

We will be bold and proactive in returning value to shareholders

Condensed reviewed interim
financial results and statistical
information for the six months
ended 31 December 2020

smart platinum mining



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What investors need to know about the Northam interim results

- No fatalities during the period
- Record interim period despite the continued impact of the COVID-19 pandemic on our business
- Production from own operations increased by 15.0% to 352 741 oz 4E (H1 F2020: 306 738 oz 4E)
- Reinstatement of all projects previously suspended due to COVID-19
- Growth projects on track to reach our 1 million oz 4E target
- Free cash flow of R1.9 billion generated (H1 F2020: R695.8 million) taking into account capital expenditure of R1.3 billion incurred mainly in the execution of the group's growth strategy
- Net debt at R8.8 billion – net debt to EBITDA ratio within our self-imposed target of 1 to 1
- DMTN Programme increased to R15.0 billion, with R7.1 billion of notes issued
- Return of value created for our shareholders through the purchase of 87.5% ZPLPs
- Improved ranking on the FTSE/JSE Top 40 index with a ranking of 24
- Upgrade to Northam's long-term and short-term credit rating with a stable outlook
- Discussions entered into regarding potential acceleration of maturity of the Zambezi empowerment transaction
- Appreciation of the Northam share price has realised value for the Zambezi empowerment shareholders

Directors

KB Mosehla	Non-executive chairman
DH Brown	Lead independent non-executive director
PA Dunne*	Chief executive officer
AH Coetzee	Chief financial officer
HH Hickey	Independent non-executive director
NY Jekwa	Independent non-executive director

MH Jonas	Independent non-executive director
TE Kgosi	Non-executive director
GT Lewis*	Independent non-executive director
TI Mvusi	Independent non-executive director
JJ Nel	Independent non-executive director
JG Smithies*	Independent non-executive director

*British

Introduction to the reporting period

Northam Platinum Limited (Northam) is a primary producer of Platinum Group Metals (PGMs). Our shares are listed on the Johannesburg Stock Exchange (JSE) under equity code NHM, where we are a constituent of the Financial Times Stock Exchange (FTSE)/JSE Responsible Investment Index. Our debt instruments are listed under the debt code NHMI. Northam is fully empowered. Historically Disadvantaged South African (HDSA) ownership levels stand at 31.4%.

Despite the backdrop of the ongoing global COVID-19 pandemic, Northam has delivered a solid performance during the reporting period, whilst maintaining the health and safety of our employees. In addition, our growth strategy remains on track and we continue to return significant value to our shareholders through the ongoing purchase of Zambezi Platinum (RF) Limited (Zambezi) preference shares, trading under the share code ZPLP.

The financial results achieved were underpinned by satisfactory performance from all operations.

Progress on our various growth projects has continued apace, notably at Booyensdal South,

the Zondereinde Western extension and the development of decline tunnels at Eland mine. All projects suspended following the onset of COVID-19 have been reinstated and the impact on our medium-term production target of 1 million oz 4E per annum is minimal.

As a responsible corporate citizen we are committed to good practice in environmental, social and governance matters. To demonstrate this, we have included in this booklet expanded disclosure relating to our approach to the well-being of our employees, our environmental custodianship and the governance structures within our company.

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

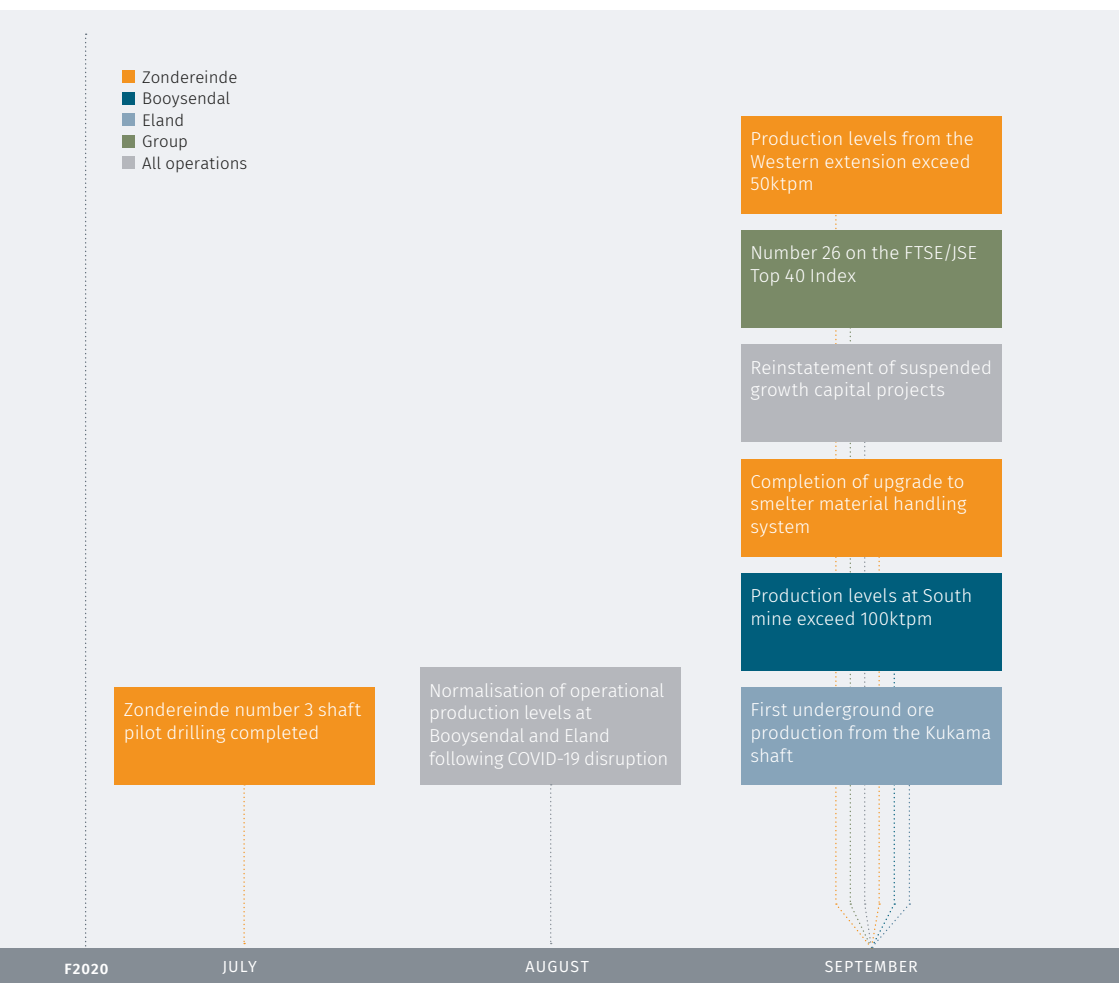


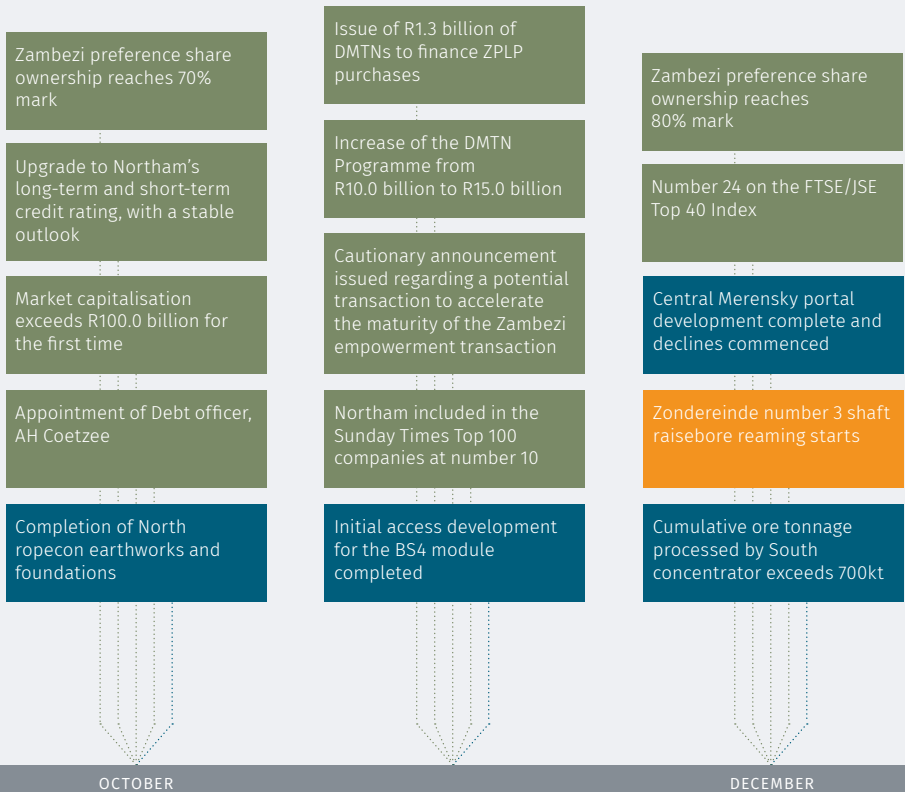
Despite the backdrop of the ongoing global COVID-19 pandemic, Northam has delivered a solid performance during the reporting period, whilst maintaining the health and safety of our employees

Half year at a glance

Key events for the period that influenced our growth as well as our target milestones to 2025.

We believe all of these have been value accretive.





Company overview

Northam is an independent, fully empowered, integrated PGM producer. We operate three mines and a recycling operation. These are wholly owned by Northam Platinum Limited.

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

Due to the uncertainty as a result of COVID-19, we had suspended some of our growth projects and reduced our F2021 production targets. We now have improved confidence in metal markets and have thus reinstated all suspended growth projects. We have updated our production guidance accordingly.





Zondereinde mining operations

Held in Northam Platinum Limited

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

320 000 oz 4E
forecast production for F2021*

350 000 oz 4E once the Western extension has been fully developed.

>30 yrs
life of mine

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

4%
of after-tax profits

Toro Employee Empowerment Trust profit share scheme.

Location:

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

Mineral Reserves and Mineral Resources:

Reserves: 13.1 Moz 4E
Resources: 103.4 Moz 4E

Developments:

Both raiseboring of number 3 shaft, to improve access to the Western extension, as well as the deepening project are progressing well.

Further brownfields expansion is possible.

* Equivalent refined metals from own operations
** Metal in concentrate produced



Booyensdal mining operations

Held in Booyensdal Platinum Proprietary Limited

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

340 000 oz 4E
forecast production for F2021**

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

>25 yrs
life of mine

Booyensdal's current operations.

Significant potential for production growth and extension to life of mine.

Booyensdal South project

Development of mining modules progressing well.

Location:

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

Mineral Reserves and Mineral Resources:

Reserves: 12.9 Moz 4E
Resources: 109.8 Moz 4E

Developments:

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

Further expansion is possible.



Eland mining operations

Held in Eland Platinum Proprietary Limited

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

35 000 oz 4E
forecast production for F2021**

Treating surface sources through the concentrator plant.

Development of Kukama decline in progress.

Mineral Reserves and Mineral Resources:

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

Other operations

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

Held in Mvelaphanda Resources Proprietary Limited

Northam's attributable Mineral Resources: 8.9 Moz 4E

33.7%
interest in SSG Holdings Proprietary Limited

Provides security and facility services to the group.

US recycling operation

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

Metallurgy

Zondereinde metallurgical operations:

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

Heraeus Deutschland GmbH & Co. KG:

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

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

In-house marketing department:

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

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

Q&A with the chief executive officer, Paul Dunne



Q

What have been the key highlights for the F2021 interim period?

A

At an operational level, the principal highlight of this half year was our ability to normalise production following the disruptions associated with COVID-19, whilst protecting the health of our workforce. Our interim production statistics bear testament to this and was made possible through the focused effort of all our employees. Especially significant has been the first meaningful metal contribution from Booyseendal South mine.

At the corporate level, we are very pleased to have been able to continue the purchase of Zambezi preference shares, returning significant value to our shareholders.

Q

How is COVID-19 continuing to impact your business?

A

We are currently operating at close to full production. However, COVID-19 remains a threat to the health of our employees and we are still following the risk mitigation protocols implemented during F2020. We will continue to closely monitor the situation.

The impact has been most strongly felt at Zondereinde mine where we have not yet returned all mining crews to work. We have taken cognisance of this in our production guidance.

Q

What are the top 5 risks currently facing Northam?

A

The five most significant risks currently facing our business are:

Firstly, the health and safety of our employees, especially given the ongoing challenge of COVID-19. Thanks in the main to our strong and well-established employee health care programs. We have shown general improvement in workplace safety over a good number of years. This is due to the focused efforts of the entire workforce. Unfortunately, we have had one fatality post the reporting period. I will elaborate on this at the year end once an investigation has been completed.

Secondly, the sustainability and volatility of rand commodity prices. We are essentially price takers and our only effective protection against depressed or volatile metal prices is to maintain our position in the lower half of the industry cost curve.

Thirdly, delivering on our strategy of growing production down the cost curve through developing low-cost, long-life assets. This is bearing fruit and we have significantly de-risked a large portion of our project pipeline. I expect strong performance ahead.

Fourthly, maintaining our licence to operate is essential. This requires significant focus given the complex framework of relationships that exist between the company, government, our employees and the host communities to our operations. As a responsible corporate citizen, we understand it is crucial that we engage and form partnerships with all our stakeholders in order to play our part.

Since the inception of our growth strategy in 2015, we have invested significant capital, doubling our production and in so doing, creating 6 195 new, direct, meaningful and sustainable jobs. By far, the majority of these new employees come from our host communities, who also benefit from a large portion of our procurement spend. In addition, our employees and their dependents receive comprehensive healthcare, as well as substantial assistance to home ownership. Our social spend is directed towards uplifting the health, well-being and education of our host communities, with a view towards longer-term sustainable benefit.

Ultimately, the most critical consideration for any company is the appropriate allocation of capital and ensuring sufficient liquidity. We have arranged adequate debt funding through our banking facilities, and our DMTN Programme, to supplement our strengthening internal cash generation. We are confident that this is providing our balance sheet with the necessary strength and flexibility to both deliver on our growth strategy, whilst continuing to return significant value to our shareholders.

Q

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

A

Interpreting the market for our metals within the context of prevailing global economic uncertainty is difficult. However, we continue to believe that the metals we produce are special and aid the attainment of a cleaner, greener world. It is our considered opinion that PGM demand will remain strong over the coming decade. This will support pricing.

In the near term and as a consequence of COVID-19 and increasingly stringent motor vehicle emissions legislation; the market for palladium has moved closer to balance, that of rhodium remains in deficit and, whilst platinum is in surplus, it is being viewed as an investment case offering good value. Industrial demand for all metals remains robust and on a regional basis, Chinese purchases remain strong. In addition, the trend towards SUV and truck purchases in North America remains significant. Palladium remains the metal of choice in gasoline vehicle autocatalysis for the foreseeable future and rhodium will continue as the only viable solution for NOx suppression.

We must not underestimate the growing role of the minor and base metal by-products. Iridium and ruthenium, hydrogen metals of the future are ticking up whilst copper and nickel are becoming more important with general global recovery and a focus on infrastructure construction programs.

Q

You previously stated that you have pulled back on non-critical capital – with more certainty in the market what is your current position?

A

We have recently reinstated all of the capital projects that we had temporarily suspended or delayed in response to COVID-19. We have been able to accelerate our work programs and have mostly caught up any delays incurred. We are on track to deliver on our growth strategy and we are beginning to reap the benefits.

Q

What is your view regarding once empowered always empowered?

A

We have a clear view regarding empowerment and it is our opinion that the best interests of all stakeholders are served by maintaining our empowerment credentials.

Q

What are the key focus areas/ challenges for Northam at this point in time?

A

Our growth strategy remains in place and we will focus on; returning value to shareholders, project execution, growing our operating margins and improving our relative cost position within the PGM sector. We need to continue to operate within the lower half of the cost curve.

We have largely normalised our operations following the disruption associated with COVID-19. However, we will continue to maintain our focus on the health and well-being of both our employees, as well as that of the communities that host our operations. We will participate fully in the vaccination program under the leadership of government.

We will continue to return further significant value to shareholders over the coming months.

Paul Dunne

Chief executive officer

16 March 2021

“

We continue to deliver our strategy of growing production down the cost curve. This is bearing fruit and we have significantly de-risked a large portion of our project pipeline. I expect strong performance ahead



How COVID-19 has impacted Northam

Infections to 31 December 2020

835

Total

701

Recovered

128

Active cases

6

Deaths

Negative impact on sales volumes due to logistical hurdles during lockdown

Growth projects reinstated

- Zondereinde number 3 shaft
- Booyseendal Central Merensky module
- Booyseendal UG2 BS4 module
- Eland development and stoping ramp up





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

Since the inception of the COVID-19 pandemic, Northam has followed mitigation protocols informed by the World Health Organisation (WHO) and the National Institute for Communicable Diseases of South Africa (NICD) prescripts. This has included ongoing screening of all employees, social distancing, periodic cleansing of working areas, education drives and quarantining and treatment of employees that have either contracted the virus, or been exposed to infection.

During the second half of F2020, COVID-19 resulted in production losses due to work stoppages followed by a phased restart of operations. This impact was most significant at Zondereinde, which is a conventional mining operation with a considerable workforce. By the end of F2020 we had returned all employees to work at the Booyssendal and Eland mines, but not all mining crews were operating at Zondereinde. Due to the ongoing phased restart of Zondereinde, we expected to only achieve full production in the second half of this financial year and accordingly trimmed our group business plan production targets for the reporting period by 20%.

Despite the work stoppages and phased restart of operations, we achieved production levels ahead of our pre-trimmed targets due to significant improvements in crew productivity. In addition, similar gains were realised at Booyssendal, both

at the North mine, as well as in ramp-up of production from the South mine. Metal production from Eland mine was again limited to that derived from processing of surface sources. As such, Eland mine was able to maintain its planned production.

Production losses during the last quarter of F2020 negatively impacted our sales pipeline in the first quarter of this reporting period, particularly in respect of rhodium. This resulted in reduced cash flow and a lower basket price achieved than that indicated by production during this period. This impact will normalise over the remainder of the financial year.

Looking forward, we maintain a cautious production outlook for the second half of the financial year. This is despite the benefits of crew productivity and resultant metal production that we have enjoyed during the reporting period. This is due to the ongoing risks associated with COVID-19, particularly considering the potential impact of subsequent waves of infections in the country. These may result in future lost production due to lockdowns and restricted working conditions. Should these occur, they would negatively impact cash flows. In light of this, we have strengthened our debt position and retain our capacity to limit capital outflows related to our growth project pipeline.

Frequently asked questions

Q

Does Northam have its own power generation capability or is the group solely reliant on Eskom Holdings SOC Limited (Eskom)?

A

Northam obtains its bulk energy supply from Eskom. Developments at Eskom have affected the reliability and sustainability of electricity supply. If this situation continues without any meaningful improvement it could compromise Northam's production capacity.

The company has for some time focused on energy efficiency at its operations and this work continues. In addition, the company is developing an alternative energy supply strategy and is currently in the process of developing a solar photovoltaic facility at Zondereinde mine, which is expected to be operational during the 2022 calendar year.

Q

What is the impact of load-shedding on production?

A

At the operational level, there are effective processes and relationships in place to manage occasional shortfalls and supply interruptions with the least disruption to operations. 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 Eskom outages.

During the period under review there was no lost production resulting from load shedding.

Q

What is the impact of Eskom's tariff hikes on Northam?

A

Annual increases in Eskom tariffs over the past decade have been significantly higher than normal mining inflation. In addition, our growth profile has meant that we have utilised increasingly more electricity over this period. Resultantly, there has been an increase in the percentage of our production costs related to the provision of electricity.

Q

What is the impact of carbon tax on Northam?

A

Only the Zondereinde operation will be liable for direct carbon tax, which is based on Scope 1 of greenhouse gas (GHG) emissions.

However, pass-through carbon tax could potentially have a significant impact on the cost of production going forward.

Q

Does Northam comply with the King IV Code on Corporate Governance for South Africa, 2016 (King IV™) in all respects?

A

Northam complies with all the appropriate principles as per King IV™.

For full details on Northam's corporate governance frameworks, structures and procedures, including our compliance with King IV™, refer to www.northam.co.za/governance for the full corporate governance report as at 30 June 2020.

Q

Who is Northam's customer base?

A

Northam 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 direct exposure to demand in the automotive sector. Northam has a long-term toll refining agreement with Heraeus, who is also one of our major customers.

Our chrome product is sold through a single third party via a guaranteed offtake and security contribution agreement.

This lowers down-side risk to sales volumes and sales revenue, even during depressed market conditions.

Q

What is the impact of Mining Charter III on Northam's empowerment credentials?

A

Northam's black economic empowerment (BEE) transaction with Zambezi in 2015 resulted in a BEE shareholding in excess of the minimum HDSA ownership threshold prescribed by Mining Charter III.

A cautionary announcement was published by Northam on 2 November 2020, referring to a potential transaction to accelerate the maturity of the Zambezi empowerment transaction, whilst maintaining Northam's HDSA ownership level.

Northam continues to monitor the status of the review application relating to Mining Charter III and will not only maintain the required HDSA ownership credentials in accordance with the requirements of Mining Charter III, but will strive to meet all defined targets relating to the other elements of Mining Charter III.

Q

What is the status of the various wage agreements concluded across the group?

A

In December 2019, Booyssendal and the Association of Mineworkers and Construction Union (AMCU), the representative trade union at Booyssendal, concluded a five-year wage agreement. This was the first wage agreement since the owner-operator model was introduced at Booyssendal in F2018. The agreement secures five years of stability during the build-up phase of Booyssendal.

Zondereinde concluded, for the second consecutive time, a three-year agreement with organised labour during F2019. The next wage negotiations will commence early in F2022.

Zondereinde's industrial relations processes are well established. Based on the recognition threshold of 15%, Zondereinde recognises three labour unions, the National Union of Mineworkers (NUM), the United Association of South Africa (UASA) and Solidarity. NUM is the majority union, with recognition across all bargaining units. The aim is to ensure labour stability whilst once again concluding an equitable long-term and sustainable wage agreement in F2022.

Eland, being a developing mine, has a limited number of employees. As such, we have aligned wages and wage agreements to Zondereinde and will thus track wage negotiations in early F2022. NUM is the representative trade union.

Q

What is the status of your mineral rights?

A

Northam holds, either directly or through its subsidiaries, new order mining rights over the Booyseendal, Eland and Zondereinde mines.

All mining rights are held in good order, and Northam perceives no risk to its rights to continue prospecting for and mining of minerals on any of its properties. In addition, all other ancillary permits required to operate are held in good order.

Q

How long can your mines operate?

A

The length of time a mine can operate is generally termed the life of mine (LoM).

This is defined as the period in which, through the employment of available capital, the Mineral Reserves, or such reasonable extension into Mineral Resources as conservative geological analysis may justify, will be extracted. Northam applies this strict definition of LoM at its Zondereinde and Eland mines, but is more conservative at its Booyssendal mine, limiting LoM to extraction of its Mineral Reserves only. This definition is important, because the magnitude of the Mineral Resources of each of the company's mines far exceeds that of their respective Mineral Reserves. This means that current LoM estimates are the shortest estimates and will most likely be extended over time.

Current estimates of LoM for the various operations in the group are:

- Zondereinde > 30 years;
- Booyssendal (North) = 18 years; and
- Booyssendal (South) = 25 years;
- Eland > 30 years.

The LoMs at Booyssendal will be extended over time.

Overall, the group has declared Mineral Reserves containing 29.1 Moz 4E (combined platinum, palladium, rhodium and gold) and has a stated intention of producing 1 million oz 4E per year. This, simply put, conservatively gives Northam a group life of operations of close to 30 years.

Q

As part of the group's COVID-19 response, the capital expenditure for the group was trimmed, what is your current position regarding the various projects of the group?

A

Capital expenditure trimming was enacted at the onset of the COVID-19 pandemic national lockdown. It led to a pull-back in the following growth projects:

- Booyssendal Central Merensky underground development;
- Booyssendal South BS4; and
- Eland Mine stoping build-up;
- Zondereinde Western extension access.

As we gained greater certainty and confidence in the short to medium-term PGM market during the second quarter of F2021, capital expenditure trimming was relaxed and all projects were reinstated. The overall impact on our medium-term growth trajectory is therefore minimal.

Q

Why is the benefit of increased production across the group not reflected in the unit cash cost?

A

The start-up of operations at Booyssendal South and Eland carry significant fixed costs, while not yet operating at full capacity. In addition, Eland mine's production is currently being derived from surface sources and purchased at prevailing metal prices. This negatively impacts the group's unit cash cost. Our production profile from these operations will see significant growth over the coming two to three years. The unit cash cost benefits associated with this increased production is expected to be reflected over this period.

Our country, our contribution

The financial impact of our business benefits the economy at all levels.

We contribute significant corporate, PAYE and mineral royalty taxes to the national fiscus.

Our procurement spend is focused on the economies local to our operations and we preferentially employ from the communities surrounding our operations. These two realities combined have a significant multiplier impact on what have been historically impoverished areas of South Africa.

In addition, our social spend is directed towards uplifting the health, well-being and education of our communities.

Our employees and their dependents benefit from comprehensive healthcare as well as meaningful assistance to home ownership.

Our operations, by their very nature, impact the natural environment. We are continually assessing and upgrading mitigating interventions within our current operations, and we plan and design new projects, such as the Booyseendal South mine, to minimise their environmental impact.

6 195

Direct, new, meaningful, sustainable jobs created since 2015

298

Direct, new, meaningful, sustainable jobs created during H1 F2021

R2.3bn

Employee costs for H1 F2021

R794.8m

Income tax paid during H1 F2021

R222.9m

Mineral royalty tax during H1 F2021

R585.2m

Tax paid by our employees during H1 F2021

8%

Equity ownership by our employees and our communities

R134.6m

Contribution to the Toro Employee Empowerment Trust during H1 F2021

Promote home ownership for all employees

Appreciation in the Northam share price has realised value for the ordinary shareholders of Zambezi

Operational guidance for F2021

Zondereinde

Production of equivalent refined metal

320 000
oz 4E

Unit cash cost per Pt oz

R29 500 – R30 500

Capital expenditure

R1.3bn

Booyensdal

Production of metal in concentrate

340 000
oz 4E

Unit cash cost per Pt oz

R20 500 – R21 500

Capital expenditure

R1.2bn

Eland

Production of metal in concentrate

35 000
oz 4E

Unit cash cost per Pt oz*

R32 000 – R33 000

Capital expenditure

R500.0m

Group

Equivalent refined metal production from own operations

685 000
oz 4E

Equivalent refined metal purchased from third parties

28 000
oz 4E

Unit cash cost per Pt oz*

R28 000 – R29 000

Capital expenditure

R3.0bn

Sales oz 4E:

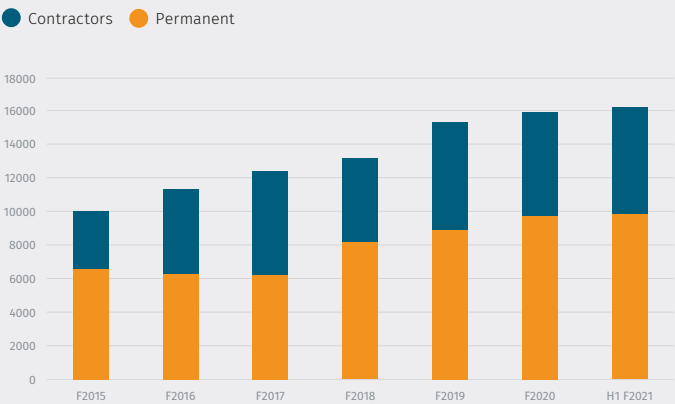
660 000 – 670 000**

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

** Rhodium sales will amount to approximately 50 000 oz.

Our people

Total employees



Direct, new, meaningful,
sustainable jobs created

 **6 195**
Since 2015

 **855**
H1 F2020 to H1 F2021

 **298**
During H1 F2021

16 251
Total employed
H1 F2021

9 917
Total permanently employed
H1 F2021

“

People are vital to our business and a capable, diverse and confident workforce is essential in achieving our strategic objectives



R2.3bn
employee spend
H1 F2021



R85.3m
training spend
H1 F2021

Strategic focus areas for our people

Capable

New ways of work that focus on effectiveness, efficiency, skill and capability

Diverse

Equality, inclusion and transformation

Confident

Accountability, trust and empowerment

61%

HDP in management
Average Mining Charter III
target 60%

77%

Total HDP
Average Mining Charter III
target 74.4%

73%

HDP in core & critical skills
Average Mining Charter III
target 60%

17%

Women in management
Average Mining Charter III
target 25%

16%

Women at mining
Mining Charter II target 10%



We empower our employees to acquire new skills and competencies, with the aim of improving their current skill set and also equipping them for the future



Northam recently registered as a SAICA training office to develop and grow new Chartered Accountants (SA).

Our drive towards home ownership

Northam places a high premium on the accommodation and living conditions of its employees. The company promotes home ownership as the preferred sustainable tenure option whilst acknowledging that rental residence units and company accommodation will still be required.

The organisation achieves this objective by providing substantial and meaningful assistance to employees to acquire their own accommodation in close proximity to the workplace. Such assistance is provided by a partial company-funded home loan at zero percent interest.

Not only do employees receive credit literacy assistance to repair and sustain their affordability and credit profile, but they also have the opportunity of procuring units built by Northam through the home ownership projects, as well as the purchasing of a home in the open market.

A living-out allowance and high-density accommodation is also available to employees who cannot yet afford to purchase their own home: Zondereinde's Madiba Residence accommodates some 2 680 employees on-site at the mine and is equipped with facilities that promote healthy lifestyles, such as a gym.

341

Interest free home loans provided to date

R80.0m

Provided in terms of interest free home loans to date

202

Private home purchases were facilitated through the interest free home loan scheme

570

Total units (61 units available)

R241.7m

Invested to develop housing units

127units

In addition will be constructed in due course

“

Northam has a great future.
The schools are near and we're
living in so much freedom

– Nelson Mhlongo, auto electrician, Booysendal



Booyesendal auto electrician, Nelson Mhlongo, and his family at their new home in the newly built Emaweni Village.

Our environment

At Northam we are acutely aware of the impact of our operations on the natural environment and we strive to mitigate this through careful planning, operational efficiencies, environmental rehabilitation and where necessary, the establishment and conservation of biodiversity offset areas.

Air emissions

Northam operates a smelting complex in Limpopo province, South Africa, comprising two electric smelting furnaces, Peirce-Smith converters and ancillary equipment as well as a base metals removal plant.

The smelting complex operates within the limits of its atmospheric emissions licence. However, an emissions reduction project has been initiated to reduce ground level concentrations of sulphur dioxide and particulate matter in the vicinity of the complex in order to enhance general hygiene conditions to mitigate its broader environmental impact.

Water use and water use licences

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 water used in process.

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 WULs 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 Social and Labour Plan, 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 and the use of backfill

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

The recent New Global Industry Standard on Tailings Management, developed by the Global Tailings Review, guides our approach to the management and operation of our TSFs.

All our TSFs are constructed in terms of the upstream method, which is appropriate for the terrain, climate and seismic risk. Each operation has, and complies with, a code of practice. These are compiled in accordance with statutory guidelines and document the procedures to be applied in order to safely and effectively dispose of mineral waste residue.

TSF designs are overseen by an approved professional engineer, specifically appointed for the task, and are reviewed and approved by the safety office of the Department of Water and Sanitation. Annual reviews of TSF integrity and management are undertaken by independent third parties.

Mine Rehabilitation

In terms of, inter alia, the Mineral and Petroleum Resources Development Act No. 28 of 2002 (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 assessment, which is

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.

Energy management

Northam, like all companies, employs energy in its business processes. The majority of energy employed is in the form of electricity, the bulk of which, to date, has been sourced from the South African national electricity supplier, Eskom.

The bulk of Eskom's electrical generation capacity comes with a relatively high GHG emissions footprint. This, consequently impacts Northam's GHG Scope 2 emissions. In addition, our dependence on Eskom, and its national grid, puts us at risk of both planned and unplanned power outages, as well as the potential for continuing 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.

Northam is a committed corporate citizen and our strategic intent is to continue to develop a sustainable business delivering value to all stakeholders. As such, we have 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 that we are committed to:

- preserving natural resources and conserving energy;
- sustainability through minimising impact on the environment;
- efficient energy use – best in class for the SA Platinum Mining Industry;
- continuous improvement through actively managing energy consumption;
- responsible and economically prudent application of renewable energy; and
- employee awareness of energy conservation.

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

We have targeted growth from our Booyssendal and Eland mines, which have lower energy requirements. Consequently, our combined Scope 1 and 2 power intensity and emissions per unit of production have reduced over the past five years.

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 of efficiency, but has broadened to consider our overall sustainability impact. Some direct examples of energy and GHG emission saving initiatives already adopted by Northam include employing:

- hydropower and backfill at Zondereinde – saving approximately 248 300 MWh or 230 000 tonnes of CO₂e per year;
- dry slag handling at furnace 2 of the Zondereinde smelter complex – saving 2 800 MWh or 2 600 tonnes of CO₂e per year. This saving will increase to 12 000 tonnes of CO₂e per year following refurbishment of furnace 1, which is scheduled to commence before the end of this financial year;
- the South rope conveyor to transport ore at Booyssendal – saving approximately 270 tonnes of CO₂e per year. This saving will increase in line with the production ramp-up at South mine;
- hydropower at Eland – saving approximately 1 500 MWh or 1 400 tonnes of CO₂e per year; and
- battery electric personnel carrier at Eland. This may roll out to include drill rigs and other underground vehicles – energy and GHG emission savings are still to be determined for this application.

Provision of renewable energy

Northam has commenced the development of a 10MW solar power farm to provide electricity to the Zondereinde smelter facility. This is currently in the design and permitting phase. Construction is expected to commence towards the end of the first half of F2022 and commissioning is expected early in F2023.

Our commitment to conservation – 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).

8 500 ha

managed by the Buttonshope
Conservancy Trust

30x

larger offset ratio than the
area disturbed by mining



The Buttonshope Conservancy Trust plays an important role as the custodian of biodiversity at Booyssendal

The Trust manages approximately 8 500 hectares of freehold, including over 3 167 hectares of designated 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 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

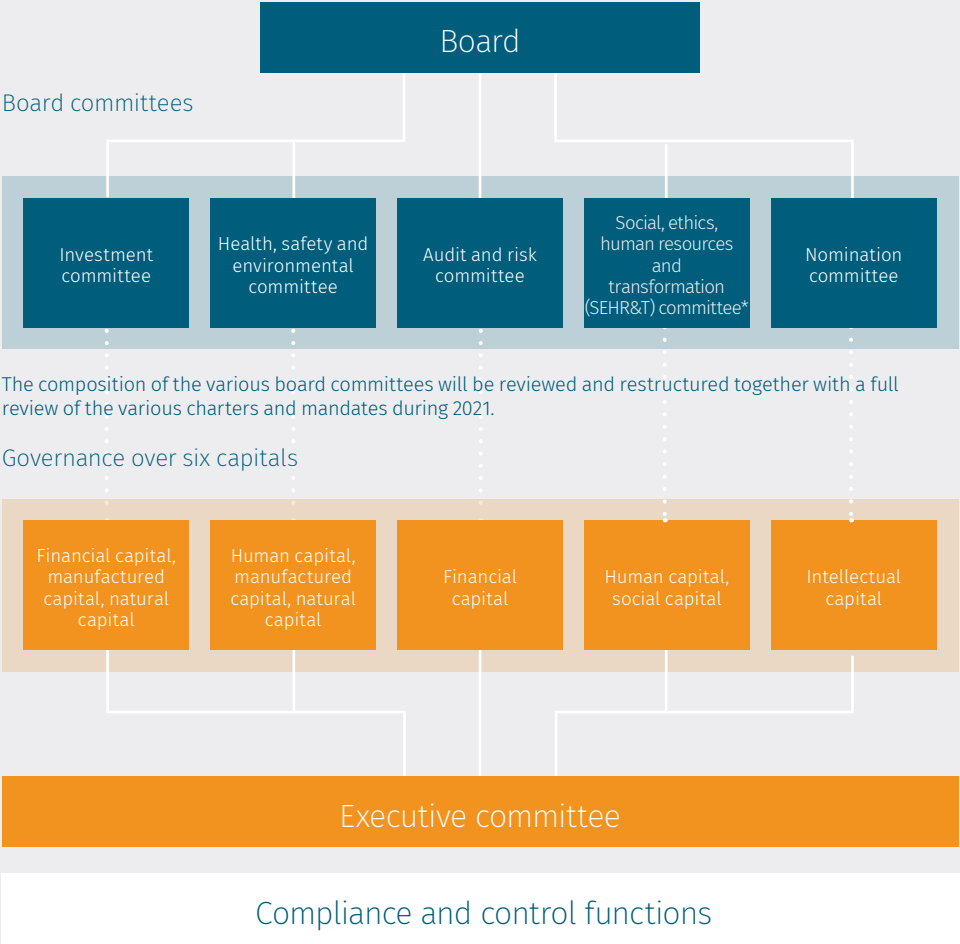
management department that employs a professional land manager to carry out the duties of the Trust. This department is fully funded by the Booyssendal mine, but operates largely independently of the operations.

The extent of offset areas were 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 Buttonshope Trust areas with those of the Verloren Vallei Nature Reserve, an internationally recognised wetland reserve.

Our governance structure

Our governance framework

Northam's group governance framework (GGF) applies to all employees and directors of the group. The GGF enhances the organisational understanding of ethics and promotes the desired governance culture.



* The group will establish a separate Remuneration committee before the end of this financial year to address shareholder concerns.

Our governance philosophy

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

Our ethics

The board accepts collective responsibility for defining how ethics and ethical behaviour are implemented and monitored throughout the group.

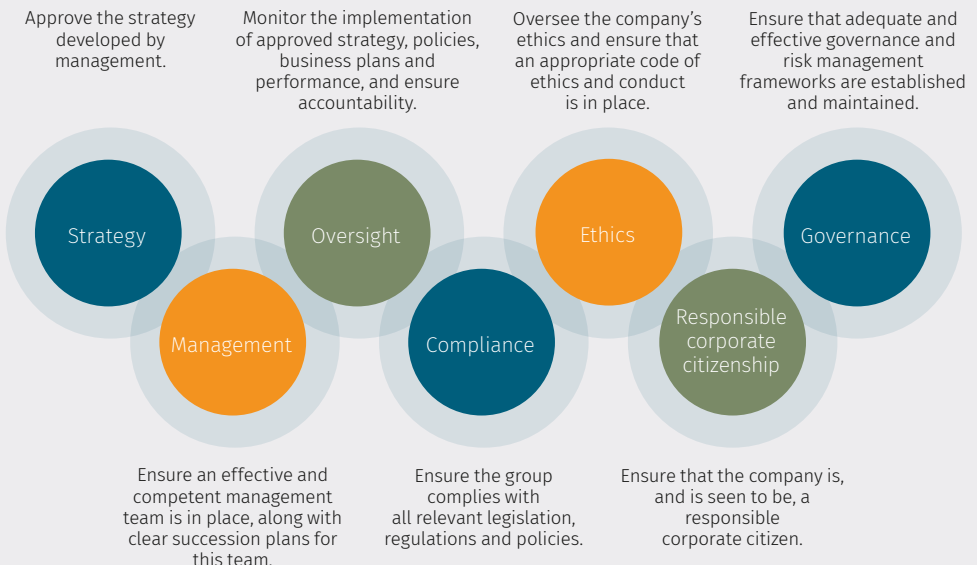
The group's code of ethics and conduct was updated and refreshed in F2020. It was reviewed and approved by the SEHR&T committee and the board. The code of ethics and conduct applies to both directors and employees and governs the interaction between the company and our suppliers and clients. It furthermore covers the use of group assets and confidential information, the group's approach to gender and racial diversity, freedom of association, bribery and corruption, compliance and insider trading.

A copy of our code of ethics and conduct can be found on our website at www.northam.co.za/governance/policies-and-procedures

The board's responsibility

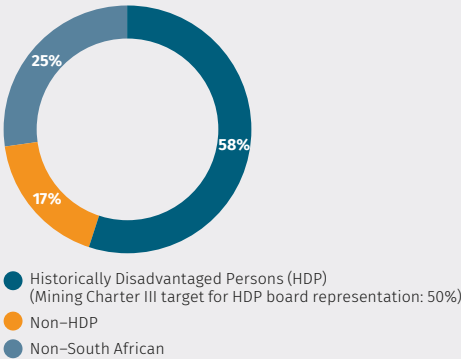
The board is ultimately accountable for the performance and reputation of the group and ensuring that it continues to operate responsibly, ethically and sustainably.

The board operates in terms of a **board charter**, which defines its functions and responsibilities:

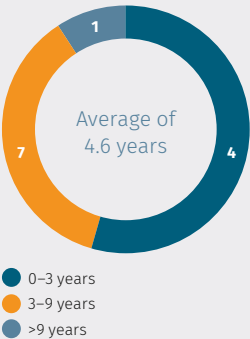


Board of directors (board)

Board demographics



Tenure



Gender diversity



Mining Charter III target for female board representation: 20%

Age diversity

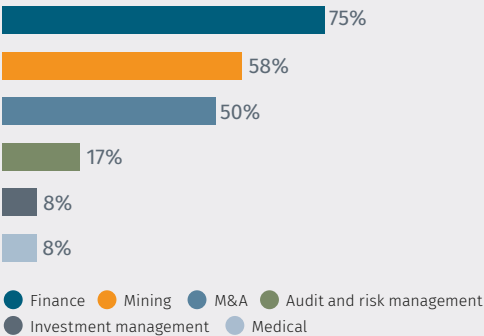


Average age of 58 with 50% of directors under the age of 60

Independence



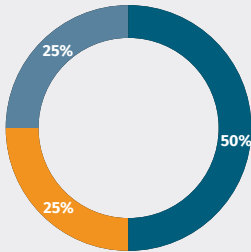
Board skills*



* Percentage based on number of directors with a particular skill

The executive committee (exco)

Exco demographics



- HDP
- Non-HDP
- Non-South African

Age diversity

57
Oldest

41
Youngest



Average age of 50 with 75% of executives under the age of 55

24 years
Average mining experience

9 years
Average tenure at NHM

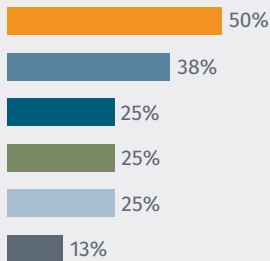
Gender diversity

1
Female (13%)

7
Male (87%)



Exco skills*



- Mining
- Project management
- Finance
- Audit and risk management
- Environmental management
- Human resources

* Percentage based on number of committee members with a particular skill

The responsibilities of exco include:

- Formulating and executing the group's strategy
- Managing business performance and reporting on this to the board
- Implementing all policies of the group, including those relating to human capital, natural capital, risk management and capital management

Five-year performance highlights

		6 months ended 31 December 2020	6 months ended 31 December 2019	Variance %	12 months ended 30 June 2020
Safety performance					
Lost time injury incident rate (LTIR) per 200 000 hours worked		0.62	0.87	28.7%	0.78
Number of fatalities		0	1	100.0%	1
Operational performance					
Square metres mined	m ²	463 200	386 437	19.9%	665 762
Tonnes mined	t	3 427 980	2 932 614	16.9%	5 131 548
Tonnes milled	t	4 012 697	3 314 896	21.1%	5 752 404
Equivalent refined metal from own operations	oz 4E	352 741	306 738	15.0%	515 370
Equivalent refined metal from third parties	oz 4E	18 772	19 398	(3.2%)	72 443
Total refined metal produced	oz 4E	322 170	319 264	0.9%	563 977
Chrome concentrate produced	t	521 086	469 642	11.0%	782 803
Cash cost per equivalent refined Pt oz	R/oz	27 660	24 780	(11.6%)	29 281
Cash profit per equivalent refined Pt oz	R/oz	33 647	15 084	123.1%	23 728
Cash margin per equivalent refined Pt oz	%	54.9	37.8	45.2%	44.8
Sales statistics					
Sales revenue	R000	11 884 898	7 824 901	51.9%	17 811 971
Refined metal sold	oz 4E	315 320	307 312	2.6%	560 238
UG2 ore sold	oz 4E	–	22 448	(100.0%)	22 448
Total metal sold	oz 4E	315 320	329 760	(4.4%)	582 686
Total revenue per Pt oz sold	R/oz	61 307	39 864	53.8%	53 009
Financial performance					
Normalised headline earnings per share (headline earnings adjusted for the impact of the BEE transaction)					
Headline earnings	R000	2 098 959	1 148 577	82.7%	2 167 589
<i>Add back:</i>					
Amortisation of liquidity fees paid on preference shares	R000	8 195	8 195	0.0%	16 390
Preference share dividends	R000	274 446	618 992	55.7%	1 133 172
Loss on derecognition of preference share liability	R000	888 484	108 148	(721.5%)	130 628
Normalised headline earnings	R000	3 270 084	1 883 912	73.6%	3 447 779
Normalised headline earnings per share	cents	641.5	369.6	73.6%	676.3
Number of shares in issue including treasury shares		509 781 212	509 781 212	0.0%	509 781 212
Earnings per share	cents	599.9	328.0	82.9%	620.0
Headline earnings per share	cents	599.9	328.3	82.7%	619.5
Operating profit	R000	5 191 659	2 959 543	75.4%	5 300 988
Operating profit margin	%	43.7	37.8	15.6%	29.8
EBITDA	R000	5 411 578	3 192 549	69.5%	6 023 379
EBITDA margin	%	45.5	40.8	11.5%	33.8
Capital expenditure	R000	1 298 511	1 352 238	(4.0%)	2 367 902
Market information and share statistics					
Total number of shares in issue		509 781 212	509 781 212	0.0%	509 781 212
Weighted average number of shares in issue		349 875 759	349 875 759	0.0%	349 875 759
Treasury shares held		159 905 453	159 905 453	0.0%	159 905 453
Market capitalisation	R000	106 814 457	63 019 153	69.5%	59 236 577
Closing share price	cents	20 953	12 362	69.5%	11 620
Highest share price traded	cents	21 275	12 890	65.1%	14 996
Lowest share price traded	cents	11 120	5 500	102.2%	4 988
Number of shares traded		195 127 136	271 027 199	(28.0%)	606 104 539
Value of transactions traded	R000	31 994 291	26 586 016	20.3%	59 866 941
Rolling 12-month liquidity	%	104.0	76.4	36.1%	118.9

		6 months ended 31 December 2018	6 months ended 31 December 2017	6 months ended 31 December 2016
Safety performance				
Lost time injury incident rate (LTIR) per 200 000 hours worked		0.91	1.01	1.20
Number of fatalities		1	1	0
Operational performance				
Square metres mined	m ²	344 098	332 732	310 446
Tonnes mined	t	2 597 855	2 429 097	2 448 303
Tonnes milled	t	2 371 060	2 296 466	2 215 533
Equivalent refined metal from own operations	oz 4E	256 461	246 473	235 375
Equivalent refined metal from third parties	oz 4E	7 962	29 770	14 179
Total refined metal produced	oz 4E	299 323	212 133	234 185
Chrome concentrate produced	t	368 288	311 082	281 949
Cash cost per equivalent refined Pt oz	R/oz	22 007	20 851	19 440
Cash profit per equivalent refined Pt oz	R/oz	5 517	5 665	6 280
Cash margin per equivalent refined Pt oz	%	20.0	21.4	24.4
Sales statistics				
Sales revenue	R000	4 982 761	3 353 270	3 458 827
Refined metal sold	oz 4E	294 823	209 861	223 705
UG2 ore sold	oz 4E	–	–	–
Total metal sold	oz 4E	294 823	209 861	223 705
Total revenue per Pt oz sold	R/oz	27 524	26 516	25 720
Financial performance				
Normalised headline earnings per share (headline loss adjusted for the impact of the BEE transaction)				
Headline loss:	R000	(66 644)	(279 834)	(226 369)
<i>Add back:</i>				
Amortisation of liquidity fees paid on preference shares	R000	8 195	8 195	8 195
Preference share dividends	R000	611 761	460 762	482 753
Loss on derecognition of preference share liability	R000	–	–	902
Normalised headline earnings	R000	553 312	189 123	265 481
Normalised headline earnings per share	cents	108.5	37.1	52.1
Number of shares in issue including treasury shares		509 781 212	509 781 212	509 781 212
Loss per share	cents	(18.2)	(81.1)	(64.8)
Headline loss per share	cents	(19.0)	(80.0)	(64.7)
Operating profit	R000	1 030 780	338 773	351 956
Operating profit margin	%	20.7	10.1	10.2
EBITDA	R000	1 124 540	532 795	539 354
EBITDA margin	%	22.6	15.9	15.6
Capital expenditure	R000	1 544 087	2 551 644	772 950
Market information and share statistics				
Total number of shares in issue		509 781 212	509 781 212	509 781 212
Weighted average number of shares in issue		349 875 759	349 875 759	349 875 759
Treasury shares held		159 905 453	159 905 453	159 905 453
Market capitalisation	R000	22 053 135	26 646 264	20 646 139
Closing share price	cents	4 326	5 227	4 050
Highest share price traded	cents	4 400	5 490	5 600
Lowest share price traded	cents	3 262	3 627	3 593
Number of shares traded		109 757 224	110 362 256	106 973 471
Value of transactions traded	R000	4 331 569	5 149 007	5 115 570
Rolling 12-month liquidity	%	43.1	46.1	44.1

Group performance

	6 months ended 31 December 2020	6 months ended 31 December 2019	Variance	12 months ended 30 June 2020
	R000	R000	%	R000
Sales revenue				
Platinum	2 904 661	2 411 241	20.5%	4 355 606
Palladium	3 567 118	2 334 933	52.8%	5 185 373
Rhodium	4 322 356	1 678 866	157.5%	5 792 822
Gold	131 920	101 007	30.6%	214 412
Iridium	181 073	217 175	(16.6%)	441 443
Ruthenium	144 289	96 830	49.0%	237 893
Silver	5 007	1 385	261.5%	4 063
Nickel	186 388	177 861	4.8%	296 083
Copper	55 036	39 954	37.7%	71 407
Cobalt	2 218	2 096	5.8%	4 018
Chrome	384 832	315 536	22.0%	599 767
UG2 ore	–	429 892	(100.0%)	397 351
Toll treatment charges	–	18 125	(100.0%)	211 733
Total sales revenue	11 884 898	7 824 901	51.9%	17 811 971
Cost of sales				
Operating costs	(6 779 434)	(5 196 329)	(30.5%)	(9 931 934)
Mining operations	(4 422 433)	(3 386 993)	(30.6%)	(6 857 044)
Concentrator operations	(763 175)	(711 684)	(7.2%)	(1 284 362)
Smelting and base metal removal plant costs	(422 380)	(357 235)	(18.2%)	(684 816)
Chrome processing	(30 301)	(27 454)	(10.4%)	(47 868)
Selling and administration overheads	(142 678)	(132 507)	(7.7%)	(265 612)
Royalty charges	(222 923)	(148 243)	(50.4%)	(228 374)
Carbon tax	(821)	–	(100.0%)	(479)
Share-based payment expenses	(640 151)	(384 426)	(66.5%)	(472 079)
Toro Employee Empowerment Trust	(134 572)	(47 787)	(181.6%)	(84 574)
Rehabilitation	–	–	0.0%	(6 726)
Concentrates and recycling material purchased	(801 329)	(593 836)	(34.9%)	(2 460 302)
Refining including sampling and handling charges	(108 560)	(86 552)	(25.4%)	(178 718)
Depreciation and write-offs	(414 105)	(337 379)	(22.7%)	(626 152)
Change in metal inventory	1 410 189	1 348 738	4.6%	686 123
Total cost of sales	(6 693 239)	(4 865 358)	(37.6%)	(12 510 983)
Operating profit	5 191 659	2 959 543	75.4%	5 300 988
Operating margin	43.7%	37.8%	15.6%	29.8%
EBITDA	5 411 578	3 192 549	69.5%	6 023 379
EBITDA margin	45.5%	40.8%	11.5%	33.8%

	6 months ended 31 December 2020	6 months ended 31 December 2019	Variance %	12 months ended 30 June 2020
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked	0.00	0.01	100.0%	0.01
Total injury incidence rate (TIIR) per 200 000 hours worked	1.25	1.46	14.4%	1.31
Lost time injury incidence rate (LTIIR) per 200 000 hours worked	0.62	0.87	28.7%	0.78
Reportable injury incidence rate (RIIR) per 200 000 hours worked	0.38	0.50	24.0%	0.48
Number of fatalities	0	1	100.0%	1
Health				
New cases of noise induced hearing loss	11	6	(83.3%)	12
New cases of tuberculosis	15	27	44.4%	38
HIV Counselling and Testing (HCT)	1 732	3 018	(42.6%)	6 814
Employment and human rights				
Permanent employees	9 917	9 392	5.6%	9 761
Contractors	6 334	6 004	5.5%	6 192
Total employed	16 251	15 396	5.6%	15 953
Average number of employees including contractors	16 131	15 253	5.8%	15 631
Turnover rate	% 3	2	(50.0%)	4
HDSAs in management	% 61	57	7.0%	60
Women at mining	% 16	15	6.7%	15
Water usage (000m³)				
Potable water from external sources	2 615	1 856	(40.9%)	3 416
Fissure water used	111	144	22.9%	209
Borehole water used	32	1 140	97.2%	2 183
Water recycled in process	14 715	14 945	(1.5%)	28 092
Total water usage	17 473	18 085	3.4%	33 900
Water recycled	% 82	83	(1.2%)	83
Electricity consumption (MWh)				
Energy from electricity purchased by shafts	355 194	325 588	(9.1%)	711 946
Energy from electricity purchased by plant	238 318	221 653	(7.5%)	319 603
Total electricity purchased	593 512	547 241	(8.5%)	1 031 549
Greenhouse gas emissions (CO₂e tonnes)				
Scope 1 (direct) emissions	28 991	30 563	5.1%	56 179
Scope 2 (indirect) emissions	587 575	541 769	(8.5%)	1 021 183
Scope 3 (indirect) emissions	246	80	(207.5%)	154
Total emissions	616 812	572 412	(7.8%)	1 077 516
Sulphur dioxide (SO₂e tonnes)				
	3 187	2 867	(11.2%)	5 889
Land use (hectares)				
Land disturbed by mining related activities	3 011	3 037	0.9%	3 011
Land leased for farming purposes	2 181	2 412	(9.6%)	2 181
Land protected for conservation	4 054	2 104	92.7%	4 054
Other land	9 086	8 406	8.1%	9 086
Total land under management (freehold)	18 332	15 959	14.9%	18 332

Group performance

		6 months ended 31 December 2020	6 months ended 31 December 2019	Variance %	12 months ended 30 June 2020
Merensky production and ore stockpiles					
Square metres mined	m ²	132 215	119 408	10.7%	195 875
Tonnes mined	t	868 796	843 411	3.0%	1 418 146
Tonnes milled	t	722 292	607 452	18.9%	1 088 260
Stockpile	t	131 036	125 146	4.7%	125 950
UG2 production and ore stockpiles					
Square metres mined	m ²	330 985	267 029	24.0%	469 887
Tonnes mined	t	2 559 184	2 089 203	22.5%	3 713 402
Tonnes milled	t	3 290 405	2 707 444	21.5%	4 664 144
Stockpile	t	114 897	12 315	833.0%	180 287
Combined production and ore stockpiles					
Square metres mined	m ²	463 200	386 437	19.9%	665 762
Tonnes mined	t	3 427 980	2 932 614	16.9%	5 131 548
Tonnes milled	t	4 012 697	3 314 896	21.1%	5 752 404
Stockpile	t	245 933	137 461	78.9%	306 237
Chrome concentrate produced	t	521 086	469 642	11.0%	782 803
Equivalent refined metal from own operations					
Platinum	oz	213 785	188 601	13.4%	315 549
Palladium	oz	100 345	87 526	14.6%	146 753
Rhodium	oz	33 773	27 573	22.5%	46 573
Gold	oz	4 838	3 038	59.2%	6 495
4E	oz	352 741	306 738	15.0%	515 370
Iridium	oz	20 037	9 993	100.5%	18 555
Ruthenium	oz	60 893	43 824	38.9%	74 092
6E	oz	433 671	360 555	20.3%	608 017
Equivalent refined metal from third parties					
Platinum	oz	9 619	8 802	9.3%	38 005
Palladium	oz	6 703	7 682	(12.7%)	27 637
Rhodium	oz	2 277	2 425	(6.1%)	6 147
Gold	oz	173	489	(64.6%)	654
4E	oz	18 772	19 398	(3.2%)	72 443
Iridium	oz	936	668	40.1%	5 905
Ruthenium	oz	7 313	2 860	155.7%	11 939
6E	oz	27 021	22 926	17.9%	90 287
Total refined metal produced					
Platinum	oz	197 896	189 043	4.7%	324 464
Palladium	oz	98 843	100 797	(1.9%)	178 136
Rhodium	oz	21 097	24 591	(14.2%)	52 661
Gold	oz	4 334	4 833	(10.3%)	8 716
4E	oz	322 170	319 264	0.9%	563 977
Iridium	oz	7 054	8 955	(21.2%)	15 824
Ruthenium	oz	40 052	30 371	31.9%	62 728
6E	oz	369 276	358 590	3.0%	642 529

		6 months ended 31 December 2020	6 months ended 31 December 2019	Variance %	12 months ended 30 June 2020
Refined metal sold					
Platinum	oz	193 859	183 018	5.9%	322 748
Palladium	oz	96 854	96 322	0.6%	176 278
Rhodium	oz	20 268	23 315	(13.1%)	52 458
Gold	oz	4 339	4 657	(6.8%)	8 754
4E	oz	315 320	307 312	2.6%	560 238
Iridium	oz	6 676	10 057	(33.6%)	19 347
Ruthenium	oz	36 446	28 485	27.9%	64 141
6E	oz	358 442	345 854	3.6%	643 726
UG2 ore sold					
Platinum	oz	–	13 272	(100.0%)	13 272
Palladium	oz	–	6 330	(100.0%)	6 330
Rhodium	oz	–	2 668	(100.0%)	2 668
Gold	oz	–	178	(100.0%)	178
4E	oz	–	22 448	(100.0%)	22 448
Iridium	oz	–	763	(100.0%)	763
Ruthenium	oz	–	2 986	(100.0%)	2 986
6E	oz	–	26 197	(100.0%)	26 197
Total metal sold					
Platinum	oz	193 859	196 290	(1.2%)	336 020
Palladium	oz	96 854	102 652	(5.6%)	182 608
Rhodium	oz	20 268	25 983	(22.0%)	55 126
Gold	oz	4 339	4 835	(10.3%)	8 932
4E	oz	315 320	329 760	(4.4%)	582 686
Iridium	oz	6 676	10 820	(38.3%)	20 110
Ruthenium	oz	36 446	31 471	15.8%	67 127
6E	oz	358 442	372 051	(3.7%)	669 923
Nickel	t	760	762	(0.3%)	1 337
Copper	t	511	480	6.5%	833
Chrome concentrate	t	521 086	469 642	11.0%	782 803
Average market prices achieved and sales statistics					
Platinum	USD/oz	934	895	4.4%	858
Palladium	USD/oz	2 296	1 647	39.4%	1 870
Rhodium	USD/oz	13 296	4 892	171.8%	7 020
Gold	USD/oz	1 895	1 473	28.6%	1 557
4E basket price	USD/oz	2 160	1 443	49.7%	1 764
Iridium	USD/oz	1 691	1 467	15.3%	1 451
Ruthenium	USD/oz	247	231	6.9%	236
6E basket price	USD/oz	1 957	1 344	45.6%	1 603
Average exchange rate	R/USD	16.04	14.72	9.0%	15.73
Closing exchange rate	R/USD	14.70	14.01	4.9%	17.33
Average nickel market price achieved	USD/t	15 290	15 857	(3.6%)	14 078
Average copper market price achieved	USD/t	6 715	5 655	18.7%	5 450
Average chrome price achieved net of costs	USD/t	46	46	0.0%	49
Average chrome price achieved net of costs	R/t	739	672	10.0%	766

Group performance

		6 months ended 31 December 2020	6 months ended 31 December 2019	Variance %	12 months ended 30 June 2020
Cash costs statistics					
On mine cash cost per tonne mined	R/t	1 513	1 398	(8.2%)	1 587
On mine cash cost per tonne milled	R/t	1 292	1 236	(4.5%)	1 415
Cash cost per equivalent refined Pt oz	R/oz	27 660	24 780	(11.6%)	29 281
Cash cost per equivalent refined 4E oz	R/oz	16 792	15 167	(10.7%)	17 799
Cash cost per equivalent refined 6E oz	R/oz	13 782	12 975	(6.2%)	15 147
Cash profit and margin					
Cash profit per equivalent refined Pt oz	R/oz	33 647	15 084	123.1%	23 728
Cash margin per equivalent refined Pt oz	%	54.9	37.8	45.2%	44.8
Cash profit per equivalent refined 4E oz	R/oz	20 900	8 562	144.1%	12 770
Cash margin per equivalent refined 4E oz	%	55.4	36.1	53.5%	41.8
Cash profit per equivalent refined 6E oz	R/oz	19 375	8 057	140.5%	11 441
Cash margin per equivalent refined 6E oz	%	58.4	38.3	52.5%	43.0
Capital incurred					
Expansionary capex	R000	918 052	1 151 708	(20.3%)	1 985 686
Sustaining capex	R000	380 459	200 530	89.7%	382 216
	R000	1 298 511	1 352 238	(4.0%)	2 367 902
Expansionary capex					
Zondereinde	R000	414 258	237 082	74.7%	461 976
Booysendal North	R000	715	2 602	(72.5%)	4 219
Booysendal South	R000	323 728	585 732	(44.7%)	929 370
Eland	R000	179 351	326 292	(45.0%)	573 280
Buttonshope Conservancy Trust	R000	–	–	0.0%	16 841
	R000	918 052	1 151 708	(20.3%)	1 985 686
Sustaining capex					
Zondereinde	R000	110 313	88 385	24.8%	186 408
Booysendal North	R000	270 146	112 145	140.9%	195 808
	R000	380 459	200 530	89.7%	382 216
Sustaining capex per equivalent refined Pt oz from own operations	R/oz	1 780	1 063	67.5%	1 211

Zondereinde performance

	6 months ended 31 December 2020	6 months ended 31 December 2019	Variance	12 months ended 30 June 2020
	R000	R000	%	R000
Sales revenue				
Platinum	2 904 661	2 411 241	20.5%	4 355 606
Palladium	3 567 118	2 334 933	52.8%	5 185 373
Rhodium	4 322 356	1 678 866	157.5%	5 792 822
Gold	131 920	101 007	30.6%	214 412
Iridium	181 073	217 175	(16.6%)	441 443
Ruthenium	144 289	96 830	49.0%	237 893
Silver	5 007	1 385	261.5%	4 063
Nickel	186 388	177 861	4.8%	296 083
Copper	55 036	39 954	37.7%	71 407
Cobalt	2 218	2 096	5.8%	4 018
Chrome	135 644	103 238	31.4%	183 401
UG2 ore	-	429 892	(100.0%)	397 351
Toll treatment charges	-	18 125	(100.0%)	211 733
Total sales revenue	11 635 710	7 612 603	52.8%	17 395 605
Cost of sales				
Operating costs	(3 844 433)	(3 169 640)	(21.3%)	(5 828 951)
Mining operations	(2 359 036)	(2 087 746)	(13.0%)	(4 008 126)
Concentrator operations	(235 506)	(221 145)	(6.5%)	(398 591)
Smelting and base metal removal plant costs	(422 380)	(357 235)	(18.2%)	(684 816)
Chrome processing	(6 123)	(3 723)	(64.5%)	(6 238)
Selling and administration overheads	(71 339)	(65 520)	(8.9%)	(132 806)
Royalty charges	(188 519)	(133 059)	(41.7%)	(197 372)
Carbon tax	(821)	-	(100.0%)	(479)
Share-based payment expenses	(426 137)	(253 425)	(68.2%)	(317 115)
Toro Employee Empowerment Trust	(134 572)	(47 787)	(181.6%)	(84 574)
Rehabilitation	-	-	0.0%	1 166
Concentrates and recycling material purchased	(8 069 462)	(3 768 944)	(114.1%)	(9 304 685)
Refining including sampling and handling charges	(108 560)	(86 552)	(25.4%)	(178 718)
Depreciation and write-offs	(102 382)	(108 215)	5.4%	(187 490)
Change in metal inventory	3 148 267	1 351 986	132.9%	1 158 533
Total cost of sales	(8 976 570)	(5 781 365)	(55.3%)	(14 341 311)
Operating profit	2 659 140	1 831 238	45.2%	3 054 294
Operating margin	22.9%	24.1%	(5.0%)	17.6%
EBITDA	3 829 976	1 837 843	108.4%	3 468 697
EBITDA margin	32.9%	24.1%	36.5%	19.9%

Zondereinde performance

	6 months ended 31 December 2020	6 months ended 31 December 2019	Variance %	12 months ended 30 June 2020
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked	0.00	0.02	100.0%	0.01
Total injury incidence rate (TIIR) per 200 000 hours worked	0.88	1.18	25.4%	1.05
Lost time injury incidence rate (LTIR) per 200 000 hours worked	0.84	1.14	26.3%	1.03
Reportable injury incidence rate (RIIR) per 200 000 hours worked	0.22	0.63	65.1%	0.63
Number of fatalities	0	1	100.0%	1
Health				
New cases of noise induced hearing loss	8	4	(100.0%)	9
New cases of tuberculosis	12	23	47.8%	34
HIV Counselling and Testing (HCT)	1 580	1 670	(5.4%)	4 022
Employment and human rights				
Permanent employees	6 309	6 393	(1.3%)	6 482
Contractors	2 937	2 897	1.4%	2 953
Total employed	9 246	9 290	(0.5%)	9 435
Average number of employees including contractors	9 298	9 266	0.3%	9 485
Turnover rate	% 3	3	0.0%	5
HDSAs in management	% 61	59	3.4%	59
Women at mining	% 15	13	15.4%	14
Water usage (000m³)				
Potable water from external sources	1 680	1 461	(15.0%)	2 595
Fissure water used	111	100	(11.0%)	165
Borehole water used	9	20	55.0%	29
Water recycled in process	12 550	12 113	3.6%	23 508
Total water usage	14 350	13 694	(4.8%)	26 297
Water recycled	% 87	88	(1.1%)	89
Electricity consumption (MWh)				
Energy from electricity purchased by shafts	297 964	280 906	(6.1%)	532 797
Energy from electricity purchased by plant	112 622	103 698	(8.6%)	199 438
Total electricity purchased	410 586	384 604	(6.8%)	732 235
Greenhouse gas emissions (CO₂e tonnes)				
Scope 1 (direct) emissions	18 564	21 715	14.5%	40 773
Scope 2 (indirect) emissions	406 479	380 758	(6.8%)	724 862
Scope 3 (indirect) emissions	110	71	(54.9%)	136
Total emissions	425 153	402 544	(5.6%)	765 771
Sulphur dioxide (SO₂e tonnes)				
	3 187	2 867	(11.2%)	5 889
Land use (hectares)				
Land disturbed by mining related activities	726	726	0.0%	726
Land leased for farming purposes	2 181	2 181	0.0%	2 181
Land protected for conservation	–	–	0.0%	–
Other land	2 098	1 499	40.0%	2 098
Total land under management (freehold)	5 005	4 406	13.6%	5 005

		6 months ended 31 December 2020	6 months ended 31 December 2019	Variance %	12 months ended 30 June 2020
Merensky production and ore stockpiles					
Square metres mined	m²	103 025	78 883	30.6%	131 593
Development metres	m	4 801	5 410	(11.3%)	7 682
Tonnes mined (including waste)	t	665 736	619 590	7.4%	998 684
Tonnes milled	t	534 005	392 112	36.2%	681 741
Head grade (4E)	g/t	6.08	6.23	(2.4%)	6.08
Head grade (6E)	g/t	6.58	6.74	(2.4%)	6.58
Concentrator recoveries	%	90.6	90.2	0.4%	90.1
Stockpile	t	81 590	88 423	(7.7%)	90 264
UG2 production and ore stockpiles					
Square metres mined	m²	99 144	96 047	3.2%	155 351
Development metres	m	640	135	374.1%	336
Tonnes mined	t	592 819	594 713	(0.3%)	956 945
Tonnes milled	t	579 857	623 770	(7.0%)	994 383
Head grade (4E)	g/t	4.29	4.29	0.0%	4.30
Head grade (6E)	g/t	5.27	5.27	0.0%	5.28
Concentrator recoveries	%	87.9	87.7	0.2%	87.6
Stockpile sold	t	–	192 650	(100.0%)	192 650
Stockpile	t	1 207	12 315	(90.2%)	1 694
Chrome concentrate produced	t	201 229	178 089	13.0%	276 889
Combined production and ore stockpiles					
Square metres mined	m²	202 169	174 930	15.6%	286 944
Development metres	m	5 441	5 545	(1.9%)	8 018
Tonnes mined	t	1 258 555	1 214 303	3.6%	1 955 629
Tonnes milled	t	1 113 862	1 015 882	9.6%	1 676 124
Head grade (4E)	g/t	5.15	5.08	1.4%	5.03
Head grade (6E)	g/t	5.96	5.88	1.4%	5.82
Concentrator recoveries	%	89.4	88.9	0.6%	88.8
Stockpile	t	82 797	100 738	(17.8%)	91 958
Chrome concentrate produced	t	201 229	178 089	13.0%	276 889
Equivalent refined metal from own Zondereinde operations					
Platinum	oz	102 030	99 539	2.5%	151 372
Palladium	oz	46 343	47 189	(1.8%)	71 889
Rhodium	oz	14 804	14 028	5.5%	21 470
Gold	oz	3 596	1 624	121.4%	3 798
4E	oz	166 773	162 380	2.7%	248 529
Iridium	oz	12 175	5 034	141.9%	7 704
Ruthenium	oz	29 760	21 515	38.3%	32 930
6E	oz	208 708	188 929	10.5%	289 163

Zondereinde performance

		6 months ended 31 December 2020	6 months ended 31 December 2019	Variance	12 months ended 30 June 2020
		%			
Equivalent refined metal from third parties					
Platinum	oz	2 487	4 696	(47.0%)	31 782
Palladium	oz	2 431	3 575	(32.0%)	22 384
Rhodium	oz	405	1 321	(69.3%)	4 521
Gold	oz	145	477	(69.6%)	633
4E	oz	5 468	10 069	(45.7%)	59 320
Iridium	oz	312	433	(27.9%)	2 896
Ruthenium	oz	3 379	1 852	82.5%	11 353
6E	oz	9 159	12 354	(25.9%)	73 569
Total refined metal produced					
Platinum	oz	197 896	189 043	4.7%	324 464
Palladium	oz	98 843	100 797	(1.9%)	178 136
Rhodium	oz	21 097	24 591	(14.2%)	52 661
Gold	oz	4 334	4 833	(10.3%)	8 716
4E	oz	322 170	319 264	0.9%	563 977
Iridium	oz	7 054	8 955	(21.2%)	15 824
Ruthenium	oz	40 052	30 371	31.9%	62 728
6E	oz	369 276	358 590	3.0%	642 529
Refined metal sold					
Platinum	oz	193 859	183 018	5.9%	322 748
Palladium	oz	96 854	96 322	0.6%	176 278
Rhodium	oz	20 268	23 315	(13.1%)	52 458
Gold	oz	4 339	4 657	(6.8%)	8 754
4E	oz	315 320	307 312	2.6%	560 238
Iridium	oz	6 676	10 057	(33.6%)	19 347
Ruthenium	oz	36 446	28 485	27.9%	64 141
6E	oz	358 442	345 854	3.6%	643 726
UG2 ore sold					
Platinum	oz	–	13 272	(100.0%)	13 272
Palladium	oz	–	6 330	(100.0%)	6 330
Rhodium	oz	–	2 668	(100.0%)	2 668
Gold	oz	–	178	(100.0%)	178
4E	oz	–	22 448	(100.0%)	22 448
Iridium	oz	–	763	(100.0%)	763
Ruthenium	oz	–	2 986	(100.0%)	2 986
6E	oz	–	26 197	(100.0%)	26 197
Total metal sold					
Platinum	oz	193 859	196 290	(1.2%)	336 020
Palladium	oz	96 854	102 652	(5.6%)	182 608
Rhodium	oz	20 268	25 983	(22.0%)	55 126
Gold	oz	4 339	4 835	(10.3%)	8 932
4E	oz	315 320	329 760	(4.4%)	582 686
Iridium	oz	6 676	10 820	(38.3%)	20 110
Ruthenium	oz	36 446	31 471	15.8%	67 127
6E	oz	358 442	372 051	(3.7%)	669 923
Nickel	t	760	762	(0.3%)	1 337
Copper	t	511	480	6.5%	833
Chrome concentrate	t	201 229	178 089	13.0%	276 889

		6 months ended 31 December 2020	6 months ended 31 December 2019	Variance	12 months ended 30 June 2020
				%	
Average market prices achieved and sales statistics					
Platinum	USD/oz	934	895	4.4%	858
Palladium	USD/oz	2 296	1 647	39.4%	1 870
Rhodium	USD/oz	13 296	4 892	171.8%	7 020
Gold	USD/oz	1 895	1 473	28.6%	1 557
4E basket price	USD/oz	2 160	1 443	49.7%	1 764
Iridium	USD/oz	1 691	1 467	15.3%	1 451
Ruthenium	USD/oz	247	231	6.9%	236
6E basket price	USD/oz	1 957	1 344	45.6%	1 603
Average exchange rate	R/USD	16.04	14.72	9.0%	15.73
Closing exchange rate	R/USD	14.70	14.01	4.9%	17.33
Average nickel market price achieved	USD/t	15 290	15 857	(3.6%)	14 078
Average copper market price achieved	USD/t	6 715	5 655	18.7%	5 450
Average chrome price achieved net of costs	USD/t	42	39	7.7%	42
Average chrome price achieved net of costs	R/t	674	580	16.2%	662
Total revenue per Pt oz sold	R/oz	60 022	38 782	54.8%	51 770
Total revenue per 4E oz sold	R/oz	36 901	23 085	59.8%	29 854
Total revenue per 6E oz sold	R/oz	32 462	20 461	58.7%	25 967

Zondereinde performance

		6 months ended 31 December 2020	6 months ended 31 December 2019	Variance	12 months ended 30 June 2020
				%	
Cash costs statistics					
On mine cash cost per tonne mined	R/t	2 062	1 901	(8.5%)	2 253
On mine cash cost per tonne milled	R/t	2 329	2 273	(2.5%)	2 629
Cash cost per equivalent refined Pt oz	R/oz	28 473	25 890	(10.0%)	32 183
Cash cost per equivalent refined 4E oz	R/oz	17 427	15 814	(10.2%)	19 498
Cash cost per equivalent refined 6E oz	R/oz	14 062	13 641	(3.1%)	16 790
Cash profit and margin					
Cash profit per equivalent refined Pt oz	R/oz	31 549	12 892	144.7%	19 587
Cash margin per equivalent refined Pt oz	%	52.6	33.2	58.4%	37.8
Cash profit per equivalent refined 4E oz	R/oz	19 474	7 271	167.8%	10 356
Cash margin per equivalent refined 4E oz	%	52.8	31.5	67.6%	34.7
Cash profit per equivalent refined 6E oz	R/oz	18 400	6 820	169.8%	9 177
Cash margin per equivalent refined 6E oz	%	56.7	33.3	70.3%	35.3
Capital incurred					
Expansionary capex	R000	414 258	237 082	74.7%	461 976
Sustaining capex	R000	110 313	88 385	24.8%	186 408
	R000	524 571	325 467	61.2%	648 384
Sustaining capex per equivalent refined Pt oz from own operations	R/oz	1 081	888	21.7%	1 231

Booyssendal performance

	6 months ended 31 December 2020	6 months ended 31 December 2019	Variance	12 months ended 30 June 2020
	R000	R000	%	R000
Sales revenue*				
Platinum	1 421 088	983 309	44.5%	1 703 269
Palladium	1 753 647	901 069	94.6%	1 833 018
Rhodium	3 659 377	886 009	313.0%	2 184 801
Gold	35 287	28 082	25.7%	57 199
Iridium	149 299	84 266	77.2%	150 354
Ruthenium	108 940	66 525	63.8%	120 326
Nickel	57 040	36 388	56.8%	72 833
Copper	9 482	6 618	43.3%	13 192
Chrome	230 239	182 073	26.5%	355 657
Total sales revenue	7 424 399	3 174 339	133.9%	6 490 649
Cost of sales				
Operating costs	(2 300 280)	(1 671 641)	(37.6%)	(3 301 103)
Mining operations	(1 613 395)	(1 107 693)	(45.7%)	(2 350 782)
Concentrator operations	(368 559)	(338 809)	(8.8%)	(604 720)
Chrome processing	(14 303)	(13 431)	(6.5%)	(22 365)
Selling and administration overheads	(71 339)	(66 987)	(6.5%)	(132 806)
Royalty charges	(34 404)	(15 006)	(129.3%)	(30 845)
Share-based payment expenses	(198 280)	(129 715)	(52.9%)	(148 599)
Rehabilitation	—	—	0.0%	(10 986)
Concentrates purchased	(451 722)	(120 393)	(275.2%)	(238 578)
Depreciation and write-offs	(270 199)	(212 017)	(27.4%)	(399 449)
Change in metal inventory	(42 342)	13 253	N/A	141 062
Total cost of sales	(3 064 543)	(1 990 798)	(53.9%)	(3 798 068)
Operating profit	4 359 856	1 183 541	268.4%	2 692 581
Operating margin	58.7%	37.3%	57.4%	41.5%
EBITDA	4 623 367	1 391 796	232.2%	3 030 615
EBITDA margin	62.3%	43.8%	42.2%	46.7%

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

	6 months ended 31 December 2020	6 months ended 31 December 2019	Variance %	12 months ended 30 June 2020
Safety				
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	1.80	1.78	(1.1%)	1.57
Lost time injury incidence rate (LTIR) per 200 000 hours worked	0.20	0.30	33.3%	0.29
Reportable injury incidence rate (RIIR) per 200 000 hours worked	0.12	0.30	60.0%	0.24
Number of fatalities	0	0	0.0%	0
Health				
New cases of noise induced hearing loss	3	2	(50.0%)	3
New cases of tuberculosis	3	4	25.0%	4
HIV Counselling and Testing (HCT)	152	800	(81.0%)	1 725
Employment and human rights				
Permanent employees	3 108	2 631	18.1%	2 827
Contractors	2 690	2 447	9.9%	2 512
Total employed	5 798	5 078	14.2%	5 339
Average number of employees including contractors	5 673	4 970	14.1%	5 103
Turnover rate	% 4	2	(100.0%)	4
HDSAs in management	% 61	55	10.9%	57
Women at mining	% 16	17	(5.9%)	17
Water usage (000m³)				
Potable water from external sources	416	395	(5.3%)	821
Fissure water used	–	44	100.0%	44
Borehole water used	23	20	(15.0%)	54
Water recycled in process	1 127	1 073	5.0%	1 670
Total water usage	1 566	1 532	(2.2%)	2 589
Water recycled	% 72	70	2.9%	65
Electricity consumption (MWh)				
Energy from electricity purchased by shafts	45 336	32 527	(39.4%)	154 693
Energy from electricity purchased by plant	88 942	84 036	(5.8%)	58 578
Total electricity purchased	134 278	116 563	(15.2%)	213 271
Greenhouse gas emissions (CO₂e tonnes)				
Scope 1 (direct) emissions	9 019	7 529	(19.8%)	13 014
Scope 2 (indirect) emissions	132 935	115 397	(15.2%)	211 138
Scope 3 (indirect) emissions	38	–	(100.0%)	–
Total emissions	141 992	122 926	(15.5%)	224 152
Sulphur dioxide (SO₂e tonnes)				
	–	–	0.0%	–
Land use (hectares)				
Land disturbed by mining related activities	1 802	1 784	(1.0%)	1 802
Land leased for farming purposes	–	–	0.0%	–
Land protected for conservation	4 054	2 104	92.7%	4 054
Other land	5 850	6 044	(3.2%)	5 850
Total land under management (freehold)	11 706	9 932	17.9%	11 706

		6 months ended 31 December 2020	6 months ended 31 December 2019	Variance %	12 months ended 30 June 2020
Merensky production and ore stockpiles					
Square metres	m ²	29 190	40 525	(28.0%)	64 282
Tonnes mined	t	203 060	223 821	(9.3%)	419 462
Tonnes milled	t	188 287	215 340	(12.6%)	406 519
Head grade (4E)	g/t	1.86	2.31	(19.5%)	2.17
Head grade (6E)	g/t	2.25	2.79	(19.4%)	2.39
Concentrator recoveries	%	86.8	88.4	(1.8%)	88.7
Stockpile	t	49 446	36 723	34.6%	35 686
UG2 production and ore stockpiles North mine					
Square metres	m ²	154 926	146 091	6.0%	261 950
Tonnes mined	t	1 275 043	1 239 734	2.8%	2 284 767
Tonnes milled	t	1 306 369	1 238 297	5.5%	2 140 812
Head grade (4E)	g/t	2.84	2.75	3.3%	2.78
Head grade (6E)	g/t	3.44	3.33	3.3%	3.31
Concentrator recoveries	%	88.2	89.0	(0.9%)	88.8
Stockpile	t	113 690	–	100.0%	141 384
Chrome concentrate produced from run of mine as well as retreatment of the Tailings Storage Facility (TSF)	t	172 552	169 550	1.8%	280 639
UG2 production at South mine					
Square metres	m ²	75 654	24 856	204.4%	51 698
Sinking metres	m	2 305	1 303	76.9%	2 553
Tonnes mined	t	670 851	224 098	199.4%	471 690
Tonnes milled	t	724 357	284 417	154.7%	465 810
Head grade (4E)	g/t	2.74	2.11	29.9%	2.17
Head grade (6E)	g/t	3.31	2.55	29.8%	2.58
Concentrator recoveries	%	86.0	85.6	0.5%	85.6
Chrome concentrate produced	t	121 052	83 529	44.9%	152 351
Combined production and ore stockpiles					
Square metres	m ²	259 770	211 472	22.8%	377 930
Tonnes mined	t	2 148 954	1 687 653	27.3%	3 175 919
Tonnes milled	t	2 219 013	1 738 054	27.7%	3 013 141
Head grade (4E)	g/t	2.72	2.58	5.4%	2.59
Head grade (6E)	g/t	3.29	3.12	5.4%	3.05
Concentrator recoveries	%	87.8	88.0	(0.2%)	88.2
Stockpile	t	163 136	36 723	344.2%	177 070
Chrome concentrate produced	t	293 604	253 079	16.0%	432 990
Metal in concentrate produced from own operations and ore stockpiles					
Platinum	oz	100 268	80 129	25.1%	143 281
Palladium	oz	51 490	38 640	33.3%	70 701
Rhodium	oz	17 568	12 322	42.6%	22 580
Gold	oz	1 240	1 438	(13.8%)	2 720
4E	oz	170 566	132 529	28.7%	239 282
Iridium	oz	7 286	4 238	71.9%	9 882
Ruthenium	oz	30 042	21 756	38.1%	39 319
6E	oz	207 894	158 523	31.1%	288 483

Booysendal performance

		6 months ended 31 December 2020	6 months ended 31 December 2019	Variance	12 months ended 30 June 2020
%					
Metal in concentrate purchased from third parties					
Platinum	oz	4 543	2 861	58.8%	4 247
Palladium	oz	2 941	1 885	56.0%	2 930
Rhodium	oz	1 501	881	70.4%	1 344
Gold	oz	9	12	(25.0%)	16
4E	oz	8 994	5 639	59.5%	8 537
Iridium	oz	468	242	93.4%	3 024
Ruthenium	oz	3 445	1 037	232.2%	370
6E	oz	12 907	6 918	86.6%	11 931
Total metal in concentrate sold to Zondereinde					
Platinum	oz	107 232	83 046	29.1%	141 416
Palladium	oz	55 066	40 552	35.8%	69 781
Rhodium	oz	18 788	13 212	42.2%	22 286
Gold	oz	1 327	1 451	(8.5%)	2 685
4E	oz	182 413	138 261	31.9%	236 168
Iridium	oz	7 792	5 904	32.0%	9 753
Ruthenium	oz	32 129	23 082	39.2%	38 807
6E	oz	222 334	167 247	32.9%	284 728
Nickel	t	319	216	47.7%	466
Copper	t	176	160	10.0%	313
Chrome concentrate	t	293 604	253 079	16.0%	432 990
Average market prices achieved and sales statistics					
Platinum	USD/oz	835	805	3.7%	772
Palladium	USD/oz	2 007	1 512	32.7%	1 684
Rhodium	USD/oz	12 273	4 562	169.0%	6 284
Gold	USD/oz	1 676	1 317	27.3%	1 366
4E basket price	USD/oz	2 373	1 377	72.3%	1 568
Iridium	USD/oz	1 207	971	24.3%	988
Ruthenium	USD/oz	214	196	9.2%	199
6E basket price	USD/oz	2 020	1 200	68.3%	1 362
Average exchange rate	R/USD	15.87	14.70	8.0%	15.60
Closing exchange rate	R/USD	14.70	14.01	4.9%	17.33
Average nickel market price achieved	USD/t	11 267	11 460	(1.7%)	10 019
Average copper market price achieved	USD/t	3 395	2 814	20.6%	2 702
Average chrome price achieved net of costs	USD/t	49	49	0.0%	53
Average chrome price achieved net of costs	R/t	784	719	9.0%	821
Total revenue per Pt oz sold	R/oz	69 237	38 224	81.1%	45 898
Total revenue per 4E oz sold	R/oz	40 701	22 959	77.3%	27 483
Total revenue per 6E oz sold	R/oz	33 393	18 980	75.9%	22 796

		6 months ended 31 December 2020	6 months ended 31 December 2019	Variance %	12 months ended 30 June 2020
Cash costs statistics					
On mine cash cost per tonne mined	R/t	922	857	(7.6%)	931
On mine cash cost per tonne milled	R/t	893	832	(7.3%)	981
Cash cost per Pt oz in concentrate produced	R/oz	20 288	18 714	(8.4%)	21 406
Cash cost per 4E oz in concentrate produced	R/oz	11 909	11 295	(5.4%)	12 800
Cash cost per 6E oz in concentrate produced	R/oz	9 753	9 440	(3.3%)	10 604
Cash profit and margin					
Cash profit per Pt oz in concentrate produced	R/oz	48 949	19 510	150.9%	24 492
Cash margin per Pt oz in concentrate produced	%	70.7	51.0	38.6%	53.4
Cash profit per 4E oz in concentrate produced	R/oz	28 792	11 664	146.8%	14 683
Cash margin per 4E oz in concentrate produced	%	70.7	50.8	39.2%	53.4
Cash profit per 6E oz in concentrate produced	R/oz	23 640	9 540	147.8%	12 192
Cash margin per 6E oz in concentrate produced	%	70.8	50.3	40.8%	53.5
Capital incurred					
Expansionary capex relating to Booysendal North	R000	715	2 602	(72.5%)	4 219
Expansionary capex relating to Booysendal South	R000	323 728	585 732	(44.7%)	929 370
Sustaining capex	R000	270 146	112 145	140.9%	195 808
	R000	594 589	700 479	(15.1%)	1 129 397
Sustaining capex per Pt oz in concentrate from own operations	R/oz	2 694	1 400	92.4%	1 367

Eland performance

	6 months ended 31 December 2020	6 months ended 31 December 2019	Variance	12 months ended 30 June 2020
	R000	R000	%	R000
Sales revenue*				
Platinum	175 054	124 570	40.5%	325 516
Palladium	121 648	58 309	108.6%	196 518
Rhodium	349 790	87 234	301.0%	389 837
Gold	1 571	408	285.0%	1 387
Iridium	13 747	6 351	116.5%	21 737
Ruthenium	6 832	3 033	125.3%	10 573
Nickel	2 742	1 510	81.6%	4 124
Copper	415	123	237.4%	476
Chrome	18 949	30 225	(37.3%)	60 709
Total sales revenue	690 748	311 763	121.6%	1 010 877
Cost of sales				
Operating costs	(625 349)	(346 642)	(80.4%)	(784 356)
Mining operations	(450 002)	(191 554)	(134.9%)	(498 136)
Concentrator operations	(149 738)	(143 324)	(4.5%)	(263 527)
Chrome processing	(9 875)	(10 300)	4.1%	(19 265)
Royalty charges	-	(178)	100.0%	(157)
Share-based payment expenses	(15 734)	(1 286)	(>1 000.0%)	(6 365)
Rehabilitation	-	-	0.0%	3 094
Concentrates purchased	(149 191)	-	(100.0%)	(39 476)
Depreciation and write-offs	(19 341)	(13 092)	(47.7%)	(30 448)
Change in metal inventory	132 265	47 059	181.1%	4 660
Total cost of sales	(661 616)	(312 675)	(111.6%)	(849 620)
Operating profit/(loss)	29 132	(912)	N/A	161 257
Operating margin	4.2%	(0.3%)	N/A	16.0%
EBITDA	46 836	3 895	>1 000.0%	181 609
EBITDA margin	6.8%	1.2%	466.7%	18.0%

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

	6 months ended 31 December 2020	6 months ended 31 December 2019	Variance %	12 months ended 30 June 2020
Safety				
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	2.00	2.21	9.5%	2.27
Lost time injury incidence rate (LTIIIR) per 200 000 hours worked	0.67	0.97	30.9%	0.82
Reportable injury incidence rate (RIIR) per 200 000 hours worked	0.53	0.28	(89.3%)	0.27
Number of fatalities	0	0	0.0%	0
Health				
New cases of noise induced hearing loss	–	–	0.0%	–
New cases of tuberculosis	–	–	0.0%	–
HIV Counselling and Testing (HCT)	–	548	(100.0%)	1 067
Employment and human rights				
Permanent employees	500	368	35.9%	452
Contractors	707	660	7.1%	727
Total employed	1 207	1 028	17.4%	1 179
Average number of employees including contractors	1 161	1 017	14.2%	1 043
Turnover rate	3	3	0.0%	4
HDSAs in management	67	57	17.5%	65
Women at mining	18	18	0.0%	17
Water usage (000m³)				
Potable water from external sources	519	–	(100.0%)	–
Fissure water used	–	–	0.0%	–
Borehole water used	–	1 100	100.0%	2 100
Water recycled in process	1 038	1 759	(41.0%)	2 914
Total water usage	1 557	2 859	45.5%	5 014
Water recycled	50	62	(19.4%)	58
Electricity consumption (MWh)				
Energy from electricity purchased by shafts	11 894	12 155	2.1%	24 456
Energy from electricity purchased by plant	36 754	33 919	(8.4%)	61 587
Total electricity purchased	48 648	46 074	(5.6%)	86 043
Greenhouse gas emissions (CO₂e tonnes)				
Scope 1 (direct) emissions	1 408	1 319	(6.7%)	2 392
Scope 2 (indirect) emissions	48 161	45 614	(5.6%)	85 183
Scope 3 (indirect) emissions	98	9	(988.9%)	18
Total emissions	49 667	46 942	(5.8%)	87 593
Sulphur dioxide (SO₂e tonnes)				
	–	–	0.0%	–
Land use (hectares)				
Land disturbed by mining related activities	483	527	8.3%	483
Land leased for farming purposes	–	231	(100.0%)	–
Land protected for conservation	–	–	0.0%	–
Other land	1 138	863	31.9%	1 138
Total land under management (freehold)	1 621	1 621	0.0%	1 621

Eland performance

		6 months ended 31 December 2020	6 months ended 31 December 2019	Variance %	12 months ended 30 June 2020
UG2 production and surface sources					
Square metres mined	m ²	1 261	35	>1 000.0%	888
Development metres	m	1 216	622	95.5%	1 093
Surface sources	t	679 822	560 960	21.2%	1 071 238
Tonnes mined	t	20 471	–	100.0%	–
Tonnes milled	t	679 822	560 960	21.2%	1 063 139
Head grade (4E)	g/t	3.09	3.00	3.0%	2.73
Head grade (6E)	g/t	3.49	3.39	3.0%	3.08
Concentrator recoveries	%	32.3	32.5	(0.6%)	37.0
Stockpile	t	–	–	0.0%	37 209
Chrome concentrate produced and sold	t	26 253	38 474	(31.8%)	72 924
Metal in concentrate produced from own operations and third party surface sources					
Platinum	oz	14 655	11 458	27.9%	25 550
Palladium	oz	4 043	2 840	42.4%	6 285
Rhodium	oz	1 939	1 607	20.7%	3 235
Gold	oz	37	16	131.3%	53
4E	oz	20 674	15 921	29.9%	35 123
Iridium	oz	799	862	(7.3%)	1 277
Ruthenium	oz	1 974	1 185	66.6%	3 010
6E	oz	23 447	17 968	30.5%	39 410
Metal in concentrate purchased from third parties					
Platinum	oz	2 420	–	100.0%	1 073
Palladium	oz	1 083	–	100.0%	455
Rhodium	oz	388	–	100.0%	126
Gold	oz	20	–	100.0%	6
4E	oz	3 911	–	100.0%	1 660
Iridium	oz	174	–	100.0%	70
Ruthenium	oz	601	–	100.0%	233
6E	oz	4 686	–	100.0%	1 963

		6 months ended 31 December 2020	6 months ended 31 December 2019	Variance %	12 months ended 30 June 2020
Total metal in concentrate sold to Zondereinde					
Platinum	oz	13 300	10 454	27.2%	26 740
Palladium	oz	3 795	2 528	50.1%	6 847
Rhodium	oz	1 901	1 223	55.4%	3 331
Gold	oz	59	21	181.0%	60
4E	oz	19 055	14 226	33.9%	36 978
Iridium	oz	742	447	66.0%	1 340
Ruthenium	oz	1 988	1 051	89.2%	3 236
6E	oz	21 785	15 724	38.5%	41 554
Nickel	t	15	9	66.7%	26
Copper	t	8	3	166.7%	11
Chrome concentrate	t	26 253	38 474	(31.8%)	72 924
Average market prices achieved and sales statistics					
Platinum	USD/oz	811	819	(1.0%)	764
Palladium	USD/oz	1 975	1 585	24.6%	1 802
Rhodium	USD/oz	11 337	4 902	131.3%	7 347
Gold	USD/oz	1 641	1 335	22.9%	1 451
4E basket price	USD/oz	2 096	1 307	60.4%	1 550
Iridium	USD/oz	1 142	977	16.9%	1 018
Ruthenium	USD/oz	212	198	7.1%	205
6E basket price	USD/oz	1 891	1 223	54.6%	1 428
Average exchange rate	R/USD	16.23	14.55	11.5%	15.93
Closing exchange rate	R/USD	14.70	14.01	4.9%	17.33
Average nickel market price achieved	USD/t	11 263	11 531	(2.3%)	9 957
Average copper market price achieved	USD/t	3 196	2 818	13.4%	2 716
Average chrome price achieved net of costs	USD/t	44	54	(18.5%)	52
Average chrome price achieved net of costs	R/t	722	786	(8.1%)	832
Total revenue per Pt oz sold	R/oz	51 936	29 822	74.2%	37 804
Total revenue per 4E oz sold	R/oz	36 250	21 915	65.4%	27 337
Total revenue per 6E oz sold	R/oz	31 708	19 827	59.9%	24 327

Eland performance

		6 months ended 31 December 2020	6 months ended 31 December 2019	Variance %	12 months ended 30 June 2020
Cash costs statistics					
Cash cost per Pt oz in concentrate produced	R/oz	39 476	29 227	(35.1%)	29 395
Cash cost per 4E oz in concentrate produced	R/oz	27 857	21 034	(32.4%)	21 347
Cash cost per 6E oz in concentrate produced	R/oz	24 515	18 637	(31.5%)	19 009
Cash profit and margin					
Cash profit per Pt oz in concentrate produced	R/oz	12 460	595	>1 000.0%	8 409
Cash margin per Pt oz in concentrate produced	%	24.0	2.0	>1 000.0%	22.2
Cash profit per 4E oz in concentrate produced	R/oz	8 393	881	852.7%	5 990
Cash margin per 4E oz in concentrate produced	%	23.2	4.0	480.0%	21.9
Cash profit per 6E oz in concentrate produced	R/oz	7 193	1 190	504.5%	5 318
Cash margin per 6E oz in concentrate produced	%	22.7	6.0	278.3%	21.9
Capital incurred					
Expansionary capex	R000	179 351	326 292	(45.0%)	573 280
	R000	179 351	326 292	(45.0%)	573 280

US recycling performance

		6 months ended 31 December 2020	6 months ended 31 December 2019	Variance	12 months ended 30 June 2020
		R000	R000	%	R000
Sales revenue					
Platinum		5 026	15 371	(67.3%)	16 325
Palladium		11 841	52 226	(77.3%)	63 988
Rhodium		7 476	13 537	(44.8%)	18 069
Total sales revenue		24 343	81 134	(70.0%)	98 382
Cost of sales					
Operating costs		(9 372)	(8 406)	(11.5%)	(17 524)
Concentrates purchased		(21 256)	(59 437)	64.2%	(61 105)
Depreciation and write-offs		(5 438)	(4 921)	(10.5%)	(10 497)
Change in metal inventory		(62)	(17 384)	99.6%	(23 701)
Total cost of sales		(36 128)	(90 148)	59.9%	(112 827)
Operating loss		(11 785)	(9 014)	(30.7%)	(14 445)
Operating margin		(48.4%)	(11.1%)	(336.0%)	(14.7%)
EBITDA		(13 568)	(4 861)	(179.1%)	2 123
EBITDA margin		(55.7%)	(6.0%)	(828.3%)	2.2%
Recycled metal purchased from third parties*					
Platinum	oz	371	1 361	(72.7%)	1 079
Palladium	oz	369	2 339	(84.2%)	2 017
Rhodium	oz	36	254	(85.8%)	202
4E	oz	776	3 954	(80.4%)	3 298
Total metal in concentrate sold to Zondereinde					
Platinum	oz	414	1 297	(68.1%)	1 374
Palladium	oz	397	2 677	(85.2%)	3 017
Rhodium	oz	39	294	(86.7%)	325
4E	oz	850	4 268	(80.1%)	4 716
Average market prices achieved and sales statistics					
Platinum	USD/oz	747	831	(10.1%)	817
Palladium	USD/oz	1 834	1 368	34.1%	1 458
Rhodium	USD/oz	11 789	3 229	265.1%	3 821
Average exchange rate	R/USD	16.26	14.26	14.0%	14.55
Closing exchange rate	R/USD	14.70	14.01	4.9%	17.33
Capital incurred					
Purchase consideration	R000	–	–	0.0%	–
	R000	–	–	0.0%	–

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

Results commentary

Equivalent refined metal from own operations

352 741 oz 4E

PGM in concentrate production from
Booysendal South

54 785 oz 4E

Chrome in concentrate produced and sold

521 086 tonnes

Group unit cash cost

R27 660/Pt oz

Group capital expenditure mainly in the
execution of the group's growth strategy

R1.3 billion

Group capital expenditure forecast for F2021

R3.0 billion

Group operational overview

A key feature of the period has been the positive operational response to the ongoing challenges of COVID-19. Whilst maintaining the health and safety of our employees, solid performances from all of the operations have led to the group producing equivalent refined metal in-line with pre-COVID-19 schedules and at levels higher than the previous corresponding period.

The group's equivalent refined metal from own operations grew by 15.0% to 352 741 oz 4E (H1 F2020: 306 738 oz 4E). This is despite the ongoing phased restart of operations, particularly impacting the conventional Zondereinde mine, where 90% of mining crews had been returned to work by the end of December 2020. Group chrome concentrate production also increased, by 11.0% to 521 086 tonnes, on the back of additional contributions from Booysendal South and Zondereinde mines.

Group unit cash costs per equivalent refined platinum ounce increased by 11.6% to R27 660/Pt oz. Zondereinde mine's unit costs increased by 10.0% to R28 473/Pt oz, with corresponding increases of 8.4% at Booysendal mine to R20 288/Pt oz and 35.1% at Eland mine to R39 476/Pt oz. Eland mine's PGM production is currently derived from surface sources, and purchased at prevailing market prices, which led to this material increase in unit cash costs.

Capital expenditure reduced to R1.3 billion (H1 F2020: R1.4 billion). This is the combined result of capital trimming following the onset of COVID-19, together with capital projects having either been completed, or nearing completion at Booysendal mine. R918.1 million (H1 F2020: R1.2 billion) was spent on expansionary capital expenditure and R380.5 million (H1 F2020: R200.5 million) on sustaining capital expenditure. Projects that were temporarily scaled back include - the Central Merensky and BS4 modules at Booysendal mine; aspects of the Western extension number 3 shaft project at Zondereinde mine; and the stopping build-up at Eland mine. Following improved market certainty during the second half of 2020, all curtailed growth projects were re-initiated in October 2020 and the majority of workflow impacts resulting from the stoppage have been clawed back. As such, the overall impact on the group's growth strategy will be minimal. Group capital expenditure will therefore accelerate in the second half of the financial year in response to our positive view of the metal markets and is forecasted for F2021 to amount to R3.0 billion. However, the potential for further disruption to operations and the metal markets as a result of COVID-19 remains. We continue to monitor the market and will amend our capital program when prudent.

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

Design and permitting work has commenced on a 10MW solar power farm installation, to feed renewable electricity to the smelter complex. Construction is expected to commence in the second half of the coming financial year.

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

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

With recycling, we continue our measured approach.

Zondereinde mine

Safety performance at Zondereinde has continued to improve, with the mine recording TIIR of 0.88 injuries per 200 000 hours worked (H1 F2020: 1.18). Continuing to improve the safety performance and health and wellness of our workforce remains an important focus area for the business.

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

Equivalent refined metal from own operations increased by 2.7% to 166 773 oz 4E (H1 F2020: 162 380 oz 4E). This was the result of a combination of 9.6% higher combined milled tonnages, 1.4% higher combined 4E concentrator feed grade and 0.6% higher concentrator recoveries. Higher milled tonnages resulted from a 36.2% increase in Merensky milled offset by a decrease of 7.0% in UG2 milled. This disparity was the result of preferentially re-establishing Merensky mining crews during the phased restart. The increase in Merensky milled tonnes led to the increase in combined 4E concentrator feed grade.

Equivalent refined metal from third party purchases decreased to 5 468 oz 4E (H1 F2020: 10 069 oz 4E) owing to cessation of certain supply agreements.

Chrome concentrate production increased to 201 229 tonnes (H1 F2020: 178 089 tonnes). Despite lower UG2 tonnage milled, there have been significant improvements in chrome yield following modifications to the chrome concentrator.

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

Development within the Western extension section has progressed well on 3 to 12 levels. Footwall strike drives have advanced beyond the third mining line, raises have been holed on the second mining line and stoping is in progress on the entire first mining line. 100 000 oz 4E per annum will ultimately accrue to Zondereinde mine's production profile from this expansion project. Pilot drilling for the number 3 vertical shaft was completed successfully and reaming of the hole to its final diameter of 4.8 metres has commenced. Reaming will be concluded before the end of the coming financial year, followed by shaft equipping.

A planned rebuild of furnace 1, with a duration of 3 months, will commence at financial year-end. The coming years will see work commence on further capacity increases at the base metal removal plant, in line with our growth profile.

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

Capital expenditure during the current period increased to R524.6 million (H1 F2020: R325.5 million). Expansionary project expenditure accounted for R414.3 million, while sustaining expenditure was R110.3 million. Expansionary expenditure related to the ongoing development of the deepening and Western extension sections, including pilot drilling for the planned number 3 shaft, together with various capacity and material handling improvements at the metallurgical complex. Total capital expenditure for F2021 is estimated at R1.3 billion.

The total operating costs at Zondereinde for the period amounted to R3.8 billion (H1 F2020: R3.2 billion), a 21.3% increase from the previous corresponding period. The combination of higher mining and concentrating costs, share-based payment expenses and contributions to the Toro Employee Empowerment Trust, offset by higher volumes, translated into a 10.0% increase in unit cash costs per equivalent refined platinum ounce, to R28 473/Pt oz (H1 F2020: R25 890/Pt oz).

Zondereinde mine is widely acknowledged to be one of the more challenging platinum mines in the world and Northam has a history of operating the mine profitably through the development of innovative mining technology, optimal mine planning, close process monitoring and stringent cost control

Booysendal mine

The good safety performance at Booysendal mine continues, with the mine exceeding 5.9 million fatality free shifts during the period and more importantly, continuing to have incurred no fatal accidents since mine inception, over 10 years ago. TIIR was 1.80 per 200 00 hours worked (H1 F2020: 1.78).

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

Production from Booysendal North UG2 mine improved by 2.8% from the previous corresponding period to 1 275 043 tonnes (H1 F2020: 1 239 734 tonnes), whilst 4E concentrator feed grade improved to 2.84 g/t. This is primarily owing to ongoing improvement in mining productivity and stoping cut in this mature module. Production from the North Merensky mine decreased by 9.3% to 203 060 tonnes (H1 F2020: 223 821 tonnes), whilst 4E concentrator feed grade dropped to 1.86 g/t (H1 F2020: 2.31 g/t). This is the result of a ramp-up in decline development in order to prepare for step up to phase two stoping levels following the planned commissioning of the North aerial rope conveyor during F2022, as well as the prioritisation of UG2.

Booysendal South UG2 mine is ramping up to planned steady state in F2023. Production during the half year increased by 199.4% to 670 851 tonnes (H1 F2020: 224 098 tonnes), whilst 4E concentrator feed grade improved to 2.74 g/t. This grade will continue to improve as stoping tonnage grows.

Combined ore stockpiles, totalled 163 136 tonnes (H1 F2020: 36 723 tonnes).

Total tonnes milled at Booysendal mine increased by 27.7% to 2 219 013 tonnes (H1 F2020: 1 738 054 tonnes), whilst combined 4E concentrator feed grade improved by 5.4% to 2.72 g/t as a result of increased UG2 tonnages and improved grades at both North and South mines. Merensky throughput decreased to 188 287 tonnes (H1 F2020: 215 340 tonnes), on the back of lower mining production and stockpile growth, whilst UG2 milling increased by 33.4% to 2 030 726 tonnes (H1 F2020: 1 522 714 tonnes). Additional tonnes milled essentially came from Booysendal South UG2 production. Both the North and South concentrators are operating well and showing period-on-period PGM recovery improvements.

This yielded 170 566 oz 4E in concentrate from own operations (H1 F2020: 132 529 oz 4E), together with 293 604 tonnes of chrome concentrate (H1 F2020: 253 079 tonnes). Corresponding metal in concentrate purchased from third parties increased to 8 994 oz 4E (H1 F2020: 5 639 oz 4E) owing to higher third party production.

The total operating costs at Booysendal mine were R2.3 billion (H1 F2020: R1.7 billion), a 37.6% increase. This was the result of increases in volumes. Cash cost per metal in concentrate produced increased by 8.4% to R20 288/Pt oz (H1 F2020: R18 714/Pt oz).

North mine capital expenditure increased to R270.9 million (H1 F2020: R114.7 million). Capital expenditure was almost entirely sustaining and reflected fleet replacements and conveyor belt extensions.

South mine capital expenditure was entirely expansionary and totalled R323.7 million (H1 F2020: R585.7 million). Surface infrastructure at the Central UG2 complex is complete and underground equipping is continuing and in line with stoping build-up. Earthworks and civil construction for the North aerial rope conveyor are well progressed, and pre-payments for mechanical construction mean that this project is essentially paid for.

North mine capital expenditure for the full year will be almost entirely sustaining and is estimated at R532.3 million. This is in line with our expected ongoing requirement and is influenced by mechanical fleet replacements and conveyor belt extensions. South mine capital expenditure for the full year will be entirely expansionary and is estimated at R667.7 million, reflecting the completion of surface infrastructure and production ramp-up at the Central UG2 complex, together with the ongoing establishment of both the Central Merensky and BS4 mining modules.

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

Booysendal mine complex attests to Northam's ability to successfully develop large scale and capital intensive projects

Eland mine

Eland mine's TIIR improved to 2.00 per 200 000 hours worked (H1 F2020: 2.21). Management is focussing on embedding safety culture, supervision and systems during this critical phase of mine development.

Treatment of ore from surface sources to recover PGM and chrome concentrates continues, with throughput of just over 679 822 tonnes of ore (H1 F2020: 560 960 tonnes), at an improved average feed grade of 3.09 g/t (H1 F2020: 3.00 g/t), but lower chrome grade. This yielded 20 674 oz 4E in concentrate (H1 F2020: 15 921 oz 4E), together with 26 253 tonnes of chrome concentrate (H1 F2020: 38 474 tonnes). Metal in concentrate purchased from third parties was 3 911 oz 4E.

The total operating costs at Eland mine amounted to R625.3 million (H1 F2020: R346.6 million), an 80.4% increase on the previous corresponding period. This was the result of an increase in volumes treated, together with the cost of surface sources being determined by ruling commodity prices. The cash cost per metal in concentrate produced increased by 35.1% to R39 476/Pt oz (H1 F2020: R29 227/Pt oz).

Following conclusion of a feasibility study during F2019, the board approved the initiation of development and stoping ramp-up for the Kukama shaft in parallel with processing operations. Refurbishment and recommissioning of fixed and mobile underground equipment was undertaken and development of a revised underground mining layout commenced. This included reconfiguration of the three-barrel decline system, such that all barrels are located in the immediate footwall to the UG2 Reef. Furthermore, strike development in the upper western portion of the mine has progressed, a reef raise was developed and stoping began on the UG2 Reef as part of a planned early mining demonstration.

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

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

Capital expenditure for the reporting period was R179.4 million (H1 F2020: R326.3 million). This decrease was the result of capital trimming. Capital expenditure for the full year is expected to be R500.0 million. Work will focus on decline and strike drive development, together with continuation of the early mining demonstration and recommissioning of the primary PGM circuit at the concentrator.

The combination of Northam's internally generated free cash flow capacity and access to the DMTN Programme and banking facilities, collectively provide Northam with significant flexibility and the capacity to embark on large scale capital projects

Project update - Zondereinde Western extension

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

Exploration data indicates that this section contains PGM Mineral Resources of over 21.5 Moz 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 structural breaks.

Progress and significant milestones during the reporting period

During the reporting period, over 3 300 metres of access tunnels have been advanced within the Western extension section, which is 500 metres above plan. Strike development is beyond the third mining line, raises have been holed throughout most of the second mining line and over 200 000 tonnes of Merensky Reef have been extracted from the first mining line. Crew productivity is benefitting from the combination of a very stable reef, good rock conditions and focussed logistics over the 10 mining levels comprising this line.

A study investigating additional access requirements from surface is well progressed and is expected to be finalised before April 2021. This includes the ultimate role of a vertical shaft, termed number 3 shaft, sited on the second mining line and being developed by raise-boring from surface concurrent to the feasibility study.

The 405 mm diameter pilot hole for number 3 shaft was drilled from surface and successfully holed into its receiving chamber underground on 18 July 2020. At a length of 1 382 metres, this is a world record depth for a raise-bore pilot hole. In addition, through the use of oil well drilling technologies, lateral deflection, a critical success factor, was limited to less than half the diameter of the pilot hole. Reaming of the hole to a final diameter of 4.8 metres commenced in December 2020 and has an expected duration of 15 months to completion.

The impact of COVID-19 on the project

The ongoing phased restart negatively impacted the availability of mining crews for underground stoping and development within the Western extension, as it did the entire Zondereinde mine. However, improvements in crew productivity, both in stoping and development, mitigated crew unavailability.

Project update - Booyssendal South mine

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

The current Booyssendal South mine plan to develop three UG2 modules, together with a single Merensky module, unlocks Mineral Reserves of over 7.8 Moz 4E, mineable for approximately 30 years. Furthermore, from F2023, the combined modules will annually produce in the order of 250 000 oz 4E in concentrate, doubling Booyssendal's current overall PGM production. In doing so, Booyssendal South will have created meaningful, long-term, direct employment for 3 500 people and will significantly benefit both the local and national economies.

Progress and significant milestones during the reporting period

Focus has shifted to underground development, equipping and stoping build-up at the BS1 and BS2 UG2 modules.

During the reporting period, 1 861 metres of decline development has been achieved. This is 220 metres above plan, which is commendable given the ongoing challenges of COVID-19. Underground conveyor and tip equipping are progressing on plan, assisting development and stoping build-up. 7 stoping crews are currently operational. This will grow to 11 stoping crews by the end of F2021 and 14 stoping crews at steady state in F2023.

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

Development of declines at the Central Merensky module is in progress. Development had been delayed as part of group-wide capital trimming. Ore from the Central Merensky module, together with that of the North Merensky module will ultimately feed onto the North aerial rope conveyor. Earthworks and civil construction for the Central Merensky rope conveyor feed silo will continue during the coming year.

All earthworks and civil construction of the North feed silo, drive station and towers for the North aerial rope conveyor are complete. Mechanical construction started in January 2021, and the rope conveyor will be ready to start transporting ore during F2022. Ore from the North Merensky module will then be transported to the South concentrator, permitting the phase two ramp-up of North Merensky to approximately 50 000 oz 4E per year.

Access to the BS4 UG2 module has been established. Construction of shaft head infrastructure and primary development of strike drives was completed, despite temporary curtailment associated with capital trimming. This is the first phase of module development and will provide through access for services between the existing north and south decline systems. Decline development and stoping ramp-up will now progress to a steady state of around 25 000 oz 4E per year by F2023.

Concentrate handling and logistics upgrades are near completion at the South concentrator. A new truck access and loading facility is complete. This is necessary to handle PGM and chrome concentrate despatches as South mine ramps up. Studies surrounding increasing concentrator throughput, together with tailings handling have been advanced and outcomes are positive for further organic growth from South mine. Re-configuration of the South tailings storage facility is progressing well. This will enable capacity for life of South mine.

Overall, Booyssendal South mine has moved beyond the critical project phases and we look forward to stoping ramp-up over the coming two years.

The impact of COVID-19 on the project

The phased restart and curtailment of the Central Merensky and BS4 UG2 modules negatively impacted workflows of the Booyssendal South project. However, strong performance from development and equipping crews is mitigating these impacts.

Finalisation of surface infrastructure at the Central complex was impacted. However, this has had little effect due to this work being ahead of schedule. Surface infrastructure is now complete.

Earthworks and civil construction of the North aerial rope conveyor was prioritised during the phased restart. Mechanical construction using specialised crews from our Austrian supplier, Doppelmayr Transport Technology GmbH, was planned to commence during the reporting period, but, due to international travel restrictions, had to be rescheduled to commence in January 2021. This will delay commissioning by approximately 6 months, to the first half of F2022. Scheduling of build-up and ore stockpiling for the North Merensky mine has been consequently adjusted.

Booyssendal South on track. Focus shifting to underground ramp-up at the Central UG2 complex

Project update - Eland mine

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 in place. Two decline systems, Kukama and Nyala, accessed 3 mining levels on the UG2 Reef and were fully equipped. The mine hosts a Mineral Resource base of 19.3 Moz 4E, the majority of which resides within near-surface, thick, high grade UG2. Eland had been developed for mechanised bord and pillar mining, but this was not appropriate for the dip of the UG2 Reef.

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

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

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

Progress and significant milestones during the reporting period

Decline development has progressed. The decline system was reconfigured during F2020, such that the three decline barrels are located in stable norite rock of the immediate footwall to the UG2 Reef. In addition, decline conveyors and tips, together with mine water handling systems were extended to the bottom of the mine.

During the reporting period decline development of 746 metres was achieved. This is 134 metres above plan.

Strike tunnel development in the upper western portion of the mine has progressed, a reef raise was developed and stoping continued on the UG2 Reef as part of a planned early mining demonstration. This is designed to test and refine blasting, support and ore handling systems ahead of full mine stoping ramp-up. Tunnel development of an additional 3 strike drives commenced in January 2021, as part of the re-initiated mine ramp-up.

An agreement to purchase Maroelabult mine from Barplats Mines Proprietary Limited, a subsidiary of Eastern Platinum Limited, was entered into during the second half of F2020. Maroelabult lies immediately west of Kukama and strike tunnel development is in part aimed at connecting with the Maroelabult decline. This will enhance the provision of underground services, as well as build-up of mineable reserve.

Despite capital trimming, the decision to recommission the secondary concentrator circuit has enabled the mine to generate revenue, which is being used to continue reserve build-up. Commissioning of the primary circuit has commenced and will allow the treatment of run of mine ore from the next financial year. Mine planning, incorporating Maroelabult, is being progressed and will reduce lead time to steady state.

The impact of COVID-19 on the project

The decision at group level to reduce growth capital expenditure in the interest of cash preservation, led to the suspension of stoping build-up at Eland. Primary development of the declines and western strike drives continued, in order to minimise the impact on overall mine ramp-up. Stoping build-up is now re-initiated.

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

The sustainability of our business is dependent on the successful management and appropriate allocation of capital

Financial overview

Despite challenges faced as a result of the COVID-19 pandemic, the group has delivered a solid set of results.

As previously stated, we have been bold and proactive in returning value to shareholders during the period. As at 31 December 2020, Northam held 128 569 993 Zambezi preference shares, representing approximately 80.4% of all Zambezi preference shares in issue. Subsequent to this we have purchased a further 11 402 503 Zambezi preference shares, taking our holding to 87.5%.

Northam's acquisition of Zambezi preference shares will reduce the preference share dividend expense and liability included in Northam's consolidated financial results, as well as Northam's potential financial exposure under the guarantee it provided in favour of the holders of Zambezi preference shares. Furthermore, should Zambezi redeem the Zambezi preference shares through a distribution of ordinary shares in Northam held by Zambezi, then the redemption of the Zambezi preference shares held by Northam at such time will result in a distribution of Northam shares to Northam, thereby reducing the number of Northam shares in issue, effectively a share buy-back.

Apart from executing the final phase of our strategic journey, which is to return meaningful value to shareholders, we continue to deliver on our strategy of developing low-cost, long-life assets which are positioning the group for further strong financial performance even in subdued or potentially volatile commodity markets. The benefit of our growth strategy, initiated in 2015, is evidenced by some of the key financial features listed below:

Revenue for the interim period	Operating profit for the interim period	Net debt
R11.9 billion	R5.2 billion	R8.8 billion
		With net debt to EBITDA ratio at 1.07
Normalised headline earnings for the interim period	Profit after tax for the interim period	Return of shareholder value
R3.3 billion	R2.1 billion	87.5% ownership of Zambezi preference shares to date

Cautionary announcement

Northam and Zambezi have entered into discussions regarding a potential transaction to accelerate the maturity of the empowerment transaction concluded between Northam and Zambezi in May 2015, whilst maintaining Northam's Broad-Based Black Economic Empowerment (BEE) ownership.

The significant value created for all Northam shareholders from the transaction with Zambezi as well as Northam's current ownership of 87.5% of all Zambezi preference shares, together with the inherent share buy-back implied by this holding, provides a unique opportunity to unlock permanent value for our shareholders, whilst maintaining Northam's BEE ownership.

Northam has therefore taken the initiative to enter into proactive discussions with Zambezi with a view to secure a successful and sustainable outcome.

More information will be provided to the market in due course.

All free cash flow generated will be utilised to return value to shareholders – we will be bold and proactive in returning value to shareholders

Normalised headline earnings

Normalised headline earnings have been calculated taking into account the headline earnings adjusted for items relating to the 2015 Zambezi BEE transaction. These include the preference share dividends associated with the BEE financing structure as well as the loss on derecognition of the preference share liability.

Stripping out the impact of the BEE transaction resulted in normalised headline earnings increasing to R3.3 billion (31 December 2019: R1.9 billion and 30 June 2020: R3.4 billion), which equates to normalised headline earnings per share, based on the total number of 509 781 212 issued shares, of 641.5 cents (31 December 2019: 369.6 cents and 30 June 2020: 676.3 cents). This is an increase of 73.6%

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

	6 months ended 31 December 2020	6 months ended 31 December 2019	12 months ended 30 June 2020
	R000	R000	R000
Headline earnings	2 098 959	1 148 577	2 167 589
Add back:			
Amortisation of liquidity fees paid on preference shares	8 195	8 195	16 390
Preference share dividends	274 446	618 992	1 133 172
Loss on derecognition of preference share liability	888 484	108 148	130 628
Normalised headline earnings	3 270 084	1 883 912	3 447 779
Normalised headline earnings per share (cents)	641.5	369.6	676.3
Number of shares in issue including treasury shares	509 781 212	509 781 212	509 781 212
Earnings per share (cents)	599.9	328.0	620.0
Fully diluted earnings per share (cents)	531.0	328.0	584.7
Headline earnings per share (cents)	599.9	328.3	619.5
Fully diluted headline earnings per share (cents)	531.0	328.3	584.3
Dividends per share	–	–	–

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

Revenue

Sales volumes during the period under review were adversely affected by the impact of factors arising as a result of COVID-19, in particular the negative effect on metal transport logistics during the last quarter of the previous financial year. Previously reported production losses, together with logistical hurdles, including border closures, resulted in reduced metal volumes sent to Northam's refiner in Germany which created a refining backlog. This in turn impacted available metal for sale during the period under review, due to the restocking of the inventory pipeline. As a result of the varying refining lead times affecting individual PGMs, the impact was predominantly experienced in respect of rhodium.

The resultant lower contribution of rhodium to overall sales during the period, distorted the average realised basket price achieved during H1 F2021 and consequently reduced cash inflows reported during the period. Excess rhodium in the pipeline will be released in the ordinary course of business and the relative contribution of rhodium to sales is expected to normalise during the course of the remainder of the current financial year.

Despite the adverse COVID-19 related impact on sales volumes, sales revenue increased by 51.9% from R7.8 billion in H1 F2020 to R11.9 billion for the period under review. This increase is attributable to a 49.7% increase in the average 4E basket price to USD2 160/oz (H1 F2020: USD1 443/oz), a 9.0% weaker ZAR/USD exchange rate realised and a 4.4% decrease in total 4E ounces sold.

The average US dollar sales prices achieved during the period under review improved for all precious metals. Palladium and rhodium both performed well, increasing by 39.4% and 171.8% respectively, with rhodium continuing its upward trend subsequent to the period end.

Platinum however, making up roughly 60% of the volume of our precious metals 4E basket, continues to be the laggard. The average price achieved during the period was USD934/oz (H1 F2020: USD895/oz), which impacted the 4E basket price achieved. Platinum now only contributes 26.6% (H1 F2020: 37.0%) to the 4E basket. Any upward movement in the platinum price will have a positive impact on the profitability of the group.

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

	6 months ended 31 December 2020	6 months ended 31 December 2019	12 months ended 30 June 2020
	%	%	%
Platinum	26.6	37.0	28.0
Palladium	32.6	35.8	33.4
Rhodium	39.6	25.7	37.2
Gold	1.2	1.5	1.4
4E basket	100.0	100.0	100.0

It is expected that the minor metals such as iridium, which is part of the hydrogen metals of the future, will become a significant contributor to revenue going forward.

Chrome concentrate sold increased by 11.0% to 521 086 tonnes (H1 F2020: 469 642 tonnes), with an increase in the average price achieved, which resulted in an aggregate rand value of chrome concentrate sales increasing by 22.0% to R384.8 million (H1 F2020: R315.5 million).

Total revenue per platinum ounce sold increased by 53.8% from R39 864/Pt oz in H1 F2020 to R61 307/Pt oz for the period ended 31 December 2020.

Despite the continued impact of the COVID-19 pandemic on our business, the underlying operations have performed well

Cost of sales and operating profit margin

A 37.6% increase in cost of sales and a corresponding 51.9% increase in revenue, resulted in operating profit increasing from R3.0 billion in H1 F2020 to R5.2 billion for the period under review. This translates to an operating profit margin of 43.7% (H1 F2020: 37.8%).

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

- Mining costs increased by 30.6%. This is attributable to wage increases, an increase in the average number of employees and a 19.9% increase in square metres mined. With the startup of Booyssendal South and Eland, mining costs have been impacted by the fixed cost element during the ramp-up phase of these operations.
- Concentrating costs increased by 7.2% with the concentrators at Booyssendal South and 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 18.2% owing to both the increase in the electricity unit cost and the additional power consumption. Smelter costs are mainly driven by tonnes smelted which increased by 12% period on period.
- Chrome processing costs were 10.4% higher than the previous period, as a result of the increase in chrome concentrate tonnes produced which increased by 11.0% from 469 642 tonnes in H1 F2020 to 521 086 tonnes during the period under review.
- Selling and administration overheads increased by 7.7%. 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 50.4%, are based on a number of inputs, including the ratio between revenue generated from own operations and custom material, EBITDA and capital expenditure incurred. Zondereinde mine no longer pays royalties at the minimum royalty rate, and has no further unredeemed capital expenditure to set off against mining income from own operations. However, Booyssendal mine still paid royalties at the minimum royalty rate of 0.5% based on revenue generated from own operations and the significant amounts of capital expenditure incurred. Overall, the royalty charge increased in line with the increase in revenue generated from own operations, taking into account available unredeemed capital expenditure.
- Share-based payment expenses relate to expenses incurred in respect of the group's employee share plan. The share-based payment expenses take into account the number of outstanding performance and retention shares, which have increased in line with the increase in the number of qualifying employees, as well as the share price, which was the main contributor to the increase as a result of the higher share price at the period-end at R209.53 per share (H1 F2020: R123.62), representing a 69.5% increase.
- The Toro Employee Empowerment Trust expense relates to contributions made to the Toro Employee Empowerment Trust. The Toro Employee Empowerment Trust is an employee profit share scheme for Zondereinde employees based on 4% of after tax profit contributions from Zondereinde mine. During the period, contributions to the value of R134.6 million (H1 F2020: R47.8 million) accrued to the trust.
- The cost of concentrates, metals and recycling material purchased increased by 34.9% even though 4E volumes purchased decreased by 3.2%. The cost of purchased material is determined by ruling commodity prices.
- Refining costs, including sampling and handling charges, increased by 25.4%. Due to COVID-19, additional logistical handling costs, denominated in euros, were incurred to transport the metal to Germany. These costs, together with higher despatched volumes during the current period, especially those of ruthenium, which carries the highest refining cost, resulted in this increase.
- Depreciation increased with the increased capital base and additional capital expenditure incurred by the group.
- The change in metal inventory relates to a 25.5% increase in the volume of inventory as well as a 6.4% increase in the cost of production, capitalised to the balance sheet.

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

Taxation

Taxation is made up as follows:

	6 months ended 31 December 2020 R000	6 months ended 31 December 2019 R000	12 months ended 30 June 2020 R000
<i>Income tax</i>			
Current mining income tax charge	633 796	311 021	573 478
Current non-mining income tax charge	14 794	23 973	113 623
Adjustment in respect of current income tax of the previous period/year	(33)	19 352	18 775
<i>Dividend withholding tax</i>			
Current period/year withholding tax	76	108	201
Prior period/year withholding tax	–	–	(323)
<i>Deferred tax</i>			
Deferred tax charge	775 932	465 908	758 724
Total income tax expense reported in profit or loss	1 424 565	820 362	1 464 478

With the increased profitability of the group, the tax liability has increased.

Taxation is an annual event, and for the interim period, the first provisional tax payment is based on a conservative forecast for the full financial year. As a result, the group paid the largest tax payment in the history of the group, reason being the full utilisation of the unredeemed capital balance relating to Northam Platinum Limited, the statutory entity in which the Zondereinde mine is housed, together with the forecasted full utilisation of the unredeemed capital balance relating to Booyssendal Platinum Proprietary Limited. As at 31 December 2020, the group only had R839.8 million worth of unredeemed capital left at Booyssendal which is forecasted to be utilised in full during the coming financial year and hence a first provisional tax payment of R79.7 million was made relating to the Booyssendal mine. The utilisation of the unredeemed capital balance will depend on the profitability of Booyssendal Platinum Proprietary Limited, which is in turn dependent on achieved metal prices and exchange rates.

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

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

The utilisation of a deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of taxable temporary differences. Therefore, to be prudent, no deferred tax asset relating to the temporary difference of R336.7 million has been raised relating to Eland Platinum Proprietary Limited. In addition, no deferred tax asset has been raised relating to the US recycling operation.

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

Due to the increased profitability of the group, the single largest tax payment in the history of the group has been made during the period under review

Results commentary

Working capital

Working capital management remains a priority. Working capital is impacted by inventory levels, below is a reconciliation of equivalent refined metal ounces in the group:

	Own production	Purchased material	Total metal inventory
	oz	oz	oz
Opening balance 1 July 2020	191 804	28 368	220 172
Production from Zondereinde for the six months ended 31 December 2020	166 773	–	166 773
Production from Booyensdal for the six months ended 31 December 2020	165 864	–	165 864
Production from Eland for the six months ended 31 December 2020	20 104	–	20 104
Purchased material for the period under review	–	18 772	18 772
Unrealised metal losses	(130)	–	(130)
Sales	(292 113)	(23 207)	(315 320)
Closing balance as at 31 December 2020	252 302	23 933	276 235

The valuation of inventory was impacted by a 25.5% increase in metal volumes and a 6.4% increase in the cost of production.

The bulk of purchased material, together with inventory from Eland with a high carbon loading due to the material originating from ferrochrome mining surface sources, will only be processed in the next financial years (F2022 and F2023) and is therefore classified as non-current.

Cash flow and net debt

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

	6 months ended 31 December 2020	6 months ended 31 December 2019	12 months ended 30 June 2020
	R000	R000	R000
Cash flows from operating activities	3 144 590	2 033 332	6 387 775
Less capital expenditure incurred in cash during the period/year	(1 290 158)	(1 337 523)	(2 390 152)
Free cash flow generated during the period/year	1 854 432	695 809	3 997 623
Cash flow utilised in returning value to shareholders – acquisition of Zambezi Platinum (RF) Limited preference shares	(6 817 382)	(2 401 133)	(3 691 507)
Transaction fees paid on the acquisition of Zambezi Platinum (RF) Limited preference shares	(126 145)	(42 327)	(64 700)
(Increase in debt facilities)/residual free cash flow	(5 089 095)	(1 747 651)	241 416

The group generated R1.9 billion in free cash flow during the six months under review.

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

Adequate credit facilities are in place, through the available revolving credit facility (RCF), of R3.5 billion, of which R2.3 billion was utilised at the end of December 2020, together with the general banking facility (GBF), of R500.0 million, which was available in full. In addition, further funding is accessible by way of the Domestic Medium-Term Notes (DMTN) Programme of R15.0 billion, of which R7.1 billion had been placed at the period end.

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

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

	6 months ended 31 December 2020	6 months ended 31 December 2019	12 months ended 30 June 2020
	R000	R000	R000
Cash and cash equivalents	445 552	874 705	2 160 956
Domestic Medium-Term Notes issued net of transaction fees	(6 975 522)	(4 136 149)	(5 508 412)
Revolving credit facility utilised	(2 279 659)	(1 774 146)	–
General banking facility utilised	–	–	–
Net debt position	(8 809 629)	(5 035 590)	(3 347 456)
Rolling 12 month EBITDA	8 242 408	4 706 522	6 023 379
Net debt/EBITDA ratio	1.07	1.07	0.56

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

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

As part of these measures, the financial covenant parameters were also renegotiated with Nedbank Limited with regards to the RCF and relaxed up to and including 31 December 2021. The financial covenants were relaxed to buffer the group against unforeseen implications of the COVID-19 pandemic. As a result, the interest rate was updated to JIBAR plus 2.45% (31 December 2019 and 30 June 2020: JIBAR plus 2.1%), plus a utilisation fee of between 0.1% per annum and 0.5% per annum, depending on the amount of the RCF drawdown. The effective interest rate on the RCF therefore ranged between JIBAR plus 2.55% and JIBAR plus 2.95% (31 December 2019 and 30 June 2020: between JIBAR plus 2.2% and JIBAR plus 2.6%), depending on the amount of the drawdown.

The net debt position at the end of December 2020 takes the following into account:

	6 months ended 31 December 2020
	R000
Opening net debt position as at 1 July 2020	(3 347 456)
Cash flows from operating activities	3 144 590
Cash flows utilised in investing activities including the acquisition of property, plant and equipment	(1 294 277)
Cash flows from financing activities, which includes:	
Interest paid	(269 088)
Other financing activities including net foreign exchange differences on cash and cash equivalents	(99 871)
Return of value to shareholders – acquisition of Zambezi Platinum (RF) Limited preference shares	(6 817 382)
Transaction fees paid on the acquisition of Zambezi Platinum (RF) Limited preference shares	(126 145)
Net debt position as at 31 December 2020	(8 809 629)

The net debt position at 31 December 2020 takes into account R6.9 billion returned to shareholders by way of the purchase of Zambezi preference shares, financed by cash generated from operating activities, drawdown of the RCF and the issue of R1.5 billion worth of DMTNs.

Banking facilities

The group has a R3.5 billion RCF and R500.0 million GBF available from Nedbank Limited.

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

The RCF was drawn down at R2.3 billion at the period end, which was used to return value to shareholders and the GBF was undrawn at the period end.

Further financing is available through the DMTN Programme.

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

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

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

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

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

Appointment of debt officer

During the period under review in compliance with paragraph 6.39(a), read with paragraph 7.3(g) of the JSE Limited Debt Listings Requirements, AH Coetzee, Northam's chief financial officer, was appointed as Northam's debt officer.

Domestic Medium-Term Notes Programme (DMTN)

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

During the period under review Northam has updated the Previous Programme Memorandum to, inter alia, align with the latest regulations (including amendments to the JSE Limited Debt Listings Requirements), include more recent information pertaining to Northam and incorporate Booyssendal Platinum Proprietary Limited as guarantor. Refer to the related party note (note 30) 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, a copy of which is available on Northam's website (<https://www.northam.co.za/downloads/send/96-files/1324-northam-programme-memorandum-13112020>). The Amended and Restated Programme Memorandum has been approved by and registered with the JSE Limited.

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

The Amended and Restated Programme Memorandum will apply 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.

During the period under review, DMTNs to the value of R1.5 billion were issued to purchase Zambezi preference shares in order to return value to shareholders and R5.1 million worth of DMTNs were settled upon maturity.

Below is a summary of Northam's DMTN debt maturity profile. The timeline illustrates the capital portion of DMTNs maturing in each financial year until F2025. A total of R3.3 billion of DMTNs will mature by the end of the coming financial year. The R3.5 billion RCF and R500.0 million GBF are excluded from the maturity profile below as these facilities could be refinanced as they mature.

F2021		F2022		F2023	F2024	F2025
Feb 2021 R2.8 million	April 2021 R123.4 million	Nov 2021 R1.9 billion	Apr 2022 R241.2 million	May 2023 R1.3 billion	Nov 2023 R132.0 million	Dec 2024 R500.0 million
May 2021 R1.4 million		May 2022 R518.0 million	June 2022 R522.6 million		May 2024 R840.0 million	May 2025 R1.0 billion
R127.6 million		R3.2 billion		R1.3 billion	R972.0 million	R1.5 billion
Notes outstanding						
R7.0 billion		R3.8 billion		R2.5 billion	R1.5 billion	RNil

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

Results commentary

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

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

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

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

Should the preference share liability be redeemed through Northam shares held by Zambezi, a 10% liquidity discount will apply as stipulated in the preference share terms.

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

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

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

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

Below is the net asset value of Zambezi:

	6 months ended 31 December 2020 R000	6 months ended 31 December 2019 R000	12 months ended 30 June 2020 R000
Investment held by Zambezi Platinum (RF) Limited in Northam	33 504 990	19 767 512	18 581 014
Cash and cash equivalents together with accrued interest	506	503	502
Preference share liability included in Zambezi Platinum (RF) Limited	(13 222 471)	(11 871 627)	(12 592 218)
Deferred tax liability relating to capital gains tax payable by Zambezi Platinum (RF) Limited	(6 036 546)	(2 959 351)	(2 693 575)
South African Revenue Service liability	–	(10)	–
Net asset value of Zambezi Platinum (RF) Limited	14 246 479	4 937 027	3 295 723
Number of Northam Platinum Limited ordinary shares held by Zambezi Platinum (RF) Limited	159 905 453	159 905 453	159 905 453
Northam Platinum Limited closing share price at period/year-end (share code: NHM)	R209.53	R123.62	R116.20
Investment held by Zambezi Platinum (RF) Limited in Northam Platinum Limited (R000)	33 504 990	19 767 512	18 581 014

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

Below is a reconciliation of the accrued dividends as per the Zambezi preference share liability relating to Zambezi, the amount recognised in profit or loss, and the impact that the purchases of the Zambezi preference shares have on the results of Northam:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Accrued preference share dividends relating to Zambezi Platinum (RF) Limited	630 253	712 259	1 432 850
Less preference share dividends accrued to Northam with regards to the preference shares held by Northam	(355 807)	(93 267)	(299 678)
Preference share dividends per the statement of profit or loss and other comprehensive income	274 446	618 992	1 133 172

Below is a summary of the number of Zambezi preference shares held by Northam:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
Total Zambezi preference shares in issue	159 905 453	159 905 453	159 905 453
Number of Zambezi preference shares held by Northam at period/year-end	128 569 993	36 688 840	53 595 254
Residual Zambezi preference shares held in the open market	31 335 460	123 216 613	106 310 199
Percentage holding by Northam	80.4%	22.9%	33.5%

Subsequent to the period ended 31 December 2020, Northam acquired an additional 11 402 503 Zambezi preference shares in the open market, increasing Northam's percentage holding to 87.5%.

Results commentary

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

Northam's closing share price as at
31 December 2020

R209.53/share

ZPLP face value as at
31 December 2020

R82.69/preference share

Cover ratio

2.53 times

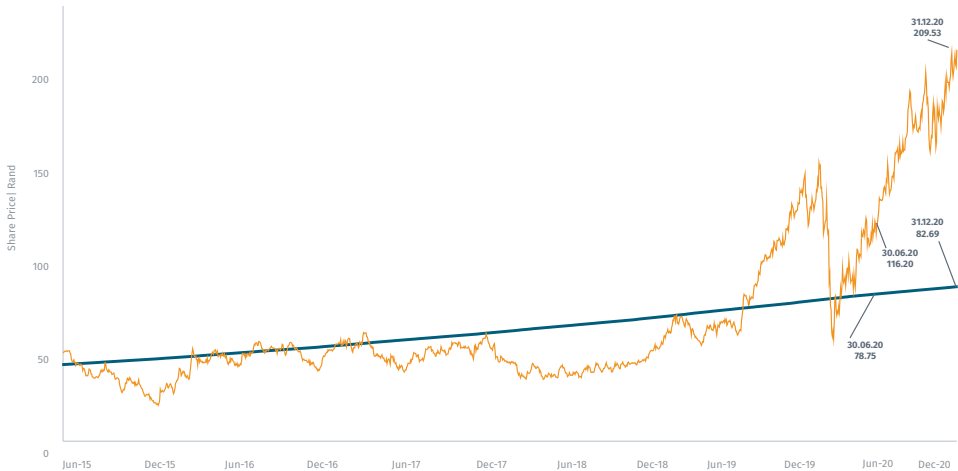
Northam's CAGR since 18 May 2015 to
31 December 2020

30.30%

ZPLP average preference share dividend rate

13.24%

The below chart illustrates the movement in Northam's share price since inception of the BEE transaction on 18 May 2015 versus the face value of Zambezi preference shares until the period end, 31 December 2020:



Appreciation in the Northam share price has realised value for Zambezi

Capital allocation and returning value to shareholders

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

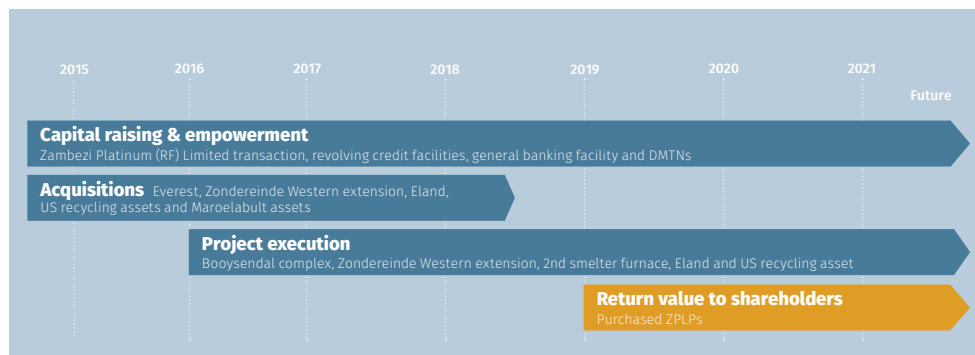
Mining is a capital intensive business with relatively long time horizons. Commodity prices follow shorter period cyclical patterns. Therefore, capital allocation planning requires consideration of both short and long-term technical planning as well as of the global economic outlook and cyclical commodity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

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

Our strategy is based on a belief in the metals we produce

The Northam strategy is based on four phases:

- Firstly, capital raising and solving for empowerment with the execution of the Zambezi Platinum (RF) Limited BEE transaction in 2015;
- Secondly, acquisitions of both bolt-on assets as well as new operations;
- Thirdly, project execution – which is ongoing; and
- Lastly, but most importantly, the return of meaningful value to our shareholders, which has commenced in earnest.



Project execution

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

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

R12.2 billion	R1.8 billion	R918.1 million
Invested in Northam's production growth since F2015	Of which was invested on acquisitions since F2015	Invested in the execution of the group's growth strategy during the period under review

We have already started to see the benefits of growth and this has enabled us to move into the fourth and final strategic phase, which is to return value to our shareholders.

Results commentary

Returning meaningful value to our shareholders.

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

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

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

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

Every Zambezi preference share purchased in the market therefore mitigates risks for shareholders at the end of the 10-year lock in period, which ends in May 2025.

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

	6 months ended 31 December 2020	6 months ended 31 December 2019	12 months ended 30 June 2020
Number of Zambezi preference shares held by Northam at period/year-end	128 569 993	36 688 840	53 595 254
Total Zambezi preference shares in issue	159 905 453	159 905 453	159 905 453
Percentage holding by Northam at the period/year-end	80.4%	22.9%	33.5%
Redemption price plus accumulated preference share dividends per Zambezi preference share at period/year-end*	R82.69	R74.24	R78.75
Zambezi preference share (code ZPLP) closing share price	R93.25	R84.50	R81.00

*Rounded to the nearest cent

As at 31 December 2020, Northam held 128 569 993 Zambezi preference shares, representing 80.4% of all Zambezi preference shares in issue.

Achieving more than 80% ownership of the Zambezi preference shares represents a significant step in the pursuit of the company's previously stated intention of accelerating the maturity of the empowerment transaction concluded between Northam and Zambezi in May 2015, as announced on 2 November 2020.

During the period under review, Northam has returned R6.9 billion to shareholders by way of purchases of Zambezi preference shares and the average premium paid on these purchases has been 8.4% (expressed as a percentage to face value which comprises the capital amount and all accrued Zambezi preference share dividends, calculated on the date of each acquisition).

Below are a number of key features with regards to value that has been returned to shareholders:

R10.9 billion

Return of value to shareholders up to
31 December 2020

R6.9 billion

Returned to shareholders during the period
under review

80.4%

Zambezi preference shareholding as at
31 December 2020

Subsequent to the period ended 31 December 2020, Northam acquired an additional 11 402 503 Zambezi preference shares in the open market, increasing Northam's percentage holding to 87.5%.

R12.1 billion

Return of value to shareholders to date

R8.1 billion

Return of value to shareholders during F2021,
thus far

87.5%

Current Zambezi preference shareholding

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

Dividends and other means of returning value to shareholders

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

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

On 2 November 2020, Northam shareholders were advised that Northam and Zambezi have entered into discussions regarding a potential transaction to accelerate the maturity of the empowerment transaction concluded between Northam and Zambezi in May 2015, whilst maintaining Northam's BEE ownership.

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

During the period under review, Northam returned value to shareholders by acquiring 74 974 739 Zambezi preference shares for R6.9 billion, and continues to purchase Zambezi preference shares in the open market. Subsequent to the reporting period, Northam acquired a further 11 402 503 Zambezi preference shares in the open market, increasing Northam's shareholding to 87.5%.

The board has therefore resolved not to declare an interim dividend for the current period (31 December 2019 and 30 June 2020; R Nil per share).

The significant value created for all Northam shareholders from our empowerment transaction with Zambezi, as well as Northam's current ownership of 87.5% of Zambezi preference shares and the inherent share buy-back implied by this holding, provides a unique opportunity to unlock permanent value for our shareholders

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.

Changes to the board of directors

During the period under review, Mr R Havenstein retired after serving as a director for 17 years.

Mr GT Lewis replaced Mr R Havenstein who retired after the annual general meeting (AGM) held on Friday, 27 November 2020.

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

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

Northam published a cautionary announcement on SENS on Monday, 2 November 2020 which was renewed on 14 December 2020 and on 28 January 2021, and again on 11 March 2021, wherein shareholders were advised, inter alia, that Northam and Zambezi have entered into discussions regarding a potential transaction to accelerate the maturity of the empowerment transaction concluded between Northam and Zambezi in May 2015, whilst maintaining Northam's BEE ownership (potential transaction). Mr KB Mosehla has proactively informed shareholders at the AGM on 27 November 2020, of his notice to the board of Northam to retire as chairperson of the board and as a director of Northam with effect from the earlier of (i) the date upon which all approvals have been obtained in respect of the possible transaction or (ii) 30 June 2021, which will allow the company to implement a well-planned and well-structured transition insofar as the future composition of the board is concerned, to be accompanied by an orderly hand over of the duties of the chairperson to his successor. The process of appointment of a new chairperson will be initiated by the board, without the participation of directors who hold interests in Zambezi, and shall be overseen by the lead independent director, Mr DH Brown.

In addition, shareholders did not re-elect Mr CK Chabedi as a director and he retired from office as a director at the conclusion of the AGM.

Corporate governance

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

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.

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

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

The composition of the various board committees will be reviewed and restructured together with a full review of the various charters and mandates during 2021.

Annual independence evaluations are conducted for all directors.

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

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

For full details with regards to Northam's corporate governance refer to the website for the full report, prepared for the year ended 30 June 2020.

Audit and risk committee report

The audit and risk committee assists the board in fulfilling its oversight responsibilities relating to; the safeguarding of assets, the operation of adequate risk management and internal control processes, compliance with laws and regulations and the preparation of financial statements in compliance with all applicable legislation and regulations.

The responsibilities of the audit and risk committee are in terms of the mandate of the audit and risk committee as defined in section 94(7) of the Companies Act, the JSE Limited Listings Requirements and the audit and risk committee charter, which is available at www.northam.co.za/governance/policies-and-procedures

There were no changes to the audit and risk committee composition during the period under review.

The independence of the audit and risk committee is key to its effective functioning, whilst ensuring that it does not assume the functions of management. As part of its mandate, it has the authority to investigate matters within the scope of its defined responsibility and to request information or explanations necessary for the performance of its functions.

Areas of focus during the period – significant review matters

The audit and risk committee focused on the significant review matters identified for the period under review as well as the associated risks and responses thereto.

Below are a number of the specific focus areas considered by the audit and risk committee during the period under review;

- financial reporting with regards to the condensed reviewed interim financial results for the six month period ended 31 December 2020;
- significant accounting judgements and estimates disclosed in the condensed reviewed interim financial results; and
- considering new standards, interpretations and amendments to standards in issue that are not yet adopted, but are likely to affect the financial reporting in future years and disclosed therefore in the condensed reviewed interim financial results.

Impact of COVID-19 on the interim review

The impact of the COVID-19 pandemic influenced the way in which the ISRE 2410 review procedures had to be executed. Due to social distancing, the majority of the review was done off site with the EY team given full access to Northam's Enterprise Resources Planning (ERP) system, SAP S4/Hana.

Continuous communication between the external auditor, management and those charged with governance ensured that the review was appropriately planned and executed in the most effective way possible under the current circumstances.

Below are a number of specific focus areas which have been impacted by the COVID-19 pandemic:

- the real and potential impacts of the COVID-19 pandemic have been specifically considered as part of the going concern assessment performed by the group;
- the committee considered the group's impairment assessments and specific consideration was given to the real and potential impacts of the COVID-19 pandemic;
- the committee considered the valuation of inventory and noted that all inventory was valued at the lower of cost and net realisable value; and
- the utilisation of a deferred tax asset is dependent on future taxable profits in excess of profits arising from the reversal of taxable temporary differences. The audit and risk committee noted that prudently no deferred tax asset relating to the temporary differences have been raised relating to Eland Platinum Proprietary Limited or the US recycling operations.

The audit and risk committee evaluated the condensed reviewed interim financial results for the period ended 31 December 2020 and concluded that these comply, in all material respects, with the requirements of the Companies Act, International Financial Reporting Standards (IFRS), and the JSE Limited Listings Requirements. The audit and risk committee therefore recommended the approval of the condensed reviewed interim financial results to the board.

Results commentary

Internal controls and risk management

The audit and risk committee is responsible for reviewing the effectiveness of systems for internal control, financial reporting and risk management, and for considering the findings of any major internal investigations into control weaknesses, fraud or misconduct, and management's response thereto.

The audit and risk committee is of the opinion that the internal controls of the group are effective in all material respects, appropriate financial reporting procedures are in place and these procedures and controls operated throughout the period under review.

This included consideration of all entities within the group's IFRS financial results.

Assessment of the independence and quality of the external auditor, EY, and the designated individual audit partner

The audit and risk committee is responsible for the appointment, compensation and oversight of the external auditor for the group.

EY has been the group's external auditor for 37 years. The designated individual audit partner rotates every five years, with Ebrahim Dhorat being appointed as the current audit partner from the financial year ended 30 June 2018.

EY has a number of safeguards to ensure that all members of the audit team are independent.

The audit and risk committee has considered the independence of the external auditors and, after due assessment, is satisfied that the external auditor, EY, and the designated individual partner, Ebrahim Dhorat, are appropriately accredited and independent.

Non-audit services

A formal policy regarding the approval of all non-audit services is in place. The committee reviews all non-audit services to ensure that the various related fees are within the approved limits and that the external auditor's independence is not jeopardised as a result of non-audit services provided.

The audit and risk committee has received the necessary representation from the external auditor. The audit and risk committee, based on their assessment of the independence and effectiveness of the external auditor, EY, did not note any significant findings or considerations to indicate that the external auditor is not independent or that the services provided by them have not been effective and robust.

Conclusion

The audit and risk committee is satisfied that it has considered and discharged its responsibilities in line with its charter, statutory responsibilities as set out in section 94(7) of the Companies Act, the JSE Limited Listings Requirements and King IV™ during the period under review.

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 of the global economic outlook and cyclical commodity price variance. This manifests in conservative long-term price estimates and the incorporation of sensitivity analysis to increase confidence in financial viability even during depressed market conditions, as well as to moderate increasing estimate uncertainty over time.

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

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

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

- reduced production due to work stoppages;
- reduced sales demand;
- potentially lower sales volume;
- poorer commodity prices; and
- lower liquidity in the debt market; which reduces the availability, as well as increases the cost of debt.

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

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

- Reducing planned capital expenditure through the suspension or slowing of a number of our expansion projects. This was enacted in April 2020, during a period of significant uncertainty. Market certainty has subsequently improved and thus, all suspended or slowed capital projects were reinstated during the current period. We adopted a modular approach to the development of these projects and this allowed us to timeously adapt without significantly compromising current cost benefits or future optionality.
- Reducing group operational unit costs by preferentially growing production at the lower cost, mechanised, Booysendal mine.
- Substantially slowing US recycling operations as this significantly reduces associated working capital requirements. The company will however review this position going forward.
- Increasing the DMTN Programme from R10.0 billion to R15.0 billion.
- Maintaining the RCF of R3.5 billion and the GBF of R500.0 million, both these facilities are with Nedbank.

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

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

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

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

On behalf of the board,

KB Mosehla
Chairman

PA Dunne
Chief executive officer

Johannesburg
16 March 2021

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.

Consolidated statement of profit or loss and other comprehensive income

		Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
		R000	R000	R000
Sales revenue	3	11 884 898	7 824 901	17 811 971
Cost of sales		(6 693 239)	(4 865 358)	(12 510 983)
Operating costs	4	(6 779 434)	(5 196 329)	(9 931 934)
Concentrates purchased		(801 329)	(593 836)	(2 460 302)
Refining and other costs		(108 560)	(86 552)	(178 718)
Depreciation and write-offs	11 & 12	(414 105)	(337 379)	(626 152)
Change in metal inventory	16	1 410 189	1 348 738	686 123
Gross profit		5 191 659	2 959 543	5 300 988
Share of earnings from associate	13	1 305	4 362	16 358
Investment income	5	28 682	39 671	119 220
Finance charges excluding preference share dividends	6	(331 434)	(191 544)	(602 595)
Net foreign exchange transaction (losses)/gains		(85 935)	(12 969)	84 765
Sundry income	7	57 876	62 945	238 903
Sundry expenditure	8	(167 432)	(158 711)	(243 787)
Profit before preference share dividends		4 694 721	2 703 297	4 913 852
Amortisation of liquidity fees paid on preference shares	20	(8 195)	(8 195)	(16 390)
Preference share dividends	20	(274 446)	(618 992)	(1 133 172)
Loss on derecognition of preference share liability	20	(888 484)	(108 148)	(130 628)
Profit before tax		3 523 596	1 967 962	3 633 662
Tax	9	(1 424 565)	(820 362)	(1 464 478)
Profit for the period/year		2 099 031	1 147 600	2 169 184

Other comprehensive income

Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):

Exchange differences on translation of foreign operations	(15 724)	36	24 331
Total comprehensive income for the period/year	2 083 307	1 147 636	2 193 515

		Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
Earnings per share (cents)	10	599.9	328.0	620.0
Fully diluted earnings per share (cents)	10	531.0	328.0	584.7

Condensed reviewed interim financial results

Consolidated statement of financial position

		Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
		R000	R000	R000
Assets				
Non-current assets		25 656 545	22 874 019	24 299 715
Property, plant and equipment	11	17 459 187	15 756 250	16 522 533
Mining properties and Mineral Resources	12	6 620 147	6 687 677	6 663 425
Investment held in escrow		–	16 841	–
Interest in associate	13	63 356	50 661	62 657
Land and township development		71 729	86 834	75 967
Long-term receivables	14	83 550	84 067	82 232
Investments held by Northam Platinum Restoration Trust Fund	19	133 230	125 014	128 732
Environmental Guarantee investment		62 125	52 381	62 953
Buttonshope Conservancy Trust		16 416	14 180	15 850
Long-term prepayments	15	–	114	–
Other financial assets	24	–	–	23 084
Non-current inventories	16	1 146 805	–	662 282
Current assets		5 953 739	6 694 356	6 367 790
Inventories	16	4 701 372	5 142 961	3 744 313
Trade and other receivables	17	721 232	669 227	456 494
Cash and cash equivalents	18	445 552	874 705	2 160 956
Tax receivable		85 583	7 463	6 027
Total assets		31 610 284	29 568 375	30 667 505

		Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
		R000	R000	R000
Equity and liabilities				
Total equity		11 733 622	8 604 436	9 650 315
Stated capital		13 778 114	13 778 114	13 778 114
Treasury shares		(6 556 123)	(6 556 123)	(6 556 123)
Retained earnings		3 617 586	496 971	1 518 555
Foreign currency translation reserve		19 597	11 026	35 321
Equity settled share-based payment reserve		874 448	874 448	874 448
Non-current liabilities		14 102 065	17 292 246	16 639 103
Deferred tax liability		2 953 249	1 884 501	2 177 317
Long-term provisions	19	760 041	711 965	729 327
Preference share liability	20	2 518 715	9 059 009	8 291 117
Long-term loans	21	122 815	133 050	130 533
Lease liability		71 871	67 863	64 361
Long-term share-based payment liability	22	464 139	272 904	354 363
Domestic Medium-Term Notes	23	4 931 576	3 388 808	4 892 085
Revolving credit facility	24	2 279 659	1 774 146	–
Current liabilities		5 774 597	3 671 693	4 378 087
Current portion of long-term loans	21	28 472	33 837	28 472
Current portion of lease liability		13 888	17 293	16 261
Current portion of Domestic Medium-Term Notes	23	2 043 946	747 341	616 327
Short-term share-based payment liability	22	356 868	179 347	183 029
Tax payable		162 991	201 829	229 628
Trade and other payables	25	2 730 492	2 175 997	2 939 251
Provisional pricing derivatives	26	5 615	5 703	–
Short-term provisions		432 325	310 346	365 119
Total equity and liabilities		31 610 284	29 568 375	30 667 505

Condensed reviewed interim financial results

Consolidated statement of changes in equity

	Stated capital	(Accumulated loss)/retained earnings	Equity settled share-based payment reserve	Foreign currency translation reserve*	Total
	R000	R000	R000	R000	R000
Opening balance as at 1 July 2019	7 221 991	(650 629)	874 448	10 990	7 456 800
Total comprehensive income for the period	–	1 147 600	–	36	1 147 636
Profit for the period	–	1 147 600	–	–	1 147 600
Other comprehensive income for the period	–	–	–	36	36
Balance as at 31 December 2019	7 221 991	496 971	874 448	11 026	8 604 436
Total comprehensive income for the period	–	1 021 584	–	24 295	1 045 879
Profit for the period	–	1 021 584	–	–	1 021 584
Other comprehensive income for the period	–	–	–	24 295	24 295
Balance as at 30 June 2020	7 221 991	1 518 555	874 448	35 321	9 650 315
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	874 448	19 597	11 733 622

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

Consolidated statement of cash flows

		Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
		R000	R000	R000
Cash flows from operating activities		3 144 590	2 033 332	6 387 775
Profit before tax		3 523 596	1 967 962	3 633 662
Adjusted for the following non-cash items as well as disclosable items				
Depreciation and write-offs	11 & 12	414 124	337 379	626 194
Changes in provisions		67 206	44 816	106 315
Changes in long-term receivables		(1 318)	1 469	3 304
Investment income	5	(28 682)	(39 671)	(119 220)
Finance charges excluding preference share dividends	6	331 434	191 544	602 595
Preference share dividends	20	274 446	618 992	1 133 172
Loss on derecognition of preference share liability	20	888 484	108 148	130 628
Amortisation of liquidity fees paid on preference shares	20	8 195	8 195	16 390
Movement in share-based payment liability		283 615	204 691	289 832
Share of earnings from associate	13	(1 305)	(4 362)	(16 358)
Dividends received from associate	13	606	-	-
Profit on sale of property, plant and equipment		(100)	(704)	(4 276)
Impairment of property, plant and equipment	11	-	2 061	2 061
Net foreign exchange difference		84 825	12 969	(106 133)
Amortisation of security of supply contribution	21	(11 886)	(12 219)	(22 777)
Other		-	(12 411)	(13 782)
Change in working capital		(1 936 079)	(1 237 265)	519 596
Movement relating to land and township development		4 238	(15 420)	(4 553)
Interest income received		34 746	35 288	103 847
Dividend income received		3 271	1 347	8 820
Tax paid		(794 826)	(179 477)	(501 542)

Condensed reviewed interim financial results

		Reviewed 6 months ended 31 December 2020 R000	Reviewed 6 months ended 31 December 2019 R000	Audited 12 months ended 30 June 2020 R000
Cash flows utilised in investing activities		(1 294 277)	(1 352 900)	(2 400 824)
Property, plant, equipment, mining properties and Mineral Reserves				
Additions to maintain operations		(380 459)	(200 530)	(382 216)
Additions to expand operations		(909 699)	(1 136 272)	(2 007 177)
Disposal proceeds		117	857	4 681
Investment held in escrow		-	-	16 841
Amounts paid in terms of long-term prepayments	15	-	(721)	(759)
Refunds received on the cancellation of the Environmental Guarantee investment policy		828	-	-
Payments made relating to the investments held by the Environmental Guarantee investment		-	(10 338)	(20 910)
Increase in investments held by the Northam Platinum Restoration Trust Fund	19	(4 498)	(4 934)	(8 652)
Increase in investment held by the Buttonsheope Conservancy Trust		(566)	(962)	(2 632)
Cash flows from financing activities		(3 487 076)	(756 042)	(2 878 025)
Interest paid		(269 088)	(247 419)	(588 364)
Drawdown on general banking facility	18	-	500 000	-
Repayment of general banking facility	18	-	(500 000)	-
Drawdown on revolving credit facility	24	3 750 000	2 000 000	4 800 000
Repayment of revolving credit facility	24	(1 450 000)	(2 350 000)	(6 950 000)
Issue of Domestic Medium-Term Notes	23	1 988 067	2 350 000	6 266 200
Repayment of Domestic Medium-Term Notes	23	(5 100)	-	(215 000)
Domestic Medium-Term Notes settled as part of note switches	23	(492 100)	-	(2 235 451)
Transaction fees paid on revolving credit facility and Domestic Medium-Term Notes	23 & 24	(56 684)	(61 327)	(182 467)
Repayment of principal portion of lease liabilities	29	(8 644)	(3 836)	(16 736)
Acquisition of Zambezi Platinum (RF) Limited preference shares	20	(6 817 382)	(2 443 460)	(3 691 507)
Transaction fees paid on the acquisition of Zambezi Platinum (RF) Limited preference shares	20	(126 145)	-	(64 700)
(Decrease)/increase in cash and cash equivalents		(1 636 763)	(75 610)	1 108 926
Net foreign exchange difference on cash and cash equivalents		(78 641)	-	101 715
Cash and cash equivalents at the beginning of the period/year		2 160 956	950 315	950 315
Cash and cash equivalents at the end of the period/year	18	445 552	874 705	2 160 956

Notes to the condensed reviewed interim financial results

1. Accounting policies and the basis of preparation

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

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

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

The adoption of all standards, amendments or interpretations had no impact on the condensed interim financial results.

Definition of a Business – Amendments to IFRS 3

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

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

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

Definition of Material – Amendments to IAS 1 and IAS 8

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

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

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

The amendments must be applied prospectively. The amendment is effective for annual periods beginning on or after 1 January 2020.

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

Conceptual Framework for Financial Reporting

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

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

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

This revision did not have a material impact on the group.

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

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

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

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

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

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

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

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

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

There is no transition relief for first-time adopters.

The impact on the group is still being assessed.

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

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

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

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

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

Northam notes the new standards, amendments and interpretations which have been issued but not yet effective and does not plan to early adopt any of the standards, amendments and interpretations. There are no other standards 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.

2. Segmental analysis

The group has four operating segments, 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.

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

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

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

Zambezi Platinum (RF) Limited (Zambezi) has been included in the 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 various subsidiaries as well as the capitalisation of borrowing costs.

No segments were aggregated.

All assets of the group are South African based assets, except for assets held by the US recycling operations amounting to R125.9 million (31 December 2019: R135.8 million and 30 June 2020: R152.8 million).

Segmental statement of profit or loss and other comprehensive income

	Zonderende operating segment		Booyseind 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	R000	R000	R000	R000	R000	R000	R000	R000
Sales revenue	11 635 710	7 424 399	690 748	24 343	(7 880 302)	-	-	-	-	-	-	-	-	-	11 884 898	-
Cost of sales	(8 976 570)	(3 064 543)	(661 616)	(36 128)	6 063 714	-	-	-	-	-	-	-	-	-	(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)	-	-	-	-	-	-	-	-	-	-	(763 775)	-
Smelting and base metal removal plant costs	(422 380)	-	-	-	-	-	-	-	-	-	-	-	-	-	(422 380)	-
Chrome processing	(6 123)	(14 303)	(9 875)	-	-	-	-	-	-	-	-	-	-	-	(30 301)	-
Selling and administration	(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 purchased	(8 069 462)	(451 722)	(149 191)	(21 256)	7 880 302	-	-	-	-	-	-	-	-	-	(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	-	-	-	-	-	-	-	-	-	(414 05)	-
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)	-	-	-	-	-	-	-	-	-	5 191 659	-
Share of earnings from associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 305	-
Investment income	412 164	2 670	484	-	(391 573)	8	-	-	-	-	-	-	-	-	4 929	-
Finance charges excluding preference share dividends	(324 006)	(12 094)	(49 769)	(1 440)	35 765	-	-	-	-	-	-	-	-	-	20 110	-
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)	-	-	-	-	-	-	-	-	(167 432)	-
Profit/(loss) before 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 preference shares	-	-	-	-	(8 195)	-	-	-	-	-	-	-	-	-	(8 195)	-
Preference share dividends	-	-	-	-	355 807	(630 253)	-	-	-	-	-	-	-	-	(274 446)	-
Loss on derecognition of 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	-

Segmental statement of profit or loss and other comprehensive income

	Zondereinde operating segment		Boysensdal operating segment		Eland operating segment		US recycling operating segment		Intercompany eliminations		Platinum (RF) Limited		Other		Total
Reviewed 6 months ended 31 December 2019	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000
Sales revenue	7 612 803	3 174 339	3 174 339	311 763	81 134	(3 354 938)	-	-	-	-	-	-	-	-	7 824 901
Cost of sales	(5 781 365)	(1 990 798)	(1 990 798)	(312 675)	(90 148)	3 309 628	-	-	-	-	-	-	-	-	(4 865 358)
Operating costs	(3 169 840)	(1 671 541)	(346 642)	(8 406)	-	-	-	-	-	-	-	-	-	-	(5 196 329)
Mining operations	(2 087 746)	(1 107 693)	(191 554)	-	-	-	-	-	-	-	-	-	-	-	(3 386 993)
Concentrator operations	(221 145)	(338 809)	(143 324)	(8 406)	-	-	-	-	-	-	-	-	-	-	(711 684)
Smelting and base metal removal plant costs	(357 235)	-	-	-	-	-	-	-	-	-	-	-	-	-	(357 235)
Chromite processing	(3 723)	(13 431)	(10 300)	-	-	-	-	-	-	-	-	-	-	-	(27 454)
Selling and administration	(66 520)	(66 987)	-	-	-	-	-	-	-	-	-	-	-	-	(132 507)
Royalty charges	(133 059)	(15 006)	(178)	-	-	-	-	-	-	-	-	-	-	-	(148 243)
Carbon tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based payment expenses and profit share scheme	(301 212)	(129 715)	(1 286)	-	-	-	-	-	-	-	-	-	-	-	(432 213)
Concentrates purchased	(3 768 944)	(120 393)	-	-	(59 437)	3 354 938	-	-	-	-	-	-	-	-	(593 836)
Refining including sampling and handling charges	(86 552)	-	-	-	-	-	-	-	-	-	-	-	-	-	(86 552)
Depreciation and write-offs	(108 215)	(212 017)	(13 092)	(13 092)	(4 921)	866	-	-	-	-	-	-	-	-	(337 379)
Change in metal inventory	1 351 986	13 253	47 059	(17 384)	(46 176)	-	-	-	-	-	-	-	-	-	1 348 738
Operating profit/(loss)	1 831 238	1 183 541	(912)	(9 014)	(45 310)	-	-	-	-	-	-	-	-	-	2 959 543
Share of earnings from associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4 362
Investment income	179 551	3 312	129	-	(150 286)	16	-	-	-	-	-	-	-	-	39 671
Finance charges excluding preference share dividends	(296 047)	(29 995)	(54 127)	(2 102)	57 019	-	-	-	-	-	-	-	-	-	(191 544)
Net foreign exchange transaction gains/(losses)	(12 083)	(79)	(807)	-	-	-	-	-	-	-	-	-	-	-	(12 969)
Sundry income	50 684	3 330	38	39	(10 334 590)	10 333 090	-	-	-	-	-	-	-	-	62 945
Sundry expenditure	(140 221)	(7 013)	(8 323)	-	1 500	(4 653)	(1)	-	-	-	-	-	-	-	(158 711)
Profit/(loss) before preference share dividends	1 613 132	1 153 096	(63 195)	(11 884)	(10 471 667)	10 333 105	150 710	-	-	-	-	-	-	-	2 703 297
Amortisation of liquidity fees paid on preference shares	-	-	-	-	(8 195)	-	-	-	-	-	-	-	-	-	(8 195)
Preference share dividends	-	-	-	-	93 267	(712 259)	-	-	-	-	-	-	-	-	(618 992)
Loss on derecognition of preference share liability	-	-	-	-	(108 148)	-	-	-	-	-	-	-	-	-	(108 148)
Profit/(loss) before tax	1 613 132	1 153 096	(63 195)	(11 884)	(10 494 743)	9 620 846	150 710	-	-	-	-	-	-	-	1 967 962
Tax	(463 781)	(329 210)	289	-	2 327 299	(2 314 617)	(40 342)	-	-	-	-	-	-	-	(820 362)
Profit/(loss) for the period	1 149 351	823 886	(62 906)	(11 884)	(8 167 444)	7 306 229	110 368	-	-	-	-	-	-	-	1 147 600

Segmental statement of profit or loss and other comprehensive income

	Zondereinde operating segment		Boysensdal operating segment		Eland operating segment		US recycling operating segment		Intercompany eliminations		Zambezi Platinum (RF) Limited		Other		Total
Audited 12 months ended 30 June 2020	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000
Sales revenue	17 395 605	6 430 649	1 010 877	98 382	—	—	—	—	—	—	—	—	—	—	17 811 971
Cost of sales	(14 341 311)	(3 798 068)	(849 620)	(112 827)	—	—	—	—	—	—	—	—	—	—	(12 510 983)
Operating costs	(5 828 951)	(3 301 103)	(784 356)	(17 524)	—	—	—	—	—	—	—	—	—	—	(9 931 934)
Mining operations	(4 008 126)	(2 350 782)	(498 136)	—	—	—	—	—	—	—	—	—	—	—	(6 857 944)
Concentrator operations	(398 591)	(604 720)	(263 527)	(17 524)	—	—	—	—	—	—	—	—	—	—	(1 284 362)
Smelting and base metal removal plant costs	(684 816)	—	—	—	—	—	—	—	—	—	—	—	—	—	(684 816)
Chrome processing	(6 238)	(22 365)	(19 265)	—	—	—	—	—	—	—	—	—	—	—	(47 868)
Selling and administration	(132 806)	(132 806)	—	—	—	—	—	—	—	—	—	—	—	—	(265 612)
Royalty charges	(197 372)	(30 845)	(157)	—	—	—	—	—	—	—	—	—	—	—	(228 374)
Carbon tax	(479)	—	—	—	—	—	—	—	—	—	—	—	—	—	(479)
Share-based payment expenses and profit share scheme	(401 689)	(148 559)	(6 365)	—	—	—	—	—	—	—	—	—	—	—	(556 653)
Rehabilitation	1 166	(10 986)	3 094	—	—	—	—	—	—	—	—	—	—	—	(6 726)
Concentrates purchased	(9 304 685)	(238 576)	(39 476)	(61 105)	—	—	—	—	—	—	—	—	—	—	(2 460 302)
Refining including sampling and handling charges	(178 718)	—	—	—	—	—	—	—	—	—	—	—	—	—	(178 718)
Depreciation and write-offs	(187 490)	(399 449)	(30 448)	(10 497)	—	—	—	—	—	—	—	—	—	—	(626 152)
Change in metal inventory	1 158 533	141 062	4 660	(23 701)	—	—	—	—	—	—	—	—	—	—	686 123
Operating profit/(loss)	3 054 294	2 692 561	161 257	(14 445)	—	—	—	—	—	—	—	—	—	—	5 300 986
Share of earnings from associate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	16 358
Investment income	495 342	5 934	66	—	—	—	—	—	—	—	—	—	—	—	119 220
Finance charges excluding preference share dividends	(685 272)	(24 817)	(97 500)	(3 486)	—	—	—	—	—	—	—	—	—	—	(602 595)
Net foreign exchange transaction gains/(losses)	79 178	(444)	—	6 031	—	—	—	—	—	—	—	—	—	—	84 765
Sundry income	321 518	5 228	1 549	40	—	—	—	—	—	—	—	—	—	—	238 903
Sundry expenditure	(173 783)	(66 198)	(11 845)	—	—	—	—	—	—	—	—	—	—	—	(243 187)
Profit/(loss) before preference share dividends	3 091 277	2 612 283	53 727	(11 860)	—	—	—	—	—	—	—	—	—	—	4 913 852
Amortisation of liquidity fees paid on preference shares	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(16 390)
Preference share dividends	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1 133 172)
Loss on derecognition of preference share liability	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(130 628)
Profit/(loss) before tax	3 091 277	2 612 283	53 727	(11 860)	—	—	—	—	—	—	—	—	—	—	3 633 662
Tax	(856 465)	(683 514)	207	—	—	—	—	—	—	—	—	—	—	—	(1 464 478)
Profit/(loss) for the year	2 234 812	1 928 769	53 934	(11 860)	—	—	—	—	—	—	—	—	—	—	2 169 184

Notes to the condensed reviewed interim financial results

Segmental statement of financial position

31 December 2020	Zonderende operating segment R000	Boysensdal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercompany eliminations R000	Platinum (P) R000	Zambezi operating segment R000	Other R000	Total R000
Assets									
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	-	(954 483)	-		136 230	6 620 147
Investment held in escrow	-	-	-	-	-	-		-	-
Interest in associate	-	-	-	-	(607)	-		-	-
Investment in subsidiaries	12 353 207	-	-	-	(12 353 207)	-		-	-
Investments in Northern 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 Northern Platinum Restoration Trust Fund	66 615	66 615	-	-	-	-		133 230	-
Environmental Guarantee investment	32 859	15 953	13 313	-	-	-		-	62 125
Butorshope Conservancy Trust	-	-	-	-	-	-		16 416	16 416
Long-term prepayments	-	-	-	-	-	-		-	-
Long-term subsidiary loan	1 051 474	-	-	-	(1 051 474)	-		-	-
Other financial assets	-	-	-	-	-	-		-	-
Non-current inventory	1 204 069	-	-	-	-	-		-	1 146 805
Deferred tax asset	-	-	-	-	(57 264)	-		-	-
Current assets	7 588 708	6 302 910	187 805	5 482	(8 241 938)	506	110 256	-	5 953 739
Short-term subsidiary loan	100 486	5 749 420	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
Total assets	38 195 354	22 821 208	1 786 094	125 855	(65 936 245)	33 505 496	1 112 522	-	31 610 284

Segmental statement of financial position

31 December 2020	Zonderende operating segment R000	Boysensdal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercompany eliminations R000	Platinum (RF) Limited R000	Zambezi operating segment R000	Other R000	Total R000
Equity and liabilities									
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)	
(Accumulated loss)/retained earnings	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	-	-	-	(298 308)	-	-	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	
Preference share liability	-	-	-	-	(10 703 756)	13 222 471	-	2 518 715	
Long-term loan	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	
Financial guarantees 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)	-	192 146	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	25 306	(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	
Total equity and liabilities	38 195 354	22 821 208	1 786 094	125 855	(65 936 245)	33 505 496	1 112 522	31 610 284	

Segmental statement of financial position

31 December 2019	Zondereinde operating segment R000	Booyersdal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercompany eliminations R000	Platinum (RF) Limited R000	Zambezi Platinum (RF) Limited R000	Other R000	Total R000
Assets									
Non-current assets	21 076 711	15 933 873	1 206 903	124 144	(36 220 642)	19 767 512	19 767 512	985 518	22 874 019
Property, plant and equipment	4 402 884	9 378 508	1 198 792	124 144	(45 133)	-	-	697 055	15 756 250
Mining properties and Mineral Resources	1 091 986	6 411 044	3 000	-	(954 933)	-	-	136 230	6 687 677
Investment held in escrow	-	-	-	-	-	-	-	16 841	16 841
Interest in associate	-	-	-	-	-	-	-	50 661	50 661
Investment in subsidiaries	12 353 207	-	-	-	(12 353 207)	-	-	-	-
Investments in Northern Platinum Limited	-	-	-	-	(19 767 512)	19 767 512	-	-	-
Other investment	3 100 207	-	-	-	(3 100 207)	-	-	-	-
Land and township development	12 670	65 379	-	-	-	-	-	8 785	86 834
Long-term receivables	16 063	5 627	611	-	-	-	-	61 766	84 067
Investments held by Northern Platinum Restoration Trust Fund	62 507	62 507	-	-	-	-	-	-	125 014
Environmental Guarantee investment	317 187	10 694	4 500	-	-	-	-	-	52 381
Buttoshope Conservancy Trust	-	-	-	-	-	-	-	14 180	14 180
Long-term prepayments	-	114	-	-	-	-	-	-	114
Current assets	7 034 681	480 195	78 609	11 643	(1 011 511)	503	503	100 236	6 694 356
Short-term subsidiary loan	807 350	132 640	-	-	(946 590)	-	-	6 600	-
Inventories	4 889 361	252 194	58 405	7 922	(64 921)	-	-	-	5 142 961
Trade and other receivables	556 593	90 701	12 672	1 902	-	6	6	7 353	669 227
Cash and cash equivalents	761 377	215	7 511	1 819	-	497	497	83 286	874 705
Tax receivable	-	4 445	21	-	-	-	-	2 997	7 463
Total assets	28 111 392	16 414 068	1 285 512	135 787	(37 232 153)	19 768 015	19 768 015	1 085 754	29 568 375

Segmental statement of financial position

31 December 2019	Zonderende operating segment	Booyensdal operating segment	Eland operating segment	US recycling operating segment	Intercompany eliminations	Zambezi Platinum (RF) Limited	Other	Total
	R000	R000	R000	R000	R000	R000	R000	R000
Equity and liabilities								
Total equity	11 260 576	12 862 226	(94 513)	93 284	(21 226 773)	4 937 027	752 609	8 604 436
Stated capital	13 778 114	8 675 932	325 000	142 118	(9 143 050)	-	-	13 778 114
Treasury shares	-	-	-	-	(6 556 123)	-	-	(6 556 123)
(Accumulated loss)/retained earnings	(3 898 729)	1 704 538	(419 513)	(59 860)	(2 519 101)	4 937 027	752 609	496 971
Foreign currency translation reserve	-	-	-	11 026	-	-	-	11 026
Other comprehensive income	207 435	-	-	-	(207 435)	-	-	-
Non distributable reserves	-	2 501 756	-	-	(2 501 756)	-	-	-
Equity settled share-based payment reserve	1 173 756	-	-	-	(299 308)	-	-	874 448
Non-current liabilities	14 206 350	2 761 122	373 555	-	(15 068 791)	14 530 978	179 032	17 292 246
Deferred tax liability	1 105 067	2 351 280	-	-	(4 710 229)	2 959 351	179 032	1 884 501
Long-term provisions	148 673	192 801	370 491	-	-	-	-	711 965
Preference share liability	-	-	-	-	(2 812 618)	11 871 627	-	9 059 009
Long-term loan	93 666	39 384	-	-	-	-	-	133 050
Lease liability	13 205	54 658	-	-	-	-	-	67 863
Long-term share-based payment liability	146 841	122 999	3 064	-	-	-	-	272 904
Financial guarantee liability	7 535 944	-	-	-	(7 535 944)	-	-	-
Domestic Medium-Term Notes	3 388 808	-	-	-	-	-	-	3 388 808
Revolving credit facility	1 774 146	-	-	-	-	-	-	1 774 146
Current liabilities	2 644 466	770 720	1 006 470	42 503	(946 589)	10	154 113	3 671 693
Current portion of long-term loans	23 720	10 117	-	-	-	-	-	33 837
Current portion of lease liability	3 084	14 209	-	-	-	-	-	17 293
Current portion of Domestic Medium-Term Notes	747 341	-	-	-	-	-	-	747 341
Short-term share-based payment liability	113 919	65 428	-	-	-	-	-	179 347
Tax payable	201 819	-	-	-	-	10	-	201 829
Subsidiary loans	-	-	846 970	22 547	(946 589)	-	77 072	-
Trade and other payables	1 315 413	610 810	152 777	19 956	-	-	77 041	2 175 997
Provisional pricing derivatives	4 547	-	1 156	-	-	-	-	5 703
Short-term provisions	224 623	70 156	5 567	-	-	-	-	310 346
Total equity and liabilities	28 111 392	16 414 068	1 286 512	135 787	(37 232 153)	19 768 015	1 085 754	29 568 375

Notes to the condensed reviewed interim financial results

Segmental statement of financial position

30 June 2020	Zondereinde operating segment R000	Booyssendal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercompany eliminations R000	Platinum (RF Limited R000	Zambezi Platinum (RF Limited R000	Other R000	Total R000
Assets									
Non-current assets	21 617 505	16 192 929	1 438 142	147 723	(34 680 149)	18 581 014	18 581 014	1 002 551	24 299 715
Property, plant and equipment	4 652 884	9 651 288	1 420 280	147 723	(73 128)	-	-	723 506	16 522 533
Mining properties and Mineral Resources	1 080 139	6 398 637	3 000	-	(954 881)	-	-	136 230	6 663 425
Investment held in escrow	-	-	-	-	-	-	-	-	-
Interest in associate	-	-	-	-	-	-	-	62 657	62 657
Investment in subsidiaries	12 353 207	-	-	-	(12 353 207)	-	-	-	-
Investments in Northern Platinum Limited	-	-	-	-	(18 581 014)	18 581 014	-	-	-
Other investment	1 921 141	-	-	-	(1 921 141)	-	-	-	-
Land and township development	10 826	57 263	-	-	-	-	-	7 878	75 967
Long-term receivables	19 222	5 779	801	-	-	-	-	56 430	82 232
Investments held by Northern Platinum Restoration Trust Fund	64 366	64 366	-	-	-	-	-	-	128 732
Environmental Guarantee Investment	33 276	15 616	14 081	-	-	-	-	-	62 953
Buttoshope Conservancy Trust	-	-	-	-	-	-	-	15 850	15 850
Long-term prepayments	-	-	-	-	-	-	-	-	-
Long-term subsidiary loan	797 078	-	-	-	(797 078)	-	-	-	-
Other financial assets	23 084	-	-	-	-	-	-	-	23 084
Non-current inventory	662 282	-	-	-	-	-	-	-	662 282
Deferred tax asset	-	-	-	-	-	-	-	-	-
Current assets	6 512 518	1 760 035	39 420	5 060	(2 049 811)	502	502	100 066	6 367 790
Short-term subsidiary loan	105 142	1 331 270	-	-	(1 436 634)	-	-	222	-
Inventories	4 014 805	320 556	19 607	2 522	(613 177)	-	-	-	3 744 313
Trade and other receivables	324 754	104 744	19 885	666	-	1	1	6 744	456 484
Cash and cash equivalents	2 067 817	381	228	1 872	-	-	501	90 147	2 160 956
Tax receivable	-	3 074	-	-	-	-	-	2 953	6 027
Total assets	28 130 023	17 952 964	1 477 562	152 783	(36 729 960)	18 581 516	18 581 516	1 102 617	30 667 505

Segmental statement of financial position

	Zonderende operating segment	Booyseindal operating segment	Eland operating segment	US recycling operating segment	Intercompany eliminations	Platinum (RF) Limited	Zambezi Limited	Other	Total
30 June 2020	R000	R000	R000	R000	R000	R000	R000	R000	R000
Equity and liabilities									
Total equity	12 138 602	13 987 107	22 328	117 603	(20 685 850)	3 295 723	774 802	—	9 650 315
Stated capital	13 778 114	8 675 932	325 000	142 118	(9 147 408)	—	4 358	—	13 778 114
Treasury shares	—	—	—	—	(6 556 123)	—	—	—	(6 556 123)
(Accumulated loss)/retained earnings	(2 813 268)	2 809 420	(302 672)	(59 836)	(2 181 256)	3 295 723	770 444	—	1 518 555
Foreign currency translation reserve	—	—	—	35 321	—	—	—	—	35 321
Other comprehensive income	—	—	—	—	—	—	—	—	—
Non distributable reserves	—	2 501 755	—	—	(2 501 755)	—	—	—	—
Equity settled share-based payment reserve	1 173 756	—	—	—	(299 308)	—	—	—	874 448
Non-current liabilities	11 442 622	3 167 233	372 348	—	(13 810 398)	15 285 793	181 505	—	16 639 103
Deferred tax liability	1 089 952	2 704 110	—	—	(4 491 825)	2 693 575	181 505	—	2 177 317
Long-term provisions	149 292	220 656	366 717	—	(7 338)	—	—	—	729 327
Preference share liability	—	—	—	—	(4 301 101)	12 592 218	—	—	8 291 117
Long-term loan	95 566	34 967	—	—	—	—	—	—	130 533
Lease liability	12 482	51 869	—	—	—	—	—	—	64 361
Long-term share-based payment liability	193 101	155 631	5 631	—	—	—	—	—	354 363
Financial guarantee liability	5 010 134	—	—	—	(5 010 134)	—	—	—	—
Domestic Medium-Term Notes	4 892 085	—	—	—	—	—	—	—	4 892 085
Revolving credit facility	—	—	—	—	—	—	—	—	—
Current liabilities	4 548 799	798 624	1 082 886	35 180	(2 233 712)	—	146 310	—	4 378 087
Current portion of long-term loans	18 526	9 946	—	—	—	—	—	—	28 472
Current portion of lease liability	3 062	13 199	—	—	—	—	—	—	16 261
Current portion of Domestic Medium-Term Notes	616 327	—	—	—	—	—	—	—	616 327
Short-term share-based payment liability	131 348	51 681	—	—	—	—	—	—	183 029
Tax payable	229 394	—	61	—	—	—	173	—	229 628
Subsidiary loans	1 338 132	—	797 430	32 449	(2 233 712)	—	65 701	—	—
Trade and other payables	1 949 818	631 628	274 638	2 731	—	—	80 436	—	2 939 251
Provisional pricing derivatives	—	—	—	—	—	—	—	—	—
Short-term provisions	262 192	92 170	10 757	—	—	—	—	—	365 119
Total equity and liabilities	28 130 023	17 952 964	1 477 582	152 783	(36 729 960)	18 581 516	1 102 617	—	30 687 505

Notes to the condensed reviewed interim financial results

3. Sales revenue

Sales revenue can be disaggregated into the following:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Revenue from contracts with customers	11 929 670	7 814 371	17 759 371
Revenue from fair value adjustments with regards to IFRS 9	(44 772)	10 530	52 600
Sales revenue	11 884 898	7 824 901	17 811 971

Sales revenue comprises revenue from the following metals:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Platinum	2 904 661	2 411 241	4 355 606
Palladium	3 567 118	2 334 933	5 185 373
Rhodium	4 322 356	1 678 866	5 792 822
Gold	131 920	101 007	214 412
Iridium	181 073	217 175	441 443
Ruthenium	144 289	96 830	237 893
Silver	5 007	1 385	4 063
Nickel	186 388	177 861	296 083
Copper	55 036	39 954	71 407
Cobalt	2 218	2 096	4 018
Chrome	384 832	315 536	599 767
UG2 ore	–	429 892	397 351
Toll treatment charges	–	18 125	211 733
	11 884 898	7 824 901	17 811 971

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	OZ	OZ	OZ
Platinum	193 859	196 290	336 020
Palladium	96 854	102 652	182 608
Rhodium	20 268	25 983	55 126
Gold	4 339	4 835	8 932
4E	315 320	329 760	582 686
Iridium	6 676	10 820	20 110
Ruthenium	36 446	31 471	67 127
6E	358 442	372 051	669 923
Silver	12 416	5 467	15 090

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	tonnes	tonnes	tonnes
Nickel	760	762	1 337
Copper	511	480	833
Cobalt	4	4	8
Chrome	521 086	469 642	782 803

Notes to the condensed reviewed interim financial results

Sales revenue from external customers per metal and per operating segment

	Zondereinde operations Reviewed 6 months ended 31 December 2020 R000	Booyssendal operations Reviewed 6 months ended 31 December 2020 R000	Eland operations Reviewed 6 months ended 31 December 2020 R000	US recycling operations Reviewed 6 months ended 31 December 2020 R000	Intercompany eliminations Reviewed 6 months ended 31 December 2020 R000	Total Reviewed 6 months ended 31 December 2020 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
UG2 ore	-	-	-	-	-	-
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

	Zondereinde operations Reviewed 6 months ended 31 December 2020 R000	Booyssendal operations Reviewed 6 months ended 31 December 2020 R000	Eland operations Reviewed 6 months ended 31 December 2020 R000	US recycling operations Reviewed 6 months ended 31 December 2020 R000	Total Reviewed 6 months ended 31 December 2020 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

Sales revenue from external customers per metal and per operating segment

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

Zondereinde purchases all of Booyensdal'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

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

Notes to the condensed reviewed interim financial results

Sales revenue from external customers per metal and per operating segment

	Zondereinde operations	Booyssendal operations	Eland operations	US recycling operations	Intercompany eliminations	Total
	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020
	R000	R000	R000	R000	R000	R000
Platinum	4 355 606	1 703 269	325 516	16 325	(2 045 110)	4 355 606
Palladium	5 185 373	1 833 018	196 518	63 988	(2 093 524)	5 185 373
Rhodium	5 792 822	2 184 801	389 837	18 069	(2 592 707)	5 792 822
Gold	214 412	57 199	1 387	–	(58 586)	214 412
Iridium	441 443	150 354	21 737	–	(172 091)	441 443
Ruthenium	237 893	120 326	10 573	–	(130 899)	237 893
Silver	4 063	–	–	–	–	4 063
Nickel	296 083	72 833	4 124	–	(76 957)	296 083
Copper	71 407	13 192	476	–	(13 668)	71 407
Cobalt	4 018	–	–	–	–	4 018
Chrome	183 401	355 657	60 709	–	–	599 767
UG2 ore	397 351	–	–	–	–	397 351
Toll treatment charges	211 733	–	–	–	–	211 733
	17 395 605	6 490 649	1 010 877	98 382	(7 183 542)	17 811 971

Zondereinde purchases all of Booyssendal'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

	Zondereinde operations	Booyssendal operations	Eland operations	US recycling operations	Total
	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020
	R000	R000	R000	R000	R000
Europe	6 691 980	–	–	–	6 691 980
Japan	3 802 269	–	–	–	3 802 269
Asia	183 401	355 657	60 709	–	599 767
North America	5 781 664	–	–	–	5 781 664
South Africa	936 291	–	–	–	936 291
	17 395 605	355 657	60 709	–	17 811 971

Sales revenue and sales volumes per customer

The following customers each account for a significant portion of the total sales revenue of the group:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Customer 1	98 249	97 951	196 237
Customer 2	2 189 632	1 152 601	3 662 465
Customer 3	–	594 370	739 583
Customer 4	1 051 068	771 881	934 446
Customer 5	3 328 174	1 145 408	4 327 746
Customer 6	3 067 009	2 117 678	4 946 545
Customer 7	384 832	315 536	599 767
Customer 8	984 411	827 946	1 289 482
Other	781 523	801 530	1 115 700
Total sales revenue	11 884 898	7 824 901	17 811 971

The following customers each account for a significant portion of the total sales revenue of the group, below is a summary of the 4E volumes of ounces purchased by these customers:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	OZ	OZ	OZ
Customer 1	2 755	5 771	13 098
Customer 2	51 055	49 466	120 503
Customer 3	–	26 099	30 476
Customer 4	31 285	33 082	38 603
Customer 5	91 875	56 930	129 985
Customer 6	87 482	93 853	167 414
Customer 7	–	–	–
Customer 8	28 958	38 801	52 570
Other	21 910	25 758	30 037
4E oz sold	315 320	329 760	582 686

Notes to the condensed reviewed interim financial results

4. Operating costs

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Employee cost	2 338 092	1 736 533	3 710 644
Stores	1 564 028	1 206 493	2 367 233
Utilities	–	572 646	1 121 301
Utilities: Electricity cost	688 657	–	–
Utilities: Water costs	24 455	–	–
Sundries	358 087	890 734	715 848
Royalty charges	222 923	–	228 374
Share-based payment expenses (refer note 22)	640 151	–	472 079
Toro Employee Empowerment Trust	134 572	–	84 574
Ore material purchased from surface sources	335 417	263 490	489 002
Contractors	650 450	526 433	1 010 835
Carbon tax	821	–	479
Rehabilitation (refer note 19)	–	–	6 726
Development costs capitalised to property, plant and equipment	(178 219)	–	(275 161)
	6 779 434	5 196 329	9 931 934

Details of operating costs are provided for improved disclosure:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Employee cost	2 338 092	1 736 533	3 710 644
Stores	1 564 028	1 206 493	2 367 233
Utilities: Electricity cost	688 657	550 472	1 075 557
Utilities: Water costs	24 455	22 174	45 744
Sundries	358 087	310 278	715 848
Royalty charges	222 923	148 243	228 374
Share-based payment expenses (refer note 22)	640 151	384 426	472 079
Toro Employee Empowerment Trust	134 572	47 787	84 574
Ore material purchased from surface sources	335 417	263 490	489 002
Contractors	650 450	526 433	1 010 835
Carbon tax	821	–	479
Rehabilitation (refer note 19)	–	–	6 726
Development costs capitalised to property, plant and equipment	(178 219)	–	(275 161)
	6 779 434	5 196 329	9 931 934

Operating costs per operating segment

	Zondereinde operations	Booyssendal 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 cost	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 costs	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	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

Percentage breakdown of operating costs per segment

	Zondereinde operations	Booyssendal 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 cost	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 costs	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	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

Operating costs per operating segment

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

Percentage breakdown of operating costs per segment

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

Details of operating costs are provided for improved disclosure:

	Zondereinde operations	Booyensdal operations	Eland Operations	US recycling operations	Total
	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2019	Reviewed 6 months ended 31 December 2019
			R000		R000
Employee cost	1 162 726	537 036	32 830	3 941	1 736 533
Stores	610 805	534 528	61 045	115	1 206 493
Utilities: Electricity cost	381 491	121 020	47 739	222	550 472
Utilities: Water costs	13 127	8 804	210	33	22 174
Sundries	159 773	140 103	7 414	2 988	310 278
Royalty charges	133 059	15 005	179	–	148 243
Share-based payment expenses	253 425	129 715	1 286	–	384 426
Toro Employee Empowerment Trust	47 787	–	–	–	47 787
Ore material purchased from surface sources	97 516	8 742	157 232	–	263 490
Contractors	309 931	176 688	38 707	1 107	526 433
	3 169 640	1 671 641	346 642	8 406	5 196 329

Operating costs per operating segment

	Zondereinde operations	Booyensdal operations	Eland operations	US recycling operations	Total
	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020
	R000	R000	R000	R000	R000
Employee costs	2 345 837	1 136 532	220 082	8 193	3 710 644
Stores	1 125 698	1 071 865	169 459	211	2 367 233
Utilities	764 262	244 346	112 121	572	1 121 301
Sundries	345 342	315 039	49 271	6 196	715 848
Royalty charges	197 372	30 845	157	-	228 374
Share-based payment expenses	317 115	148 599	6 365	-	472 079
Toro Employee Empowerment Trust contribution	84 574	-	-	-	84 574
Ore material purchased from surface sources	100 611	6 805	381 586	-	489 002
Contractors	548 827	336 086	123 570	2 352	1 010 835
Carbon tax	479	-	-	-	479
Rehabilitation	(1 166)	10 986	(3 094)	-	6 726
Development costs capitalised to property, plant and equipment	-	-	(275 161)	-	(275 161)
	5 828 951	3 301 103	784 356	17 524	9 931 934

Details of utilities are provided for improved disclosure:

	Zondereinde operations	Booyensdal operations	Eland operations	US recycling operations	Total
	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020
	R000	R000	R000	R000	R000
Utilities: Electricity cost	738 268	226 385	110 403	501	1 075 557
Utilities: Water costs	25 994	17 961	1 718	71	45 744
Utilities	764 262	244 346	112 121	572	1 121 301

Percentage breakdown of operating costs per operating segment

	Zondereinde operations	Booyssendal operations	Eland operations	US recycling operations	Total
	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020	Audited 12 months ended 30 June 2020
	%	%	%	%	%
Employee costs	40.3	34.4	20.8	46.7	36.4
Stores	19.3	32.5	16.0	1.2	23.2
Utilities	13.1	7.4	10.6	3.3	11.0
Sundries	5.9	9.6	4.6	35.4	7.0
Royalty charges	3.4	0.9	0.0	0.0	2.2
Share-based payment expenses	5.4	4.5	0.6	0.0	4.6
Toro Employee Empowerment Trust contribution	1.5	0.0	0.0	0.0	0.8
Ore material purchased from surface sources	1.7	0.2	36.0	0.0	4.8
Contractors	9.4	10.2	11.7	13.4	9.9
Carbon tax	0.0	0.0	0.0	0.0	0.0
Rehabilitation	0.0	0.3	(0.3)	0.0	0.1
	100.0	100.0	100.0	100.0	100.0

Notes to the condensed reviewed interim financial results

5. Investment income

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Interest received on cash and cash equivalents	15 766	26 780	91 134
Dividend income received from short-term investments	3 271	1 347	8 820
Interest received from suspensive sale agreements	2 194	3 619	6 500
Interest received relating to the Northam Platinum Restoration Trust Fund (refer note 19)	4 222	4 908	8 398
Interest received by the Buttonshope Conservancy Trust	339	907	1 342
Deemed interest on the interest free home loans	2 787	1 312	1 425
Interest received from the South African Revenue Service	103	798	1 025
Other	–	–	576
	28 682	39 671	119 220

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 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Interest recognised on the effective interest rate method	25 411	38 324	110 400
Dividend income received from short-term investments	3 271	1 347	8 820
Total investment income	28 682	39 671	119 220

6. Finance charges excluding preference share dividends

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Finance costs relating to the Domestic Medium-Term Notes (refer note 23)	(211 708)	(129 573)	(347 728)
Finance costs relating to the revolving credit facility (refer note 24)	(55 384)	(119 654)	(213 636)
Finance costs relating to the general banking facility (refer note 18)	(2 645)	(10 290)	(18 475)
Amounts capitalised in terms of IAS 23 Borrowing costs (refer note 11)	21 034	135 466	145 096
Commitment and utilisation fees on borrowing facilities (refer note 24)	(7 351)	(4 564)	(18 590)
Amortisation of the transaction costs relating to the Domestic Medium-Term Notes (refer note 23)	(32 898)	(4 891)	(32 545)
Amortisation of the transaction costs relating to the revolving credit facility (refer note 24)	(2 772)	(14 654)	(17 424)
Unwinding of rehabilitation liability (refer note 19)	(30 714)	(32 506)	(66 578)
Unwinding of the research and development liability with Heraeus Deutschland GmbH & Co. KG (refer note 21)	(4 168)	(4 759)	(21 218)
Finance cost relating to lease liabilities	(3 901)	(4 303)	(8 397)
Other financial liabilities	(927)	(1 816)	(3 100)
	(331 434)	(191 544)	(602 595)

Notes to the condensed reviewed interim financial results

7. Sundry income

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Insurance proceeds relating to a business interruption claim	–	40 000	192 210
Insurance proceeds relating to nickel theft	3 097	–	–
Rent received	750	923	1 731
Sale of scrap	5 035	5 183	8 245
Profit on sale of property, plant and equipment	100	704	4 276
Accommodation and housing income	743	5 318	10 292
Environmental guarantee investment income	1 486	–	2 370
Management fees received from associate (refer note 30)	–	1 080	2 249
Profit on modification of the agreement terms relating to the research and development liability with Heraeus Deutschland GmbH & Co. KG (refer note 21)	–	–	13 782
COVID-19 Temporary Employee Relief Scheme refund (refer note 33)	46 038	–	–
Other income	627	9 737	3 748
	57 876	62 945	238 903

8. Sundry expenditure

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Corporate and once-off project costs*	(99 738)	(5 852)	(11 661)
COVID-19 related cost	(28 731)	–	–
Booysendal land management, including depreciation relating to the Buttonslope Conservancy Trust	(4 256)	(3 848)	(7 049)
Accommodation and housing expenses	(1 625)	(6 601)	(12 312)
Black Economic Empowerment Trust operating costs (refer note 30)	(6 396)	(1 864)	(5 753)
Administrative costs relating to Zambezi Platinum (RF) Limited (refer note 30)	(436)	(314)	(1 387)
Standing time and transition costs	–	(111 730)	(153 975)
Environmental guarantee cost	(2 237)	(1 730)	(3 754)
Impairment of property, plant and equipment (refer note 11)	–	(2 061)	(2 061)
Donations	(100)	–	(3 599)
Other expenditure	(23 913)	(24 711)	(42 236)
	(167 432)	(158 711)	(243 787)

*Includes cost associated with the cautionary announcement released on SENS on Monday, 2 November 2020.

9. Tax

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
<i>Income tax</i>			
Current mining income tax charge	633 796	311 021	573 478
Current non-mining income tax charge	14 794	23 973	113 623
Adjustment in respect of current income tax of previous period/year	(33)	19 352	18 775
<i>Dividend withholding tax</i>			
Current period withholding tax	76	108	201
Prior period withholding tax	–	–	(323)
<i>Deferred tax</i>			
Deferred tax charge	775 932	465 908	758 724
Income tax expense reported in profit or loss	1 424 565	820 362	1 464 478

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	%	%	%
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	1.0	0.5
Exempt income received	(0.1)	(1.4)	(0.6)
Expenditure and contingencies incurred which are non-deductible	0.9	1.3	0.1
Unproductive interest incurred which is not tax deductible	1.3	–	–
Prepaid expenditure allowable for a tax deduction	0.3	–	–
Amortisation of liquidity fees paid on preference shares	0.1	0.1	0.1
Preference share dividends disallowed	2.2	8.8	8.7
Loss on derecognition of preference share liability	7.1	1.5	1.0
Deferred tax asset not raised	0.3	2.4	2.5
Effective tax rate	40.4	41.7	40.3

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.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. 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 group to assess the likelihood that the group will generate sufficient taxable earnings 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.

In light of Eland Platinum Proprietary Limited's financial performance and the uncertainty of future taxable profits, during the development and production ramp-up phase, to utilise against a deferred tax asset, management concluded, following due assessment, that it was prudent not to raise a deferred tax asset relating to temporary tax differences.

No deferred tax asset was therefore raised on deductible temporary tax differences amounting to R336.7 million (31 December 2019: R401.2 million and 30 June 2020: R321.2 million) relating to Eland Platinum Proprietary Limited.

This position will continuously be assessed going forward.

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Profit for the period/year	2 099 031	1 147 600	2 169 184
Profit on sale of property, plant and equipment	(100)	(704)	(4 276)
Tax effect on profit on sale of property, plant and equipment	28	197	1 197
Impairment of property, plant and equipment	-	2 061	2 061
Tax effect on impairment of property, plant and equipment	-	(577)	(577)
Headline earnings	2 098 959	1 148 577	2 167 589
<i>Reconciliation of the fully diluted number of shares in issue</i>			
Weighted average number of shares in issue	349 875 759	349 875 759	349 875 759
Adjusted for:			
Performance and retention share options including the lock-in and incentive mechanism share options	-	-	-
Potential shareholding as a result of the Zambezi Platinum (RF) Limited preference share holding	-	-	-
Potential share issue as a result of the residual asset value in Zambezi Platinum (RF) Limited to strategic partners*	45 428 924	-	21 126 841
	395 304 683	349 875 759	371 002 600

*Calculated as the net asset value of Zambezi Platinum (RF) Limited relating to the strategic partners 74.5% shareholding in Zambezi Platinum (RF) Limited taking into account the share price at the reporting period and impairment considerations with regards to Zambezi Platinum (RF) Limited's investment in Northam Platinum Limited.

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
Earnings per share (cents)	599.9	328.0	620.0
Fully diluted earnings per share (cents)	531.0	328.0	584.7
Headline earnings per share (cents)	599.9	328.3	619.5
Fully diluted headline earnings per share (cents)	531.0	328.3	584.3
Dividends per share (cents)	-	-	-
Weighted average number of shares in issue	349 875 759	349 875 759	349 875 759
Fully diluted number of shares in issue	395 304 683	349 875 759	371 002 600
Number of shares in issue	509 781 212	509 781 212	509 781 212
Treasury shares in issue	(159 905 453)	(159 905 453)	(159 905 453)
Shares in issue adjusted for treasury shares	349 875 759	349 875 759	349 875 759

The weighted average number of ordinary shares in issue outside the group for the purpose of calculating the earnings per share is calculated as the number of shares in issue less treasury shares held relating to the 31.4% shareholding held by Zambezi Platinum (RF) Limited.

11. Property, plant and equipment

	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	General infrastructure asset including other assets		Decommissioning asset	Right-of-use asset	Assets under construction		Total
	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000
Cost										
Opening balance as at 1 July 2019	11 136 702	4 027 630	759 434	577 987	367 330	-	88 992	1 236 123	18 105 206	
Impact of the adoption of IFRS 16 Leases	-	-	-	-	-	-	-	-	88 992	
Foreign currency translation movements	-	(147)	(694)	-	-	-	-	-	(841)	
Amounts transferred from non-current prepayments (note 15)	-	-	-	-	-	-	-	1 170	1 170	
Additions	-	-	1 865	-	-	-	-	1 349 203	1 351 068	
Transfer from assets under construction	692 382	309 783	3 109	26 169	-	-	-	(1 031 443)	-	
Impairments	(2 061)	-	-	-	-	-	-	-	(2 061)	
Disposals and write-offs	-	-	(230)	(177)	-	-	-	-	(407)	
Borrowing costs capitalised	-	-	-	-	-	-	-	135 466	135 466	
Closing cost as at 31 December 2019	11 827 023	4 337 266	763 484	603 979	367 330	88 992	(31)	1 690 519	19 678 593	
Reassessment of IFRS 16 Leases	-	-	-	-	-	-	-	-	(31)	
Foreign currency translation movements	-	6 031	28 636	-	-	-	-	-	34 667	
Amounts transferred from non-current prepayments (refer note 15)	-	-	-	-	-	-	-	152	152	
Additions	-	-	23 176	-	-	-	-	992 337	1 015 513	
Transfer from assets under construction	412 252	100 203	-	30 045	-	-	-	(542 500)	-	
Disposals and write-offs	-	(123)	(607)	(1)	-	-	-	-	(731)	
Impairments	-	-	-	-	-	-	-	-	-	
Derecognition of decommissioning asset (refer note 19)	-	-	-	-	(23 436)	-	-	-	(23 436)	
Borrowing costs capitalised	-	-	-	-	-	-	-	9 630	9 630	
Closing cost as at 30 June 2020	12 239 275	4 443 377	814 689	634 023	343 894	88 961	9 880	2 150 138	20 714 357	
Reassessment of IFRS 16 Leases	-	-	-	-	-	-	-	-	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	-	-	-	-	-	-	-	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	

	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	General infrastructure including other assets	Decommissioning asset	Right-of-use asset	Assets under construction	Total
	R000	R000	R000	R000	R000	R000	R000	R000
<i>Accumulated depreciation</i>								
Opening balance as at 1 July 2019	(2 402 264)	(796 702)	(214 418)	(193 741)	(13 286)	-	-	(3 620 411)
Foreign currency translation movements	-	100	240	-	-	-	-	340
Depreciation	(194 706)	(68 348)	(11 532)	(20 332)	(463)	(7 145)	-	(302 526)
Disposals and write-offs	-	-	113	141	-	-	-	254
Accumulated depreciation as at 31 December 2019	(2 596 970)	(864 950)	(225 597)	(213 932)	(13 749)	(7 145)	-	(3 922 343)
Foreign currency translation movements	-	(1 592)	(3 826)	-	-	-	-	(5 418)
Depreciation	(169 325)	(56 251)	(12 026)	(19 429)	(370)	(7 141)	-	(264 542)
Disposals and write-offs	-	28	450	1	-	-	-	479
Accumulated depreciation as at 30 June 2020	(2 766 295)	(922 765)	(240 999)	(233 360)	(14 119)	(14 286)	-	(4 191 824)
Foreign currency translation movements	-	1 618	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)
Net book value as at 31 December 2019								
	9 230 053	3 472 316	537 887	390 047	353 581	81 847	1 690 519	15 756 250
Net book value as at 30 June 2020								
	9 472 980	3 520 612	573 690	400 663	329 775	74 675	2 150 138	16 522 533
Net book value as at 31 December 2020								
	10 544 391	3 553 051	544 295	447 245	329 044	77 544	1 963 617	17 459 187

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

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

IAS 23 Borrowing costs require borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset (whether or not the funds have been borrowed specifically). These borrowing costs are included in the cost of the asset 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 exercise of judgement after considering the specific facts and circumstances. Northam regards an asset that normally takes 12 months or more to be ready for its intended use to be a qualifying asset.

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

On 26 June 2019, it was announced that mining operations at the Kukama shaft situated at Eland mine will commence in the 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 both Booyssendal South and the Kukama shaft have previously been capitalised on consolidation at the average cost of borrowings, taking into account the cost of borrowings for the revolving credit facility, the general banking facility, the various Domestic Medium-Term Notes issued and the Zambezi preference shares, during previous years.

From 1 July 2020, only borrowing costs on the Kukama shaft will be capitalised, as the Booyssendal South project is considered to be available for use as intended by management.

Borrowing costs were therefore capitalised during the current financial period at the weighted average cost of borrowings calculated as 8.24% (31 December 2019: 12.19% and 30 June 2020: 11.38%).

An amount of R21.0 million was capitalised during the period under review (31 December 2019: R135.5 million and 30 June 2020: R145.1 million) relating to the Kukama shaft. Also refer to note 6.

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

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

IAS 23 does not specify the length of an extended period of suspension of active development.

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

Capitalisation of borrowing costs was therefore suspended from the end of February 2020 to the end of the previous financial period. All capital projects have resumed and therefore the capitalisation of borrowing costs has resumed.

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 2019	2 026 164	5 028 056	7 054 220
Additions	–	–	–
Closing balance as at 31 December 2019	2 026 164	5 028 056	7 054 220
Additions	–	–	–
Closing balance as at 30 June 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
<i>Accumulated depreciation</i>			
Opening balance as at 1 July 2019	(331 669)	–	(331 669)
Depreciation	(34 874)	–	(34 874)
Closing balance as at 31 December 2019	(366 543)	–	(366 543)
Depreciation	(24 252)	–	(24 252)
Closing balance as at 30 June 2020	(390 795)	–	(390 795)
Depreciation	(43 278)	–	(43 278)
Closing balance as at 31 December 2020	(434 073)	–	(434 073)
Net book value as at 31 December 2019	1 659 621	5 028 056	6 687 677
Net book value as at 30 June 2020	1 635 369	5 028 056	6 663 425
Net book value as at 31 December 2020	1 592 091	5 028 056	6 620 147

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

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

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

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

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

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

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

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

		Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
Long-term real platinum price	USD/oz	888	1 229	846
Long-term real palladium price	USD/oz	1 817	1 629	1 817
Long-term real rhodium price	USD/oz	10 901	5 429	7 267
Long-term real gold price	USD/oz	1 544	1 357	1 544
Long-term real ruthenium prices	USD/oz	273	271	273
Long-term real iridium prices	USD/oz	1 453	1 357	1 453
Long-term real nickel prices	USD/t	12 718	13 443	9 027
Long-term real copper prices	USD/t	5 905	5 881	4 373
Long-term real chrome prices	USD/t	150	145	136
Long-term real exchange rate USD	R/USD	R15.47	R12.66	R15.47
Long-term real discount rate	%	10.60	10.10	12.00

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

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

During the second half of F2020, COVID-19 resulted in production losses due to work stoppages followed by a phased restart of operations. By the end of F2020, operations at Booyssendal and Eland had normalised, but only 90% of mining crews had returned to production at Zondereinde.

These production losses have negatively impacted our sales pipeline in the first quarter of this reporting period, particularly in respect of rhodium. This has resulted in reduced cash flow and a lower basket price achieved than that indicated by production during this period. This impact, however, will normalise during the remainder of the financial year and is hence included in future cash flows.

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

Due to the ongoing phased restart of Zondereinde, we expected to only achieve full production in the second half of this financial year and accordingly trimmed our group business plan production targets for the reporting period by 20%.

By the end of December 2020, we had still not returned all employees to work at Zondereinde, having 90% of stopping crews active. Despite this, we achieved production levels ahead of our pre-trimmed targets due to significant improvements in crew productivity. In addition, similar gains were realised at Booyssendal, both at the North mine, as well as in ramp-up of production from the South mine. Metal production from Eland mine was again limited to that derived from processing of surface sources. As such, Eland mine was able to maintain its planned production.

Given greater certainty in metal markets, together with stronger than planned operational performance, we have reinitiated all growth capital projects that were suspended in response to the initial uncertainty related to COVID-19.

Looking forward and in light of the current second wave of COVID-19 infections, we maintain a cautious production outlook for the second half of the financial year. This is despite the benefits of crew productivity and resultant metal production that we have enjoyed during the reporting period. We have, accordingly, strengthened our debt position and retained our capacity to limit capital outflows related to our growth project pipeline should the need arise.

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

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

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

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

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

		Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
4E <i>in-situ</i> available ounce value	USD/oz	5.38	4.69	4.33

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

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

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

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

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

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

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

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

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

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

Refer to the Northam website, www.northam.co.za, for the detailed Mineral Resources and Mineral Reserves statement as at 30 June 2020.

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

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

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

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

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

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

Notes to the condensed reviewed interim financial results

13. Interest in associate

Interest in associate comprise a 33.7% interest (31 December 2019: 30.0% and 30 June 2020: 33.7% interest) in SSG Holdings Proprietary Limited, a company registered in the Republic of South Africa.

At the end of February 2020, an 11% shareholding in SSG Holdings Proprietary Limited was bought back by SSG Holdings Proprietary Limited and cancelled, this resulted in Northam Platinum Limited's shareholding increasing from 30.0% to 33.7%.

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
SSG Holdings Proprietary Limited	63 356	50 661	62 657
	63 356	50 661	62 657

The investment in associate is considered significant.

Below is a reconciliation of the interest in associate:

	Interest in SSG Holdings Proprietary Limited
	R000
Opening balance as at 1 July 2019	46 299
Share of profits from associate	4 362
Closing balance as at 31 December 2019	50 661
Share of profits from associate	11 996
Closing balance as at 30 June 2020	62 657
Share of profits from associate	1 305
Dividends received	(606)
Closing balance as at 31 December 2020	63 356

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Net asset value of SSG Holdings Proprietary Limited	87 501	96 479	85 429
Northam Platinum Limited's 33.7% share of net asset value	29 495	28 944	28 796
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
Value of investment in associate based on the equity method of accounting	63 356	50 661	62 657

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

14. Long-term receivables

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Long-term receivables with regards to suspensive sale agreements	57 465	66 278	61 573
Interest free home loans	41 615	30 370	36 327
Total long-term receivables	99 080	96 648	97 900
Current portion of suspensive sale agreements (refer note 17)	(5 793)	(4 794)	(5 415)
Current portion of interest free home loans (refer note 17)	(9 737)	(7 787)	(10 253)
Long-term portion of long-term receivables	83 550	84 067	82 232

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

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

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

As at 31 December 2020 there was R2.2 million (31 December 2019: R2.9 million and 30 June 2020: R2.7 million) worth of suspensive sale agreements which were impaired and fully provided for.

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Current portion	15 530	12 581	15 668
Due within 1 – 5 years	45 416	39 628	42 098
Due within 5 – 10 years	26 202	35 402	29 669
More than 10 years	11 932	9 037	10 465
	99 080	96 648	97 900

The 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.

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 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Not in default nor impaired	57 465	66 278	61 573
	57 465	66 278	61 573

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

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

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

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

Suspensive sale agreements

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

Interest free home loans

- No amounts relating to the interest free home loans have been provided for as they are not in default nor impaired, with no historical impairment on these loans. There has been no significant deterioration in credit quality and the probability of default has been assessed as minimal.

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

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

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

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

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

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

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

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

15. Long-term prepayments

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Opening balance	–	563	563
Amounts paid to Doppelmayr Transport Technology GmbH	–	721	759
Amounts transferred to property, plant and equipment (refer note 11)	–	(1 170)	(1 322)
	–	114	–

16. Inventories

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
<i>Metals on hand and in transit</i>			
Platinum	912 740	1 470 367	937 160
Palladium	1 203 372	1 376 491	1 356 869
Rhodium	3 465 237	1 953 295	1 872 656
Gold	29 881	63 582	35 273
Total metal inventory at the lower of cost and net realisable value	5 611 230	4 863 735	4 201 958
Less non-current metal inventories	(1 146 805)	–	(662 282)
Current metal inventory at the lower of cost and net realisable value	4 464 425	4 863 735	3 539 676
Consumables at the lower of cost and net realisable value	236 947	279 226	204 637
Total current inventory at the lower of cost and net realisable value	4 701 372	5 142 961	3 744 313

Below are the ounces available at the period/year-end:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	OZ	OZ	OZ
<i>Metal inventory quantities on hand and in transit</i>			
Platinum	153 471	123 509	123 330
Palladium	80 660	59 394	68 446
Rhodium	38 431	29 510	25 338
Gold	3 673	3 301	3 058
4E	276 235	215 714	220 172

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

Notes to the condensed reviewed interim financial results

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

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

	Own production 31 December 2020	Purchased material 31 December 2020	Total metal inventories 31 December 2020
	R000	R000	R000

Change in metal inventory
for the period*

1 530 748

(121 476)

1 409 272

*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.

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

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

Notes to the condensed reviewed interim financial results

Below is the breakdown of total metal inventory:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Non-current inventory	1 146 805	–	662 282
Ore stockpile inventory	125 073	359 478	268 853
Concentrate in process	168 593	140 799	78 504
Concentrate and other surface sources before the smelter	1 013 365	1 103 120	611 957
Recycling material	1 145	64 257	2 103
Smelter inventory	1 399 097	1 667 724	1 288 076
Base metal removal plant inventory	56 375	208 652	161 226
Precious metal refinery inventory	1 554 801	1 289 950	1 126 733
Finished product inventory on hand	145 976	29 755	2 224
Total metal inventory	5 611 230	4 863 735	4 201 958

Metal inventory quantities on hand is allocated as follows:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	OZ	OZ	OZ
Non-current inventory	50 657	–	34 369
Ore stockpile inventory	11 365	15 943	14 112
Concentrate in process	8 336	6 245	4 121
Concentrate and other surface sources before the smelter	47 510	48 925	32 123
Recycling material	40	2 850	110
Smelter inventory	74 405	73 966	67 613
Base metal removal plant inventory	2 737	9 254	8 463
Precious metal refinery inventory	74 217	57 211	59 144
Finished product inventory on hand	6 968	1 320	117
4E	276 235	215 714	220 172

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

Included in cost of sales is metal inventory to the value of R Nil relating to own production (31 December 2019: R127.6 million and 30 June 2020: R14.6 million) that were written down to net realisable value. Inventory to the value of R Nil relating to own production (31 December 2019: R1.5 billion and 30 June 2020: R474.1 million) is disclosed at net realisable value.

Consumables to the value of R36.6 million were written off during the year ended 30 June 2020. No consumables were written down in the current period.

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

No inventories are encumbered.

Significant estimates: Net realisable value and measurement of inventory

Work in progress metal inventory is valued at the lower of net realisable value and the average cost of production less net revenue from sales of by-products in the ratio of the contribution of these metals to gross sales revenue. Production costs are allocated to platinum, palladium, rhodium and gold (joint products) by dividing the mine output into total mine production costs, determined on a six-month rolling average basis except for concentrates and ore purchased which are recognised in the month in which it is purchased. The quantity of ounces of joint products in work in progress is calculated based on the following factors: Theoretical inventory is calculated by adding the inputs to the previous physical inventory and then deducting the outputs for the inventory period. The inputs and outputs include estimates due to the delay in finalising analytical values. The estimates are subsequently trued up to the final metal accounting quantities when available. The theoretical inventory is then converted to a refined equivalent inventory by applying appropriate recoveries depending on where the material is within the production pipeline. The recoveries are based on actual results as determined by the inventory count and are in line with industry standards.

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

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

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

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

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

		Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
Platinum price	USD/oz	1 029	937	813
Palladium price	USD/oz	2 333	1 912	1 894
Rhodium price	USD/oz	16 665	6 090	8 145
Gold price	USD/oz	1 880	1 494	1 752
Closing exchange rate at period/year-end	R/USD	R14.70	R14.01	R17.33

Impact of COVID-19 on the valuation of inventory

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

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

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

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

All net realisable value adjustments have been disclosed.

Notes to the condensed reviewed interim financial results

17. Trade and other receivables

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Trade receivables	6 504	23 968	17 248
Provisional pricing receivables	215 356	358 955	181 090
Accrued dividends and interest on cash and cash equivalents	3 662	9 480	12 997
Prepayments	50 790	43 229	26 560
Deposits	4 720	4 380	4 733
South African Revenue Service – Value Added Tax	337 035	171 470	189 067
South African Revenue Service - amounts receivable relating to the Mineral and Petroleum Resources Royalty	57 635	55	371
Current portion of suspensive sale agreements (refer note 14)	5 793	4 794	5 415
Current portion of interest free home loans to employees (refer note 14)	9 737	7 787	10 253
Other	30 000	45 109	8 760
	721 232	669 227	456 494

Trade receivables are unsecured, non-interest bearing and are generally on 30 to 60-day terms except for PGM debtors who have payment terms of between 2 to 5 days. Trade and other receivables to the value of R Nil was provided for or impaired during the current period (31 December 2019 and 30 June 2020: R Nil).

Provisional pricing receivables

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

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

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

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

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

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

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.

Impact of COVID-19 on Trade receivables and ECL

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

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

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

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

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

18. Cash and cash equivalents

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Cash at bank and on hand	15 395	6 536	627 335
Restricted cash	101 858	100 765	103 767
Short-term deposits	328 299	767 404	1 429 854
Cash and cash equivalents as per the statement of cash flows	445 552	874 705	2 160 956

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

The weighted average effective interest rate on cash and cash equivalents was 4.16% (31 December 2019: 7.4% and 30 June 2020: 6.5%) and these funds are all immediately available.

Restricted cash includes a deposit held of R23.0 million (31 December 2019 and 30 June 2020: R23.0 million) relating to an electricity supply agreement between Northam and Eskom. 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 which may only be spent in terms of the various Trust Deeds and Zambezi's Memorandum of Incorporation.

For the purposes of the statement of cash flows, cash and cash equivalents comprise the cash and cash equivalents balance as the group did not utilise the general banking facility at the reporting period end (31 December 2019 and 30 June 2020: R Nil).

General banking facility

The group has secured a general banking facility (GBF), i.e. overdraft facility, of R500.0 million. The GBF accrues interest at the South African prime interest rate less 1.75% (31 December 2019 and 30 June 2020: South African prime interest rate less 1.75%), and is payable on a 90-day notice period.

Commitment fees are payable on the GBF amounting to 0.55% per annum (31 December 2019 and 30 June 2020: 0.55%) on the unutilised portion of the facility.

Below is a summary of the utilisation of the GBF:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Available facility at the period/year-end	500 000	500 000	500 000

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

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

	Total facility Reviewed 6 months ended 31 December 2020	Utilised amount Reviewed 6 months ended 31 December 2020	Available facility Reviewed 6 months ended 31 December 2020	Interest rate Reviewed 6 months ended 31 December 2020	Repayment date Reviewed 6 months ended 31 December 2020
	R000	R000	R000		
Domestic Medium-Term Notes* (refer note 23)	15 000 000	(7 131 616)	7 868 384	Various	Various
Revolving credit facility (refer note 24)	3 500 000	(2 300 000)	1 200 000	JIBAR plus 2.45% ~ 2.95%	September 2024
General banking facility	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

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 Northam may, from time to time, issue Notes.

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

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

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

The Amended and Restated Programme Memorandum will apply 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.

Notes to the condensed reviewed interim financial results

	Total facility Reviewed 6 months ended 31 December 2019 R000	Utilised amount Reviewed 6 months ended 31 December 2019 R000	Available facility Reviewed 6 months ended 31 December 2019 R000	Interest rate Reviewed 6 months ended 31 December 2019	Repayment date Reviewed 6 months ended 31 December 2019
Domestic Medium-Term Notes* (refer note 23)	5 000 000	(4 175 000)	825 000	Various	Various
Revolving credit facility (refer note 24)	3 500 000	(1 800 000)	1 700 000	JIBAR plus 2.2% – 2.6%	September 2024
General banking facility	500 000	–	500 000	Prime less 1.75%	90-day notice
	9 000 000	(5 975 000)	3 025 000		

*Uncommitted but approved by the board of directors

	Total facility Audited 12 months ended 30 June 2020 R000	Utilised amount Audited 12 months ended 30 June 2020 R000	Available facility Audited 12 months ended 30 June 2020 R000	Interest rate Audited 12 months ended 30 June 2020	Repayment date Audited 12 months ended 30 June 2020
Domestic Medium-Term Notes* (refer note 23)	10 000 000	(5 640 749)	4 359 251	Various	Various
Revolving credit facility (refer note 24)	3 500 000	–	3 500 000	JIBAR plus 2.2% – 2.6%	September 2024
General banking facility	500 000	–	500 000	Prime less 1.75%	90-day notice
	14 000 000	(5 640 749)	8 359 251		

*Uncommitted but approved by the board of directors

19. Long-term provisions

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Balance at the beginning of the period/year	729 327	679 459	679 459
Change in estimate relating to the decommissioning costs (note 11)	–	–	(23 436)
Change in estimate relating to the restoration costs (note 4)	–	–	6 726
Unwinding of discount (note 6)	30 714	32 506	66 578
Total rehabilitation and decommissioning liability provision	760 041	711 965	729 327

Below is a breakdown of the long-term provision:

Provision for decommissioning costs

Balance at the beginning of the period/year	509 325	485 219	485 219
Change in estimate relating to the decommissioning costs (note 11)	–	–	(23 436)
Unwinding of discount (note 6)	21 449	23 212	47 542
Total provision for decommissioning costs	530 774	508 431	509 325

Provision for restoration costs

Balance at the beginning of the period/year	220 002	194 240	194 240
Change in estimate relating to restoration costs (note 4)	–	–	6 726
Unwinding of discount (note 6)	9 265	9 294	19 036
Total provision for restoration costs	229 267	203 534	220 002

Total rehabilitation and decommissioning liability provision	760 041	711 965	729 327
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The long-term provision is made up of the provision relating to the rehabilitation and decommissioning liability of:

Northam Platinum Limited (Zondereinde operation)	155 579	148 673	149 292
Booysendal Platinum Proprietary Limited (Booysendal operation)	222 302	192 801	213 318
Eland Platinum Proprietary Limited (Eland operation)	382 160	370 491	366 717
Total rehabilitation and decommissioning liability provision	760 041	711 965	729 327

On an annual basis, at year-end, a third party expert is engaged to determine the decommissioning and restoration liability for each of the operations within the group. During the period the only changes/updates related to unwinding of the decommissioning and restoration liabilities.

All changes in the estimate for the year ended 30 June 2020 to the decommissioning and restoration costs provision relate to the development of Booysendal South and the Eland operation.

Notes to the condensed reviewed interim financial results

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

	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 (note 6)	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 (note 6)	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

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

	Zondereinde operations Audited 12 months ended 30 June 2020 R000	Booyssendal operations Audited 12 months ended 30 June 2020 R000	Eland operations Audited 12 months ended 30 June 2020 R000	Total Audited 12 months ended 30 June 2020 R000
<i>Provision for decommissioning costs</i>				
Balance at the beginning of the year	90 220	109 740	285 259	485 219
Change in estimate relating to the decommissioning costs	(5 330)	304	(18 410)	(23 436)
Unwinding of discount	8 842	10 745	27 955	47 542
Total provision for decommissioning costs	93 732	120 789	294 804	509 325
<i>Provision for restoration costs</i>				
Balance at the beginning of the year	51 663	74 265	68 312	194 240
Change in estimate relating to restoration costs	(1 166)	10 986	(3 094)	6 726
Unwinding of discount	5 063	7 278	6 695	19 036
Total provision for restoration costs	55 560	92 529	71 913	220 002
Total rehabilitation and decommissioning liability provision	149 292	213 318	366 717	729 327

Notes to the condensed reviewed interim financial results

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

	Zondereinde operations Reviewed 6 months ended 31 December 2020 R000	Booysendal operations Reviewed 6 months ended 31 December 2020 R000	Eland operations Reviewed 6 months ended 31 December 2020 R000	Total Reviewed 6 months ended 31 December 2020 R000
Undiscounted obligation based on the Department of Mineral Resources and Energy, excluding Value Added Tax	194 877	205 324	169 075	569 276
Less funds held by the Northam Platinum Restoration Trust Fund	(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 Reviewed 6 months ended 31 December 2019 R000	Booysendal operations Reviewed 6 months ended 31 December 2019 R000	Eland operations Reviewed 6 months ended 31 December 2019 R000	Total Reviewed 6 months ended 31 December 2019 R000
Undiscounted obligation based on the Department of Mineral Resources and Energy, excluding Value Added Tax	176 890	173 263	164 922	515 075
Less funds held by the Northam Platinum Restoration Trust Fund	(62 507)	(62 507)	–	(125 014)
Less environmental guarantees	(142 350)	(98 427)	(169 759)	(410 536)
Total (overfunded)/underfunded rehabilitation obligation in terms of current legislation	(27 967)	12 329	(4 837)	(20 475)

	Zondereinde operations Audited 12 months ended 30 June 2020 R000	Booysendal operations Audited 12 months ended 30 June 2020 R000	Eland operations Audited 12 months ended 30 June 2020 R000	Total Audited 12 months ended 30 June 2020 R000
Undiscounted obligation based on the Department of Mineral Resources and Energy, excluding Value Added Tax	194 877	205 324	169 075	569 276
Less funds held by the Northam Platinum Restoration Trust Fund	(64 366)	(64 366)	–	(128 732)
Less environmental guarantees	(142 350)	(98 427)	(170 061)	(410 838)
Total (overfunded)/underfunded rehabilitation obligation in terms of current legislation	(11 839)	42 531	(986)	29 706

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 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Opening balance	128 732	120 080	120 080
Growth in the investment	4 498	4 934	8 652
Balance at the end of the period/year	133 230	125 014	128 732

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Stanlib Balanced Fund R	2 111	1 911	1 952
Stanlib Income Fund B2	89 895	81 879	85 556
Stanlib Institutional Money Market Fund B3	41 224	41 224	41 224
Balance at the end of the period/year	133 230	125 014	128 732

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

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

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Accrued interest relating to the Northam Platinum Restoration Trust Fund	1 347	1 812	1 623
	1 347	1 812	1 623

Notes to the condensed reviewed interim financial results

The future value of the environmental obligation could either be paid over to the Northam Platinum Restoration Trust Fund over the remaining life of the various operations, or through other financial provisions, insurance or financial products as approved by the Department of Mineral Resources and Energy in terms of The South African National Environmental Management Act No. 107 of 1998 (NEMA).

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

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

Below is a summary of the various environmental guarantees issued:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	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/G30381/0920/010	36 305	–	–
CQ/G/30381/1020/011	46 260	–	–
Total guarantees relating to Northam Platinum Limited (Zondereinde)	224 915	142 350	142 350
Booyseendal Platinum Proprietary Limited			
GR/G/20396/0311/0011	65 900	65 900	65 900
GR/G/20396/0315/0232	25 000	25 000	25 000
GR/G/20396/0417/0434	1 908	1 908	1 908
GR/G/20396/0517/0459	2 085	2 085	2 085
GR/G/02396/0618/0535	2 267	2 267	2 267
GR/G/02396/0618/0536	1 267	1 267	1 267
Total guarantees relating to Booyseendal Platinum Proprietary Limited	98 427	98 427	98 427
Eland Platinum Proprietary Limited			
CQ/G/30381/0118/004	129 545	129 545	129 545
CQ/G/30381/0118/005	31 096	31 096	31 096
CQ/G/30381/0919/006	2 200	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
Total guarantees relating to Eland Platinum Proprietary Limited	170 061	169 759	170 061
Total environmental guarantees in issue	493 403	410 536	410 838

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

Norham'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 Mineral and Petroleum Resources Development Act No. 28 of 2002 (MPRDA), which apply to all prospecting and mining operations, require that operations are carried out in accordance with generally accepted principles of sustainable development. It is a 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 is expected to be incurred in subsequent years. These provisions have been based on assessments prepared by an independent third party expert, SRK Consulting (South Africa) Proprietary Limited, with the Principal Scientist being James Lake Pr Sci Nat, Msc (Geochemistry).

The provision is based on the current best estimate for rehabilitation and decommissioning costs and is determined using commercial closure cost assessments and not the Department of Mineral Resources and Energy published rates. Management believes using commercial closure cost assessments more accurately reflects the potential future costs and therefore the liability. The commercial closure costs assessment is significantly more than what the liability would have been should the current published Department of Mineral Resources and Energy rates have been used.

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

The present value of the environmental restoration obligation was determined by applying a pre-tax discount rate of 8.6% (31 December 2019: 9.8% and 30 June 2020: 8.6%) and a long-term inflation rate of 6.0% (31 December 2019: 7.2% and 30 June 2020: 6.0%) over the remaining life of the various mines.

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

On 20 November 2015, NEMA Financial Provisioning Regulations, 2015 (2015 Regulations) were promulgated, resulting in significant changes from the requirements contained in the MPRDA.

The 2015 Regulations were immediately applicable to applicants for a prospecting right, mining permit, mining right, exploration right or production right (i.e. "new" applicants). In terms of the 2015 Regulations' transitional provisions, holders of a right or permit were able to elect to comply either within three months of their financial year-end or 15 months from promulgation of the 2015 Regulations. Due to an outcry from the minerals industry around the practical implications of complying within such a limited timeframe, holders of a right or permit were initially granted an extended transitional period of 39 months from the 2015 Regulations' date of promulgation to comply.

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

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

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

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

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

Updates to the assessment, which incorporate the COVID-19 pandemic, included updates to the pre-tax discount rate as well as the long-term inflation rate, which has been updated accordingly, taking into account market assumptions as at 30 June 2020. No further changes or updates have been made for the period ended 31 December 2020.

20. Preference share liability

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Opening balance	12 592 218	11 159 368	11 159 368
Accrued preference share dividends	630 253	712 259	1 432 850
Preference shares liability relating to Zambezi Platinum (RF) Limited	13 222 471	11 871 627	12 592 218
Derecognition of Zambezi Platinum (RF) Limited preference shares held by Northam Platinum Limited together with accrued dividends recognised	(10 631 364)	(2 723 836)	(4 220 514)
Liquidity fees relating to the Black Economic Empowerment transaction net of accumulated amortisation	(80 587)	(96 977)	(96 977)
Current period/year amortisation of liquidity fees	8 195	8 195	16 390
	2 518 715	9 059 009	8 291 117

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

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

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

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

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

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
Total number of Zambezi Platinum (RF) Limited preference shares (issued under JSE preference share code: ZPLP)	159 905 453	159 905 453	159 905 453
Number of Zambezi Platinum (RF) Limited preference shares held by Northam Platinum Limited	(128 569 993)	(36 688 840)	(53 595 254)
Number of Zambezi Platinum (RF) Limited preference shares held in the open market	31 335 460	123 216 613	106 310 199
Percentage holding by Northam Platinum Limited in the Zambezi Platinum (RF) Limited preference shares	80.4%	22.9%	33.5%
Value per Zambezi Platinum (RF) Limited preference share*	R82.69	R74.24	R78.75
Zambezi Platinum (RF) Limited (preference share code: ZPLP) closing preference share price	R93.25	R84.50	R81.00

*Rounded to the nearest cent

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 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Accrued preference share dividends relating to Zambezi Platinum (RF) Limited	630 253	712 259	1 432 850
Less preference share dividends accrued to Northam Platinum Limited with regards to the preference shares held by Northam Platinum Limited	(355 807)	(93 267)	(299 678)
Preference share dividends per the statement of profit or loss and other comprehensive income	274 446	618 992	1 133 172

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Opening balance of Zambezi Platinum (RF) Limited preference shares held by Northam Platinum Limited	4 220 514	295 257	295 257
Acquisition of Zambezi Platinum (RF) Limited preferences shares, including transaction costs during the period/year	6 943 527	2 443 460	3 756 207
Preference share dividends accrued to Northam Platinum Limited with regards to the preference shares held by Northam Platinum Limited	355 807	93 267	299 678
Derecognition of Zambezi Platinum (RF) Limited preference shares held by Northam Platinum Limited together with accrued dividends recognised	(10 631 364)	(2 723 836)	(4 220 514)
Loss on derecognition of the preference share liability	888 484	108 148	130 628

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

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

In terms of the 2015 Zambezi BEE transaction, Zambezi holds a combined 31.4% interest in Northam's issued stated capital.

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

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

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

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

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

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

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

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

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

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

21. Long-term loans

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Security of supply contribution	67 223	89 667	79 109
Heraeus Deutschland GmbH & Co. KG	84 064	77 220	79 896
Total long-term loans	151 287	166 887	159 005
Current portion of security of supply contribution	(23 772)	(24 437)	(23 772)
Current portion of Heraeus Deutschland GmbH & Co. KG	(4 700)	(9 400)	(4 700)
Long-term portion	122 815	133 050	130 533

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

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

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

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

22. Share-based payment liability

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Performance and retention share-based payment liability	467 935	298 057	369 273
Lock-in and incentive mechanism share-based payment liability	353 072	154 194	168 119
Total share-based payment liability	821 007	452 251	537 392
Short-term portion of share-based payment liability	(356 868)	(179 347)	(183 029)
Long-term share-based payment liability	464 139	272 904	354 363

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Opening balance	537 392	247 560	247 560
Share-based payment expense during the period/year (refer note 4)	640 151	384 426	472 079
Performance and retention shares cash settled during the period/year	(356 536)	(179 735)	(182 247)
Total share-based payment liability	821 007	452 251	537 392

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

Significant judgements and estimates: F2021 share awards

On an annual basis the company awards both retention shares with no performance targets as well as performance shares with both operation and market performance targets, to all employees within the Paterson D lower band and above, in terms of Northam's share incentive plan (SIP).

The awarding of these shares is determined by means of a share option formula, approved by the social, ethics, human resources and transformation committee (the committee). The formula takes into account factors such as the share price on grant date, dividend yield and the vesting period of the shares to be awarded.

The determination of retention and performance shares has been approved by the committee for the F2021 year, at the committee meeting held on 27 October 2020.

However, on 2 November 2020, Northam issued a cautionary announcement, pursuant to which Northam shareholders were advised that Northam and Zambezi have entered into discussions regarding a potential transaction to accelerate the maturity of the empowerment transaction concluded between Northam and Zambezi in May 2015, whilst maintaining Northam's BEE ownership. If the transaction is successfully concluded it may have a material effect on the price of Northam's securities.

In terms of clause 17.1 of the Northam SIP rules, inter alia, the making of an award shall be delayed if such would otherwise occur during a closed period or prohibited period (as defined in the JSE Limited Listings Requirements).

In light of the fact that Northam is trading under a cautionary announcement, Northam is currently in a closed period and therefore the making of awards will be prohibited in terms of the SIP rules.

In terms of IFRS 2.IG4, IFRS requires an entity to recognise the share-based payment (services) as and when received.

Therefore, even though no shares have been awarded to employees as at the period end, the group has raised the related share-based payment liability for the F2021 SIP shares to be awarded in terms of the rules of the SIP and the IFRS requirements, as the employees have begun to render services.

Share incentive plan (SIP)

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

	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

	31 December 2019	31 December 2019	31 December 2019
	Retention shares	Performance shares	Total
	Number of awards	Number of awards	Number of awards
Balance as at 1 July 2019	1 832 400	5 470 700	7 303 100
Shares awarded during the period	449 705	1 351 815	1 801 520
Shares forfeited	(14 265)	(42 740)	(57 005)
Shares cash settled during the period	(458 400)	(1 356 200)	(1 814 600)
Balance as at 31 December 2019	1 809 440	5 423 575	7 233 015

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

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

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

	31 December 2020	31 December 2020	31 December 2020
	F2019 awards	F2020 awards	Shares to be awarded in terms of the rules of the SIP for F2021
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

*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 2019	31 December 2019	31 December 2019
	F2018 awards	F2019 awards	F2020 awards
Dividend yield (%)	–	–	–
Forfeiture rate (%)	10.0	10.0	10.0
Expected life of share awards (years)	0.84	1.85	2.84
30-day VWAP (R/share)	R112.40	R112.40	R112.40
Model used*	Market value	Market value	Market value

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

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

*Given that the value of the shares will be paid out, and not just the growth in the price, an option valuation model is not appropriate, therefore the 30-day VWAP at period/year-end 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

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 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	Number of awards	Number of awards	Number of awards
Opening balance	3 400 000	3 400 000	3 400 000
Incentive mechanism shares awarded during the period	950 000	–	–
Zambezi Platinum (RF) Limited lock-in incentive mechanism share awards	4 350 000	3 400 000	3 400 000

The implementation of the 2015 Zambezi BEE transaction resulted in a number of significant benefits for the group including compliance with the required empowerment criteria in terms of the Mineral Petroleum Resources Development Act, No. 28 of 2002 and the Mining Charter, as well as a significant cash injection to fund both acquisitions and organic growth.

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

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

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

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

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

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
Dividend yield (%)	–	–	–
Forfeiture rate (%)	–	–	–
Expected life of share awards (years)	Various	5.40	4.88
Spot price (R/share)	R209.53	R123.62	R116.20
Model used*	Market value	Market value	Market value

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

All incentive mechanism share awards will vest on 17 May 2025, irrespective of the grant date.

23. Domestic Medium-Term Notes

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
<i>Non-current Domestic Medium-Term Notes</i>			
Domestic Medium-Term Notes (NHM002)	-	175 000	175 000
NHM002 switched to NHM018	-	-	(173 600)
Transaction costs relating to the NHM002 issue	-	(1 256)	(1 256)
Amortisation of transaction costs over 60 months	-	914	1 254
Transfer to current Domestic Medium-Term Notes	-	-	(1 398)
	-	174 658	-

On 13 May 2016, Northam issued NHM002. The Notes bear a fixed coupon of 13.50% per annum, payable semi-annually in May and November of every year, and will be redeemed on 12 May 2021.

Domestic Medium-Term Notes (NHM006)	-	250 000	250 000
NHM006 switched to NHM016	-	-	(28 907)
NHM006 switched to NHM018	-	-	(97 700)
Transaction costs relating to the NHM006 issue	-	(1 576)	(1 576)
Amortisation of transaction costs over 24 months	-	560	1 269
Transfer to current Domestic Medium-Term Notes	-	-	(123 086)
	-	248 984	-

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

Domestic Medium-Term Notes (NHM007)	141 186	300 000	300 000
NHM007 switched to NHM016	-	-	(58 814)
NHM007 switched to NHM018	-	-	(100 000)
Transaction costs relating to the NHM007 issue	(1 851)	(1 851)	(1 851)
Amortisation of transaction costs over 36 months	1 477	439	1 331
	140 812	298 588	140 666

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

Notes to the condensed reviewed interim financial results

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Domestic Medium-Term Notes (NHM009)	100 000	250 000	250 000
NHM009 switched to NHM018	–	–	(150 000)
Transaction costs relating to the NHM009 issue	(1 538)	(1 538)	(1 538)
Amortisation of transaction costs over 36 months	1 269	351	1 165
	99 731	248 813	99 627

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

Domestic Medium-Term Notes (NHM011)	173 000	500 000	500 000
NHM011 switched to NHM016	–	–	(277 000)
NHM011 switched to NHM018	–	–	(50 000)
Domestic Medium-Term Notes tap issue	345 000	–	–
Transaction costs relating to the NHM011 issue	(9 321)	(2 905)	(2 905)
Amortisation of transaction costs over the period of the Notes issued	2 874	588	2 270
	511 553	497 683	172 365

On 24 May 2019, Northam issued NHM011. On 25 November 2020, R345.0 million additional Notes were issued under the same terms and conditions. The Notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issue date for a three-year period. These Notes mature on 24 May 2022.

Domestic Medium-Term Notes (NHM012)	30 470	100 000	100 000
NHM012 switched to NHM016	–	–	(69 530)
NHM017 switched to NHM012	492 100	–	–
Transaction costs relating to the NHM012 issue	(9 958)	(866)	(866)
Amortisation of transaction costs over the period of the Notes issued	1 708	160	694
	514 320	99 294	30 298

On 13 June 2019, Northam issued NHM012. On 30 October 2020, R492.1 million additional Notes were issued under the same terms and conditions. The Notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in June, September, December and March of each year from issue date for a three-year period. These Notes mature on 13 June 2022.

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Domestic Medium-Term Notes (NHM014)	1 920 000	1 350 000	2 620 000
NHM014 switched to NHM018	–	–	(300 000)
NHM014 switched to NHM019	–	–	(400 000)
Domestic Medium-Term Notes tap issue	10 000	–	–
Transaction costs relating to the NHM014 issue	(34 457)	(22 520)	(27 310)
Amortisation of transaction costs over the period of the Notes issued	21 607	1 294	15 715
Transfer to current Domestic Medium-Term Notes	(1 917 150)	–	–
	–	1 328 774	1 908 405

On 20 November 2019, Northam issued NHM014. On 25 November 2020, R10.0 million additional Notes were issued under the same terms and conditions. The Notes attract a floating coupon rate of 3-month JIBAR plus 250 basis points, which is payable on a quarterly basis in November, February, May and August of each year from issue date for a two-year period. These Notes mature on 20 November 2021.

Domestic Medium-Term Notes (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 60 months	1 701	84	888
	493 631	492 014	492 818

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

Domestic Medium-Term Notes (NHM016)	680 000	–	680 000
Domestic Medium-Term Notes tap issue	165 967	–	–
Domestic Medium-Term Notes tap issue	200 000	–	–
Transaction costs relating to the NHM016 issue	(61 312)	–	(51 807)
Amortisation of transaction costs over the period of the Notes issued	7 016	–	1 447
	991 671	–	629 640

On 11 May 2020, Northam issued NHM016. On 7 September 2020 R166.0 million worth of additional Notes were issued and on 25 November 2020, R200.0 million worth of additional Notes were issued under the same terms and conditions. The Notes attract a floating coupon rate of 3-month JIBAR plus 425 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issue date for a five-year period. These Notes mature on 11 May 2025.

Notes to the condensed reviewed interim financial results

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Domestic Medium-Term Notes (NHM018)	1 021 300	–	1 021 300
Domestic Medium-Term Notes tap issue	253 000	–	–
Transaction costs relating to the NHM018 issue	(41 254)	–	(36 434)
Amortisation of transaction costs over the period of the Notes issued	7 553	–	1 231
	1 240 599	–	986 097

On 25 May 2020, Northam issued NHM018. On 25 November 2020 R253.0 million worth of additional Notes were issued under the same terms and conditions. The Notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issue date for a three-year period. These Notes mature on 25 May 2023.

Domestic Medium-Term Notes (NHM019)	450 000	–	450 000
Domestic Medium-Term Notes tap issue	390 000	–	–
Transaction costs relating to the NHM019 issue	(33 391)	–	(18 294)
Amortisation of transaction costs over the period of the Notes issued	3 205	–	463
	809 814	–	432 169

On 25 May 2020, Northam issued NHM019. On 25 November 2020 R390.0 million worth of additional Notes were issued under the same terms and conditions. The Notes attract a floating coupon rate of 3-month JIBAR plus 400 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issue date for a four-year period. These Notes mature on 25 May 2024.

Domestic Medium-Term Notes (NHM020)	132 000	–	–
Transaction costs relating to the NHM020 issue	(2 644)	–	–
Amortisation of transaction costs over 60 months	89	–	–
	129 445	–	–

On 25 November 2020, Northam issued NHM020 which is R132.0 million worth of three-year senior unsecured floating rate Notes. The Notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in November, February, May and August of each year from issue date for a three-year period. These Notes mature on 25 November 2023.

Total non-current Domestic Medium-Term Notes	4 931 576	3 388 808	4 892 085
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	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000

Current domestic Medium-Term Notes

Domestic Medium-Term Notes (NHM002)	1 400	–	1 400
Transaction costs relating to the NHM002 issue	(1 256)	–	(1 256)
Amortisation of transaction costs over 60 months	1 255	–	1 254
	1 399	–	1 398

On 13 May 2016, Northam issued NHM002. The Notes bear a fixed coupon of 13.50% per annum, payable semi-annually in May and November of every year, and will be redeemed on 12 May 2021.

Domestic Medium-Term Notes (NHM006)	123 393	–	123 393
Transaction costs relating to the NHM006 issue	(1 576)	–	(1 576)
Amortisation of transaction costs over 24 months	1 464	–	1 269
	123 281	–	123 086

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

Domestic Medium-Term Notes (NHM008)	–	200 000	200 000
Transaction costs relating to the NHM008 issue	–	(1 263)	(1 263)
Amortisation of transaction costs over 12 months	–	863	1 263
Domestic Medium-Term Notes repaid (NHM008)	–	–	(200 000)
	–	199 600	–

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

Domestic Medium-Term Notes (NHM010)	–	50 000	50 000
NHM010 switched to NHM016	–	–	(35 000)
Transaction costs relating to the NHM010 issue	–	(430)	(430)
Amortisation of transaction costs over 12 months	–	261	430
Domestic Medium-Term Notes repaid (NHM010)	–	–	(15 000)
	–	49 831	–

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

Notes to the condensed reviewed interim financial results

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Domestic Medium-Term Notes (NHM013)	5 100	500 000	500 000
NHM013 switched to NHM017	–	–	(494 900)
Transaction costs relating to the NHM013 issue	(3 036)	(3 036)	(3 036)
Amortisation of transaction costs over 12 months	3 036	946	3 030
Domestic Medium-Term Notes repaid (NHM013)	(5 100)	–	–
	–	497 910	5 094

On 9 September 2019, Northam issued NHM013, which is R500.0 million of one-year senior unsecured floating rate Notes. The Notes attract a floating coupon rate of 3-month JIBAR plus 240 basis points, which is payable on a quarterly basis on September, December, March and June from issue date for a one-year period. These Notes mature on 9 September 2020.

Transferred from non-current Domestic Medium-Term Notes (NHM014)	1 917 150	–	–
	1 917 150	–	–

Domestic Medium-Term Notes (NHM017)	494 900	–	494 900
NHM017 switched to NHM012	(492 100)	–	–
Transaction costs relating to the NHM017 issue	(11 749)	–	(9 815)
Amortisation of transaction costs over the period of the Notes issued	11 065	–	1 664
	2 116	–	486 749

On 13 May 2020, Northam issued NHM017, which is R494.9 million of nine-month senior unsecured floating rate Notes. The Notes attract a floating coupon rate of 3-month JIBAR plus 240 basis points, which is payable on a quarterly basis on August, November and February from issue date for a nine-month period. These Notes mature on 26 February 2021.

Total current Domestic Medium-Term Notes	2 043 946	747 341	616 327
Total Domestic Medium-Term Notes	6 975 522	4 136 149	5 508 412

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

During the period under review Northam has updated the Previous Programme Memorandum to, inter alia, align with the latest regulations (including amendments to the JSE Limited Debt Listings Requirements), include more recent information pertaining to Northam and incorporate Booyensdal Platinum Proprietary Limited as guarantor. Refer to the related party note (note 30) for details of the guarantee issued by Booyensdal Platinum Proprietary Limited, with regards to the Notes issued.

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

The board of directors of Northam has approved an increase in the Programme Amount in terms of the provisions of the Programme from R10.0 billion to R15.0 billion. This increase will provide Northam with additional funding flexibility.

The Amended and Restated Programme Memorandum will apply 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 will be applied towards the recommissioning and development of Eland mine, consequently creating new employment opportunities in the region.

Significant judgements and estimates: Tax deductibility of the interest on certain of the Notes issued

During the period under review and during the previous financial year Domestic Medium-Term Notes were issued specifically to finance the purchase of Zambezi preference shares, refer to note 20 for more details on the acquisitions made. The interest and transaction cost relating to these specific Notes are therefore not deductible for tax, as the interest is deemed to be unproductive in nature. Interest paid is deemed unproductive when associated borrowings are utilised for non-operational purposes for example buying an investment that generates exempt dividend income.

The Notes issued for the purchase of Zambezi preference shares during F2020 relates to R1.9 billion issued under NHM014, R300.0 million switched to NHM018 and R400.0 million switched to NHM019.

During the current period the following Notes were issued to acquire Zambezi preference shares: R345.0 million under NHM011, R10.0 million issued as part of NHM014, R366.0 million issued as part of NHM016, R253.0 million issued as part of NHM018, R390.0 million issued as part of NHM019 and NHM020 for R132.0 million.

Below is a summary of the Notes issued to purchase Zambezi preference shares:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
NHM011	345 000	–	–
NHM014	1 930 000	1 350 000	1 920 000
NHM016	365 967	–	–
NHM018	553 000	–	300 000
NHM019	790 000	–	400 000
NHM020	132 000	–	–
	4 115 967	1 350 000	2 620 000

Notes to the condensed reviewed interim financial results

The maturity profile of the group's Domestic Medium-Term Notes is set out below, into the relevant maturity grouping based on the remaining period at the reporting date to the contractual maturity date representing the undiscounted contractual cash flows:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Matured during F2020	N/A	250 000	N/A
NHM008 – 26 April 2020	–	200 000	–
NHM010 – 24 May 2020	–	50 000	–
Maturing during F2021	127 593	925 000	624 793
NHM013 – 9 September 2020	–	500 000	5 100
NHM017 – 26 February 2021	2 800	–	494 900
NHM006 – 16 April 2021	123 393	250 000	123 393
NHM002 – 11 May 2021	1 400	175 000	1 400
Maturing during F2022	3 211 756	2 500 000	2 364 656
NHM014 – 20 November 2021	1 930 000	1 350 000	1 920 000
NHM007 – 16 April 2022	141 186	300 000	141 186
NHM009 – 26 April 2022	100 000	250 000	100 000
NHM011 – 24 May 2022	518 000	500 000	173 000
NHM012 – 13 June 2022	522 570	100 000	30 470
Maturing during F2023 – NHM018	1 274 300	–	1 021 300
NHM018 – 25 May 2023	1 274 300	–	1 021 300
Maturing during F2024 – NHM019	972 000	–	450 000
NHM020 – 25 November 2023	132 000	–	–
NHM019 – 25 May 2024	840 000	–	450 000
Maturing during F2025	1 545 967	500 000	1 180 000
NHM015 – 13 December 2024	500 000	500 000	500 000
NHM016 – 11 May 2025	1 045 967	–	680 000
Total Domestic Medium-Term Notes (excluding capitalised transaction costs)	7 131 616	4 175 000	5 640 749
Transaction costs incurred	(221 413)	(45 311)	(166 451)
Amortised transaction costs	65 319	6 460	34 114
Total Domestic Medium-Term Notes	6 975 522	4 136 149	5 508 412

During the period under review the following movements occurred relating to the Domestic Medium-Term Notes:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Opening balance	5 640 749	1 825 000	1 825 000
Notes issued	1 988 067	2 350 000	6 266 200
NHM011	345 000	-	-
NHM012	492 100	-	-
NHM013	-	500 000	500 000
NHM014	10 000	1 350 000	2 620 000
NHM015	-	500 000	500 000
NHM016	365 967	-	680 000
NHM017	-	-	494 900
NHM018	253 000	-	1 021 300
NHM019	390 000	-	450 000
NHM020	132 000	-	-
Notes repaid	(5 100)	-	(215 000)
NHM008	-	-	(200 000)
NHM010	-	-	(15 000)
NHM013	(5 100)	-	-
Notes switched	(492 100)	-	(2 235 451)
NHM002	-	-	(173 600)
NHM006	-	-	(126 607)
NHM007	-	-	(158 814)
NHM009	-	-	(150 000)
NHM010	-	-	(35 000)
NHM011	-	-	(327 000)
NHM012	-	-	(69 530)
NHM013	-	-	(494 900)
NHM014	-	-	(700 000)
NHM017	(492 100)	-	-
Total Domestic Medium-Term Notes (excluding capitalised transaction costs)	7 131 616	4 175 000	5 640 749
Transaction costs incurred	(221 413)	(45 311)	(166 451)
Amortised transaction costs	65 319	6 460	34 114
Total Domestic Medium-Term Notes	6 975 522	4 136 149	5 508 412

24. Revolving credit facility

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Opening balance	–	2 150 000	2 150 000
Amounts drawn down on the revolving credit facility	3 750 000	2 000 000	4 800 000
Amounts repaid during the period/year	(1 450 000)	(2 350 000)	(6 950 000)
Total facility utilised at period/year-end	2 300 000	1 800 000	–
Transaction costs incurred on the previous facility	–	(21 767)	(21 767)
Amortisation of transaction costs of the previous facility	–	21 767	21 767
Transaction costs incurred on the new revolving credit facility	(27 730)	(27 701)	(27 701)
Amortisation of transaction costs on the new revolving credit facility amortised over the period of the facility	7 389	1 847	4 617
	2 279 659	1 774 146	(23 084)

Northam has a R3.5 billion 5-year revolving credit facility available with Nedbank Limited which matures on 5 September 2024.

With the onset of COVID-19, the financial covenant parameters were renegotiated with Nedbank Limited and relaxed up to and including 31 December 2021. The financial covenants were relaxed to buffer the group against unforeseen implications of the COVID-19 pandemic. As a result, the interest rate was updated to JIBAR plus 2.45% (31 December 2019 and 30 June 2020: JIBAR plus 2.1%), plus a utilisation fee of between 0.1% per annum and 0.5% per annum, depending on the amount of the revolving credit facility drawdown. The effective interest rate on the revolving credit facility therefore ranged between JIBAR plus 2.55% and JIBAR plus 2.95% (31 December 2019 and 30 June 2020: JIBAR plus 2.2% and JIBAR plus 2.6%), depending on the amount of the drawdown.

Commitment fees are payable on the revolving credit facility amounting to 0.80% (31 December 2019 and 30 June 2020: 0.70% per annum) on the unutilised portion of the facility. No commitment fee shall accrue during periods where more than R2.5 billion of the facility has been utilised.

The utilised revolving credit facility is disclosed as non-current as Northam has the discretion to refinance or roll over the outstanding facility for at least 12 months after the reporting period under the existing loan facility.

Refer to the related party note (note 30) for various guarantees issued by group companies relating to the revolving credit facility.

Below is a summary of the facility available:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Total revolving credit facility	3 500 000	3 500 000	3 500 000
Facility utilised at period/year-end	(2 300 000)	(1 800 000)	–
Available facility at period/year-end	1 200 000	1 700 000	3 500 000

Significant judgements and estimates: Tax deductibility of the interest on the revolving credit facility during the period under review

During the previous financial year and for period under review, a number of drawdowns on the revolving credit facility was utilised to purchase Zambezi preference shares, refer to note 20 for more details on the acquisitions made. A portion of the interest and commitment fees relating to the revolving credit facility is therefore not deductible for tax, as the interest is deemed to be unproductive in nature. Interest paid is deemed unproductive when associated borrowings are utilised for non-operational purposes for example buying an investment that generates exempt dividend income.

Below is a summary of the drawdowns made to acquire Zambezi preference shares:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Drawdowns made to acquire Zambezi preference shares	3 250 000	2 000 000	2 750 000
	3 250 000	2 000 000	2 750 000

Domestic Medium-Term Notes were subsequently issued to refinance the revolving credit facility in previous periods. Refer to note 23 for details regarding the issue of Domestic Medium-Term Notes to replenish the revolving credit facility.

25. Trade and other payables

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Trade payables	699 125	445 694	630 613
Provisional pricing payables	49 351	22 988	10 159
Accruals	268 353	905 141	286 500
Concentrate purchased accruals	521 478	–	1 309 142
Capital accruals	37 773	66 498	29 420
South African Revenue Service – Value Added Tax	210 337	93 082	72 886
South African Revenue Service – amounts payable relating to the Mineral and Petroleum Resources Royalty	10 676	18 182	84
Accrued interest and commitment fees	60 991	61 680	52 064
Employee related accruals	720 280	494 372	419 323
Employee Labour Court judgement (refer to note 31)	55 000	–	55 000
Other	97 128	68 360	74 060
	2 730 492	2 175 997	2 939 251

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

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

Details of accruals as at 31 December 2019 are provided for improved disclosure:

	Reviewed 6 months ended 31 December 2019
Accruals	311 478
Concentrate purchased accruals	538 663
Employee Labour Court judgement (refer to note 31)	55 000
Accruals as disclosed in the 31 December 2019 interim financial results	905 141

26. Provisional pricing derivatives

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Provisional pricing derivatives	5 615	5 703	–
	5 615	5 703	–

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

Subsequent to the quotational period, the selling price is finalised and any amounts required to be refunded are accounted for as a provisional pricing payable (refer to note 25).

27. Fair value

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

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

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

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

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

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

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
<i>Preference share liability</i>			
Carrying value (refer note 20)	(2 518 715)	(9 059 009)	(8 291 117)
Fair value as per the Zambezi Platinum (RF) Limited closing preference share price (preference share code: ZPLP)	(2 922 032)	(10 411 804)	(8 611 126)

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

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
Number of Zambezi Platinum (RF) Limited preferences shares issued (JSE preference share code: ZPLP)	159 905 453	159 905 453	159 905 453
Number of ZPLP preference shares held by Northam Platinum Limited	(128 569 993)	(36 688 840)	(53 595 254)
Number of ZPLP preference shares held in the open market	31 335 460	123 216 613	106 310 199
Zambezi Platinum (RF) Limited (preference share code: ZPLP) closing preference share price	R93.25	R84.50	R81.00
Fair value as per the Zambezi Platinum (RF) Limited closing preference share price (preference share code: ZPLP) (R000)	(2 922 032)	(10 411 804)	(8 611 126)

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

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

There were no transfers of financial instruments between the various fair value levels during the period.

28. 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 2020 R000	Reviewed 6 months ended 31 December 2019 R000	Audited 12 months ended 30 June 2020 R000
<i>Capital commitments – Booysendal mine</i>			
Authorised but not contracted	273 464	8 042	664 123
Contracted	331 947	570 701	337 448
	605 411	578 743	1 001 571
<i>Capital commitments - Zondereinde mine</i>			
Authorised but not contracted	547 081	328 944	955 608
Contracted	228 348	209 438	161 854
	775 429	538 382	1 117 462
<i>Capital commitments - Eland mine</i>			
Authorised but not contracted	303 405	164 889	295 719
Contracted	17 244	52 284	13 151
	320 649	217 173	308 870
Total capital commitments	1 701 489	1 334 298	2 427 903

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

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

	Reviewed 6 months ended 31 December 2020 R000	Reviewed 6 months ended 31 December 2019 R000	Audited 12 months ended 30 June 2020 R000
<i>Bank guarantees</i>			
Eskom Holdings SOC Limited	143 709	146 447	146 473
Other	398	398	398
	144 107	146 845	146 871
<i>Other environmental guarantees</i>			
Department of Mineral Resources and Energy (refer note 19)	493 403	410 536	410 838
	493 403	410 536	410 838

29. Lease commitments – group as lessee

The group has entered into leases for the corporate office, accommodation and a notarial agreement for lease of land relating to Booyssendal Platinum Proprietary Limited.

During the period under review the lease for the corporate office was renewed. The lease is for a period of five years, with the option to renew the lease for an additional five years. Leases relating to accommodation are generally between five and ten years, with options to renew for an additional five years. The notarial agreement for lease of land relating to Booyssendal Platinum Proprietary Limited is for life of mine and payable to the Bakoni Ba Phetla Communal Property Association.

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

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
<i>Lease rentals for accommodation as lessee*</i>			
Due within one year	8 455	10 373	9 871
Due within two to five years	8 203	16 674	11 965
More than five years	–	–	–
	16 658	27 047	21 836
<i>Lease rentals for corporate office as lessee*</i>			
Due within one year	2 619	3 084	3 207
Due within two to five years	12 444	15 030	15 628
More than five years	20 278	3 736	1 494
	35 341	21 850	20 329
<i>Lease rentals for various premises as lessee</i>			
Due within one year	–	13 457	13 078
Due within two to five years	–	31 704	27 593
More than five years	–	3 736	1 494
	–	48 897	42 165
<i>Lease rentals relating to a notarial lease of land</i>			
Due within one year	4 008	3 836	3 921
Due within two to five years	17 920	17 148	17 530
More than five years	92 330	97 110	94 746
	114 258	118 094	116 197

*The sum of the lease rentals for accommodation as lessee and lease rentals for corporate office as lessee was disclosed in total as lease rentals for various premises as lessee for the previous financial reporting periods. For enhanced disclosure the lease commitments have now been split.

Below is a reconciliation of the movements relating to the lease commitments:

	Accommodation as lessee	Corporate office as lessee	Notarial lease of land	Total
	R000	R000	R000	R000
Opening balance as at 1 July 2020	21 836	20 329	116 197	158 362
Payments made	(5 178)	(1 527)	(1 939)	(8 644)
Scope changes	–	(4 344)	–	(4 344)
Increase in lease term	–	20 883	–	20 883
Closing balance as at 31 December 2020	16 658	35 341	114 258	166 257

30. Related parties

Related party relationships exist between the company, subsidiaries and an associate within the Northam group of companies.

Below is a summary of the key related party transactions:

Guarantees

Northam Platinum Limited currently has finance facilities available in the form of a revolving credit facility (RCF) of R3.5 billion and a general banking facility (GBF) to the value of R500.0 million with Nedbank Limited. Booyensdal Platinum Proprietary Limited and Eland Platinum Proprietary Limited have both signed a letter of guarantee concerning these facilities.

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

In addition, as at 31 December 2020, Northam Platinum Limited had R7.1 billion (31 December 2019: R4.2 billion and 30 June 2020: R5.6 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 these issued Notes.

Refer to note 23 for details on the Notes issued.

Notes to the condensed reviewed interim financial results

Zambezi Platinum (RF) Limited

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

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

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

Below is a summary of the net asset value of Zambezi:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Investment held by Zambezi Platinum (RF) Limited in Northam Platinum Limited	33 504 990	19 767 512	18 581 014
Cash and cash equivalents together with accrued interest	506	503	502
Less preference share liability in Zambezi Platinum (RF) Limited	(13 222 471)	(11 871 627)	(12 592 218)
Deferred tax liability relating to capital gains tax payable by Zambezi Platinum (RF) Limited	(6 036 546)	(2 959 351)	(2 693 575)
Amounts payable to South African Revenue Service	–	(10)	–
Net asset value of Zambezi Platinum (RF) Limited	14 246 479	4 937 027	3 295 723
Number of Northam Platinum Limited ordinary shares held by Zambezi Platinum (RF) Limited	159 905 453	159 905 453	159 905 453
Northam Platinum Limited closing share price (share code: NHM)	R209.53	R123.62	R116.20
Investment held by Zambezi Platinum (RF) Limited in Northam Platinum Limited	33 504 990	19 767 512	18 581 014
Value per Zambezi Platinum (RF) Limited preference share*	R82.69	R74.24	R78.75

*Rounded to the nearest cent

From the above it is evident that the investment in Northam is sufficient to cover both the Zambezi preference share liability as well as the capital gains tax on the increase in the share price.

There was therefore no call on the guarantee provided by Northam for the current and previous reporting periods as listed above.

For purposes of ensuring that Zambezi does not incur any liabilities or indebtedness, other than pursuant to the BEE transaction agreements, and that it remains ring-fenced, Zambezi and Northam entered into an administration services agreement in terms of which Zambezi has appointed Northam to attend to the day-to-day management of Zambezi's business and the administration of Zambezi's affairs at Northam's sole cost and expense and with no recourse to Zambezi subject to maximum costs and expenses of up to R2.0 million per annum, escalating annually at CPI from the 1st (first) anniversary of the implementation date. During the period under review expenses to the value of R0.4 million (31 December 2019: R0.3 million and 30 June 2020: R1.4 million) were incurred.

The current limit relating to expenses paid on behalf of Zambezi amounts to R2.5 million (31 December 2019: R2.4 million and 30 June 2020: R2.5 million).

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 the 10-year lock-in period is over or the BEE credentials are no longer required by Northam. There is no scope for any other commercial activity outside of the maintenance of the BEE credentials, the allocation of returns on the Northam shares to the beneficiaries of these trusts and the facilitation and maintenance of the external BEE preference share funding.

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

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

Other related party transactions

The group has a 33.7% (31 December 2019: 30% and 30 June 2020: 33.7%) interest in SSG Holdings Proprietary Limited, through a wholly owned subsidiary, Mining Technical Services Proprietary Limited. SSG Holdings Proprietary Limited provides security and facility services to the group. Below is a summary of transactions between the group and SSG Holdings Proprietary Limited:

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
SSG Facilities Proprietary Limited	22 769	24 986	43 739
SSG Securities Solutions Proprietary Limited	50 865	37 161	80 860
Security and facilities services provided by SSG Holdings Proprietary Limited to the group during the period/year accounted for as part of operating costs	73 634	62 147	124 599
Dividends received (refer note 13)	606	–	–
Management fees received from associate (SSG Holdings Proprietary Limited) (refer note 7)	–	1 080	2 249
Amounts payable to SSG Holdings Proprietary Limited included as part of trade and other payables	13 882	17 823	17 414

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

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

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
	R000	R000	R000
Services provided by SMS Mining Holdings Proprietary Limited to the group during the period/year accounted for as part of operating costs and capital expenditure	65 741	53 359	87 338
Amounts payable to SMS Mining Holdings Proprietary Limited included as part of trade and other payables	12 891	18 726	7 272

31. Employee Labour Court judgement

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

According to the Labour Court, the employees' dismissal was substantively unfair. Northam has been ordered to pay compensation for each employee equivalent to 12 months' remuneration calculated at the rate of remuneration on dismissal. An amount of R55.0 million has therefore been accrued for in the accounts, refer to note 25.

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

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

32. Contingent liability – SARS VAT claim

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

Northam claimed input VAT in relation to this BEE transaction.

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

The objection raised by Northam against the additional assessments and understatement penalties was disallowed, upon which Northam appealed to the Tax Court. The current status of the appeal is that SARS must issue its statement for grounds of assessment and opposing appeal (Rule 31 statement).

SARS requested, towards the end of the previous financial year, an extension of time within which to issue its Rule 31 statement, in order to consider the documentation in more detail and have a committee consider SARS' position. Northam's attorneys anticipate that the matter will proceed to court towards the end of 2021, or early in 2022.

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

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

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

Northam has submitted C-19 TERS claims to the value of R101.0 million, of which an amount of R46.0 million has been received to date, refer to note 7 Sundry income for amounts received during the period.

No further claims are anticipated at this point in time.

34. Events after the reporting period

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

Summary Mineral Resources and Mineral Reserves

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

Northam's Mineral Resources and Mineral Reserves as at 31 December 2020 for its wholly owned Booyssendal, Eland and Zondereinde platinum mines are updated estimates considering the depletions of the previous six months' production. In addition, there have been revisions to both the Mineral Resources and Mineral Reserves estimates for Zondereinde Merensky and UG2 Reefs, particularly within the Western extension section. Also, the Mineral Resources and Mineral Reserves estimates for UG2 in the Booyssendal South mine have been revised, in order to align the Mineral Resources channel, cut to that of the current and expected mining cut.

The Zondereinde revision resulted in no material change to the Mineral Resources and Mineral Reserves estimates. The Booyssendal South UG2 revision has resulted in increased Mineral Resources tonnage, an alignment of the 4E grade to that of the North Mine UG2, and a decrease in 4E content of 1.2 Moz. The change to the corresponding Mineral Reserves has resulted in an increase in tonnage and a decrease in 4E content of 0.3 Moz.

Despite these revisions, there are no material changes to Northam's total Mineral Resources and Mineral Reserves relative to those reported as at 30 June 2020.

Mineral Resources and Mineral Reserves for wholly owned operations have been prepared by the Company's Competent Persons using the guidelines of the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016), the SAMREC code (2016). Mineral Resources for the Dwaalkop joint venture were prepared by Sibanye Stillwater. These Mineral Resources have been publically declared by the Sibanye Stillwater Lead Competent Person.

Mr. DS Smith BSc (Hons), MSc, Northam's Group Geologist and Lead Competent Person, takes full accountability for the reporting of the Mineral Resources and the Mineral Reserves. The company declares that it has written confirmation from the Lead Competent Person, that the information disclosed in this report is compliant with the SAMREC Code (2016) and, where applicable, the relevant Section 12.13 of the JSE Limited Listings Requirements as well as those of Table 1; and that it may be published in the form and context in which it was intended.

Further details can be found in the full Mineral Resources and Mineral Reserves statement, as at 30 June 2020, which is available on the company's website, www.northam.co.za

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

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

*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 2019.

**No Mineral Reserves have been declared.

The Mineral Resources (total Measured, Indicated and Inferred) are reported inclusive of the Mineral Reserves (Proved and Probable) for 4E (combined platinum, palladium, rhodium and gold). The individual element ratios for platinum, palladium, rhodium and gold are indicative of the Northam group global proportions for the total mineral resources in the Merensky and UG2 Reefs.

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

Summary Mineral Resources and Mineral Reserves

The following tables summarise the Mineral Reserves and Mineral Resources attributable to the group for both the current period and previous financial year. Mineral Resources are reported as *in-situ* estimates inclusive of Mineral Reserves.

Northam group Mineral Reserves estimate (combined Proved and Probable)^{1,2,3,4,5}

Reef	Operation	31 December 2020			31 December 2019			30 June 2020		
		4E			4E			4E		
		Mt	g/t	Moz	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booyssendal North mine	12.82	2.77	1.14	12.54	2.80	1.13	12.99	2.75	1.15
	Booyssendal South mine	22.16	2.58	1.84	21.50	2.58	1.78	22.16	2.58	1.84
	Eland	5.27	0.89	0.15	5.04	0.86	0.14	5.27	0.89	0.15
	Zondereinde	26.32	5.65	4.78	26.49	5.69	4.85	26.41	5.74	4.87
	Total	66.57	3.70	7.91	65.57	3.75	7.90	66.83	3.73	8.01
UG2	Booyssendal North mine	39.42	3.09	3.92	40.86	3.06	4.02	40.74	3.09	4.04
	Booyssendal South mine	63.49	2.96	6.04	58.68	3.54	6.68	57.44	3.44	6.35
	Eland	25.71	3.50	2.89	25.50	3.53	2.89	25.71	3.50	2.89
	Zondereinde	60.95	4.27	8.36	62.32	4.27	8.55	61.57	4.27	8.46
	Total	189.57	3.48	21.21	187.36	3.68	22.14	185.46	3.65	21.74
Combined	Booyssendal North mine	52.24	3.01	5.06	53.40	3.00	5.15	53.73	3.00	5.19
	Booyssendal South mine	85.65	2.86	7.88	80.18	3.28	8.46	79.60	3.20	8.19
	Eland	30.98	3.05	3.04	30.54	3.09	3.03	30.98	3.05	3.04
	Zondereinde	87.27	4.68	13.14	88.81	4.69	13.40	87.98	4.71	13.33
	Total	256.14	3.54	29.12	252.93	3.69	30.04	252.29	3.67	29.75

1. Mineral Resources and Mineral Reserves estimates are reported on a Northam Platinum Limited attributable basis. These include those which are either from properties wholly-owned by Northam or its wholly owned subsidiaries (Booyssendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited), or from joint arrangements in which Northam holds an interest (this being the Dwaalkop joint venture, in which Northam holds a 50% interest).
2. Mineral Resources and Mineral Reserves rest entirely within the Merensky and UG2 ore bodies of the Bushveld Complex, South Africa.
3. PGM grade is expressed as 4E (combined platinum, palladium, rhodium and gold) grade; this being synonymous with 3PGE & Au.
4. Rounding of numbers in the tables may result in minor computational discrepancies. Where this occurs, it is deemed insignificant.
5. There are no Mineral Reserves declared for Dwaalkop.

Northam group Mineral Resources estimate (combined Measured, Indicated and Inferred)^{1,2,3,4,5}

Reef	Operation	31 December 2020			31 December 2019			30 June 2020		
		4E			4E			4E		
		Mt	g/t	Moz	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booyssendal Extension ⁷	242.37	3.86	30.06	242.35	3.87	30.17	242.38	3.86	30.06
	Booyssendal North mine	19.70	3.13	1.98	21.82	3.01	2.11	19.96	3.12	2.00
	Booyssendal South mine	27.44	2.72	2.40	27.44	2.72	2.40	27.44	2.72	2.40
	Dwaalkop ⁶	38.05	2.98	3.64	38.05	2.98	3.64	38.05	2.98	3.64
	Eland	4.82	1.05	0.16	4.82	1.03	0.16	4.82	1.05	0.16
	Zondereinde	207.61	7.40	49.38	207.55	7.50	50.03	207.00	7.49	49.88
	Total	539.99	5.05	87.62	542.03	5.08	88.51	539.65	5.08	88.14
UG2	Booyssendal Extension ⁷	431.57	4.09	56.80	426.01	4.09	56.01	425.24	4.09	55.87
	Booyssendal North mine	54.60	3.28	5.76	50.87	3.39	5.54	49.63	3.31	5.28
	Booyssendal South mine	125.03	3.18	12.80	118.83	3.70	14.12	118.56	3.67	14.00
	Dwaalkop ⁶	37.56	4.35	5.25	37.56	4.35	5.25	37.56	4.35	5.25
	Eland	147.43	4.04	19.16	147.43	4.04	19.16	147.43	4.04	19.16
	Zondereinde	326.11	5.16	54.06	335.82	5.05	54.56	333.98	5.04	54.15
	Total	1 122.30	4.26	153.83	1 116.52	4.31	154.64	1 112.40	4.30	153.71
Combined	Booyssendal Extension ⁷	673.94	4.01	86.86	668.36	4.01	86.18	667.62	4.00	85.93
	Booyssendal North mine	74.30	3.24	7.74	72.69	3.27	7.65	69.59	3.25	7.28
	Booyssendal South mine	152.47	3.10	15.20	146.27	3.51	16.52	146.00	3.49	16.40
	Dwaalkop ⁶	75.61	3.66	8.89	75.61	3.66	8.89	75.61	3.66	8.89
	Eland	152.25	3.95	19.32	152.25	3.95	19.32	152.25	3.95	19.32
	Zondereinde	533.72	6.03	103.44	543.37	5.99	104.59	540.98	5.98	104.03
	Total	1 662.29	4.52	241.45	1 658.55	4.56	243.15	1 652.05	4.55	241.85

1. Mineral Resources and Mineral Reserves estimates are reported on a Northam Platinum Limited attributable basis. These include those which are either from properties wholly-owned by Northam or its wholly owned subsidiaries (Booyssendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited), or from joint arrangements in which Northam holds an interest (this being the Dwaalkop joint venture, in which Northam holds a 50% stake).
2. Mineral Resources and Mineral Reserves rest entirely within the Merensky and UG2 ore bodies of the Bushveld Complex, South Africa.
3. Mineral Resources are reported as in-situ estimates inclusive of Mineral Reserves.
4. PGM grade is expressed as 4E (combined platinum, palladium, rhodium and gold) grade; this being synonymous with 3PGE & Au.
5. Rounding of numbers in the tables may result in minor computational discrepancies. Where this occurs, it is deemed insignificant.
6. Current Mineral Resources for Dwaalkop are quoted as at 31 December 2019 while those of the previous year are at 30 September 2018. There are no Mineral Reserves declared for Dwaalkop.
7. Booyssendal Extension (previously reported as Booyssendal Prospect) comprises the total areas of Booyssendal Extension North and Booyssendal Extension South.

Summary Mineral Resources and Mineral Reserves

Indicative Northam group PGM prill splits and base metal weight percentages^{1,2}

Prill splits % ¹	Pt	Pd	Rh	Au	Cr ₂ O ₃ %	Cu%	Ni%
Merensky	60.9	30.2	4.1	4.9	0.37	0.089	0.194
UG2	59.5	29.6	9.6	1.3	26.67	0.016	0.098
Combined	60.0	29.8	7.6	2.6	18.16	0.040	0.129

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

Glossary

Performance measures (PMs) not defined by the International Financial Reporting Standards (IFRS) and which are disclosed in this report, are not uniformly defined or used by all entities, and may not be comparable with similar disclosures provided by other entities.

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

To obtain an understanding of PMs and other definitions contained in the financial results, shareholders are referred to the glossary set out below.

>1 000.0%	Indicated variance if the variance between two periods/years is greater than one thousand percent
4E	Northam reports Mineral Resources, Mineral Reserves, production and grades in terms of platinum, palladium, rhodium and gold, collectively expressed as 4E. This is synonymous with 3PGE & Au
6E	Northam reports metal production and grades in terms of platinum, palladium, rhodium, gold, ruthenium and iridium, collectively expressed as 6E
AGM	Annual General Meeting
AIDS	Acquired immunodeficiency syndrome
AMCU	The Association of Mineworkers and Construction Union
Annual liquidity	The measure of the liquidity of the listed Northam shares calculated by dividing the total number of ordinary shares traded during the financial year/12 month rolling period by the number of ordinary shares in issue, which is 509 781 212
Au	Gold
Average exchange rate	The average exchange rate achieved by the group for the purpose of converting USD sales to ZAR over a period/year, amounting to the sum of the daily close ZAR/USD exchange rate over a period/year divided by the number of days in that period/year
Average market price achieved/realised (USD/oz)	Average market prices achieved/realised in USD/ounce over a specific period/year, calculated as total sales revenue per metal in ZAR divided by the total metal sold in ounces, divided by the average exchange rate over the specific period/year
Average number of employees including contractors	The number of permanent employees and contractors working at the company's operations per month averaged over a reporting period
Base metal	A metal other than the noble metals or precious metals, such as copper, nickel, tin or zinc
BEE	Broad-Based Black Economic Empowerment as defined in the Broad-Based Black Economic Empowerment Act No. 53 of 2003 which contains codes of requirements to be met by companies. Also termed B-BBEE
bn	Billion
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
Bushveld Complex	The world's largest known layered igneous complex, covering an area of approximately 67 000 square kilometres (km ²) within South Africa and containing approximately 85% of all known PGM Mineral Resources
CAGR	Compound Annual Growth Rate
Capital expenditure or capex	ZAR value assigned for additions to, and maintenance of property, plant and equipment as well as mining properties and Mineral Resources

Cash costs per 4E oz in concentrate produced	Cash costs for each 4E ounce in concentrate produced over a specific period/year, calculated as mining operations costs in ZAR divided by 4E ounces in concentrate produced, plus concentrator operating costs together with selling and administration overhead costs in ZAR divided by 4E ounces produced both from concentrate produced as well as concentrates purchased
Cash costs per 6E oz in concentrate produced	Cash costs for each 6E ounce in concentrate produced over a specific period/year, calculated as mining operations costs in ZAR divided by 6E ounces in concentrate produced, plus concentrator operating costs together with selling and administration overhead costs in ZAR divided by 6E ounces produced both from concentrate produced as well as concentrates purchased
Cash costs per equivalent refined 4E oz	Cash costs for each equivalent refined 4E ounce produced over a specific period/year, calculated as mining costs in ZAR (mining operations and concentrator operations costs) divided by the equivalent 4E refined metal quantities in ounces produced from own operations, plus smelting and base metal removal plant costs, selling and administration overhead costs and refining including sampling and handling charges in ZAR divided by total 4E refined metal quantities in ounces produced
Cash costs per equivalent refined 6E oz	Cash costs for each equivalent refined 6E ounce production over a specific period/year, calculated as mining costs in ZAR (mining operations and concentrator operations costs) divided by the equivalent 6E refined metal quantities in ounces produced from own operations, plus smelting and base metal removal plant costs, selling and administration overhead costs and refining including sampling and handling charges in ZAR divided by total 6E refined metal quantities in ounces produced
Cash costs per equivalent refined Pt oz	Cash costs for each equivalent refined platinum ounce produced over a specific period/year, calculated as mining costs in ZAR (mining operations and concentrator operations costs) divided by the equivalent platinum refined metal quantities in ounces produced from own operations, plus smelting and base metal removal plant costs, selling and administration overhead costs and refining including sampling and handling charges in ZAR divided by total platinum refined metal quantities in ounces produced
Cash costs per Pt oz in concentrate produced	Cash costs for each platinum ounce in concentrate produced over a specific period/year, calculated as mining operations costs in ZAR divided by platinum ounces in concentrate produced, plus concentrator operating costs together with selling and administration overhead costs in ZAR divided by platinum ounces produced both from concentrate produced as well as concentrates purchased
Cash margin per 4E oz in concentrate produced	Cash profit per 4E ounce in concentrate produced as a percentage of the total revenue per 4E ounce sold, which ratio is utilised to assess the profitability of each 4E ounce in concentrate produced
Cash margin per 6E oz in concentrate produced	Cash profit per 6E ounce in concentrate produced as a percentage of the total revenue per 6E ounce sold, which ratio is utilised to assess the profitability of each 6E ounce in concentrate produced
Cash margin per equivalent refined 4E oz	Cash profit per equivalent refined 4E ounce as a percentage of the total revenue per 4E ounce sold, which ratio is utilised to assess the profitability of each equivalent refined 4E ounce produced
Cash margin per equivalent refined 6E oz	Cash profit per equivalent refined 6E ounce as a percentage of the total revenue per 6E ounce sold, which ratio is utilised to assess the profitability of each equivalent refined 6E ounce produced
Cash margin per equivalent refined Pt oz	Cash profit per equivalent refined platinum ounce as a percentage of the total revenue per platinum ounce sold, which ratio is utilised to assess the profitability of each equivalent refined platinum ounce produced
Cash margin per Pt oz in concentrate produced	Cash profit per platinum ounce in concentrate produced as a percentage of the total revenue per platinum ounce sold, which ratio is utilised to assess the profitability of each platinum ounce in concentrate produced
Cash profit per 4E oz in concentrate produced	Total revenue per 4E ounce sold less the cash cost per 4E ounce in concentrate produced, which is utilised to assess the profitability of each 4E ounce in concentrate produced
Cash profit per 6E oz in concentrate produced	Total revenue per 6E ounce sold less the cash cost per 6E ounce in concentrate produced, which is utilised to assess the profitability of each 6E ounce in concentrate produced

Cash profit per Pt oz in concentrate produced	Total revenue per platinum ounce sold less the cash costs per platinum ounce in concentrate produced, which is utilised to assess the profitability of each platinum ounce in concentrate produced
Cash profit per equivalent refined 4E oz	Total revenue per 4E ounce sold less the cash costs per equivalent refined 4E ounce, which is utilised to assess the profitability of each equivalent refined 4E ounce produced
Cash profit per equivalent refined 6E oz	Total revenue per 6E ounce sold less the cash costs per equivalent refined 6E ounce, which is utilised to assess the profitability of each equivalent refined 6E ounce produced
Cash profit per equivalent refined Pt oz	Total revenue per platinum ounce sold less the cash costs per equivalent refined platinum ounce, which is utilised to assess the profitability of each equivalent refined platinum ounce produced
CH ₄	Methane, a greenhouse gas
CO ₂	Carbon Dioxide, a greenhouse gas
CO ₂ 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 ₂ that would create the same amount of climatic warming
Competent Person	As defined in the SAMREC Code (2016), a person with sufficient expertise and experience, together with affiliation to a recognised professional organisation, to estimate Mineral Resources and/or Mineral Reserves
Concentrate	The product of the process of separating milled ore into a waste stream (tailings) and a valuable mineral stream (concentrate) by flotation. The valuable minerals in the concentrate contain almost all the base and precious metals. This concentrate is treated further by smelting and refining to obtain the pure metals (PGMs, Au, Ni and Cu)
Contractors	Temporary, fixed term or part time staff working at the company's operations who are not employed by Northam
Conversion from concentrate produced to equivalent refined metal	Concentrate produced multiplied by 99% (taking into account smelter recoveries) multiplied by 99% (taking into account base metal removal plant recoveries) multiplied by 99.2% (taking into account the average precious metal recoveries)
Corporate Social Investment (CSI)	Discretionary contributions initiated and implemented at the operations where the objective is not to provide infrastructure or facilitate income generating activities for targeted beneficiaries who are outside of the organisation. These can include, but are not limited to: Contributions to charities, NGOs and research institutions; Direct costs associated with social programmes, including arts, education etc.
COVID-19	Coronavirus disease 2019, caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) virus, synonymous with COVID
Cu	Copper
Depletion	The reduction in the quantity of Mineral Reserves resulting from extraction or production
Direct emissions	GHG emissions from sources that are owned or controlled by Northam, e.g. direct emissions related to combustion would arise from burning fuel for energy within Northam's operational boundaries
DMRE	The Department of Mineral Resources and Energy of South Africa
DMTN	Domestic Medium-Term Notes
DOH	Department of Health
DWS	The Department of Water and Sanitation of South Africa

Earnings per share	The amount calculated by dividing the profit for the period/year attributable to shareholders by the weighted average number of ordinary shares in issue
EBITDA	Earnings before interest (investment income and finance charges excluding preference share dividends), tax, depreciation, amortisation and the impact of the 2015 BEE transaction relating to amortisation of liquidity fees paid on preference shares, the preference share dividends and loss on de-recognition of the preference share liability. EBITDA is utilised for, inter alia, the assessment of covenants
EBITDA margin	EBITDA as a percentage of sales revenue in ZAR
Employee turnover rate percentage	Number of employees at the Zondereinde, Booyensdal 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, Booyensdal 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 previously Historically Disadvantaged South Africans (HDSAs)
EMPr	Environmental Management Programme
Energy from electricity purchased by plant	Electricity purchased from third-parties during the reporting period which is used for the metallurgical processing operations. This excludes electricity generated by the operations themselves
Energy from electricity purchased by shafts	Electricity purchased from third-parties during the reporting period which is used for the underground mining operations. This excludes electricity generated by the operations themselves
Equivalent refined metal from own operations	Own metal mined or metal acquired from surface sources which require milling, expressed as final metal available for sale
Equivalent refined metal from third parties	Metal acquired from third parties in concentrate or a more refined form, expressed as final metal available for sale
ESD	Enterprise and Supplier Development as required by the B-BBEE codes
ESG	Environmental, social and governance factors
Eskom	Eskom Holdings (SOC) Limited. The sole power utility in South Africa
Executive director	A member of the company's board of directors, employed by and involved in the day-to-day running and organisation of the company
Expansionary capex	Capital expenditure to increase or enhance property, plant and equipment or mining properties and Mineral Resources
Fatal injury	Any terminal injury sustained by an employee, contractor or contractor employee or visitor who is involved in an incident whilst performing their duties at the company's operations
Fatal injury incidence rate (FIIR) per 200 000 hours worked	[1] GNR 93 of 15 January 1997 published in terms of Mine Health and Safety Act 29 of 1996 (MHSA Regulations), Regulation 23.1(a) and 23.1(b)
Feasibility study	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable)

Fissure water used	Water collected in the underground workings as a result of water seepage (inflow from groundwater aquifers) which is pumped to surface for re-use by the respective operation, expressed as a volume
Fully diluted earnings per share	The amount calculated by dividing the profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period 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 under review plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares
g/t	Grams per tonne, the unit of measurement of metal concentration in an orebody, ore or concentrates for precious metals, equivalent to parts per million
GBF	General Banking Facility with Nedbank Limited
GHG	Greenhouse gas; including carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide (N ₂ O). Gas 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 ₂ e) emissions, including carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide (N ₂ 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 ₂ equivalent for a gas is derived by multiplying the tonnes of the gas by the associated GWP
GRI	Global Reporting Initiative, established in 1997 with the aim of designing globally applicable guidelines for the preparation of enterprise level, sustainable development reports.
Groundwater	Water abstracted from boreholes, underground aquifers etc., which is used in the operations
HDP	Historically Disadvantaged Person as defined in the Mineral and Petroleum Resources Development Act, Act 28 of 2002
HDSA	Historically Disadvantaged South Africans - South African citizens, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) came into operation which should be representative of the demographics of the country
HDSAs in management	The total number of HDSA employees in Top, Senior, Middle and Junior management expressed either as a number or as a percentage of the total number of employees at management level
Headline earnings	Headline earnings is governed by Circular 4/2018 as issued by the South African Institute of Chartered Accountants (SAICA)
Headline earnings per share (cents)	Headline earnings per share is governed by Circular 4/2018 as issued by the South African Institute of Chartered Accountants (SAICA). The JSE Listings Requirements require disclosure of headline earnings per share and an itemised reconciliation of earnings to headline earnings, expressed in South African cents per share
Heraeus	Heraeus Deutschland GmbH & Co. KG
HIV	Human immunodeficiency virus.
HIV Counselling and Testing	Voluntary counselling and testing for HIV, synonymous with HCT

IDP	Integrated Development Plan - a process through which municipalities, together with their constituencies, various stakeholders, interested parties including traditional authorities and affected parties, compile a strategic planning instrument for municipalities
ILO	The International Labour Organisation
<i>In-situ</i>	The original natural state of the ore body before mining or processing of the ore takes place
Indicated Mineral Resources	Indicated Mineral Resources, as defined in the SAMREC Code (2016), are that part of Mineral Resources for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Following which, they may be converted to Probable Mineral Reserves Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. Indicated Mineral Resources have a higher level of confidence than that applying to Inferred Mineral Resources
Indirect emissions	Emissions that result from the activities of Northam but are generated from sources owned or controlled by another organization. In the context of this indicator, indirect emissions refer to GHG emissions from the generation of electricity, imported and consumed by Northam (Scope 2) as well as other sources including emissions attributable to contractors transporting waste rock and recyclable waste on site (Scope 3)
Inferred Mineral Resources	Inferred Mineral Resources, as defined in the SAMREC Code (2016), are that part of Mineral Resources for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Resource has a lower level of confidence than that applying to Indicated Mineral Resources and cannot be converted to Mineral Reserves. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration
IPA	The International Platinum Group Metals Association - an association representing the interests of the leading mining, production and fabrication companies of the global Platinum Group Metals (PGMs) industry
JIBAR	The Johannesburg Interbank Average Rate is the money market rate, used in South Africa. It is calculated as the average interest rate at which banks buy and sell money
JSE	The Johannesburg Securities Exchange or JSE Limited
King IV™	The King IV™ Report on Corporate Governance for South Africa, 2016
kt	Kilo tonnes, equal to 1 000 (thousand) tonnes
ktpm	Kilo tonnes per month, equal to 1 000 (thousand) tonnes per month
Land disturbed by mining related activities	Land, measured in hectares (Ha), that has been physically or chemically disturbed due to Northam's mining and related activities, including the shaft complex, concentrators, smelter complex, waste dump, rock dumps, tailings disposal facility, water return dams and administrative and residential properties that have either; not been rehabilitated during the reporting period, or newly disturbed within the reporting period
Land leased for farming purposes	Land owned by Northam or any of its subsidiaries, measured in hectares (Ha), that is leased to third parties for farming purposes

Land protected for conservation	Land, measured in hectares (Ha), that is currently protected, including land leased, owned or set aside in a biodiversity offset or conservation programme due to requirements in an environmental authorisation, approved environmental management programme or by request of environmental authorities, where the environment remains in its original state with a healthy and functioning ecosystem
LED	Local Economic Development as defined in the South African National Framework for Local Economic Development 2018-2028
Life of mine (LoM)	The period during which all Mineral Reserves of a mine are projected to be profitably extracted through planned mining activities
Local community	Communities that are directly impacted by our mining operations and are on or near the mining right area
LoM	Life of mine
Long-term	A period longer than 5 years
Lost time injury	An injury to an employee or contractor, confirmed by an appointed medical practitioner, resulting from an incident while on duty at the company's operations, which incapacitates the injured person from attending work or performing their normal or similar work duties on their next scheduled shift, regardless of the injured persons next rostered shift. Lost time injuries include: fatalities and injuries defined as reportable injuries; injuries requiring further treatment due to complications arising from an injury originally classified as a non-lost time injury that leads to absence from work; where any employee or contractor is required to undergo treatment or observation longer than 24 hours following loss of consciousness or incapacitation while on duty due to an incident which resulted in: heat stroke; oxygen deficiency; inhalation of fumes or poisonous gas, or; electric shock or electric burn incidents
Lost time injury incidence rate (LTIR) per 200 000 hours worked	The number of employee and contractor lost time injuries resulting from accidents while working at the company's operations multiplied by 200 000 and divided by the total number of employee and contractor hours worked
Measured Mineral Resources	Measured Mineral Resources, as defined in the SAMREC Code (2016) are that part of Mineral Resources for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Following which, they may be converted to Proved or Probable Mineral Reserves Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. Measured Mineral Resources have a higher level of confidence than that applying to either Indicated or Inferred Mineral Resources
Medium-term	A period of between 1 – 5 years
Merensky Reef	A PGM-bearing orebody at the base of the Merensky cyclic unit, within the Critical Zone of the Bushveld Complex, predominantly comprising silicate minerals
Metal in concentrate	Metal produced from mining operations during the reporting period, that has been concentrated ahead of smelting
MHSA	Mine Health and Safety Act No. 29 of 1996
Milling	A process to reduce broken ore to a size at which concentrating can be undertaken

Mineral Reserves	Mineral Reserves, as defined in the SAMREC Code (2016), are the economically mineable parts of Measured and/or Indicated Mineral Resources. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level, as appropriate, that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified on technical and economic grounds. The reference point at which Mineral Reserves are defined at Northam is the point where the ore is delivered to the processing plant
Mineral Resources	Mineral Resources, as defined in the SAMREC Code (2016), are a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of the Mineral Resources are known, estimated or interpreted from specific geological evidence and knowledge, including sampling
Minerals Council	Minerals Council South Africa - a mining industry employers' organisation that supports and promotes the South African mining industry
Mining Charter	A series of requirements, set by the DMRE, that need to be met by South African mining companies in order for them to retain their respective mining rights and designed to advance broad-based socio-economic empowerment in the South African mining industry
Moz	Million ounces
MPRDA	The Mineral and Petroleum Resources Development Act No. 28 of 2002
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
Net (debt)/cash	Cash and cash equivalents less bank overdraft, Domestic Medium-Term Notes, revolving credit facility (both the current and non-current portion) and general banking facility, all of which are in ZAR. Net debt is utilised for, inter alia, the assessment of covenants
Net debt to EBITDA ratio	The net debt to EBITDA ratio is a measurement of leverage, calculated as the company's net debt divided by EBITDA
New cases of noise induced hearing loss (NIHL)	The number of new cases of impairment of employees hearing due to exposure to excessive noise at the company's operations in the reporting period, leading to a Percentage Hearing Loss (PHL) shift of 5% or more from a baseline audiogram level
New cases of tuberculosis	The number of employees at the Zondereinde, Booyensdal or Eland operations confirmed as having Pulmonary Tuberculosis (TB) by a medical practitioner, during the reporting period
NHM	Northam Platinum Limited, synonymous with Northam Platinum Limited, a company listed on the exchange operated by the JSE, using the share code NHM
Ni	Nickel
NICD	The National Institute for Communicable Diseases of South Africa
NO ₂	Nitrogen Dioxide, one of a group of nitrogen oxides, sometimes termed NO _x
Non-discretionary procurement expenditure	Expenditure that cannot be influenced by a mining company, such as procurement from the public sector and public enterprise

Non-executive director	A member of the company's board of directors who is not part of the executive team. A non-executive director typically does not engage in the day-to-day management of the organization but is involved in policymaking and planning exercises
Normalised headline earnings	Headline earnings adjusted for non-cash items relating to the 2015 Zambezi Platinum (RF) Limited BEE transaction, whereby headline earnings is adjusted to include amortisation of liquidity fees paid on preference shares, preference share dividends and the loss on de-recognition of preference share liability. Normalised headline earnings is considered as management's main measure of performance
Normalised headline earnings per share (cents)	Headline earnings per share adjusted for the impact of the 2015 Zambezi Platinum (RF) Limited BEE transaction, being normalised headline earnings divided by the total number of shares in issue. Normalised headline earnings per share is considered as management's main measure of performance, expressed in South African cents per share
Northam	Northam Platinum Limited, a company listed on the JSE Limited with share code: NHM and debt issuer code NHMI
NUM	The National Union of Mineworkers
Number of fatalities	The number of employee and contractor deaths resulting from accidents while performing their duties, working at the company's operations
Number of new compensable NIHL cases	The number of cases of NIHL identified at the Zondereinde, Booysendal or Eland operations and confirmed by an audiologist where the percentage hearing loss shift is more than 10% and which has or will be referred to the insurance provider for compensation in the reporting period
On mine cash cost per tonne milled	Cash cost to mill a tonne of production over a specific period/year, calculated as total on mine costs consisting of mining operations costs and concentrator operations costs in ZAR divided by the total tonnes milled
On mine cash cost per tonne mined	Cash cost to mine a tonne of production over a specific period/year, calculated as total on mine costs consisting of mining operations costs and concentrator operations costs in ZAR divided by the total tonnes mined
Operating profit	Sales revenue in ZAR less cost of sales in ZAR, synonymous with gross profit
Operating profit margin	Operating profit as a percentage of sales revenue in ZAR
Orebody	A well-defined mineralised mass of rock
Other land	Land, measured in hectares (Ha), falling under the direct management of Northam, excluding; land disturbed by mining related activities, land leased for farming purposes or land protected for conservation
Ounces or oz	Troy ounces - one ounce equals 31.103475 grams
p.a.	Per annum
Paterson band	The Paterson system grades roles according to the number of decisions an employee is required to make and is widely used in the mining and manufacturing industries. Band A and B relates to unskilled and semi-skilled employees. Band D relates to middle management, Band E relates to senior management and Band F to top management.
PAYE	Pay As You Earn taxation
Pd	Palladium
Permanent employees	Full time staff employed by Northam
PGE	Platinum Group Elements, synonymous with PGM

Glossary

PGI	The Platinum Guild International - a marketing organisation that promotes the development of platinum jewellery demand
PGM	Platinum Group Metals, synonymous with PGE
Pt	Platinum
Potable water from external sources	Potable water consumed on site, that is purchased from municipal or other public or private water service provider, expressed as a volume
PPE	Personal Protective Equipment
Preferential Procurement	Expenditure (excluding non-discretionary procurement expenditure) on Capital goods, Consumables and Services provided by BEE entities
Prill split	The percentage by mass of individual PGEs within the 4E or 6E content
Prime	South African prime interest rate
R	South African Rand, synonymous with the abbreviation ZAR
RCF	Revolving Credit Facility with Nedbank Limited
Reef	A generally narrow, tabular geological horizon that may contain economic levels of mineralisation, in which case, this is an orebody
Rehabilitation and closure costs	The Environmental liability estimation and provisions required to undertake an agreed works programme (Rehabilitation or Closure Plan) and rehabilitate mining and production areas to an agreed end land use
Reportable injury	An injury to an employee or contractor resulting from an incident at the company's operations which either incapacitates the injured employee from performing that person's normal or a similar occupation for a period totalling 14 days or more, or which causes the injured person to suffer the loss of a joint, or a part of a joint, or sustain a permanent disability
Reportable injury incidence rate (RIIR) per 200 000 hours worked	The number of employee and contractor Reportable Injuries multiplied by 200 000 and divided by the total number of contractor and employee hours worked
Rh	Rhodium
RoE	Rate of exchange, synonymous with exchange rate. The value of one currency in relation to another
ROM	Run of mine
SAICA	South African Institute of Chartered Accountants
Saleable metal	Total refined metal available for sale during the reporting period
SAMREC	The South African Mineral Resource Committee
SAMREC Code (2016)	South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016)
SARS	The South African Revenue Service
Scope 1 (direct) emissions	GHG emissions from sources that are owned or controlled by Northam e.g. emissions related to combustion that arise from burning fuel for energy within Northam's operational boundaries

Scope 2 (indirect) emissions	GHG emissions that result from the activities of Northam but are generated from sources owned or controlled by another organization - in this case, emissions from the generation of electricity, imported and consumed by Northam
Scope 3 (indirect) emissions	GHG emissions that result from the activities of Northam but are generated from sources owned or controlled by another organization - in this case, emissions attributable to contractors transporting waste rock and recyclable waste on site
Section 54 stoppage	In terms of section 54 of the Mine Health and Safety Act 29 of 1996, if an inspector of mines believes that an occurrence, practice or condition at mine endangers or may endanger the health or safety of people at the mine, the inspector may give an instruction necessary to protect the health and safety of people at the mine, including instructing that operations at the mine or part of the mine be halted
SEHR&T committee	Social, ethics, human resources and transformation committee - a Northam board sub-committee
SENS	Johannesburg Stock Exchange News Service
Short-term	Within a period of 12 months
SLP	Social and Labour Plan as contemplated in part II of the Mineral and Petroleum Resources Development Act No. 28 of 2002 regulations
SOEs	State Owned Enterprises
Stope	Underground excavation where the orebody or reef is extracted
Sulphur Dioxide (SO ₂) emissions	Significant air emissions into the atmosphere of sulphur and its compounds formed due to combustion or production processes from the Zondereinde smelting facility, based on site-specific data
Sustaining capex	Capital expenditure to maintain property, plant and equipment or mining properties and mineral resources
Sustaining capex per equivalent refined Pt oz from own operations	Sustaining capex divided by equivalent refined platinum ounces from own operations
Sustaining capex per Pt oz in concentrate from own operations	Sustaining capex divided by platinum ounces in concentrate from own operations
TB	Pulmonary Tuberculosis
Total electricity purchased	Total electricity purchased from third-parties during the reporting period which is used in the production of the primary products on site, and which excludes electricity generated by the operations themselves
Total emissions	Total greenhouse gas emissions, comprising direct (Scope 1) and indirect (Scope 2 and Scope 3) emissions
Total employed	Total number of permanent employees and contractors working at the company's operations
Total injury incidence rate (TIIR) per 200 000 hours worked	The sum of employee and contractor Fatalities, LTIs and Dressing Case injuries multiplied by 200 000 and divided by the total number of contractor and employee hours worked
Total land under management (freehold)	Land, measured in hectares (Ha), falling under the direct management of Northam (including land covered by surface rights, or occupied by third parties), but excluding all land leased and undeveloped projects / prospects where the land does not yet fall under the direct management of Northam
Total number of TB cases	The total number of employees at the Zondereinde, Booyseveld or Eland operations, including existing and new TB cases, confirmed as having TB by the occupational medical practitioner for the reporting period

Total revenue per 4E oz sold	Revenue generated for each 4E ounce sold over a specific period/year, calculated as total sales revenue in ZAR for all metals for a period/year divided by the number of 4E ounces sold during that period/year
Total revenue per 6E oz sold	Revenue generated for each 6E ounce sold over a specific period/year, calculated as total sales revenue in ZAR for all metals for a period/year divided by the number of 6E ounces sold during that period/year
Total revenue per Pt oz sold	Revenue generated for each platinum ounce sold over a specific period/year, calculated as total sales revenue in ZAR for all metals for a period/year divided by the number of platinum ounces sold during that period/year
Total water usage	All water used at Northam's operations to produce its primary products, which includes water withdrawn by source as well as water recycled, expressed as a volume
TSF	Tailings storage facility
Turnover rate	Number of employees at the company's operations who leave the organisation during a reporting period due to dismissal, retrenchment, death in service or voluntarily through resignation or early retirement, expressed as a percentage of the total employee workforce working at the operation, based on payroll data at the end of the reporting period
UG2 Reef	A PGM-bearing orebody at the base of the upper group 2 cyclic unit of the Critical Zone of the Bushveld Complex, predominantly comprising chromite minerals
USD	United States Dollar, synonymous with \$US
VCT	Voluntary counselling and testing, in respect of HIV and Aids
VWAP	Volume Weighted Average Price, is a trading benchmark used by traders that gives the average price a security has traded over a specific period, based on both volume and price
Water from underground	Excess water collected from drilling equipment and / or cooling circuits
Water recycled	Water that is recycled and reused at Northam's operations to produce its primary products, expressed as a percentage of total water use
Water recycled in process	Water that is recycled and reused at Northam's operations to produce its primary products, expressed as a volume
Water use	All water used at Northam's operations to produce its primary products, which includes water withdrawn by source as well as water recycled
WHO	The World Health Organisation
WPIC	The World Platinum Investment Council - a marketing organisation that promotes the development of platinum investment demand
Women at mining	The total number of female employees and contractors working at the Zondereinde, Booyssendal and Eland operations based on payroll data at the end of the reporting period
Women in mining	The total number of women working in core disciplines including mining, engineering and metallurgy at the company's operations, based on payroll data at the end of the reporting period, expressed as either a number or as a percentage of total employed
WUL	Water use licence
Zambezi	Zambezi Platinum (RF) Limited
ZAR	South African Rand, synonymous with the abbreviation R
ZPLP	Zambezi Platinum (RF) Limited preference share, trading under JSE preference share code: ZPLP

Analysis of shareholders

The analysis of shareholders as at 31 December 2020 was as follows:

Shareholding range	Number of shareholders	Total shareholding	Percentage holding (%)
1 – 5 000	9 892	4 949 388	0.97
5 001 – 10 000	314	2 278 288	0.45
10 001 – 50 000	624	15 036 816	2.95
50 001 – 100 000	229	16 199 284	3.18
100 001 – 1 000 000	301	88 964 158	17.45
1 000 000 and more	58	382 353 278	75.00
	11 418	509 781 212	100.00

Geographical analysis of shareholders	Total shareholding	Percentage holding (%)
South Africa	392 089 018	76.91
Americas	48 627 601	9.54
Europe and United Kingdom	48 334 715	9.48
Far East	19 324 231	3.79
Africa (excluding South Africa)	1 025 923	0.20
Australasia	379 724	0.08
	509 781 212	100.00

Shareholders with a holding more than 10% of the issued share capital of Northam Platinum Limited	Number of shares	Percentage holding (%)
Zambezi Platinum (RF) Limited	159 905 453	31.37
Public Investment Corporation SOC Limited	64 552 647	12.66

Shareholder spread	Number of shareholders	Percentage holding (%)
Public	11 412	67.49
Non-public		
Zambezi Platinum (RF) Limited	1	31.37
Directors	5	1.14
	11 418	100.00

Administration and contact information

Northam Platinum Limited

Incorporated in the Republic of South Africa

Registration number 1977/003282/06

Share code: NHM ISIN: ZAE000030912

Debt issuer code: NHMI

Bond code: NHM002

Bond ISIN: ZAG000129024

Bond code: NHM006

Bond ISIN: ZAG000158577

Bond code: NHM007

Bond ISIN: ZAG000158593

Bond code: NHM009

Bond ISIN: ZAG000158866

Bond code: NHM011

Bond ISIN: ZAG000159237

Bond code: NHM012

Bond ISIN: ZAG000160136

Bond code: NHM014

Bond ISIN: ZAG000163650

Bond code: NHM015

Bond ISIN: ZAG000164922

Bond code: NHM016

Bond ISIN: ZAG000167750

Bond code: NHM017

Bond ISIN: ZAG000167891

Bond code: NHM018

Bond ISIN: ZAG000168097

Bond code: NHM019

Bond ISIN: ZAG000168105

Bond code: NHM020

Bond ISIN: ZAG000172594

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Notes

Notes

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smart platinum mining

