NORTHAM
PLATINUM HOLDINGS LIMITED

Northam Platinum Limited: Mining that matters

Annual financial statements
30 June 2022

smart platinum mining

CONTENT

Defined terms

Unless otherwise defined, capitalised words and terms contained in these annual financial statements shall bear the same meaning ascribed thereto in the Glossary and the Composite Transaction Glossary included in the summarised financial results of Northam Platinum Holdings Limited, available on our website at www.northam.co.za.

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

CHIEF EXECUTIVE OFFICER AND THE FINANCE DIRECTOR RESPONSIBILITY STATEMENT

Each of the directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 8 to 161, fairly present in all material respects the financial position, financial performance and cash flows of Northam Platinum Limited in terms of International Financial Reporting Standards (IFRS);
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to Northam Platinum Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Northam Platinum Limited;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit and risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

PA Dunne
Chief executive officer

AH Coetzee
Chief financial officer

Johannesburg
25 August 2022

DIRECTORS' RESPONSIBILITIES AND APPROVAL OF ANNUAL FINANCIAL STATEMENTS

In approving the annual financial statements, the directors hereby confirm:

- That they are responsible for the preparation, integrity and fair presentation of the annual financial statements of Northam Platinum Limited and its subsidiaries. The auditors are responsible for auditing and reporting on whether the annual financial statements are fairly presented.
- The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can only provide reasonable and not absolute, assurance against material misstatement or loss.
- The annual financial statements have been prepared in accordance with IFRS. They conform and adhere to applicable accounting standards and are presented after applying accounting policies supported by reasonable and prudent judgements and estimates made by management, which have been consistently applied.
- Adequate accounting records and an effective system of internal controls and risk management have been maintained during the entire financial year.
- The going concern basis has been adopted in preparing the annual financial statements. The directors have no reason to believe that the group will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the company and the group.
- The annual financial statements have been audited by the independent auditors, Ernst & Young Inc. who were given unrestricted access to all financial records and related data including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate. The unmodified audit report of Ernst & Young Inc. is included in these annual financial statements. The appointment of Ernst & Young Inc. as the group's external auditors will terminate upon the conclusion of the audit in respect of the financial year ended 30 June 2022. Northam Holdings has appointed PricewaterhouseCoopers Inc. as the new external auditor for the group for the financial year ending 30 June 2023. The change in external auditor was initiated following Northam Holdings' decision to early adopt the mandatory audit firm rotation rule, issued by the Independent Regulatory Board for Auditors, which is effective for financial years commencing on or after 1 April 2023.

The annual financial statements were approved by the board of directors on 25 August 2022 and are signed on its behalf by:

PA Dunne
Chief executive officer

HH Hickey
Chairperson of the Northam Platinum Holdings Limited audit and risk committee

Johannesburg
25 August 2022

COMPANY SECRETARY'S CONFIRMATION

I, PB Beale, in my capacity as company secretary of Northam Platinum Limited, hereby certify in terms of section 88(2) of the Companies Act, No. 71 of 2008, as amended (Companies Act) that all returns and notices required of a public company in terms of the Companies Act, in respect of the year under review, have been lodged with the Companies and Intellectual Property Commission and that all such returns and notices are true, correct and up to date.

PB Beale
Company secretary

Johannesburg
25 August 2022

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Northam Platinum Limited

Report on the Audit of the Consolidated and Separate Annual Financial Statements

Opinion

We have audited the consolidated and separate annual financial statements of Northam Platinum Limited and its subsidiaries ('the Group') and Company set out on pages 17 to 161, which comprise of the consolidated and separate statements of financial position as at 30 June 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate annual financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Company as at 30 June 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate annual financial statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements of the Group and Company and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate annual financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined that there are no key audit matters to communicate in our audit report with regard to the separate annual financial statements of the Company.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the consolidated and separate annual financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate annual financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate annual financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation and Existence of Metal Inventories	
The Group accounts for the primary platinum group metals - being platinum, palladium, rhodium, and gold ("4E") as joint products. We have identified the existence and valuation of metal inventory as a Key Audit Matter due to significant estimation and judgement involved in determining quantities and valuation of metal inventory as at 30 June 2022. Key factors that impact the determination of the physical quantities of metal inventory are: • Sampling and assays of the material in process by management's internal experts to determine the precious metal content; • Surveying of metal quantities by management's external experts; • The historical head grade achieved per mine; • Various recovery factors at different stages in the process; • Determination of the split of 4E metals (prill splits); and • Inventory quantity being recorded at the lower of theoretical or surveyed quantities. Key factors impacting the valuation of metal inventory are: • Allocation of mining cost based on a six-month average; • Net realizable value; and • Valuation of custom purchase materials. The estimates and judgements with respect to metal inventories for the current financial year, are disclosed in note 21 of the consolidated and separate annual financial statements.	Our work on metal inventories included the following procedures: • Discussions with management to obtain an understanding of methods used to determine the quantity of metal inventories. • Discussions with management to obtain an understanding of management's approach to the various recovery factors impacting equivalent ounces on hand at the different stages of the beneficiation process. • Involvement of internal specialists to assist in: o Observing the physical inventory surveys performed by external management specialists (surveyors); and o Observing measurements taken by the Group at concentrators, holding tanks and base metal refinery. • Discussions with management's experts to determine the process to assess head grades and prill splits during sampling and assaying. • Evaluating the competence, capabilities, and objectivity of management's internal and external experts with reference to their qualifications, relevant industry experience and scope of work. • Obtaining reports from management's specialists, including metallurgists and external surveyors, agreeing the quantities reported at 30 June 2022 to the accounting records and recalculating the amounts included in the reports. • Evaluating reports obtained from metallurgists for reasonableness by comparing various recovery factors at different stages during sampling and assays as well as the determination of prill splits to historical head grade achieved per mine. • Obtaining the theoretical inventory calculation from management and comparing inventory per the theoretical calculation to the measured inventory calculation to confirm that it is recorded at lower of theoretical or surveyed inventory volumes. • To test unrefined metal inventory with third-party refiners as at 30 June 2022 we obtained confirmations from third-party refiners confirming in process metal inventory. • Assessing that metal inventory is recorded at lower of cost and net realizable value at 30 June 2022 by comparing the cost of equivalent ounces in the different stages of the beneficiation process to their net realizable value. • Reviewing disclosures in respect of metal inventories in the consolidated and separate annual financial statements. Based on the procedures performed, the estimates and judgements with respect to metal inventories, including the relevant disclosures in the consolidated and separate annual financial statements are appropriate and reasonable.

<table>
<tr><th colspan="2">Accounting for the Composite Transaction</th></tr>
<tr><td>On 23 August 2021 the Zambezi Scheme was implemented, the Zambezi Scheme entailed the early maturity of Northam Platinum Limited's (Northam) BEE Special Purpose Vehicle, Zambezi Platinum (RF) Limited (Zambezi). Further, the delisting of Northam Platinum Limited and listing of Northam Platinum Holdings Limited was enacted. This transaction is referred to as the composite transaction.

Northam acquired all the Zambezi Preference Shares in issue and distributed value to Zambezi's ordinary shareholders in the form of cash and dividends.

Key steps to the progression of the Zambezi scheme were as follows:

• Northam acquired all of the Zambezi preference shares not already held.
• Zambezi preference shares were delisted.
• Zambezi settled all of the revised accumulated dividends through a transfer of 57.1 million Northam shares to Northam.
• Northam repurchased an additional 34.2 million Northam shares from Zambezi.
• Zambezi made a net value distribution to Ordinary Shareholders in cash and a dividend in specie.
• Facilitated the first Zambezi tax payment.
• Remaining capital value in Zambezi equivalent to 41.0 million Northam shares will be used to settle the Zambezi preference share liability.

The disclosures relating to the composite transaction are presented in notes 24 and 31 of the consolidated and separate annual financial statements.</td><td>Our work on the Composite Transaction included:

• Discussions with management to obtain an understanding of the Composite Transaction.
• Obtaining and inspecting the underlying signed agreements to determine the appropriate application of the agreement terms.
• Engaging our internal technical accounting specialists to consider the appropriate application of accounting principles in accordance with IFRS.
• Engaging our internal taxation experts to consider the correct application of tax principles in completing the transaction.
• Reviewing the disclosures in respect of composite transaction in the consolidated financial statements.

Based on the procedures performed the accounting for the composite transaction and the relevant disclosure in the consolidated and separate annual financial statements are appropriate and reasonable.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 162-page document titled "Northam Platinum Limited: Mining that matters Annual financial statements 30 June 2022", which includes the Directors' Report and the Company Secretary's Confirmation as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate annual financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated and separate annual Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the consolidated and separate annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated and separate annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate annual financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc., has been the auditor of Northam Platinum Limited for 38 years.

Ernst & Young Inc.

Ebrahim Dhorat

Director

Registered Auditor

Chartered Accountant (SA)

102 Rivonia Road, Sandton, 2146

25 August 2022

DIRECTORS' REPORT

The directors have pleasure in presenting the annual financial statements of Northam Platinum Limited (Northam) and the group for the year ended 30 June 2022. In the context of the financial statements, the term group refers to the company, its subsidiaries, associates and joint arrangements.

Nature of business

Northam Platinum Limited, is a public company incorporated in South Africa, and a leading producer of Platinum Group Metals (PGMs). Northam was previously listed on the Main Board of the Johannesburg Securities Exchange, operated by the JSE Limited (JSE), trading under the equity issuer share code NHM, ISIN code ZAE000030912 and in respect of the Domestic Medium-Term Note (DMTN) Programme, which is still listed on the interest rate market of the JSE, under the debt issuer code NHMI.

The Northam group has embarked on a new phase in its development with the creation of Northam Platinum Holdings Limited (Northam Holdings). Northam Holdings was established on 2 December 2020 in order to facilitate the early maturity of the Zambezi BEE Transaction and the subsequent Extended Empowerment Transaction, collectively referred to as the Composite Transaction. During the year, Northam Holdings acquired all of the issued Northam Shares (excluding Treasury Shares) in exchange for Northam Holdings Shares (share code: NPH), on a one for one basis.

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

Financial results

The group and company (consolidated and separate) financial statements are included in this report. These annual financial statements have been prepared using appropriate accounting policies, in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee, the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the Companies Act, No. 71 of 2008, as amended (the Companies Act) and the JSE Limited Listings Requirements and include amounts based on judgements and estimates made by management.

The consolidated and separate financial statements comprise the consolidated and separate statements of financial position, consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of cash flows, consolidated and separate statements of changes in equity and notes to the annual financial statements, including a summary of significant accounting policies which reflects the financial performance and position of the company and the group as at 30 June 2022.

These financial statements are available on the company's website, www.northam.co.za.

The Composite Transaction

As detailed in the combined circular to Shareholders of Northam, accompanied by the prospectus in respect of Northam Holdings, both dated Monday, 31 May 2021 (collectively, the Transaction Documents) and the announcement published on SENS on 20 September 2021, the Northam Scheme (as defined therein) was implemented on 20 September 2021, in terms of which, *inter alia*, Northam Holdings acquired all of the Northam Shares in issue (excluding Treasury Shares) by way of a share for share transaction and Northam became a subsidiary of Northam Holdings.

Users of the annual financial statements are referred to the Transaction Documents for additional information relating to the Composite Transaction in order to obtain full information of the nature and impact of the Composite Transaction.

The acceleration of the maturity and wind-up of the Zambezi BEE Transaction comprised the following steps:

Acquisition by Northam of the Zambezi Preference Shares not already held and settlement of the Revised Accumulated Dividends	• Northam acquired the remaining 19 932 957 Zambezi Preference Shares, not already held by it, for an aggregate cash consideration equal to the aggregate Face Value per Zambezi Preference Share on 23 August 2021 (the Zambezi Scheme Implementation Date), plus a 15.99% premium thereon • Zambezi settled the unpaid Accumulated Dividends as increased by an 11.11% premium to the Face Value (Premium Amount) as at the Zambezi Scheme Implementation Date (Revised Accumulated Dividends) through a repurchase by Northam of 57 054 413 Northam Shares held by Zambezi, valued at R160.00 per Northam Share, representing R9.1 billion on 3 September 2021 • Zambezi terminated the listing of the Zambezi Preference Shares (trading under preference share code: ZPLP) on the Main Board of the JSE from the commencement of trade on 24 August 2021 • In addition, on or before 17 May 2025, the capital value of the Zambezi Preference Shares will be settled through a repurchase by Northam of 40 975 772 Northam Shares held by Zambezi, valued at R160.00 per Northam Share, representing R6.6 billion • The net effect of the above is a repurchase by Northam of 98 030 185 Northam Shares, valued at R160.00 per share, from Zambezi, to settle the Revised Accumulated Dividends (comprising 57 054 413 Northam Shares) and later, to settle the capital value of the Zambezi Preference Shares (comprising 40 975 772 Northam Shares)
Repurchase of Northam Shares from Zambezi by Northam	• Northam repurchased 34 248 891 additional Northam Shares from Zambezi, at R152.00 per share. A portion of the repurchase proceeds was distributed as a cash distribution to Zambezi Ordinary Shareholders amounting to R753.0 million (representing 4 954 196 Northam Shares) and the remainder of the repurchase proceeds retained by Northam, have been used and will be used to settle the taxes payable by Zambezi arising from the Composite Transaction on behalf of Zambezi, amounting to R4.5 billion (representing 29 294 695 Northam Shares)
Net Value Distribution to Zambezi Ordinary Shareholders	• The Net Value Distribution was made to Zambezi Ordinary Shareholders including employees and communities, comprising a cash dividend of R753.0 million and a dividend *in specie* of 27 561 210 Northam Shares held in Zambezi • Northam repurchased an additional 649 754 Northam Shares from the ESOP at R211.98 per share (30-Day VWAP per Northam Share as at 6 September 2021) for purposes of settling the taxes relating to the ESOP's portion of the Net Value Distribution • Lastly, Northam acquired 65 167 Northam Shares from Zambezi Platinum (RF) Proprietary Limited, (previously Zambezi Platinum (RF) Limited) representing the Zambezi Retention Shares held to settle an additional portion of the Zambezi Taxes. These Zambezi Retention Shares were repurchased at R214.17 per share (30-Day VWAP of a Northam Share as at the Repurchase Implementation Date) representing R14.0 million

Mining licences and Mineral Resources and Mineral Reserves

Northam holds new order mining rights over the Zondereinde mine. All mineral rights are held in good order and Northam perceives no risk to its rights to continue the prospecting for and the mining of minerals over any of its properties.

Mineral Resources and Mineral Reserves reflected include those that the company has the legal entitlement to such minerals.

Please refer to the Mineral Resources and Mineral Reserves statement which is included in our annual integrated reporting suite. This is available on the company's website, www.northam.co.za.

Subsidiary companies, associates and joint operations

Details regarding the related parties are provided in the annual financial statements, refer to note 45, which includes subsidiary companies, associates and joint operations.

Stated capital

The authorised stated capital of Northam as at 30 June 2022 amounts to 2 000 000 000 shares (30 June 2021: 2 000 000 000 shares) at no par value.

As part of the Composite Transaction, Northam repurchased certain Northam Shares:

- held by Zambezi to facilitate, *inter alia*, the settlement of the Revised Accumulated Dividends and the settlement of Zambezi's tax obligations as a result of the disposal of Northam Shares to Northam as well as the distribution of cash and Northam Shares to the Ordinary Shareholders of Zambezi Platinum (RF) Limited; and
- received by the Northam Employees' Trust pursuant to the distribution by Zambezi Platinum (RF) Limited of such shares to the Northam Employees' Trust, in order to settle dividends tax payable by the trust.

Below is a reconciliation of the Northam Shares in issue as a result of the early maturity and wind-up of the Zambezi BEE Transaction and the Zambezi Preference Share Redemption.

	Number of shares
Number of Northam Shares in issue as at 1 July 2021	509 781 212
Zambezi settles the Revised Accumulated Dividends, through a repurchase by Northam of 57 054 413 Northam Shares held by Zambezi, valued at R160.00 per share	(57 054 413)
Northam repurchases 34 248 891 Northam Shares in aggregate from Zambezi valued at R152.00 per share in order to enable settlement of, amongst other things, the Zambezi tax liability arising from the Composite Transaction	(34 248 891)
Northam repurchases 649 754 Northam Shares from the Northam Employees' Trust valued at the 30-Day VWAP on the repurchase date per share, at R211.98 per share, in order to facilitate settlement of the tax liability associated with the Distribution of Northam Shares to the Northam Employees' Trust pursuant to the Net Value Distribution.	(649 754)
Northam repurchases 65 167 Northam Shares from Zambezi Ordinary Shareholders valued at the 30-Day VWAP on the Repurchase Implementation Date at R214.17 per share, in order to facilitate settlement of the tax liability associated with the Distribution of Northam Shares pursuant to the Net Value Distribution	(65 167)
Remaining shares in issue after the Composite Transaction	417 762 987

Northam Holdings acquired all of the Northam Shares in issue (excluding Treasury Shares) pursuant to the Northam Scheme by way of a share for share transaction. The share for share transaction was implemented on a one for one basis.

Refer to note 24 for more detail on the stated capital.

Borrowing powers

The borrowing powers of the company, and the powers of the company to encumber its undertakings and properties or any part thereof and to issue debt instruments (whether secured or unsecured), whether outright or as security for any debt, liability or obligation of the company or of any third party, shall be unlimited (subject to the requirements of the Companies Act) and shall be exercised by the directors.

In terms of the Memorandum of Incorporation (MOI), the directors may borrow for purposes of the company, such sums as they deem fit.

There are however restrictions in terms of the revolving credit facility (RCF), in terms of permitted indebtedness.

Details of all outstanding borrowings are included in the annual financial statements, refer to note 30, 34 and 35.

Financial assistance

Section 45 of the Companies Act applies to the direct or indirect financial assistance provided by a company to, *inter alia*, any related or inter-related company or corporation, a member of a related or inter-related corporation, and to a person related to any such company, corporation or member. Furthermore, section 44 of the Companies Act may also apply to the financial assistance provided by a company to any person in the event that the financial assistance is provided for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company.

Sections 44 and 45 of the Companies Act require a special resolution to be adopted by the shareholders in order to grant the board the authority to authorise the company to provide financial assistance by way of loans, guarantees, provision of security or otherwise, to any company or corporation which is or becomes related or inter-related to the company.

The provision of financial assistance is necessary for the sustainability of the company and the group, as a result of the financial performance of the operations being dependent on numerous external factors, which include the prices of Platinum Group Metals, and the Rand/US Dollar exchange rate.

The company, in the ordinary course of business, will need to provide financial assistance to certain of its subsidiaries, associates and joint ventures in accordance with section 45 of the Companies Act. In addition, it may be necessary for the company to provide financial assistance in the circumstances contemplated in section 44 of the Companies Act.

Both sections 44 and 45 of the Companies Act provide, *inter alia*, that the particular financial assistance must be provided only pursuant to a special resolution of shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category and the board is satisfied that: (i) immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as contemplated in section 4 of the Companies Act); and (ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

As part of the normal conduct of the business of Northam and its subsidiaries or associates, the company may, where necessary, provide guarantees and other support undertakings to third parties on behalf of its local and foreign subsidiaries in which the company or members of the group have an interest. In these circumstances, the company requires the ability to provide financial assistance, if necessary, in accordance with sections 44 and 45 of the Companies Act. Furthermore, it may be necessary for the company to provide financial assistance to any of its present or future subsidiaries.

It is difficult to foresee the exact details of financial assistance that the company may be required to provide in the future. It is essential, however, that the company is able to effectively organise its internal financial administration.

Below is a non-exhaustive estimate of the financial assistance which is expected to be required to be provided by Northam for the financial year ending 30 June 2023 (proposed F2023 financial assistance). Not all circumstances can be anticipated and that the financial assistance as noted below could be underestimated due to unforeseen circumstances, or that the terms and conditions associated with the financial assistance could be amended.

Northam had granted the following loan facilities to its subsidiaries for F2022 and envisages the following loan facilities to be granted to its subsidiaries and holding company for the financial year ending 30 June 2023 (F2023):

	Current facility F2022	Estimated changes in the coming year F2023	Total estimated/ proposed loan facility F2023
	R000	R000	R000
Northam Platinum Holdings Limited	2 500 000	20 000 000	22 500 000
Booysendal Platinum Proprietary Limited	1 500 000	–	1 500 000
Eland Platinum Proprietary Limited	1 500 000	2 500 000	4 000 000
Mvelaphanda Resources Proprietary Limited	150 000	–	150 000
Norplats Properties Proprietary Limited	150 000	–	150 000
Total loan facilities	5 800 000	22 500 000	28 300 000

	Current facility F2022	Estimated changes in the coming year F2023	Total estimated/ proposed loan facility F2023
	USD000	USD000	USD000
Northam Platinum Investments (US) Inc. and subsidiaries	50 000	–	50 000
Total loan facilities	50 000	–	50 000

Northam reserves the right to charge interest at prevailing market rates on any loan balance. Any outstanding loan will be repayable on demand.

Northam has granted the following guarantees for the financial year ended 30 June 2022 (F2022) and envisages the following potential financial assistance to be provided for the financial year ending 30 June 2023 (F2023):

	Current guarantee F2022	Estimated changes to amount to be guaranteed in the coming year F2023	Total estimated guarantee F2023
	R000	R000	R000
Booysendal Platinum Proprietary Limited guarantees to providers of capital	20 000 000	6 000 000	26 000 000
Eland Platinum Proprietary Limited guarantees to providers of capital	5 000 000	6 000 000	11 000 000
Northam Platinum Limited subordination agreement to Mvelaphanda Resources Proprietary Limited	150 000	–	150 000
Total guarantee	25 150 000	12 000 000	37 150 000

Booysendal Platinum Proprietary Limited (Booysendal)

For the period ended 30 June 2022, Northam had finance facilities available in the form of a revolving credit facility (RCF) of R4.0 billion, a general banking facility (GBF) of R1.0 billion and a R3.0 billion Bridge facility, and R11.3 billion of notes issued by it on the debt capital market in terms of the R15.0 billion Domestic Medium-Term Note (DMTN) Programme. Booysendal has guaranteed any amounts due but not paid by Northam in terms of the facilities and in respect of the notes issued under the DMTN Programme.

Any increase in the amount available in terms of the RCF, the GBF and the Bridge facility or any notes issued and any new notes that may be issued under the DMTN Programme will be required to be guaranteed by Booysendal.

Northam reserves the right to charge interest at prevailing market rates on any loan balance payable by Booysendal. Any outstanding loan will be repayable on demand.

Eland Platinum Proprietary Limited (Eland)

Eland has guaranteed any amounts due but not paid by Northam in terms of the RCF, GBF and Bridge facility.

Any increase in the amount available in terms of the RCF, GBF or the Bridge facility will be required to be guaranteed by Eland.

Due to the ongoing capital expenditure to be incurred during the financial year ending 30 June 2023 relating to the development of Eland, funding may be required by Eland from Northam. Northam reserves the right to charge interest at prevailing market rates on any loan balance. Any outstanding loan will be repayable on demand.

Northam Platinum Holdings Limited

Northam will fund all expenses incurred by the holding company, Northam Holdings as Northam Holdings is an investment company and generates no income.

Northam reserves the right to charge interest at prevailing market rates on any loan balance. Any outstanding loan will be repayable on demand.

Norplats Properties Proprietary Limited (Norplats)

Norplats is a company which holds and operates one of Zondereinde mine's employee home ownership projects (Mojuteng project) in the town of Northam, assisting Northam in its compliance with its homeowner strategy designed to meet legislative requirements. To facilitate home ownership, Northam provided the initial funding of these projects.

Northam reserves the right to charge interest at prevailing market rates on any loan balance. Any outstanding loan will be repayable on demand.

Mvelaphanda Resources Proprietary Limited (Mvelaphanda)

On 25 September 2014, Northam confirmed that it will ensure that Mvelaphanda would meet its financial obligations as and when they fall due as the company's liabilities exceeded its assets. The guarantee will remain in full force and effect as long as Mvelaphanda's liabilities (including contingent liabilities) exceed its assets, fairly valued, and will lapse forthwith upon the date on which its assets, so valued, exceed its liabilities.

Mvelaphanda currently has negative equity and this is forecasted to continue for the foreseeable future.

US operations

The US operations, known as Northam Recovery Services, are involved in sourcing, processing and sampling salvaged catalytic converters, from a select group of suppliers with the Platinum Group Metal (PGM) bearing material from these recycled convertors being processed at the Zondereinde metallurgical facility. Funding will be required by Northam Recovery Services from Northam to purchase material from third party customers. Any loan balance advanced will accrue interest at the South African prime interest rate, with no fixed terms of repayment.

Solvency and liquidity test

The proposed F2023 financial assistance to be provided by the group has been considered together with all reasonably foreseeable financial circumstances as at the date of such consideration and the board is satisfied that (i) immediately after providing the proposed F2023 financial assistance, Northam and its subsidiaries will satisfy the solvency and liquidity test (as contemplated in the Companies Act) and (ii) the terms under which the proposed F2023 financial assistance is proposed to be given are fair and reasonable to Northam and its subsidiaries.

Debt Officer

In compliance with paragraph 6.39(a), read with paragraph 7.3(g) of the JSE Debt Listings Requirements (Debt Listings Requirements), AH Coetzee, Northam's CFO and executive director is the debt officer. It is confirmed that the board has considered and satisfied itself on the competence, qualifications and experience of the debt officer.

Audit and risk committee confirmations

As per the announcement published on SENS on 15 September 2021, the relevant Northam Holdings board committees perform the functions required by such committees in terms of, *inter alia*, the Debt Listings Requirements.

Accordingly, shareholders are referred to the (i) Northam Holdings corporate governance report for the audit and risk committee report, in respect of the disclosures relating to paragraph 7.3(a) of the Debt Listings Requirements; and (ii) Northam Holdings annual financial statements for the year ended 30 June 2022 in respect of the audit committee confirmations pursuant to paragraph 7.3(e) of the Debt Listings Requirements, which confirmations are applicable to Northam insofar as the Debt Listings Requirements are concerned.

Performance evaluation

Shareholders are referred to the Northam Holdings corporate governance report for information on the group's policy regarding the performance evaluations required by paragraph 7.3(f) of the Debt Listings Requirements, which evaluations are applicable to Northam insofar as the Debt Listings Requirements are concerned.

Conflicts of interest

During the year ended 30 June 2022, there were no conflicts of interest of directors and the executive management of Northam recorded.

Directorate

As at 30 June 2022, the board comprised the following directors:

Director	Position	Nationality	Date first appointed	Standing for re-election or election
PA Dunne	Chief executive officer	British	1 March 2014	
AH Coetzee	Chief financial officer	South African	15 November 2018	
TI Mvusi	Independent non-executive chairman	South African	1 January 2016	√
HH Hickey	Independent non-executive director	South African	1 January 2016	√

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

With effect from Monday, 20 June 2022, Mr TI Mvusi was appointed as a director and chairman of the Northam board, due to the passing of Mr DH Brown on Sunday, 19 June 2022.

The independence of the independent directors is determined holistically, and on a substance over form basis, in accordance with the indicators provided in section 94(4)(a) and (b) of the Companies Act and King IVTM.

Below is a brief curriculum vitae of the directors:

PA Dunne (59)

BSc (Hons), MBA

Chief executive officer

Board member of Northam Platinum Limited since March 2014.

Other directorships: Non-executive director of the International Platinum Group Metals Association (IPA). Current vice president of the Minerals Council South Africa and chief executive officer of Northam Platinum Holdings Limited.

Experience: Former executive director at Implats, responsible for all mining, concentrating and smelting operations at the group's Rustenburg and Marula mines.

AH Coetzee (42)

CA (SA)

Chief financial officer

Board member of Northam Platinum Limited since November 2018.

Other directorships: Chief financial officer of Northam Platinum Holdings Limited.

Experience: Joined Northam in December 2015 as the group financial controller and was appointed chief financial officer in November 2018. Former associate director at Ernst & Young Inc. with 20 years' experience in, and exposure to the mining and manufacturing industries, including the auditing of large, listed and multi-locational organisations.

HH Hickey (68)

CA (SA)

Lead independent director

Board member of Northam Platinum Limited since January 2016.

Other directorships: Independent non-executive director of Barloworld Limited, Pepkor Holdings Limited and Northam Platinum Holdings Limited.

Experience: A Chartered Accountant with over 35 years of experience in auditing, risk management and governance and former chairman of SAICA.

TI Mvusi (66)

BA, ELP, MAP, PDP

Independent chairman

Board member of Northam Platinum Limited / the group since January 2016 (pursuant to the implementation of the Northam Scheme Mr Mvusi resigned as a board member of Northam Platinum Limited with effect from September 2021 and was subsequently elected as a board member of Northam Platinum Limited in June 2022 following the untimely passing of Mr Brown).

Other directorships: Independent non-executive director of African Rainbow Capital Limited, Dippenaar and Reinecke Proprietary Limited, Sanlam Investments Proprietary Limited, SIH Capital Holdings Proprietary Limited, Ubuntu-botho Investments Proprietary Limited and Northam Platinum Holdings Limited.

Experience: Previous chief executive of market development at Sanlam since August 2005 and was appointed acting chief executive of Sanlam Corporate in April 2017. Former general manager of Gensec Property Services Limited and marketing manager at Franklin and Templeton Asset Management.

Corporate Governance and King IV™ Compliance

The group has adopted the King IV Report on Corporate Governance for South Africa, 2016 (King IVTM). The directors have monitored the integration of the recommended practices in terms of the 16 Principles of King IVTM applicable to Northam, ensuring that an ethical culture is in place that supports the effective control at all levels. Ethics and integrity are fundamental to an effective governance framework and the foundation for a culture that supports employee, customer and investor confidence.

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

As per the announcement published on SENS on 15 September 2021, the Northam board committees were dissolved on the basis that the relevant Northam Holdings board committees perform the functions required by such committees in terms of, inter alia, the Debt Listings Requirements, on behalf of Northam going forward.

Accordingly, shareholders are referred to the Northam Holdings corporate governance report for the (i) reports of the Northam Holdings board committees; and (ii) disclosures in respect of the application and interpretation of King IVTM, which is available on the Northam website at www.northam.co.za.

Assessment of going concern

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

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

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

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

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

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

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

Based on the latest available information, the board believes that the company will continue to have adequate financial resources and access to capital to settle its liabilities as and when they fall due, in order to continue operating for the foreseeable future. In addition, the current assets, taking into consideration the net realisable value of inventory exceeds the current liabilities.

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

Events after the reporting date

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

		Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Note	R000	R000	R000	R000
Revenue	3	34 064 270	32 626 918	31 768 128	32 152 515
Cost of sales		(19 179 169)	(16 519 625)	(27 782 816)	(23 450 956)
Operating costs	4	(15 536 882)	(14 484 980)	(7 625 181)	(7 805 673)
Concentrates purchased		(2 611 596)	(2 883 816)	(19 507 663)	(18 923 546)
Refining and other costs		(280 411)	(216 629)	(280 411)	(216 629)
Depreciation and write-offs	10 & 11	(932 597)	(844 446)	(208 249)	(194 137)
Change in metal inventory	21	182 317	1 910 246	(161 312)	3 689 029
Gross profit		14 885 101	16 107 293	3 985 312	8 701 559
Share of earnings from associate	12	22 469	6 180	–	–
Investment income	5	101 625	90 485	2 642 688	1 092 763
Finance charges excluding Zambezi Preference Share dividends	6	(1 203 193)	(705 444)	(1 204 852)	(689 377)
Net foreign exchange transaction gains/(losses)		46 718	(104 804)	40 100	(94 046)
Sundry income	7	131 726	134 107	5 103 650	1 091 221
Sundry expenditure	8	(272 070)	(331 905)	(206 844)	(270 352)
Profit before Zambezi Preference Share dividends		13 712 376	15 195 912	10 360 054	9 831 768
Amortisation of liquidity fees paid on Zambezi Preference Shares	31	(64 197)	(16 390)	–	–
Zambezi Preference Share dividends	31	(25 604)	(378 678)	–	–
Loss on derecognition of Zambezi Preference Share liability	31	(286 632)	(1 068 558)	–	–
Profit before tax		13 335 943	13 732 286	10 360 054	9 831 768
Tax	9	(3 878 695)	(4 349 328)	(934 183)	(2 364 703)
Profit for the year		9 457 248	9 382 958	9 425 871	7 467 065
Other comprehensive income					
Items that will be subsequently reclassified to profit or loss in subsequent periods (net of tax):					
Fair value adjustment on the investment in Zambezi Preference Shares net of deferred tax	14	–	–	–	2 096 172
Fair value adjustment on the investment in Zambezi Preference Shares net of deferred tax recycled through profit or loss	14	–	–	(2 096 172)	–
Exchange differences on translation of foreign operations		10 522	(17 954)	–	–
Total comprehensive income for the year		9 467 770	9 365 004	7 329 699	9 563 237

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2022

		Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Note	R000	R000	R000	R000
Assets					
Non-current assets		31 418 745	27 387 827	25 645 997	32 657 286
Property, plant and equipment	10	22 886 847	19 116 143	7 702 933	5 892 106
Mining properties and Mineral Resources	11	6 525 030	6 579 506	1 005 228	1 042 404
Interest in associate	12	–	68 231	–	25 745
Investment in subsidiaries	13	–	–	12 353 207	12 353 207
Other investments	14	–	–	647 705	10 545 057
Land and township development	15	90 198	69 032	42 728	10 411
Long-term receivables	16	85 793	83 161	27 235	23 755
Investments held by Northam Platinum Restoration Trust Fund	17	142 586	136 030	71 293	68 015
Environmental guarantee investment	18	93 214	60 707	42 029	32 288
Buttonshope Conservancy Trust	19	11 243	16 067	–	–
Long-term subsidiary and group loans	20	–	–	2 638 266	1 478 450
Other financial assets	34	–	23 182	–	23 182
Non-current inventories	21	1 441 035	1 195 863	1 115 373	1 162 666
Deferred tax asset	26	142 799	39 905	–	–
Current assets		18 443 463	10 563 033	19 203 642	12 255 800
Short-term subsidiary and group loans	20	10 334 718	–	10 402 995	59 780
Inventories	21	5 160 270	5 144 590	7 106 417	7 203 299
Trade and other receivables	22	1 773 559	1 414 930	763 218	1 210 001
Cash and cash equivalents	23	1 174 505	3 877 208	931 012	3 782 720
Tax receivable		411	126 305	–	–
Non-current assets held for sale	12	90 094	–	25 745	–
Total assets		49 952 302	37 950 860	44 875 384	44 913 086
Equity and liabilities					
Total equity		24 066 838	19 015 319	7 649 778	21 701 839
Stated capital	24	9 878 033	13 778 114	9 878 033	13 778 114
Treasury Shares	24	(1 680 005)	(6 556 123)	–	–
Re-organisation reserve		(5 392 288)	–	–	–
Northam Scheme of arrangement reserve		–	–	(10 925 555)	–
Retained earnings		21 233 209	10 901 513	15 253 424	4 653 797
Other comprehensive income	14	–	–	–	2 096 172
Foreign currency translation reserve		27 889	17 367	–	–
Share entitlement reserve		–	–	(6 556 124)	–
Equity-settled share-based payment reserve	25	–	874 448	–	1 173 756
Non-current liabilities		15 938 655	10 371 631	12 566 282	7 290 082
Deferred tax liability	26	4 022 057	3 181 562	1 760 731	1 863 206
Long-term provisions	27	961 391	812 747	200 395	168 557
Zambezi Preference Share liability	31	–	1 669 867	–	–
Long-term loans	28	77 301	114 195	56 670	88 062
Lease liabilities	29	64 184	68 019	21 040	22 241
Long-term share-based payment liability	32	563 303	644 717	277 027	328 102
Financial guarantee liability	33	–	–	–	939 390
Domestic Medium-Term Notes	30	8 816 280	3 880 524	8 816 280	3 880 524
Revolving credit facility	34	1 434 139	–	1 434 139	–
Current liabilities		9 946 809	8 563 910	24 659 324	15 921 165
Short-term subsidiary and group loans	20	–	–	17 159 162	9 647 176
Current portion of long-term loans	28	7 501	33 804	2 000	24 970
Current portion of lease liability	29	10 107	13 228	2 153	2 012
Current portion of Domestic Medium-Term Notes	30	2 265 672	3 713 711	2 265 672	3 713 711
Short-term share-based payment liability	32	174 619	498 010	85 554	277 788
Bridge facility	35	2 969 312	–	2 969 312	–
Tax payable		94 276	72 664	66 250	61 594
Trade and other payables	36	3 914 799	3 805 501	1 780 103	1 902 789
Provisional pricing derivatives	37	–	–	–	–
Short-term provisions	38	510 523	426 992	329 118	291 125
Total equity and liabilities		49 952 302	37 950 860	44 875 384	44 913 086

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2022

Group	Stated capital R000	Treasury Shares R000	Re-organisation reserve: Northam Scheme of arrangement R000	Retained earnings R000	Foreign currency translation reserve R000	Equity-settled share-based payment reserve R000	Total R000
Opening balance as at 1 July 2020	13 778 114	(6 556 123)	–	1 518 555	35 321	874 448	9 650 315
Total comprehensive income for the year	–	–	–	9 382 958	(17 954)	–	9 365 004
Profit for the year	–	–	–	9 382 958	–	–	9 382 958
Other comprehensive income for the year	–	–	–	–	(17 954)	–	(17 954)
Balance as at 30 June 2021	13 778 114	(6 556 123)	–	10 901 513	17 367	874 448	19 015 319
Settlement of the Revised Accumulated Dividends through the transfer of Northam Shares to Northam	(2 339 231)	2 339 231	–	–	–	–	–
Repurchase of 34 248 891 Northam Shares to settle taxes relating to the Composite Transaction accounted for directly in equity	(1 404 205)	1 404 205	–	–	–	–	–
Net Value Distribution		1 130 010	(5 057 835)	–	–	–	(3 927 825)
Repurchase of 649 754 Northam Shares from the ESOP in order to facilitate the settlement of the tax liability associated with the Net Value Distribution in Zambezi Platinum (RF) Limited	(137 735)	–	–	–	–	–	(137 735)
Repurchase of 65 167 Northam Shares from the Zambezi Platinum (RF) Limited in order to facilitate the settlement of the tax liability associated with the Net Value Distribution in Zambezi Platinum (RF) Limited	(2 672)	2 672	(11 285)	–	–	–	(11 285)
Securities Transfer Tax	(16 238)	–	–	–	–	–	(16 238)
Facilitation by Northam of the settlement of the taxes relating to the Composite Transaction	–	–	(323 168)	–	–	–	(323 168)
Transfer between equity settled share-based payment reserves and retained earnings due to the Composite Transaction	–	–	–	874 448	–	(874 448)	–
Total comprehensive income for the year	–	–	–	9 457 248	10 522	–	9 467 770
Profit for the year	–	–	–	9 457 248	–	–	9 457 248
Other comprehensive income for the year	–	–	–	–	10 522	–	10 522
Balance as at 30 June 2022	9 878 033	(1 680 005)	(5 392 288)	21 233 209	27 889	–	24 066 838

Taxes relating to the Composite Transaction accounted for directly in equity

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

Foreign currency translation reserve

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

Net Value Distribution

The Net Value Distribution relates to a distribution made to the Zambezi Ordinary Shareholders of 27 561 210 Northam Shares less any amounts distributed to The Northam Employee Trust, The Northam Zondereinde Community Trust or The Northam Booysendal Community Trust.

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

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

STATEMENTS OF CHANGES IN EQUITY continued

For the year ended 30 June 2022

Company	Stated capital R000	Northam Scheme of arrangement reserve R000	(Accumulated loss)/retained earnings R000	Equity-settled share-based payment reserve R000	Share entitlement reserve* R000	Fair value through other comprehensive income R000	Total equity R000
Opening balance as at 1 July 2020	13 778 114	–	(2 813 268)	1 173 756	–	–	12 138 602
Total comprehensive income for the year	–	–	7 467 065	–	–	2 096 172	9 563 237
Profit for the year	–	–	7 467 065	–	–	–	7 467 065
Other comprehensive income for the year	–	–	–	–	–	2 096 172	2 096 172
Balance as at 30 June 2021	13 778 114	–	4 653 797	1 173 756	–	2 096 172	21 701 839
Settlement of the Revised Accumulated Dividends through the transfer of Northam Shares to Northam	(2 339 231)	(6 789 475)	–	–	–	–	(9 128 706)
Repurchase of 34 248 891 Northam Shares to settle taxes relating to the Composite Transaction accounted for directly in equity	(1 404 205)	(3 801 627)	–	–	–	–	(5 205 832)
Repurchase of 649 754 Northam Shares from the ESOP in order to facilitate the settlement of the tax liability associated with the Net Value Distribution in Zambezi Platinum (RF) Limited	(137 735)	–	–	–	–	–	(137 735)
Repurchase of 65 167 Northam Shares from the Zambezi Platinum (RF) Limited in order to facilitate the settlement of the tax liability associated with the Net Value Distribution in Zambezi Platinum (RF) Limited	(2 672)	(11 285)	–	–	–	–	(13 957)
Transfer between equity settled share-based payment reserves and retained earnings due to the Composite Transaction	–	–	1 173 756	(1 173 756)	–	–	–
Facilitation by Northam of the settlement of the taxes relating to the Composite Transaction	–	(323 168)	–	–	–	–	(323 168)
Securities Transfer Tax	(16 238)	–	–	–	–	–	(16 238)
Zambezi Preference Shares to be settled in Northam Shares and therefore considered as treasury shares	–	–	–	–	(6 556 124)	–	(6 556 124)
Total comprehensive income for the year	–	–	9 425 871	–	–	(2 096 172)	7 329 699
Profit for the year	–	–	9 425 871	–	–	–	9 425 871
Other comprehensive income for the year	–	–	–	–	–	(2 096 172)	(2 096 172)
Balance as at 30 June 2022	9 878 033	(10 925 555)	15 253 424	–	(6 556 124)	–	7 649 778

**Zambezi Preference Shares to be settled in Northam Shares and therefore considered as treasury shares.*

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2022

		Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Note	R000	R000	R000	R000
Cash flows from operating activities		11 465 720	12 095 891	3 595 237	2 447 070
Cash generated from operations	40	15 315 608	17 414 496	3 804 757	9 054 773
Change in working capital	41	(943 355)	(1 748 930)	(3 204)	(4 314 718)
Movement relating to land and township development		(21 166)	6 935	(32 317)	415
Interest income received		105 636	82 182	250 654	68 243
Dividend income received		2 585	3 438	2 269	2 686
Tax paid	42	(2 993 588)	(3 662 230)	(426 922)	(2 364 329)
Cash flows utilised in investing activities		(14 946 700)	(3 221 828)	(7 047 520)	6 410 084
Property, plant and equipment, mining properties and Mineral Reserves					
Additions to maintain operations		(1 428 132)	(1 525 925)	(650 463)	(700 172)
Additions to expand operations		(3 187 251)	(1 693 123)	(1 340 359)	(615 608)
Disposal proceeds		36 957	2 489	35 793	21
Advances provided to Northam Platinum Holdings Limited		(10 334 718)	–	(10 334 718)	–
Repayments made by Norplats Properties Proprietary Limited		–	–	21 357	5 481
Repayments made by Booysendal Platinum Proprietary Limited		–	–	6 433 457	8 298 540
Advances provided to Eland Platinum Proprietary Limited		–	–	(1 159 816)	(607 964)
(Advances)/repayments to the US recycling operations		–	–	(43 399)	35 379
Repayments/(advances) to the related Zambezi Trusts with regards to the Composite Transaction		–	–	3 041	(2 932)
Refunds received relating to the Environmental guarantee investment		–	2 246	–	988
Increase in investments held by Environmental guarantee investment		(32 507)	–	(9 741)	–
Increase in investments held by Northam Platinum Restoration Trust Fund	17	(6 556)	(7 298)	(3 278)	(3 649)
Utilisation of/(increase in) investment held in Buttonshope Conservancy Trust		4 901	(217)	–	–
Dividends received from SSG Holdings Proprietary Limited	12	606	–	606	–
Cash flows from financing activities		766 639	(7 064 993)	588 937	(7 049 433)
Interest paid		(903 193)	(577 233)	(900 936)	(575 354)
Drawdown on revolving credit facility	34	8 900 000	3 750 000	8 900 000	3 750 000
Repayment of revolving credit facility	34	(7 450 000)	(3 750 000)	(7 450 000)	(3 750 000)
Drawdown on the Bridge facility	35	3 000 000	–	3 000 000	–
Issue of Domestic Medium-Term Notes	30	8 305 370	4 646 367	8 305 370	4 646 367
Repayment of Domestic Medium-Term Notes	30	(407 886)	(132 693)	(407 886)	(132 693)
Domestic Medium-Term Notes settled as part of notes switched	30	(4 394 670)	(2 400 400)	(4 394 670)	(2 400 400)
Transaction costs paid on revolving credit facility, Bridge facility and Domestic Medium-Term Notes		(229 975)	(108 215)	(229 975)	(108 215)
Repayment of principal portion of lease liabilities	29	(14 369)	(16 421)	(2 710)	(2 740)
Net Value Distribution paid to Zambezi Ordinary Shareholders		–	–	(329 147)	–
Strategic Partner Advances		–	(391 522)	–	(391 522)
Net Value Distribution paid in cash to the Strategic Partners		(59 415)	–	–	–
Payment of a portion of the Lock-in Fees to certain Strategic Partners	28	(78 114)	–	–	–
Taxes paid in cash relating to the Composite Transaction		(3 854 809)	–	(3 854 809)	–
Acquisition of Zambezi Preference Shares	31	(2 041 135)	(7 936 299)	(2 041 135)	(7 936 299)
Transaction fees paid on the acquisition of Zambezi Preference Shares	31	(5 165)	(148 577)	(5 165)	(148 577)
(Decrease)/increase in cash and cash equivalents		(2 714 341)	1 809 070	(2 863 346)	1 807 721
Effects of exchange rate movements on cash and cash equivalents		11 638	(92 818)	11 638	(92 818)
Cash and cash equivalents at the beginning of the year		3 877 208	2 160 956	3 782 720	2 067 817
Cash and cash equivalents at the end of the year	23	1 174 505	3 877 208	931 012	3 782 720

ACCOUNTING POLICIES

1. Basis of preparation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments and liabilities that are stated at fair value. Details of the accounting policies are set out below and are consistent with those applied in the previous financial year, except where otherwise indicated.

The financial statements are in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the JSE Limited (JSE) Listings Requirements and the Companies Act, No. 71 of 2008 (the Companies Act).

The annual financial statements are presented in South African Rand, which is the presentation currency.

The preparation of financial statements in conformity with IFRS requires that management and the board exercises their judgement in the process of applying the company and group's accounting policies. It also requires the use of certain critical economic and other estimates. The areas requiring a high degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements, are disclosed in the notes to the financial statements.

1.1 New accounting policies adopted

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

1.2 Standards, interpretations and amendments issued, but not yet effective

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

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

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

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

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

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

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

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

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

There is no transition relief for first-time adopters.

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

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

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

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

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

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

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

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

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

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

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

Northam notes the new standards, amendments and interpretations which have been issued but not yet effective and does not plan to early adopt any of the standards, amendments and interpretations. There are no other standards which are not yet effective that would be expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

1.3 Consolidation

The consolidated financial statements include the results and financial position of the company, its subsidiaries and associates. Subsidiaries are entities in respect of which the group has power over and is exposed, or has rights, to variable returns from its involvement with these entities and has the ability to affect those returns through its power over those entities.

Control would generally exist where the group owns more than 50% of the voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred. They are de-consolidated from the date on which control ceases. Control is reassessed if facts and circumstances indicated that there are changes to one or more of the elements of control.

The financial statements of the subsidiaries are prepared for the same reporting period as Northam Platinum Holdings Limited, using consistent accounting policies.

Investments in subsidiaries and associates are recognised at cost less accumulated impairment losses in the accounts of the company.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies, including any resulting tax effect, are eliminated.

Investment in subsidiaries are assessed for impairment at each reporting period as part of the group's impairment assessment, and detailed impairment testing is performed if there are any indications that an investment in a subsidiary or associate could potentially be impaired.

1.4 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the date of acquisition. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss. Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) that is expected to benefit from the combination. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Goodwill is tested for impairment annually or more frequently if events or circumstances indicate that it might be impaired.

Business combination of entities under common control

Business combinations between entities under common control are accounted for using the pooling of interests method. Under this method the assets, liabilities and reserves of the acquired entity are recorded by the purchasing entity at their existing carrying values as recorded in the consolidated financial statements. As required by the pooling of interests method, the transfer is accounted for as if it occurred at the beginning of the financial year. The comparative amounts are not restated.

1.5 Associates and joint arrangements

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for on consolidation using the equity method of accounting, after initially being recognised at cost.

Associates are accounted for at cost and are adjusted for impairments where appropriate in the company financial statements.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. On acquisition of the investment, any difference between the cost of the investment and the company's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as either goodwill as part of the investment or as an income as part of the share of earnings in associate in the period the investment is acquired. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities.

Investments in associates are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the associates carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an associates fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Dividends received from associates are included in investing activities in the statement of cash flow.

Where there is an additional investment in the associates, the purchase price paid for the additional interest is added to the existing carrying amount of the associate and the existing interest is not re-measured.

The financial statements of the associates are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the group.

After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on the group's investment in its associates. The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

Upon loss of significant influence over the associates, the group measures and recognises any remaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Joint Operation

A joint operation is a type of joint arrangement in which the parties with joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

In relation to its interests in joint operations, the financial statements include:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Expenses, including its share of any expenses incurred jointly

All such amounts are measured in accordance with the terms of each arrangement which are in proportion to the interest in each asset and liability, income and expense of the joint operation.

1.6 Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairments/reversal thereof. Cost includes pre-production expenditure incurred during the development of a mine and the present value of related future decommissioning costs.

Interest on borrowings relating to the financing of major capital projects under construction is capitalised during the construction phase as part of the cost of the project. Such borrowings costs are capitalised over the period during which the asset is being constructed and borrowings have been incurred. Capitalisation ceases when construction is interrupted for an extended period or when the asset is substantially complete. Other borrowing costs are expensed as incurred.

Shafts, mining development and general infrastructure assets including metallurgical and refining plants

Mine development and infrastructure costs are capitalised to assets under construction and transferred when the mining venture reaches commercial production.

Items that are withdrawn from use, or have no reasonable prospect of being recovered through use or sale, are regularly identified and written off.

Depreciation is first charged from the date on which the mining assets reaches commercial production levels. When a mine development project moves into the production phase, the capitalisation of certain mine development costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions, improvements or new developments, underground mine development or mineable reserve development.

Mining assets are depreciated on a units of production basis, based on reserves, which are revised annually.

Where items of plant and equipment comprise separate, identifiable components that have differing useful lives, such components are depreciated according to their individual useful lives.

Decommissioning asset

The decommissioning asset is depreciated on the units of production basis, based on reserves, which are revised annually.

The decommissioning asset is recognised and subsequent changes in the assumptions which impact the asset is reflected in the asset as set out in the decommissioning provision accounting policy. The decommissioning asset is included as part of the mining plant and equipment when considering depreciation, impairment and derecognition.

General infrastructure, other assets including buildings

Office equipment, furniture and vehicles are depreciated using varying rates, ranging between 10% and 20% on a straight-line basis over their expected useful lives.

Buildings are depreciated on a straight-line basis over the estimated useful life, which is generally the life of mine.

Land and assets under construction

Land and assets under construction are recorded at cost of acquisition less accumulated impairment losses and are not depreciated.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant, equipment and mining properties is added to the carrying value of the asset when it is probable that future economic benefits will flow to the group. All other subsequent expenditure is recognised as an expense and included in profit or loss.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Impairment

An impairment review of property, plant and equipment is carried out when there is an indication that these may be impaired by comparing the carrying amount thereof to its recoverable amount.

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. 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.

The adjusted carrying amount is depreciated on a straight-line basis over the remaining useful life of property, plant and equipment.

Annual review of residual values, depreciation method and useful lives

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted prospectively, if appropriate, at each financial year-end.

Exploration expenditure

Exploration and evaluation expenditure on greenfields sites, being those where the group does not have any mineral deposits which are already being mined or developed, is expensed as incurred until a feasibility study has been completed, after which the expenditure is capitalised if the feasibility study demonstrates that future economic benefits are probable.

Exploration and evaluation expenditure on brownfields sites, being those adjacent to mineral deposits which are already being mined or developed, is expensed as incurred until management is able to demonstrate that future economic benefits are probable through the completion of a pre-feasibility study. Costs relating to development activities as well as mineral resources bought are capitalised to mine development asset.

Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the mineralisation of such mineral deposits, is capitalised as a mine development cost as and when incurred.

1.7 Mining properties and mineral resources

Mining properties and mineral resources comprising mineral rights are recorded at cost of acquisition. Depreciation is first charged on new mining properties from the date on which the mining in respect of the mining property reaches commercial production levels. Mining properties are depreciated on a units of production basis based on reserves which are revised annually.

Mining properties and mineral resources acquired separately are measured on initial recognition at cost. Following initial recognition, these mining properties and mineral resources are carried at cost less any accumulated amortisation and any accumulated impairment losses.

1.8 Land and township development

The assets are recognised on the statement of financial position in accordance with IAS 2: Inventories. We are comfortable that a buyer will always be found due to the housing requirements around our mines. Because these assets are normally held for a period of longer than 12 months, they are however deemed to be non-current assets. These assets are held at the lower of cost and net realisable value.

Net realisable value tests are performed at each reporting date and represent the current sales price of the houses, less estimated costs to complete production and bring the houses to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

Land and township development, which is an initiative in order to assist the group's employees to acquire their own affordable housing, is initially recognised at cost. Cost is determined on the basis of land acquisition, development and housing construction cost. Land and township development is derecognised when the risks and rewards of ownership of the property transfers to the employees.

Northam's main business is not the development of properties but is obligated under South African mining legislation to offer certain of its employees house ownership as part of their benefits. To that end, it constructs houses which are sold to employees. The houses are mainly for employees but third parties can also acquire these properties. Therefore, the main aim of the disclosure of the land and township development activities provided is qualitative by nature, i.e. social and community advancement and employee benefits. The main business of the group is mining Platinum Group Metals.

1.9 Financial instruments

Financial instruments recognised on the statement of financial position include investments (including investments held in trust funds), cash and cash equivalents, long-term receivables, trade and other receivables, trade and other payables, loans and borrowings, financial guarantee contracts and provisional pricing arrangements. These are recognised when the group becomes party to the contractual agreements. All financial instruments are initially recorded at fair value plus in the case of a financial asset not at fair value through profit and loss, transaction costs, except for trade receivables that do not contain a significant financing component which are recognised at the transaction price.

Fair value

Where financial instruments are recognised at fair value, the instruments are measured at the amount for which an asset could be sold, or an amount paid to transfer a liability, in an orderly transaction in the principal or most advantageous market, at the measurement date under current market conditions regardless of whether this price is directly observable or estimated using a valuation technique. Fair values have been determined as follows: (i) where market prices are available, these have been used, and (ii) where there are no market prices available, fair values have been determined using valuation techniques incorporating observable market inputs or discounting expected cash flows at market rates.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or expense over the period of the instrument.

Effectively, this method determines the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or, if appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

Financial assets

Financial assets are classified as either at amortised cost, fair value through profit or loss or fair value through other comprehensive income.

The classification of the financial asset is dependent on the purpose and characteristics of the particular financial asset and is determined at the date of initial recognition.

Investments classified as fair value through other comprehensive income

Preference Shares held are classified as fair value through other comprehensive income.

After initial recognition, investments, which are classified as fair value through other comprehensive income, are re-measured at fair value with all gains or losses recognised directly in other comprehensive income. Interest earned, impairment and gains and losses on disposal are recognised in profit or loss.

Investments classified as fair value through profit or loss

Investment held by Northam Platinum Restoration Trust Fund, Environmental guarantee investment and Buttonshope Conservancy Trust are classified as fair value through profit or loss.

After initial recognition, investments, which are classified as fair value through profit or loss, are re-measured at fair value with all gains or losses recognised directly in profit or loss.

Financial assets carried at amortised cost

Trade and other receivables, long-term receivables, subsidiary loans and cash and cash equivalents are classified as at amortised cost. After initial recognition, receivables (except for provisional pricing receivables) are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the receivables are derecognised or impaired as well as through the amortisation process.

Provisional pricing receivables/derivative

Financial assets with provisional pricing arrangements (provisional pricing receivables) are recognised as a separate category of trade and other receivables and are accounted for as fair value through profit or loss.

Provisional pricing receivables are recognised when the group has satisfied its performance obligation relating to delivery of the product and has an unconditional right to the consideration that is due. This will be recognised when only the passage of time is required before payment is made by the customer. All fair value adjustments relating to the movements in this balance are recognised within revenue from fair value adjustments.

A provisional pricing derivative (financial liability) is recognised when payment by the customer made on provisionally priced goods results in an effective overpayment due to fluctuations in market factors until final pricing is confirmed. All fair value adjustments relating to the movements in this balance are recognised within revenue from fair value adjustments.

Provisional pricing receivables are reallocated to trade and other receivables and provisional pricing derivatives are reallocated to trade and other payables at the end of the quotational period once the consideration relating to the sale is no longer variable. The finalised consideration receivable / refundable is therefore no longer subject to fair value fluctuations.

Impairment of financial instruments

The group assesses at each reporting date whether a financial asset or group of financial assets is impaired. Impairments are based on expected credit losses (ECL).

ECLs are an estimate of credit losses over the life of a financial instrument and are recognised as a loss allowance or provision. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. Impaired debts are derecognised when they are assessed as uncollectible.

For trade receivables due in less than 12 months, the group applies the simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The group considers historical credit loss experience, adjusted for forward-looking factors, that could indicate impairments taking into account the specific debtor and economic environment.

The general approach requires the assessment of financial assets to be split into 3 stages:

Stage 1: no significant deterioration in credit quality. This identifies financial assets as having a low credit risk, and the asset is considered to be performing as anticipated. At this stage, a 12 month expected credit loss assessment is required.

Stage 2: significant deterioration in credit quality of the financial asset but no indication of a credit loss event. This stage identifies assets as underperforming. Lifetime expected credit losses are required to be assessed.

Stage 3: clear and objective evidence of impairment is present. This stage identifies assets as non-performing financial instruments. Lifetime expected credit losses are required to be assessed.

Financial liabilities

Financial liabilities are recorded initially at the fair value of the consideration received, which is cost net of any issue costs associated with the borrowings.

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on issue.

Borrowings, trade and other payables and the Preference Share liability have been classified as financial liabilities.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Accrued dividends on Preference Shares are recognised as finance charges.

Derecognition of financial instruments

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when: the rights to receive cash flows from the asset have expired; the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either: (a) the group has transferred substantially all the risks and rewards of the asset or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

1.10 Inventories

Consumable stores

Consumable stores consist of consumable and maintenance stores and are valued at the lower of cost or net realisable value. Cost is determined on the weighted average cost basis. Consumable stores are under continual review and are written down in regard to age, condition and utility.

Metal on hand

Metal inventory is valued at the lower of the net realisable value and the purchase price or average cost of production less net revenue from sales of by-products in the ratio of the contribution of these metals to gross sales revenue. Production costs are allocated to platinum, palladium, rhodium and gold (joint products) by dividing the mine output into total mine production costs, determined on a six-month average basis except for concentrates and ore purchased which are recognised at the cost in the month in which they are purchased.

The average cost of normal production includes total costs incurred on mining and refining, including depreciation, less net revenue from the sale of by-products, including chrome, allocated to main products based on units produced under normal production.

Costs incurred in the production process, are appropriately accumulated as stockpiles, metal in process and final product inventories. Platinum, palladium, rhodium and gold (4E) are treated as main products and other platinum group and base metals produced as by-products, including chrome, which are not classified as inventory.

Stockpiles are measured by estimating the stockpiled tonnes, the number of contained 4E ounces based on assay data, and the estimated recovery percentage based on the expected processing method, but only if the stockpiles are considered material. Stockpile tonnages are also verified by periodic surveys.

Net realisable value tests are performed on a monthly basis and represent the expected sales price of the product based on prevailing spot metal prices at the reporting date, less estimated costs to complete production and bring the product to sale.

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

1.11 Non-current assets held for sale

The group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding finance costs.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale and the sale is expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

1.12 Provisions

Provisions are recognised when the group has a present obligation, whether legal or constructive, because of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised only when the reimbursement is virtually certain. The amount to be reimbursed is recognised as a separate asset.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Decommissioning provision

Estimated long-term environmental obligations, comprising rehabilitation and mine closure, are based on an independent assessment of the future commercial closure costs in compliance with current technology, environmental and regulatory requirements.

Provision is made for the present value of the estimated future decommissioning costs at the end of the mine's life. A decommissioning asset is recognised as part of the underlying property, plant and equipment.

With regards to the provision, the estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the decommissioning provision due to the passage of time is recognised as a finance cost in profit or loss. Other changes in the carrying value of the provision subsequent to initial recognition are adjusted in the determination of the carrying value of the decommissioning asset as opposed to being recognised in profit or loss. If the adjustment results in an addition to the decommissioning asset, consideration is given as to whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the asset is tested for impairment by estimating its recoverable amount in accordance with the respective accounting policies.

Decommissioning liabilities are discounted over the period of the various mining rights.

Provision for restoration costs

Provision is made for the estimated cost to be incurred on long-term environmental obligations, comprising of expenditure on closure over the estimated life of the mine.

The estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money. The increase in the restoration provision due to the passage of time is recognised as a finance cost in profit or loss. In assessing the future liability, no account is taken of the potential proceeds from the sale of assets and metals from the plant clean-up.

The future liability is reviewed regularly and adjusted as appropriate for new facts and changes in legislation. The cost of ongoing programmes to prevent and control pollution and rehabilitate the environment is recognised as an expense when incurred.

Restoration liabilities are discounted over the period of the mining right, using an appropriate rate.

Environmental rehabilitation fund

The group may contribute to a dedicated trust fund, the Northam Platinum Restoration Trust Fund (the fund), to fund the expenditure on future decommissioning and restoration. Income earned by the fund is credited to the group's profit or loss in the period to which it relates.

The group controls the fund and therefore consolidates it.

The assets of the fund are separately administered and the group's right of access to these funds are restricted.

1.13 Foreign currencies

The South African Rand is the functional currency of all the operations, except for the US recycling operations which has a US dollar functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

US entities

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities included in the statement of financial position are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

1.14 Revenue recognition

Revenue from contracts with customers is recognised when control is transferred to the customer. Revenue is at the amount to which the entity expects to be entitled in exchange for those goods or services.

Precious metal sales

Revenue from Platinum Group Metal (PGM) sales are recognised based on contractual terms specific to each transaction. The contractual terms stipulate a fixed price relating to the commodity as well as exchange rates in the month in which the product is purchased. Platinum, palladium and gold sales are recorded at the daily London Metal Exchange: LBMA price. Rhodium, iridium and ruthenium sales are recorded at the weekly Platts New York Dealer price.

No adjustments are accounted for relating to volume of product or price on PGM sales as all these inputs are finalised on delivery date, which is the date on which revenue is recognised.

Base metal sales

Revenue is accounted for when control has transferred to the customer on delivery. Revenue accounted for is the estimation of the amount of consideration to which the group will be entitled at the date of sale. Revenue is estimated at contract inception (when control transfers) and is based on initial assays, prevailing metal prices and current exchange rates. Movement in assay amounts were assessed in detail and were found to be immaterial and are therefore included in the disclosure of all other movements relating to fair value adjustments which are separately disclosed in revenue.

Payment on base metal sales is only made once provisional pricing has been finalised. Adjustments to the provisional pricing value occurs at the reporting date and on finalisation of the sales transaction. A provisional pricing receivable is recognised to account for the fluctuations in market factors until final pricing is confirmed. All fair value movements after the date of sale relating to provisionally priced amounts are recognised separately within revenue as revenue from fair value adjustments.

Chrome sales

Revenue from chrome sales is recognised based on the initial assayed quantity of product; prevailing market prices and exchange rates. Revenue is accounted for when control has transferred to the customer on delivery and is based on the provisional pricing value which is the amount that reflects the best estimate of the consideration to which the group expects to be entitled in terms of the calculation of revenue to the end of the quotational period.

Payment on chrome sales is made based on the initial assayed quantity of product and related market inputs. Adjustments to the provisional pricing value occurs at the reporting date and on finalisation of the sales transaction. A provisional pricing derivative is recognised, when payment by the customer made on provisionally priced goods results in an effective overpayment due to fluctuations in market factors until final pricing is confirmed. A provisional pricing receivable is recognised when the initial payment by the customer on the provisionally priced goods resulted in an underpayment due to the fluctuations in market factors until final pricing is confirmed.

All fair value movements after the date of sale relating to provisionally priced amounts are recognised separately within revenue as revenue from fair value adjustments.

Sundry income (including treatment charges)

Sundry income is recognised when the right to receive payment has been established.

Investment income

Interest (including Preference Share dividends) is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the group.

Dividends are recognised when the right to receive payment is established.

1.15 Borrowing costs

Borrowing costs are charged to finance charges.

Borrowing costs that are directly attributable to the acquisition, construction or development of qualifying assets that require a substantial period of time to prepare for their intended use are capitalised. Capitalisation is suspended when the active development is interrupted and ceases when the activities necessary to prepare the asset for its intended use are complete. Other borrowing costs are recognised as an expense when incurred.

Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available for a short-term from funds borrowed specifically to finance a project, the income generated from the temporary investment of such amounts is deducted from the total capitalised borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of the borrowing costs applicable to the borrowings of the group that are outstanding during the period.

1.16 Employee benefits

Short-term employee benefits

Remuneration to employees in respect of services rendered during a reporting period is recognised as an expense in that reporting period. Accruals are made for accumulated leave and are measured at the amount that the group expects to pay when the leave is used.

Share incentive plan (including the lock-in mechanism shares)

Awards granted to employees in terms of the rules of the Northam share incentive plan (the plan) are measured at fair value based on market prices at the date of grant (measurement date).

The shares awarded in terms of the rules of the plan comprise: retention shares, which vest after three years with no performance criteria, and performance shares, which also vest after three years. The final number of performance shares that the relevant employee will receive will be subject to certain performance criteria being met.

The group initially measures the cost of cash-settled transactions with employees using a market value model to determine the fair value of the liability incurred.

For cash-settled share-based payment transactions, the liability needs to be re-measured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in the financial statements.

Retirement benefits

Eligible employees are members of various defined contribution schemes. Employer contributions are recognised as an expense during the period in which the employees' services are rendered.

Medical benefits

Employer contributions in respect of current medical benefits are recognised as an expense during the period in which the employees' services are rendered.

Post-retirement medical costs

Eligible employees are members of a defined contribution scheme established to assist those employees to meet post-retirement medical costs.

Employer contributions are recognised as an expense during the period in which the employees' services are rendered. These contributions cease when the employees' services terminate.

Toro Employee Empowerment Trust

The Toro Employee Empowerment Trust (the Trust) was established for the benefit of eligible Zondereinde employees. Northam Platinum Limited contributes 4% of its Zondereinde mine after tax profits to the Trust where after eligible employees will receive payment at the end of each five-year cycle. The amount of this cash to be distributed is based on the valuation of the fund and Northam does not guarantee any values over and above what is included in the Trust and managed accordingly by the investment manager.

Since the cash distribution is payable to employees after the end of the period in which the related services are rendered and it is not a post-employment benefit or a termination benefit, the Trust is accounted for as an “Other Long-Term Employee Benefit” in terms of IAS 19. The benefits payable to employees are therefore measured using the Projected Unit Credit Method.

Independent actuarial valuations are conducted annually. Re-measurements, comprising actuarial gains and losses arising as a result of experience adjustments and/or the effects of changes in actuarial assumptions, the effect of changes to the asset ceiling and the return on plan assets (excluding interest) are recognised immediately in profit or loss when they occur. Any increase in the present value of plan liabilities expected to arise from employee service during the period is charged to operating profit. Net interest is determined by applying the discount rate at the beginning of the year to the net defined liability or asset.

Past-service cost is recognised immediately in profit or loss in the period to the extent that benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The asset or liability comprises the present value of the obligation less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets (cash) that are held by the Trust and are not available to the creditors of the group.

1.17 Leases

At the inception of the contract, the group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Group as lessee

The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The group recognises right-of-use liabilities for lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of right-of-use liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within Property, plant and equipment.

Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of right-of-use liabilities is increased to reflect the unwinding of interest and reduced for the lease payments made (amortised cost using the effective interest rate method). In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. A corresponding adjustment is made to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term and low-value leases

The group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Group as lessor

Leases in respect of which the group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Operating lease payments for rental income received relating to mining properties are recognised as other income in profit or loss on a straight-line basis over the period of the lease.

1.18 Taxation

Current tax

The charge for current tax is based on the results for the year, as adjusted for by items that are exempt or disallowed, and is calculated using the enacted tax rates at the reporting date.

Where items are credited or charged directly to equity or other comprehensive income the tax effect is also recognised within equity or other comprehensive income as appropriate.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences, except where the 'initial recognition exception' applies; and in respect of 'outside' temporary differences relating to subsidiaries and associates.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profits will be available, against which the deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilised in the foreseeable future except where the 'initial recognition exception' applies; and in respect of 'outside' temporary differences relating to subsidiaries and associates.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income as appropriate and not in profit or loss.

Deferred income tax assets and liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority and taxable entity.

Dividend Withholding Tax

The group withholds dividends tax on behalf of its shareholders on dividends declared at the enacted withholding tax rate. Amounts withheld are not recognised as part of the group's tax charge but rather as part of the dividend paid recognised directly in equity.

Uncertain tax positions

Judgements are required in respect of the application of existing tax laws in each jurisdiction and therefore the determination of the provision for income taxes.

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The various statutory entities within the group recognise liabilities for anticipated tax uncertainties based on the best estimate of whether additional taxes will be due.

Where the final tax outcome of any tax matters are different from the amounts that were initially reported, such differences will impact the income and deferred tax provisions in the period in which such determination is made.

In addition, future changes in tax laws in the jurisdictions in which the group operates could limit the ability of the group to obtain tax deductions in future periods.

2. Segmental analysis

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

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

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

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

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

Other relates to consolidated adjustments made for the various subsidiaries, as well as the capitalisation of borrowing costs.

No segments were aggregated.

All assets of the Group are South African based assets, except for assets held by the US recycling operations amounting to R144.4 million (30 June 2021: R132.1 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

Segmental statement of profit or loss and other comprehensive income

30 June 2022	Zondereinde operating segment R000	Booysendal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercompany eliminations R000	Zambezi Platinum (RF) Limited R000	Other R000	Total R000
Revenue	31 768 128	18 964 038	2 670 102	127 673	(19 465 671)	–	–	34 064 270
Cost of sales	(27 782 816)	(8 419 761)	(2 924 947)	(133 905)	20 082 260	–	–	(19 179 169)
Operating costs	(7 625 181)	(6 355 381)	(1 530 442)	(25 878)	–	–	–	(15 536 882)
Mining operations	(5 480 170)	(4 454 801)	(1 016 481)	–	–	–	–	(10 951 452)
Concentrator operations	(535 210)	(938 708)	(417 189)	(25 878)	–	–	–	(1 916 985)
Smelting and base metal removal plant costs	(1 049 015)	–	–	–	–	–	–	(1 049 015)
Chrome processing	(13 834)	(31 671)	(19 033)	–	–	–	–	(64 538)
Selling and administration	(169 116)	(169 116)	–	–	–	–	–	(338 232)
Royalty charges	(227 926)	(666 689)	(238)	–	–	–	–	(894 853)
Carbon tax	(1 138)	–	–	–	–	–	–	(1 138)
Share-based payment expenses	(59 603)	(72 380)	(14 733)	–	–	–	–	(146 716)
Toro Employee Empowerment Trust	(84 027)	–	–	–	–	–	–	(84 027)
Employee profit share scheme	–	(18 994)	(5 494)	–	–	–	–	(24 488)
Rehabilitation	(5 142)	(3 022)	(57 274)	–	–	–	–	(65 438)
Concentrates purchased	(19 507 663)	(1 160 232)	(1 300 369)	(109 004)	19 465 672	–	–	(2 611 596)
Refining including sampling and handling charges	(280 411)	–	–	–	–	–	–	(280 411)
Depreciation and write-offs	(208 249)	(646 389)	(76 154)	(9 985)	8 180	–	–	(932 597)
Change in metal inventory	(161 312)	(257 759)	(17 982)	10 962	608 408	–	–	182 317
Operating profit/(loss)	3 985 312	10 544 277	(254 845)	(6 232)	616 589	–	–	14 885 101
Share of earnings from associate	–	–	–	–	–	–	22 469	22 469
Investment income	2 642 688	7 263	1 079	–	(4 093 781)	18	1 544 358	101 625
Finance charges excluding Zambezi Preference Share dividends	(1 204 852)	(25 726)	(132 972)	(3 436)	166 452	–	(2 659)	(1 203 193)
Net foreign exchange transaction gains	40 100	365	–	6 253	–	–	–	46 718
Sundry income	5 103 650	8 176	4 294	5 787	(4 992 295)	–	2 114	131 726
Sundry expenditure	(206 844)	(24 374)	(8 041)	(4 464)	8 680 217	(8 560 234)	(148 330)	(272 070)
Profit/(loss) before Zambezi Preference Share dividends	10 360 054	10 509 981	(390 485)	(2 092)	377 182	(8 560 216)	1 417 952	13 712 376
Amortisation of liquidity fees paid on Zambezi Preference Shares	–	–	–	–	(64 197)	–	–	(64 197)
Zambezi Preference Share dividends	–	–	–	–	2 395 985	(2 421 589)	–	(25 604)
Loss on derecognition of Zambezi Preference Share liability	–	–	–	–	(286 632)	–	–	(286 632)
Profit/(loss) before tax	10 360 054	10 509 981	(390 485)	(2 092)	2 422 338	(10 981 805)	1 417 952	13 335 943
Tax	(934 183)	(2 782 204)	102 912	–	(1 707 083)	1 587 020	(145 157)	(3 878 695)
Profit/(loss) for the year	9 425 871	7 727 777	(287 573)	(2 092)	715 255	(9 394 785)	1 272 795	9 457 248

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

Segmental statement of profit or loss and other comprehensive income

30 June 2021	Zondereinde operating segment R000	Booysendal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercompany eliminations R000	Zambezi Platinum (RF) Limited R000	Other R000	Total R000
Sales revenue	32 152 515	16 884 383	1 266 448	141 814	(17 818 242)	–	–	32 626 918
Cost of sales	(23 450 956)	(7 048 636)	(1 027 647)	(155 357)	15 198 193	–	(35 222)	(16 519 625)
Operating costs	(7 805 673)	(5 547 474)	(1 110 934)	(20 899)	–	–	–	(14 484 980)
Mining operations	(4 769 208)	(3 487 488)	(746 982)	–	–	–	–	(9 003 678)
Concentrator operations	(462 891)	(759 298)	(300 886)	(20 899)	–	–	–	(1 543 974)
Smelting and base metal removal plant costs	(817 281)	–	–	–	–	–	–	(817 281)
Chrome processing	(10 663)	(28 965)	(19 575)	–	–	–	–	(59 203)
Selling and administration	(144 977)	(144 977)	–	–	–	–	–	(289 954)
Royalty charges	(698 227)	(770 833)	(4 198)	–	–	–	–	(1 473 258)
Carbon tax	(1 391)	–	–	–	–	–	–	(1 391)
Share-based payment expenses	(592 638)	(347 188)	(30 072)	–	–	–	–	(969 898)
Toro Employee Empowerment Trust	(317 268)	–	–	–	–	–	–	(317 268)
Employee profit share scheme	–	(13 796)	(2 625)	–	–	–	–	(16 421)
Rehabilitation	8 871	5 071	(6 596)	–	–	–	–	7 346
Concentrates purchased	(18 923 546)	(1 193 386)	(459 789)	(125 337)	17 818 242	–	–	(2 883 816)
Refining including sampling and handling charges	(216 629)	–	–	–	–	–	–	(216 629)
Depreciation and write-offs	(194 137)	(566 072)	(40 450)	(10 298)	1 733	–	(35 222)	(844 446)
Change in metal inventory	3 689 029	258 296	583 526	1 177	(2 621 782)	–	–	1 910 246
Operating profit/(loss)	8 701 559	9 835 747	238 801	(13 543)	(2 620 049)	–	(35 222)	16 107 293
Share of earnings from associate	–	–	–	–	–	–	6 180	6 180
Investment income	1 092 763	5 052	606	–	(1 017 097)	16	9 145	90 485
Finance charges excluding Zambezi Preference Share dividends	(689 377)	(25 042)	(63 239)	(2 931)	77 127	–	(1 982)	(705 444)
Net foreign exchange transaction gains/(losses)	(94 046)	(1 532)	–	(9 226)	–	–	–	(104 804)
Sundry income	1 091 221	7 048	1 016	1 278	(17 113 105)	16 107 276	39 373	134 107
Sundry expenditure	(270 352)	(24 479)	(14 625)	–	68 445	(5)	(90 889)	(331 905)
Profit/(loss) before Zambezi Preference Share dividends	9 831 768	9 796 794	162 559	(24 422)	(20 604 679)	16 107 287	(73 395)	15 195 912
Amortisation of liquidity fees paid on Zambezi Preference Shares	–	–	–	–	(16 390)	–	–	(16 390)
Zambezi Preference Share dividends	–	–	–	–	940 050	(1 318 728)	–	(378 678)
Loss on derecognition of Zambezi Preference Share liability	–	–	–	–	(1 068 558)	–	–	(1 068 558)
Profit/(loss) before tax	9 831 768	9 796 794	162 559	(24 422)	(20 749 577)	14 788 559	(73 395)	13 732 286
Tax	(2 364 703)	(2 754 356)	39 916	–	4 329 973	(3 608 033)	7 875	(4 349 328)
Profit/(loss) for the year	7 467 065	7 042 438	202 475	(24 422)	(16 419 604)	11 180 526	(65 520)	9 382 958

Segmental statement of financial position

	Zondereinde operating segment	Booysendal operating segment	Eland operating segment	US recycling operating segment	Intercompany eliminations	Zambezi Platinum (RF) Limited	Other	Total
30 June 2022	R000	R000	R000	R000	R000	R000	R000	R000
Assets								
Non-current assets	25 645 997	17 835 704	3 575 009	116 328	(23 616 654)	6 556 124	1 306 237	31 418 745
Property, plant and equipment	7 702 933	11 390 850	3 090 675	116 328	563 839	–	22 222	22 886 847
Mining properties and Mineral Resources	1 005 228	6 293 484	3 000	–	(912 912)	–	136 230	6 525 030
Interest in associate	–	–	–	–	–	–	–	–
Investment in subsidiaries	12 353 207	–	–	–	(13 445 755)	–	1 092 548	–
Investments in Northam Platinum Limited	–	–	–	–	(6 556 124)	6 556 124	–	–
Other investments	647 705	–	–	–	(647 705)	–	–	–
Land and township development	42 728	41 151	–	–	–	–	6 319	90 198
Long-term receivables	27 235	13 257	7 626	–	–	–	37 675	85 793
Investments held by Northam Platinum Restoration Trust Fund	71 293	71 293	–	–	–	–	–	142 586
Environmental guarantee investment	42 029	25 669	25 516	–	–	–	–	93 214
Buttonshope Conservancy Trust	–	–	–	–	–	–	11 243	11 243
Long-term subsidiary and group loans	2 638 266	–	–	–	(2 638 266)	–	–	–
Other financial assets	–	–	–	–	–	–	–	–
Non-current inventory	1 115 373	–	305 393	–	20 269	–	–	1 441 035
Deferred tax asset	–	–	142 799	–	–	–	–	142 799
Current assets	19 203 642	20 482 361	396 270	28 045	(23 002 510)	1 089 559	246 096	18 443 463
Short-term subsidiary and group loans	10 402 995	19 191 783	–	–	(20 355 693)	1 089 033	6 600	10 334 718
Inventories	7 106 417	365 635	320 320	14 715	(2 646 817)	–	–	5 160 270
Trade and other receivables	763 218	921 843	75 852	1 408	–	2	11 236	1 773 559
Cash and cash equivalents	931 012	3 100	79	11 922	–	524	227 868	1 174 505
Other financial assets	–	–	–	–	–	–	–	–
Tax receivable	–	–	19	–	–	–	392	411
Non-current assets held for sale	25 745	–	–	–	(1 213)	–	65 562	90 094
Total assets	44 875 384	38 318 065	3 971 279	144 373	(46 620 377)	7 645 683	1 617 895	49 952 302
Equity and liabilities								
Total equity	7 649 778	28 757 322	(62 767)	83 658	(13 263 527)	(611 390)	1 513 764	24 066 838
Stated capital	9 878 033	8 675 932	325 000	142 118	(9 480 576)	323 168	14 358	9 878 033
Treasury Shares	–	–	–	–	(1 680 005)	–	–	(1 680 005)
Re-organisation reserve	–	–	–	–	(5 392 288)	–	–	(5 392 288)
Northam Scheme of arrangement reserve	(10 925 555)	–	–	–	10 925 555	–	–	–
Retained earnings/(accumulated loss)	15 253 424	17 579 635	(387 767)	(86 349)	(11 690 582)	(934 558)	1 499 406	21 233 209
Foreign currency translation reserve	–	–	–	27 889	–	–	–	27 889
Other comprehensive income	–	–	–	–	–	–	–	–
Non-distributable reserves	–	2 501 755	–	–	(2 501 755)	–	–	–
Share entitlement reserve	(6 556 124)	–	–	–	6 556 124	–	–	–
Non-current liabilities	12 566 282	4 957 770	518 280	–	(10 363 320)	8 257 070	2 573	15 938 655
Deferred tax liability	1 760 731	4 352 367	–	–	(3 146 855)	1 053 241	2 573	4 022 057
Long-term provisions	200 395	263 041	497 955	–	–	–	–	961 391
Zambezi Preference Share liability	–	–	–	–	(7 203 829)	7 203 829	–	–
Long-term loans	56 670	20 631	–	–	–	–	–	77 301
Lease liability	21 040	43 144	–	–	–	–	–	64 184
Long-term share-based payment liability	277 027	265 951	20 325	–	–	–	–	563 303
Financial guarantee liability	–	–	–	–	–	–	–	–
Domestic Medium-Term Notes	8 816 280	–	–	–	–	–	–	8 816 280
Revolving credit facility	1 434 139	–	–	–	–	–	–	1 434 139
Buttonshope contribution liability	–	12 636	–	–	(12 636)	–	–	–
Current liabilities	24 659 324	4 602 973	3 515 766	60 715	(22 993 530)	3	101 558	9 946 809
Current portion of long-term loans	2 000	5 501	–	–	–	–	–	7 501
Current portion of lease liability	2 153	7 954	–	–	–	–	–	10 107
Current portion of Domestic Medium-Term Notes	2 265 672	–	–	–	–	–	–	2 265 672
Short-term share-based payment liability	85 554	77 157	11 908	–	–	–	–	174 619
Bridge facility	2 969 312	–	–	–	–	–	–	2 969 312
Tax payable	66 250	27 860	–	–	–	3	163	94 276
Short-term subsidiary and group loans	17 159 162	3 128 254	2 638 266	43 392	(22 993 958)	–	24 884	–
Trade and other payables	1 780 103	1 205 369	835 065	17 323	428	–	76 511	3 914 799
Provisional pricing derivatives	–	–	–	–	–	–	–	–
Short-term provisions	329 118	150 878	30 527	–	–	–	–	510 523
Total equity and liabilities	44 875 384	38 318 065	3 971 279	144 373	(46 620 377)	7 645 683	1 617 895	49 952 302

Segmental statement of financial position

30 June 2021	Zondereinde operating segment R000	Booysendal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercom-pany eliminations R000	Zambezi Platinum (RF) Limited R000	Other R000	Total R000
Assets								
Non-current assets	32 657 286	17 059 040	2 104 417	112 011	(60 139 985)	34 688 290	906 768	27 387 827
Property, plant and equipment	5 892 106	10 562 674	1 934 693	112 011	(42 535)	–	657 194	19 116 143
Mining properties and Mineral Resources	1 042 404	6 352 452	3 000	–	(954 580)	–	136 230	6 579 506
Interest in associate	25 745	–	–	–	(606)	–	43 092	68 231
Investment in subsidiaries	12 353 207	–	–	–	(12 353 207)	–	–	–
Investments in Northam Platinum Limited	–	–	–	–	(34 688 290)	34 688 290	–	–
Other investments	10 545 057	–	–	–	(10 545 057)	–	–	–
Land and township development	10 411	51 702	–	–	–	–	6 919	69 032
Long-term receivables	23 755	9 388	2 752	–	–	–	47 266	83 161
Investments held by Northam Platinum Restoration Trust Fund	68 015	68 015	–	–	–	–	–	136 030
Environmental guarantee investment	32 288	14 809	13 610	–	–	–	–	60 707
Buttonshope Conservancy Trust	–	–	–	–	–	–	16 067	16 067
Long-term prepayments	–	–	–	–	–	–	–	–
Long- term subsidiary loans	1 478 450	–	–	–	(1 478 450)	–	–	–
Other financial assets	23 182	–	–	–	–	–	–	23 182
Non-current inventory	1 162 666	–	110 457	–	(77 260)	–	–	1 195 863
Deferred tax asset	–	–	39 905	–	–	–	–	39 905
Current assets	12 255 800	10 498 390	549 210	20 114	(12 864 706)	510	103 715	10 563 033
Short-term subsidiary loan	59 780	9 630 124	–	10 504	(9 707 008)	–	6 600	–
Inventories	7 203 299	599 624	498 091	1 274	(3 157 698)	–	–	5 144 590
Trade and other receivables	1 210 001	142 681	51 059	887	–	1	10 301	1 414 930
Cash and cash equivalents	3 782 720	344	60	7 449	–	509	86 126	3 877 208
Tax receivable	–	125 617	–	–	–	–	688	126 305
Total assets	44 913 086	27 557 430	2 653 627	132 125	(73 004 691)	34 688 800	1 010 483	37 950 860
Equity and liabilities								
Total equity	21 701 839	21 029 544	224 804	75 227	(39 207 263)	14 476 249	714 919	19 015 319
Stated capital	13 778 114	8 675 932	325 000	142 118	(9 153 050)	–	10 000	13 778 114
Treasury Shares	–	–	–	–	(6 556 123)	–	–	(6 556 123)
Retained earnings/(accumulated loss)	4 653 797	9 851 857	(100 196)	(84 258)	(18 600 855)	14 476 249	704 919	10 901 513
Foreign currency translation reserve	–	–	–	17 367	–	–	–	17 367
Other comprehensive income	2 096 172	–	–	–	(2 096 172)	–	–	–
Non-distributable reserves	–	2 501 755	–	–	(2 501 755)	–	–	–
Equity-settled share-based payment reserve	1 173 756	–	–	–	(299 308)	–	–	874 448
Non-current liabilities	7 290 082	4 883 993	428 046	–	(22 611 971)	20 212 551	168 930	10 371 631
Deferred tax liability	1 863 206	4 271 824	–	–	(9 424 003)	6 301 605	168 930	3 181 562
Long-term provisions	168 557	244 044	407 645	–	(7 499)	–	–	812 747
Zambezi Preference Share liability	–	–	–	–	(12 241 079)	13 910 946	–	1 669 867
Long-term loans	88 062	26 133	–	–	–	–	–	114 195
Lease liability	22 241	45 778	–	–	–	–	–	68 019
Long-term share-based payment liability	328 102	296 214	20 401	–	–	–	–	644 717
Financial guarantee liability	939 390	–	–	–	(939 390)	–	–	–
Domestic Medium-Term Notes	3 880 524	–	–	–	–	–	–	3 880 524
Revolving credit facility	–	–	–	–	–	–	–	–
Current liabilities	15 921 165	1 643 893	2 000 777	56 898	(11 185 457)	–	126 634	8 563 910
Current portion of long-term loans	24 970	8 834	–	–	–	–	–	33 804
Current portion of lease liability	2 012	11 216	–	–	–	–	–	13 228
Current portion of Domestic Medium-Term Notes	3 713 711	–	–	–	–	–	–	3 713 711
Short-term share-based payment liability	277 788	210 423	9 799	–	–	–	–	498 010
Tax payable	61 594	–	11 070	–	–	–	–	72 664
Subsidiary loans	9 647 176	–	1 478 450	10 497	(11 185 457)	–	49 334	–
Trade and other payables	1 902 789	1 292 756	486 255	46 401	–	–	77 300	3 805 501
Provisional pricing derivatives	–	–	–	–	–	–	–	–
Short-term provisions	291 125	120 664	15 203	–	–	–	–	426 992
Total equity and liabilities	44 913 086	27 557 430	2 653 627	132 125	(73 004 691)	34 688 800	1 010 483	37 950 860

3. Revenue

Revenue can be disaggregated into the following:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Sales revenue from contracts with customers	33 905 646	32 646 526	31 724 498	32 153 400
Sales revenue from fair value adjustments with regards to IFRS 9	158 624	(19 608)	43 630	(885)
Total revenue	34 064 270	32 626 918	31 768 128	32 152 515

Sales revenue comprises revenue from the following metals:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Platinum	7 012 543	6 260 523	6 723 817	6 260 523
Palladium	6 802 272	7 413 220	6 453 738	7 413 220
Rhodium	15 681 912	16 004 640	14 839 558	16 004 640
Gold	235 441	234 094	228 887	234 094
Iridium	1 399 974	1 024 305	1 351 897	1 024 305
Ruthenium	903 743	452 095	878 023	452 095
Silver	4 180	7 411	4 180	7 411
Nickel	611 499	380 445	592 827	380 445
Copper	157 092	118 232	153 808	118 232
Cobalt	8 814	5 161	8 814	5 161
Chrome	1 082 059	726 792	380 830	252 389
Toll treatment revenue	164 741	–	151 749	–
	34 064 270	32 626 918	31 768 128	32 152 515

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	oz	oz	oz	oz
Platinum	461 403	391 788	440 667	391 788
Palladium	204 593	199 357	193 020	199 357
Rhodium	63 592	54 644	59 843	54 644
Gold	8 335	8 268	8 088	8 268
4E	737 923	654 057	701 618	654 057
Iridium	21 953	18 109	20 509	18 109
Ruthenium	110 165	88 771	104 267	88 771
6E	870 041	760 937	826 394	760 937
Silver	11 712	18 727	11 712	18 727

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	tonnes	tonnes	tonnes	tonnes
Nickel	1 658	1 520	1 591	1 520
Copper	1 094	998	1 060	998
Cobalt	8	9	8	9
Chrome	960 335	1 017 304	381 419	358 703

Sales revenue from external customers per metal and per operating segment

	Zondereinde (Northam Platinum Limited) operations 30 June 2022	Booysendal operations 30 June 2022	Eland operations 30 June 2022	US recycling operations 30 June 2022	Intercompany elimination 30 June 2022	Total 30 June 2022
	R000	R000	R000	R000	R000	R000
Platinum	6 723 817	3 253 117	541 508	49 454	(3 555 353)	7 012 543
Palladium	6 453 738	3 764 649	424 502	52 733	(3 893 350)	6 802 272
Rhodium	14 839 558	9 577 892	1 434 983	12 494	(10 183 015)	15 681 912
Gold	228 887	97 749	3 780	–	(94 975)	235 441
Iridium	1 351 897	782 909	140 998	–	(875 830)	1 399 974
Ruthenium	878 023	517 768	80 906	–	(572 954)	903 743
Silver	4 180	–	–	–	–	4 180
Nickel	592 827	254 186	12 672	–	(248 186)	611 499
Copper	153 808	43 553	1 739	–	(42 008)	157 092
Cobalt	8 814	–	–	–	–	8 814
Chrome	380 830	672 215	29 014	–	–	1 082 059
Toll treatment revenue	151 749	–	–	12 992	–	164 741
	31 768 128	18 964 038	2 670 102	127 673	(19 465 671)	34 064 270

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

From F2022, concentrate from Booysendal is also sold to a third party customer to honour the Everest offtake agreement.

Zondereinde further purchased all of the US recycling operation's concentrate.

Sales revenue from external customers per region and per operating segment

Sales revenue emanates from the following principal regions:

	Zondereinde (Northam Platinum Limited) operations 30 June 2022	Booysendal operations 30 June 2022	Eland operations 30 June 2022	US recycling operations 30 June 2022	Total 30 June 2022
	R000	R000	R000	R000	R000
Europe	21 283 920	–	–	–	21 283 920
Japan	8 170 395	–	–	–	8 170 395
Asia	380 830	672 215	29 014	–	1 082 059
North America	1 090 750	–	–	12 992	1 103 742
South Africa	842 233	1 581 921	–	–	2 424 154
	31 768 128	2 254 136	29 014	12 992	34 064 270

Sales revenue from external customers per metal and per operating segment

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

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

Zondereinde further purchased all of the US recycling operation's concentrate.

Sales revenue from external customers per region and per operating segment

Sales revenue emanates from the following principal regions:

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

Sales revenue and sales volumes per customer

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Customer 1	228 762	123 577	228 762	123 577
Customer 2	7 961 217	6 346 607	7 961 217	6 346 607
Customer 3	3 458 879	3 801 955	3 458 879	3 801 955
Customer 4	164 741	3 328 174	151 749	3 328 174
Customer 5	7 231 791	8 399 850	7 231 791	8 399 850
Customer 6	1 082 059	726 792	380 830	252 389
Customer 7	612 360	1 967 573	612 360	1 967 573
Customer 8	10 451 271	6 625 854	10 451 271	6 625 854
Customer 9	2 175 649	–	593 728	–
Other	697 541	1 306 536	697 541	1 306 536
Total sales revenue	34 064 270	32 626 918	31 768 128	32 152 515

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	oz	oz	oz	oz
Customer 1	12 243	4 007	12 243	4 007
Customer 2	163 990	108 904	163 990	108 904
Customer 3	95 373	86 035	95 373	86 035
Customer 4	–	91 875	–	91 875
Customer 5	168 309	169 817	168 309	169 817
Customer 6*	–	–	–	–
Customer 7	27 150	51 968	27 150	51 968
Customer 8	228 416	116 601	228 416	116 601
Customer 9	36 305	–	–	–
Other	6 137	24 850	6 137	24 850
4E oz sold	737 923	654 057	701 618	654 057

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

Revenue from customer 4 relates to toll treatment revenue and not the sale of metal.

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

4. Operating costs

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Employee costs	5 849 719	4 679 000	3 148 513	2 734 331
Stores	–	3 323 861	–	1 488 474
Stores: Diesel and fuel	226 430	–	29 557	–
Stores: Other	4 160 013	–	1 705 993	–
Utilities: Electricity costs	1 660 827	1 380 197	1 094 756	929 922
Utilities: Water costs	59 092	48 281	29 939	26 529
Sundries	1 005 974	789 279	437 098	348 628
Royalty charges	894 853	1 473 258	227 926	698 227
Share-based payment expenses (refer to note 32)	146 716	969 898	59 603	592 638
Toro Employee Empowerment Trust contribution	84 027	317 268	84 027	317 268
Employee profit share scheme	24 488	16 421	–	–
Ore material purchased from surface sources	139 879	406 455	15 000	4 394
Contractors	1 827 818	1 382 348	786 489	672 742
Carbon tax	1 138	1 391	1 138	1 391
Rehabilitation (refer to note 27)	65 438	(7 346)	5 142	(8 871)
Development costs capitalised to property, plant and equipment	(609 530)	(295 331)	–	–
	15 536 882	14 484 980	7 625 181	7 805 673

Details of stores are provided for improved disclosure:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Diesel and fuel	226 430	120 168	29 557	16 072
Other	4 160 013	3 203 693	1 705 993	1 472 402
Stores	4 386 443	3 323 861	1 735 550	1 488 474

The corresponding litres of diesel consumed is as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	ℓ	ℓ	ℓ	ℓ
Zondereinde operations	1 798 427	1 261 544	1 798 427	1 261 544
Booysendal operations	7 912 497	6 673 269	–	–
Eland operations	2 730 112	942 174	–	–
Total diesel litres consumed	12 441 036	8 876 987	1 798 427	1 261 544

Operating costs per operating segment:

	Zondereinde operations 30 June 2022	Booysendal operations 30 June 2022	Eland operations 30 June 2022	US recycling operations 30 June 2022	Total 30 June 2022
	R000	R000	R000	R000	R000
Employee costs	3 148 513	1 989 963	700 715	10 528	5 849 719
Stores: Diesel and fuel	29 557	146 408	50 465	–	226 430
Stores: Other	1 705 993	1 894 262	558 335	1 423	4 160 013
Utilities: Electricity cost	1 094 756	410 291	154 865	915	1 660 827
Utilities: Water cost	29 939	26 959	2 118	76	59 092
Sundries	437 098	477 451	81 237	10 188	1 005 974
Royalty charges	227 926	666 689	238	–	894 853
Share-based payment expenses	59 603	72 380	14 733	–	146 716
Toro Employee Empowerment Trust contribution	84 027	–	–	–	84 027
Employee profit share scheme	–	18 994	5 494	–	24 488
Ore material purchased from surface sources	15 000	–	124 879	–	139 879
Contractors	786 489	710 356	328 225	2 748	1 827 818
Carbon tax	1 138	–	–	–	1 138
Rehabilitation	5 142	3 022	57 274	–	65 438
Development costs capitalised to property, plant and equipment	–	(61 394)	(548 136)	–	(609 530)
	7 625 181	6 355 381	1 530 442	25 878	15 536 882

Details of stores are further provided for additional disclosure:

	Zondereinde operations 30 June 2022	Booysendal operations 30 June 2022	Eland operations 30 June 2022	US recycling operations 30 June 2022	Total 30 June 2022
	R000	R000	R000	R000	R000
Chemicals	116 058	275 332	65 139	263	456 792
Equipment	634 165	909 622	276 730	72	1 820 589
Explosives	100 774	212 578	14 828	–	328 180
Steel	410 819	310 649	64 226	–	785 694
Support	233 065	97 920	63 242	–	394 227
Various	211 112	88 161	74 170	1 088	374 531
Stores: Other	1 705 993	1 894 262	558 335	1 423	4 160 013

Percentage breakdown of operating costs per operating segment:

	Zondereinde operations 30 June 2022	Booysendal operations 30 June 2022	Eland operations 30 June 2022	US recycling operations 30 June 2022	Total 30 June 2022
	%	%	%	%	%
Employee costs	41.3	31.0	33.7	40.7	36.2
Stores: Diesel and fuel	0.4	2.3	2.4	–	1.4
Stores: Other	22.4	29.5	26.9	5.5	25.8
Utilities: Electricity cost	14.3	6.4	7.4	3.5	10.3
Utilities: Water cost	0.4	0.4	0.1	0.3	0.4
Sundries	5.7	7.4	3.9	39.4	6.2
Royalty charges	3.0	10.4	0.0	–	5.5
Share-based payment expenses	0.8	1.1	0.7	–	0.9
Toro Employee Empowerment Trust contribution	1.1	–	–	–	0.5
Employee profit share scheme	–	0.3	0.3	–	0.2
Ore material purchased from surface sources	0.2	–	6.0	–	0.9
Contractors	10.3	11.1	15.8	10.6	11.3
Carbon tax	0.0	–	–	–	0.0
Rehabilitation	0.1	0.1	2.8	–	0.4
	100.0	100.0	100.0	100.0	100.0

Key management compensation is disclosed in the related parties note (refer to note 45).

Operating costs per operating segment:

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

Details of stores are provided for improved disclosure:

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

Details of stores are further provided for additional disclosure:

	Zondereinde operations 30 June 2021	Booysendal operations 30 June 2021	Eland operations 30 June 2021	US recycling operations 30 June 2021	Total 30 June 2021
	R000	R000	R000	R000	R000
Chemicals	94 398	190 474	49 762	207	334 841
Equipment	527 328	748 585	112 381	68	1 388 362
Explosives	108 939	139 420	6 911	–	255 270
Steel	388 104	281 063	29 945	–	699 112
Support	194 033	60 537	19 840	–	274 410
Various	159 600	66 512	25 083	503	251 698
Stores: Other	1 472 402	1 486 591	243 922	778	3 203 693

Percentage breakdown of operating costs per operating segment:

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

Key management compensation is disclosed in the related parties note (refer to note 45).

5. Investment income

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Interest received on cash and cash equivalents	72 260	59 290	63 291	56 589
Dividend income received from short-term investments	2 585	3 438	2 269	2 686
Dividends received from SSG Holdings Proprietary Limited	–	–	606	–
Interest received from subsidiaries	–	–	166 452	76 440
Interest received from suspensive sales agreements	3 746	4 196	–	–
Interest received relating to the Northam Platinum Restoration Trust Fund (refer to note 17)	6 883	6 969	3 442	3 484
Accrued dividends from Zambezi Preference Shares	–	–	827 502	940 050
Premium Amount relating to the Zambezi Preference Shares	–	–	1 568 483	–
Interest received by the Buttonshope Conservancy Trust	672	740	–	–
Deemed interest on the interest free home loans	6 917	5 065	3 284	3 048
Interest received from the SARS	1 045	189	–	12
Interest received on advances paid to Zambezi Ordinary Shareholders (refer to note 45 as part of the Composite Transaction)	7 359	10 454	7 359	10 454
Other	158	144	–	–
	101 625	90 485	2 642 688	1 092 763

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

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Interest recognised on the effective interest rate method	99 040	87 047	243 828	150 027
Accrued dividends and Premium Amount from Zambezi Preference Shares	–	–	2 395 985	940 050
Dividend income received from short-term investments	2 585	3 438	2 269	2 686
Dividends received from SSG Holdings Proprietary Limited	–	–	606	–
Total investment income	101 625	90 485	2 642 688	1 092 763

6. Finance charges excluding Zambezi Preference Share dividends

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Finance costs relating to the DMTNs (refer to note 30)	(733 809)	(473 638)	(733 809)	(473 638)
Finance costs relating to the RCF (refer to note 34)	(116 380)	(79 872)	(116 380)	(79 872)
Finance costs relating to the GBF (refer to note 23)	(4 012)	(3 361)	(4 012)	(3 361)
Finance costs relating to the Bridge facility (refer to note 35)	(80 057)	–	(80 057)	–
Amounts capitalised in terms of IAS 23 Borrowing costs (refer to note 10)	64 640	41 707	–	–
Commitment and utilisation fees on borrowing facilities (refer to note 34 and 35)	(30 992)	(24 593)	(30 992)	(24 593)
Amortisation of the transaction costs relating to the DMTNs (refer to note 30)	(151 628)	(75 120)	(151 628)	(75 120)
Amortisation of the transaction costs relating to the RCF (refer to note 34)	(7 321)	(5 546)	(7 321)	(5 546)
Amortisation of the transaction costs relating to the Bridge facility (refer to note 35)	(32 562)	–	(32 562)	–
Unwinding of rehabilitation liability (refer to note 27)	(69 896)	(62 723)	(14 496)	(12 839)
Unwinding of the research and development liability with Heraeus Deutschland Gmbh & Co. KG (refer to note 28)	–	(12 766)	–	(12 766)
Finance costs relating to lease liabilities	(6 981)	(7 648)	(1 650)	(1 642)
Interest on Employee Labour Court judgement (refer to note 47)	(16 010)	–	(16 010)	–
Interest on outstanding balance payable to the Toro Employee Empowerment Trust	(15 935)	–	(15 935)	–
Other financial liabilities	(2 250)	(1 884)	–	–
	(1 203 193)	(705 444)	(1 204 852)	(689 377)

7. Sundry income

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Insurance proceeds relating to nickel theft	–	3 097	–	3 097
Rent received	2 590	1 915	1 952	1 833
Sale of scrap	20 682	10 610	10 090	4 734
Profit on sale of property, plant and equipment and mining properties and Mineral Resources	22 376	149	21 790	17
Accommodation and housing income	91	2 048	–	957
Environmental guarantee investment income (refer to note 18)	3 005	2 773	1 025	1 099
Profit on modification of the agreement terms relating to the research and development liability with Heraeus Deutschland Gmbh & Co. KG (refer to note 28)	43 493	–	43 493	–
COVID-19 Temporary Employee Relief Scheme refund (refer to note 49)	6 241	102 664	6 241	102 664
Amortisation of financial guarantee liability and impact of guarantee on investment	–	–	4 985 835	968 482
Lock-in Fee forfeited due to Disposal Event (refer to note 28)	32 420	–	32 420	–
Other income	828	10 851	804	8 338
	131 726	134 107	5 103 650	1 091 221

The amortisation of financial guarantee liability and impact of guarantee on investment amount is made up as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Amortisation of financial guarantee liability (refer to note 33)	–	–	939 390	4 070 744
Impact of guarantee on the valuation of the investment in Zambezi Preference Shares and fair value adjustment (refer to note 14)	–	–	–	(3 102 262)
Fair value adjustment (refer to note 14)	–	–	1 345 193	–
Recycling of fair value adjustment accounted through other comprehensive income (refer to note 14)	–	–	2 701 252	–
	–	–	4 985 835	968 482

8. Sundry expenditure

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Corporate action costs*	(196 610)	(184 911)	(178 881)	(181 979)
COVID-19 related cost	–	(30 050)	–	(30 050)
Booysendal land management, including depreciation relating to the Buttonshope Conservancy Trust	(10 777)	(8 186)	–	–
Accommodation and housing expenses	(3 143)	(5 500)	(17)	(1 035)
Black Economic Empowerment Trust operating costs	(18 410)	(12 752)	–	–
Administrative costs relating to Zambezi Platinum (RF) Limited	(1 570)	(874)	(1 570)	(874)
Standing time and transition costs	–	(6 412)	–	–
Environmental guarantee cost (refer to note 18)	(6 526)	(4 901)	(2 061)	(1 970)
Donation to the Northam Employees' Trust	–	–	(1 000)	(1 000)
Impairment of property, plant and equipment (refer to note 10)	–	(29 657)	–	(29 657)
Donations	(703)	(303)	(491)	(200)
Contribution to The Northam Zondereinde Community Trust	–	–	–	(427)
Settlement of the VAT dispute with the South African Revenue Service (refer to note 48)	(16 784)	–	(16 784)	–
Other expenditure	(17 547)	(48 359)	(6 040)	(23 160)
	(272 070)	(331 905)	(206 844)	(270 352)

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

In terms of the Trust Deed of The Northam Employees' Trust, Northam Platinum Limited has committed to contribute R1.0 million per annum for the duration of the 10-year Lock-in period.

This payment ceased upon implementation of the early maturity of the Zambezi BEE Transaction on the Net Value Distribution Date.

For purposes of ensuring that Zambezi does not incur any liabilities or indebtedness, other than pursuant to the transaction agreements pursuant to the Zambezi BEE Transaction, 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 consumer price index (CPI) from the 1st (first) anniversary of the implementation date of the Zambezi BEE Transaction.

The current limit relating to expenses paid on behalf of Zambezi amounts to R2.8 million (30 June 2021: R2.6 million).

9. Tax

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Income tax				
Current mining income tax charge	3 050 099	3 347 390	348 569	2 159 054
Current non-mining income tax charge	100 240	38 977	97 757	37 300
Adjustment in respect of current income tax of previous years	(14 636)	(1 529)	(14 748)	175
	3 135 703	3 384 838	431 578	2 196 529
Dividend Withholding Tax				
Current year Dividend Withholding Tax	5 391	150	–	–
	5 391	150	–	–
Deferred tax				
Current and prior year deferred tax charge	881 277	964 340	567 818	168 174
Change in the South African company tax rate from 28% to 27%	(143 676)	–	(65 213)	–
	737 601	964 340	502 605	168 174
Income tax expense reported in profit or loss	3 878 695	4 349 328	934 183	2 364 703

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:

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	%	%	%	%
South African normal tax rate	28.0	28.0	28.0	28.0
Adjustment in respect of current income tax and deferred tax of previous year	(0.1)	(0.1)	0.1	–
Exempt income received	(0.1)	–	(20.0)	(5.5)
Expenditure and contingencies incurred which are non-deductible, mainly relating to corporate action costs	0.5	0.1	0.3	0.5
Unproductive interest incurred which is not tax deductible	1.1	0.7	1.4	1.1
Amortisation of liquidity fees paid on Zambezi Preference Shares	0.1	0.0	–	–
Zambezi Preference Share dividends disallowed	0.1	0.8	–	–
Loss on derecognition of Zambezi Preference Share liability	0.6	2.2	–	–
Change in tax rate relating to the deferred tax balances	(1.1)	–	(0.6)	–
Effective tax rate	29.1	31.7	9.0	24.1

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

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

Deferred tax was therefore calculated at a tax rate of 27.0%, as this is the expected rate to apply when the asset is realised or the liability is settled.

10. Property, plant and equipment

Property, plant and equipment balances for the group are made up as follows:

Group	Shafts, mining development and infrastructure R000	Metallurgical and refining plants R000	Land and buildings R000	General infrastructure including other assets R000	Decommis-sioning asset R000	Right-of-use assets R000	Assets under construction R000	Total R000
Cost								
Opening balance as at 1 July 2020	12 239 275	4 443 377	814 689	634 023	343 894	88 961	2 150 138	20 714 357
Reassessment of IFRS 16 Leases	–	–	–	–	–	9 487	–	9 487
Foreign currency translation movements	–	(5 546)	(26 270)	–	–	–	–	(31 816)
Additions	–	–	1 637	60 401	–	–	3 270 166	3 332 204
Transfer from assets under construction	1 902 425	325 459	41	65 565	–	–	(2 293 490)	–
Disposals and write-offs	(3 513)	(224)	(2 372)	(3 641)	–	–	–	(9 750)
Impairments	–	(80 953)	–	–	–	–	–	(80 953)
Present value of decommissioning asset capitalised (refer to note 27)	–	–	–	–	28 043	–	–	28 043
Borrowing costs capitalised	–	–	–	–	–	–	41 707	41 707
Closing cost as at 30 June 2021	14 138 187	4 682 113	787 725	756 348	371 937	98 448	3 168 521	24 003 279
Reassessment of IFRS 16 Leases	–	–	–	–	–	432	–	432
Foreign currency translation movements	–	3 014	17 258	–	–	–	–	20 272
Additions	12 000	–	12 969	–	–	–	4 545 254	4 570 223
Transfer from assets under construction	1 761 268	1 040 956	4 373	62 133	–	–	(2 868 730)	–
Disposals and write-offs	–	(2 296)	(1 923)	(26 846)	–	–	–	(31 065)
Present value of decommissioning asset capitalised (refer to note 27)	–	–	–	–	13 310	–	–	13 310
Borrowing costs capitalised	–	–	–	–	–	–	64 640	64 640
Closing cost as at 30 June 2022	15 911 455	5 723 787	820 402	791 635	385 247	98 880	4 909 685	28 641 091

Group	Shafts, mining development and infrastructure R000	Metallurgical and refining plants R000	Land and buildings R000	General infrastructure including other assets R000	Decommis-sioning asset R000	Right-of-use assets R000	Assets under construction R000	Total R000
Accumulated depreciation								
Opening balance as at 1 July 2020	(2 766 295)	(922 765)	(240 999)	(233 360)	(14 119)	(14 286)	–	(4 191 824)
Foreign currency translation movements	–	1 927	4 622	–	–	–	–	6 549
Depreciation	(510 925)	(163 519)	(23 721)	(47 735)	(1 567)	(13 100)	–	(760 567)
Disposals and write-offs	3 513	77	183	3 637	–	–	–	7 410
Impairments	–	51 296	–	–	–	–	–	51 296
Accumulated depreciation balance as at 30 June 2021	(3 273 707)	(1 032 984)	(259 915)	(277 458)	(15 686)	(27 386)	–	(4 887 136)
Foreign currency translation movements	–	(1 260)	(4 134)	–	–	–	–	(5 394)
Depreciation	(630 252)	(164 953)	(23 873)	(54 568)	(2 339)	(10 457)	–	(886 442)
Disposals and write-offs	–	1 718	1 458	21 552	–	–	–	24 728
Accumulated depreciation balance as at 30 June 2022	(3 903 959)	(1 197 479)	(286 464)	(310 474)	(18 025)	(37 843)	–	(5 754 244)
Net book value as at 30 June 2021	10 864 480	3 649 129	527 810	478 890	356 251	71 062	3 168 521	19 116 143
Net book value as at 30 June 2022	12 007 496	4 526 308	533 938	481 161	367 222	61 037	4 909 685	22 886 847

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.

Property, plant and equipment balances for the company are made up as follows:

Company	Shafts, mining development and infrastructure R000	Metallurgical and refining plants R000	Land and buildings R000	General infrastructure including other assets R000	Decommis-sioning asset R000	Right-of-use assets R000	Assets under construction R000	Total R000
Cost								
Opening balance as at 1 July 2020	3 888 974	1 896 556	463 253	412 980	–	16 913	408 816	7 087 492
Reassessment of IFRS 16 Leases	–	–	–	–	–	9 887	–	9 887
Additions	–	–	1 636	60 253	–	–	1 338 211	1 400 100
Transfer from assets under construction	122 939	184 861	41	17 784	–	–	(325 625)	–
Disposals and write-offs	(3 513)	–	(183)	(3 641)	–	–	–	(7 337)
Impairments	–	(80 953)	–	–	–	–	–	(80 953)
Present value of decommissioning asset capitalised (refer to note 27)	–	–	–	–	15 297	–	–	15 297
Closing cost as at 30 June 2021	4 008 400	2 000 464	464 747	487 376	15 297	26 800	1 421 402	8 424 486
Reassessment of IFRS 16 Leases	–	–	–	–	–	–	–	–
Additions	–	–	–	–	–	–	1 983 703	1 983 703
Transfer from assets under construction	82 258	885 393	4 373	23 568	–	–	(995 592)	–
Disposals and write-offs	–	–	(1 923)	(26 846)	–	–	–	(28 769)
Present value of decommissioning asset capitalised (refer to note 27)	–	–	–	–	12 200	–	–	12 200
Closing cost as at 30 June 2022	4 090 658	2 885 857	467 197	484 098	27 497	26 800	2 409 513	10 391 620

Company	Shafts, mining development and infrastructure R000	Metallurgical and refining plants R000	Land and buildings R000	General infrastructure including other assets R000	Decommis-sioning asset R000	Right-of-use assets R000	Assets under construction R000	Total R000
Accumulated depreciation								
Opening balance as at 1 July 2020	(1 543 739)	(522 236)	(202 184)	(163 778)	–	(2 671)	–	(2 434 608)
Depreciation	(53 749)	(58 217)	(11 986)	(29 977)	(34)	(2 439)	–	(156 402)
Disposals and write-offs	3 513	–	183	3 638	–	–	–	7 334
Impairments	–	51 296	–	–	–	–	–	51 296
Accumulated depreciation balance as at 30 June 2021	(1 593 975)	(529 157)	(213 987)	(190 117)	(34)	(5 110)	–	(2 532 380)
Depreciation	(79 736)	(54 964)	(12 261)	(29 720)	(312)	(2 324)	–	(179 317)
Disposals and write-offs	–	–	1 458	21 552	–	–	–	23 010
Accumulated depreciation balance as at 30 June 2022	(1 673 711)	(584 121)	(224 790)	(198 285)	(346)	(7 434)	–	(2 688 687)
Net book value as at 30 June 2021	2 414 425	1 471 307	250 760	297 259	15 263	21 690	1 421 402	5 892 106
Net book value as at 30 June 2022	2 416 947	2 301 736	242 407	285 813	27 151	19 366	2 409 513	7 702 933

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 requires 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.

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

Borrowing costs were capitalised at the weighted average cost of borrowing of 7.24% (30 June 2021: 7.00%).

An amount of R64.6 million was capitalised during the year under review both in the Eland Platinum Proprietary Limited statutory entity as well as on consolidation (30 June 2021: R41.7 million). Refer to note 6.

11. Mining properties and Mineral Resources

Group	Current production Mineral Reserves and Mineral Resources R000	Project Mineral Reserves and Mineral Resources R000	Total R000
Cost			
Opening balance as at 1 July 2020	2 026 164	5 028 056	7 054 220
Additions	–	–	–
Closing balance as at 30 June 2021	2 026 164	5 028 056	7 054 220
Reallocation between current and project Mineral Reserves and Mineral Resources	608 722	(608 722)	–
Disposal	(23 620)	–	(23 620)
Closing balance as at 30 June 2022	2 611 266	4 419 334	7 030 600
Accumulated depreciation			
Opening balance as at 1 July 2020	(390 795)	–	(390 795)
Depreciation	(83 919)	–	(83 919)
Closing balance as at 30 June 2021	(474 714)	–	(474 714)
Depreciation	(46 232)	–	(46 232)
Disposal	15 376	–	15 376
Closing balance as at 30 June 2022	(505 570)	–	(505 570)
Net book value as at 30 June 2021	1 551 450	5 028 056	6 579 506
Net book value as at 30 June 2022	2 105 696	4 419 334	6 525 030

Company	Current production Mineral Reserves and Mineral Resources R000	Project Mineral Reserves and Mineral Resources R000	Total R000
Cost			
Opening balance as at 30 June 2020	1 288 833	–	1 288 833
Additions	–	–	–
Closing balance as at 30 June 2021	1 288 833	–	1 288 833
Additions	–	–	–
Disposals and write-offs	(23 620)	–	(23 620)
Closing balance as at 30 June 2022	1 265 213	–	1 265 213
Accumulated depreciation			
Opening balance as at 1 July 2020	(208 694)	–	(208 694)
Depreciation	(37 735)	–	(37 735)
Closing balance as at 30 June 2021	(246 429)	–	(246 429)
Depreciation	(28 932)	–	(28 932)
Disposals and write-offs	15 376	–	15 376
Closing balance as at 30 June 2022	(259 985)	–	(259 985)
Net book value as at 30 June 2021	1 042 404	–	1 042 404
Net book value as at 30 June 2022	1 005 228	–	1 005 228

The current year disposal of Mineral Reserves and Mineral Resources, relate to a portion of the Zondereinde Mining Right which was sold for R5.0 million plus accrued interest at the South African prime interest rate from 11 October 2017. The final sales consideration received amounted to R7.2 million.

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 judgement is also required when assessing whether a previously-recognised impairment loss should be reversed.

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

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

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

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

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

		Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
Long-term real platinum price	USD/oz	1 537	1 398	1 537	1 398
Long-term real palladium price	USD/oz	1 537	2 249	1 537	2 249
Long-term real rhodium price	USD/oz	18 079	17 991	18 079	17 991
Long-term real gold price	USD/oz	1 537	1 529	1 537	1 529
Long-term real ruthenium price	USD/oz	542	342	542	342
Long-term real iridium price	USD/oz	4 068	5 397	4 068	5 397
Long-term real nickel price	USD/t	18 079	16 192	18 079	16 192
Long-term real copper price	USD/t	9 040	7 646	9 040	7 646
Long-term real chrome price	USD/t	163	135	163	135
Long-term real USD exchange rate	R/USD	R14.52	R14.36	R14.52	R14.36
Long-term real discount rate	%	11.34	10.00	11.34	10.00

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

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Impairments of property, plant and equipment (refer to notes 8 and 10)	–	29 657	–	29 657

The prior year impairment relates to cost associated with furnace 1 at the Zondereinde metallurgical complex which was rebuild during the year under review.

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 PGM exploration companies relative to their resources base. Below is the value that has been attributed to the recoverable value of Mineral Resources:

		Group		Company	
		30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
4E *in situ* available ounce value	USD/oz	10.15	11.93	10.15	11.93

Based on the impairment assessment performed by management, the recoverable values for all CGU's are higher than their respective carrying values and therefore no impairment is required. The impairment assessment included sensitivities of both 10% as well as a 20% decrease in either commodity prices or the US dollar exchange rates with no impairment required.

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 Resources based on information compiled by appropriately-qualified persons, relating to the size, depth, shape and metal tenor of the ore body. This requires complex geological judgements in interpretation. Consideration of economic factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs are then incorporated in the estimation of recoverable Mineral Reserves. Changes in the Mineral Reserves estimates may impact the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, recognition of deferred tax assets (if any) and depreciation and amortisation charges. The group estimates and reports Mineral Reserves in line with the principles contained in the South African Code for Reporting of Mineral Resources and Mineral Reserves of 2007, revised in 2016 (the SAMREC Code 2016).

Factors that impact the estimation of Mineral Reserves and Mineral Resources which may lead to variances between planned and achieved outcomes include the grade of Mineral Reserves, which may vary between estimations made and actual grade achieved:

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

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

Refer to the Northam website, www.northam.co.za, for the group's Mineral Resources and Mineral Reserves statement as at 30 June 2022.

12. Interest in associate

The interest in associate is made up of the following investment:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
SSG Holdings Proprietary Limited	90 094	68 231	25 745	25 745
Transfer to non-current assets held for sale	(90 094)	–	(25 745)	–
	–	68 231	–	25 745

Investment in SSG Holdings Proprietary Limited

Interest in associates comprise a 33.7% interest (June 2021: 33.7% interest) in SSG Holdings Proprietary Limited (SSG), a company registered in the Republic of South Africa. Northam owns 3 000 shares of the total of 8 900 issued shares of SSG Holdings Proprietary Limited.

SSG provides security, cleaning and facility services to the group.

The proportion of ownership interest is the same as the proportion of voting rights held on the investment and the investment is accounted for as an associate.

The investment in SSG Holdings Proprietary Limited has been classified as non-current assets held for sale:

Refer to note 45, related parties, detailing all transactions between the group and SSG Holdings Proprietary Limited.

Significant judgement: Classification of non-current assets (or disposal groups) as held for sale

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

- For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.
- For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group)

An entity shall measure a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

The investment remains at carrying value, being the lower of the fair value less cost to sell and its carrying value.

The investment in SSG Holdings Proprietary Limited has been classified as a non-current assets held for sale, as the investment is available for immediate sale in its present condition and management believes that the sale is highly probable and is committed to a plan to sell the investment in SSG Holdings Proprietary Limited.

Below is a reconciliation of the interest in associate:

	Interest in SSG Holdings Proprietary Limited	Total
	R000	R000
Opening balance as at 1 July 2020	62 657	62 657
Share of earnings from associate	6 180	6 180
Dividends received	(606)	(606)
Closing balance as at 30 June 2021	68 231	68 231
Amounts recognised in profit or loss: Share of earnings from associates	22 469	22 469
Dividends received	(606)	(606)
Transfer to non-current assets held for sale	(90 094)	(90 094)
Closing balance as at 30 June 2022	–	–

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

	30 June 2022	30 June 2021
	R000	R000
Net asset value of SSG Holdings Proprietary Limited	166 824	101 963
Northam's 33.7% share of net asset value	56 233	34 370
Impact of the adoption of IFRS 9	451	451
At acquisition fair value adjustment	10 717	10 717
Subsequent fair value adjustment with the increase in shareholding from 20% to 30% and the conversion of a loan to an equity investment	10 549	10 549
Fair value adjustment with the cancellation of 11% of issued shares in SSG Holdings Proprietary Limited, increasing Northam's investment from 30% to 33.7%	12 144	12 144
Value of investment in associate based on the equity method of accounting	90 094	68 231

Below is a summary of the statement of profit or loss and other comprehensive income of the associate, as detailed in their respective accounting records and therefore disclosed at 100%.

Statement of profit or loss and other comprehensive income of SSG Holdings Proprietary Limited:

	SSG Holdings Proprietary Limited 30 June 2022	**SSG Holdings Proprietary Limited 30 June 2021**
	R000	R000
Revenue	1 162 723	891 595
Cost of sales	(86 859)	(55 186)
Gross profit	1 075 864	836 409
Other income	15 271	4 331
Operating expense	(1 005 440)	(817 684)
Operating profit	85 695	23 056
Investment revenue	–	43
Finance costs	(5 502)	(6 774)
Profit before taxation	80 193	16 325
Taxation	(13 533)	2 009
Total comprehensive income for the year	66 660	18 334

Statement of financial position of SSG Holdings Proprietary Limited:

	SSG Holdings Proprietary Limited 30 June 2022 R000	SSG Holdings Proprietary Limited 30 June 2021 R000
Assets		
Non-current assets	116 156	88 552
Property, plant and equipment	97 683	70 763
Goodwill	2 000	2 500
Deferred tax asset	16 473	15 289
Current assets	234 931	210 252
Inventory	13 618	10 961
Trade and other receivables	194 095	186 531
Current tax receivable	3 919	4 382
Cash and cash equivalents	23 299	8 378
Total assets	351 087	298 804
Equity and liabilities		
Total equity	166 824	101 963
Non-current liabilities	45 499	41 345
Finance lease liabilities	18 829	22 026
Other financial liabilities	26 670	19 217
Deferred tax	–	102
Current liabilities	138 764	155 496
Trade and other payables	116 634	92 615
Finance lease liabilities	18 125	24 346
Current tax payable	687	118
Bank overdraft	3 318	38 417
Total equity and liabilities	351 087	298 804

13. Investment in subsidiaries

Below is a list of the investments held in entities within the Northam Platinum Limited group of companies:

	30 June 2022	30 June 2021
	R000	R000
Booysendal Platinum Proprietary Limited	11 886 088	11 886 088
Eland Platinum Proprietary Limited	325 000	325 000
Northam Platinum Investments (US) Incorporated	142 119	142 119
Mvelaphanda Resources Proprietary Limited	–	–
Norplats Properties Proprietary Limited	*	*
Zambezi Platinum (RF) Limited	*	*
Northam Platinum Holdings Limited	*	*
	12 353 207	12 353 207

**Represents an investment of less than R1 000.*

All companies, except for the investment in Northam Platinum Holdings Limited, are wholly-owned subsidiaries.

All companies, except for the investment in Northam Platinum Investment (US) Incorporated, are incorporated in South Africa. Northam Platinum Investments (US) Incorporated is incorporated in Delaware in the United States of America.

The following investments are held by Northam Platinum Limited

		30 June 2022	30 June 2021
	Effective shareholdings	Number of shares held	Number of shares held
Booysendal Platinum Proprietary Limited	100.0%	284	284
Eland Platinum Proprietary Limited	100.0%	6 150	6 150
Northam Platinum Investments (US) Incorporated	100.0%	10	10
Mvelaphanda Resources Proprietary Limited	100.0%	217 881 101	217 881 101
Norplats Properties Proprietary Limited	100.0%	100	100
Zambezi Platinum (RF) Limited	Effective 99% shareholding	1 N Share	1 N Share
Zambezi Platinum (RF) Limited	2.0%	200	–
Northam Platinum Holdings Limited	0.0%	1	1

Northam Platinum Limited holds 10 (30 June 2021: 10) shares in Northam Platinum Investments (US) Incorporated with a value of USD1.00 per share.

The investment in Mvelaphanda Resources Proprietary Limited was fully impaired during previous financial years and is valued at R Nil.

Investment in Zambezi Platinum (RF) Limited

Northam previously held a single N Share in Zambezi Platinum (RF) Limited (Zambezi) as a protective right. This N Share was issued to Northam, which granted Northam the right to implement mitigating action should Zambezi not comply with certain undertakings as per the transaction's agreements.

Zambezi was created and designed for the sole purpose of providing Northam with BEE credentials and as a structure to hold the listed Zambezi Preference Shares.

Northam was 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 (MOI) may not be amended or replaced without Northam's prior written consent.

Northam assumed full responsibility for the administration of Zambezi as well as any costs incurred by Zambezi up to a certain limit. Furthermore, Northam provided a guarantee for Zambezi's obligation in respect of the Zambezi Preference Shares.

N Share

Zambezi issued the N Share to Northam, the purpose of which is to allow Northam to take certain mitigating action in the event of the occurrence of an early redemption event under the Zambezi Pref Share Terms and/or the unwinding of the transaction prior to the expiry of the Lock-in period.

The N Share ranks ahead of the Distribution rights of the holders of the Zambezi Ordinary Shares.

On the Net Value Distribution Date, the Zambezi N Share Term Amendments became effective and Northam, in its capacity as the Zambezi N Shareholder, became entitled to:

- exercise 99% of all the votes exercisable by all the Zambezi Ordinary Shareholders; and
- subject to the Zambezi Pref Share Terms and the settlement of the Net Value Distribution and the Zambezi Retention Release Amount, receive 100% of the Distributions made by Zambezi,

thereby providing Northam with economic and voting control of Zambezi, pursuant to which Zambezi became a subsidiary of Northam. In the circumstances, any Northam Shares held by Zambezi following implementation of the Net Value Distribution constitute Treasury Shares.

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

Details of the subsidiaries are included in the related party note 45, which forms part of these notes.

Investment in Northam Platinum Holdings Limited

As at 30 June 2022, Northam held 1 share acquired for R1.00 in Northam Platinum Holdings Limited (30 June 2021: 1 share acquired for R1.00).

As part of the Composite Transaction and pursuant to the Northam Scheme, Northam Holdings was introduced as the new holding company of the Northam group by way of a share for share transaction implemented on a one for one basis in terms of which Northam shareholders exchanged their Northam Shares for Northam Holdings Shares. Northam Holdings acquired all of the Northam Shares in issue (excluding Treasury Shares).

14. Other investments

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Investment in Zambezi Preference Shares opening balance	–	–	10 545 057	1 921 141
Zambezi Preference Shares acquired in terms of the Zambezi Scheme	–	–	2 046 300	–
Zambezi Preference Shares acquired in the open market at cost including transaction costs	–	–	–	8 084 876
Accrued dividends from Zambezi Preference Shares (refer to note 5)	–	–	827 502	940 050
Premium Amount (refer to note 5)	–	–	1 568 483	–
Settlement of Revised Accumulated Dividends through the transfer of 57 054 413 Northam Shares to Northam	–	–	(9 128 706)	–
Fair value adjustment	–	–	1 345 193	–
Mark to market fair value adjustment	–	–	–	2 701 252
Elimination of the Northam Guarantee included in the market value of the Zambezi Preference Share valuation	–	–	–	(3 102 262)
Zambezi Preference Shares to be settled in Northam Shares	–	–	(6 556 124)	–
	–	–	647 705	10 545 057

Subsequent to the Zambezi Scheme, Northam holds all the Zambezi Preference Shares in issue being 159 905 453 Zambezi Preference Shares (30 June 2021: 139 972 496 Zambezi Preference Shares). These shares were previously classified as fair value through other comprehensive income and revalued to the closing market value with movements accounted for in other comprehensive income or profit or loss (if it relates to an impairment). Accrued dividends are accounted for in profit or loss.

The fair value was previously determined with reference to the closing trading price of the Zambezi Preference Shares as at the reporting period, taking into account the impact of the Northam Guarantee included in the market value of the Zambezi Preference Share valuation.

Zambezi will redeem all Zambezi Preference Shares in issue held by Northam (being the only Zambezi Preference Shareholder after implementation of the Zambezi Scheme) either voluntarily from time to time, or by 17 May 2025, being the scheduled redemption date, in accordance with the Zambezi Pref Share Terms (as amended pursuant to the Zambezi Pref Share Term Amendments) by: Zambezi transferring to Northam so many Northam Shares (valued at R160.00 per Northam Share), as may be equal in value to the issue price (as defined in the Zambezi Pref Share Terms) of R41.00 per Zambezi Preference Share (Zambezi Preference Share Redemption) which transfer will be implemented by way of a repurchase of Northam Shares by Northam; and simultaneously settling the unpaid “Preference Dividends” (as defined in the Zambezi Pref Share Terms) in respect of such shares, in cash, in accordance with the Zambezi Pref Share Terms (as amended pursuant to the Zambezi Pref Share Term Amendments). Following the Zambezi Preference Share Redemption, Zambezi’s shareholding in Northam will reduce to nil.

Below is the closing market value of the Zambezi Preference Shares as at 30 June as well as the number of shares held:

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
Number of Zambezi Preference Shares held at year-end	–	–	159 905 453	139 972 496
Closing market value of Zambezi Preference Shares	–	–	N/A	R97.50
Investment in Zambezi Preference Shares at fair value	–	–	N/A	13 647 319

The 159 905 453 cumulative redeemable Preference Shares issued by Zambezi were previously listed on the Main Board of the JSE and traded under preference share code ZPLP, but delisted from the Main Board of the JSE from commencement of trade on 24 August 2021 as part of the execution of the acceleration of maturity and wind-up of the Zambezi BEE Transaction.

The amounts recognised in other comprehensive income comprise the following:

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Fair value adjustment accounted through other comprehensive income	–	–	–	2 701 252
Deferred tax calculated at the capital gains tax rate	–	–	–	(605 080)
Amounts recognised in other comprehensive income	–	–	–	2 096 172

On 18 May 2015, 159 905 453 cumulative redeemable Preference Shares were issued by Zambezi at an issue price of R41.00 per share. The Preference Shares are redeemable in 10 years from date of issue, being 17 May 2025, at R41.00 per share plus the accumulated unpaid 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.

As per the terms and conditions of the Zambezi Preference Shares, if the Zambezi Preference Shares were settled using Northam Shares, the Northam Shares would be valued at 90% of the 30 day VWAP on the date of redemption. Consequently, the Zambezi Preference Shares Accumulated Dividends were increased by an 11.11% premium (Premium Amount) to the Face Value of the Zambezi Preference Shares at the Zambezi Scheme Implementation Date, being 23 August 2021 (Revised Accumulated Dividends) and settled through a repurchase by Northam of Northam Shares held by Zambezi, valued at R160.00 per Northam Share amounting to 57 054 413 Northam Shares, transferred on 3 September 2021.

During the year under review, with the early maturity and wind-up of the Zambezi BEE Transaction, certain amendments were made to the terms associated with the Zambezi Preference Share liability.

Zambezi Scheme

On the Zambezi Scheme Implementation Date, being 23 August 2021, Northam acquired all of the Zambezi Preference Shares not already held by Northam, for the Zambezi Offer Consideration. Simultaneously with the Zambezi Scheme, the Zambezi Preference Shares were delisted from the Main Board of the JSE and the Zambezi MOI Amendments, including the Zambezi Pref Share Term Amendments, became effective.

For the avoidance of doubt, the Zambezi Preference Shares acquired by Northam pursuant to the Zambezi Scheme will remain in issue and will be held by Northam until the Zambezi Preference Share Redemption is implemented.

Further details of the Zambezi Scheme, the Zambezi Delisting and the Zambezi Pref Share Term Amendments are contained in the Zambezi Scheme Circular.

Revised Accumulated Dividends Settlement

Following implementation of the Zambezi Scheme, on the Repurchase Implementation Date, being 3 September 2021, Zambezi settled the Revised Accumulated Dividends, through a repurchase by Northam (being the only Zambezi Preference Shareholder after implementation of the Zambezi Scheme) of 57 054 413 Northam Shares held by Zambezi (valued at a price of R160.00 per Northam Share), equal in value to the amount of the aggregate Revised Accumulated Dividends, in accordance with the Zambezi Pref Share Terms (as amended pursuant to the Zambezi Pref Share Term Amendments).

Following implementation of the Zambezi Scheme noted above, on the Repurchase Implementation Date, Zambezi settled the Revised Accumulated Dividends, by transferring Northam Shares to Northam by way of a repurchase.

	30 June 2022
	R000
Opening balance	13 910 946
Accrued dividends up to the Zambezi Scheme Implementation Date	205 401
Preference Share liability as at the Zambezi Scheme Implementation Date	14 116 347
Premium Amount	1 568 483
Settlement of Revised Accumulated Dividends through the transfer of 57 054 413 Northam Shares to Northam	(9 128 706)
Accrued dividends from the Zambezi Scheme Implementation Date to year-end	647 705
	7 203 829

Users of the annual financial statements are referred to the Transaction Documents for additional information relating to the Composite Transaction, in order to obtain a fully informed view of the nature and impact of the Composite Transaction.

15. Land and township development

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Balance at the beginning of the year	69 032	75 967	10 411	10 826
Acquisitions				
Costs incurred with regards to Norplats Properties Proprietary Limited	484	–	–	–
Disposals				
Portion 22 of the farm Leeukopje, Northam extension 10	–	(501)	–	(501)
Phelobontle, Mogwase units	–	(488)	–	(488)
Norplats Properties Proprietary Limited units	(345)	(959)	–	–
Lydenburg units	(11 741)	(6 453)	–	–
Development				
Construction of 69 units on portion 22 of the farm Leeukopje, Northam extension 10	–	(141)	–	(141)
Town planning portion 4 & 9 of the farm Koedoesdoorns	32 317	711	32 317	711
Refurbishments of Phelobontle Mogwase	–	4	–	4
Construction at extension 78 & 79 Lydenburg	1 190	892	–	–
Write off of damaged units relating to Norplats Properties Proprietary Limited	(739)	–	–	–
Balance at the end of the year	90 198	69 032	42 728	10 411

These properties have been acquired in order to assist the group's employees to acquire affordable housing.

16. Long-term receivables

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Long-term receivables with regards to suspensive sale agreements	43 732	53 027	–	–
Interest free home loans	58 738	45 461	32 172	28 653
Total long-term receivables	102 470	98 488	32 172	28 653
Current portion of suspensive sale agreements (refer to note 22)	(6 057)	(5 761)	–	–
Current portion of interest free home loans (refer to note 22)	(10 620)	(9 566)	(4 937)	(4 898)
Long-term portion of long-term receivables	85 793	83 161	27 235	23 755

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

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

Interest free home loans are non-interest bearing loans provided to qualifying employees. These loans provided to qualifying employees are based on a portion of the value of the property acquired by the employee and are repayable over a maximum of 20 years from grant date. The average remaining repayment period is approximately 14 years. Furthermore, these loans are secured by a second bond over the residential properties.

As at 30 June 2022 there was R4.1 million, R1.5 million relating to the suspensive sale agreements and R2.6 million relating to the interest-free home loans (30 June 2021: R3.5 million, R2.5 million relating to the suspensive sale agreements and R1.0 million relating to the interest-free home loans) worth of long-term receivables which were impaired and fully provided for.

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Current portion	16 677	15 327	4 937	4 898
Due within 1 – 5 years	47 181	47 109	8 175	7 308
Due within 5 – 10 years	20 480	22 797	8 505	7 032
More than 10 years	18 132	13 255	10 555	9 415
	102 470	98 488	32 172	28 653

The current interest free home loans are neither in default nor impaired. Monthly instalments relating to the interest free home loans are deducted from employees' salaries on a monthly basis. Should an employee resign, the interest free home loan needs to be settled in full and any amounts still be recovered from former employees have been provided for in full.

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Neither in default nor impaired	43 732	53 027	–	–
	43 732	53 027	–	–

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

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

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

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

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

Suspensive sale agreements

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

Interest free home loans

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

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

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

All overdue amounts are provided for in terms of IFRS 9 Financial Instruments at the end of every reporting period and amounts recognised as receivables are those amounts still estimated to be recoverable.

17. Investments held by 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:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Balance at the beginning of the year	136 030	128 732	68 015	64 366
Income earned during the year	6 556	7 298	3 278	3 649
Balance at the end of the year	142 586	136 030	71 293	68 015

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.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Stanlib Balanced Fund R	2 206	2 277	1 103	1 139
Stanlib Income Fund B2	99 156	92 529	49 578	46 264
Stanlib Institutional Money Market Fund B3	41 224	41 224	20 612	20 612
Balance at the end of the year	142 586	136 030	71 293	68 015

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.

For details with regards to the rehabilitation and decommissioning liability provision, refer to note 27.

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 22).

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Accrued interest relating to the Northam Platinum Restoration Trust Fund	1 621	1 294	811	647
	1 621	1 294	811	647

18. Environmental guarantee investment

The investment held with regards to the environmental guarantee investment was issued in terms of guarantees relating to the group's environmental liability. The investment as noted below has been provided as security for guarantees issued.

The balance of the fund comprises:

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Balance at the beginning of the year	60 707	62 953	32 288	33 276
Cancellation of previous policy	–	(32 482)	–	(4 705)
Contributions made during the year	36 670	32 482	11 259	4 705
Income earned during the year (net of fees) (refer to note 7)	3 005	2 773	1 025	1 099
Guarantee fees (refer to note 8)	(6 526)	(4 901)	(2 061)	(1 970)
Other	(642)	(118)	(482)	(117)
Balance at the end of the year	93 214	60 707	42 029	32 288

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

The assets, which mainly consist of cash, are separately administered and the group's right of access to these funds is restricted.

This investment is managed by Guardrisk Insurance Company Limited and Centriq Insurance Company Limited.

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:

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Northam Platinum Limited (Zondereinde)				
GR/G/20396/0312/0031	31 000	31 000	31 000	31 000
GR/G/20396/0314/0165	18 000	18 000	18 000	18 000
GR/G/20396/0315/0231	18 000	18 000	18 000	18 000
GR/G/20396/0617/0454	35 000	35 000	35 000	35 000
CQ/G/30381/1217/003	28 807	28 807	28 807	28 807
GR/G/20396/0618/0544	11 543	11 543	11 543	11 543
CQ/G/30381/0920/010	36 305	36 305	36 305	36 305
CQ/G/30381/1020/011	46 260	46 260	46 260	46 260
CQ/G/30381/0921/013	272	–	272	–
Total guarantees relating to Northam Platinum Limited (Zondereinde)	225 187	224 915	225 187	224 915
Booysendal Platinum Proprietary Limited				
GR/G/20396/0311/0011	65 900	65 900	–	–
GR/G/20396/0315/0232	25 000	25 000	–	–
GR/G/20396/0417/0434	1 908	1 908	–	–
GR/G/20396/0517/0459	2 085	2 085	–	–
GR/G/02396/0618/0535	2 267	2 267	–	–
GR/G/02396/0618/0536	1 267	1 267	–	–
CQ/G/30381/0621/012	64 044	64 044	–	–
GR/G/20396/0421/0791	61 065	61 065	–	–
GR/G/20396/0222/0865	24 439	–	–	–
Total guarantees relating to Booysendal Platinum Proprietary Limited	247 975	223 536	–	–
Eland Platinum Proprietary Limited				
CQ/G/30381/01181/004	129 545	129 545	–	–
CQ/G/30381/0118/005	31 096	31 096	–	–
CQ/G/30381/0919/006	2 200	2 200	–	–
CQ/G/30381/1119/007	5 359	5 359	–	–
CQ/G/30381/1119/008	1 559	1 559	–	–
CQ/G/30381/0120/009	302	302	–	–
CQ/G/30381/1021/014	90 179	–	–	–
Total guarantees relating to Eland Platinum Proprietary Limited	260 240	170 061	–	–
Total environmental guarantees in issue	733 402	618 512	225 187	224 915

19. Buttonshope Conservancy Trust

The balance of the fund comprises:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Balance at the beginning of the year	16 067	15 850	–	–
Contributions received from Booysendal Platinum Proprietary Limited	1 000	525	–	–
Interest received during the year	665	670	–	–
Accrued interest received	6	10	–	–
Fair value adjustments	7	70	–	–
Less expenditure paid during the year	(1 533)	(1 058)	–	–
Acquisition of land and buildings	(4 969)	–	–	–
Balance at the end of the year	11 243	16 067	–	–

The Buttonshope Conservancy Trust was established as a conservancy trust by Northam Platinum Limited, with the principal objective of engaging in the conservation, rehabilitation and/or protection of the natural environment, including flora, fauna and the biosphere as well as promoting the establishment of, and education and training programmes relating to, environmental awareness, greening, clean-up and/or sustainable development projects in respect of Portion 1 of the Farm Buttonshope 51, Registration Division JT, Mpumalanga Province. The aforementioned property is owned by Booysendal Platinum Proprietary Limited, a subsidiary of Northam Platinum Limited. An initial contribution of R10.0 million was made by Booysendal Platinum Proprietary Limited in terms of the trust agreement.

Funds of R1.0 million (30 June 2021: R0.4 million) are invested with Standard Bank Limited in a call account and R10.2 million (30 June 2021: R15.7 million) is held in an extra income fund with Stanlib Collective Investments (RF) Limited.

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

Previously, Booysendal Platinum Proprietary Limited donated a fixed amount of R400 000 per annum, with effect from F2016, regardless of the operational performance with a fixed increase of R25 000 per annum. During the current financial year at the request of the Buttonshope trustees, management agreed to increase the annual contribution to an amount of R1.0 million per annum (30 June 2021: R525 000), which will increase by R50 000 annually.

All land management costs are carried by Booysendal Platinum Proprietary Limited, refer to sundry expenditure for costs incurred with regards to land management (refer to note 8).

20. Subsidiary and group loans

	Company	
	30 June 2022	**30 June 2021**
	R000	R000
Long-term group loans receivable		
Eland Platinum Proprietary Limited	2 638 266	1 478 450
Total long-term group loans	2 638 266	1 478 450
Short-term group loans receivable		
Norplats Properties Proprietary Limited	24 885	46 242
Northam Platinum Investments (US) Incorporated	466	434
Northam Platinum Holdings Limited	10 334 718	–
Northam Recovery Services LLC	32 891	–
Northam Property Company LLC	10 035	10 063
The Northam Employees' Trust	–	1 145
The Northam Booysendal Community Trust	–	948
The Northam Zondereinde Community Trust	–	948
Total short-term group loans receivable	10 402 995	59 780
Short-term group loans payable		
Booysendal Platinum Proprietary Limited	(16 063 529)	(9 630 072)
Mvelaphanda Resources Proprietary Limited	(6 600)	(6 600)
Northam Recovery Services LLC	–	(10 504)
Zambezi Platinum (RF) Limited	(1 089 033)	–
Total short-term group loans payable	(17 159 162)	(9 647 176)
Total group company loans	(4 117 901)	(8 108 946)

Northam Platinum Limited reserves the right to charge interest at prevailing market rates on any loan balance.

Any outstanding loan will be repayable on demand.

All amounts advanced to Eland Platinum Proprietary Limited (Eland) are classified as long-term, as the Eland mine is currently being developed and will not generate sufficient free cash flow to repay the subsidiary loan in the foreseeable future. No Expected Credit Losses have been recognised on amounts advanced to Eland as Northam Platinum Limited purchases all of Eland's PGM concentrate which could be offset against amounts advanced and Eland's assets fairly valued exceeds its liabilities.

The loan to Northam Platinum Holdings Limited relates to advances to fund all operating and investing activities of Northam Platinum Holdings Limited. The loan is unsecured and no interest is charged on the outstanding balance. Northam Platinum Limited reserves the right to charge interest at prevailing market rates on any loan balance. No Expected Credit Losses have been recognised on amounts advanced to Northam Platinum Holdings Limited as the investment of 100 219 552 Royal Bafokeng Platinum Limited shares listed on the JSE owned by Northam Platinum Holdings Limited represents a liquid asset which exceeds the value of the outstanding loan amount.

Amounts owing to Zambezi are in respect of the tax liability of Zambezi which are expected to be settled by Northam on the relevant tax payment dates following the Zambezi Preference Share Redemption.

Details of the subsidiaries are set out in the related party note (note 45), which forms part of these notes.

Zambezi Ordinary Shareholders Advances including The Northam Employees' Trust, The Northam Booysendal Community Trust and The Northam Zondereinde Community Trust

Pursuant to the Zambezi Ordinary Shareholder Loan Agreements, Northam agreed to advance to each Zambezi Ordinary Shareholder their proportionate amount (determined in accordance with their respective Zambezi Shareholdings) of R500.0 million together with certain "Deemed Advances" (as defined in the Zambezi Ordinary Shareholder Loan Agreements) in respect of the Zambezi Transaction Costs in an amount of (i) up to R18.0 million (plus VAT thereon) if the Transaction did not become unconditional, or (ii) R10.0 million (plus VAT thereon, to the extent applicable) if the Transaction became unconditional. The Zambezi Ordinary Shareholder Loans:

- were secured by way of each relevant Pledge and Cession Agreement entered into between each Zambezi Ordinary Shareholder and Northam on or about 2 February 2015 (as amended to cater for the Zambezi Ordinary Shareholders' obligations to Northam under the Zambezi Ordinary Shareholder Loan Agreements);
- accrued interest daily at a nominal rate equal to the aggregate of the Prime Rate and 3.5%, and compounded annually on 1 January; and
- were to be fully repaid on (i) the Net Value Distribution Date if the Transaction became unconditional; or (ii) 25 May 2025 if the Transaction did not become unconditional, provided that, if Zambezi paid any Distribution in respect of the Zambezi Ordinary Shares prior to 25 May 2025, then 100% of such Distribution will be utilised to settle the Zambezi Ordinary Shareholder Loan and unpaid accrued interest thereon.

Deemed Advances were settled through the Net Value Distribution.

21. Inventories

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Metals on hand and in transit				
Platinum	1 024 004	979 466	1 143 366	1 150 502
Palladium	1 364 556	1 346 094	1 536 604	1 546 012
Rhodium	3 868 988	3 756 999	5 418 814	5 578 375
Gold	37 425	27 618	51 654	36 861
Total metal inventory at the lower of cost and net realisable value	6 294 973	6 110 177	8 150 438	8 311 750
Less non-current metal inventories	(1 441 035)	(1 195 863)	(1 115 373)	(1 162 666)
Current metal inventory at the lower of cost and net realisable value	4 853 938	4 914 314	7 035 065	7 149 084
Consumable at the lower of cost and net realisable value	306 332	230 276	71 352	54 215
Total current inventory at the lower of cost and net realisable value	5 160 270	5 144 590	7 106 417	7 203 299

Below are the ounces available at the reporting date:

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	oz	oz	oz	oz
Metal inventory quantities on hand and in transit				
Platinum	177 064	176 767	152 469	142 049
Palladium	115 335	91 509	105 251	75 177
Rhodium	55 420	40 224	51 557	34 497
Gold	5 318	4 111	5 192	3 753
4E	353 137	312 611	314 469	255 476

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

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

	Own production 30 June 2022	Purchased material 30 June 2022	Total metal inventories 30 June 2022	Non-current metal inventories 30 June 2022	Current metal inventories 30 June 2022
Group	R000	R000	R000	R000	R000
Platinum	742 104	281 900	1 024 004	(246 644)	777 360
Palladium	824 985	539 571	1 364 556	(522 948)	841 608
Rhodium	3 098 504	770 484	3 868 988	(662 970)	3 206 018
Gold	35 257	2 168	37 425	(8 473)	28 952
Total metal inventory	4 700 850	1 594 123	6 294 973	(1 441 035)	4 853 938

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

	Own production 30 June 2022	Purchased material 30 June 2022	Total metal inventories 30 June 2022
Group	R000	R000	R000
Change in metal inventory for the year*	48 410	136 386	184 796

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

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

**The difference between the change in metal inventory for the year and what has been disclosed in the statement of profit or 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 30 June 2022	Purchased material from group companies 30 June 2022	Purchased material 30 June 2022	Total metal inventories 30 June 2022	Non-current metal inventories 30 June 2022	Current metal inventories 30 June 2022
Company	R000	R000	R000	R000	R000	R000
Platinum	317 325	733 325	92 716	1 143 366	(160 220)	983 146
Palladium	462 218	701 319	373 067	1 536 604	(464 926)	1 071 678
Rhodium	1 631 968	3 645 628	141 218	5 418 814	(482 336)	4 936 478
Gold	26 365	25 289	–	51 654	(7 891)	43 763
Total metal inventory	2 437 876	5 105 561	607 001	8 150 438	(1 115 373)	7 035 065

	Own production 30 June 2021	Purchased material from group companies 30 June 2021	Purchased material 30 June 2021	Total metal inventories 30 June 2021	Non-current metal inventories 30 June 2021	Current metal inventories 30 June 2021
Company	R000	R000	R000	R000	R000	R000
Platinum	387 179	669 118	94 205	1 150 502	(197 599)	952 903
Palladium	450 223	720 867	374 922	1 546 012	(463 887)	1 082 125
Rhodium	1 580 238	3 704 806	293 331	5 578 375	(495 378)	5 082 997
Gold	20 193	16 641	27	36 861	(5 802)	31 059
Total metal inventory	2 437 833	5 111 432	762 485	8 311 750	(1 162 666)	7 149 084

	Own production 30 June 2022	Purchased material from group companies 30 June 2022	Purchased material 30 June 2022	Total metal inventories 30 June 2022
Company	R000	R000	R000	R000
Change in metal inventory for the year	43	(5 871)	(155 484)	(161 312)

	Own production 30 June 2021	Purchased material from group companies 30 June 2021	Purchased material 30 June 2021	Total metal inventories 30 June 2021
Company	R000	R000	R000	R000
Change in metal inventory for the year	339 186	3 438 940	(89 097)	3 689 029

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

	Own production 30 June 2022	Purchased material 30 June 2022	Total metal inventories 30 June 2022	Non-current metal inventories 30 June 2022	Current metal inventories 30 June 2022
Group	oz	oz	oz	oz	oz
Platinum	154 606	22 458	177 064	(39 500)	137 564
Palladium	97 343	17 992	115 335	(30 902)	84 433
Rhodium	50 956	4 464	55 420	(10 860)	44 560
Gold	5 237	81	5 318	(1 481)	3 837
4E	308 142	44 995	353 137	(82 743)	270 394

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

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

	Own production 30 June 2022	Purchased material from group companies 30 June 2022	Purchased material 30 June 2022	Total metal inventories 30 June 2022	Non-current metal inventories 30 June 2022	Current metal inventories 30 June 2022
Company	oz	oz	oz	oz	oz	oz
Platinum	95 549	49 015	7 905	152 469	(30 790)	121 679
Palladium	70 465	22 886	11 900	105 251	(28 155)	77 096
Rhodium	33 774	16 256	1 527	51 557	(9 660)	41 897
Gold	4 326	866	–	5 192	(1 452)	3 740
4E	204 114	89 023	21 332	314 469	(70 057)	244 412

	Own production 30 June 2021	Purchased material from group companies 30 June 2021	Purchased material 30 June 2021	Total metal inventories 30 June 2021	Non-current metal inventories 30 June 2021	Current metal inventories 30 June 2021
Company	oz	oz	oz	oz	oz	oz
Platinum	89 834	44 049	8 166	142 049	(21 045)	121 004
Palladium	43 393	19 559	12 225	75 177	(18 271)	56 906
Rhodium	19 509	12 906	2 082	34 497	(5 200)	29 297
Gold	3 086	666	1	3 753	(1 048)	2 705
4E	155 822	77 180	22 474	255 476	(45 564)	209 912

Metal inventory quantities on hand is allocated as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	oz	oz	oz	oz
Non-current inventory	82 743	48 803	70 057	45 564
Ore stockpile inventory	15 553	17 170	5 070	1 522
Concentrate in process	16 394	40 822	1 887	2 656
Concentrate and other surface sources before the smelter	35 873	70 303	35 873	70 303
Recycling material	1 581	3 943	589	3 861
Smelter inventory	96 684	60 033	96 684	60 033
Base metal removal plant inventory	6 001	9 585	6 001	9 585
Precious metal refinery inventory	96 006	60 151	96 006	60 151
Finished product inventory on hand	2 302	1 801	2 302	1 801
4E	353 137	312 611	314 469	255 476

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 group cost of sales is an amount of R424.2 million (30 June 2021: R137.6 million) relating to the write down to net realisable value. Inventory to the value of R499.6 million (30 June 2021: R373.0 million) is disclosed at net realisable value in the group results.

Included in company cost of sales is an amount of R579.4 million (30 June 2021: R818.5 million) relating to the write down to net realisable value. Inventory to the value of R4.8 billion (30 June 2021: R4.2 billion) is disclosed at net realisable value in the company results.

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 average basis except for concentrates and ore purchased which are recognised at the cost at which it is purchased. The quantity of ounces of joint products in work in progress is calculated based on the following factors: Theoretical inventory is calculated by adding the inputs to the previous physical inventory and then deducting the outputs for the inventory period. The inputs and outputs include estimates due to the delay in finalising analytical values. The estimates are subsequently trued up to the final metal accounting quantities when available. The theoretical inventory is then converted to a refined equivalent inventory by applying appropriate recoveries depending on where the material is within the production pipeline. The recoveries are based on actual results as determined by the inventory count and are in line with industry standards.

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

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

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

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

		Group		Company	
		30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
Platinum price	USD/oz	926	1 077	926	1 077
Palladium price	USD/oz	1 890	2 623	1 890	2 623
Rhodium price	USD/oz	13 775	20 275	13 775	20 275
Gold price	USD/oz	1 831	1 776	1 831	1 776
Closing exchange rate at year-end	ZAR/USD	R16.28	R14.28	R16.28	R14.28

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

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

Net realisable value tests 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 inventory is accounted for at the lower of cost and net realisable value.

All net realisable value adjustments have been disclosed.

22. Trade and other receivables

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Trade receivables	95 424	44 618	32 420	27 023
Provisional pricing receivables	896 582	166 111	323 681	103 881
Accrued dividends and interest on cash and cash equivalents	11 720	17 862	9 910	16 736
Prepayments	71 016	2 522	34 177	1 141
Deposits	5 395	9 195	825	4 812
South African Revenue Service – Value Added Tax	385 842	677 059	334 538	628 914
South African Revenue Service - amounts receivable relating to the Mineral and Petroleum Resources Royalty	263 267	71 326	–	12 960
Current portion of suspensive sale agreements (refer to note 16)	6 057	5 761	–	–
Current portion of interest free home loans to employees (refer to note 16)	10 620	9 566	4 937	4 898
Strategic Partner Advances (refer to related parties note 45)	–	391 522	–	391 522
Other	27 636	19 388	22 730	18 114
	1 773 559	1 414 930	763 218	1 210 001

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

Prepayments relate mainly to amounts prepaid on machinery and equipment.

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Platinum Group Metal receivables	24 929	12 701	16 594	12 701
Chrome receivables	70 495	31 917	15 826	14 322
Total trade receivables	95 424	44 618	32 420	27 023

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Platinum Group Metals provisional receivable	323 766	–	–	–
Nickel provisional receivable	153 940	65 945	153 940	65 945
Chrome provisional receivable	418 876	100 166	169 741	37 936
Total provisional pricing receivables	896 582	166 111	323 681	103 881

Provisional pricing Platinum Group Metals debtors have a provisional quotation period payment terms of four months after month of delivery. Chrome provisional receivables are settled within 45 days from date of delivery and nickel provisional receivables are settled within 60 days from date of delivery.

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
US dollars (USD000)	26 605	952	6 631	890
USD closing exchange rate*	R16.28	R14.28	R16.28	R14.28
Trade and other receivables denominated in USD (R000)	433 124	13 588	107 951	12 701

Rounded to the nearest cent.

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Current portion	763 884	447 379	528 502	392 743
30 to 60 days	392 958	442 728	159 617	370 963
60 to 90 days	406 832	402 082	35 342	391 709
More than 90 days*	209 885	122 741	39 757	54 586
	1 773 559	1 414 930	763 218	1 210 001

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

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Current portion	328 038	315 149	318 695	306 207
30 to 60 days	18 367	315 669	–	290 087
60 to 90 days	15	2 873	–	–
More than 90 days*	39 422	43 368	15 843	32 620
	385 842	677 059	334 538	628 914

Management considers these amounts to be fully recoverable.

Trade and other receivables and advances by country are as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
South Africa	1 755 558	1 401 342	746 624	1 197 300
United Kingdom	–	–	–	–
Germany	3 906	12 701	3 906	12 701
France	–	–	–	–
Japan	–	–	–	–
United States of America	14 095	887	12 688	–
	1 773 559	1 414 930	763 218	1 210 001

Base metal and chrome provisional pricing receivables

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

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

The full value of the provisional invoice relating to chrome sales is received in cash a month after delivery. Any negative movement in the chrome price could therefore result in amounts required to be refunded to the customer (refer to note 36 and 37).

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

Platinum Group Metals provisional pricing receivables

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

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

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

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.

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

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

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

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

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

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

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

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

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

23. Cash and cash equivalents

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Cash at bank and on hand	846 575	1 418 859	831 622	1 411 149
Restricted cash	249 103	96 031	23 000	23 000
Short-term deposits	78 827	2 362 318	76 390	2 348 571
Cash and cash equivalents	1 174 505	3 877 208	931 012	3 782 720
Less amount utilised under the general banking facility	–	–	–	–
Cash and cash equivalents as per the statement of cash flows	1 174 505	3 877 208	931 012	3 782 720

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 4.30% (30 June 2021: 4.23%) and these deposits are all immediately available.

For the purposes of the statement of cash flows, cash and cash equivalents comprise the cash and cash equivalents balance as the group did not utilise the general banking facility at year-end (30 June 2021: R Nil).

Restricted cash is made up of the following amounts:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Deposit held relating to an electricity supply agreement with Eskom Holdings SOC Limited	23 000	23 000	23 000	23 000
Northam Employees' Trust	89 080	36 695	–	–
Northam Zondereinde Community Trust	67 991	20 915	–	–
Northam Booysendal Community Trust	68 508	14 912	–	–
Zambezi Platinum (RF) Limited	524	509	–	–
	249 103	96 031	23 000	23 000

Restricted cash includes a deposit held of R23.0 million (30 June 2021: R23.0 million) relating to an electricity supply agreement between Northam and Eskom Holdings SOC Limited. Restricted cash also includes money ring-fenced for the benefit of the Northam Employees' Trust, the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and Zambezi which may only be utilised in terms of the various Trust Deeds and the Zambezi Memorandum of Incorporation (MOI).

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
US dollars (USD000)	51 414	95 969	50 682	95 447
USD closing exchange rate*	R16.28	R14.28	R16.28	R14.28
Cash and cash equivalents denominated in USD (R000)	836 999	1 369 962	825 077	1 362 513

**Rounded to the nearest cent.*

Also refer to note 44 for the fair value and financial risk disclosure.

General banking facility

The group has secured a general banking facility (GBF), i.e. overdraft facility, of R1.0 billion (30 June 2021: R1.0 billion). The GBF accrues interest at the South African prime interest rate less 1.75% (30 June 2021: South African prime interest rate less 1.75%) and is payable on a 90-day notice period.

Commitment fees are payable on the GBF amounting to 0.55% per annum (30 June 2021: 0.55%) on the unutilised portion of the facility.

Below is a summary of the available GBF.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Total facility	1 000 000	1 000 000	1 000 000	1 000 000
Amount utilised at year-end	–	–	–	–
Available facility at year-end	1 000 000	1 000 000	1 000 000	1 000 000

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

The utilised and available facilities are listed below:

	Total facility	Utilised amount	Available facility	Interest rate	Repayment date
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	R000	R000	R000		
Domestic Medium-Term Notes* (refer to note 30)	15 000 000	(11 256 837)	3 743 163	Various	Various
Revolving credit facility (refer to note 34)	4 000 000	(1 450 000)	2 550 000	JIBAR plus 2.55% − 2.95%	September 2024
General banking facility	1 000 000	−	1 000 000	Prime less 1.75%	90-day notice
Bridge facility (refer to note 35)	3 000 000	(3 000 000)	−	JIBAR plus 2.00%	December 2022
	23 000 000	(15 706 837)	7 293 163		

**Uncommitted but approved by the board of directors*

	Total facility	Utilised amount	Available facility	Interest rate	Repayment date
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
	R000	R000	R000		
Domestic Medium-Term Notes* (refer to note 30)	15 000 000	(7 754 023)	7 245 977	Various	Various
Revolving credit facility (refer to note 34)	4 000 000	–	4 000 000	JIBAR plus 2.55% - 2.95%	September 2024
General banking facility	1 000 000	–	1 000 000	Prime less 1.75%	90-day notice
	20 000 000	(7 754 023)	12 245 977		

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

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

Domestic Medium-Term Note Programme (DMTN Programme)

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

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

The Programme Amount in terms of the provisions of the DMTN Programme amounts to R15.0 billion.

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

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

Refer to note 30 for more details on the issued DMTNs.

Revolving credit facility (RCF)

Northam has a R4.0 billion (30 June 2021: R4.0 billion) 5-year RCF available with Nedbank Limited which matures on 5 September 2024.

The RCF is subject to financial covenant compliance which is monitored on an ongoing basis.

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

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

Refer to note 34 for details on the RCF, together with all utilisations and repayments during the year under review.

General banking facility (GBF)

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

Bridge facility

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

Refer to note 35 for details on the Bridge facility.

24. Stated capital

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Number of shares	Number of shares	Number of shares	Number of shares
Authorised stated capital				
2 000 000 000 stated capital at no par value				
Issued stated capital				
Issued stated capital	417 762 987	509 781 212	417 762 987	509 781 212
Treasury Shares	(40 975 772)	(159 905 453)	–	–
	376 787 215	349 875 759	417 762 987	509 781 212

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Issued stated capital	9 878 033	13 778 114	9 878 033	13 778 114
Treasury Shares	(1 680 005)	(6 556 123)	–	–
	8 198 028	7 221 991	9 878 033	13 778 114

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

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

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

	Total number of Northam Platinum Shares in issue	**Northam Treasury Shares**	**Northam Platinum Shares outstanding (net of Treasury Shares)**
	Number of Northam Platinum Shares	Number of Northam Platinum Shares	Number of Northam Platinum Shares
Number of Northam Platinum Shares as at 1 July 2021	509 781 212	159 905 453	349 875 759
Revised Accumulated Dividends Settlement	(57 054 413)	(57 054 413)	–
Repurchase to facilitate the settlement of taxes, fees and Advances by Zambezi	(34 248 891)	(34 248 891)	–
Distribution to Zambezi Ordinary Shareholders	–	(27 561 210)	27 561 210
Repurchased from the ESOP to facilitate the settlement of taxes	(649 754)	–	(649 754)
Northam Platinum repurchases 65 167 Northam Platinum Shares in aggregate from Zambezi Ordinary Shareholders valued at the 30-Day VWAP on the Repurchase Date (R214.17) per share in order to facilitate the tax liability associated with the Distribution of Northam Platinum Shares pursuant to the Net Value Distribution	(65 167)	(65 167)	–
Number of Northam Platinum Shares outstanding pre the Northam Scheme	417 762 987	40 975 772	376 787 215

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

	Stated capital of Northam Platinum	**Northam Treasury Shares**	**Northam Platinum stated capital (net of Treasury Shares)**
	R000	R000	R000
Value of Northam Platinum stated capital and Treasury Shares as at 1 July 2021	13 778 114	(6 556 123)	7 221 991
Revised Accumulated Dividends Settlement	(2 339 231)	2 339 231	–
Repurchase to facilitate the settlement of taxes, fees and Advances by Zambezi	(1 404 204)	1 404 204	–
Securities Transfer Tax deducted from equity	(15 858)	–	(15 858)
Distribution to Zambezi Ordinary Shareholders	–	1 130 009	1 130 009
Repurchased from the ESOP to facilitate the settlement of taxes	(137 735)	–	(137 735)
Securities Transfer Tax deducted from equity	(344)	–	(344)
Northam Platinum repurchases 65 167 Northam Platinum Shares in aggregate from Zambezi Ordinary Shareholders valued at the 30-Day VWAP on the Repurchase Date (R214.17) per share in order to facilitate the tax liability associated with the Distribution of Northam Platinum Shares pursuant to the Net Value Distribution	(2 674)	(2 674)	–
Securities Transfer Tax deducted from equity	(35)	–	(35)
Value of stated capital and Treasury Shares pre the Northam Scheme	9 878 033	(1 680 005)	8 198 063

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25. Equity-settled share-based payment reserve

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Equity-settled share-based payment reserve	–	874 448	–	1 173 756
	–	874 448	–	1 173 756

The Zambezi BEE Transaction constituted a share-based payment as defined which was classified as an equity-settled share-based payment to be delivered after the 10-year Lock-in period. IFRS 2 requires equity-settled transactions to be accounted for at the fair value at grant date, defined as the date at which the entity and other party agree to a share-based payment arrangement, being the date when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement.

There were no vesting conditions attached to the BEE equity that were held by the BEE participants. This resulted in the full share-based payment in respect of the Zambezi BEE Transaction being incurred on day one of the Zambezi BEE Transaction.

There were no new equity-settled share-based payment transactions during the current or previous financial year.

As part of the Composite Transaction, the Net Value Distribution resulted in the derecognition of the balance in the equity settled share-based payment reserve, originally recognised pursuant to the Zambezi BEE Transaction, with the movement recognised in retained earnings.

26. Deferred tax asset and liability

The principal components of the deferred tax asset and liability are as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Deferred tax assets				
Employee benefits relating to leave pay and bonus	337 284	331 538	259 715	258 989
Decommissioning and environmental restoration provisions	259 575	227 569	54 107	47 196
Share-based payment liability	199 239	319 964	97 897	169 649
Metal inventory	709 168	905 788	–	–
Deferred income	9 621	15 494	2 565	5 703
Lease liability	20 059	22 749	6 262	6 791
Other	3 412	2 100	–	–
Calculated capital and tax losses	64 009	–	–	–
	1 602 367	1 825 202	420 546	488 328
Deferred tax liabilities				
Property, plant and equipment	(5 384 034)	(4 872 383)	(2 127 099)	(1 698 200)
Depreciation component included in metals on hand and in transit	(56 520)	(53 367)	(34 929)	(29 210)
Restoration Trust Fund	(38 498)	(38 088)	(19 249)	(19 044)
Items accounted for directly through other comprehensive income	–	–	–	(605 080)
Section 24C allowances in respect of long-term receivables	(2 573)	(3 021)	–	–
	(5 481 625)	(4 966 859)	(2 181 277)	(2 351 534)
Net deferred tax liability	(3 879 258)	(3 141 657)	(1 760 731)	(1 863 206)

The net deferred liability is made up as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Deferred tax asset	142 799	39 905	–	–
Deferred tax liability	(4 022 057)	(3 181 562)	(1 760 731)	(1 863 206)
Net deferred tax liability	(3 879 258)	(3 141 657)	(1 760 731)	(1 863 206)

The charge in the deferred tax balance is reconciled as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Net deferred tax liability at the beginning of the year	(3 141 657)	(2 177 317)	(1 863 206)	(1 089 952)
Items accounted for directly through other comprehensive income	–	–	–	(605 080)
Deferred tax on the fair value adjustment on the investment in Zambezi Preference Shares recycled through profit or loss	–	–	605 080	–
Charge for the year (refer to note 9)	(737 601)	(964 340)	(502 605)	(168 174)
Employee benefits	5 746	140 882	726	106 487
Decommissioning and environmental restoration provisions	32 006	126 038	6 911	5 394
Share-based payment liabilities	(120 725)	171 071	(71 752)	78 803
Metal inventory	(196 620)	734 099	–	–
Deferred income	(5 873)	(6 657)	(3 138)	(3 872)
Lease liability	(2 690)	175	(529)	2 436
Other	1 312	44	–	–
Calculated capital and tax losses	64 009	–	–	–
Property, plant and equipment	(511 651)	(2 100 287)	(428 899)	(352 329)
Depreciation component included in metals on hand and in transit	(3 153)	(28 228)	(5 719)	(4 071)
Restoration Trust Fund	(410)	(2 044)	(205)	(1 022)
Section 24C allowance in respect of long-term receivables	448	567	–	–
Net deferred tax liability	(3 879 258)	(3 141 657)	(1 760 731)	(1 863 206)

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

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

Significant judgements: Utilisation of a deferred tax asset

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

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

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

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

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

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

An agreement to purchase Maroelabult mine from Barplats Mines Proprietary Limited, a subsidiary of Eastern Platinum Limited, was entered into during F2020. An application for transfer of the mining rights was granted in January of this year. Maroelabult lies immediately west of Kukama shaft and its inclusion in the Eland mining right will have several synergistic benefits generating sufficient taxable profits, justifying the deferred tax asset.

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

Accordingly, a deferred tax asset of R142.8 million (30 June 2021: R39.9 million) was raised.

This position will be assessed continuously.

27. Long-term provisions

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Balance at the beginning of the year	812 747	729 327	168 557	149 292
Change in estimate relating to the decommissioning costs (refer to note 10)	13 310	28 043	12 200	15 297
Change in estimate relating to restoration costs (refer to note 4)	65 438	(7 346)	5 142	(8 871)
Unwinding of discount (refer to note 6)	69 896	62 723	14 496	12 839
Total rehabilitation and decommissioning liability provision	961 391	812 747	200 395	168 557

Below is a breakdown of the long-term provision:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Provision for decommissioning costs				
Balance at the beginning of the year	581 170	509 325	117 090	93 732
Change in estimate relating to the decommissioning costs (refer to note 10)	13 310	28 043	12 200	15 297
Unwinding of discount (refer to note 6)	49 981	43 802	10 070	8 061
Total provision for decommissioning costs	644 461	581 170	139 360	117 090
Provision for restoration costs				
Balance at the beginning of the year	231 577	220 002	51 467	55 560
Change in estimate relating to restoration costs (refer to note 4)	65 438	(7 346)	5 142	(8 871)
Unwinding of discount (refer to note 6)	19 915	18 921	4 426	4 778
Total provision for restoration costs	316 930	231 577	61 035	51 467
Total rehabilitation and decommissioning liability provision	961 391	812 747	200 395	168 557

The long-term provision is made up of the provision relating to the rehabilitation and decommissioning liability of:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Northam Platinum Limited (Zondereinde operation)	200 395	168 557	200 395	168 557
Booysendal Platinum Proprietary Limited (Booysendal operation)	263 041	236 545	–	–
Eland Platinum Proprietary Limited (Eland operation)	497 955	407 645	–	–
Total rehabilitation and decommissioning liability provision	961 391	812 747	200 395	168 557

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.

The significant increase in the total rehabilitation and decommissioning liability for Eland Platinum Proprietary Limited, relate to the rehabilitation liability raised for Maroelabult.

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

	Zondereinde (Northam Platinum Limited) 30 June 2022	Booysendal Platinum Proprietary Limited 30 June 2022	Eland Platinum Proprietary Limited 30 June 2022	Total 30 June 2022
	R000	R000	R000	R000
Provision for decommissioning costs				
Balance at the beginning of the year	117 090	141 129	322 951	581 170
Change in estimate relating to the decommissioning costs	12 200	3 131	(2 021)	13 310
Unwinding of discount	10 070	12 137	27 774	49 981
Total provision for decommissioning costs	139 360	156 397	348 704	644 461
Provision for restoration costs				
Balance at the beginning of the year	51 467	95 416	84 694	231 577
Change in estimate relating to restoration costs	5 142	3 022	57 274	65 438
Unwinding of discount	4 426	8 206	7 283	19 915
Total provision for restoration costs	61 035	106 644	149 251	316 930
Total rehabilitation and decommissioning liability provision	200 395	263 041	497 955	961 391

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

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

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

	Zondereinde (Northam Platinum Limited) 30 June 2022	Booysendal Platinum Proprietary Limited 30 June 2022	Eland Platinum Proprietary Limited 30 June 2022	Total 30 June 2022
	R000	R000	R000	R000
Undiscounted obligation based on the Department of Mineral Resources and Energy, including Value Added Tax	269 079	262 219	297 342	828 640
Less funds held by Northam Platinum Restoration Trust Fund (refer to note 17)	(71 293)	(71 293)	–	(142 586)
Less environmental guarantees (refer to note 18)	(225 187)	(247 975)	(260 240)	(733 402)
Total (overfunded)/unfunded current rehabilitation obligation in terms of current legislation	(27 401)	(57 049)	37 102	(47 348)

	Zondereinde (Northam Platinum Limited) 30 June 2021	Booysendal Platinum Proprietary Limited 30 June 2021	Eland Platinum Proprietary Limited 30 June 2021	Total 30 June 2021
	R000	R000	R000	R000
Undiscounted obligation based on the Department of Mineral Resources and Energy, including Value Added Tax	245 959	248 972	200 444	695 375
Less funds held by Northam Platinum Restoration Trust Fund (refer to note 17)	(68 015)	(68 015)	–	(136 030)
Less environmental guarantees (refer to note 18)	(224 915)	(223 536)	(170 061)	(618 512)
Total (overfunded)/unfunded current rehabilitation obligation in terms of current legislation	(46 971)	(42 579)	30 383	(59 167)

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.

Refer to note 17 and 18 for further details on the Northam Platinum Restoration Trust Fund as well as the various environmental guarantees issued.

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

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

NEMA, as well as the MPRDA, which apply to all prospecting and mining operations, require that operations are carried out in accordance with generally accepted principles of sustainable development. It is a NEMA requirement that an applicant for a mining right must make prescribed financial provisions for the rehabilitation or management of negative environmental impacts, which must be reviewed annually.

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

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

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

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

The present value of the environmental restoration obligation was determined by applying a pre-tax discount rate of 8.6% (30 June 2021: 8.6%) and a long-term inflation rate of 6.0% (30 June 2021: 6.0%) over the remaining life of the various mines.

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

The 2015 FP 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 FP 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 FP 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 FP Regulations' date of promulgation to comply.

The Environmental Minister published her intention to repeal the 2015 FP Regulations and publish the proposed 2021 Draft FP Regulations, being the third set of draft FP Regulations published since the 2015 FP Regulations. The 2021 Draft FP Regulations have not been enacted into law. It is envisaged that the final FP Regulations, based largely on the 2021 Draft FP Regulations, will be published shortly. This will also require publication of the NEMLAA IV Act, to *inter alia* align NEMA with the FP Regulations.

The FP regulatory framework has been subject to severe criticism and significant resistance since the promulgation of the 2015 FP Regulations. Following ad hoc amendments, extensions of the prescribed transitional period and becoming the subject of judicial challenge, the Department of Forestry, Fisheries and the Environment proposed an overhaul of the FP regime with the publication of the 2017 Draft FP Regulations. The 2017 Draft FP Regulations were viewed as more reasonable however were never enacted.

With a sector facing various extensive regulatory hurdles and uncertainty under the 2015 FP Regulations, promulgation of a final set of regulations was deemed as a priority at the time of publication of the 2017 Draft FP Regulations. Despite this, the 2019 Draft FP Regulations were only published for comment at the end of May 2019 and the 2021 Draft FP Regulations, the third attempt at overhauling the FP regime, were only published on 27 August 2021.

The fifth itineration of the draft NEMA FP Regulations were published by the Department of Forestry Fisheries and Environment on 11 July 2022 for a 45 days commenting period.

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

28. Long-term loans

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Security of supply contribution	35 633	55 337	9 501	20 370
Heraeus Deutschland GmbH & Co. KG	49 169	92 662	49 169	92 662
Accrued interest on the Lock-in Fees payable	–	–	–	–
Total long-term loans	84 802	147 999	58 670	113 032
Current portion of security of supply contribution	(7 501)	(19 704)	(2 000)	(10 870)
Current portion of Heraeus Deutschland GmbH & Co. KG	–	(14 100)	–	(14 100)
Current portion of accrued interest on the Lock-in Fee payable	–	–	–	–
Long-term portion	77 301	114 195	56 670	88 062

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

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

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

During the current year, the development and research cost of R9.4 million was waived by Heraeus Deutschland GmbH & Co. KG. The amount was reduced to R4.7million for the previous financial year. The annual payment of R9.4 million as per the original agreement will only resume from 30 June 2026.

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

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

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Opening balance	92 662	79 896	92 662	79 896
Profit on modification of the agreement terms relating to the research and development liability with Heraeus Deutschland GmbH & Co. KG (refer to note 7)	(43 493)	–	(43 493)	–
Unwinding of the research and development liability (refer to note 6)	–	12 766	–	12 766
Payment made	–	–	–	–
Closing balance Heraeus Deutschland GmbH & Co. KG liability	49 169	92 662	49 169	92 662

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

Lock-in Fees payable

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

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

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

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

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

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

As a result of the repurchase of the Northam Holdings Shares, the Strategic Partners were entitled to a portion of the Proportionate Lock-in Fee Repayment Amount, a total value of R78.1 million plus interest amounting to R0.8 million of the Proportionate Lock-in Fee Repayment Amount was released to the Strategic Partners as a result of the share repurchase.

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

As at 30 June 2022, there were no amounts relating to the Lock-in Fees outstanding or payable to the Strategic Partners.

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

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

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

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

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

	Lock-in Fees pursuant to the Northam Scheme	Interest accrued and bank charges relating to the Lock-in Fees	Lock-in Fee distributed to the Strategic Partner as part of the repurchase of Northam Holdings Shares including accrued interest	Lock-in Fee forfeited due to a Disposal Event including accrued interest	Remaining Lock-in Fees
	R000	R000	R000	R000	R000
Atisa Platinum (RF) Proprietary Limited	18 913	215	(19 128)	–	–
Malundi Resources (RF) Proprietary Limited	18 913	244	(5 494)	(13 663)	–
Mpilo Platinum (RF) Proprietary Limited	44 030	502	(44 532)	–	–
Zambezi Platinum Women's SPV (RF) Proprietary Limited	28 221	361	(9 825)	(18 757)	–
Total Lock-in Fees payable	110 077	1 322	(78 979)	(32 420)	–

The Lock-in Fee payable to the Northam Employee Trust, the Northam Booysendal Community Trust and the Northam Zondereinde Community Trust was paid to these Trusts as part of the Net Value Distribution and therefore included in their cash and cash equivalent balances, classified as restricted cash as part of the consolidated results, refer to note 23 for all balances relating to cash and cash equivalents.

Also refer to note 45, related parties for details of amounts payable to these Trusts.

29. Lease liabilities

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Opening balance	81 247	80 622	24 253	15 554
Change in lease terms – reassessment of IFRS 16 Leases	432	9 398	–	9 797
Unwinding of interest (refer to note 6)	6 981	7 648	1 650	1 642
Payments made	(14 369)	(16 421)	(2 710)	(2 740)
Total lease liabilities	74 291	81 247	23 193	24 253
Current portion of lease liabilities	(10 107)	(13 228)	(2 153)	(2 012)
Non-current portion of lease liabilities	64 184	68 019	21 040	22 241

The following amounts relating to lease liabilities and associated right-of-use assets were recognised in profit or loss:

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Depreciation expense for right-of-use assets (refer to note 10)	10 457	13 100	2 324	2 439
Finance costs relating to lease liabilities (refer to note 6)	6 981	7 648	1 650	1 642
Expenses relating to leases of low-value assets	22 723	17 551	16 415	11 616
	40 161	38 299	20 389	15 697

The lease liabilities relate to leases for offices, accommodation and a notarial agreement of lease of land for Booysendal Platinum Proprietary Limited (Booysendal).

The corporate office lease is for a period of five years ending 31 October 2025, with the option to renew the lease for an additional five years.

Leases relating to accommodation are generally between five and ten years, with options to renew for an additional five years.

The notarial agreement for lease of land relating to Booysendal is for the life of mine and is 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.

Refer to note 10, property, plant and equipment for a reconciliation on the right-of-use assets.

The maturity analysis of the lease liabilities are disclosed in note 44 Financial risk management objectives and policies.

Significant estimate: Estimating the incremental borrowing rate

The group cannot readily determine the interest rate implicit to its leases. Therefore the relevant incremental borrowing rate (IBR) is used to measure lease liabilities. The IBR is the rate of interest that the group would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment over a similar term, and with a similar security. The group estimates the IBR using observable inputs when available and considers certain contract and entity-specific judgements such as the lease term and the groups' credit rating.

30. Domestic Medium-Term Notes

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Non-current Domestic Medium-Term Notes (DMTNs)				
DMTNs (NHM007)	–	141 186	–	141 186
DMTNs tap issue – Tranche 2	–	150 000	–	150 000
Transaction costs relating to the NHM007 issue	–	(4 430)	–	(4 430)
Amortisation of transaction costs over the period of the Notes issued	–	2 033	–	2 033
Transfer to current DMTNs	–	(288 789)	–	(288 789)
	–	–	–	–

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

DMTNs (NHM009)	–	100 000	–	100 000
DMTNs tap issue – Tranche 2	–	300 000	–	300 000
Transaction costs relating to the NHM009 issue	–	(6 428)	–	(6 428)
Amortisation of transaction costs over the period of the Notes issued	–	2 130	–	2 130
Transfer to current DMTNs	–	(395 702)	–	(395 702)
	–	–	–	–

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

DMTNs (NHM011)	–	173 000	–	173 000
DMTNs tap issue – Tranche 2	–	345 000	–	345 000
DMTNs tap issue – Tranche 3	–	100 000	–	100 000
Transaction costs relating to the NHM011 issue	–	(11 139)	–	(11 139)
Amortisation of transaction costs over the period of the Notes issued	–	5 435	–	5 435
Transfer to current DMTNs	–	(612 296)	–	(612 296)
	–	–	–	–

On 24 May 2019, Northam issued NHM011. These Notes attracted a floating coupon rate of 3-month JIBAR plus 375 basis points, which was payable on a quarterly basis in May, August, November and February of each year from issue date for a three-year period. These Notes matured on 24 May 2022.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
DMTNs (NHM012)	–	30 470	–	30 470
NHM017 switched to NHM012	–	492 100	–	492 100
NHM014 switched to NHM012	–	1 908 300	–	1 908 300
Transaction costs relating to the NHM012 issue	–	(42 944)	–	(42 944)
Amortisation of transaction costs over the period of the Notes issued	–	9 714	–	9 714
Transfer to current DMTNs	–	(2 397 640)	–	(2 397 640)
	–	–	–	–

On 13 June 2019, Northam issued NHM012. These Notes attracted a floating coupon rate of 3-month JIBAR plus 375 basis points, which was payable on a quarterly basis in June, September, December and March of each year from issue date for a three-year period. These Notes matured on 13 June 2022.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
DMTNs (NHM014)	–	1 920 000	–	1 920 000
NHM014 switched to NHM012	–	(1 908 300)	–	(1 908 300)
DMTNs tap issue – Tranche 3	–	10 000	–	10 000
Transaction costs relating to the NHM014 issue	–	(34 466)	–	(34 466)
Amortisation of transaction costs over the period of the Notes issued	–	32 050	–	32 050
Transfer to current DMTNs	–	(19 284)	–	(19 284)
	–	–	–	–

On 20 November 2019, Northam issued NHM014. These Notes attracted a floating coupon rate of 3-month JIBAR plus 250 basis points, which was payable on a quarterly basis in November, February, May and August of each year from issue date for a two-year period. These Notes matured on 20 November 2021.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
DMTNs (NHM015)	500 000	500 000	500 000	500 000
Transaction costs relating to the NHM015 issue	(8 070)	(8 070)	(8 070)	(8 070)
Amortisation of transaction costs over the period of the Notes issued	4 112	2 500	4 112	2 500
	496 042	494 430	496 042	494 430

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
DMTNs (NHM016)	680 000	680 000	680 000	680 000
DMTNs tap issue - Tranche 3	165 967	165 967	165 967	165 967
DMTNs tap issue - Tranche 4	200 000	200 000	200 000	200 000
DMTNs tap issue - Tranche 5	100 000	100 000	100 000	100 000
DMTNs tap issue - Tranche 6	2 534 435	–	2 534 435	–
DMTNs tap issue - Tranche 7	15 000	–	15 000	–
Transaction costs relating to the NHM016 issue	(108 126)	(63 110)	(108 126)	(63 110)
Amortisation of transaction costs over the period of the Notes issued	34 313	13 300	34 313	13 300
	3 621 589	1 096 157	3 621 589	1 096 157

On 11 May 2020, Northam issued NHM016. On 11 November 2021 and 26 April 2022, R2.5 billion and R15.0 million additional Notes respectively were issued under the same terms and conditions. These Notes attract a floating coupon rate of 3-month JIBAR plus 425 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issue date for a five-year period. These Notes mature on 11 May 2025.

DMTNs (NHM018)	1 021 300	1 021 300	1 021 300	1 021 300
DMTNs tap issue - Tranche 3	253 000	253 000	253 000	253 000
DMTNs tap issue - Tranche 4	100 000	100 000	100 000	100 000
DMTNs tap issue - Tranche 5	150 000	–	150 000	–
NHM018 switched to NHM016 and NHM019	(665 800)	–	(665 800)	–
DMTNs tap issue - Tranche 6	535 000	–	535 000	–
DMTNs tap issue - Tranche 7	897 000	–	897 000	–
Transaction costs relating to the NHM018 issue	(89 154)	(43 072)	(89 154)	(43 072)
Amortisation of transaction costs over the period of the Notes issued	64 326	14 622	64 326	14 622
Transfer to current DMTNs	(2 265 672)	–	(2 265 672)	–
	–	1 345 850	–	1 345 850

On 25 May 2020, Northam issued NHM018. On 9 July 2021, R150.0 million worth of additional Notes were issued, on 19 April 2022, R535.0 million worth of additional Notes were issued and on 26 April 2022, R897.0 million worth of additional Notes were issued under the same terms and conditions. These Notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issue date for a three-year period. These Notes mature on 25 May 2023.

DMTNs (NHM019)	450 000	450 000	450 000	450 000
DMTNs tap issue - Tranche 2	390 000	390 000	390 000	390 000
DMTNs tap issue – Tranche 3	1 770 935	–	1 770 935	–
DMTNs tap issue – Tranche 4	630 000	–	630 000	–
DMTNs tap issue – Tranche 5	275 000	–	275 000	–
Transaction costs relating to the NHM019 issue	(80 620)	(33 400)	(80 620)	(33 400)
Amortisation of transaction costs over the period of the Notes issued	26 051	7 612	26 051	7 612
	3 461 366	814 212	3 461 366	814 212

On 25 May 2020, Northam issued NHM019. On 11 November 2021, R1.8 billion worth of additional Notes were issued, on 19 April 2022, R630.0 million worth of additional Notes were issued and on 26 April 2022, R275.0 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.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
DMTNs (NHM020)	132 000	132 000	132 000	132 000
DMTNs tap issue - Tranche 2	100 000	–	100 000	–
DMTNs tap issue - Tranche 3	450 000	–	450 000	–
Transaction costs relating to the NHM020 issue	(11 623)	(2 653)	(11 623)	(2 653)
Amortisation of transaction costs over the period of the Notes issued	2 849	528	2 849	528
	673 226	129 875	673 226	129 875

On 25 November 2020, Northam issued NHM020. On 5 October 2021 and 26 April 2022, R100.0 million and R450.0 million additional Notes respectively were issued under the same terms and conditions. These Notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in November, February, May and August of each year from issue date for a three-year period. These Notes mature on 25 November 2023.

DMTNs (NHM021)	245 000	–	245 000	–
DMTNs tap issue - Tranche 2	78 000	–	78 000	–
DMTNs tap issue - Tranche 3	250 000	–	250 000	–
Transaction costs relating to the NHM021 issue	(9 574)	–	(9 574)	–
Amortisation of transaction costs over the period of the Notes issued	631	–	631	–
	564 057	–	564 057	–

On 26 November 2021, Northam issued NHM021. On 19 April 2022 and 26 May 2022, R78.0 million and R250.0 million additional Notes respectively were issued under the same terms and conditions. These Notes attract a floating coupon rate of 3-month JIBAR plus 425 basis points, which is payable on a quarterly basis in November, February, May and August of each year from issue date for a five-year period. These Notes mature on 26 November 2026.

Total non-current Domestic Medium-Term Notes	8 816 280	3 880 524	8 816 280	3 880 524

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Current DMTNs				
DMTNs (NHM002)	–	1 400	–	1 400
Transaction costs relating to the NHM002 issue	–	(1 256)	–	(1 256)
Amortisation of transaction costs over the period of the Notes issued	–	1 256	–	1 256
DMTNs repaid	–	(1 400)	–	(1 400)
	–	–	–	–

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

DMTNs (NHM006)	–	123 393	–	123 393
Transaction costs relating to the NHM006 issue	–	(1 576)	–	(1 576)
Amortisation of transaction costs over the period of the Notes issued	–	1 576	–	1 576
DMTNs repaid	–	(123 393)	–	(123 393)
	–	–	–	–

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

DMTNs (NHM007)	141 186	141 186	141 186	141 186
DMTNs tap issue – Tranche 2	150 000	150 000	150 000	150 000
DMTNs tap issue – Tranche 3	100 000	–	100 000	–
DMTNs tap issue – Tranche 4	60 000	–	60 000	–
NHM007 switched to NHM016 and NHM019	(100 000)	–	(100 000)	–
NHM007 switched to NHM012	(100 000)	–	(100 000)	–
NHM007 switched to NHM018	(210 000)	–	(210 000)	–
Transaction costs relating to the NHM007 issue	(8 439)	(4 430)	(8 439)	(4 430)
Amortisation of transaction costs over the period of the Notes issued	8 439	2 033	8 439	2 033
DMTNs repaid	(41 186)	–	(41 186)	–
	–	288 789	–	288 789

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
DMTNs (NHM009)	100 000	100 000	100 000	100 000
DMTNs tap issue – Tranche 2	300 000	300 000	300 000	300 000
DMTNs tap issue – Tranche 3	100 000	–	100 000	–
DMTNs tap issue – Tranche 4	15 000	–	15 000	–
NHM009 switched to NHM016 and NHM019	(100 000)	–	(100 000)	–
NHM009 switched to NHM018	(115 000)	–	(115 000)	–
NHM009 switched to NHM020	(300 000)	–	(300 000)	–
Transaction costs relating to the NHM009 issue	(9 848)	(6 428)	(9 848)	(6 428)
Amortisation of transaction costs over the period of the Notes issued	9 848	2 130	9 848	2 130
	–	395 702	–	395 702

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
DMTNs (NHM011)	173 000	173 000	173 000	173 000
DMTNs tap issue – Tranche 2	345 000	345 000	345 000	345 000
DMTNs tap issue – Tranche 3	100 000	100 000	100 000	100 000
NHM011 switched to NHM016 and NHM019	(50 000)	–	(50 000)	–
NHM011 switched to NHM018	(325 000)	–	(325 000)	–
Transaction costs relating to the NHM011 issue	(11 783)	(11 139)	(11 783)	(11 139)
Amortisation of transaction costs over the period of the Notes issued	11 783	5 435	11 783	5 435
DMTNs repaid	(243 000)	–	(243 000)	–
	–	612 296	–	612 296

On 24 May 2019, Northam issued NHM011. These Notes attracted a floating coupon rate of 3-month JIBAR plus 375 basis points, which was payable on a quarterly basis in May, August, November and February of each year from issue date for a three-year period. These Notes matured on 24 May 2022.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
DMTNs (NHM012)	30 470	30 470	30 470	30 470
NHM017 switched to NHM012	492 100	492 100	492 100	492 100
NHM014 switched to NHM012	1 908 300	1 908 300	1 908 300	1 908 300
NHM012 switched to NHM016 and NHM019	(2 428 870)	–	(2 428 870)	–
DMTNs tap issue – Tranche 4	100 000	–	100 000	–
Transaction costs relating to the NHM012 issue	(44 734)	(42 944)	(44 734)	(42 944)
Amortisation of transaction costs over the period of the Notes issued	44 734	9 714	44 734	9 714
DMTNs repaid	(102 000)	–	(102 000)	–
	–	2 397 640	–	2 397 640

On 13 June 2019, Northam issued NHM012. These Notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which was payable on a quarterly basis in June, September, December and March of each year from issue date for a three-year period. These Notes matured on 13 June 2022.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
DMTNs (NHM013)	–	5 100	–	5 100
Transaction costs relating to the NHM013 issue	–	(3 036)	–	(3 036)
Amortisation of transaction costs over the period of the Notes issued	–	3 036	–	3 036
DMTNs repaid (NHM013)	–	(5 100)	–	(5 100)
	–	–	–	–

On 9 September 2019, Northam issued NHM013. These Notes attracted a floating coupon rate of 3-month JIBAR plus 240 basis points, which was payable on a quarterly basis on September, December, March and June from issue date for a one-year period. These Notes matured on 9 September 2020.

	Group 30 June 2022	Group 30 June 2021	Company 30 June 2022	Company 30 June 2021
DMTNs (NHM014)	11 700	1 920 000	11 700	1 920 000
NHM014 switched to NHM012	–	(1 908 300)	–	(1 908 300)
DMTNs tap issue – Tranche 3	10 000	10 000	10 000	10 000
Transaction costs relating to the NHM014 issue	(34 466)	(34 466)	(34 466)	(34 466)
Amortisation of transaction costs over the period of the Notes issued	34 466	32 050	34 466	32 050
DMTNs repaid (NHM014)	(21 700)	–	(21 700)	–
	–	19 284	–	19 284

On 20 November 2019, Northam issued NHM014. These Notes attracted a floating coupon rate of 3-month JIBAR plus 250 basis points, which was payable on a quarterly basis in November, February, May and August of each year from issue date for a two-year period. These Notes matured on 20 November 2021.

	Group 30 June 2022	Group 30 June 2021	Company 30 June 2022	Company 30 June 2021
DMTNs (NHM017)	–	494 900	–	494 900
NHM017 switched to NHM012	–	(492 100)	–	(492 100)
Transaction costs relating to the NHM017 issue	–	(11 749)	–	(11 749)
Amortisation of transaction costs over the period of the Notes issued	–	11 749	–	11 749
DMTNs repaid (NHM017)	–	(2 800)	–	(2 800)
	–	–	–	–

On 13 May 2020, Northam issued NHM017. These Notes attracted a floating coupon rate of 3-month JIBAR plus 240 basis points, which was payable on a quarterly basis on August, November and February from issue date for a nine-month period. These Notes matured on 26 February 2021.

	Group 30 June 2022	Group 30 June 2021	Company 30 June 2022	Company 30 June 2021
NHM018 transferred from non-current to current	2 265 672	–	2 265 672	–
	2 265 672	–	2 265 672	–
Total current Domestic Medium-Term Notes	2 265 672	3 713 711	2 265 672	3 713 711
Total Domestic Medium-Term Notes	11 081 952	7 594 235	11 081 952	7 594 235

Northam Platinum Limited established a Domestic Medium-Term Notes Programme pursuant to a Programme Memorandum dated 3 August 2012 (the Previous Programme Memorandum), in terms of which the company may, from time to time, issue Notes.

Northam has updated the Previous Programme Memorandum to, *inter alia*, align with the latest regulations (including amendments to the Debt Listings Requirements), including more recent information pertaining to Northam and incorporating Booysendal Platinum Proprietary Limited as guarantor. Refer to the related parties note (note 45) for details of the guarantee issued by Booysendal Platinum Proprietary Limited, with regards to the Notes issued.

The amendments are incorporated in an Amended and Restated Programme Memorandum dated 29 October 2020.

The DMTN Programme current Programme Amount amounts to R15.0 billion (30 June 2021: R15.0 billion).

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

Transaction costs are amortised over the period of the financial liability.

The funds generated from the issue of the various Notes were used for general corporate purposes, except for NHM015. The IDC subscribed to NHM015 for R500.0 million, five-year senior unsecured floating rate Notes. Proceeds from NHM015 were applied towards the recommissioning and development of Eland mine, consequently creating new employment opportunities in the region.

Significant judgements and estimates: Tax deductibility of the interest on certain of the Notes issued

DMTNs were issued specifically to finance the purchase of Zambezi Preference Shares, refer to note 31 for more details on the acquisitions made. The interest and transaction cost relating to these specific Notes are therefore not deductible for tax, as the interest is deemed to be unproductive in nature. Interest paid is deemed unproductive when associated borrowings are utilised for non-operational purposes for example buying an investment that generates exempt dividend income.

Below is a summary of the Notes issued to purchase Zambezi Preference Shares:

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
NHM011 – Tranche 2 – switched to NHM018	–	345 000	–	345 000
NHM012 – Tranche 3 – switched to NHM016 and NHM019	–	1 908 300	–	1 908 300
NHM014 – Tranche 2 – repaid in full	–	11 700	–	11 700
NHM014 – Tranche 3 – repaid in full	–	10 000	–	10 000
NHM016 – Tranche 3	165 967	165 967	165 967	165 967
NHM016 – Tranche 4	200 000	200 000	200 000	200 000
NHM016 – Tranche 6 – switched from NHM012	954 150	–	954 150	–
NHM018 – Tranche 2	300 000	300 000	300 000	300 000
NHM018 – Tranche 3	253 000	253 000	253 000	253 000
NHM018 – Tranche 6 – switched from NHM011	325 000	–	325 000	–
NHM019 – Tranche 1	400 000	400 000	400 000	400 000
NHM019 – Tranche 2	390 000	390 000	390 000	390 000
NHM019 – Tranche 3 – switched from NHM012	954 150	–	954 150	–
NHM020 – Tranche 1	132 000	132 000	132 000	132 000
	4 074 267	4 115 967	4 074 267	4 115 967

The interest associated with the DMTNs which was classified as unproductive amounted to the following balances:

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Finance costs relating to the DMTNs (refer to note 6)	733 809	473 638	733 809	473 638
Unproductive finance costs relating to the DMTNs	(324 188)	(244 144)	(324 188)	(244 144)
Finance costs relating to the DMTNs deductible for tax purposes	409 621	229 494	409 621	229 494

The maturity profile of the group's DMTNs are set out below, into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date representing the undiscounted contractual cash flows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Maturing during F2022	N/A	3 761 756	N/A	3 761 756
NHM014 – 20 November 2021	N/A	21 700	N/A	21 700
NHM007 – 16 April 2022	N/A	291 186	N/A	291 186
NHM009 – 26 April 2022	N/A	400 000	N/A	400 000
NHM011 – 24 May 2022	N/A	618 000	N/A	618 000
NHM012 – 13 June 2022	N/A	2 430 870	N/A	2 430 870
Maturing during F2023	2 290 500	1 374 300	2 290 500	1 374 300
NHM018 – 25 May 2023	2 290 500	1 374 300	2 290 500	1 374 300
Maturing during F2024	4 197 935	972 000	4 197 935	972 000
NHM020 – 25 November 2023	682 000	132 000	682 000	132 000
NHM019 – 25 May 2024	3 515 935	840 000	3 515 935	840 000
Maturing during F2025	4 195 402	1 645 967	4 195 402	1 645 967
NHM015 – 13 December 2024	500 000	500 000	500 000	500 000
NHM016 – 11 May 2025	3 695 402	1 145 967	3 695 402	1 145 967
Maturing during F2027	573 000	–	573 000	–
NHM021 – 26 November 2026	573 000	–	573 000	–
Domestic Medium-Term Notes (excluding capitalised transaction costs)	11 256 837	7 754 023	11 256 837	7 754 023
Transaction costs incurred	(416 437)	(267 329)	(416 437)	(267 329)
Amortised transaction costs	241 552	107 541	241 552	107 541
Total Domestic Medium-Term Notes	11 081 952	7 594 235	11 081 952	7 594 235

During the year under review the following movements occurred relating to the DMTNs:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Opening balance	7 754 023	5 640 749	7 754 023	5 640 749
Notes issued	8 305 370	4 646 367	8 305 370	4 646 367
NHM007 – Tranche 2	–	150 000	–	150 000
NHM007 – Tranche 3	100 000	–	100 000	–
NHM007 – Tranche 4	60 000	–	60 000	–
NHM009 – Tranche 2	–	300 000	–	300 000
NHM009 – Tranche 3	100 000	–	100 000	–
NHM009 – Tranche 4	15 000	–	15 000	–
NHM011 – Tranche 2	–	345 000	–	345 000
NHM011 – Tranche 3	–	100 000	–	100 000
NHM012 – Tranche 2	–	492 100	–	492 100
NHM012 – Tranche 3	–	1 908 300	–	1 908 300
NHM012 – Tranche 4	100 000	–	100 000	–
NHM014 – Tranche 2	–	10 000	–	10 000
NHM016 – Tranche 3	–	165 967	–	165 967
NHM016 – Tranche 4	–	200 000	–	200 000
NHM016 – Tranche 5	–	100 000	–	100 000
NHM016 – Tranche 6	2 534 435	–	2 534 435	–
NHM016 – Tranche 7	15 000	–	15 000	–
NHM018 – Tranche 3	–	253 000	–	253 000
NHM018 – Tranche 4	–	100 000	–	100 000
NHM018 – Tranche 5	150 000	–	150 000	–
NHM018 – Tranche 6	535 000	–	535 000	–
NHM018 – Tranche 7	897 000	–	897 000	–
NHM019 – Tranche 2	–	390 000	–	390 000
NHM019 – Tranche 3	1 770 935	–	1 770 935	–
NHM019 – Tranche 4	630 000	–	630 000	–
NHM019 – Tranche 5	275 000	–	275 000	–
NHM020 – Tranche 1	–	132 000	–	132 000
NHM020 – Tranche 2	100 000	–	100 000	–
NHM020 – Tranche 3	450 000	–	450 000	–
NHM021 – Tranche 1	245 000	–	245 000	–
NHM021 – Tranche 2	78 000	–	78 000	–
NHM021 – Tranche 3	250 000	–	250 000	–
Notes repaid	(407 886)	(132 693)	(407 886)	(132 693)
NHM002	–	(1 400)	–	(1 400)
NHM006	–	(123 393)	–	(123 393)
NHM007	(41 186)	–	(41 186)	–
NHM011	(243 000)	–	(243 000)	–
NHM012	(102 000)	–	(102 000)	–
NHM013	–	(5 100)	–	(5 100)
NHM014	(21 700)	–	(21 700)	–
NHM017	–	(2 800)	–	(2 800)

During the year under review the following movements occurred relating to the DMTNs:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Notes switched	(4 394 670)	(2 400 400)	(4 394 670)	(2 400 400)
NHM007 switched to NHM016 and NHM019	(100 000)	–	(100 000)	–
NHM007 switched to NHM012	(100 000)	–	(100 000)	–
NHM007 switched to NHM018	(210 000)	–	(210 000)	–
NHM009 switched to NHM016 and NHM019	(100 000)	–	(100 000)	–
NHM009 switched to NHM018	(115 000)	–	(115 000)	–
NHM009 switched to NHM020	(300 000)	–	(300 000)	–
NHM011 switched to NHM016 and NHM019	(50 000)	–	(50 000)	–
NHM011 switched to NHM018	(325 000)	–	(325 000)	–
NHM012 switched to NHM016 and NHM019	(2 428 870)	–	(2 428 870)	–
NHM014 switched to NHM012	–	(1 908 300)	–	(1 908 300)
NHM017 switched to NHM012	–	(492 100)	–	(492 100)
NHM018 switched to NHM016 and NHM019	(665 800)	–	(665 800)	–
Domestic Medium-Term Notes (excluding capitalised transaction costs)	11 256 837	7 754 023	11 256 837	7 754 023
Transaction costs incurred	(416 437)	(267 329)	(416 437)	(267 329)
Amortised transaction costs	241 552	107 541	241 552	107 541
Total Domestic Medium-Term Notes	11 081 952	7 594 235	11 081 952	7 594 235

31. Zambezi Preference Share liability

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Opening balance	13 910 946	12 592 218	–	–
Accrued dividends for the year	–	1 318 728	–	–
Accrued dividends up to the Zambezi Scheme implementation date	205 401	–	–	–
Zambezi Preference Share liability as at the Zambezi Scheme implementation date	14 116 347	13 910 946	–	–
Premium Amount	1 568 483	–	–	–
Settlement of Revised Accumulated Dividends through the transfer of 57 054 413 Northam Shares to Northam	(9 128 706)	–	–	–
Remaining accrued dividends for the year	647 705	–	–	–
Derecognition of Zambezi Preference Shares held by Northam together with accrued dividends recognised	(7 203 829)	(12 176 882)	–	–
Liquidity fees paid on Zambezi Preference Shares relating to the Zambezi BEE Transaction net of accumulated amortisation	(64 197)	(80 587)	–	–
Current year amortisation of liquidity fees	64 197	16 390	–	–
Zambezi Preference Share liability	–	1 669 867	–	–

On 18 May 2015, 159 905 453 cumulative redeemable Preference Shares were issued by Zambezi at an issue price of R41.00 per share. The Preference Shares were redeemable in 10 years' time (from inception), which would have been 17 May 2025, at R41.00 per share plus the accumulated unpaid preference dividends. The Zambezi Preference Shareholders 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.

As per the terms and conditions of the Zambezi Preference Shares, if the Zambezi Preference Shares are settled using Northam Shares, the Northam Shares would be valued at a 90% of the 30 day VWAP on the date of redemption. Consequently, the Zambezi Preference Shares Accumulated Dividends were settled at an 11.11% premium (Premium Amount) to the Face Value of the Zambezi Preference Shares at the Zambezi Scheme Implementation Date, being 23 August 2021 (Revised Accumulated Dividends) and settled through a repurchase by Northam of Northam Shares held by Zambezi, valued at R160.00 per Northam Share amounting to 57 054 413 Northam Shares, transferred on 3 September 2021.

No dividends were received from Northam during the year under review (30 June 2021: R Nil). 90% of all dividends received from Northam must be used to settle the Preference Share liability.

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

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

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

The liquidity fees were previously amortised over the 10-year Lock-in period, with the balance being amortised in full during the current year as a result of the Composite Transaction.

The 159 905 453 cumulative redeemable Preference Shares issued by Zambezi were previously listed on the Main Board of the JSE and traded under preference share code ZPLP, but delisted from the Main Board of the JSE from commencement of trade on 24 August 2021 as part of the execution of the acceleration of maturity and wind-up of the Zambezi BEE Transaction.

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

On the Zambezi Scheme Implementation Date, being 23 August 2021, Northam acquired all of the Zambezi Preference Shares not already held by Northam, for the Zambezi Offer Consideration which amount to R2.0 billion in aggregate. Simultaneously with the Zambezi Scheme, the Zambezi Preference Shares were delisted from the Main Board of the JSE and the Zambezi MOI Amendments, including the Zambezi Pref Share Term Amendments, became effective.

For the avoidance of doubt, the Zambezi Preference Shares acquired by Northam pursuant to the Zambezi Scheme will remain in issue and will be held by Northam following implementation of the Zambezi Scheme and the Zambezi Delisting until the Zambezi Preference Share Redemption is implemented.

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

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

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

Further details of the Zambezi Scheme, the Zambezi Delisting and the Zambezi Pref Share Term Amendments are contained in the Zambezi Scheme Circular.

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

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
Total number of Zambezi Preference Shares	159 905 453	159 905 453	–	–
Number of Zambezi Preference Shares held by Northam Platinum Limited	(159 905 453)	(139 972 496)	–	–
Number of Zambezi Preference Shares held in the open market	–	19 932 957	–	–
Percentage holding by Northam in the Zambezi Preference Shares	100.0%	87.5%	–	–
Value per Zambezi Preference Share*	R45.05	R86.99	–	–
Closing price of Zambezi Preference Shares	Traded until commencement of trade on 24 August 2021	R97.50	–	–
Fair value as per the closing price of Zambezi Preference Shares (R000)	N/A	1 943 463	–	–

**Rounded to the nearest cent.*

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

Following the implementation of the Zambezi Scheme, on the Repurchase Implementation Date, Zambezi settled the Revised Accumulated Dividends, by way of a repurchase by Northam (being the only Zambezi Preference Shareholder after implementation of the Zambezi Scheme) of 57 054 413 Northam Shares held by Zambezi (valued at a price of R160.00 per Northam Share), which was equal in value to the amount of the Revised Accumulated Dividends, in accordance with the Zambezi Pref Share Terms (as amended pursuant to the Zambezi Pref Share Term Amendments).

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:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Accrued Zambezi Preference Share dividends relating to Zambezi	853 106	1 318 728	–	–
Premium Amount	1 568 483	–	–	–
Less the Zambezi Preference Share dividends and the Premium Amount accrued to Northam with regards to the Zambezi Preference Shares held by Northam	(2 395 985)	(940 050)	–	–
Zambezi Preference Share dividends per the statement of profit or loss and other comprehensive income	25 604	378 678	–	–

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Opening balance of Zambezi Preference Shares held by Northam	12 176 882	4 220 514	–	–
Acquisition of Zambezi Preference Shares, including transaction costs during the year	2 046 300	8 084 876	–	–
Zambezi Preference Share dividends and the Premium Amount accrued to Northam with regard to the Zambezi Preference Shares held by Northam	2 395 985	940 050	–	–
Settlement of Revised Accumulated Dividends through the transfer of 57 054 413 Northam Shares to Northam	(9 128 706)	–	–	–
Derecognition of Zambezi Preference Shares held by Northam together with accrued dividends recognised	(7 203 829)	(12 176 882)	–	–
Loss on derecognition of the Zambezi Preference Share liability	286 632	1 068 558	–	–

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

In terms of the Zambezi Scheme, Northam acquired all of the Zambezi Preference Shares not already held by Northam, for the Zambezi Offer Consideration that was calculated as the Face Value plus a premium of 15.99% at the implementation date, being 23 August 2021, which represented an offer consideration of R102.40 per Zambezi Preference Share.

Impact of the Composite Transaction: Consolidation of Zambezi

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

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

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

The redemption price of the Zambezi Preference Shares as well as any accumulated and unpaid preference dividends meet the definition of a financial liability and therefore accounted for as such in the statement of financial position of Zambezi and consolidated in the financial statements of Northam in terms of IFRS. This previously meant that the Northam group reflected the BEE equity issued shares (i.e. Northam Shares) as Treasury Shares (for accounting purposes, Zambezi Preference Shares were reflected as a liability).

Zambezi was created and designed for the purpose of providing Northam with BEE credentials as well as a structure to issue the listed Zambezi Preference Shares.

Northam assumed full responsibility for the administration of Zambezi as well as any costs incurred by Zambezi up to a certain limit in line with the agreement. Furthermore, Northam provided the Northam Guarantee for Zambezi's obligation in respect of the Zambezi Preference Shares.

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

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

As part of the early maturity of the Zambezi BEE Transaction, certain amendments were made, including to the terms of the N Share. These amendments increased the number of authorised N Shares to 1 000 000 N Shares and provided the Zambezi N Shareholder with the right to exercise 99% of all the votes exercisable by all the Zambezi Ordinary Shareholders and to receive 100% of the Distributions made by Zambezi (subject to the Zambezi Pref Share Terms and the settlement of the Net Value Distribution and the Zambezi Retention Release Amount) with effect from the Net Value Distribution Date, being 6 September 2021.

With the Zambezi N Share Term Amendments, Northam has, in its capacity as the Zambezi N Shareholder, assumed voting and economic control of Zambezi and Zambezi was converted to a private company with effect from the date of the Zambezi Delisting and has become a subsidiary of Northam.

32. Share-based payment liability

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Performance and retention share-based payment liability	293 319	711 706	138 390	383 392
Lock-in and incentive mechanism share-based payment liability	444 603	431 021	224 191	222 498
Total share-based payment liability	737 922	1 142 727	362 581	605 890
Short-term portion of share-based payment liability	(174 619)	(498 010)	(85 554)	(277 788)
Long-term share-based payment liability	563 303	644 717	277 027	328 102

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Opening balance	1 142 727	537 392	605 890	324 449
Share-based payment expense during the year (refer to note 4)	146 716	969 898	59 602	592 638
Performance and retention shares cash settled during the year	(551 521)	(364 563)	(302 911)	(311 197)
Total share-based payment liability	737 922	1 142 727	362 581	605 890

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

Share incentive plan (the SIP)

The SIP was approved in 2011 when shareholders approved that the Northam share option scheme be discontinued and replaced by the SIP, as the scheme no longer served the primary purpose of attracting and retaining employees.

In order to avoid any future dilution, all shares will either be cash-settled or equity-settled through purchases in the open market. Currently all shares are treated as cash-settled.

The remuneration committee shall be entitled to determine that a participant shall receive the settlement amount in lieu of receiving the conditional shares (including Zambezi BEE Transaction conditional shares) on settlement.

The remuneration committee, which is charged with overseeing the group's remuneration policy, reviews the performance criteria annually and revises them as economic and operational circumstances dictate.

Refer to the remuneration report for further details of the SIP and the various elements associated with the SIP.

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

	30 June 2022	**30 June 2022**	**30 June 2022**
	Retention shares	Performance shares	Total
Group	Number of awards	Number of awards	Number of awards
Balance 1 July 2021	1 344 915	3 938 833	5 283 748
Shares awarded during the year	–	1 286 850	1 286 850
Shares forfeited	(45 625)	(421 423)	(467 048)
Shares cash settled during the year	(683 905)	(2 083 670)	(2 767 575)
Balance at 30 June 2022	615 385	2 720 590	3 335 975

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

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

Company	30 June 2022 Retention shares Number of awards	30 June 2022 Performance shares Number of awards	30 June 2022 Total Number of awards
Balance as at 1 July 2021	948 210	2 857 065	3 805 275
Shares awarded during the year in terms of the rules of the SIP	–	753 310	753 310
Shares forfeited	(36 235)	(370 608)	(406 843)
Shares cash settled during the year	(504 910)	(1 540 660)	(2 045 570)
Balance as at 30 June 2022	407 065	1 699 107	2 106 172

Company	30 June 2021 Retention shares Number of awards	30 June 2021 Performance shares Number of awards	30 June 2021 Total Number of awards
Balance as at 1 July 2020	1 318 755	3 948 305	5 267 060
Shares awarded during the year in terms of the rules of the SIP	167 320	502 260	669 580
Shares forfeited	(39 145)	(117 908)	(157 053)
Shares cash settled during the year	(498 720)	(1 475 592)	(1 974 312)
Balance as at 30 June 2021	948 210	2 857 065	3 805 275

The shares awarded in terms of the rules of the SIP previously comprised: retention shares, which vested after three years from grant date with no performance conditions, 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 conditions being met, which includes safety, production, unit cash cost and share performance. During the current year no retention shares were awarded, therefore all shares awarded have performance conditions attached which will ultimately determine the number of performances that will vest.

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

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

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

	30 June 2022 F2020 awards	**30 June 2022** F2021 awards	**30 June 2022** F2022 awards
Dividend yield (%)	–	–	–
Forfeiture rate (%)	10.0	10.0	10.0
Expected life of share awards (years)	0.34	1.34	2.34
30-Day VWAP (R/share)	R174.83	R174.83	R174.83
Model used*	Market value	Market value	Market value
Valuation per share award (R/share)	R169.31	R153.92	R139.89

**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 year-end adjusted for dividends forfeited during the vesting period was used.*

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

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

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

Lock-in and incentive mechanism (LIM)

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Number of awards	Number of awards	Number of awards	Number of awards
Opening balance	4 350 000	3 400 000	4 050 000	3 400 000
LIM awarded during the year	–	950 000	–	650 000
Total number of LIM shares awarded	4 350 000	4 350 000	4 050 000	4 050 000

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

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

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

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

In terms of the rules of the Northam SIP (Rules), a redemption by Zambezi of the Zambezi Preference Shares prior the Original Maturity Date would have resulted in the Zambezi BEE Transaction Conditional Shares awarded to the Management Team under the LIM (Participants) being subject to a proportionate vesting with the balance lapsing (Proportionate Vesting). The implementation of the Composite Transaction entailed the Zambezi Preference Shares being redeemed by Zambezi on or prior to the Original Maturity Date, at Zambezi's election. The Proportionate Vesting could therefore occur as a result of the implementation of the Transaction to the extent that Zambezi elects to redeem, and redeems, the Zambezi Preference Shares prior to the Original Maturity Date.

In order to maintain the retention of the Management Team and to continue to incentivise the Management Team until the Original Maturity Date being 17 May 2025, and to prevent the possible Proportionate Vesting upon implementation of the Transaction, the Rules were amended, with effect from the Zambezi Scheme Implementation Date, being 23 August 2021, to *inter alia* cater for: no Proportionate Vesting to occur if Zambezi elects to redeem, and redeems, the Zambezi Preference Shares prior to the Original Maturity Date; the Zambezi BEE Transaction Conditional Shares, subject to the vesting condition (as defined in the Rules) being fulfilled on such date, vesting on the Original Maturity Date and the performance condition (as defined in the Rules) relating thereto being deemed to have been fulfilled on such date; subject to certain provisions applicable in respect of no fault termination and early retirement (as defined in the Rules), dividends which are declared and paid in respect of Northam Shares from the Zambezi Scheme Implementation Date until the Original Maturity Date shall notionally accrue to the Zambezi BEE Transaction Conditional Shares and the aggregate amount of such notional dividends shall be paid in cash to the Participants within 30 days of the Original Maturity Date, provided that the vesting condition has been fulfilled on the Original Maturity Date.

This avoids a cliff vesting event and ensures continued alignment of the interests of the Management Team and Northam Holdings Shareholders.

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

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

	30 June 2022	30 June 2021
	BEE CPS shares	BEE CPS shares
Dividend yield (%)	–	–
Forfeiture rate (%)	–	–
Expected life of share awards (years)	2.88	3.88
Spot price (R/share)	R171.29	R216.93
Model used*	Market value	Market value
Valuation per share award (R/share)	R171.29	R216.93

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

All LIM awards will vest on 17 May 2025, irrespective of the grant date.

33. Financial guarantee liability

	30 June 2022	30 June 2021
	R000	R000
Zambezi Platinum (RF) Limited financial guarantee liability	7 535 944	7 535 944
Amortisation of Northam Guarantee liability	(7 535 944)	(6 596 554)
	–	939 390

A financial guarantee contract was issued by Northam Platinum Limited to Zambezi Platinum (RF) Limited to guarantee the Zambezi Preference Shares that were issued by Zambezi Platinum (RF) Limited as part of the Zambezi BEE Transaction (Northam Guarantee).

Below is a summary of the amortisation of the Northam Guarantee liability:

	30 June 2022	30 June 2021
	R000	R000
Opening amortised Northam Guarantee liability	6 596 554	2 525 810
Amortised during the year (refer to note 7 sundry income)	939 390	4 070 744
Amortisation of Northam Guarantee liability	7 535 944	6 596 554

The amortisation of the Northam Guarantee liability is based on the number of Zambezi Preference Shares held by Northam.

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

	30 June 2022	30 June 2021
Number of Zambezi Preference Shares	159 905 453	159 905 453
Number of Zambezi Preference Shares held by Northam	(159 905 453)	(139 972 496)
Number of Zambezi Preference Shares held in the open market	–	19 932 957
Percentage holding by Northam Platinum Limited in the Zambezi Preference Shares	100.0%	87.5%
Value per Zambezi Preference Share*	R45.05	R86.99
Zambezi Preference Share closing Preference Share price	N/A	R97.50

**Rounded to the nearest cent*

The Zambezi Preference Shares traded until commencement of trade on 24 August 2021.

The Zambezi Scheme and Zambezi Delisting

Northam made an offer to the Zambezi Preference Shareholders to acquire the remaining 19 932 957 Zambezi Preference Shares in issue not already held by Northam, for a cash consideration per Zambezi Preference Share, amounting to the initial subscription price of R41.00 together with the Accumulated Dividends on the date on which the acquisition is implemented (collectively referred to as the Face Value), plus a 15.99% premium to the Face Value.

The offer was implemented by way of a scheme of arrangement in terms of section 114(1) read with section 115 of the Companies Act. With the Zambezi Scheme, all Zambezi Preference Shares not already held by Northam were purchased by Northam on 23 August 2021 and there are therefore no liabilities other than the Zambezi Preference Share liability to Northam, which Northam has guaranteed.

Following implementation of the Zambezi Scheme, Northam became the sole Zambezi Preference Shareholder.

Simultaneously with the Zambezi Scheme, the Zambezi Preference Shares were delisted from the JSE in terms of paragraph 1.17 of the Listings Requirements, from commencement of trade on 24 August 2021.

As per the original terms and conditions associated with the Zambezi Preference Shares, the Preference Share liability was due at the end of the 10-year Lock-in period, which was 17 May 2025. The redemption of the Zambezi Preference Shares would have occurred, first and foremost, through any cash received from dividends distributed by Northam during the 10-year Lock-in period, and after the end of the Lock-in period the possible sell-off of Northam Shares into the market, to redeem the Zambezi Preference Shares. In the event that this was not sufficient to settle the liability, the Preference Share liability was secured in terms of the Northam Guarantee.

Should a liability have arisen under the Northam Guarantee, Northam may have settled this liability by capitalising Zambezi with cash and/or through the issue of Northam Shares before the redemption amount becomes due or by making payment directly to the Zambezi Preference Shareholders. The manner of settlement was not contractually specified and was at the discretion of Northam.

Northam guarantees payment of the redemption price in respect of the Zambezi Preference Shares and the preference dividends by way of the Northam Guarantee. Northam guaranteed the payment of all amounts which Zambezi had contracted to pay (but failed to pay on the due date thereof) in respect of the Zambezi Preference Shares by means of, at Northam's election, a cash payment and/or the issue of a determinable number of Northam Shares to the holders.

Northam and Zambezi entered into a transaction to accelerate the maturity of the empowerment transaction concluded between Northam and Zambezi in May 2015. This transaction became wholly unconditional on 5 August 2021 and was implemented in accordance with the salient dates and times set out in the Zambezi Scheme Circular which is available on the company's website at https://www.northam.co.za/downloads/send/152-2021/1372-joint-scheme-circular.

In addition to the Zambezi Scheme the Zambezi structure will be wound-up with certain amendments having been made, including changes to the terms of the N Share. These amendments provide the N Shareholder with the right to exercise 99% of all the votes exercisable by all the Zambezi Ordinary Shareholders and to receive 100% of the Distributions made by Zambezi (subject to the Zambezi Preference Share Terms and the settlement of the Net Value Distribution and the Zambezi Retention Release Amount) with effect from the Net Value Distribution Date, which was 6 September 2021.

With the Zambezi Scheme the requirements under the Northam Guarantee are no longer required and the remaining financial guarantee liability has been derecognised in full.

34. Revolving credit facility

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Opening balance	–	–	–	–
Amounts drawn down on the revolving credit facility during the year	8 900 000	3 750 000	8 900 000	3 750 000
Amounts repaid during the year	(7 450 000)	(3 750 000)	(7 450 000)	(3 750 000)
Total facility utilised at year-end	1 450 000	–	1 450 000	–
Transaction costs incurred on the revolving credit facility	(33 345)	(33 345)	(33 345)	(33 345)
Amortisation of transaction costs on the revolving credit facility amortised over the period of the facility	17 484	10 163	17 484	10 163
	1 434 139	(23 182)	1 434 139	(23 182)

Northam has a R4.0 billion (30 June 2021: R4.0 billion) 5-year revolving credit facility available with Nedbank Limited which matures on 5 September 2024.

The Nedbank revolving credit facility has covenant requirements which is reported on at each reporting period.

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

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

The interest rate relating to the revolving credit facility (RCF) is calculated at JIBAR plus 2.45%, plus a utilisation fee of between 0.1% per annum and 0.5% per annum, depending on the amount of the revolving credit facility drawdown. The effective interest rate on the revolving credit facility therefore ranged between JIBAR plus 2.55% and JIBAR plus 2.95%, depending on the amount of the drawdown.

Commitment fees are payable on the revolving credit facility amounting to 0.80% per annum (30 June 2021: 0.80% per annum) on the unutilised portion of the facility. No commitment fee shall accrue during periods where more than R2.5 billion of the facility has been utilised.

The utilised revolving credit facility is disclosed as non-current as Northam has the discretion to refinance or roll over the outstanding facility for at least 12 months after the reporting period under the existing loan facility.

Refer to the related parties note (note 45) for guarantees issued by group companies relating to the revolving credit facility. Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited have both signed a letter of guarantee for the RCF.

Below is a summary of the facility available:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Total revolving credit facility	4 000 000	4 000 000	4 000 000	4 000 000
Facility utilised at year-end	(1 450 000)	–	(1 450 000)	–
Available facility at year-end	2 550 000	4 000 000	2 550 000	4 000 000

Significant judgements and estimates: Tax deductibility of the interest on the revolving credit facility during the year under review

During the year under review drawdowns were made to finance the share purchase from certain Strategic Partners during September 2021, whereby 14 571 063 Northam Holdings Shares were purchased at a price of R165.29 per share. As a result, an amount of R2.0 billion was drawn down to finance the share repurchases:

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Drawdowns made to acquire Northam Platinum Holdings Limited Shares from the Strategic Partners through Northam Platinum Holdings Limited	2 000 000	–	2 000 000	–
	2 000 000	–	2 000 000	–

During the year the R2.0 billion was repaid in full from cash generated from operations.

In addition, a drawdown to the value of R3.0 billion was made to finance the purchase of 93 930 378 Royal Bafokeng Platinum Limited (RBPlat) Shares.

Northam Platinum Holdings Limited acquired the 93 930 378 RBPlat Shares from a wholly owned subsidiary of RBH.

The purchase consideration was partially settled by issuing 34 399 725 Northam Holdings Shares to RBIH, with the balance of R8.6 billion settled in cash. R3.0 billion was paid upfront, R4.0 billion was deferred to 29 April 2022 and the remaining R1.6 billion will be deferred to no later than 30 September 2022. The R3.0 billion was drawn down on the revolving credit facility.

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Drawdowns made to acquire RBPlat Shares through Northam Platinum Holdings Limited	3 000 000	–	3 000 000	–
	3 000 000	–	3 000 000	–

The R3.0 billion drawdown to purchase RBPlat Shares were repaid in full during the year.

As at 29 April 2022 the first tranche of the Deferred Acquisition Consideration was settled in terms of the agreement entered into with RBH to acquire 93 930 378 RBPlat Shares. To settle the Deferred Acquisition Consideration R2.1 billion was drawn down on the revolving credit facility with R1.5 billion settled before year-end.

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Drawdowns made to settle Deferred Acquisition Consideration through Northam Platinum Holdings Limited	2 100 000	–	2 100 000	–
	2 100 000	–	2 100 000	–

Other drawdowns on the revolving credit facility were made to finance operational expenditure.

During previous years, drawdowns were made on the revolving credit facility to purchase Zambezi Preference Shares, refer to note 31 for more details on the acquisitions made.

Below is a summary of the drawdowns made to acquire Zambezi Preference Shares:

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Drawdowns made to acquire Zambezi Preference Shares	–	3 250 000	–	3 250 000
	–	3 250 000	–	3 250 000

DMTNs were subsequently issued to refinance the revolving credit facility in previous periods. Refer to note 30 for details regarding the issue of DMTNs to replenish the revolving credit facility.

For these transactions the interest on the revolving credit facility is deemed to be unproductive in nature. Interest paid is deemed unproductive when associated borrowings are utilised for non-operational purposes for example buying an investment that generates exempt dividend income.

The interest associated with the revolving credit facility classified as unproductive amounted to the following balances:

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Finance costs relating to the revolving credit facility	116 380	79 872	116 380	79 872
Unproductive finance costs relating to the revolving credit facility	(105 129)	(74 903)	(105 129)	(74 903)
Finance costs relating to the revolving credit facility deductible for tax purposes	11 251	4 969	11 251	4 969

35. Bridge facility

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Opening balance	–	–	–	–
Amounts drawn down on the Bridge facility	3 000 000	–	3 000 000	–
Amounts repaid on the Bridge facility during the year	–	–	–	–
Total Bridge facility utilised at the year-end	3 000 000	–	3 000 000	–
Transaction costs including upfront utilisation costs incurred on the Bridge facility	(63 250)	–	(63 250)	–
Amortisation of transaction costs on the Bridge facility (refer to note 6)	32 562	–	32 562	–
	2 969 312	–	2 969 312	–

The group has secured a senior, unsecured term loan facility (Bridge facility) with Nedbank Limited, of R3.0 billion (30 June 2021: R Nil). The Bridge facility accrues interest at JIBAR plus 200 basis points, plus a utilisation fee of 0.2%, on a drawn down.

Commitment fees are payable on the Bridge facility amounting to 0.6% per annum on the unutilised portion of the facility.

The Bridge facility is available for a maximum period of 12 months, expiring on 14 December 2022 with an initial term of six months, subject to extension options of two 3 months extension periods which concludes in December 2022.

Refer to the related parties note (note 45) for guarantees issued by group companies relating to the Bridge facility. Northam Platinum Holdings Limited, Booysendal Proprietary Limited and Eland Platinum Proprietary Limited have all signed a letter of guarantee relating to this facility.

Below is a summary of the Bridge facility available:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Total Bridge facility	3 000 000	–	3 000 000	–
Bridge facility utilised at the year-end	(3 000 000)	–	(3 000 000)	–
Available Bridge facility at the year-end	–	–	–	–

The Bridge facility has been used to finance operational expenses, and therefore all interest relating to the Bridge facility is deductible for tax purposes.

36. Trade and other payables

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Trade payables	1 359 338	1 286 775	549 392	459 025
Provisional pricing payables	–	13 092	–	4 359
Accruals	481 093	340 584	252 551	190 495
Concentrate purchased accruals	646 215	934 688	–	427 235
Accrual relating to capital expenditure	97 416	142 576	80 078	87 197
South African Revenue Service – Value Added Tax	152 974	88 002	–	–
South African Revenue Service – amounts payable relating to the Mineral and Petroleum Resources Royalty	33 827	2 972	33 827	–
Accrued interest and commitment fees	122 488	58 181	122 488	58 174
Employee related accruals	946 973	802 980	740 834	612 963
Employee labour court judgement (refer to note 47)	–	55 000	–	55 000
Other	74 475	80 651	933	8 341
	3 914 799	3 805 501	1 780 103	1 902 789

Trade payable and accrual balances are unsecured, non-interest bearing and normally settled on 30-day terms.

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

Below are the uncovered foreign currency denominated balances as at reporting date included in trade and other payables above:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Euro (€000)	524	2 592	510	2 556
€ closing exchange rate*	R17.07	R16.93	R17.07	R16.93
Trade and other payables denominated in € (R000)	8 960	43 875	8 719	43 261
US dollars (USD000)	24 649	31 470	245	28 220
USD closing exchange rate*	R16.28	R14.28	R16.28	R14.28
Trade and other payables denominated in USD (R000)	401 292	449 244	4 005	402 843
Pound Sterling (£000)	116	28	116	28
£ closing exchange rate*	R19.82	R19.57	R19.82	R19.57
Trade and other payables denominated in £ (R000)	2 294	548	2 294	548

**Rounded to the nearest cent.*

Refer to note 44 for the fair value and financial risk disclosure.

37. Provisional pricing derivatives

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Provisional pricing derivatives	–	–	–	–
	–	–	–	–

Provisional pricing derivatives relate to amounts received in advance for chrome deliveries during the quotation period. Therefore any negative movement in the chrome price subsequent to payment being received will result in a payable to the customer as reflected above.

Subsequent to the quotational period, the selling price is finalised and any amount that is required to be refunded is accounted for as a provisional pricing payable (refer to note 36).

38. Short-term provisions

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Balance at the beginning of the year	426 992	365 119	291 125	262 192
Additional amounts raised	593 837	476 265	351 689	299 082
Leave pay utilised	(510 306)	(414 392)	(313 696)	(270 149)
	510 523	426 992	329 118	291 125

Short-term provisions are considered short-term employee benefits and are not measured in terms of IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Employee entitlements to annual leave are recognised when they accrue to employees. An estimated liability for annual leave as a result of services rendered by employees up to the reporting date based on the basic cost of employment and available leave entitlement at that date is recognised.

39. Other long-term employee benefits

The Toro Employee Empowerment Trust is an employee profit scheme at the Zondereinde mine for eligible employees (Paterson C band employees and below). 4% of after-tax profits of the Zondereinde mine is contributed to the Toro Employee Empowerment Trust. Eligible employees receive payment at the end of each five year cycle, the first and second of which were made in 2013 and 2018 respectively.

Contributions to the Toro Employee Empowerment Trust will be made for the life of mine and a minimum cycle pay out of R15 000 per eligible employee has been guaranteed by the company, with the next payment due in 2023.

Northam entered into an agreement with the representative unions at the Zondereinde mine in terms of which Northam has undertaken to contribute 4% of its after-tax profits to the Toro Employee Empowerment Trust, providing Northam's Zondereinde mine's unskilled and semi-skilled employees an opportunity to participate in the profits of the company. Eligible employees will receive payment at the end of each five-year cycle, starting from September 2013.

The asset or liability comprises the present value of the obligation less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets (cash) that are held by the Trust and are not available to the creditors of the group.

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Assets as at 1 July	553 069	86 490	553 069	86 490
Interest income	27 135	9 530	27 135	9 530
Employer contributions	(55 984)	462 949	(55 984)	462 949
Benefits paid	(7 051)	(3 281)	(7 051)	(3 281)
Actuarial loss	(17 357)	(2 246)	(17 357)	(2 246)
Administration costs	(401)	(373)	(401)	(373)
Assets as at 30 June	499 411	553 069	499 411	553 069
Unrecognised due to asset ceiling limit*	246 854	232 031	246 854	232 031
Below is a breakdown of other long-term employee benefits:				
Other long-term employee benefit as at 1 July	321 038	67 359	321 038	67 359
Service costs	119 649	42 087	119 649	42 087
Interest cost	24 022	5 801	24 022	5 801
Actuarial (loss)/gain	(204 700)	209 445	(204 700)	209 445
Benefits paid	(7 051)	(3 281)	(7 051)	(3 281)
Administration costs	(401)	(373)	(401)	(373)
Other long-term employee benefit as at 30 June	252 557	321 038	252 557	321 038
Asset/(liability) recognised on the statement of financial position	–	–	–	–

**The 'asset ceiling limit' ensures the asset to be recognised on the company's statement of financial position is subject to the present value of any economic benefits available to Northam Platinum Limited in the form of refunds or reductions in future contributions.*

Northam's contribution to the Toro Employee Empowerment Trust amounts to R84.0 million (30 June 2021: R317.3 million) (refer to note 4), and will be paid to the Toro Employee Empowerment Trust subsequent to year-end based on the audited results for the year ended 30 June 2022.

Significant judgements and estimates: Determining other long-term employee benefits

Since the cash distribution is payable to employees after the end of the period in which the related services are rendered and it is not a post-employment benefit or a termination benefit, the trust is accounted for as an 'other long-term employee benefit' in terms of IAS 19 Employee Benefits. The benefits payable to employees are therefore measured using the projected unit credit method.

In applying the projected unit credit method, the following estimates were used:

	Group		**Company**	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
Discount rate	7.0%	5.5%	7.0%	5.5%
Expected rate of return on assets	11.4%	10.3%	11.4%	10.3%

The rate used to discount other long-term employee benefit obligations should be determined by reference to market yields at the reporting date on high-quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds should be used. There is however no deep market in corporate bonds in South Africa and as such reference to the nominal bond curve, as compiled by the JSE Limited has been used. In terms of the accounting standards, historical yields are less important and we consequently consider it appropriate to use the discount rate as noted above per annum.

40. Cash generated from operations

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Profit before taxation	13 335 943	13 732 286	10 360 054	9 831 768
Adjusted for non-cash items:				
Profit on sale of property, plant and equipment	(22 376)	(149)	(21 790)	(17)
Depreciation and write-offs	932 597	844 486	208 247	194 137
Changes in long-term provisions	212 155	(7 345)	64 745	(8 872)
Changes in long-term receivables	(2 632)	(929)	(3 480)	(4 533)
Changes in short-term provisions	83 531	61 873	37 993	28 933
Share of earnings from SSG Holdings Proprietary Limited	(22 469)	(6 180)	–	–
Dividends received from SSG Holdings Proprietary Limited	–	606	–	–
Zambezi Preference Share dividends	25 604	378 678	–	–
Amortisation of liquidity fees paid on Zambezi Preference Shares	64 197	16 390	–	–
Loss on derecognition of Zambezi Preference Share liability	286 632	1 068 558	–	–
Amortisation of financial guarantee liability and impact of guarantee on investment	–	–	(4 985 835)	(968 482)
Impairments	–	29 657	–	29 657
Net foreign exchange difference	(15 994)	100 131	(11 638)	94 046
Amortisation of security of supply contribution	(19 704)	(23 772)	(10 869)	(13 826)
Other	–	(88)	–	(6 093)
Movement in share-based payment liability	(551 521)	605 335	(302 911)	281 441
Finance charges excluding Zambezi Preference Share dividends	1 203 193	705 444	1 204 852	689 377
Investment revenue	(101 625)	(90 485)	(2 642 688)	(1 092 763)
Profit on modification of the agreement terms relating to the research and development liability with Heraeus Deutschland Gmbh & Co. KG	(43 493)	–	(43 493)	–
Lock-in Fee forfeited due to a Disposal Event	(32 420)	–	(32 420)	–
Interest on Employee Labour Court Judgement	(16 010)	–	(16 010)	–
	15 315 608	17 414 496	3 804 757	9 054 773

41. Change in working capital

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Inventories	(260 852)	(1 933 858)	144 175	(3 688 878)
Trade and other receivables	(756 290)	(562 049)	48 435	(488 381)
Trade and other payables	73 787	746 977	(195 814)	(137 459)
	(943 355)	(1 748 930)	(3 204)	(4 314 718)

42. Tax paid

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Balance owing at the beginning of the year	53 641	(223 601)	(61 594)	(229 394)
Amounts recognised in profit or loss	(3 141 094)	(3 384 988)	(431 578)	(2 196 529)
Balance owing at the end of the year	93 865	(53 641)	66 250	61 594
	(2 993 588)	(3 662 230)	(426 922)	(2 364 329)

43. Changes in liabilities arising from financing activities

Below is a reconciliation of the changes in liabilities arising from financing activities:

	Opening balance	Changes from financing cash inflows	Changes from financing cash outflows	Interest	Other	Closing balance
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
Group	R000	R000	R000	R000	R000	R000
Security of supply contribution (refer to note 28)	55 337	–	–	–	(19 704)	35 633
Heraeus Deutschland GmbH & Co. KG (refer to note 28)	92 662	–	–	–	(43 493)	49 169
Lease liability (refer to note 29)	81 247	–	(14 369)	6 981	432	74 291
Domestic Medium-Term Notes (refer to note 30)	7 594 235	8 305 370	(4 969 281)	–	151 628	11 081 952
Zambezi Preference Share liability (refer to note 31)	1 669 867	–	(2 046 300)	853 106	(476 673)	–
Revolving credit facility (refer to note 34)	(23 182)	8 900 000	(7 450 000)	–	7 321	1 434 139
Bridge facility (refer to note 35)	–	3 000 000	(63 250)	–	32 562	2 969 312

	Opening balance	Changes from financing cash inflows	Changes from financing cash outflows	Interest	Other	Closing balance
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
Group	R000	R000	R000	R000	R000	R000
Security of supply contribution (refer to note 28)	79 109	–	–	–	(23 772)	55 337
Heraeus Deutschland GmbH & Co. KG (refer to note 28)	79 896	–	–	12 766	–	92 662
Lease liability (refer to note 29)	80 622	–	(16 421)	7 648	9 398	81 247
Domestic Medium-Term Notes (refer to note 30)	5 508 412	4 646 367	(2 635 664)	–	75 120	7 594 235
Zambezi Preference Share liability (refer to note 31)	8 291 117	–	(8 084 876)	1 318 728	144 898	1 669 867
Revolving credit facility (refer to note 34)	(23 084)	–	(5 644)	–	5 546	(23 182)

Below is a reconciliation of the changes in liabilities arising from financing activities:

	Opening balance 30 June 2022	Changes from financing cash inflows 30 June 2022	Changes from financing cash outflows 30 June 2022	Interest 30 June 2022	Other 30 June 2022	Closing balance 30 June 2022
Company	R000	R000	R000	R000	R000	R000
Security of supply contribution (refer to note 28)	20 370	–	–	–	(10 869)	9 501
Heraeus Deutschland GmbH & Co. KG (refer to note 28)	92 662	–	–	–	(43 493)	49 169
Lease liability (refer to note 29)	24 253	–	(2 710)	1 650	–	23 193
Domestic Medium-Term Notes (refer to note 30)	7 594 235	8 305 370	(4 969 281)	–	151 628	11 081 952
Financial guarantee liability (refer to note 33)	939 390	–	–	–	(939 390)	–
Revolving credit facility (refer to note 34)	(23 182)	8 900 000	(7 450 000)	–	7 321	1 434 139
Bridge facility (refer to note 35)	–	3 000 000	(63 250)	–	32 562	2 969 312

	Opening balance 30 June 2021	Changes from financing cash inflows 30 June 2021	Changes from financing cash outflows 30 June 2021	Interest 30 June 2021	Other 30 June 2021	Closing balance 30 June 2021
Company	R000	R000	R000	R000	R000	R000
Security of supply contribution (refer to note 28)	34 196	–	–	–	(13 826)	20 370
Heraeus Deutschland GmbH & Co. KG (refer to note 28)	79 896	–	–	12 766	–	92 662
Lease liability (refer to note 29)	15 554	–	(2 740)	1 642	9 797	24 253
Domestic Medium-Term Notes (refer to note 30)	5 508 412	4 646 367	(2 635 664)	–	75 120	7 594 235
Financial guarantee liability (refer to note 33)	5 010 134	–	–	–	(4 070 744)	939 390
Revolving credit facility (refer to note 34)	(23 084)	–	(5 644)	–	5 546	(23 182)

44. Financial risk management objectives and policies

The group's activities are exposed to a variety of financial risks, market risk (including foreign currency risk, interest rate risk and commodity price risks), credit risk and liquidity risks. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Financial risk management is carried out by the finance department. Policies are approved by the board of directors, which sets guidelines to identify, evaluate and manage financial risks in co-operation with the operating units. The board of directors reviews and agrees policies for managing each of these risks which are summarised below:

The group's principal financial liabilities comprise loans and borrowings, as well as trade and other payables. The main purpose of these financial liabilities is to finance the group's operations and to provide guarantees to support its operations. The group has various financial assets such as trade receivables, investments, other financial assets, long-term receivables and cash and cash equivalents, which arise directly from its operations.

Market risk

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise the following types of risk: foreign currency risk, interest rate risk, commodity price risk and other price risk, such as equity risk.

Foreign currency risk

The group operates on international commodity markets and is therefore exposed to foreign exchange risk primarily with respect to the US dollar. Foreign exchange risks arises from future commercial transactions and are recognised both in financial assets and liabilities. To manage foreign exchange risks arising from future commercial transactions, the group, from time to time, may use forward exchange contracts within board-approval limits.

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The group has transactional currency exposures. Such exposure arises from sales in currencies other than the functional currency. The majority of the group's sales are denominated in currencies other than functional currency of the operating unit making the sale, whilst most of the costs are denominated in the functional currency, the South African Rand.

Please refer to note 22, trade and other receivables, note 23, cash and cash equivalents as well as note 36, trade and other payables for all balances denominated in foreign currency values included in the statement of financial position.

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

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
US dollars (USD000)	26 605	952	6 631	890
USD closing exchange rate*	R16.28	R14.28	R16.28	R14.28
Trade and other receivables denominated in USD (R000)	433 124	13 588	107 951	12 701

**Rounded to the nearest cent.*

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

	Group		Company	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
US dollars (USD000)	51 414	95 969	50 682	95 447
USD closing exchange rate*	R16.28	R14.28	R16.28	R14.28
Cash and cash equivalents denominated in USD (R000)	836 999	1 369 962	825 077	1 362 513

**Rounded to the nearest cent.*

Below are the uncovered foreign currency denominated balances as at 30 June included in trade and other payables above:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Euro (€000)	524	2 592	510	2 556
€ closing exchange rate*	R17.07	R16.93	R17.07	R16.93
Trade and other payables denominated in € (R000)	8 960	43 875	8 719	43 261
US dollars (USD000)	24 649	31 470	245	28 220
USD closing exchange rate*	R16.28	R14.28	R16.28	R14.28
Trade and other payables denominated in USD (R000)	401 292	449 244	4 005	402 843
Pound Sterling (£000)	116	28	116	28
£ closing exchange rate*	R19.82	R19.57	R19.82	R19.57
Trade and other payables denominated in £ (R000)	2 294	548	2 294	548

**Rounded to the nearest cent.*

The following table demonstrates the sensitivity to a possible change in exchange rates with all other variables held constant, of the group's profit before tax due to changes in the fair value of monetary assets and liabilities, with a debit to profit or loss being disclosed in brackets. There is no direct impact on the group or company's equity.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
ZAR weakening by 10% to the USD	86 883	93 431	92 902	97 237
ZAR strengthening by 10% to the USD	(86 883)	(93 431)	(92 902)	(97 237)
ZAR weakening by 10% to the €	(896)	(4 388)	(872)	(4 326)
ZAR strengthening by 10% to the €	896	4 388	872	4 326
ZAR weakening by 10% to the £	(229)	(55)	(229)	(55)
ZAR strengthening by 10% to the £	229	55	229	55

The group did not enter into any foreign currency hedging contracts during the current or previous year.

The group has a policy of not hedging against foreign currency of commodity price fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rate. The group's exposure to risk of changes in market interest rates relates primarily to the group's cash balances, investments, revolving credit facility, general banking facility, Bridge facility and Domestic Medium-Term Notes with floating interest rates.

As part of the process of managing the group's interest rate risk, all borrowing and the refinancing of existing borrowings are positioned according to expected movements in interest rates.

Risk associated with interest rate risk regarding the Zambezi Preference Shares have been mitigated with the Zambezi Scheme and the early maturity of the Zambezi BEE Transaction.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the group's profit before tax (through the impact on floating rate borrowings and cash and cash equivalents). There is no direct impact on the group or company's equity.

	Group		**Company**	
	30 June 2022	**30 June 2021**	**30 June 2022**	**30 June 2021**
	R000	R000	R000	R000
Investment in Zambezi Preference Shares				
Increase of 1%	–	–	72 028	115 776
Decrease of 1%	–	–	(72 028)	(115 776)
Investments held by Northam Platinum Restoration Trust Fund				
Increase of 1%	1 426	1 360	713	680
Decrease of 1%	(1 426)	(1 360)	(713)	(680)
Cash and cash equivalents				
Increase of 1%	11 752	38 772	9 310	37 827
Decrease of 1%	(11 752)	(38 772)	(9 310)	(37 827)
Floating rate borrowings (including Domestic Medium-Term Notes)				
Increase of 1%	(157 068)	(77 540)	(157 068)	(77 540)
Decrease of 1%	157 068	77 540	157 068	77 540
Zambezi Preference Share liability				
(30 June 2021: Increase of 11.11%)	–	(192 655)	–	–
(30 June 2021: Decrease of 11.11%)	–	192 655	–	–

During the previous year a movement of 11.11% was used with regards to interest rate risk associated with the Zambezi Preference Share liability in accordance with the Zambezi Scheme.

The group monitors its exposure to fluctuating interest rates. Cash and cash equivalents are invested with short-term maturity dates, which exposes the group to cash flow interest rate risks.

Commodity price risk

The group is subject to commodity price risks as a result of the prices at which it sells its products being determined by reference to international commodity exchanges. PGMs are sold to third party clients, with prices being fixed based on contractual terms relating to the month in which the product was sold. Trade receivables relating to PGM debtors settle the outstanding receivable balance between 2 – 5 days.

At year-end the balances outstanding relating to provisional priced receivables and provisional pricing derivatives amounted to:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Platinum Group Metals provisional receivable	323 766	–	–	–
Nickel receivable	153 940	65 945	153 940	65 945
Chrome receivable	418 876	100 166	169 741	37 936
Total provisional priced receivables (refer to note 22)	896 582	166 111	323 681	103 881
Chrome payable (refer to note 37)	–	–	–	–
Provisional pricing derivatives	–	–	–	–
Total provisional pricing exposure	896 582	166 111	323 681	103 881

Base metal and chrome provisional pricing receivables

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

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

The full value of the provisional invoice relating to chrome sales is received in cash a month after delivery. Any negative movement in the chrome price could therefore result in amounts required to be refunded to the customer (refer to note 36 and 37).

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

Platinum Group Metals provisional pricing receivables

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

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

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

The following is an indication of the effect that changes in provisionally priced receivables would have on profit before tax, should there be a change in commodity prices based on the outstanding accounts receivable balance at year-end. There is no direct impact on the group or company's equity.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Weakening by 10% of the respective commodity prices	(89 658)	(16 611)	(32 368)	(10 388)
Strengthening by 10% of the respective commodity prices	89 658	16 611	32 368	10 388

The group did not enter into any commodity hedging contracts during the year under review.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities with banks and financial institutions. 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, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant.

With respect to credit risk arising from other financial assets of the group, which comprise cash and cash equivalents, investments and loans, the group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

There is no material concentration of credit risk in cash and cash equivalents, trade and other receivables and loans. The group has policies that limit the amount of credit exposure related to cash and cash equivalents to any single financial institution by only dealing with well-established financial institutions of high credit quality standing. The credit exposure to any one of the counterparties is managed by setting exposure limits which are approved by the board.

With regard to trade and other receivables, the group has policies in place to ensure that sales are only made to customers with an appropriate credit history. Trade debtors comprise a number of customers, dispersed across different geographical areas. Credit evaluations are performed on the financial conditions of these and other receivables from time to time. Trade receivables are presented in the statement of financial position net of any provision for impairment.

Credit risk relating to loans mainly consists of employee housing loans (refer to note 16). These loans are secured by a second bond over residential properties. The maximum credit risk (before taking into account any collateral held) relating to the long-term receivables amount to the outstanding balance.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. The group has undrawn general banking facilities (which includes both the revolving credit facility and the general banking facility) of R3.6 billion (30 June 2021: R5.0 billion).

The group's treasury operations are managed by a reputable treasury management institution.

They assist the group in monitoring its risk to a shortage of funds by only depositing its surplus cash funds with major banks of high credit standing. They consider and monitor the maturity and returns of all financial investments. Management performs regular projected cash flow forecasts for the group.

Management regularly monitors rolling forecasts of the liquidity reserve comprising undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows. Cash and cash equivalents are immediately available.

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

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

The maturity profile of the group's financial liabilities for the year ended 30 June 2022 is set out below, into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date representing the undiscounted contractual cash flows:

	Payable on demand	1 – 6 months	More than 6 months	More than a year	Total
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
Group	R000	R000	R000	R000	R000
Trade payables	–	1 359 338	–	–	1 359 338
Provisional pricing payables	–	–	–	–	–
Accruals	–	481 093	–	–	481 093
Concentrate purchased accruals	–	646 215	–	–	646 215
Capital accruals	–	97 416	–	–	97 416
Accrued interest and commitment fees	–	122 488	–	–	122 488
Employee-related accruals	–	946 973	–	–	946 973
Other	–	4 469	–	69 577	74 046
Long-term loans	–	–	–	94 000	94 000
Lease liability	1 237	6 215	3 676	133 726	144 854
Domestic Medium-Term Notes	–	–	2 290 500	8 966 337	11 256 837
Revolving credit facility	–	–	–	1 450 000	1 450 000
Bridge facility	–	3 000 000	–	–	3 000 000

The maturity profile of the group's financial liabilities for the year ended 30 June 2021 is set out below, into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date representing the undiscounted contractual cash flows:

	Payable on demand	1 – 6 months	More than 6 months	More than a year	Total
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
Group	R000	R000	R000	R000	R000
Trade payables	–	1 286 775	–	–	1 286 775
Provisional pricing payables	–	13 092	–	–	13 092
Accruals	–	340 584	–	–	340 584
Concentrate purchased accruals	–	934 688	–	–	934 688
Capital accruals	–	142 576	–	–	142 576
Accrued interest and commitment fees	–	58 181	–	–	58 181
Employee-related accruals	–	802 980	–	–	802 980
Employee labour court judgement	55 000	–	–	–	55 000
Other	–	13 269	–	67 382	80 651
Long-term loans	–	4 700	9 400	122 200	136 300
Lease liability	1 164	5 846	7 445	143 504	157 959
Domestic Medium-Term Notes	–	21 700	3 740 056	3 992 267	7 754 023
Zambezi Preference Share liability*	–	–	–	2 046 304	2 046 304
Revolving credit facility	–	–	–	–	–

**The undiscounted cash flows relating to the Preference Share liability is also the maximum exposure to credit risk regarding the guarantee issued by Northam company.*

During F2022 Northam acquired all the Zambezi Preference Shares not already held by Northam as part of the Zambezi Scheme. This resulted in the extinguishing of the liability under the Northam Guarantee in full. However as at 30 June 2021, the assets of Zambezi were more than the liabilities and therefore at year-end, there was no risk for the Northam Guarantee to be called upon.

The maturity profile of the company's financial liabilities for the year ended 30 June 2022 is set out below, into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date representing the undiscounted contractual cash flows:

	Payable on demand	1 – 6 months	More than 6 months	More than a year	Total
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
Company	R000	R000	R000	R000	R000
Trade payables	–	549 392	–	–	549 392
Provisional pricing payables	–	–	–	–	–
Accruals	–	252 551	–	–	252 551
Concentrate purchased accruals	–	–	–	–	–
Capital accruals	–	80 078	–	–	80 078
Accrued interest and commitment fees	–	122 488	–	–	122 488
Employee-related accruals	–	740 834	–	–	740 834
Other	–	935	–	–	935
Long-term loans	–	–	–	94 000	94 000
Lease liability	231	1 187	1 482	28 437	31 337
Domestic Medium-Term Notes	–	–	2 290 500	8 966 337	11 256 837
Revolving credit facility	–	–	–	1 450 000	1 450 000
Bridge facility	–	3 000 000	–	–	3 000 000
Subsidiary and group loans	17 159 162	–	–	–	17 159 162

The maturity profile of the company's financial liabilities for the year ended 30 June 2021 is set out below, into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date representing the undiscounted contractual cash flows:

	Payable on demand	1 – 6 months	More than 6 months	More than a year	Total
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
Company	R000	R000	R000	R000	R000
Trade payables	–	459 025	–	–	459 025
Provisional pricing payables	–	4 359	–	–	4 359
Accruals	–	190 496	–	–	190 496
Concentrate purchased accruals	–	427 235	–	–	427 235
Capital accruals	–	87 197	–	–	87 197
Accrued interest and commitment fees	–	58 174	–	–	58 174
Employee related accruals	–	612 963	–	–	612 963
Employee labour court judgement	55 000	–	–	–	55 000
Other	–	8 341	–	–	8 341
Long-term loans	–	4 700	9 400	122 200	136 300
Lease liability	216	1 109	1 385	31 337	34 047
Domestic Medium-Term Notes	–	21 700	3 740 056	3 992 267	7 754 023
Financial guarantee liability	–	–	–	939 390	939 390
Revolving credit facility	–	–	–	–	–
Subsidiary and group loans	9 647 176	–	–	–	9 647 176

Fair value

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

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

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

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

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

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

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

	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
	30 June 2022	**30 June 2022**	**30 June 2021**	**30 June 2021**
Group	R000	R000	R000	R000
Zambezi Preference Share liability (refer to note 31)	N/A	N/A	(1 669 867)	(1 943 463)

The Zambezi Preference Share liability is classified as level 2, due to the low level of activity in the South African debt market.

The fair value of the Zambezi Preference Share liability has been determined by reference to the closing price of the Zambezi Preference Shares on the debt market at year-end:

	30 June 2022	**30 June 2021**
	Number of Zambezi Preference Shares	Number of Zambezi Preference Shares
Number of Zambezi Preference Shares issued	159 905 453	159 905 453
Number of Zambezi Preference Shares held by Northam Platinum Limited	(159 905 453)	(139 972 496)
Number of Zambezi Preference Shares held in the open market	–	19 932 957
Percentage holding by Northam in the Zambezi Preference Shares	100.0%	87.5%
Value per Zambezi Preference Share*	R45.05	R86.99
Closing price of Zambezi Preference Shares	Traded until commencement of trade on 24 August 2021	R97.50
Fair value as per closing price of the Zambezi Preference Shares (R000)	N/A	(1 943 463)

**Rounded to the nearest cent.*

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

	Carrying amount	Fair value	Carrying amount	Fair value
	30 June 2022	30 June 2022	30 June 2021	30 June 2021
Company	R000	R000	R000	R000
Financial guarantee (refer to note 33)	–	–	(939 390)	–

The fair value of the financial guarantee has been determined as level 3.

Measuring the guarantee contract liability required the use of estimates, at the grant date, which included a dividend yield rate of 0.30%, a 30.0% volatility and a risk-free rate of 8.42%, which was incorporated at inception date and have not been adjusted since.

The financial guarantee liability were amortised based on the number of Preference Shares held by parties other than Northam. During the current financial year Northam acquired all the Zambezi Preference Shares not already held by Northam as part of the Zambezi Scheme. This resulted in the extinguishing of the liability under the Northam Guarantee in full.

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

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

There were no transfers of financial instruments between the various fair value levels during the year.

Capital management (including equity risk)

The Composite Transaction has been a pivotal event in the company's history. Firstly, accelerating the maturity of the Zambezi BEE Transaction, and secondly, restoring and extending empowerment in Northam for a further 15 years. The extension will focus on our employees and communities.

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

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

Northam's decision to propose the acceleration of the maturity of the Zambezi BEE Transaction was well considered, taking into account the risks associated with maturation on 17 May 2025. The objective of accelerating the maturity of the Zambezi BEE Transaction was to permanently secure, unlock and transfer unencumbered value created within Zambezi and in so doing, remove maturation risk for both Northam Shareholders and Zambezi Ordinary Shareholders.

Maturation risk included: Firstly, settlement of the Zambezi BEE Transaction was subject to singularity risk. As highlighted by the stark share price movements brought about at the onset of the COVID-19 pandemic, an adverse market event occurring on 17 May 2025 could have posed a risk to the value created for Northam Shareholders, including Zambezi and increased the risk of a claim under the Northam Guarantee. Secondly, a large number of Northam Shares could have flowed to the market on maturity. This would have placed sell-side pressure on the Northam Shares, eroding value for Northam Shareholders. Lastly, the unwinding of the Zambezi structure in the ordinary course would have left Northam with no certainty regarding compliance with the Mining Charter.

The objective of the Extended Empowerment Transaction is to restore and secure HDP ownership in Northam for a further 15 years, whilst optimising the group structure for compliance with the Mining Charter. Northam has already made a tremendous contribution towards empowerment through the Zambezi BEE Transaction and we now want to focus our empowerment initiatives on our employees and communities. The Extended Empowerment Transaction will be funded by Northam.

Categories of financial instruments

The following table summarises the classification of financial instruments for the group for the year ended 30 June 2022:

	Fair value through profit or loss 30 June 2022	Financial assets at amortised cost 30 June 2022	Financial liabilities at amortised cost 30 June 2022	Non-financial instruments 30 June 2022	Total 30 June 2022
Group	R000	R000	R000	R000	R000
Long-term receivables	–	85 793	–	–	85 793
Investment held by Northam Platinum Restoration Trust Fund	142 586	–	–	–	142 586
Environmental guarantee investment	93 214	–	–	–	93 214
Buttonshope Conservancy Trust	11 243	–	–	–	11 243
Group loans	–	10 334 718	–	–	10 334 718
Trade and other receivables	896 582	227 868	–	649 109	1 773 559
Cash and cash equivalents	–	1 174 505	–	–	1 174 505
Other financial assets	–	–	–	–	–
Long-term loans	–	–	(84 802)	–	(84 802)
Domestic Medium-Term Notes	–	–	(11 081 952)	–	(11 081 952)
Revolving credit facility	–	–	(1 434 139)	–	(1 434 139)
Bridge facility	–	–	(2 969 312)	–	(2 969 312)
Trade and other payables	–	–	(3 727 998)	(186 801)	(3 914 799)
Provisional pricing derivatives	–	–	–	–	–

Categories of financial instruments

The following table summarises the classification of financial instruments for the group for the year ended 30 June 2021:

	Fair value through profit or loss 30 June 2021	Financial assets at amortised cost 30 June 2021	Financial liabilities at amortised cost 30 June 2021	Non-financial instruments 30 June 2021	Total 30 June 2021
Group	R000	R000	R000	R000	R000
Long-term receivables	–	83 161	–	–	83 161
Investment held by Northam Platinum Restoration Trust Fund	136 030	–	–	–	136 030
Environmental guarantee investment	60 707	–	–	–	60 707
Buttonshope Conservancy Trust	16 067	–	–	–	16 067
Other financial assets	–	23 182	–	–	23 182
Trade and other receivables	166 111	500 434	–	748 385	1 414 930
Cash and cash equivalents	–	3 877 208	–	–	3 877 208
Long-term loans	–	–	(147 999)	–	(147 999)
Domestic Medium-Term Notes	–	–	(7 594 235)	–	(7 594 235)
Zambezi Preference Share liability	–	–	(1 669 867)	–	(1 669 867)
Revolving credit facility	–	–	–	–	–
Trade and other payables	–	–	(3 714 527)	(90 974)	(3 805 501)
Provisional pricing derivatives	–	–	–	–	–

Categories of financial instruments

The following table summarises the classification of financial instruments for the company for the year ended 30 June 2022:

	Fair value through other comprehensive income	Fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Non-financial instruments	Total
	30 June 2022	**30 June 2022**	**30 June 2022**	**30 June 2022**	**30 June 2022**	**30 June 2022**
Company	R000	R000	R000	R000	R000	R000
Other investments	647 705	–	–	–	–	647 705
Long-term receivables	–	–	27 235	–	–	27 235
Investment held by Northam Platinum Restoration Trust Fund	–	71 293	–	–	–	71 293
Environmental guarantee investment	–	42 029	–	–	–	42 029
Subsidiary and group loans receivable	–	–	13 041 261	–	–	13 041 261
Trade and other receivables	–	323 681	104 999	–	334 538	763 218
Cash and cash equivalents	–	–	931 012	–	–	931 012
Long-term loans	–	–	–	(58 670)	–	(58 670)
Domestic Medium-Term Notes	–	–	–	(11 081 952)	–	(11 081 952)
Revolving credit facility	–	–	–	(1 434 139)	–	(1 434 139)
Bridge facility	–	–	–	(2 969 312)	–	(2 969 312)
Subsidiary and group loans payable	–	–	–	(17 159 162)	–	(17 159 162)
Trade and other payables	–	–	–	(1 746 276)	(33 827)	(1 780 103)
Provisional pricing derivatives	–	–	–	–	–	–

Categories of financial instruments

The following table summarises the classification of financial instruments for the company for the year ended 30 June 2021:

	Fair value through other comprehensive income	Fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Non-financial instruments	Total
	30 June 2021	**30 June 2021**	**30 June 2021**	**30 June 2021**	**30 June 2021**	**30 June 2021**
Company	R000	R000	R000	R000	R000	R000
Interest in associate	–	25 745	–	–	–	25 745
Other investments	10 545 057	–	–	–	–	10 545 057
Long-term receivables	–	–	23 755	–	–	23 755
Investment held by Northam Platinum Restoration Trust Fund	–	68 015	–	–	–	68 015
Environmental guarantee investment	–	32 288	–	–	–	32 288
Other financial assets	–	–	23 182	–	–	23 182
Subsidiary loans receivable	–	–	1 538 230	–	–	1 538 230
Trade and other receivables	–	103 881	464 246	–	641 874	1 210 001
Cash and cash equivalents	–	–	3 782 720	–	–	3 782 720
Long-term loans	–	–	–	(113 032)	–	(113 032)
Financial guarantee liability	–	–	–	(939 390)	–	(939 390)
Domestic Medium-Term Notes	–	–	–	(7 594 235)	–	(7 594 235)
Revolving credit facility	–	–	–	–	–	–
Subsidiary loans payable	–	–	–	(9 647 176)	–	(9 647 176)
Trade and other payables	–	–	–	(1 902 789)	–	(1 902 789)
Provisional pricing derivatives	–	–	–	–	–	–

45. Related parties

Related party relationships exist between the company, subsidiaries and an associate within the Northam Platinum Limited group of companies.

Northam Platinum Limited has the following investments in subsidiaries, associates and trusts:

	Effective holding 30 June 2022	Stated capital and premium 30 June 2022	Investment 30 June 2022	Indebtedness 30 June 2022
	%	R000	R000	R000
Northam Platinum Holdings Limited	0.0%	N/A	*	10 334 718
Booysendal Platinum Proprietary Limited	100.0	8 675 932	11 886 088	(16 063 529)
Eland Platinum Proprietary Limited	100.0	325 000	325 000	2 638 266
Mvelaphanda Resources Proprietary Limited	100.0	4 358	–	(6 600)
Norplats Properties Proprietary Limited	100.0	**	*	24 885
Northam Platinum Investments (US) Incorporated	100.0	–	142 119	466
Northam Recovery Services LLC	Indirect holding	–	–	32 891
Northam Property Company LLC	Indirect holding	–	–	10 035
Zambezi Platinum (RF) Limited	N/A	–	***	(1 089 033)
The Northam Zondereinde Community Trust	–	–	–	–
The Northam Booysendal Community Trust	–	–	–	–
The Northam Employees' Trust	–	–	–	–
Buttonshope Conservancy Trust	–	–	–	–
Northam Platinum Restoration Trust Fund	–	–	–	–
			12 353 207	(4 117 901)

	Effective holding 30 June 2021	Stated capital and premium 30 June 2021	Investment 30 June 2021	Indebtedness 30 June 2021
	%	R000	R000	R000
Booysendal Platinum Proprietary Limited	100.0	8 675 932	11 886 088	(9 630 072)
Eland Platinum Proprietary Limited	100.0	325 000	325 000	1 478 450
Mvelaphanda Resources Proprietary Limited	100.0	4 358	–	(6 600)
Norplats Properties Proprietary Limited	100.0	**	*	46 242
Northam Platinum Investments (US) Incorporated	100.0	–	142 119	434
Northam Recovery Services LLC	Indirect holding	–	–	(10 504)
Northam Property Company LLC	Indirect holding	–	–	10 063
Zambezi Platinum (RF) Limited	N/A	–	***	–
Northam Zondereinde Community Trust	–	–	–	948
Northam Booysendal Community Trust	–	–	–	948
Northam Employees' Trust	–	–	–	1 145
Buttonshope Conservancy Trust	–	–	–	–
Northam Platinum Restoration Trust Fund	–	–	–	–
			12 353 207	(8 108 946)

****Investment held in Zambezi Preference Shares (refer to note 14).*

***Issued capital is less than R1 000.*

**Investment less than R1 000.*

During F2021, Mining Technical Services Proprietary Limited was placed in member's voluntary liquidation in terms of the Companies Act, No. 71 of 2008 (as amended). All assets and liabilities have been transferred by way of a section 47 of the Income Tax Act, No. 58 of 1962 (as amended) to Northam Platinum Limited.

There are no other balances outstanding from group companies other than the indebtedness noted above.

Below is a summary of the various transactions between group companies, which were eliminated on consolidation:

	Interest and dividends received (refer to note 5)	Concentrate purchased	Operating as well as sundry costs
	30 June 2022	30 June 2022	30 June 2022
	R000	R000	R000
Booysendal Platinum Proprietary Limited	–	(16 709 901)	–
Eland Platinum Proprietary Limited	162 554	(2 641 089)	–
Norplats Properties Proprietary Limited	–	–	–
Northam Platinum Investments (US) Incorporated	32	–	–
Northam Recovery Services LLC	2 660	(114 681)	–
Northam Property Company LLC	741	–	–
Zambezi Platinum (RF) Limited (refer to note 8)	–	–	(1 568)
Northam Zondereinde Community Trust (refer to note 8)	145	–	–
Northam Booysendal Community Trust	145	–	–
Northam Employees' Trust (refer to note 8)	175	–	(1 000)

	Interest and dividends received (refer to note 5)	Concentrate purchased	Operating as well as sundry costs
	30 June 2021	30 June 2021	30 June 2021
	R000	R000	R000
Mining Technical Services Proprietary Limited	–	–	(33 696)
Booysendal Platinum Proprietary Limited	–	(16 440 983)	–
Eland Platinum Proprietary Limited	73 408	(1 235 445)	–
Norplats Properties Proprietary Limited	–	–	–
Northam Platinum Investments (US) Incorporated	28	–	–
Northam Recovery Services LLC	2 256	(141 814)	–
Northam Property Company LLC	639	–	–
Zambezi Platinum (RF) Limited (refer to note 8)	–	–	(874)
Northam Zondereinde Community Trust (refer to note 8)	34	–	(427)
Northam Booysendal Community Trust	34	–	–
Northam Employees' Trust (refer to note 8)	41	–	(1 000)

In terms of the Trust Deed of the Northam Employees' Trust, Northam Platinum Limited has committed to contribute R1.0 million per annum for the duration of the 10-year Lock-in period.

This arrangement will however come to an end after the Net Value Distribution Date.

Below is a summary of the key related party transactions:

Guarantees

At year-end, Northam Platinum Limited (Northam) had finance facilities available in the form of a RCF to the value of R4.0 billion (30 June 2021: R4.0 billion) and a GBF to the value of R1.0 billion (30 June 2021: R1.0 billion) with Nedbank Limited. Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited have both signed a letter of guarantee concerning these facilities.

In addition, during December 2021 Northam obtained a Bridge facility from Nedbank Limited to the value of R3.0 billion. Northam Platinum Holdings Limited, Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited have all signed a letter of guarantee relating to this facility.

Refer to note 23 for details on the GBF, note 34 for details relating to the RCF and note 35 for details relating to the Bridge facility.

Furthermore, Northam, Booysendal Platinum Proprietary Limited and RBIH have entered into a guarantee, in terms of which Northam and Booysendal Platinum Proprietary Limited guarantee the payment obligations of Northam Holdings in respect of the Deferred Acquisition Consideration and Deferred Option Consideration.

Furthermore, as at 30 June 2022, Northam had DMTNs in an aggregate amount of R11.3 billion (30 June 2021: R7.8 billion) in issue on the debt capital market. These Notes were issued under the R15.0 billion DMTN Programme. Booysendal Platinum Proprietary Limited is a guarantor for Notes in issue.

Refer to note 30 for details on the Notes issued.

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

The manner in which the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the Northam Employees' Trust were set up and the contracts governing the relationships between Northam and these trusts, direct the relevant activities determined when these trusts were created and will continue to be carried out until such time as empowerment credentials are no longer required by Northam. There is no scope for any other commercial activity outside of the maintenance of the empowerment credentials and the allocation of returns on the Northam Holdings Shares for the benefit of the beneficiaries of these trusts.

These trusts are therefore under the control of Northam and consolidated into the group.

In terms of the Trust Deed of the Northam Employees' Trust, Northam previously committed to contribute R1.0 million per annum for the duration of the Lock-in period. This payment ceased upon implementation of the early maturation of the Zambezi BEE Transaction, on the Net Value Distribution Date and the last contribution was paid during the current year by Northam Platinum Limited.

Below is a summary of the net asset value of these trusts:

	30 June 2022	30 June 2021
	R000	R000
Investment in Northam Platinum Holdings Limited	1 092 548	–
Trade and other receivables	2 360	2 033
Cash and cash equivalents (refer to note 23)	225 579	72 523
Amounts receivable from South African Revenue Service	298	418
Trade and other payables	(955)	(6 306)
Amounts payable to South African Revenue Service	(162)	–
Net asset value of the Zambezi Trusts	1 319 668	68 668
Number of Northam Platinum Holdings Limited Shares held by The Zambezi Trusts	6 378 354	–
Closing share price of Northam Platinum Holdings Limited Shares (share code: NPH)	R171.29	–
Investment held in Northam Platinum Holdings Limited	1 092 548	–

Other related party transactions

SSG Holdings Proprietary Limited (SSG)

The group has a 33.7% (30 June 2021: 33.7%) interest in SSG Holdings Proprietary Limited, owning 3 000 shares out of 8 900 issued shares.

SSG Holdings Proprietary Limited provides security, cleaning and facility services to the Northam group.

Below is a summary of transactions between the group and SSG Holdings Proprietary Limited:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
SSG Facilities Proprietary Limited	68 571	47 786	36 551	25 682
SSG Cleaning Proprietary Limited	3	–	3	–
SSG Securities Solutions Proprietary Limited	105 202	101 561	46 679	51 120
Security, cleaning and facilities services provided by SSG Holdings Proprietary Limited to the group during the year accounted for as part of operating costs	173 776	149 347	83 233	76 802
Dividends received (refer to note 13)	606	606	606	–
Amounts payable to SSG Holdings Proprietary Limited included as part of trade and other payables	19 313	17 204	7 565	8 583

Also refer to note 12 for details of the investment held in SSG Holdings Proprietary Limited. During the year under review, the investment in SSG Holdings Proprietary Limited was reclassified from an interest in associate to a non-current assets held for sale.

Dwaalkop

Dwaalkop is a joint operation between Mvelaphanda Resources Proprietary Limited (Mvelaphanda), a wholly-owned subsidiary of Northam Platinum Limited owning 50% and Western Platinum Proprietary Limited, a subsidiary of Lonmin plc, now Sibanye-Stillwater Limited (Sibanye-Stillwater) owning the other 50%. The joint operation is managed by Sibanye-Stillwater. The Dwaalkop asset is not currently being mined.

Dwaalkop is accounted for as a Joint Arrangement. The Joint Arrangement meets the accounting requirements for recognition as a Joint Operation and as such, all its assets and liabilities relating to Dwaalkop are included in the consolidated financial statements.

The Dwaalkop Mineral Resource includes portions of the farms Dwaalkop, Rooibokbult and Turfpan. The mineral deposit has the potential to be developed into an open stope retreat mining operation.

Refer to the Mineral Resources and Mineral Reserves statement, for the group's attributable Mineral Resources relating to Dwaalkop.

Strategic Partner Advances

Pursuant to the Zambezi Ordinary Shareholder Loan Agreements, Northam agreed to advance to each Zambezi Ordinary Shareholder their proportionate amount (determined in accordance with their respective Zambezi Shareholdings) of R500.0 million together with certain Deemed Advances (as defined in the Zambezi Ordinary Shareholder Loan Agreements) in respect of the Zambezi Transaction Costs in an amount of (i) up to R18.0 million (plus VAT thereon) if the Transaction does not become unconditional, or (ii) R10.0 million (plus VAT thereon, to the extent applicable) if the Transaction becomes unconditional. The Zambezi Ordinary Shareholder Loans was:

- secured by way of each relevant Pledge and Cession Agreement entered into between each Zambezi Ordinary Shareholder and Northam on or about 2 February 2015 (as amended to cater for the Zambezi Ordinary Shareholders' obligations to Northam under the Zambezi Ordinary Shareholder Loan Agreements);
- accrued interest daily at a nominal rate equal to the aggregate of the Prime Rate and 3.5%, and compounded annually on 1 January; and
- fully repaid on (i) the Net Value Distribution Date if the Transaction becomes unconditional; or (ii) 25 May 2025 if the Transaction did not become unconditional, provided that, if Zambezi pays any Distribution in respect of the Zambezi Ordinary Shares prior to 25 May 2025, then 100% of such Distribution would have been utilised to settle the Zambezi Ordinary Shareholder Loan and unpaid accrued interest thereon.

The Deemed Advances were settled in full through the Net Value Distribution.

Key management remuneration

	Fees	Remuneration package	Performance bonus and retention bonus payments	Benefits and other	Gain on share-based payments	Total
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	R000	R000	R000	R000	R000	R000
Executive						
PA Dunne	–	11 863	8 597	2	37 194	57 656
AH Coetzee	–	5 799	4 096	408	15 946	26 249
Non-executive						
DH Brown	1 141	–	–	–	–	1 141
HH Hickey*	971	–	–	–	–	971
TI Mvusi**	918	–	–	–	–	918
	3 030	17 662	12 693	410	53 140	86 935

**Mrs HH Hickey was appointed lead independent director with effect from 20 June 2022.*

***Mr TI Mvusi was appointed as lead independent director from 27 September 2021 and as chairman from 20 June 2022.*

	Fees	Remuneration package	Performance bonus and retention bonus payments	Benefits and other	Gain on share-based payments	Total
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
	R000	R000	R000	R000	R000	R000
Executive						
PA Dunne	–	9 326	9 439	–	24 953	43 718
AH Coetzee	–	4 896	5 532	–	5 625	16 053
Non-executive						
KB Mosehla*	644	–	–	–	–	644
R Havenstein**	319	–	–	–	–	319
DH Brown***	837	–	–	–	–	837
CK Chabedi****	293	–	–	–	–	293
HH Hickey	591	–	–	–	–	591
NY Jekwa*	838	–	–	–	–	838
MH Jonas	421	–	–	–	–	421
TE Kgosi	675	–	–	–	–	675
TI Mvusi	421	–	–	–	–	421
JJ Nel**	706	–	–	–	–	706
JG Smithies	541	–	–	–	–	541
GT Lewis*****	269	–	–	–	–	269
	6 555	14 222	14 971	–	30 578	66 326

**Mr KB Mosehla retired as the independent non-executive chairman of the board with effect from 22 June 2021 and as a director from 30 June 2021.*

***Mr R Havenstein retired as director with effect from the conclusion of the November 2020 AGM.*

****Mr DH Brown was designated lead independent director with effect from 1 November 2020 and subsequently appointed as the independent non-executive chairman of the board with effect from 22 June 2021.*

*****Mr CK Chabedi was not re-elected as a director by shareholders at the November 2020 AGM.*

******Mr GT Lewis was appointed as an independent non-executive director with effect from 1 December 2020.*

Also see the remuneration report for further details on the remuneration accrued and paid to executive directors. No individuals other than executive directors are considered to be prescribed officers. Details of the non-executive fees are disclosed in the directors' report.

Details of share incentives granted to directors

Below is an analysis of share incentives held as at 30 June 2022:

	2 Nov 2017 Share award	6 Nov 2018 Share award	8 Nov 2019 Share award	31 Oct 2020 Share award	31 Oct 2021 Share award	Share award	Total
Retention shares and performance shares						LIM shares	
PA Dunne							
Balance at 1 July 2021	–	177 753	71 600	39 600	–	1 500 000	1 788 953
Performance shares awarded during the year	–	–	–	–	43 630	–	43 630
Shares adjusted for performance conditions met during the year	–	9 688	–	–	–	–	9 688
Shares cash settled during the year	–	(187 441)	–	–	–	–	(187 441)
Balance at 30 June 2022	–	–	71 600	39 600	43 630	1 500 000	1 654 830
Balance at 1 July 2020	142 100	184 500	71 600	–	–	1 500 000	1 898 200
Retention shares awarded during the year	–	–	–	9 900	–	–	9 900
Performance shares awarded during the year	–	–	–	29 700	–	–	29 700
Shares adjusted for performance conditions met during the year	5 052	(6 747)	–	–	–	–	(1 695)
Shares cash settled during the year	(147 152)	–	–	–	–	–	(147 152)
Balance at 30 June 2021	–	177 753	71 600	39 600	–	1 500 000	1 788 953

	2 Nov 2017 Share award	6 Nov 2018 Share award	8 Nov 2019 Share award	31 Oct 2020 Share award	31 Oct 2021 Share award	Share award	Total
Retention shares and performance shares						LIM shares	
AH Coetzee							
Balance at 1 July 2021	–	76 209	32 280	18 330	–	350 000	476 819
Performance shares awarded during the year	–	–	–	–	20 440	–	20 440
Shares adjusted for performance conditions met during the year	–	4 151	–	–	–	–	4 151
Shares cash settled during the year	–	(80 360)	–	–	–	–	(80 360)
Balance at 30 June 2022	–	–	32 280	18 330	20 440	350 000	421 050
Balance at 1 July 2020	32 030	79 100	32 280	–	–	–	143 410
Retention shares awarded during the year	–	–	–	4 580	–	–	4 580
Performance shares awarded during the year	–	–	–	13 750	–	–	13 750
Incentive mechanism shares awarded during the year	–	–	–	–	–	350 000	350 000
Shares adjusted for performance conditions met during the year	1 139	(2 891)	–	–	–	–	(1 752)
Shares cash settled during the year	(33 169)	–	–	–	–	–	(33 169)
Balance at 30 June 2021	–	76 209	32 280	18 330	–	350 000	476 819

Also refer to the remuneration report for further details on key management remuneration.

46. Capital and other commitments, including guarantees provided

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Capital commitments – Booysendal mine				
Authorised but not contracted	1 232 900	964 797	–	–
Contracted	254 056	195 557	–	–
	1 486 956	1 160 354	–	–
Capital commitments – Zondereinde mine				
Authorised but not contracted	1 927 685	1 659 940	1 927 685	1 659 940
Contracted	317 268	265 758	317 268	265 758
	2 244 953	1 925 698	2 244 953	1 925 698
Capital commitments – Eland mine				
Authorised but not contracted	1 638 100	1 044 805	–	–
Contracted	58 631	144 577	–	–
	1 696 731	1 189 382	–	–
Total capital commitments	5 428 640	4 275 434	2 244 953	1 925 698

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:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Bank guarantees				
Eskom Holdings SOC Limited	143 709	143 709	48 505	48 505
The Commission for Conciliation, Mediation and Arbitration (CCMA)	2 737	–	–	–
Other	298	298	298	298
	146 744	144 007	48 803	48 803
Other environmental guarantees				
Department of Mineral Resources and Energy (refer to note 18)	733 402	618 512	225 187	224 915
	733 402	618 512	225 187	224 915

Subsequent to 30 June 2022, additional guarantees relating to Northam Platinum Limited amounting to R102.3 million and a guarantee relating to Eland Platinum Proprietary Limited for R31.8 million was issued to Eskom Holdings SOC Limited.

47. Employee Labour Court judgement

Northam received judgement in a Labour Court case in which employees claimed that they were unfairly dismissed when they did not return to work after an unprotected work stoppage in 2016.

According to the Labour Court, the employees' dismissal was substantively unfair. Northam had been ordered to pay compensation for each employee equivalent to 12 months' remuneration calculated at the rate of remuneration on dismissal, which amounted to R54.3 million and was provided for in full in previous financial years.

The employees sought reinstatement and were granted leave to appeal to the Labour Appeal Court. Northam Platinum Limited opposed the appeal. The matter was heard in the Labour Appeal Court on 11 February 2020, and the appeal was dismissed by the Labour Appeal Court on 14 September 2021.

All amounts due and payable including interest of R16.0 million was paid into an attorneys' trust account and Northam believes that this matter has now been settled in full. Refer to note 6 for details on the finance charges relating to the Employee Labour Court Judgement.

48. South African Revenue Service VAT claim

In 2015 Northam Platinum Limited concluded an R6.6 billion Broad Based Economic Empowerment (BEE) transaction which secured a sustainable 31.4% Historically Disadvantaged South African interest in Northam and at the same time secured funding for the group's expansion and growth plans. As part of the transaction, Northam acquired ordinary Northam Shares from existing shareholders, via a BEE special purpose vehicle (Zambezi Platinum (RF) Limited), referred to as the Zambezi BEE Transaction.

Northam claimed input VAT in relation to the Zambezi 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, No. 28 of 2011.

The objection raised by Northam against the additional assessments and understatement penalties was disallowed, upon which Northam appealed to the Tax Court. SARS and Northam reached a settlement prior to the matter being heard in the Tax Court. In terms of the settlement agreement, Northam was liable for an amount of R16.8 million as full and final settlement of the dispute, which was equal to the capital amount assessed and recovered by SARS from the VAT refund that was due to Northam in respect of the August 2018 tax period. Refer to note 8 sundry expenditure for amounts relating to the settlement of the VAT dispute with SARS.

It was also agreed that all the other amounts that have been assessed, and recovered from Northam by SARS, be remitted and the difference between the capital amount and the total amount recovered by SARS through the reduction of the refund that was due in respect of the August 2018 tax period, being an amount of R15.9 million, with interest be refunded by SARS to Northam.

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

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

Northam submitted C-19 TERS claims to the value of R121.3 million, of which an amount of R108.9 million (30 June 2021: R102.7 million) has been received to date, refer to note 7 sundry income for amounts received during the year.

No further claims have been applied for during the year under review.

50. Events after the reporting period

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

ADMINISTRATION AND CONTACT INFORMATION

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

Bond code: NHM015
Bond ISIN: ZAG000164922
Bond code: NHM016
Bond ISIN: ZAG000167750
Bond code: NHM018
Bond ISIN: ZAG000168097
Bond code: NHM019
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Bond code: NHM020
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