

# Northam Holdings: positioning the group for the future

Condensed reviewed interim financial results  
for the six months ended  
31 December 2021

Northam Platinum Holdings Limited (Northam Holdings or the group) is an independent, empowered, integrated producer of Platinum Group Metals (PGMs) with three operating assets; the Zondereinde, Booyssendal and Eland mines, in the South African Bushveld Complex.

PGMs play an important part globally in its continued use in autocatalysts for the reduction of nitrous oxides (NOx) from vehicle exhausts which are deleterious to pulmonary health. Developments in modern organic chemistry are leading to the discovery of an ever-increasing number of uses for PGMs. Such an example is the use of PGMs in the burgeoning hydrogen economy.

We embarked on a new phase in our growth strategy with the introduction of Northam Holdings to the group structure. This was to facilitate the early maturity of the Zambezi BEE Transaction and the subsequent Extended Empowerment Transaction (collectively referred to as the Composite Transaction). Accordingly, the group's strategy to continue to create value for all stakeholders remains unchanged.

On 20 September 2021, Northam Holdings acquired all the issued Northam Shares (excluding Treasury Shares) (share code: NHM) in exchange for Northam Holdings Shares on a one-for-one basis. This simultaneously resulted in Northam becoming a subsidiary of Northam Holdings. At the same time, all Northam Shares were delisted from the Main Board of the JSE Limited (JSE), while all Northam Holdings Shares were listed on the Main Board of the JSE. This ensured the continuation of the Northam group listing.

Our shares are listed on the securities exchange operated by the JSE, under equity code NPH. Our debt instruments are listed on the interest rate market of the JSE under debt code NHMI.

**We believe in the positive impact of mining,  
mining that benefits our employees, our  
communities, the environment and our investors**

The picture on the front cover is of a slag tapping at the newly rebuilt smelter furnace 1 at the Zondereinde metallurgical complex.

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## Directors

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

\*British

# Scope of the interim report

The condensed reviewed interim financial results contained within this booklet have been prepared in accordance with, and contain the information required by; International Accounting Standards 34 (IAS 34) Interim Financial Reporting, the SAICA Financial

Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act, No. 71 of 2008.

## Forward-looking statements

This report contains certain forward-looking statements with respect to the financial position, results, operations and business of the group.

These statements and forecasts involve uncertainty as they relate to events and depend on circumstances that will 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, 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 publishing our interim results on 31 March 2022, were informed by the group's business plans and economic forecasts together with our latest forecasted operational and financial results.

**Our strategy is underpinned by our belief in mining, PGMs, our country, our people and our company**

# What investors need to know about our interim results

Despite a challenging operating environment, the past six months have seen significant development in our strategic intent, positioning the group for the future.

Key highlights and key features include:

Revenue	▲ 16.8%	Operating profit	▲ 12.7%	Cash cost per equivalent refined Pt oz	▼ 18.6%
<b>R13.9 billion</b> (H1 F2021: R11.9 billion)		<b>R5.9 billion</b> (H1 F2021: R5.2 billion)		<b>R32 814 /Pt oz</b> (H1 F2021: R27 660 /Pt oz)	
12-month rolling EBITDA	▲ 114.6%	Normalised headline earnings	▲ 18.3%	Net Debt, excluding the Deferred Acquisition Consideration of R5.7 billion	
<b>R17.7 billion</b> (H1 F2021: R8.2 billion)		<b>R3.9 billion</b> (H1 F2021: R3.3 billion)		<b>(R14.3 billion)</b> With Net Debt to EBITDA Ratio at 0.81	
Equivalent refined metal from own operations	▼ 0.4%	Capital expenditure	▲ 77.0%	Safety	
<b>351 359 oz 4E</b> (H1 F2021: 352 741 oz 4E)		<b>R2.3 billion</b> (H1 F2021: R1.3 billion)		<b>2 fatalities at Zondereinde mine</b>	

Details of our key highlights and key features are set out in the respective sections of this report.

Our strategic intent has been demonstrated by:

- Acquiring all the issued Northam Shares (excluding Treasury Shares) in exchange for Northam Holdings Shares on a one-for-one basis on 20 September 2021
- Listing Northam Holdings Shares on the Main Board of the JSE
- Acquiring 14 571 063 Northam Holdings Shares from the Strategic Partners
- Acquiring a strategic investment of a 34.68% interest in Royal Bafokeng Platinum Limited (RBPlat)
- Successfully completing the rebuild and upgrade of smelter furnace 1 at the Zondereinde metallurgical complex
- Re-affirmation of the group's long-term and short-term credit ratings, as well as the upgrading of its outlook to positive
- Establishing an independent remuneration committee to address Shareholder concerns
- Successfully concluding five-year wage agreements at both our Zondereinde and Eland mines with the National Union of Mineworkers (NUM)
- Concluding a ten-year purchase of PGM concentrate agreement with Ivanplats Proprietary Limited, a subsidiary of Ivanhoe Mines Limited, whereby Northam will purchase 20 000 tonnes of PGM concentrate per annum

## Despite the challenges faced during the current period, our growth strategy remain on track

# The interim period at a glance

Key milestones and challenges during the period have been summarised and set out in the timeline below.

	JUL	AUG	SEP	
	<div>▲ BSM Merensky module declines at Booysendal intersect Merensky Reef on schedule</div> <div>▲ Additional R150.0 million DMTNs issued</div> <div>▲ Earthworks commenced on the 11 MW solar photovoltaic facility</div> <div>▼ Mining incident at Zondereinde which resulted in a fatality in January 2022</div>	<div>▲ Five-year wage agreement concluded at Zondereinde (effective 1 July 2021)</div> <div>▲ Five-year wage agreement concluded at Eland (effective 1 July 2021)</div> <div>▼ Suffered a fatality in an underground tramping related accident</div> <div>▲ Implementation of the Zambezi Scheme, resulting in Northam acquiring all of the Zambezi Preference Shares not already held by Northam</div> <div>▲ Completion of upgrade to smelter material handling system</div>	<div>▲ Number 25 on the FTSE/JSE Top 40 Index</div> <div>▲ Changes to the Northam board, the Northam Holdings board and their respective board committees, including the constitution of an independent remuneration committee</div> <div>▲ Repurchase of 14 571 063 Northam Holdings Shares from the Strategic Partners, following the Net Value Distribution to the Zambezi Ordinary Shareholders</div> <div>▲ Implementation of the Northam Scheme, pursuant to which Northam Holdings acquired all of the Northam Scheme Shares held by Northam Scheme Participants in exchange for Northam Holdings Shares, on a one-for-one basis</div>	
	<div>Operations</div> <div> <div>■ Zondereinde</div> <div>■ Booysendal</div> <div>■ Eland</div> <div>■ Group</div> </div> <div>Value</div> <div> <div>△ Value creation</div> <div>▽ Value erosion</div> </div>			

	OCT	NOV	DEC	
	<ul style="list-style-type: none"> <li>▲ Additional R300.0 million DMTNs issued</li> <li>▲ First ore delivered to the concentrator from the UG2 open pit at Eland</li> <li>▲ Northam's long-term and short-term credit ratings re-affirmed and outlook upgraded to positive</li> <li>▲ Completion of rebuild and upgrade of smelter furnace 1 at the metallurgical complex, increasing processing capacity and significantly reducing operational risk</li> </ul>	<ul style="list-style-type: none"> <li>▲ Northam Holdings acquires an initial 32.50% interest in RBPlat for cash and the issue of 34 399 725 Northam Holdings Shares</li> <li>▲ Additional R1.3 billion DMTNs issued</li> </ul>	<ul style="list-style-type: none"> <li>▲ Number 17 on the FTSE/JSE Top 40 Index</li> <li>▲ Commissioning of the North aerial rope conveyor at Booysendal, optimising mining and concentrating capacity</li> <li>▲ Northam Holdings acquires a further 2.18% interest in RBPlat, resulting in a total shareholding in RBPlat of 34.68%</li> <li>▲ 3 shaft reaming passed 1 130 metres of a total of 1 382 metres</li> <li>▲ Concluded a ten-year purchase of PGM concentrate agreement with Ivanplats Proprietary Limited</li> </ul>	



# Our growing operations

We are an independent, empowered, integrated PGM producer. Our strategy of growing production down the cost curve whilst reducing operational risk remains in place. Our recent acquisition of an investment in RBPlat is in line with this strategy.



Key:

- Wholly owned operations
- Joint arrangement
- Other peer operations
- Significant interest
- Cities/towns
- Main roads

Amandelbult

Union

Pilanesberg

Sedibelo

Implats

RPM

Rustenburg

Crocodile River

Eastern & Western Plats

Pandora

**Zondereinde**  
Mineral Resources  
79.8 Moz 4E

- LoM > 30 years
- 1 underground conventional mining module
- Mining Merensky and UG2
- 2 PGM concentrators
- 1 chrome concentrator
- 2 Tailings Storage Facilities (TSFs)
- 2 smelter furnaces
- 2 converters
- 1 base metal removal plant (BMR)

**RBPlat\***  
Mineral Resources (attributable)  
23.2 Moz 4E\*\*

- LoM > 30 years
- 3 underground mining modules (2 conventional, 1 mechanised)
- Mining Merensky and UG2
- 2 PGM concentrators
- 2 TSFs
- Purchase of concentrate agreement with Anglo-American Platinum Refining Services

\*Newly acquired interest

\*\*Estimated at 31 December 2021

**Eland**  
Mineral Resources  
14.3 Moz 4E

- LoM > 30 years
- 3 underground hybrid mining modules
- 1 open pit mining module
- Mining UG2
- Merensky Mineral Resources
- 1 PGM concentrator
- 1 chrome concentrator
- 4 TSFs

0 50km



### Other operations

33.7%

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

100.0%

interest in Northam Recovery Services, our US recycling operation.

### Dwaalkop

Mineral Resources (attributable)

8.9 Moz 4E

- New order mining right
- Undeveloped Merensky and UG2 Mineral Resources

### Booysendal

Mineral Resources

100.0 Moz 4E

- LoM > 25 years with significant additional Merensky and UG2 Mineral Resources
- 6 underground mechanised mining modules
- Mining Merensky and UG2
- 2 PGM concentrators
- 2 chrome concentrators
- 2 TSFs

# Rationale for our investment in RBPlat

The table below demonstrates the key aspects of how our investment in RBPlat fits our strategic imperatives.

Strategic imperative	
Our view on PGMs	<ul style="list-style-type: none"> <li>■ We have a strong view regarding long-term PGM demand and pricing, particularly that for platinum, rhodium, ruthenium and iridium. This view is informed by the supply and demand dynamic. Demand is being driven by global clean-air legislation, as well as the burgeoning hydrogen economy. Primary supply is obtained from rare, depleting resources that have been under capitalised for more than a decade</li> <li>■ Proven, quality, cash producing and sustainable PGM assets are rare</li> </ul>
Our growth strategy	<ul style="list-style-type: none"> <li>■ We acquire the right assets for a fair price</li> <li>■ We are a focussed PGM mining company with long-term investment horizons</li> <li>■ We want to grow down the cost curve with a focus on shallow, quality mining</li> <li>■ The current position in the commodity cycle requires growth through the acquisition of cash producing and sustainable assets as opposed to developing greenfield projects with long timelines</li> </ul>
Future growth opportunities	<ul style="list-style-type: none"> <li>■ Mining is important to the South African economy</li> <li>■ We have proven skills in operating mines and delivering on project execution</li> </ul>
Operational risk reduction	<ul style="list-style-type: none"> <li>■ We are following an operational diversification path in our growth strategy, increasing the number of mining and processing assets to reduce overall operational risk</li> </ul>
Cultural fit	<ul style="list-style-type: none"> <li>■ The alignment of beliefs and behaviours is critical to the integration of operating assets</li> </ul>
Empowerment and transformation	<ul style="list-style-type: none"> <li>■ We believe in our country, South Africa</li> <li>■ Our commitment to transformation is demonstrated by our sustainable, long-term empowerment initiatives</li> <li>■ Our empowerment is focussed on our employees and host communities</li> <li>■ We believe that transformation is important to the well-being of the South African economy</li> </ul>
Community and labour relations	<ul style="list-style-type: none"> <li>■ Our people are the key drivers of our success</li> <li>■ We have a strong relationship with the NUM</li> </ul>
Creating value for all stakeholders	<ul style="list-style-type: none"> <li>■ We have experienced leadership and proven skills in capital allocation, operating mines and delivering on project execution</li> <li>■ We can create long-term, sustainable value through the application of our extensive, proven expertise together with the use of our proprietary knowledge and technology</li> </ul>

We are a focussed South African PGM mining company. Our investment in RBPlat is driven by our beliefs and is aligned to our strategy. Our experience and expertise enable us to unlock the inherent and synergistic value of RBPlat.

Investment fit
<p>RBPlat is a South African PGM miner, it has a large, proven, quality resource base containing a premium mix of PGMs. Its assets are sustainable and cash producing with a growing production profile.</p>
<p>RBPlat's mines are shallow, well-capitalised and partially mechanised. They are currently producing, have extensive life, are cash generative and operating in the lower half of the industry cost curve.</p>
<p>RBPlat has a large resource base. This provides significant, long-term mining optionality.</p> <p>Styldrift, similar to Booysendal, provides opportunity for modular growth through project execution. This could translate into significant additional PGM production, economic activity and job creation.</p>
<p>RBPlat has two mining assets. These are geographically separated from, but in close proximity to both our Zondereinde and Eland operations. They also have a separate downstream processing route. This diversifies our geographical footprint and sources of cashflow.</p>
<p>The operational qualities of RBPlat are complimentary to that of Northam and make for an effective cultural fit.</p>
<p>Royal Bafokeng Holdings Proprietary Limited (RBH) represents the Royal Bafokeng Nation, the host community and home to the majority of the employees of RBPlat. We consider RBH to be a meaningful, sustainable empowerment partner. Our purchase consideration was structured to include RBH as a shareholder in Northam Holdings and we have committed to joint community upliftment initiatives.</p>
<p>Through RBH's interest in Northam we have strong relationships with the Royal Bafokeng Nation. We further maintain good relations with the NUM, the trade union representing the vast majority of RBPlat employees. This bodes well for community and labour relations into the future.</p>
<p>RBPlat will benefit from having Northam Holdings as an anchor shareholder. We have the know-how and willingness to allocate appropriate capital to operate and develop its mines and infrastructure, thereby creating value for all stakeholders.</p>

# Our investment in RBPlat at a glance

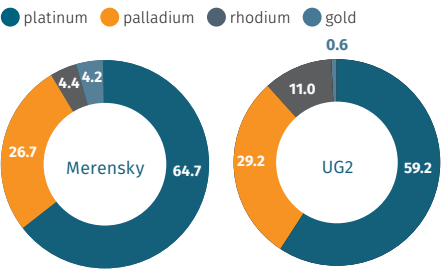
The investment in RBPlat fits our strategy of increasing shallow, mechanisable, sustainable and quality mining that operates in the lower half of the industry cost curve.

Significant Mineral Resources and Mineral Reserves (Northam attributable)  
– future growth opportunities



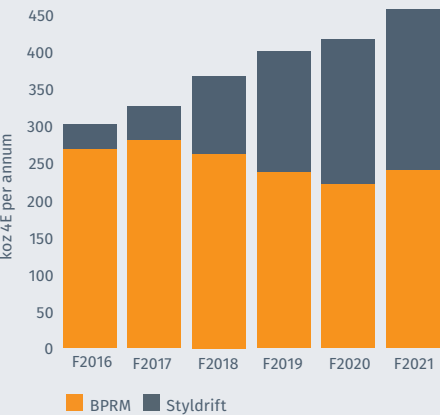
\* Estimated at 31 December 2021

Premium metal split (%) –  
High platinum and rhodium content



## Growing PGM production profile

Metal in concentrate production



Solid and sustainable empowerment  
– Strengthening social cohesion

RBH as an 8.7% strategic empowerment partner

Significant flexibility in respect of our Extended Empowerment Transaction

### Joint community initiatives:

- Undertaking to source renewable energy from RBH's energy division
- Co-development of trade school
- Co-development of SMME resource centre

## Details of our investment

Acquisition Implementation Date	19 November 2021, with subsequent purchases in December 2021
Number of shares held*	100 219 552 RBPlat Shares
Investment holding	34.68% of RBPlat Shares
Aggregate purchase consideration	R17.4 billion
Consideration settled in Northam Holdings Shares	34 399 725 Northam Holdings Shares representing an 8.7% shareholding in Northam Holdings
Upfront cash consideration	R4.1 billion
Deferred Acquisition Consideration	R5.6 billion, comprising: <ul style="list-style-type: none"> <li>■ R4.0 billion before or on 30 April 2022; and</li> <li>■ R1.6 billion before or on 30 September 2022 (to be escalated at the Escalation Rate of 12.0%)</li> </ul>

\* as at 31 December 2021

## Summary fact sheet

	BRPM	Styldrift
Mining method	Conventional and hybrid breast mining accessed via twin decline shafts	Mechanised bord and pillar accessed with twin vertical shaft system
History	Commenced 1997, steady state from 2001	Commenced 2009, approaching steady state
Shaft infrastructure	Two decline shafts (North and South)	Twin vertical shaft system to 750 metres
Average mining depth	450 metres	680 metres
Life of mine	± 30 years	± 40 years
Production (steady state)	<ul style="list-style-type: none"> <li>■ c.90 000 tonnes per month per shaft</li> <li>■ c.200 000 oz 4E per annum</li> </ul>	<ul style="list-style-type: none"> <li>■ c.210 000 tonnes per month</li> <li>■ c.250 000 oz 4E per annum</li> </ul>
Concentrator	Maseve for UG2	BRPM for Merensky
Concentrator capacity	180 000 tonnes per month	250 000 tonnes per month
Cash cost/4E oz F2021*	R15 599	R18 108

\* Expressed as metal in concentrate

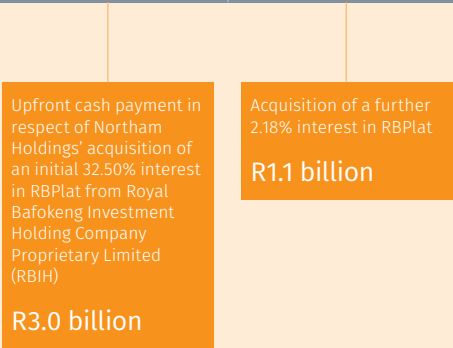
# Cash impact of the Composite Transaction and the purchase of our investment in RBPlat

The timeline below provides a summary of cash outflows regarding the Composite Transaction as well as our investment in RBPlat.

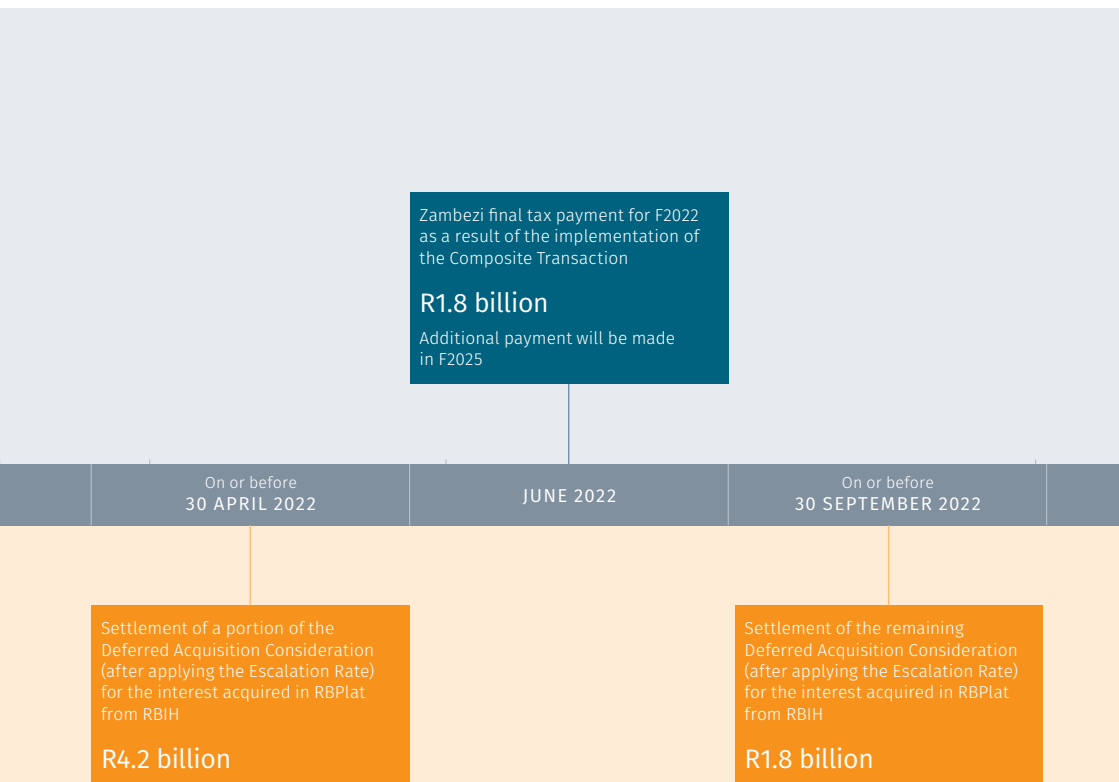
## Composite Transaction



## Investment in RBPlat



Mining is a capital intensive business with relatively long time horizons. The long-term success of the business is to achieve an optimal balance between growth, sustaining operations and returning value to the providers of capital.





# Operational guidance for F2022

We have updated our operational guidance, following a challenging first six months of the current financial year:

Zondereinde	Booyssendal	Eland	Group
Production of equivalent refined metal (oz 4E)	Production of metal in concentrate (oz 4E)	Production of metal in concentrate (oz 4E)	Production of equivalent refined metal from own operations (oz 4E)
280 000 – 290 000	380 000 – 390 000	30 000 – 40 000	680 000 – 710 000
			Production of equivalent refined metal from third parties (oz 4E)
			50 000
Unit cash cost per Pt oz	Unit cash cost per Pt oz	Unit cash cost per Pt oz*	Unit cash cost per Pt oz
R37 500 – R38 500	R23 000 – R24 000	R42 500 – R43 500	R33 000 – R34 000
Capital expenditure	Capital expenditure	Capital expenditure	Capital expenditure
R2.1bn	R1.4bn	R1.1bn	R4.6bn

720 000 – 740 000

Sales oz 4E

**Dispatched volumes to our precious metal refiners, estimated at between 770 000 – 800 000 oz 4E**

\* A part of 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 and the group

## Q&A with the chief executive officer, Paul Dunne

**Q Your views on the future for PGMs have informed your strategy and the recent investment in RBPlat. Can you expand on this?**

**A** Northam's view for the future of PGMs differs from what we understand to be the market consensus.

Firstly, we maintain a strong view on demand for PGMs over the medium and long-term, particularly for those essential to the global clean-air imperative as well as the burgeoning hydrogen economy; platinum, rhodium and those historically termed minor PGMs, iridium and ruthenium. In addition, the constraints and pricing of electrification led us to believe that hybrid vehicles will dominate the light duty vehicle segment over the next two decades.

Secondly, there has been a dearth of mining investment for over a decade. This has been the case for many of the metals important to the world and has a consequence for supply.

Our bottom-up analysis of PGM resources and reserves across the world indicates that we can

expect, as we move to 2030 and beyond, that there will be a diminishing primary supply of platinum and rhodium, whilst palladium supply could remain flat with later growth. By consequence, we favour exposure to ore bodies with preferential platinum and rhodium loadings.

Large, quality and shallow PGM resources with preferential platinum and rhodium loadings are incredibly scarce. Deposits of the western and eastern limbs of South Africa's Bushveld Complex best meet these criteria.

Northam is a focussed, South African, PGM mining company, with long-term investment horizons. We are comfortable to acquire the right assets at a fair price and then develop these to grow our production down the cost curve. Our current position in the commodity cycle indicates that the acquisition of cash generative, producing and sustainable assets with further growth potential offer the most compelling value. RBPlat's assets tick all these boxes.

Operational risk is an under-appreciated consideration in mining. A key element of our growth strategy has been our diversification



“

We maintain a strong view on demand for PGMs over the medium and long-term

of mining assets in order to reduce overall group operational risk. The addition of RBPlat's production from two operating mines, two operating concentrators and down-stream processing routes separate from our own further improves our operational risk profile.

**Q What are your views on Eskom's ability to provide power to Northam's operations?**

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

Load-shedding and load-curtailement are realities that we need to manage, and, without the required intervention, the frequency and severity of power disruption will increase over the coming decade. In addition to this, the potential for sabotage of Eskom transmission infrastructure is a real threat and has already impacted production at our Booyssendal operation.

We have effective processes and relationships in place to manage occasional shortfalls and supply interruptions. Standby generators are in place at all mines to operate ventilation and people-conveyance systems, allowing workers to safely exit the underground workings in the event of outages.

In addition, Eskom tariffs continue to increase at higher than normal mining inflation. This, allied to the electricity requirement related to our growing production profile is leading to an increased percentage of costs associated to the provision of electricity. This is consequently impacting our unit cash cost inflation.

In order to mitigate these threats, the company has for some time focussed on energy efficiency at its operations and this work continues. In addition, we are developing an alternative energy supply strategy, which includes the provision of power from alternative renewable sources, together with expanded emergency back-up generation and transmission flexibility.

**Q You have made mention of the impact that community unrest is having on your operations. What is the current situation?**

**A** Social issues in South Africa are becoming extreme, unfortunately. Particularly in the areas in which we operate.

Small towns and rural areas are impoverished, often with failed local government structures resulting in severe under delivery of services and a general lack of economic opportunity. The outcome of that is severe unemployment, in particular amongst the youth.

When centres of economic activity are created, such as a mine in a rural area, we experience community protests because people want jobs. At Booyssendal, there are more than 400 000 people within our recognised communities. Our mine directly employs just over 7 000 people. The need is great and cannot be satisfied by mining alone.

Since the start of this financial year, the incidence and distribution of unrest in the eastern Bushveld region has grown significantly. It is manifest in road blockages, arson, destruction of property and intimidation of workers, as well as sabotage to a main Eskom switching station. This has led to production stoppages at Booyssendal and other mines in the area.

We will play our part but what we are asking for now is action from government to play their part, in particular in respect of the rule of law.

**Q What has been the impact of COVID-19 on production?**

**A** COVID-19 continues to affect our employees. We have lost 24 of our colleagues to the pandemic and our hearts go out to their families.

Zondereinde, where we have a large and generally older workforce has been most affected during the third wave of infections. Medical absenteeism and staff turnover have been well above historical levels. This has particularly impacted our mining crews and this has negatively affected productivity and hence production.

We are addressing the matter of medical absenteeism and staff turnover through stronger recruitment and training programmes. The broader health and wellness of our employees, as well as that of our host communities remains a key concern, and we continue to promote vaccination with a fairly high degree of success.

**Q You have stated that your unit cash costs have been impacted by higher than normal inflation, can you elaborate?**

**A** Mining input costs have been growing at well above normal inflation levels for some time now. This position has been exacerbated by the supply chain impacts of the COVID-19 pandemic on mining consumables and the ongoing Eskom tariff increases. Prices for diesel, steel and chemicals have been particularly affected.

The recent five-year wage agreements entered into at each of our operations has provided certainty regarding wage inflation and assisted with financial planning.

However, accelerating mining and project inflation is a reality. We need to ensure that we manage cost inflation both in operations and in capital projects. Inflation will further inhibit the decisions to build new mines. Existing operations and unmined resources will become more valuable as a result.

**Q Can we expect to see a return to dividend payments this year?**

**A** The company is currently at a critical juncture in our growth trajectory, with various potential alternative outcomes which remain to be determined. These outcomes will inform our approach to dividends.

**Paul Dunne**

Chief executive officer

29 March 2021

# Managing risks – threats and opportunities

The nature of our business and the industry in which we operate are highly complex and inherently risky. We operate in a higher than average risk environment where our continued existence is influenced by the degree to which returns outweigh risks.

Northam accepts exposure to considered and measured risk in pursuit of commensurate reward, provided that this exposure aligns with our strategy and organisational beliefs, whilst falling within our core qualities, behaviours and proven risk mitigation capabilities.

Our broad record of managing risk is testament to; the deliberate and considered framework in which the business operates, our overall enterprise risk management process, the effectiveness of our risk mitigation measures and ultimately, our operational resilience.

Risk management is an intrinsic part of our business and is a key component in management’s key performance indicators. Coupled with a stable management team, this has enabled the business to ensure the effective management of risk in pursuit of value.

Despite the period under review being challenging, our strategic aspirations remain on track. Liquidity has been a key consideration during this period and the illustration below sets out the principal business risks that impacted this.



## The ongoing impact of COVID-19

COVID-19 has affected the health and well-being of our employees. This is evident in elevated medical absence and staff turnover and this has subsequently negatively impacted the group’s operational performance. As a consequence of this, our production volumes, unit operating costs and ability to supply metal to the market has been affected.

### Operational performance

Health and safety issues, together with regional community unrest negatively impacted production and as a consequence, cash generated from operations.

### Capital allocation

The ongoing requirements of our organic growth programme, together with our Composite Transaction and our investment in RBPlat have resulted in significant cash outflows.

### Liquidity

The combination of lower cash generated from own operations and higher cash outflows has led to reduced liquidity levels.

We operate in an increasingly inter-connected world. The broader, national and global issues highlighted below could have an impact on our business specific risks. These are considered in our risk management process.

### Ongoing impact of COVID-19

As highlighted on the previous page, COVID-19 has resulted in lost production. Also, our employees health and well-being has been affected. This is evident in elevated medical absence and staff turnover.

Our approach and continued response to COVID-19 is aimed at managing the social and health risks affecting our employees, as well as mitigating the economic impacts on the group.

### Climate change

Increased environmental legislation relating to climate change, together with the growing trend towards electrification and the burgeoning hydrogen economy are supporting demand for PGMs. In particular, rhodium remains the only viable solution for nitrous oxides (NOx) in vehicle emissions, whilst platinum, ruthenium and iridium are critical components in hydrogen applications.

Our growth strategy is specifically geared towards increasing production of these metals.

Mining impacts the environment. We make every effort to minimise our environmental impact; we seek to comply strictly with all environmental legislation and where possible we set aside land for biodiversity conservation. We make optimal use of, and conserve our natural resources.

Also refer to our environmental impact included on page 26 of this report.

### Community unrest

Broader community unrest in the Mpumalanga and Limpopo provinces is increasing. This is impacting all economic activity in the region,

including our mining operations, and has resulted in our operational performance being negatively impacted.

The group will continue to assist in collective efforts to address this unrest and is implementing mitigating measures to maintain operations and ensure the safety of our employees.

### Global semi-conductor shortage

The global semi-conductor shortage is a short-term issue affecting the supply of new automotive vehicles and thereby the demand for autocatalysts and consequently PGMs. Despite this reduction in demand, all the metal that we produce has been sold. Northam has offtake agreements with a number of large customers, as well as the ability to sell metals on the spot market if required.

The normalisation of supply chains is already underway and this will lead to elevated PGM demand.

### Russia and Ukraine conflict

Russia's recent invasion of Ukraine has the potential for far reaching consequences, above and beyond the loss of human life and the costs to livelihoods and infrastructure in that region.

In the global PGM market, Russia is the second largest primary producer of palladium, platinum and rhodium. Sanctions applied to Russia will constrain global supply of these metals.

A continued and drawn-out conflict could result in increased global inflation, together with reduced economic activity. This would negatively impact demand for PGMs.

The supply and demand dynamics associated with this conflict are complex and uncertain.

The group will continue to monitor the PGM market accordingly.

## Our top ten strategic risks

The table below sets out the ten key threats and opportunities affecting our business during the reporting period, together with their associated current and potential future impacts.

Whilst each risk has been separately disclosed, the impacts to the group are the result of a combination of risks acting together. For the comprehensive list of strategic risks affecting the business, refer to our Annual Integrated Report as at 30 June 2021 available on our website.

Risk name	Risk description	Current and future impact
Energy supply	<p>The group obtains its bulk supply of energy from Eskom Holdings SOC Limited (Eskom), the South African national electricity supplier. Recent developments at Eskom, together with the vulnerability of the transmission grid to sabotage, have affected the reliability and sustainability of electricity supply. If this situation continues without any meaningful improvement, it could compromise our production.</p> <p>In addition, given the trebling of electricity tariffs over the past decade, and the likelihood for ongoing high percentage annual tariff increases, electricity is one of our key cost drivers.</p>	<ul style="list-style-type: none"> <li>■ Loss of production during the period at Booysendal due to sabotage of Eskom transmission lines related to a dispute between a local community and Eskom</li> <li>■ Future significant capital cost for the provision of independent back up supply</li> <li>■ Independent supply could provide power at lower tariffs</li> </ul>
Exchange rate and commodity price volatility	<p>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 the metals we produce or the exchange rate offered. PGMs are priced in US dollars (USD) while operating costs are denominated in South African Rands (ZAR).</p> <p>USD denominated metal prices are impacted by supply and demand dynamics, as well as the global economic environment. In addition, current global political and economic factors could impact the value of the ZAR and hence the exchange rate realised.</p>	<ul style="list-style-type: none"> <li>■ Softer commodity prices, particularly that of rhodium, have negatively impacted sales revenue and therefore, profitability</li> <li>■ This has been partially offset by the weakening of the ZAR against the USD</li> <li>■ Global recovery from the COVID-19 pandemic would lead to normalisation of the supply and demand dynamic. We believe the fundamentals for PGMs remain positive and this, in a rational market, will lead to price appreciation</li> <li>■ The ongoing conflict in Ukraine could affect the PGM supply and demand dynamic, resulting in price variation</li> </ul>



Risk name	Risk description	Current and future impact
Demand for PGMs	<p>Demand for the metals we produce drives sales and metal prices. The future demand for PGMs is strongly driven by their continued use in autocatalysts and their future use in the growing hydrogen economy. This, in turn, is impacted by legislation, driven by climate change concerns.</p>	<ul style="list-style-type: none"> <li>■ Despite COVID-19 the current outlook for PGM demand remains stable</li> <li>■ The ongoing global semi-conductor shortage has and is affecting the supply of new vehicles and therefore impacting the demand for autocatalysts in the short-term</li> <li>■ Global recovery from the COVID-19 pandemic would lead to normalisation of semi-conductor supply</li> <li>■ Despite this, all the metal we produced has been sold. We have offtake agreements with a number of customers, as well as the ability to sell excess metal on the spot market</li> <li>■ Current estimates of new vehicles on order will require additional PGMs in autocatalysts to address this backlog</li> <li>■ Rhodium remains the only viable solution for NOx, whilst platinum, ruthenium and iridium are critical components in hydrogen applications. This will support future demand</li> </ul>
Health and safety	<p>Underground mining is inherently hazardous. Our growth strategy requires increasing numbers of new employees across all operations. This inevitably increases the inherent risk related to the requirements of the safety imperative.</p> <p>A key priority for the group is and always will be the ongoing care and well-being of our employees.</p>	<ul style="list-style-type: none"> <li>■ Suffered two mining-related fatalities at the Zondereinde operation in two separate incidents. Comprehensive safety reviews were undertaken following the tragic incidents and remedial actions were implemented. Learnings from the reviews were shared across all operations</li> <li>■ COVID-19 is still impacting operations, especially Zondereinde where staff turnover and medical absence are elevated above historical levels. We still employ strict protocols across all our operations</li> <li>■ Booyssendal and Eland remain fatality free since inception</li> <li>■ Wellness programmes and awareness campaigns are in place, which include a sexual harassment campaign across the group</li> </ul>

Risk name	Risk description	Current and future impact
Liquidity	Prudent liquidity management enables sufficient cash and cash equivalents, as well as available funding through an adequate amount of committed credit facilities.	<ul style="list-style-type: none"> <li>■ Cash outflow resulting from the Composite Transaction and the investment in RBPlat reduced free cash and increased debt. However, the ratio of Net Debt to EBITDA was maintained at less than 1:1</li> <li>■ Additional debt facilities have been secured</li> <li>■ Current metal prices and production levels will continue to generate considerable positive cash flow from earnings. The conclusion of the outflows relating to the Composite Transaction and the settlement of the RBPlat Deferred Acquisition Consideration will bolster liquidity going forward</li> </ul>
Operational performance	The basis for our business is underground mining, for which a large proportion of total costs are fixed. As such, production volumes drive unit cash costs and ultimately the profitability of each operation and the group.	<ul style="list-style-type: none"> <li>■ Operational performance has been negatively impacted by COVID-19, particularly at Zondereinde where staff turnover and medical absence are elevated above pre-COVID levels</li> <li>■ Mining inflation remains well above consumer price index levels</li> <li>■ Production ramp-ups at Zondereinde Western extension, Booyensdal South and Eland remain on-track. This will positively impact unit cash costs in the future</li> </ul>

Risk name	Risk description	Current and future impact
Capital allocation	<p>Mining is a capital intensive business with relatively long time horizons, while commodity prices follow shorter period cyclical patterns. 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. Therefore, capital allocation planning is critical to achieving the group's strategic objectives and requires careful consideration of both short and long-term technical planning, as well as the global economic outlook and cyclical commodity price variance.</p> <p>The group's historical strategy of investing during the market down cycle, growing production down the cost curve by developing new, shallow, mechanisable ore bodies, has enabled the business to reap the benefits of the current higher metal price environment.</p> <p>Increased cash flow generation due to growth in both metal production and metal prices increases sensitivity to the allocation decisions by management and the board of directors.</p>	<ul style="list-style-type: none"> <li>■ There is a positive outlook for PGM demand, both in the short and long-term. This will support strong metal prices, enhancing sales revenue and profit, creating value for shareholders</li> <li>■ Progress in organic growth through our capital projects remains on track. The modular designs of the projects still affords the group the ability to halt progress if required for liquidity management purposes</li> <li>■ We incorporate ongoing re-validation and oversight from the board of directors on all capital allocation decisions</li> <li>■ Our current position in the commodity cycle required a revision in our acquisition strategy to preferentially target producing assets</li> <li>■ The acquisition of our investment in RBPlat followed a thorough process of evaluation and consideration and was conducted with the ultimate aim of significantly growing future attributable production, whilst reducing group risk through operational diversification</li> </ul>

Risk name	Risk description	Current and future impact
Social licence to operate	<p>Compliance to the Mineral and Petroleum Resources Development Act, No. 28 of 2002 (MPRDA), Mining Charter, Social Labour Plans (SLPs) and environmental legislation is imperative for maintaining our licences to operate. The Mining Charter stipulates the minimum requirements for compliance.</p> <p>Northam's reputation as an employer, corporate citizen, and environmental custodian is a strategic imperative to ensure our licence to operate.</p>	<ul style="list-style-type: none"> <li>■ We recognise that we do business within the legal framework of the various South African government departments and aim for full compliance with the laws of the land. Given its influence on our licence to operate, the most relevant aspects of legislation for Northam and its operations are the MPRDA and the associated Mining Charter</li> <li>■ The Extended Empowerment Transaction demonstrates our continued commitment to sustainable, long-term transformation within the South African economy</li> <li>■ We continue to comply with the prescripts of the MPRDA</li> <li>■ SLPs at our operations have been approved and progress in respect of SLPs acknowledged by the Department of Mineral Resources and Energy (DMRE)</li> <li>■ Our applications for environmental authorisations have been approved at all operations</li> <li>■ The Buttonshope Conservancy Trust is operating well and the area under environmental management is growing</li> <li>■ We have recently renewed the Booyesendal South and a section of the Eland mining rights and have successfully transferred the mining rights for Maroelabult from Eastplats</li> <li>■ Strong relationships with, and commitments made to the Royal Bafokeng Nation as part of the acquisition of the investment in RBPlat</li> </ul>

Risk name	Risk description	Current and future impact
Community relations	<p>South Africa has many social challenges and these manifest in part through community unrest.</p> <p>These same communities are home to our employees, and benefit from a substantial portion of our procurement spend, in addition to our social spend.</p>	<ul style="list-style-type: none"> <li>■ Ongoing broader community unrest in Mpumalanga and Limpopo provinces is impacting all economic activity in the region</li> <li>■ Relations remain strong with the Zondereinde and Eland host and affected communities</li> <li>■ Strong community participation through their shareholding in Northam Holdings, as well as increased participation through the Extended Empowerment Transaction</li> <li>■ Strong relationships with, and commitments made to the Royal Bafokeng Nation as part of the acquisition of the investment in RBPlat. These commitments include partnerships on renewable energy projects, establishment of a trade school and assistance to small, medium and micro enterprises (SMMEs)</li> <li>■ Established community trusts will continue to benefit the local communities into the future through their empowerment and upliftment. The trusts hold shares in Northam Holdings, which contributes to the groups, historically disadvantaged persons (HDP) equity ownership credentials</li> </ul>
Employee relations	<p>Northam has a large workforce and its dependence, stability and morale can significantly impact the group's production.</p>	<ul style="list-style-type: none"> <li>■ Five-year wage agreements at Zondereinde and Eland were concluded during the period, following the F2021 five-year wage agreement at Booysendal. This provides stability during the remainder of our medium-term production ramp-up period</li> <li>■ Northam continues to make meaningful contributions to the various employee trusts. These contributions will increase following the conclusion of the Extended Empowerment Transaction. We expect this to continue to engender strong employee relations</li> </ul>

# Our environmental impact

## Northam produces PGMs, these are special metals that are critical to the achievement of a cleaner, greener, fairer world.

Northam as a committed corporate citizen, is also conscious of the inherent impact our operations have on the natural environment. We consider the management of the environmental impact of our operations and the conservation of natural resources as a material issue.

We strive to mitigate our impact through careful planning, operational efficiencies, environmental rehabilitation and where necessary, the establishment and conservation of biodiversity offset areas.

As part of our response to climate change we have identified our physical and transitional threats and opportunities in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and guided by the Shared Socio-Economic Pathway 5 as defined by the International Panel of Climate Change (IPCC). This pathway predicts a mean global temperature increase of between 4.7 - 5.1 degrees celcius by 2100. We are now engaged in developing appropriate responses to these.

Key areas comprising the management of our environmental impact are detailed below:

### Energy management and carbon footprint

Like most companies, the provision of energy is critical to the sustainability of Northam's business processes. Most of the energy we employ is in the form of electricity, which to date has been sourced, in the main, from the South African national electricity supplier, Eskom.

The bulk of the electricity that Eskom generates comes with a relatively high Greenhouse Gas (GHG) emissions footprint due to its reliance on coal. This, consequently, impacts Northam's GHG scope 2 emissions.

In addition, the group's sustainability could be negatively impacted by our dependence on Eskom, and its national grid. It puts us at risk of both planned and unplanned power outages, as well as the potential for ongoing above-inflation electricity tariff hikes. If this situation continues without any meaningful improvement, it could compromise Northam's production capacity, as well as negatively impact overall cost inflation.

In order to continue to develop a sustainable business, the group has an energy policy and strategy that is driving our approach to reducing GHG emissions, as well as our energy risk.

### Energy policy and strategy

The basic tenets of Northam's energy policy are our commitment to:

- Preserving natural resources and conserving energy
- Sustaining operations through minimising the impact on the environment
- Efficient energy use – best in class for the South African PGM mining industry
- Continuous improvement through actively managing energy consumption
- Responsible and economically prudent application of renewable energy
- Employee awareness of energy conservation

This policy informs our energy strategy which, in relation to the provision and use of electricity, focusses on energy efficiency, together with the cost-effective combination of supply from Eskom, as well as with other renewable electricity sources.

In addition to this, our production growth is focussed on the Booyensdal and Eland mines, which have lower energy requirements.

### Historical perspective and achievements

Since inception, Northam has considered energy efficiency in its planning and operational performance. This was originally driven by the economic imperative but has broadened to consider the impact on our overall sustainability. Some direct examples of initiatives already employed by the group, representing a 23% reduction in energy use and GHG emissions, include the following:

- Hydropower and backfill at Zondereinde – saving approximately 248 300 MWh or 230 000 tonnes CO<sub>2</sub>e per year
- Dry slag handling at smelter furnaces 1 and 2 of the Northam metallurgical complex – saving approximately 12 900 MWh or 12 000 tonnes CO<sub>2</sub>e per year
- The aerial rope conveyor system to transport ore at Booyensdal, comprising the integrated North and South conveyors – saving approximately 270 tonnes CO<sub>2</sub>e per year. This saving will increase in line with the production ramp-up at Booyensdal
- Hydropower at Eland – saving approximately 1 500 MWh or 1 400 tonnes CO<sub>2</sub>e per year

- Battery electric personnel carrier at Eland. This may roll out to include drill rigs and other underground vehicles – energy and GHG emissions savings are still to be determined for this application

### Provision of Renewable Energy

Northam has commenced the development of a 11 MW Solar Power farm to provide electricity to the metallurgical complex at Zondereinde. The design and permitting phases for this installation have been concluded, whilst earthworks commenced in July 2021.

Considerable Chinese demand for photovoltaic panels has resulted in current prices being significantly elevated and volatile. The group will procure panels when market stability and prices improve, after which construction will be completed.

At the group's Booyensdal and Eland mines, 1 MW solar arrays are being installed on carports.

The group envisages installing additional on-site solar arrays at all of its operations. Environmental studies to support applications for environmental authorisation in respect of these installations are currently underway.

### PGM recycling – Northam Recovery Services

Northam acquired PGM recycling assets based in the United States of America (USA) in 2018. This acquisition allowed the development of Northam Recovery Services, which provides Northam with exposure to the broader PGM market in an important jurisdiction for recycling, whilst benefitting from non-mining related metal sources with lower energy and carbon footprints. The business is scalable to meet growing supply and demand.



Northam Recovery Services processes salvaged automotive catalytic converters from a network of suppliers at its facility located in Pennsylvania, USA. This involves de-canning and milling PGM containing substrate from the catalytic converters. Milled substrate is then shipped to Northam's metallurgical complex at Zondereinde in South Africa, for further processing through its smelter and BMR.

Recycled PGMs carbon footprint is 95% less than that of PGMs from mined sources. This comes from the fact that recycling does not require mining and primary concentration to produce smelter feedstock.

#### **Air emissions – Northam metallurgical complex**

Northam's metallurgical complex includes a smelter circuit, comprising two electric smelter furnaces, Peirce-Smith converters and ancillary equipment, together with a BMR.

The smelter furnaces and converters are sources of sulphur dioxide (SO<sub>2</sub>) and particulate matter (dust) emissions in off-gases.

The smelter and convertor circuit currently operates within the limits of its atmospheric emissions license and the Mine Health and Safety Act. As part of Northam's environmental commitment, we initiated an emissions reduction project in 2019. This will further improve ground level and point source concentrations of SO<sub>2</sub> and dust, both within and in the vicinity of the circuit, enhancing general hygiene conditions at the complex and mitigating broader environmental impacts.

The project is well advanced, with most infrastructure upgrades having been completed and the remainder expected to be installed by the end of the current financial year.

#### **Water use and water use licenses**

All of Northam's operations hold valid water use licences (WUL).

By their very nature, mining operations use large amounts of water, mainly in extraction activities.

The operations recycle and re-use a significant percentage (in excess of 80%) of the process water used.

There are procedural and engineering controls in place to prevent the contamination of natural water resources. Apart from the operations at Eland mine, where an artificial wetland has been created to augment other water treatment processes, there have been no discharges into the natural environment. This is despite the fact that our WUL provide for stipulated minimal and controlled discharges.

Due to Eland's hydrogeological location, the mine is water positive and is currently implementing a plan, as part of its SLP, to treat excess water to potable quality for supply into the local municipal drinking water system.

The Booyssendal South mine is also water positive, while the North mine consumes water. A ring feed water system between the two mines has recently been commissioned to ensure that the greater Booyssendal is water neutral.

#### **Tailings Storage Facilities (TSFs)**

Northam operates and manages four active TSFs, two at the Booyssendal mine and one each at the Zondereinde and Eland mines. The design and operation of these facilities are driven by our commitment to zero fatalities and zero harm to the environment.

Our approach to the management and operation of our TSFs is guided by the recent New Global Industry Standard on Tailings Management, developed by the Global Tailings Review. These guidelines also encompass risk mitigation measures relating to safety, health, and environmental protection.

TSF designs are overseen by an approved professional engineer, specifically appointed for the task. They are also reviewed and approved by the safety office of the Department of Water and Sanitation (DWS).

Construction and deposition onto the TSFs follow the upstream method, which is appropriate for specific terrain, climate and seismic risk. This ensures that each TSF is best suited to its environmental setting. The upstream method preferentially deposits coarse tailings material closest to the starter TSF wall, while liquid and fine material settles furthest away. As the level of the tailings rises, the crest of the TSF is raised “upstream”, using the support of the previous tailings raise and the tailings beach area. This improves TSF wall integrity. In addition, our TSF designs incorporate downstream mitigation measures for the unlikely event of structural failure or breach of a TSF wall. This further reduces environmental risk.

Each operation has, and complies with, a code of practice to inform the management and operation of the TSF and include appropriate emergency response plans. These are compiled in accordance with South African statutory guidelines and document the procedures to be applied in order to safely and effectively

dispose of mineral waste residue. They are reviewed and updated every two years as part of our change management system throughout the lifecycles of the TSFs, using regular comprehensive risk assessments.

Independent annual reviews of TSF integrity and management are undertaken by external third and fourth parties. Outcomes from these reviews are incorporated into the codes of practice.

At the Zondereinde mine, backfill derived from classified tailings is used as an underground support element. This significantly reduces the volume of tailings reporting to the TSF and thus its environmental footprint. Backfill is currently not employed at our Booyssendal operations. However, test work on the applicability of backfill is in progress. If successful, there would be a benefit to the mine’s environmental impact commensurate to that of Zondereinde.

### Mine Rehabilitation

In terms of, *inter alia*, the MPRDA, a mining entity is required to make financial provision for decommissioning and restoration costs which will be incurred upon the cessation of mining activities.

Northam makes full provision for both restoration as well as decommissioning liabilities in terms of the commercial closure cost assessments, which are updated on an annual basis, using an independent third-party.

Where possible, continuous and ongoing rehabilitation is performed by all mining operations.

The group has issued guarantees in respect of the unfunded decommissioning and restoration costs, not covered by the investment held through the Northam Platinum Restoration Trust Fund. There is currently no shortfall in the provision.

### **The Buttonshope Conservancy Trust**

The Buttonshope Conservancy Trust was established in 2011 specifically to manage Booyssendal's conservation efforts because the mine is located within the Sekhukhune Centre of Plant Endemism, a biodiversity rich region which has been described as irreplaceable by the Mpumalanga Tourism and Parks Agency (MTPA).

The Buttonshope Conservancy Trust manages approximately 8 500 hectares of the 12 765 hectares of freehold land owned by Booyssendal and the Trust, including 3 168 hectares of designated biodiversity offset areas.

It is funded through guaranteed revenue contributions from the Booyssendal mine and is governed by a board of trustees with representation from Northam, the MTPA together with independent environmental practitioners.

A biodiversity offset agreement has been concluded between the Buttonshope Conservancy Trust, the MTPA and Booyssendal in

a benchmark example of public-private collaboration. It commits the Trust, *inter alia* to further expand its offsets and land under management, in line with the MTPA's long-term conservation goals.

All offset areas are managed in accordance with an approved management plan as required by the Protected Areas Act No. 57 of 2003. It also makes provision for all the protected areas managed by the Trust to be donated to the MTPA upon the cessation of mining. Booyssendal has a land management department that employs a professional land manager to carry out the duties of the Trust. This department is fully funded by the Booyssendal mine, but operates largely independently of the operations.

The extent of offset areas are guided by the National Draft Biodiversity Offset Policy and equal 30 times the extent of area impacted by mining. Riverine systems and catchments to these are critical areas for environmental conservation. In light of this, areas chosen for offset included a unique area of montane grassland, which gives rise to the headwaters of the Dwars River, the river that traverses the Booyssendal mining area. It is envisaged that future expansions to the conservation areas will look to join the The Buttonshope Conservancy Trust areas with those of the Verloren Vallei Nature Reserve, an internationally recognised wetland reserve.





# Our contribution to employees and communities

People are important to our business. Northam understands the important role our employees and host and affected communities play in this. We also understand that in South Africa, we operate in a multifaceted economic, legislative and social environment, where socio-economic issues are sometimes extreme.

As a responsible corporate citizen, we contribute to improving the well-being of our employees and host and affected communities. The table below summarises our approach to this, in part, which is facilitated through the Employee and Community Trusts:

	Purpose	Trust Entity
Employee Trusts	▪ Afford eligible employees an opportunity to benefit from an indirect shareholding in Northam Holdings for the benefit of employees	The Northam Employees' Trust
	▪ Align the interests of eligible employees with that of Northam Holdings Shareholders by enabling eligible employees to benefit from increased profitability of the group and the appreciation in value of Northam Holdings Shares	Toro Employee Empowerment Trust
Community Trusts	▪ Benefit the local community through their empowerment and upliftment	The Northam Zondereinde Community Trust
	▪ Provide opportunities for HDPs to enter the South African minerals industry	
	▪ Contribute to the group's HDP equity ownership credentials, through their shareholding in Northam Holdings	The Northam Booyensdal Community Trust
	▪ Comply with HDP ownership targets set by the Mining Charter	

All trusts are governed in accordance with the group's





Beneficiaries	Value of Trust	Shareholding in Northam Platinum Holdings Limited
All employees on Paterson grade A, B and C, which excludes management	R514.6 million*	1 996 122 Northam Holdings Shares
All Zondereinde employees on Paterson grade A, B and C, which excludes management	Guaranteed by Northam to pay at least R15 000 per employee every five years	Entitled to 4% of after tax profits of Zondereinde mine
33 communities from the Thabazimbi and Moses Kotane local municipalities surrounding Zondereinde	R526.9 million*	2 191 116 Northam Holdings Shares
Nine communities comprising Booyendal's host and affected communities	R527.5 million*	2 191 116 Northam Holdings Shares

\* Included in the value of the trusts are Northam Holdings Shares valued at the Northam Holdings Share price as

corporate governance principles, underpinned by King IV™

## Women in mining – a message from Paul Dunne



In our industry, specific working conditions could lend themselves to situations where women could feel unsafe, threatened and abused. These threats are real for many of the women in our industry, and those who work at mines in our broader Northam group. These women are frequently sole breadwinners who are working to provide food, shelter and education for the next generation. They deserve our respect and support.

Nobody should turn a blind eye to prejudice, bullying and violence in our places of work.

I call on all the men and women to be aware, to be vigilant and to speak up. We all need to take responsibility in ensuring that every incident is reported and dealt with.

There is no excuse for abuse.

Gender-based violence and sexual harassment are endemic in our society. Inevitably, the mining industry reflects these trends.

At Northam we acknowledge that we need to proactively support women. We need to look out for signals and situations which cause discomfort, fear, anxiety and pain. Everybody is required to report situations which could make women feel unsafe.

We will not  
tolerate intimidation  
of any kind

Nobody should  
feel afraid to  
go to work

If it feels or seems  
uncomfortable,  
it is

**At Northam, we are bound by our values  
and our Code of Ethics**





**JUST  
BECAUSE  
YOU ARE A  
WOMAN,  
DOESN'T GIVE  
ANYONE THE RIGHT....**

---

**STOP  
SEXUAL  
HARASSMENT**

---

*Report any sexual harassment to  
the ethics and fraud hotline*

**0800 152 539**

**Independent • Anonymous • Confidential**

**NORTHAM**  
PLATINUM HOLDINGS LIMITED

# Five-year performance highlights

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance %	12 months ended 30 June 2021
<b>Safety performance</b>					
Lost time injury incident rate (LTIIIR) per 200 000 hours worked		0.66	0.62	(6.5%)	0.60
Number of fatalities <sup>1</sup>		2	0	(100.0%)	2
<b>Operational performance</b>					
Square metres mined	m <sup>2</sup>	477 875	463 200	3.2%	921 287
Surface sources including TSF	t	1 030 003	1 155 276	(10.8%)	2 585 051
Tonnes mined	t	3 750 358	3 427 980	9.4%	7 048 754
Tonnes milled	t	3 898 217	4 012 697	(2.9%)	8 145 457
Equivalent refined metal from own operations	oz 4E	351 359	352 741	(0.4%)	690 867
Equivalent refined metal from third parties	oz 4E	25 188	18 772	34.2%	55 707
Total refined metal produced	oz 4E	298 797	322 170	(7.3%)	655 741
Chrome concentrate produced	t	430 697	521 086	(17.3%)	1 017 304
Cash cost per equivalent refined Pt oz	R/Pt oz	32 814	27 660	(18.6%)	28 662
Cash profit per equivalent refined Pt oz	R/Pt oz	37 326	33 647	10.9%	54 615
Cash margin per equivalent refined Pt oz	%	53.2	54.9	(3.1%)	65.6
<b>Sales statistics</b>					
Sales revenue	R000	13 881 445	11 884 898	16.8%	32 626 918
Refined metal sold	oz 4E	289 497	315 320	(8.2%)	654 057
Concentrate sold disclosed as equivalent ounces	oz 4E	19 758	–	100.0%	–
UG2 ore sold	oz 4E	–	–	0.0%	–
Total metal sold	oz 4E	309 255	315 320	(1.9%)	654 057
Total revenue per Pt oz sold	R/Pt oz	70 140	61 307	14.4%	83 277
<b>Financial performance</b>					
Normalised headline earnings per share (headline earnings adjusted for the impact of the Zambezi BEE Transaction)					
Headline earnings	R000	3 490 867	2 098 959	66.3%	9 404 204
<i>Add back:</i>					
Amortisation of liquidity fees paid on Zambezi Preference Shares	R000	64 197	8 195	(683.4%)	16 390
Zambezi Preference Share dividends	R000	25 604	274 446	90.7%	378 678
Loss on derecognition of Zambezi Preference Share liability	R000	286 632	888 484	67.7%	1 068 558
Normalised headline earnings	R000	3 867 300	3 270 084	18.3%	10 867 830
Normalised headline earnings per share	cents	975.1	641.5	52.0%	2 131.9
Number of shares in issue including Treasury Shares		396 615 878	509 781 212	(22.2%)	509 781 212
Earnings per share	cents	965.0	599.9	60.9%	2 681.8
Headline earnings per share	cents	961.5	599.9	60.3%	2 687.9
Weighted average number of shares in issue		363 052 144	349 875 759	3.8%	349 875 759
Operating profit	R000	5 851 165	5 191 659	12.7%	16 107 293
Operating profit margin	%	42.2	43.7	(3.4%)	49.4
EBITDA	R000	6 444 638	5 411 578	19.1%	16 655 317
EBITDA margin	%	46.4	45.5	2.0%	51.0
Capital expenditure	R000	2 298 033	1 298 511	77.0%	3 332 204
<b>Market information and share statistics</b>					
Total number of shares in issue		396 615 878	509 781 212	(22.2%)	509 781 212
Number of shares in issue		390 237 523	349 875 759	11.5%	349 875 759
Treasury Shares held		6 378 355	159 905 453	(96.0%)	159 905 453
Market capitalisation	R000	83 091 026	106 814 457	(22.2%)	110 586 838
Closing share price	cents	20 950	20 953	(0.0%)	21 693
Highest share price traded	cents	25 999	21 275	22.2%	27 918
Lowest share price traded	cents	16 316	11 120	46.7%	11 120
Number of shares traded		203 266 266	195 127 136	4.2%	365 907 903
Value of transactions traded	R000	42 416 386	31 994 291	32.6%	71 313 739
Rolling 12-month liquidity	%	79.9	104.0	(23.2%)	71.8

# Five-year performance highlights continued

		6 months ended 31 December 2019	6 months ended 31 December 2018	6 months ended 31 December 2017
<b>Safety performance</b>				
Lost time injury incident rate (LTIIIR) per 200 000 hours worked		0.87	0.91	1.01
Number of fatalities		1	1	1
<b>Operational performance</b>				
Square metres mined	m <sup>2</sup>	386 437	344 098	332 732
Surface sources including TSF	t	–	–	–
Tonnes mined	t	2 932 614	2 597 855	2 429 097
Tonnes milled	t	3 314 896	2 371 060	2 296 466
Equivalent refined metal from own operations	oz 4E	306 738	256 461	246 473
Equivalent refined metal from third parties	oz 4E	19 398	7 962	29 770
Total refined metal produced	oz 4E	319 264	299 323	212 133
Chrome concentrate produced	t	469 642	368 288	311 082
Cash cost per equivalent refined Pt oz	R/Pt oz	24 780	22 007	20 851
Cash profit per equivalent refined Pt oz	R/Pt oz	15 084	5 517	5 665
Cash margin per equivalent refined Pt oz	%	37.8	20.0	21.4
<b>Sales statistics</b>				
Sales revenue	R000	7 824 901	4 982 761	3 353 270
Refined metal sold	oz 4E	307 312	294 823	209 861
Concentrate sold disclosed as equivalent ounces	oz 4E	–	–	–
UG2 ore sold	oz 4E	22 448	–	–
Total metal sold	oz 4E	329 760	294 823	209 861
Total revenue per Pt oz sold	R/Pt oz	39 864	27 524	26 516
<b>Financial performance</b>				
Normalised headline earnings per share (headline earnings/(loss) adjusted for the impact of the Zambezi BEE Transaction)				
Headline earnings/(loss):	R000	1 148 577	(66 644)	(279 834)
<i>Add back:</i>				
Amortisation of liquidity fees paid on Zambezi Preference Shares	R000	8 195	8 195	8 195
Zambezi Preference Share dividends	R000	618 992	611 761	460 762
Loss on derecognition of Zambezi Preference Share liability	R000	108 148	–	–
Normalised headline earnings	R000	1 883 912	553 312	189 123
Normalised headline earnings per share	cents	369.6	108.5	37.1
Number of shares in issue including Treasury Shares		509 781 212	509 781 212	509 781 212
Earnings/(loss) per share	cents	328.0	(18.2)	(81.1)
Headline earnings/(loss) per share	cents	328.3	(19.0)	(80.0)
Weighted average number of shares in issue		349 875 759	349 875 759	349 875 759
Operating profit	R000	2 959 543	1 030 780	338 773
Operating profit margin	%	37.8	20.7	10.1
EBITDA	R000	3 192 549	1 124 540	532 795
EBITDA margin	%	40.8	22.6	15.9
Capital expenditure	R000	1 352 238	1 544 087	2 551 644
<b>Market information and share statistics</b>				
Total number of shares in issue		509 781 212	509 781 212	509 781 212
Number of shares in issue		349 875 759	349 875 759	349 875 759
Treasury Shares held		159 905 453	159 905 453	159 905 453
Market capitalisation	R000	63 019 153	22 053 135	26 646 264
Closing share price	cents	12 362	4 326	5 227
Highest share price traded	cents	12 890	4 400	5 490
Lowest share price traded	cents	5 500	3 262	3 627
Number of shares traded		271 027 199	109 757 224	110 362 256
Value of transactions traded	R000	26 586 016	4 331 569	5 149 007
Rolling 12-month liquidity	%	76.4	43.1	46.1

# Group performance

	6 months ended 31 December 2021	6 months ended 31 December 2020	Variance	12 months ended 30 June 2021
	R000	R000	%	R000
<b>Sales revenue</b>				
Platinum	3 001 918	2 904 661	3.3%	6 260 523
Palladium	2 558 651	3 567 118	(28.3%)	7 413 220
Rhodium	6 660 694	4 322 356	54.1%	16 004 640
Gold	91 336	131 920	(30.8%)	234 094
Iridium	494 674	181 073	173.2%	1 024 305
Ruthenium	497 419	144 289	244.7%	452 095
Silver	1 900	5 007	(62.1%)	7 411
Nickel	213 590	186 388	14.6%	380 445
Copper	63 619	55 036	15.6%	118 232
Cobalt	3 099	2 218	39.7%	5 161
Chrome	291 082	384 832	(24.4%)	726 792
Toll treatment charges	3 463	–	100.0%	–
Total sales revenue	13 881 445	11 884 898	16.8%	32 626 918
<b>Cost of sales</b>				
Operating costs	(7 626 720)	(6 779 434)	(12.5%)	(14 484 980)
Mining operations	(5 214 825)	(4 422 433)	(17.9%)	(9 003 678)
Concentrator operations	(883 433)	(763 175)	(15.8%)	(1 543 974)
Smelting and base metal removal plant costs	(450 030)	(422 380)	(6.5%)	(817 281)
Chrome processing	(32 464)	(30 301)	(7.1%)	(59 203)
Selling and administration overheads	(154 492)	(142 678)	(8.3%)	(289 954)
Royalty charges	(698 243)	(222 923)	(213.2%)	(1 473 258)
Carbon tax	(772)	(821)	6.0%	(1 391)
Share-based payment expenses	(182 815)	(640 151)	71.4%	(969 898)
Toro Employee Empowerment Trust	–	(134 572)	100.0%	(317 268)
Employee profit share scheme	(9 646)	–	(100.0%)	(16 421)
Rehabilitation	–	–	0.0%	7 346
Concentrates and recycling material purchased	(975 585)	(801 329)	(21.7%)	(2 883 816)
Refining including sampling and handling charges	(120 970)	(108 560)	(11.4%)	(216 629)
Depreciation and write-offs	(433 772)	(414 105)	(4.7%)	(844 446)
Change in metal inventory	1 126 767	1 410 189	(20.1%)	1 910 246
Total cost of sales	(8 030 280)	(6 693 239)	(20.0%)	(16 519 625)
<b>Operating profit</b>	5 851 165	5 191 659	12.7%	16 107 293
<b>Operating margin</b>	42.2%	43.7%	(3.4%)	49.4%
<b>EBITDA</b>	6 444 638	5 411 578	19.1%	16 655 317
<b>EBITDA margin</b>	46.4%	45.5%	2.0%	51.0%

# Group performance continued

	6 months ended 31 December 2021	6 months ended 31 December 2020	Variance %	12 months ended 30 June 2021
<b>Safety</b>				
Fatal injury incidence rate (FIIR) per 200 000 hours worked	0.01	0.00	(100.0%)	0.01
Total injury incidence rate (TIIR) per 200 000 hours worked	1.19	1.25	4.8%	1.15
Lost time injury incidence rate (LTIIR) per 200 000 hours worked	0.66	0.62	(6.5%)	0.60
Reportable injury incidence rate (RIIR) per 200 000 hours worked	0.50	0.38	(31.6%)	0.41
Number of fatalities <sup>1</sup>	2	0	(100.0%)	2
<b>Health</b>				
New cases of noise induced hearing loss	3	11	72.7%	24
New cases of tuberculosis	16	15	(6.7%)	32
HIV Counselling and Testing (HCT)	4 126	1 732	138.2%	7 334
<b>Employment and human rights</b>				
Permanent employees	11 598	9 917	17.0%	10 478
Contractors	7 856	6 334	24.0%	7 810
Non-core contractors	781	–	100.0%	–
Total employed	20 235	16 251	24.5%	18 288
Average number of employees including contractors	19 497	16 131	20.9%	16 636
Turnover rate %	3	3	0.0%	8
HDPs in management %	64	61	4.9%	62
Women at mining %	17	16	6.3%	17
<b>Water usage (000m<sup>3</sup>)</b>				
Potable water from external sources	2 120	2 615	18.9%	4 936
Fissure water used	717	111	(545.9%)	1 022
Borehole water used	435	32	(>1 000.0%)	1 116
Water recycled in process	15 368	14 715	4.4%	32 002
Total water usage	18 640	17 473	(6.7%)	39 076
Water recycled %	82	84	(2.4%)	82
<b>Electricity consumption (MWh)</b>				
Energy from electricity purchased by shafts	381 779	355 194	(7.5%)	704 152
Energy from electricity purchased by plant	215 787	238 318	9.5%	480 146
Total electricity purchased	597 566	593 512	(0.7%)	1 184 298
<b>Greenhouse gas emissions (CO<sub>2</sub>e tonnes)</b>				
Scope 1 (direct) emissions	22 560	28 991	22.2%	58 994
Scope 2 (indirect) emissions	645 371	587 575	(9.8%)	1 279 042
Scope 3 (indirect) emissions	308	246	(25.2%)	450
Total emissions	668 239	616 812	(8.3%)	1 338 486
<b>Sulphur dioxide (SO<sub>2</sub>e tonnes)</b>				
	4 050	3 187	(27.1%)	7 488
<b>Land use (hectares)</b>				
Land disturbed by mining related activities	1 669	3 011	44.6%	1 669
Land used for farming purposes	3 258	2 181	49.4%	3 258
Land protected for conservation <sup>2</sup>	14 352	4 054	254.0%	14 352
Other land	837	9 086	(90.8%)	837
Total land under management (freehold)	20 116	18 332	9.7%	20 116

<sup>1</sup> The two fatalities listed relate to a mining related incident during July 2021 resulting in the injured employee passing away in January 2022 and a second fatal incident during August 2021.

<sup>2</sup> Includes 3 168 hectares of land managed by the Buttonshope Conservancy Trust.

# Group performance continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance %	12 months ended 30 June 2021
<b>Merensky production and ore stockpiles</b>					
Square metres mined	m <sup>2</sup>	131 276	132 215	(0.7%)	259 341
Tonnes mined	t	915 825	868 796	5.4%	1 711 476
Tonnes milled	t	752 938	722 292	4.2%	1 393 493
Stockpile	t	237 326	131 036	81.1%	198 958
<b>UG2 production and ore stockpiles</b>					
Square metres mined	m <sup>2</sup>	346 599	330 985	4.7%	661 946
Surface sources including TSF	t	1 030 003	1 155 276	(10.8%)	2 585 051
Tonnes mined	t	2 834 533	2 559 184	10.8%	5 337 278
Tonnes milled	t	3 145 279	3 290 405	(4.4%)	6 751 964
Stockpile	t	447 637	114 897	289.6%	128 322
<b>Combined production and ore stockpiles</b>					
Square metres mined	m <sup>2</sup>	477 875	463 200	3.2%	921 287
Surface sources including TSF	t	1 030 003	1 155 276	(10.8%)	2 585 051
Tonnes mined	t	3 750 358	3 427 980	9.4%	7 048 754
Tonnes milled	t	3 898 217	4 012 697	(2.9%)	8 145 457
Stockpile	t	684 963	245 933	178.5%	327 280
Chrome concentrate produced	t	430 697	521 086	(17.3%)	1 017 304
<b>Equivalent refined metal from own operations</b>					
Platinum	oz	209 949	213 785	(1.8%)	417 139
Palladium	oz	101 759	100 345	1.4%	201 412
Rhodium	oz	35 355	33 773	4.7%	63 860
Gold	oz	4 296	4 838	(11.2%)	8 456
4E	oz	351 359	352 741	(0.4%)	690 867
Iridium	oz	13 935	20 037	(30.5%)	33 370
Ruthenium	oz	65 372	60 893	7.4%	116 243
6E	oz	430 666	433 671	(0.7%)	840 480
<b>Equivalent refined metal from third parties</b>					
Platinum	oz	14 851	9 619	54.4%	28 137
Palladium	oz	7 315	6 703	9.1%	21 039
Rhodium	oz	2 983	2 277	31.0%	5 675
Gold	oz	39	173	(77.5%)	856
4E	oz	25 188	18 772	34.2%	55 707
Iridium	oz	1 072	936	14.5%	2 252
Ruthenium	oz	5 957	7 313	(18.5%)	24 356
6E	oz	32 217	27 021	19.2%	82 315
<b>Total refined metal produced</b>					
Platinum	oz	192 573	197 896	(2.7%)	392 112
Palladium	oz	76 389	98 843	(22.7%)	199 539
Rhodium	oz	26 445	21 097	25.3%	55 838
Gold	oz	3 390	4 334	(21.8%)	8 252
4E	oz	298 797	322 170	(7.3%)	655 741
Iridium	oz	10 655	7 054	51.0%	18 079
Ruthenium	oz	58 259	40 052	45.5%	88 770
6E	oz	367 711	369 276	(0.4%)	762 590

## Group performance continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance	12 months ended 30 June 2021
				%	
Refined metal sold					
Platinum	oz	186 654	193 859	(3.7%)	391 788
Palladium	oz	72 856	96 854	(24.8%)	199 357
Rhodium	oz	26 720	20 268	31.8%	54 644
Gold	oz	3 267	4 339	(24.7%)	8 268
4E	oz	289 497	315 320	(8.2%)	654 057
Iridium	oz	7 056	6 676	5.7%	18 109
Ruthenium	oz	55 523	36 446	52.3%	88 771
6E	oz	352 076	358 442	(1.8%)	760 937
Concentrate sold disclosed as equivalent ounces					
Platinum	oz	11 257	–	100.0%	–
Palladium	oz	6 326	–	100.0%	–
Rhodium	oz	2 065	–	100.0%	–
Gold	oz	110	–	100.0%	–
4E	oz	19 758	–	100.0%	–
Iridium	oz	793	–	100.0%	–
Ruthenium	oz	3 312	–	100.0%	–
6E	oz	23 863	–	100.0%	–
Total metal sold					
Platinum	oz	197 911	193 859	2.1%	391 788
Palladium	oz	79 182	96 854	(18.2%)	199 357
Rhodium	oz	28 785	20 268	42.0%	54 644
Gold	oz	3 377	4 339	(22.2%)	8 268
4E	oz	309 255	315 320	(1.9%)	654 057
Iridium	oz	7 849	6 676	17.6%	18 109
Ruthenium	oz	58 835	36 446	61.4%	88 771
6E	oz	375 939	358 442	4.9%	760 937
Nickel	t	699	760	(8.0%)	1 520
Copper	t	452	511	(11.5%)	998
Chrome concentrate	t	430 697	521 086	(17.3%)	1 017 304
Average market prices achieved					
Platinum	USD/oz	1 009	934	8.0%	1 065
Palladium	USD/oz	2 149	2 296	(6.4%)	2 479
Rhodium	USD/oz	15 385	13 296	15.7%	19 526
Gold	USD/oz	1 798	1 895	(5.1%)	1 888
4E basket price	USD/oz	2 647	2 160	22.5%	3 049
Iridium	USD/oz	4 190	1 691	147.8%	3 771
Ruthenium	USD/oz	562	247	127.5%	340
6E basket price	USD/oz	2 353	1 957	20.2%	2 750
Average exchange rate	R/USD	15.04	16.04	(6.2%)	15.00
Closing exchange rate	R/USD	16.00	14.70	8.8%	14.28
Average nickel market price achieved	USD/t	20 317	15 290	32.9%	16 686
Average copper market price achieved	USD/t	9 358	6 715	39.4%	7 898
Average chrome price achieved net of costs	USD/t	45	46	(2.2%)	48
Average chrome price achieved net of costs	R/t	676	739	(8.5%)	714

# Group performance continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance %	12 months ended 30 June 2021
<b>Revenue statistics</b>					
Total revenue per Pt oz sold	R/Pt oz	70 140	61 307	14.4%	83 277
Total revenue per 4E oz sold	R/4E oz	44 887	37 692	19.1%	49 884
Total revenue per 6E oz sold	R/6E oz	36 925	33 157	11.4%	42 877
<b>Cash costs statistics</b>					
On mine cash cost per tonne mined	R/t	1 626	1 513	(7.5%)	1 496
On mine cash cost per tonne milled	R/t	1 564	1 292	(21.1%)	1 295
Cash cost per equivalent refined Pt oz	R/Pt oz	32 814	27 660	(18.6%)	28 662
Cash cost per equivalent refined 4E oz	R/4E oz	19 784	16 792	(17.8%)	17 286
Cash cost per equivalent refined 6E oz	R/6E oz	16 133	13 782	(17.1%)	14 286
<b>Cash profit and margin</b>					
Cash profit per equivalent refined Pt oz	R/Pt oz	37 326	33 647	10.9%	54 615
Cash margin per equivalent refined Pt oz	%	53.2	54.9	(3.1%)	65.6
Cash profit per equivalent refined 4E oz	R/4E oz	25 103	20 900	20.1%	32 598
Cash margin per equivalent refined 4E oz	%	55.9	55.4	0.9%	65.3
Cash profit per equivalent refined 6E oz	R/6E oz	20 792	19 375	7.3%	28 591
Cash margin per equivalent refined 6E oz	%	56.3	58.4	(3.6%)	66.7
<b>Capital incurred</b>					
Expansionary capex	R000	1 521 099	918 052	65.7%	1 806 279
Sustaining capex	R000	776 934	380 459	104.2%	1 525 925
	R000	2 298 033	1 298 511	77.0%	3 332 204
<b>Expansionary capex</b>					
Zondereinde mining	R000	357 063	183 164	94.9%	490 751
Zondereinde metallurgical processing	R000	250 407	231 094	8.4%	124 857
Booysendal North	R000	264	715	(63.1%)	2 145
Booysendal South	R000	381 954	323 728	18.0%	678 163
Eland	R000	530 961	179 351	196.0%	510 363
Other	R000	450	–	100.0%	–
	R000	1 521 099	918 052	65.7%	1 806 279
<b>Sustaining capex</b>					
Zondereinde mining	R000	86 215	64 649	33.4%	162 233
Zondereinde metallurgical processing <sup>3</sup>	R000	331 942	45 664	626.9%	622 259
Booysendal North mine	R000	143 221	270 146	(47.0%)	411 024
Booysendal South mine	R000	215 556	–	100.0%	330 409
	R000	776 934	380 459	104.2%	1 525 925
Sustaining capex per equivalent refined Pt oz from own operations	R/Pt oz	3 701	1 780	107.9%	3 658

<sup>3</sup> Includes the planned rebuild and upgrade of smelter furnace 1



## Zondereinde performance

	6 months ended 31 December 2021	6 months ended 31 December 2020	Variance	12 months ended 30 June 2021
	R000	R000	%	R000
<b>Sales revenue</b>				
Platinum	2 844 149	2 904 661	(2.1%)	6 260 523
Palladium	2 385 857	3 567 118	(33.1%)	7 413 220
Rhodium	6 237 838	4 322 356	44.3%	16 004 640
Gold	88 402	131 920	(33.0%)	234 094
Iridium	469 029	181 073	159.0%	1 024 305
Ruthenium	482 277	144 289	234.2%	452 095
Silver	1 900	5 007	(62.1%)	7 411
Nickel	202 832	186 388	8.8%	380 445
Copper	61 344	55 036	11.5%	118 232
Cobalt	3 099	2 218	39.7%	5 161
Chrome	97 987	135 644	(27.8%)	252 389
Total sales revenue	12 874 714	11 635 710	10.6%	32 152 515
<b>Cost of sales</b>				
Operating costs	(3 696 910)	(3 844 433)	3.8%	(7 805 673)
Mining operations	(2 686 268)	(2 359 036)	(13.9%)	(4 769 208)
Concentrator operations	(251 905)	(235 506)	(7.0%)	(462 891)
Smelting and base metal removal plant costs	(450 030)	(422 380)	(6.5%)	(817 281)
Chrome processing	(5 925)	(6 123)	3.2%	(10 663)
Selling and administration overheads	(77 246)	(71 339)	(8.3%)	(144 977)
Royalty charges	(143 658)	(188 519)	23.8%	(698 227)
Carbon tax	(772)	(821)	6.0%	(1 391)
Share-based payment expenses	(81 106)	(426 137)	81.0%	(592 638)
Toro Employee Empowerment Trust	-	(134 572)	100.0%	(317 268)
Rehabilitation	-	-	0.0%	8 871
Concentrates and recycling material purchased	(8 285 310)	(8 069 462)	(2.7%)	(18 923 546)
Refining including sampling and handling charges	(120 970)	(108 560)	(11.4%)	(216 629)
Depreciation and write-offs	(95 209)	(102 382)	7.0%	(194 137)
Change in metal inventory	(462 385)	3 148 267	N/A	3 689 029
Total cost of sales	(12 660 784)	(8 976 570)	(41.0%)	(23 450 956)
<b>Operating profit</b>	213 930	2 659 140	(92.0%)	8 701 559
<b>Operating margin</b>	1.7%	22.9%	(92.6%)	27.1%
<b>EBITDA</b>	5 224 295	3 829 976	36.4%	9 622 519
<b>EBITDA margin</b>	40.6%	32.9%	23.4%	29.9%

## Zondereinde performance continued

	6 months ended 31 December 2021	6 months ended 31 December 2020	Variance %	12 months ended 30 June 2021
<b>Safety</b>				
Fatal injury incidence rate (FIIR) per 200 000 hours worked	0.02	0.00	(100.0%)	0.03
Total injury incidence rate (TIIR) per 200 000 hours worked	0.84	0.88	4.5%	0.82
Lost time injury incidence rate (LTIIR) per 200 000 hours worked	0.80	0.84	4.8%	0.79
Reportable injury incidence rate (RIIR) per 200 000 hours worked	0.62	0.53	(17.0%)	0.54
Number of fatalities <sup>4</sup>	2	0	(100.0%)	2
<b>Health</b>				
New cases of noise induced hearing loss	3	8	62.5%	19
New cases of tuberculosis	10	12	16.7%	26
HIV Counselling and Testing (HCT)	1 973	1 580	24.9%	3 921
<b>Employment and human rights</b>				
Permanent employees	6 754	6 309	7.1%	6 470
Core contractors	3 177	2 937	8.2%	3 837
Non-core contractors	781	–	100.0%	–
Total employed	10 712	9 246	15.9%	10 307
Average number of employees including contractors	10 620	9 298	14.2%	9 508
Turnover rate	% 4	3	(33.3%)	8
HDPs in management	% 63	61	3.3%	62
Women at mining	% 16	15	6.7%	16
<b>Water usage (000m<sup>3</sup>)</b>				
Potable water from external sources	1 281	1 680	23.8%	3 371
Fissure water used	100	111	9.9%	212
Borehole water used	15	9	(66.7%)	20
Water recycled in process	11 531	12 550	(8.1%)	25 870
Total water usage	12 927	14 350	9.9%	29 473
Water recycled	% 89	87	2.3%	88
<b>Electricity consumption (MWh)</b>				
Energy from electricity purchased by shafts	304 015	297 964	(2.0%)	596 029
Energy from electricity purchased by plant	97 187	112 622	13.7%	218 723
Total electricity purchased	401 202	410 586	2.3%	814 752
<b>Greenhouse gas emissions (CO<sub>2</sub>e tonnes)</b>				
Scope 1 (direct) emissions	12 394	18 564	33.2%	37 697
Scope 2 (indirect) emissions	433 298	406 479	(6.6%)	879 933
Scope 3 (indirect) emissions	92	110	16.4%	242
Total emissions	445 784	425 153	(4.9%)	917 872
<b>Sulphur dioxide (SO<sub>2</sub>e tonnes)</b>				
	4 050	3 187	(27.1%)	7 488
<b>Land use (hectares)</b>				
Land disturbed by mining related activities	593	726	18.3%	593
Land used for farming purposes	2 253	2 181	3.3%	2 253
Land protected for conservation	2 829	–	100.0%	2 829
Other land	122	2 098	(94.2%)	122
Total land under management (freehold)	5 797	5 005	15.8%	5 797

<sup>4</sup> The two fatalities listed relate to a mining related incident during July 2021 resulting in the injured employee passing away in January 2022 and a second fatal incident during August 2021.

## Zondereinde performance continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance	12 months ended 30 June 2021
%					
Merensky production and ore stockpiles					
Square metres mined	m²	93 355	103 025	(9.4%)	194 652
Development metres	m	3 176	4 801	(33.8%)	8 419
Tonnes mined (including waste)	t	575 548	665 736	(13.5%)	1 239 828
Tonnes milled	t	469 118	534 005	(12.2%)	1 001 678
Head grade (4E)	g/t	5.53	6.08	(9.0%)	5.73
Head grade (6E)	g/t	6.38	6.58	(3.0%)	6.20
Concentrator recoveries	%	89.7	90.6	(1.0%)	90.3
Stockpile	t	68 999	81 590	(15.4%)	83 440
UG2 production and ore stockpiles					
Square metres mined	m²	91 264	99 144	(7.9%)	188 020
Development metres	m	1 581	640	147.0%	2 068
Tonnes mined	t	556 319	592 819	(6.2%)	1 164 194
Tonnes milled	t	537 218	579 857	(7.4%)	1 127 085
Head grade (4E)	g/t	4.10	4.29	(4.4%)	4.23
Head grade (6E)	g/t	5.09	5.27	(3.4%)	5.19
Concentrator recoveries	%	87.7	87.9	(0.2%)	87.9
Stockpile	t	9 361	1 207	675.6%	9 932
Chrome concentrate produced	t	168 283	201 229	(16.4%)	358 703
Combined production and ore stockpiles					
Square metres mined	m²	184 619	202 169	(8.7%)	382 672
Development metres	m	4 757	5 441	(12.6%)	10 487
Tonnes mined	t	1 131 867	1 258 555	(10.1%)	2 404 022
Tonnes milled	t	1 006 336	1 113 862	(9.7%)	2 128 763
Head grade (4E)	g/t	4.77	5.15	(7.4%)	4.94
Head grade (6E)	g/t	5.69	5.96	(4.5%)	5.67
Concentrator recoveries	%	88.8	89.4	(0.7%)	89.2
Stockpile	t	78 360	82 797	(5.4%)	93 372
Chrome concentrate produced	t	168 283	201 229	(16.4%)	358 703
Equivalent refined metal from own Zondereinde operations					
Platinum	oz	94 240	102 030	(7.6%)	191 344
Palladium	oz	43 896	46 343	(5.3%)	90 690
Rhodium	oz	15 914	14 804	7.5%	24 543
Gold	oz	2 638	3 596	(26.6%)	5 725
4E	oz	156 688	166 773	(6.0%)	312 302
Iridium	oz	6 039	12 175	(50.4%)	17 916
Ruthenium	oz	32 022	29 760	7.6%	51 552
6E	oz	194 749	208 708	(6.7%)	381 770

## Zondereinde performance continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance %	12 months ended 30 June 2021
<b>Equivalent refined metal from third parties</b>					
Platinum	oz	591	2 487	(76.2%)	8 795
Palladium	oz	268	2 431	(89.0%)	9 940
Rhodium	oz	109	405	(73.1%)	1 411
Gold	oz	9	145	(93.8%)	798
4E	oz	977	5 468	(82.1%)	20 944
Iridium	oz	40	312	(87.2%)	891
Ruthenium	oz	169	3 379	(95.0%)	15 249
6E	oz	1 186	9 159	(87.1%)	37 084
<b>Total refined metal produced</b>					
Platinum	oz	192 573	197 896	(2.7%)	392 112
Palladium	oz	76 389	98 843	(22.7%)	199 539
Rhodium	oz	26 445	21 097	25.3%	55 838
Gold	oz	3 390	4 334	(21.8%)	8 252
4E	oz	298 797	322 170	(7.3%)	655 741
Iridium	oz	10 655	7 054	51.0%	18 079
Ruthenium	oz	58 259	40 052	45.5%	88 770
6E	oz	367 711	369 276	(0.4%)	762 590
<b>Refined metal sold</b>					
Platinum	oz	186 654	193 859	(3.7%)	391 788
Palladium	oz	72 856	96 854	(24.8%)	199 357
Rhodium	oz	26 720	20 268	31.8%	54 644
Gold	oz	3 267	4 339	(24.7%)	8 268
4E	oz	289 497	315 320	(8.2%)	654 057
Iridium	oz	7 056	6 676	5.7%	18 109
Ruthenium	oz	55 523	36 446	52.3%	88 771
6E	oz	352 076	358 442	(1.8%)	760 937
Nickel	t	653	760	(14.1%)	1 520
Copper	t	430	511	(15.9%)	998
Chrome concentrate	t	168 283	201 229	(16.4%)	358 703

## Zondereinde performance continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance %	12 months ended 30 June 2021
<b>Average market prices achieved</b>					
Platinum	USD/oz	1 013	934	8.5%	1 065
Palladium	USD/oz	2 177	2 296	(5.2%)	2 479
Rhodium	USD/oz	15 522	13 296	16.7%	19 526
Gold	USD/oz	1 799	1 895	(5.1%)	1 888
4E basket price	USD/oz	2 654	2 160	22.9%	3 049
Iridium	USD/oz	4 420	1 691	161.4%	3 771
Ruthenium	USD/oz	578	247	134.0%	340
6E basket price	USD/oz	2 362	1 957	20.7%	2 750
Average exchange rate	R/USD	15.04	16.04	(6.2%)	15.00
Closing exchange rate	R/USD	16.00	14.70	8.8%	14.28
Average nickel market price achieved	USD/t	20 653	15 290	35.1%	16 686
Average copper market price achieved	USD/t	9 485	6 715	41.3%	7 898
Average chrome price achieved net of costs	USD/t	39	42	(7.1%)	47
Average chrome price achieved net of costs	R/t	582	674	(13.6%)	704
<b>Revenue statistics</b>					
Total revenue per Pt oz sold	R/Pt oz	68 976	60 022	14.9%	82 066
Total revenue per 4E oz sold	R/4E oz	44 473	36 901	20.5%	49 159
Total revenue per 6E oz sold	R/6E oz	36 568	32 462	12.6%	42 254
<b>Cash costs statistics</b>					
On mine cash cost per tonne mined	R/t	2 596	2 062	(25.9%)	2 176
On mine cash cost per tonne milled	R/t	2 920	2 329	(25.4%)	2 458
Cash cost per equivalent refined Pt oz	R/Pt oz	34 544	28 473	(21.3%)	30 350
Cash cost per equivalent refined 4E oz	R/4E oz	20 921	17 427	(20.0%)	18 551
Cash cost per equivalent refined 6E oz	R/6E oz	16 850	14 062	(19.8%)	15 251
<b>Cash profit and margin</b>					
Cash profit per equivalent refined Pt oz	R/Pt oz	34 432	31 549	9.1%	51 716
Cash margin per equivalent refined Pt oz	%	49.9	52.6	(5.1%)	63.0
Cash profit per equivalent refined 4E oz	R/4E oz	23 552	19 474	20.9%	30 608
Cash margin per equivalent refined 4E oz	%	53.0	52.8	0.4%	62.3
Cash profit per equivalent refined 6E oz	R/6E oz	19 718	18 400	7.2%	27 003
Cash margin per equivalent refined 6E oz	%	53.9	56.7	(4.9%)	63.9

## Zondereinde performance continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance	12 months ended 30 June 2021
				%	
<b>Expansionary capital relating to mining</b>					
Deepening project	R000	59 428	60 698	(2.1%)	100 544
Number 3 shaft reaming and surface infrastructure	R000	233 173	43 088	441.2%	341 769
Western extension development	R000	55 816	34 717	60.8%	40 752
Other	R000	8 646	44 661	(80.6%)	7 686
	R000	357 063	183 164	94.9%	490 751
<b>Expansionary capital relating to metallurgical processing</b>					
PGM concentrator	R000	1 291	14 562	(91.1%)	19 027
Chrome concentrator	R000	1 788	1 473	21.4%	4 419
Smelter	R000	107 848	206 017	(47.7%)	73 615
Base metal refinery copper winning circuit expansion	R000	134 684	9 042	>1 000.0%	26 610
Solar photovoltaic installation	R000	4 796	–	100.0%	1 186
	R000	250 407	231 094	8.4%	124 857
<b>Total expansionary capital</b>	R000	607 470	414 258	46.6%	615 608
<b>Sustaining capital relating to mining</b>					
Routine infrastructure	R000	33 325	39 954	(16.6%)	101 661
Routine engineering	R000	4 277	13 394	(68.1%)	36 731
Routine mining	R000	48 613	11 301	330.2%	23 841
	R000	86 215	64 649	33.4%	162 233
<b>Sustaining capital relating to metallurgical processing</b>					
Concentrator	R000	755	8 079	(90.7%)	30 714
Smelter and base metal refinery <sup>5</sup>	R000	230 225	6 741	>1 000.0%	460 346
Environmental	R000	95 739	11 511	731.7%	87 078
Routine	R000	5 223	19 333	(73.0%)	44 121
	R000	331 942	45 664	626.9%	622 259
<b>Total sustaining capital</b>	R000	418 157	110 313	279.1%	784 492
<b>Total capital</b>	R000	1 025 627	524 571	95.5%	1 400 100
Sustaining capex per equivalent refined Pt oz from own operations	R/Pt oz	4 437	1 081	310.5%	4 100

<sup>5</sup> Includes the planned rebuild and upgrade of smelter furnace 1

# Booysendal performance

	6 months ended 31 December 2021	6 months ended 31 December 2020	Variance	12 months ended 30 June 2021
	R000	R000	%	R000
<b>Sales revenue<sup>6</sup></b>				
Platinum	1 550 158	1 421 088	9.1%	2 880 646
Palladium	1 724 831	1 753 647	(1.6%)	3 449 859
Rhodium	4 208 068	3 659 377	15.0%	9 134 862
Gold	42 283	35 287	19.8%	65 031
Iridium	367 725	149 299	146.3%	488 364
Ruthenium	256 986	108 940	135.9%	272 926
Nickel	87 985	57 040	54.3%	124 399
Copper	22 293	9 482	135.1%	24 896
Chrome	184 336	230 239	(19.9%)	443 400
Total sales revenue	8 444 665	7 424 399	13.7%	16 884 383
<b>Cost of sales</b>				
Operating costs	(3 214 205)	(2 300 280)	(39.7%)	(5 547 474)
Mining operations	(2 058 500)	(1 613 395)	(27.6%)	(3 487 488)
Concentrator operations	(413 466)	(368 559)	(12.2%)	(759 298)
Chrome processing	(15 258)	(14 303)	(6.7%)	(28 965)
Selling and administration overheads	(77 246)	(71 339)	(8.3%)	(144 977)
Royalty charges	(552 924)	(34 404)	(>1 000.0%)	(770 833)
Share-based payment expenses	(89 173)	(198 280)	55.0%	(347 188)
Employee profit share scheme	(7 638)	–	(100.0%)	(13 796)
Rehabilitation	–	–	0.0%	5 071
Concentrates purchased	(602 439)	(451 722)	(33.4%)	(1 193 386)
Depreciation and write-offs	(301 213)	(270 199)	(11.5%)	(566 072)
Change in metal inventory	(64 771)	(42 342)	(53.0%)	258 296
Total cost of sales	(4 182 628)	(3 064 543)	(36.5%)	(7 048 636)
<b>Operating profit</b>	4 262 037	4 359 856	(2.2%)	9 835 747
<b>Operating margin</b>	50.5%	58.7%	(14.0%)	58.3%
<b>EBITDA</b>	4 557 138	4 623 367	(1.4%)	10 382 856
<b>EBITDA margin</b>	54.0%	62.3%	(13.3%)	61.5%

<sup>6</sup> Zondereinde, being Northam Platinum Limited, purchases most of Booysendal's concentrate for a percentage of the fair value, except for chrome, which is sold directly to a third-party customer. From F2022, concentrate from Booysendal is also sold to a third-party customer to honour the Everest offtake agreement.

# Booyssendal performance continued

	6 months ended 31 December 2021	6 months ended 31 December 2020	Variance %	12 months ended 30 June 2021
<b>Safety</b>				
Fatal injury incidence rate (FIIR) per 200 000 hours worked	0.00	0.00	0.0%	0.00
Total injury incidence rate (TIIR) per 200 000 hours worked	1.79	1.80	0.6%	1.67
Lost time injury incidence rate (LTIIR) per 200 000 hours worked	0.14	0.20	30.0%	0.28
Reportable injury incidence rate (RIIR) per 200 000 hours worked	0.09	0.12	25.0%	0.22
Number of fatalities	0	0	0.0%	0
<b>Health</b>				
New cases of noise induced hearing loss	–	3	100.0%	5
New cases of tuberculosis	2	3	33.3%	6
HIV Counselling and Testing (HCT)	146	152	(3.9%)	740
<b>Employment and human rights</b>				
Permanent employees	3 681	3 108	18.4%	3 275
Core contractors	3 363	2 690	25.0%	3 097
Total employed	7 044	5 798	21.5%	6 372
Average number of employees including contractors	6 711	5 673	18.3%	5 852
Turnover rate %	3	4	25.0%	7
HDPs in management %	64	61	4.9%	61
Women at mining %	20	16	25.0%	18
<b>Water usage (000m³)</b>				
Potable water from external sources	307	416	26.2%	765
Fissure water used	–	–	0.0%	810
Borehole water used	2	23	91.3%	45
Water recycled in process	1 838	1 127	63.1%	3 716
Total water usage	2 147	1 566	(37.1%)	5 336
Water recycled %	86	72	19.4%	70
<b>Electricity consumption (MWh)</b>				
Energy from electricity purchased by shafts	58 902	45 336	(29.9%)	81 223
Energy from electricity purchased by plant	81 970	88 942	7.8%	190 671
Total electricity purchased	140 872	134 278	(4.9%)	271 894
<b>Greenhouse gas emissions (CO<sub>2</sub>e tonnes)</b>				
Scope 1 (direct) emissions	7 425	9 019	17.7%	18 765
Scope 2 (indirect) emissions	152 142	132 935	(14.4%)	293 646
Scope 3 (indirect) emissions	193	38	(407.9%)	104
Total emissions	159 760	141 992	(12.5%)	312 515
<b>Sulphur dioxide (SO<sub>2</sub>e tonnes)</b>				
	–	–	0.0%	–
<b>Land use (hectares)</b>				
Land disturbed by mining related activities	355	1 802	80.3%	355
Land used for farming purposes	839	–	100.0%	839
Land protected for conservation <sup>7</sup>	11 278	4 054	178.2%	11 278
Other land	293	5 850	(95.0%)	293
Total land under management (freehold)	12 765	11 706	9.0%	12 765

<sup>7</sup> Includes 3 168 hectares of land managed by the Buttonshope Conservancy Trust.



# Booyseendal performance continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance %	12 months ended 30 June 2021
<b>North Merensky production and ore stockpiles</b>					
Square metres mined	m <sup>2</sup>	32 965	29 190	12.9%	64 689
Tonnes mined	t	282 035	203 060	38.9%	471 648
Tonnes milled	t	283 820	188 287	50.7%	391 815
Head grade (4E)	g/t	1.97	1.86	5.9%	1.88
Head grade (6E)	g/t	2.38	2.25	5.8%	2.07
Concentrator recoveries	%	84.6	86.8	(2.5%)	85.4
Stockpile	t	101 725	49 446	105.7%	115 518
<b>North UG2 production and ore stockpiles</b>					
Square metres mined	m <sup>2</sup>	143 153	154 926	(7.6%)	305 783
Tonnes mined	t	1 211 481	1 275 043	(5.0%)	2 578 645
Tonnes milled	t	1 209 401	1 306 369	(7.4%)	2 624 373
Head grade (4E)	g/t	2.71	2.84	(4.6%)	2.89
Head grade (6E)	g/t	3.28	3.44	(4.7%)	3.44
Concentrator recoveries	%	88.1	88.2	(0.1%)	88.5
Stockpile	t	87 192	113 690	(23.3%)	85 438
Chrome concentrate produced	t	152 488	172 552	(11.6%)	363 859
<b>South Merensky production and ore stockpiles</b>					
Square metres mined	m <sup>2</sup>	4 956	–	100.0%	–
Sinking metres	m	672	–	100.0%	–
Tonnes mined	t	58 242	–	100.0%	–
Tonnes milled	t	–	–	0.0%	–
Head grade (4E)	g/t	1.30	–	100.0%	–
Head grade (6E)	g/t	–	–	0.0%	–
Concentrator recoveries	%	85.3	–	100.0%	–
Stockpile	t	66 602	–	100.0%	–
<b>South UG2 production and ore stockpiles</b>					
Square metres mined	m <sup>2</sup>	109 707	75 654	45.0%	165 623
Sinking metres	m	1 803	2 305	(21.8%)	2 305
Surface sources including TSF	t	490 824	475 454	3.2%	1 072 627
Tonnes mined	t	926 355	670 851	38.1%	1 441 570
Tonnes milled	t	692 084	724 357	(4.5%)	1 479 958
Head grade (4E)	g/t	2.70	2.74	(1.5%)	2.81
Head grade (6E)	g/t	3.26	3.31	(1.5%)	3.35
Concentrator recoveries	%	85.4	86.0	(0.7%)	85.5
Stockpile	t	273 109	–	100.0%	29 273
Chrome concentrate produced from run of mine as well as retreatment of the Tailings Storage Facility (TSF)	t	99 136	121 052	(18.1%)	250 295
<b>Combined production and ore stockpiles</b>					
Square metres mined	m <sup>2</sup>	290 781	259 770	11.9%	536 095
Sinking metres	m	2 475	2 305	7.4%	2 305
Surface sources including TSF	t	490 824	475 454	3.2%	1 072 627
Tonnes mined	t	2 478 113	2 148 954	15.3%	4 491 863
Tonnes milled	t	2 185 305	2 219 013	(1.5%)	4 496 146
Head grade (4E)	g/t	2.61	2.72	(4.0%)	2.78
Head grade (6E)	g/t	3.16	3.29	(4.0%)	3.29
Concentrator recoveries	%	87.6	87.8	(0.2%)	87.6
Stockpile	t	528 628	163 136	224.0%	230 229
Chrome concentrate produced	t	251 624	293 604	(14.3%)	614 154

# Booyssendal performance continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance	12 months ended 30 June 2021
					%
Metal in concentrate produced from own operations and ore stockpiles					
Platinum	oz	104 398	100 268	4.1%	209 451
Palladium	oz	54 636	51 490	6.1%	107 488
Rhodium	oz	17 846	17 568	1.6%	36 978
Gold	oz	1 647	1 240	32.8%	2 703
4E	oz	178 527	170 566	4.7%	356 620
Iridium	oz	7 243	7 286	(0.6%)	14 530
Ruthenium	oz	31 222	30 042	3.9%	62 540
6E	oz	216 992	207 894	4.4%	433 690
Metal in concentrate purchased from third parties					
Platinum	oz	6 127	4 543	34.9%	9 561
Palladium	oz	3 758	2 941	27.8%	6 130
Rhodium	oz	2 035	1 501	35.6%	3 294
Gold	oz	13	9	44.4%	26
4E	oz	11 933	8 994	32.7%	19 011
Iridium	oz	639	468	36.5%	884
Ruthenium	oz	4 658	3 445	35.2%	7 607
6E	oz	17 230	12 907	33.5%	27 502
Total metal in concentrate sold to Zondereinde					
Platinum	oz	103 979	107 232	(3.0%)	204 501
Palladium	oz	54 522	55 066	(1.0%)	104 953
Rhodium	oz	18 617	18 788	(0.9%)	36 080
Gold	oz	1 626	1 327	22.5%	2 630
4E	oz	178 744	182 413	(2.0%)	348 164
Iridium	oz	7 252	7 792	(6.9%)	14 185
Ruthenium	oz	31 260	32 129	(2.7%)	61 057
6E	oz	217 256	222 334	(2.3%)	423 406
Nickel	t	353	319	10.7%	680
Copper	t	281	176	59.7%	412
Total metal in concentrate sold to third parties					
Platinum	oz	11 576	–	100.0%	–
Palladium	oz	6 505	–	100.0%	–
Rhodium	oz	2 124	–	100.0%	–
Gold	oz	113	–	100.0%	–
4E	oz	20 318	–	100.0%	–
Iridium	oz	815	–	100.0%	–
Ruthenium	oz	3 406	–	100.0%	–
6E	oz	24 539	–	100.0%	–
Nickel	t	46	–	100.0%	–
Copper	t	22	–	100.0%	–
Chrome concentrate	t	251 624	293 604	(14.3%)	614 154

# Booysendal performance continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance	12 months ended 30 June 2021
				%	
<b>Total metal in concentrate sold</b>					
Platinum	oz	115 555	107 232	7.8%	204 501
Palladium	oz	61 027	55 066	10.8%	104 953
Rhodium	oz	20 741	18 788	10.4%	36 080
Gold	oz	1 739	1 327	31.0%	2 630
4E	oz	199 062	182 413	9.1%	348 164
Iridium	oz	8 067	7 792	3.5%	14 185
Ruthenium	oz	34 666	32 129	7.9%	61 057
6E	oz	241 795	222 334	8.8%	423 406
Nickel	t	399	319	25.1%	680
Copper	t	303	176	72.2%	412
Chrome concentrate	t	251 624	293 604	(14.3%)	614 154
<b>Average market prices achieved</b>					
Platinum	USD/oz	877	835	5.0%	937
Palladium	USD/oz	1 847	2 007	(8.0%)	2 186
Rhodium	USD/oz	13 261	12 273	8.1%	16 834
Gold	USD/oz	1 589	1 676	(5.2%)	1 644
4E basket price	USD/oz	2 471	2 373	4.1%	2 966
Iridium	USD/oz	2 979	1 207	146.8%	2 289
Ruthenium	USD/oz	485	214	126.6%	297
6E basket price	USD/oz	2 203	2 020	9.1%	2 558
Average exchange rate	R/USD	15.30	15.87	(3.6%)	15.04
Closing exchange rate	R/USD	16.00	14.70	8.8%	14.28
Average nickel market price achieved	USD/t	14 413	11 267	27.9%	12 164
Average copper market price achieved	USD/t	4 809	3 395	41.6%	4 018
Average chrome price achieved net of costs	USD/t	48	49	(2.0%)	48
Average chrome price achieved net of costs	R/t	733	784	(6.5%)	722
<b>Revenue statistics</b>					
Total revenue per Pt oz sold	R/Pt oz	73 079	69 237	5.5%	82 564
Total revenue per 4E oz sold	R/4E oz	42 422	40 701	4.2%	48 495
Total revenue per 6E oz sold	R/6E oz	34 925	33 393	4.6%	39 878

# Booyseendal performance continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance	12 months ended 30 June 2021
				%	
<b>Cash costs statistics</b>					
On mine cash cost per tonne mined	R/t	998	922	(8.2%)	945
On mine cash cost per tonne milled	R/t	1 131	893	(26.7%)	945
Cash cost per Pt oz in concentrate produced	R/Pt oz	24 158	20 288	(19.1%)	20 780
Cash cost per 4E oz in concentrate produced	R/4E oz	14 107	11 909	(18.5%)	12 187
Cash cost per 6E oz in concentrate produced	R/6E oz	11 582	9 753	(18.8%)	10 002
<b>Cash profit and margin</b>					
Cash profit per Pt oz in concentrate produced	R/Pt oz	48 921	48 949	(0.1%)	61 784
Cash margin per Pt oz in concentrate produced	%	66.9	70.7	(5.4%)	74.8
Cash profit per 4E oz in concentrate produced	R/4E oz	28 315	28 792	(1.7%)	36 308
Cash margin per 4E oz in concentrate produced	%	66.7	70.7	(5.7%)	74.9
Cash profit per 6E oz in concentrate produced	R/6E oz	23 343	23 640	(1.3%)	29 876
Cash margin per 6E oz in concentrate produced	%	66.8	70.8	(5.6%)	74.9
<b>Expansionary capital relating to Booyseendal North mine</b>					
Merensky North mine phase 2 ramp-up	R000	–	715	(100.0%)	2 145
Solar photovoltaic installation	R000	264	–	100.0%	–
	R000	264	715	(63.1%)	2 145
<b>Expansionary capital relating to Booyseendal South mine</b>					
Booyseendal South mine development and ramp-up	R000	375 375	323 728	16.0%	670 563
Exploration drilling	R000	6 579	–	100.0%	7 600
	R000	381 954	323 728	18.0%	678 163
<b>Total expansionary capital</b>	R000	382 218	324 443	17.8%	680 308
<b>Sustaining capital</b>					
Routine	R000	10 822	6 592	64.2%	11 593
North mine fleet replacements and strike belt extensions	R000	121 188	157 643	(23.1%)	345 881
South mine fleet purchases	R000	126 041	36 173	248.4%	169 350
BS4 ore handling	R000	53 050	55 501	(4.4%)	127 238
PGM concentrator	R000	47 676	14 237	234.9%	87 371
<b>Total sustaining capital</b>	R000	358 777	270 146	32.8%	741 433
<b>Total capital</b>	R000	740 995	594 589	24.6%	1 421 741
Sustaining capex per Pt oz in concentrate produced from own operations	R/Pt oz	3 437	2 694	27.6%	3 540

# Eland performance

	6 months ended 31 December 2021	6 months ended 31 December 2020	Variance	12 months ended 30 June 2021
	R000	R000	%	R000
<b>Sales revenue<sup>8</sup></b>				
Platinum	168 073	175 054	(4.0%)	274 882
Palladium	121 349	121 648	(0.2%)	204 244
Rhodium	367 480	349 790	5.1%	691 236
Gold	1 234	1 571	(21.5%)	2 343
Iridium	36 202	13 747	163.3%	41 617
Ruthenium	20 261	6 832	196.6%	16 757
Nickel	2 695	2 742	(1.7%)	3 789
Copper	428	415	3.1%	577
Chrome	8 759	18 949	(53.8%)	31 003
Total sales revenue	726 481	690 748	5.2%	1 266 448
<b>Cost of sales</b>				
Operating costs	(703 181)	(625 349)	(12.4%)	(1 110 934)
Mining operations	(470 057)	(450 002)	(4.5%)	(746 982)
Concentrator operations	(205 638)	(149 738)	(37.3%)	(300 886)
Chrome processing	(11 281)	(9 875)	(14.2%)	(19 575)
Royalty charges	(1 661)	-	(100.0%)	(4 198)
Share-based payment expenses	(12 536)	(15 734)	20.3%	(30 072)
Employee profit share scheme	(2 008)	-	(100.0%)	(2 625)
Rehabilitation	-	-	0.0%	(6 596)
Concentrates purchased	(262 737)	(149 191)	(76.1%)	(459 789)
Depreciation and write-offs	(33 866)	(19 341)	(75.1%)	(40 450)
Change in metal inventory	203 680	132 265	54.0%	583 526
Total cost of sales	(796 104)	(661 616)	(20.3%)	(1 027 647)
<b>Operating (loss)/profit</b>	(69 623)	29 132	N/A	238 801
<b>Operating margin</b>	(9.6%)	4.2%	N/A	18.9%
<b>EBITDA</b>	(38 828)	46 836	N/A	265 642
<b>EBITDA margin</b>	(5.3%)	6.8%	N/A	21.0%

<sup>8</sup> Zondereinde, being Northam Platinum Limited 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

	6 months ended 31 December 2021	6 months ended 31 December 2020	Variance %	12 months ended 30 June 2021
<b>Safety</b>				
Fatal injury incidence rate (FIIR) per 200 000 hours worked	0.00	0.00	0.0%	0.00
Total injury incidence rate (TIIR) per 200 000 hours worked	2.02	2.00	(1.0%)	1.62
Lost time injury incidence rate (LTIIR) per 200 000 hours worked	1.14	0.67	70.1%	0.48
Reportable injury incidence rate (RIIR) per 200 000 hours worked	0.76	0.22	(245.5%)	0.19
Number of fatalities	0	0	0.0%	0
<b>Health</b>				
New cases of noise induced hearing loss	–	–	0.0%	–
New cases of tuberculosis	4	–	(100.0%)	–
HIV Counselling and Testing (HCT)	2 007	–	100.0%	2 673
<b>Employment and human rights</b>				
Permanent employees	1 163	500	132.6%	733
Core contractors	1 316	707	86.1%	876
Total employed	2 479	1 207	105.4%	1 609
Average number of employees including contractors	2 166	1 161	86.6%	1 282
Turnover rate	% 1	3	66.7%	5
HDPs in management	% 62	67	(7.5%)	67
Women at mining	% 18	18	0.0%	19
<b>Water usage (000m³)</b>				
Potable water from external sources	532	519	(2.5%)	800
Fissure water used	617	–	(100.0%)	–
Borehole water used	418	–	(100.0%)	1 051
Water recycled in process	1 999	1 038	92.6%	2 416
Total water usage	3 566	1 557	(129.0%)	4 267
Water recycled	% 56	50	12.0%	57
<b>Electricity consumption (MWh)</b>				
Energy from electricity purchased by shafts	18 862	11 894	(58.6%)	26 900
Energy from electricity purchased by plant	36 630	36 754	0.3%	70 752
Total electricity purchased	55 492	48 648	(14.1%)	97 652
<b>Greenhouse gas emissions (CO<sub>2</sub>e tonnes)</b>				
Scope 1 (direct) emissions	2 741	1 408	(94.7%)	2 532
Scope 2 (indirect) emissions	59 931	48 161	(24.4%)	105 463
Scope 3 (indirect) emissions	23	98	76.5%	104
Total emissions	62 695	49 667	(26.2%)	108 099
<b>Sulphur dioxide (SO<sub>2</sub>e tonnes)</b>				
	–	–	0.0%	–
<b>Land use (hectares)</b>				
Land disturbed by mining related activities	721	483	(49.3%)	721
Land used for farming purposes	166	–	100.0%	166
Land protected for conservation	245	–	100.0%	245
Other land	422	1 138	(62.9%)	422
Total land under management (freehold)	1 554	1 621	(4.1%)	1 554

# Eland performance continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance %	12 months ended 30 June 2021
<b>UG2 production and surface sources</b>					
Square metres mined	m <sup>2</sup>	2 475	1 261	96.3%	2 520
Development metres	m	2 688	1 216	121.1%	2 288
Surface sources including TSF	t	539 179	679 822	(20.7%)	1 512 424
Tonnes mined	t	140 378	20 471	585.7%	152 869
Tonnes milled	t	706 576	679 822	3.9%	1 520 548
Head grade (4E)	g/t	2.28	3.09	(26.2%)	2.45
Head grade (6E)	g/t	3.13	3.49	(10.3%)	2.76
Concentrator recoveries	%	37.2	32.3	15.2%	37.8
Stockpile	t	77 975	–	100.0%	3 679
Chrome concentrate produced	t	10 790	26 253	(58.9%)	44 447
<b>Metal in concentrate produced from own operations and third-party surface sources</b>					
Platinum	oz	14 591	14 655	(0.4%)	22 744
Palladium	oz	4 867	4 043	20.4%	6 372
Rhodium	oz	2 146	1 939	10.7%	3 454
Gold	oz	58	37	56.8%	106
4E	oz	21 662	20 674	4.8%	32 676
Iridium	oz	877	799	9.8%	1 362
Ruthenium	oz	3 074	1 974	55.7%	3 985
6E	oz	25 613	23 447	9.2%	38 023
<b>Metal in concentrate purchased from third parties</b>					
Platinum	oz	5 243	2 420	116.7%	7 092
Palladium	oz	1 864	1 083	72.1%	2 888
Rhodium	oz	868	388	123.7%	974
Gold	oz	17	20	(15.0%)	34
4E	oz	7 992	3 911	104.3%	10 988
Iridium	oz	423	174	143.1%	515
Ruthenium	oz	1 294	601	115.3%	1 758
6E	oz	9 709	4 686	107.2%	13 261

## Eland performance continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance	12 months ended 30 June 2021
		%			
Total metal in concentrate sold to Zondereinde					
Platinum	oz	12 457	13 300	(6.3%)	19 977
Palladium	oz	4 405	3 795	16.1%	6 192
Rhodium	oz	1 878	1 901	(1.2%)	2 959
Gold	oz	49	59	(16.9%)	93
4E	oz	18 789	19 055	(1.4%)	29 221
Iridium	oz	834	742	12.4%	1 253
Ruthenium	oz	2 846	1 988	43.2%	3 825
6E	oz	22 469	21 785	3.1%	34 299
Nickel	t	11	15	(26.7%)	21
Copper	t	6	8	(25.0%)	10
Chrome concentrate	t	10 790	26 253	(58.9%)	44 447
Average market prices achieved					
Platinum	USD/oz	856	811	5.5%	895
Palladium	USD/oz	1 748	1 975	(11.5%)	2 145
Rhodium	USD/oz	12 416	11 337	9.5%	15 189
Gold	USD/oz	1 598	1 641	(2.6%)	1 638
4E basket price	USD/oz	2 223	2 096	6.1%	2 609
Iridium	USD/oz	2 754	1 142	141.2%	2 160
Ruthenium	USD/oz	452	212	113.2%	285
6E basket price	USD/oz	2 018	1 891	6.7%	2 334
Average exchange rate	R/USD	15.76	16.23	(2.9%)	15.38
Closing exchange rate	R/USD	16.00	14.70	8.8%	14.28
Average nickel market price achieved	USD/t	15 546	11 263	38.0%	11 731
Average copper market price achieved	USD/t	4 526	3 196	41.6%	3 752
Average chrome price achieved net of costs	USD/t	52	44	18.2%	45
Average chrome price achieved net of costs	R/t	812	722	12.5%	698
Revenue statistics					
Total revenue per Pt oz sold	R/Pt oz	58 319	51 936	12.3%	63 395
Total revenue per 4E oz sold	R/4E oz	38 665	36 250	6.7%	43 340
Total revenue per 6E oz sold	R/6E oz	32 333	31 708	2.0%	36 924



## Eland performance continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance	12 months ended 30 June 2021
				%	
<b>Cash costs statistics</b>					
Cash cost per Pt oz in concentrate produced	R/Pt oz	42 583	39 476	(7.9%)	42 928
Cash cost per 4E oz in concentrate produced	R/4E oz	28 634	27 857	(2.8%)	29 751
Cash cost per 6E oz in concentrate produced	R/6E oz	24 174	24 515	1.4%	25 513
<b>Cash profit and margin</b>					
Cash profit per Pt oz in concentrate produced	R/Pt oz	15 736	12 460	26.3%	20 467
Cash margin per Pt oz in concentrate produced	%	27.0	24.0	12.5%	32.3
Cash profit per 4E oz in concentrate produced	R/4E oz	10 031	8 393	19.5%	13 589
Cash margin per 4E oz in concentrate produced	%	25.9	23.2	11.6%	31.4
Cash profit per 6E oz in concentrate produced	R/6E oz	8 159	7 193	13.4%	11 411
Cash margin per 6E oz in concentrate produced	%	25.2	22.7	11.0%	30.9
<b>Expansionary capital</b>					
Eland general infrastructure	R000	163 633	125	>1 000.0%	51 813
Kukama mining	R000	259 158	170 177	52.3%	342 131
Maroelabult mining	R000	55 841	1 113	>1 000.0%	34 143
PGM concentrator	R000	34 808	4 546	665.7%	77 540
Other	R000	17 521	3 390	416.8%	4 736
<b>Total expansionary capital</b>	<b>R000</b>	<b>530 961</b>	<b>179 351</b>	<b>196.0%</b>	<b>510 363</b>

# US recycling performance

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance	12 months ended 30 June 2021
		R000	R000	%	R000
<b>Sales revenue</b>					
Platinum		34 990	5 026	596.2%	41 376
Palladium		40 517	11 841	242.2%	75 700
Rhodium		9 221	7 476	23.3%	24 738
Toll treatment charges		3 463	–	100.0%	–
Total sales revenue		88 191	24 343	262.3%	141 814
<b>Cost of sales</b>					
Operating costs		(12 424)	(9 372)	(32.6%)	(20 899)
Concentrates purchased		(77 705)	(21 256)	(265.6%)	(125 337)
Depreciation and write-offs		(4 989)	(5 438)	8.3%	(10 298)
Change in metal inventory		3 700	(62)	N/A	1 177
Total cost of sales		(91 418)	(36 128)	(153.0%)	(155 357)
<b>Operating loss</b>		(3 227)	(11 785)	72.6%	(13 543)
<b>Operating margin</b>		(3.7%)	(48.4%)	92.4%	(9.6%)
<b>EBITDA</b>		7 494	(13 568)	N/A	(11 193)
<b>EBITDA margin</b>		8.5%	(55.7%)	N/A	(7.9%)
<b>Recycled metal purchased from third parties<sup>9</sup></b>					
Platinum	oz	3 295	371	788.1%	3 237
Palladium	oz	1 625	369	340.4%	2 396
Rhodium	oz	52	36	44.4%	117
4E	oz	4 972	776	540.7%	5 750
<b>Total metal in concentrate sold to Zondereinde</b>					
Platinum	oz	2 926	414	606.8%	3 245
Palladium	oz	1 525	397	284.1%	2 415
Rhodium	oz	52	39	33.3%	120
4E	oz	4 503	850	429.8%	5 780
<b>Average market prices achieved</b>					
Platinum	USD/oz	797	747	6.7%	828
Palladium	USD/oz	1 770	1 834	(3.5%)	2 035
Rhodium	USD/oz	11 814	11 789	0.2%	13 386
Average exchange rate	R/USD	15.01	16.26	(7.7%)	15.40
Closing exchange rate	R/USD	16.00	14.70	8.8%	14.28

Toll treatment charges relate to toll treatment, refining and metal assay charges, charged out to a third-party customer.

<sup>9</sup> Recycled metals are sourced and purchased from third-party customers and all sales are made to Northam Platinum Limited, where the metal is further processed at the Zondereinde Metallurgical complex.

# Group Environmental, Social and Governance metrics

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance %	12 months ended 30 June 2021
<b>Environmental</b>					
Energy consumption	MWh	597 566	593 512	(0.7%)	1 184 298
Energy consumption	TJ	2 151	2 137	(0.7%)	4 263
Energy consumption	GJ	2 151 238	2 136 644	(0.7%)	4 263 474
Energy consumption	MWh/oz 4E	1.99	1.84	(8.2%)	1.81
Energy consumption	TJ/oz 4E	0.00720	0.00663	(8.6%)	0.00650
Energy consumption	GJ/oz 4E	7.20	6.63	(8.6%)	6.50
Energy consumption	MWh per tonne milled	0.153	0.148	(3.4%)	0.145
Energy consumption	TJ per tonne milled	0.000552	0.000532	(3.8%)	0.000523
Energy consumption	GJ per tonne milled	0.552	0.532	(3.8%)	0.523
CO <sub>2</sub> emissions (Scope 1 + Scope 2)	kgCO <sub>2</sub> e per ton milled	0.171	0.154	(11.0%)	164
CO <sub>2</sub> emissions (Scope 1 + Scope 2)	CO <sub>2</sub> e tonnes	667 931	616 566	(8.3%)	1 338 036
Scope 1 (direct) emissions	CO <sub>2</sub> e tonnes	22 560	28 991	22.2%	58 994
Scope 2 (indirect) emissions	CO <sub>2</sub> e tonnes	645 371	587 575	(9.8%)	1 279 042
Scope 3 (indirect) emissions	CO <sub>2</sub> e tonnes	308	246	(25.2%)	450
Sulphur dioxide	SO <sub>2</sub> e tonnes	4 050	3 187	(27.1%)	7 488
Total water usage	000m <sup>3</sup>	18 640	17 473	(6.7%)	39 075
Total water usage	Mega litre	18 640	17 473	(6.7%)	39 075
Total water usage	Cubic m/oz 4E	62	54	(14.8%)	60
Water withdrawn	000m <sup>3</sup>	3 272	2 758	(18.6%)	7 073
Water withdrawn	Mega litre	3 272	2 758	(18.6%)	7 073
Water withdrawn	Cubic m/oz 4E	11	9	(22.2%)	11
Fissure water used	000m <sup>3</sup>	717	111	(545.9%)	1 022
Fissure water used	Mega litre	717	111	(545.9%)	1 022
Fissure water used	Cubic m/oz 4E	2.4	0.3	(700.0%)	1.6
Borehole water used	000m <sup>3</sup>	435	32	(>1 000.0%)	1 116
Borehole water used	Mega litre	435	32	(>1 000.0%)	1 116
Borehole water used	Cubic m/oz 4E	1.5	0.1	(>1 000.0%)	2
Fresh water drawn	000m <sup>3</sup>	2 120	2 615	18.9%	4 935
Fresh water drawn	Mega litre	2 120	2 615	18.9%	4 935
Fresh water drawn	Cubic m/oz 4E	7	8	12.5%	8
Water recycled in process	000m <sup>3</sup>	15 368	14 715	4.4%	32 002
Water recycled in process	Mega litre	15 368	14 715	4.4%	32 002
Water recycled in process	Cubic m/oz 4E	51	46	10.9%	49
Percentage of water recycled	%	82.4	84.2	(2.1%)	81.9
Total waste	million tons	0.003694	0.003257	(13.4%)	0.006737
Total waste	thousand tons	3.694	3.257	(13.4%)	6.737
Total waste	kg	3 694 000	3 257 050	(13.4%)	6 737 000
Hazardous waste	million tons	0.000456	0.000296	(54.1%)	0.000785
Hazardous waste	thousand tons	0.456	0.296	(54.1%)	0.785
Hazardous waste	kg	456 000	296 000	(54.1%)	785 000
Non-hazardous waste	million tons	0.003238	0.002961	(9.4%)	0.005952
Non-hazardous waste	thousand tons	3.238	2.961	(9.4%)	5.952
Non-hazardous waste	kg	3 238 000	2 961 050	(9.4%)	5 952 000
Waste recycling ratio	%	55	56	(1.8%)	58
Environmental provisions	R000	846 974	760 041	11.4%	812 747

## Group Environmental, Social and Governance metrics continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance	12 months ended 30 June 2021
				%	
<b>Social</b>					
Employee turnover rate percentage	%	3	3	0.0%	8
Employee Engagement	number of surveys	0	0	0.0%	0
Average training hours per employee	hours	13	13	0.0%	13
Percentage of females in management	%	16	17	(5.9%)	17
Percentage of employees unionised	%	85	87	(2.3%)	85
Lost time injury incidence (LTIR) rate per 200 000 hours worked	LTIR per 200 000 hours	0.66	0.62	(6.5%)	0.60
Lost time injury incidence (LTIR) rate per 1 million hours worked	LTIR per 1 million hours	0.13	0.12	(8.3%)	0.12
Number of fatalities <sup>10</sup>	number	2	0	(100.0%)	2
Community spending	R000	812 531	483 149	68.2%	1 000 735
All employee related costs as a % of revenue	%	21	26	19.2%	18
Diversity policy	Y/N	Y	Y	N/A	Y

		6 months ended 31 December 2021	6 months ended 31 December 2020	Variance	12 months ended 30 June 2021
				%	
<b>Governance</b>					
Total number of directors on the board		10	12	(16.7%)	11
Number of directors classified as independent		7	8	(12.5%)	8
Percentage of independent board members	%	70	67	4.5%	73
Number of female directors		4	4	0.0%	4
Percentage of female board members	%	40	33	21.2%	36
Average tenure of the board	years	5.9	4.6	28.3%	5.0
Number of shares owned by board members		85 145	5 793 321	(98.5%)	676 347
Number of shares in issue including Treasury Shares		396 615 878	509 781 212	(22.2%)	509 781 212
Shares owned by the board members	% of shares in issue	0.02	1.14	(98.2%)	0.13
Performance based LTIP included within Executive compensation	Y/N	Y	Y	N/A	Y

<sup>10</sup> The two fatalities listed relate to a mining related incident during July 2021 resulting in the injured employee passing away in January 2022 and a second fatal incident during August 2021.

# Results commentary

<p><b>Equivalent refined metal from own operations</b></p> <p><b>351 359 oz 4E</b> (decrease of 0.4% from H1 F2021: 352 741 oz 4E)</p>	<p><b>Group unit cash cost per equivalent refined platinum ounce</b></p> <p><b>R32 814/Pt oz</b> (increase of 18.6% from H1 F2021: R27 660/Pt oz)</p>	<p><b>Group capital expenditure incurred mainly in the execution of the group's growth strategy</b></p> <p><b>R2.3 billion</b> (increase of 77.0% from H1 F2021: R1.3 billion)</p>
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## Group operational overview

The period under review has been extremely challenging, but our growth aspirations remain on track.

A key feature has been the difficult operational environments at the Zondereinde and Booyssendal mines. Tragically, Zondereinde suffered two mining related fatalities, together with increased medical absences relating to the ongoing COVID-19 pandemic, whilst regional community unrest resulted in lost production days at Booyssendal. This has negatively impacted the group's metal production and unit cash costs. Despite this, our expansionary projects remain on track. Development of the Western extension at Zondereinde has progressed well. Booyssendal has made good progress on South mine whilst recording 7 million fatality free shifts and remaining fatality free since inception. Eland mine continues to ramp-up and the addition of the recently acquired Maroelabult section adds considerable synergistic benefits.

The group's equivalent refined metal from own operations decreased marginally to 351 359 oz 4E (H1 F2021: 352 741 oz 4E). The health, safety and community issues mentioned above resulted in lower production at Zondereinde and only marginal growth at Booyssendal.

Group chrome concentrate production decreased by 17.3% to 430 697 tonnes, on the back of commensurate lower UG2 concentrator throughput.

Group unit cash costs per equivalent refined platinum ounce grew by 18.6% to R32 814/Pt oz (H1 F2021: R27 660/Pt oz) on the back of increases at all of the operations. Zondereinde escalated by 21.3% to R34 544/Pt oz, with a corresponding increase of 19.1% at Booyssendal to R24 158/Pt oz, and Eland recording an increase of 7.9% to R42 583/Pt oz.

Capital expenditure grew to R2.3 billion (H1 F2021: R1.3 billion). This is the combined result of the restart of capital projects that had been curtailed following the onset of COVID-19, partially offset by capital projects having either been completed, or being near completion at Booyssendal mine. R1.5 billion (H1 F2021: R918.1 million) was spent on expansionary capital expenditure and R776.9 million (H1 F2021: R380.5 million) on sustaining capital expenditure.

The significant increase in sustaining capital expenditure was the result of the combination of the rebuild of smelter furnace 1 at Zondereinde, together with a number of extensions to strike belts and the first significant fleet replacements at Booyssendal.

Expansionary projects that had been temporarily scaled back included - the Central Merensky and BS4 modules at Booyssendal 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 previous corresponding period, all curtailed growth projects were re-initiated and the majority of workflow impacts resulting from the stoppage were clawed back. As such, the overall impact on the group's growth strategy has been minimal. Group capital expenditure for the full financial year is forecasted to amount to R4.6 billion. The potential for further disruption to operations and the metal markets as a result of COVID-19 remains. In addition, there is a continued risk of regional community unrest on the eastern limb of the Bushveld. We continue to monitor the market and the societal landscape and will amend our capital program when and where prudent.

At Zondereinde mine, stoping is ramping-up within the Western extension section and further progress has been made on the deepening project. Reaming of number 3 shaft is progressing on track. At the metallurgical facilities, upgrades to the material handling infrastructure together with the planned rebuild of furnace 1 were completed. Capacity upgrades at the base metal removal plant have commenced, in line with our growth profile.

Construction of a 11 MW solar power farm to feed renewable electricity to the smelter complex has commenced. Design and permitting has been completed and site preparation is in progress.

The development of Booyssendal South is progressing well despite work stoppages due to community unrest in the region. Construction of surface infrastructure has been completed and underground development and stoping ramp-up at the Central UG2 modules is progressing. Decline development at the South Merensky module is on track. Underground stoping has commenced at the BS4 UG2 module and will ramp-up over the coming 12 months. The North aerial rope conveyor was commissioned in December 2021 and is operating within design parameters.

At Eland mine, processing of surface sources continues. Development of the Kukama decline system has progressed well, as has strike development to connect with Maroelabult mine which was purchased from Eastern Platinum Limited. Underground stoping ramp-up is in progress. In addition, open-pit mining of UG2 commenced in the eastern portion of the mining right during the first quarter. First ore was delivered to the concentrator during the second quarter.

With recycling, we continue our measured approach.

# Results commentary continued

<b>Equivalent refined metal from own operations</b>  <b>156 688 oz 4E</b> (decrease of 6.0% from H1 F2021: 166 773 oz 4E)	<b>Cash cost per equivalent refined platinum ounce</b>  <b>R34 544/Pt oz</b> (increase of 21.3% from H1 F2021: R28 473/Pt oz)	<b>Capital expenditure for Zondereinde</b>  <b>R1.0 billion</b> (increase of 95.5% from H1 F2021: R524.6 million)
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## Zondereinde mine

The period under review has been a particularly difficult one for Zondereinde.

Sadly, two of our employees passed away following separate mining related incidents that occurred during this period. Mr Tomas Jose Mugabe, a construction team leader, lost his life in August in a tramming related incident. Also, Mr Dumisani Mntonga, a mining assistant who was injured in a winch related incident during July, passed away in January of this year. Our sincere condolences go out to the families, friends and work colleagues of the deceased. Comprehensive safety reviews were undertaken following the tragic incidents and remedial actions were implemented. All production was stopped during these times.

The mine recorded a total injury incidence rate (TIIR) of 0.84 injuries per 200 000 hours worked (H1 F2021: 0.88). Despite the continuing improvement in TIIR we remain very aware and concerned about the severity of injuries resulting from incidents incurred. Improving safety performance, as well as the health and wellness of our workforce remain critical focus areas for the business.

The ongoing impact of COVID-19 is still being felt at Zondereinde. Despite all mining crews having been returned to work during the past year, the emergence of new COVID-19 variants has resulted in staff turnover and medical absence being significantly elevated above prior periods. This has had a particularly negative impact on production.

Accordingly, both Merensky and UG2 milled tonnes decreased relative to the previous comparable period by 12.2% and 7.4% respectively.

Under-stoping of the planned number 3 shaft infrastructure, necessary to ensure its long-term integrity, has incurred increased waste mining from Merensky in the Western extension section. This, together with an increase in on-reef development, in order to grow the Merensky mineable reserves resulted in a 9.0% period on period decrease in Merensky concentrator feed grade.

UG2 concentrator feed grade was 4.4% lower than the previous corresponding period, predominantly as a result of significantly higher on-reef development, as new mining areas are developed on the east side of the mine.

Lower concentrator feed grades negatively impacted concentrator recoveries and this resulted in equivalent refined metal from own operations decreasing by 6.0% to 156 688 oz 4E (H1 F2021: 166 773 oz 4E).

Equivalent refined metal from third-party purchases decreased to 977 oz 4E (H1 F2021: 5 468 oz 4E) owing to lower availability of material.

Chrome concentrate production decreased to 168 283 tonnes (H1 F2021: 201 229 tonnes) on the back of lower UG2 mill feed tonnages and grade.

Progress continues to be made on the deepening project. The conveyor decline is currently between 17 and 18 levels and lateral development continues to progress well on 17 level, with ore passes in progress. Stopping continues down to 16 level, which is being serviced by both the material and chairlift declines. These are equipped and commissioned.

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. Stopping is in progress on both the first and second mining lines. An additional c. 50 000 oz 4E per annum will ultimately accrue to Zondereinde mine's production profile from the Western extension expansion project. Reaming of the number 3 shaft to its final diameter of 4.8 metres is in progress. Reaming will be concluded before the end of this financial year. Following this, the shaft will be equipped and is scheduled to be operational in 2024.

A planned rebuild and upgrade of smelter furnace 1, commenced during May 2021 and was successfully completed before the end of October 2021. Work has commenced on upgrades to the base metal removal plant in order to align capacity to that of the smelter circuit. This work will run in a sequential manner over the coming four years. Work has progressed well on the construction of a dedicated recycling circuit and commissioning of this is scheduled for the end of the current financial year.

## Results commentary continued

The development of a 11 MW solar power farm to provide electricity to the Metallurgical complex has commenced. The design and permitting phases for this installation have been concluded and earthworks are in progress.

Capital expenditure during the period increased to R1.0 billion (H1 F2021: R524.6 million). Expansionary project expenditure accounted for R607.5 million, while sustaining expenditure was R418.2 million. The expansionary expenditure related to the ongoing development of the deepening and Western extension sections, including reaming of the number 3 shaft. Sustaining expenditure was dominated by the rebuild of furnace 1 and various base metal removal plant capacity and material handling improvements at the Metallurgical complex. Total capital expenditure for F2022 is estimated at R2.1 billion.

The total operating costs at Zondereinde for the period decreased by 3.8% to R3.7 billion. Despite this decrease, lower production volumes resulted in a 21.3% increase in unit cash costs per equivalent refined platinum ounce, to R34 544/Pt oz (H1 F2021: R28 473/Pt oz).

*The Western extension section at Zondereinde is progressing well and will sustain production well into the future*

# Results commentary continued

<b>Metal in concentrate produced from own operations</b>  <b>178 527 oz 4E</b> (increase of 4.7% from H1 F2021: 170 566 oz 4E)	<b>Cash cost per platinum ounce in concentrate produced</b>  <b>R24 158/Pt oz</b> (increase of 19.1% from H1 F2021: R20 288/Pt oz)	<b>Capital expenditure for Booyensendal</b>  <b>R741.0 million</b> (increase of 24.6% from H1 F2021: R594.6 million)
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## Booyensendal mine

The good safety performance at Booyensendal mine continues, with the mine exceeding 7 million fatality free shifts at the start of January 2022 and more importantly, incurring no fatal accidents since mine inception, over 12 years ago. TIIR was 1.79 per 200 00 hours worked (H1 F2021: 1.80).

During the period, ongoing community unrest in the Eastern Bushveld region impacted all spheres of the local economy. This manifested in 140 separate incidents involving amongst other things; road blockages, destruction of property and equipment, together with sabotage of Eskom transmission lines. These disturbances directly impacted production at the Booyensendal operations.

Despite these challenges, production of metal in concentrate from Booyensendal improved by 4.7% to 178 527 oz 4E (H1 F2021: 170 566 oz 4E). This growth essentially came from the continuing albeit weakened ramp-up of South mine. Production of chrome concentrate during the period fell by 14.3% to 251 624 tonnes (H1 F2021: 293 604 tonnes) on the back of lower mill throughput at South mine, due to stockpiling of ore ahead of the concentrator. Stockpiled ore will be treated during the second half of this financial year. Metal in concentrate purchased from third parties increased to 11 933 oz 4E (H1 F2021: 8 994 oz 4E) owing to higher third-party production, which is expected to continue in the medium-term.

Tonnes milled at North UG2 mine declined by 7.4% relative to the previous comparable period, to 1 209 401 tonnes (H1 F2021: 1 306 369 tonnes), whilst 4E concentrator feed grade fell by 4.6% to 2.71 g/t due to scheduled mining of a lower grade portion of the mine. This will normalise over the coming two years. Corresponding production from the North Merensky mine increased by 50.7% to 283 820 tonnes (H1 F2021: 188 287 tonnes), while 4E concentrator feed grade improved to 1.97 g/t (H1 F2021: 1.86 g/t). This is the result of increased stoping levels following focussed decline development during the previous three periods and aligns with the commissioning of the North aerial rope conveyor during December 2021.

South UG2 mine is ramping-up to planned steady state during F2023. Mined tonnes for the period increased by 38.1% to 926 355 tonnes (H1 F2021: 670 851 tonnes), while 4E concentrator feed grade marginally softened to 2.70 g/t. Grade will improve as stoping tonnage grows.

Decline development at South Merensky mine continues on track and yielded maiden ore production of 58 242 tonnes at a development grade of 1.30 g/t 4E.

Combined ore stockpiles as at 31 December 2021 totalled 528 628 tonnes (H1 F2021: 163 136 tonnes).

Total tonnes milled at Booyensendal mine marginally decreased by 1.5% to 2 185 305 tonnes (H1 F2021: 2 219 013 tonnes), while combined 4E concentrator feed grade fell by 4.0% to 2.61 g/t as a result of relatively higher Merensky tonnages and slightly softer grades at both North and South UG2 mines. Both the North and South concentrators are operating well and maintaining recoveries in line with expectations.

The total operating costs at Booyensendal mine were R3.2 billion (H1 F2021: R2.3 billion), a 39.7% increase. This was the result of increased salary and fleet costs at South mine, in line with the planned production ramp-up, together with significantly higher royalty charges following the full utilisation of the unredeemed capex balance. The impact of lost production allied to the higher operating costs resulted in the cash cost per metal in concentrate produced increasing by 19.1% to R24 158/Pt oz (H1 F2021: R20 288/Pt oz). Incidents of community unrest continued into January. Further unrest would lead to prolonged production impacts and consequently elevated unit costs.

North mine capital expenditure decreased to R143.5 million (H1 F2021: R270.9 million), which was almost entirely sustaining and reflected fleet replacements and strike belt extensions.

South mine capital expenditure totalled R597.5 million (H1 F2021: R323.7 million). The majority of capital was expansionary, together with fleet purchases for the South Merensky module and conveyor belt installations at the BS4 UG2 module. Surface infrastructure at the Central UG2 complex is complete and underground equipping is continuing and in line with stoping build-up. The North aerial rope conveyor was commissioned in December 2021 and is operating within design parameters. Decline development is on track at the South Merensky module. Stoping is in progress at the BS4 UG2 module and will continue to ramp-up over the coming year.

North mine capital expenditure for F2022 will be almost entirely sustaining and is estimated at R381.3 million. This is in line with our expected ongoing capital requirements and is influenced by scheduled mechanical fleet replacements and strike belt extensions. South mine capital expenditure for the full year will be entirely expansionary and is estimated at R1.0 billion, reflecting the lower capex associated with the completed surface infrastructure and higher capex associated with production ramp-up at the Central UG2 complex, together with the ongoing establishment of both the South Merensky and BS4 UG2 mining modules.

*Despite regional community unrest, Booyensendal South ramp-up is on track whilst Booyensendal North is continuing to deliver quality production*



# Results commentary continued

<p><b>Metal in concentrate produced from own operations</b></p> <p><b>21 662 oz 4E</b> (increase of 4.8% from H1 F2021: 20 674 oz 4E)</p>	<p><b>Cash cost per platinum ounce in concentrate produced</b></p> <p><b>R42 583/Pt oz</b> (increase of 7.9% from H1 F2021: R39 476/Pt oz)</p>	<p><b>Capital expenditure for Eland</b></p> <p><b>R531.0 million</b> (increase of 196.0% from H1 F2021: R179.4 million)</p>
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## Eland mine

Eland mine's TIIR was 2.02 per 200 000 hours worked (H1 F2021: 2.00). Management continues to focus on embedding the correct safety culture, supervision and systems during this critical phase of the mine's development.

Treatment of ore from surface sources to recover PGM and chrome concentrates continues, supplemented by batched treatment of run of mine ore from underground operations. Milling throughput was 706 576 tonnes of combined ore (H1 F2021: 679 822 tonnes). The average 4E concentrator feed grade dropped to 2.28 g/t (H1 F2021: 3.09 g/t) due to significant volumes of tailings being re-treated, with a corresponding lower chrome grade. This yielded 21 662 oz 4E in concentrate (H1 F2021: 20 674 oz 4E), together with 10 790 tonnes of chrome concentrate (H1 F2021: 26 253 tonnes). Metal in concentrate purchased from third parties increased to 7 992 oz 4E (H1 F2021: 3 911 oz 4E).

The total operating costs at Eland mine amounted to R703.2 million (H1 F2021: R625.3 million), a 12.4% increase on the previous period. This was the result of an increase in volumes treated, together with the build-up of underground mining crews. Consequently, the unit cash cost per metal in concentrate produced increased by 7.9% to R42 583/Pt oz (H1 F2021: R39 476/Pt oz).

Development and stoping ramp-up for the Kukama shaft ran in parallel with processing operations. Refurbishment and recommissioning of fixed and mobile underground equipment was initiated in 2019. This included reconfiguration of the three-barrel decline system, such that all barrels are located in the immediate footwall to the UG2 Reef. Decline development, together with development of strike drives is on schedule and reef raises are being developed in the upper western portion of the mine. Limited stoping of UG2 is in progress, with ramp-up on track.

Open-pit mining of UG2 commenced in the eastern portion of the mining right during the first quarter. First ore was delivered during the second quarter. Mining will ramp-up to a rate of 20 000 ore tonnes per month by early F2023.

Refurbishment of the primary milling circuit of the PGM concentrator was completed at the start of the period. This has permitted the treatment of run of mine ore sources.

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 transfer of the mining rights was granted in January of this year. Maroelabult lies immediately west of Kukama shaft and its inclusion in the Eland mining right will have several synergistic benefits.

Capital expenditure for the period was entirely expansionary and totalled R531.0 million (H1 F2021: R179.4 million). This increase was the result of associated capital trimming from the previous corresponding period. Capital expenditure for F2022 is expected to be R1.1 billion. Work will focus on decline and strike drive development, together with stoping ramp-up.

*Mining ramp-up is in progress at Eland. The incorporation of the Maroelabult section will enhance the production profile*

## Project update - Zondereinde Western extension

### *Breathing new life into a mature mine*

#### *Rationale*

The addition of the Western extension will allow Zondereinde to increase its annual production to 350 000 oz 4E by 2024 and has extended its remaining life of mine to over 30 years. In addition, it will have created direct, meaningful and sustainable employment for an additional 600 people.

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

Exploration data indicates that this section contains PGM Mineral Resources of over 20 million oz 4E within both the Merensky and UG2 orebodies. The Merensky Reef predominantly comprises the high-grade P2 sub-type and the ground is unaffected by any significant faults or dykes. This should allow efficient mining.

#### *Progress and significant milestones during the period*

During the period, 2 350 metres of access tunnels have been advanced within the Western extension section, which is over 250 metres above plan. Strike development on some levels is beyond the fourth mining line, raises are being developed on the third mining line and are being ledged on the second mining line. Over 220 000 tonnes of Merensky Reef have been extracted from the first mining line, yielding almost 40 000 oz 4E in concentrate. Crew productivity is benefitting from the combination of better mining conditions and focussed logistics over the ten mining levels comprising this line.

A vertical shaft is currently being developed to provide long-term access to the Western extension section. This is named number 3 shaft. It is sited on the second mining line and is currently being raise-bored from surface. At 1 382 metres length, this will be a world record upon completion.

Reaming of the hole to a final diameter of 4.8 metres commenced in December 2020 and is expected to be completed before the end of the financial year. Following this, the shaft will be equipped and is scheduled to be operational in 2024. As of 31 December 2021, reaming had passed 1 130 metres.

## Project update - Booyesendal South mine

### *On track to deliver Booyesendal's medium-term growth target*

#### *Rationale*

The current Booyesendal South mine plan to develop three UG2 modules (BS1, BS2 and BS4), together with a single Merensky module (BSM), unlocks Mineral Reserves of almost 8 million oz 4E, mineable for approximately 30 years. Furthermore, from 2023, the combined modules will annually produce in the order of 250 000 oz 4E in concentrate, doubling Booyesendal's current overall PGM production.

In so doing, Booyesendal South will have created direct, meaningful and sustainable employment for 3 500 people and will significantly benefit both the local and national economies.

Booyesendal's Mineral Resource base is significant. Mine development, which commenced in 2010, concentrated on the north-eastern portion of the property, with the North UG2, followed by the North Merensky modules. This was due to the generally challenging topography, with best access and availability of sites for surface infrastructure to support underground mining located in the north-east.

The provision of surface infrastructure, including a large PGM and chrome concentrator, together with a tailings storage facility, was the key strategic driver for the 2015 acquisition of the Everest mine from Aquarius Platinum (South Africa) Limited. This essentially unlocked the potential for mining in the southern portion of Booyesendal. The Booyesendal South mine project subsequently commenced.

#### *Progress and significant milestones during the period*

Following completion of supporting surface infrastructure, the focus at the BS1 and BS2 UG2 modules has shifted to underground development, equipping and stoping build-up.

During the period, over 1 600 metres of decline development have been achieved. This is 300 metres above plan, which is commendable given the disruption from community unrest across the Bushveld eastern limb. Underground conveyor and tip equipping is progressing on plan, assisting development and stoping build-up. 12 stoping crews are currently operational. This will grow to 14 stoping crews at steady state in 2023. Over 870 000 ore tonnes have been delivered to the South concentrator during the year. 690 000 tonnes have been milled, the balance being stockpiled for future milling campaigns, generating in excess of 54 000 oz 4E in concentrate.

Key surface infrastructure at the Central UG2 complex servicing the BS1 and BS2 modules, including surface conveyors, crusher, the South aerial rope conveyor feed system, workshops and change houses are commissioned and operating within design parameters.

Development of declines at the BSM module is in progress. 1 090 metres have been developed to date. Ore from the BSM module, together with that from the North Merensky module is being fed to the South concentrator via the North aerial rope conveyor. This was commissioned, on plan, in December 2021 and is operating within design parameters. The North Merensky module is now ramping-up to its phase two capacity of approximately 50 000 oz 4E in concentrate per year.

Decline development has commenced at the BS4 UG2 module. Stopping has also commenced and will continue to ramp-up to an annual steady state of around 25 000 oz 4E in concentrate during 2023.

Logistics upgrades have been completed at the South concentrator. This includes a new truck access and loading facility which is necessary to handle PGM and chrome concentrate dispatches as South mine ramps up. Studies surrounding increasing concentrator throughput, together with tailings handling have been concluded, outcomes are positive for further organic growth from South mine and work to enhance the concentrator circuit has commenced. The 250 000 tonnes per month nameplate capacity of the South concentrator capacity is conservative. Re-configuration of the South tailings storage facility is progressing well. This will enable additional capacity for the life of South mine.

Overall, Booyesendal South mine is well on track. It has moved beyond the critical project phases and we look forward to continued stoping ramp-up over the coming 18 months.

## Project update - Eland mine

### *Full mine-build programme in progress*

#### *Rationale*

The mine hosts a Mineral Resource base of over 14 million oz 4E, the majority of which resides within near-surface, thick, high grade UG2. At steady state the mine will produce 180 000 oz 4E in concentrate per year and provide direct, meaningful and sustainable employment for over 2 500 people.

Eland mine was acquired from Glencore Operations South Africa Proprietary Limited in December 2017. The mine was on care and maintenance and had significant, quality infrastructure already in place. Large PGM and chrome concentrators and tailings storage facilities, together with all necessary surface infrastructure to support underground mining, were also in place. Two decline systems, Kukama and Nyala, accessed three mining levels on the UG2 Reef and were fully equipped.

Eland had been developed for mechanised bord and pillar mining, however this was not appropriate for the dip of the UG2 Reef.

A feasibility study to restart UG2 mining as a hybrid of conventional breast stoping with conveyor ore transport was concluded in 2019, forecasting steady state annual production of 150 000 oz 4E in concentrate after a six-year ramp-up. Further scheduling led to a steepened ramp-up to an expanded steady state profile of 180 000 oz 4E in concentrate per annum by 2028.

#### *Progress and significant milestones during the period*

During the period decline development of 1 066 metres was achieved. This has opened up 7 strike drives. We require 11 strikes for steady state production. 4 western strike drives and 3 strike drives on the east side of the mine have also been progressed.

Stoping of UG2 Reef continued in the upper western portion of the mine. Over 6 250 square metres of stoping to date have enabled optimisation of in-stope practices, as well as ore handling systems.

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 transfer of the mining rights was granted in January of this year. Maroelabult lies immediately west of Kukama and western strike development is in part aimed at connecting with the Maroelabult decline. This will enhance the provision of underground services, as well as the build-up of mineable reserve.

Refurbishment of the primary milling circuit of the PGM concentrator was completed at the start of the period. This has permitted the treatment of run of mine ore sources, together with third-party surface material and retreatment of tailings from the Eland TSF.

Mine planning, incorporating Maroelabult, was completed and indicates a reduced lead time to steady state. This study also included planning for open-pit UG2 mining in the east of the property. Open-pit mining of UG2 commenced in the eastern portion of the mining right during the first quarter. First ore was delivered during the second quarter. Mining will ramp-up to a rate of 20 000 ore tonnes per month by early F2023.

## Project update - Metallurgical operations

### *Upgrading for the future*

#### *Rationale*

The group's operational growth strategy is both increasing the throughput of the metallurgical operations, as well as increasing the number of feed streams. This is necessitating commensurate upgrades to the capacity and flexibility of all processes, the requirements and scheduling of which have been informed by thorough production capacity analysis.

These upgrades will maintain our status as an independent PGM producer, benefitting from the full mine to market value stream.

Northam's metallurgical operations, located at Zondereinde, treat PGM and base metal concentrates from our three mines, as well as from third parties. This is in addition to high value feeds from our US recycling business. The metallurgical operations include a smelter facility, together with a base metal removal plant (BMR), which collectively produce high grade precious metal concentrate that is subsequently toll-refined off-site to final saleable metal.

The smelter facility comprises two independent furnaces (furnace 1 and furnace 2) with two flash dryers upfront and two iron-reduction converters. This produces converter matte that feeds the BMR, wherein nickel is removed as a nickel sulphate precipitate and pure copper plate is removed in an electro-winning circuit. The remaining high grade precious metal concentrate is shipped to our two toll refiners.

#### *Progress and significant milestones during the period*

The upgrade programme to our metallurgical operations commenced in earnest in 2017 with the construction and commissioning of furnace 2, together with its dedicated concentrate dryer.

Upgrades to the material handling and logistical infrastructure at these operations was completed during the previous financial year. It included improvements to the logistical flow at the smelter facility, increased the size and number of concentrate storage paddocks and upgraded concentrate sampling and weighing arrangements.

A scheduled rebuild of furnace 1, which commenced during May 2021 was completed during the second quarter. This included upgrades to the furnace crucible, binding system, furnace electrodes and transformers. In addition, the slag handling system was changed from a wet (water granulation) to a dry (air cooling) process. Upgrades to one of the up-front dryers, which included an electrostatic precipitator was finalised during the same period. This has enabled increased throughput, improved efficiency, provided additional flexibility in the smelter circuit and improved air quality, in especially relating to particulate matter emissions.

The slag-handling systems of both furnaces have now been changed from wet to dry. This has significantly reduced operational risk, energy requirements (and consequent greenhouse gas emissions) and is permitting optimised furnace capacity and utilisation.

Work has commenced on upgrades to the BMR, to align capacity to that of the smelter circuit. Additional copper electro-winning cells have been commissioned and upgrades to the crystallizer and second stage leaching circuits are in progress. In addition, vacuum pan dryers have been installed which significantly reduce sulphur dioxide emissions in the BMR. Further improvements will run in a sequential manner over the coming four years.

In addition, the construction of a separate, dedicated circuit for treating recycling material has progressed well and commissioning of this is scheduled for the end of the current financial year.

The development of a 11 MW solar power farm to provide supplemental electricity to the Metallurgical complex has commenced. The design and permitting phases for this installation have been concluded and earthworks are in progress.

## Financial overview

Strategically the period under review has been significant for Northam.

Firstly, the acceleration of the maturity of the Zambezi BEE Transaction through the implementation of the Composite Transaction, which was approved by 99.9% of Shareholders on 30 June 2021. Through the Composite Transaction, Northam will achieve a number of strategic outcomes that will position the group for the next phase in our development. The introduction of Northam Holdings as the new listed entity provides us with flexibility to undertake future transactions. This was achieved 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.

Secondly, the acquisition of a 34.68% shareholding in Royal Bafokeng Platinum Limited (RBPlat) aligns with our long-term growth, sustainability and operational diversification strategy. The consequent introduction of Royal Bafokeng Investment Holding Company Proprietary Limited (RBH) as a significant shareholder in Northam Holdings further strengthens our empowerment credentials.

We believe that this acquisition holds potential for substantial long-term value creation. It further provides inherent optionality. The complementary metals mix of RBPlat, with a higher relative platinum contribution, fits well within the broader Northam metals basket. The RBPlat assets are young, shallow and well capitalised and occupy a strategically important position in the Western Bushveld. We recognise the Royal Bafokeng Nation's important contribution and ongoing legacy in respect of RBPlat and are cognisant of our responsibility in respect of the long-term sustainability of RBPlat's operations and its impact on the broader communities and the Royal Bafokeng Nation as a whole.

Northam is committed to work closely with Royal Bafokeng Holdings Proprietary Limited (RBH) and the Royal Bafokeng Nation in the areas of renewable energy, enterprise development and skills development through establishing a trade school.

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

The Composite Transaction has been a pivotal event in the company's history. Firstly, accelerating the maturity 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. This was the catalyst for the group's growth, injecting R4.2 billion cash onto the balance sheet. It enabled a counter-cyclical investment strategy in 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.

An increase in the Northam share price, provided the opportunity, through accelerating the maturity of the Zambezi BEE Transaction, to crystallise value for the benefit of all Shareholders. This was further enabled by our Zambezi Preference Share acquisition strategy.

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

Maturation risk included:

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 have posed a risk to the value created for Northam Shareholders, including Zambezi and increased the risk of a claim under the Northam Guarantee.

Secondly, a large number of Northam Shares could have flowed to the market on maturity. This would have placed 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.

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. The Extended Empowerment Transaction will be funded by Northam.

## Our investment in RBPlat

Northam Holdings acquired an initial 32.50% interest in RBPlat from a wholly owned subsidiary of RBH.

In addition, a call and put option arrangement amounting to 1 673 695 RBPlat Shares was entered into with RBH. The initial exercise price in respect of the put and call options was R135.00 per RBPlat Share.

The purchase consideration for the 32.50% interest in RBPlat was settled by issuing 34 399 725 Northam Holdings Shares to RBIH, with the balance of R8.6 billion to be settled in cash. R3.0 billion was paid upfront, R4.0 billion will be deferred to no later than 30 April 2022 and the remaining R1.6 billion will be deferred to no later than 30 September 2022.

As a result of the transaction, RBIH now holds a strategic 8.7% shareholding in Northam Holdings.

The deferred portion of the cash consideration and the option consideration will escalate at a nominal annual rate of 12.0% compounded quarterly until the settlement thereof. Any distributions received in respect of the RBPlat Shares which are subject to the options, will be deducted from the exercise price of the options.

The transaction is aligned with Northam's operational diversification strategy with Northam Holdings acquiring a significant and strategically beneficial interest in RBPlat, providing direct exposure to RBPlat's proven mining operations and well-understood shallow ore bodies, of which a significant portion is mechanised. The transaction will also introduce further diversification to Northam's metal mix interests, given RBPlat's higher relative platinum contribution.

In addition, the transaction will provide a strategic platform for Northam to pursue a possible combination of Northam and RBPlat's business operations in the medium-term, should Northam wish to pursue such opportunity.

Northam Holdings also acquired an additional 6 289 174 RBPlat Shares, representing 2.18% of the RBPlat Shares (Further Acquisitions). Following the implementation of the Further Acquisitions Northam Holdings holds 34.68% of the RBPlat Shares. The Further Acquisitions were implemented at a volume weighted average cash consideration of R162.70 per RBPlat Share and at a maximum cash consideration of R165.00 per RBPlat Share.

In addition, an option and right of first refusal (ROFR) agreement was entered into between Northam Holdings, Emikaway (RF) Proprietary Limited (EMI) and RBH in terms of which, *inter alia*:

- EMI has been granted, for no consideration, a put option to sell 1 891 342 RBPlat Shares,
- Northam Holdings has been granted, for no consideration, a call option by EMI to acquire 4 472 103 RBPlat Shares, and
- Northam Holdings has been granted, for no consideration, a ROFR to acquire a further 3 367 673 RBPlat Shares (ROFR Shares).

All Put and Call Options have the same salient terms and conditions.

In terms of the ROFR, which remains in effect until 8 November 2024, if EMI wishes to dispose of all or a portion of the ROFR Shares (ROFR Offer Shares), it shall not be entitled to do so, nor shall it agree to do so, unless it first offers to sell the ROFR Offer Shares to Northam Holdings. The purchase consideration in respect of each ROFR Offer Share shall be determined with reference to the 5-Day VWAP of an RBPlat Share on the date on which EMI offers the ROFR Offer Shares to Northam Holdings.

Should the RBIH Put and Call, the EMI Put and Call and the ROFR be exercised, in full, Northam Holdings will increase its total holding in the RBPlat Shares to 37.97% in aggregate.

For the period under review, the group's share of earnings from RBPlat amounted to R128.4 million, and a dividend of R536.2 million was declared subsequent to the period end.

Refer to note 13 and note 25 for more details on the investment in RBPlat, and associated payment terms.

*The transaction concluded with Royal Bafokeng Holdings gives Northam a strategically important shareholding in RBPlat, creating significant long-term optionality for Northam. It aligns perfectly with our long-term growth, sustainability and diversification strategy and the introduction of Royal Bafokeng Holdings as a significant shareholder further strengthens our empowerment credentials*



# 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 R3.9 billion (H1 F2021: R3.3 billion), which equates to normalised headline earnings per share, based on the total number of 396 615 878 issued shares of 975.1 cents (H1 F2021: 509 781 212 issued shares which equated to 641.5 cents). This represents an increase of 52.0%.

Going forward no further Zambezi BEE charges will be recognised in profit or loss.

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

	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	R000	R000	R000
Headline earnings	3 490 867	2 098 959	9 404 204
Add back:			
Amortisation of liquidity fees paid on Zambezi Preference Shares	64 197	8 195	16 390
Zambezi Preference Share dividends	25 604	274 446	378 678
Loss on derecognition of Zambezi Preference Share liability	286 632	888 484	1 068 558
Normalised headline earnings	3 867 300	3 270 084	10 867 830
Normalised headline earnings per share (cents)	975.1	641.5	2 131.9
Number of shares in issue including Treasury Shares	396 615 878	509 781 212	509 781 212
Earnings per share (cents)	965.0	599.9	2 681.8
Fully diluted earnings per share (cents)	965.0	531.0	2 523.5
Headline earnings per share (cents)	961.5	599.9	2 687.9
Fully diluted headline earnings per share (cents)	961.5	531.0	2 529.2
Dividends per share (cents)	–	–	–

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

# Results commentary continued

## Revenue

Below are key highlights relating to revenue:

	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	R000	R000	R000
Platinum	3 001 918	2 904 661	6 260 523
Palladium	2 558 651	3 567 118	7 413 220
Rhodium	6 660 694	4 322 356	16 004 640
Gold	91 336	131 920	234 094
Iridium	494 674	181 073	1 024 305
Ruthenium	497 419	144 289	452 095
Silver	1 900	5 007	7 411
Nickel	213 590	186 388	380 445
Copper	63 619	55 036	118 232
Cobalt	3 099	2 218	5 161
Chrome	291 082	384 832	726 792
Toll treatment charges	3 463	-	-
Total sales revenue	13 881 445	11 884 898	32 626 918

		6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
		Sales volumes	Sales volumes	Sales volumes
Platinum	oz	197 911	193 859	391 788
Palladium	oz	79 182	96 854	199 357
Rhodium	oz	28 785	20 268	54 644
Gold	oz	3 377	4 339	8 268
4E	oz	309 255	315 320	654 057
Iridium	oz	7 849	6 676	18 109
Ruthenium	oz	58 835	36 446	88 771
6E	oz	375 939	358 442	760 937
Silver	oz	5 307	12 416	18 727
Nickel	t	699	760	1 520
Copper	t	452	511	998
Cobalt	t	3	4	9
Chrome	t	430 697	521 086	1 017 304

## Results commentary continued

		6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
		Average prices achieved	Average prices achieved	Average prices achieved
Platinum	USD/oz	1 009	934	1 065
Palladium	USD/oz	2 149	2 296	2 479
Rhodium	USD/oz	15 385	13 296	19 526
Gold	USD/oz	1 798	1 895	1 888
4E	USD/oz	2 647	2 160	3 049
Iridium	USD/oz	4 190	1 691	3 771
Ruthenium	USD/oz	562	247	340
6E	USD/oz	2 353	1 957	2 750
Silver	USD/oz	24	25	26
Nickel	USD/t	20 317	15 290	16 686
Copper	USD/t	9 358	6 715	7 898
Cobalt	USD/t	68 684	34 570	38 230
Chrome	USD/t	45	46	48

Sales revenue for the period was R13.9 billion, an increase of 16.8% on the previous comparable period (H1 F2021: R11.9 billion). The increase in sales revenue was the combined result of softer sales volumes on a 4E basis, higher USD basket prices and a stronger ZAR/USD exchange rate. Sales volumes decreased due to the reduction in refined metal produced and impacted by the planned rebuild and upgrade of smelter furnace 1 which commenced during May 2021 and was successfully completed during the period under review.

Sales volumes are expected to increase during the second half, with our sales guidance between 720 000 and 740 000 oz 4E for the full financial year.

The average US dollar (USD) basket price increased by 22.5% from USD2 160/4E oz in H1 F2021 to USD2 647/4E oz. The average USD average 4E basket price achieved benefitted from an 8.0% increase in the average platinum price together with a 15.7% increase in the average rhodium price to USD15 385/Rh oz. The minor metals, iridium and ruthenium, continue to perform well, increasing by 147.8% and 127.5%, respectively. It is expected that iridium and ruthenium, which are critical to the growing hydrogen economy, will become increasingly significant contributors to revenue.

The average ZAR/USD exchange rate over the same period strengthened by 6.2% to R15.04/USD (H1 F2021: R16.04/USD).

*The minor metals are performing well and are important for the growing hydrogen economy*

## Results commentary continued

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

	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	%	%	%
Platinum	24.4	26.6	20.9
Palladium	20.8	32.6	24.8
Rhodium	54.1	39.6	53.5
Gold	0.7	1.2	0.8
4E basket	100.0	100.0	100.0

	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	R/Pt oz	R/Pt oz	R/Pt oz
Total revenue per Pt oz sold	70 140	61 307	83 277

Total revenue per platinum ounce sold increased by 14.4% to R70 140/Pt oz, from R61 307/Pt oz in H1 F2021. This led to a cash profit margin per platinum ounce of 53.2%.

*Platinum volume accounts for approximately 60% of the 4E basket – any upward movement in the platinum price will have a substantial positive impact on the profitability of the group*

## Cost of sales and operating profit margin

Despite the operational and inflationary challenges experienced, operating profit increased by 12.7%. Operating profit was impacted by a 16.8% increase in revenue and a corresponding 20.0% increase in cost of sales, resulting in an operating profit of R5.9 billion for the period under review (H1 F2021: R5.2 billion). This translates to an operating profit margin of 42.2% (H1 F2021: 43.7%).

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

- Mining costs increased by 17.9%. This is attributable to wage increases, an increase in the average number of employees and contractors and a marginal increase in square metres mined.
- Concentrating costs increased by 15.8% with the concentrator at Eland mine not yet operating at full capacity, but still carrying a high associated fixed cost.
- Smelter and base metal removal plant costs increased by 6.5% owing to the increase in the electricity unit cost, which increased by more than 15%. Smelter costs are mainly driven by tonnes smelted which amounted to 88 584 tonnes during the current period versus 92 986 tonnes during H1 F2021, taking into account the planned rebuild of furnace 1.
- Chrome processing costs increased by an inflationary 7.1% for the period under review.
- Selling and administration overheads increased by 8.3%. 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 213.2%, 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 paid royalties at a rate for refined material of approximately 2.6% (H1 F2021: 3.7%) and Booyensdal paid royalties at the maximum rate of 7% for unrefined material, compared to the minimum rate of 0.5% paid for the period ended 31 December 2020. Booyensdal no longer has any unredeemed capital expenditure to set off against mining income from own operations, whereas during the previous corresponding period, unredeemed capital to the value of R5.0 billion was available to set off against taxable profits. 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 incentive plan (SIP). The share-based payment expenses take into account the number of outstanding performance and retention shares. Movements in the share price contribute to the movement in the statement of profit or loss. During the previous corresponding period the share price increased by 69.5% resulting in a significant share-based payment expense being recognised in the income statement.
- The Toro Employee Empowerment Trust expense relates to contributions made to the 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 period ended 31 December 2021, no contributions accrued to the Trust (H1 F2021: R134.6 million). Contributions were made to employee profit share schemes at Booyensdal and Eland.
- The cost of concentrates, metals and recycling material purchased increased by 21.7% with 4E volumes purchased increasing by 34.2%. The cost of purchased material is determined by ruling commodity prices as well as the prill split of the material purchased. During the period under review third-party material purchased contained more platinum, with a lower cost, and less palladium, with a higher cost, than the previous corresponding period which impacted the costs of the metal purchased.
- Refining costs increased by 11.4% to R121.0 million (H1 F2021: R108.6 million). During the period under review, the group engaged the services of a second precious metal refiner to cater for the group's medium to long-term production growth. In addition, refining costs are dependent on the metal refined with rhodium, iridium and ruthenium attracting a higher refining cost which resulted in the 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 an increase in the volume of inventory capitalised to the balance sheet.

Overall operating costs have been impacted by the following factors:

- Employee costs increased by 19.2% to R2.8 billion (H1 F2021: R2.3 billion), which was impacted by an increase of 17.0% in the number of permanent employees employed by the group, increasing from 9 917 individuals as at 31 December 2020 to 11 598 individual as at 31 December 2021. The number of employees in service increased as we continue to grow our labour component to enable our planned expanded production profile.
- Diesel and fuel costs increased by 67.4% to R91.7 million (H1 F2021: R54.8 million), on the back of a 33.4% increase in the litres used. The continuous increase in the cost of diesel, will impact our Booyensdal operations most as a result of the mechanised fleet employed.
- Stores costs increased from R1.5 billion to approximately R1.9 billion, an increase of 22.7%. This was driven by an increase of 20.7% in explosives, an increase of 48.7% in lubricants, a large increase in machine maintenance costs incurred largely on the fleet at Booyensdal and general maintenance across the various operations.
- The increase in sundries was driven by the increase in insurance costs which increased as a result of the increased profitability of the group together with the enlarged capital footprint; additional transport costs were also incurred to facilitate the transport of employees at Booyensdal together with an increase in IT related costs, primarily on licensing fees and other IT operational costs.

# Results commentary continued

## Taxation

Taxation is made up as follows:

	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	R000	R000	R000
<i>Income tax</i>			
Current mining income tax charge	1 092 575	633 796	3 347 390
Current non-mining income tax charge	31 332	14 794	38 977
Adjustment in respect of current income tax of the previous year	(14 767)	(33)	(1 529)
<i>Dividend Withholding Tax</i>			
Current period/year Dividend Withholding Tax	5 391	76	150
<i>Deferred tax</i>			
Current and prior period/year deferred tax charge	468 615	775 932	964 340
Total income tax expense reported in profit or loss	1 583 146	1 424 565	4 349 328

The increase in normal tax was driven by the full utilisation of the unredeemed capex balance relating to Booysendal Platinum Proprietary Limited. During the previous corresponding period Booysendal had unredeemed capital to the value of R5.0 billion available to set off against taxable profits compared to the current period which only had this periods capital expenditure available.

The group made income tax payments during the period under review, to the value of R995.5 million in respect of group profits, R1.8 billion in respect of capital gains tax relating to the Composite Transaction and a further R198.8 million for Security Transfer Taxes and Dividend Withholding Tax also relating to the Composite Transaction.

Movements in deferred tax are predominantly owing to capital expenditure.

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. It is believed based on the latest forecasts and budget that Eland Platinum Proprietary Limited will generate sufficient taxable profits to utilise the deferred tax asset in the foreseeable future.

For 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, refer to note 9 of the condensed reviewed interim financial results.

*Income tax payments to the value of R3.0 billion have been made for the period under review*

# Results commentary continued

## Working capital

Working capital management remains a priority and has been impacted by high inventory levels, resulting from the planned rebuild and upgrade of smelter furnace 1 during the period together with the increase in the precious metal pipeline, due to the group now utilising the services of a second precious metal refiner, increasing the pipeline by approximately 40 000 oz 4E.

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 2021	272 742	39 869	312 611
Equivalent refined metal production from Zondereinde	156 688	–	156 688
Concentrate production converted to equivalent refined metal production from Booyssendal	173 606	–	173 606
Concentrate production converted to equivalent refined metal production from Eland	21 065	–	21 065
Purchased material for the period under review	–	25 188	25 188
Unrealised metal losses*	(29)	–	(29)
Sales	(282 721)	(26 534)	(309 255)
Closing inventory ounces as at 31 December 2021	341 351	38 523	379 874

\*This relates to assumptions made regarding metal grades and realised recoveries.

The valuation of metal inventory was impacted by a 21.5% increase in metal volumes.

Previously purchased material will only be processed in F2023 and are therefore classified as non-current.

Below is a breakdown of the inventory working capital, detailing the increase in the precious metal refining pipeline:

	6 months ended 31 December 2021	12 months ended 30 June 2021
	oz	oz
Non-current inventory	24 881	48 803
Concentrate in process	26 862	40 822
Smelter and base metal removal plant inventory	85 896	69 618
Precious metal refinery and finished product inventory	106 289	61 952
Excess inventory	135 946	91 416
Closing inventory ounces	379 874	312 611

# Results commentary continued

## Cash flow and Net Debt

The group's financial results were affected by the challenging operational performance which impacted sales volumes, which in turn impacted operating profit, and hence the cash position of the group. The cash position was further impacted by the acceleration of the maturity of the Zambezi BEE Transaction through the implementation of the Composite Transaction as well as the acquisition of a 34.68% shareholding in RBPlat.

During the period the group generated cash flow from operations amounting to R2.9 billion (H1 F2021: R3.1 billion). Cash generated was applied towards both the Composite Transaction resulting in an outflow of cash in excess of R6.6 billion together with the acquisition of the investment in RBPlat amounting to an outflow of R4.1 billion during the period under review. This resulted in Net Debt increasing to R14.3 billion, excluding the Deferred Acquisition Consideration of R5.7 billion.

As previously communicated to shareholders, Northam is comfortable with a self-imposed long-term Net Debt to EBITDA Ratio of 1 to 1 in the pursuance of the group's growth strategy. Excluding the Deferred Acquisition Consideration, which relates to a corresponding cash generative underlying asset with no net debt, the Net Debt Ratio as at 31 December 2021 (expressed on a rolling 12-month basis) amounted to 0.81. Inclusive of the Deferred Acquisition Consideration, the Net Debt Ratio was 1.13. The ongoing release of metal built up ahead of the smelter following the recommissioning of furnace 1, as well as a normalisation of the metal pipeline following the introduction of a second precious metal refiner, combined with the strong current metal price environment and the receipt by Northam of the dividend declared by RBPlat subsequent to the period end, will contribute to normalising the Net Debt Ratio (post settlement of the outstanding consideration) by 31 December 2022.

The group's free cash flow generated has been calculated as follows, and impacted by the following items:

	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	R000	R000	R000
Cash flows from operating activities	2 911 944	3 144 590	12 095 891
Less capital expenditure incurred in cash during the period/year	(2 370 900)	(1 290 158)	(3 219 048)
Free cash flow generated during the period/year	541 044	1 854 432	8 876 843
Strategic Partner Advances	-	-	(391 522)
Northam Holdings Shares repurchased from the Strategic Partners	(2 414 895)	-	-
Taxes paid in cash relating to the Composite Transaction	(2 023 992)	-	-
Net Asset Value Distribution paid in cash to the Strategic Partners	(59 415)	-	-
Payment of a portion of the Lock-in Fees to certain Strategic Partners	(78 114)	-	-
Cash flow utilised in returning value to Shareholders – acquisition of Zambezi Preference Shares	(2 041 135)	(6 817 382)	(7 936 299)
Transaction fees paid on the acquisition of Zambezi Preference Shares	(5 165)	(126 145)	(148 577)
Investment in RBPlat paid in cash	(4 060 206)	-	-
(Increase in debt facilities)/residual free cash flow due to corporate actions	(10 141 878)	(5 089 095)	400 445

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:

	6 months ended 31 December 2021	6 months ended 31 December 2020	12 months ended 30 June 2021
	R000	R000	R000
Cash and cash equivalents	942 699	445 552	3 877 208
Domestic Medium-Term Notes issued net of transaction costs	(9 296 130)	(6 975 522)	(7 594 235)
Revolving credit facility utilised net of transaction costs	(3 980 478)	(2 279 659)	-
Bridge facility net of transaction costs	(1 445 299)	-	-
General banking facility utilised	(499 901)	-	-
Net Debt position	(14 279 109)	(8 809 629)	(3 717 027)
Rolling 12-month EBITDA	17 688 377	8 242 408	16 655 317
Net Debt/EBITDA Ratio	0.81	1.07	0.22

Financing is available through the R15.0 billion Domestic Medium-Term Note (DMTN) Programme, as well as our R8.0 billion banking facilities.

Northam is comfortable with a Net Debt to EBITDA Ratio of 1 to 1 in the pursuance of our growth strategy.



# Results commentary continued

## Banking facilities

Adequate credit facilities are in place through the revolving credit facility (RCF), of R4.0 billion (31 December 2020: R3.5 billion and 30 June 2021: R4.0 billion), together with a general banking facility (GBF), of R1.0 billion (31 December 2020: R500.0 million and 30 June 2021: R1.0 billion).

During the period under review Northam obtained an additional facility from Nedbank Limited (Nedbank). This was in light of the group's cash investments in relation to (i) the Composite Transaction, (ii) the acquisition of a shareholding in RBPlat (RBPlat Transaction) and (iii) the subsequent acquisition of further RBPlat Shares for R1.0 billion. Nedbank provided a R3.0 billion Bridge facility to Northam (Bridge facility) with a 6-month term that can be extended by up to 12 months at Northam's election in 3-month increments. The interest rate offered is 1-month JIBAR plus a margin of 2.00%. The Bridge facility replenishes the group's cash reserves (following the cash outflows with regards to the Composite Transaction and the acquisition of the RBPlat Shares) and is used for general corporate and capital expenditure requirements, including settlement of the Deferred Acquisition Consideration associated with the RBPlat Transaction, as and when these payments become due.

In addition, further funding is accessible by way of the DMTN Programme of R15.0 billion, of which R9.5 billion had been placed at 31 December 2021.

The Net Debt to Equity Ratio financial covenant, for the Measurement Periods ending 31 December 2021 and 30 June 2022 were waived by Nedbank, taking into account the impact of the Composite Transaction.

None of the various covenant requirements have been breached or are close to being breached. It is not believed that the group is currently at risk of breaching any of the covenant requirements.

*The group has utilised its facilities in pursuit of its well stated growth strategy*

## Northam's long-term and short-term credit ratings re-affirmed and outlook upgraded to positive

The credit rating agency, Global Credit Rating Co. (GCR), re-affirmed Northam's national scale long-term credit rating at A(za) and short-term credit rating at A1(za), with the outlook upgraded from stable to positive.

The upgrade to a positive outlook primarily reflects Northam's continued ramp-up of lower cost production volumes amidst favourable commodity prices, translating into robust cash flow generation. Moreover, the positive outlook reflects the potential for Northam's credit ratings to be upgraded over the next 24 months, dependant on, *inter alia*, the progression of the group's production towards its medium-term annual target of 1 million ounces 4E.

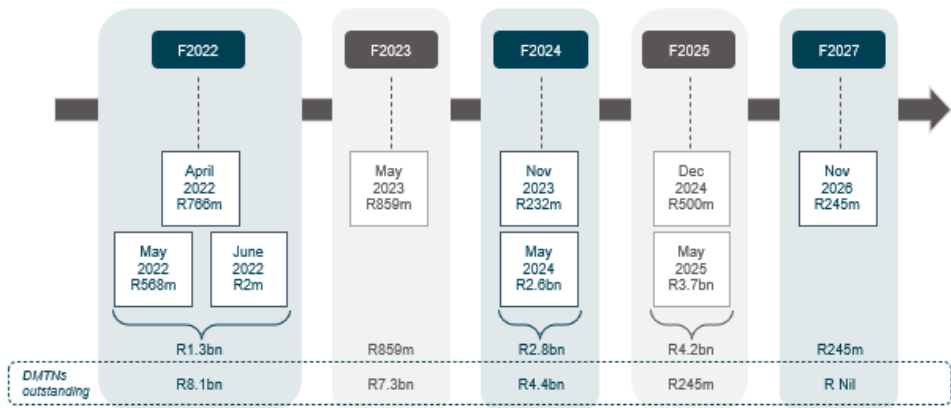
Domestic Medium-Term Notes Programme

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.

Northam updated the Previous Programme Memorandum to, *inter alia*, align with the latest regulations (including amendments to the Debt Listings Requirements), including more recent information pertaining to Northam and incorporating Booyensdal Platinum Proprietary Limited as guarantor. Refer to the related party note (note 31) for details of the guarantee issued by Booyensdal Platinum Proprietary Limited, with regards to the Notes issued.

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.

Below is a summary of Northam's DMTN debt maturity profile. The timeline below illustrates the capital portion of DMTNs maturing in each financial year until F2027. A total of R1.3 billion of DMTNs will mature in the next six months.



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

## **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.

Since 2015 we have pursued a strategy of growing production down the cost curve whilst reducing operational risk and returning free cash generated from our operations to Shareholders. This strategy remains unchanged.

We initiated our strategy during the market down cycle employing counter cyclical capital allocation in acquisitions and organic growth through project development.

We now find ourselves in a buoyant pricing environment which supports the acquisition of immediate cash generative production as opposed to the development of long dated projects/ounces.

## **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.

Our view of the quality and scarcity of the RBPlat assets drove our investment decision. Both its mines are shallow, well capitalised and exploit quality ore bodies with metal loadings aligned to our view on future metal prices.

## **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, Bridge facility and the DMTN Programme, we are comfortable to use debt to finance our capital projects and our investment in RBPlat.

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.

*We are comfortable with a Net Debt to EBITDA Ratio of 1 to 1 in pursuit of our growth strategy*

## **Returning meaningful value to our 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 group has returned significant value to Shareholders over the last two years through the acquisition of Zambezi Preference Shares and the early maturity of Zambezi, which resulted in a reduction in the group's issued share capital of 28.9%.

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 metal prices, together with capital commitments at the time of consideration by the board.

The company is currently at a critical juncture in our growth trajectory, with various potential alternative outcomes which remain to be determined. These outcomes will inform our approach to dividends.

## **Key accounting estimates, assumptions and judgements**

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

## Changes to the board of directors

During the period under review, 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 (Implementation Date), all of the members of the Northam board, as constituted at such time, other than Mr DH Brown, Ms HH 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, 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. With effect from 3 February 2022, Mr MH Jonas, was appointed as a member of the audit and risk committee. The audit and risk committee currently comprises: Ms Hickey (chairperson), Dr NY Jekwa and Mr Jonas.

Following engagement with shareholders a remuneration committee was established in September 2021. The responsibilities of the remuneration committee were previously fulfilled by the social, ethics, human resources and transformation (SEHR&T) committee. Ms Hickey and Mr Brown were appointed as members of this committee on establishment, with Ms Hickey being appointed as its chairperson. Mr Mvusi, the company's lead independent director, was appointed as a member of the committee on 3 November 2021.

Mr Brown, Mr Mvusi and Mr JG Smithies were appointed as members of the nomination committee, with Mr Brown being appointed as its chairman, and Ms Kgosi stepped 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 comprises: Mr Smithies (chairman), Dr Jekwa, Mr Lewis and Mr Dunne.

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

Mr JJ Nel resigned as an independent non-executive director of the company and as a member of the audit and risk, the SEHR&T and the investment committees with effect from 17 December 2021.

In addition, Mr Dunne was appointed as a member of the SEHR&T committee on an interim basis until a suitable non-executive director is appointed to replace him. Following such appointment, the SEHR&T committee comprises: Ms Kgosi (chairperson), Dr Jekwa and Mr Dunne.

## 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 the group, ensuring that an ethical culture is in place 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 chief executive officer (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.

Each committee provides governance in terms of its specific charter, with all charters being available on the Northam website.

An internal 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 is being done gradually and in an orderly manner.

During the period under review, an independent remuneration committee was constituted to comply with best practice.

Annual independence evaluations are conducted for all directors. At least every 2 (two) years the board, its committees and individual board members, including the chairman undertake a formal external evaluation. The last external evaluation was done in October 2020 and the next one is scheduled for later this year.

The group's application and explanation of the King IV™ principles are available on the Northam website.

The group's corporate governance report for the financial year ended 30 June 2021 is available on the Northam website at [www.northam.co.za](http://www.northam.co.za).

## 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 whilst 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 condensed reviewed interim financial results, issued capital, reserves and retained earnings.

The condensed reviewed interim financial results have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. 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. In addition, the current assets, taking into consideration the net realisable value of inventory exceeds the current liabilities.

Accordingly, the condensed reviewed interim financial results have been prepared on a going concern basis.

## Outlook and key factors impacting future financial results

The following key factors could impact future financial results:

- **Continuing to improve the safety performance and health and wellness of our employees** – 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 (Eskom), the national power utility. Recent developments at Eskom, together with the vulnerability of the transmission grid due to sabotage 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 (USD) 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 successful execution of our 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 operational and financial performance of RBPlat** – The group has invested significant capital in purchasing a strategic interest in RBPlat. The operational and financial performance of RBPlat will determine our return on investment. This investment has been made on the basis of our long-term view of metal prices.

The global economic outlook remains uncertain, resulting in volatile metal markets and exchange rates. The group's financial performance is influenced by the exchange rate and commodity prices together with the stability of our operating environment. Management is confident that Northam is in a position to take advantage of improved market conditions going forward whilst reducing our operational risk profile and improving our business resilience.

On behalf of the board,

DH Brown  
Independent non-executive chairman

PA Dunne  
Chief executive officer

Johannesburg  
29 March 2022

# Condensed reviewed interim financial results

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

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

The condensed reviewed interim financial results are available on the company's website at [www.northam.co.za](http://www.northam.co.za).

## Consolidated statement of profit or loss and other comprehensive income

		Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
		R000	R000	R000
Sales revenue	3	13 881 445	11 884 898	32 626 918
Cost of sales		(8 030 280)	(6 693 239)	(16 519 625)
Operating costs	4	(7 626 720)	(6 779 434)	(14 484 980)
Concentrates purchased		(975 585)	(801 329)	(2 883 816)
Refining and other costs		(120 970)	(108 560)	(216 629)
Depreciation and write-offs	11 & 12	(433 772)	(414 105)	(844 446)
Change in metal inventory	15	1 126 767	1 410 189	1 910 246
Gross profit		5 851 165	5 191 659	16 107 293
Share of earnings from associates	13	141 474	1 305	6 180
Investment income	5	55 667	28 682	90 485
Finance charges excluding Zambezi Preference Share dividends	6	(603 515)	(331 434)	(705 444)
Net foreign exchange transaction gains/(losses)		20 913	(85 935)	(104 804)
Sundry income	7	225 748	57 876	134 107
Sundry expenditure	8	(228 434)	(167 432)	(331 905)
Profit before Zambezi Preference Share dividends		5 463 018	4 694 721	15 195 912
Amortisation of liquidity fees paid on Zambezi Preference Shares	20	(64 197)	(8 195)	(16 390)
Zambezi Preference Share dividends	20	(25 604)	(274 446)	(378 678)
Loss on derecognition of Zambezi Preference Share liability	20	(286 632)	(888 484)	(1 068 558)
Profit before tax		5 086 585	3 523 596	13 732 286
Tax	9	(1 583 146)	(1 424 565)	(4 349 328)
<b>Profit for the period/year</b>		<b>3 503 439</b>	<b>2 099 031</b>	<b>9 382 958</b>

### 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	9 727	(15 724)	(17 954)
<b>Total comprehensive income for the period/year</b>	<b>3 513 166</b>	<b>2 083 307</b>	<b>9 365 004</b>

		Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
Earnings per share (cents)	10	965.0	599.9	2 681.8
Fully diluted earnings per share (cents)	10	965.0	531.0	2 523.5



# Condensed reviewed interim financial results continued

## Consolidated statement of financial position

		Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
		R000	R000	R000
<b>Assets</b>				
Non-current assets		46 198 978	25 656 545	27 387 827
Property, plant and equipment	11	21 036 021	17 459 187	19 116 143
Mining properties and Mineral Resources	12	6 552 279	6 620 147	6 579 506
Interest in associates	13	17 656 996	63 356	68 231
Land and township development		74 933	71 729	69 032
Long-term receivables	14	85 182	83 550	83 161
Investments held by Northam Platinum Restoration Trust Fund	19	139 528	133 230	136 030
Environmental guarantee investment		80 361	62 125	60 707
Buttonshope Conservancy Trust		14 860	16 416	16 067
Other financial assets	24	–	–	23 182
Non-current inventories	15	481 884	1 146 805	1 195 863
Deferred tax asset		76 934	–	39 905
Current assets		9 775 286	5 953 739	10 563 033
Inventories	15	7 030 833	4 701 372	5 144 590
Trade and other receivables	16	1 681 624	721 232	1 414 930
Cash and cash equivalents	17	942 699	445 552	3 877 208
Other financial assets	18	119 299	–	–
Tax receivable		831	85 583	126 305
<b>Total assets</b>		<b>55 974 264</b>	<b>31 610 284</b>	<b>37 950 860</b>

# Condensed reviewed interim financial results continued

		Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
		R000	R000	R000
<b>Equity and liabilities</b>				
Total equity		23 390 922	11 733 622	19 015 319
Stated capital		13 476 322	*	*
Treasury Shares		(1 214 949)	–	–
Re-organisation reserve		(4 176 945)	7 221 991	7 221 991
Retained earnings		15 279 400	3 617 586	10 901 513
Foreign currency translation reserve		27 094	19 597	17 367
Equity-settled share-based payment reserve		–	874 448	874 448
Non-current liabilities		17 193 656	14 102 065	10 371 631
Deferred tax liability		3 687 206	2 953 249	3 181 562
Long-term provisions	19	846 974	760 041	812 747
Zambezi Preference Share liability	20	–	2 518 715	1 669 867
Long-term loans	21	86 670	122 815	114 195
Lease liability		64 102	71 871	68 019
Long-term share-based payment liability	22	560 311	464 139	644 717
Domestic Medium-Term Notes	23	7 967 915	4 931 576	3 880 524
Revolving credit facility	24	3 980 478	2 279 659	–
Current liabilities		15 389 686	5 774 597	8 563 910
Current portion of long-term loans	21	11 673	28 472	33 804
Current portion of lease liability		13 711	13 888	13 228
Current portion of Domestic Medium-Term Notes	23	1 328 215	2 043 946	3 713 711
Short-term share-based payment liability	22	755 669	356 868	498 010
Deferred Acquisition Consideration	25	5 664 246	–	–
Bridge facility	26	1 445 299	–	–
Bank overdraft	17	499 901	–	–
Tax payable		1 897 040	162 991	72 664
Trade and other payables	27	3 307 487	2 730 492	3 805 501
Provisional pricing derivatives	28	–	5 615	–
Short-term provisions		466 445	432 325	426 992
<b>Total equity and liabilities</b>		<b>55 974 264</b>	<b>31 610 284</b>	<b>37 950 860</b>

\*The stated capital amounts to R1, therefore less than R1 000.

# Condensed reviewed interim financial results continued

## Consolidated statement of changes in equity

	Stated capital net of Treasury Shares	Re- organisation reserve: Northam Scheme of arrangement	Retained earnings	Foreign currency translation reserve	Equity-settled share-based payment reserve	Total
	R000	R000	R000	R000	R000	R000
Opening balance as at 1 July 2020	–	7 221 991	1 518 555	35 321	874 448	9 650 315
Issue of 1 share with the incorporation of Northam Platinum Holdings Limited on 2 December 2020 to Northam Platinum Limited	*	–	–	–	–	–
Total comprehensive income for the period	–	–	2 099 031	(15 724)	–	2 083 307
Profit for the period	–	–	2 099 031	–	–	2 099 031
Other comprehensive income for the period	–	–	–	(15 724)	–	(15 724)
Balance as at 31 December 2020	*	7 221 991	3 617 586	19 597	874 448	11 733 622
Total comprehensive income for the period	–	–	7 283 927	(2 230)	–	7 281 697
Profit for the period	–	–	7 283 927	–	–	7 283 927
Other comprehensive income for the period	–	–	–	(2 230)	–	(2 230)
Balance as at 30 June 2021	*	7 221 991	10 901 513	17 367	874 448	19 015 319
Re-organisation as a result of the Composite Transaction	6 983 114	(6 983 114)	–	–	–	–
Taxes relating to the Composite Transaction accounted for directly in equity	–	(3 854 809)	–	–	–	(3 854 809)
Northam Holdings Shares repurchased from the Strategic Partners including Securities Transfer Taxes deducted from equity	(2 414 895)	–	–	–	–	(2 414 895)
Northam Holdings Shares issued pursuant to the purchase of a 32.50% investment in Royal Bafokeng Platinum Limited (RBPlat)	7 693 154	–	–	–	–	7 693 154
Net Value Distribution	–	(561 013)	–	–	–	(561 013)
Transfer between equity settled share-based payment reserves and retained earnings due to the Composite Transaction	–	–	874 448	–	(874 448)	–
Total comprehensive income for the period	–	–	3 503 439	9 727	–	3 513 166
Profit for the period	–	–	3 503 439	–	–	3 503 439
Other comprehensive income for the period	–	–	–	9 727	–	9 727
Balance as at 31 December 2021	12 261 373	(4 176 945)	15 279 400	27 094	–	23 390 922

\*The stated capital amounts to R1, therefore less than R1 000.

Refer to the reconciliation of both the number of shares in issue as well as the rand value of stated capital net of Treasury Shares.

# Condensed reviewed interim financial results continued

## **Re-organisation reserve: Northam Scheme of arrangement**

The Northam Scheme was implemented on 20 September 2021.

Subsequent to the implementation of the Northam Scheme, Northam Holdings Shareholders have the same commercial and economic interest as they had prior to the implementation of the Northam Scheme and no additional new Northam Holdings Shares were issued as part of the Northam Scheme. Following the implementation of the Northam Scheme, the consolidated financial statements of Northam Holdings therefore reflects that the arrangement is in substance a continuation of the existing group. Northam Platinum Limited is the predecessor for financial reporting purposes and following the implementation of the Northam Scheme, Northam Platinum Holdings Limited's consolidated comparative information is presented as if the re-organisation had occurred before the start of the earliest period presented.

In order to affect the re-organisation of the group at the earliest period presented in these condensed interim financial results, a re-organisation reserve was recognised at 1 July 2020 to adjust the previously stated capital of Northam Platinum Limited of R7.2 billion.

Since the consolidated financial results of Northam Holdings are in substance a continuation of the existing Northam group, the shares used in calculating the weighted average number of issued shares (refer to note 10) is based on the issued stated capital of the listed entity, being Northam Platinum Limited as at 31 December 2020 and 30 June 2021. As a result of the above, earnings per share measures are based on the issued shares for those comparative periods.

## **Taxes relating to the Composite Transaction accounted for directly in equity**

Taxes relating to the Composite Transaction accounted for directly in equity relates to the Northam Shares repurchased as part of the Composite Transaction that attracts Capital Gains Tax and Security Transfer Tax.

## **Northam Holdings Shares repurchased from the Strategic Partners**

Northam Platinum Holdings Limited accepted an irrevocable, unconditional offer from Relevant Zambezi Shareholders to acquire, in aggregate 14 571 063 Northam Holdings Shares (Share Sale Offer), for a purchase consideration of R165.29 per Northam Holdings Share (Purchase Price).

The Purchase Price represented a 16.1% discount to the 30-Day VWAP of a Northam Share as at 17 September 2021 (each Northam Share having been exchanged for a Northam Holdings Share pursuant to the implementation of the Northam Scheme). The aggregate Purchase Price in respect of these repurchases amounted to approximately R2.4 billion.

Shareholders of Northam granted approval at the General Meeting held on Wednesday, 30 June 2021, for a repurchase by Northam Holdings of Northam Holdings Shares from the Relevant Zambezi Shareholders at a price not exceeding the prevailing 30-Day VWAP of a Northam Holdings Share/Northam Share at the relevant acquisition date. Northam accepted the Share Sale Offer pursuant to the group's continued efforts to execute on its strategy of returning meaningful value to Shareholders.

Securities Transfer Tax was also payable at the market value of the Northam Holdings Shares repurchased, amounting to R6.4 million.

Repurchased Northam Holdings Shares were cancelled subsequent to the repurchase.

## **Northam Holdings Shares issued pursuant to the purchase of a 32.50% investment in RBPlat**

Northam Platinum Holdings Limited acquired a 32.50% interest in RBPlat from a wholly owned subsidiary of RBH.

The purchase consideration for the 32.50% interest in RBPlat was settled by Northam Holdings issuing 34 399 725 Northam Platinum Holdings Limited Shares to Royal Bafokeng Investment Holding Company Proprietary Limited (RBIH), with the balance of R8.6 billion settled in cash. R3.0 billion was paid upfront, R4.0 billion will be deferred to no later than 30 April 2022 and the remaining R1.6 billion will be deferred to no later than 30 September 2022, refer to note 13 and 25.

The Northam Holdings share price on date of implementation, being 19 November 2021, amounted to R223.64 per Northam Holdings Share.

# Condensed reviewed interim financial results continued

## **Net Value Distribution**

The Net Value Distribution relates to a distribution made to the Zambezi Ordinary Shareholders amounting to R561.0 million calculated as 3 690 876 Northam Shares at a price of R152.00 per share.

The Net Value Distribution was made in cash.

## **Equity-settled share-based payment reserve: Transfer between equity settled share-based payment reserves and retained earnings due to the Composite Transaction**

The Net Value Distribution results in the derecognition of the R874.4 million balance in equity settled share-based payment reserve, originally recognised pursuant to the Zambezi BEE Transaction, with the movement recognised in retained earnings.

## **Foreign currency translation reserve**

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).

# Condensed reviewed interim financial results continued

## Reconciliation of both the number of shares in issue as well as the rand value of stated capital net of Treasury Shares

Below is a reconciliation of the movement in the number of Northam Shares that were in issue following completion of the early maturity of the Zambezi BEE Transaction and the Revised Accumulated Dividends Settlement, following which the Northam Scheme was implemented.

	<b>Total number of Northam Shares in issue</b>	<b>Northam Treasury Shares</b>	<b>Northam Shares outstanding (net of Treasury Shares)</b>
	Number of Northam Shares	Number of Northam Shares	Number of Northam Shares
Number of Northam Shares as at 1 July 2021	509 781 212	159 905 453	349 875 759
Revised Accumulated Dividends Settlement	(57 054 413)	(57 054 413)	–
Repurchase to facilitate Zambezi with the settlement of taxes, fees and Advances	(34 248 891)	(34 248 891)	–
Distribution to Zambezi Ordinary Shareholders	–	(27 561 210)	27 561 210
Repurchased from the ESOP to facilitate the settlement of taxes	(649 754)	–	(649 754)
Number of Northam Shares outstanding pre the Northam Scheme	417 828 154	41 040 939	376 787 215
Implementation of the Northam Scheme whereby Northam Shares were acquired by way of a share for share transaction	(376 787 215)	–	(376 787 215)
	41 040 939	41 040 939	–

Below is a reconciliation of the movement in the number of Northam Holdings Shares following the implementation of the Northam Scheme and the issue of additional shares to acquire a 32.50% investment in RBPlat.

	<b>Total number of Northam Holdings Shares in issue</b>	<b>Northam Holdings Treasury Shares</b>	<b>Northam Holdings Shares outstanding (net of Treasury Shares)</b>
	Number of Northam Holdings Shares	Number of Northam Holdings Shares	Number of Northam Holdings Shares
Number of Northam Holdings Shares as at 1 July 2021	1	–	1
Implementation of the Northam Scheme whereby Northam Shares were acquired by way of a share for share transaction	376 787 215	–	376 787 215
Northam Holdings Share held by Northam Platinum Limited transferred to Treasury Shares	–	1	(1)
Net Value Share Distribution made to the Northam Zondereinde Community Trust, the Northam Booyendal Community Trust and the ESOP recognised as Treasury Shares	–	6 378 354	(6 378 354)
Northam Holdings Shares repurchased from the Strategic Partners and cancelled	(14 571 063)	–	(14 571 063)
Northam Holdings Shares issued pursuant to the purchase of a 32.50% investment in RBPlat (refer to note 13)	34 399 725	–	34 399 725
	396 615 878	6 378 355	390 237 523

## Condensed reviewed interim financial results continued

Below is a reconciliation of the movement in the Northam stated capital and Treasury Shares that were in issue following completion of the early maturity of the Zambezi BEE Transaction and the Revised Accumulated Dividends Settlement, following which the Northam Scheme was implemented.

	Stated capital of Northam	Northam Treasury Shares	Northam stated capital (net of Treasury Shares)
	R000	R000	R000
Value of Northam stated capital and Treasury Shares as at 1 July 2021	13 778 114	(6 556 123)	7 221 991
Revised Accumulated Dividends Settlement	(2 339 231)	2 339 231	–
Repurchase to assist Zambezi with the settlement of taxes, fees and Advances	(1 404 204)	1 404 204	–
Security Transfer Tax deducted from equity	(15 858)	–	(15 858)
Distribution to Zambezi Ordinary Shareholders	–	1 130 009	1 130 009
Repurchased from the ESOP to facilitate the settlement of taxes	(137 735)	–	(137 735)
Security Transfer Tax deducted from equity	(344)	–	(344)
Value of stated capital and Treasury Shares pre the Northam Scheme	9 880 742	(1 682 679)	8 198 063
Implementation of the Northam Scheme whereby Northam Shares were acquired by way of a share for share transaction	(8 198 063)	–	(8 198 063)
	1 682 679	(1 682 679)	–

Below is a reconciliation of the movement in the Northam Holdings stated capital and Treasury Shares following the implementation of the Northam Scheme and the issue of additional shares to acquire a 32.50% investment in RBPlat.

	Stated capital of Northam Holdings	Northam Holdings Treasury Shares	Northam Holdings stated capital (net of Treasury Shares)
	R000	R000	R000
Value of stated capital of Northam Holdings Shares as at 1 July 2021	*	–	*
Implementation of the Northam Scheme whereby Northam Shares were acquired by way of a share for share transaction	8 198 063	–	8 198 063
Northam Holdings Share held by Northam Platinum Limited transferred to Treasury Shares	–	*	*
Net Value Share Distribution made to the Northam Zondereinde Community Trust, the Northam Booyendal Community Trust and the ESOP recognised as Treasury Shares	–	(1 214 949)	(1 214 949)
Reorganisation reserve net of Treasury Shares	8 198 063	(1 214 949)	6 983 114
Northam Holdings Shares repurchased from the Strategic Partners and cancelled	(2 408 451)	–	(2 408 451)
Security Transfer Tax deducted from equity	(6 444)	–	(6 444)
Northam Holdings Shares issued pursuant to the purchase of a 32.50% investment in RBPlat (refer to note 13)	7 693 154	–	7 693 154
	13 476 322	(1 214 949)	12 261 373

\*The stated capital amounts to R1.00, therefore less than R1 000.

## Condensed reviewed interim financial results continued

### Impact of the Composite Transaction on the number of shares in issue

As part of the Composite Transaction, Northam repurchased 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 repurchased Northam Shares received by the ESOP pursuant to the Net Value Distribution.

	Number of shares
Number of Northam Shares held by Zambezi as at 1 July 2021	159 905 453
Zambezi settled the Revised Accumulated Dividends relating to the Zambezi Preference Shares through a repurchase by Northam of 57 054 413 Northam Shares held by Zambezi, valued at R160 per Northam Share	(57 054 413)
Northam repurchased 34 248 891 Northam Shares in aggregate from Zambezi valued at R152 per share in order to enable settlement of, amongst other things, the Zambezi tax liability arising from the Composite Transaction (29 294 695 Northam Shares) and various fees (4 954 196 Northam Shares) together with the settlement of the Strategic Partner Advances	(34 248 891)
Zambezi will settle the capital value of the 159 905 453 Zambezi Preference Shares through a repurchase by Northam of 40 975 772 Northam Shares held by Zambezi, valued at R160 per Northam Share	(40 975 772)
Remaining Northam Shares distributed to Zambezi Ordinary Shareholders pursuant to the Net Value Share Distribution	27 626 377
Northam repurchased 649 754 Northam Shares in aggregate from the ESOP valued at the 30-Day VWAP on the repurchase date per share (R211.98) in order to facilitate the tax liability associated with the Distribution of Northam Shares to the ESOP pursuant to the Net Value Distribution	(649 754)
Northam repurchases 65 167 Northam Shares in aggregate from Zambezi Ordinary Shareholders valued at the 30-Day VWAP on the Repurchase Date (R214.17) per share in order to facilitate the tax liability associated with the Distribution of Northam Shares pursuant to the Net Value Distribution	(65 167)
Residual Northam Shares distributed to Zambezi Ordinary Shareholders pursuant to the Net Value Share Distribution	26 911 456

Below is a reconciliation of the Northam Shares held by the Zambezi Ordinary Shareholders pursuant to the Net Value Share Distribution:

	Number of shares
Atisa Platinum (RF) Proprietary Limited	3 527 835
Malundi Resources (RF) Proprietary Limited	3 527 835
Mpilo Platinum (RF) Proprietary Limited	8 213 241
Zambezi Platinum Women's SPV (RF) Proprietary Limited	5 264 191
The Northam Employee Trust	1 996 122
The Northam Booyensdal Community Trust	2 191 116
The Northam Zondereinde Community Trusts	2 191 116
Residual Northam Shares distributed to Zambezi Ordinary Shareholders pursuant to the Net Value Share Distribution	26 911 456

The Net Value Share Distribution made to the Northam Zondereinde Community Trust, the Northam Booyensdal Community Trust and the ESOP will continue to be treated as Treasury Shares.



# Condensed reviewed interim financial results continued

## Consolidated statement of cash flows

		Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
		R000	R000	R000
Cash flows from operating activities		2 911 944	3 144 590	12 095 891
Profit before tax		5 086 585	3 523 596	13 732 286
Adjusted for the following non-cash items as well as disclosable items				
Depreciation and write-offs	11 & 12	433 772	414 124	844 486
Changes in provisions		39 453	67 206	54 528
Changes in long-term receivables	14	(2 021)	(1 318)	(929)
Investment income	5	(55 667)	(28 682)	(90 485)
Finance charges excluding Zambezi Preference Share dividends	6	603 515	331 434	705 444
Financial asset relating to the revaluation of the call options on RBPlat Shares	18	(119 299)	–	–
Zambezi Preference Share dividends	20	25 604	274 446	378 678
Loss on derecognition of Zambezi Preference Share liability	20	286 632	888 484	1 068 558
Amortisation of liquidity fees paid on Zambezi Preference Shares	20	64 197	8 195	16 390
Movement in share-based payment liability	22	173 253	283 615	605 335
Share of earnings from associates	13	(141 474)	(1 305)	(6 180)
Dividends received from associate	13	606	606	606
Profit on sale of property, plant and equipment and mining properties and Mineral Resources	7	(17 461)	(100)	(149)
Impairment of property, plant and equipment	11	–	–	29 657
Net foreign exchange difference		(22 457)	84 825	100 131
Amortisation of security of supply contribution	21	(11 886)	(11 886)	(23 772)
Profit on modification of the agreement terms relating to the research and development liability with Heraeus Deutschland GmbH & Co. KG	21	(39 617)	–	–
Lock-in Fee forfeited due to a Disposal Event	21	(32 420)	–	–
Other		580	–	(88)
Change in working capital		(2 426 098)	(1 936 079)	(1 748 930)
Movement relating to land and township development		(5 901)	4 238	6 935
Interest income received		64 960	34 746	82 182
Dividend income received	5	2 586	3 271	3 438
Tax paid		(995 498)	(794 826)	(3 662 230)

# Condensed reviewed interim financial results continued

		Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
		R000	R000	R000
Cash flows utilised in investing activities		(6 421 301)	(1 294 277)	(3 221 828)
Property, plant, equipment, mining properties and Mineral Reserves				
Additions to maintain operations		(776 934)	(380 459)	(1 525 925)
Additions to expand operations		(1 593 966)	(909 699)	(1 693 123)
Disposal proceeds		31 750	117	2 489
(Deposits made)/refunds received relating to the environmental guarantee investment policy		(19 654)	828	2 246
Increase in investments held by the Northam Platinum Restoration Trust Fund	19	(3 498)	(4 498)	(7 298)
Utilisation of/(increase in) the investment held by the Buttonshope Conservancy Trust		1 207	(566)	(217)
Investment in RBPlat paid in cash	13	(4 060 206)	-	-
Cash flows from financing activities		55 855	(3 487 076)	(7 064 993)
Interest paid		(352 209)	(269 088)	(577 233)
Northam Holdings Shares repurchased from the Strategic Partners		(2 414 895)	-	-
Drawdown on revolving credit facility	24	6 000 000	3 750 000	3 750 000
Repayment of revolving credit facility	24	(2 000 000)	(1 450 000)	(3 750 000)
Drawdown on the Bridge facility	26	1 500 000	-	-
Issue of Domestic Medium-Term Notes	23	5 075 370	1 988 067	4 646 367
Repayment of Domestic Medium-Term Notes	23	(21 700)	(5 100)	(132 693)
Domestic Medium-Term Notes settled as part of note switches	23	(3 344 670)	(492 100)	(2 400 400)
Transaction costs paid on revolving credit facility, Bridge facility and Domestic Medium-Term Notes	23 & 24	(171 210)	(56 684)	(108 215)
Repayment of principal portion of lease liabilities		(7 010)	(8 644)	(16 421)
Strategic Partner Advances		-	-	(391 522)
Net Value Distribution paid in cash to the Strategic Partners		(59 415)	-	-
Payment of a portion of the Lock-in Fees to certain Strategic Partners	21	(78 114)	-	-
Taxes paid in cash relating to the Composite Transaction		(2 023 992)	-	-
Acquisition of Zambezi Preference Shares	20	(2 041 135)	(6 817 382)	(7 936 299)
Transaction fees paid on the acquisition of Zambezi Preference Shares	20	(5 165)	(126 145)	(148 577)
(Decrease)/increase in cash and cash equivalents		(3 453 502)	(1 636 763)	1 809 070
Net foreign exchange difference on cash and cash equivalents		19 092	(78 641)	(92 818)
Cash and cash equivalents at the beginning of the period/year		3 877 208	2 160 956	2 160 956
<b>Cash and cash equivalents at the end of the period/year</b>	<b>17</b>	<b>442 798</b>	<b>445 552</b>	<b>3 877 208</b>

# Notes to the condensed reviewed interim financial results

## 1. Accounting policies and the basis of preparation

The financial statements have been prepared on the historical cost basis, except for 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 interim 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).

The adoption of all standards, amendments or interpretations with effect from 1 July 2021 had no impact on the financial statements.

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 for 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.

# Notes to the condensed reviewed interim financial results continued

## **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 condensed reviewed interim financial results continued

## 2. Segmental analysis

The group now has five operating segments (previously only four segments), Northam Holdings, Zondereinde mine, Booyssendal mine, Eland mine and the US recycling operations. The group's executive committee considers the performance of Zondereinde mine, Booyssendal mine, Eland mine and the US recycling operations when allocating resources and assessing the segmental performance.

During the period under review the Northam Scheme was implemented, whereby Northam Holdings acquired all of the issued Northam Shares in exchange for Northam Holdings Shares on a one-for-one basis.

Simultaneously, Northam became a subsidiary of Northam Holdings and 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. Northam Holdings has therefore been established as the holding company of the group.

In addition to being the holding company of the group, Northam Holdings also holds the investment in RBPlat.

During the period under review, Northam Holdings acquired a 34.68% interest in RBPlat. Refer to note 13 for details on the acquisition.

IFRS 8 Operating Segments includes a number of quantitative measures for determining whether information on the identified operating segments should be reported separately. Accordingly, an operating segment merits separate disclosure if the assets are 10% or more of the combined assets of all operating segments. The investment in RBPlat represents more than 10% of the combined assets of the group and therefore Northam Holdings should be disclosed as an operating segment.

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 PGM concentrates produced by Booyssendal 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).

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 both consolidated adjustments made for the various subsidiaries, as well as various smaller entities within the group.

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 R135.7 million (31 December 2020: R125.9 million and 30 June 2021: R132.1 million).

# Notes to the condensed reviewed interim financial results continued

## Segmental statement of profit or loss and other comprehensive income

	Northam Holdings	Zondereinde operating segment	Booyseendal operating segment	Eland operating segment	US recycling operating segment	Intercompany eliminations	Zambezi Platinum (RF) Limited	Other	Total
Reviewed 6 months ended 31 December 2021	R000	R000	R000	R000	R000	R000	R000	R000	R000
Sales revenue	-	12 874 714	8 444 665	726 481	88 191	(8 252 606)	-	-	13 881 445
Cost of sales	-	(12 660 784)	(4 182 628)	(796 104)	(91 418)	9 718 265	-	(17 611)	(8 030 280)
Operating costs	-	(3 696 910)	(3 214 205)	(703 181)	(12 424)	-	-	-	(7 626 720)
Mining operations	-	(2 686 268)	(2 058 500)	(470 057)	-	-	-	-	(5 214 825)
Concentrator operations	-	(251 905)	(413 466)	(205 638)	(12 424)	-	-	-	(883 433)
Smelting and base metal removal plant costs	-	(450 030)	-	-	-	-	-	-	(450 030)
Chrome processing	-	(5 925)	(15 258)	(11 281)	-	-	-	-	(32 464)
Selling and administration overheads	-	(77 246)	(77 246)	-	-	-	-	-	(154 492)
Royalty charges	-	(143 658)	(552 924)	(1 661)	-	-	-	-	(698 243)
Carbon tax	-	(772)	-	-	-	-	-	-	(772)
Share-based payment expenses	-	(81 106)	(89 173)	(12 536)	-	-	-	-	(182 815)
Toro Employee Empowerment Trust	-	-	-	-	-	-	-	-	-
Employee profit share scheme	-	-	(7 638)	(2 008)	-	-	-	-	(9 646)
Rehabilitation	-	-	-	-	-	-	-	-	-
Concentrates and recycling material purchased	-	(8 285 310)	(602 439)	(262 737)	(77 705)	8 252 606	-	-	(975 585)
Refining including sampling and handling charges	-	(120 970)	-	-	-	-	-	-	(120 970)
Depreciation and write-offs	-	(95 209)	(301 213)	(33 866)	(4 989)	19 116	-	(17 611)	(433 772)
Change in metal inventory	-	(462 385)	(64 771)	203 680	3 700	1 446 543	-	-	1 126 767
Operating profit/(loss)	-	213 930	4 262 037	(69 623)	(3 227)	1 465 659	-	(17 611)	5 851 165
Share of earnings from associates	-	-	-	-	-	-	-	141 474	141 474
Investment income	3 843	2 136 940	2 718	718	-	(3 625 537)	8	1 536 977	55 667
Finance charges excluding Zambezi Preference Share dividends	(78 959)	(522 749)	(13 175)	(63 227)	(1 658)	77 704	-	(1 451)	(603 515)
Net foreign exchange transaction gains	-	15 336	154	-	5 423	-	-	-	20 913
Sundry income	119 299	5 088 306	2 091	2 301	453	(10 706 442)	5 582 534	137 206	225 748
Sundry expenditure	(1)	(188 486)	(8 357)	(5 372)	(144)	14 145 552	(14 142 767)	(28 859)	(228 434)
Profit/(loss) before Zambezi Preference Share dividends	44 182	6 743 277	4 245 468	(135 203)	847	1 356 936	(8 560 225)	1 767 736	5 463 018
Amortisation of liquidity fees paid on Zambezi Preference Shares	-	-	-	-	-	(64 197)	-	-	(64 197)
Zambezi Preference Share dividends	-	-	-	-	-	2 016 487	(2 042 091)	-	(25 604)
Loss on derecognition of Zambezi Preference Share liability	-	-	-	-	-	(286 632)	-	-	(286 632)
Profit/(loss) before tax	44 182	6 743 277	4 245 468	(135 203)	847	3 022 594	(10 602 316)	1 767 736	5 086 585
Tax	-	(16 335)	(1 191 030)	37 048	-	(1 821 453)	1 548 013	(139 389)	(1 583 146)
Profit/(loss) for the period	44 182	6 726 942	3 054 438	(98 155)	847	1 201 141	(9 054 303)	1 628 347	3 503 439

# Notes to the condensed reviewed interim financial results continued

## Segmental statement of profit or loss and other comprehensive income

	Zondereinde operating segment	Booyensdal operating segment	Eland operating segment	US recycling operating segment	Intercompany eliminations	Zambezi Platinum (RF) Limited	Other	Total
Reviewed 6 months ended 31 December 2020	R000	R000	R000	R000	R000	R000	R000	R000
Sales revenue	11 635 710	7 424 399	690 748	24 343	(7 890 302)	-	-	11 884 898
Cost of sales	(8 976 570)	(3 064 543)	(661 616)	(36 128)	6 063 714	-	(18 096)	(6 693 239)
Operating costs	(3 844 433)	(2 300 280)	(625 349)	(9 372)	-	-	-	(6 779 434)
Mining operations	(2 359 036)	(1 613 395)	(450 002)	-	-	-	-	(4 422 433)
Concentrator operations	(235 506)	(368 559)	(149 738)	(9 372)	-	-	-	(763 175)
Smelting and base metal removal plant costs	(422 380)	-	-	-	-	-	-	(422 380)
Chrome processing	(6 123)	(14 303)	(9 875)	-	-	-	-	(30 301)
Selling and administration overheads	(71 339)	(71 339)	-	-	-	-	-	(142 678)
Royalty charges	(188 519)	(34 404)	-	-	-	-	-	(222 923)
Carbon tax	(821)	-	-	-	-	-	-	(821)
Share-based payment expenses	(426 137)	(198 280)	(15 734)	-	-	-	-	(640 151)
Toro Employee Empowerment Trust	(134 572)	-	-	-	-	-	-	(134 572)
Rehabilitation	-	-	-	-	-	-	-	-
Concentrates and recycling materials purchased	(8 069 462)	(451 722)	(149 191)	(21 256)	7 890 302	-	-	(801 329)
Refining including sampling and handling charges	(108 560)	-	-	-	-	-	-	(108 560)
Depreciation and write-offs	(102 382)	(270 199)	(19 341)	(5 438)	1 351	-	(18 096)	(414 105)
Change in metal inventory	3 148 267	(42 342)	132 265	(62)	(1 827 939)	-	-	1 410 189
Operating profit/(loss)	2 659 140	4 359 856	29 132	(11 785)	(1 826 588)	-	(18 096)	5 191 659
Share of earnings from associate	-	-	-	-	-	-	1 305	1 305
Investment income	412 164	2 670	484	-	(391 573)	8	4 929	28 682
Finance charges excluding Zambezi Preference Share dividends	(324 006)	(12 094)	(49 769)	(1 440)	35 765	-	20 110	(331 434)
Net foreign exchange transaction losses	(77 109)	(1 532)	-	(7 294)	-	-	-	(85 935)
Sundry income	1 297 168	3 380	946	73	(16 205 880)	14 923 976	38 213	57 876
Sundry expenditure	(151 605)	(8 536)	(2 583)	-	36 673	(3)	(41 378)	(167 432)
Profit/(loss) before Zambezi Preference Share dividends	3 815 752	4 343 744	(21 790)	(20 446)	(18 351 603)	14 923 981	5 083	4 694 721
Amortisation of liquidity fees paid on Zambezi Preference Shares	-	-	-	-	(8 195)	-	-	(8 195)
Zambezi Preference Share dividends	-	-	-	-	355 807	(630 253)	-	(274 446)
Loss on derecognition of Zambezi Preference Share liability	-	-	-	-	(888 484)	-	-	(888 484)
Profit/(loss) before tax	3 815 752	4 343 744	(21 790)	(20 446)	(18 892 475)	14 293 728	5 083	3 523 596
Tax	(704 098)	(1 224 136)	11	-	3 848 780	(3 342 972)	(2 150)	(1 424 565)
Profit/(loss) for the period	3 111 654	3 119 608	(21 779)	(20 446)	(15 043 695)	10 950 756	2 933	2 099 031

# Notes to the condensed reviewed interim financial results continued

## Segmental statement of profit or loss and other comprehensive income

	Zondereinde operating segment	Booyensdal operating segment	Eland operating segment	US recycling operating segment	Intercompany eliminations	Zambezi Platinum (RF) Limited	Other	Total
Audited 12 months ended 30 June 2021	R000	R000	R000	R000	R000	R000	R000	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 overheads	(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 and recycling material 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 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 condensed reviewed interim financial results continued

## Segmental statement of financial position

	Northam Holdings	Zondereinde operating segment	Booyensdal operating segment	Eland operating segment	US recycling operating segment	Intercompany eliminations	Zambezi Platinum (RF) Limited	Other	Total
31 December 2021	R000	R000	R000	R000	R000	R000	R000	R000	R000
<b>Assets</b>									
Non-current assets	25 645 959	23 567 654	17 507 219	2 573 728	119 609	(32 138 573)	6 556 124	2 367 258	46 198 978
Property, plant and equipment	-	6 830 882	11 025 791	2 461 394	119 609	(41 668)	-	640 013	21 036 021
Mining properties and Mineral Resources	-	1 020 264	6 329 118	3 000	-	(936 333)	-	136 230	6 552 279
Interest in associates	17 447 897	25 745	-	-	-	(1 212)	-	184 566	17 656 996
Investment in subsidiaries	-	12 547 062	-	-	-	(13 883 327)	-	1 336 265	-
Investment in Northam Platinum Limited	8 198 062	-	-	-	-	(14 754 186)	6 556 124	-	-
Other investment	-	268 206	-	-	-	(268 206)	-	-	-
Land and township development	-	18 864	49 494	-	-	-	-	6 575	74 933
Long-term receivables	-	30 586	15 360	7 337	-	(16 850)	-	48 749	85 182
Investments held by Northam Platinum Restoration Trust Fund	-	69 764	69 764	-	-	-	-	-	139 528
Environmental guarantee investment	-	37 606	17 692	25 063	-	-	-	-	80 361
Buttoshope Conservancy Trust	-	-	-	-	-	-	-	14 860	14 860
Long-term subsidiary loans	-	2 236 791	-	-	-	(2 236 791)	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-
Non-current inventories	-	481 884	-	-	-	-	-	-	481 884
Deferred tax asset	-	-	-	76 934	-	-	-	-	76 934
Current assets	120 440	17 742 086	15 513 385	843 546	16 138	(27 496 437)	2 791 056	245 072	9 775 286
Short-term subsidiary loans	-	8 911 397	13 977 604	-	-	(25 724 873)	2 790 539	45 333	-
Inventories	-	7 438 519	552 262	821 860	6 606	(1 788 414)	-	-	7 030 833
Trade and other receivables	432	651 298	983 359	21 604	2 961	16 850	2	5 118	1 681 624
Cash and cash equivalents	709	740 872	160	63	6 571	-	515	193 809	942 699
Other financial assets	119 299	-	-	-	-	-	-	-	119 299
Tax receivable	-	-	-	19	-	-	-	812	831
Total assets	25 766 399	41 309 740	33 020 604	3 417 274	135 747	(59 635 010)	9 347 180	2 612 330	55 974 264

# Notes to the condensed reviewed interim financial results continued

## Segmental statement of financial position

	Northam Holdings	Zondereinde operating segment	Booyensdal operating segment	Eland operating segment	US recycling operating segment	Intercompany eliminations	Zambezi Platinum (RF) Limited	Other	Total
31 December 2021	R000	R000	R000	R000	R000	R000	R000	R000	R000
<b>Equity and liabilities</b>									
Total equity	13 520 504	5 274 053	24 083 983	126 649	85 801	(21 643 119)	(400 219)	2 343 270	23 390 922
Stated capital	13 476 322	9 878 069	8 675 932	325 000	142 118	(19 224 975)	193 856	10 000	13 476 322
Treasury Shares	-	-	-	-	-	(1 214 949)	-	-	(1 214 949)
Re-organisation reserve	-	(10 602 387)	-	-	-	6 425 442	-	-	(4 176 945)
Retained earnings/(accumulated loss)	44 182	12 255 187	12 906 296	(198 351)	(83 411)	(11 383 698)	(594 075)	2 333 270	15 279 400
Foreign currency translation reserve	-	-	-	-	27 094	-	-	-	27 094
Other comprehensive income	-	-	-	-	-	-	-	-	-
Non distributable reserves	-	-	2 501 755	-	-	(2 501 755)	-	-	-
Share entitlement	-	(6 556 124)	-	-	-	6 556 124	-	-	-
Equity-settled share-based payment reserve	-	299 308	-	-	-	(299 308)	-	-	-
Non-current liabilities	-	13 780 288	4 948 150	438 184	-	(10 053 725)	7 916 580	164 179	17 193 656
Deferred tax liability	-	1 258 893	4 370 280	-	-	(3 198 396)	1 092 250	164 179	3 687 206
Long-term provisions	-	175 656	246 506	424 812	-	-	-	-	846 974
Zambezi Preference Share liability	-	-	-	-	-	(6 824 330)	6 824 330	-	-
Long-term loans	-	63 289	23 381	-	-	-	-	-	86 670
Lease liability	-	21 677	42 425	-	-	-	-	-	64 102
Long-term share-based payment liability	-	281 381	265 558	13 372	-	-	-	-	560 311
Long-term subsidiary loans	-	30 999	-	-	-	(30 999)	-	-	-
Domestic Medium-Term Notes	-	7 967 915	-	-	-	-	-	-	7 967 915
Revolving credit facility	-	3 980 478	-	-	-	-	-	-	3 980 478
Current liabilities	12 245 895	22 255 399	3 988 471	2 852 441	49 946	(27 938 166)	1 830 819	104 881	15 389 686
Current portion of long-term loans	-	5 060	6 613	-	-	-	-	-	11 673
Current portion of lease liability	-	2 085	11 626	-	-	-	-	-	13 711
Current portion of Domestic Medium-Term Notes	-	1 328 215	-	-	-	-	-	-	1 328 215
Short-term share-based payment liability	-	405 614	320 690	29 365	-	-	-	-	755 669
Deferred Acquisition Consideration	5 664 246	-	-	-	-	-	-	-	5 664 246
Bridge facility	-	1 445 299	-	-	-	-	-	-	1 445 299
Bank overdraft	-	499 901	-	-	-	-	-	-	499 901
Tax payable	-	3 557	62 570	-	-	-	1 830 819	94	1 897 040
Short-term subsidiary loans	6 472 399	16 793 549	2 370 243	2 236 791	36 569	(27 938 166)	-	28 615	-
Trade and other payables	109 250	1 450 990	1 086 303	571 395	13 377	-	-	76 172	3 307 487
Short-term provisions	-	321 129	130 426	14 890	-	-	-	-	466 445
<b>Total equity and liabilities</b>	<b>25 766 399</b>	<b>41 309 740</b>	<b>33 020 604</b>	<b>3 417 274</b>	<b>135 747</b>	<b>(59 635 010)</b>	<b>9 347 180</b>	<b>2 612 330</b>	<b>55 974 264</b>

# Notes to the condensed reviewed interim financial results continued

## Segmental statement of financial position

	Zondereinde operating segment	Booyensdal operating segment	Eland operating segment	US recycling operating segment	Intercompany eliminations	Zambezi Platinum (RF Limited	Other	Total
31 December 2020	R000	R000	R000	R000	R000	R000	R000	R000
<b>Assets</b>								
Non-current assets	30 606 646	16 518 298	1 598 289	120 363	(57 694 307)	33 504 990	1 002 266	25 656 545
Property, plant and equipment	5 105 399	9 998 488	1 580 290	120 363	(71 777)	-	726 424	17 459 187
Mining properties and Mineral Resources	1 059 700	6 375 800	3 000	-	(954 583)	-	136 230	6 620 147
Interest in associates	-	-	-	-	(607)	-	63 963	63 356
Investment in subsidiaries	12 353 207	-	-	-	(12 353 207)	-	-	-
Investment in Northam Platinum Limited	-	-	-	-	(33 504 990)	33 504 990	-	-
Other investment	9 700 405	-	-	-	(9 700 405)	-	-	-
Land and township development	10 866	53 563	-	-	-	-	7 300	71 729
Long-term receivables	22 052	7 879	1 686	-	-	-	51 933	83 550
Investments held by Northam Platinum Restoration Trust Fund	66 615	66 615	-	-	-	-	-	133 230
Environmental guarantee investment	32 859	15 953	13 313	-	-	-	-	62 125
Buttoshope Conservancy Trust	-	-	-	-	-	-	16 416	16 416
Long-term subsidiary loans	1 051 474	-	-	-	(1 051 474)	-	-	-
Non-current inventories	1 204 069	-	-	-	(57 264)	-	-	1 146 805
Current assets	7 588 708	6 302 910	187 805	5 492	(8 241 938)	506	110 256	5 953 739
Short-term subsidiary loans	100 486	5 742 420	5 933	-	(5 858 087)	-	9 248	-
Inventories	6 633 714	298 298	151 729	1 482	(2 383 851)	-	-	4 701 372
Trade and other receivables	502 105	179 046	29 928	2 321	-	1	7 831	721 232
Cash and cash equivalents	352 403	358	215	1 689	-	505	90 382	445 552
Tax receivable	-	82 788	-	-	-	-	2 795	85 583
<b>Total assets</b>	<b>38 195 354</b>	<b>22 821 208</b>	<b>1 786 094</b>	<b>125 855</b>	<b>(65 936 245)</b>	<b>33 505 496</b>	<b>1 112 522</b>	<b>31 610 284</b>

# Notes to the condensed reviewed interim financial results continued

## Segmental statement of financial position

	Zondereinde operating segment	Booyensdal operating segment	Eland operating segment	US recycling operating segment	Intercompany eliminations	Zambezi Platinum (RF) Limited	Other	Total
31 December 2020	R000	R000	R000	R000	R000	R000	R000	R000
<b>Equity and liabilities</b>								
Total equity	17 398 751	17 106 715	549	81 431	(37 878 038)	14 246 479	777 735	11 733 622
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)
Retained earnings/(accumulated loss)	298 388	5 929 028	(324 451)	(80 284)	(17 224 951)	14 246 479	773 377	3 617 586
Foreign currency translation reserve	-	-	-	19 597	-	-	-	19 597
Other comprehensive income	2 148 493	-	-	-	(2 148 493)	-	-	-
Non distributable reserves	-	2 501 755	-	-	(2 501 755)	-	-	-
Equity-settled share-based payment reserve	1 173 756	-	-	-	(299 308)	-	-	874 448
Non-current liabilities	10 967 048	4 450 488	391 516	-	(21 148 645)	19 259 017	182 641	14 102 065
Deferred tax liability	1 766 605	3 928 246	-	-	(8 960 789)	6 036 546	182 641	2 953 249
Long-term provisions	155 578	229 640	382 161	-	(7 338)	-	-	760 041
Zambezi Preference Share liability	-	-	-	-	(10 703 756)	13 222 471	-	2 518 715
Long-term loans	92 821	29 994	-	-	-	-	-	122 815
Lease liability	22 748	49 123	-	-	-	-	-	71 871
Long-term share-based payment liability	241 299	213 485	9 355	-	-	-	-	464 139
Northam Guarantee liability	1 476 762	-	-	-	(1 476 762)	-	-	-
Domestic Medium-Term Notes	4 931 576	-	-	-	-	-	-	4 931 576
Revolving credit facility	2 279 659	-	-	-	-	-	-	2 279 659
Current liabilities	9 829 555	1 264 005	1 394 029	44 424	(6 909 562)	-	152 146	5 774 597
Current portion of long-term loans	18 526	9 946	-	-	-	-	-	28 472
Current portion of lease liability	1 949	11 939	-	-	-	-	-	13 888
Current portion of Domestic Medium-Term Notes	2 043 946	-	-	-	-	-	-	2 043 946
Short-term share-based payment liability	205 639	144 720	6 509	-	-	-	-	356 868
Tax payable	162 086	-	130	-	-	-	775	162 991
Subsidiary loans	5 749 020	5 932	1 054 123	26 306	(6 909 562)	-	74 181	-
Trade and other payables	1 322 862	988 043	324 279	18 118	-	-	77 190	2 730 492
Provisional pricing derivatives	2 859	1 966	790	-	-	-	-	5 615
Short-term provisions	322 668	101 459	8 198	-	-	-	-	432 325
<b>Total equity and liabilities</b>	<b>38 195 354</b>	<b>22 821 208</b>	<b>1 786 094</b>	<b>125 855</b>	<b>(65 936 245)</b>	<b>33 505 496</b>	<b>1 112 522</b>	<b>31 610 284</b>

# Notes to the condensed reviewed interim financial results continued

## Segmental statement of financial position

	Zondereinde operating segment	Booyesendal operating segment	Eland operating segment	US recycling operating segment	Intercompany eliminations	Zambezi Platinum (RF Limited	Other	Total
30 June 2021	R000	R000	R000	R000	R000	R000	R000	R000
<b>Assets</b>								
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	1 042 044	6 352 452	3 000	-	(954 580)	-	136 230	6 579 506
Interest in associates	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
Buttoshope Conservancy Trust	-	-	-	-	-	-	16 067	16 067
Long-term subsidiary loans	1 478 450	-	-	-	(1 478 450)	-	-	-
Other financial assets	23 182	-	-	-	-	-	-	23 182
Non-current inventories	1 162 666	-	110 457	-	(77 260)	-	-	1 195 863
Deferred tax asset	-	-	39 905	-	-	-	-	39 905
<b>Current assets</b>	<b>12 255 800</b>	<b>10 498 390</b>	<b>549 210</b>	<b>20 114</b>	<b>(12 864 706)</b>	<b>510</b>	<b>103 715</b>	<b>10 563 033</b>
Short-term subsidiary loans	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
<b>Total assets</b>	<b>44 913 086</b>	<b>27 557 430</b>	<b>2 653 627</b>	<b>132 125</b>	<b>(73 004 691)</b>	<b>34 688 800</b>	<b>1 010 483</b>	<b>37 950 860</b>

# Notes to the condensed reviewed interim financial results continued

## Segmental statement of financial position

	Zondereinde operating segment	Booyensdal operating segment	Eland operating segment	US recycling operating segment	Intercompany eliminations	Zambezi Platinum (RF) Limited	Other	Total
30 June 2021	R000	R000	R000	R000	R000	R000	R000	R000
<b>Equity and liabilities</b>								
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 loans	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	9 647 179	–	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
<b>Total equity and liabilities</b>	<b>44 913 086</b>	<b>27 557 430</b>	<b>2 653 627</b>	<b>132 125</b>	<b>(73 004 691)</b>	<b>34 688 800</b>	<b>1 010 483</b>	<b>37 950 860</b>

## Notes to the condensed reviewed interim financial results continued

### 3. Sales revenue

Sales revenue can be disaggregated into the following:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Revenue from contracts with customers	13 829 882	11 929 670	32 646 526
Revenue from fair value adjustments with regards to IFRS 9	51 563	(44 772)	(19 608)
<b>Total sales revenue</b>	<b>13 881 445</b>	<b>11 884 898</b>	<b>32 626 918</b>

Sales revenue comprises revenue from the following metals:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Platinum	3 001 918	2 904 661	6 260 523
Palladium	2 558 651	3 567 118	7 413 220
Rhodium	6 660 694	4 322 356	16 004 640
Gold	91 336	131 920	234 094
Iridium	494 674	181 073	1 024 305
Ruthenium	497 419	144 289	452 095
Silver	1 900	5 007	7 411
Nickel	213 590	186 388	380 445
Copper	63 619	55 036	118 232
Cobalt	3 099	2 218	5 161
Chrome	291 082	384 832	726 792
Toll treatment charges	3 463	–	–
<b>Total</b>	<b>13 881 445</b>	<b>11 884 898</b>	<b>32 626 918</b>

# Notes to the condensed reviewed interim financial results continued

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

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	oz	oz	oz
Platinum	197 911	193 859	391 788
Palladium	79 182	96 854	199 357
Rhodium	28 785	20 268	54 644
Gold	3 377	4 339	8 268
4E	309 255	315 320	654 057
Iridium	7 849	6 676	18 109
Ruthenium	58 835	36 446	88 771
6E	375 939	358 442	760 937
Silver	5 307	12 416	18 727

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

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	tonnes	tonnes	tonnes
Nickel	699	760	1 520
Copper	452	511	998
Cobalt	3	4	9
Chrome	430 697	521 086	1 017 304



# Notes to the condensed reviewed interim financial results continued

## Sales revenue from external customers per metal and per operating segment

	Zondereinde operations  Reviewed 6 months ended 31 December 2021	Booysendal operations  Reviewed 6 months ended 31 December 2021	Eland operations  Reviewed 6 months ended 31 December 2021	US recycling operations  Reviewed 6 months ended 31 December 2021	Intercompany eliminations  Reviewed 6 months ended 31 December 2021	Total  Reviewed 6 months ended 31 December 2021
	R000	R000	R000	R000	R000	R000
Platinum	2 844 149	1 550 158	168 073	34 990	(1 595 452)	3 001 918
Palladium	2 385 857	1 724 831	121 349	40 517	(1 713 903)	2 558 651
Rhodium	6 237 838	4 208 068	367 480	9 221	(4 161 913)	6 660 694
Gold	88 402	42 283	1 234	–	(40 583)	91 336
Iridium	469 029	367 725	36 202	–	(378 282)	494 674
Ruthenium	482 277	256 986	20 261	–	(262 105)	497 419
Silver	1 900	–	–	–	–	1 900
Nickel	202 832	87 985	2 695	–	(79 922)	213 590
Copper	61 344	22 293	428	–	(20 446)	63 619
Cobalt	3 099	–	–	–	–	3 099
Chrome	97 987	184 336	8 759	–	–	291 082
Toll treatment charges	–	–	–	3 463	–	3 463
	12 874 714	8 444 665	726 481	88 191	(8 252 606)	13 881 445

Zondereinde, being Northam Platinum Limited, purchases most of Booysendal's concentrate and all of Eland's concentrate, for a percentage of the fair value, except for chrome which is sold directly to a third-party customer.

Zondereinde further purchased all of the US recycling operations concentrate.

## Sales revenue from external customers per region and per operating segment

Sales revenue emanated from the following principal regions:

	Zondereinde operations  Reviewed 6 months ended 31 December 2021	Booysendal operations  Reviewed 6 months ended 31 December 2021	Eland operations  Reviewed 6 months ended 31 December 2021	US recycling operations  Reviewed 6 months ended 31 December 2021	Total  Reviewed 6 months ended 31 December 2021
	R000	R000	R000	R000	R000
Europe	9 375 190	–	–	–	9 375 190
Japan	2 834 508	–	–	–	2 834 508
Asia	97 987	184 336	8 759	–	291 082
North America	344 844	–	–	3 463	348 307
South Africa	222 185	810 173	–	–	1 032 358
	12 874 714	994 509	8 759	3 463	13 881 445

# Notes to the condensed reviewed interim financial results continued

## Sales revenue from external customers per metal and per operating segment

	Zondereinde operations Reviewed 6 months ended 31 December 2020	Booyssendal operations Reviewed 6 months ended 31 December 2020	Eland operations Reviewed 6 months ended 31 December 2020	US recycling operations Reviewed 6 months ended 31 December 2020	Intercompany eliminations Reviewed 6 months ended 31 December 2020	Total Reviewed 6 months ended 31 December 2020
	R000	R000	R000	R000	R000	R000
Platinum	2 904 661	1 421 088	175 054	5 026	(1 601 168)	2 904 661
Palladium	3 567 118	1 753 647	121 648	11 841	(1 887 136)	3 567 118
Rhodium	4 322 356	3 659 377	349 790	7 476	(4 016 643)	4 322 356
Gold	131 920	35 287	1 571	–	(36 858)	131 920
Iridium	181 073	149 299	13 747	–	(163 046)	181 073
Ruthenium	144 289	108 940	6 832	–	(115 772)	144 289
Silver	5 007	–	–	–	–	5 007
Nickel	186 388	57 040	2 742	–	(59 782)	186 388
Copper	55 036	9 482	415	–	(9 897)	55 036
Cobalt	2 218	–	–	–	–	2 218
Chrome	135 644	230 239	18 949	–	–	384 832
Toll treatment charges	–	–	–	–	–	–
	11 635 710	7 424 399	690 748	24 343	(7 890 302)	11 884 898

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

Zondereinde further purchased all of the US recycling operations concentrate.

## Sales revenue from external customers per region and per operating segment

Sales revenue emanated from the following principal regions:

	Zondereinde operations Reviewed 6 months ended 31 December 2020	Booyssendal operations Reviewed 6 months ended 31 December 2020	Eland operations Reviewed 6 months ended 31 December 2020	US recycling operations Reviewed 6 months ended 31 December 2020	Total Reviewed 6 months ended 31 December 2020
	R000	R000	R000	R000	R000
Europe	4 578 033	–	–	–	4 578 033
Japan	2 200 794	–	–	–	2 200 794
Asia	135 644	230 239	18 949	–	384 832
North America	4 434 384	–	–	–	4 434 384
South Africa	286 855	–	–	–	286 855
	11 635 710	230 239	18 949	–	11 884 898

# Notes to the condensed reviewed interim financial results continued

## Sales revenue from external customers per metal and per operating segment

	Zondereinde operations	Booyensendal operations	Eland operations	US recycling operations	Intercompany eliminations	Total
	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 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
Toll treatment charges	–	–	–	–	–	–
	32 152 515	16 884 383	1 266 448	141 814	(17 818 242)	32 626 918

Zondereinde purchases all of Booyensendal'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 emanated from the following principal regions:

	Zondereinde operations	Booyensendal operations	Eland operations	US recycling operations	Total
	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 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 condensed reviewed interim 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 period/year:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Customer 1	16 255	98 249	123 577
Customer 2	2 763 110	2 189 632	6 346 607
Customer 3	1 311 280	1 051 068	3 801 955
Customer 4	3 463	3 328 174	3 328 174
Customer 5	3 283 438	3 067 009	8 399 850
Customer 6	291 082	384 832	726 792
Customer 7	210 996	984 411	1 967 573
Customer 8	4 719 128	–	6 625 854
Other	1 282 693	781 523	1 306 536
Total sales revenue	13 881 445	11 884 898	32 626 918

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 period/year:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	oz	oz	oz
Customer 1	651	2 755	4 007
Customer 2	59 290	51 055	108 904
Customer 3	34 410	31 285	86 035
Customer 4	–	91 875	91 875
Customer 5	77 506	87 482	169 817
Customer 6*	–	–	–
Customer 7	12 500	28 958	51 968
Customer 8	102 753	–	116 601
Other	22 145	21 910	24 850
4E oz sold	309 255	315 320	654 057

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

Customers 3 to 8 were previously disclosed as customers 4 to 9 in previous reporting periods.

# Notes to the condensed reviewed interim financial results continued

## 4. Operating costs

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Employee cost	2 787 425	2 338 092	4 679 000
Stores	–	1 564 028	3 323 861
Stores: Diesel and fuel	91 700	–	–
Stores: Other	1 851 693	–	–
Utilities: Electricity cost	785 645	688 657	1 380 197
Utilities: Water cost	28 008	24 455	48 281
Sundries	433 575	358 087	789 279
Royalty charges	698 243	222 923	1 473 258
Share-based payment expenses (refer to note 22)	182 815	640 151	969 898
Toro Employee Empowerment Trust contribution	–	134 572	317 268
Employee profit share scheme	9 646	–	16 421
Ore material purchased from surface sources	138 068	335 417	406 455
Contractors	892 133	650 450	1 382 348
Carbon tax	772	821	1 391
Rehabilitation (refer to note 19)	–	–	(7 346)
Development costs capitalised to property, plant and equipment	(273 003)	(178 219)	(295 331)
	7 626 720	6 779 434	14 484 980

Details of stores are provided for improved disclosure:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Diesel and fuel	91 700	54 795	120 168
Other	1 851 693	1 509 233	3 203 693
Stores	1 943 393	1 564 028	3 323 861

The corresponding litres of diesel consumed is as follows:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	ℓ	ℓ	ℓ
Zondereinde operations	827 351	473 458	1 261 544
Booysendal operations	3 666 831	3 259 822	6 673 269
Eland operations	1 136 175	486 455	942 174
Total diesel litres consumed	5 630 357	4 219 735	8 876 987

# Notes to the condensed reviewed interim financial results continued

## Operating costs per operating segment

	Zondereinde operations	Booysendal operations	Eland operations	US recycling operations	Total
	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2021
	R000	R000	R000	R000	R000
Employee costs	1 524 805	963 265	294 656	4 699	2 787 425
Stores: Diesel and fuel	13 144	59 746	18 810	-	91 700
Stores: Other	800 039	847 644	203 197	813	1 851 693
Utilities: Electricity cost	523 311	186 351	75 641	342	785 645
Utilities: Water cost	15 605	11 173	1 197	33	28 008
Sundries	181 834	209 184	37 326	5 231	433 575
Royalty charges	143 658	552 924	1 661	-	698 243
Share-based payment expenses	81 106	89 173	12 536	-	182 815
Toro Employee Empowerment Trust contribution	-	-	-	-	-
Employee profit share scheme	-	7 638	2 008	-	9 646
Ore material purchased from surface sources	15 000	-	123 068	-	138 068
Contractors	397 636	348 501	144 690	1 306	892 133
Carbon tax	772	-	-	-	772
Development costs capitalised to property, plant and equipment	-	(61 394)	(211 609)	-	(273 003)
	3 696 910	3 214 205	703 181	12 424	7 626 720

The development costs capitalised to property, plant and equipment for Booysendal relates to the development of BS4 and for Eland relates to the off-reef development associated with the opening up of ore reserves within the defined capital footprint.

# Notes to the condensed reviewed interim financial results continued

## Percentage breakdown of operating costs per operating segment

	Zondereinde operations	Booyseendal operations	Eland operations	US recycling operations	Total
	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2021
	%	%	%	%	%
Employee costs	41.2	29.4	32.2	37.8	35.3
Stores: Diesel and fuel	0.4	1.8	2.1	–	1.2
Stores: Other	21.6	25.9	22.2	6.5	23.4
Utilities: Electricity cost	14.2	5.7	8.3	2.8	9.9
Utilities: Water cost	0.4	0.3	0.1	0.3	0.4
Sundries	4.9	6.4	4.1	42.1	5.5
Royalty charges	3.9	16.9	0.2	–	8.8
Share-based payment expenses	2.2	2.7	1.4	–	2.3
Toro Employee Empowerment Trust contribution	–	–	–	–	–
Employee profit share scheme	–	0.2	0.2	–	0.1
Ore material purchased from surface sources	0.4	–	13.4	–	1.8
Contractors	10.8	10.7	15.8	10.5	11.3
Carbon tax	0.0	–	–	–	0.0
	100.0	100.0	100.0	100.0	100.0

# Notes to the condensed reviewed interim financial results continued

## Operating costs per operating segment

	Zondereinde operations	Booyseendal operations	Eland operations	US recycling operations	Total
	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2020
	R000	R000	R000	R000	R000
Employee costs	1 404 428	778 807	150 597	4 260	2 338 092
Stores	723 683	735 075	105 175	95	1 564 028
Utilities: Electricity cost	470 792	157 374	60 281	210	688 657
Utilities: Water cost	13 577	10 233	622	23	24 455
Sundries	160 978	169 003	24 512	3 594	358 087
Royalty charges	188 519	34 404	–	–	222 923
Share-based payment expenses	426 137	198 280	15 734	–	640 151
Toro Employee Empowerment Trust contribution	134 572	–	–	–	134 572
Ore material purchased from surface sources	5 103	–	330 314	–	335 417
Contractors	315 823	252 167	81 270	1 190	650 450
Carbon tax	821	–	–	–	821
Development costs capitalised to property, plant and equipment	–	(35 063)	(143 156)	–	(178 219)
	3 844 433	2 300 280	625 349	9 372	6 779 434

Details of stores are provided for improved disclosure:

	Zondereinde operations	Booyseendal operations	Eland operations	US recycling operations	Total
	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2020
	R000	R000	R000	R000	R000
Diesel and fuel	5 945	42 842	6 007	–	54 794
Other	717 738	692 233	99 168	95	1 509 234
Stores	723 683	735 075	105 175	95	1 564 028



## Notes to the condensed reviewed interim financial results continued

### Percentage breakdown of operating costs per operating segment

	Zondereinde operations	Booyseendal operations	Eland operations	US recycling operations	Total
	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2020
	%	%	%	%	%
Employee costs	36.5	33.4	19.6	45.6	33.6
Stores	18.8	31.5	13.7	1.0	22.5
Utilities: Electricity cost	12.3	6.7	7.8	2.2	9.9
Utilities: Water cost	0.4	0.4	0.1	0.2	0.4
Sundries	4.2	7.2	3.2	38.3	5.2
Royalty charges	4.9	1.5	–	–	3.2
Share-based payment expenses	11.1	8.5	2.0	–	9.2
Toro Employee Empowerment Trust contribution	3.5	–	–	–	1.9
Ore material purchased from surface sources	0.1	–	43.0	–	4.8
Contractors	8.2	10.8	10.6	12.7	9.3
Carbon tax	–	–	–	–	–
	100.0	100.0	100.0	100.0	100.0

# Notes to the condensed reviewed interim financial results continued

## Operating costs per operating segment

	Zondereinde operations	Booyensendal operations	Eland operations	US recycling operations	Total
	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 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

Details of stores are provided for improved disclosure:

	Zondereinde operations	Booyensendal operations	Eland operations	US recycling operations	Total
	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021
	R000	R000	R000	R000	R000
Diesel and fuel	16 072	91 944	12 152	-	120 168
Other	1 472 402	1 486 591	243 922	778	3 203 693
Stores	1 488 474	1 578 535	256 074	778	3 323 861

## Notes to the condensed reviewed interim financial results continued

### Percentage breakdown of operating costs per operating segment

	Zondereinde operations	Booyseendal operations	Eland operations	US recycling operations	Total
	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 30 June 2021	Audited 12 months ended 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 condensed reviewed interim financial results continued

## 5. Investment income

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Interest received on cash and cash equivalents	36 404	15 766	59 290
Dividend income received from short-term investments	2 586	3 271	3 438
Interest received from suspensive sale agreements	1 886	2 194	4 196
Interest received relating to the Northam Platinum Restoration Trust Fund (refer to note 19)	3 756	4 222	6 969
Interest received by the Buttonshope Conservancy Trust	394	339	740
Deemed interest on the interest-free home loans	3 252	2 787	5 065
Interest received from the South African Revenue Service	30	103	189
Interest received on advances paid to Zambezi Ordinary Shareholders (refer to note 31)	7 359	–	10 454
Other	–	–	144
	55 667	28 682	90 485

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

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Interest recognised on the effective interest rate method	53 081	25 411	87 047
Dividend income received from short-term investments	2 586	3 271	3 438
Total investment income	55 667	28 682	90 485

# Notes to the condensed reviewed interim financial results continued

## 6. Finance charges excluding Zambezi Preference Share dividends

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Finance costs relating to the DMTNs (refer to note 23)	(319 591)	(211 708)	(473 638)
Finance costs relating to the RCF (refer to note 24)	(40 279)	(55 384)	(79 872)
Finance costs relating to the GBF (refer to note 17)	(1 886)	(2 645)	(3 361)
Finance costs relating to the Bridge facility (refer to note 26)	(942)	–	–
Amounts capitalised in terms of IAS 23 Borrowing costs (refer to note 11)	29 606	21 034	41 707
Commitment and utilisation fees on borrowing facilities (refer to note 24 and 26)	(16 148)	(7 351)	(24 593)
Amortisation of the transaction costs relating to the DMTNs (refer to note 23)	(106 855)	(32 898)	(75 120)
Amortisation of the transaction costs relating to the RCF (refer to note 24)	(3 660)	(2 772)	(5 546)
Finance costs relating to the Deferred Acquisition Consideration (refer to note 25)	(78 959)	–	–
Amortisation of the transaction costs relating to the Bridge facility (refer to note 26)	(2 549)	–	–
Unwinding of rehabilitation liability (refer to note 19)	(34 227)	(30 714)	(62 723)
Unwinding of the research and development liability with Heraeus Deutschland GmbH & Co. KG (refer to note 21)	(1 744)	(4 168)	(12 766)
Finance costs relating to lease liabilities	(3 576)	(3 901)	(7 648)
Interest on Employee Labour Court judgement (refer to note 32)	(15 603)	–	–
Unwinding of employee profit share scheme liability	(506)	–	–
Other financial liabilities	(6 596)	(927)	(1 884)
	(603 515)	(331 434)	(705 444)

# Notes to the condensed reviewed interim financial results continued

## 7. Sundry income

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Insurance proceeds relating to nickel theft	–	3 097	3 097
Rent received	965	750	1 915
Sale of scrap	6 586	5 035	10 610
Profit on sale of property, plant and equipment	17 461	100	149
Accommodation and housing income	91	743	2 048
Environmental guarantee investment income	1 567	1 486	2 773
Profit on modification of the agreement terms relating to the research and development liability with Heraeus Deutschland GmbH & Co. KG (refer to note 21)	39 617	–	–
COVID-19 Temporary Employee Relief Scheme refund (refer to note 34)	6 241	46 038	102 664
Financial asset relating to the revaluation of the call options on RBPlat Shares (refer to note 18)	119 299	–	–
Lock-in Fee forfeited due to Disposal Event (refer to note 21)	32 420	–	–
Other income	1 501	627	10 851
	225 748	57 876	134 107

## 8. Sundry expenditure

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Corporate and once-off project costs*	(194 282)	(99 738)	(184 911)
COVID-19 related cost	–	(28 731)	(30 050)
Booyendal land management, including depreciation relating to the Buttonslope Conservancy Trust	(6 281)	(4 256)	(8 186)
Accommodation and housing expenses	(3 055)	(1 625)	(5 500)
Black Economic Empowerment Trusts operating costs	(8 453)	(6 396)	(12 752)
Administrative costs relating to Zambezi Platinum (RF) Limited	(1 375)	(436)	(874)
Standing time and transition costs	–	–	(6 412)
Environmental guarantee cost	(3 623)	(2 237)	(4 901)
Impairment of property, plant and equipment (refer to note 11)	–	–	(29 657)
Donations	(303)	(100)	(303)
Other expenditure	(11 062)	(23 913)	(48 359)
	(228 434)	(167 432)	(331 905)

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

# Notes to the condensed reviewed interim financial results continued

## 9. Tax

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
<i>Income tax</i>			
Current mining income tax charge	1 092 575	633 796	3 347 390
Current non-mining income tax charge	31 332	14 794	38 977
Adjustment in respect of current income tax of previous year	(14 767)	(33)	(1 529)
<i>Dividend Withholding Tax</i>			
Current period/year Dividend Withholding Tax	5 391	76	150
<i>Deferred tax</i>			
Current and prior period/year deferred tax charge	468 615	775 932	964 340
Income tax expense reported in profit or loss	1 583 146	1 424 565	4 349 328

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:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	%	%	%
South African normal tax rate	28.0	28.0	28.0
Adjustment in respect of current income tax and deferred tax of previous period/year	(0.3)	0.3	(0.1)
Exempt income received	(1.7)	(0.1)	0.0
Expenditure and contingencies incurred which are non-deductible	1.2	0.9	0.1
Unproductive interest and related costs incurred which is not tax deductible	1.8	1.3	0.7
Prepaid expenditure allowable for a tax deduction	–	0.3	–
Amortisation of liquidity fees paid on Zambezi Preference Shares	0.4	0.1	0.0
Zambezi Preference Share dividends disallowed	0.1	2.2	0.8
Loss on derecognition of Zambezi Preference Share liability	1.6	7.1	2.2
Deferred tax asset not raised	–	0.3	–
Effective tax rate	31.1	40.4	31.7

Subsequent to the period ended 31 December 2021, on 23 February 2022, the South African Minister of Finance confirmed that the corporate tax rate reductions announced in the 2021 budget speech would become effective for companies from the year of assessment ending on or after 31 March 2023. This would change the rate from 28.0% to 27.0%.

IAS 12.46 requires current tax liabilities and assets for the current and prior periods to be measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Likewise, IAS 12.47 states that deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

## Notes to the condensed reviewed interim 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.

The updated approved mine plan and board approved budget, which takes into account the impact of Maroelabult on the mine development, has confirmed that Eland will generate sufficient taxable profit to utilise against a deferred tax asset.

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 transfer of the mining rights was granted in January of this year. Maroelabult lies immediately west of Kukama shaft and its inclusion in the Eland mining right will have several synergistic benefits justifying the deferred tax asset based on the financial performance generating sufficient taxable profits.

It is therefore believed based on the latest forecasts and budget that Eland Platinum Proprietary Limited will generate sufficient taxable profits to utilise the deferred tax asset in the foreseeable future.

Accordingly, a deferred tax asset of R76.9 million (30 June 2021: R39.9 million) was raised as at the reporting period. No deferred tax asset was raised on deductible temporary tax differences amounting to R336.7 million as at 31 December 2020.

This position will be assessed continuously.



# Notes to the condensed reviewed interim financial results continued

## 10. Earnings per share, headline earnings per share and fully diluted earnings per share

Below is a reconciliation of basic earnings, being the net profit for the reporting period attributable to ordinary equity holders to headline earnings.

Headline earnings is calculated by starting with the basic earnings in terms of IAS 33 Earnings per Share and then excluding all re-measurements that have been identified in the South African Institute of Chartered Accountants Circular 1/2021.

Headline earnings per share is based on the headline earnings and is reconciled to profit attributable to Shareholders as per the reconciliation below:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Profit for the period/year	3 503 439	2 099 031	9 382 958
Profit on sale of property, plant and equipment and mining properties and Mineral Resources	(17 461)	(100)	(149)
Tax effect on profit on sale of property, plant and equipment and mining properties and Mineral Resources	4 889	28	42
Impairment of property, plant and equipment	-	-	29 657
Tax effect on impairment of property, plant and equipment	-	-	(8 304)
Associate: Profit on disposal of property, plant and equipment and other assets*	-	-	-
Associate: Tax effect on profit on disposal of property, plant and equipment and other assets*	-	-	-
Headline earnings	3 490 867	2 098 959	9 404 204

\*Estimated to be immaterial for the period under review.

### The weighted average number of shares in issue has been calculated as follows:

The weighted average number of Northam Holdings Shares/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.

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	Weighted average number of shares	Weighted average number of shares	Weighted average number of shares
Opening weighted average number of shares in issue	349 875 759	349 875 759	349 875 759
Net Value Share Distribution of 20 533 102 to the Zambesi Ordinary Shareholders	13 056 375	-	-
14 571 063 Northam Holdings Shares repurchased from the Strategic Partners	(7 919 056)	-	-
34 399 725 Northam Holdings Shares issued pursuant to the purchase of a 32.50% investment in RBPlat (refer to note 13)	8 039 066	-	-
Weighted average number of shares in issue	363 052 144	349 875 759	349 875 759

Since the consolidated financial results of Northam Holdings are in substance a continuation of the existing Northam group, the shares used in calculating the weighted average number of issued shares is based on the issued stated capital of the listed entity at that stage. As a result of the above, earnings per share measures are based on issued shares for comparative periods.

Please also refer to the statement of changes in equity for a reconciliation of the movement in the stated capital of the group.

# Notes to the condensed reviewed interim financial results continued

## Below is a reconciliation of the fully diluted number of shares in issue:

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

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	Number of shares	Number of shares	Number of shares
Weighted average number of shares in issue	363 052 144	349 875 759	349 875 759
<i>Adjusted for:</i>			
Performance and retention share awards including the Lock-in and incentive mechanism share awards	-	-	-
Potential share issue as a result of the residual asset value in Zambezi to the Strategic Partners	-	45 428 924	21 943 684
Put and call options relating to the potential purchase of additional shares in RBPlat	-	-	-
Fully diluted number of shares in issue	363 052 144	395 304 683	371 819 443

Performance and retention share awards including the Lock-in and incentive mechanism share awards, is not considered to have a dilutionary impact as all share awards will either be cash-settled or equity-settled through purchases in the open market, in order to avoid any future dilution.

The potential share issue as a result of the residual asset value in Zambezi to the Strategic Partners, for F2021, was 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. For F2020, the dilution was 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.

# Notes to the condensed reviewed interim financial results continued

## **Put and call options relating to the potential purchase of additional shares in RBPlat**

Northam Holdings has been granted, for no consideration, a Call Option by Royal Bafokeng Holdings Proprietary Limited (RBH) to acquire a further 1 673 695 RBPlat Shares (Call Option Shares) (Call Option). The Call Option is exercisable by Northam Holdings in respect of some or all of the Call Option Shares within 24 months of the Acquisition Implementation Date. Northam will be entitled to settle the aggregate purchase consideration in respect of the Call Option in cash, Northam Holdings Shares, or a combination thereof, at Northam Holdings' election.

RBH has been granted, for no consideration, a Put Option to sell 1 673 695 RBPlat Shares (Put Option Shares) (Put Option). The Put Option is exercisable by RBH, in respect of some or all of the Put Option Shares, no earlier than 6 months and 5 business days, and no later than 24 months, after the Acquisition Implementation Date. Northam Holdings will be entitled to settle the aggregate purchase consideration in respect of the Put Option in cash, Northam Holdings Shares, or a combination thereof, at Northam Holdings' election.

The purchase consideration in respect of each Call Option Share or Put Option Share, as the case may be (Option Share), amounts to R135.00 per Option Share (to be escalated at the Escalation Rate from the Acquisition Implementation Date until the relevant date of settlement of the Call Option or the Put Option, as the case may be (Option Implementation Date)), (the aggregate purchase consideration in respect of all of the relevant Option Shares, the Option Consideration).

The Option Consideration may be settled in cash or Northam Holdings Shares, or a combination thereof, at Northam Holdings' election: by Northam Holdings issuing to RBH a number of Northam Holdings Shares, which number shall be determined by dividing the relevant portion of the Option Consideration by the 5-Day VWAP at which a Northam Holdings Share trades on the JSE as at the immediately preceding trading date to the date on which the Call Option or Put Option, as the case may be, is exercised, rounded up to the nearest whole number; or in cash (Option Cash Consideration) and if the Call Option or the Put Option, as the case may be, is exercised.

In addition, Emikaway (RF) Proprietary Limited (EMI) has been granted, for no consideration, a put option to sell 1 891 342 RBPlat Shares to Northam (EMI Put Option); and, Northam Holdings has been granted, for no consideration, a call option by EMI to acquire 4 472 103 RBPlat Shares, from EMI (EMI Call Option); and Northam Holdings has been granted, for no consideration, a right of first refusal to acquire a further 3 367 673 RBPlat Shares (ROFR Shares), from EMI (ROFR).

In terms of the ROFR, which remains in effect until 8 November 2024, if EMI wishes to dispose of all or a portion of the ROFR Shares (ROFR Offer Shares), it shall not be entitled to do so, nor shall it agree to do so, unless it first offers to sell the ROFR Offer Shares to Northam Holdings. The purchase consideration in respect of each ROFR Offer Share shall be determined with reference to the 5-Day volume weighted average price of an RBPlat Share on the date on which EMI offers the ROFR Offer Shares to Northam Holdings.

The salient terms of the Put Option, Call Option and the Option Consideration, similarly apply to the EMI Put Option and EMI Call Option.

These Call Options are not considered dilutive as it would not result in the issue of Northam Holdings Shares for less than the average market price at the date of settlement.

## Notes to the condensed reviewed interim financial results continued

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

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
Earnings per share (cents)	965.0	599.9	2 681.8
Fully diluted earnings per share (cents)	965.0	531.0	2 523.5
Headline earnings per share (cents)	961.5	599.9	2 687.9
Fully diluted headline earnings per share (cents)	961.5	531.0	2 529.2
Dividends per share (cents)	–	–	–
Weighted average number of shares in issue	363 052 144	349 875 759	349 875 759
Fully diluted number of shares in issue	363 052 144	395 304 683	371 819 443
Number of shares in issue including Treasury Shares	396 615 878	509 781 212	509 781 212
Treasury Shares in issue	(6 378 355)	(159 905 453)	(159 905 453)
Shares in issue adjusted for Treasury Shares	390 237 523	349 875 759	349 875 759

Earnings per share is calculated by dividing the profit for the period/year attributable to Shareholders by the weighted average number of Northam Holdings Shares in issue during the period ended 31 December 2021 and Northam Shares in issue during the period ended 31 December 2020 and year ended 30 June 2021.

## Notes to the condensed reviewed interim financial results continued

### 11. Property, plant and equipment

	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	General infrastructure assets including other assets	Decommissioning assets	Right-of-use assets	Assets under construction	Total
	R000	R000	R000	R000	R000	R000	R000	R000
Cost								
Opening balance as at 1 July 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	–	–	–	–	–	9 880	–	9 880
Foreign currency translation movements	–	(4 766)	(22 652)	–	–	–	–	(27 418)
Additions	–	–	1 327	60 401	–	–	1 236 783	1 298 511
Transfer from assets under construction	1 316 071	119 283	41	8 943	–	–	(1 444 338)	–
Disposals and write-offs	–	(20)	–	(17)	–	–	–	(37)
Borrowing costs capitalised (refer to note 6)	–	–	–	–	–	–	21 034	21 034
Closing cost as at 31 December 2020	13 555 346	4 557 874	793 405	703 350	343 894	98 841	1 963 617	22 016 327
Reassessment of IFRS 16 Leases	–	–	–	–	–	(393)	–	(393)
Foreign currency translation movements	–	(780)	(3 618)	–	–	–	–	(4 398)
Additions	–	–	310	–	–	–	2 033 383	2 033 693
Transfer from assets under construction	586 354	206 176	–	56 622	–	–	(849 152)	–
Disposals and write-offs	(3 513)	(204)	(2 372)	(3 624)	–	–	–	(9 713)
Impairments	–	(80 953)	–	–	–	–	–	(80 953)
Present value of decommissioning asset capitalised (refer to note 19)	–	–	–	–	28 043	–	–	28 043
Borrowing costs capitalised (refer to note 6)	–	–	–	–	–	–	20 673	20 673
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
Foreign currency translation movements	–	2 817	14 849	–	–	–	–	17 666
Additions	18 595	–	450	–	–	–	2 278 988	2 298 033
Transfer from assets under construction	1 201 101	926 100	4 373	27 562	–	–	(2 159 136)	–
Disposals and write-offs	–	(1 191)	(1 277)	(25 172)	–	–	–	(27 640)
Borrowing costs capitalised (refer to note 6)	–	–	–	–	–	–	29 606	29 606
Closing cost as at 31 December 2021	15 357 883	5 609 839	806 120	758 738	371 937	98 448	3 317 979	26 320 944

## Notes to the condensed reviewed interim financial results continued

	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	General infrastructure assets including other assets	Decommissioning assets	Right-of-use assets	Assets under construction	Total
	R000	R000	R000	R000	R000	R000	R000	R000
<i>Accumulated depreciation</i>								
Opening balance as at 1 July 2020	(2 766 295)	(922 765)	(240 999)	(233 360)	(14 119)	(14 286)	–	(4 191 824)
Foreign currency translation movements	–	1 618	3 892	–	–	–	–	5 510
Depreciation	(244 660)	(83 682)	(12 003)	(22 759)	(731)	(7 011)	–	(370 846)
Disposals and write-offs	–	6	–	14	–	–	–	20
Accumulated depreciation as at 31 December 2020	(3 010 955)	(1 004 823)	(249 110)	(256 105)	(14 850)	(21 297)	–	(4 557 140)
Foreign currency translation movements	–	309	730	–	–	–	–	1 039
Depreciation	(266 265)	(79 837)	(11 718)	(24 976)	(836)	(6 089)	–	(389 721)
Disposals and write-offs	3 513	71	183	3 623	–	–	–	7 390
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)
Foreign currency translation movements	–	(1 222)	(3 353)	–	–	–	–	(4 575)
Depreciation	(297 855)	(71 863)	(11 896)	(26 876)	(1 049)	(5 268)	–	(414 807)
Disposals and write-offs	–	687	965	19 943	–	–	–	21 595
Accumulated depreciation as at 31 December 2021	(3 571 562)	(1 105 382)	(274 199)	(284 391)	(16 735)	(32 654)	–	(5 284 923)
<b>Net book value as at 31 December 2020</b>	<b>10 544 391</b>	<b>3 553 051</b>	<b>544 295</b>	<b>447 245</b>	<b>329 044</b>	<b>77 544</b>	<b>1 963 617</b>	<b>17 459 187</b>
<b>Net book value as at 30 June 2021</b>	<b>10 864 480</b>	<b>3 649 129</b>	<b>527 810</b>	<b>478 890</b>	<b>356 251</b>	<b>71 062</b>	<b>3 168 521</b>	<b>19 116 143</b>
<b>Net book value as at 31 December 2021</b>	<b>11 786 321</b>	<b>4 504 457</b>	<b>531 921</b>	<b>474 347</b>	<b>355 202</b>	<b>65 794</b>	<b>3 317 979</b>	<b>21 036 021</b>

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 condensed reviewed interim 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 7.40% (31 December 2020: 8.24% and 30 June 2021: 7.00%).

An amount of R29.6 million was capitalised during the period under review both in the Eland Platinum Proprietary Limited statutory entity as well as on consolidation (31 December 2020: R21.0 million and 30 June 2021: R41.7 million). Refer to note 6.

# Notes to the condensed reviewed interim 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
<i>Cost</i>			
Opening balance as at 1 July 2020	2 026 164	5 028 056	7 054 220
Additions	–	–	–
Closing balance as at 31 December 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
Reallocation between current and project Mineral Reserves and Mineral Resources	249 615	(249 615)	–
Disposal	(23 620)	–	(23 620)
Closing balance as at 31 December 2021	2 252 159	4 778 441	7 030 600
<i>Accumulated depreciation</i>			
Opening balance as at 1 July 2020	(390 795)	–	(390 795)
Depreciation	(43 278)	–	(43 278)
Closing balance as at 31 December 2020	(434 073)	–	(434 073)
Depreciation	(40 641)	–	(40 641)
Closing balance as at 30 June 2021	(474 714)	–	(474 714)
Depreciation	(18 983)	–	(18 983)
Disposal	15 376	–	15 376
Closing balance as at 31 December 2021	(478 321)	–	(478 321)
Net book value as at 31 December 2020	1 592 091	5 028 056	6 620 147
Net book value as at 30 June 2021	1 551 450	5 028 056	6 579 506
<b>Net book value as at 31 December 2021</b>	<b>1 773 838</b>	<b>4 778 441</b>	<b>6 552 279</b>



# Notes to the condensed reviewed interim 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's) 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 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 calculations 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 extent of life of mine.

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

		Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
Long-term real platinum price	USD/oz	1 398	888	1 398
Long-term real palladium price	USD/oz	2 249	1 817	2 249
Long-term real rhodium price	USD/oz	17 991	10 901	17 991
Long-term real gold price	USD/oz	1 529	1 544	1 529
Long-term real ruthenium price	USD/oz	675	273	342
Long-term real iridium price	USD/oz	5 397	1 453	5 397
Long-term real nickel price	USD/t	16 192	12 718	16 192
Long-term real copper price	USD/t	7 646	5 905	7 646
Long-term real chrome price	USD/t	135	150	135
Long-term real USD exchange rate	R/USD	R14.36	R15.47	R14.36
Long-term real discount rate	%	10.61	10.60	10.00

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 previous year:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Impairments of property, plant and equipment (refer to note 11)	-	-	29 657

## Notes to the condensed reviewed interim financial results continued

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

Management also estimated the recoverable amount of those Mineral Resources (based on the *in-situ* 4E available ounces) outside of 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 PGM exploration companies relative to their resources base. Below is the value that has been attributed to the recoverable value of Mineral Resources:

		Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
		R000	R000	R000
4E <i>in-situ</i> available ounce value	USD/oz	7.11	5.38	11.93

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

### *Significant judgements and estimates: Mineral Reserves and Mineral Resources 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 Resources based on information compiled by appropriately-qualified persons, relating to the size, depth, shape and metal tenor of the ore body. This requires complex geological judgements in interpretation. Consideration of economic factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs are then incorporated in the estimation of recoverable Mineral Reserves. Changes in the Mineral Reserves estimates may impact 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 that impact the estimation of Mineral Reserves and Mineral Resources, variance in which may lead to variance between planned and achieved outcomes include:

- the grade of Mineral Reserves – deviation from the planned mining cut may result in the achieved grade varying from the grade of Mineral Reserves;
- commodity price, discount rates and foreign exchange rate estimations – variance in which may lead to different revenue outcomes; and
- operating, mining, processing and refining costs.

Cognisance is also given to the tenure of mining licenses relating to the operations when life of mine calculations are performed.

Refer to the Northam Holdings website, [www.northam.co.za](http://www.northam.co.za), for the group's detailed Mineral Resources and Mineral Reserves statement as at 30 June 2021.

# Notes to the condensed reviewed interim financial results continued

## 13. Interest in associates

The interest in associates is made up of the following two investments:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Royal Bafokeng Platinum Limited	17 576 317	–	–
SSG Holdings Proprietary Limited	80 679	63 356	68 231
	17 656 996	63 356	68 231

### *Investment in Royal Bafokeng Platinum Limited*

In November 2021, Northam Holdings acquired an initial 32.50% interest in Royal Bafokeng Platinum Limited (RBPlat) from a wholly owned subsidiary of RBH. RBPlat is a mid-tier PGM producer registered in the republic of South Africa and listed on the JSE.

The purchase consideration for the 32.50% interest in RBPlat was settled by Northam Holdings through the issue of 34 399 725 Northam Holdings Shares to RBIH, with the balance of R8.6 billion settled in cash. R3.0 billion was paid upfront, R4.0 billion will be deferred to no later than 30 April 2022 and the remaining R1.6 billion will be deferred to no later than 30 September 2022, refer to note 25, for details on the Deferred Acquisition Consideration.

As a result of the above transaction, RBIH obtained a strategic 8.7% shareholding in Northam Holdings.

The Deferred Acquisition Consideration escalates, from the Acquisition Implementation Date (being 19 November 2021) until the date of payment of the relevant Deferred Acquisition Consideration, at a nominal annual rate of 12.0% compounded quarterly in arrears (Escalation Rate).

Northam Holdings will be entitled, at its election, to settle the Deferred Acquisition Consideration earlier than the dates specified above.

Any amounts received by Northam Holdings in respect of any cash distribution declared and paid by RBPlat pertaining to the Acquisition Shares will be utilised to settle all or a part of the Deferred Acquisition Consideration that remains outstanding.

The acquisition is aligned with Northam's operational diversification strategy and resulted in Northam Holdings acquiring a significant and strategically beneficial interest in RBPlat, providing direct exposure to RBPlat's proven mining operations and well-understood shallow ore bodies, of which a significant portion is mechanised. The transaction also introduced further diversification to Northam's metal mix interests, given RBPlat's higher relative platinum contribution.

Subsequent to the initial interest acquired in RBPlat, 6 289 174 RBPlat Shares were acquired, for R1.0 billion, representing an additional 2.18% interest.

## Notes to the condensed reviewed interim financial results continued

Below is a summary of the put and call options outstanding to acquire additional RBPlat Shares at the reporting period:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	Number of RBPlat Shares	Number of RBPlat Shares	Number of RBPlat Shares
Put and call options with RBIH	1 673 695	–	–
Put options with EMI	1 891 342	–	–
Call options with EMI which includes the 1 891 342 put options	4 472 103	–	–
Right of first refusal shares (ROFR) held by EMI	3 367 673	–	–
Total number of potential additional RBPlat Shares that could be acquired by Northam Platinum Holdings Limited	9 513 471	–	–

In addition, a call and put option arrangement has been entered into with RBIH whereby Northam Holdings may increase its interest in RBPlat by 1 673 695 RBPlat Shares. The initial exercise price in respect of the call and put options is R135.00 per RBPlat Share (subject to escalation at the Escalation Rate). Any distributions received in respect of the RBPlat Shares which are subject to the options, will be deducted from the exercise price of the options.

Northam Holdings may further increase its interest in RBPlat with an additional 4 472 103 RBPlat Shares, pursuant to an additional call option and a put option arrangement for 1 891 342 RBPlat Shares. Such agreement also caters for a right of first refusal (ROFR) in favour of Northam Holdings in respect of all remaining RBPlat Shares held by EMI, representing 3 367 673 RBPlat Shares (ROFR Shares).

The salient terms of all put and call options are the same.

In terms of the ROFR, which remains in effect until 8 November 2024, if EMI wishes to dispose of all or a portion of the ROFR Shares (ROFR Offer Shares), it shall not be entitled to do so, nor shall it agree to do so, unless it first offers to sell the ROFR Offer Shares to Northam Holdings. The purchase consideration in respect of each ROFR Offer Share shall be determined with reference to the 5-Day volume weighted average price of an RBPlat Share on the date on which EMI offers the ROFR Offer Shares to Northam Holdings.

As at 31 December 2021, Northam Holdings held 100 219 552 RBPlat Shares, with options and a ROFR over a further 9 513 471 RBPlat Shares. As at 31 December 2021, Northam Holdings held a 34.68% interest in RBPlat.

### *Investment in SSG Holdings Proprietary Limited*

Interest in associates further comprise a 33.7% interest (31 December 2020 and 30 June 2021: 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.

Both these investments are considered significant and accounted for as associates.

# Notes to the condensed reviewed interim financial results continued

Below is a reconciliation of the interest in associates:

	Investment in Royal Bafokeng Platinum Limited	Interest in SSG Holdings Proprietary Limited	Total
	R000	R000	R000
Opening balance as at 1 July 2020	–	62 657	62 657
Share of earnings from associate	–	1 305	1 305
Dividends received	–	(606)	(606)
Closing balance as at 31 December 2020	–	63 356	63 356
Share of earnings from associate	–	4 875	4 875
Closing balance as at 30 June 2021	–	68 231	68 231
Acquisition of investment in RBPlat	16 421 620	–	16 421 620
Additional investment in RBPlat	1 026 277	–	1 026 277
Share of earnings from associates	128 420	13 054	141 474
Dividends received	–	(606)	(606)
Closing balance as at 31 December 2021	17 576 317	80 679	17 656 996

The acquisition of the investment in RBPlat paid in cash as disclosed in the statement of cash flows relates to the original upfront R3.0 billion cash consideration together with the additional investment of R1.0 billion purchased in the open market including Securities Transfer Taxes and legal and other fees paid.

## *Significant judgements and estimates: Share of earnings from RBPlat*

Management share of earnings was calculated on a pro rata basis from the acquisition date being, 19 November 2021, taking into account subsequent purchases in December 2021.

The calculation was based on the earnings for the six months ended 31 December 2021 based on the latest RBPlat audited financial results for the year ended 31 December 2021 and the reviewed interim results for the period ended 30 June 2021, which were pro rata applied based on the number of days, to Northam Holding's investment from the Acquisition Implementation Date to the reporting period, based on the shareholding held.

## *Significant judgements and estimates: Determination of the provisional fair value for the investment held in RBPlat*

The provisional estimation of the fair value of the identifiable net assets acquired were determined on the expected discounted cash flows based on the life of mine of the two mining operations, Styldrift and BRPM.

The fair value of the contract liability which forms part of the streaming arrangement was measured separately.

The determination of fair value attributable to the investment in RBPlat at acquisition, was based on a provisional and preliminary assessment of information publicly available, whilst Northam seeks additional detailed information to include in the valuation.

The final fair value valuation had not been concluded by the date the condensed reviewed interim financial results were approved for issue.

# Notes to the condensed reviewed interim financial results continued

Below is a summary of the various call and put options, as well as the ROFR relating to RBPlat Shares:

	Call options	Put options	ROFR
Number of options acquired from Royal Bafokeng Investment Holding Company Proprietary Limited and Royal Bafokeng Holdings Proprietary Limited	1 673 695 RBPlat Shares	1 673 695 RBPlat Shares	N/A
Commencement date	Acquisition Implementation Date, which is the Sale Settlement Date being 19 November 2021	6 months and 5 business days after the Acquisition Implementation Date	N/A
Expiry date	24 months following the Acquisition Implementation Date	24 months following the Acquisition Implementation Date	N/A
Option consideration	<p>Equal to R135.00 to be escalated at the Escalation Rate from the Sale Settlement Date until the relevant Option Settlement Date</p> <p>The Option Consideration shall be reduced by an amount equal to the amount of any Distribution declared and made by the company in respect of the relevant Option Shares between the Signature Date and the relevant Option Trade Date</p>	<p>Equal to R135.00 to be escalated at the Escalation Rate from the Sale Settlement Date until the relevant Option Settlement Date</p> <p>The Option Consideration shall be reduced by an amount equal to the amount of any Distribution declared and made by the company in respect of the relevant Option Shares between the Signature Date and the relevant Option Trade Date</p>	N/A
Settlement	Northam Holdings Shares or cash (at Northam's election)	Northam Holdings Shares or cash (at Northam's election)	N/A
Number of options acquired from Emikaway (RF) Proprietary Limited	4 472 103 RBPlat Shares	1 891 342 RBPlat Shares	3 367 673 RBPlat Shares
Commencement date	The period commencing on the later of (i) the Sale Settlement Date and the (ii) the Signature Date, being 3 December 2021, of the Option and ROFR Agreement	6 months and 5 business days after the Sale Settlement Date	From the signature date of the Option and ROFR Agreement being 3 December 2021
Expiry date	24 months after the Sale Settlement Date	24 months after the Sale Settlement Date	36 months after the signature date of the Sale Agreement
Option consideration	<p>Equal to R135.00 to be escalated at the Escalation Rate from the Sale Settlement Date until the relevant Option Settlement Date</p> <p>The Option Consideration shall be reduced by an amount equal to the amount of any Distribution declared and made by the company in respect of the relevant Option Shares between the Signature Date and the relevant Option Trade Date</p>	<p>Equal to R135.00 to be escalated at the Escalation Rate from the Sale Settlement Date until the relevant Option Settlement Date</p> <p>The Option Consideration shall be reduced by an amount equal to the amount of any Distribution declared and made by the company in respect of the relevant Option Shares between the Signature Date and the relevant Option Trade Date</p>	N/A
ROFR consideration	N/A	N/A	The 5-Day VWAP on the date of the ROFR Offer Notice
Settlement	Northam Holdings Shares or cash (at Northam's election)	Northam Holdings Shares or cash (at Northam's election)	Cash

## Notes to the condensed reviewed interim financial results continued

Below is a summary of the statement of profit or loss and other comprehensive income, together with the statement of financial position of Royal Bafokeng Platinum Limited, as detailed in their financial results and therefore disclosed at 100%. It must be noted that the results disclosed for RBPlat is for the full financial year ended 31 December 2021, even though Northam Holdings only acquired the investment in RBPlat during November and December 2021.

### Statement of profit or loss and other comprehensive income of RBPlat\*:

	Calculated 6 months ended 31 December 2021	12 months ended 31 December 2021	6 months ended 30 June 2021
	R000	R000	R000
Revenue	6 844 400	16 428 700	9 584 300
Cost of sales	(5 214 500)	(9 637 300)	(4 422 800)
Gross profit	1 629 900	6 791 400	5 161 500
Other income	618 400	1 062 300	443 900
Other expenses	291 500	–	(291 500)
Administrative expenses	(197 800)	(363 100)	(165 300)
Finance income	136 600	255 100	118 500
Finance cost	(166 600)	(694 700)	(528 100)
Profit before tax	2 312 000	7 051 000	4 739 000
Income tax	(695 000)	(541 100)	153 900
Profit for the period/year	1 617 000	6 509 900	4 892 900
Other comprehensive income for the period/year	–	–	–
Total comprehensive income for the period/year	1 617 000	6 509 900	4 892 900

\*RBPlat financial results are disclosed in R million, rounded to 1 decimal and therefore adjusted for disclosure.

# Notes to the condensed reviewed interim financial results continued

## Statement of financial position of RBPlat\*:

	31 December 2021
	R000
<b>Assets</b>	
Non-current assets	23 432 100
Property, plant and equipment	16 696 900
Mining rights	5 196 600
Right-of-use assets	34 700
Environmental trust deposits and guarantee investments	281 000
Employee housing loan receivable	903 100
Employee housing benefit	262 400
Housing insurance investment	57 400
Current assets	11 615 100
Employee housing loan receivable	14 600
Employee housing benefit	23 900
Employee housing asset	494 300
Inventories	564 500
Trade and other receivables	5 552 100
Current tax receivable	67 300
Cash and cash equivalents	4 898 400
Total assets	35 047 200
<b>Equity and liabilities</b>	
Total equity	24 266 600
Stated capital	12 413 600
Retained earnings	11 601 300
Share-based payment reserve	251 700
Non-current liabilities	9 193 500
Deferred tax liability	5 533 100
PIC housing facility	1 487 500
Deferred revenue	1 896 000
Restoration, rehabilitation and other provisions	245 400
Lease liabilities	31 500
Current liabilities	1 587 100
Trade and other payables	1 302 300
Current tax payable	4 700
Current portion of PIC housing facility	48 000
Current portion of deferred revenue	228 000
Current portion of lease liabilities	4 100
Total equity and liabilities	35 047 200

\*RBPlat financial results are disclosed in R million, rounded to 1 decimal and therefore adjusted for disclosure.



## Notes to the condensed reviewed interim financial results continued

Below is a reconciliation of the value in the investment in SSG Holdings Proprietary Limited based on the equity method to the carrying value of the investment:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Net asset value of SSG Holdings Proprietary Limited	138 892	87 501	101 963
Northam's 33.7% share of net asset value	46 818	29 495	34 370
Impact of the adoption of IFRS 9	451	451	451
At acquisition fair value adjustment	10 717	10 717	10 717
Subsequent fair value adjustment with the increase in shareholding from 20% to 30% and the conversion of a loan to an equity investment	10 549	10 549	10 549
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	12 144
Value of investment in associate based on the equity method of accounting	80 679	63 356	68 231

Refer to note 31, Related parties, detailing all transactions between the group and SSG Holdings Proprietary Limited.

# Notes to the condensed reviewed interim financial results continued

## 14. Long-term receivables

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Long-term receivables with regards to suspensive sale agreements	48 749	57 465	53 027
Interest-free home loans	53 283	41 615	45 461
Total long-term receivables	102 032	99 080	98 488
Current portion of suspensive sale agreements (refer to note 16)	(6 067)	(5 793)	(5 761)
Current portion of interest-free home loans (refer to note 16)	(10 783)	(9 737)	(9 566)
Long-term portion of long-term receivables	85 182	83 550	83 161

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 period of 20 years from grant date. The average remaining repayment period is approximately 14 years. Furthermore, these loans are secured by a second bond over the residential properties.

As at 31 December 2021 there was R5.5 million, R2.5 million relating to the suspensive sale agreements and R3.0 million relating to the interest-free home loans (31 December 2020: R2.2 million (with the full balance relating to suspensive sale agreements) and 30 June 2021: R3.5 million, R2.5 million relating to the suspensive sale agreements and R1.0 million relating to the interest-free home loans) 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:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Current portion	16 850	15 530	15 327
Due within 1 – 5 years	48 011	45 416	47 109
Due within 5 – 10 years	21 535	26 202	22 797
More than 10 years	15 636	11 932	13 255
	102 032	99 080	98 488

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 to be recovered from former employees have been provided for in full.

# Notes to the condensed reviewed interim financial results continued

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

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Neither in default nor impaired	48 749	57 465	53 027
	48 749	57 465	53 027

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

## *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 in full.

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.

The volatility of prevailing interest rates 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.

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.

# Notes to the condensed reviewed interim financial results continued

## 15. Inventories

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
<i>Metals on hand and in transit</i>			
Platinum	1 346 153	912 740	979 466
Palladium	1 634 879	1 203 372	1 346 094
Rhodium	4 216 061	3 465 237	3 756 999
Gold	41 483	29 881	27 618
Total metal inventory at the lower of cost and net realisable value	7 238 576	5 611 230	6 110 177
Less non-current metal inventories	(481 884)	(1 146 805)	(1 195 863)
Current metal inventory at the lower of cost and net realisable value	6 756 692	4 464 425	4 914 314
Consumables at the lower of cost and net realisable value	274 141	236 947	230 276
Total current inventory at the lower of cost and net realisable value	7 030 833	4 701 372	5 144 590

Below are the ounces available at the reporting date:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	OZ	OZ	OZ
<i>Metal inventory quantities on hand and in transit</i>			
Platinum	203 639	153 471	176 767
Palladium	121 394	80 660	91 509
Rhodium	49 774	38 431	40 224
Gold	5 067	3 673	4 111
4E	379 874	276 235	312 611

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

# Notes to the condensed reviewed interim financial results continued

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

	Own production 31 December 2021	Purchased material 31 December 2021	Total metal inventories 31 December 2021	Non-current metal inventories 31 December 2021	Current metal inventories 31 December 2021
	R000	R000	R000	R000	R000
Platinum	1 122 569	223 584	1 346 153	(76 218)	1 269 935
Palladium	1 152 430	482 449	1 634 879	(258 751)	1 376 128
Rhodium	3 730 899	485 162	4 216 061	(143 588)	4 072 473
Gold	40 758	725	41 483	(3 327)	38 156
Total metal inventory	6 046 656	1 191 920	7 238 576	(481 884)	6 756 692

	Own production 31 December 2020	Purchased material 31 December 2020	Total metal inventories 31 December 2020	Non-current metal inventories 31 December 2020	Current metal inventories 31 December 2020
	R000	R000	R000	R000	R000
Platinum	806 084	106 656	912 740	(226 645)	686 095
Palladium	807 536	395 836	1 203 372	(484 819)	718 553
Rhodium	3 246 609	218 628	3 465 237	(429 449)	3 035 788
Gold	29 546	335	29 881	(5 892)	23 989
Total metal inventory	4 889 775	721 455	5 611 230	(1 146 805)	4 464 425

	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

## Notes to the condensed reviewed interim financial results continued

	Own production	Purchased material	Total metal inventories
	31 December 2021	31 December 2021	31 December 2021
	R000	R000	R000

Change in metal inventory for the period*	1 394 216	(265 817)	1 128 399
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\*The difference between the change in metal inventory for the period 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	Purchased material	Total metal inventories
	31 December 2020	31 December 2020	31 December 2020
	R000	R000	R000

Change in metal inventory for the period*	1 530 748	(121 476)	1 409 272
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\*The difference between the change in metal inventory for the period 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	Purchased material	Total metal inventories
	30 June 2021	30 June 2021	30 June 2021
	R000	R000	R000

Change in metal inventory for the year*	1 293 413	614 806	1 908 219
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\*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.

# Notes to the condensed reviewed interim financial results continued

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

	Own production 31 December 2021	Purchased material 31 December 2021	Total metal inventories 31 December 2021	Non-current metal inventories 31 December 2021	Current metal inventories 31 December 2021
	OZ	OZ	OZ	OZ	OZ
Platinum	185 278	18 361	203 639	(10 360)	193 279
Palladium	104 591	16 803	121 394	(11 035)	110 359
Rhodium	46 443	3 331	49 774	(2 809)	46 965
Gold	5 039	28	5 067	(677)	4 390
4E	341 351	38 523	379 874	(24 881)	354 993

	Own production 31 December 2020	Purchased material 31 December 2020	Total metal inventories 31 December 2020	Non-current metal inventories 31 December 2020	Current metal inventories 31 December 2020
	OZ	OZ	OZ	OZ	OZ
Platinum	144 416	9 055	153 471	(24 731)	128 740
Palladium	67 506	13 154	80 660	(19 384)	61 276
Rhodium	36 742	1 689	38 431	(5 492)	32 939
Gold	3 638	35	3 673	(1 050)	2 623
4E	252 302	23 933	276 235	(50 657)	225 578

	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

## Notes to the condensed reviewed interim financial results continued

Metal inventory quantities on hand in ounces is allocated as follows:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	OZ	OZ	OZ
Non-current inventory	24 881	50 657	48 803
Ore stockpile inventory	39 785	11 365	17 170
Concentrate in process	26 862	8 336	40 822
Concentrate and other surface sources before the smelter	94 202	47 510	70 303
Recycling material	1 959	40	3 943
Smelter inventory	72 932	74 405	60 033
Base metal removal plant inventory	12 964	2 737	9 585
Precious metal refinery inventory	97 270	74 217	60 151
Finished product inventory on hand	9 019	6 968	1 801
4E	379 874	276 235	312 611

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 R12.1 million relating to purchased material (31 December 2020: R Nil and 30 June 2021: R137.6 million) and R108.3 million relating to own production (31 December 2020 and 30 June 2021: R Nil) that was written down to net realisable value. Inventory to the value of R350.0 million relating to purchased material (31 December 2020: R Nil and 30 June 2021: R373.0 million) and R1.5 billion relating to own production (31 December 2020 and 30 June 2021: R Nil) is disclosed at net realisable value.

Inventory was written off to net realisable value due to movements in commodity prices during the reporting period.

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

No inventories are encumbered.



# Notes to the condensed reviewed interim 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:

		<b>Reviewed 6 months ended 31 December 2021</b>	<b>Reviewed 6 months ended 31 December 2020</b>	<b>Audited 12 months ended 30 June 2021</b>
Platinum price	USD/oz	955	1 029	1 077
Palladium price	USD/oz	1 868	2 333	2 623
Rhodium price	USD/oz	14 060	16 665	20 275
Gold price	USD/oz	1 799	1 880	1 776
Closing exchange rate at period/year-end	R/USD	R16.00	R14.70	R14.28

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.

Inventory is 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 condensed reviewed interim financial results continued

## 16. Trade and other receivables

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Trade receivables	287 031	6 504	44 618
Provisional pricing receivables	804 307	215 356	166 111
Accrued dividends and interest on cash and cash equivalents	5 983	3 662	17 862
Prepayments	75 584	50 790	2 522
Deposits	4 851	4 720	9 195
South African Revenue Service – Value Added Tax	453 801	337 035	677 059
South African Revenue Service – amounts receivable relating to the Mineral and Petroleum Resources Royalty	2 620	57 635	71 326
Current portion of suspensive sale agreements (refer to note 14)	6 067	5 793	5 761
Current portion of interest-free home loans to employees (refer to note 14)	10 783	9 737	9 566
Strategic Partner Advances (refer to related party note 31)	–	–	391 522
Lock-in Fee accrued interest	241	–	–
Other	30 356	30 000	19 388
	1 681 624	721 232	1 414 930

Trade receivables are unsecured, non-interest bearing and are generally on 30 to 60-day terms except for most of the PGM debtors of refined metal who have payment terms of between 2 to 5 days. Other PGM debtors have a provisional quotation period payment terms of four months after month of delivery. Trade and other receivables to the value of R Nil was provided for or impaired during the current financial period (31 December 2020 and 30 June 2021: R Nil).

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

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Platinum Group Metals receivables	253 708	–	12 701
Chrome receivables	33 323	6 504	31 917
Total trade receivables	287 031	6 504	44 618

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Platinum Group Metals provisional receivable	589 559	–	–
Nickel provisional receivable	107 131	73 039	65 945
Chrome provisional receivable	107 617	142 317	100 166
Total provisional pricing receivables	804 307	215 356	166 111

Provisional pricing Platinum Group Metals debtors have a provisional quotation period payment terms of four months after month of delivery. 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 condensed reviewed interim financial results continued

The exposure to foreign currency denominated balances included in trade receivables as at the reporting period was as follows:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
US dollars	40 133	158	952
USD closing exchange rate*	R16.00	R14.70	R14.28
Trade and other receivables denominated in USD (R000)	642 113	2 320	13 588

\*Rounded to the nearest cent.

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

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Current portion	827 095	488 341	447 379
30 to 60 days	402 704	96 232	442 728
60 to 90 days	287 171	8 962	402 082
More than 90 days*	164 654	127 697	122 741
	1 681 624	721 232	1 414 930

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

The table below summarises the ageing of the group's South African Revenue Service – Value Added Tax receivable balance:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Current portion	365 559	304 321	315 149
30 to 60 days	11 005	–	315 669
60 to 90 days	21 407	–	2 873
More than 90 days	55 830	32 714	43 368
	453 801	337 035	677 059

# Notes to the condensed reviewed interim financial results continued

Trade receivables and advances by country are as follows:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
South Africa	1 678 663	718 912	1 401 342
United Kingdom	–	–	–
Germany	–	–	12 701
France	–	–	–
Japan	–	–	–
United States of America	2 961	2 320	887
	1 681 624	721 232	1 414 930

## *Base metal and chrome 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 to note 27 and 28).

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

## *Platinum Group Metals provisional pricing receivables*

As a result of an agreement entered into during the period under review, the group now sells PGM concentrate from the Booysendal mine under terms containing provisional pricing features.

The salient features of the agreement contains payment terms calculated with reference to a Price Index (PI) based on ruling market prices over the month in which concentrate is delivered to the counterparty. The calculated PI is applied against assayed 4E content from delivered concentrate, and with a contractually-agreed fixed percentage being applied in respect of assayed base metals content from delivered concentrate. Where assayed results are not yet available in respect of delivered concentrate, an estimate of 4E content and base metals included to concentrate delivered during a particular month is made. The calculated USD-denominated purchase price (receivable from the counterparty) is converted in applying the average exchange rate over the month prior to the month of payment.

The concentrate purchase price calculated (with reference to the above) is payable four months following the month during which concentrate for which payment is due was delivered.

## Notes to the condensed reviewed interim financial results continued

### *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.

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 condensed reviewed interim financial results continued

## 17. Cash and cash equivalents

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Cash at bank and on hand	596 036	15 395	1 418 859
Restricted cash	255 149	101 858	96 031
Short-term deposits	91 514	328 299	2 362 318
Cash and cash equivalent	942 699	445 552	3 877 208
Less amount utilised under the general banking facility	(499 901)	–	–
Cash and cash equivalents as per the statement of cash flows	442 798	445 552	3 877 208

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. These funds are all immediately available.

The weighted average effective interest rate on cash and cash equivalents was 3.75% (31 December 2020: 4.16% and 30 June 2021: 4.23%).

For the purposes of the statement of cash flows, cash and cash equivalents comprise the cash and cash equivalents balance and amounts utilised under the general banking facility.

Restricted cash is made up of the following amounts:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Deposit held relating to an electricity supply agreement with Eskom Holdings SCO Limited	23 000	23 000	23 000
Northam Employees' Trust	81 870	37 336	36 695
Northam Zondereinde Community Trust	55 655	24 296	20 915
Northam Booyensdal Community Trust	56 064	16 721	14 912
Zambezi Platinum (RF) Limited	515	505	509
Lock-in Fees payable relating to the Northam Employees' Trust and the Northam Zondereinde and Booyensdal Community Trusts	38 045	–	–
	255 149	101 858	96 031

Restricted cash includes a deposit held of R23.0 million (31 December 2020 and 30 June 2021: 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 Booyensdal 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).

Restricted cash also includes amounts due and payable to Zambezi Ordinary Shareholders in terms of the Lock-in Fees payable. Refer to note 21 for further details.

# Notes to the condensed reviewed interim financial results continued

The exposure to foreign currency denominated balances included in cash and cash equivalents as at the reporting period were as follows:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
US dollars (USD000)	37 150	354	95 969
USD closing exchange rate*	R16.00	R14.70	R14.28
Cash and cash equivalents denominated in USD (R000)	594 384	5 205	1 369 962

\*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 (31 December 2020: R500.0 million and 30 June 2021: R1.0 billion). The GBF accrues interest at the South African prime interest rate less 1.75% (31 December 2020 and 30 June 2021: 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 (31 December 2020 and 30 June 2021: 0.55%) on the unutilised portion of the facility.

Below is a summary of the available GBF:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Total facility	1 000 000	500 000	1 000 000
Amount utilised at the reporting period	(499 901)	–	–
Available facility at the period/year-end	500 099	500 000	1 000 000

The GBF is utilised as a bank 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 condensed reviewed interim financial results continued

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

	<b>Total facility Reviewed 6 months ended 31 December 2021</b>	<b>Utilised amount Reviewed 6 months ended 31 December 2021</b>	<b>Available facility Reviewed 6 months ended 31 December 2021</b>	<b>Interest rate Reviewed 6 months ended 31 December 2021</b>	<b>Repayment date Reviewed 6 months ended 31 December 2021</b>
	R000	R000	R000		
DMTNs* (refer to note 23)	15 000 000	(9 463 023)	5 536 977	Various	Various
				JIBAR plus 2.55% – 2.95%	
RCF (refer to note 24)	4 000 000	(4 000 000)	–		September 2024
GBF	1 000 000	(499 901)	500 099	Prime less 1.75%	90-day notice
Bridge facility (refer to note 26)	3 000 000	(1 500 000)	1 500 000	JIBAR plus 2.00%	December 2022
	23 000 000	(15 462 924)	7 537 076		

*\*Uncommitted but approved by the board of directors.*

	<b>Total facility Reviewed 6 months ended 31 December 2020</b>	<b>Utilised amount Reviewed 6 months ended 31 December 2020</b>	<b>Available facility Reviewed 6 months ended 31 December 2020</b>	<b>Interest rate Reviewed 6 months ended 31 December 2020</b>	<b>Repayment date Reviewed 6 months ended 31 December 2020</b>
	R000	R000	R000		
DMTNs* (refer to note 23)	15 000 000	(7 131 616)	7 868 384	Various	Various
				JIBAR plus 2.45% – 2.95%	
RCF (refer to note 24)	3 500 000	(2 300 000)	1 200 000		September 2024
GBF	500 000	–	500 000	Prime less 1.75%	90-day notice
	19 000 000	(9 431 616)	9 568 384		

*\*Uncommitted but approved by the board of directors.*

	<b>Total facility Audited 12 months ended 30 June 2021</b>	<b>Utilised amount Audited 12 months ended 30 June 2021</b>	<b>Available facility Audited 12 months ended 30 June 2021</b>	<b>Interest rate Audited 12 months ended 30 June 2021</b>	<b>Repayment date Audited 12 months ended 30 June 2021</b>
	R000	R000	R000		
DMTNs* (refer to note 23)	15 000 000	(7 754 023)	7 245 977	Various	Various
				JIBAR plus 2.55% – 2.95%	
RCF (refer to note 24)	4 000 000	–	4 000 000		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.*



# Notes to the condensed reviewed interim financial results continued

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

## *Domestic Medium-Term Note Programme (DMTN Programme)*

Northam Platinum Limited 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.

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

The Programme Amount in terms of the provisions of the DMTN Programme amounts 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 (Programme Date).

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

## *Revolving credit facility (RCF)*

Northam Platinum Limited has a R4.0 billion (31 December 2020: R3.5 billion and 30 June 2021: R4.0 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.

The Net Debt to Equity Ratio financial covenant, for the Measurement Periods ending 31 December 2021 and 30 June 2022 was waived by Nedbank, taking into account the impact of the Composite Transaction.

None of the various covenant requirements have been breached or are close to being breached. It is not believed that the group is currently at risk of breaching any of the covenant requirements.

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

## *General banking facility (GBF)*

Northam Platinum Limited also has a GBF, i.e. an overdraft facility, of R1.0 billion (31 December 2020: R500.0 million and 30 June 2021: R1.0 billion). The GBF accrues interest at the South African prime interest rate less 1.75% and is payable on demand with a 90-day notice period.

## *Bridge facility*

Northam Platinum Limited has secured a R3.0 billion Bridge facility with Nedbank Limited with an initial term of six months, subject to extension options of two 3 months extension periods which concludes in December 2022. The facility accrues interest at JIBAR plus 200 basis points.

Refer to note 26 for details on the Bridge facility.

# Notes to the condensed reviewed interim financial results continued

## 18. Other financial assets

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Options relating to RBPlat Shares	119 299	–	–
	119 299	–	–

A call and put option arrangement has been entered into with RBIH whereby Northam may increase its interest in RBPlat by 1 673 695 RBPlat Shares. The exercise price in respect of the put and call options is R135.00 per RBPlat Share (subject to escalation at the Escalation Rate).

The exercise price in respect of the abovementioned put and call options will escalate, from the Acquisition Implementation Date (being 19 November 2021) until the Settlement Date of the options at a nominal annual rate of 12.0% compounded quarterly in arrears (Escalation Rate). Any distributions received in respect of the RBPlat Shares which are subject to the options, will be deducted from the exercise price of the options.

Northam may further increase its interest in RBPlat with an additional 4 472 103 RBPlat Shares through a call option and/or a put option arrangement on 1 891 342 of those RBPlat Shares, entered into with EMI.

Also refer to note 13 for details of the various call and put options.

# Notes to the condensed reviewed interim financial results continued

## 19. Long-term provisions

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Balance at the beginning of the period/year	812 747	729 327	729 327
Change in estimate relating to the decommissioning costs (refer to note 11)	–	–	28 043
Change in estimate relating to the restoration costs (refer to note 4)	–	–	(7 346)
Unwinding of discount (refer to note 6)	34 227	30 714	62 723
Total rehabilitation and decommissioning liability provision	846 974	760 041	812 747

Below is a breakdown of the long-term provision:

### *Provision for decommissioning costs*

Balance at the beginning of the period/year	581 170	509 325	509 325
Change in estimate relating to the decommissioning costs (refer to note 11)	–	–	28 043
Unwinding of discount	24 475	21 449	43 802
Total provision for decommissioning costs	605 645	530 774	581 170

### *Provision for restoration costs*

Balance at the beginning of the period/year	231 577	220 002	220 002
Change in estimate relating to restoration costs (refer to note 4)	–	–	(7 346)
Unwinding of discount	9 752	9 265	18 921
Total provision for restoration costs	241 329	229 267	231 577

Total rehabilitation and decommissioning liability provision	846 974	760 041	812 747
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The long-term provision is made up of the provision relating to the rehabilitation and decommissioning liability of:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Northam Platinum Limited (Zondereinde operation)	175 656	155 579	168 557
Booyendal Platinum Proprietary Limited (Booyendal operation)	246 506	222 302	236 545
Eland Platinum Proprietary Limited (Eland operation)	424 812	382 160	407 645
Total rehabilitation and decommissioning liability provision	846 974	760 041	812 747

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

During the period the only changes/updates related to unwinding of the decommissioning and restoration liabilities.

Therefore as at the interim period, the third-party assessment prepared for the year ended 30 June 2021 was used as the basis for the rehabilitation and decommissioning liability and updated for any changes/developments.

# Notes to the condensed reviewed interim financial results continued

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

	Zondereinde operations Reviewed 6 months ended 31 December 2021	Booyssendal operations Reviewed 6 months ended 31 December 2021	Eland operations Reviewed 6 months ended 31 December 2021	Total Reviewed 6 months ended 31 December 2021
	R000	R000	R000	R000
<i>Provision for decommissioning costs</i>				
Balance at the beginning of the period	117 090	141 129	322 951	581 170
Unwinding of discount	4 931	5 943	13 601	24 475
Total provision for decommissioning costs	122 021	147 072	336 552	605 645
<i>Provision for restoration costs</i>				
Balance at the beginning of the period	51 467	95 416	84 694	231 577
Unwinding of discount	2 168	4 018	3 566	9 752
Total provision for restoration costs	53 635	99 434	88 260	241 329
Total rehabilitation and decommissioning liability provision	175 656	246 506	424 812	846 974

	Zondereinde operations Reviewed 6 months ended 31 December 2020	Booyssendal operations Reviewed 6 months ended 31 December 2020	Eland operations Reviewed 6 months ended 31 December 2020	Total Reviewed 6 months ended 31 December 2020
	R000	R000	R000	R000
<i>Provision for decommissioning costs</i>				
Balance at the beginning of the period	93 732	120 789	294 804	509 325
Unwinding of discount	3 947	5 087	12 415	21 449
Total provision for decommissioning costs	97 679	125 876	307 219	530 774
<i>Provision for restoration costs</i>				
Balance at the beginning of the period	55 560	92 529	71 913	220 002
Unwinding of discount	2 340	3 897	3 028	9 265
Total provision for restoration costs	57 900	96 426	74 941	229 267
Total rehabilitation and decommissioning liability provision	155 579	222 302	382 160	760 041

## Notes to the condensed reviewed interim financial results continued

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

	<b>Zondereinde operations</b>	<b>Booyensdal operations</b>	<b>Eland operations</b>	<b>Total</b>
	<b>Audited 12 months ended 30 June 2021</b>	<b>Audited 12 months ended 30 June 2021</b>	<b>Audited 12 months ended 30 June 2021</b>	<b>Audited 12 months ended 30 June 2021</b>
	<b>R000</b>	<b>R000</b>	<b>R000</b>	<b>R000</b>
<i>Provision for decommissioning costs</i>				
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
<i>Provision for restoration costs</i>				
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

## Notes to the condensed reviewed interim financial results continued

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

	Zondereinde operations Reviewed 6 months ended 31 December 2021	Booyssendal operations Reviewed 6 months ended 31 December 2021	Eland operations Reviewed 6 months ended 31 December 2021	Total Reviewed 6 months ended 31 December 2021
	R000	R000	R000	R000
Undiscounted obligation based on the DMRE requirements, including VAT	245 959	248 972	200 444	695 375
Less funds held by the Northam Platinum Restoration Trust Fund	(69 764)	(69 764)	–	(139 528)
Less environmental guarantees	(225 187)	(223 536)	(260 240)	(708 963)
Total overfunded rehabilitation obligation in terms of current legislation	(48 992)	(44 328)	(59 796)	(153 116)

	Zondereinde operations Reviewed 6 months ended 31 December 2020	Booyssendal operations Reviewed 6 months ended 31 December 2020	Eland operations Reviewed 6 months ended 31 December 2020	Total Reviewed 6 months ended 31 December 2020
	R000	R000	R000	R000
Undiscounted obligation based on the DMRE requirements, excluding VAT	194 877	205 324	169 075	569 276
Less funds held by the Northam Platinum Restoration Trust Fund	(66 615)	(66 615)	–	(133 230)
Less environmental guarantees	(224 915)	(98 427)	(170 061)	(493 403)
Total (overfunded)/underfunded rehabilitation obligation in terms of current legislation	(96 653)	40 282	(986)	(57 357)

	Zondereinde operations Audited 12 months ended 30 June 2021	Booyssendal operations Audited 12 months ended 30 June 2021	Eland operations Audited 12 months ended 30 June 2021	Total Audited 12 months ended 30 June 2021
	R000	R000	R000	R000
Undiscounted obligation based on the DMRE requirements, 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)

# Notes to the condensed reviewed interim 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:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Opening balance	136 030	128 732	128 732
Growth in the investment	3 498	4 498	7 298
Balance at the end of the period/year	139 528	133 230	136 030

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.

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Stanlib Balanced Fund R	2 461	2 111	2 277
Stanlib Income Fund B2	95 843	89 895	92 529
Stanlib Institutional Money Market Fund B3	41 224	41 224	41 224
Balance at the end of the period/year	139 528	133 230	136 030

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 (MPRDA), 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 also make use of any approved financial vehicles in terms of regulations and legislation.

Below is the accrued interest relating to the investment held by the Northam Platinum Restoration Trust Fund which was included in Trade and other receivables (refer to note 16).

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Accrued interest relating to the Northam Platinum Restoration Trust Fund	1 552	1 347	1 294
	1 552	1 347	1 294

# Notes to the condensed reviewed interim financial results continued

## Environmental guarantee investment

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 as approved by the DMRE in terms of The South African National Environmental Management Act, No.107 of 1998 (NEMA) 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.

The annual contribution payable with regards to the environmental guarantee investment is calculated as 5% of the total environmental guarantees in issue.

Below is a summary of the various environmental guarantees issued:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Northam Platinum Limited (Zondereinde)			
GR/G/20396/0312/0031	31 000	31 000	31 000
GR/G/20396/0314/0165	18 000	18 000	18 000
GR/G/20396/0315/0231	18 000	18 000	18 000
GR/G/20396/0617/0454	35 000	35 000	35 000
CQ/G/30381/1217/003	28 807	28 807	28 807
GR/G/20396/0618/0544	11 543	11 543	11 543
CQ/G/30381/0920/010	36 305	36 305	36 305
CQ/G/30381/1020/011	46 260	46 260	46 260
CQ/G/30381/0921/013	272	–	–
Total guarantees relating to Northam Platinum Limited (Zondereinde)	225 187	224 915	224 915
Booyseindal Platinum Proprietary Limited			
GR/G/20396/0311/0011	65 900	65 900	65 900
GR/G/20396/0315/0232	25 000	25 000	25 000
GR/G/20396/0417/0434	1 908	1 908	1 908
GR/G/20396/0517/0459	2 085	2 085	2 085
GR/G/02396/0618/0535	2 267	2 267	2 267
GR/G/02396/0618/0536	1 267	1 267	1 267
CQ/G/30381/0621/012	64 044	–	64 044
GR/G/20396/0421/0791	61 065	–	61 065
Total guarantees relating to Booyseindal Platinum Proprietary Limited	223 536	98 427	223 536
Eland Platinum Proprietary Limited			
CQ/G/30381/0118/004	129 545	129 545	129 545
CQ/G/30381/0118/005	31 096	31 096	31 096
CQ/G/30381/0919/006	2 200	2 200	2 200
CQ/G/30381/1119/007	5 359	5 359	5 359
CQ/G/30381/1119/008	1 559	1 559	1 559
CQ/G/30381/0120/009	302	302	302
CQ/G/30381/1021/014	90 179	–	–
Total guarantees relating to Eland Platinum Proprietary Limited	260 240	170 061	170 061
Total environmental guarantees in issue	708 963	493 403	618 512

Subsequent to the period end, an additional guarantee to the value of R24.4 million was issued with regards to Booyseindal Platinum Proprietary Limited.



## Notes to the condensed reviewed interim 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 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% (31 December 2020 and 30 June 2021: 8.6%) and a long-term inflation rate of 6.0% (31 December 2020 and 30 June 2021: 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.

# Notes to the condensed reviewed interim financial results continued

## 20. Zambezi Preference Share liability

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Opening balance	13 910 946	12 592 218	12 592 218
Accrued Zambezi Preference Share dividends together with the Premium Amount	2 042 091	630 253	1 318 728
Zambezi Preference Shares liability relating to Zambezi	15 953 037	13 222 471	13 910 946
Derecognition of Zambezi Preference Shares held by Northam together with accrued dividends recognised	(15 953 037)	(10 631 364)	(12 176 882)
Liquidity fees paid on Zambezi Preference Shares relating to the Zambezi BEE Transaction net of accumulated amortisation	(64 197)	(80 587)	(80 587)
Current period/year amortisation of liquidity fees	64 197	8 195	16 390
Zambezi Preference Share liability	–	2 518 715	1 669 867

On 18 May 2015, 159 905 453 cumulative redeemable Preference Shares were issued by Zambezi at an issue price of R41.00 per share. The Preference Shares were redeemable in 10 years' time (from inception), which would have been 17 May 2025, at R41.00 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 were previously amortised over the 10-year Lock-in period, with the balance being amortised in full during the current period as a result of the Composite Transaction.

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

On the Zambezi Scheme Implementation Date, which was 23 August 2021, 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 approved (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 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 by way of a transfer by Zambezi of so many Northam Shares held by Zambezi, valued at R160.00, as 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 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 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 condensed reviewed interim financial results continued

In terms of the Zambezi Scheme, Northam acquired all the Zambezi Preference Shares not held by Northam on the Zambezi Scheme Implementation Date.

	<b>Reviewed 6 months ended 31 December 2021</b>	<b>Reviewed 6 months ended 31 December 2020</b>	<b>Audited 12 months ended 30 June 2021</b>
	<b>Number of Zambezi Preference Shares</b>	<b>Number of Zambezi Preference Shares</b>	<b>Number of Zambezi Preference Shares</b>
Total number of Zambezi Preference Shares	159 905 453	159 905 453	159 905 453
Number of Zambezi Preference Shares held by Northam Platinum Limited	(159 905 453)	(128 569 993)	(139 972 496)
Number of Zambezi Preference Shares held in the open market	–	31 335 460	19 932 957
Percentage holding by Northam in the Zambezi Preference Shares	100.0%	80.4%	87.5%
Value per Zambezi Preference Share*	R42.68	R82.69	R86.99
Closing price of Zambezi Preference Shares	N/A	R93.25	R97.50
Fair value as per the closing price of Zambezi Preference Shares (R000)	N/A	2 922 032	1 943 463

\*Rounded to the nearest cent.

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.

With the 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 57 054 413 Northam Shares held by Zambezi (valued at a price of R160.00 per Northam Share), which was 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).

## Notes to the condensed reviewed interim 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:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Accrued Zambezi Preference Share dividends relating to Zambezi	2 042 091	630 253	1 318 728
Less Zambezi Preference Share dividends accrued to Northam with regards to the Zambezi Preference Shares held by Northam	(2 016 487)	(355 807)	(940 050)
Zambezi Preference Share dividends per the statement of profit or loss and other comprehensive income	25 604	274 446	378 678

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

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Opening balance of Zambezi Preference Shares held by Northam	12 176 882	4 220 514	4 220 514
Acquisition of Zambezi Preferences Shares, including transaction costs during the period/year	2 046 300	6 943 527	8 084 876
Zambezi Preference Share dividends accrued to Northam with regards to the Zambezi Preference Shares held by Northam	2 016 487	355 807	940 050
Derecognition of Zambezi Preference Shares held by Northam together with accrued dividends recognised	(15 953 037)	(10 631 364)	(12 176 882)
Loss on derecognition of the Zambezi Preference Share liability	286 632	888 484	1 068 558

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 condensed reviewed interim financial results continued

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

Previously, 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 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, Zambezi was consolidated into the Northam Holdings 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 10<sup>th</sup> 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.

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 meant that the Northam group reflected the BEE equity issued shares (i.e. Northam Shares) as Treasury Shares (for accounting purposes. Zambezi Preference Shares were 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 HDP 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 assumed full responsibility for the administration of Zambezi as well as any costs incurred by Zambezi up to a certain limit in line with the agreement. Furthermore, Northam provided the Northam Guarantee for Zambezi's obligation in respect of the Zambezi Preference Shares.

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 could not dispose of the Northam Shares without the prior consent of Northam. Northam had 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 was restricted in terms of the ring-fencing provisions contained in the Zambezi MOI.

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

As part of the early maturity of the Zambezi BEE Transaction, certain amendments were 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, being 6 September 2021.

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.

# Notes to the condensed reviewed interim financial results continued

## 21. Long-term loans

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Security of supply contribution	43 451	67 223	55 337
Heraeus Deutschland GmbH & Co. KG	54 789	84 064	92 662
Accrued interest on the Lock-in Fees payable	103	–	–
Total long-term loans	98 343	151 287	147 999
Current portion of security of supply contribution	(11 570)	(23 772)	(19 704)
Current portion of Heraeus Deutschland GmbH & Co. KG	–	(4 700)	(14 100)
Current portion of accrued interest on the Lock-in Fee payable	(103)	–	–
Long-term portion	86 670	122 815	114 195

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.

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 current period, the development and research cost of R9.4 million was waived by Heraeus Deutschland GmbH & Co. KG. The annual payment of R9.4 million as per the original agreement will however resume from 30 June 2026.

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

Below is a reconciliation of the Heraeus Deutschland GmbH & Co. KG liability:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Opening balance	92 662	79 896	79 896
Profit on modification of the agreement terms relating to the research and development liability with Heraeus Deutschland GmbH & Co. KG (refer to note 7)	(39 617)	–	–
Unwinding of the research and development liability (refer to note 6)	1 744	4 168	12 766
Payment made	–	–	–
Closing balance Heraeus Deutschland GmbH & Co. KG liability	54 789	84 064	92 662

No payments have been made during the current period or during the previous year.

# Notes to the condensed reviewed interim financial results continued

## Lock-in Fees payable

Pursuant to the Relevant Zambezi Shareholder Transaction Agreements, each of the Relevant Zambezi Ordinary Shareholders, *inter alia*, agreed that until 17 May 2025, provided that the Relevant Zambezi Shareholder has not disposed of or encumbered any or all of the Northam Shares received by it in terms of the Net Value Share Distribution (Relevant Northam Shares), or the Northam Holdings Shares received by it in terms of the Northam Scheme (Relevant Northam Holdings Shares) or any other Northam Holdings Shares acquired by it from any other Zambezi Ordinary Shareholder, to any person other than to Northam or Northam Holdings, or their respective nominees or another Zambezi Ordinary Shareholder (Permitted Persons), then a proportionate amount of the Proportionate Lock-in Fee Repayment Amount pursuant to the Net Value Cash Distribution plus interest accrued thereon (Proportionate Lock-in Fee Release Amount) would be released and paid to the Relevant Zambezi Shareholder annually.

Alternatively, should the Relevant Zambezi Shareholder dispose of or encumber any or all of the Relevant Northam Shares or the Relevant Northam Holdings Shares or any other Northam Holdings Shares acquired by it from any other Zambezi Ordinary Shareholder, to a person which is not a Permitted Person, defined as a Disposal Event, including the transfer of all or any rights making up such a share to any other person for his/her benefit and/or the for the benefit of others, whether such a transfer is effected pursuant to a sale, cession, assignment, alienation, amalgamation, merger, exchange, donation, renunciation, surrender, waiver, relinquishment, unbundling, vesting, collar structure, scrip lending, Distribution *in specie* or otherwise, then such Relevant Zambezi Shareholder shall be obliged to repay to Northam the Proportionate Lock-in Fee Repayment Amount (less the aggregate Proportionate Lock-in Fee Release Amount) and will forfeit any interest accrued thereon, and a corresponding portion of such Relevant Zambezi Shareholder's entitlement to the Proportionate Lock-in Fee Amount pursuant to the Net Value Cash Distribution will be utilised to settle such repayment obligation by the Relevant Zambezi Shareholder.

Lock-in Fees payable represents the Lock-in Fees payable to the remaining Strategic Partners. The Lock-in Fees payable resulted from the Composite Transaction implemented during the period under review, and represents the balance outstanding relating to the Strategic Partners at the period end remaining for the Northam Platinum Shares repurchased as part of the Composite Transaction.

Subsequent to the Distribution of Northam Holdings Shares to the Zambezi Ordinary Shareholders, Northam Holdings accepted an irrevocable, unconditional offer from certain Zambezi Ordinary Shareholders to acquire, 14 571 063 Northam Holdings Shares for a purchase consideration of R165.29 per Northam Holdings Share.

Shareholders of Northam granted approval at the General Meeting held on Wednesday, 30 June 2021, for a repurchase by Northam Holdings of Northam Holdings Shares from the Relevant Zambezi Shareholders at a price not exceeding the prevailing 30-Day VWAP of a Northam Holdings Share / Northam Share at the relevant acquisition date.

Following the implementation of the Composite Transaction, on 23 September 2021, all Northam Holdings Shares held by Atisa Platinum (RF) Proprietary Limited, being 3 527 835 Northam Holdings Shares and all of the shares held by Mpilo Platinum (RF) Proprietary Limited amounting to 8 213 241 Northam Holdings Shares were repurchased, with 1 014 995 Northam Holdings Shares purchased from Malundi Resources (RF) Proprietary Limited and 1 814 992 Northam Holdings Shares purchased from the Zambezi Platinum Women's SPV (RF) Proprietary Limited's Northam Shares. A total of 14 571 063 shares were repurchased from these Strategic Partners.

As a result of the repurchase of the Northam Holdings Shares, the Strategic Partners were entitled to a portion of the proportionate Lock-in Fee Repayment Amount, a total value of R78.1 million plus interest amounting to R0.6 million of the Lock-in Fee Repayment Amount was released to the Strategic Partners as a result of the share repurchase.

Both Malundi Resources (RF) Proprietary Limited and the Zambezi Platinum Women's SPV (RF) Proprietary Limited disposed of their Relevant Northam Holdings Shares which resulted in a Disposal Event per the agreement on the transaction date, and therefore forfeiting the remainder of their Lock-in Fees due, amounting to R32.4 million.

The remaining Lock-in Fee liability recorded at the reporting date represented accrued interest on restricted cash held on behalf of the Strategic Partners (to facilitate payment of the Lock-in Fee) and was settled subsequent to the reporting period (in January 2022).

# Notes to the condensed reviewed interim financial results continued

Below is a reconciliation of the shares acquired from Zambezi Ordinary Shareholders:

	Northam Holdings Shares held pursuant to the Northam Scheme	Number of Northam Holdings Shares repurchased	Number of Northam Holdings Shares held by Zambezi Ordinary Shareholders
	Number of Shares	Number of Shares	Number of Shares
Atisa Platinum (RF) Proprietary Limited	3 527 835	(3 527 835)	–
Malundi Resources (RF) Proprietary Limited	3 527 835	(1 014 995)	2 512 840
Mpilo Platinum (RF) Proprietary Limited	8 213 241	(8 213 241)	–
Zambezi Platinum Women's SPV (RF) Proprietary Limited	5 264 191	(1 814 992)	3 449 199
The Northam Employee Trust	1 996 122	–	1 996 122
The Northam Booysendal Community Trust	2 191 116	–	2 191 116
The Northam Zondereinde Community Trusts	2 191 116	–	2 191 116
Number of remaining Northam Holdings Shares held by Zambezi Ordinary Shareholders	26 911 456	(14 571 063)	12 340 393

Below is the Lock-in Fees allocated to the various Strategic Partners:

	Lock-in Fees pursuant to the Northam Scheme	Repurchase of Northam Holdings Shares (cash outflow)	Lock-in Fee forfeited due to a Disposal Event	Remaining Lock-in Fees
	R000	R000	R000	R000
Atisa Platinum (RF) Proprietary Limited	18 913	(18 913)	–	–
Malundi Resources (RF) Proprietary Limited	18 913	(5 441)	(13 472)	–
Mpilo Platinum (RF) Proprietary Limited	44 030	(44 030)	–	–
Zambezi Platinum Women's SPV (RF) Proprietary Limited	28 221	(9 730)	(18 491)	–
	110 077	(78 114)	(31 963)	–

The below reconciliation sets out the Lock-in Fee payable per Strategic Partner:

	Amounts allocated to the Strategic Partners as part of the Lock-in Fees	Interest accrued and bank charges paid on the Lock-in Fees classified as restricted cash	Lock-in Fee distributed to the Strategic Partner as part of the repurchase of Northam Holdings Shares including accrued interest	Lock-in Fee forfeited due to a Disposal Event including accrued interest	Accrued interest relating to the Lock-in Fees outstanding at 31 December 2021
	R000	R000	R000	R000	R000
Atisa Platinum (RF) Proprietary Limited	18 913	215	(19 097)	–	31
Malundi Resources (RF) Proprietary Limited	18 913	244	(5 494)	(13 663)	–
Mpilo Platinum (RF) Proprietary Limited	44 030	502	(44 460)	–	72
Zambezi Platinum Women's SPV (RF) Proprietary Limited	28 221	361	(9 825)	(18 757)	–
Total Lock-in Fees payable	110 077	1 322	(78 876)	(32 420)	103

The Lock-in Fee payable to the Northam Employee Trust, the Northam Booysendal Community Trust and the Northam Zondereinde Community Trust are consolidated and therefore not disclosed as a liability.



## Notes to the condensed reviewed interim financial results continued

### 22. Share-based payment liability

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Performance and retention share-based payment liability	835 436	467 935	711 706
Lock-in and incentive mechanism share-based payment liability	480 544	353 072	431 021
Total share-based payment liability	1 315 980	821 007	1 142 727
Short-term portion of share-based payment liability	(755 669)	(356 868)	(498 010)
Long-term share-based payment liability	560 311	464 139	644 717

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

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Opening balance	1 142 727	537 392	537 392
Share-based payment expense during the period/year (refer to note 4)	182 815	640 151	969 898
Performance and retention shares cash settled during the period/year	(9 562)	(356 536)	(364 563)
Total share-based payment liability	1 315 980	821 007	1 142 727

The short-term portion is based on the shares which will be settled or mature 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 condensed reviewed interim financial results continued

## Share incentive plan (SIP)

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

	31 December 2021	31 December 2021	31 December 2021
	Retention shares	Performance shares	Total
	Number of awards	Number of awards	Number of awards
Balance as at 1 July 2021	1 344 915	3 938 833	5 283 748
Shares awarded during the period in terms of the rules of the SIP	–	1 286 850	1 286 850
Shares forfeited/adjusted for performance conditions	(36 194)	26 271	(9 923)
Shares cash settled during the period	(10 901)	(32 986)	(43 887)
Shares vested during the period, but not yet paid	(661 700)	(2 029 053)	(2 690 753)
Balance as at 31 December 2021	636 120	3 189 915	3 826 035

At the request of Shareholders and as approved by the company's remuneration committee, all awards will now be subject to performance conditions. No retention shares, being awards which are not subject to performance conditions, will be awarded in future.

	31 December 2020	31 December 2020	31 December 2020
	Retention shares	Performance shares	Total
	Number of awards	Number of awards	Number of awards
Balance as at 1 July 2020	1 752 230	5 251 525	7 003 755
Shares to be awarded in terms of the rules of the SIP*	264 240	793 150	1 057 390
Shares awarded during the period	–	–	–
Shares forfeited	(15 395)	(46 318)	(61 713)
Shares cash settled during the period	(612 110)	(1 811 002)	(2 423 112)
Balance as at 31 December 2020	1 388 965	4 187 355	5 576 320

\*Shares disclosed net of shares forfeited before granted to individuals due to the closed period.

	30 June 2021	30 June 2021	30 June 2021
	Retention shares	Performance shares	Total
	Number of awards	Number of awards	Number of awards
Balance as at 1 July 2020	1 752 230	5 251 525	7 003 755
Shares awarded during the year in terms of the rules of the SIP	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

The Shares awarded in terms of the rules of the SIP previously comprised: retention shares, which vested 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 remuneration committee (the responsibilities of which were previously fulfilled by the SEHR&T committee) elects the settlement of all SIP awards of conditional shares in cash or with shares. Currently all awards are expected to be settled in cash and are therefore treated as cash settled. All awards will be subject to performance conditions.

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 condensed reviewed interim financial results continued

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

	31 December 2021 F2020 awards	31 December 2021 F2021 awards	31 December 2021 F2022 awards
Dividend yield (%)	–	–	–
Forfeiture rate (%)	10.0	10.0	10.0
Expected life of share awards (years)	0.83	1.83	2.84
30-Day VWAP (R/share)	R212.42	R212.42	R212.42
Model used*	Market value	Market value	Market value
Valuation per share award (R/share)	R196.21	R178.37	R162.11

\*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.

	31 December 2020 F2019 awards	31 December 2020 F2020 awards	31 December 2020 F2021 awards
Dividend yield (%)	–	–	–
Forfeiture rate (%)	10.0	10.0	10.0
Expected life of share awards (years)	0.85	1.83	2.83
30-Day VWAP (R/share)	R188.61	R188.61	R188.61
Model used*	Market value	Market value	Market value
Valuation per share award (R/share)	R173.99	R158.38	R143.98

\*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 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.

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 condensed reviewed interim financial results continued

## Lock-in and incentive mechanism (LIM)

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

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	Number of awards	Number of awards	Number of awards
Opening balance	4 350 000	3 400 000	3 400 000
Incentive mechanism shares awarded during the period/year	–	950 000	950 000
Zambezi Lock-in incentive mechanism share awards awarded	4 350 000	4 350 000	4 350 000

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 related 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.

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 would arise and no member of the group would have been 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 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 Composite Transaction entailed 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 being 17 May 2025, and to prevent the possible Proportionate Vesting upon implementation of the Transaction, the Rules were amended, with effect from the Zambezi Scheme Implementation Date, being 23 August 2021, 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 Holdings Shareholders.

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

# Notes to the condensed reviewed interim financial results continued

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

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
Dividend yield (%)	–	–	–
Forfeiture rate (%)	–	–	–
Expected life of share awards (years)	3.38	Various	3.88
Spot price (R/share)	R209.50	R209.53	R216.93
Model used*	Market value	Market value	Market value
Valuation per share award (R/share)	R209.50	R209.53	R216.93

\*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 the reporting period adjusted for dividends forfeited during the vesting period was used.

All Lock-in and incentive mechanism share awards will vest on 17 May 2025, irrespective of the grant date.

# Notes to the condensed reviewed interim financial results continued

## 23. Domestic Medium-Term Notes

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
<i>Non-current Domestic Medium-Term Notes (DMTNs)</i>			
DMTNs (NHM007)	-	141 186	141 186
DMTNs tap issue – Tranche 2	-	-	150 000
Transaction costs relating to the NHM007 issue	-	(1 851)	(4 430)
Amortisation of transaction costs over the period of the Notes issued	-	1 477	2 033
Transfer to current DMTNs	-	-	(288 789)
	-	140 812	-
On 16 April 2019, Northam issued NHM007. 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.			
DMTNs (NHM009)	-	100 000	100 000
DMTNs tap issue – Tranche 2	-	-	300 000
Transaction costs relating to the NHM009 issue	-	(1 538)	(6 428)
Amortisation of transaction costs over the period of the Notes issued	-	1 269	2 130
Transfer to current DMTNs	-	-	(395 702)
	-	99 731	-
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.			
DMTNs (NHM011)	-	173 000	173 000
DMTNs tap issue – Tranche 2	-	345 000	345 000
DMTNs tap issue – Tranche 3	-	-	100 000
Transaction costs relating to the NHM011 issue	-	(9 321)	(11 139)
Amortisation of transaction costs over the period of the Notes issued	-	2 874	5 435
Transfer to current DMTNs	-	-	(612 296)
	-	511 553	-

On 24 May 2019, Northam issued NHM011. 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.

# Notes to the condensed reviewed interim financial results continued

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
DMTNs (NHM012)	–	30 470	30 470
NHM017 switched to NHM012	–	492 100	492 100
NHM014 switched to NHM012	–	–	1 908 300
Transaction costs relating to the NHM012 issue	–	(9 958)	(42 944)
Amortisation of transaction costs over the period of the Notes issued	–	1 708	9 714
Transfer to current DMTNs	–	–	(2 397 640)
	–	514 320	–

On 13 June 2019, Northam issued NHM012. 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.

DMTNs (NHM014)	–	1 920 000	1 920 000
NHM014 switched to NHM012	–	–	(1 908 300)
DMTNs tap issue – Tranche 3	–	10 000	10 000
Transaction costs relating to the NHM014 issue	–	(34 457)	(34 466)
Amortisation of transaction costs over the period of the Notes issued	–	21 607	32 050
Transfer to current DMTNs	–	(1 917 150)	(19 284)
	–	–	–

On 20 November 2019, Northam issued NHM014. These Notes attracted a floating coupon rate of 3-month JIBAR plus 250 basis points, which was payable on a quarterly basis in November, February, May and August of each year from issue date for a two-year period. These Notes matured on 20 November 2021.

DMTNs (NHM015)	500 000	500 000	500 000
Transaction costs relating to the NHM015 issue	(8 070)	(8 070)	(8 070)
Amortisation of transaction costs over the period of the Notes issued	3 313	1 701	2 500
	495 243	493 631	494 430

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.

# Notes to the condensed reviewed interim financial results continued

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
DMTNs (NHM016)	680 000	680 000	680 000
DMTNs tap issue - Tranche 3	165 967	165 967	165 967
DMTNs tap issue - Tranche 4	200 000	200 000	200 000
DMTNs tap issue - Tranche 5	100 000	–	100 000
DMTNs tap issue - Tranche 6	2 534 435	–	–
Transaction costs relating to the NHM016 issue	(107 645)	(61 312)	(63 110)
Amortisation of transaction costs over the period of the Notes issued	21 579	7 016	13 300
	3 594 336	991 671	1 096 157

On 11 May 2020, Northam issued NHM016. 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.

DMTNs (NHM018)	1 021 300	1 021 300	1 021 300
DMTNs tap issue - Tranche 3	253 000	253 000	253 000
DMTNs tap issue - Tranche 4	100 000	–	100 000
DMTNs tap issue - Tranche 5	150 000	–	–
NHM018 switched to NHM016 and NHM019	(665 800)	–	–
Transaction costs relating to the NHM018 issue	(65 828)	(41 254)	(43 072)
Amortisation of transaction costs over the period of the Notes issued	57 226	7 553	14 622
	849 898	1 240 599	1 345 850

On 25 May 2020, Northam issued NHM018. 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.

DMTNs (NHM019)	450 000	450 000	450 000
DMTNs tap issue - Tranche 2	390 000	390 000	390 000
DMTNs tap issue – Tranche 3	1 770 935	–	–
Transaction costs relating to the NHM019 issue	(66 183)	(33 391)	(33 400)
Amortisation of transaction costs over the period of the Notes issued	13 898	3 205	7 612
	2 558 650	809 814	814 212

On 25 May 2020, Northam issued NHM019. 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.



# Notes to the condensed reviewed interim financial results continued

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
DMTNs (NHM020)	132 000	132 000	132 000
DMTNs tap issue - Tranche 2	100 000	-	-
Transaction costs relating to the NHM020 issue	(4 443)	(2 644)	(2 653)
Amortisation of transaction costs over the period of the Notes issued	1 175	89	528
	228 732	129 445	129 875
On 25 November 2020, Northam issued NHM020. 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.			
DMTNs (NHM021)	245 000	-	-
Transaction costs relating to the NHM021 issue	(4 023)	-	-
Amortisation of transaction costs over the period of the Notes issued	79	-	-
	241 056	-	-
On 26 November 2021, Northam issued NHM021. These Notes attract a floating coupon rate of 3-month JIBAR plus 425 basis points, which is payable on a quarterly basis in November, February, May and August of each year from issue date for a five-year period. These Notes mature on 26 November 2026.			
Total non-current Domestic Medium-Term Notes	7 967 915	4 931 576	3 880 524

# Notes to the condensed reviewed interim financial results continued

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
<i>Current DMTNs</i>			
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	–	1 255	1 256
DMTNs repaid	–	–	(1 400)
	–	1 399	–

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 were 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	–	1 464	1 576
DMTNs repaid	–	–	(123 393)
	–	123 281	–

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 were redeemed on 16 April 2021.

DMTNs (NHM007)	141 186	–	141 186
DMTNs tap issue – Tranche 2	150 000	–	150 000
DMTNs tap issue – Tranche 3	100 000	–	–
DMTNs tap issue – Tranche 4	60 000	–	–
NHM007 switched to NHM016 and NHM019	(100 000)	–	–
Transaction costs relating to the NHM007 issue	(8 439)	–	(4 430)
Amortisation of transaction costs over the period of the Notes issued	5 863	–	2 033
	348 610	–	288 789

On 16 April 2019, Northam issued NHM007. 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 condensed reviewed interim financial results continued

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
DMTNs (NHM009)	100 000	–	100 000
DMTNs tap issue – Tranche 2	300 000	–	300 000
DMTNs tap issue – Tranche 3	100 000	–	–
DMTNs tap issue – Tranche 4	15 000	–	–
NHM009 switched to NHM016 and NHM019	(100 000)	–	–
Transaction costs relating to the NHM009 issue	(9 848)	–	(6 428)
Amortisation of transaction costs over the period of the Notes issued	6 913	–	2 130
	412 065	–	395 702

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.

DMTNs (NHM011)	173 000	–	173 000
DMTNs tap issue – Tranche 2	345 000	–	345 000
DMTNs tap issue – Tranche 3	100 000	–	100 000
NHM011 switched to NHM016 and NHM019	(50 000)	–	–
Transaction costs relating to the NHM011 issue	(11 783)	–	(11 139)
Amortisation of transaction costs over the period of the Notes issued	9 326	–	5 435
	565 543	–	612 296

On 24 May 2019, Northam issued NHM011. 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.

DMTNs (NHM012)	30 470	–	30 470
NHM017 switched to NHM012	492 100	–	492 100
NHM014 switched to NHM012	1 908 300	–	1 908 300
NHM014 switched to NHM016 and NHM019	(2 428 870)	–	–
Transaction costs relating to the NHM012 issue	(42 944)	–	(42 944)
Amortisation of transaction costs over the period of the Notes issued	42 941	–	9 714
	1 997	–	2 397 640

On 13 June 2019, Northam issued NHM012. 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.

# Notes to the condensed reviewed interim financial results continued

	Reviewed 6 months ended 31 December 2021 R000	Reviewed 6 months ended 31 December 2020 R000	Audited 12 months ended 30 June 2021 R000
DMTNs (NHM013)	–	5 100	5 100
Transaction costs relating to the NHM013 issue	–	(3 036)	(3 036)
Amortisation of transaction costs over the period of the Notes issued	–	3 036	3 036
DMTNs repaid (NHM013)	–	(5 100)	(5 100)
	–	–	–

On 9 September 2019, Northam issued NHM013. These Notes attracted a floating coupon rate of 3-month JIBAR plus 240 basis points, which was 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.

DMTNs (NHM014)	11 700	1 920 000	1 920 000
NHM014 switched to NHM012	–	–	(1 908 300)
DMTNs tap issue – Tranche 3	10 000	10 000	10 000
Transaction costs relating to the NHM014 issue	(34 466)	(34 457)	(34 466)
Amortisation of transaction costs over the period of the Notes issued	34 466	21 607	32 050
DMTNs repaid (NHM014)	(21 700)	–	–
	–	1 917 150	19 284

On 20 November 2019, Northam issued NHM014. These Notes attracted a floating coupon rate of 3-month JIBAR plus 250 basis points, which was payable on a quarterly basis in November, February, May and August of each year from issue date for a two-year period. These Notes matured on 20 November 2021.

DMTNs (NHM017)	–	494 900	494 900
NHM017 switched to NHM012	–	(492 100)	(492 100)
Transaction costs relating to the NHM017 issue	–	(11 749)	(11 749)
Amortisation of transaction costs over the period of the Notes issued	–	11 065	11 749
DMTNs repaid (NHM017)	–	–	(2 800)
	–	2 116	–

On 13 May 2020, Northam issued NHM017. 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.

Total current Domestic Medium-Term Notes	1 328 215	2 043 946	3 713 711
Total Domestic Medium-Term Notes	9 296 130	6 975 522	7 594 235

## Notes to the condensed reviewed interim 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.

Northam has updated the Previous Programme Memorandum to, *inter alia*, align with the latest regulations (including amendments to the Debt Listings Requirements), including more recent information pertaining to Northam and incorporating Booyssendal Platinum Proprietary Limited as guarantor. Refer to the related party note (note 31) for details of the guarantee issued by Booyssendal Platinum Proprietary Limited, with regards to the Notes issued.

The amendments are incorporated in an Amended and Restated Programme Memorandum dated 29 October 2020.

The DMTN Programme current Programme Amount amounts to R15.0 billion (31 December 2020 and 30 June 2021: R15.0 billion).

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 were applied towards the recommissioning and development of Eland mine, consequently creating new employment opportunities in the region.

## Notes to the condensed reviewed interim 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.

Below is a summary of the Notes issued to purchase Zambezi Preference Shares:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
NHM011 – Tranche 2	345 000	345 000	345 000
NHM012 – Tranche 3	–	–	1 908 300
NHM014 – Tranche 1	–	650 000	–
NHM014 – Tranche 2	–	1 270 000	11 700
NHM014 – Tranche 3	–	10 000	10 000
NHM016 – Tranche 3	165 967	165 967	165 967
NHM016 – Tranche 4	200 000	200 000	200 000
NHM016 – Tranche 6	954 150	–	–
NHM018 – Tranche 2	300 000	300 000	300 000
NHM018 – Tranche 3	253 000	253 000	253 000
NHM019 – Tranche 1	400 000	400 000	400 000
NHM019 – Tranche 2	390 000	390 000	390 000
NHM019 – Tranche 3	954 150	–	–
NHM020 – Tranche 1	132 000	132 000	132 000
	4 094 267	4 115 967	4 115 967

The interest associated with the DMTNs which was classified as unproductive amounted to the following balances.

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Finance costs relating to the DMTNs (refer to note 6)	319 591	211 708	473 638
Unproductive finance costs relating to the DMTNs	(157 273)	(100 351)	(244 144)
Finance costs relating to the DMTNs deductible for tax purposes	162 318	111 357	229 494

## Notes to the condensed reviewed interim 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:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Maturing during F2021	N/A	127 593	N/A
NHM017 – 26 February 2021	N/A	2 800	N/A
NHM006 – 16 April 2021	N/A	123 393	N/A
NHM002 – 11 May 2021	N/A	1 400	N/A
Maturing during F2022	1 336 186	3 211 756	3 761 756
NHM014 – 20 November 2021	–	1 930 000	21 700
NHM007 – 16 April 2022	351 186	141 186	291 186
NHM009 – 26 April 2022	415 000	100 000	400 000
NHM011 – 24 May 2022	568 000	518 000	618 000
NHM012 – 13 June 2022	2 000	522 570	2 430 870
Maturing during F2023	858 500	1 274 300	1 374 300
NHM018 – 25 May 2023	858 500	1 274 300	1 374 300
Maturing during F2024	2 842 935	972 000	972 000
NHM020 – 25 November 2023	232 000	132 000	132 000
NHM019 – 25 May 2024	2 610 935	840 000	840 000
Maturing during F2025	4 180 402	1 545 967	1 645 967
NHM015 – 13 December 2024	500 000	500 000	500 000
NHM016 – 11 May 2025	3 680 402	1 045 967	1 145 967
Maturing during F2027	245 000	–	–
NHM021 – 26 November 2026	245 000	–	–
Total Domestic Medium-Term Notes (excluding capitalised transaction costs)	9 463 023	7 131 616	7 754 023
Transaction costs incurred	(363 672)	(221 413)	(267 329)
Amortised transaction costs	196 779	65 319	107 541
Total Domestic Medium-Term Notes	9 296 130	6 975 522	7 594 235

# Notes to the condensed reviewed interim financial results continued

During the period/year under review the following movements occurred relating to the DMTNs:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Opening balance	7 754 023	5 640 749	5 640 749
Notes issued	5 075 370	1 988 067	4 646 367
NHM007 – Tranche 2	–	–	150 000
NHM007 – Tranche 3	100 000	–	–
NHM007 – Tranche 4	60 000	–	–
NHM009 – Tranche 2	–	–	300 000
NHM009 – Tranche 3	100 000	–	–
NHM009 – Tranche 4	15 000	–	–
NHM011 – Tranche 2	–	345 000	345 000
NHM011 – Tranche 3	–	–	100 000
NHM012 – Tranche 2	–	492 100	492 100
NHM012 – Tranche 3	–	–	1 908 300
NHM014 – Tranche 2	–	–	10 000
NHM014 – Tranche 3	–	10 000	–
NHM016 – Tranche 3	–	165 967	165 967
NHM016 – Tranche 4	–	200 000	200 000
NHM016 – Tranche 5	–	–	100 000
NHM016 – Tranche 6	2 534 435	–	–
NHM018 – Tranche 3	–	253 000	253 000
NHM018 – Tranche 4	–	–	100 000
NHM018 – Tranche 5	150 000	–	–
NHM019 – Tranche 2	–	390 000	390 000
NHM019 – Tranche 3	1 770 935	–	–
NHM020 – Tranche 1	–	132 000	132 000
NHM020 – Tranche 2	100 000	–	–
NHM021 – Tranche 1	245 000	–	–
Notes repaid	(21 700)	(5 100)	(132 693)
NHM002	–	–	(1 400)
NHM006	–	–	(123 393)
NHM013	–	(5 100)	(5 100)
NHM014	(21 700)	–	–
NHM017	–	–	(2 800)
Notes switched	(3 344 670)	(492 100)	(2 400 400)
NHM007	(100 000)	–	–
NHM009	(100 000)	–	–
NHM011	(50 000)	–	–
NHM012	(2 428 870)	–	–
NHM014	–	–	(1 908 300)
NHM017	–	(492 100)	(492 100)
NHM018	(665 800)	–	–
Total Domestic Medium-Term Notes (excluding capitalised transaction costs)	9 463 023	7 131 616	7 754 023
Transaction costs incurred	(363 672)	(221 413)	(267 329)
Amortised transaction costs	196 779	65 319	107 541
Total Domestic Medium-Term Notes	9 296 130	6 975 522	7 594 235



# Notes to the condensed reviewed interim financial results continued

## 24. Revolving credit facility

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Opening balance	–	–	–
Amounts drawn down on the revolving credit facility during the period/year	6 000 000	3 750 000	3 750 000
Amounts repaid during the period/year	(2 000 000)	(1 450 000)	(3 750 000)
Total facility utilised at period/year-end	4 000 000	2 300 000	–
Transaction costs incurred on the revolving credit facility	(33 345)	(27 730)	(33 345)
Amortisation of transaction costs on the revolving credit facility amortised over the period of the facility (refer to note 6)	13 823	7 389	10 163
	3 980 478	2 279 659	(23 182)

Northam has a R4.0 billion (31 December 2020: R3.5 billion and 30 June 2021: R4.0 billion) 5-year revolving credit facility available with Nedbank Limited which matures on 5 September 2024.

The Nedbank revolving credit facility has covenant requirements which is reported on at each reporting period.

The Net Debt to Equity Ratio financial covenant, for the Measurement Periods ending 31 December 2021 and 30 June 2022 was waived by Nedbank, taking into account the impact of the Composite Transaction.

None of the various covenant requirements have been breached or are close to being breached. It is not believed that the group is currently at risk of breaching any of the covenant requirements.

The interest rate relating to the revolving credit facility (RCF) is calculated at JIBAR plus 2.45%, 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%, depending on the amount of the drawdown.

Commitment fees are payable on the revolving credit facility amounting to 0.80% per annum (31 December 2020 and 30 June 2021: 0.80% 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 31) for guarantees issued by group companies relating to the revolving credit facility.

Below is a summary of the facility available at the reporting period:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Total revolving credit facility	4 000 000	3 500 000	4 000 000
Facility utilised at the period/year-end	(4 000 000)	(2 300 000)	–
Available facility at the period/year-end	–	1 200 000	4 000 000

# Notes to the condensed reviewed interim financial results continued

*Significant judgements and estimates: Tax deductibility of the interest on the revolving credit facility during the period/year under review*

During the period under review drawdowns were made to finance the share purchase from certain Strategic Partners during September 2021, whereby 14 571 063 Northam Holdings Shares were purchased at a price of R165.29 per share. As a result, an amount of R2.0 billion was drawn down to finance the share repurchases:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Drawdowns made to acquire Northam Platinum Holdings Limited Shares from the Strategic Partners	2 000 000	–	–
	2 000 000	–	–

Subsequent to the draw down in September 2021 the R2.0 billion was repaid in full from cash generated from operations.

In addition, an additional draw down to the value of R3.0 billion was made to finance the purchase of 93 930 378 RBPlat Shares.

Northam Platinum Holdings Limited acquired the 93 930 378 RBPlat Shares from a wholly owned subsidiary of RBH.

The purchase consideration was partially settled by issuing 34 399 725 Northam Holdings Shares to RBH, with the balance of R8.6 billion settled in cash. R3.0 billion was paid upfront, R4.0 billion will be deferred to no later than 30 April 2022 and the remaining R1.6 billion will be deferred to no later than 30 September 2022. The R3.0 billion was drawn down on the revolving credit facility, with no amounts settled at the period end.

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Drawdowns made to acquire RBPlat Shares	3 000 000	–	–
	3 000 000	–	–

Other drawdowns on the revolving credit facility were made to finance operational expenditure.

During previous years, drawdowns were made on the revolving credit facility to purchase Zambezi Preference Shares, refer to note 20 for more details on the acquisitions made.

Below is a summary of the drawdowns made to acquire Zambezi Preference Shares:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Drawdowns made to acquire Zambezi Preference Shares	–	3 250 000	3 250 000
	–	3 250 000	3 250 000

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.

## Notes to the condensed reviewed interim financial results continued

For these transactions the interest on the revolving credit facility 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 interest associated with the revolving credit facility classified as unproductive amounted to the following balances:

	<b>Reviewed 6 months ended 31 December 2021</b>	<b>Reviewed 6 months ended 31 December 2020</b>	<b>Audited 12 months ended 30 June 2021</b>
	R000	R000	R000
Finance costs relating to the revolving credit facility (refer to note 6)	40 279	55 384	79 872
Unproductive finance costs relating to the revolving credit facility	(38 415)	(50 415)	(74 903)
Finance costs relating to the revolving credit facility deductible for tax purposes	1 864	4 969	4 969

# Notes to the condensed reviewed interim financial results continued

## 25. Deferred Acquisition Consideration

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Acquisition of 93 930 378 RBPlat Shares (trading under ticker code: RBP)	16 278 441	–	–
Partially settled through the issue of 34 399 725 Northam Platinum Holdings Limited Shares (trading under ticker code: NPH) at R223.64 per share	(7 693 154)	–	–
Upfront cash settlement financed by way of a revolving credit facility draw down (refer to note 24)	(3 000 000)	–	–
Deferred Acquisition Consideration	5 585 287	–	–
Escalation of the Deferred Acquisition Consideration at a nominal annual rate of 12.0% compounded quarterly in arrears (refer to note 6)	78 959	–	–
Total Deferred Acquisition Consideration including Escalation	5 664 246	–	–

Northam Platinum Holdings Limited acquired a 32.50% interest in RBPlat from a wholly owned subsidiary of RBH.

The purchase consideration for the interest in RBPlat was settled by Northam Holdings issuing 34 399 725 Northam Platinum Holdings Limited Shares to RBIH, with the balance of R8.6 billion settled in cash. R3.0 billion was paid upfront, R4.0 billion will be deferred to no later than 30 April 2022 and the remaining R1.6 billion will be deferred to no later than 30 September 2022.

The Deferred Acquisition Consideration escalates, from the Acquisition Implementation Date, being 19 November 2021, until the date of payment of the relevant Deferred Acquisition Consideration, at a nominal annual rate of 12.0% compounded quarterly in arrears (Escalation Rate).

Northam Holdings will be entitled, at its election, to settle the Deferred Acquisition Consideration earlier than the dates specified above.

Any amounts received by Northam Holdings in respect of any cash distribution declared and paid by RBPlat pertaining to the Acquisition Shares will be utilised to settle all or a part of the Deferred Acquisition Consideration that remains outstanding.

Northam Holdings and RBIH have entered into a pledge and cession agreement in terms of which Northam Holdings has pledged and ceded in *securitatem debiti* the Acquisition Shares and the relevant Option Shares acquired by Northam Holdings for the Deferred Option Consideration (to the extent applicable), in favour of RBIH as security for the payment by Northam Holdings of the Deferred Acquisition Consideration and Deferred Option Consideration, to the extent applicable.

Furthermore, Northam Platinum Limited, Booyensdal Platinum Proprietary Limited and RBIH have entered into a guarantee, in terms of which Northam Platinum Limited and Booyensdal Platinum Proprietary Limited guarantee the payment obligations of Northam Holdings in respect of the Deferred Acquisition Consideration and Deferred Option Consideration.

# Notes to the condensed reviewed interim financial results continued

The Deferred Acquisition Consideration at the period end related to the following two payments:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
R4.0 billion (adjusted with the Escalation Rate) payable by no later than 30 April 2022	4 056 548	–	–
Remainder of the balance (adjusted with the Escalation Rate) payable by no later than 30 September 2022	1 607 698	–	–
Deferred Acquisition Consideration as at 31 December 2021	5 664 246	–	–

*Significant judgements and estimates: Tax deductibility of the interest on the Deferred Acquisition Consideration during the period under review*

The interest associated with the Deferred Acquisition Consideration classified as unproductive amounted to the following balances:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Finance costs relating to the Deferred Acquisition Consideration (refer to note 6)	78 959	–	–
Unproductive finance costs relating to the Deferred Acquisition Consideration	(78 959)	–	–
Finance costs relating to the Deferred Acquisition Consideration deductible for tax purposes	–	–	–

# Notes to the condensed reviewed interim financial results continued

## 26. Bridge facility

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Opening balance	–	–	–
Amounts draw down on the Bridge facility	1 500 000	–	–
Amounts repaid on the Bridge facility during the period	–	–	–
Total Bridge facility utilised at the period end	1 500 000	–	–
Transaction costs including upfront utilisation costs incurred on the Bridge facility	(57 250)	–	–
Amortisation of transaction costs on the Bridge facility (refer to note 6)	2 549	–	–
	1 445 299	–	–

The group has secured a senior, unsecured term loan facility (Bridge facility) with Nedbank Limited, of R3.0 billion (31 December 2020 and 30 June 2021: R Nil). The Bridge facility accrues interest at JIBAR plus 200 basis points, plus a utilisation fee of 0.2%, based on the balance drawn down.

Commitment fees are payable on the Bridge facility amounting to 0.6% per annum on the unutilised portion of the facility.

The Bridge facility is available for a maximum period of 12 months.

Refer to the related party note (note 31) for guarantees issued by group companies relating to the Bridge facility.

Below is a summary of the Bridge facility available at the reporting period:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Total Bridge facility	3 000 000	N/A	N/A
Bridge facility utilised at the period end	(1 500 000)	N/A	N/A
Available Bridge facility at the period end	1 500 000	N/A	N/A

The Bridge facility has been used to finance operational expenses, and therefore all interest relating to the Bridge facility is deductible for tax purposes.

# Notes to the condensed reviewed interim financial results continued

## 27. Trade and other payables

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Trade payables	911 339	699 125	1 286 775
Provisional pricing payables	9 795	49 351	13 092
Accruals	496 530	268 353	340 584
Concentrate purchased accruals	498 251	521 478	934 688
Accrual relating to capital expenditure	69 709	37 773	142 576
South African Revenue Service – Value Added Tax	216 130	210 337	88 002
South African Revenue Service – amounts payable relating to the Mineral and Petroleum Resources Royalty	48 603	10 676	2 972
Accrued interest and commitment fees	107 523	60 991	58 181
Employee related accruals	798 600	720 280	802 980
Employee Labour Court judgement (refer to note 32)	70 589	55 000	55 000
Other	80 418	97 128	80 651
	3 307 487	2 730 492	3 805 501

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 the reporting date included in trade and other payables above:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
Euro (€000)	352	270	2 592
€ closing exchange rate*	R18.19	R17.95	R16.93
Trade and other payables denominated in € (R000)	6 401	4 840	43 875
US dollars (USD000)	16 236	15 512	31 470
USD closing exchange rate*	R16.00	R14.70	R14.28
Trade and other payables denominated in USD (R000)	259 768	227 946	449 244
Swiss Francs (CHF000)	–	1	–
CHF closing exchange rate*	–	R16.59	–
Trade and other payables denominated in CHF (R000)	–	23	–
Pound Sterling (£000)	6	14	28
£ closing exchange rate*	R21.65	R20.10	R19.57
Trade and other payables denominated in £ (R000)	140	272	548

\*Rounded to the nearest cent.

# Notes to the condensed reviewed interim financial results continued

## 28. Provisional pricing derivatives

	Reviewed 6 months ended 31 December 2021 R000	Reviewed 6 months ended 31 December 2020 R000	Audited 12 months ended 30 June 2021 R000
Provisional pricing derivatives	–	5 615	–
	–	5 615	–

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 27).



# Notes to the condensed reviewed interim financial results continued

## 29. 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 below.

The carrying value of the investment in RBPlat:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Carrying value (refer to note 13)	17 576 317	–	–
Fair value as per the closing share price of RBPlat (trading under share code: RBP)	15 666 320	–	–

The carrying value of the investment is based on the price paid together with our share of earnings related to our investment in RBPlat, which is believed to be reasonable based on a discounted cash flow valuation model calculated from information available in the public domain.

The fair value of the investment in RBPlat has been determined with reference to the closing share price of RBPlat Shares at the reporting period, therefore the fair value has been determined as level 1.

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
Number of RBPlat Shares held by Northam Holdings	100 219 552	N/A	N/A
Closing share price of RBPlat (trading under share code: RBP)	R156.32	N/A	N/A
Fair value as per the closing share price of RBPlat Shares (R000)	15 666 320	N/A	N/A

# Notes to the condensed reviewed interim financial results continued

The carrying value of the Zambezi Preference Share liability versus the fair value:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Carrying value (refer to note 20)	–	(2 518 715)	(1 669 867)
Fair value as per the closing price of Zambezi Preference Shares	N/A	(2 922 032)	(1 943 463)

The Zambezi Preference Share liability was classified as level 2 due to the low level of activity in the South African debt market.

The Zambezi Preference Shares were delisted from the Main Board of the JSE from the commencement of trade on 24 August 2021 as part of the execution of the accelerated maturity of the Zambezi BEE Transaction.

The fair value of the Zambezi Preference Share liability was previously determined with reference to the closing price of the Preference Shares.

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	Number of Zambezi Preference Shares	Number of Zambezi Preference Shares	Number of Zambezi Preference Shares
Number of Zambezi Preferences Shares issued	159 905 453	159 905 453	159 905 453
Number of Zambezi Preference Shares held by Northam	(159 905 453)	(128 569 993)	(139 972 496)
Number of Zambezi Preference Shares held in the open market	–	31 335 460	19 932 957
Closing price of Zambezi Preference Shares	N/A	R93.25	R97.50
Fair value as per the closing price of the Zambezi Preference Shares (R000)	N/A	(2 922 032)	(1 943 463)

The provisional pricing derivatives and receivables are classified as level 2 as the balances are underlined by quoted commodity prices. Call options relating to RBPlat Shares are also classified as level 2 as the balance is underlined by the quoted RBPlat share price.

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 period/year.

# Notes to the condensed reviewed interim financial results continued

## 30. Capital and other commitments, including guarantees provided

At the reporting period, the group had the following commitments arising in the ordinary course of business:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
<i>Capital commitments – Booyssendal mine</i>			
Authorised but not contracted	373 438	273 464	964 797
Contracted	285 400	331 947	195 557
	658 838	605 411	1 160 354
<i>Capital commitments - Zondereinde mine</i>			
Authorised but not contracted	770 690	547 081	1 659 940
Contracted	298 126	228 348	265 758
	1 068 816	775 429	1 925 698
<i>Capital commitments - Eland mine</i>			
Authorised but not contracted	501 435	303 405	1 044 805
Contracted	109 155	17 244	144 577
	610 590	320 649	1 189 382
Total capital commitments	2 338 244	1 701 489	4 275 434

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

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

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
<i>Bank guarantees</i>			
Eskom Holdings SOC Limited	143 709	143 709	143 709
The Commission for Conciliation, Mediation and Arbitration (CCMA)	2 737	–	–
Other	298	398	298
	146 744	144 107	144 007
<i>Other environmental guarantees</i>			
Department of Mineral Resources and Energy (refer to note 19)	708 963	493 403	618 512
	708 963	493 403	618 512

Subsequent to the period end, an additional guarantee to the value of R24.4 million was issued with regards to Booyssendal Platinum Proprietary Limited.

# Notes to the condensed reviewed interim financial results continued

## 31. Related parties

Related party relationships exist between the company, subsidiaries and an associate within the Northam Holdings group of companies.

Below is a summary of the key related party transactions:

### *Guarantees*

Northam Platinum Limited currently has finance facilities available in the form of a RCF to the value of R4.0 billion (31 December 2020: R3.5 billion and 30 June 2021: R4.0 billion) and a GBF to the value of R1.0 billion (31 December 2020: R500.0 million and 30 June 2021: R1.0 billion) with Nedbank Limited. Booyensdal Platinum Proprietary Limited and Eland Platinum Proprietary Limited have both signed a letter of guarantee concerning these facilities.

During the period under review, Northam Platinum Limited obtained a Bridge facility from Nedbank Limited to the value of R3.0 billion. Northam Platinum Holdings Limited, Booyensdal Platinum Proprietary Limited and Eland Platinum Proprietary Limited have all signed a letter of guarantee relating to this facility.

Refer to note 17 for details on the GBF, note 24 for details relating to the RCF and note 26 for details relating to the Bridge facility.

Northam Holdings and RBIH have entered into a pledge and cession agreement in terms of which Northam Holdings has pledged and ceded in *securitatem debiti* the Acquisition Shares and the relevant Option Shares acquired by Northam Holdings for the Deferred Option Consideration (to the extent applicable), in favour of RBIH as security for the payment by Northam Holdings of the Deferred Acquisition Consideration and Deferred Option Consideration, to the extent applicable.

Furthermore, Northam Platinum Limited, Booyensdal Platinum Proprietary Limited and RBIH have entered into a guarantee, in terms of which Northam Platinum Limited and Booyensdal Platinum Proprietary Limited guarantee the payment obligations of Northam Holdings in respect of the Deferred Acquisition Consideration and Deferred Option Consideration.

Refer to note 25 for details on the Deferred Acquisition Consideration.

In addition, as at 31 December 2021, Northam had DMTNs in an aggregate amount of R9.5 billion (31 December 2020: R7.1 billion and 30 June 2021: R7.8 billion) in issue on the debt capital market. These Notes were issued under the R15.0 billion DMTN Programme. Booyensdal Platinum Proprietary Limited is a guarantor for Notes in issue.

Refer to note 23 for details on the Notes issued.

# Notes to the condensed reviewed interim financial results continued

## *The Northam Zondereinde Community Trust, the Northam Booyensdal Community Trust and the Northam Employees' Trust*

The manner in which the Northam Zondereinde Community Trust, the Northam Booyensdal 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 empowerment credentials are no longer required by Northam. There is no scope for any other commercial activity outside of the maintenance of the empowerment credentials and the allocation of returns on the Northam Holdings Shares for the benefit of the beneficiaries of these trusts.

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

In terms of the Trust Deed of the Northam Employees' Trust, Northam previously committed to contribute R1.0 million per annum for the duration of the Lock-in period. This payment ceased upon implementation of the early maturation of the Zambezi BEE Transaction, on the Net Value Distribution Date and the last contribution was paid during the current period.

Below is a summary of the net asset value of these trusts:

	<b>Reviewed 6 months ended 31 December 2021</b>	<b>Reviewed 6 months ended 31 December 2020</b>	<b>Audited 12 months ended 30 June 2021</b>
	<b>R000</b>	<b>R000</b>	<b>R000</b>
Investment in Northam Platinum Holdings Limited	1 336 265	-	-
Lock-in Fee payment receivable including accrued interest on the Lock-in Fees	38 183	-	-
Trade and other receivables	2 427	1 324	2 033
Cash and cash equivalents (refer to note 17)	193 589	78 352	72 523
Amounts receivable from South African Revenue Service	298	192	418
Trade and other payables	(1 584)	(3 634)	(6 306)
Amounts payable to South African Revenue Service	(93)	(168)	-
<b>Net asset value of the Zambezi Trusts</b>	<b>1 569 085</b>	<b>76 066</b>	<b>68 668</b>
Number of Northam Platinum Holdings Limited Shares held by the Zambezi Trusts	6 378 354	N/A	N/A
Closing share price of Northam Platinum Holdings Limited Shares (share code: NPH)	R209.50	N/A	N/A
Investment held in Northam Platinum Holdings Limited	1 336 265	N/A	N/A

# Notes to the condensed reviewed interim financial results continued

## *Other related party transactions*

The group has a 33.7% (31 December 2020 and 30 June 2021: 33.7%) interest in SSG Holdings Proprietary Limited, owning 3 000 shares out of 8 900 issued shares.

SSG Holdings Proprietary Limited provides security, cleaning and facility services to the group.

Below is a summary of transactions between the group and SSG Holdings Proprietary Limited:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
SSG Facilities Proprietary Limited	34 021	22 769	47 786
SSG Cleaning Proprietary Limited	2	–	–
SSG Securities Solutions Proprietary Limited	55 826	50 865	101 561
Security, cleaning and facilities services provided by SSG Holdings Proprietary Limited to the group during the period/year accounted for as part of operating costs	89 849	73 634	149 347
Dividends received (refer to note 13)	606	606	606
Amounts payable to SSG Holdings Proprietary Limited included as part of trade and other payables	21 904	13 882	17 204

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

## *Dwaalkop joint venture*

The Dwaalkop joint venture is a joint venture between Mvelaphanda Resources Proprietary Limited (Mvelaphanda), a wholly owned subsidiary of Northam Platinum Limited 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.

Refer to the summary Mineral Resources and Mineral Reserves, for the group's attributable Mineral Resources relating to the Dwaalkop joint venture.

# Notes to the condensed reviewed interim financial results continued

## 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 was:

- 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);
- accrued interest daily at a nominal rate equal to the aggregate of the Prime Rate and 3.5%, and compounded annually on 1 January; and
- fully repaid on (i) the Net Value Distribution Date if the Transaction becomes unconditional; or (ii) 25 May 2025 if the Transaction did 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 would have been utilised to settle the Zambezi Ordinary Shareholder Loan and unpaid accrued interest thereon.

The Deemed Advances were settled in full through the Net Value Distribution.

	Opening balance as at 1 July 2021	Further capital advances	Interest Received for the period	Settlement through the Net Value Distribution	Closing balance as at 31 December 2021
	R000	R000	R000	R000	R000
Atisa Platinum (RF) Proprietary Limited	67 312	8 900	1 264	(77 476)	–
Malundi Resources (RF) Proprietary Limited	67 220	8 900	1 264	(77 384)	–
Mpilo Platinum (RF) Proprietary Limited	156 712	20 719	2 944	(180 375)	–
Zambezi Platinum Women's SPV (RF) Proprietary Limited	100 278	13 280	1 887	(115 445)	–
	391 522	51 799	7 359	(450 680)	–

Below is a summary of the capital advances and accrued interest outstanding:

	Reviewed 6 months ended 31 December 2021	Reviewed 6 months ended 31 December 2020	Audited 12 months ended 30 June 2021
	R000	R000	R000
Atisa Platinum (RF) Proprietary Limited	–	–	67 312
Malundi Resources (RF) Proprietary Limited	–	–	67 220
Mpilo Platinum (RF) Proprietary Limited	–	–	156 712
Zambezi Platinum Women's SPV (RF) Proprietary Limited	–	–	100 278
	–	–	391 522

# Notes to the condensed reviewed interim financial results continued

## **32. 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 had 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 was previously accrued for, refer to note 27. During the period under review, as a result of the appeal being dismissed interest to the value of R15.6 million had to be accrued for, refer to note 6.

The employees sought reinstatement and were 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.

Subsequent to the period, all amounts due and payable including interest was paid into an attorneys' trust account and Northam believes that this matter has now been settled in full.

## **33. Contingent liability – South African Revenue Service VAT claim**

In 2015 Northam concluded a R6.6 billion BEE transaction which secured a sustainable 31.4% HDP 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.

The South African Revenue Service 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 the South African Revenue Service 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 the registrar of the Tax Court has allocated the 2<sup>nd</sup> until the 6<sup>th</sup> of May 2022 for the hearing. Both Northam and the South African Revenue Service are preparing witnesses.

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.

## **34. 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 during the previous financial period.

Northam submitted C-19 TERS claims to the value of R121.3 million, of which an amount of R108.9 million has been received to date, refer to note 7 Sundry income for amounts received during the period and previous year.

No further claims have been applied for during the period under review.

## **35. Events after the reporting period**

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



# Summary Mineral Resources and Mineral Reserves

Northam's Mineral Resources and Mineral Reserves for its wholly owned Booyesendal, Eland and Zondereinde platinum mines, as at 31 December 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 attributable Mineral Resources and Mineral Reserves for the Royal Bafokeng mines and Dwaalkop joint venture were assessed by Royal Bafokeng Platinum Limited (RBPlat) and Sibanye-Stillwater Limited respectively 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 (226.58 Moz 4E) are reported inclusive of the total content in Mineral Reserves (34.87 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.

Mineral Resources and Mineral Reserves estimates for Northam's operating mines were reviewed, audited and endorsed by the independent consultants of the MSA group as at 30 June 2021. The reported Mineral Resources and Mineral Reserves of 31 December 2021 are updated estimates considering depletions of the previous six months production. The purchase of a 34.68% holding in RBPlat by Northam in November and December 2021 has resulted in the inclusion of attributable Mineral Resources and Mineral Reserves estimated to be contained within their mining rights.

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

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
	Mineral Resources & Mineral Reserves	Dennis Hoffmann	Mineral Resources Consultant	BSc (Hons) Geology; MSc Geology	32	17	SACNASP	400220/10
Booyesendal	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 continued

Lead Competent Persons for the compilation of Mineral Resources and Mineral Reserves for Royal Bafokeng are:

Operation	Responsibility	Name	Position/Title	Qualifications	Years of experience	Years of PGM experience	Affiliation	Member Number
Group	Mineral Resources	Jaco Vermeulen	Group Geologist	BSc (Hons) Geology	18	18	SACNASP	400232/12
BRPM	Mineral Reserves	Clive Ackhurst	MRM Manager	BSc (Hons) Engineering NHD Mineral Resource Management	40	21	ECSA	20090200
Styldrift	Mineral Reserves	Robby Ramphore	MRM Manager		26	26	SAIMM	705482

Lead Competent Person for the compilation of Mineral Resources for Sibanye-Stillwater is:

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

*Mineral Resources and Mineral Reserves for the Royal Bafokeng mines are declared by Royal Bafokeng Platinum Limited. Northam has consent from Royal Bafokeng's Lead Competent Persons to publish the Mineral Resources and Mineral Reserves as at 31 December 2020.*

*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.*

# Summary Mineral Resources and Mineral Reserves continued

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

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)<sup>1,2,3,4</sup>

Reef	Operation	31 December 2021			31 December 2020			30 June 2021		
		4E			4E			4E		
		Mt	g/t	Moz	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booyssendal North mine	11.62	2.62	0.98	12.82	2.77	1.14	11.88	2.62	1.00
	Booyssendal South mine	16.09	2.28	1.18	22.16	2.58	1.84	16.15	2.27	1.18
	Eland	0.00	0.00	0.00	5.27	0.89	0.15	0.00	0.00	0.00
	Royal Bafokeng <sup>5</sup>	25.21	4.63	3.75	0.00	0.00	0.00	0.00	0.00	0.00
	Zondereinde	32.16	5.49	5.68	26.32	5.65	4.78	32.62	5.50	5.77
	Total	85.08	4.24	11.59	66.57	3.70	7.91	60.65	4.08	7.95
UG2	Booyssendal North mine	38.59	2.94	3.65	39.42	3.09	3.92	39.91	2.94	3.77
	Booyssendal South mine	63.71	2.70	5.53	63.49	2.96	6.04	64.64	2.70	5.61
	Eland	26.81	3.38	2.91	25.71	3.50	2.89	26.94	3.37	2.92
	Royal Bafokeng <sup>5</sup>	16.64	3.78	2.02	0.00	0.00	0.00	0.00	0.00	0.00
	Zondereinde	65.15	4.38	9.17	60.95	4.27	8.36	65.73	4.38	9.26
	Total	210.90	3.43	23.28	189.57	3.48	21.21	197.22	3.40	21.56
Combined	Booyssendal North mine	50.21	2.87	4.63	52.24	3.01	5.06	51.79	2.86	4.77
	Booyssendal South mine	79.80	2.62	6.71	85.65	2.86	7.88	80.79	2.61	6.79
	Eland	26.81	3.38	2.91	30.98	3.05	3.04	26.94	3.37	2.92
	Royal Bafokeng <sup>5</sup>	41.85	4.29	5.77	0.00	0.00	0.00	0.00	0.00	0.00
	Zondereinde	97.31	4.75	14.85	87.27	4.68	13.14	98.35	4.75	15.03
	Total	295.98	3.66	34.87	256.14	3.54	29.12	257.87	3.56	29.51

1. 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 (Booyssendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited), or associates in which Northam holds an interest - this being Royal Bafokeng Platinum Limited in which Northam holds a 34.68% interest.
2. Mineral Reserves rest entirely within the Merensky and UG2 ore bodies of the Bushveld Complex, South Africa.
3. PGM grade is expressed as 4E (combined platinum, palladium, rhodium and gold) grade; this being synonymous with 3PGE & Au.
4. Rounding of numbers in the tables may result in minor computational discrepancies. Where this occurs, it is deemed insignificant.
5. Current Mineral Reserves for Royal Bafokeng Platinum Limited are quoted as at 31 December 2020, there being no attributable ownership in the previous period/year.

## Changes to the Mineral Reserves during the year

Northam's attributable combined Mineral Reserves as at 31 December 2021, expressed as metal content, comprise 34.87 Moz 4E, an increase of 5.36 Moz 4E from 30 June 2021. The majority of this change is the result of the acquisition of an interest in RBPlat.

- The combined Mineral Reserves attributable to the 34.68% interest in RBPlat are based on their Mineral Reserves statement of 31 December 2020.

# Summary Mineral Resources and Mineral Reserves continued

Northam group Mineral Resources estimate (combined Measured, Indicated and Inferred)<sup>1,2,3,4,5</sup>

Reef	Operation	31 December 2021			31 December 2020			30 June 2021		
		4E			4E			4E		
		Mt	g/t	Moz	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booysendal Extension <sup>8</sup>	210.26	3.83	25.91	242.37	3.86	30.06	210.26	3.83	25.91
	Booysendal North mine	20.11	3.12	2.02	19.70	3.13	1.98	20.43	3.12	2.05
	Booysendal South mine	28.17	2.73	2.47	27.44	2.72	2.40	28.25	2.72	2.47
	Dwaalkop <sup>7</sup>	38.05	2.98	3.64	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	4.82	1.05	0.16
	Royal Bafokeng <sup>6</sup>	51.89	7.40	12.34	0.00	0.00	0.00	0.00	0.00	0.00
	Zondereinde	173.04	7.37	41.02	207.61	7.40	49.38	173.70	7.37	41.18
	Total	526.34	5.17	87.56	539.99	5.05	87.62	475.51	4.93	75.41
UG2	Booysendal Extension <sup>8</sup>	386.86	4.09	50.83	431.57	4.09	56.80	386.86	4.09	50.83
	Booysendal North mine	51.80	3.29	5.48	54.60	3.28	5.76	53.52	3.29	5.66
	Booysendal South mine	128.23	3.23	13.31	125.03	3.18	12.80	129.43	3.23	13.44
	Dwaalkop <sup>7</sup>	37.56	4.35	5.25	37.56	4.35	5.25	37.56	4.35	5.25
	Eland	111.00	3.95	14.10	147.43	4.04	19.16	111.21	3.95	14.13
	Royal Bafokeng <sup>6</sup>	68.95	5.08	11.27	0.00	0.00	0.00	0.00	0.00	0.00
	Zondereinde	230.38	5.24	38.78	326.11	5.16	54.06	231.29	5.24	38.93
	Total	1014.78	4.26	139.02	1 122.30	4.26	153.83	949.87	4.20	128.24
Combined	Booysendal Extension <sup>8</sup>	597.12	4.00	76.74	673.94	4.01	86.86	597.12	4.00	76.74
	Booysendal North mine	71.91	3.24	7.50	74.30	3.24	7.74	73.95	3.24	7.71
	Booysendal South mine	156.40	3.14	15.78	152.47	3.10	15.20	157.68	3.14	15.91
	Dwaalkop <sup>7</sup>	75.61	3.66	8.89	75.61	3.66	8.89	75.61	3.66	8.89
	Eland	115.82	3.83	14.26	152.25	3.95	19.32	116.03	3.83	14.29
	Royal Bafokeng <sup>6</sup>	120.84	6.08	23.61	0.00	0.00	0.00	0.00	0.00	0.00
	Zondereinde	403.42	6.15	79.80	533.72	6.03	103.44	404.99	6.15	80.11
	Total	1541.12	4.57	226.58	1 662.29	4.52	241.45	1425.38	4.44	203.65

1. Mineral Resources 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 or associates in which Northam holds an interest - these being the Dwaalkop joint venture and Royal Bafokeng Platinum Limited in which Northam holds 50.0% and 34.68% interests respectively.
2. Mineral Resources 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 Royal Bafokeng Platinum Limited are quoted as at 31 December 2020, there being no attributable ownership in the previous year.
7. 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.
8. Booysendal extension comprises the previously defined and reported areas of Booysendal prospect.

## Changes to the Mineral Resources during the period

Northam's attributable combined Mineral Resources as at 31 December 2021, expressed as metal content, comprise 226.58 Moz 4E, an increase of 22.93 Moz 4E from 30 June 2021. The majority of this change is the result of the acquisition of an interest in RBPlat.

- The combined Mineral Resources attributable to the 34.68% interest in RBPlat are based on their Mineral Resources statement of 31 December 2020.

# 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 Holdings Limited.

To obtain an understanding of PMs and other definitions contained in the results booklet, 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 Holdings 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 Holdings reports metal production and grades in terms of platinum, palladium, rhodium, gold, ruthenium and iridium, collectively expressed as 6E
Acquisition Implementation Date	Implementation date of the acquisition of 93 930 378 RBPlat Shares, representing an initial investment of 32.50% in RBPlat, being 19 November 2021
Acquisition Shares	93 930 378 RBPlat Shares acquired from RBIH
AGM	Annual General Meeting
AIDS	Acquired Immunodeficiency Syndrome
AMCU	The Association of Mineworkers and Construction Union
Anglo American Platinum Refining Services	Anglo American Precious Metal Refinery, is Anglo American Platinum's PGM refining operation, located in Rustenburg, in the North-West province in South Africa
Annual liquidity	The measure of the liquidity of the listed Northam Holdings 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
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 group'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 group and/or its business activities from time to time and any other similar laws which may be applicable to the 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
Booysendal	Booysendal Platinum Proprietary Limited (registration number 2002/016771/07), a private company incorporated in accordance with the laws of South Africa whose shares are wholly owned by Northam Platinum Limited. Booysendal is a shallow, mechanised operation, mining UG2 and Merensky ore, located on the eastern limb of the Bushveld Complex near the town of Mashishing (formerly Lydenburg), in the Limpopo province of South Africa.
BRPM	Bafokeng Rasimone Platinum Mine, owned and operated by RBPlat, a twin decline shaft (average mining depth of 450 metres) conventional and hybrid mining operation located in the Bushveld Complex in the North-West province of South Africa
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 <sup>2</sup> ) within South Africa and containing approximately 85% of all known PGM Mineral Resources
Buttonshope Conservancy Trust	The Buttonshope Conservancy Trust (number 3300/2011), established in 2011 to oversee the development and ongoing management of environmental offset areas associated with the development of Booysendal mine.
c.	Circa
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 <sub>4</sub>	Methane, a greenhouse gas
CO <sub>2</sub>	Carbon Dioxide, a greenhouse gas
CO <sub>2</sub> e	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 <sub>2</sub> 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 Holdings 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 group'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
Deferred Acquisition Consideration	<p>The aggregate purchase consideration in respect of the Acquisition Shares was settled through the combination of cash and the issue of Northam Holdings Shares as follows: 34 399 725 Northam Holdings Shares and R3.0 billion settled in cash.</p> <p>A deferred cash consideration of approximately R5.6 billion (Deferred Acquisition Consideration) of which: R4.0 billion (to be adjusted by the Escalation Rate) will become payable by no later than 30 April 2022; and approximately R1.6 billion (to be adjusted by the Escalation Rate) will become payable by no later than 30 September 2022</p>
Deferred Option Consideration	<p>The Option Consideration may be settled in cash or Northam Holdings Shares, or a combination thereof, at Northam Holdings election.</p> <p>If the Call Option or the Put Option, as the case may be, is exercised and settled in cash before 30 September 2022, then Northam Holdings will settle the Option Cash Consideration (to be escalated at the Escalation Rate) by no later than 30 September 2022</p>
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 issued under the DMTN Programme
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
Dwaalkop	Dwaalkop prospect, a joint venture between Western Platinum, a subsidiary of Sibanye-Stillwater Limited (Sibanye-Stillwater) and Mvelaphanda Resources Proprietary Limited, a wholly owned subsidiary of Northam Platinum Limited. The mining right is jointly held by both parties with the joint venture being managed by Sibanye-Stillwater
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 shares in issue
Eastplats	Eastern Platinum Limited (registration number 2007/006318/10), a public company based in Vancouver, Canada and listed on both the Toronto Stock Exchange and the JSE (JSE:EPS)
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, <i>inter alia</i> , the assessment of covenants
EBITDA margin	EBITDA as a percentage of sales revenue in ZAR
Eland	Eland Platinum Proprietary Limited (registration number 2016/427918/07), a private company incorporated in accordance with the laws of South Africa whose shares are wholly owned by Northam Platinum Limited. Eland is a shallow hybrid UG2 mine, located in the western limb of the Bushveld Complex near Brits in the North-West province of South Africa.
EMI	Emikaway (RF) Proprietary Limited (registration number 2013/169220/07), a private company incorporated in accordance with the laws of South Africa and a subsidiary of RBH



EMI Call Option	Northam has been granted, for no consideration, a call option by Emikaway (RF) Proprietary Limited to acquire 4 472 103 RBPlat Shares
EMI Call Option Period	Means the period commencing on the later of (i) the Sale Settlement Date and (ii) the Signature Date and expiring 24 Months after the Sale Settlement Date
EMI Call Option Shares	Means 4 472 103 Shares, amounting to 1.6% of the total issued share capital of the company (as at the Signature Date) excluding treasury shares
EMI Option and ROFR Agreements	means, collectively, the written agreements headed: <ul style="list-style-type: none"> <li>• Option and ROFR Agreement</li> <li>• Pledge and Cession Agreement and</li> <li>• Guarantee</li> </ul> to be entered into between inter alios the Purchaser and EMI
EMI Put Option	Emikaway (RF) Proprietary Limited has been granted, for no consideration, a put option to sell 1 891 342 RBPlat Shares to Northam
Employee turnover rate percentage	Number of employees at the Zondereinde, Booyssendal 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, Booyssendal 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 HDPs
EMP	Environmental Management Plans
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
Escalation Rate	A nominal annual rate equal to 12%, calculated on a daily basis, based on a 365-day year, irrespective of the actual number of days in a year, compounded quarterly in arrears
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
F2019	Financial year for the period 1 July 2018 to 30 June 2019

F2020	Financial year for the period 1 July 2019 to 30 June 2020
F2021	Financial year for the period 1 July 2020 to 30 June 2021
F2022	Financial year for the period 1 July 2021 to 30 June 2022
F2023	Financial year for the period 1 July 2022 to 30 June 2023
F2024	Financial year for the period 1 July 2023 to 30 June 2024
F2025	Financial year for the period 1 July 2024 to 30 June 2025
F2026	Financial year for the period 1 July 2025 to 30 June 2026
F2027	Financial year for the period 1 July 2026 to 30 June 2027
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 group's operations
Fatal injury incidence rate (FIIR) per 200 000 hours worked	The sum of employee and contractor fatalities multiplied by 200 000 and divided by the total number of contractor and employee hours worked
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
GCR	Global Credit Rating Company Proprietary Limited (registration number 1995/005001/07)
GHG	Greenhouse gas; including carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ) and nitrous oxide (N <sub>2</sub> O). 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 <sub>2</sub> e) emissions, including carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ) and nitrous oxide (N <sub>2</sub> O). 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 <sub>2</sub> 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
H1 F2021	Financial half year for the period 1 July 2020 to 31 December 2020
H1 F2022	Financial half year for the period 1 July 2021 to 31 December 2021

HDPs	Historically Disadvantaged Persons as defined in the Mineral and Petroleum Resources Development Act, No. 28 of 2002
HDPs in management	The total number of HDPs 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 1/2021 as issued by the South African Institute of Chartered Accountants (SAICA)
Headline earnings per share (cents)	Headline earnings per share is governed by Circular 1/2021 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
Impala Refining Services	Impala Refining Services Limited (registration number 1698/009670/06), a public company incorporated in accordance with the laws of South Africa and part of the Impala Platinum Limited group of companies, providing smelting and refining services through offtake agreements with companies within the Impala group and third parties
<i>In-situ</i>	The original natural state of the ore body before mining or processing of the ore takes place
Indicated Mineral Resources	<p>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</p> <p>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</p>
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
Interest Cover Ratio	The ratio of EBITDA to Finance Charges in respect of any Measurement Period
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

Johnson Matthey	Johnson Matthey PLC, a multinational speciality chemicals company, listed on the London Stock Exchange, providing refining services for PGMs as part of their operations
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, also defined as Life of Mine
Local community	Communities that are directly impacted by our mining operations and are on or near the mining right area
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 group'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 person's 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 group's operations multiplied by 200 000 and divided by the total number of employee and contractor hours worked
Measured Mineral Resources	<p>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</p> <p>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</p>
Measurement Period	Each period of 12 (twelve) calendar months ending on (but including) a Measurement Date (and whether or not commencing prior to the Signature Date)
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
NERSA	National Energy Regulator of South Africa, is the regulatory authority for the electricity supply industry in South Africa.
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, <i>inter alia</i> , the assessment of covenants
Net Debt to EBITDA Ratio	The Net Debt to EBITDA Ratio is a measurement of leverage, calculated as the group's Net Debt divided by EBITDA/12 month rolling EBITDA
Net Debt to Equity Ratio	The Ratio of Net Debt to Equity in respect of any Measurement Period
Net Shares	Shares net of Treasury Shares
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 group'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, Booyensdal or Eland operations confirmed as having Pulmonary Tuberculosis (TB) by a medical practitioner, during the reporting period
Ni	Nickel
NICD	The National Institute for Communicable Diseases of South Africa

NO <sub>2</sub> /NO <sub>x</sub>	Nitrogen Dioxide, one of a group of nitrogen oxides, sometimes termed NO <sub>x</sub>
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 company 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 or NHM	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 Holdings or NPH	Northam Platinum Holdings Limited, (registration number 2020/905346/06), 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: NPH
Northam Holdings Share	Means an ordinary share in the share capital of NPH
Northam Platinum Restoration Trust Fund	The Northam Platinum Restoration Trust Fund (number 8288/96), a trust established in 1996 to assist the Northam Group in making financial provision for the environmental rehabilitation in terms of the MPRDA upon cessation of its mining operations
Northam Recovery Services	Northam Recovery Services LLC (registration number 6518615), a company, incorporated in the USA and wholly-owned as part of the Northam Group, that processes salvaged automotive catalytic converters as part of its recycling operations
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 group's operations
Number of new compensable NIHL cases	The number of cases of NIHL identified at the Zondereinde, Booyssendal 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
Option Implementation Date	The relevant date of settlement of the Call Option or the Put Option, as the case may be
Option Consideration	The aggregate purchase consideration in respect of all the relevant Option Shares. The purchase consideration in respect of each Call Option Share or Put Option Share, as the case may, amounts to R135.00 per Option Share to be escalated at the Escalation Rate from the Acquisition Implementation Date until the relevant date of settlement of the Call Option or the Put Option, as the case may be. The

	Option Consideration may be settled in cash or Northam Holdings Shares, or a combination thereof, at Northam's election
Option Consideration Shares	means a number of Northam Holdings Shares determined by dividing the Option Consideration (or relevant portion of the Option Consideration) by the 5-Day VWAP as at the date of delivery of a Call Exercise Notice or Put Exercise Notice, as the case may be, and where such number results in a fraction of a share, rounded up to the nearest whole number
Option Cash Consideration	<p>The Option Consideration may be settled in cash (Option Cash Consideration) or Northam Holdings Shares, or a combination thereof, at Northam's election:</p> <p>If the Call Option or the Put Option, as the case may be, is exercised and settled in cash:</p> <ul style="list-style-type: none"> <li>• before 30 September 2022, then Northam will settle the Option Cash Consideration (Deferred Option Consideration) by no later than 30 September 2022; or</li> <li>on or after 30 September 2022, Northam will settle the Option Cash Consideration, on the Option Implementation Date</li> </ul>
Option Settlement Date	Means, in respect of each Option Trade Date, the 3rd Business Day after such Option Trade Date
Option Share	Each Call Options Share or Put Options Share, as the case may be
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
Put Option/Put Option Shares	RBH has been granted, for no consideration, a put option to sell 1 673 695 RBPlat Shares (Put Option Shares), to Northam (Put Option)
Put Option Period	Means the period commencing 6 Months and 5 Business Days after the Sale Settlement Date and expiring 24 Months after the Sale Settlement Date

Put Option Shares	Means 1 891 342 Shares, amounting to 0.7% of the total issued share capital of the company (as at the Signature Date) excluding treasury shares
R or ZAR	South African Rand, synonymous with the abbreviation ZAR
RBH	Means Royal Bafokeng Holdings Proprietary Limited, registration number 2006/006906/07, a private company as defined in the Companies Act in accordance with the laws of South Africa
RBH Call Option Period	Means the period commencing on the Sale Settlement Date and expiring 24 Months thereafter
RBH Call Option Shares	Means 1 673 695 Shares, amounting to 0.6% of the total issued share capital of the company (as at the Signature Date) excluding treasury shares
RBH Put Option Period	Means the period commencing 6 Months and 5 Business Days after the Sale Settlement Date and expiring 24 Months after the Sale Settlement Date
RBH Put Option Shares	Means 1 673 695 Shares, amounting to 0.6% of the total issued share capital of the company (as at the Signature Date) excluding treasury shares
RBIH	Means Royal Bafokeng Investment Holding Company Proprietary Limited, registration number 2006/029099/07, a private company as defined in the Companies Act
RBIH Call Option/RBIH Call Option Shares	Northam Holdings has been granted, for no consideration, a call option by RBIH to acquire a further 1 673 695 RBPlat Shares (Call Option Shares)
RBPlat Net Shares	RBPlat ordinary shares in issue, excluding Treasury Shares
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 group'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
ROFR	Northam Holdings has been granted, for no consideration, a right of first refusal to acquire a further 3 367 673 RBPlat Shares, amounting to 1.17% of the RBPlat Net Shares, from Emikaway (RF) Proprietary Limited
ROFR Shares	Means 3 367 673 Shares held by EMI, amounting to 1.2% of the total issued share capital of the company (as at the Signature Date) excluding treasury shares
ROM	Run of mine
Royal Bafokeng Platinum Limited/RBPlat	Royal Bafokeng Platinum Limited (registration number 2008/015696/06), 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: RBPJ
Royal Bafokeng Platinum Limited Shares/RBPlat Shares	Shares issued by Royal Bafokeng Platinum Limited
SAICA	South African Institute of Chartered Accountants
Sale Agreement	Means the written agreement headed "Sale of Shares Agreement" entered into between NPH, RBIH and RBH on 8 November 2021



Sale Consideration Shares	Means 34 399 725 Northam Holdings Shares, amounting to 8.7% of the total issued share capital of the Purchaser excluding treasury shares after issuing the Sale Consideration Shares
Sale Settlement Date	Shall bear the meaning ascribed thereto in the Sale Agreement
Sale Shares	93 930 378 Shares held by the Seller, amounting to 32.50% of the total issued Shares of the company (as at the Signature Date)
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 Holdings board sub-committee
SENS	Johannesburg Stock Exchange News Service
Share Acquisitions Scheme	Collectively, the acquisition of Northam Shares by Northam in terms of the Revised Accumulated Dividends Settlement, the Repurchase, the Zambezi Preference Share Redemption, the repurchase of Zambezi Retention Shares (if applicable) and the ESOP Repurchase, in accordance with section 48(8)(b) of the Companies Act, by way of a scheme of arrangement in terms of section 114(1) read with section 115 of the Companies Act between Northam and Northam Shareholders
Shareholding in RBPlat	On the Acquisition Implementation Date, being 19 November 2021, Northam Holdings acquired 93 930 378 RBPlat Shares. RBPlat issued shares amounts to 289 016 546 Shares of which 2 265 327 represent Treasury Shares. The net issued shares, therefore amount to 286 751 219 issued shares. During December 2021 a further 6 289 174 RBPlat Share were acquired. Therefore as at 31 December 2021, Northam Holdings held 100 219 552 RBPlat Shares.  This represents a shareholding of 34.68%
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

	<p>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</p> <p>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</p> <p>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</p>
Styldrift	Styldrift Mine, owned and operated by RBPlat, a twin vertical shaft (average mining depth of 680 metres) mechanised board and pillar mining operation located in the Bushveld Complex in the North-West province of South Africa
Sulphur Dioxide (SO <sub>2</sub> ) 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
Toro Employee Empowerment Trust	The Toro Employee Empowerment Trust (number 3265/08), a trust established to provide the unskilled and semi-skilled employees of Northam an opportunity to participate in the profits of the Zondereinde mine
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 group'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, Booyendal 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 group'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 group'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 (registration number 2014/106927/06), a ring-fenced public company incorporated in accordance with the laws of South Africa
Zambezi Trusts	Collectively, the Northam Employee's Trust (number 000173/2015), the Northam Zondereinde Community Trust (number 000177/2015) and the Northam Booysendal Community Trust (number 000178/2015), or any one or each of them, as the context may require
ZAR	South African Rand, synonymous with the abbreviation R
Zondereinde	Northam Platinum Limited (registration number 1977/003282/06)), a public company incorporated in accordance with the laws of South Africa whose shares are wholly owned by Northam Platinum Holdings Limited. Zondereinde Platinum Mine is an established, conventional, long-life operation which mines UG2 and Merensky ore and is located in the western limb of the Bushveld Complex near the town of Thabazimbi in the North-West province of South Africa
ZPLP	Zambezi Platinum (RF) Limited Preference Share, previously traded under JSE Preference Share code: ZPLP. Zambezi Preference Shares were delisted from the main board of the JSE from commencement of trade on 24 August 2021

# 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 Holdings group and/or its business activities from time to time and any other similar laws which may be applicable to the Northam Holdings 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, <i>inter alia</i> , 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
Booyensdal Community Trust	The Northam Booyensdal 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 the 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 2021, 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 Holdings group's mining operations
Community Trusts	Collectively, the Zondereinde Community Trust and the Booyensdal 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

Disposal Event	In the event that the Zambezi Shareholder Disposes of or Encumbers, or agrees to Dispose of or Encumber, any or all of the Zambezi Shareholder's Residual Northam Shares other than in terms of the Northam Scheme, and/or the Relevant Northam Holdings Shares or any other Northam Holdings Shares acquired by if from any other Zambezi Ordinary Shareholder to any person other than, Northam, Northam Holders or their respective nominees or any other Zambezi Ordinary Shareholder at any time during the Residual Lock-in Period
Distribution	A "distribution" as defined in the Companies Act
Employees	Permanent employees of the Northam Holdings 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, <i>inter alia</i> , 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 <i>in specie</i> declared by the Zambezi Board pursuant to the Net Value Distribution
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
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 Holdings 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, <i>inter alios</i> , 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 or the company	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, <i>prima facie</i> , 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
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, <i>inter alia</i> , 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;

	<p>the Relevant Zambezi Shareholder Transaction Agreements;</p> <p>the BEE Trust Transaction Agreements;</p> <p>the Zambezi Ordinary Shareholder Loan Agreements; and</p> <p>the written agreement headed "Irrevocable Undertaking" entered into between Zambezi and Northam on 16 September 2020,</p> <p>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</p>
Treasury Shares	The Northam Shares and/or Northam Holdings Shares, as the case may be, held by Subsidiaries of the Northam Holdings 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, <i>inter alios</i> , 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 Ntshintshali, 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	<p>A cash consideration per Zambezi Scheme Share amounting to:</p> <p>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</p>



	<p>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</p> <p>in the event that Northam increases such consideration, from time to time, such higher amount</p>
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, <i>inter alia</i> , 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	<p>In the event that the Transaction Condition pertaining to the Tax Ruling:</p> <p>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</p> <p>is waived by Northam, the estimated amount of the Zambezi Taxes calculated in accordance with the Calculation Model plus R250 million</p>
Zambezi Retention Release Amount	The difference between the actual Zambezi Taxes and the Zambezi Retention Amount
Zambezi Retention Shares	<p>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):</p> $\frac{a}{b}$ <p>where:</p> <p>a = Portion C of the Differential Zambezi Taxes; and</p> <p>b = the 30-Day VWAP on the Repurchase Implementation Date</p>
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	<p>The aggregate of:</p> <ul style="list-style-type: none"> <li>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</li> <li>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</li> </ul>
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

# Administration and contact information

## Northam Platinum Holdings Limited

Incorporated in the Republic of South Africa  
Registration number: 2020/905346/06  
ISIN: 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: NHM015  
Bond ISIN: ZAG000164922  
Bond code: NHM016  
Bond ISIN: ZAG000167750  
Bond code: NHM018  
Bond ISIN: ZAG000168097  
Bond code: NHM019  
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