R000	–	–	0.0%
	R000	–	–	0.0%

**Recycled metals are sourced and purchased from third party customers and all sales are made to Northam Platinum Limited.*

Group Environmental, Social and Governance metrics

		30 June 2021	30 June 2020	Variance
				%
Environmental				
Energy consumption	MWh	1 184 298	1 031 549	(14.8%)
Energy consumption	TJ	4 263	3 714	(14.8%)
Energy consumption	GJ	4 263 474	3 713 577	(14.8%)
Energy consumption	MWh/oz 4E	1.81	1.83	(1.1%)
Energy consumption	TJ/oz 4E	0.00650	0.00658	(1.2%)
Energy consumption	GJ/oz 4E	6.50	6.58	(1.2%)
Energy consumption	MWh per tonne milled	0.145	0.179	19.0%
Energy consumption	TJ per tonne milled	0.000523	0.000646	19.0%
Energy consumption	GJ per tonne milled	0.523	0.646	19.0%
CO_2 emissions (Scope 1 + Scope 2)	kgCO_2e per ton milled	164	187	12.3%
CO_2 emissions (Scope 1 + Scope 2)	CO_2e tonnes	1 338 036	1 077 362	(24.2%)
Scope 1 (direct) emissions	CO_2e tonnes	58 994	56 179	(5.0%)
Scope 2 (indirect) emissions	CO_2e tonnes	1 279 042	1 021 183	(25.3%)
Scope 3 (indirect) emissions	CO_2e tonnes	450	154	(192.2%)
Sulphur dioxide	SO_2e tonnes	7 488	5 889	(27.2%)
Total water usage	000m^3	39 075	33 900	(15.3%)
Total water usage	Mega litre	39 075	33 900	(15.3%)
Total water usage	Cubic m/oz 4E	60	60	0.0%
Water withdrawn	000m^3	7 073	5 808	(21.8%)
Water withdrawn	Mega litre	7 073	5 808	(21.8%)
Water withdrawn	Cubic m/oz 4E	11	10	(10.0%)
Fissure water used	000m^3	1 022	209	(389.0%)
Fissure water used	Mega litre	1 022	209	(389.0%)
Fissure water used	Cubic m/oz 4E	1.6	0.4	(300.0%)
Borehole water used	000m^3	1 116	2 183	48.9%
Borehole water used	Mega litre	1 116	2 183	48.9%
Borehole water used	Cubic m/oz 4E	2	4	50.0%
Fresh water drawn	000m^3	4 935	3 416	(44.5%)
Fresh water drawn	Mega litre	4 935	3 416	(44.5%)
Fresh water drawn	Cubic m/oz 4E	8	6	(33.3%)
Water recycled in process	000m^3	32 002	28 092	13.9%
Water recycled in process	Mega litre	32 002	28 092	13.9%
Water recycled in process	Cubic m/oz 4E	49	50	(2.0%)
Percentage of water recycled	%	81.9	82.9	(1.2%)
Total waste	million tons	0.006737	0.006034	(11.7%)
Total waste	thousand tons	6.737	6.034	(11.7%)
Total waste	kg	6 737 000	6 034 000	(11.7%)
Hazardous waste	million tons	0.000785	0.000582	(34.9%)
Hazardous waste	thousand tons	0.785	0.582	(34.9%)
Hazardous waste	kg	785 000	582 000	(34.9%)
Non-hazardous waste	million tons	0.005952	0.005452	(9.2%)
Non-hazardous waste	thousand tons	5.952	5.452	(9.2%)
Non-hazardous waste	kg	5 952 000	5 452 000	(9.2%)
Waste recycling ratio	%	58	52	11.5%
Environmental provisions	R000	812 747	729 327	11.4%

Group Environmental, Social and Governance metrics continued

		30 June 2021	30 June 2020	Variance
				%
Social				
Employee turnover rate percentage	%	8	4	(100.0%)
Employee Engagement	number of surveys	0	0	0.0%
Average training hours per employee	hours	13	14	(7.1%)
Percentage of females in management	%	17.5	12.1	44.6%
Percentage of employees unionised	%	85	86	(1.2%)
Lost time injury incidence (LTIIR) rate per 200 000 hours worked	LTIIR per 200 000 hours	0.60	0.78	23.1%
Lost time injury incidence (LTIIR) rate per 1 million hours worked	LTIIR per 1 million hours	0.12	0.16	25.0%
Number of fatalities	number	2	1	(100.0%)
Community spending	R000	1 000 735	653 421	53.2%
Employee costs as a % of revenue	%	18	24	25.0%
Diversity policy	Y/N	Y	Y	N/A

		30 June 2021	30 June 2020	Variance
				%
Governance				
Total number of directors on the board		11	13	(15.4%)
Number of directors classified as independent		8	8	0.0%
Percentage of independent board members	%	73	62	17.7%
Number of female directors		4	4	0.0%
Percentage of female board members	%	36	31	16.1%
Average tenure of the board	years	5	6	(16.7%)
Number of shares owned by board members		676 347	6 015 418	(88.8%)
Number of shares in issue including Treasury Shares		509 781 212	509 781 212	0.0%
Shares owned by the board members	% of shares in issue	0.13	1.18	(89.0%)
Performance based LTIP included within Executive compensation	Y/N	Y	Y	N/A

Results commentary

Equivalent refined metal from own operations 690 867 oz 4E (increase of 34.1% from F2020: 515 370 oz 4E)	**Chrome in concentrate produced and sold** 1 017 304 tonnes (increase of 30.0% from F2020: 782 803 tonnes)	**Group capital expenditure mainly in the execution of the Group's growth strategy** R3.3 billion (increase of 40.7% from F2020: R2.4 billion)
PGM in concentrate production from Booysendal South 115 164 oz 4E	**Group unit cash cost per equivalent refined Platinum ounce** R28 662 (improvement of 2.1% from F2020: R29 281)	**Medium-term annual production target on track for** 1 million oz 4E

Group operational overview

A key feature of the year has been the positive response from our operations to the ongoing challenges presented by COVID-19. Despite the tragic loss of two employees at Zondereinde in separate incidents during March 2021, we have improved the health and safety of our employees and have achieved solid performances from all of the operations. This has led to the Group producing equivalent refined metal in-line with the pre-COVID-19 growth profile and at levels higher than last year.

The Group's equivalent refined metal from own operations grew by 34.1% to 690 867 oz 4E (F2020: 515 370 oz 4E). This is despite the ongoing phased restart of operations, particularly impacting the conventional Zondereinde mine, where all mining crews had only fully returned to work by the end of March 2021. Group chrome concentrate production also increased, breaching one million tonnes for the first time. This comes off the back of higher concentrator throughput and improved yields at the Booysendal and Zondereinde mines.

Group unit cash costs per equivalent refined platinum ounce improved by 2.1% to R28 662/Pt oz (F2020: R29 281/Pt oz). Zondereinde mine's unit cash costs improved by 5.7% to R30 350/Pt oz, with a corresponding improvement of 2.9% at Booysendal mine to R20 780/Pt oz, whilst unit cash costs at Eland mine increased by 46.0% to R42 928/Pt oz. Eland mine's PGM production is currently derived from surface sources, and purchased at prevailing market prices, which led to this substantial increase in unit cash costs.

Capital expenditure increased to R3.3 billion (F2020: R2.4 billion). This is the combined result of the restart of capital projects that had been curtailed following the onset of COVID-19, together with capital projects having either been completed, or nearing completion at Booysendal mine. R1.8 billion (F2020: R2.0 billion) was spent on expansionary capital expenditure and R1.5 billion (F2020: R382.2 million) on sustaining capital expenditure.

The significant increase in sustaining capital expenditure was the result of the combination of forward procurement for the rebuild of smelter furnace 1 at Zondereinde (furnace 1), together with a number of extensions to strike belts and the first significant fleet at Booysendal North mine.

Expansionary projects that were temporarily scaled back following the onset of COVID-19 included - the Central Merensky and BS4 modules at Booysendal mine; aspects of the Western extension number 3 shaft project at Zondereinde mine; and the stoping build-up at Eland mine. Following improved market certainty during the second half of the 2020 calendar year, all curtailed growth projects were re-initiated in September 2020 and the majority of workflow impacts resulting from the stoppage have been clawed back. As such, the overall impact on the Group's growth strategy will be minimal. Group capital expenditure during the coming financial year is forecast to amount to R4.0 billion. However, the potential for further disruption to operations and the metal markets as a result of COVID-19 remains. We continue to monitor the market and will amend our capital program when prudent.

At Zondereinde mine, stoping is ramping up within the Western extension section and further progress has been made on the deepening project. The pilot hole for the planned number 3 shaft was completed and reaming to final shaft diameter has commenced. At the metallurgical facilities, upgrades to the material handling infrastructure were completed and a planned rebuild of furnace 1, with a duration of 4 months, commenced during May 2021. The coming years will see work commence on capacity increases at the base metal removal plant, in line with our growth profile.

Design and permitting work has commenced on a 10MW photovoltaic power installation, to feed renewable electricity to the smelter complex. Construction is expected to commence in the second half of the coming financial year. Small, preliminary, renewable energy projects are also in progress at Booysendal and Eland.

The development of Booysendal South is progressing on schedule and on budget, with surface infrastructure construction complete and underground development and stoping ramp-up at the Central UG2 modules on track. Work programs for both the Central Merensky and BS4 modules were reinstated. The Central Merensky boxcut and portals have been completed and decline development is in progress. Underground development of strike drives and declines is in progress at the BS4 module and stoping is on track to commence early in the coming financial year. Mechanical construction of the North aerial rope conveyor commenced in January 2021 and commissioning is scheduled for the end of this calendar year.

At Eland mine, processing of surface sources will continue. Development of the Kukama decline system has progressed well, as has strike development to connect with Maroelabult mine, which is in the process of being acquired from Eastern Platinum Limited. Despite the decision to pull back on stoping build-up, as part of our capital trimming programme, primary development at Eland mine has continued and this has minimised the impact on the mine's planned ramp-up to full production.

With recycling, we continue our moderated approach, progressively growing our throughput whilst managing working capital requirements and closely monitoring market developments.

Zondereinde mine

Equivalent refined metal from own operations	Cash cost per equivalent refined Pt oz	Capital expenditure for Zondereinde
312 302 oz 4E	R30 350	R1.4 billion
(increase of 25.7% from F2020: 248 529 oz 4E)	(improvement of 5.7% from F2020: R32 183)	(increase of 115.9% from F2020: R648.4 million)

Sadly, there were two fatal accidents in separate incidents during March of this year. Mr Mohlaoli Simon Motaung, a rock loader driver, lost his life in a tramming incident, whilst Mr Adelino Jonassane Guambe, a rock drill operator for one of our mining contractors, died in a fall of ground incident. Our condolences go out to their families, friends and work colleagues.

Immediately prior to these two tragic incidents the mine had achieved 2 million fatality free shifts and was continuing its ongoing improvement in overall safety performance. The mine recorded a total injury incident rate (TIIR) for the year of 0.82 injuries per 200 000 hours worked (F2020: 1.05). Continuing to improve the safety performance and health and wellness of our workforce remains an important focus area for the business.

Due to the phased restart of operations following the lockdown associated with COVID-19, the number of operational mining crews was lower than complement. Despite this, Zondereinde achieved a positive mining performance, both on its own merits and in comparison to the performance of the previous year. This was in part the result of growing access to the Mineral Reserves within the Western extension section.

Equivalent refined metal from own operations increased by 25.7% to 312 302 oz 4E (F2020: 248 529 oz 4E). This was the result of a combination of 27.0% higher combined milled tonnages, 1.8% lower combined 4E concentrator feed grade and 0.5% higher concentrator recoveries. Higher milled tonnages resulted from a 46.9% increase in Merensky milled, together with a 13.3% increase in UG2 milled. The disparity in milled tonnages between the two reefs was the result of preferentially re-establishing Merensky mining crews during the phased restart.

Equivalent refined metal from third party purchases decreased to 20 944 oz 4E (F2020: 59 320 oz 4E) owing to cessation of certain supply agreements.

Chrome concentrate production increased to 358 703 tonnes (F2020: 276 889 tonnes). This is the result of significant improvements in chrome yield following modifications to the chrome concentrator.

Further progress has been made on the deepening project. The conveyor decline is currently between 17 and 18 levels and lateral development has progressed well on 17 level, reaching the ore pass position. This represents a significant milestone. Stoping continues down to 16 level, which is being serviced by both the material and chairlift declines.

Development within the Western extension section has progressed well on 3 to 12 levels. Strike development on some levels is beyond the fourth mining line, raises are being developed on the third mining line and have been holed throughout most of the second mining line. Approximately 50 000 oz 4E per annum will ultimately accrue to Zondereinde mine's production profile from this expansion project. Pilot drilling for the number 3 vertical shaft was completed successfully and reaming of the hole to its final diameter of 4.8 metres is in progress. Reaming will be concluded before the end of the coming financial year. Following this, the shaft will be equipped and is scheduled to be operational in 2024.

A planned rebuild of furnace 1, with a duration of 4 months, commenced during May 2021. The coming years will see work commence on further capacity increases at the base metal removal plant, in line with our growth profile.

In addition, design and permitting application work has commenced on a 10MW photovoltaic power installation. This will feed renewable electricity to the smelter complex. Construction is expected to commence in the second half of the coming financial year.

Capital expenditure during the year increased to R1.4 billion (F2020: R648.4 million). Expansionary project expenditure accounted for R615.6 million, while sustaining expenditure was R784.5 million. Expansionary expenditure related to the ongoing development of the deepening and Western extension sections, including pilot drilling and reaming of the planned number 3 shaft. Sustaining expenditure was dominated by forward procurement for the rebuild of furnace 1 and various capacity and material handling improvements at the metallurgical complex. Total capital expenditure for F2022 is estimated at R1.8 billion.

The total operating costs at Zondereinde for the year amounted to R7.8 billion (F2020: R5.8 billion), a 33.9% increase from the previous year. The combination of higher mining and concentrating costs on the back of higher volumes, together with significantly increased profitability and share price which led to higher royalty charges, share-based payment expenses and contributions to the Toro Employee Empowerment Trust, offset by the higher volumes, translated into a 5.7% improvement in unit cash costs per equivalent refined platinum ounce, to R30 350/Pt oz (F2020: R32 183/Pt oz).

The Western extension section at Zondereinde is progressing well and breathing new life into a mature and profitable operation

Results commentary continued

Booysendal mine

Metal in concentrate produced from own operations	Cash cost per Pt oz in concentrate produced	Capital expenditure for Booysendal
356 620 oz 4E (increase of 49.0% from F2020: 239 282 oz 4E)	R20 780 (improvement of 2.9% from F2020: R21 406)	R1.4 billion (increase of 25.9% from F2020: R1.1 billion)

The good safety performance at Booysendal mine continues, with the mine exceeding 6 million fatality free shifts during the financial year and more importantly, continuing to have incurred no fatal accidents since mine inception, over 10 years ago. TIIR was 1.67 per 200 00 hours worked (F2020: 1.57).

Overall, against the backdrop of the challenges associated with the ongoing COVID-19 pandemic, Booysendal has performed well during the financial year.

Production of metal in concentrate from Booysendal increased by 49.0% to 356 620 oz 4E (F2020: 239 282 oz 4E). This growth came on the back of improved productivity and mining cut discipline at the North mine, together with the continuing ramp-up of the South mine. In addition, 614 154 tonnes of chrome concentrate were produced (F2020: 432 990 tonnes). Metal in concentrate purchased from third parties increased to 19 011 oz 4E (F2020: 8 537 oz 4E) owing to higher third party production, which is expected to continue in the medium-term.

Tonnes milled at North UG2 mine improved by 22.6% from the previous year to 2 624 373 tonnes (F2020: 2 140 812 tonnes), whilst 4E concentrator feed grade improved by 4.0% to 2.89 g/t. Corresponding production from the North Merensky mine decreased by 3.6% to 391 815 tonnes (F2020: 406 519 tonnes), whilst 4E concentrator feed grade dropped to 1.88 g/t (F2020: 2.17 g/t). This is the result of a ramp-up in decline development in order to prepare for the step up to phase two stoping levels following the planned commissioning of the North aerial rope conveyor during F2022.

Booysendal South UG2 mine is ramping up to planned steady state in F2023. Milled tonnes increased during the year by 217.7% to 1 479 958 tonnes (F2020: 465 810 tonnes), whilst 4E concentrator feed grade improved to 2.81 g/t. This grade will continue to improve as stoping tonnage grows.

Combined ore stockpiles as at 30 June 2021 totalled 230 229 tonnes (F2020: 177 070 tonnes).

Total tonnes milled at Booysendal increased by 49.2% to 4 496 146 tonnes (F2020: 3 013 141 tonnes), whilst combined 4E concentrator feed grade improved by 7.3% to 2.78 g/t as a result of increased UG2 tonnages and improved grades at both North and South UG2 mines. Additional tonnes milled essentially came from Booysendal South UG2 production. Both the North and South concentrators are operating well and showing year-on-year improvements in PGM recovery.

The total operating costs at Booysendal mine were R5.5 billion (F2020: R3.3 billion), a 68.0% increase. This was the result of the significant increases in volumes, together with higher royalty charges and share-based payment expenses, coming on the back of increased profitability and share price. Cash cost per metal in concentrate produced improved by 2.9% to R20 780/Pt oz (F2020: R21 406/Pt oz).

North mine capital expenditure increased to R743.6 million (F2020: R200.0 million). Capital expenditure was almost entirely sustaining and reflected fleet replacements and conveyor belt extensions.

South mine capital expenditure was entirely expansionary and totalled R678.2 million (F2020: R929.4 million). Surface infrastructure at the Central UG2 complex is complete and underground equipping is continuing in line with stoping build-up. Earthworks and civil construction for the North aerial rope conveyor are complete and mechanical construction is well progressed. Pre-payments made in previous financial years mean that this project is essentially paid for.

North mine capital expenditure for the coming financial year will be almost entirely sustaining and is estimated at R455.8 million. This is in line with our expected ongoing mechanical fleet replacements and conveyor belt extensions. South mine capital expenditure for the full year will be entirely expansionary and is estimated at R604.5 million, reflecting the completion of surface infrastructure as well as the ramp-up of production at the Central UG2 complex, together with the ongoing establishment of both the Central Merensky and BS4 mining modules.

Work programmes for both the Central Merensky and BS4 modules were reinstated following the temporary suspension as part of our capital trimming related to the economic uncertainty associated with the COVID-19 pandemic. The Central Merensky boxcut and portals have been completed and decline development has commenced. Underground development of strike drives and declines is in progress at the BS4 UG2 module and stoping is on track to commence early in the coming financial year. The mechanical construction of the North aerial rope conveyor system started in January 2021, with scheduled commissioning in December 2021.

Booysendal South ramp-up is on track and accelerating, whilst Booysendal North is benefitting from the productivity and efficiency improvements that come with maturity

Results commentary continued

Eland mine

Metal in concentrate produced from own operations	Cash cost per Pt oz in concentrate produced	Capital expenditure for Eland
32 676 oz 4E (decrease of 7.0% from F2020: 35 123 oz 4E)	R42 928 (increase of 46.0% from F2020: R29 395)	R510.4 million (decrease of 11.0% from F2020: R573.3 million)

Eland mine's TIIR improved to 1.62 per 200 000 hours worked (F2020: 2.27). Management is focussing on embedding safety culture, supervision and systems during this critical phase of mine development.

Treatment of ore from surface sources to recover PGM and chrome concentrates continues, with throughput of just over 1 520 548 tonnes of ore (F2020: 1 063 139 tonnes). Surface sources included both purchased material, as well as tailings retreatment. This resulted in a reduced average 4E feed grade of 2.45 g/t (F2020: 2.73 g/t), with a corresponding lower chrome grade. This yielded 32 676 oz 4E in concentrate (F2020: 35 123 oz 4E), together with 44 447 tonnes of chrome concentrate (F2020: 72 924 tonnes). Metal in concentrate purchased from third parties increased to 10 988 oz 4E (F2020: 1 660 oz 4E).

The total operating costs at Eland mine amounted to R1.1 billion (F2020: R784.4 million), a 41.6% increase on the previous year. This was the result of an increase in volumes treated, together with the cost of purchased surface sources being determined by ruling commodity prices. Consequently, the cash cost per metal in concentrate produced increased by 46.0% to R42 928/Pt oz (F2020: R29 395/Pt oz).

Development and stoping ramp-up for the Kukama shaft ran in parallel with surface processing operations. This included reconfiguration of the three-barrel decline system, such that all barrels are located in the immediate footwall to the UG2 Reef. Furthermore, strike development in the upper western portion of the mine was progressed, reef raises were developed and stoping began on the UG2 Reef as part of a planned early mining demonstration.

Following the onset of COVID-19, capital trimming led to the decision to temporarily suspend mining build-up, but to continue development of the declines at the Kukama shaft. With improved market certainty, the full capital programme of stoping build-up was reinstated. In addition, refurbishment of the primary milling circuit of the PGM concentrator is in progress and is planned to be commissioned during the first half of the coming financial year. This will permit the treatment of run of mine ore sources, in line with our planned stoping build-up.

An agreement to purchase Maroelabult mine from Barplats Mines Proprietary Limited, a subsidiary of Eastern Platinum Limited, was entered into during F2020. An application for the incorporation of the mining rights is in process and this is expected to be finalised during the first half of F2022. Maroelabult lies immediately west of the Kukama shaft and its inclusion in the Eland mining right will have a number of synergistic benefits.

Capital expenditure for the year was R510.4 million (F2020: R573.3 million). This decrease was the result of capital trimming during the first months of the year. Capital expenditure for F2022 is expected to be R1.1 billion. Work will focus on decline and strike drive development, together with stoping build-up and recommissioning of the primary PGM circuit at the concentrator. In addition, mining of open-pit UG2 in the eastern portion of the Eland property will commence and supplement ore tonnage from underground operations.

An enhanced mining ramp-up schedule has been fully reinstated at Eland

Results commentary continued

Financial overview

Northam has posted a solid set of financial results, whilst continuing to deliver on the strategy we initiated in 2015 with the Zambezi BEE Transaction. This strategy remains unchanged and differentiates Northam, providing a unique growth and investment proposition.

Our strategy is based on a belief in the metals we produce and comprises four phases:

Firstly, capital raising and solving for empowerment with the execution of the Zambezi BEE Transaction in 2015;

Secondly, acquisitions of both bolt-on assets as well as new operations;

Thirdly, project execution − which is ongoing; and

Lastly, but most importantly, the return of meaningful value to our Shareholders. This has commenced in earnest. Firstly, with the acquisition of the Zambezi Preference Shares, which were linked to Northam Shares. This process enabled the acceleration of the maturity and wind-up of the Zambezi BEE Transaction through implementation of the Transaction. The Transaction has resulted in meaningful value return to Shareholders, in a planned and responsible manner, through a reduction of 28.9% of the Group's issued share capital compared to the total issued share capital prior to implementation of the Transaction.

Additionally, production growth across the Group and favourable rand denominated PGM prices are expected to positively impact free cash flow generation, which we are committed to return to Shareholders.

We continue to deliver on our strategy of developing low-cost, long-life assets and positioning the Group for further strong financial performance even in the event of subdued or potentially volatile commodity markets

The benefit of our growth strategy, initiated in 2015, is evidenced by some of the key financial features listed below:

Revenue for the year R32.6 billion (increase of 83.2% from F2020: R17.8 billion)	**Operating profit for the year** R16.1 billion (increase of 203.9% from F2020: R5.3 billion)	**EBITDA for the year** R16.7 billion (increase of 176.5% from F2020: R6.0 billion)
Normalised headline earnings for the year R10.9 billion (increase of 215.2% from F2020: R3.4 billion)	**Profit after tax for the year** R9.4 billion (increase of 332.6% from F2020: R2.2 billion)	**Net debt at year-end** R3.7 billion with net debt to EBITDA ratio at 0.22
Return of value to shareholders Reduction of 28.9% of shares in issue through the early maturity and wind-up of the Zambezi BEE Transaction	**Increased banking facilities** R5.0 billion which was fully undrawn at year-end	Committed to return value to shareholders

Results commentary continued

The Composite Transaction: acceleration of the maturity and wind-up of the Zambezi BEE Transaction, together with restoring and extending HDP ownership through the Extended Empowerment Transaction

We have been consistent in our strategy of growing production down the cost curve and ultimately returning value to Shareholders, in this regard we have stated that we will be both aggressive and proactive.

The Composite Transaction is a pivotal event in the company's history. Firstly, accelerating the maturity and wind-up of the Zambezi BEE Transaction, and secondly, restoring and extending empowerment in Northam for a further 15 years. The extension will focus on our Employees and Communities.

Northam implemented a landmark empowerment transaction with Zambezi in May 2015, which was the catalyst for the Group's growth, injecting R4.2 billion cash onto the balance sheet. This enabled a counter-cyclical growth strategy through a series of acquisitions and organic growth projects. In addition, the transaction secured 31.4% ownership by a broad-based Group of historically disadvantaged persons (HDPs), through Zambezi. The transaction was funded by Northam Shareholders through an innovative structure, involving the offer of JSE listed Zambezi Preference Shares to them. In essence, Northam Shareholders funded Zambezi's acquisition of Northam Shares by way of a preference share structure.

With the increase in the Northam share price, we had the opportunity, through an early wind-up of the Zambezi BEE Transaction, to crystallise value for the benefit of all Shareholders.

Northam's decision to propose the acceleration of the maturity and wind-up of the Zambezi BEE Transaction was well considered, taking into account the risks associated with maturation on 17 May 2025.

Firstly, settlement of the Zambezi BEE Transaction was subject to singularity risk. As highlighted by the stark share price movements brought about at the onset of the COVID-19 pandemic, an adverse market event occurring on 17 May 2025 could pose a risk to the value created for Northam Shareholders, including Zambezi and increase the risk of a claim under the Northam Guarantee.

Secondly, a large number of Northam Shares could flow to the market on maturity. This could place sell-side pressure on the Northam Shares, eroding value for Northam Shareholders.

Lastly, the unwinding of the Zambezi structure in the ordinary course would have left Northam with no certainty regarding compliance with the Mining Charter.

Our Zambezi Preference Share acquisition strategy enabled the acceleration of the maturity and wind-up of the Zambezi BEE Transaction.

Through the Composite Transaction, Northam will deliver a number of strategic outcomes which will position the Group for the next phase in our development.

The objective of accelerating the maturity and wind-up of the Zambezi BEE Transaction was to permanently secure, unlock and transfer unencumbered value created within Zambezi and in so doing, remove maturation risk for both Northam Shareholders and Zambezi Ordinary Shareholders.

The objective of the Extended Empowerment Transaction is to restore and secure HDP ownership in Northam for a further 15 years, whilst optimising the Group structure for compliance with the Mining Charter. Northam has already made a tremendous contribution towards empowerment through the Zambezi BEE Transaction and we now want to focus our empowerment initiatives on our Employees and Communities. This will extend ownership by HDPs in Northam to 26.5% for a 15-year term. The Extended Empowerment Transaction will be funded by Northam. The beneficiaries of this transaction will primarily be Employees together with Communities. Should there be a change in HDP ownership requirements under the Mining Charter, Northam will have the ability to accelerate the maturity of the Extended Empowerment Transaction from year 5 onwards.

Northam Holdings was introduced as the new holding company for the Group by way of a share exchange implemented on a one for one basis in terms of which Northam Shareholders exchanged their Northam Shares for Northam Holdings Shares.

Paul Dunne commented, "The benefits of this landmark transaction have been confirmed by the overwhelming support received, with 99.9% shareholder approval. We are immensely grateful for the support that Northam continues to receive from its Shareholders and we remain committed to proactively creating and delivering shareholder value following a substantial reduction of the Group's issued share capital compared to the total issued share capital prior to implementation of the Transaction. The Zambezi BEE Transaction transformed Northam in many respects and the Composite Transaction positions Northam very well for the future"

Results commentary continued

Normalised headline earnings and dividends per share

Normalised headline earnings have been calculated taking into account the headline earnings adjusted for items relating to the Zambezi BEE Transaction. These include the Zambezi Preference Share dividends associated with the Zambezi BEE Transaction financing structure as well as the loss on derecognition of the Zambezi Preference Share liability.

Stripping out the impact of the Zambezi BEE Transaction resulted in normalised headline earnings increasing to R10.9 billion (F2020: R3.4 billion), which equates to normalised headline earnings per share, based on the total number of 509 781 212 issued shares, of 2 131.9 cents (F2020: 676.3 cents). This represents an increase of 215.2%.

Following the acceleration of the maturity and wind-up of the Zambezi BEE Transaction, the Zambezi structure will no longer impact the financial results of the Group.

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

	30 June 2021	**30 June 2020**
	R000	R000
Headline earnings	9 404 204	2 167 589
Add back:		
Amortisation of liquidity fees paid on Zambezi Preference Shares	16 390	16 390
Zambezi Preference Share dividends	378 678	1 133 172
Loss on derecognition of Zambezi Preference Share liability	1 068 558	130 628
Normalised headline earnings	10 867 830	3 447 779
Normalised headline earnings per share (cents)	2 131.9	676.3
Number of shares in issue including Treasury Shares at year-end	509 781 212	509 781 212
Earnings per share (cents)	2 681.8	620.0
Fully diluted earnings per share (cents)	2 523.5	584.7
Headline earnings per share (cents)	2 687.9	619.5
Fully diluted headline earnings per share (cents)	2 529.2	584.3
Dividends per share (cents)	–	–

For details regarding the diluted number of shares, refer to note 10 of the summarised financial results.

Revenue

Below are key highlights relating to revenue:

Revenue for the year	Total sales volumes	Commodity prices
R32.6 billion (increase of 83.2% from F2020: R17.8 billion)	654 057 4E oz (increase of 12.2% from F2020: 582 686 4E oz)	USD3 049/4E oz (increase of 72.8% from F2020: USD1 764/4E oz)
Minor metals performing well iridium and ruthenium contributed R1.5 billion to revenue (increase of 117.3% from F2020: R679.3 million)	**Rhodium's contribution to the 4E basket** 53.5% (F2020: 37.2%)	An increase in the rhodium price of USD1 000/oz adds more than R1.0 billion to sales revenue

	30 June 2021 R000	30 June 2020 R000	Variance %
Platinum	6 260 523	4 355 606	43.7%
Palladium	7 413 220	5 185 373	43.0%
Rhodium	16 004 640	5 792 822	176.3%
Gold	234 094	214 412	9.2%
Iridium	1 024 305	441 443	132.0%
Ruthenium	452 095	237 893	90.0%
Silver	7 411	4 063	82.4%
Nickel	380 445	296 083	28.5%
Copper	118 232	71 407	65.6%
Cobalt	5 161	4 018	28.4%
Chrome	726 792	599 767	21.2%
UG2 ore	–	397 351	(100.0%)
Toll treatment charges	–	211 733	(100.0%)
Total sales revenue	32 626 918	17 811 971	83.2%

		30 June 2021 Sales volumes	30 June 2020 Sales volumes	Variance %
Platinum	oz	391 788	336 020	16.6%
Palladium	oz	199 357	182 608	9.2%
Rhodium	oz	54 644	55 126	(0.9%)
Gold	oz	8 268	8 932	(7.4%)
4E	oz	654 057	582 686	12.2%
Iridium	oz	18 109	20 110	(10.0%)
Ruthenium	oz	88 771	67 127	32.2%
6E	oz	760 937	669 923	13.6%
Silver	oz	18 727	15 090	24.1%
Nickel	t	1 520	1 337	13.7%
Copper	t	998	833	19.8%
Cobalt	t	9	8	12.5%
Chrome	t	1 017 304	782 803	30.0%

		30 June 2021	30 June 2020	Variance
		Average prices achieved	Average prices achieved	%
Platinum	USD/oz	1 065	858	24.1%
Palladium	USD/oz	2 479	1 870	32.6%
Rhodium	USD/oz	19 526	7 020	178.1%
Gold	USD/oz	1 888	1 557	21.3%
4E	USD/oz	3 049	1 764	72.8%
Iridium	USD/oz	3 771	1 451	159.9%
Ruthenium	USD/oz	340	236	44.1%
6E	USD/oz	2 750	1 603	71.6%
Silver	USD/oz	26	17	52.9%
Nickel	USD/t	16 686	14 078	18.5%
Copper	USD/t	7 898	5 450	44.9%
Cobalt	USD/t	38 230	31 929	19.7%
Chrome	USD/t	48	49	(2.0%)

Sales volumes increased as a result of production growth, which led to sales volumes increasing by 12.2% to 654 057 4E oz (F2020: 582 686 4E oz). Sales revenue increased by 83.2% from R17.8 billion in F2020 to R32.6 billion for the year. Together with sales volumes, the increase in sales revenue is attributable to a 72.8% increase in the average 4E basket price to USD3 049/4E oz in comparison to USD1 764/4E oz in F2020, together with a 4.6% stronger ZAR/USD exchange rate realised of R15.00/USD (F2020: R15.73/USD).

The average US dollar sales prices achieved during the year improved for all precious metals. Both palladium and rhodium US dollar prices performed well, increasing by 32.6% and 178.1%, respectively.

However, the US dollar price of platinum, which accounts for approximately 60% of the 4E basket volume, continues to be the laggard. The average price achieved during the year amounted to USD1 065/oz (F2020: USD858/oz). Platinum only contributed 20.9% (F2020: 28.0%) to the 4E basket sales revenue for the year ended 30 June 2021. Any upward movement in the platinum price will have a positive impact on the profitability of the Group.

Below are the percentage contributions to revenue of the various components of the 4E basket:

	30 June 2021	30 June 2020
	%	%
Platinum	20.9	28.0
Palladium	24.8	33.4
Rhodium	53.5	37.2
Gold	0.8	1.4
4E basket	100.0	100.0

It is expected that iridium and ruthenium, which are critical to the future hydrogen economy, will become more significant contributors to revenue.

Total revenue per platinum ounce sold increased by 57.1% from R53 009/Pt oz in F2020 to R83 277/Pt oz for the year ended 30 June 2021.

Mining is a volumes business, every ounce over and above fixed costs adds to the bottom line, that is why our strategy of sustainably growing our production base will bode well for all our stakeholders now and in the future

Results commentary continued

Cost of sales and operating profit margin

A 32.0% increase in cost of sales and a corresponding 83.2% increase in revenue, resulted in operating profit increasing from R5.3 billion in F2020 to R16.1 billion for the year under review. This translates to an operating profit margin of 49.4% (F2020: 29.8%).

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

- Mining costs increased by 31.3%. This is attributable to wage increases, an increase in the average number of employees of 6.4% and a 38.4% increase in square metres mined and a corresponding increase in equivalent refined metal produced from own operations of 34.1%.
- Concentrating costs increased by 20.2% with the concentrators at Booysendal South and Eland mine not yet operating at full capacity, but still carrying a high associated fixed cost together with the increase in metal produced.
- Smelter and base metal removal plant costs increased by 19.3% owing to both the increase in the electricity unit cost and the additional power consumption. Smelter costs are mainly driven by tonnes smelted which increased by 23.4% from 146 476 tonnes smelted during F2020 to 180 784 tonnes smelted during the current financial year.
- Chrome processing costs were 23.7% higher than the previous year, as a result of the increase in chrome concentrate tonnes produced which increased by 30.0% from 782 803 tonnes in F2020 to 1 017 304 tonnes for the year under review.
- Selling and administration overheads increased by 9.2%. These include costs relating to the corporate office and Group services, as well as all marketing costs incurred by the Group.
- Royalty charges, which increased by 545.1%, 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 now pays royalties at the maximum rate for refined material of 5% and Booysendal is moving to the maximum rate of 7% for unrefined material. Both entities no longer have any unredeemed capital expenditure to set off against mining income from own operations. Overall, the royalty charge increased in line with the increase in revenue generated from own operations, taking into account available unredeemed capital expenditure.
- Share-based payment expenses relate to expenses incurred in respect of the Group's employee share plan. The share-based payment expenses take into account the number of outstanding performance and retention shares. These have increased in line with the increase in the number of qualifying employees. In addition, the increase in the share price to R216.93 at 30 June 2021, compared with R116.20 at 30 June 2020, an 86.7% increase, was the main contributor to the increase in share based payments.
- The Toro Employee Empowerment Trust expense relates to contributions made to the Toro Employee Empowerment Trust and is an employee profit share scheme for Zondereinde employees based on 4% of after-tax profit contributions from the Zondereinde mine. For the year ended 30 June 2021, contributions to the value of R317.3 million (F2020: R84.6 million) accrued to the trust as a result of the increased profitability of Northam Platinum Limited. In addition, contributions were made to employee profit share schemes at Booysendal and Eland.
- The cost of concentrates, metals and recycling material purchased increased by 17.2% even though 4E volumes purchased decreased by 23.1%. The cost of purchased material is determined by ruling commodity prices, and hence the increase.
- Refining costs, including sampling and handling charges, increased by 21.2%. The increase is driven by the increase in volumes refined which increased by 18.7% on a 6E basis with higher dispatched volumes especially those of ruthenium, which carries the highest refining cost, resulted in this increase.
- Depreciation increased with the increased capital base and additional capital expenditure incurred by the Group, and is based mainly on the units of production method.
- The change in metal inventory relates to a 42.0% increase in the volume of inventory as well as an increase in the cost of production, capitalised to the balance sheet.

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

Results commentary continued

Taxation

Tax paid during the year under review	Deferred tax asset raised for Eland	Increased profitability of the Group
R3.7 billion (F2020: R501.5 million)	R39.9 million (F2020: No deferred tax asset raised for Eland)	Full utilisation of all unredeemed capex at Booysendal and Zondereinde

Taxation is made up as follows:

	30 June 2021	30 June 2020
	R000	R000
Income tax		
Current mining income tax charge	3 347 390	573 478
Current non-mining income tax charge	38 977	113 623
Adjustment in respect of current income tax of the previous year	(1 529)	18 775
Dividend withholding tax		
Current year withholding tax	150	201
Prior year withholding tax	–	(323)
Deferred tax		
Current and prior year deferred tax charge	964 340	758 724
Total income tax expense reported in profit or loss	4 349 328	1 464 478

With the increased profitability of the Group, tax has increased.

As a result, the Group made its largest tax payment in its history. A contributor to this is the full utilisation of the unredeemed capital balance relating to Northam Platinum Limited, the statutory entity in which the Zondereinde mine is housed, together with the full utilisation of the unredeemed capital balance relating to Booysendal Platinum Proprietary Limited.

Taxation on non-mining income comprises mainly taxation on interest and sundry income earned, which is taxed at the corporate tax rate of 28%.

Movements in deferred tax are predominantly owing to capital expenditure still being incurred by the Group.

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, as a result of increased certainty with regards to commodity markets, together with the forecasted profitability of the Eland operations a deferred tax asset relating to the temporary difference of Eland Platinum Proprietary Limited has been raised.

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

Due to increased profitability, the single largest tax payment in the history of the Group has been made, significantly contributing to the South African fiscus

Working capital

Working capital management remains a priority and has been impacted by high inventory levels. Below is a reconciliation of metal inventories disclosed as equivalent refined metal ounces:

	Own production	Purchased material	Total metal inventory
	oz	oz	oz
Opening balance 1 July 2020	191 804	28 368	220 172
Production from Zondereinde for the year	312 302	–	312 302
Production from Booysendal for the year	346 790	–	346 790
Production from Eland for the year	31 775	–	31 775
Purchased material for the year	–	55 707	55 707
Unrealised metal losses*	(78)	–	(78)
Sales	(609 851)	(44 206)	(654 057)
Closing balance as at 30 June 2021	272 742	39 869	312 611

**This relates to assumptions made to metal grades and realised recoveries*

Metal inventory value for the Group	4E oz volume increase since F2020	Inventory at year-end
R6.1 billion (F2020: R4.2 billion)	42.0%	312 611 oz 4E (F2020: 220 172 oz 4E)

The valuation of metal inventory was impacted by a 42.0% increase in metal volumes and an increase in the cost of production, rolling up to a metal inventory balance of R6.1 billion (F2020: R4.2 billion). Growing production down the cost curve is positively impacting our cost inflation.

Metal inventory levels at year-end were impacted by the furnace 1 rebuild which commenced in early May 2021. The rebuild was completed during September 2021 and processing capacity will be restored.

The bulk of purchased material, together with some inventory from Eland, will only be processed in F2023 and are therefore classified as non-current.

Results commentary continued

Cash flow and net debt

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

	30 June 2021	30 June 2020
	R000	R000
Cash flows from operating activities	12 095 891	6 387 775
Less capital expenditure incurred in cash during the year	(3 219 048)	(2 390 152)
Free cash flow generated during the year	8 876 843	3 997 623
Strategic Partner Advances	(391 522)	–
Cash flow utilised in returning value to Shareholders – acquisition of Zambezi Preference Shares	(7 936 299)	(3 691 507)
Transaction fees paid on the acquisition of Zambezi Preference Shares	(148 577)	(64 700)
Residual free cash flow	400 445	241 416

The Group generated R8.9 billion in free cash flow for the year ended 30 June 2021, of which R8.5 billion was returned to Shareholders.

R8.9 billion free cash flow generated	R8.5 billion returned to Shareholders

Production growth across the Group and favourable rand denominated PGM prices are expected to positively impact free cash flow generation in the short to medium-term. However, the Group's future cash generative potential is vulnerable to exchange rate volatility, metal price fluctuations and production performance.

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

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

	30 June 2021	30 June 2020
	R000	R000
Cash and cash equivalents	3 877 208	2 160 956
Domestic Medium-Term Notes issued net of transaction fees	(7 594 235)	(5 508 412)
Revolving credit facility utilised	–	–
General banking facility utilised	–	–
Net debt position	(3 717 027)	(3 347 456)
EBITDA	16 655 317	6 023 379
Net debt/EBITDA ratio	0.22	0.56

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

Financing is available through the R15.0 billion Domestic Medium-Term Note (DMTN) Programme, as well as our R5.0 billion banking facilities.

Northam is comfortable with a net debt to EBITDA ratio of 1 to pursue our growth strategy.

Banking facilities

Adequate credit facilities are in place through the available revolving credit facility (RCF), of R4.0 billion (F2020: R3.5 billion), together with a general banking facility (GBF), of R1.0 billion (F2020: R500.0 million), both of which were undrawn at year-end. In addition, further funding is accessible by way of the DMTN Programme of R15.0 billion, of which R7.8 billion had been placed at year-end and a further R150.0 million placed subsequent to year-end.

At the start of the global COVID-19 pandemic, management swiftly developed and implemented a decisive, detailed and immediate action plan to minimise the broader potential impacts of the pandemic and the associated global economic downturn. In light of this, and as part of our COVID-19 response measures, the Group proactively implemented an action plan to preserve liquidity. This entailed a restructuring of the company's DMTN Programme to significantly extend maturity dates of Notes in issue, to raise some additional debt funding and to generally smooth the maturity profile of the various Note series.

As part of these measures, the financial covenant parameters on the RCF were renegotiated with Nedbank Limited and relaxed up to and including 31 December 2021. The financial covenants were relaxed to buffer the Group against unforeseen implications of the COVID-19 pandemic. As a result, the interest rate was updated to JIBAR plus 2.45% (F2020: JIBAR plus 2.1%), plus a utilisation fee of between 0.1% per annum and 0.5% per annum, depending on the amount of the RCF drawdown. The effective interest rate on the RCF for the period therefore ranged between JIBAR plus 2.55% and JIBAR plus 2.95% (F2020: between JIBAR plus 2.2% and JIBAR plus 2.6%), depending on the amount of the drawdown.

The RCF matures on 5 September 2024 and the GBF has a 90-day notice period.

R4.0 billion RCF available	R1.0 billion GBF available

The Group is currently not at risk of breaching any of the covenant requirements.

Liquidity Management

Prudent liquidity management enables the ongoing viability of our business including our ongoing growth strategy. It involves the management of sufficient cash and cash equivalents, as well as available funding through committed credit facilities.

- It further provides flexibility to return value to Shareholders and the ability to manage other stakeholder expectations
- Effective liquidity risk management improves our credit ratings which leads to reduced borrowing costs

Provides flexibility to return value to Shareholders	Effective liquidity risk management improves Northam's credit rating

Upgrade to Northam's long-term and short-term credit ratings, with a stable outlook

The credit rating agency, Global Credit Rating Co. (GCR), upgraded Northam's national scale long-term credit rating to A(ZA) (from the previous rating of A-(ZA)) and short-term credit rating to A1(ZA) (from the previous rating of A2(ZA)), with a stable outlook.

The upgrade primarily reflects Northam's strengthened earnings profile and expectations of continued robust free cash flows and financial metrics on the back of favourable commodity prices. Other factors sighted by GCR include, *inter alia*, the surge in Northam's profitability over recent years enhanced by rising production volumes, the positive manner in which Northam managed and recovered from the impact of COVID-19, the Group's globally competitive cost position and Northam's track record of maintaining conservative financial policies. GCR continues to view Northam's liquidity as strong.

The stable outlook reflects GCR's view that the Group will pursue a conservative financial profile and will continue to benefit from its ongoing production ramp-up against supportive pricing levels, which should translate into robust margins and cash flows to sustain strong credit metrics over the next 12 to 18 months.

GCR's announcement in regard to Northam's credit rating is available from GCR's website at https://gcrratings.com/announcements/gcr-upgrades-northams-issuer-ratings-to-aza-a1za-on-strengthening-earnings-and-conservative-financial-profile-outlook-stable/

Effective liquidity risk management improves our credit rating which leads to reduced borrowing costs

Results commentary continued

Appointment of debt officer

During the year under review in compliance with paragraph 6.39(a), read with paragraph 7.3(g) of the Debt Listings Requirements, AH Coetzee, Northam's chief financial officer, was appointed as Northam's debt officer. The board is satisfied with the competence, qualifications and experience of the debt officer, AH Coetzee.

Domestic Medium-Term Notes Programme

Northam established a DMTN Programme pursuant to a Programme Memorandum dated 3 August 2012 (the Previous Programme Memorandum), in terms of which the company may, from time to time, issue Notes.

During the year under review Northam updated the Previous Programme Memorandum to, *inter alia*, align with the latest regulations (including amendments to the Debt Listings Requirements), to include more recent information pertaining to Northam and to incorporate Booysendal Platinum Proprietary Limited as guarantor. 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.

The amendments are incorporated in an Amended and Restated Programme Memorandum dated 29 October 2020, a copy of which is available on Northam's website (https://www.northam.co.za/downloads/send/96-files/1324-northam-programme-memorandum-13112020). The Amended and Restated Programme Memorandum was approved by and is registered with the JSE Limited.

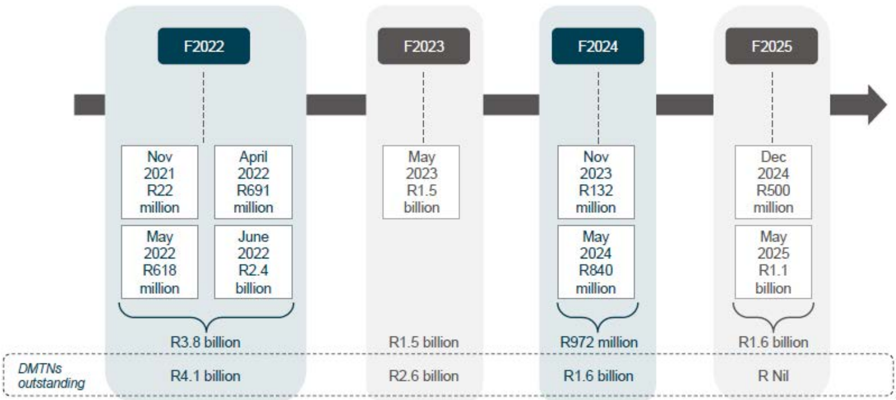
The board of Northam also approved an increase in the programme amount in terms of the provisions of the DMTN Programme from R10.0 billion to R15.0 billion. This increase will provide Northam with additional funding flexibility.

The Amended and Restated Programme Memorandum dated 29 October 2020 (Programme Date) applies to all Notes issued under the DMTN Programme on or after the Programme Date and will, in respect of such Notes, supersede and replace the Previous Programme Memorandum in its entirety. For the avoidance of doubt, subject to all applicable laws, the Previous Programme Memorandum will remain applicable to all Notes in issue prior to the Programme Date.

During the year under review, DMTNs to the value of R1.5 billion were issued to purchase Zambezi Preference Shares and R132.7 million worth of DMTNs were settled upon maturity. Subsequent to year-end, an amount of R150.0 million was issued as a tap issue on NHM018, increasing the outstanding DMTN balance to R7.9 billion.

DMTN Programme Amount	DMTNs in issue as at 30 June 2021	DMTNs maturing within 12 months
R15.0 billion	R7.8 billion	R3.8 billion

Below is a summary of Northam's DMTN debt maturity profile. The timeline illustrates the capital portion of DMTNs maturing in each financial year until F2025. A total of R3.8 billion of DMTNs will mature by the end of the coming financial year. The R4.0 billion RCF and R1.0 billion GBF are excluded from the maturity profile below as these facilities could be refinanced as they mature.



Since 2012, Northam has developed a significant and sustainable presence in the debt capital markets through its R15.0 billion DMTN Programme

Zambezi Platinum (RF) Limited

In terms of the Zambezi BEE Transaction implemented in 2015, Zambezi held 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.

In terms of the Zambezi Pref Share Terms, the holders of Zambezi Preference Shares were entitled to receive cumulative preference dividends equal to the South African prime interest rate plus 3.5% over the 10-year Lock-in period. The Zambezi Preference Shares were compulsorily redeemable on 17 May 2025, being the day immediately preceding the 10th anniversary of the issue date.

Upon expiry of the 10-year Lock-in period, the Zambezi Preference Shares were redeemable and the redemption amount (being the original issue price plus accrued unpaid dividends) would have been settled by Zambezi through the Distribution of a sufficient number of Northam Shares held by Zambezi (calculated in accordance with the Zambezi Preference Share Terms) to the holders of the Zambezi Preference Shares and/or in cash held by Zambezi (if any).

Prior to the Zambezi Pref Share Term Amendments, the settlement of the Zambezi Preference Share liability was secured by the Northam Guarantee in favour of the holders of the Zambezi Preference Shares. In the event that the Northam Shares and cash (if any) held by Zambezi were insufficient to settle the Zambezi Preference Share liability, the Northam Guarantee may have been called upon by the holders of the Zambezi Preference Shares. If the Northam Guarantee was called upon, Northam would have been entitled to settle the Zambezi Preference Share liability by making a cash payment directly to the holders of the Zambezi Preference Shares and/or through the issue of new Northam Shares to the holders of the Zambezi Preference Shares. The manner of settlement was at Northam's election.

As at 30 June 2021, the redemption price of the Zambezi Preference Shares, together with any accumulated and unpaid preference dividends on the Zambezi Preference Shares meet the definition of a financial liability and are accounted for as such in the statement of financial position of Zambezi. They are accordingly consolidated in the financial statements of Northam in terms of International Financial Reporting Standards. This means that the Northam Group reflects the Zambezi BEE Transaction equity issued shares as treasury shares and the Zambezi Preference Shares are reflected as a liability at year-end.

Below is the net asset value of Zambezi as at 30 June 2021:

	30 June 2021	30 June 2020
	R000	R000
Investment held by Zambezi in Northam	34 688 290	18 581 014
Cash and cash equivalents together with accrued interest	510	502
Zambezi Preference Share liability	(13 910 946)	(12 592 218)
Deferred tax liability relating to capital gains tax payable by Zambezi	(6 301 605)	(2 693 575)
Net asset value of Zambezi	14 476 249	3 295 723
Number of Northam Ordinary Shares held by Zambezi	159 905 453	159 905 453
Northam closing share price at year-end (share code: NHM)	R216.93	R116.20
Investment held by Zambezi in Northam (R000)	34 688 290	18 581 014

Appreciation in the Northam share price has realised value for Zambezi Ordinary Shareholders

Results commentary continued

The investment in Northam, as a result of the appreciation in the Northam's share price, was sufficient to cover both the Zambezi Preference Share liability as well as the capital gains tax on the increase in the share price, therefore realising value for Zambezi Ordinary Shareholders.

This enabled the early maturity and wind-up of the Zambezi BEE Transaction to permanently secure, unlock and transfer unencumbered value created within Zambezi, and in doing so, removed maturation risk for both Northam and Zambezi Ordinary Shareholders.

Subsequent to the year-end and following implementation of the Zambezi Scheme, on the Repurchase Implementation Date, Zambezi settled the Revised Accumulated Dividends, by way of a repurchase by Northam (being the only Zambezi Preference Shareholder after implementation of the Zambezi Scheme) of so many Northam Shares held by Zambezi (valued at a price of R160.00 per Northam Share), as are equal in value to the amount of the Revised Accumulated Dividends, in accordance with the Zambezi Pref Share Terms (as amended pursuant to the Zambezi Pref Share Term Amendments).

Therefore, subsequent to year-end, the Zambezi Preference Share liability was settled as follows:

	Revised Accumulated Dividends Settlement as at the LPD[1]
	R000
Original capital value of the Zambezi Preference Shares on issue date 18 May 2015	6 556 124
Accumulated Dividends up to the last practicable date, being 30 April 2021 (LPD)	7 122 795
Face Value at the Last Practicable Date	13 678 919
Premium Amount	1 519 880
Total outstanding Zambezi Preference Share liability at the Repurchase Implementation Date	15 198 799
Made up of the:	
Original capital value of the Zambezi Preference Shares on issue date 18 May 2015	6 556 124
Revised Accumulated Dividends	8 642 675
Total outstanding Zambezi Preference Share liability at the Repurchase Implementation Date	15 198 799
Settled by way of Northam Shares valued at R160 per share	R160 per share
Number of Northam Shares which will be repurchased by Northam in settlement of the Zambezi Preference Share liability	94 992 488

Subsequent to the repurchase by Northam of the Northam Shares in settlement of the Zambezi Preference Share liability, the Northam Shares acquired were cancelled.

Our Zambezi Preference Shares acquisition strategy enabled the acceleration of the maturity and wind-up of the Zambezi BEE Transaction. The acquisition of the Zambezi Preference Shares which were linked to Northam Shares was essentially a buy-back of Northam Shares, by proxy

[1] The number of shares disclosed is based on the base case *pro forma* financial information for the Composite Transaction as set out in the Transaction Documents as at the LPD.

Results commentary continued

Capital allocation and returning value to Shareholders

The long-term success of the business depends on achieving an optimal balance between growth, sustaining operations and returning value to the providers of capital. Management carefully considers the appropriate allocation of capital in these areas to achieve the Group's strategic objectives.

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

Northam has pursued a unique strategy, investing during the market down cycle and reaping the benefits of its project execution through growth in our Mineral Reserves and metal production.

Below are the considerations with regards to capital allocation:

Investing in our business for the future	Retaining sufficient cash reserves for working capital requirements and an optimal balance of debt in the business	Returning value to Shareholders

Investing in our business for the future

We have developed our assets in a modular fashion to minimise capital risk. In doing so, we have targeted synergistic enhancement and increased mechanisation to grow production whilst lowering operational risk and enhancing our relative position on the industry cost curve, thereby strengthening our sustainability.

Below are statistics with regards to the investments made in our growth strategy:

R13.1 billion **Invested in Northam's production growth since F2015**	R1.8 billion **Invested in the execution of the Group's growth strategy during F2021**	R4.0 billion **Budgeted capital expenditure for F2022**

We are already seeing the benefits of growth which enabled us to move into the fourth and final strategic phase, which is the return of value to our Shareholders. Our considerations with regards to investing in our business include the following factors:

- Growing the production profile of the Group by focussing on long-life, low-cost ounces
- Meeting our medium-term annual production target of 1 million ounces of 4E
- Sustaining the business through commodity cycles by continuously investing capital
- Creating optionality in the business and thereby reducing operational risk

We are investing into our business not just for short-term gains but for the long-term sustainable future of the business for the life of mine.

The sustainability of our business is dependent on the appropriate management and allocation of capital. With the Group's growing cash generative ability, it is important to establish an optimal balance between continuing to grow the business, ensuring long-term sustainability and returning value to Shareholders

Results commentary continued

Retaining sufficient cash reserves for working capital requirements and an optimal balance of debt in the business

Our revenue is in part dependent upon external cyclical and variable markets, both of price and demand. However, the bulk of our costs are fixed and our ability to significantly suspend these costs is limited.

As such, our liquidity management strategy must consider working capital requirements and be informed by regular and detailed forecasts.

Given the significant differential between the internal rate of return of our various projects and the cost of our debt, which includes the RCF, GBF and the DMTN Programme, we are comfortable to use debt to finance our capital projects.

As previously stated we are comfortable with a net debt to EBITDA ratio of 1 to 1 in pursuit of our growth strategy.

In addition, given that the majority of Notes issued under our DMTN Programme are to our Ordinary Shareholders, who have expressed a long-term view on these Notes, we view this debt layer to be long-term quasi-equity.

Returning meaningful value to our Shareholders

The acquisition of the Zambezi Preference Shares, which were linked to Northam Shares, was essentially a buy-back of Northam Shares by proxy. This process enabled the acceleration of the maturity of the Zambezi BEE Transaction.

This has led to a meaningful return of value to Shareholders, in a planned and responsible manner, through a reduction of 28.9% of the Group's issued share capital compared to the total issued share capital prior to implementation of the Transaction.

During F2021, we returned R8.5 billion of value to shareholders and during this financial year we will return R8.7 billion through our Composite Transaction.

A key element of our strategy is the return of value to Shareholders, created through the execution of our growth strategy

Results commentary continued

Dividends and other means of returning value to Shareholders

There are a number of ways that value can be returned to Shareholders. This includes cash dividends, but also includes share buy-backs and, previously, the purchase of Zambezi Preference Shares.

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

Our Zambezi Preference Share acquisition strategy enabled the acceleration of the maturity and wind-up of the Zambezi BEE Transaction. The objective of accelerating the maturity and wind-up of the Zambezi BEE Transaction was to permanently secure, unlock and transfer unencumbered value created within Zambezi and in so doing, remove maturation risk for both Northam and Zambezi Shareholders.

This has led to a meaningful return of value to Shareholders, in a planned and responsible manner, through a reduction of 28.9% of the Group's issued share capital.

Production growth across the Group and favourable rand denominated PGM prices are expected to positively impact free cash flow generation in the short to medium-term, which we are committed to return to Shareholders in the future.

Our strategy is unchanged. We remain single-minded in our commitment to creating sustainable value for all of our stakeholders and will continue to be bold, proactive and transparent in pursuing this.

The board has therefore resolved not to declare a final dividend for the year ended 30 June 2021 (F2020: R Nil per share).

Key accounting estimates, assumptions and judgements

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

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

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

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

Results commentary continued

Changes to the board of directors

During the year under review, Mr R Havenstein retired after the annual general meeting (AGM) held on Friday, 27 November 2020, having served as a director for 17 years.

Mr GT Lewis replaced Mr R Havenstein. Mr Lewis, who holds a BSc Mining Engineering and an MBA, held the position of chief executive officer (CEO) of Northam from March 2005 until March 2014, when he retired from the company. He was previously general manager of the Zondereinde mine and the Tarkwa gold mine in Ghana, which he was instrumental in establishing.

Mr CK Chabedi retired from office as a director at the conclusion of the 2020 AGM.

Mr DH Brown, an independent non-executive director replaced Mr R Havenstein as the lead independent non-executive director. He took up this position with effect from 1 November 2020 in order to ensure a smooth transition.

Northam published an announcement on SENS on Friday, 27 November 2020, wherein Shareholders were advised that, as part of the planned winding up of the Zambezi BEE Transaction, Mr KB Mosehla would retire as chairman of the board of directors of Northam and as a director of Northam. Mr Mosehla's planned retirement was communicated to be with effect from the earlier of (i) the date upon which all approvals have been obtained in respect of the proposed acceleration of the maturity of the Zambezi BEE Transaction; or (ii) 30 June 2021 (retirement date).

Following the orderly handover of Mr Mosehla's duties and the pre-announced retirement date, Mr Mosehla resigned as chairman of the board with effect from 21 June 2021, but remained a director until 30 June 2021, whereupon his retirement as a director became effective.

Mr DH Brown, previously the lead independent director, was appointed as chairman of the board with effect from 22 June 2021. Mr Brown has served as a member of the board since 7 November 2017.

In anticipation of the implementation of the Northam Scheme, with effect from 15 September 2021, in addition to Mr DH Brown, Mr PA Dunne and Ms AH Coetzee, who were already members of the Northam Holdings board, the remaining members of the Northam board became directors of the Northam Holdings board.

With effect from the implementation of the Northam Scheme, being 20 September 2021, all of the members of the Northam board, as constituted at such time, other than Mr DH Brown, Ms H Hickey, Mr PA Dunne and Ms AH Coetzee, resigned as members of the Northam board.

Changes to the Northam board and the committees of Northam and Northam Holdings

With effect from the implementation date of the Northam Scheme, being 20 September 2021, Northam Holdings appointed the same board committees and members that Northam had in place with substantially similar charters. The Northam board committees were subsequently dissolved on the basis that the relevant Northam Holdings board committees would perform the functions required by such committees in terms of the JSE Debt Listings Requirements and the Companies Act, No. 71 of 2008, on behalf of Northam.

With effect from Monday, 27 September 2021, the following changes to the Northam Holdings board and board committees were made:

Mr TI Mvusi was appointed as the lead independent director.

In accordance with, the recommendations of the King IV Report on Corporate Governance for South Africa, 2016, Mr Brown, being the chairman of the Northam Holdings board, stepped down as a member of the audit and risk committee. Following such change, the audit and risk committee comprise the following members: Ms HH Hickey (chairperson), Dr NY Jekwa and Mr JJ Nel.

Mr Nel was appointed, and Mr Dunne stepped down, as a member of the social, ethics, human resources and transformation committee (SEHR&T committee). Following such changes, the SEHR&T committee comprise the following members: Ms TE Kgosi (chairperson), Dr Jekwa and Mr Nel.

Ms Hickey and Mr Brown were appointed as members of a newly established remuneration committee, with Ms Hickey being appointed as its chairperson. The role of the remuneration committee was previously fulfilled by Northam's SEHR&T committee.

Mr Brown, Mr Mvusi and Mr JG Smithies were appointed as members of the nomination committee, with Mr Brown being appointed as its chairperson, and Ms Kgosi stepping down as a member of the nomination committee.

Mr GT Lewis was appointed as a member of the health, safety and environmental committee. The health, safety and environmental committee now comprise: Mr Smithies (chairperson), Dr Jekwa, Mr Lewis and Mr Dunne.

Mr Smithies and Mr Mvusi were appointed as members of the investment committee. The investment committee now comprise the following members: Mr Brown (chairperson), Mr Nel, Mr Smithies and Mr Mvusi.

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

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

Board refreshment and succession planning will be done gradually and in an orderly manner to maintain and preserve institutional knowledge, continuity and diversity.

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

A review of the composition of the various board committees was undertaken and the committees were restructured. A full review of the various charters and mandates will be conducted.

Subsequent to year-end, an independent remuneration committee was constituted to comply with best practice.

Annual independence evaluations are conducted for all directors.

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

For full details with regards to Northam's corporate governance refer to the website for the full report, prepared for the year ended 30 June 2021.

Assessment of going concern

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

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

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

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

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

The capital structure of the Group consists of debt, which includes borrowings disclosed in these summarised financial results, issued capital, reserves and retained earnings.

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

Based on the latest available information, the board believes that the Group will continue to have adequate financial resources and access to capital to settle its liabilities as and when they fall due, in order to continue operating for the foreseeable future.

Accordingly, the annual financial statements have been prepared on a going concern basis.

Outlook and key factors impacting future financial results

The following key factors could impact future financial results:

- **Continuing to improve the safety performance and health and wellness of our workforce** – The Group strives to improve the safety performance and health and wellness of all employees, by continuously seeking to reduce injuries, applying appropriate technologies, communication and training and reinforcing operational standards and responsibilities.
- **Unreliable energy supply** – Northam obtains the bulk of its energy from Eskom Holdings SOC Limited, the national power utility. The unreliability of supply 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. Management has commenced a renewable energy programme to offset and supplement our power requirements.
- **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 sector 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 (ZAR). Exchange rate and commodity price volatility results in significant financial exposure for the Group. Northam is a price taker, with no ability to influence the price of our commodities or the exchange rate offered, therefore impacting cash flows and profitability.
- **Management of production and performance targets to ensure the successful execution of our business strategy** – Management sets realistic but stretched performance targets for the business. The success of the strategy will affect Shareholders and other stakeholders alike.
- **Effective project execution** – The Group has a large capital expansion programme in place to secure its future through the creation of long-life, low-cost operations. Successful project execution is key to creating a sustainable business for the long-term benefit of all our stakeholders.

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

On behalf of the board,

DH Brown
Independent non-executive chairman

PA Dunne
Chief executive officer

Johannesburg
23 September 2021

Summarised financial results

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

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

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

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

Consolidated statements of profit or loss and other comprehensive income

		Northam consolidated results	Northam consolidated results	Northam Holdings company results
		30 June 2021	30 June 2020	30 June 2021
		R000	R000	R000
Sales revenue	3	32 626 918	17 811 971	–
Cost of sales		(16 519 625)	(12 510 983)	–
Operating costs	4	(14 484 980)	(9 931 934)	–
Concentrates purchased		(2 883 816)	(2 460 302)	–
Refining and other costs		(216 629)	(178 718)	–
Depreciation and write-offs	11 & 12	(844 446)	(626 152)	–
Change in metal inventory	16	1 910 246	686 123	–
Gross profit		16 107 293	5 300 988	–
Share of earnings from associate	13	6 180	16 358	–
Investment income	5	90 485	119 220	–
Finance charges excluding Zambezi Preference Share dividends	6	(705 444)	(602 595)	–
Net foreign exchange transaction (losses)/gains		(104 804)	84 765	–
Sundry income	7	134 107	238 903	–
Sundry expenditure	8	(331 905)	(243 787)	–
Profit before Zambezi Preference Share dividends		15 195 912	4 913 852	–
Amortisation of liquidity fees paid on Zambezi Preference Shares	20	(16 390)	(16 390)	–
Zambezi Preference Share dividends	20	(378 678)	(1 133 172)	–
Loss on derecognition of Zambezi Preference Share liability	20	(1 068 558)	(130 628)	–
Profit before tax		13 732 286	3 633 662	–
Tax	9	(4 349 328)	(1 464 478)	–
Profit for the year		9 382 958	2 169 184	–
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		(17 954)	24 331	–
Total comprehensive income for the year		9 365 004	2 193 515	–

		Northam consolidated results	Northam consolidated results	Northam Holdings company results
Earnings per share (cents)	10	2 681.8	620.0	–
Fully diluted earnings per share (cents)	10	2 523.5	584.7	–

Summarised financial results continued

Consolidated statements of financial position

	Notes	Northam consolidated results 30 June 2021	Northam consolidated results 30 June 2020	Northam Holdings company results 30 June 2021
		R000	R000	R000
Assets				
Non-current assets		27 387 827	24 299 715	–
Property, plant and equipment	11	19 116 143	16 522 533	–
Mining properties and Mineral Resources	12	6 579 506	6 663 425	–
Interest in associate	13	68 231	62 657	–
Land and township development		69 032	75 967	–
Long-term receivables	14	83 161	82 232	–
Investments held by Northam Platinum Restoration Trust Fund	19	136 030	128 732	–
Environmental guarantee investment		60 707	62 953	–
Buttonshope Conservancy Trust		16 067	15 850	–
Long-term prepayments	15	–	–	–
Other financial assets	24	23 182	23 084	–
Non-current inventories	16	1 195 863	662 282	–
Deferred tax asset		39 905	–	–
Current assets		10 563 033	6 367 790	–
Inventories	16	5 144 590	3 744 313	–
Trade and other receivables	17	1 414 930	456 494	–
Cash and cash equivalents	18	3 877 208	2 160 956	–
Tax receivable		126 305	6 027	–
Total assets		37 950 860	30 667 505	–

Summarised financial results continued

		Northam consolidated results 30 June 2021	Northam consolidated results 30 June 2020	Northam Holdings company results 30 June 2021
		R000	R000	R000
Equity and liabilities				
Total equity		19 015 319	9 650 315	–
Stated capital		13 778 114	13 778 114	–
Treasury Shares		(6 556 123)	(6 556 123)	–
Retained earnings		10 901 513	1 518 555	–
Foreign currency translation reserve		17 367	35 321	–
Equity-settled share-based payment reserve		874 448	874 448	–
Non-current liabilities		10 371 631	16 639 103	–
Deferred tax liability		3 181 562	2 177 317	–
Long-term provisions	19	812 747	729 327	–
Zambezi Preference Share liability	20	1 669 867	8 291 117	–
Long-term loans	21	114 195	130 533	–
Lease liability		68 019	64 361	–
Long-term share-based payment liability	22	644 717	354 363	–
Domestic Medium-Term Notes	23	3 880 524	4 892 085	–
Revolving credit facility	24	–	–	–
Current liabilities		8 563 910	4 378 087	–
Current portion of long-term loans	21	33 804	28 472	–
Current portion of lease liability		13 228	16 261	–
Current portion of Domestic Medium-Term Notes	23	3 713 711	616 327	–
Short-term share-based payment liability	22	498 010	183 029	–
Tax payable		72 664	229 628	–
Trade and other payables	25	3 805 501	2 939 251	–
Provisional pricing derivatives	26	–	–	–
Short-term provisions		426 992	365 119	–
Total equity and liabilities		37 950 860	30 667 505	–

Consolidated statement of changes in equity

	Stated capital net of Treasury Shares	(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 2019	7 221 991	(650 629)	874 448	10 990	7 456 800
Total comprehensive income for the year	–	2 169 184	–	24 331	2 193 515
Profit for the year	–	2 169 184	–	–	2 169 184
Other comprehensive income for the year	–	–	–	24 331	24 331
Balance as at 30 June 2020	7 221 991	1 518 555	874 448	35 321	9 650 315
Total comprehensive income for the year	–	9 382 958	–	(17 954)	9 365 004
Profit for the year	–	9 382 958	–	–	9 382 958
Other comprehensive income for the year	–	–	–	(17 954)	(17 954)
Balance as at 30 June 2021	7 221 991	10 901 513	874 448	17 367	19 015 319

**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)*

Impact of the Composite Transaction: Equity-settled share-based payment reserve and issued share capital

Subsequent to year-end, as part of the Composite Transaction, Northam acquired Northam Shares held by Zambezi Platinum (RF) Limited in settlement of, *inter alia*, a portion of the Zambezi Preference Share liability, together with shares acquired to facilitate settlement of Zambezi Platinum (RF) Limited's tax obligations arising from the Composite Transaction. Northam also acquired Northam Shares held by the ESOP pursuant to the ESOP Repurchase. As issued on SENS on Monday, 20 September 2021, Northam further acquired 14 571 063 shares from the Strategic Partners, reducing the number of shares in issue by 28.9%.

In addition, with the early maturity and wind-up of the Zambezi BEE Transaction the R874.4 million equity-settled share-based payment reserve recognised in 2015 pursuant to the Zambezi BEE Transaction, will be transferred to retained earnings.

Summarised financial results continued

Consolidated statements of cash flows

		Northam consolidated results	Northam consolidated results	Northam Holdings company results
		30 June 2021	**30 June 2020**	**30 June 2021**
		R000	R000	R000
Cash flows from operating activities		12 095 891	6 387 775	–
Profit before tax		13 732 286	3 633 662	–
Adjusted for the following non-cash items as well as disclosable items				
Depreciation and write-offs	11 & 12	844 486	626 194	–
Changes in provisions		54 528	106 315	–
Changes in long-term receivables		(929)	3 304	–
Investment income	5	(90 485)	(119 220)	–
Finance charges excluding Zambezi Preference Share dividends	6	705 444	602 595	–
Zambezi Preference Share dividends	20	378 678	1 133 172	–
Loss on derecognition of Zambezi Preference Share liability	20	1 068 558	130 628	–
Amortisation of liquidity fees paid on Zambezi Preference Shares	20	16 390	16 390	–
Movement in share-based payment liability		605 335	289 832	–
Share of earnings from associate	13	(6 180)	(16 358)	–
Dividends received from associate	13	606	–	–
Profit on sale of property, plant and equipment	7	(149)	(4 276)	–
Impairment of property, plant and equipment	11	29 657	2 061	–
Net foreign exchange difference		100 131	(106 133)	–
Amortisation of security of supply contribution	21	(23 772)	(22 777)	–
Other		(88)	(13 782)	–
Change in working capital		(1 748 930)	519 596	–
Movement relating to land and township development		6 935	(4 553)	–
Interest income received		82 182	103 847	–
Dividend income received	5	3 438	8 820	–
Tax paid		(3 662 230)	(501 542)	–

Summarised financial results continued

	Notes	Northam consolidated results 30 June 2021	Northam consolidated results 30 June 2020	Northam Holdings company results 30 June 2021
		R000	R000	R000
Cash flows utilised in investing activities		(3 221 828)	(2 400 824)	–
Property, plant, equipment, mining properties and Mineral Reserves				
Additions to maintain operations		(1 525 925)	(382 216)	–
Additions to expand operations		(1 693 123)	(2 007 177)	–
Disposal proceeds		2 489	4 681	–
Investment held in escrow		–	16 841	–
Amounts paid in terms of long-term prepayments	15	–	(759)	–
Refunds received relating to the Environmental guarantee investment policy		2 246	–	–
Payments made relating to the investments held by the Environmental guarantee investment		–	(20 910)	–
Increase in investments held by the Northam Platinum Restoration Trust Fund	19	(7 298)	(8 652)	–
Increase in investment held by the Buttonshope Conservancy Trust		(217)	(2 632)	–
Cash flows from financing activities		(7 064 993)	(2 878 025)	–
Interest paid		(577 233)	(588 364)	–
Drawdown on revolving credit facility	24	3 750 000	4 800 000	–
Repayment of revolving credit facility	24	(3 750 000)	(6 950 000)	–
Issue of Domestic Medium-Term Notes	23	4 646 367	6 266 200	–
Repayment of Domestic Medium-Term Notes	23	(132 693)	(215 000)	–
Domestic Medium-Term Notes settled as part of note switches	23	(2 400 400)	(2 235 451)	–
Transaction fees paid on revolving credit facility and Domestic Medium-Term Notes	23 & 24	(108 215)	(182 467)	–
Repayment of principal portion of lease liabilities		(16 421)	(16 736)	–
Strategic Partner Advances		(391 522)	–	–
Acquisition of Zambezi Preference Shares	20	(7 936 299)	(3 691 507)	–
Transaction fees paid on the acquisition of Zambezi Preference Shares	20	(148 577)	(64 700)	–
Increase in cash and cash equivalents		1 809 070	1 108 926	–
Net foreign exchange difference on cash and cash equivalents		(92 818)	101 715	–
Cash and cash equivalents at the beginning of the year		2 160 956	950 315	–
Cash and cash equivalents at the end of the year	18	3 877 208	2 160 956	–

Notes to the summarised financial results

1. Accounting policies and the basis of preparation

The financial statements have been prepared on the historical cost basis, except for the financial instruments to the extent required or permitted under International Financial Reporting Standards (IFRS) and as set out in the relevant accounting policies detailed in Northam's annual financial statements for the year ended 30 June 2021. These financial statements incorporate the accounting policies which are in terms of IFRS and have been applied on a basis consistent with the previous financial year, with the exception of the policies adopted during the year as more fully set out below.

The summarised financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, its interpretations issued by the IFRS Interpretations Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, presentation and disclosures as required by IAS 34: *Interim Financial Reporting*, the JSE Listings Requirements and the requirements of the Companies Act, No. 71 of 2008 (Companies Act) including the adoption of the following standards, amendments or interpretations with effect from 1 July 2020:

- Definition of a Business – Amendments to IFRS 3
- Definition of Material – Amendments to IAS 1 and IAS 8
- The Conceptual Framework for Financial Reporting

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

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

Definition of a Business – Amendments to IFRS 3

The International Accounting Standards Board (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 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.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group was not 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. The amendment is effective for annual periods beginning on or after 1 January 2020.

Although the amendments to the definition of material did not have a significant impact on the Group's financial statements, the introduction of the term obscuring information in the definition could potentially impact how materiality judgements are made in practice, by elevating the importance of how information is communicated and organised in the financial statements.

Conceptual Framework for Financial Reporting

The IASB has revised its Conceptual Framework. The primary purpose of the Conceptual 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 revised Conceptual Framework is effective for periods beginning on or after 1 January 2020.

This revision did not have a material impact on 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:

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

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

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

The amendment must be applied retrospectively, effective for annual periods beginning on or after 1 January 2023.

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

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

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

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

There is no transition relief for first-time adopters.

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

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

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

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

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

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

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

In May 2021, the IASB issued amendments to IAS 12 Income Taxes which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a decommissioning asset and decommissioning liability (or lease asset or lease liability) give rise to taxable and deductible temporary differences that are not equal.

An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented and is effective for annual periods beginning on or after 1 January 2023.

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

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 which are not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Notes to the summarised financial results continued

2. Segmental analysis

The Group has four operating segments, Zondereinde mine, Booysendal mine, Eland mine and the US recycling operations. The Group's executive committee considers the performance of Zondereinde mine, Booysendal mine, Eland mine and the US recycling operations when allocating resources and assessing the segmental performance.

Eland mine and the US recycling operations have also been separately disclosed even though these operating segments currently do not fulfil the quantitative thresholds of a reportable segment. Eland mine and the US recycling operations are subject to regular review by the executive committee and management believes that the information about these segments would be useful.

Zondereinde mine purchases all of PGM concentrates produced by Booysendal and Eland, for a percentage of the fair value. Chrome concentrates produced are sold directly to a third party customer.

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

Zambezi has been included in the segmental statements in order to reconcile all amounts to the Group's reported statement of financial position and statement of profit or loss and other comprehensive income. Zambezi is not a separate operating segment as it does not engage in business activities from which it earns revenue and/or incurs expenses. Zambezi's operating results are not subject to regular review by the chief operating decision makers in assessing the performance of the entity.

Other relates to consolidated adjustments made for the various subsidiaries, 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 recycling operations amounting to R132.1 million (F2020: R152.8 million).

Notes to the summarised financial results continued

Segmental statement of profit or loss and other comprehensive income

30 June 2021	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	32 152 515	16 884 383	1 266 448	141 814	(17 818 242)	–	–	32 626 918
Cost of sales	(23 450 956)	(7 048 636)	(1 027 647)	(155 357)	15 198 193	–	(35 222)	(16 519 625)
Operating costs	(7 805 673)	(5 547 474)	(1 110 934)	(20 899)	–	–	–	(14 484 980)
Mining operations	(4 769 208)	(3 487 488)	(746 982)	–	–	–	–	(9 003 678)
Concentrator operations	(462 891)	(759 298)	(300 886)	(20 899)	–	–	–	(1 543 974)
Smelting and base metal removal plant costs	(817 281)	–	–	–	–	–	–	(817 281)
Chrome processing	(10 663)	(28 965)	(19 575)	–	–	–	–	(59 203)
Selling and administration	(144 977)	(144 977)	–	–	–	–	–	(289 954)
Royalty charges	(698 227)	(770 833)	(4 198)	–	–	–	–	(1 473 258)
Carbon tax	(1 391)	–	–	–	–	–	–	(1 391)
Share-based payment expenses	(592 638)	(347 188)	(30 072)	–	–	–	–	(969 898)
Toro Employee Empowerment Trust	(317 268)	–	–	–	–	–	–	(317 268)
Employee profit share scheme	–	(13 796)	(2 625)	–	–	–	–	(16 421)
Rehabilitation	8 871	5 071	(6 596)	–	–	–	–	7 346
Concentrates purchased	(18 923 546)	(1 193 386)	(459 789)	(125 337)	17 818 242	–	–	(2 883 816)
Refining including sampling and handling charges	(216 629)	–	–	–	–	–	–	(216 629)
Depreciation and write-offs	(194 137)	(566 072)	(40 450)	(10 298)	1 733	–	(35 222)	(844 446)
Change in metal inventory	3 689 029	258 296	583 526	1 177	(2 621 782)	–	–	1 910 246
Operating profit/(loss)	8 701 559	9 835 747	238 801	(13 543)	(2 620 049)	–	(35 222)	16 107 293
Share of earnings from associate	–	–	–	–	–	–	6 180	6 180
Investment income	1 092 763	5 052	606	–	(1 017 097)	16	9 145	90 485
Finance charges excluding Zambezi Preference Share dividends	(689 377)	(25 042)	(63 239)	(2 931)	77 127	–	(1 982)	(705 444)
Net foreign exchange transaction gains/(losses)	(94 046)	(1 532)	–	(9 226)	–	–	–	(104 804)
Sundry income	1 091 221	7 048	1 016	1 278	(17 113 105)	16 107 276	39 373	134 107
Sundry expenditure	(270 352)	(24 479)	(14 625)	–	68 445	(5)	(90 889)	(331 905)
Profit/(loss) before Zambezi Preference Share dividends	9 831 768	9 796 794	162 559	(24 422)	(20 604 679)	16 107 287	(73 395)	15 195 912
Amortisation of liquidity fees paid on Zambezi Preference Shares	–	–	–	–	(16 390)	–	–	(16 390)
Zambezi Preference Share dividends	–	–	–	–	940 050	(1 318 728)	–	(378 678)
Loss on derecognition of Zambezi Preference Share liability	–	–	–	–	(1 068 558)	–	–	(1 068 558)
Profit/(loss) before tax	9 831 768	9 796 794	162 559	(24 422)	(20 749 577)	14 788 559	(73 395)	13 732 286
Tax	(2 364 703)	(2 754 356)	39 916	–	4 329 973	(3 608 033)	7 875	(4 349 328)
Profit/(loss) for the year	7 467 065	7 042 438	202 475	(24 422)	(16 419 604)	11 180 526	(65 520)	9 382 958

Notes to the summarised financial results continued

Segmental statement of profit or loss and other comprehensive income

30 June 2020	Zondereinde operating segment R000	Booysendal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercompany eliminations R000	Zambezi Platinum (RF) Limited R000	Other R000	Total R000
Sales revenue	17 395 605	6 490 649	1 010 877	98 382	(7 183 542)	–	–	17 811 971
Cost of sales	(14 341 311)	(3 798 068)	(849 620)	(112 827)	6 590 843	–	–	(12 510 983)
Operating costs	(5 828 951)	(3 301 103)	(784 356)	(17 524)	–	–	–	(9 931 934)
Mining operations	(4 008 126)	(2 350 782)	(498 136)	–	–	–	–	(6 857 044)
Concentrator operations	(398 591)	(604 720)	(263 527)	(17 524)	–	–	–	(1 284 362)
Smelting and base metal removal plant costs	(684 816)	–	–	–	–	–	–	(684 816)
Chrome processing	(6 238)	(22 365)	(19 265)	–	–	–	–	(47 868)
Selling and administration	(132 806)	(132 806)	–	–	–	–	–	(265 612)
Royalty charges	(197 372)	(30 845)	(157)	–	–	–	–	(228 374)
Carbon tax	(479)	–	–	–	–	–	–	(479)
Share-based payment expenses and profit share scheme	(401 689)	(148 599)	(6 365)	–	–	–	–	(556 653)
Rehabilitation	1 166	(10 986)	3 094	–	–	–	–	(6 726)
Concentrates purchased	(9 304 685)	(238 578)	(39 476)	(61 105)	7 183 542	–	–	(2 460 302)
Refining including sampling and handling charges	(178 718)	–	–	–	–	–	–	(178 718)
Depreciation and write-offs	(187 490)	(399 449)	(30 448)	(10 497)	1 732	–	–	(626 152)
Change in metal inventory	1 158 533	141 062	4 660	(23 701)	(594 431)	–	–	686 123
Operating profit/(loss)	3 054 294	2 692 581	161 257	(14 445)	(592 699)	–	–	5 300 988
Share of earnings from associate	–	–	–	–	–	–	16 358	16 358
Investment income	495 342	5 934	66	–	(394 871)	29	12 720	119 220
Finance charges excluding Zambezi Preference Share dividends	(685 272)	(24 817)	(97 500)	(3 486)	66 335	–	142 145	(602 595)
Net foreign exchange transaction gains/(losses)	79 178	(444)	–	6 031	–	–	–	84 765
Sundry income	321 518	5 228	1 549	40	(9 321 173)	9 146 592	85 149	238 903
Sundry expenditure	(173 783)	(66 199)	(11 645)	–	86 500	(1)	(78 659)	(243 787)
Profit/(loss) before Zambezi Preference Share dividends	3 091 277	2 612 283	53 727	(11 860)	(10 155 908)	9 146 620	177 713	4 913 852
Amortisation of liquidity fees paid on Zambezi Preference Shares	–	–	–	–	(16 390)	–	–	(16 390)
Zambezi Preference Share dividends	–	–	–	–	299 678	(1 432 850)	–	(1 133 172)
Loss on derecognition of Zambezi Preference Share liability	–	–	–	–	(130 628)	–	–	(130 628)
Profit/(loss) before tax	3 091 277	2 612 283	53 727	(11 860)	(10 003 248)	7 713 770	177 713	3 633 662
Tax	(856 465)	(683 514)	207	–	2 168 774	(2 048 844)	(44 636)	(1 464 478)
Profit/(loss) for the year	2 234 812	1 928 769	53 934	(11 860)	(7 834 474)	5 664 926	133 077	2 169 184

Notes to the summarised financial results continued

Segmental statement of financial position

30 June 2021	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	32 657 286	17 059 040	2 104 417	112 011	(60 139 985)	34 688 290	906 768	27 387 827
Property, plant and equipment	5 892 106	10 562 674	1 934 693	112 011	(42 535)	–	657 194	19 116 143
Mining properties and Mineral Resources	1 042 404	6 352 452	3 000	–	(954 580)	–	136 230	6 579 506
Interest in associate	25 745	–	–	–	(606)	–	43 092	68 231
Investment in subsidiaries	12 353 207	–	–	–	(12 353 207)	–	–	–
Investment in Northam Platinum Limited	–	–	–	–	(34 688 290)	34 688 290	–	–
Other investment	10 545 057	–	–	–	(10 545 057)	–	–	–
Land and township development	10 411	51 702	–	–	–	–	6 919	69 032
Long-term receivables	23 755	9 388	2 752	–	–	–	47 266	83 161
Investments held by Northam Platinum Restoration Trust Fund	68 015	68 015	–	–	–	–	–	136 030
Environmental guarantee investment	32 288	14 809	13 610	–	–	–	–	60 707
Buttonshope Conservancy Trust	–	–	–	–	–	–	16 067	16 067
Long-term prepayments	–	–	–	–	–	–	–	–
Long-term subsidiary loan	1 478 450	–	–	–	(1 478 450)	–	–	–
Other financial assets	23 182	–	–	–	–	–	–	23 182
Non-current inventory	1 162 666	–	110 457	–	(77 260)	–	–	1 195 863
Deferred tax asset	–	–	39 905	–	–	–	–	39 905
Current assets	12 255 800	10 498 390	549 210	20 114	(12 864 706)	510	103 715	10 563 033
Short-term subsidiary loan	59 780	9 630 124	–	10 504	(9 707 008)	–	6 600	–
Inventories	7 203 299	599 624	498 091	1 274	(3 157 698)	–	–	5 144 590
Trade and other receivables	1 210 001	142 681	51 059	887	–	1	10 301	1 414 930
Cash and cash equivalents	3 782 720	344	60	7 449	–	509	86 126	3 877 208
Tax receivable	–	125 617	–	–	–	–	688	126 305
Total assets	44 913 086	27 557 430	2 653 627	132 125	(73 004 691)	34 688 800	1 010 483	37 950 860

Notes to the summarised financial results continued

Segmental statement of financial position

30 June 2021	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	21 701 839	21 029 544	224 804	75 227	(39 207 263)	14 476 249	714 919	19 015 319
Stated capital	13 778 114	8 675 932	325 000	142 118	(9 153 050)	–	10 000	13 778 114
Treasury Shares	–	–	–	–	(6 556 123)	–	–	(6 556 123)
Retained earnings/(accumulated loss)	4 653 797	9 851 857	(100 196)	(84 258)	(18 600 855)	14 476 249	704 919	10 901 513
Foreign currency translation reserve	–	–	–	17 367	–	–	–	17 367
Other comprehensive income	2 096 172	–	–	–	(2 096 172)	–	–	–
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	7 290 082	4 883 993	428 046	–	(22 611 971)	20 212 551	168 930	10 371 631
Deferred tax liability	1 863 206	4 271 824	–	–	(9 424 003)	6 301 605	168 930	3 181 562
Long-term provisions	168 557	244 044	407 645	–	(7 499)	–	–	812 747
Zambezi Preference Share liability	–	–	–	–	(12 241 079)	13 910 946	–	1 669 867
Long-term loan	88 062	26 133	–	–	–	–	–	114 195
Lease liability	22 241	45 778	–	–	–	–	–	68 019
Long-term share-based payment liability	328 102	296 214	20 401	–	–	–	–	644 717
Northam Guarantee liability	939 390	–	–	–	(939 390)	–	–	–
Domestic Medium-Term Notes	3 880 524	–	–	–	–	–	–	3 880 524
Revolving credit facility	–	–	–	–	–	–	–	–
Current liabilities	15 921 165	1 643 893	2 000 777	56 898	(11 185 457)	–	126 634	8 563 910
Current portion of long-term loans	24 970	8 834	–	–	–	–	–	33 804
Current portion of lease liability	2 012	11 216	–	–	–	–	–	13 228
Current portion of Domestic Medium-Term Notes	3 713 711	–	–	–	–	–	–	3 713 711
Short-term share-based payment liability	277 788	210 423	9 799	–	–	–	–	498 010
Tax payable	61 594	–	11 070	–	–	–	–	72 664
Subsidiary loans	9 647 176	–	1 478 450	10 497	(11 185 457)	–	49 334	–
Trade and other payables	1 902 789	1 292 756	486 255	46 401	–	–	77 300	3 805 501
Provisional pricing derivatives	–	–	–	–	–	–	–	–
Short-term provisions	291 125	120 664	15 203	–	–	–	–	426 992
Total equity and liabilities	44 913 086	27 557 430	2 653 627	132 125	(73 004 691)	34 688 800	1 010 483	37 950 860

Notes to the summarised financial results continued

Segmental statement of financial position

30 June 2020	Zondereinde operating segment R000	Booysendal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercompany eliminations R000	Zambezi Platinum (RF Limited R000	Other R000	Total R000
Assets								
Non-current assets	21 617 505	16 192 929	1 438 142	147 723	(34 680 149)	18 581 014	1 002 551	24 299 715
Property, plant and equipment	4 652 884	9 651 268	1 420 280	147 723	(73 128)	–	723 506	16 522 533
Mining properties and Mineral Resources	1 080 139	6 398 637	3 000	–	(954 581)	–	136 230	6 663 425
Investment held in escrow	–	–	–	–	–	–	–	–
Interest in associate	–	–	–	–	–	–	62 657	62 657
Investment in subsidiaries	12 353 207	–	–	–	(12 353 207)	–	–	–
Investment in Northam Platinum Limited	–	–	–	–	(18 581 014)	18 581 014	–	–
Other investment	1 921 141	–	–	–	(1 921 141)	–	–	–
Land and township development	10 826	57 263	–	–	–	–	7 878	75 967
Long-term receivables	19 222	5 779	801	–	–	–	56 430	82 232
Investments held by Northam Platinum Restoration Trust Fund	64 366	64 366	-	–	–	–	–	128 732
Environmental guarantee investment	33 276	15 616	14 061	–	–	–	–	62 953
Buttonshope Conservancy Trust	–	–	–	–	–	–	15 850	15 850
Long-term prepayments	–	–	–	–	–	–	–	–
Long-term subsidiary loan	797 078	–	–	–	(797 078)	–	–	–
Other financial assets	23 084	–	–	–	–	–	–	23 084
Non-current inventory	662 282	–	–	–	–	–	–	662 282
Deferred tax asset	–	–	–	–	–	–	–	–
Current assets	6 512 518	1 760 035	39 420	5 060	(2 049 811)	502	100 066	6 367 790
Short-term subsidiary loan	105 142	1 331 270	–	–	(1 436 634)	–	222	–
Inventories	4 014 805	320 556	19 607	2 522	(613 177)	–	–	3 744 313
Trade and other receivables	324 754	104 744	19 585	666	–	1	6 744	456 494
Cash and cash equivalents	2 067 817	391	228	1 872	–	501	90 147	2 160 956
Tax receivable	–	3 074	–	–	–	–	2 953	6 027
Total assets	28 130 023	17 952 964	1 477 562	152 783	(36 729 960)	18 581 516	1 102 617	30 667 505

Notes to the summarised financial results continued

Segmental statement of financial position

30 June 2020	Zondereinde operating segment R000	Booysendal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercompany eliminations R000	Zambezi Platinum (RF) Limited R000	Other R000	Total R000
Equity and liabilities								
Total equity	12 138 602	13 987 107	22 328	117 603	(20 685 850)	3 295 723	774 802	9 650 315
Stated capital	13 778 114	8 675 932	325 000	142 118	(9 147 408)	–	4 358	13 778 114
Treasury Shares	–	–	–	–	(6 556 123)	–	–	(6 556 123)
(Accumulated loss)/retained earnings	(2 813 268)	2 809 420	(302 672)	(59 836)	(2 181 256)	3 295 723	770 444	1 518 555
Foreign currency translation reserve	–	–	–	35 321	–	–	–	35 321
Other comprehensive income	–	–	–	–	–	–	–	–
Non distributable reserves	–	2 501 755	–	–	(2 501 755)	–	–	–
Equity-settled share-based payment reserve	1 173 756	–	–	–	(299 308)	–	–	874 448
Non-current liabilities	11 442 622	3 167 233	372 348	–	(13 810 398)	15 285 793	181 505	16 639 103
Deferred tax liability	1 089 952	2 704 110	–	–	(4 491 825)	2 693 575	181 505	2 177 317
Long-term provisions	149 292	220 656	366 717	–	(7 338)	–	–	729 327
Zambezi Preference Share liability	–	–	–	–	(4 301 101)	12 592 218	–	8 291 117
Long-term loan	95 566	34 967	–	–	–	–	–	130 533
Lease liability	12 492	51 869	–	–	–	–	–	64 361
Long-term share-based payment liability	193 101	155 631	5 631	–	–	–	–	354 363
Financial Guarantee liability	5 010 134	–	–	–	(5 010 134)	–	–	–
Domestic Medium-Term Notes	4 892 085	–	–	–	–	–	–	4 892 085
Revolving credit facility	–	–	–	–	–	–	–	–
Current liabilities	4 548 799	798 624	1 082 886	35 180	(2 233 712)	–	146 310	4 378 087
Current portion of long-term loans	18 526	9 946	–	–	–	–	–	28 472
Current portion of lease liability	3 062	13 199	–	–	–	–	–	16 261
Current portion of Domestic Medium-Term Notes	616 327	–	–	–	–	–	–	616 327
Short-term share-based payment liability	131 348	51 681	–	–	–	–	–	183 029
Tax payable	229 394	–	61	–	–	–	173	229 628
Subsidiary loans	1 338 132	–	797 430	32 449	(2 233 712)	–	65 701	–
Trade and other payables	1 949 818	631 628	274 638	2 731	–	–	80 436	2 939 251
Provisional pricing derivatives	–	–	–	–	–	–	–	–
Short-term provisions	262 192	92 170	10 757	–	–	–	–	365 119
Total equity and liabilities	28 130 023	17 952 964	1 477 562	152 783	(36 729 960)	18 581 516	1 102 617	30 667 505

Notes to the summarised financial results continued

3. Sales revenue

Sales revenue can be disaggregated into the following:

	30 June 2021	30 June 2020
	R000	R000
Revenue from contracts with customers	32 646 526	17 759 371
Revenue from fair value adjustments with regards to IFRS 9	(19 608)	52 600
Sales revenue	32 626 918	17 811 971

Sales revenue comprises revenue from the following metals:

	30 June 2021	30 June 2020
	R000	R000
Platinum	6 260 523	4 355 606
Palladium	7 413 220	5 185 373
Rhodium	16 004 640	5 792 822
Gold	234 094	214 412
Iridium	1 024 305	441 443
Ruthenium	452 095	237 893
Silver	7 411	4 063
Nickel	380 445	296 083
Copper	118 232	71 407
Cobalt	5 161	4 018
Chrome	726 792	599 767
UG2 ore	–	397 351
Toll treatment charges	–	211 733
	32 626 918	17 811 971

Notes to the summarised financial results continued

Sales revenue comprises the ounce volumes sold from the following metals:

	30 June 2021	30 June 2020
	oz	oz
Platinum	391 788	336 020
Palladium	199 357	182 608
Rhodium	54 644	55 126
Gold	8 268	8 932
4E	654 057	582 686
Iridium	18 109	20 110
Ruthenium	88 771	67 127
6E	760 937	669 923
Silver	18 727	15 090

Sales revenue comprises the volumes of tonnes sold from the following metals:

	30 June 2021	30 June 2020
	tonnes	tonnes
Nickel	1 520	1 337
Copper	998	833
Cobalt	9	8
Chrome	1 017 304	782 803

Notes to the summarised financial results continued

Sales revenue from external customers per metal and per operating segment

	Zondereinde operations 30 June 2021	Booysendal operations 30 June 2021	Eland operations 30 June 2021	US recycling operations 30 June 2021	Intercompany eliminations 30 June 2021	Total 30 June 2021
	R000	R000	R000	R000	R000	R000
Platinum	6 260 523	2 880 646	274 882	41 376	(3 196 904)	6 260 523
Palladium	7 413 220	3 449 859	204 244	75 700	(3 729 803)	7 413 220
Rhodium	16 004 640	9 134 862	691 236	24 738	(9 850 836)	16 004 640
Gold	234 094	65 031	2 343	–	(67 374)	234 094
Iridium	1 024 305	488 364	41 617	–	(529 981)	1 024 305
Ruthenium	452 095	272 926	16 757	–	(289 683)	452 095
Silver	7 411	–	–	–	–	7 411
Nickel	380 445	124 399	3 789	–	(128 188)	380 445
Copper	118 232	24 896	577	–	(25 473)	118 232
Cobalt	5 161	–	–	–	–	5 161
Chrome	252 389	443 400	31 003	–	–	726 792
UG2 ore	–	–	–	–	–	–
Toll treatment charges	–	–	–	–	–	–
	32 152 515	16 884 383	1 266 448	141 814	(17 818 242)	32 626 918

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

Zondereinde further purchased all of the US recycling operations concentrate.

Sales revenue from external customers per region and per operating segment

Sales revenue emanates from the following principal regions:

	Zondereinde operations 30 June 2021	Booysendal operations 30 June 2021	Eland operations 30 June 2021	US recycling operations 30 June 2021	Total 30 June 2021
	R000	R000	R000	R000	R000
Europe	19 350 809	–	–	–	19 350 809
Japan	6 442 953	–	–	–	6 442 953
Asia	252 389	443 400	31 003	–	726 792
North America	5 597 181	–	–	–	5 597 181
South Africa	509 183	–	–	–	509 183
	32 152 515	443 400	31 003	–	32 626 918

Notes to the summarised financial results continued

Sales revenue from external customers per metal and per operating segment

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

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

Zondereinde further purchased all of the US recycling operations concentrate.

Sales revenue from external customers per region and per operating segment

Sales revenue emanates from the following principal regions:

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

Notes to the summarised financial results continued

Sales revenue and sales volumes per customer

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

	30 June 2021	30 June 2020
	R000	R000
Customer 1	123 577	196 237
Customer 2	6 346 607	3 662 465
Customer 3	–	739 583
Customer 4	3 801 955	934 446
Customer 5	3 328 174	4 327 746
Customer 6	8 399 850	4 946 545
Customer 7	726 792	599 767
Customer 8	1 967 573	1 289 482
Customer 9	6 625 854	–
Other	1 306 536	1 115 700
Total sales revenue	32 626 918	17 811 971

The following customers each account for a significant portion of the total sales revenue of the Group, below is a summary of the 4E volumes of ounces purchased by these customers, either in the current or prior year:

	30 June 2021	30 June 2020
	oz	oz
Customer 1	4 007	13 098
Customer 2	108 904	120 503
Customer 3	–	30 476
Customer 4	86 035	38 603
Customer 5	91 875	129 985
Customer 6	169 817	167 414
Customer 7*	–	–
Customer 8	51 968	52 570
Customer 9	116 601	–
Other	24 850	30 037
4E oz sold	654 057	582 686

**This is a chrome customer and therefore no 4E volumes of ounces is sold to this customer.*

Notes to the summarised financial results continued

4. Operating costs

	30 June 2021	30 June 2020
	R000	R000
Employee cost	4 679 000	3 710 644
Stores	3 323 861	2 367 233
Utilities	–	1 121 301
Utilities: Electricity cost	1 380 197	–
Utilities: Water cost	48 281	–
Sundries	789 279	715 848
Royalty charges	1 473 258	228 374
Share-based payment expenses (refer note 22)	969 898	472 079
Toro Employee Empowerment Trust contribution	317 268	84 574
Employee profit share scheme	16 421	–
Ore material purchased from surface sources	406 455	489 002
Contractors	1 382 348	1 010 835
Carbon tax	1 391	479
Rehabilitation (refer note 19)	(7 346)	6 726
Development costs capitalised to property, plant and equipment	(295 331)	(275 161)
	14 484 980	9 931 934

Details of utilities are provided for improved disclosure:

	30 June 2021	30 June 2020
	R000	R000
Utilities: Electricity cost	1 380 197	1 075 557
Utilities: Water cost	48 281	45 744
	1 428 478	1 121 301

Notes to the summarised financial results continued

Operating costs per operating segment

	Zondereinde operations 30 June 2021	Booysendal operations 30 June 2021	Eland operations 30 June 2021	US recycling operations 30 June 2021	Total 30 June 2021
	R000	R000	R000	R000	R000
Employee costs	2 734 331	1 611 642	323 832	9 195	4 679 000
Stores	1 488 474	1 578 535	256 074	778	3 323 861
Utilities: Electricity cost	929 922	324 598	125 066	611	1 380 197
Utilities: Water cost	26 529	20 175	1 520	57	48 281
Sundries	348 628	378 075	54 704	7 872	789 279
Royalty charges	698 227	770 833	4 198	–	1 473 258
Share-based payment expenses	592 638	347 188	30 072	–	969 898
Toro Employee Empowerment Trust contribution	317 268	–	–	–	317 268
Employee profit share scheme	–	13 796	2 625	–	16 421
Ore material purchased from surface sources	4 394	–	402 061	–	406 455
Contractors	672 742	542 766	164 454	2 386	1 382 348
Carbon tax	1 391	–	–	–	1 391
Rehabilitation	(8 871)	(5 071)	6 596	–	(7 346)
Development costs capitalised to property, plant and equipment	–	(35 063)	(260 268)	–	(295 331)
	7 805 673	5 547 474	1 110 934	20 899	14 484 980

Notes to the summarised financial results continued

Percentage breakdown of operating costs per operating segment

	Zondereinde operations 30 June 2021	Booysendal operations 30 June 2021	Eland operations 30 June 2021	US recycling operations 30 June 2021	Total 30 June 2021
	%	%	%	%	%
Employee costs	35.0	28.9	23.6	44.0	31.7
Stores	19.1	28.3	18.7	3.7	22.5
Utilities: Electricity cost	11.9	5.8	9.1	2.9	9.3
Utilities: Water cost	0.3	0.4	0.1	0.3	0.3
Sundries	4.5	6.8	4.0	37.7	5.3
Royalty charges	8.9	13.8	0.3	–	10.0
Share-based payment expenses	7.6	6.2	2.2	–	6.6
Toro Employee Empowerment Trust contribution	4.1	–	–	–	2.1
Employee profit share scheme	–	0.2	0.2	–	0.1
Ore material purchased from surface sources	0.1	–	29.3	–	2.8
Contractors	8.6	9.7	12.0	11.4	9.3
Carbon tax	0.0	–	–	–	0.0
Rehabilitation	(0.1)	(0.1)	0.5	–	0.0
	100.0	100.0	100.0	100.0	100.0

Notes to the summarised financial results continued

Operating costs per operating segment

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

Details of utilities are provided for improved disclosure:

	Zondereinde operations 30 June 2020	Booysendal operations 30 June 2020	Eland operations 30 June 2020	US recycling operations 30 June 2020	Total 30 June 2020
	R000	R000	R000	R000	R000
Utilities: Electricity cost	738 268	226 385	110 403	501	1 075 557
Utilities: Water cost	25 994	17 961	1 718	71	45 744
Utilities	764 262	244 346	112 121	572	1 121 301

Notes to the summarised financial results continued

Percentage breakdown of operating costs per operating segment

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

5. Investment income

	30 June 2021	30 June 2020
	R000	R000
Interest received on cash and cash equivalents	59 290	91 134
Dividend income received from short-term investments	3 438	8 820
Interest received from suspensive sale agreements	4 196	6 500
Interest received relating to the Northam Platinum Restoration Trust Fund (refer note 19)	6 969	8 398
Interest received by the Buttonshope Conservancy Trust	740	1 342
Deemed interest on the interest-free home loans	5 065	1 425
Interest received from the SARS	189	1 025
Interest received on advances paid to Zambezi Ordinary Shareholders (refer note 29)	10 454	–
Other	144	576
	90 485	119 220

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

	30 June 2021	30 June 2020
	R000	R000
Interest recognised on the effective interest rate method	87 047	110 400
Dividend income received from short-term investments	3 438	8 820
Total investment income	90 485	119 220

6. Finance charges excluding Zambezi Preference Share dividends

	30 June 2021	30 June 2020
	R000	R000
Finance costs relating to the DMTNs (refer note 23)	(473 638)	(347 728)
Finance costs relating to the RCF (refer note 24)	(79 872)	(213 636)
Finance costs relating to the GBF (refer note 18)	(3 361)	(18 475)
Amounts capitalised in terms of IAS 23 Borrowing costs (refer note 11)	41 707	145 096
Commitment and utilisation fees on borrowing facilities (refer note 24)	(24 593)	(18 590)
Amortisation of the transaction costs relating to the DMTNs (refer note 23)	(75 120)	(32 545)
Amortisation of the transaction costs relating to the RCF (refer note 24)	(5 546)	(17 424)
Unwinding of rehabilitation liability (refer note 19)	(62 723)	(66 578)
Unwinding of the research and development liability with Heraeus Deutschland Gmbh & Co. KG (refer note 21)	(12 766)	(21 218)
Finance cost relating to lease liabilities	(7 648)	(8 397)
Other financial liabilities	(1 884)	(3 100)
	(705 444)	(602 595)

Notes to the summarised financial results continued

7. Sundry income

	30 June 2021	30 June 2020
	R000	R000
Insurance proceeds relating to a business interruption claim	–	192 210
Insurance proceeds relating to nickel theft	3 097	–
Rent received	1 915	1 731
Sale of scrap	10 610	8 245
Profit on sale of property, plant and equipment	149	4 276
Accommodation and housing income	2 048	10 292
Environmental guarantee investment income	2 773	2 370
Management fees received from associate (refer note 29)	–	2 249
Profit on modification of the agreement terms relating to the research and development liability with Heraeus Deutschland Gmbh & Co. KG (refer note 21)	–	13 782
COVID-19 Temporary Employee Relief Scheme refund (refer note 32)	102 664	–
Other income	10 851	3 748
	134 107	238 903

8. Sundry expenditure

	30 June 2021	30 June 2020
	R000	R000
Corporate and once-off project costs*	(184 911)	(11 661)
COVID-19 related cost	(30 050)	–
Booysendal land management, including depreciation relating to the Buttonshope Conservancy Trust	(8 186)	(7 049)
Accommodation and housing expenses	(5 500)	(12 312)
Black Economic Empowerment Trusts operating costs (refer note 29)	(12 752)	(5 753)
Administrative costs relating to Zambezi Platinum (RF) Limited (refer note 29)	(874)	(1 387)
Standing time and transition costs	(6 412)	(153 975)
Environmental guarantee cost	(4 901)	(3 754)
Impairment of property, plant and equipment (refer note 11)	(29 657)	(2 061)
Donations	(303)	(3 599)
Other expenditure	(48 359)	(42 236)
	(331 905)	(243 787)

**Includes cost associated with the Composite Transaction, approved by Northam Shareholders on 30 June 2021.*

Notes to the summarised financial results continued

9. Tax

	30 June 2021	30 June 2020
	R000	R000
Income tax		
Current mining income tax charge	3 347 390	573 478
Current non-mining income tax charge	38 977	113 623
Adjustment in respect of current income tax of previous year	(1 529)	18 775
Dividend withholding tax		
Current year withholding tax	150	201
Prior year withholding tax	–	(323)
Deferred tax		
Current and prior year deferred tax charge	964 340	758 724
Income tax expense reported in profit or loss	4 349 328	1 464 478

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

	30 June 2021	30 June 2020
	%	%
South African normal tax rate	28.0	28.0
Adjustment in respect of current income tax and deferred tax of previous year	(0.1)	0.5
Exempt income received	0.0	(0.6)
Expenditure and contingencies incurred which are non-deductible	0.1	0.1
Unproductive interest incurred which is not tax deductible	0.7	–
Amortisation of liquidity fees paid on Zambezi Preference Shares	0.0	0.1
Zambezi Preference Share dividends disallowed	0.8	8.7
Loss on derecognition of Zambezi Preference Share liability	2.2	1.0
Deferred tax asset not raised	0.0	2.5
Effective tax rate	31.7	40.3

Notes to the summarised financial results continued

Significant judgements: Utilisation of a deferred tax asset

The Group offsets deferred tax assets and liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, dividends and other capital management transactions). To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Estimation is required to determine whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require the assessment of the likelihood that sufficient taxable earnings will be generated in future periods, in order to utilise recognised deferred tax assets.

The utilisation of a deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences.

Based on the updated approved mine plan and board approved budget, it is believed that Eland Platinum Proprietary Limited's financial performance will generate sufficient taxable profits to utilise against a deferred tax asset.

Accordingly, a deferred tax asset of R39.9 million was raised during the current year.

In the prior year, no deferred tax asset was raised on deductible temporary tax differences amounting to R321.2 million relating to Eland Platinum Proprietary Limited.

This position will be assessed continuously.

Notes to the summarised financial results continued

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

	30 June 2021	30 June 2020
	R000	R000
Profit for the year	9 382 958	2 169 184
Profit on sale of property, plant and equipment	(149)	(4 276)
Tax effect on profit on sale of property, plant and equipment	42	1 197
Impairment of property, plant and equipment	29 657	2 061
Tax effect on impairment of property, plant and equipment	(8 304)	(577)
Headline earnings	9 404 204	2 167 589
Reconciliation of the fully diluted number of shares in issue		
Weighted average number of shares in issue	349 875 759	349 875 759
Adjusted for:		
Performance and retention share options including the lock-in and incentive mechanism share options	–	–
Potential share issue as a result of the residual asset value in Zambezi to Strategic Partners*	21 943 684	21 126 841
	371 819 443	371 002 600

**For F2020, calculated as the net asset value of Zambezi relating to the Strategic Partners' 74.5% shareholding in Zambezi taking into account the share price at the end of the reporting period and impairment considerations with regards to Zambezi's investment in Northam.*

For F2021, calculated as the Net Value Share Distribution made to the Strategic Partners, settled on the Net Value Distribution Date by Zambezi making a pro rata Distribution of the relevant portion of the Residual Northam Shares to the Strategic Partners respective Zambezi Shareholding.[2]

	30 June 2021	30 June 2020
Earnings per share (cents)	2 681.8	620.0
Fully diluted earnings per share (cents)	2 523.5	584.7
Headline earnings per share (cents)	2 687.9	619.5
Fully diluted headline earnings per share (cents)	2 529.2	584.3
Dividends per share (cents)	–	–
Weighted average number of shares in issue	349 875 759	349 875 759
Fully diluted number of shares in issue	371 819 443	371 002 600
Number of shares in issue	509 781 212	509 781 212
Treasury Shares in issue	(159 905 453)	(159 905 453)
Shares in issue adjusted for Treasury Shares	349 875 759	349 875 759

The weighted average number of Northam Shares in issue outside the Group for the purpose of calculating the earnings per share is calculated as the number of shares in issue less Treasury Shares held relating to the 31.4% shareholding held by Zambezi.

Earnings per share amounts are calculated by dividing the profit for the year attributable to Shareholders by the weighted average number of Northam Shares in issue during the year under review.

Headline earnings per share is based on the headline earnings and is reconciled to profit attributable to Shareholders as per the note above.

Fully diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity Shareholders by the weighted average number of Northam Shares outstanding during the year under review plus the weighted average number of Northam Shares that would be issued on the conversion of all the dilutive potential Northam Shares into Northam Shares.

Fully diluted headline earnings per share are based on the headline earnings and the average number of potential diluted shares in issue.

[2] The number of shares disclosed is based on the base case *pro forma* financial information for the Composite Transaction as set out in the Transaction Documents as at the LPD.

Notes to the summarised financial results continued

Impact of the Composite Transaction on the number of shares in issue as well as the diluted number of shares in issue

As part of the Composite Transaction, Northam will repurchase Northam Shares held by Zambezi in order to enable settlement of the Zambezi Preference Shares and to facilitate, amongst other things, the settlement of Zambezi's tax liability arising from the Composite Transaction. Additionally, Northam will repurchase Northam Shares received by the ESOP pursuant to the Net Value Distribution.

Below is a reconciliation of the Northam Shares that will be in issue following completion of the early maturity and wind-up of the Zambezi BEE Transaction and Zambezi Preference Share Redemption.

	Number of shares[3]
Number of Northam Shares in issue as at 30 June 2021:	509 781 212
Zambezi settles the 159 905 453 Zambezi Preference Shares at a premium of approximately 11.11%, through a repurchase by Northam of 94 992 488 Northam Shares held by Zambezi, valued at R160 per Northam Share	(94 992 488)
Northam repurchases 36 700 687 Northam Shares in aggregate from (i) Zambezi valued at R152 per share in order to enable settlement of, amongst other things, the Zambezi tax liability arising from the Composite Transaction and (ii) the ESOP valued at the 30-Day VWAP on the repurchase date per share, assumed as R152 per share, in order to facilitate the tax liability associated with the Distribution of Northam Shares to the ESOP pursuant to the Net Value Distribution.	(36 700 687)
Remaining Northam Shares in issue after the Composite Transaction and the Zambezi Preference Share Redemption:	378 088 037

Below is a reconciliation of the Northam Shares held by Zambezi that will be repurchased by Northam as a result of the early maturity and wind-up of the Zambezi BEE Transaction and the Zambezi Preference Share Redemption.

	Number of shares
Number of Northam Shares held by Zambezi as at 30 June 2021, representing 31.4% of the shares in issue:	159 905 453
Zambezi settles the 159 905 453 Zambezi Preference Shares at a premium of approximately 11.11%, through a repurchase by Northam of 94 992 488 Northam Shares held by Zambezi, valued at R160 per share	(94 992 488)
Northam repurchases 35 458 356 Northam Shares in aggregate from (i) Zambezi valued at R152 per share in order to enable settlement of, amongst other things, the Zambezi tax liability arising from the Composite Transaction and (ii) the ESOP valued at the 30-Day VWAP on the repurchase date per share in order to facilitate the tax liability associated with the Distribution of Northam Shares to the ESOP pursuant to the Net Value Distribution	(35 458 356)
Residual Northam Shares distributed to Zambezi Ordinary Shareholders pursuant to the Net Value Share Distribution	29 454 609

The Net Value Share Distribution made to the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the ESOP will continue to be treated as Treasury Shares. Below is a reconciliation of the Treasury Shares:

	Number of shares
Number of Northam Shares held by Zambezi as at 30 June 2021, classified as Treasury Shares	159 905 453
Zambezi settles the 159 905 453 Zambezi Preference Shares at a premium of approximately 11.11%, through a repurchase by Northam of 94 992 488 Northam Shares held by Zambezi, valued at R160 per share	(94 992 488)
Northam repurchases 35 458 356 Northam Shares in aggregate from (i) Zambezi Platinum (RF) Limited valued at R152 per share in order to enable settlement of, amongst other things, the Zambezi tax liability arising from the Composite Transaction and (ii) the ESOP valued at the 30-Day VWAP on the repurchase date per share in order to facilitate the tax liability associated with the distribution of Northam shares to the ESOP pursuant to the Net Value Distribution.	(35 458 356)
Remaining Northam Shares distributed to Zambezi Platinum (RF) Limited Ordinary Shareholders pursuant to the Net Value Distribution	29 454 609
The Net Value Distribution made to Zambezi Platinum (RF) Limited Ordinary Shareholders other than the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the ESOP, settled on the Net Value Distribution Date (as defined in the Transaction Documents) by Zambezi Platinum (RF) Limited making a pro rata distribution of the relevant portion of the Residual Northam Shares (as defined in the Transaction Documents) to such Zambezi Ordinary Shareholders in accordance with their respective shareholdings in Zambezi Platinum (RF) Limited.	(21 943 684)
Northam repurchases 1 242 331 Northam Shares from the ESOP valued at the 30-Day VWAP on the repurchase date per share, assumed as R152 per share, in order to facilitate the tax liability associated with the Distribution of Northam Shares to the ESOP pursuant to the Net Value Distribution	(1 242 331)
Residual Northam Shares held by the ESOP and two Community Trusts	6 268 594

[3] The number of shares disclosed is based on the base case *pro forma* financial information for the Composite Transaction as set out in the Transaction Documents as at the LPD.

Notes to the summarised 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	Right-of-use asset	Assets under construction	Total
	R000	R000	R000	R000	R000	R000	R000	R000
Cost								
Opening balance as at 1 July 2019	11 136 702	4 027 630	759 434	577 987	367 330	–	1 236 123	18 105 206
Impact of the adoption of IFRS 16 Leases	–	–	–	–	–	88 992	–	88 992
Reassessment of IFRS 16 Leases	–	–	–	–	–	(31)	–	(31)
Foreign currency translation movements	–	5 884	27 942	–	–	–	–	33 826
Amounts transferred from non-current prepayments (refer note 15)	–	–	–	–	–	–	1 322	1 322
Additions	–	–	25 041	–	–	–	2 341 540	2 366 581
Transfer from assets under construction	1 104 634	409 986	3 109	56 214	–	–	(1 573 943)	–
Disposals and write-offs	–	(123)	(837)	(178)	–	–	–	(1 138)
Impairments	(2 061)	–	–	–	–	–	–	(2 061)
Derecognition of decommissioning asset (refer note 19)	–	–	–	–	(23 436)	–	–	(23 436)
Borrowing costs capitalised	–	–	–	–	–	–	145 096	145 096
Closing cost as at 30 June 2020	12 239 275	4 443 377	814 689	634 023	343 894	88 961	2 150 138	20 714 357
Reassessment of IFRS 16 Leases	–	–	–	–	–	9 487	–	9 487
Foreign currency translation movements	–	(5 546)	(26 270)	–	–	–	–	(31 816)
Additions	–	–	1 637	60 401	–	–	3 270 166	3 332 204
Transfer from assets under construction	1 902 425	325 459	41	65 565	–	–	(2 293 490)	–
Disposals and write-offs	(3 513)	(224)	(2 372)	(3 641)	–	–	–	(9 750)
Impairments	–	(80 953)	–	–	–	–	–	(80 953)
Present value of decommissioning asset capitalised (refer note 19)	–	–	–	–	28 043	–	–	28 043
Borrowing costs capitalised	–	–	–	–	–	–	41 707	41 707
Closing cost as at 30 June 2021	14 138 187	4 682 113	787 725	756 348	371 937	98 448	3 168 521	24 003 279

	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	General infrastructure asset including other assets	Decommissioning asset	Right-of-use asset	Assets under construction	Total
	R000	R000	R000	R000	R000	R000	R000	R000
Accumulated depreciation								
Opening balance as at 1 July 2019	(2 402 264)	(796 702)	(214 418)	(193 741)	(13 286)	–	–	(3 620 411)
Foreign currency translation movements	–	(1 492)	(3 586)	–	–	–	–	(5 078)
Depreciation	(364 031)	(124 599)	(23 558)	(39 761)	(833)	(14 286)	–	(567 068)
Disposals and write-offs	–	28	563	142	–	–	–	733
Accumulated depreciation as at 30 June 2020	(2 766 295)	(922 765)	(240 999)	(233 360)	(14 119)	(14 286)	–	(4 191 824)
Foreign currency translation movements	–	1 927	4 622	–	–	–	–	6 549
Depreciation	(510 925)	(163 519)	(23 721)	(47 735)	(1 567)	(13 100)	–	(760 567)
Disposals and write-offs	3 513	77	183	3 637	–	–	–	7 410
Impairments	–	51 296	–	–	–	–	–	51 296
Accumulated depreciation as at 30 June 2021	(3 273 707)	(1 032 984)	(259 915)	(277 458)	(15 686)	(27 386)	–	(4 887 136)
Net book value as at 30 June 2020	9 472 980	3 520 612	573 690	400 663	329 775	74 675	2 150 138	16 522 533
Net book value as at 30 June 2021	10 864 480	3 649 129	527 810	478 890	356 251	71 062	3 168 521	19 116 143

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.

Notes to the summarised financial results continued

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 and 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 a substantial period of time and this will therefore require the exercising 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.

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

Borrowing costs on the Kukama shaft has been capitalised at the cost of borrowings.

Borrowing costs were capitalised at the weighted average cost of borrowing of 7.00% (30 June 2020: 11.38%).

An amount of R41.7 million was capitalised during the year under review both in the Eland Platinum Proprietary Limited statutory entity as well as on consolidation (30 June 2020: R145.1 million, R10.3 million in the Eland Platinum Proprietary Limited statutory entity and R134.8 million on consolidation relating to Booysendal Platinum Proprietary Limited). Refer note 6.

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

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

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

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

Capitalisation of borrowing costs was therefore suspended from the end of February 2020 to the end of the previous financial period being 30 June 2020. All capital projects have resumed and therefore the capitalisation of borrowing costs has resumed on Eland Platinum Proprietary Limited.

Notes to the summarised financial results continued

12. Mining properties and Mineral Resources

	Current production Mineral Reserves and Mineral Resources	Project Mineral Reserves and Mineral Resources	Total
	R000	R000	R000
Cost			
Opening balance as at 1 July 2019	2 026 164	5 028 056	7 054 220
Additions	–	–	–
Closing balance as at 30 June 2020	2 026 164	5 028 056	7 054 220
Additions	–	–	–
Closing balance as at 30 June 2021	2 026 164	5 028 056	7 054 220
Accumulated depreciation			
Opening balance as at 1 July 2019	(331 669)	–	(331 669)
Depreciation	(59 126)	–	(59 126)
Closing balance as at 30 June 2020	(390 795)	–	(390 795)
Depreciation	(83 919)	–	(83 919)
Closing balance as at 30 June 2021	(474 714)	–	(474 714)
Net book value as at 30 June 2020	1 635 369	5 028 056	6 663 425
Net book value as at 30 June 2021	1 551 450	5 028 056	6 579 506

Notes to the summarised financial results continued

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

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans, using assumptions that an independent market participant may take into account. Cash flows are discounted by an appropriate discount rate to determine the net present value.

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

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

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

		30 June 2021	**30 June 2020**
Long-term real platinum price	USD/oz	1 398	846
Long-term real palladium price	USD/oz	2 249	1 817
Long-term real rhodium price	USD/oz	17 991	7 267
Long-term real gold price	USD/oz	1 529	1 544
Long-term real ruthenium price	USD/oz	342	273
Long-term real iridium price	USD/oz	5 397	1 453
Long-term real nickel price	USD/t	16 192	9 027
Long-term real copper price	USD/t	7 646	4 373
Long-term real chrome price	USD/t	135	136
Long-term real exchange rate USD	R/USD	R14.36	R15.47
Long-term real discount rate	%	10.00	12.00

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

The following specific impairments were recognised during the current and previous year:

	30 June 2021	**30 June 2020**
	R000	R000
Impairments of property, plant and equipment (refer note 11)	29 657	2 061

The current year impairment relates to cost associated with furnace 1 at the Zondereinde metallurgical complex which is currently being rebuilt which had to be written off in full.

Notes to the summarised financial results continued

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

During the second half of F2020, COVID-19 resulted in production losses due to work stoppages followed by a phased restart of operations. By the end of F2020, operations at Booysendal and Eland had normalised, but only 80% of mining crews had been returned to production at Zondereinde.

These production losses negatively impacted our sales pipeline in the first quarter of the financial year, particularly in respect of rhodium. This resulted in reduced cash flow and a lower basket price achieved than that indicated by production during the first half of the financial year. The sales volume impact normalised during the remainder of the financial year, whilst metal price appreciation throughout the year resulted in a positive revenue impact.

In light of the economic uncertainty related to the COVID-19 pandemic, management had developed and enacted a decisive, detailed and immediate action plan to protect the company and its employees. The action plan was focussed on cash preservation and a structured, steady return to normal operations. It included reducing and curtailing capital expenditure through the suspension or slowing down of a number of growth projects, including; the Booysendal South Merensky module, portions of number 3 shaft project at Zondereinde, as well as stoping ramp-up at Eland.

Due to the ongoing phased restart of Zondereinde, we expected to only achieve full production in the second half of this financial year.

By the end of December 2020, we had still not returned all employees to work at Zondereinde, having 90% of stoping crews active. All stoping crews only became active in March 2021. Despite this, we achieved production levels ahead of our trimmed targets due to significant improvements in crew productivity during the first half of the 2021 calendar year. Similar productivity gains were realised at Booysendal, both at the North mine, as well as in ramp-up of production from the South mine. Metal production from Eland mine has again been limited to that derived from processing of surface sources. Reduced availability of surface sources led to a negative impact on production at Eland.

Given greater certainty in metal markets, together with generally strong operational performance, we reinitiated all suspended or slowed growth capital projects in September 2020.

Looking forward and in light of the current third wave of COVID-19 infections, we maintain a cautious production outlook for the coming financial year. This is despite our solid operational performance. We have, accordingly, strengthened our debt position and retained our capacity to limit capital outflows related to our growth project pipeline should the need arise.

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

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

Incorporating updated assumptions into the impairment assessment indicates that the recoverable value of all CGUs are still significantly higher than their carrying values and therefore no impairment is required.

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

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

		30 June 2021	**30 June 2020**
4E *in-situ* available ounce value	USD/oz	11.93	4.33

As a result of increased market confidence, the market capitalisation of platinum exploration companies relative to their resources base has increased, resulting in an increased 4E *in-situ* available ounce valuation. Based on the impairment assessment performed by management, the recoverable values of all CGU's are higher than the carrying value and therefore no impairment required.

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

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

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

Notes to the summarised financial results continued

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

The estimation of Mineral Reserves impacts depreciation and the recoverable value of assets.

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

Factors impacting the determination of Mineral Reserves and Mineral Resources estimates, include:

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

Refer to the Northam Holdings website, www.northam.co.za, for the detailed Mineral Resources and Mineral Reserves statement as at 30 June 2021.

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

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

Geological data takes into account the size, depth and shape of the ore body, and requires complex geological interpretation judgements, none of which are impacted by the COVID-19 pandemic.

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

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

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

Notes to the summarised financial results continued

13. Interest in associate

Interest in associate comprise a 33.7% interest (30 June 2020: 33.7% interest) in SSG Holdings Proprietary Limited, a company registered in the Republic of South Africa. Northam owns 3 000 shares of the total of 8 900 issued shares of SSG Holdings Proprietary Limited.

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

	30 June 2021	30 June 2020
	R000	R000
SSG Holdings Proprietary Limited	68 231	62 657
	68 231	62 657

During the year under review the subsidiary holding the investment in SSG Holdings Proprietary Limited, Mining Technical Services Proprietary Limited, was placed in members voluntary liquidation in terms of the Companies Act, No. 71 of 2008 (as amended). All assets and liabilities have therefore been transferred by way of section 47 of the Income Tax Act, No. 58 of 1962 (as amended) to Northam Platinum Limited.

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 2019	46 299
Share of profits from associate	16 358
Closing balance as at 30 June 2020	62 657
Share of profits from associate	6 180
Dividends received	(606)
Closing balance as at 30 June 2021	68 231

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

	30 June 2021	30 June 2020
	R000	R000
Net asset value of SSG Holdings Proprietary Limited	101 963	85 429
Northam's 33.7% share of net asset value	34 370	28 796
Impact of the adoption of IFRS 9	451	451
At acquisition fair value adjustment	10 717	10 717
Subsequent fair value adjustment with the increase in shareholding from 20% to 30% and the conversion of a loan to an equity investment	10 549	10 549
Fair value adjustment with the cancellation of 11% of issued shares in SSG Holdings Proprietary Limited, increasing Northam's investment from 30% to 33.7%	12 144	12 144
Value of investment in associate based on the equity method of accounting	68 231	62 657

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

Notes to the summarised financial results continued

14. Long-term receivables

	30 June 2021	30 June 2020
	R000	R000
Long-term receivables with regards to suspensive sale agreements	53 027	61 573
Interest-free home loans	45 461	36 327
Total long-term receivables	98 488	97 900
Current portion of suspensive sale agreements (refer note 17)	(5 761)	(5 415)
Current portion of interest-free home loans (refer note 17)	(9 566)	(10 253)
Long-term portion of long-term receivables	83 161	82 232

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

The suspensive sale agreement loans to employees bear interest at South Africa prime interest rate 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 house will be transferred to the employees.

Interest-free home loans are non-interest bearing loans provided to qualifying employees. These loans provided to qualifying employees are based on a portion of the value of the property acquired by the employee and are repayable over a maximum of 20 years from grant date. The average remaining repayment period is between 1 and 10 years. Furthermore, these loans are secured by a second bond over the residential properties.

As at 30 June 2021 there was R3.5 million (30 June 2020: R2.7 million) worth of long-term receivables which were impaired and fully provided for.

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

	30 June 2021	30 June 2020
	R000	R000
Current portion	15 327	15 668
Due within 1 – 5 years	47 109	42 098
Due within 5 – 10 years	22 797	29 669
More than 10 years	13 255	10 465
	98 488	97 900

The current interest-free home loans are not in default 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 and any amounts still be recovered from former employees have been provided for in full.

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

	30 June 2021	30 June 2020
	R000	R000
Neither in default nor impaired	53 027	61 573
	53 027	61 573

All amounts in default have been impaired and therefore fully provided for.

Notes to the summarised financial results continued

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

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

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

The following specific judgements and estimates are applied by management in determining the potential impairment:

Suspensive sale agreements

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

Interest-free home loans

- No amounts relating to the current interest-free home loans have been provided for as they are not in default nor impaired and with no historical impairment on these loans. There has been no significant deterioration in credit quality and the probability of default has been assessed as minimal.
- Should an employee resign, the interest-free home loan needs to be settled in full. For these employees, the outstanding amounts are provided for in full until the payment arrangement has been completed. These loans are secured by a second bond over the property and the probability of default has been assessed as minimal.

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

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

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

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

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

When considering the impact of the COVID-19 pandemic, the probability of the recoverability of these assets remains high.

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

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

Notes to the summarised financial results continued

15. Long-term prepayments

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

	30 June 2021	30 June 2020
	R000	R000
Opening balance	–	563
Amounts paid to Doppelmayr Transport Technology GmbH	–	759
Amounts transferred to property, plant and equipment (refer note 11)	–	(1 322)
	–	–

All prepayments in terms of the agreement have come to an end, and the contracts have been concluded and completed.

Notes to the summarised financial results continued

16. Inventories

	30 June 2021	30 June 2020
	R000	R000
Metals on hand and in transit		
Platinum	979 466	937 160
Palladium	1 346 094	1 356 869
Rhodium	3 756 999	1 872 656
Gold	27 618	35 273
Total metal inventory at the lower of cost and net realisable value	6 110 177	4 201 958
Less non-current metal inventories	(1 195 863)	(662 282)
Current metal inventory at the lower of cost and net realisable value	4 914 314	3 539 676
Consumables at the lower of cost and net realisable value	230 276	204 637
Total current inventory at the lower of cost and net realisable value	5 144 590	3 744 313

Below are the ounces available at the year-end:

	30 June 2021	30 June 2020
	oz	oz
Metal inventory quantities on hand and in transit		
Platinum	176 767	123 330
Palladium	91 509	68 446
Rhodium	40 224	25 338
Gold	4 111	3 058
4E	312 611	220 172

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

Notes to the summarised financial results continued

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

	Own production 30 June 2021	Purchased material 30 June 2021	Total metal inventories 30 June 2021	Non-current metal inventories 30 June 2021	Current metal inventories 30 June 2021
	R000	R000	R000	R000	R000
Platinum	754 273	225 193	979 466	(206 448)	773 018
Palladium	810 090	536 004	1 346 094	(476 799)	869 295
Rhodium	3 061 347	695 652	3 756 999	(506 875)	3 250 124
Gold	26 730	888	27 618	(5 741)	21 877
Total metal inventory	4 652 440	1 457 737	6 110 177	(1 195 863)	4 914 314

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

	Own production 30 June 2021	Purchased material 30 June 2021	Total metal inventories 30 June 2021
	R000	R000	R000
Change in metal inventory for the year*	1 293 413	614 806	1 908 219

**The difference between the change in metal inventory for the year and what has been disclosed in the statement of profit and loss relates to foreign exchange movements for inventory held by the US recycling operations.*

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

Notes to the summarised financial results continued

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

	Own production 30 June 2021	Purchased material 30 June 2021	Total metal inventories 30 June 2021	Non-current metal inventories 30 June 2021	Current metal inventories 30 June 2021
	oz	oz	oz	oz	oz
Platinum	158 078	18 689	176 767	(23 201)	153 566
Palladium	74 125	17 384	91 509	(19 087)	72 422
Rhodium	36 471	3 753	40 224	(5 462)	34 762
Gold	4 068	43	4 111	(1 053)	3 058
4E	272 742	39 869	312 611	(48 803)	263 808

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

Notes to the summarised financial results continued

Metal inventory quantities on hand is allocated as follows:

	30 June 2021	30 June 2020
	oz	oz
Non-current inventory	48 803	34 369
Ore stockpile inventory	17 170	14 112
Concentrate in process	40 822	4 121
Concentrate and other surface sources before the smelter	70 303	32 123
Recycling material	3 943	110
Smelter inventory	60 033	67 613
Base metal removal plant inventory	9 585	8 463
Precious metal refinery inventory	60 151	59 144
Finished product inventory on hand	1 801	117
4E	312 611	220 172

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 a cost to the value of R137.6 million relating to purchased material (30 June 2020: R14.6 million relating to own production) that was written down to net realisable value. Inventory to the value of R373.0 million relating to purchased material (30 June 2020: R474.1 million relating to own production) is disclosed at net realisable value.

All inventory over and above pipeline material is considered excess inventory.

No inventories are encumbered.

Notes to the summarised financial results continued

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 average basis except for concentrates and ore purchased which are recognised at the cost at which it is purchased. 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 monitored on an ongoing basis and the variables used in the process are refined based on actual results over time.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained 4E ounces is based on assay data, and the estimated recovery percentage is based on the expected processing method. Stockpile tonnages are also verified by independent third party surveyors.

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

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

		30 June 2021	**30 June 2020**
Platinum price	USD/oz	1 077	813
Palladium price	USD/oz	2 623	1 894
Rhodium price	USD/oz	20 275	8 145
Gold price	USD/oz	1 776	1 752
Closing exchange rate at year-end	R/USD	R14.28	R17.33

Impact of COVID-19 on the valuation of inventory

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

The initial lockdown in the previous financial year resulted in periods of limited to no production, with fixed overhead costs still being incurred which should not be allocated to the cost of inventories. The valuation of inventory does not include these abnormal fixed overheads as a consequence of low production volumes. Concentrates purchased continue to be valued at the cost of acquisition.

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

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

All net realisable value adjustments have been disclosed.

Notes to the summarised financial results continued

17. Trade and other receivables

	30 June 2021	30 June 2020
	R000	R000
Trade receivables	44 618	17 248
Provisional pricing receivables	166 111	181 090
Accrued dividends and interest on cash and cash equivalents	17 862	12 997
Prepayments	2 522	26 560
Deposits	9 195	4 733
SARS – Value Added Tax	677 059	189 067
SARS – amounts receivable relating to the Mineral and Petroleum Resources Royalty	71 326	371
Current portion of suspensive sale agreements (refer note 14)	5 761	5 415
Current portion of interest-free home loans to employees (refer note 14)	9 566	10 253
Strategic Partner Advances (refer related party note 29)	391 522	–
Other	19 388	8 760
	1 414 930	456 494

Trade receivables are unsecured, non-interest bearing and are generally on 30 to 60-day terms except for PGM debtors who have payment terms of between 2 to 5 days. Trade and other receivables to the value of R Nil was provided for or impaired during the current financial year (30 June 2020: R Nil).

Trade receivables and provisional pricing receivables are made up as follows:

	30 June 2021	30 June 2020
	R000	R000
Platinum group metal receivables	12 701	3 241
Chrome receivables	31 917	14 007
Total trade receivables	44 618	17 248

	30 June 2021	30 June 2020
	R000	R000
Nickel provisional receivable	65 945	44 943
Chrome provisional receivable	100 166	136 147
Total provisional pricing receivables	166 111	181 090

Chrome provisional receivables are settled within 45 days from date of delivery and nickel provisional receivables are settled within 60 days from date of delivery.

Notes to the summarised financial results continued

The exposure to foreign currency denominated balances included in trade receivables as at 30 June was as follows:

	30 June 2021	30 June 2020
US dollars	952	225
USD closing exchange rate*	R14.28	R17.33
Trade and other payables denominated in USD (R000)	13 588	3 907

Rounded to the nearest cent

The table below summarises the maturity profile of the Group's trade and other receivables:

	30 June 2021	30 June 2020
	R000	R000
Current portion	447 379	302 298
30 to 60 days	442 728	86 239
60 to 90 days	402 082	29 669
More than 90 days*	122 741	38 288
	1 414 930	456 494

Management considers these amounts to be fully recoverable as they are within the agreed payment terms

Trade receivables and advances by country are as follows:

	30 June 2021	30 June 2020
	R000	R000
South Africa	1 401 342	452 587
United Kingdom	–	–
Germany	12 701	3 241
France	–	–
Japan	–	–
United States of America	887	666
	1 414 930	456 494

Notes to the summarised financial results continued

Provisional pricing receivables

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

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

The full value of the provisional invoice relating to chrome sales is received in cash a month after delivery, any negative movement in the chrome price could therefore result in amounts required to be refunded to the customer (refer note 25 and 26).

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

Significant estimate: Trade receivables and Expected Credit Losses

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

PGM debtors have payment terms of between 2 to 5 days with no historical defaults on these debtors and all outstanding balances as at the reporting period have subsequently been received.

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

Trade receivables have been assessed for ECLs, and the effect is considered to be negligible due to the Group's history of recovery of these balances; as well as the credit rating of the customers that these balances are held with.

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

The Strategic Partner Advances were advanced pursuant to the Zambezi Ordinary Shareholder Loan Agreements. These amounts were secured by each relevant Pledge and Cession Agreement and were settled on the Net Value Distribution Date (refer to the related party note 29). As a result, there is no ECL relating to the Strategic Partner Advances.

Impact of COVID-19 on Trade receivables and ECL

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

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

Sales are only made to customers with an appropriate credit history. PGM, base metal and chrome debtors in total comprise a number of customers, dispersed across different geographical areas.

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

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

Notes to the summarised financial results continued

18. Cash and cash equivalents

	30 June 2021	30 June 2020
	R000	R000
Cash at bank and on hand	1 418 859	627 335
Restricted cash	96 031	103 767
Short-term deposits	2 362 318	1 429 854
Cash and cash equivalents as per the statement of cash flows	3 877 208	2 160 956

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

The weighted average effective interest rate on cash and cash equivalents was 4.23% (30 June 2020: 6.5%) and these funds are all immediately available.

Restricted cash includes a deposit held of R23.0 million (30 June 2020: R23.0 million) relating to an electricity supply agreement between Northam 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 (MOI).

For the purposes of the statement of cash flows, cash and cash equivalents comprise the cash and cash equivalents balance as the Group did not utilise the general banking facility at year-end (30 June 2020: R Nil).

The exposure to foreign currency denominated balances included in cash and cash equivalents as at 30 June were as follows:

	30 June 2021	30 June 2020
US dollars (USD000)	95 969	34 842
USD closing exchange rate*	R14.28	R17.33
Cash and cash equivalents denominated in USD (R000)	1 369 962	603 671

**Rounded to the nearest cent*

General banking facility

The Group has secured a general banking facility (GBF), i.e. overdraft facility, of R1.0 billion which was increased from R500.0 million to R1.0 billion on 30 June 2021, with all terms and conditions on this facility unchanged. The GBF accrues interest at the South African prime interest rate less 1.75% (30 June 2020: South African prime interest rate less 1.75%) and is payable on a 90-day notice period.

Commitment fees are payable on the GBF amounting to 0.55% per annum (30 June 2020: 0.55%) on the unutilised portion of the facility.

Below is a summary of the available GBF:

	30 June 2021	30 June 2020
	R000	R000
Available facility at the year-end	1 000 000	500 000

The GBF is utilised as an overdraft facility as and when required for working capital requirements, and therefore, considered as part of cash and cash equivalents, as an overdraft facility.

Notes to the summarised financial results continued

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

	Total facility 30 June 2021	Utilised amount 30 June 2021	Available facility 30 June 2021	Interest rate 30 June 2021	Repayment date 30 June 2021
	R000	R000	R000		
DMTNs* (refer note 23)	15 000 000	(7 754 023)	7 245 977	Various	Various
RCF (refer note 24)	4 000 000	–	4 000 000	JIBAR plus 2.55% − 2.95%	September 2024
GBF	1 000 000	–	1 000 000	Prime less 1.75%	90-day notice
	20 000 000	(7 754 023)	12 245 977		

Uncommitted but approved by the board of directors

Below are the Group's utilised and available facilities as at 30 June 2020:

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

Uncommitted but approved by the board of directors

The Group has the following secured loans at the financial reporting date:

Domestic Medium-Term Note Programme

Northam established a DMTN Programme pursuant to a Programme Memorandum dated 3 August 2012 (the Previous Programme Memorandum), in terms of which Northam may, from time to time, issue Notes.

During the year under review Northam updated the Previous Programme Memorandum to, *inter alia,* align with the latest regulations (including amendments to the Debt Listings Requirements), include more recent information pertaining to Northam and incorporate Booysendal Platinum Proprietary Limited as guarantor.

The amendments are incorporated in an Amended and Restated Programme Memorandum dated 29 October 2020, a copy of which is available on Northam's website (https://www.northam.co.za/downloads/send/96-files/1324-northam-programme-memorandum-13112020). The Amended and Restated Programme Memorandum was approved by and registered with the JSE Limited.

The board of Northam approved an increase in the Programme Amount in terms of the provisions of the DMTN Programme from R10.0 billion to R15.0 billion.

The Amended and Restated Programme Memorandum applies to all Notes issued under the DMTN Programme on or after the Programme Date and will, in respect of such Notes, supersede and replace the Previous Programme Memorandum in its entirety.

For the avoidance of doubt, subject to all applicable laws, the Previous Programme Memorandum will remain applicable to all Notes in issue prior to 29 October 2020.

Refer to note 23 for more details on the issued DMTNs.

Revolving credit facility

Northam Platinum Limited has a R4.0 billion (30 June 2020: R3.5 billion) 5-year RCF available with Nedbank Limited which matures on 5 September 2024.

The RCF is subject to financial covenant compliance which is monitored on an ongoing basis. None of the various covenant requirements have been breached or are close to being breached.

The RCF was undrawn at year-end.

Refer to note 24 for details on the RCF, together with all utilisations and repayments during the year under review.

General banking facility

Northam Platinum Limited also has a GBF, i.e. an overdraft facility, of R1.0 billion (30 June 2020: R500.0 million). The GBF accrues interest at the South African prime interest rate less 1.75% (30 June 2020: South African prime interest rate less 1.75%), and is payable on demand with a 90-day notice period.

The GBF was undrawn at year-end.

Notes to the summarised financial results continued

19. Long-term provisions

	30 June 2021 R000	30 June 2020 R000
Balance at the beginning of the year	729 327	679 459
Change in estimate relating to the decommissioning costs (note 11)	28 043	(23 436)
Change in estimate relating to the restoration costs (note 4)	(7 346)	6 726
Unwinding of discount (note 6)	62 723	66 578
Total rehabilitation and decommissioning liability provision	812 747	729 327
Below is a breakdown of the long-term provision:		
Provision for decommissioning costs		
Balance at the beginning of the year	509 325	485 219
Change in estimate relating to the decommissioning costs (note 11)	28 043	(23 436)
Unwinding of discount (note 6)	43 802	47 542
Total provision for decommissioning costs	581 170	509 325
Provision for restoration costs		
Balance at the beginning of the year	220 002	194 240
Change in estimate relating to restoration costs (note 4)	(7 346)	6 726
Unwinding of discount (note 6)	18 921	19 036
Total provision for restoration costs	231 577	220 002
Total rehabilitation and decommissioning liability provision	812 747	729 327
The long-term provision is made up of the provision relating to the rehabilitation and decommissioning liability of:		
Northam Platinum Limited (Zondereinde operation)	168 557	149 292
Booysendal Platinum Proprietary Limited (Booysendal operation)	236 545	213 318
Eland Platinum Proprietary Limited (Eland operation)	407 645	366 717
Total rehabilitation and decommissioning liability provision	812 747	729 327

On an annual basis, at year-end, a third party expert is engaged to determine the decommissioning and restoration liability for each of the operations within the Group.

Notes to the summarised financial results continued

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

	Zondereinde operations 30 June 2021	Booysendal operations 30 June 2021	Eland operations 30 June 2021	Total 30 June 2021
	R000	R000	R000	R000
Provision for decommissioning costs				
Balance at the beginning of the year	93 732	120 789	294 804	509 325
Change in estimate relating to the decommissioning costs	15 297	9 952	2 794	28 043
Unwinding of discount	8 061	10 388	25 353	43 802
Total provision for decommissioning costs	117 090	141 129	322 951	581 170
Provision for restoration costs				
Balance at the beginning of the year	55 560	92 529	71 913	220 002
Change in estimate relating to restoration costs	(8 871)	(5 071)	6 596	(7 346)
Unwinding of discount	4 778	7 958	6 185	18 921
Total provision for restoration costs	51 467	95 416	84 694	231 577
Total rehabilitation and decommissioning liability provision	168 557	236 545	407 645	812 747

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

Notes to the summarised financial results continued

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

	Zondereinde operations 30 June 2021	Booysendal operations 30 June 2021	Eland operations 30 June 2021	Total 30 June 2021
	R000	R000	R000	R000
Undiscounted obligation based on the DMRE, including VAT	245 959	248 972	200 444	695 375
Less funds held by the Northam Platinum Restoration Trust Fund	(68 015)	(68 015)	–	(136 030)
Less environmental guarantees	(224 915)	(223 536)	(170 061)	(618 512)
Total (overfunded)/underfunded rehabilitation obligation in terms of current legislation	(46 971)	(42 579)	30 383	(59 167)

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

Notes to the summarised financial results continued

Northam Platinum Restoration Trust Fund

The Group contributed to a dedicated environmental restoration trust fund to provide for the estimated decommissioning and environmental restoration cost at the end of the various operations' lives.

The balance of the fund comprises:

	30 June 2021	30 June 2020
	R000	R000
Opening balance	128 732	120 080
Growth in the investment	7 298	8 652
Balance at the end of the year	136 030	128 732

This investment, which mainly consists of cash, is separately administered and the Group's right of access to these funds is restricted. The investment is managed by Stanlib Collective Investments (RF) Limited, and is made up of a fixed number of units which trade at specific values as noted below.

	30 June 2021	30 June 2020
	R000	R000
Stanlib Balanced Fund R	2 277	1 952
Stanlib Income Fund B2	92 529	85 556
Stanlib Institutional Money Market Fund B3	41 224	41 224
Balance at the end of the year	136 030	128 732

The Northam Platinum Restoration Trust Fund was established in 1996 to assist the Group in making financial provision for the environmental rehabilitation in terms of the Minerals and Petroleum Resources Development Act, No. 28 of 2002, upon cessation of its mining operations.

Contributions relating to rehabilitation will no longer be limited to contributions to the Northam Platinum Restoration Trust Fund. The Group may make use of any approved financial vehicles in terms of regulations and legislation.

Below is the accrued interest relating to the investment held by Northam Platinum Restoration Trust Fund which was included in Trade and other receivables (refer to note 17).

	30 June 2021	30 June 2020
	R000	R000
Accrued interest relating to the Northam Platinum Restoration Trust Fund	1 294	1 623
	1 294	1 623

Notes to the summarised financial results continued

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 The South African National Environmental Management Act, No.107 of 1998 (NEMA).

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

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

Below is a summary of the various environmental guarantees issued:

	30 June 2021	30 June 2020
	R000	R000
Northam Platinum Limited (Zondereinde)		
GR/G/20396/0312/0031	31 000	31 000
GR/G/20396/0314/0165	18 000	18 000
GR/G/20396/0315/0231	18 000	18 000
GR/G/20396/0617/0454	35 000	35 000
CQ/G/30381/1217/003	28 807	28 807
GR/G/20396/0618/0544	11 543	11 543
CQ/G/30381/0920/010	36 305	–
CQ/G/30381/1020/011	46 260	–
Total guarantees relating to Northam Platinum Limited (Zondereinde)	224 915	142 350
Booysendal Platinum Proprietary Limited		
GR/G/20396/0311/0011	65 900	65 900
GR/G/20396/0315/0232	25 000	25 000
GR/G/20396/0417/0434	1 908	1 908
GR/G/20396/0517/0459	2 085	2 085
GR/G/02396/0618/0535	2 267	2 267
GR/G/02396/0618/0536	1 267	1 267
CQ/G/30381/0621/012	64 044	–
GR/G/20396/0421/0791	61 065	–
Total guarantees relating to Booysendal Platinum Proprietary Limited	223 536	98 427
Eland Platinum Proprietary Limited		
CQ/G/30381/0118/004	129 545	129 545
CQ/G/30381/0118/005	31 096	31 096
CQ/G/30381/0919/006	2 200	2 200
CQ/G/30381/1119/007	5 359	5 359
CQ/G/30381/1119/008	1 559	1 559
CQ/G/30381/0120/009	302	302
Total guarantees relating to Eland Platinum Proprietary Limited	170 061	170 061
Total environmental guarantees in issue	618 512	410 838

Notes to the summarised financial results continued

Significant judgements and estimates: Determination of the restoration and decommissioning liabilities of the Group

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

NEMA, as well as the 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 NEMA requirement that an applicant for a mining right must make prescribed financial provisions for the rehabilitation or management of negative environmental impacts, which must be reviewed annually.

In terms of NEMA, mining operations are required to make financial provisions for decommissioning and restoration costs that will be incurred upon the cessation of mining activities.

The Group makes full provision for the future commercial cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. The restoration and decommissioning provision represents the present value of rehabilitation and decommissioning costs relating to mine sites, which are expected to be incurred in subsequent years. These provisions are based on assessments prepared by an independent third party expert, SRK Consulting (South Africa) Proprietary Limited, with the Principal Scientist being James Lake Pr Sci Nat, Msc (Geochemistry).

The provision is based on the current best estimate for rehabilitation and decommissioning costs and is determined using commercial closure cost assessments and not the DMRE 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 DMRE rates have been used.

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

The present value of the environmental restoration obligation was determined by applying a pre-tax discount rate of 8.6% (30 June 2020: 8.6%) and a long-term inflation rate of 6.0% (30 June 2020: 6.0%) over the remaining life of the various mines.

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial results. Furthermore, the timing of rehabilitation will likely depend on when the various operations cease to produce at economically-viable rates which will, in turn, depend on future commodity prices and exchange rates, which are inherently uncertain.

On 20 November 2015, 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.

The 2015 Regulations' transitional period was further extended for holders of a right or permit to 19 June 2022. It is anticipated that the proposed 2019 Draft Regulations will be published into law prior to this date.

The Group will comply with the relevant Financial Provision Regulations when required to do so.

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

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

Updates to the assessment, which incorporate the COVID-19 pandemic, included updates to the pre-tax discount rate as well as the long-term inflation rate. These have been updated accordingly, taking into account market assumptions as at 30 June 2021.

Notes to the summarised financial results continued

20. Preference Share liability

	30 June 2021	30 June 2020
	R000	R000
Opening balance	12 592 218	11 159 368
Accrued Zambezi Preference Share dividends	1 318 728	1 432 850
Zambezi Preference Shares liability relating to Zambezi	13 910 946	12 592 218
Derecognition of Zambezi Preference Shares held by Northam together with accrued dividends recognised	(12 176 882)	(4 220 514)
Liquidity fees relating to the Zambezi BEE Transaction net of accumulated amortisation	(80 587)	(96 977)
Current year amortisation of liquidity fees	16 390	16 390
	1 669 867	8 291 117

On 18 May 2015, 159 905 453 cumulative redeemable Preference Shares were issued by Zambezi at an issue price of R41 per share. The Preference Shares were redeemable in 10 years' time (from inception), which would have been 17 May 2025, at R41 per share plus the accumulated unpaid preference dividends. The Zambezi Preference Shareholders were entitled to receive a dividend equal to the issue price multiplied by the dividend rate of the South African prime interest rate plus 3.5% calculated on a daily basis based on a 365-day year compounded annually and capitalised at the end of December of every year.

The preference rights, limitations and other terms associated with the Zambezi Preference Shares are set out in the Zambezi MOI.

Subject to certain exceptions, the redeemable Zambezi Preference Shares do not carry the right to vote.

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

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

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

	30 June 2021	30 June 2020
	Number of Zambezi Preference Shares	Number of Zambezi Preference Shares
Total number of Zambezi Preference Shares	159 905 453	159 905 453
Number of Zambezi Preference Shares held by Northam Platinum Limited	(139 972 496)	(53 595 254)
Number of Zambezi Preference Shares held in the open market	19 932 957	106 310 199
Percentage holding by Northam in the Zambezi Preference Shares	87.5%	33.5%
Value per Zambezi Preference Share*	R86.99	R78.75
Closing price of Zambezi Preference Shares	R97.50	R81.00
Fair value as per the closing price of Zambezi Preference Shares (R000)	1 943 463	8 611 126

**Rounded to the nearest cent*

Subsequent to year-end Northam acquired all the Zambezi Preference Shares not already held by Northam at the Face Value of the Zambezi Preference Shares plus a premium of 15.99%.

Notes to the summarised financial results continued

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

	30 June 2021	30 June 2020
	R000	R000
Accrued Zambezi Preference Share dividends relating to Zambezi	1 318 728	1 432 850
Less Zambezi Preference Share dividends accrued to Northam with regards to the Zambezi Preference Shares held by Northam	(940 050)	(299 678)
Zambezi Preference Share dividends per the statement of profit or loss and other comprehensive income	378 678	1 133 172

Below is a reconciliation of the loss on derecognition of the Zambezi Preference Share liability:

	30 June 2021	30 June 2020
	R000	R000
Opening balance of Zambezi Preference Shares held by Northam	4 220 514	295 257
Acquisition of Zambezi Preferences Shares, including transaction costs during the year	8 084 876	3 756 207
Zambezi Preference Share dividends accrued to Northam with regards to the Zambezi Preference Shares held by Northam	940 050	299 678
Derecognition of Zambezi Preference Shares held by Northam together with accrued dividends recognised	(12 176 882)	(4 220 514)
Loss on derecognition of the Zambezi Preference Share liability	1 068 558	130 628

The loss on derecognition of Zambezi Preference Share liability relates to the difference between the Face Value per Zambezi Preference Share and the price paid together with transaction costs incurred on the purchases of these Zambezi Preference Shares.

Notes to the summarised financial results continued

Impact of the Composite Transaction: Zambezi Scheme, Zambezi Delisting and Zambezi MOI Amendments

On the Zambezi Scheme Implementation Date, Northam acquired all of the Zambezi Preference Shares not already held by it for the Zambezi Offer Consideration.

Northam made the Zambezi Offer to Zambezi Preference Shareholders in terms of the Zambezi Scheme Circular. The Zambezi Offer was implemented by way of the Zambezi Scheme, proposed by the Zambezi Board, between Zambezi and the Zambezi Preference Shareholders, in terms of section 114(1) as read with section 115 of the Companies Act.

Simultaneously with the Zambezi Scheme, the Zambezi Board proposed (i) the Zambezi Delisting; and (ii) various amendments to the Zambezi MOI to enable the implementation of certain components of the Transaction, including:

- amendments to the Zambezi Pref Share Terms in order to increase the Accumulated Dividends in respect of each Zambezi Preference Share by the Premium Amount; provide for the settlement by Zambezi of all the Revised Accumulated Dividends on the Repurchase Implementation Date, and to permit settlement thereof in cash or by way of a transfer by Zambezi of so many Northam Shares held by Zambezi, valued at R160.00, as may be equal in value to the amount of the Revised Accumulated Dividends; and permit the voluntary redemption of Zambezi Preference Shares by Zambezi from time to time, after the Net Value Distribution Date at Zambezi's election, provided that Zambezi shall be obliged to redeem all the Zambezi Preference Shares by no later than 17 May 2025 (being the scheduled redemption date, as contemplated in the Zambezi Pref Share Terms), in cash or by way of a transfer by Zambezi of Northam Shares held by Zambezi, together with other amendments necessary to give effect to and implement the Transaction (collectively, the Zambezi Pref Share Term Amendments), with effect from the Zambezi Scheme Implementation Date;
- amendments to the Zambezi N Share Terms with effect from the Net Value Distribution Date in order to provide the Zambezi N Shareholder with the right to exercise 99% of all the votes exercisable by all the Zambezi Ordinary Shareholders and to receive 100% of the Distributions made by Zambezi (subject to the Zambezi Pref Share Terms and the settlement of the Net Value Distribution and the Zambezi Retention Release Amount), together with other amendments necessary to give effect to and implement the Transaction (the Zambezi N Share Term Amendments); and
- amendments to the Zambezi MOI in order to (i) enable Zambezi to implement the Transaction, with effect from the Zambezi Scheme Implementation Date and (ii) convert Zambezi into a private company, with effect from the date on which the Zambezi Delisting becomes effective, together with other amendments necessary to give effect to and implement the Transaction (Zambezi MOI Amendments).

Notes to the summarised financial results continued

As per the original Zambezi Pref Share Terms, the Zambezi Preference Share liability was due at the end of the 10-year Lock-in period, which was 17 May 2025. Settlement of dividends in respect of the Zambezi Preference Shares would have occurred through a Distribution to Zambezi Preference Shareholders of 90% of any dividends received by Zambezi from Northam during the 10-year Lock-in period. At the end of the Lock-in period settlement of unpaid dividends and the redemption of the Zambezi Preference Shares would have taken place through a Distribution to Zambezi Preference Shareholders of Northam Shares and/or cash held by Zambezi (if any). In the event that this was not sufficient to settle the Zambezi Preference Share liability, the Northam Guarantee would be called upon.

Subsequent to the year-end and following implementation of the Zambezi Scheme, on the Repurchase Implementation Date, Zambezi settled the Revised Accumulated Dividends, by way of a repurchase by Northam (being the only Zambezi Preference Shareholder after implementation of the Zambezi Scheme) of so many Northam Shares held by Zambezi (valued at a price of R160.00 per Northam Share), as may be equal in value to the amount of the Revised Accumulated Dividends, in accordance with the Zambezi Pref Share Terms (as amended pursuant to the Zambezi Pref Share Term Amendments).

Therefore, subsequent to year-end, the Zambezi Preference Share liability will be settled as follows:

	Revised Accumulated Dividends Settlement as at the LPD[4]
	R000
Original capital value of the Zambezi Preference Shares on issue date 18 May 2015	6 556 124
Accumulated Dividends up to the LPD	7 122 795
Face Value at the LPD	13 678 919
Premium Amount	1 519 880
Total outstanding Zambezi Preference Share liability at the Repurchase Implementation Date	15 198 799
Made up of the:	
Original capital value of the Zambezi Preference Shares on issue date 18 May 2015	6 556 124
Revised Accumulated Dividends	8 642 675
Total outstanding Zambezi Preference Share liability at the Repurchase Implementation Date	15 198 799
Total outstanding Zambezi Preference Share liability at the Repurchase Implementation Date	15 198 799
Settled by way of Northam Shares valued at R160 per share	R160 per share
Number of Northam Shares which will be repurchased by Northam in settlement of the Zambezi Preference Share liability	94 992 488

Subsequent to the repurchase by Northam of the 94 992 488 Northam Shares in settlement of the Zambezi Preference Share liability, the Northam Shares will be cancelled.

[4] The number of shares disclosed is based on the base case *pro forma* financial information for the Composite Transaction as set out in the Transaction Documents as at the LPD.

Notes to the summarised financial results continued

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

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

The transaction was financed by way of 159 905 453 new listed Zambezi Preference Shares, redeemable at the end of a 10-year Lock-in period. These Zambezi Preference Shares were guaranteed by Northam and as a result of the Northam Guarantee consolidated into the Northam Group results.

In terms of the Preference Share Terms, the Preference Shareholders are entitled to receive dividends equal to the South African prime interest rate plus 3.5% over the 10-year Lock-in period. Settlement of dividends in respect of the Zambezi Preference Shares would have occurred in part through 90% of the dividends received by Zambezi from Northam. There was however no obligation to settle the Zambezi Preference Share liability during the 10-year Lock-in period should no dividends be received from Northam. In terms of the Zambezi Preference Share Terms, the Zambezi Preference Share dividends would accumulate (compounded) at the rate mentioned above for the 10-year Lock-in period if not paid by Zambezi. The Zambezi Preference Shares are compulsorily redeemable on the day immediately succeeding the 10th anniversary of the implementation date. The Zambezi Preference Shares could only be redeemed before this date upon the occurrence of an early redemption event which was defined in the Preference Share Terms in Zambezi's MOI. On the redemption date, Zambezi is required to settle any accumulated unpaid dividends, together with the redemption price. The redemption price will be equal to the issue price of the Zambezi Preference Shares. Zambezi does not have any discretion to avoid the payment of accumulated unpaid dividends and the redemption price and was therefore obliged to settle this amount by Distributing to Preference Shareholders a variable number of Northam Shares and/or cash held by Zambezi (if any). In the event that this was not sufficient to settle the liability, the Preference Share liability was secured in terms of the Northam Guarantee. Should a liability have arisen under the Northam Guarantee, Northam may have settled this liability by capitalising Zambezi with cash and/or Northam Shares before the redemption amount became due or making payment directly to the Preference Shareholders. The manner of settlement was a choice and was not contractually specified between the two ways mentioned above.

As at 30 June 2021, the redemption price of the Zambezi Preference Shares as well as any accumulated and unpaid preference dividends met the definition of a financial liability and therefore accounted for as such in the statement of financial position of Zambezi and consolidated in the financial statements of Northam in terms of IFRS. This means that the Northam Group reflects the BEE equity issued shares (i.e. Northam Shares) as Treasury Shares (for accounting purposes. Zambezi Preference Shares are reflected as a liability.

Zambezi was created and designed for the sole purpose of providing Northam with BEE credentials as well as a structure to issue the listed Zambezi Preference Shares. If Northam does not comply with the HDSA requirements in the Mining Charter it will not be able to retain its mining rights. Northam is able to direct the strategic direction of Zambezi and as per the subscription and relationship agreement between the two companies, Zambezi's MOI may not be amended or replaced without Northam's prior written consent.

Northam assumes full responsibility for the administration of Zambezi as well as any costs incurred by Zambezi up to a certain limit. Furthermore, Northam provided the Northam Guarantee for Zambezi's obligation in respect of the Zambezi Preference Shares. All these points indicate that Northam has been involved from the inception of the Zambezi BEE Transaction to ensure that the design and operation of Zambezi achieves the purpose for which it was created.

In terms of the Zambezi BEE Transaction, an N share was issued to Northam, which gave it the right to implement mitigating action should Zambezi not comply with certain undertakings as per the Zambezi BEE Transaction's agreements and in other limited instances aimed at maintaining the integrity of the Zambezi BEE Transaction at all times. Zambezi also cannot dispose of the Northam Shares without the prior consent of Northam. Northam has significant exposure to the variable returns of Zambezi, through the creation and maintenance of the BEE credentials during the 10-year Lock-in period as well as through the Northam Guarantee. The decision-making power of Zambezi's board of directors is restricted in terms of the ring-fencing provisions contained in the Zambezi MOI.

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

Subsequent to year-end, as part of the early maturity and wind-up of the Zambezi BEE Transaction, certain amendments have been made, including to the terms of the N Share. These amendments increased the number of authorised N Shares to 1,000,000 N Shares and provide the Zambezi N Shareholder with the right to exercise 99% of all the votes exercisable by all the Zambezi Ordinary Shareholders and to receive 100% of the Distributions made by Zambezi (subject to the Zambezi Pref Share Terms and the settlement of the Net Value Distribution and the Zambezi Retention Release Amount) with effect from the Net Value Distribution Date.

With the Zambezi N Share Term Amendments, Northam has, in its capacity as the Zambezi N Shareholder, assumed voting and economic control of Zambezi and Zambezi has become a Subsidiary of Northam.

COVID-19 had no impact on the fact that Zambezi is consolidated into the Northam Group

The interest rate at which the South African Reserve Bank (SARB) lends to commercial banks, known as the repo rate, was decreased by 275 basis points from March 2020. This was part of the South African government's attempt to support and relieve some of the mounting pressure on individuals and businesses alike, effectively reducing the cost of borrowings.

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

Notes to the summarised financial results continued

21. Long-term loans

	30 June 2021	30 June 2020
	R000	R000
Security of supply contribution	55 337	79 109
Heraeus Deutschland GmbH & Co. KG	92 662	79 896
Total long-term loans	147 999	159 005
Current portion of security of supply contribution	(19 704)	(23 772)
Current portion of Heraeus Deutschland GmbH & Co. KG	(14 100)	(4 700)
Long-term portion	114 195	130 533

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.

No further amounts will be received with regards to the security of supply contributions. Amounts previously received were once-off arrangements between the Group and the customer.

Below is a reconciliation of the security of supply contribution liability:

	30 June 2021	30 June 2020
	R000	R000
Opening balance	79 109	101 886
Amounts recognised in operating cost as a credit to contractors' costs (refer note 4)	(23 772)	(22 777)
Closing balance security of supply contribution	55 337	79 109

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

During the previous financial year, the development and research cost of R9.4 million was waived by Heraeus Deutschland GmbH & Co. KG for the 30 June 2020 financial year and reduced to R4.7 million, representing half of the annual fee, for the 30 June 2021 financial year, payable before 31 December 2021. The annual payment of R9.4 million as per the original agreement will resume thereafter.

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

Notes to the summarised financial results continued

22. Share-based payment liability

	30 June 2021	30 June 2020
	R000	R000
Performance and retention share-based payment liability	711 706	369 273
Lock-in and incentive mechanism share-based payment liability	431 021	168 119
Total share-based payment liability	1 142 727	537 392
Short-term portion of share-based payment liability	(498 010)	(183 029)
Long-term share-based payment liability	644 717	354 363

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

	30 June 2021	30 June 2020
	R000	R000
Opening balance	537 392	247 560
Share-based payment expense during the year (refer note 4)	969 898	472 079
Performance and retention shares cash settled during the year	(364 563)	(182 247)
Total share-based payment liability	1 142 727	537 392

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

Notes to the summarised financial results continued

Share incentive plan (SIP)

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

	30 June 2021 Retention shares Number of awards	**30 June 2021** Performance shares Number of awards	**30 June 2021** Total Number of awards
Balance as at 1 July 2020	1 752 230	5 251 525	7 003 755
Shares awarded during the year	267 900	804 130	1 072 030
Shares forfeited	(53 385)	(585 728)	(639 113)
Shares cash settled during the year	(621 830)	(1 531 094)	(2 152 924)
Balance as at 30 June 2021	1 344 915	3 938 833	5 283 748

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

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

The SEHR&T committee elects the settlement of all SIP awards of conditional shares in cash or with shares. Currently all shares are expected to be settled in cash and is therefore treated as cash settled.

All awards that had not yet vested but were cash-settled during the year under review relate to employees who retired or passed away.

Notes to the summarised financial results continued

The following table lists the inputs to the model used for the valuation of the share-based payment liability:

	30 June 2021 F2019 awards	**30 June 2021** F2020 awards	**30 June 2021** F2021 awards
Dividend yield (%)	–	–	–
Forfeiture rate (%)	10.0	10.0	10.0
Expected life of share awards (years)	0.35	1.34	2.34
30-Day VWAP (R/share)	R220.33	R220.33	R220.33
Model used*	Market value	Market value	Market value
Valuation per share award (R/share)	R212.96	R193.86	R176.23

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

	30 June 2020 F2018 awards	**30 June 2020** F2019 awards	**30 June 2020** F2020 awards
Dividend yield (%)	–	–	–
Forfeiture rate (%)	10.0	10.0	10.0
Expected life of share awards (years)	0.34	1.35	2.34
30-Day VWAP (R/share)	R108.10	R108.10	R108.10
Model used*	Market value	Market value	Market value
Valuation per share award (R/share)	R104.63	R95.05	R86.52

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

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

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

Notes to the summarised financial results continued

Lock-in and incentive mechanism (LIM)

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

	30 June 2021	30 June 2020
	Number of awards	Number of awards
Opening balance	3 400 000	3 400 000
Incentive mechanism shares awarded during the year	950 000	–
Zambezi lock-in incentive mechanism share awards awarded	4 350 000	3 400 000

The implementation of the Zambezi BEE Transaction resulted in a number of significant benefits for the Group including compliance with the required empowerment criteria in terms of the MPRDA and the Mining Charter, as well as a significant cash injection to fund both acquisitions and organic growth.

However, the Northam Guarantee to the holders of the Zambezi Preference Shares may have resulted in a dilution for Northam Shareholders, eroding shareholder value as a result.

Therefore, at the request of Shareholders, Northam introduced a management incentive plan on implementation of the Zambezi BEE Transaction in 2015.

The purpose of this was to align the interests of Northam's management team with those of the Northam Shareholders. It was linked to the outcome of the Zambezi BEE Transaction. Maturity of the Zambezi BEE Transaction would have accelerated vesting.

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

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

In terms of the incentive mechanism share awards, a maximum aggregate of five million shares could be awarded.

During the year under review, the social, ethics, human resources and transformation committee awarded incentive mechanism shares to key individuals within the Northam Group. With the growth and changes within the Group, the social, ethics, human resources and transformation committee believed that it is important to align these individual's interest with those of the Northam Shareholders. It is also believed that this incentive mechanism will be a retention mechanism during the next five years.

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

	30 June 2021	30 June 2020
Dividend yield (%)	–	–
Forfeiture rate (%)	–	–
Expected life of share awards (years)	3.88	4.88
Spot price (R/share)	R216.93	R116.20
Model used*	Market value	Market value
Valuation per share award (R/share)	R216.93	R116.20

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

All incentive mechanism share awards will vest on 17 May 2025, irrespective of the grant date.

Notes to the summarised financial results continued

Impact of the Composite Transaction on the consolidated annual financial statements

Northam established the Northam SIP in 2011 and amended the Northam SIP in 2016 following the implementation of the Zambezi BEE Transaction.

The lock-in and incentive mechanism (LIM) in the Northam SIP was specifically structured to incentivise the mitigation of risks to the company introduced by the Northam Guarantee, as well as to retain key members of Northam's senior management and employees (Management Team) until the redemption of the Zambezi Preference Shares on 18 May 2025 (Original Maturity Date).

In terms of the rules of the Northam SIP (Rules), a redemption by Zambezi of the Zambezi Preference Shares prior the Original Maturity Date would have resulted in the Zambezi BEE Transaction Conditional Shares awarded to the Management Team under the LIM (Participants) being subject to a proportionate vesting with the balance lapsing (Proportionate Vesting). The implementation of the Transaction entails the Zambezi Preference Shares being redeemed by Zambezi on or prior to the Original Maturity Date, at Zambezi's election. The Proportionate Vesting could therefore occur as a result of the implementation of the Transaction to the extent that Zambezi elects to redeem, and redeems, the Zambezi Preference Shares prior to the Original Maturity Date.

In order to maintain the retention of the Management Team and to continue to incentivise the Management Team until the Original Maturity Date, and to prevent the possible Proportionate Vesting upon implementation of the Transaction, the Rules were amended, with effect from the Zambezi Scheme Implementation Date, to *inter alia* cater for: no Proportionate Vesting to occur if Zambezi elects to redeem, and redeems, the Zambezi Preference Shares prior to the Original Maturity Date; the Zambezi BEE Transaction Conditional Shares, subject to the vesting condition (as defined in the Rules) being fulfilled on such date, vesting on the Original Maturity Date and the performance condition (as defined in the Rules) relating thereto being deemed to have been fulfilled on such date; subject to certain provisions applicable in respect of no fault termination and early retirement (as defined in the Rules), dividends which are declared and paid in respect of Northam Shares from the Zambezi Scheme Implementation Date until the Original Maturity Date shall notionally accrue to the Zambezi BEE Transaction Conditional Shares and the aggregate amount of such notional dividends shall be paid in cash to the Participants within 30 days of the Original Maturity Date, provided that the vesting condition has been fulfilled on the Original Maturity Date.

This avoids a cliff vesting event and ensures continued alignment of the interests of the Management Team and Northam Shareholders.

Notes to the summarised financial results continued

23. Domestic Medium-Term Notes

	30 June 2021	30 June 2020
	R000	R000
Non-current Domestic Medium-Term Notes (DMTNs)		
DMTNs (NHM002)	–	175 000
NHM002 switched to NHM018	–	(173 600)
Transaction costs relating to the NHM002 issue	–	(1 256)
Amortisation of transaction costs over the period of the Notes issued	–	1 254
Transfer to current DMTNs	–	(1 398)
	–	–

On 13 May 2016, Northam issued NHM002. These Notes attracted a fixed coupon of 13.50% per annum, payable semi-annually in May and November of every year, and was redeemed on 12 May 2021.

	30 June 2021	30 June 2020
DMTNs (NHM006)	–	250 000
NHM006 switched to NHM016	–	(28 907)
NHM006 switched to NHM018	–	(97 700)
Transaction costs relating to the NHM006 issue	–	(1 576)
Amortisation of transaction costs over the period of the Notes issued	–	1 269
Transfer to current DMTNs	–	(123 086)
	–	–

On 16 April 2019, Northam issued NHM006. These Notes attracted a floating coupon rate of 3-month JIBAR plus 325 basis points, which was payable on a quarterly basis in April, July, October and January of each year from issue date for a two-year period and was redeemed on 16 April 2021.

	30 June 2021	30 June 2020
DMTNs (NHM007)	141 186	300 000
NHM007 switched to NHM016	–	(58 814)
NHM007 switched to NHM018	–	(100 000)
DMTNs tap issue – Tranche 2	150 000	–
Transaction costs relating to the NHM007 issue	(4 430)	(1 851)
Amortisation of transaction costs over the period of the Notes issued	2 033	1 331
Transfer to current DMTNs	(288 789)	–
	–	140 666

On 16 April 2019, Northam issued NHM007. On 7 May 2021, R150.0 million additional Notes were issued under the same terms and conditions. These 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.

Notes to the summarised financial results continued

	30 June 2021	30 June 2020
	R000	R000
DMTNs (NHM009)	100 000	250 000
NHM009 switched to NHM018	–	(150 000)
DMTNs tap issue – Tranche 2	300 000	–
Transaction costs relating to the NHM009 issue	(6 428)	(1 538)
Amortisation of transaction costs over the period of the Notes issued	2 130	1 165
Transfer to current DMTNs	(395 702)	–
	–	99 627

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

	30 June 2021	30 June 2020
DMTNs (NHM011)	173 000	500 000
NHM011 switched to NHM016	–	(277 000)
NHM011 switched to NHM018	–	(50 000)
DMTNs tap issue – Tranche 2	345 000	–
DMTNs tap issue – Tranche 3	100 000	–
Transaction costs relating to the NHM011 issue	(11 139)	(2 905)
Amortisation of transaction costs over the period of the Notes issued	5 435	2 270
Transfer to current DMTNs	(612 296)	–
	–	172 365

On 24 May 2019, Northam issued NHM011. On 25 November 2020 and 7 May 2021, R345.0 million and R100.0 million additional Notes respectively were issued under the same terms and conditions. These Notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issue date for a three-year period. These Notes mature on 24 May 2022.

	30 June 2021	30 June 2020
DMTNs (NHM012)	30 470	100 000
NHM012 switched to NHM016	–	(69 530)
NHM017 switched to NHM012	492 100	–
NHM014 switched to NHM012	1 908 300	–
Transaction costs relating to the NHM012 issue	(42 944)	(866)
Amortisation of transaction costs over the period of the Notes issued	9 714	694
Transfer to current DMTNs	(2 397 640)	–
	–	30 298

On 13 June 2019, Northam issued NHM012. On 30 October 2020 and 23 May 2021, R492.1 million and R1.9 billion additional Notes respectively were issued under the same terms and conditions. These Notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in June, September, December and March of each year from issue date for a three-year period. These Notes mature on 13 June 2022.

	30 June 2021 R000	30 June 2020 R000
DMTNs (NHM014)	1 920 000	2 620 000
NHM014 switched to NHM012	(1 908 300)	–
NHM014 switched to NHM018	–	(300 000)
NHM014 switched to NHM019	–	(400 000)
DMTNs tap issue – Tranche 3	10 000	–
Transaction costs relating to the NHM014 issue	(34 466)	(27 310)
Amortisation of transaction costs over the period of the Notes issued	32 050	15 715
Transfer to current DMTNs	(19 284)	–
	–	1 908 405

On 20 November 2019, Northam issued NHM014. On 25 November 2020, R10.0 million additional Notes were issued under the same terms and conditions. These Notes attract a floating coupon rate of 3-month JIBAR plus 250 basis points, which is payable on a quarterly basis in November, February, May and August of each year from issue date for a two-year period. These Notes mature on 20 November 2021.

	30 June 2021 R000	30 June 2020 R000
DMTNs (NHM015)	500 000	500 000
Transaction costs relating to the NHM015 issue	(8 070)	(8 070)
Amortisation of transaction costs over the period of the Notes issued	2 500	888
	494 430	492 818

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

	30 June 2021 R000	30 June 2020 R000
DMTNs (NHM016)	680 000	680 000
DMTNs tap issue - Tranche 3	165 967	–
DMTNs tap issue - Tranche 4	200 000	–
DMTNs tap issue - Tranche 5	100 000	–
Transaction costs relating to the NHM016 issue	(63 110)	(51 807)
Amortisation of transaction costs over the period of the Notes issued	13 300	1 447
	1 096 157	629 640

On 11 May 2020, Northam issued NHM016. On 7 September 2020, R166.0 million worth of additional Notes were issued, on 25 November 2020, R200.0 million worth of additional Notes were issued and on 10 March 2021, R100.0 million worth of additional Notes were issued under the same terms and conditions. These Notes attract a floating coupon rate of 3-month JIBAR plus 425 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issue date for a five-year period. These Notes mature on 11 May 2025.

Notes to the summarised financial results continued

	30 June 2021 R000	30 June 2020 R000
DMTNs (NHM018)	1 021 300	1 021 300
DMTNs - Tranche 3	253 000	–
DMTNs - Tranche 4	100 000	–
Transaction costs relating to the NHM018 issue	(43 072)	(36 434)
Amortisation of transaction costs over the period of the Notes issued	14 622	1 231
	1 345 850	986 097

On 25 May 2020, Northam issued NHM018. On 25 November 2020, R253.0 million and on 7 May 2021, R100.0 million worth of additional Notes were issued under the same terms and conditions. These Notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issue date for a three-year period. These Notes mature on 25 May 2023.

Subsequent to year-end, on 9 July 2021, an additional R150.0 million was issued as part of NHM018 under the same terms and conditions.

DMTNs (NHM019)	450 000	450 000
DMTNs tap issue - Tranche 2	390 000	–
Transaction costs relating to the NHM019 issue	(33 400)	(18 294)
Amortisation of transaction costs over the period of the Notes issued	7 612	463
	814 212	432 169

On 25 May 2020, Northam issued NHM019. On 25 November 2020, R390.0 million worth of additional Notes were issued under the same terms and conditions. The Notes attract a floating coupon rate of 3-month JIBAR plus 400 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issue date for a four-year period. These Notes mature on 25 May 2024.

DMTNs (NHM020)	132 000	–
Transaction costs relating to the NHM020 issue	(2 653)	–
Amortisation of transaction costs over the period of the Notes issued	528	–
	129 875	–

On 25 November 2020, Northam issued NHM020 which is R132.0 million worth of three-year senior unsecured floating rate Notes. These Notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in November, February, May and August of each year from issue date for a three-year period. These Notes mature on 25 November 2023.

Total non-current Domestic Medium-Term Notes	3 880 524	4 892 085

Notes to the summarised financial results continued

	30 June 2021	30 June 2020
	R000	R000
Current DMTNs		
DMTNs (NHM002)	1 400	1 400
Transaction costs relating to the NHM002 issue	(1 256)	(1 256)
Amortisation of transaction costs over the period of the Notes issued	1 256	1 254
DMTNs repaid	(1 400)	–
	–	1 398

On 13 May 2016, Northam issued NHM002. These Notes attracted a fixed coupon of 13.50% per annum, payable semi-annually in May and November of every year, and was redeemed on 12 May 2021.

DMTNs (NHM006)	123 393	123 393
Transaction costs relating to the NHM006 issue	(1 576)	(1 576)
Amortisation of transaction costs over the period of the Notes issued	1 576	1 269
DMTNs repaid	(123 393)	–
	–	123 086

On 16 April 2019, Northam issued NHM006. These Notes attracted a floating coupon rate of 3-month JIBAR plus 325 basis points, which was payable on a quarterly basis in April, July, October and January of each year from issue date for a two-year period and was redeemed on 16 April 2021.

Transferred from non-current DMTNs (NHM007)	288 789	–
	288 789	–

DMTNs (NHM008)	–	200 000
Transaction costs relating to the NHM008 issue	–	(1 263)
Amortisation of transaction costs over the period of the Notes issued	–	1 263
DMTNs repaid (NHM008)	–	(200 000)
	–	–

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

Transferred from non-current DMTNs (NHM009)	395 702	–
	395 702	–

Notes to the summarised financial results continued

	30 June 2021 R000	30 June 2020 R000
DMTNs (NHM010)	–	50 000
NHM010 switched to NHM016	–	(35 000)
Transaction costs relating to the NHM010 issue	–	(430)
Amortisation of transaction costs over the period of the Notes issued	–	430
DMTNs repaid (NHM010)	–	(15 000)
	–	–

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

	30 June 2021 R000	30 June 2020 R000
Transferred from non-current DMTNs (NHM011)	612 296	–
	612 296	–
Transferred from non-current DMTNs (NHM012)	2 397 640	–
	2 397 640	–
DMTNs (NHM013)	5 100	500 000
NHM013 switched to NHM017	–	(494 900)
Transaction costs relating to the NHM013 issue	(3 036)	(3 036)
Amortisation of transaction costs over the period of the Notes issued	3 036	3 030
DMTNs repaid (NHM013)	(5 100)	–
	–	5 094

On 9 September 2019, Northam issued NHM013, which was R500.0 million of one-year senior unsecured floating rate Notes. These Notes attracted a floating coupon rate of 3-month JIBAR plus 240 basis points, which is payable on a quarterly basis on September, December, March and June from issue date for a one-year period. These Notes matured on 9 September 2020.

	30 June 2021 R000	30 June 2020 R000
Transferred from non-current DMTNs (NHM014)	19 284	–
	19 284	–
DMTNs (NHM017)	494 900	494 900
NHM017 switched to NHM012	(492 100)	–
Transaction costs relating to the NHM017 issue	(11 749)	(9 815)
Amortisation of transaction costs over the period of the Notes issued	11 749	1 664
DMTNs repaid (NHM017)	(2 800)	–
	–	486 749

On 13 May 2020, Northam issued NHM017, which was R494.9 million of nine-month senior unsecured floating rate Notes. These Notes attracted a floating coupon rate of 3-month JIBAR plus 240 basis points, which was payable on a quarterly basis on August, November and February from issue date for a nine-month period. These Notes matured on 26 February 2021.

	30 June 2021 R000	30 June 2020 R000
Total current Domestic Medium-Term Notes	3 713 711	616 327
Total Domestic Medium-Term Notes	7 594 235	5 508 412

Notes to the summarised financial results continued

Northam established a Domestic Medium-Term Notes Programme pursuant to a Programme Memorandum dated 3 August 2012 (the Previous Programme Memorandum), in terms of which the Company may, from time to time, issue Notes.

During the year under review Northam updated the Previous Programme Memorandum to, *inter alia*, align with the latest regulations (including amendments to the Debt Listings Requirements), include more recent information pertaining to Northam and incorporate Booysendal Platinum Proprietary Limited as guarantor. 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.

The amendments are incorporated in an Amended and Restated Programme Memorandum dated 29 October 2020, a copy of which is available on Northam's website (https://www.northam.co.za/downloads/send/96-files/1324-northam-programme-memorandum-13112020). The Amended and Restated Programme Memorandum was approved by and registered with the JSE Limited.

The board of directors of Northam approved an increase in the Programme Amount in terms of the provisions of the DMTN Programme from R10.0 billion to R15.0 billion. This increase will provide Northam with additional funding flexibility.

The Amended and Restated Programme Memorandum applies to all Notes issued under the Programme on or after the Programme Date and will, in respect of such Notes, supersede and replace the Previous Programme Memorandum in its entirety. For the avoidance of doubt, subject to all applicable laws, the Previous Programme Memorandum will remain applicable to all Notes in issue prior to 29 October 2020.

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 NHM015. 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 are being applied towards the recommissioning and development of Eland mine, consequently creating new employment opportunities in the region.

Notes to the summarised financial results continued

Significant judgements and estimates: Tax deductibility of the interest on certain of the Notes issued

DMTNs were issued specifically to finance the purchase of Zambezi Preference Shares, refer to note 20 for more details on the acquisitions made. The interest and transaction cost relating to these specific Notes are therefore not deductible for tax, as the interest is deemed to be unproductive in nature. Interest paid is deemed unproductive when associated borrowings are utilised for non-operational purposes for example buying an investment that generates exempt dividend income.

The Notes issued for the purchase of Zambezi Preference Shares during F2020 comprise R1.9 billion issued under NHM014, R300.0 million switched to NHM018 and R400.0 million switched to NHM019.

During the current period the following Notes were issued to acquire Zambezi Preference Shares: R345.0 million under NHM011, R10.0 million issued as part of NHM014, R366.0 million issued as part of NHM016, R253.0 million issued as part of NHM018, R390.0 million issued as part of NHM019 and NHM020 for R132.0 million.

In addition, R1.9 billion of Notes issued under NHM014 were switched to NHM012.

Below is a summary of the Notes issued to purchase Zambezi Preference Shares:

	30 June 2021	30 June 2020
	R000	R000
NHM011 - Tranche 2	345 000	–
NHM012 - Tranche 3	1 908 300	–
NHM014 - Tranche 1	–	650 000
NHM014 - Tranche 2	11 700	1 270 000
NHM014 - Tranche 3	10 000	–
NHM016 - Tranche 3	165 967	–
NHM016 - Tranche 4	200 000	–
NHM018 - Tranche 2	300 000	300 000
NHM018 - Tranche 3	253 000	–
NHM019 - Tranche 1	400 000	400 000
NHM019 - Tranche 2	390 000	–
NHM020 - Tranche 1	132 000	–
	4 115 967	2 620 000

The interest associated with the DMTNs which was classified as unproductive amounted to the following balances.

	30 June 2021	30 June 2020
	R000	R000
Finance costs relating to the DMTNs (refer to note 6)	473 638	347 728
Unproductive finance cost relating to the DMTNs	(244 144)	(98 128)
Finance cost deductible for tax purposes	229 494	249 600

Notes to the summarised financial results continued

The maturity profile of the Group's DMTNs are set out below, into the relevant maturity Groupings based on the remaining period at the reporting date to the contractual maturity date representing the undiscounted contractual cash flows:

	30 June 2021	30 June 2020
	R000	R000
Maturing during F2021	N/A	624 793
NHM013 – 9 September 2020	N/A	5 100
NHM017 – 26 February 2021	N/A	494 900
NHM006 – 16 April 2021	N/A	123 393
NHM002 – 11 May 2021	N/A	1 400
Maturing during F2022	3 761 756	2 364 656
NHM014 – 20 November 2021	21 700	1 920 000
NHM007 – 16 April 2022	291 186	141 186
NHM009 – 26 April 2022	400 000	100 000
NHM011 – 24 May 2022	618 000	173 000
NHM012 – 13 June 2022	2 430 870	30 470
Maturing during F2023	1 374 300	1 021 300
NHM018 – 25 May 2023*	1 374 300	1 021 300
Maturing during F2024	972 000	450 000
NHM020 – 25 November 2023	132 000	–
NHM019 – 25 May 2024	840 000	450 000
Maturing during F2025	1 645 967	1 180 000
NHM015 – 13 December 2024	500 000	500 000
NHM016 – 11 May 2025	1 145 967	680 000
Total DMTNs (excluding capitalised transaction costs)	7 754 023	5 640 749
Transaction costs incurred	(267 329)	(166 451)
Amortised transaction costs	107 541	34 114
Total Domestic Medium-Term Notes	7 594 235	5 508 412

**Subsequent to year-end, on 9 July 2021, an additional R150.0 million was issued as part of NHM018 under the same terms and conditions.*

Notes to the summarised financial results continued

During the year under review the following movements occurred relating to the DMTNs:

	30 June 2021 R000	30 June 2020 R000
Opening balance	5 640 749	1 825 000
Notes issued	4 646 367	6 266 200
NHM007 – Tranche 2	150 000	–
NHM009 – Tranche 2	300 000	–
NHM011 – Tranche 2	345 000	–
NHM011 – Tranche 3	100 000	–
NHM012 – Tranche 2	492 100	–
NHM012 – Tranche 3	1 908 300	–
NHM013 – Tranche 1	–	500 000
NHM014 – Tranche 2	10 000	2 620 000
NHM015 – Tranche 1	–	500 000
NHM016 – Tranche 3	165 967	–
NHM016 – Tranche 4	200 000	680 000
NHM016 – Tranche 5	100 000	–
NHM017 – Tranche 1	–	494 900
NHM018 – Tranche 3	253 000	1 021 300
NHM018 – Tranche 4	100 000	–
NHM019 – Tranche 2	390 000	450 000
NHM020 – Tranche 1	132 000	–
Notes repaid	(132 693)	(215 000)
NHM002 – Tranche 1	(1 400)	–
NHM006 – Tranche 1	(123 393)	–
NHM008 – Tranche 1	–	(200 000)
NHM010 – Tranche 1	–	(15 000)
NHM013 – Tranche 1	(5 100)	–
NHM017 – Tranche 1	(2 800)	–
Notes switched	(2 400 400)	(2 235 451)
NHM002 – Tranche 1	–	(173 600)
NHM006 – Tranche 1	–	(126 607)
NHM007 – Tranche 1	–	(158 814)
NHM009 – Tranche 1	–	(150 000)
NHM010 – Tranche 1	–	(35 000)
NHM011 – Tranche 1	–	(327 000)
NHM012 – Tranche 1	–	(69 530)
NHM013 – Tranche 1	–	(494 900)
NHM014 – Tranche 1	(1 908 300)	(700 000)
NHM017 – Tranche 1	(492 100)	–
Total DMTNs (excluding capitalised transaction costs)	7 754 023	5 640 749
Transaction costs incurred	(267 329)	(166 451)
Amortised transaction costs	107 541	34 114
Total Domestic Medium-Term Notes	7 594 235	5 508 412

24. Revolving credit facility

	30 June 2021	30 June 2020
	R000	R000
Opening balance	–	2 150 000
Amounts drawn down on the revolving credit facility	3 750 000	4 800 000
Amounts repaid during the year	(3 750 000)	(6 950 000)
Total facility utilised at year-end	–	–
Transaction costs incurred on the previous facility	–	(21 767)
Amortisation of transaction costs of the previous facility	–	21 767
Transaction costs incurred on the new revolving credit facility	(33 345)	(27 701)
Amortisation of transaction costs on the new revolving credit facility amortised over the period of the facility	10 163	4 617
Total other financial assets	(23 182)	(23 084)

Northam has a R4.0 billion (30 June 2020: R3.5 billion) 5-year revolving credit facility available with Nedbank Limited which matures on 5 September 2024.

During the year under review the revolving credit facility was increased from R3.5 billion to R4.0 billion with all other terms and condition unchanged.

The Nedbank revolving credit facility has covenant requirements which is reported on at each reporting period. With the onset of COVID-19, the financial covenant parameters were renegotiated with Nedbank Limited and relaxed up to and including 31 December 2021. The financial covenants were relaxed to buffer the Group against unforeseen implications of the COVID-19 pandemic. As a result, the interest rate was updated to JIBAR plus 2.45% (30 June 2020: 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 revolving credit facility therefore ranged between JIBAR plus 2.55% and JIBAR plus 2.95% (30 June 2020: 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 0.80% per annum (30 June 2020: 0.70% per annum) on the unutilised portion of the facility. No commitment fee shall accrue during periods where more than R2.5 billion of the facility has been utilised.

The utilised revolving credit facility is disclosed as non-current as Northam has the discretion to refinance or roll over the outstanding facility for at least 12 months after the reporting period under the existing loan facility.

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

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

	30 June 2021	30 June 2020
	R000	R000
Total RCF	4 000 000	3 500 000
Facility utilised at year-end	–	–
Available facility at year-end	4 000 000	3 500 000

The full facility was available at year-end.

Notes to the summarised financial results continued

Significant judgements and estimates: Tax deductibility of the interest on the revolving credit facility during the year under review

A number of drawdowns on the revolving credit facility were utilised to purchase Zambezi Preference Shares, refer to note 20 for more details on the acquisitions made. A portion of the interest on the revolving credit facility is therefore not deductible for tax, as the interest is deemed to be unproductive in nature. Interest paid is deemed unproductive when associated borrowings are utilised for non-operational purposes for example buying an investment that generates exempt dividend income.

Below is a summary of the drawdowns made to acquire Zambezi Preference Shares:

	30 June 2021	**30 June 2020**
	R000	R000
Drawdowns made to acquire Zambezi Preference Shares	3 250 000	2 750 000
	3 250 000	2 750 000

The drawdowns made during the current year related to an amount of R2.4 billion which was settled in full during March 2021 from operational cash flows and an amount of R850.0 million which was settled subsequent to DMTNs being issued as announced on SENS on 24 November 2020.

DMTNs were subsequently issued to refinance the revolving credit facility in previous periods. Refer to note 23 for details regarding the issue of DMTNs to replenish the revolving credit facility.

The interest associated with the revolving credit facility which was classifies as unproductive amounted to the following balances:

	30 June 2021	**30 June 2020**
	R000	R000
Finance costs relating to the RCF (refer to note 6)	79 872	213 636
Unproductive finance cost relating to the RCF	(74 903)	(81 609)
Finance cost deductible for tax purposes	4 969	132 027

Notes to the summarised financial results continued

25. Trade and other payables

	30 June 2021	30 June 2020
	R000	R000
Trade payables	1 286 775	630 613
Provisional pricing payables	13 092	10 159
Accruals	340 584	286 500
Concentrate purchased accruals	934 688	1 309 142
Capital accruals	142 576	29 420
SARS – Value Added Tax	88 002	72 886
SARS – amounts payable relating to the Mineral and Petroleum Resources Royalty	2 972	84
Accrued interest and commitment fees	58 181	52 064
Employee related accruals	802 980	419 323
Employee Labour Court judgement (refer to note 30)	55 000	55 000
Other	80 651	74 060
	3 805 501	2 939 251

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

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

Below are the uncovered foreign currency denominated balances as at 30 June included in trade and other payables above:

	30 June 2021	30 June 2020
Euro (€000)	2 592	1 486
€ closing exchange rate*	R16.93	R19.46
Trade and other payables denominated in € (R000)	43 875	28 917
US dollars (USD000)	31 470	36 750
USD closing exchange rate*	R14.28	R17.33
Trade and other payables denominated in USD (R000)	449 244	636 732
Swiss Francs (CHF000)	–	2
CHF closing exchange rate*	–	R18.29
Trade and other payables denominated in CHF (R000)	–	39
Pound Sterling (£000)	28	–
£ closing exchange rate*	R19.57	–
Trade and other payables denominated in £ (R000)	548	–

**Rounded to the nearest cent*

Notes to the summarised financial results continued

26. Provisional pricing derivatives

	30 June 2021	30 June 2020
	R000	R000
Provisional pricing derivatives	–	–
	–	–

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

Subsequent to the quotational period, the selling price is finalised and any amounts required to be refunded are accounted for as a provisional pricing payable (refer to note 25).

Notes to the summarised financial results continued

27. Fair value

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

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

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

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

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

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

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

	30 June 2021	**30 June 2020**
	R000	R000
Zambezi Preference Share liability		
Carrying value (refer note 20)	(1 669 867)	(8 291 117)
Fair value as per the closing price of Zambezi Preference Shares	(1 943 463)	(8 611 126)

The Zambezi 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 with reference to the closing price of the Preference Shares at year-end:

	Number of Zambezi Preference Shares 30 June 2021	**Number of Zambezi Preference Shares 30 June 2020**
Number of Zambezi Preferences Shares issued	159 905 453	159 905 453
Number of Zambezi Preference Shares held by Northam	(139 972 496)	(53 595 254)
Number of Zambezi Preference Shares held in the open market	19 932 957	106 310 199
Closing price of Zambezi Preference Shares	R97.50	R81.00
Fair value as per the closing price of the Zambezi Preference Shares (R000)	(1 943 463)	(8 611 126)

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

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

There were no transfers of financial instruments between the various fair value levels during the year.

Notes to the summarised financial results continued

28. Capital and other commitments, including guarantees provided

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

	30 June 2021	30 June 2020
	R000	R000
Capital commitments – Booysendal mine		
Authorised but not contracted	964 797	664 123
Contracted	195 557	337 448
	1 160 354	1 001 571
Capital commitments - Zondereinde mine		
Authorised but not contracted	1 659 940	955 608
Contracted	265 758	161 854
	1 925 698	1 117 462
Capital commitments - Eland mine		
Authorised but not contracted	1 044 805	295 719
Contracted	144 577	13 151
	1 189 382	308 870
Total capital commitments	4 275 434	2 427 903

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

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

	30 June 2021	30 June 2020
	R000	R000
Bank guarantees		
Eskom Holdings SOC Limited	143 709	146 473
Other	298	398
	144 007	146 871
Other environmental guarantees		
Department of Mineral Resources and Energy (refer note 19)	618 512	410 838
	618 512	410 838

Notes to the summarised financial results continued

29. Related parties

Related party relationships exist between the company, subsidiaries and an associate within the Northam Group of companies.

Below is a summary of the key related party transactions:

Guarantees

Northam currently has finance facilities available in the form of a RCF to the value of R4.0 billion (30 June 2020: R3.5 billion) and a GBF to the value of R1.0 billion (30 June 2020: R500.0 million) with Nedbank Limited. Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited have both signed a letter of guarantee concerning these facilities.

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

In addition, as at 30 June 2021, Northam had DMTNs in an aggregate amount of R7.8 billion (30 June 2020: R5.6 billion) in issue on the debt capital market. These Notes were issued under the R15.0 billion DMTN Programme. Booysendal Platinum Proprietary Limited is a guarantor for these issued Notes.

Subsequent to year-end an additional amount of R150.0 million was issued under the DMTN Programme.

Refer to note 23 for details on the Notes issued.

Notes to the summarised financial results continued

Zambezi Platinum (RF) Limited

Zambezi was created and designed for the sole purpose of providing Northam with BEE credentials and to issue the Zambezi Preference Shares. If Northam does not comply with the HDSA requirements in the Mining Charter, it will not be able to retain its mining rights. Northam is able to direct the strategic direction of Zambezi and as per the subscription and relationship agreement between the parties, Zambezi's MOI may not be amended or replaced without Northam's prior written consent.

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

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

Below is a summary of the net asset value of Zambezi:

	30 June 2021	30 June 2020
	R000	R000
Investment held by Zambezi in Northam	34 688 290	18 581 014
Cash and cash equivalents together with accrued interest	510	502
Less Zambezi Preference Share liability in Zambezi	(13 910 946)	(12 592 218)
Deferred tax liability relating to capital gains tax payable by Zambezi	(6 301 605)	(2 693 575)
Amounts payable to SARS	–	–
Net asset value of Zambezi	14 476 249	3 295 723
Number of Northam Shares held by Zambezi	159 905 453	159 905 453
Closing price of Northam Shares (share code: NHM)	R216.93	R116.20
Investment held by Zambezi in Northam	34 688 290	18 581 014
Number of Zambezi Preference Shares in issue	159 905 453	159 905 453
Value per Zambezi Preference Share*	R86.99	R78.75
Zambezi Preference Share liability in Zambezi	(13 910 946)	(12 592 218)

**Rounded to the nearest cent*

From the above it is evident that the investment in Northam is sufficient to cover both the Zambezi Preference Share liability as well as the capital gains tax on the increase in the share price.

There was therefore no call on the Northam Guarantee for the current and previous reporting periods as listed above.

For purposes of ensuring that Zambezi does not incur any liabilities or indebtedness, other than pursuant to the Transaction Documents, and that it remains ring-fenced, Zambezi and Northam entered into an administration services agreement in terms of which Zambezi has appointed Northam to attend to the day-to-day management of Zambezi's business and the administration of Zambezi's affairs at Northam's sole cost and expense and with no recourse to Zambezi subject to maximum costs and expenses of up to R2.0 million per annum, escalating annually at CPI from the 1st (first) anniversary of the implementation date. During the year under review expenses to the value of R0.9 million (30 June 2020: R1.4 million) were incurred.

The current limit relating to expenses paid on behalf of Zambezi amounts to R2.6 million (30 June 2020: R2.5 million).

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

Notes to the summarised financial results continued

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 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. There is no scope for any other commercial activity outside of the maintenance of the BEE credentials and the allocation of returns on the Northam Shares for the benefit of the beneficiaries of these trusts.

These trusts are therefore under the control of Northam and consolidated into the Northam Group.

In terms of the Trust Deed of the Northam Employees' Trust, Northam has committed to contribute R1.0 million per annum for the duration of the Lock-in period. This payment will cease upon implementation of the early maturation of the Zambezi BEE Transaction, on the Net Value Distribution Date.

Other related party transactions

The Group has a 33.7% (30 June 2020: 33.7%) interest in SSG Holdings Proprietary Limited, previously held through a wholly-owned subsidiary, Mining Technical Services Proprietary Limited. During the year under review, Mining Technical Services Proprietary Limited was placed in member's voluntary liquidation in terms of the Companies Act, No. 71 of 2008 (as amended). All assets and liabilities have been transferred by way of section 47 of the Income Tax Act, No. 58 of 1962 (as amended) to Northam Platinum Limited.

SSG Holdings Proprietary Limited provides security and facility services to the Group.

Below is a summary of transactions between the Group and SSG Holdings Proprietary Limited:

	30 June 2021	**30 June 2020**
	R000	R000
SSG Facilities Proprietary Limited	47 786	43 739
SSG Securities Solutions Proprietary Limited	101 561	80 860
Security and facilities services provided by SSG Holdings Proprietary Limited to the Group during the year accounted for as part of operating costs	149 347	124 599
Dividends received (refer note 13)	606	–
Management fees received from associate (SSG Holdings Proprietary Limited) (refer note 7)	–	2 249
Amounts payable to SSG Holdings Proprietary Limited included as part of trade and other payables	17 204	17 414

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

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

	30 June 2021	**30 June 2020**
	R000	R000
Services provided by SMS Mining Holdings Proprietary Limited to the Group during the year accounted for as part of operating costs and capital expenditure	133 255	87 338
Amounts payable to SMS Mining Holdings Proprietary Limited included as part of trade and other payables	16 030	7 272

Notes to the summarised financial results continued

Dwaalkop joint venture

The Dwaalkop joint venture is a joint venture between Mvelaphanda Resources Proprietary Limited (Mvelaphanda), a wholly owned subsidiary of Northam owning 50% and Western Platinum Proprietary Limited, a subsidiary of Lonmin plc, now Sibanye-Stillwater Limited (Sibanye-Stillwater) owning the other 50%. The joint venture is managed by Sibanye-Stillwater. The Dwaalkop asset is not currently being mined.

The Dwaalkop joint venture is accounted for as a Joint Arrangement. The Joint Arrangement meets the accounting requirements for recognition as a Joint Operation and as such, all its assets and liabilities relating to Dwaalkop are included in the group consolidated financial statements.

The Dwaalkop mineral resource includes portions of the farms Dwaalkop, Rooibokbult and Turfpan. The mineral deposit has the potential to be developed into an open stope retreat mining operation.

Strategic Partner Advances

Pursuant to the Zambezi Ordinary Shareholder Loan Agreements, Northam agreed to advance to each Zambezi Ordinary Shareholder their proportionate amount (determined in accordance with their respective Zambezi Shareholdings) of R500.0 million together with certain Deemed Advances (as defined in the Zambezi Ordinary Shareholder Loan Agreements) in respect of the Zambezi Transaction Costs in an amount of (i) up to R18.0 million (plus VAT thereon) if the Transaction does not become unconditional, or (ii) R10.0 million (plus VAT thereon, to the extent applicable) if the Transaction becomes unconditional. The Zambezi Ordinary Shareholder Loans will:

- be secured by way of each relevant Pledge and Cession Agreement entered into between each Zambezi Ordinary Shareholder and Northam on or about 2 February 2015 (as amended to cater for the Zambezi Ordinary Shareholders' obligations to Northam under the Zambezi Ordinary Shareholder Loan Agreements);
- accrue interest daily at a nominal rate equal to the aggregate of the Prime Rate and 3.5%, and compounded annually on 1 January; and
- be fully repaid on (i) the Net Value Distribution Date if the Transaction becomes unconditional; or (ii) 25 May 2025 if the Transaction does not become unconditional, provided that, if Zambezi pays any Distribution in respect of the Zambezi Ordinary Shares prior to 25 May 2025, then 100% of such Distribution will be utilised to settle the Zambezi Ordinary Shareholder Loan and unpaid accrued interest thereon.

Below is a summary of the capital advances and accrued interest outstanding as at 30 June 2021:

	Capital advanced	**Accrued interest**	**Total outstanding balance**
	30 June 2021	**30 June 2021**	**30 June 2021**
	R000	R000	R000
Atisa Platinum (RF) Proprietary Limited	65 472	1 840	67 312
Malundi Resources (RF) Proprietary Limited	65 472	1 748	67 220
Mpilo Platinum (RF) Proprietary Limited	152 427	4 285	156 712
Zambezi Platinum Women's SPV (RF) Proprietary Limited	97 697	2 581	100 278
	381 068	10 454	391 522

Subsequent to year-end these Deemed Advances were settled through the Net Value Distribution.

No such advances were made during the previous financial year.

Notes to the summarised financial results continued

30. Employee Labour Court judgement

Northam 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 has been ordered to pay compensation for each employee equivalent to 12 months' remuneration calculated at the rate of remuneration on dismissal. An amount of R55.0 million has therefore been accrued for in the accounts, refer to note 25.

The employees seek reinstatement and have been granted leave to appeal to the Labour Appeal Court. Northam Platinum Limited opposed the appeal. The matter was heard in the Labour Appeal Court on 11 February 2020, and the appeal was dismissed by the Labour Appeal Court on 14 September 2021.

31. Contingent liability − SARS VAT claim

In 2015 Northam concluded a R6.6 billion BEE transaction which secured a sustainable 31.4% HDSA ownership in Northam and at the same time secured funding for the Group's expansion and growth plans which is referred to as the Zambezi BEE Transaction. As part of the transaction, Northam acquired Northam Shares from existing Shareholders, *via* a BEE special purpose vehicle (Zambezi).

Northam claimed input VAT in relation to the Zambezi BEE Transaction.

SARS disallowed this input VAT, alleging that the relevant costs were not incurred for the purpose of consumption, use or supply in the course of making taxable supplies. Additional assessments were raised by SARS to disallow the input VAT claimed by Northam and an understatement penalty was imposed in terms of section 223(1) of the Tax Administration Act, 28 of 2011.

The objection raised by Northam against the additional assessments and understatement penalties was disallowed, upon which Northam appealed to the Tax Court. The current status of the appeal is that SARS has issued its statement of grounds of assessment and opposing appeal (Rule 31 statement), and Northam has issued its statement of grounds of appeal (Rule 32 statement). SARS must now issue its reply to the statement of grounds of appeal (Rule 33 statement) or determine that there is no need for this, following which Northam would be entitled to apply to the registrar of the Tax Court for allocation of a date for the hearing.

Northam's attorneys anticipate that the matter will proceed to court during the first half of 2022.

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

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

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

Northam submitted C-19 TERS claims to the value of R121.3 million, of which an amount of R102.7 million has been received to date, refer to note 7 Sundry income for amounts received during the year.

No further claims are anticipated at this point in time.

33. Events after the reporting period

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

Summary Mineral Resources and Mineral Reserves

Northam's Mineral Resources and Mineral Reserves for its wholly-owned Booysendal, Eland and Zondereinde platinum mines, as at 30 June 2021, have been prepared by the Group's Competent Persons using the guidelines of the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016), the SAMREC Code (2016). The Mineral Resources for the Dwaalkop joint venture were assessed by Sibanye-Stillwater Limited and have been reported using the guidelines of the SAMREC Code (2016) as at 31 December 2020.

The Group's total attributable Mineral Resources, comprising in situ content for the combined Measured, Indicated and Inferred categories (203.65 Moz 4E) are reported inclusive of the total content in Mineral Reserves (29.51 Moz 4E), these being Proved and Probable categories of metal delivered to the concentrators. 4E represents combined platinum, palladium, rhodium and gold.

Mr. Damian Smith BSc (Hons), MSc, Northam's Executive: New Business and lead Competent Person, takes full accountability for the reporting of the Mineral Resources and the Mineral Reserves. The company declares that it has written confirmation from the lead Competent Person that the information disclosed in this report is compliant with the SAMREC Code (2016) and, where applicable, the relevant Section 12.13 of the JSE Listings Requirements as well as those of SAMREC Code (2016) Table 1; and that it may be published in the form and context in which it was intended.

Northam undertook a major review of its Mineral Resources and Mineral Reserves during the year. In addition, a Competent Persons Report (CPR) was compiled by independent consultants of the MSA Group as at 31 March 2021, to partially fulfil the requirements of a transaction to accelerate the maturity of the Zambezi BEE Transaction. The CPR considered Northam's attributable Mineral Resources and Mineral Reserves, excluding those of the Dwaalkop joint venture, estimating these to be significantly different from Northam's estimates as of 30 June 2020. The review and CPR processes yielded a series of recommendations regarding data validation, additional exploration requirements, geostatistical analysis and production scheduling. These recommendations have either been enacted or are in process of being enacted as of 30 June 2021. Mineral Resources and Mineral Reserves estimates for Northam's operating mines as of 30 June 2021 have subsequently been reviewed, audited and endorsed by the independent consultants of the MSA Group who compiled the 31 March 2021 CPR. Further independent audits of Northam's Mineral Resources and Mineral Reserves are scheduled for the coming years.

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

Operation	Responsibility	Name	Position/Title	Qualifications	Years of experience	Years of PGM experience	Affiliation	Member Number
Group	Mineral Resources & Mineral Reserves	Damian Smith	Executive: New Business	BSc (Hons) Geology; MSc Mining and Exploration Geology	30	25	SACNASP	400323/4
Booysendal	Mineral Resources & Mineral Reserves	Dennis Hoffmann	Mineral Resources Consultant	BSc (Hons) Geology; MSc Geology	32	17	SACNASP	400220/10
	Mineral Resources	Meshack Mqadi	Chief Geologist	BSc (Hons) Geology	13	13	SACNASP	400703/15
	Mineral Reserves	Willie Swartz	Manager: Technical Services	NHD Mineral Resource Management	26	17	SAIMM	709852
Eland	Mineral Resources	Paula Preston	Chief Geologist	BSc (Hons) Geology; MSc Geology	15	12	SACNASP	400429/04
	Mineral Reserves	Coenie Roux	Manager: Technical Services	BSc Mining and Mineral Resource Management	27	27	IMSSA	2438
Zondereinde	Mineral Resources	Mpumelelo Thabethe	Chief Geologist	BSc (Hons) Geology	11	11	SACNASP	400309/14
	Mineral Reserves	Charl van Jaarsveld	Manager: Technical Services	BSc (Hons) Geology	17	16	SACNASP	400268/05

Summary Mineral Resources and Mineral Reserves

Competent Person for the compilation of Mineral Resources and Mineral Reserves for Sibanye-Stillwater is listed below:

Operation	Responsibility	Name	Position/Title	Qualifications	Years of experience	Years of PGM experience	Affiliation	Member Number
Dwaalkop	Mineral Resources	Andrew Brown	Vice President: Mine Technical Services	MSc Mining Engineering	36	14	SAIMM	705060

Notes
Mineral Resources for the Dwaalkop joint venture are declared by Sibanye-Stillwater Limited. Northam has consent from Sibanye-Stillwater's Lead Competent Person for their managed PGM operations and projects to publish the Mineral Resources as at 31 December 2020.

SACNASP – South African Council for Natural Scientific Professions
IMSSA – Institute of Mine Surveyors of Southern Africa
SAIMM – The Southern African Institute of Mining and Metallurgy

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

Summary Mineral Resources and Mineral Reserves continued

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

Mineral Resources are reported as in-situ estimates inclusive of Mineral Reserves. Mineral Reserves are reported as fully-diluted material delivered to the concentrators.

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

		30 June 2021			30 June 2020		
			4E			4E	
Reef	Operation	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booysendal North mine	11.88	2.62	1.00	12.99	2.75	1.15
	Booysendal South mine	16.15	2.27	1.18	22.16	2.58	1.84
	Eland	0.00	0.00	0.00	5.27	0.89	0.15
	Zondereinde	32.62	5.50	5.77	26.41	5.74	4.87
	Total	60.65	4.08	7.95	66.83	3.73	8.01
UG2	Booysendal North mine	39.91	2.94	3.77	40.74	3.09	4.04
	Booysendal South mine	64.64	2.70	5.61	57.44	3.44	6.35
	Eland	26.94	3.37	2.92	25.71	3.50	2.89
	Zondereinde	65.73	4.38	9.26	61.57	4.27	8.46
	Total	197.22	3.40	21.56	185.46	3.65	21.74
Combined	Booysendal North mine	51.79	2.86	4.77	53.73	3.00	5.19
	Booysendal South mine	80.79	2.61	6.79	79.60	3.20	8.19
	Eland	26.94	3.37	2.92	30.98	3.05	3.04
	Zondereinde	98.35	4.75	15.03	87.98	4.71	13.33
	Total	257.87	3.56	29.51	252.29	3.67	29.75

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.*

Changes to the Mineral Reserves during the year

Northam's attributable combined Mineral Reserves as at 30 June 2021, expressed as metal content, comprise 29.51 Moz 4E, a decrease of 0.24 Moz 4E compared to the previous year.

- Combined Mineral Reserves at the Booysendal mine totalled 11.56 Moz 4E, a decrease of 1.82 Moz 4E. The majority of this was from the South mine (-1.40 Moz 4E) which comprised decreases of 0.66 Moz 4E and 0.74 Moz 4E for the Merensky and UG2 reefs respectively. This is predominantly the result of mining depletion and a reduction in Mineral Resource content. The decrease at North mine was predominantly the result of mining depletion.
- Combined Mineral Reserves at the Eland mine totalled 2.92 Moz 4E, a decrease of 0.12 Moz 4E. This was primarily as a result of excluding the previously included open pit Merensky Mineral Reserves (-0.15 Moz 4E), following economic re-assessment.
- Combined Mineral Reserves at the Zondereinde mine totalled 15.03 Moz 4E, an increase of 1.70 Moz 4E. This comprised increases of 0.90 Moz 4E and 0.80 Moz 4E for the Merensky and UG2 reefs respectively. The increases are the net result of mining depletions (-0.34 Moz 4E), tail-cutting (-0.17 Moz 4E), an increase in metal content associated with the area by extending the production schedule into the Western extension section (3.15 Moz 4E) and an improvement in the modifying factors (0.26 Moz 4E) predominantly impacting the UG2 Reef. This increase was offset by a decrease of 1.20 Moz 4E as a result of changes to the orebody evaluation.

Summary Mineral Resources and Mineral Reserves continued

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

		30 June 2021			30 June 2020		
			4E			4E	
Reef	Operation	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booysendal extension[7]	210.26	3.83	25.91	242.38	3.86	30.06
	Booysendal North mine	20.43	3.12	2.05	19.96	3.12	2.00
	Booysendal South mine	28.25	2.72	2.47	27.44	2.72	2.40
	Dwaalkop[6]	38.05	2.98	3.64	38.05	2.98	3.64
	Eland	4.82	1.05	0.16	4.82	1.05	0.16
	Zondereinde	173.70	7.37	41.18	207.00	7.49	49.88
	Total	475.51	4.93	75.41	539.65	5.08	88.14
UG2	Booysendal extension[7]	386.86	4.09	50.83	425.24	4.09	55.87
	Booysendal North mine	53.52	3.29	5.66	49.63	3.31	5.28
	Booysendal South mine	129.43	3.23	13.44	118.56	3.67	14.00
	Dwaalkop[6]	37.56	4.35	5.25	37.56	4.35	5.25
	Eland	111.21	3.95	14.13	147.43	4.04	19.16
	Zondereinde	231.29	5.24	38.93	333.98	5.04	54.15
	Total	949.87	4.20	128.24	1 112.40	4.30	153.71
Combined	Booysendal extension[7]	597.12	4.00	76.74	667.62	4.00	85.93
	Booysendal North mine	73.95	3.24	7.71	69.59	3.25	7.28
	Booysendal South mine	157.68	3.14	15.91	146.00	3.49	16.40
	Dwaalkop[6]	75.61	3.66	8.89	75.61	3.66	8.89
	Eland	116.03	3.83	14.29	152.25	3.95	19.32
	Zondereinde	404.99	6.15	80.11	540.98	5.98	104.03
	Total	1425.38	4.44	203.65	1 652.05	4.55	241.85

1. *Mineral Resources and Mineral Reserves estimates are reported on a Northam Platinum Limited attributable basis. These include those which are either from properties wholly-owned by Northam or its wholly-owned subsidiaries (Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited), or from joint arrangements in which Northam holds an interest (this being the Dwaalkop joint venture, in which Northam holds a 50% stake).*
2. *Mineral Resources and Mineral Reserves rest entirely within the Merensky and UG2 ore bodies of the Bushveld Complex, South Africa.*
3. *Mineral Resources are reported as in-situ estimates inclusive of Mineral Reserves.*
4. *PGM grade is expressed as 4E (combined platinum, palladium, rhodium and gold) grade; this being synonymous with 3PGE & Au.*
5. *Rounding of numbers in the tables may result in minor computational discrepancies. Where this occurs, it is deemed insignificant.*
6. *Current Mineral Resources for Dwaalkop are quoted as at 31 December 2020 while those of the previous year are at 31 December 2019. There are no Mineral Reserves declared for Dwaalkop.*
7. *Booysendal extension comprises the previously defined and reported areas of Booysendal prospect.*

Changes to the Mineral Resources during the year

Northam's attributable combined Mineral Resources as at 30 June 2021, expressed as metal content, comprise 203.65 Moz 4E, a decrease of 38.20 Moz 4E on the previous year. The majority of this change is the result of significant decreases in the Inferred confidence category for all operations. It relates to the extent of extrapolation of Inferred Mineral Resources from the nearest sampled reef intersection, which was set at a maximum of 1 600 m.

- Combined Mineral Resources at the Booysendal mine totalled 100.36 Moz 4E, a decrease of 9.25 Moz 4E. This decrease is the net result of mining depletions (-0.52 Moz 4E), together with positive changes to economic parameters (0.41 Moz 4E) and metal content associated with orebody evaluation (7.90 Moz 4E), as well as a reduction in the area of the Inferred confidence category (-17.04 Moz 4E).
- Combined Mineral Resources at the Eland mine totalled 14.29 Moz 4E, a decrease of 5.03 Moz 4E. This decrease is the result of a reduction in the area of the UG2 Inferred confidence category.
- Combined Mineral Resources at the Zondereinde mine totalled 80.11 Moz 4E, a decrease of 23.92 Moz 4E. This decrease is the net result of mining depletions (-0.52 Moz 4E), a decrease in metal content associated with orebody evaluation (-4.87 Moz 4E) and a reduction in the area of the Inferred confidence category (-18.53 Moz 4E).

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.

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

To obtain an understanding of PMs and other definitions contained in the financial results, Shareholders are referred to the glossary set out below.

>1 000.0%	Indicated variance if the variance between two periods/years is greater than one thousand percent
4E	Northam reports Mineral Resources, Mineral Reserves, production and grades in terms of platinum, palladium, rhodium and gold, collectively expressed as 4E. This is synonymous with 3PGE & Au
6E	Northam reports metal production and grades in terms of platinum, palladium, rhodium, gold, ruthenium and iridium, collectively expressed as 6E
AGM	Annual General Meeting
AIDS	Acquired immunodeficiency syndrome
AMCU	The Association of Mineworkers and Construction Union
Annual liquidity	The measure of the liquidity of the listed Northam Shares calculated by dividing the total number of Ordinary Shares traded during the financial year/12 month rolling period by the number of Ordinary Shares in issue, which is 509 781 212
Au	Gold
Average exchange rate	The average exchange rate achieved by the Group for the purpose of converting USD sales to ZAR over a period/year, amounting to the sum of the daily close ZAR/USD exchange rate over a period/year divided by the number of days in that period/year
Average market price achieved/realised (USD/oz)	Average market prices achieved/realised in USD/ounce over a specific period/year, calculated as total sales revenue per metal in ZAR divided by the total metal sold in ounces, divided by the average exchange rate over the specific period/year
Average number of employees including contractors	The number of permanent employees and contractors working at the company's operations per month averaged over a reporting period
Base metal	A metal other than the noble metals or precious metals, such as copper, nickel, tin or zinc
BCM	Booysendal Central Merensky (also referred to as BSM)
BCU	Booysendal Central UG2 mine (comprising BS1 and BS2)
BEE	black economic empowerment as contemplated in the BEE Laws
BEE Laws	the BBBEE Act, the BEE Codes, the MPRDA, the Mining Charter and the Mining Codes to the extent that such laws are applicable or may become applicable to the Northam Group and/or its business activities from time to time and any other similar laws which may be applicable to the Northam Group and/or its business activities from time to time
bn	Billion
BNM	Booysendal North Merensky mine
BNU	Booysendal North UG2 mine
Borehole water used	Water abstracted from boreholes which is used by the operations, expressed as a volume
Brownfields	Denoting or relating to within or adjacent to a previously or currently developed site or Mineral Resource
BSM	Booysendal South Merensky mine
BS1	Booysendal South mine 1
BS2	Booysendal South mine 2

BS4	Booysendal South mine 4
Bushveld Complex	The world's largest known layered igneous complex, covering an area of approximately 67 000 square kilometres (km^2) within South Africa and containing approximately 85% of all known PGM Mineral Resources
CAGR	Compound Annual Growth Rate
Capital expenditure or capex	ZAR value assigned for additions to, and maintenance of property, plant and equipment as well as mining properties and Mineral Resources
Cash costs per 4E oz in concentrate produced	Cash costs for each 4E ounce in concentrate produced over a specific period/year, calculated as mining operations costs in ZAR divided by 4E ounces in concentrate produced, plus concentrator operating costs together with selling and administration overhead costs in ZAR divided by 4E ounces produced both from concentrate produced as well as concentrates purchased
Cash costs per 6E oz in concentrate produced	Cash costs for each 6E ounce in concentrate produced over a specific period/year, calculated as mining operations costs in ZAR divided by 6E ounces in concentrate produced, plus concentrator operating costs together with selling and administration overhead costs in ZAR divided by 6E ounces produced both from concentrate produced as well as concentrates purchased
Cash costs per equivalent refined 4E oz	Cash costs for each equivalent refined 4E ounce produced over a specific period/year, calculated as mining costs in ZAR (mining operations and concentrator operations costs) divided by the equivalent 4E refined metal quantities in ounces produced from own operations, plus smelting and base metal removal plant costs, selling and administration overhead costs and refining including sampling and handling charges in ZAR divided by total 4E refined metal quantities in ounces produced
Cash costs per equivalent refined 6E oz	Cash costs for each equivalent refined 6E ounce production over a specific period/year, calculated as mining costs in ZAR (mining operations and concentrator operations costs) divided by the equivalent 6E refined metal quantities in ounces produced from own operations, plus smelting and base metal removal plant costs, selling and administration overhead costs and refining including sampling and handling charges in ZAR divided by total 6E refined metal quantities in ounces produced
Cash costs per equivalent refined Pt oz	Cash costs for each equivalent refined platinum ounce produced over a specific period/year, calculated as mining costs in ZAR (mining operations and concentrator operations costs) divided by the equivalent platinum refined metal quantities in ounces produced from own operations, plus smelting and base metal removal plant costs, selling and administration overhead costs and refining including sampling and handling charges in ZAR divided by total platinum refined metal quantities in ounces produced
Cash costs per Pt oz in concentrate produced	Cash costs for each platinum ounce in concentrate produced over a specific period/year, calculated as mining operations costs in ZAR divided by platinum ounces in concentrate produced, plus concentrator operating costs together with selling and administration overhead costs in ZAR divided by platinum ounces produced both from concentrate produced as well as concentrates purchased
Cash margin per 4E oz in concentrate produced	Cash profit per 4E ounce in concentrate produced as a percentage of the total revenue per 4E ounce sold, which ratio is utilised to assess the profitability of each 4E ounce in concentrate produced
Cash margin per 6E oz in concentrate produced	Cash profit per 6E ounce in concentrate produced as a percentage of the total revenue per 6E ounce sold, which ratio is utilised to assess the profitability of each 6E ounce in concentrate produced
Cash margin per equivalent refined 4E oz	Cash profit per equivalent refined 4E ounce as a percentage of the total revenue per 4E ounce sold, which ratio is utilised to assess the profitability of each equivalent refined 4E ounce produced
Cash margin per equivalent refined 6E oz	Cash profit per equivalent refined 6E ounce as a percentage of the total revenue per 6E ounce sold, which ratio is utilised to assess the profitability of each equivalent refined 6E ounce produced
Cash margin per equivalent refined Pt oz	Cash profit per equivalent refined platinum ounce as a percentage of the total revenue per platinum ounce sold, which ratio is utilised to assess the profitability of each equivalent refined platinum ounce produced
Cash margin per Pt oz in concentrate produced	Cash profit per platinum ounce in concentrate produced as a percentage of the total revenue per platinum ounce sold, which ratio is utilised to assess the profitability of each platinum ounce in concentrate produced
Cash profit per 4E oz in concentrate produced	Total revenue per 4E ounce sold less the cash cost per 4E ounce in concentrate produced, which is utilised to assess the profitability of each 4E ounce in concentrate produced

Cash profit per 6E oz in concentrate produced	Total revenue per 6E ounce sold less the cash cost per 6E ounce in concentrate produced, which is utilised to assess the profitability of each 6E ounce in concentrate 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
Cash profit per equivalent refined 4E oz	Total revenue per 4E ounce sold less the cash costs per equivalent refined 4E ounce, which is utilised to assess the profitability of each equivalent refined 4E ounce produced
Cash profit per equivalent refined 6E oz	Total revenue per 6E ounce sold less the cash costs per equivalent refined 6E ounce, which is utilised to assess the profitability of each equivalent refined 6E ounce produced
Cash profit per equivalent refined Pt oz	Total revenue per platinum ounce sold less the cash costs per equivalent refined platinum ounce, which is utilised to assess the profitability of each equivalent refined platinum ounce produced
CH_4	Methane, a greenhouse gas
CO_2	Carbon Dioxide, a greenhouse gas
CO_2e	Carbon Dioxide equivalent, a standard unit for reporting GHG emissions. It expresses the impact of each different greenhouse gas in terms of the amount of CO_2 that would create the same amount of climatic warming
Competent Person	As defined in the SAMREC Code (2016), a person with sufficient expertise and experience, together with affiliation to a recognised professional organisation, to estimate Mineral Resources and/or Mineral Reserves
Communities	The host and/or affected communities residing in the vicinity of one or more of the Northam Group's mining operations
Concentrate	The product of the process of separating milled ore into a waste stream (tailings) and a valuable mineral stream (concentrate) by flotation. The valuable minerals in the concentrate contain almost all the base and precious metals. This concentrate is treated further by smelting and refining to obtain the pure metals (PGMs, Au, Ni and Cu)
Contractors	Temporary, fixed term or part time staff working at the company's operations who are not employed by Northam
Conversion from concentrate produced to equivalent refined metal	Concentrate produced multiplied by 99% (taking into account smelter recoveries) multiplied by 99% (taking into account base metal removal plant recoveries) multiplied by 99.2% (taking into account the average precious metal recoveries)
Corporate Social Investment (CSI)	Discretionary contributions initiated and implemented at the operations where the objective is not to provide infrastructure or facilitate income generating activities for targeted beneficiaries who are outside of the organisation. These can include, but are not limited to: Contributions to charities, NGOs and research institutions; Direct costs associated with social programmes, including arts, education etc.
COVID-19	Coronavirus disease 2019, caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) virus, synonymous with COVID
CPI	Consumer Price Index
Cu	Copper
Depletion	The reduction in the quantity of Mineral Reserves resulting from extraction or production
Direct emissions	GHG emissions from sources that are owned or controlled by Northam, e.g. direct emissions related to combustion would arise from burning fuel for energy within Northam's operational boundaries
DMRE	The Department of Mineral Resources and Energy of South Africa
DMTNs or Notes	Domestic Medium-Term Notes
DMTN Programme	Established pursuant to a Programme Memorandum dated 3 August 2012, in terms of which the company may from time to time, issue Notes.
DOH	Department of Health
DWS	The Department of Water and Sanitation of South Africa

Earnings per share	The amount calculated by dividing the profit for the period/year attributable to Shareholders by the weighted average number of Northam Shares in issue
EBITDA	Earnings before interest (investment income and finance charges excluding Zambezi Preference Share dividends), tax, depreciation, amortisation and the impact of the Zambezi BEE Transaction relating to amortisation of liquidity fees paid on Preference Shares, the Preference Share dividends and loss on de-recognition of the Preference Share liability. EBITDA is utilised for, *inter alia*, the assessment of covenants
EBITDA margin	EBITDA as a percentage of sales revenue in ZAR
Employee turnover rate percentage	Number of employees at the Zondereinde, Booysendal or Eland operations who leave the organisation during the reporting period due to dismissal, retrenchment, death in service or voluntarily through resignation or early retirement, expressed as a percentage of the total employee workforce working at the operation, based on payroll data at the end of the reporting period
Employees on TB treatment	The number of employees at the Zondereinde, Booysendal and Eland operations receiving treatment for TB through the operation's wellness programme
Employment equity	Achieving equity in the workplace by promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantages in employment experienced by HDSAs
EMPr	Environmental Management Programme
Energy from electricity purchased by plant	Electricity purchased from third parties during the reporting period which is used for the metallurgical processing operations. This excludes electricity generated by the operations themselves
Energy from electricity purchased by shafts	Electricity purchased from third parties during the reporting period which is used for the underground mining operations. This excludes electricity generated by the operations themselves
Equivalent refined metal from own operations	Own metal mined or metal acquired from surface sources which require milling, expressed as final metal available for sale
Equivalent refined metal from third parties	Metal acquired from third parties in concentrate or a more refined form, expressed as final metal available for sale
ESD	Enterprise and Supplier Development as envisaged in the Codes of Good Practice issued under section 9(1) of the Broad-Based Black Economic Empowerment Act, No. 53 of 2003, as amended from time to time
ESG	Environmental, social and governance factors
Eskom	Eskom Holdings SOC Limited. The sole power utility in South Africa
Executive director	A member of the company's board of directors, employed by and involved in the day-to-day running and organisation of the company
Expansionary capex	Capital expenditure to increase or enhance property, plant and equipment or mining properties and Mineral Resources
Fatal injury	Any terminal injury sustained by an employee, contractor or contractor employee or visitor who is involved in an incident whilst performing their duties at the company's operations
Fatal injury incidence rate (FIIR) per 200 000 hours worked	[1] GNR 93 of 15 January 1997 published in terms of Mine Health and Safety Act, No. 29 of 1996 (MHSA Regulations), Regulation 23.1(a) and 23.1(b)
Feasibility study	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable)
Fissure water used	Water collected in the underground workings as a result of water seepage (inflow from groundwater aquifers) which is pumped to surface for re-use by the respective operation, expressed as a volume
Fully diluted earnings per share	The amount calculated by dividing the profit attributable to ordinary equity holders by the weighted average number of Ordinary Shares outstanding during the period/year under review plus the weighted average number of Ordinary Shares that would be issued on the conversion of all the dilutive potential Ordinary Shares into Ordinary Shares

Fully diluted headline earnings per share	The amount calculated by dividing the headline earnings by the weighted average number of Ordinary Shares outstanding during the period/year under review plus the weighted average number of Ordinary Shares that would be issued on the conversion of all the dilutive potential Ordinary Shares into Ordinary Shares
g/t	Grams per tonne, the unit of measurement of metal concentration in an orebody, ore or concentrates for precious metals, equivalent to parts per million
GBF	General Banking Facility with Nedbank Limited
GHG	Greenhouse gas; including carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O). Gasses that are defined as having global warming potential
Greenfields	Denoting or relating to a new, undeveloped site or Mineral Resource
Greenhouse gas (GHG) emissions	Carbon dioxide equivalent (CO_2e) emissions, including carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O). For reporting purposes, total GHG emissions, comprising direct (Scope 1) and indirect (Scope 2 and Scope 3) emissions, are calculated according to the GHG protocol using emissions factors and Global Warming Potential (GWP) factors issued by the Intergovernmental Panel on Climate Change (IPCC). The CO_2 equivalent for a gas is derived by multiplying the tonnes of the gas by the associated GWP
GRI	Global Reporting Initiative, established in 1997 with the aim of designing globally applicable guidelines for the preparation of enterprise level, sustainable development reports.
Groundwater	Water abstracted from boreholes, underground aquifers etc., which is used in the operations
HDP	Historically Disadvantaged Person as defined in the Mineral and Petroleum Resources Development Act, No. 28 of 2002
HDSA	Historically Disadvantaged South Africans - South African citizens, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa Act, No. 200 of 1993 came into operation which should be representative of the demographics of the country
HDSAs in management	The total number of HDSA employees in Top, Senior, Middle and Junior management expressed either as a number or as a percentage of the total number of employees at management level
Headline earnings	Headline earnings is governed by Circular 4/2018 as issued by the South African Institute of Chartered Accountants (SAICA)
Headline earnings per share (cents)	Headline earnings per share is governed by Circular 4/2018 as issued by the South African Institute of Chartered Accountants (SAICA). The JSE Listings Requirements require disclosure of headline earnings per share and an itemised reconciliation of earnings to headline earnings, expressed in South African cents per share
Heraeus	Heraeus Deutschland GmbH & Co. KG
HIV	Human immunodeficiency virus
HIV Counselling and Testing	Voluntary counselling and testing for HIV, synonymous with HCT
IDP	Integrated Development Plan - a process through which municipalities, together with their constituencies, various stakeholders, interested parties including traditional authorities and affected parties, compile a strategic planning instrument for municipalities
ILO	The International Labour Organisation
In-situ	The original natural state of the ore body before mining or processing of the ore takes place
Indicated Mineral Resources	Indicated Mineral Resources, as defined in the SAMREC Code (2016), are that part of Mineral Resources for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Following which, they may be converted to Probable Mineral Reserves Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation.

	Indicated Mineral Resources have a higher level of confidence than that applying to Inferred Mineral Resources
Indirect emissions	Emissions that result from the activities of Northam but are generated from sources owned or controlled by another organization. In the context of this indicator, indirect emissions refer to GHG emissions from the generation of electricity, imported and consumed by Northam (Scope 2) as well as other sources including emissions attributable to contractors transporting waste rock and recyclable waste on site (Scope 3)
Inferred Mineral Resources	Inferred Mineral Resources, as defined in the SAMREC Code (2016), are that part of Mineral Resources for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Resource has a lower level of confidence than that applying to Indicated Mineral Resources and cannot be converted to Mineral Reserves. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration
IPA	The International Platinum Group Metals Association - an association representing the interests of the leading mining, production and fabrication companies of the global Platinum Group Metals (PGMs) industry
JIBAR	The Johannesburg Interbank Average Rate is the money market rate, used in South Africa. It is calculated as the average interest rate at which banks buy and sell money
JSE	The Johannesburg Securities Exchange or JSE Limited
King IV™	The King IV™ Report on Corporate Governance for South Africa, 2016
kt	Kilo tonnes, equal to 1 000 (one thousand) tonnes
ktpm	Kilo tonnes per month, equal to 1 000 (one thousand) tonnes per month
Kukama shaft	The western decline system and mining section of Eland UG2 mine
Land disturbed by mining related activities	Land, measured in hectares (Ha), that has been physically or chemically disturbed due to Northam’s mining and related activities, including the shaft complex, concentrators, smelter complex, waste dump, rock dumps, tailings disposal facility, water return dams and administrative and residential properties that have either; not been rehabilitated during the reporting period, or newly disturbed within the reporting period
Land leased for farming purposes	Land owned by Northam or any of its subsidiaries, measured in hectares (Ha), that is leased to third parties for farming purposes
Land protected for conservation	Land, measured in hectares (Ha), that is currently protected, including land leased, owned or set aside in a biodiversity offset or conservation programme due to requirements in an environmental authorisation, approved environmental management programme or by request of environmental authorities, where the environment remains in its original state with a healthy and functioning ecosystem
LED	Local Economic Development as defined in the South African National Framework for Local Economic Development 2018-2028
Life of mine (LoM)	The period during which all Mineral Reserves of a mine are projected to be profitably extracted through planned mining activities
Local community	Communities that are directly impacted by our mining operations and are on or near the mining right area
LoM	Life of mine
Long-term	A period longer than 5 years
Lost time injury	An injury to an employee or contractor, confirmed by an appointed medical practitioner, resulting from an incident while on duty at the company's operations, which incapacitates the injured person from attending work or performing their normal or similar work duties on their next scheduled shift, regardless of the injured persons next rostered shift. Lost time injuries include: fatalities and injuries defined as reportable injuries; injuries requiring further treatment due to complications arising from an injury originally classified as a non-lost time injury that leads to absence from work; where any employee or contractor is required to undergo treatment or observation longer than 24 hours following loss of

	consciousness or incapacitation while on duty due to an incident which resulted in: heat stroke; oxygen deficiency; inhalation of fumes or poisonous gas, or; electric shock or electric burn incidents
Lost time injury incidence rate (LTIIR) per 200 000 hours worked	The number of employee and contractor lost time injuries resulting from accidents while working at the company's operations multiplied by 200 000 and divided by the total number of employee and contractor hours worked
Measured Mineral Resources	Measured Mineral Resources, as defined in the SAMREC Code (2016) are that part of Mineral Resources for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Following which, they may be converted to Proved or Probable Mineral Reserves Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. Measured Mineral Resources have a higher level of confidence than that applying to either Indicated or Inferred Mineral Resources
Medium-term	A period of between 1 – 5 years
Merensky Reef	A PGM-bearing orebody at the base of the Merensky cyclic unit, within the Critical Zone of the Bushveld Complex, predominantly comprising silicate minerals
Metal in concentrate	Metal produced from mining operations during the reporting period, that has been concentrated ahead of smelting
MHSA	Mine Health and Safety Act, No. 29 of 1996
Milling	A process to reduce broken ore to a size at which concentrating can be undertaken
Mineral Reserves	Mineral Reserves, as defined in the SAMREC Code (2016), are the economically mineable parts of Measured and/or Indicated Mineral Resources. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level, as appropriate, that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified on technical and economic grounds. The reference point at which Mineral Reserves are defined at Northam is the point where the ore is delivered to the processing plant
Mineral Resources	Mineral Resources, as defined in the SAMREC Code (2016), are a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of the Mineral Resources are known, estimated or interpreted from specific geological evidence and knowledge, including sampling
Minerals Council	Minerals Council South Africa - a mining industry employers' organisation that supports and promotes the South African mining industry
Mining Charter	A charter containing a series of requirements for mining companies set by the Minister of Mineral Resources and Energy, designed to meaningfully expand opportunities for HDPs in the South African mining industry and advance transformation
Moz	Million ounces
MPRDA	The Mineral and Petroleum Resources Development Act, No. 28 of 2002, as amended from time to time
MTPA	Mpumalanga Tourism and Parks Association - a branch of the provincial government of Mpumalanga
MW	Megawatt, a unit of power, generally pertaining to electricity, equal to one million watts
N/A	Not applicable is included in the percentage variance column if a percentage variance between a positive and negative balance is indicated
NEMA	National Environmental Management Act, No. 107 of 1998, as amended from time to time
Net (debt)/cash	Cash and cash equivalents less bank overdraft, Domestic Medium-Term Notes, revolving credit facility (both the current and non-current portion) and general banking facility, all of which are in ZAR. Net debt is utilised for, *inter alia*, the assessment of covenants

Net debt to EBITDA ratio	The net debt to EBITDA ratio is a measurement of leverage, calculated as the company's net debt divided by EBITDA/12 month rolling EBITDA
New cases of noise induced hearing loss (NIHL)	The number of new cases of impairment of employees hearing due to exposure to excessive noise at the company's operations in the reporting period, leading to a Percentage Hearing Loss (PHL) shift of 5% or more from a baseline audiogram level
New cases of tuberculosis	The number of employees at the Zondereinde, Booysendal or Eland operations confirmed as having Pulmonary Tuberculosis (TB) by a medical practitioner, during the reporting period
NHM	Northam Platinum Limited
Ni	Nickel
NICD	The National Institute for Communicable Diseases of South Africa
NO_2	Nitrogen Dioxide, one of a group of nitrogen oxides, sometimes termed NOx
Non-discretionary procurement expenditure	Expenditure that cannot be influenced by a mining company, such as procurement from the public sector and public enterprise
Non-executive director	A member of the company's board of directors who is not part of the executive team. A non-executive director typically does not engage in the day-to-day management of the organization but is involved in policymaking and planning exercises
Normalised headline earnings	Headline earnings adjusted for non-cash items relating to the Zambezi BEE Transaction, whereby headline earnings is adjusted to include amortisation of liquidity fees paid on Preference Shares, Preference Share dividends and the loss on de-recognition of Preference Share liability. Normalised headline earnings is considered as management's main measure of performance
Normalised headline earnings per share (cents)	Headline earnings per share adjusted for the impact of the Zambezi BEE Transaction, being normalised headline earnings divided by the total number of shares in issue. Normalised headline earnings per share is considered as management's main measure of performance, expressed in South African cents per share
Northam	Northam Platinum Limited, (registration number 1977/003282/06), a public company incorporated in accordance with the laws of South Africa and whose shares are listed on the Main Board of the JSE with share code: NHM and debt issuer code: NHMI
Northam Publications	Our integrated report is supplemented by a full suite of online publications which cater for the diverse needs of our board stakeholder based as part of our comprehensive integrating reporting. These include the: • Annual integrated report • Corporate governance report • Remuneration report • Annual financial statements • Mineral Resources and Mineral Reserves statement • Sustainability report • Summarised financial results and group statistical information • Notice of the Annual General Meeting
NUM	The National Union of Mineworkers
Number 3 shaft	The vertical shaft accessing the Western extension section of Zondereinde mine (currently being developed)
Number of fatalities	The number of employee and contractor deaths resulting from accidents while performing their duties, working at the company's operations

Number of new compensable NIHL cases	The number of cases of NIHL identified at the Zondereinde, Booysendal or Eland operations and confirmed by an audiologist where the percentage hearing loss shift is more than 10% and which has or will be referred to the insurance provider for compensation in the reporting period
Nyala shaft	The eastern decline system and mining section of Eland UG2 mine (currently on care and maintenance)
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 operations 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 operations 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, synonymous with gross profit
Operating profit margin	Operating profit as a percentage of sales revenue in ZAR
Orebody	A well-defined mineralised mass of rock
Other land	Land, measured in hectares (Ha), falling under the direct management of Northam, excluding; land disturbed by mining related activities, land leased for farming purposes or land protected for conservation
Ounces or oz	Troy ounces - one ounce equals 31.103475 grams
p.a.	Per annum
Paterson band	The Paterson system grades roles according to the number of decisions an employee is required to make and is widely used in the mining and manufacturing industries. Band A and B relates to unskilled and semi-skilled employees. Band D relates to middle management, Band E relates to senior management and Band F to top management.
PAYE	Pay As You Earn taxation
Pd	Palladium
Permanent employees	Full time staff employed by Northam
PGE	Platinum Group Elements, synonymous with PGM
PGI	The Platinum Guild International - a marketing organisation that promotes the development of platinum jewellery demand
PGM	Platinum Group Metals, synonymous with PGE
Pt	Platinum
Potable water from external sources	Potable water consumed on site, that is purchased from municipal or other public or private water service provider, expressed as a volume
PPE	Personal Protective Equipment
Preferential procurement	Expenditure (excluding non-discretionary procurement expenditure) on capital goods, consumables and services provided by BEE entities
Prill split	The percentage by mass of individual PGEs within the 4E or 6E content
Prime	South African prime interest rate
R	South African Rand, synonymous with the abbreviation ZAR
RCF	Revolving credit facility with Nedbank Limited
Reef	A generally narrow, tabular geological horizon that may contain economic levels of mineralisation, in which case, an orebody
Rehabilitation and closure costs	The environmental liability estimation and provisions required to undertake an agreed works programme (Rehabilitation or Closure Plan) and rehabilitate mining and production areas to an agreed end land use

Reportable injury	An injury to an employee or contractor resulting from an incident at the company's operations which either incapacitates the injured employee from performing that person's normal or a similar occupation for a period totalling 14 days or more, or which causes the injured person to suffer the loss of a joint, or a part of a joint, or sustain a permanent disability
Reportable injury incidence rate (RIIR) per 200 000 hours worked	The number of employee and contractor reportable injuries multiplied by 200 000 and divided by the total number of contractor and employee hours worked
Rh	Rhodium
RoE	Rate of exchange, synonymous with exchange rate. The value of one currency in relation to another
ROM	Run of mine
SAICA	South African Institute of Chartered Accountants
Saleable metal	Total refined metal available for sale during the reporting period
SAMREC	The South African Mineral Resource Committee
SAMREC Code (2016)	South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016)
SARS	The South African Revenue Service
Scope 1 (direct) emissions	GHG emissions from sources that are owned or controlled by Northam e.g. emissions related to combustion that arise from burning fuel for energy within Northam's operational boundaries
Scope 2 (indirect) emissions	GHG emissions that result from the activities of Northam but are generated from sources owned or controlled by another organization - in this case, emissions from the generation of electricity, imported and consumed by Northam
Scope 3 (indirect) emissions	GHG emissions that result from the activities of Northam but are generated from sources owned or controlled by another organization - in this case, emissions attributable to contractors transporting waste rock and recyclable waste on site
Section 54 stoppage	In terms of section 54 of the Mine Health and Safety Act, No. 29 of 1996, if an inspector of mines believes that an occurrence, practice or condition at mine endangers or may endanger the health or safety of people at the mine, the inspector may give an instruction necessary to protect the health and safety of people at the mine, including instructing that operations at the mine or part of the mine be halted
SEHR&T committee	Social, ethics, human resources and transformation committee - a Northam board sub-committee
SENS	Johannesburg Stock Exchange News Service
Short-term	Within a period of 12 months
SLP	Social and Labour Plan as contemplated in part II of the Mineral and Petroleum Resources Development Act, No. 28 of 2002 regulations
SOEs	State Owned Enterprises
Stope	Underground excavation where the orebody or reef is extracted
Strategic Partners	collectively: Atisa Platinum (RF) Proprietary Limited (registration number 2014/191520/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 12.80% of the Zambezi Ordinary Shares in issue Malundi Resources (RF) Proprietary Limited (registration number 2014/191514/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 12.80% of the Zambezi Ordinary Shares in issue Mpilo Platinum (RF) Proprietary Limited (registration number 2014/181643/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 29.80% of the Zambezi Ordinary Shares in issue

	Zambezi Platinum Women's SPV (RF) Proprietary Limited (registration number 2014/191546/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 19.10% of the Zambezi Ordinary Shares in issue
Sulphur Dioxide (SO_2) emissions	Significant air emissions into the atmosphere of sulphur and its compounds formed due to combustion or production processes from the Zondereinde smelting facility, based on site-specific data
Sustaining capex	Capital expenditure to maintain property, plant and equipment or mining properties and Mineral Resources
Sustaining capex per equivalent refined Pt oz from own operations	Sustaining capex divided by equivalent refined platinum ounces from own operations
Sustaining capex per Pt oz in concentrate from own operations	Sustaining capex divided by platinum ounces in concentrate from own operations
TB	Pulmonary Tuberculosis
Total electricity purchased	Total electricity purchased from third parties during the reporting period which is used in the production of the primary products on site, and which excludes electricity generated by the operations themselves
Total emissions	Total greenhouse gas emissions, comprising direct (Scope 1) and indirect (Scope 2 and Scope 3) emissions
Total employed	Total number of permanent employees and contractors working at the company's operations
Total injury incidence rate (TIIR) per 200 000 hours worked	The sum of employee and contractor fatalities, LTIs and dressing case injuries multiplied by 200 000 and divided by the total number of contractor and employee hours worked
Total land under management (freehold)	Land, measured in hectares (Ha), falling under the direct management of Northam (including land covered by surface rights, or occupied by third parties), but excluding all land leased and undeveloped projects/prospects where the land does not yet fall under the direct management of Northam
Total number of TB cases	The total number of employees at the Zondereinde, Booysendal or Eland operations, including existing and new TB cases, confirmed as having TB by the occupational medical practitioner for the reporting period
Total revenue per 4E oz sold	Revenue generated for each 4E ounce sold over a specific period/year, calculated as total sales revenue in ZAR for all metals for a period/year divided by the number of 4E ounces sold during that period/year
Total revenue per 6E oz sold	Revenue generated for each 6E ounce sold over a specific period/year, calculated as total sales revenue in ZAR for all metals for a period/year divided by the number of 6E ounces sold during that period/year
Total revenue per Pt oz sold	Revenue generated for each platinum ounce sold over a specific period/year, calculated as total sales revenue in ZAR for all metals for a period/year divided by the number of platinum ounces sold during that period/year
Total water usage	All water used at Northam's operations to produce its primary products, which includes water withdrawn by source as well as water recycled, expressed as a volume
TSF	Tailings storage facility
Turnover rate	Number of employees at the company's operations who leave the organisation during a reporting period due to dismissal, retrenchment, death in service or voluntarily through resignation or early retirement, expressed as a percentage of the total employee workforce working at the operation, based on payroll data at the end of the reporting period
UG2 Reef	A PGM-bearing orebody at the base of the upper group 2 cyclic unit of the Critical Zone of the Bushveld Complex, predominantly comprising chromite minerals
USD	United States Dollar, synonymous with $US
VCT	Voluntary counselling and testing, in respect of HIV and Aids
VWAP	Volume Weighted Average Price, is a trading benchmark used by traders that gives the average price a security has traded over a specific period, based on both volume and price
Water from underground	Excess water collected from drilling equipment and/or cooling circuits

Water recycled	Water that is recycled and reused at Northam's operations to produce its primary products, expressed as a percentage of total water use
Water recycled in process	Water that is recycled and reused at Northam's operations to produce its primary products, expressed as a volume
Water use	All water used at Northam's operations to produce its primary products, which includes water withdrawn by source as well as water recycled
WHO	The World Health Organisation
WPIC	The World Platinum Investment Council - a marketing organisation that promotes the development of platinum investment demand
Women at mining	The total number of female employees and contractors working at the Zondereinde, Booysendal and Eland operations based on payroll data at the end of the reporting period
Women in mining	The total number of women working in core disciplines including mining, engineering and metallurgy at the company's operations, based on payroll data at the end of the reporting period, expressed as either a number or as a percentage of total employed
WUL	Water use licence
Zambezi	Zambezi Platinum (RF) Limited
ZAR	South African Rand, synonymous with the abbreviation R
ZPLP	Zambezi Platinum (RF) Limited Preference Share, traded under JSE Preference Share code: ZPLP

Composite Transaction Glossary

Capitalised words and terms contained in this document shall bear the same meanings ascribed thereto in the combined circular to shareholders of Northam (Shareholders) accompanied by the prospectus in respect of Northam Holdings, dated Monday, 31 May 2021. Unless otherwise stated or the context so requires, the words and expressions in the first column have the meanings stated opposite them in the second column:

30-Day VWAP	the volume weighted average price at which Northam Shares and/or Northam Holdings Shares, as the case may be, trade on the JSE for the 30 trading days up to but excluding the relevant day, as published by Refinitiv (previously known as Thomson Reuters) or, if Refinitiv should cease to publish such information, as published by any equivalent reputable agency nominated by Northam and/or Northam Holdings, as the context may require
Accumulated Dividends	"Accumulated Dividends" as defined in the Zambezi Pref Share Terms, being the aggregate of the dividends which have accrued and become payable in respect of the Zambezi Preference Shares but which have not been paid by Zambezi
Atisa	Atisa Platinum (RF) Proprietary Limited (registration number 2014/191520/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 12.80% of the Zambezi Ordinary Shares in issue.
BEE	black economic empowerment as contemplated in the BEE Laws
BEE Codes	the Codes of Good Practice issued under section 9(1) of the BBBEE Act, as gazetted from time to time
BEE Laws	the BBBEE Act, the BEE Codes, the MPRDA, the Mining Charter and the Mining Codes to the extent that such laws are applicable or may become applicable to the Northam Group and/or its business activities from time to time and any other similar laws which may be applicable to the Northam Group and/or its business activities from time to time
BEE Trust Transaction Agreements	the written agreements entered into between Northam, Zambezi and each of the BEE Trusts, in terms of which the parties will, *inter alia*, agree to amend the applicable Transaction Documents relating to the Zambezi BEE Transaction to enable the parties to implement and give effect to the Transaction
BEE Trusts	collectively, the ESOP and the Community Trusts, or any one or each of them, as the context may require
Booysendal Community Trust	the Northam Booysendal Community Trust (Master's reference No. IT000178/2015(G)), or the trustees thereof acting in their capacities as such, being a Zambezi Ordinary Shareholder holding 7.95% of the Zambezi Ordinary Shares in issue
Business Day	any day other than a Saturday, Sunday or gazetted national public holiday in South Africa
Calculation Model	the financial model to be utilised to calculate the estimated Zambezi Taxes, the estimated STT liability Amount and he Zambezi Retention Shares, in an agreed form between Northam and Zambezi and incorporated into the Implementation Agreement
Circular	The combined circular to Northam Shareholders, dated Monday 31 May 221, issued by the Independent Board, Northam and Northam Holdings, and all annexures thereto and incorporating the Notice of General Meeting, the Form of Proxy and accompanied by the Northam Holdings Prospectus which incorporates the Application and Surrender Form
Communities	the host and/or affected communities residing in the vicinity of one or more of the Northam Group's mining operations
Community Trusts	collectively, the Zondereinde Community Trust and the Booysendal Community Trust, or any one or more of them, as the context may require
Companies Act	the Companies Act, No. 71 of 2008
Composite Transaction	the inter-conditional transaction comprising the Transaction and the Extended Empowerment Transaction
Debt Listings Requirements	the listings requirements issued by the JSE under the Financial Markets Act to be observed by issuers of debt instruments listed on the JSE, being the JSE Debt Listings Requirements
Differential Zambezi Taxes	in the event that the amount of the Adjusted Zambezi Taxes exceeds the amount of the Base Case Zambezi Taxes ("Excess") by more than R250 million, the amount by which the Excess exceeds R250 million

Distribution	a "distribution" as defined in the Companies Act
Employees	permanent employees of the Northam Group who do not participate in any of the Group's incentive schemes and who are employed on a Paterson grading of A to C
ESOP	the Northam Employees' Trust (Master's reference No. IT000173/2015(G)), or the trustees thereof acting in their capacities as such, as the context may require, being a Zambezi Ordinary Shareholder holding 9.60% of the Zambezi Ordinary Shares in issue
ESOP Repurchase	the repurchase by Northam of the ESOP Repurchase Shares
Extended Empowerment Transaction	the proposed transaction in terms of which (i) the Northam Scheme will be implemented; and (ii) the ownership by HDPs (through the SPVs) in Northam will be restored to up to 26.5% (net of Treasury Shares), so as to enable Northam to comply with the HDP ownership requirements set out in the BEE Laws, with an emphasis on participation by Employees and Communities
Face Value	in respect of each Zambezi Preference Share on any day, the aggregate of R41.00 and the Accumulated Dividends
Financial Markets Act	the Financial Markets Act, No. 19 of 2012, as amended from time to time
HDPs	historically disadvantaged persons, as defined in the MPRDA
IFRS	the International Financial Reporting Standards issued by the International Accounting Standards Board
Implementation Agreement	the written agreement headed "Implementation and Framework Agreement" entered into between Northam and Zambezi on 22 March 2021, which agreement, *inter alia*, sets out the said parties' respective rights and obligations under, and in respect of, the Transaction, as amended or restated from time to time
Income Tax Act	the Income Tax Act, No. 58 of 1962, as amended from time to time
Independent Auditor or Independent Reporting Accountant or Ernst & Young Inc.	Ernst & Young Incorporated (registration number 2005/002308/21), a personal liability company incorporated in accordance with the laws of South Africa
JSE	JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed to operate an exchange under the Financial Markets Act, or the securities exchange operated by the JSE Limited, as the context may require
JSE Listings Requirements	the listings requirements issued by the JSE under the Financial Markets Act to be observed by issuers listed on the JSE, being the JSE Limited Listings Requirements
Lock-in Fee	the amount of R400 million paid by Northam to Zambezi as consideration for certain undertakings given by Zambezi in terms of the Zambezi BEE Transaction
LPD	Friday, 30 April 2021, being the last practicable date prior to the finalisation of the Circular and the Northam Holdings Prospectus
Malundi	Malundi Resources (RF) Proprietary Limited (registration number 2014/191514/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 12.80% of the Zambezi Ordinary Shares in issue
Mining Charter	the Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018, published in Government Notice 639, Government Gazette No. 41934, dated 27 September 2018, as amended by Government Notice 1398, Government Gazette No. 42118, dated 19 December 2018
Mining Codes	the Codes of Good Practice for the Minerals Industry, published under Government Notice 446 in Government Gazette 32167 of 29 April 2009, to the extent that they have the force of law
MOI	a memorandum of incorporation as envisaged in the Companies Act
Mpilo	Mpilo Platinum (RF) Proprietary Limited (registration number 2014/181643/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 29.80% of the Zambezi Ordinary Shares in issue
MPRDA	the Mineral and Petroleum Resources Development Act, No. 28 of 2002
Net Value Cash Distribution	the cash dividend declared by the Zambezi Board pursuant to the Net Value Distribution

Net Value Distribution	the Distribution to Zambezi Ordinary Shareholders, comprising the Net Value Cash Distribution and the Net Value Share Distribution
Net Value Distribution Date	the Business Day after the Repurchase Implementation Date
Net Value Share Distribution	the dividend *in specie* declared by the Zambezi Board pursuant to the Net Value Distribution
Northam or the company	Northam Platinum Limited (registration number 1977/003282/06), a public company incorporated in accordance with the laws of South Africa and whose shares are listed on the Main Board of the JSE
Northam Board or Board or Northam Directors	the directors of Northam
Northam Delisting	the termination of the listing of the Northam Shares on the Main Board of the JSE, which is expected to take place on the Business Day after the Northam Scheme Implementation Date
Northam Group or the Group	Northam and, with effect from the Northam Scheme Implementation Date, Northam Holdings, and their respective Subsidiaries from time to time and “Member of the Group” shall mean either one or each of them, as the context may require
Northam Guarantee	the written agreement headed “Guarantee” entered into between, *inter alios*, Northam and Zambezi on or about 31 March 2015 in terms of which Northam guarantees the payment of all amounts payable by Zambezi to the Zambezi Preference Shareholders in respect of the Zambezi Preference Shares
Northam Holdings	Northam Platinum Holdings Limited (registration number 2020/905346/06), a public company incorporated in accordance with the laws of South Africa, being a wholly-owned Subsidiary of Northam as at the Last Practicable Date, and whose shares will be listed on the Main Board of the JSE if the Northam Scheme becomes operative
Northam Holdings Share	an ordinary share of no par value in the authorised share capital of Northam Holdings having the rights and limitations set out in Northam Holdings’ MOI
Northam Holdings Shareholder	a registered holder or the beneficial holder of a Northam Holdings Share, as the context may require
Northam Scheme	the scheme of arrangement in terms of section 114(1) as read with section 115 of the Companies Act and paragraph 1.17(b) of the JSE Listings Requirements, proposed by the Northam Board between Northam and Northam Shareholders, in terms of which, subject to the Extended Empowerment Transaction Conditions being fulfilled or waived and the Northam Scheme becoming operative, Northam Holdings will acquire all of the Northam Scheme Shares held by the Northam Scheme Participants, and the Northam Delisting will become effective
Northam Scheme Implementation Date	the date on which the Northam Scheme becomes operative and is implemented, which is expected to be the Business Day after the Northam Scheme Record Date, or such other day as may be approved by the TRP and JSE, to the extent applicable
Northam Scheme Participants	Eligible Northam Shareholders registered as such on the Northam Scheme Record Date (other than Dissenting Shareholders who have not had their rights in respect of their Northam Shares reinstated as envisaged in sections 164(9), 164(10) or 164(15)(c)(v)(aa) of the Companies Act, whether voluntarily or pursuant to a final court order), who dispose of the Northam Scheme Shares held by them, pursuant to the Northam Scheme
Northam Scheme Shares	all Northam Shares in issue, excluding Treasury Shares
Northam Share or Share	an ordinary share of no par value in the authorised share capital of Northam having the rights and limitations set out in Northam's MOI
Northam Shareholder or Shareholder	a registered holder or the beneficial holder of a Northam Share, as the context may require
Northam SIP	the Northam Platinum Limited Share Incentive Plan 2011
Premium Amount	the increase to the Accumulated Dividends in respect of each Zambezi Preference Share calculated as 11.11% recurring of the Face Value per Zambezi Preference Share on the Zambezi Scheme Implementation Date
Prime Rate	the percentage publicly quoted as the basic rate of interest levied by Nedbank Limited from time to time on overdraft, calculated on a 365-day year, irrespective of whether the applicable year is a leap year, and proved, *prima facie*, in the event of a dispute and in the absence of manifest error, by a certificate under the hand of any director or manager of Nedbank Limited, whose appointment and authority need not be proved

Portion C of the Differential Zambezi Taxes	to the extent applicable if the Tax Ruling is obtained, an amount equal to 50% of that portion of the Differential Zambezi Taxes which exceeds R500 million
R or Rand	South African Rand and cents, the official lawful currency of South Africa
Related	“Related” as defined in section 1 of the Companies Act
Relevant Zambezi Shareholder Transaction Agreements	collectively, the written agreements headed “Transaction Agreement” entered into between Northam, Zambezi and each of the Relevant Zambezi Shareholders on 22 March 2021, as amended or restated from time to time
Relevant Zambezi Shareholders	collectively, Atisa, Malundi, Mpilo and the Women’s Consortium SPV, or any one or each of them, as the context may require
Repurchase Implementation Date	the Business Day on which the Repurchase will be implemented, which day is, subject to the approval of the TRP, expected to be the 9th Business Day after the date on which it is announced that the last of the Transaction Conditions has been fulfilled or waived, provided that such day is a Friday, or such other day as may be approved in writing by the TRP and JSE, to the extent applicable
Residual Northam Shares	the 159 905 453 Northam Shares held by Zambezi pursuant to the implementation of the Zambezi BEE Transaction, less (i) the Northam Shares to be transferred by Zambezi to Northam in terms of the Revised Accumulated Dividends Settlement; (ii) the Repurchase Shares; (iii) the Northam Shares to be transferred by Zambezi to Northam in terms of the Zambezi Preference Share Redemption; and (iv) the Zambezi Retention Shares (if any)
Revised Accumulated Dividends	the Accumulated Dividends as at the Zambezi Scheme Implementation Date together with the Premium Amount
Revised Accumulated Dividends Settlement	the settlement of the Revised Accumulated Dividends by way of a transfer by Zambezi of so many Northam Shares held by Zambezi, valued at R160.00 per Northam Share, as is equal in value to the amount of the aggregate Revised Accumulated Dividends to Northam
SARS	the South African Revenue Service
SENS	the Stock Exchange News Service operated by the JSE
STT	securities transfer tax levied in terms of the Securities Transfer Tax Act, No. 25 of 2007
Subsidiary	a “subsidiary”, as defined in section 3 of the Companies Act provided that the term “subsidiary” shall not be limited to “companies”, but shall include any “juristic person” (as each of those terms are defined in the Companies Act), and shall include a person incorporated outside South Africa which would, if incorporated in South Africa, be a “subsidiary” as defined in the Companies Act
Transaction	the transaction entailing, *inter alia*, the Zambezi Scheme, the Zambezi Delisting, the Revised Accumulated Dividends Settlement, the Repurchase, the Net Value Distribution, the realisation of the Zambezi Retention Shares (if any), the ESOP Repurchase and the Zambezi Preference Share Redemption
Transaction Conditions	the conditions precedent to the implementation of the Repurchase
Transaction Documents	collectively, the following: the Implementation Agreement; the Zambezi MOI as amended pursuant to the Zambezi MOI Amendments; the MOI or trust deed, as the case may be, of each Zambezi Ordinary Shareholder, duly amended in order to enable each Zambezi Ordinary Shareholder to enter into and/or implement the Transaction and the agreements and transactions envisaged in the Implementation Agreement (to the extent necessary), in such form and substance as may be acceptable to Northam; the Relevant Zambezi Shareholder Transaction Agreements; the BEE Trust Transaction Agreements; the Zambezi Ordinary Shareholder Loan Agreements; and the written agreement headed “Irrevocable Undertaking” entered into between Zambezi and Northam on 16 September 2020,

	and such other document or agreement as may be designated as a Transaction Document by Northam upon written notice to Zambezi from time to time
Treasury Shares	the Northam Shares and/or Northam Holdings Shares, as the case may be, held by Subsidiaries of the Northam Group, from time to time, it being recorded that, as at the Last Practicable Date, there are no Treasury Shares
VAT	value-added tax levied in terms of the Value Added Tax Act, No. 89 of 1991
Women's Consortium SPV	Zambezi Platinum Women's SPV (RF) Proprietary Limited (registration number 2014/191546/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 19.10% of the Zambezi Ordinary Shares in issue
Zambezi	Zambezi Platinum (RF) Limited (registration number 2014/106927/06), a ring-fenced public company incorporated in accordance with the laws of South Africa
Zambezi BEE Transaction	the BEE transaction concluded between, *inter alios*, Northam and Zambezi during 2014 and 2015, in terms of which Zambezi acquired approximately 31.37% of the issued Northam Shares, as more fully set out in the circular distributed by Northam to Northam Shareholders dated 17 February 2015
Zambezi BEE Transaction Conditional Shares	the Northam Shares conditionally awarded to senior members of Northam's management in terms of the Northam SIP
Zambezi Board	the directors of Zambezi, from time to time, being as at the Last Practicable Date, Mr KB Mosehla, Mr PA Dunne, Ms AH Coetzee, Ms N Mazwai, Advocate ME Motseki-Zim, Mr GS Mseleku, Mr BB Nene, Mr LC van Schalkwyk, Mr ZP Ntshalintshali, Mr CM Ntuta, Ms KH Sekhokho, or any one or more of them as the context may require
Zambezi Delisting	the termination of the listing of the Zambezi Preference Shares on the Main Board of the JSE, which is expected to take place on the Business Day after the Zambezi Scheme Implementation Date
Zambezi Disposals	collectively, the disposals by Zambezi (i) of Northam Shares held by it pursuant to the Revised Accumulated Dividends Settlement, the Repurchase, the Net Value Distribution, the Zambezi Preference Share Redemption and the realisation of the Zambezi Retention Shares (if applicable); and (ii) pursuant to the cash settlement of the unpaid "Preference Dividends" (as defined in the Zambezi Pref Share Terms) pursuant to the Zambezi Preference Share Redemption
Zambezi MOI Amendments	the amendments to the Zambezi MOI
Zambezi N Share	the N share in the share capital of Zambezi having the preferences, rights, limitations and other terms set out in the Zambezi N Share Terms
Zambezi N Share Term Amendments	the amendments to the Zambezi N Share Terms
Zambezi N Share Terms	the preferences, rights, limitations and other terms associated with the Zambezi N Share, as contained in annexure 2 of the Zambezi MOI
Zambezi N Shareholder	the holder of the Zambezi N Share, being Northam
Zambezi Offer	the offer by Northam to Zambezi Preference Shareholders to acquire the remaining Zambezi Preference Shares not already held by Northam, for the Zambezi Offer Consideration, to be implemented by way of the Zambezi Scheme, as more fully set out in the Zambezi Scheme Circular
Zambezi Offer Consideration	a cash consideration per Zambezi Scheme Share amounting to: the Face Value per Zambezi Preference Share on the Zambezi Scheme Implementation Date, calculated in accordance with the provisions of the Zambezi Pref Share Terms, provided that, notwithstanding any changes to the Prime Rate on or after the Zambezi Scheme Record Date, the Prime Rate between the Zambezi Scheme Record Date and the Zambezi Scheme Implementation Date will be deemed to be the prevailing Prime Rate as at the day immediately preceding the Zambezi Scheme Record Date, plus a 15.99% premium thereon, rounded up to the nearest cent; or in the event that Northam increases such consideration, from time to time, such higher amount
Zambezi Ordinary Share	an ordinary share of no par value in the authorised share capital of Zambezi, having the rights and limitations set out in the Zambezi MOI
Zambezi Ordinary Shareholder Loan	in relation to each Zambezi Ordinary Shareholder, an amount equal to the aggregate of (i) R500 million multiplied by that Zambezi Ordinary Shareholder's Zambezi Shareholding; plus (ii) the "Deemed

	Advances" (as envisaged in the Implementation Agreement), multiplied by that Zambezi Ordinary Shareholder's Zambezi Shareholding
Zambezi Ordinary Shareholder Loan Agreements	collectively, the written agreements headed "Loan and Transaction Agreement" entered into or expected to be entered into between Zambezi, Northam and each of the Zambezi Ordinary Shareholders, in terms of which, *inter alia*, Northam agrees to advance the Zambezi Ordinary Shareholder Loan to each Zambezi Ordinary Shareholder and each Zambezi Ordinary Shareholder agrees to be liable for the Zambezi Transaction Costs, as amended or restated from time to time
Zambezi Ordinary Shareholders	collectively, the registered holders of Zambezi Ordinary Shares
Zambezi Pref Share Term Amendments	the amendments to the Zambezi Pref Share Terms
Zambezi Pref Share Terms	the preferences, rights, limitations and other terms associated with the Zambezi Preference Shares as set out in annexure 1 of the Zambezi MOI
Zambezi Preference Share or Preference Share	a cumulative, non-participating no par value preference share in the share capital of Zambezi having the rights, obligations and privileges set out in the Zambezi Pref Share Terms
Zambezi Preference Share Redemption	the redemption of the Zambezi Preference Shares in accordance with the Zambezi Pref Share Terms (as amended pursuant to the Zambezi Pref Share Term Amendments)
Zambezi Preference Shareholder	a registered holder or the beneficial holder of Zambezi Preference Shares, as the context may require
Zambezi Retention Amount	in the event that the Transaction Condition pertaining to the Tax Ruling: is fulfilled, the estimated amount of the Zambezi Taxes, as calculated in accordance with the Calculation Model, less the Differential Zambezi Taxes (if any); or is waived by Northam, the estimated amount of the Zambezi Taxes calculated in accordance with the Calculation Model plus R250 million
Zambezi Retention Release Amount	the difference between the actual Zambezi Taxes and the Zambezi Retention Amount
Zambezi Retention Shares	the number of Northam Shares held by Zambezi to be retained by Zambezi in order to settle Portion C of the Differential Zambezi Taxes, which number shall be calculated in accordance with the Calculation Model utilising the following formula (rounded up to the nearest whole number): $\frac{a}{b}$ where: a = Portion C of the Differential Zambezi Taxes; and b = the 30-Day VWAP on the Repurchase Implementation Date
Zambezi Scheme	the scheme of arrangement in terms of section 114(1) as read with section 115 of the Companies Act, to be proposed by the Zambezi Board between Zambezi and Zambezi Preference Shareholders, in terms of which Northam will acquire all of the Zambezi Scheme Shares held by the Zambezi Scheme Participants
Zambezi Scheme Circular	the offer circular to be sent by Zambezi and Northam jointly to the Zambezi Shareholders, setting out the terms and conditions of the Zambezi Scheme, the Zambezi Delisting and the Zambezi Pref Share Term Amendments and incorporating the notice convening the relevant general meetings of Zambezi Shareholders to be convened to consider and, if deemed appropriate, approve the various resolutions required to implement the Zambezi Scheme
Zambezi Scheme Conditions	the conditions precedent to the operation of the Zambezi Scheme
Zambezi Scheme Implementation Date	the date on which the Zambezi Scheme becomes operative and is implemented, which date shall be the later of (i) 5 July 2021; and (ii) the 1st Business Day following the Zambezi Scheme Record Date
Zambezi Scheme Participants	all Zambezi Preference Shareholders (excluding Northam) registered as such on the Zambezi securities register on the Zambezi Scheme Record Date, except Dissenting Shareholders who have not had their rights in respect of their Zambezi Preference Shares reinstated as envisaged in sections 164(9), 164(10) or 164(15)(c)(v)(aa), of the Companies Act, whether voluntarily or pursuant to a final court order
Zambezi Scheme Record Date	provided that the Zambezi Scheme Conditions are timeously fulfilled or waived, the last day for Zambezi Preference Shareholders to be recorded in the Zambezi securities register in order to participate in the Zambezi Scheme, which date shall be a Business Day falling at least 8 Business Days after the date on which it is announced that the last of the Zambezi Scheme Conditions has been fulfilled or waived,

	provided that such date is a Friday, or such other day as may be approved in writing by the JSE, to the extent applicable
Zambezi Scheme Shares	the Zambezi Preference Shares held by the Zambezi Scheme Participants
Zambezi Shareholders	collectively, the Zambezi Preference Shareholders, the Zambezi Ordinary Shareholders and the Zambezi N Shareholder, or any one or more of them as the context may require
Zambezi Shareholding	in respect of a Zambezi Ordinary Shareholder, such Zambezi Ordinary Shareholder's proportionate holding of all the Zambezi Ordinary Shares in issue (expressed as a percentage)
Zambezi Taxes	the aggregate of: • the capital gains tax as envisaged in the eighth schedule of the Income Tax Act read with section 26A thereof that will become payable by Zambezi as a result of the Zambezi Disposals; and • the aggregate amount of STT which Zambezi has agreed to pay in terms of the Zambezi Pref Share Terms pursuant to the Revised Accumulated Dividends Settlement and the Zambezi Preference Share Redemption
Zambezi Transaction Costs	the costs incurred on behalf of Zambezi in respect of the Transaction, being (i) the advisory fees payable to Zambezi's advisors; (ii) the fees of the Zambezi independent board of directors; (iii) the fees of the independent expert appointed by the Zambezi independent board of directors; and (iv) the fees of the independent transaction sponsor to Zambezi in relation to the Transaction (to the extent required), further details of which are set out in the Implementation Agreement
Zondereinde Community Trust	the Northam Zondereinde Community Trust (Master's reference No. IT000177/2015(G)), or the trustees thereof acting in their capacities as such, as the context may require, being a Zambezi Ordinary Shareholder holding 7.95% of the Zambezi Ordinary Shares in issue

Analysis of Northam Shareholders

The analysis of Northam Platinum Limited Shareholders as at 30 June 2021 was as follows:

Shareholding range	Number of Shareholders	Total shareholding	Percentage holding (%)
	30 June 2021	30 June 2021	30 June 2021
1 – 5 000	11 105	5 727 995	1.12
5 001 – 10 000	367	2 726 913	0.54
10 001 – 50 000	675	16 420 547	3.22
50 001 – 100 000	213	15 153 686	2.97
100 001 – 1 000 000	310	90 140 739	17.68
1 000 001 and more	52	379 611 332	74.47
	12 722	509 781 212	100.00

Geographical analysis of Shareholders	Total shareholding	Percentage holding (%)
	30 June 2021	30 June 2021
South Africa	378 788 288	74.31
Americas	64 705 324	12.69
Europe and United Kingdom	30 495 505	5.98
Far East	26 976 947	5.29
Africa (excluding South Africa)	7 813 935	1.53
Australasia	1 001 213	0.20
	509 781 212	100.00

Shareholders with a holding of more than 5% of the issued share capital of Northam Platinum Limited	Number of shares	Percentage holding (%)
	30 June 2021	30 June 2021
Zambezi Platinum (RF) Limited	159 905 453	31.37
Public Investment Corporation SOC Limited	64 142 585	12.58
BlackRock Inc.	33 469 172	6.57
Coronation Asset Management Proprietary Limited	27 567 034	5.41

Shareholder spread	Number of Shareholders	Percentage holding (%)
	30 June 2021	30 June 2021
Public	12 717	68.50
Non-public		
Zambezi Platinum (RF) Limited	1	31.37
Directors	4	0.13
	12 722	100.00

Administration and contact information

Northam Platinum Holdings Limited
Incorporated in the Republic of South Africa
Registration number: 2020/905346/06
ISIN code: ZAE000298253
Share code: NPH

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

Bond code: NHM007
Bond ISIN: ZAG000158593
Bond code: NHM009
Bond ISIN: ZAG000158866
Bond code: NHM011
Bond ISIN: ZAG000159237
Bond code: NHM012
Bond ISIN: ZAG000160136
Bond code: NHM014
Bond ISIN: ZAG000163650
Bond code: NHM015
Bond ISIN: ZAG000164922
Bond code: NHM016
Bond ISIN: ZAG000167750
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