

# EMPOWERING A NEW ERA IN MINING

# WHO WE ARE

The mighty Zambezi River, one of Africa's largest, sustains the livelihoods of millions of people in four sub-Saharan countries.

Much like this invaluable watercourse, Zambezi Platinum (RF) Limited (Zambezi or Zambezi Platinum or the company) provides a solid foundation to fuel new mining opportunities, grow a sustainable modern mining company and deliver benefits for all its stakeholders for many years to come.

Zambezi is a special purpose black economic empowerment (BEE) vehicle and was incorporated on 2 June 2014 as a result of a R6.6 billion BEE transaction with Northam Platinum Limited (Northam). The transaction included the successful raising of R4.6 billion and was approved by Northam shareholders on 19 March 2015.

In terms of the transaction, Northam issued 112 195 122 new shares, (equivalent to 22.0% of Northam's issued share capital). These shares were supplemented by 47 710 331 shares (equivalent to 9.4% of Northam's issued share capital), sold to Zambezi by the Public Investment Corporation SOC Limited (PIC), a long-standing Northam shareholder.

Zambezi comprises a range of historically disadvantaged South African (HDSA) stakeholders including an employee trust, two community trusts, a women's group and a core of strategic partners. Together they hold a 31.4% stake in Northam.

Zambezi has financed the acquisition of shares in Northam through a preference share arrangement. Apart from this function, Zambezi will not conduct any operational business. Zambezi's preference shares were listed on the JSE Limited (JSE) on 11 May 2015.



# CONTENTS

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Chairman's statement	2
Directors' report	4
Board of directors	12
Approval of the annual financial statements	14
Report of the audit committee	16
Company secretary's confirmation	17
Independent auditor's report	18
Annual financial statements	22
Notice of the third annual general meeting of ordinary shareholders of the company (AGM)	58
Form of proxy	61
Administration and contact information	64

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# CHAIRMAN'S STATEMENT

*"The Northam team has kept focus throughout, and acquitted itself admirably in a challenging operating environment."*



I am happy to report on the continued progress achieved by our partner company, Northam Platinum. The Northam team has kept focus throughout, and acquitted itself admirably in a challenging operating environment. This focus has translated into a year of:

- excellent operating performances at the underlying cash-generating operating assets;
- sustained and thorough progress in the development of Northam's pipeline of excellent projects; and
- the acquisition of a number of quality properties and businesses which in time will add further longevity to the group, along with exposure to another facet of the platinum group metal (PGM) market in the United States of America.

In these difficult market conditions, calls for metal production cutbacks are regular and increasingly

vocal. However, my board members at Zambezi and I understand the difficulties associated with closing shafts, and then needing to reopen them when conditions turn. Our investment in Northam has a long time horizon, in keeping with the long-term nature of mining and our belief in these precious metals.

Northam's two existing operating assets, the Zondereinde and Booyensdal mines, could not be more diverse in terms of geography, mining method, depth of mining and labour requirements. What they have in common though, is long life, flexibility, a low cost and low risk profile. Importantly, they also hold opportunity for brownfields expansion from existing infrastructure and workings. Northam's management has been entrepreneurial in its approach to growing into modular mining developments from its existing infrastructure.

The Merenksy mine at Booysendal is an appropriate example, and it will be relatively simple to cut back and increase volumes from this small swing mine as market conditions dictate. At Zondereinde, the ounces we anticipate from the soon to be developed Tumela block will have similar properties.

Our view of our holding in Northam has been informed by both the long-term nature of such an investment, along with an understanding of its healthy appetite for capital. We have kept a watching brief on what has evolved into a very successful expansion strategy for Northam, and must commend management for its prudent application of R1.6 billion in capital over the past financial year.

The project pipeline at Booysendal is rapidly being developed, and will soon be complemented with the quality asset suite acquired over the year:

- In October 2016 Northam announced the acquisition of the Tumela resource from Anglo American Platinum Limited. The Tumela block adjoins the Zondereinde mine's north-west boundary and will add approximately 16.7Moz to the Zondereinde resource. The acquisition is valued at R1 billion. The Tumela block provides significant operating synergies for Zondereinde and allows the mine to continue mining higher-grade Merenksy reef at little incremental cost.
- In February this year Northam announced the purchase of the Eland mine, equipment and mining fleet from Glencore Operations South Africa Proprietary Limited for R175 million, and
- In July 2017, in its first foray outside South Africa, Northam acquired a metal recycling plant and a property in the United States of America for USD10.7 million.

In a very short space of time Northam has evolved from a company with a single operating mine into a multi-asset, diversified PGM producer and marketer, with both operational flexibility and corporate agility. We at Zambezi are proud to have the Northam team as partners.

In conclusion, I wish to congratulate Paul Dunne most heartily for his visionary and hands-on leadership. I also wish to thank the board of Northam, and management and employees at all Northam's operations, for their ongoing commitment and hard work, resulting in a most eventful year.

**Lazarus Zim**

Chairman

22 September 2017

# DIRECTORS' REPORT

The directors have pleasure in submitting their report for the year ended 30 June 2017.

## HISTORY AND THE NATURE OF THE BUSINESS

Zambezi was incorporated as a private company on 2 June 2014, as a special purpose vehicle to facilitate the Northam BEE transaction as detailed in the Northam transactional circular dated 17 February 2015, the Zambezi prospectus to Northam shareholders dated 21 April 2015 (prospectus) and the Northam offer circular dated 21 April 2015 (offer circular) (collectively the circulars). These circulars are available on the company's website [www.northam.co.za/zambezi/](http://www.northam.co.za/zambezi/)

On 16 February 2015, the company converted to a public company, changed its name to Zambezi Platinum (RF) Limited and became a ring-fenced company in terms of the Companies Act, No.71 of 2008, as amended from time to time (Companies Act) with restrictions in terms of its conduct of business activities. On 11 May 2015, Zambezi listed on the main board of the JSE in terms of the JSE Debt Listings Requirements, with the preference share code ZPLP, to facilitate the Northam BEE transaction described in the offer circular and prospect (18 May 2015) (Northam BEE transaction). Prior to the company's conversion to a public company and listing on the JSE, Zambezi did not conduct any business operations or activities.

On the implementation date of the Northam BEE transaction, Zambezi allotted and issued 159 905 453 Zambezi preference shares to offer participants, 10 000 Zambezi ordinary shares to HDSA participants and 1 N share to Northam. The Zambezi ordinary shares and the N share are not listed on the JSE. Further details of the shareholders can be found in this annual report.

As part of the Northam BEE transaction, the company received 112 195 122 Northam shares and acquired a further 47 710 331 Northam shares from the PIC, totalling 159 905 453 Northam shares (BEE shares). The company has undertaken to not dispose of or encumber the BEE shares for the duration of the 10 year lock-in period, other than in accordance with the preference share terms and the Zambezi pledge and cession agreement.

The Northam shares held by Zambezi represent a 31.4% HDSA holding in Northam's issued stated capital.

## CORPORATE GOVERNANCE

The board of directors (the board) is committed to the principles of fairness, accountability, responsibility and transparency as advocated in the King IV Report on Corporate Governance for South Africa 2016 (King IV), as well as other applicable legislation.

The application of King IV is on an apply and explain basis and the effective date for disclosure on the application is for the financial year ending 30 June 2018.

The company has no employees, subsidiary companies, operational mines or independent directors (each director represents a shareholder of the company). The board is therefore satisfied that, where relevant, there is adequate compliance with King IV. The corporate governance principles adopted by Northam and therefore Zambezi, are available on the Northam website: [www.northam.co.za](http://www.northam.co.za) and are currently being updated in terms of King IV.

**BOARD OF DIRECTORS**

At 30 June 2017, the board comprised seven directors, all of whom are non-executive directors and represent the following shareholders of the company, which is unchanged from the prior year:

**BOARD MEMBERS**

		2017	2016
Name of director	Representation	% held in the ordinary share capital of the company	% held in the ordinary share capital of the company
Mr PL Zim	Atisa Platinum (RF) Proprietary Limited*	12.8	12.8
Mr PA Dunne	Northam Platinum Limited (1 N share)	Provides a protective right to Northam	Provides a protective right to Northam
Mr AZ Khumalo	The Northam Employees' Trust	9.6	9.6
Mr KB Mosehla	Malundi Resources (RF) Proprietary Limited	12.8	12.8
Mr GS Mseleku	Mpilo Platinum (RF) Proprietary Limited	29.8	29.8
Ms N Mazwai	Zambezi Platinum Women's SPV (RF) Proprietary Limited	19.1	19.1
Mr LC van Schalkwyk	The Northam Booyensdal Community Trust and the Northam Zondereinde Community Trust	Each trust holds 7.95	Each trust holds 7.95

\* Mr PL Zim also has an indirect interest of 16.67% in Mpilo Platinum (RF) Proprietary Limited via Zim Group Proprietary Limited.

**BOARD COMMITTEE MEMBERS**

Audit committee	Social and ethics committee
Mr KB Mosehla – chairman	Mr GS Mseleku – chairman
Mr GS Mseleku	Mr LC van Schalkwyk
Ms N Mazwai	Mr CA Smith*

\* Mr Smith, Northam's executive: human resources is a member of the social and ethics committee.

# DIRECTORS' REPORT *continued*

## RE-ELECTION OF DIRECTORS

In terms of clause 25.22 of the company's Memorandum of Incorporation (MOI), at each annual general meeting (AGM) of the company 1/3 (one third) of the directors who have been longest in office since their last election must retire. Messrs PL Zim, PA Dunne and LC van Schalkwyk in accordance with the provisions of the MOI, retire from office and, being eligible and available, have offered themselves for re-election and appointment. Accordingly at the forthcoming AGM to be held on Tuesday, 7 November 2017, at 09:30, members will be requested to consider resolutions providing for the election and re-appointment of the aforementioned directors of the company.

Brief summaries of their *curricula vitae* are set out on pages 12 to 13 of this report.

## DISCLOSURE OF INTERESTS AND DIRECTORS DEALINGS IN SHARES

Disclosure of personal financial interests is a standing board and committee agenda item. In terms of directors' dealings in shares, all board members are required to obtain prior approval from the chairperson, or in his absence, Northam as secretaries and technical and administrative advisers to the company (secretaries), for dealings in Zambezi preference shares and/or Northam ordinary shares, either directly or indirectly. Such approval will not be unreasonably withheld but will not be granted during any embargo or closed period in terms of the JSE Listings Requirements.

## BOARD CHARTER AND BOARD COMMITTEE TERMS OF REFERENCE

The board charter articulates the objectives and responsibilities of the board. Each of the board committees operates in accordance with written terms of reference, which are approved by the board. The board charter, the audit committee's terms of reference and the social and ethics committee's terms of reference are available on the Zambezi website at [www.northam.co.za/zambezi](http://www.northam.co.za/zambezi)

## BOARD AND COMMITTEE MEETINGS

Meetings of the board are held at such time and at such venue as the board deems appropriate, but will normally take place at least once a year or at the call of the chairperson of the board.

The meetings of the audit committee shall be held at least twice a year and the social and ethics committee shall meet as and when required.

## ATTENDANCE AT BOARD MEETINGS

Director	20 June 2017
PL Zim – chairman	√
PA Dunne	√
AZ Khumalo	√
KB Mosehla	√
LC van Schalkwyk	√
GS Mseleku	√
N Mazwai (Ms)	√



**ATTENDANCE AT AUDIT COMMITTEE MEETINGS**

Director	20 September 2016	15 February 2017
KB Mosehla – chairman	✓	✓
GS Mseleku	Apology	✓
N Mazwai (Ms)	✓	Apology

**ATTENDANCE AT SOCIAL AND ETHICS COMMITTEE MEETINGS**

Director	20 June 2017
GS Mseleku – chairman	✓
LC van Schalkwyk	✓
CA Smith	✓

✓ *Attended*

**SOCIAL AND ETHICS COMMITTEE**

The Social and Ethics committee has 3 (three) members, Messrs GS Mseleku, chairman, LC van Schalkwyk and CA Smith.

The Social and Ethics committee meets at least once a year and reports to the board on the committee's activities at the board meeting following each Social and Ethics committee meeting.

The Social and Ethics committee's key focus areas during the year were to review the Trusts, as follows:

Progress has been made in putting in place the Northam Booyensdal Community Trust and the Northam Zondereinde Community Trust to regulate the disbursements which will be paid to the communities in the future. The Community Trusts have already benefitted in the amount of R25.9 million each (a percentage of the R400 million lock-in fee paid in May 2015), and like all other shareholders, will benefit further financially when Northam resumes dividend payments. Northam has not paid dividends in recent years owing to weak PGM prices and its large capital expansion programme.

The Booyensdal Community Trust is operational. All trustee appointments have been registered with the Master of the High Court; have participated in a trustee orientation session and have held two meetings. After consultation with their constituencies, the community trustees have forwarded project proposals to the Trust for consideration.

With regard to the Zondereinde Community Trust, all the identified beneficiary communities have been consulted. Community, independent and Northam Platinum trustees have been identified and are in the process of being lodged with the Master of the High Court. Trustee training, orientation and the Trust's first meeting are scheduled to take place before December 2017.

All is on track for the Trusts to disburse educational bursaries, fund community skills development programmes and consider health related projects in 2018.

# DIRECTORS' REPORT *continued*

## FINANCIAL RESULTS

Full details of the financial results of the company are set out in the financial statements.

## STATED CAPITAL

There have been no changes in the stated capital or ownership thereof during the year under review.

The authorised stated capital remains as 11 000 ordinary shares at no par value and 1 N share. The issued stated capital remains at 10 000 ordinary shares at an issue price of R0.01 per ordinary share and 1 N share at an issue price of R0.01 per share.

## SHAREHOLDERS

At 30 June 2017, the Zambezi ordinary shareholders were as follows, which is unchanged from the prior year:

Name of ordinary shareholder	Number of Zambezi Platinum (RF) Limited ordinary shares	% of Zambezi Platinum (RF) Limited	% of Northam Platinum Limited
Atisa Platinum (RF) Proprietary Limited*	1 280	12.80	4.0
Malundi Resources (RF) Proprietary Limited*	1 280	12.80	4.0
Mpilo Platinum (RF) Proprietary Limited*	2 980	29.80	9.4
Zambezi Platinum Women's SPV (RF) Proprietary Limited**	1 910	19.10	6.0
The Northam Employee's Trust	960	9.60	3.0
The Northam Booyesendal Community Trust	795	7.95	2.5
The Northam Zondereinde Community Trust	795	7.95	2.5
	10 000	100.00	31.4

All shareholders are HDSA participants.

\* Shareholders defined as the Strategic Partners

\*\* Shareholder defined as the Women's Consortium

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 preference share terms and/or the unwinding of the transaction prior to the expiry of the lock-in period.

The N share shall rank ahead of the distribution rights of the holders of the Zambezi ordinary shares and shall be equal to the amount of the lock-in and restraint payments plus interest accrued thereon from the date on which the lock-in and restraint payment was made until the date of payment of the N share distribution, at the dividend rate compounded annually.

Other than as required in terms of the Companies Act, the N share will not entitle Northam to any voting rights.

Name of N shareholder	Number of N share	%
Northam Platinum Limited	1	100.0

At 30 June 2017, the following directors (together with their associates) have a beneficial interest in the company in accordance with the table below, which is unchanged from the previous year:

Name of director	Consortia in which the director has an interest	2017	2016
		Effective interest in Zambezi ordinary shares (%)	Effective interest in Zambezi ordinary shares (%)
PL Zim	Atisa Platinum (RF) Proprietary Limited and Mpilo Platinum (RF) Proprietary Limited	11.0	11.0
GS Mseleku	Mpilo Platinum (RF) Proprietary Limited	9.8	9.8
KB Mosehla	Malundi Resources (RF) Proprietary Limited	3.2	3.2
N Mazwai	Zambezi Platinum Women's SPV (RF) Proprietary Limited	6.6	6.6
		30.6	30.6

In terms of the subscription agreement, the shareholders have undertaken not to dispose of or encumber their shares for the duration of the lock-in period, being 10 years from May 2015. The Zambezi preference shares were listed on the JSE on 11 May 2015 and allotted and issued to shareholders in terms of the offer circular on 18 May 2015.

	Number of Zambezi Platinum preference shares	%
Zambezi preference shares	159 905 453	100.0

At 30 June 2017, Mr AZ Khumalo, the chief financial officer of Northam, held 500 Zambezi preference shares and Mr LC van Schalkwyk, chief commercial officer of Northam held 52 374 Zambezi preference shares.

# DIRECTORS' REPORT *continued*

## LOCK-IN AND RESTRAINT PAYMENT

In terms of the Northam BEE transaction, Zambezi has undertaken not to dispose of or encumber the BEE shares for the duration of the 10-year lock-in period, other than in accordance with the preference share terms and the Zambezi pledge and cession agreement. In terms of the relationship agreements, the ordinary shareholders referred to as the HDSA participants have, in turn, undertaken not to dispose of or encumber their Zambezi ordinary shares for the duration of the lock-in period. Furthermore, Zambezi has, pursuant to the subscription agreement, and the HDSA participants have, pursuant to their respective relationship agreements, undertaken in favour of Northam not to be engaged, directly or indirectly, or in any way to be interested, in any platinum group metal (PGM) exploration, PGM prospecting or PGM mining activities or in any competitor of the Northam group for the duration of the lock-in period, save to the extent specifically permitted under such relationship agreements.

As consideration for entering into the lock-in arrangement, and in recognition of the benefit that Northam and the Northam shareholders will derive from the lock-in arrangement, a lock-in and restraint payment was made to Zambezi, being a once-off gross amount of R400.0 million.

Zambezi then distributed the lock-in and restraint payment, net of taxes, to its ordinary shareholders (HDSA participants), as a dividend. Each of the HDSA participants have, in turn, utilised their portion of the lock-in and restraint payment (lock-in funds) as follows:

- each of the Strategic Partners and the Women's Consortium have distributed their portion of the lock-in funds as a dividend to their shareholders;
- the Northam Employees' Trust will invest its portion of the lock-in funds in permanent capital goods and infrastructure or education or healthcare projects for the benefit of its beneficiaries, as approved by Northam; and
- each of the Northam Zondereinde Community Trust and the Northam Booyensdal Community Trust will invest their portion of the lock-in funds in community development activities for the benefit of their beneficiary communities as approved by Northam.

## FINANCIAL RESULTS

The statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity and accompanying notes reflect the results of the company for the year ended 30 June 2017 and the financial position of the company and the group at that date.

## EVENTS AFTER THE REPORTING DATE

There have been no facts or circumstances of a material nature that have occurred between the accounting date and the date of this annual report, that require adjustment to the financial results or the disclosure.



# BOARD OF DIRECTORS



## **PL Zim (57)**

BCom (Hons); MCom

### **Non-executive chairman**

*Joined the board in May 2015*

Mr Zim is the non-executive chairman of Northam. A director of Atisa Platinum (RF) Proprietary Limited, Sanlam Limited and Sanlam Life Insurance Limited. He is also a past President of the Chamber of Mines of South Africa. Previously chairman of Telkom SA SOC Limited, he has also held senior executive positions at Anglo American South Africa Limited, M-Net Supersport and MTN Group Limited. He was voted African Business Leader of the Year in 2005 and in 2017 he received a Meritorious Award from the Association of Mine Managers South Africa for his outstanding contribution and dedication to the South African Mining Industry. Mr Zim is also an Honorary Colonel in the South African Army.

## **PA Dunne (54) (British)**

BSc (Hons); MBA

### **Non-executive director**

*Joined the board in October 2014*

Mr Dunne is the chief executive officer of Northam. Prior to joining Northam he was employed by Impala Platinum Holdings Limited (Implats) as an executive

director responsible for all mining, concentrating and smelting operations at Implats' Rustenburg and Marula mines.

## **AZ Khumalo (52)**

CA (SA)

### **Non-executive director**

*Joined the board in March 2015*

Mr Khumalo is the chief financial officer of Northam. He has extensive mining and corporate finance experience. From September 2008 he was the group finance executive of Coal of Africa Limited. Prior to that, from 2004 to 2008, he was director of finance of Aquarius Platinum (South Africa) Proprietary Limited.

## **KB Mosehla (45)**

CA (SA)

### **Non-executive director, chairman of the audit committee**

*Joined the board in May 2015*

Mr Mosehla is a non-executive director of Northam and is the chief executive officer of Mosomo Investment Holdings Proprietary Limited. He is also a director of Malundi Resources (RF) Proprietary Limited and Coal of Africa Limited. In March 2016 he was appointed as chairman of Tembisa Provincial Tertiary Hospital.

**1** PL Zim

**2** PA Dunne

**3** AZ Khumalo

**4** KB Mosehla



**LC van Schalkwyk (52)**

Chartered management accountant (FCMA)

**Non-executive director, member of the social and ethics committee**

*Joined the board in October 2014*

Mr van Schalkwyk is Northam’s chief commercial officer. He previously held the position of company executive strategic finance, having risen through the ranks at Implats.

**GS Mseleku (51)**

BA (Hons); LLB; LLM (Tax Law); H Dip Co Law; Attorney of the High Court of South Africa

**Non-executive director, member of the audit committee and chairman of the social and ethics committee**

*Joined the board in May 2015*

Mr Mseleku is the executive chairman of Sakhumnotho Group Holdings, and of the Oakhurst Insurance Company. He serves on the board of Sulzer Pumps SA Proprietary Limited, and on a number of other companies. He is founder and Immediate Past President of the Pan African Chamber of Commerce and Industry.

**N Mazwai (59)**

BA (Hons) Journalism

**Non-executive director, member of the audit committee**

*Joined the board in May 2015*

Ms Mazwai is the founder and Festival Director of the Buyel’Ekhaya Pan African Cultural Festival. She has 20 years’ experience in senior management, consultancy and programme management roles.

**CA Smith (42)**

BSocSc (Hons)

**Member of the social and ethics committee**

Mr Smith is not a director of the company but a member of the social and ethics committee and is the executive: human resources for Northam. He has extensive experience in the mining sector and has held senior human resources positions at AngloGold Ashanti Limited, Richards Bay Coal Terminal Proprietary Limited and Implats.

5 LC van Schalkwyk

6 GS Mseleku

7 N Mazwai

8 CA Smith

# APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The directors are required by the Companies Act, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this annual report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRS). The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the systems of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards of internal controls aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and the directors are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by Northam, as administrators and secretaries 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 provide only reasonable, and not absolute, assurance against material misstatement or loss.



Northam has guaranteed that they will enable the company to settle any preference shares, dividends and repurchases as required by the Northam BEE transaction, as well as any other expenses incurred by the company.

The audit committee has confirmed to the directors of the company that the audit committee functions, in terms of the Companies Act, have been performed without any exceptions noted in relation to the financial statements and that they are satisfied that the auditors were independent of the company.

The auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and an unqualified audit opinion has been issued.

The financial statements for the year ended 30 June 2017 set out on pages 24 to 57 have been approved by the board of directors.

**PL Zim**  
Chairman

**PA Dunne**  
Director

**KB Mosehla**  
Chairman – audit committee

22 September 2017

# REPORT OF THE AUDIT COMMITTEE

The audit committee is pleased to present its report for the financial year ended 30 June 2017.

The audit committee has discharged its responsibilities mandated by the board, which also allows it to execute its statutory duties in compliance with the Companies Act. The committee's terms of reference, which can be found on the company's website [www.northam.co.za/zambezi/](http://www.northam.co.za/zambezi/) are aligned with the above legislation, regulations and principles.

## ANNUAL CONFIRMATIONS

### **Appropriateness of the expertise and experience of the chief financial officer**

In terms of the JSE listings requirements, the audit committee has satisfied itself as to the appropriateness of the expertise and experience of the chief financial officer of Northam Platinum Limited, who performs the relevant duties on Zambezi's behalf.

### **Independence and reappointment of external auditors**

The audit committee is satisfied that Ernst & Young Incorporated is independent of the company and group. The audit committee recommends the re-appointment of Ernst & Young Incorporated for the financial year ending 30 June 2018.

### **Going concern statement including solvency and liquidity**

Based on the solvency and liquidity tests performed, the audit committee report that they have a reasonable expectation that the company and group has adequate resources to continue in operational existence for the foreseeable future. This assumes that the company and group will continue to receive the support of Northam Platinum Limited going forward and is therefore assessed as being a going concern.

### **Effectiveness of internal controls**

Using Northam Platinum Limited's combined assurance model and the related assurance obtained from the various assurance providers in the three lines of defense as basis, the audit committee recommended to the board that it issues a statement as to the adequacy of the internal control environment.

### **Annual financial statements**

The audit committee has:

- reviewed and discussed the audited annual financial statements with the external auditors and the chief financial officer of Northam Platinum Limited under whose supervision the annual financial statements have been prepared;
- reviewed the external auditor's management letter and management's response thereto; and
- reviewed significant adjustments resulting from external audit queries and accepted any unadjusted audit differences.

The audit committee concurs with, and accepts the external auditor's conclusions on, the annual financial statements and has recommended the approval thereof to the board. The audit committee recommended the annual financial statements to the board for approval. The board has subsequently approved the financial statements, which will be open for discussion at the forthcoming AGM.

**KB Mosehla**

Chairman – audit committee

22 September 2017

## COMPANY SECRETARY'S CONFIRMATION

I, PB Beale, in my capacity as company secretary of Northam being the secretaries of the company, hereby certify in terms of section 88(2) of the Companies Act that all returns and notices required of a public company in terms of the Companies Act have, in respect of the year under review, been lodged with the Companies and Intellectual Property Commission and that all such returns are true, correct and up to date.

**Northam Platinum Limited**

Secretaries

per PB Beale

Johannesburg

22 September 2017

# INDEPENDENT AUDITOR'S REPORT

## TO THE SHAREHOLDERS OF ZAMBEZI PLATINUM LIMITED

### REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

#### OPINION

We have audited the Consolidated and Separate Financial Statements of Zambezi Platinum Limited Group and Company set out on pages 24 to 57, which comprise the statement of financial position as at 30 June 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Consolidated and Separate Financial Statements present fairly, in all material respects, the consolidated and separate financial position of the Group and the Company as at 30 June 2017, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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 Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Zambezi Platinum Limited and its subsidiaries. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code, IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Zambezi Platinum Limited and its subsidiaries. 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 judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

#### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, which includes the Directors' Report, the Audit Committee report and the Company Secretary's Certificate as required by the Companies Act of South Africa which we obtained prior to the date of this report. Other information does not include the Consolidated and Separate Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated and Separate Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated and Separate 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 Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 FINANCIAL STATEMENTS**

The directors are responsible for the preparation and fair presentation of the Consolidated and Separate 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated and Separate Financial Statements, the directors are responsible for assessing the Group'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 or to cease operations, or have no realistic alternative but to do so.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Consolidated and Separate 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 the Consolidated and Separate Financial Statements.

# INDEPENDENT AUDITOR'S REPORT *continued*

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 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's and the 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's 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated and Separate Financial Statements, including the disclosures, and whether the Consolidated and Separate 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 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, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Consolidated and Separate 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 04 December 2015, and subsequent guidance, we report that Ernst & Young Inc. has been the auditor of Zambezi Platinum Limited for 3 years.

#### **Ernst & Young Inc.**

Director – Mike Herbst

Registered Auditor

Chartered Accountant (SA)

102 Rivonia Road

Sandton

Johannesburg

22 September 2017

# ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017





# CONTENTS

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<b>Annual financial statements</b>	
Statements of financial position	24
Statements of profit or loss and other comprehensive income	25
Statements of changes in equity	26
Statements of cash flows	27
Notes to the financial statements	28
Notice of the third annual general meeting of ordinary shareholders of the company (AGM)	58
Form of proxy	61
Administration and contact information	64

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The annual financial statements set out on pages 24 to 57 have been prepared under the supervision of the chief financial officer of Northam Platinum Limited, Mr AZ Khumalo CA (SA). The annual financial statements have been audited by Ernst & Young Inc.

# STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2017

	Note	Group		Company	
		2017 R'000	2016 R'000	2017 R'000	2016 R'000
<b>ASSETS</b>					
<b>Non-current assets</b>		<b>6 679 620</b>	<b>6 559 685</b>	<b>6 468 176</b>	<b>6 875 935</b>
Investment in associate	2	6 679 620	6 559 685	6 468 176	6 875 935
<b>Current assets</b>		<b>445</b>	<b>424</b>	<b>445</b>	<b>424</b>
Trade and other receivables	3	7	–	7	–
Cash and cash equivalents	4	438	424	438	424
<b>Total assets</b>		<b>6 680 065</b>	<b>6 560 109</b>	<b>6 468 621</b>	<b>6 876 359</b>
<b>EQUITY</b>					
<b>Total equity</b>		<b>(1 984 161)</b>	<b>(1 016 386)</b>	<b>(2 167 942)</b>	<b>(770 976)</b>
Stated capital	5	–	–	–	–
Accumulated loss		(1 984 161)	(1 016 386)	(2 167 942)	(770 976)
Share of other comprehensive income from associate		–	–	–	–
<b>Non-current liabilities</b>		<b>8 664 220</b>	<b>7 576 495</b>	<b>8 636 557</b>	<b>7 647 335</b>
Deferred tax liability	6	27 663	798	–	71 638
Preference share liability	7	8 636 557	7 575 697	8 636 557	7 575 697
<b>Current liabilities</b>		<b>6</b>	<b>–</b>	<b>6</b>	<b>–</b>
South African Revenue Services		6	–	6	–
<b>Total equity and liabilities</b>		<b>6 680 065</b>	<b>6 560 109</b>	<b>6 468 621</b>	<b>6 876 359</b>

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Note	Group		Company	
		2017 R'000	2016 R'000	2017 R'000	2016 R'000
Investment revenue	8	22	–	22	–
Bank charges		(1)	–	(1)	–
Share of earnings from associate	2	119 935	128 777	–	–
Mark to market adjustment	2	–	–	(407 759)	438 141
Preference share dividends	9	(1 060 860)	(918 806)	(1 060 860)	(918 806)
Loss before tax		(940 904)	(790 029)	(1 468 598)	(480 665)
Taxation	10	(26 871)	(798)	71 632	(71 638)
<b>Loss for the year</b>		<b>(967 775)</b>	<b>(790 827)</b>	<b>(1 396 966)</b>	<b>(552 303)</b>
Other comprehensive income items that may be subsequently reclassified to profit or loss		–	–	–	–
Share of associate's associate exchange differences on translating foreign operations and foreign currency translation		–	(1 238)	–	–
Reclassification of other comprehensive income from associate's associate to profit or loss		–	1 238	–	–
<b>Total comprehensive income for the year</b>		<b>(967 775)</b>	<b>(790 827)</b>	<b>(1 396 966)</b>	<b>(552 303)</b>

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

Group				
	Stated capital R000	Accumulated loss R000	Share of other comprehensive income from associate R000	Total R000
Opening balance as at 1 July 2015	*	(225 559)	–	(225 559)
Loss and total comprehensive income for the year	–	(790 827)	–	(790 827)
Balance as at 1 July 2016	*	(1 016 386)	–	(1 016 386)
Loss and total comprehensive income for the year	–	(967 775)	–	(967 775)
<b>Balance as at 30 June 2017</b>	<b>*</b>	<b>(1 984 161)</b>	<b>–</b>	<b>(1 984 161)</b>

\* The stated capital amounts to R101, therefore less than R1 000

Company			
	Stated capital R000	Accumulated loss R000	Total R000
Opening balance as at 1 July 2015	*	(218 673)	(218 673)
Loss and total comprehensive income for the year	–	(552 303)	(552 303)
Balance as at 1 July 2016	*	(770 976)	(770 976)
Loss and total comprehensive income for the year	–	(1 396 966)	(1 396 966)
<b>Balance as at 30 June 2017</b>	<b>*</b>	<b>(2 167 942)</b>	<b>(2 167 942)</b>

\* The stated capital amounts to R101, therefore less than R1 000

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Group		Company	
		2017 R000	2016 R000	2017 R000	2016 R000
Cash flows from operating activities		14	(1)	14	(1)
Cash generated from operations	11	21	–	21	–
Change in working capital		(7)	–	(7)	–
Taxation paid	12	–	(1)	–	(1)
Movement in cash and cash equivalents		14	(1)	14	(1)
Cash and cash equivalents at beginning of year		424	425	424	425
<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>438</b>	<b>424</b>	<b>438</b>	<b>424</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

## 1. ACCOUNTING POLICIES: BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention and incorporate the following principal accounting policies, except where specifically indicated in the policies below.

The accounting policies adopted are in accordance with the IFRS issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS interpretations committee, as adopted by the South African Institute of Chartered Accountants (SAICA) and are consistent with those applied for the previous financial year, unless specifically indicated.

The preparation of financial statements in conformity with IFRS requires that management and the board exercise their judgement in the process of applying the company's accounting policies. It also requires the use of certain critical economic and other estimates.

### 1.1 NEW ACCOUNTING POLICIES ADOPTED

The following amendments, standards or interpretations impacting the company which became effective for the year beginning 1 July 2016 were adopted in the company's year-end results

- IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception - Amendments to IFRS 10, IFRS 12 and IAS 28
- IFRS 11 Accounting for Acquisitions of Interest in Joint Operations – Amendments to IFRS 11
- IFRS 14 Regulatory Deferral Accounts
- IAS 1 Disclosure Initiative – Amendments to IAS 1
- IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38
- IAS 16 and IAS 41 Agriculture – Bearer Plants – Amendments to IAS 16 and IAS 41
- IAS 27 – Equity Method in Separate Financial Statements - Amendments to IAS 27
- AIP IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Changes in methods of disposal
- AIP IFRS 7 Financial instruments: Disclosures – Servicing contacts
- AIP IFRS 7 Financial instruments: Disclosures – Applicability of the offsetting disclosures to condensed interim financial statements
- AIP IAS 19 Employee Benefits – Discount rate: regional market issue
- AIP IAS 34 Interim Financial Reporting – Disclosure of information "elsewhere in the interim financial report"

The adoption of these amendments resulted in changes only in the way in which the financial results statements are presented, as well as additional disclosures in the annual financial statements. They did not impact any amounts recognised in the consolidated statement of profit or loss and other comprehensive income or consolidated statement of financial position.

## 1.2 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following standards, amendments and interpretations were in issue but not yet effective. The effective date refers to periods beginning on or after, unless otherwise indicated.

IFRS 9 Financial Instruments	<p>The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and the business model under which they are held. The impairment requirements will generally result in earlier recognition of credit losses. It will be important for entities to monitor the discussions of the IFRS Transition Resource Group for Impairment of Financial Instruments (ITG).</p> <p>Management has not assessed the impact of this standard, it is estimated that the full impact analysis will be completed by December 2017.</p> <p>The group anticipates adopting IFRS 9 for the financial period ending June 2019.</p> <p>Further details on this will be included in the next reporting period.</p>	1 January 2018
IFRS 15 Revenue from Contracts with Customers	<p>IFRS 15 is more prescriptive than the current IFRS requirements for revenue recognition and provides more application guidance. The disclosure requirements are also more extensive. The standard will affect entities across all industries. Adoption will be a significant undertaking for most entities with potential changes to their current accounting, systems and processes.</p> <p>Therefore, a successful implementation will require an assessment of and a plan for managing the change. Management does not expect this standard to have any material impact on the company because the company is currently not trading with customers.</p> <p>The group anticipates adopting IFRS 15 for the financial period ending June 2019.</p>	1 January 2018

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017 *continued*

## 1. ACCOUNTING POLICIES: BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE *continued*

### 1.2 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE *continued*

IAS 7 Disclosure Initiative – Amendments to IAS 7	<p>The amendment requires the entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.</p> <p>The group is assessing the impact of the amendment.</p>	1 January 2017
IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12	<p>The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary differences. The amendments also provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amounts.</p> <p>Management is currently assessing the impact of the amendment with regards to the guidance on how an entity should determine future taxable profits and the circumstances in which taxable profits may include the recovery of some assets for more than their carrying amount.</p>	1 January 2017
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	<p>The amendments are intended to eliminate diversity in practice, when recognising the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration received or paid in foreign currency.</p> <p>Management will assess the impact and adopt this interpretation for the first time in the June 2019 reporting period.</p>	1 January 2018



IFRIC Interpretation 23 Uncertainty over Income Tax Treatments	<p>The interpretation addresses the following:</p> <ul style="list-style-type: none"> <li>• Whether an entity considers uncertain tax treatments separately</li> <li>• The assumptions an entity makes about the examination of tax treatments by taxation authorities</li> <li>• How the entity determines taxable profit (tax loss), tax bases, unused tax credits and tax rates</li> <li>• How an entity considers changes in facts and circumstances</li> </ul> <p>Entities need to evaluate whether they have established appropriate processes and procedures to obtain information on a timely basis that is necessary to apply the requirements of the interpretation and make the required disclosures.</p> <p>Management will assess the impact and adopt this interpretation for the first time in the June 2019 reporting period.</p>	1 January 2019
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The company does not intend early adopting any of the above amendments, standards and interpretations.

### 1.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the group and company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### Judgments

In the process of applying the group and company's accounting policies, no significant judgments were made by management.

These estimates and assumptions are continually evaluated and are based on historical experiences and exceptions of future event that are believed to be reasonable under the circumstances.

# NOTES TO THE FINANCIAL STATEMENTS *continued*

## FOR THE YEAR ENDED 30 JUNE 2017

### 1. ACCOUNTING POLICIES: BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE *continued*

#### 1.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS *continued*

##### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

##### **Determination of recoverable amount of investment in associate**

The recoverable amount of the investment in associate is valued at the higher of the quoted prices in an active market or determined by using valuation techniques including the discounted cash flow (DCF) model to estimate the value in use. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of estimation is required in establishing fair values. Estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

##### **Impairment of financial assets**

Financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

#### 1.4 ASSOCIATE

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries. The group and company define any investment that is 20% or more of the voting power as a significant investment.

Entities in which the group has significant influence are associates, and are accounted for using the equity method of accounting.

The investment in associate is recognised at cost on initial recognition. Any difference between the cost of the investment and the entity's share of the net fair value of the group's identifiable assets and liabilities is accounted for as follows: Goodwill is included in the carrying amount of the investment (cost exceeds fair value). Any excess of the entity's share of the net fair value of the associates identifiable assets and liabilities over cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

The carrying amount is adjusted by Zambezi's share of the post-acquisition profit or loss, and certain inter-entity transactions together with a reduction for any dividends received or receivable from the associate.

The income statement reflects the entity's share of the results of operations of the associate. Any change in 'Other Comprehensive Income' of those investees is presented as part of the group's 'Other Comprehensive Income'. In addition, when there has been a change recognised directly in the equity of the associate, the group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the group's share of profit or loss of an associate is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit.

The financial statements of the associate are prepared for the same reporting period as the group, using consistent accounting policies.

After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'share of profit of an associate' in the statement of profit or loss and other comprehensive income.

The entity discontinues its use of the equity method from the date on which it ceases to have significant influence, and from that date accounts for the investment in accordance with IAS 39 (when the associate becomes an investment, the fair value of the associate on that date becomes the initial carrying amount of the investment), provided the investment does not then qualify as a subsidiary or joint venture.

The share of profit of associates is shown on the face of the statement of profit or loss and other comprehensive income in profit or loss. This amount represents the profit (loss) attributable to the group.

The investment in associate is accounted at fair value through profit and loss in the separate company financial statements.

## 1.5 REVENUE AND OTHER INCOME

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty. The company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The company has concluded that it is acting as a principal in all of its revenue arrangements.

# NOTES TO THE FINANCIAL STATEMENTS *continued*

## FOR THE YEAR ENDED 30 JUNE 2017

### 1. ACCOUNTING POLICIES: BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE *continued*

#### 1.5 REVENUE AND OTHER INCOME *continued*

The following specific recognition criteria must also be met before revenue and other income is recognised:

##### **Interest income**

Interest income is recognised as interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

##### **Dividends**

Dividend income is recognised when the company's right to receive the payment is established.

#### 1.6 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, associates and joint arrangements.

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, associates and joint arrangements.

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 recovered.

Deferred income tax assets and liabilities are measured at the tax rate 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 tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority and taxable entity.

### **Dividends withholding tax**

The group withholds dividends tax on behalf of its shareholders at a rate of 20% effective 22 February 2017 (previously 15%) on dividends declared. 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.

## **1.7 FINANCIAL INSTRUMENTS**

Financial instruments recognised on the statement of financial position include investments, cash and cash equivalents, trade receivables and borrowings. These are recognised when the company becomes party to the contractual agreements. All financial instruments are initially recorded at fair value and in the case of financial instruments not at fair value through profit or loss, directly attributable transaction costs. Where on initial recognition of a financial instrument the fair values are based on a quoted price in an active market for an identical asset or liability and there is a difference between the transaction price and the fair value of the financial instrument, the difference is accounted for as a day one gain or loss and taken directly to profit or loss.

### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and include cash and cash equivalents. After initial measurement, loans and 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.

### **Cash and cash equivalents**

Cash and cash equivalents comprise deposits with banking institutions readily convertible to known amounts of cash subject to insignificant risk of changes in value. Current account balances are only netted off when the entity has a legally enforceable right to do so and the group intends to settle on a net basis. Cash and cash equivalents are subsequently carried at amortised cost.

# NOTES TO THE FINANCIAL STATEMENTS *continued*

## FOR THE YEAR ENDED 30 JUNE 2017

### 1. ACCOUNTING POLICIES: BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE *continued*

#### 1.7 FINANCIAL INSTRUMENTS *continued*

##### **Preference shares**

The redeemable preference shares are classified as financial liabilities, because they bear compulsory dividends and are redeemable in cash and/or Northam Platinum Limited shares at the end of the 10 year lock-in period. The dividends thereon are recognised as interest expense in profit or loss as accrued.

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

Accrued dividends on preference shares are recognised as finance charges.

#### 1.8 IMPAIRMENT OF FINANCIAL INSTRUMENTS

The company assesses at each reporting date whether a financial asset or company of financial assets is impaired.

##### **Assets carried at amortised cost**

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Evidence of impairment may include default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in estimated future cash flows. The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss.

#### 1.9 DERECOGNITION OF FINANCIAL INSTRUMENTS

##### **Financial assets**

A financial asset (or, where applicable a part of a financial asset or part of a company of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; and
- the company 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 company has transferred substantially all the risks and rewards of the asset or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or 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 DIVIDENDS

Dividends declared are charged to equity in the period in which the dividend is declared.

### 1.11 STATED CAPITAL

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effect, are recognised as a deduction from equity.

## 2. INVESTMENT IN ASSOCIATE

	Group		Company	
	2017 R000	2016 R000	2017 R000	2016 R000
Opening balance 1 July	6 559 685	6 430 908	6 875 935	6 437 794
Mark to market fair value adjustment	–	–	(407 759)	438 141
Share of earnings from associate	119 935	128 777	–	–
	<b>6 679 620</b>	<b>6 559 685</b>	<b>6 468 176</b>	<b>6 875 935</b>

The investment in associate represents Zambezi Platinum (RF) Limited's 31.4% investment in Northam Platinum Limited, a company listed on the JSE Limited (JSE). The initial fair value of the investment was determined with reference to the share price as at acquisition date, being 18 May 2015 and the share price at year end/period end. The sale or trade of the Northam Platinum Limited shares is restricted for the lock-in period of 10 years, as a lock-in fee was paid to the company and distributed to Zambezi Platinum (RF) Limited's shareholders. Zambezi Platinum (RF) Limited is therefore not allowed to trade their Northam Platinum Limited shares during this period.

The mark to market fair value adjustment represents the movement in the share price between reporting periods.

The share of profits from associate represents Zambezi Platinum (RF) Limited's 31.4% share in the profits made by Northam Platinum Limited for the year ended.

# NOTES TO THE FINANCIAL STATEMENTS *continued*

## FOR THE YEAR ENDED 30 JUNE 2017

### 2. INVESTMENT IN ASSOCIATE *continued*

Below is a summary of the statement of profit or loss and other comprehensive income as well as the statement of financial position of the company's associate, Northam Platinum Limited:

#### Statement of profit or loss and other comprehensive income

	2017 R000	2016 R000
Sales revenue	6 865 185	6 097 070
Cost of sales	(6 251 200)	(5 713 722)
Operating costs	(5 676 017)	(5 007 233)
Concentrates purchased	(404 093)	(350 514)
Refining and other costs	(120 633)	(133 186)
Depreciation and write-offs	(452 584)	(403 545)
Change in metal inventories	402 127	180 756
Operating profit	613 985	383 348
Share of earnings/(losses) from associate and joint venture	4 870	(32 253)
Investment revenue	167 306	265 258
Finance charges excluding preference share dividends	(71 185)	(39 634)
Net foreign exchange transaction (losses)/gains	(46 729)	26 163
Sundry income	73 361	154 765
Sundry expenditure	(130 843)	(92 122)
Profit before preference share dividends	610 765	665 525
Amortisation of liquidity fees paid on preference shares	(16 390)	(18 088)
Preference share dividends	(1 017 396)	(918 806)
Loss on derecognition of preference share liability	(901)	–
Loss before taxation	(423 922)	(271 369)
Taxation	(212 021)	(236 894)
Loss for the year	(635 943)	(508 263)
Other comprehensive income	–	19 822
Total comprehensive income for the year	(635 943)	(488 441)
Total comprehensive income for the year ended taking into account intergroup eliminations	382 354	410 543
<b>Zambezi Platinum (RF) Limited's 31.4% share of earnings</b>	<b>119 935</b>	<b>128 777</b>



**Statement of financial position**

	2017 R000	2016 R000
<b>ASSETS</b>		
Non-current assets	15 483 553	14 110 084
Property, plant and equipment	9 022 260	7 853 993
Mining properties and mineral resources	5 636 342	5 614 094
Interest in associates and joint ventures	167 214	192 164
Unlisted investments	–	6
Land and township development	48 529	51 341
Long-term receivables	83 745	89 717
Investment held by Northam Platinum Restoration Trust Fund	102 233	93 647
Environmental Guarantee Investment	68 104	60 345
Buttonshope Conservancy Trust	11 126	10 445
Long-term prepayments	336 409	–
Other assets	7 591	–
Deferred tax asset	–	144 332
Current assets	4 103 337	4 867 779
Inventories	1 729 102	1 330 270
Trade and other receivables	548 997	375 204
Cash and cash equivalents	1 786 865	3 105 080
Tax receivables	38 373	57 225
Non-current assets held for sale	49 222	–
<b>Total assets</b>	<b>19 636 112</b>	<b>18 977 863</b>
<b>EQUITY AND LIABILITIES</b>		
Total equity	8 092 041	8 727 984
Stated capital	13 778 114	13 778 114
Treasury shares	(6 556 123)	(6 556 123)
Retained earnings	(4 398)	631 545
Equity-settled share-based payment reserve	874 448	874 448

# NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2017

## 2. INVESTMENT IN ASSOCIATE *continued*

### Statement of financial position *continued*

	2017 R000	2016 R000
Non-current liabilities	9 929 685	9 072 179
Deferred tax liabilities	585 883	590 637
Long-term provisions	304 829	272 820
Preference-share liability	8 279 825	7 429 549
Long-term loans	249 428	275 513
Long-term share-based payment liability	88 639	84 373
Domestic medium term notes	421 081	419 287
Current liabilities	1 614 386	1 177 700
Current portion of long-term loans	13 434	13 201
Short-term share-based payment liability	75 026	56 704
Tax payable	102 550	104 072
Trade and other payable	1 268 172	877 935
Short-term provisions	155 204	125 788
<b>Total equity and liabilities</b>	<b>19 636 112</b>	<b>18 977 863</b>

## 3. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017 R000	2016 R000	2017 R000	2016 R000
Accrued interest	7	–	7	–
	7	–	7	–

Accrued interest relates to interest earned on positive bank balances.

The carrying amount approximates fair value due to the short-term nature of the instrument.

#### 4. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017 R000	2016 R000	2017 R000	2016 R000
Cash at bank and on hand	438	424	438	424
	438	424	438	424

Cash at bank earns interest at floating rates based on daily bank deposit rates.

The carrying amount approximates fair value due to the short-term nature of the instrument.

#### 5. STATED CAPITAL

	Group and company	
	2017 R000	2016 R000
<b>Authorised stated capital</b>		
11 000 ordinary shares at no par value		
159 905 453 Zambezi Platinum (RF) Limited preference shares		
1 N share		
<b>Issued and fully-paid stated capital</b>		
10 000 ordinary shares at an issue price of R0.01 per ordinary share	*	*
1 N share at an issue price of R0.01 per N share	*	*

\* Less than R1 000

# NOTES TO THE FINANCIAL STATEMENTS *continued*

## FOR THE YEAR ENDED 30 JUNE 2017

### 6. DEFERRED TAX

	Group		Company	
	2017 R000	2016 R000	2017 R000	2016 R000
Investment in associate	27 663	798	–	71 638
	27 663	798	–	71 638

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

	Group		Company	
	2017 R000	2016 R000	2017 R000	2016 R000
Deferred tax at the beginning of the year	798	–	71 638	–
<b>Charge for the year</b>				
Temporary difference in respect of investment in associate	26 865	798	(91 338)	71 638
Non-recognition of a deferred tax asset	–	–	19 700	–
	27 663	798	–	71 638

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. Due to the company's financial performance and the uncertainty of future taxable profits to account against any deferred tax asset, management concluded, following due assessment, that it was prudent not to raise a deferred tax asset.

No deferred tax asset relating to the temporary difference on the mark to market adjustment of R87.9 million was therefore raised during the year under review in the company accounts.

**7. PREFERENCE SHARE LIABILITY**

	Group		Company	
	2017 R000	2016 R000	2017 R000	2016 R000
Opening balance	7 575 697	6 656 891	7 575 697	6 656 891
Accrued dividends for the year	1 060 860	918 806	1 060 860	918 806
	<b>8 636 557</b>	7 575 697	<b>8 636 557</b>	7 575 697

In May 2015, 159 905 453 cumulative redeemable preference shares were issued by Zambezi Platinum (RF) Limited at an issue price of R41 per share. The preference shares are redeemable in 10 years from date of issue being May 2025, at R41 plus the cumulative preference dividends. The preference shareholders are entitled to receive a dividend equal to the issue price multiplied by the dividend rate of prime 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.

No dividends were received from Northam Platinum Limited (30 June 2016: R Nil).

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

**8. INVESTMENT REVENUE**

	Group		Company	
	2017 R000	2016 R000	2017 R000	2016 R000
Interest earned on cash and cash equivalents	22	–	22	–
	<b>22</b>	–	<b>22</b>	–

# NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2017

## 9. PREFERENCE SHARE DIVIDENDS

	Group		Company	
	2017 R000	2016 R000	2017 R000	2016 R000
Accrued dividends on preference shares – finance charges	1 060 860	918 806	1 060 860	918 806
	1 060 860	918 806	1 060 860	918 806

Any dividends received by Zambezi Platinum (RF) Limited from its investment in Northam Platinum Limited will be paid out immediately to shareholders of Zambezi Platinum (RF) Limited. In terms of the shareholders' agreement, 10% of all dividends received will be paid out to Zambezi Platinum (RF) Limited's ordinary shareholders and the remaining 90% will be paid to its preference shareholders to settle outstanding accrued dividends.

## 10. TAXATION

	Group		Company	
	2017 R000	2016 R000	2017 R000	2016 R000
<b>Normal tax</b>				
Current year taxation	6	–	6	–
<b>Deferred tax</b>				
Current year temporary differences relating to capital gains tax on fair value uplift relating to the investment in associate	26 865	798	–	–
Current year temporary difference relating to capital gains tax on the mark to market adjustment	–	–	(91 338)	71 638
Non-recognition of deferred tax asset	–	–	19 700	–
Charge for the year	26 871	798	(71 632)	71 638

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

	Group		Company	
	2017 %	2016 %	2017 %	2016 %
South African companies tax	28.0	28.0	28.0	28.0
Share of earnings from associate	3.6	4.6	–	–
Deferred tax asset not raised	–	–	4.9	–
Mark to market adjustment raised/not raised at the capital gains tax rate	–	–	(7.8)	25.5
Capital gains liability raised on difference between carrying value and original purchase price	(2.9)	(0.1)	–	(14.9)
Preference share dividends not deductible for tax	(31.6)	(32.6)	(20.2)	(53.5)
	(2.9)	(0.1)	4.9	(14.9)

A deferred tax liability was raised on the mark to market adjustment at the capital gains tax rate.

# NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2017

## 11. CASH GENERATED FROM OPERATIONS

	Group		Company	
	2017 R000	2016 R000	2017 R000	2016 R000
Loss before tax	(940 904)	(790 029)	(1 468 598)	(480 665)
<b>Adjustment for non-cash items:</b>				
Share of earnings from associate	(119 935)	(128 777)	–	–
Preference share dividends	1 060 860	918 806	1 060 860	918 806
Mark to market adjustment	–	–	407 759	(438 141)
	21	–	21	–

## 12. TAX PAID

Tax paid consist of the following:

	Group		Company	
	2017 R000	2016 R000	2017 R000	2016 R000
Provisional tax payment	–	(1)	–	(1)
	–	(1)	–	(1)



### 13. SEGMENTAL ANALYSIS

There is only one operating segment relating to Zambezi Platinum (RF) Limited, as there are no components which engage in different business activities and whose results are reviewed and assessed separately.

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

	Zambezi Platinum (RF)		Zambezi Platinum (RF)	
	Limited	Total group	Limited	Total group
	2017 R000	2017 R000	2016 R000	2016 R000
Investment revenue	22	22	–	–
Bank charges	(1)	(1)	–	–
Share of earnings from associate	119 935	119 935	128 777	128 777
Mark to market adjustment	–	–	–	–
Preference share dividends	(1 060 860)	(1 060 860)	(918 806)	(918 806)
Loss before tax	(940 904)	(940 904)	(790 029)	(790 029)
Taxation	(26 871)	(26 871)	(798)	(798)
Loss and total comprehensive income for the year	(967 775)	(967 775)	(790 827)	(790 827)

# NOTES TO THE FINANCIAL STATEMENTS *continued*

## FOR THE YEAR ENDED 30 JUNE 2017

### 13. SEGMENTAL ANALYSIS *continued*

#### Segmental analysis as at 30 June 2017 of the statement of financial position

	Zambezi Platinum (RF) Limited		Zambezi Platinum (RF) Limited	
	2017 R000	Total group 2017 R000	2016 R000	Total group 2016 R000
<b>ASSETS</b>				
Non-current assets	6 679 620	6 679 620	6 559 685	6 559 685
Investment in associate	6 679 620	6 679 620	6 559 685	6 559 685
Current assets	445	445	424	424
Trade and other receivables	7	7	–	–
Cash and cash equivalents	438	438	424	424
<b>Total assets</b>	<b>6 680 065</b>	<b>6 680 065</b>	<b>6 560 109</b>	<b>6 560 109</b>
<b>EQUITY</b>				
Total equity	(1 984 161)	(1 984 161)	(1 016 386)	(1 016 386)
Stated capital	–	–	–	–
Accumulated loss	(1 984 161)	(1 984 161)	(1 016 386)	(1 016 386)
Share of other comprehensive income from associate	–	–	–	–
Non-current liabilities	8 664 220	8 664 220	7 576 495	7 576 495
Deferred tax liability	27 663	27 663	798	798
Preference share liabilities	8 636 557	8 636 557	7 575 697	7 575 697
Current liabilities	6	6	–	–
South African Revenue Service	6	6	–	–
<b>Total equity and liabilities</b>	<b>6 680 065</b>	<b>6 680 065</b>	<b>6 560 109</b>	<b>6 560 109</b>

All assets relate to South African based assets.

All income is earned from sources in South Africa.

The majority of income earned relates to the investment in associate, Northam Platinum Limited.

#### 14. FINANCIAL RISK MANAGEMENT

The group's only financial liability related to the preference share liability. Financial assets consist of trade and other receivables as well as cash and cash equivalents.

The group is exposed to market, credit and liquidity risk.

It is the group's policy that no trading in derivatives shall be undertaken.

The directors of the entity oversee the management of these risks and review and agree policies for managing each of these risks which are summarised below.

##### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk.

##### 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 changes in market interest rates.

The group is exposed to interest rate fluctuations in respect of the preference share liability and cash held at banks.

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).

	Group		Company	
	2017 R000	2016 R000	2017 R000	2016 R000
Cash and cash equivalents				
Increase of 1%	4	4	4	4
Decrease of 1%	(4)	(4)	(4)	(4)
Preference share liability				
Increase of 1%	(86 366)	(75 757)	(86 366)	(75 757)
Decrease of 1%	86 366	75 757	86 366	75 757

The group does not use interest rate swaps to convert floating rate exposures to fixed rate exposures in order to minimise interest rate risk.

# NOTES TO THE FINANCIAL STATEMENTS *continued*

## FOR THE YEAR ENDED 30 JUNE 2017

### 14. FINANCIAL RISK MANAGEMENT *continued*

#### Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily cash balances). The group mitigates the risk by ensuring that its counter parties are credit worthy institutions.

The group only places funds with recognised financial institutions with a strong credit rating and does not consider the credit risk exposure to be significant.

#### Liquidity risk

Liquidity risk is the risk that the group will be unable to meet a financial commitment. In order to mitigate any liquidity risk the group has limited access to funds from Northam Platinum Limited.

At maturity of the cumulative preference share liability, the contracted undiscounted value of the payment will be the following, assuming prime interest rate stays unchanged.

	Due at the end of the 10 year lock-in period	Total	Due at the end of the 10 year lock-in period	Total
	2017 R000	2017 R000	2016 R000	2016 R000
Preference share liability	(23 917 435)	(23 917 435)	(24 575 615)	(24 575 615)

The preference share liability is due at the end of the 10 year lock-in period.

#### Classification of financial instruments

	Group		
	Loans and receivables	Financial liabilities at amortised cost	Total
	2017 R000	2017 R000	2017 R000
Trade and other receivables	7	–	7
Cash and cash equivalents	438	–	438
Preference share liability	–	(8 636 557)	(8 636 557)

**Classification of financial instruments** continued

	<b>Group</b>		
	Loans and receivables	Financial liabilities at amortised cost	Total
	2016 R000	2016 R000	2016 R000
Cash and cash equivalents	424	–	424
Preference share liability	–	(7 575 697)	(7 575 697)

	<b>Company</b>			
	Financial instruments through profit or loss	Loans and receivables	Financial liabilities at amortised cost	Total
	2017 R000	2017 R000	2017 R000	2017 R000
Investment in associate	6 468 176	–	–	6 468 176
Trade and other receivables	–	7	–	7
Cash and cash equivalents	–	438	–	438
Preference share liability	–	–	(8 636 557)	(8 636 557)

	<b>Company</b>			
	Financial instruments through profit or loss	Loans and receivables	Financial liabilities at amortised cost	Total
	2016 R000	2016 R000	2016 R000	2016 R000
Investment in associate	6 875 935	–	–	6 875 935
Cash and cash equivalents	–	424	–	424
Preference share liability	–	–	(7 575 697)	(7 575 697)

# NOTES TO THE FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 30 JUNE 2017

## 14. FINANCIAL RISK MANAGEMENT *continued*

### Fair value of financial assets and liabilities

The fair value of financial instruments are substantially identical to the carrying values reflected in the statement of financial position.

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

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 fair value hierarchy of all the financial instruments are determined as level 2 except for the investment held in Northam Platinum Limited on a company basis which is classified as a level 1 investment as well as the preference share liability.

	Group			
	2017		2016	
	Carrying amount R000	Fair value R000	Carrying amount R000	Fair value R000
<b>Financial assets</b>				
Trade and other receivables	7	7	–	–
Cash and cash equivalents	438	438	424	424
<b>Financial liabilities</b>				
Preference share liability	(8 636 557)	(8 770 814)	(7 575 697)	(7 035 840)

**Fair value of financial assets and liabilities** continued

	Company			
	2017	2017	2016	2016
	Carrying amount R000	Fair value R000	Carrying amount R000	Fair value R000
<b>Financial assets</b>				
Investment in associate	6 468 176	6 468 176	6 875 935	6 875 935
Trade and other receivables	7	7	–	–
Cash and cash equivalents	438	438	424	424
<b>Financial liabilities</b>				
Preference share liability	(8 636 557)	(8 770 814)	(7 575 697)	(7 035 840)

**Capital management**

The primary objective of the group's capital management is to ensure that it has sufficient capital to meet its preference share obligations. The redemption of the preference shares is secured by Northam Platinum Limited in terms of a financial guarantee, in terms of which Northam Platinum Limited will be responsible for the payment of all amounts which Zambezi Platinum (RF) Limited has contracted but failed to pay in terms of the preference share terms by means of a cash payment or the issue of a determinable number of Northam Platinum Limited shares to the preference shareholders, or a cash and Northam Platinum Limited share combination.

**15. RELATED PARTIES**

The group was established as a special purpose vehicle by Northam Platinum Limited, with the principal objective of achieving Northam Platinum Limited's black economic empowerment (BEE) compliance.

Zambezi Platinum (RF) Limited was incorporated on 2 June 2014. The company was created for the purpose of assisting Northam Platinum Limited to comply with the historically disadvantaged South African ownership requirements set by the Mining Charter. The company was set up as a special purpose vehicle for the purpose of facilitating a transaction in which it holds shares in Northam Platinum Limited as a new issue, and in turn issued preference shares to relevant qualifying shareholders to fund the purchase of 31.4% of Northam Platinum Limited shares.

Zambezi Platinum (RF) Limited therefore holds 159 905 453 Northam Platinum Limited shares (BEE shares) which amounts to approximately 31.4% of the total issued ordinary share capital of Northam Platinum Limited, which is accounted for as an associate of Zambezi Platinum (RF) Limited.

Zambezi Platinum (RF) Limited is a ring-fenced entity created for the specific purpose of raising funds to subscribe for the BEE shares. As such, Zambezi Platinum (RF) Limited will not be conducting any other business activities until the expiry of the lock-in period (which is 10 years from May 2015).

# NOTES TO THE FINANCIAL STATEMENTS *continued*

## FOR THE YEAR ENDED 30 JUNE 2017

### 15. RELATED PARTIES *continued*

At the end of the 10-year period, Zambezi Platinum (RF) Limited is required to redeem the preference shares with cash and/or Northam Platinum Limited shares. All amounts payable to the holders of the preference shares are guaranteed by Northam Platinum Limited in terms of the transaction agreement. Further, Northam Platinum Limited is required to settle the operational expenses of Zambezi Platinum (RF) Limited, subject to certain limitations.

The preference share dividend rate is calculated with reference to the prime rate and is not dependent on the financial performance of either Northam Platinum Limited or Zambezi Platinum (RF) Limited.

Zambezi Platinum (RF) Limited's prospects are therefore limited in nature in that they are dependent on the prospects of the Northam Platinum Limited share price and the returns attributable to the preference shares are constant and fluctuate only in accordance with prevailing interest rates. Various characteristics of the preference shares, such as the Northam guarantee and redemption payment structure, provide the holders with additional certainty regarding the recoverability of their dividends and capital.

However, the preference shares retain equity risk as a result of its redemption being ultimately supported by the value of Northam Platinum Limited shares and/or Northam Platinum Limited's ability to continue as a going concern. The preference shares therefore present their holders with a combination of the risks and rewards associated with equity and debt instruments.

Northam Platinum Limited's prospects for growth and continued profitability are subject to various external and internal factors which cannot be accurately predicted, projected or controlled by Zambezi Platinum (RF) Limited as an investor in Northam Platinum Limited.

The redemption of the preference shares will occur, firstly and foremost, through any cash received from dividends received from Northam Platinum Limited during the 10-year period, and after the end of the lock-in period the possible sell-off of Northam Platinum Limited shares into the market, to redeem the preference shares. In the event that this is not sufficient to settle the liability, it will be secured in terms of a financial guarantee (Northam guarantee).

Should a liability arise under the Northam guarantee, Northam Platinum Limited may settle this liability by capitalising Zambezi Platinum (RF) Limited with cash and/or through the issue of Northam Platinum Limited shares before the redemption amount becomes due or making payment directly to the preference shareholders. The manner of settlement is not contractually specified and is at the discretion of Northam Platinum Limited.

Therefore, should the Northam Platinum Limited share price not increase sufficiently in value over the next 10 years to cover the preference share liability, there could be a dilution in value for all Northam Platinum Limited shareholders, should additional Northam Platinum Limited shares be issued to the preference shareholders.



**Northam guarantee**

The redemption of the preference shares is secured by a financial guarantee from Northam Platinum Limited. In terms of the financial guarantee, Northam Platinum Limited will be responsible for the payment of all amounts which Zambezi Platinum (RF) Limited has contracted but failed to pay in terms of the preference share terms – either by means of a cash payment or the issue of a determinable number of Northam Platinum Limited shares to the preference shareholders, or a cash and Northam Platinum Limited share combination.

**Lock-in and restraint payment**

In terms of the Northam BEE transaction, Zambezi Platinum (RF) Limited has undertaken not to dispose of or encumber the BEE shares for the duration of the 10-year lock-in period, other than in accordance with the preference share terms and the Zambezi pledge and cession agreement. In terms of the relationship agreements, the ordinary shareholders have, in turn, undertaken not to dispose of or encumber their Zambezi Platinum (RF) Limited ordinary shares for the duration of the lock-in period.

Furthermore, Zambezi Platinum (RF) Limited has, pursuant to the subscription agreement, and the HDSA participants have, pursuant to their respective relationship agreements, undertaken in favour of Northam Platinum Limited not to be engaged, directly or indirectly, or in any way to be interested, in any platinum group metal (PGM) exploration, PGM prospecting or PGM mining activities or in any competitor of the Northam Platinum Limited group for the duration of the lock-in period, save to the extent specifically permitted under such relationship agreements.

**N share**

Zambezi Platinum (RF) Limited issued the N share to Northam Platinum Limited, the purpose of which is to allow Northam Platinum Limited to take certain mitigating action in the event of the occurrence of an early redemption event under the preference 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 and is equal to the amount of the lock-in and restraint payment plus interest accrued thereon from the date on which the lock-in and restraint payment was made until the date of payment of the N share distribution, at the dividend rate compounded annually. Other than as required in terms of the Companies Act, the N share does not entitle Northam Platinum Limited to any voting rights.

# NOTES TO THE FINANCIAL STATEMENTS *continued*

## FOR THE YEAR ENDED 30 JUNE 2017

### 15. RELATED PARTIES *continued*

#### **Administration of Zambezi Platinum (RF) Limited**

For purposes of ensuring that Zambezi Platinum (RF) Limited does not incur any liabilities or indebtedness, other than pursuant to the transaction agreements, and that it remains ring-fenced, Zambezi Platinum (RF) Limited and Northam Platinum Limited entered into an administration services agreement in terms of which Zambezi Platinum (RF) Limited has appointed Northam Platinum Limited to attend to the day-to-day management of Zambezi Platinum (RF) Limited's business and the administration of Zambezi Platinum (RF) Limited's affairs at Northam Platinum Limited's sole cost and expense and with no recourse to Zambezi Platinum (RF) Limited subject to maximum costs and expenses of up to R2.0 million per annum, escalating annually at CPI from the 1st (first) anniversary of the implementation date. During the current year expenses to the value of R0.6 million (30 June 2016 R3.1 million) were incurred.

### 16. GOING CONCERN

Zambezi Platinum (RF) Limited incurred a net loss of R1.4 billion (30 June 2016: loss of R552.3 million) for the year ended and, as of that date, the company's total liabilities exceed its total assets by R2.2 billion (30 June 2016: R771.0 million).

Northam Platinum Limited has guaranteed that it will enable Zambezi Platinum (RF) Limited to settle any preference share capital and dividends required by the transaction, as well as any other expenses incurred by the company.

Northam Platinum Limited guarantees payment of the redemption price in respect of the preference shares and the preference dividends by way of the Northam guarantee. Northam Platinum Limited guaranteed the payment of all amounts which Zambezi Platinum (RF) Limited has contracted to pay (but failed to pay on the due date thereof) in respect of the preference shares by means of, at Northam Platinum Limited's election, a cash payment and/or the issue of a determinable number of Northam Platinum Limited shares to the holders.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the company will continue to receive the support of Northam Platinum Limited and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business. The consolidated financial statements have been prepared on a going concern basis, which assumes that the group will be able to meet the repayment terms of the preference shares.

**17. DIRECTORS' REMUNERATION**

As per the Zambezi Platinum (RF) Limited Memorandum of Incorporation no remuneration shall be paid to any director in his/her capacity as a director.

**18. EVENTS AFTER THE REPORTING PERIOD**

There have been no facts or circumstances of a material nature that have occurred between the accounting date and the date of this report, which requires adjustment to the financial results or the notes to the financial results.

# NOTICE OF THE THIRD ANNUAL GENERAL MEETING OF ORDINARY SHAREHOLDERS OF THE COMPANY (AGM)

Notice is hereby given in terms of section 62(1) of the Companies Act, No. 71 of 2008 (as amended), (the Companies Act) and clause 19.4 of the company's Memorandum of Incorporation (MOI), that the AGM of ordinary shareholders of Zambezi Platinum (RF) Limited (Zambezi or Zambezi Platinum or the company) (Notice) will be held at Glenhove Conferencing, 52 Glenhove Road, Melrose Estate, Johannesburg, South Africa on Tuesday, 7 November 2017 at 09:30 for the following purposes:

Considering and, if deemed fit, adopting, with or without modification, the ordinary resolutions set out below:

## ORDINARY RESOLUTIONS

- receiving, considering and adopting the audited annual financial statements of Zambezi Platinum for the year ended 30 June 2017;
- re-electing directors;
- re-appointing external auditors;
- re-electing audit committee members; and
- transacting any other business as may be conducted at an AGM.

## RECORD DATES

In terms of section 59(1)(a) and (b) of the Companies Act, the board of directors of the company (board) has set the record date for the purpose of determining which shareholders are entitled to:

- receive notice of the AGM (being the date on which a shareholder must be registered in the company's ordinary share register in order to receive Notice) as Friday, 15 September 2017; and
- participate in and vote at the AGM (being the date on which an ordinary shareholder must be registered in the company's share register in order to participate in and vote at the AGM) on Friday, 3 November 2017.

## ORDINARY RESOLUTIONS

### ORDINARY RESOLUTION NUMBER 1: ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS

"Resolved that the audited annual financial statements for the year ended 30 June 2017, including the reports of the directors, auditors and the audit committee, be and are hereby adopted."

The annual report is available on the Zambezi Platinum website [www.northam.co.za/zambezi/](http://www.northam.co.za/zambezi/) or can be obtained from the company's registered office on request.

### ORDINARY RESOLUTION NUMBERS 2.1, 2.2 AND 2.3: RE-ELECTION OF DIRECTORS

- 2.1 "Resolved that Mr PL Zim, who retires by rotation in terms of clause 25.22 of the company's MOI and being eligible and offering himself for re-election, be and is hereby re-elected as a director."
- 2.2 "Resolved that Mr PA Dunne, who retires by rotation in terms of clause 25.22 of the company's MOI and being eligible and offering himself for re-election, be and is hereby re-elected as a director."
- 2.3 "Resolved that Mr LC van Schalkwyk, who retires by rotation in terms of clause 25.22 of the company's MOI and being eligible and offering himself for re-election, be and is hereby re-elected as a director."

Brief summaries of their *curriculum vitae* are set out on pages 12 to 13 of the annual report.

#### **ORDINARY RESOLUTION NUMBER 3: RE-APPOINTMENT OF EXTERNAL AUDITORS**

"Resolved that Ernst & Young Inc. (with the designated registered auditor being Mr Mike Herbst) be and is hereby re-appointed as the independent external auditor of the company."

The audit committee has evaluated the performance of Ernst & Young Inc. and recommends their re-appointment as independent auditors of the company.

#### **ORDINARY RESOLUTION NUMBERS 4.1, 4.2 AND 4.3: RE-ELECTION OF THE MEMBERS OF THE AUDIT COMMITTEE**

- 4.1 "Resolved that Mr KB Mosehla, being eligible and offering himself for re-election, be and is hereby re-elected as a member of the audit committee."
- 4.2 "Resolved that Ms N Mazwai being eligible and offering herself for re-election, be and is hereby re-elected as a member of the audit committee."
- 4.3 "Resolved that Mr GS Mseleku, being eligible and offering himself for re-election, be and is hereby re-elected as a member of the audit committee."

Brief summaries of their *curriculum vitae* are set out on pages 12 to 13 of the annual report.

**Directors' responsibility statement** – The directors, whose names are given on pages 12 to 13 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to the resolutions set out above and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement in these resolutions false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Notice contains all information required by law and, where necessary, in terms of the debt listings requirements of the JSE.

#### **TO TRANSACT ANY OTHER BUSINESS AS MAY BE CONDUCTED AT AN AGM APPROVALS REQUIRED FOR RESOLUTIONS**

The ordinary resolutions contained in this Notice require the approval of more than fifty percent (50%) of the total votes cast on the resolutions by ordinary shareholders present or represented by proxy at the AGM.

#### **PROXIES AND IDENTIFICATION**

Shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to attend, participate in and vote at the meeting in the place of the shareholder.

On a show of hands, every ordinary shareholder of the company present in person or represented by proxy shall have only one (1) vote. On a poll, every ordinary shareholder of the company shall have one (1) vote for every share held in the company by such shareholder.

A proxy need not also be the shareholder.

# NOTICE OF THE THIRD ANNUAL GENERAL MEETING OF ORDINARY SHAREHOLDERS OF THE COMPANY (AGM)

*continued*

A proxy form is attached for use by ordinary shareholders. To be effective, a proxy form must be executed in terms of the company's MOI and in accordance with the relevant instructions set out on the form, and must be lodged with Northam, in its capacity as secretaries and technical and administrative advisers to the company (secretaries), e-mail: trish.beale@norplats.co.za, not less than 48 hours (being Friday, 3 November 2017 at 09:30) before the time set down for the AGM or be handed to the chairman of the AGM before the appointed proxy exercises any of the relevant shareholder's rights. If required, additional proxy forms may be obtained from the secretaries.

In terms of section 63(1) of the Companies Act any person attending or participating in an AGM must provide satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote, whether as shareholder or as proxy for a shareholder, has been reasonably verified.

By order of the board.

**Northam Platinum Limited**

Secretaries  
per PB Beale  
Johannesburg

22 September 2017

# FORM OF PROXY

**ZAMBEZI PLATINUM (RF) LIMITED**  
 (Incorporated in the Republic of South Africa)  
 (Registration number 2014/106927/06)  
 JSE preference share code: ZPLP  
 ISIN code: ZAE000202552  
 (Zambezi Platinum or the company)

## TO BE COMPLETED BY ORDINARY SHAREHOLDERS ONLY.

For use in respect of the annual general meeting (AGM) of ordinary shareholders of the Company, to be held at Glenhove Conferencing, 52 Glenhove Road, Melrose Estate, Johannesburg, South Africa on Tuesday, 7 November 2017 at 09:30.

I/We (full names in block letters)

Telephone (work) Telephone (home)

being the holder(s) of ordinary shares in the company, appoint (see note 1):

1. or failing him/her,
2. or failing him/her,
3. the chairman of the AGM, as my/our proxy to act on my/our behalf at the AGM which is to be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed thereat and at any adjournment thereof and to vote for or against or abstain from voting on the ordinary resolutions in respect of the Zambezi ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

Resolutions	Number of votes (one vote per ordinary share)		
	For	Against	Abstain
Ordinary resolution number 1 – adoption of annual financial statements for the year ended 30 June 2017			
Ordinary resolution number 2.1 – re-election of Mr PL Zim as a director			
Ordinary resolution number 2.2 – re-election of Mr PA Dunne as a director			
Ordinary resolution number 2.3 – re-election of Mr LC van Schalkwyk as a director			
Ordinary resolution number 3 – re-appointment of Ernst & Young Inc. as the independent external auditor of the company			
Ordinary resolution number 4.1 – re-election of Mr KB Mosehla as a member of the audit committee			
Ordinary resolution number 4.2 – re-election of Ms N Mazwai as a member of the audit committee			
Ordinary resolution number 4.3 – re-election of Mr GS Mseleku as a member of the audit committee			

*(Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.)*

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, speak, and on a poll, vote in place of that shareholder at the AGM.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2017

Signature(s) \_\_\_\_\_ Capacity \_\_\_\_\_

*Please read the notes on the reverse side hereof.*

# NOTES TO FORM OF PROXY

1. A shareholder may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the AGM". The person whose name stands first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder should insert an "X" in the relevant space according to how they wish their votes to be cast. However, if a shareholder wishes to cast a vote in respect of a lesser number of Zambezi Platinum ordinary shares than they own in the company, they should insert the number of Zambezi Platinum ordinary shares held in respect of which they wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholders' votes exercisable at the AGM. A shareholder is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast and abstentions recorded may not exceed the total number of the votes exercisable by the shareholder.
3. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such member wish to so do.
4. The chairman of the AGM may reject or accept any form of proxy, which is completed and/or received, other than in compliance with these notes.
5. Any alteration to this form of proxy, other than the deletion of alternatives, must be signed, not initialled, by the signatory/ies.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. on behalf of a company, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the company or waived by the chairman of the AGM.
7. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her capacity are produced or have been recorded by the company.
8. Forms of proxy should be e-mailed to Trish Beale, company secretary of Northam, and secretaries of the company, e-mail: [trish.beale@norplats.co.za](mailto:trish.beale@norplats.co.za) or delivered at Northam's Offices, Building 4, 1st Floor, Maxwell Office Park, Magwa Crescent West, Waterfall City, Jukskei View, 2090, South Africa, so as to be received by no later than 09:30 on Friday, 3 November 2017, or be handed to the chairman of the AGM before the appointed proxy exercises any of the relevant shareholder's rights.





# ADMINISTRATION AND CONTACT INFORMATION

## ZAMBEZI PLATINUM (RF) LIMITED

(Incorporated in the Republic of South Africa)  
(Registration number 2014/106927/06)  
JSE preference share code: ZPLP  
ISIN code: ZAE000202552

## REGISTERED OFFICE

Building 4  
1st Floor  
Maxwell Office Park  
Magwa Crescent West  
Waterfall City  
Jukskei View 2090  
South Africa

PO Box 412694  
Craighall 2024  
South Africa

Telephone +27 11 759 6000  
Facsimile +27 11 325 4795

## WEBSITE

[www.northam.co.za/zambezi/](http://www.northam.co.za/zambezi/)

## SECRETARIES

Northam Platinum Limited  
Per PB Beale – company secretary  
Building 4  
1st Floor  
Maxwell Office Park  
Magwa Crescent West  
Waterfall City  
Jukskei View 2090  
South Africa

PO Box 412694  
Craighall 2024  
South Africa

e-mail: [trish.beale@norplats.co.za](mailto:trish.beale@norplats.co.za)

## BANKERS

Standard Bank of South Africa  
Limited  
30 Baker Street  
Rosebank  
Johannesburg 2196

PO Box 61029  
Marshalltown 2107  
South Africa

## AUDITORS

Ernst & Young Inc.  
102 Rivonia Road  
Sandton 2146  
Johannesburg  
South Africa

Private Bag X14  
Sandton 2146  
South Africa

## TRANSFER SECRETARIES

Computershare Investor Services  
Proprietary Limited  
70 Marshall Street  
Johannesburg 2001  
South Africa

PO Box 61051  
Marshalltown 2107  
South Africa

Telephone: +27 11 370 5000  
Fax: +27 11 688 5238

## DEBT SPONSOR

One Capital  
17 Fricker Road  
Illovo 2196  
Johannesburg  
South Africa

PO Box 784573  
Sandton 2146  
South Africa

## INVESTOR RELATIONS

Russell & Associates  
PO Box 1457  
Parklands 2121  
Johannesburg  
South Africa

Telephone +27 11 880 3924





**Zambezi**  
Platinum (RF) Limited

[www.northam.co.za/zambezi](http://www.northam.co.za/zambezi)

