NORTHAM
PLATINUM LIMITED

REVIEWED INTERIM RESULTS

Report for the six months ended
31 December 2015

WHO WE ARE

Northam is an independent, fully empowered, mid-tier, integrated PGM producer with two primary, but diverse operating assets in the South African Bushveld Complex. The established, conventional Zondereinde mine and the modern, mechanised Booysendal platinum group metal (PGM) mine.

Northam has its own metallurgical operations, including a base metal removal plant and smelter, on the Zondereinde lease area and the group produces ~460 000 PGM oz annually. The group's final concentrate is refined by the Heraeus facilities in Port Elizabeth and in Hanau, Germany. Northam markets its precious metals (primarily Pt, Pd, Rh and Au) to a diversified customer base in Europe, North America and Japan. By-products such as nickel sulphate and copper are sold in the domestic market.

Northam's strategic outlook has been underpinned by the empowerment transaction, which has served as a catalyst for the company's growth whilst providing a strong statement of financial position. The strategy is to diversify the group's production base into shallow, mechanisable orebodies. Management continues to evaluate a number of growth opportunities, given the company's positioning and ability to take advantage of opportunities that may arise.

The company is a member of the SRI index. The company's shares are listed on the JSE and its share code is NHM.

KEY FEATURES

- Booysendal reaches steady state production
- Solid performance from Zondereinde
- Safety milestones recognised
- Three-year wage agreement signed
- Difficult market conditions persist
- Expansion strategy crystallised

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Directors

PL Zim (non-executive chairman)
R Havenstein (lead independent director)
PA Dunne (chief executive officer) (British)
AZ Khumalo (chief financial officer)
CK Chabedi (independent non-executive director)
HH Hickey (independent non-executive director)
TE Kgosi (independent non-executive director)
AR Martin (independent non-executive director)
KB Mosehla (non-executive director)
TI Mvusi (independent non-executive director)

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STRATEGIC INTENT AND DELIVERY

Intent and objectives	Delivery
GROWTH	
• Underpinned by empowerment transaction	• Strong cash position • Long-term debt repaid • Cash balance of R2.9 billion for growth in the future, with R299.8 million spent on expansionary capex
• Acquisition of Everest	• Section 11 approval for the transfer of the Everest mining right obtained
• Development of Booysendal South	• Development currently at the feasibility stage, which will result in increased production and lower unit costs
• Smelter expansion	• New 20MW UG2 furnace, partly funded by Heraeus, due for commissioning in December 2017

DIVERSIFICATION	
• Mechanisable orebodies	• Booysendal orebody lends itself to mechanised mining methods which will result in lower costs and improved safety
• Lower cost production	• Increased production resulted in an improvement of the group's cash costs per unit from R11 538/oz to R10 584/oz

OPTIMISATION	
• LOM extension at Zondereinde to 21 years	• Zondereinde Merensky reserves increased from 2.8 million oz to 4.4 million oz as a result of the decline system
• Improved access to Merensky reef via decline system	• Development of 16 level in progress
• Utilisation of more UG2 by increasing throughput of UG2 concentrator	• Mills being converted to deal with increased UG2 volumes
• Ramp up to full production at Booysendal	• Steady-state of 160 000oz per annum achieved
• Extension of Booysendal decline	• Project to extend the decline has started
Intent and objectives	**Delivery**

Superior investment case

Quality assets

- Superior orebodies
- Long-life assets
- Integrated operations
- Booysendal 100Moz orebody
- Greenfields as well as brownfields expansion potential

Differentiated

- Low cost profile
- Risk reduction due to operational diversification
- Improved safety
- Established yet innovative
- Sufficient water and electricity supply

Solid fundamentals

- Fully empowered
- Energetic leadership team
- Strong statement of financial position
- Labour stability
- Refining and off-take partnership

A WORD FROM THE CHIEF EXECUTIVE

The first half of the 2016 financial year has been challenging for the entire platinum sector. Prices of PGMs have, along with other commodity prices, moved lower, placing enormous stress on the industry and its stakeholders. Northam has not been immune from these effects. However, by sticking to our conservative overall strategy, we believe the company is well positioned to face the future, to develop further and in the shorter term, to work through the present trough in metals prices.

Our strategy is based on sound operating performances focused on safety and on containing the costs of producing each PGM ounce.

Our future focus is and will remain on developing shallow, mechanised operations. We will continue to exploit the Zondereinde mine, helped by a change in the mix of Merensky and UG2 ore, and our growth ounces will be shallow and mechanised. This was the fundamental consideration in our acquisition of the Everest property and crucially, of its processing plant located adjacent to our developing Booysendal South project. The plant will process Booysendal South's ore and its acquisition contributes to the efficiency of the total capital spend on the mine. The fact is that we have a resource of 100Moz at Booysendal that offers superior risk-to-reward ratio.

As the half year under review progressed, we steadily ramped up production at the Booysendal North property, reaching the planned full production run rate at the end of the period. The next stage will be the start of the development of Booysendal South, utilising the established infrastructure as a base. This approach will result in a capital efficient project while positioning the company to benefit from an upturn in the PGM market.

Booysendal South is at the feasibility study stage, which is expected to be completed by the end of our financial year in June. This project will contribute to the group's advancement down the cost curve, an essential element in our strategy for the long-term sustainability of the business.

The company's Black Economic Empowerment (BEE) transaction with Zambezi Platinum (RF) Limited (Zambezi Platinum), delivered a R4 billion cash injection into Northam. At the end of the 10-year lock-in period, Zambezi Platinum is required to redeem the preference shares with cash or Northam shares. All amounts payable to the holders of the preference shares have been guaranteed by Northam.

PGM MARKET

We believe that we are entering the bottom of the price cycle and that it is likely that we shall remain in the trough for some time as the market adjusts to an excess of metal supply and poor macroeconomic conditions in the world's key economies. Our capital and operating strategies are, however, founded on our understanding that we, as a company, must invest prudently throughout the cycle if we are to benefit over time.

OPERATIONS

Our emphasis on safety has contributed to the fatality free record achieved to date. It is an achievement that comes from team work and perseverence.

The operational performance during the period under review was good. Zondereinde has adjusted well to a higher UG2 mining ratio which has resulted in a reduction in unit cash costs. Booysendal North mine has completed its production ramp up and the capital footprint is fully developed.

The increased level of disclosure this time around demonstrates the strong competitive cost position of both Zondereinde and Booysendal.

At the start of this financial year the three year wage agreement came into effect, promising a period of stable labour relations from which all can benefit.

We continue to progress our project pipeline, which positions Northam well in this difficult market environment for future growth.

Paul Dunne
Chief executive

OPERATING, PRODUCTION AND FINANCIAL STATISTICS

	6 months ending 31 December 2015	6 months ending 31 December 2014	12 months ending 30 June 2015
	R'000	R'000	R'000
NORMALISED EARNINGS			
(Loss)/profit for the period per the statement of comprehensive income	**(272 969)**	356 312	(1 033 945)
Less: non-controlling interest	**–**	(1 704)	(1 704)
(Loss)/profit attributable to the owners of the parent	**(272 969)**	354 608	(1 035 649)
Add back: Corporate action transactional costs	**–**	–	172 640
Net lock-in fee	**–**	–	242 429
Impairment of non-core assets	**39 951**	–	261 488
IFRS 2 BEE share based payment charge	**–**	–	874 448
Preference share dividends accounted for as interest	**430 414**	–	100 767
Normalised earnings	**197 396**	354 608	616 123
Normalised earnings per issued share (cents)	**38.7**	89.2	120.9
Number of shares in issue including treasury shares	**509 781 212**	397 586 090	509 781 212

	6 months ending 31 December 2015	6 months ending 31 December 2014	12 months ending 30 June 2015
	R'000	R'000	R'000
VALUE CREATED AND DISTRIBUTED			
Value created and distributed to employees			
Salaries and wages	**747 652**	687 916	1 441 799
Contributions to retirement benefit funds	**63 040**	57 765	114 565
Contributions to healthcare funds	**32 806**	32 587	66 074
Share based payment payouts	**48 868**	52 972	74 386
	892 366	831 240	1 696 824
Value created and distributed to government			
Mining and non-mining tax	**89 604**	123 464	135 762
Dividend withholding tax	**–**	–	12 447
Capital gains tax	**–**	–	74 592
Royalty taxes	**23 017**	44 949	39 986
Pay as you earn deducted from employees	**157 976**	140 854	277 861
	270 597	309 267	540 648
Total value created and distributed	**1 162 963**	1 140 507	2 237 472

	6 months ending 31 December 2015	6 months ending 31 December 2014	12 months ending 30 June 2015
	R'000	**R'000**	**R'000**
CONSOLIDATED GROUP			
Sales revenue			
Platinum	**1 919 743**	1 848 908	3 613 649
Palladium	**611 793**	539 160	1 138 875
Rhodium	**238 674**	260 227	513 582
Gold	**47 112**	40 893	81 556
Chrome	**207 278**	137 085	289 791
Other	**179 053**	212 006	394 266
Total sales revenue	**3 203 653**	3 038 279	6 031 719
Cost of sales			
Operating costs	**2 371 461**	2 079 552	4 339 190
On mine operations	**1 875 778**	1 641 360	3 421 674
Concentrator operations	**274 389**	249 104	510 299
Smelting and base metal removal plant costs	**136 232**	85 309	172 485
Chrome processing	**25 357**	20 535	46 015
Selling and administration overheads	**55 648**	47 850	104 981
Royalty charges	**23 017**	44 949	39 986
Share based payment expenses	**(17 709)**	(29 000)	36 036
Toro employee profit share scheme	**5 653**	13 397	25
Rehabilitation	**(6 904)**	6 048	7 689
Concentrates purchased	**238 977**	265 783	602 395
Refining including sampling and handling charges	**69 954**	100 920	199 470
Depreciation and write offs	**203 146**	210 028	339 949
Change in metal inventories	**226 838**	(16 853)	(44 663)
Total cost of sales	**3 110 376**	2 639 430	5 436 341
Operating profit	**93 277**	398 849	595 378
Operating margin %	**2.9**	13.1	9.9
EBITDA	**296 423**	608 877	935 327
EBITDA margin %	**9.3**	20.0	15.5

OPERATING, PRODUCTION AND FINANCIAL STATISTICS continued

		6 months ending 31 December 2015	6 months ending 31 December 2014	12 months ending 30 June 2015
CONSOLIDATED GROUP continued				
Production				
Tonnes milled	t	**2 038 343**	1 917 375	3 646 759
Chrome tonnes produced	t	**266 265**	182 167	371 051
Equivalent refined metal from own operation				
Platinum	kg	**4 183**	3 761	7 108
Palladium	kg	**2 105**	1 826	3 445
Rhodium	kg	**662**	571	1 081
Gold	kg	**71**	61	116
3PGE + Au	kg	**7 021**	6 219	11 750
Equivalent refined metal from own operation				
Platinum	oz	**134 486**	120 919	228 527
Palladium	oz	**67 677**	58 707	110 759
Rhodium	oz	**21 284**	18 358	34 755
Gold	oz	**2 283**	1 961	3 729
3PGE + Au	oz	**225 730**	199 945	377 770
Total refined metal				
Platinum	kg	**4 607**	4 009	7 883
Palladium	kg	**2 282**	1 959	3 872
Rhodium	kg	**710**	540	1 133
Gold	kg	**96**	152	240
3PGE + Au	kg	**7 695**	6 660	13 128
Total refined metal				
Platinum	oz	**148 118**	128 892	253 444
Palladium	oz	**73 368**	62 983	124 488
Rhodium	oz	**22 827**	17 361	36 426
Gold	oz	**3 086**	4 887	7 716
3PGE + Au	oz	**247 399**	214 123	422 074

		6 months ending 31 December 2015	6 months ending 31 December 2014	12 months ending 30 June 2015
CONSOLIDATED GROUP continued				
Production continued				
On mine costs (mining and concentrating cost)	R'000	**2 150 167**	1 890 464	3 931 973
On mine cash cost per tonne milled	R/t	**1 055**	986	1 078
Total cash costs (on mine, smelting, refining and overheads)	R'000	**2 412 001**	2 124 543	4 408 909
Cash cost per equivalent refined platinum oz#	R/oz	**17 756**	17 450	19 088
Cash cost per equivalent refined 3PGE + Au oz#	R/oz	**10 584**	10 548	11 538
Cash cost per estimated refined 3PGE + Au kg#	R/kg	**340 274**	339 129	370 966
Total metal sold				
Platinum	kg	**4 617**	3 915	7 894
Palladium	kg	**2 292**	1 857	3 875
Rhodium	kg	**711**	602	1 195
Gold	kg	**96**	94	182
3PGE + Au	kg	**7 716**	6 468	13 146
Total metal sold				
Platinum	oz	**148 440**	125 870	253 798
Palladium	oz	**73 689**	59 704	124 584
Rhodium	oz	**22 859**	19 355	38 420
Gold	oz	**3 087**	3 022	5 851
3PGE + Au	oz	**248 075**	207 951	422 653
Sales prices realised				
Platinum	USD/oz	**952**	1 343	1 248
Palladium	USD/oz	**613**	825	799
Rhodium	USD/oz	**770**	1 230	1 168
Gold	USD/oz	**1 128**	1 243	1 222
Exchange rate realised	ZAR/USD	**13.55**	10.96	11.45
Total revenue per platinum oz sold*	R/oz	**21 582**	24 138	23 766
Total revenue per 3PGE + Au oz sold*	R/oz	**12 914**	14 611	14 271
Total revenue per 3 PGE + Au kg sold*	R/kg	**415 196**	469 740	458 825
Total capex	R'000	**483 986**	335 406	1 102 048
Expansionary capex	R'000	**299 760**	191 899	779 068
Sustaining capex	R'000	**184 226**	143 507	322 980

Total cash cost per unit is calculated using the on mine costs (mining and concentrator costs) divided by the equivalent refined metal quantities produced from own operation plus smelting, refining and selling and administration overhead costs divided by total refined metal quantities produced.

* *Total revenue takes into account all sales revenue divided by total metal sold.*

		6 months ending 31 December 2015	6 months ending 31 December 2014	12 months ending 30 June 2015
ZONDEREINDE				
Safety				
Lost time injury incident rate (LTIIR)	per 200 000 hours worked	**1.67**	1.23	1.31
Reportable injury incident rate (RIIR)	per 200 000 hours worked	**1.02**	0.84	0.94
Labour				
Directly employed		**6 224**	6 527	6 365
Total employees		**8 386**	8 677	8 449
		R'000	**R'000**	**R'000**
Financial				
Sales revenue				
Platinum		**1 919 743**	1 317 995	2 621 288
Palladium		**611 793**	389 376	852 309
Rhodium		**238 674**	180 626	356 804
Gold		**47 112**	37 666	74 793
Chrome		**139 865**	88 248	184 133
Other		**179 053**	177 470	324 927
Total sales revenue		**3 136 240**	2 191 381	4 414 254
Cost of sales				
Operating costs		**1 704 066**	1 547 964	3 147 023
On mine operations		**1 353 582**	1 258 439	2 548 692
Concentrator operations		**145 040**	134 640	264 326
Smelting and base metal removal plant costs		**136 232**	85 309	172 485
Chrome processing		**19 495**	17 173	34 686
Selling and administration overheads		**36 700**	31 079	70 970
Royalty charges		**18 577**	40 715	29 912
Share based payment expenses		**(13 613)**	(31 611)	22 994
Toro employee profit share scheme		**5 653**	13 397	25
Rehabilitation		**2 400**	(1 177)	2 933
Concentrates purchased		**1 059 637**	265 783	963 011
Refining including sampling and handling charges		**69 954**	48 460	83 408
Depreciation and write offs		**85 255**	107 638	167 988
Change in metal inventories		**167 311**	(57 877)	(345 590)
Total cost of sales		**3 086 223**	1 911 968	4 015 840
Operating profit		**50 017**	279 413	398 414
Operating profit margin	%	**1.6**	12.8	9.0
EBITDA		**135 272**	387 051	566 402
EBITDA margin	%	**4.3**	17.7	12.8

		6 months ending 31 December 2015	6 months ending 31 December 2014	12 months ending 30 June 2015
ZONDEREINDE continued				
Production				
Merensky				
Development metres	m	**3 016**	3 259	6 507
Tonnes milled	t	**433 572**	431 714	795 885
Head grade (3PGEs + Au)	g/t	**5.8**	5.7	5.7
Available ore reserves	months	**20**	20	20
Concentrator recovery rate	%	**89.0**	88.8	88.8
UG2				
Development metres	m	**1 672**	737	1 461
Tonnes milled	t	**619 044**	556 399	1 064 499
Head grade (3PGEs + Au)	g/t	**4.2**	4.4	4.3
Available ore reserves	months	**24**	24	24
Concentrator recovery rate	%	**87.8**	86.7	87.1
Combined				
Development metres	m	**4 688**	3 996	7 968
Tonnes milled	t	**1 052 616**	988 113	1 860 384
Head grade (3PGEs + Au)	g/t	**4.9**	5.0	4.9
Chrome tonnes produced	t	**171 099**	110 757	229 177
Equivalent refined metal produced by Zondereinde				
Platinum	kg	**2 897**	2 510	4 775
Palladium	kg	**1 436**	1 244	2 367
Rhodium	kg	**429**	372	708
Gold	kg	**61**	53	100
3PGE + Au	kg	**4 823**	4 179	7 950
Equivalent refined metal produced by Zondereinde				
Platinum	oz	**93 141**	80 698	153 520
Palladium	oz	**46 168**	39 995	76 101
Rhodium	oz	**13 793**	11 960	22 763
Gold	oz	**1 961**	1 704	3 214
3PGE + Au	oz	**155 063**	134 357	255 598

		6 months ending 31 December 2015	6 months ending 31 December 2014	12 months ending 30 June 2015
ZONDEREINDE continued				
Production continued				
Metal in concentrate purchased from third parties				
Platinum	kg	**371**	379	909
Palladium	kg	**173**	177	408
Rhodium	kg	**59**	60	143
Gold	kg	**6**	6	14
3PGE + Au	kg	**609**	622	1 474
Metal in concentrate purchased from third parties				
Platinum	oz	**11 928**	12 185	29 225
Palladium	oz	**5 562**	5 691	13 117
Rhodium	oz	**1 897**	1 929	4 598
Gold	oz	**193**	193	450
3PGE + Au	oz	**19 580**	19 998	47 390
Metal in concentrate purchased from Booysendal				
Platinum	kg	**1 457**	–	566
Palladium	kg	**692**	–	253
Rhodium	kg	**244**	–	100
Gold	kg	**11**	–	3
3PGE + Au	kg	**2 404**	–	922
Metal in concentrate purchased from Booysendal				
Platinum	oz	**46 844**	–	18 197
Palladium	oz	**22 248**	–	8 134
Rhodium	oz	**7 845**	–	3 215
Gold	oz	**354**	–	96
3PGE + Au	oz	**77 291**	–	29 642
Total refined metal				
Platinum	kg	**4 607**	4 009	7 883
Palladium	kg	**2 282**	1 959	3 872
Rhodium	kg	**710**	540	1 133
Gold	kg	**96**	152	240
3PGE + Au	kg	**7 695**	6 660	13 128

		6 months ending 31 December 2015	6 months ending 31 December 2014	12 months ending 30 June 2015
ZONDEREINDE continued				
Production continued				
Total refined metal				
Platinum	oz	**148 118**	128 892	253 444
Palladium	oz	**73 368**	62 983	124 488
Rhodium	oz	**22 827**	17 361	36 426
Gold	oz	**3 086**	4 887	7 716
3PGE + Au	oz	**247 399**	214 123	422 074
On mine costs (mining and concentrating costs)	R'000	**1 498 622**	1 393 079	2 813 018
On mine cash cost per tonne milled	R/t	**1 424**	1 410	1 512
Total cash cost (on mine, smelting, refining and overheads)	R'000	**1 741 508**	1 557 927	3 139 881
Cash cost per equivalent refined platinum oz #	R/oz	**17 730**	18 542	19 613
Cash cost per equivalent refined 3PGE + Au oz #	R/oz	**10 646**	11 138	11 780
Cash cost per equivalent refined 3PGE + Au kg #	R/kg	**342 288**	358 104	378 737
Total metal sold				
Platinum	kg	**4 617**	2 799	5 737
Palladium	kg	**2 292**	1 343	2 900
Rhodium	kg	**711**	419	832
Gold	kg	**96**	86	167
3PGE + Au	kg	**7 716**	4 647	9 636
Total metal sold				
Platinum	oz	**148 440**	89 990	184 449
Palladium	oz	**73 689**	43 178	93 237
Rhodium	oz	**22 859**	13 471	26 749
Gold	oz	**3 086**	2 765	5 369
3PGE + Au	oz	**248 074**	149 404	309 804

Total cash cost per unit is calculated using the on mine cost (mining and concentrator costs) divided by the equivalent refined Zondereinde metal quantities produced plus smelting, refining and selling and administration overhead costs divided by total refined metal quantities produced.

OPERATING, PRODUCTION AND FINANCIAL STATISTICS continued

		6 months ending 31 December 2015	6 months ending 31 December 2014	12 months ending 30 June 2015
ZONDEREINDE continued				
Production continued				
Sales prices realised				
Platinum	USD/oz	**952**	1 339	1 246
Palladium	USD/oz	**613**	824	801
Rhodium	USD/oz	**770**	1 226	1 170
Gold	USD/oz	**1 128**	1 243	1 224
Exchange rate realised	ZAR/USD	**13.55**	10.98	11.45
Total revenue per platinum oz sold*	R/oz	**21 128**	24 351	23 932
Total revenue per 3PGE + Au oz sold*	R/oz	**12 642**	14 667	14 249
Total revenue per 3 PGE + Au kg sold*	R/kg	**406 459**	471 569	458 100
Total capex	R'000	**161 859**	144 428	303 221
Expansionary capex	R'000	**33 154**	7 954	34 516
Sustaining capex	R'000	**128 705**	136 474	268 705

** Total revenue takes into account all sales revenue divided by total metal sold.*

		6 months ending 31 December 2015	6 months ending 31 December 2014	12 months ending 30 June 2015
BOOYSENDAL				
Safety				
Lost time injury incident rate (LTIIR)	per 200 000 hours worked	**0.52**	0.46	0.54
Reportable injury incident rate (RIIR)	per 200 000 hours worked	**0.43**	0.28	0.41
Labour				
Directly employed		**204**	203	223
Total employees		**2 710**	2 335	2 394

		6 months ending 31 December 2015	6 months ending 31 December 2014	12 months ending 30 June 2015
		R'000	**R'000**	**R'000**
BOOYSENDAL continued				
Financial				
Sales revenue				
Platinum		**545 399**	530 913	1 230 953
Palladium		**167 802**	149 784	353 819
Rhodium		**70 610**	79 601	190 895
Gold		**4 763**	3 227	7 924
Chrome		**67 413**	48 837	105 659
Other		**32 086**	34 536	88 831
Total sales revenue		**888 073**	846 898	1 978 081
Intercompany sales*		**(820 660)**	–	(360 616)
		67 413#	846 898	1 617 465
Cost of sales				
Operating costs		**667 395**	531 588	1 192 167
On mine operations		**522 196**	382 921	872 982
Concentrator operations		**129 349**	114 464	245 973
Chrome processing		**5 862**	3 362	11 329
Selling and administration overheads		**18 948**	16 771	34 011
Royalty charges		**4 440**	4 234	10 074
Share based payment expenses		**(4 096)**	2 611	13 042
Rehabilitation		**(9 304)**	7 225	4 756
Refining including sampling and handling charges		**–**	52 460	116 062
Depreciation and write offs		**117 891**	102 390	171 961
Change in metal inventories		**59 527**	41 024	300 927
Total cost of sales		**844 813**	727 462	1 781 117
Operating profit		**43 260**	119 436	196 964
Operating profit margin	%	**4.9**	14.1	10.0
EBITDA		**161 151**	221 826	368 925
EBITDA margin	%	**18.2**	26.2	18.7

** Intercompany sales relate to sales made to Zondereinde (Northam Platinum Limited) by Booysendal (Booysendal Platinum Proprietary Limited) which are eliminated on consolidation.*

 # Booysendal (Booysendal Platinum Proprietary Limited) chrome sales not sold via Zondereinde (Northam Platinum Limited).

OPERATING, PRODUCTION AND FINANCIAL STATISTICS continued

		6 months ending 31 December 2015	6 months ending 31 December 2014	12 months ending 30 June 2015
BOOYSENDAL continued				
Production				
UG2				
Tonnes milled	t	**985 727**	929 262	1 786 375
Head grade (3PGEs + Au)	g/t	**2.7**	2.6	2.6
Chrome tonnes produced	t	**95 166**	71 410	141 874
Concentrator recovery rate	%	**84.8**	85.8	82.3
Metal in concentrate produced and ore stockpiles				
Platinum	kg	**1 404**	1 247	2 327
Palladium	kg	**651**	578	1 079
Rhodium	kg	**233**	207	387
Gold	kg	**10**	9	16
3PGE + Au	kg	**2 298**	2 041	3 809
Metal in concentrate produced and ore stockpiles				
Platinum	oz	**45 140**	40 092	74 815
Palladium	oz	**20 930**	18 583	34 691
Rhodium	oz	**7 491**	6 655	12 442
Gold	oz	**321**	290	514
3PGE + Au	oz	**73 882**	65 620	122 462
On mine costs (mining and concentrator costs)	R'000	**651 545**	497 385	1 118 955
On mine cash cost per tonne milled	R/t	**661**	535	626
Total cash costs (on mine and overheads)	R'000	**670 493**	514 156	1 152 966
Cash cost per equivalent platinum oz in concentrate*	R/oz	**14 854**	12 824	15 411
Cash cost per equivalent 3PGE + Au oz in concentrate*	R/oz	**9 075**	7 835	9 415
Cash cost per equivalent 3PGE + Au kg in concentrate*	R/kg	**291 772**	251 914	302 695

* *Cash costs in concentrate are calculated using the on mine (mining and concentrating costs) as well as selling and administration overhead costs divided by metal in concentrate produced and ore stockpiles.*

		6 months ending 31 December 2015	6 months ending 31 December 2014	12 months ending 30 June 2015
BOOYSENDAL continued				
Production continued				
Total metal sold				
Platinum	kg	**1 457**	1 116	2 157
Palladium	kg	**692**	514	975
Rhodium	kg	**244**	183	363
Gold	kg	**11**	7	14
3PGE + Au	kg	**2 404**	1 820	3 509
Total metal sold				
Platinum	oz	**46 844**	35 880	69 349
Palladium	oz	**22 248**	16 525	31 347
Rhodium	oz	**7 845**	5 884	11 671
Gold	oz	**354**	225	450
3PGE + Au	oz	**77 291**	58 514	112 817
Sales prices realised #				
Platinum	USD/oz	**838**	1 354	1 218
Palladium	USD/oz	**544**	831	776
Rhodium	USD/oz	**650**	1 230	1 108
Gold	USD/oz	**973**	1 240	1 211
Exchange rate realised	ZAR/USD	**13.85**	10.98	11.45
Total revenue per platinum oz sold*	R/oz	**18 958**	23 604	28 524
Total revenue per 3PGE + Au oz sold*	R/oz	**11 490**	14 473	17 534
Total revenue per 3PGE + Au kg sold*	R/kg	**369 415**	465 329	563 716
Total capex	R'000	**322 127**	190 978	798 827
Expansionary capex	R'000	**266 606**	183 945	744 552
Sustaining capex	R'000	**55 521**	7 033	54 275

During the current period and going forward an agreement was signed between Zondereinde (Northam Platinum Limited) and Booysendal (Booysendal Platinum Proprietary Limited) in terms of which Zondereinde purchased all of Booysendal's concentrate for 88% of the fair value. Therefore for the current period, sales revenue relates to concentrate sold to Zondereinde where previously, sales revenue related to final product sold to customers.

* *Total revenue takes into account all sales revenue divided by total metal sold.*

RESULTS COMMENTARY

FINANCIAL OVERVIEW – CONSOLIDATED GROUP

Revenue

Revenue generated from sales increased by 5.4% to R3.2 billion (H1 F2015: R3.0 billion), reflecting the group's increasing sales volumes. Sales volumes were 19.3% higher, at 7 716kg or 248 075oz (H1 F2015: 6 468kg; 207 951oz).

The lower basket price received of R415 196/kg (H1 F2015: 469 740/kg) reflects the significant decline in the PGM US$ basket price realised which was offset to some extent by the 23.6% weakening of the ZAR against the dollar.

From 1 June 2015, concentrate production from Booysendal has been sold to Zondereinde at 88% of the market related price. On a group basis, revenue is generated by Northam as all sales between Booysendal and Zondereinde eliminate on consolidation. Previously, Booysendal sold its final product directly to customers.

Cost of sales and operating costs

The cost of sales increased by 17.8% to R3.1 billion (H1 F2015: R2.6 billion), in correlation with the increase of 19.3% in volumes sold. Group operating costs increased by 14.0% to R2.4 billion (H1 F2015: R2.1 billion). However, overall costs were well contained, with the rise in group unit cash costs increasing only 0.3% to R340 274/kg (H1 F2015: R339 129/kg). The significant contributors to cost increases were labour, electricity and general mining inflation. Included in the operating costs are smelting and base metal removal plant costs which, when combined with refining costs, recorded a marginal increase compared to H1 F2015. Royalty charges have decreased due to the lower profits earned in the current period compared to H1 F2015. Also included in the change in metal inventories are metals on hand that were written down by R186.5 million (H1 F2015: R63.3 million) to net realisable value as a result of depressed PGM prices during the period under review.

Operating profit

As a result of the above, the group operating margin decreased from 13.1% to 2.9% which resulted in the operating profit declining to R93.4 million (H1 F2015: R399.0 million). Zondereinde generated an operating profit of R50.0 million (H1 F2015 R279.4 million) whilst Booysendal made an operating profit of R43.3 million (H1 F2015: R119.4 million) with the balance relating to the operating profit made on the sale of houses in Norplats Properties Proprietary Limited.

Share of losses from associates, interest and finance costs as well as sundry income and expenditure

The share of losses from associates declined to a loss of R11.6 million (H1 F2015: profit of R13.5 million). Northam's share of losses in the Pandora joint venture and in Trans Hex Group Limited amounted to R7.2 million (H1 F2015: R5.1 million) and R4.4 million (H1 F2015 profit of R18.6 million) respectively. Management continues to assess its options regarding Northam's holdings in both these investments.

Investment revenue rose to R163.6 million (H1 F2015 R18.3 million). This is associated with interest earned on higher cash balances resulting from the BEE transaction concluded in May 2015, as well as interest received on an insurance contingency policy.

Finance costs of R459.7 million (H1 F2015: R77.7 million) were incurred owing to the non-cash finance charge resulting from the structuring of the BEE transaction in terms of which dividends associated with the Zambezi Platinum preference shares are consolidated into the group financial statements of Northam. The Zambezi Platinum preference shares accrue a cumulative variable dividend at the South African prime interest rate plus 3.5% per annum. The accrued dividends are recognised as a finance charge. The finance costs associated with the preference shares for the six month period under review amounted to R430.4 million (H1 F2015: Rnil). The domestic medium-term debt notes (DMTN) of R1.4 billion were repaid on 3 September 2015.

Sundry income of R127.0 million (H1 F2015: R191.5 million) includes a cash amount of R59.6 million received on the cancellation of the insurance contingency policy as mentioned above. Accounted for in the comparable H1 F2015, was an insurance refund of R150.0 million relating to the No. 1 shaft incident. Sundry income was also impacted by the ZAR currency translation which increased from R7.8 million during H1 F2015 to R28.8 million.

Sundry expenditure increased by 74.9% from R44.5 million to R77.8 million. Included in sundry expenditure was the impairment of the investment in the Pandora joint venture of R34.7 million as well as an impairment of the investment in Trans Hex Group Limited amounting to R5.3 million.

In addition, care and maintenance costs of R12.9 million were incurred at the Everest plant acquired from Aquarius Platinum (South Africa) Proprietary Limited (AQPSA). Sundry expenditure also includes the amortisation of liquidity fees payable on the BEE transaction concluded in the prior year (a liquidity fee of 2.5% was paid to the Public Investment Corporation SOC Limited and Coronation Asset Management Proprietary Limited) on the full value of the preference shares. The liquidity fee, which was classified as a transaction cost in terms of IAS 39 and included in the initial measurement of the financial liability, is amortised over the 10 year lock-in period of the preference shares. The amortisation of R8.5 million is included in sundry expenditure and relates to the said liquidity fee.

Taxation

Tax payable is lower than the comparable period owing to the lower profits achieved. Taxation consists of non-mining tax of R81.7 million accrued mainly on interest earned. Deferred tax was raised on all temporary differences resulting in a tax charge of R18.2 million.

Cash flow movements

Cash flow generated from operating activities rose to R684.4 million (H1 F2015: R55.5 million), largely as a result of the movement in working capital. The working capital movement amounted to a positive inflow of R236.5 million compared with the negative outflow of R530.0 million in the previous period. Contributing to the positive movement in working capital was Value Added Tax (VAT) of R187.7 million, (part of which had been outstanding since April 2014), refunded by the South African Revenue Service during the period under review. Metal debtors also declined by some R52.1 million due to the lower metal prices achieved during the current period.

Cash flows utilised in investing activities were up 46.2% from R352.2 million to R515.1 million. The increase relates primarily to the increase in expansionary capital on the following projects: R41.5 million spent on employee accommodation both at Zondereinde and Booysendal; R37.3 million on the Merensky feasibility project at Booysendal UG2 North mine; R65.2 million on the acquisition of the Everest mineral reserves and costs relating to the development of Booysendal South mine; and R150.6 million on the completion of the capital footprint at Booysendal UG2 North mine.

Cash flows utilised in financing expenditure increased significantly from R133.5 million in H1 F2015 to R1.4 billion owing to the repayment of the DMTN during September 2015. Excluding the repayment of the DMTN, the Northam group received net positive cash in-flows of R138.2 million for the six month period ending 31 December 2015.

OPERATIONS

Zondereinde

Health and safety

Zondereinde recorded four million fatality-free shifts during the reporting period, a commendable performance at any operation, and particularly at a deep-level mine like Zondereinde. The lost time injury rate was higher at 1.67 injuries per 200 000 hours worked (30 June 2015: 1.31) and the reportable injury rate was 1.02 (30 June 2015: 0.94). Operational management is focused on reducing both the number and severity of injuries through interventions involving employees, their representatives and operational structures.

Production

Merensky reef tonnes milled were 433 572 tonnes (H1 F2015: 431 714 tonnes) at a head grade of 5.8g/t, whilst the UG2 reef contributed 619 044 tonnes (H1 F2015: 556 399 tonnes) at a head grade of 4.2g/t. The combined head grade for the period was 4.9g/t (H1 F2015: 5.0g/t), illustrating the effect of the higher UG2 contribution.

Production of equivalent refined metal increased by 15.4% to 4 823kg (H1 F2015: 4 179kg). The quantities of purchased concentrates from third parties decreased slightly to 609kg (H1 F2015: 622kg).

Mining flexibility on the Merensky reef horizon remains constrained. Increased production from the UG2 horizon is expected to partially compensate for the Merensky constraints until the deepening section is completed. The rebalancing of the Merensky/UG2 mining mix to a 40:60 ratio has resulted in the life of Zondereinde increasing to 21 years.

Costs and capital expenditure

The total operating costs at Zondereinde for the period were R1.7 billion (H1 F2015: R1.5 billion) which represents a 10.1% rise in costs. The rise in aggregate operating costs reflects primarily increased production volumes which has resulted in lower unit cash costs of R342 288/kg (H1 F2015: R358 104/kg), an improvement of 4.4%.

Management has adopted a cautious approach to capital expenditure in order to preserve cash resources. This does not mean that essential and strategic development will not be done. The total capital expenditure for the period was R161.9 million, comprising R33.2 million and R128.7 million for expansionary and sustaining capital respectively. We anticipate spending a further R570.0 million for the remainder of the year.

Processing and refining

In line with our objective of adding smelter capacity and progressively reducing the group's operating risk, work has started on the building of a new furnace. The total cost of the project is expected to be R750.0 million and it is expected to be commissioned by December 2017.

This expansion work follows on the extension of Northam's strategic partnership with Heraeus Deutschland GmbH & Co. KG (Heraeus) and Heraeus South Africa Proprietary Limited in terms of which Heraeus has agreed to contribute €20.0 million to the construction of the furnace. The agreement also provides for the renewal of the current toll refining agreements and guarantees supply of material to Heraeus.

Booysendal

Health and safety

The Booysendal mine recorded 2 million fatality free shifts on 17 September 2015.

The lost time injury rate (per 200 000 hours worked) improved to 0.52 (30 June 2015: 0.54) whilst the reportable injury rate (per 200 000 hours worked) was marginally higher at 0.43 (30 June 2015: 0.41).

The mechanised mining method continues to be a significant safety differentiator.

Production

Production at Booysendal during the reporting period was affected by sporadic community protests during the period.

A total of 985 727 tonnes were milled at a head grade of 2.7g/t compared to 929 262 tonnes at a head grade of 2.6g/t during the comparable period.

Having been in ramp-up phase since July 2013, the Booysendal UG2 North achieved its steady-state run rate of 160 000oz per annum within the reporting period.

The Merensky project at Booysendal North advanced satisfactorily with the development of the access decline and the extraction of a bulk sample for metallurgical test work. This test work is expected to be completed early in the second half of the financial year.

Costs and capital expenditure

The total operating costs at Booysendal for the period were R667.4 million (H1 F2015: R531.6 million). This increase of 25.6% is attributed mainly to the higher production volumes and mining contract rates. The rand per tonne milled for the period is in line with expectations at R661/t.

Total capital expenditure during this period has been R55.5 million and R266.6 million for sustaining and expansionary capital respectively. Capital expenditure for the remainder of F2016 is likely to absorb a further R205.6 million.

The unit cash cost of metal in concentrate at R291 772/kg (H1 F2015: R251 914/kg) is now a more realistic reflection of the operating costs at Booysendal following the completion of the ramp-up to steady state levels.

RESULTS COMMENTARY continued

CORPORATE ACTION

R50.0 million was paid to AQPSA for the Everest mining right when the Section 11 consent was granted by the Minister of Mineral Resources during the period.

In September 2015, Northam signed a heads of agreement with Heraeus, in terms of which Heraeus will contribute €20.0 million to the construction of a 20MW furnace at the Zondereinde smelter complex. This amount will be payable in two equal tranches, the first in June 2016 and the other in June 2017. Northam will pay a research and development fee of R9.2 million per annum for 20 years beginning in the current financial year.

MINERAL RESOURCES AND RESERVES

The process of estimating the group's mineral resource and reserve is conducted on an annual basis. The latest mineral resource and reserve estimation is included in the 2015 annual integrated report, which was published in September 2015 and is available on the company's website.

CHANGES TO THE BOARD OF DIRECTORS

Mr R Havenstein took over from Mr A R Martin as lead independent director on 18 August 2015.

Mr BK Mosehla was appointed as a non-executive director on 19 August 2015.

Mr ME Beckett retired as a director on 11 November 2015.

Ms HH Hickey and Mr TI Mvusi's appointments as independent non-executive directors, effective 1 January 2016, were announced on 11 December 2015. Ms Hickey is also a member of the audit and risk committee.

PROSPECTS*

The outlook for the PGM industry remains challenging with persistent weak metal prices and poor economic fundamentals in developed economies. The group's financial performance will depend on achieving higher metal prices and a stable operating performance. Despite the adverse market conditions, Northam's strong balance sheet and prudent financial controls will enable the company to continue with strategic project development which will position the company to benefit from improving market conditions in the future.

* *Not audited or reviewed by the group's auditors.*

DIVIDEND

Given the continuing difficult conditions in the mining industry, and the cash requirements for the development of the group's assets, the board has resolved not to declare an interim dividend for H1 F2016 (H1 F2015: Rnil cents per share).

On behalf of the board

PL Zim
Chairman

PA Dunne
Chief executive

Johannesburg
17 February 2016

INTERIM FINANCIAL RESULTS

These reviewed interim results have been prepared under the supervision of the chief financial officer, Mr AZ Khumalo CA (SA).

The interim results of the group will be published on the company's website on Friday, 26 February 2016.

The financial results of the group have been reviewed by Ernst & Young Inc., under the supervision of Mr M Herbst CA (SA), a registered auditor. A copy of their unmodified reviewed report is available for inspection at Northam Platinum's registered office.

	Notes	Reviewed 6 months ending 31 December 2015 R'000	Reviewed 6 months ending 31 December 2014 R'000	Audited 12 months ending 30 June 2015 R'000
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
Sales revenue	2	**3 205 358**	3 040 539	6 035 535
Cost of sales		**(3 111 953)**	(2 641 519)	(5 439 722)
Operating costs	3	**(2 373 038)**	(2 081 641)	(4 342 571)
Concentrates purchased		**(238 977)**	(265 783)	(602 395)
Refining and other costs		**(69 954)**	(100 920)	(199 470)
Depreciation and write-offs		**(203 146)**	(210 028)	(339 949)
Change in metal inventories		**(226 838)**	16 853	44 663
Operating profit		**93 405**	399 020	595 813
Share of (losses)/earnings from associate and joint venture		**(11 615)**	13 459	28 769
Investment revenue	4	**163 564**	18 335	72 043
Finance costs	5	**(459 672)**	(77 723)	(245 937)
Sundry income	6	**127 001**	191 518	268 250
Sundry expenditure	7	**(77 805)**	(44 489)	(1 587 264)
(Loss)/profit before tax		**(165 122)**	500 120	(868 326)
Taxation	8	**(107 847)**	(143 808)	(165 619)
(Loss)/profit for the period		**(272 969)**	356 312	(1 033 945)
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss		**–**	(2 168)	(4 482)
Share of associate's exchange differences on translating foreign operations and foreign currency translation		**–**	(2 168)	(4 482)
Total comprehensive income for the period		**(272 969)**	354 144	(1 038 427)

	Notes	Reviewed 6 months ending 31 December 2015 R'000	Reviewed 6 months ending 31 December 2014 R'000	Audited 12 months ending 30 June 2015 R'000
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME continued				
(Loss)/profit attributable to:				
Owners of the parent		**(272 969)**	354 608	(1 035 649)
Non-controlling interest		**–**	1 704	1 704
(Loss)/profit for the period		**(272 969)**	356 312	(1 033 945)
Total comprehensive income attributable to:				
Owners of the parent		**(272 969)**	352 440	(1 040 131)
Non-controlling interest		**–**	1 704	1 704
Total comprehensive income for the period		**(272 969)**	354 144	(1 038 427)
Reconciliation of headline(loss)/ earnings per share information				
(Loss)/profit attributable to shareholders		**(272 969)**	354 608	(1 035 649)
Loss/(profit) on sale of property, plant and equipment		**1 523**	(643)	(892)
Profit on sale of associate's assets and investment		**–**	(7 105)	(7 105)
Impairment of associate's assets		**–**	–	17 493
Negative goodwill on assets acquired by associate		**–**	–	(26 804)
Foreign currency differences on repayment of long-term receivables from associates' foreign operations reclassified to profit or loss		**–**	–	(922)
Impairment of property, plant and equipment		**–**	–	2 525
Impairment of non-core assets		**39 951**	8 644	261 488
Tax effect on above		**(426)**	(251)	(5 097)
Headline (loss)/earnings		**(231 921)**	355 253	(794 963)
(Loss)/earnings per share – cents		**(78.0)**	89.2	(264.3)
Fully diluted (loss)/earnings per share – cents		**(78.0)**	89.2	(264.3)
Headline (loss)/earnings per share – cents		**(66.3)**	89.4	(202.9)
Fully diluted headline (loss)/earnings per share – cents		**(66.3)**	89.4	(202.9)
Dividends per share		**–**	–	–
Weighted average number of shares in issue		**349 875 759**	397 586 090	391 834 708
Fully diluted number of shares in issue		**349 875 759**	397 586 090	391 834 708
Number of shares in issue		**509 781 212**	397 586 090	509 781 212
Treasury shares in issue		**159 905 453**	–	159 905 453
Shares in issue adjusted for treasury shares		**349 875 759**	397 586 090	349 875 759

	Notes	Reviewed 6 months ending 31 December 2015 R'000	Reviewed 6 months ending 31 December 2014 R'000	Audited 12 months ending 30 June 2015 R'000

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Reviewed 6 months ending 31 December 2015 R'000	Reviewed 6 months ending 31 December 2014 R'000	Audited 12 months ending 30 June 2015 R'000
Assets				
Non-current assets		**13 660 222**	12 892 826	13 367 048
Property, plant and equipment		**7 317 097**	6 440 526	7 065 352
Mining properties and mineral resources		**5 664 180**	5 642 503	5 636 478
Interest in associates and joint ventures	9	**231 138**	495 275	275 847
Unlisted investment		**6**	6	6
Land and township development		**18 400**	9 522	10 000
Long-term receivables		**92 557**	91 692	94 503
Investments held by Northam Platinum Restoration Trust Fund		**89 990**	47 397	49 092
Environmental Guarantee Investment		**59 522**	52 884	52 122
Buttonshope Conservancy Trust		**11 018**	10 859	11 037
Deferred tax asset		**176 314**	102 162	172 611
Current assets		**4 153 965**	1 915 014	5 784 288
Inventories	10	**905 379**	1 107 533	1 126 550
Trade and other receivables		**341 416**	557 609	498 854
Cash and cash equivalents		**2 906 354**	241 991	4 138 189
Tax receivables		**816**	7 881	20 695
Total assets		**17 814 187**	14 807 840	19 151 336

	Notes	Reviewed 6 months ending 31 December 2015 R'000	Reviewed 6 months ending 31 December 2014 R'000	Audited 12 months ending 30 June 2015 R'000
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued				
Equity and liabilities				
Total equity		**8 943 456**	11 692 108	9 216 425
Stated capital		**13 778 114**	9 178 688	13 778 114
Treasury shares		**(6 556 123)**	–	(6 556 123)
Retained earnings		**866 839**	2 530 928	1 139 808
Equity settled share based payment reserve		**874 448**	–	874 448
Share of other comprehensive income from associate		**(19 822)**	(17 508)	(19 822)
Non current liabilities		**7 772 836**	2 130 476	7 310 753
Deferred tax liability		**543 398**	528 529	521 452
Long-term provisions		**215 920**	148 747	187 217
Preference share liability	11	**6 931 596**	–	6 492 655
Long-term loans		**38 063**	41 867	39 963
Long-term share based payment liability		**43 859**	41 333	69 466
Domestic medium-term notes		**–**	1 370 000	–
Current liabilities		**1 097 895**	985 256	2 624 158
Current portion of long-term loans		**3 801**	3 801	3 801
Short-term share based payment liability		**20 049**	45 607	61 019
Domestic medium-term notes		**–**	–	1 370 000
Bank overdraft		**–**	6 207	–
Tax payable		**117 497**	110 488	102 072
Trade and other payables		**817 886**	691 010	959 996
Short-term provisions		**138 662**	128 143	127 270
Total equity and liabilities		**17 814 187**	14 807 840	19 151 336

	Stated capital	Retained earnings	Equity settled share based payment reserve	Compre-hensive income from associate	Non-controlling interest	Total
	R'000	R'000	R'000	R'000	R'000	R'000

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital R'000	Retained earnings R'000	Equity settled share based payment reserve R'000	Compre-hensive income from associate R'000	Non-controlling interest R'000	Total R'000
Balance as at 30 June 2014	9 178 688	2 223 135	–	(15 340)	5 389	11 391 872
Total comprehensive income for the period	–	354 608	–	(2 168)	1 704	354 144
Profit for the period	–	354 608	–	–	1 704	356 312
Other comprehensive income for the period	–	–	–	(2 168)	–	(2 168)
Dividends declared*	–	–	–	–	(3 908)	(3 908)
Acquisition of non-controlling interest	–	(46 815)	–	–	(3 185)	(50 000)
Balance as at 31 December 2014	9 178 688	2 530 928	–	(17 508)	–	11 692 108
Issue of new shares	4 599 426	–	–	–	–	4 599 426
Treasury shares	(6 556 123)	–	–	–	–	(6 556 123)
Share based payment reserve	–	–	874 448	–	–	874 448
Total comprehensive income for the period	–	(1 391 120)	–	(2 314)	–	(1 393 434)
Loss for the period	–	(1 391 120)	–	–	–	(1 391 120)
Other comprehensive income for the period	–	–	–	(2 314)	–	(2 314)
Balance as at 30 June 2015	7 221 991	1 139 808	874 448	(19 822)	–	9 216 425
Total comprehensive income for the period	–	(272 969)	–	–	–	(272 969)
Loss for the period	–	(272 969)	–	–	–	(272 969)
Other comprehensive income for the period	–	–	–	–	–	–
Balance as at 31 December 2015	**7 221 991**	**866 839**	**874 448**	**(19 822)**	**–**	**8 943 456**

* *Non-controlling interest's portion of dividends declared by entities within the Northam group.*

	Reviewed 6 months ending 31 December 2015	Reviewed 6 months ending 31 December 2014	Audited 12 months ending 30 June 2015
	R'000	R'000	R'000
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS			
Cash flows from operating activities	**684 374**	55 451	340 950
(Loss)/profit before taxation	**(165 122)**	500 120	(868 326)
Adjusted for the following non cash items			
Depreciation and write offs	**203 146**	210 028	339 949
Change in provisions	**6 195**	15 226	52 823
Change in long-term receivables	**1 946**	2 355	(456)
Interest expense	**29 258**	77 723	145 170
Finance charges on the preference shares	**430 414**	–	100 767
Liquidity fees on the preference shares	**8 527**	–	–
Equity settled share based payment expense	**–**	–	874 448
Movement in share based payment liability	**(66 577)**	(81 972)	(38 350)
Impairment of investment in associates	**39 951**	–	239 054
Share of losses/(profits) from associate	**11 615**	(13 459)	(28 769)
Other	**2 822**	9 867	920
Change in working capital	**236 499**	(529 972)	(221 248)
Taxation paid	**(54 300)**	(134 465)	(255 032)

	Reviewed 6 months ending 31 December 2015 R'000	Reviewed 6 months ending 31 December 2014 R'000	Audited 12 months ending 30 June 2015 R'000

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS continued

Cash flows utilised in investing activities	**(515 051)**	(352 196)	(1 101 462)
Property, plant, equipment, mining properties and mineral reserves			
Additions to maintain operations	**(184 746)**	(160 484)	(322 980)
Additions to expand operations	**(299 760)**	(191 899)	(779 068)
Disposal proceeds	**391**	2 451	1 551
Land and township development			
Additions to maintain operations	**(9 978)**	(1 407)	(1 088)
Disposal proceeds	**1 578**	2 089	885
Investment in associate – cash distributed	**–**	–	12 918
Additional investment made in associate	**(8 157)**	–	(9 623)
Increase in investments held by Northam Platinum Restoration Trust Fund	**(6 998)**	(929)	(2 624)
Increase in investments held by Environmental Guarantee investment	**(7 400)**	(1 860)	(1 098)
Movement in investment held in Buttonshope Conservancy Trust Fund	**19**	(157)	(335)
Cash flows (utilised)/generated from financing activities	**(1 401 158)**	(133 527)	4 232 645
Proceeds from issue of shares	**–**	–	4 600 000
Transaction costs	**–**	–	(574)
Liquidity fees paid	**–**	–	(163 903)
Acquisition of non-controlling interest	**–**	(50 000)	(50 000)
Finance charges paid	**(29 258)**	(77 723)	(145 170)
Dividends paid	**–**	(3 908)	(3 908)
Decrease in long-term loans	**(1 900)**	(1 896)	(3 800)
Domestic medium-term notes repaid	**(1 370 000)**	–	–
(Decrease)/increase in cash and cash equivalents	**(1 231 835)**	(430 272)	3 472 133
Cash and cash equivalents at the beginning of the period	**4 138 189**	666 056	666 056
Cash and cash equivalents at the end of the period	**2 906 354**	235 784	4 138 189

The financial statements have been prepared on the historical cost basis, except for financial instruments that are stated at fair value. The group interim financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards (IFRS), its interpretations issued by the IFRS Interpretations Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, presentation and disclosures as required by IAS 34 Interim Financial Reporting, the JSE Listing Requirements and the requirements of the Companies Act No. 71 of 2008, and incorporates the accounting policies which are consistent with those adopted in the financial year ended 30 June 2015.

There have been no amendments, standards or interpretations impacting the group which became effective for the year beginning 1 July 2015.

Related parties

The group enters into various sales, purchase, financing and lease transactions in the ordinary course of business with a large number of entities, some of which are related parties.

Going concern

Mining operations have a finite life and are also dependent amongst other things on geological, technical as well as economic factors such as commodity prices and exchange rates. The global economic outlook and low US dollar metal prices are a concern as Northam is an exporter of PGMs to global markets. Operations continue to be under pressure due to increasing input costs (mainly power and labour) and lower metal prices.

In the current cycle of low PGM US$ metal prices, operations are under pressure to remain viable. Management has undertaken initiatives to improve efficiency and to reduce costs as far as possible and where necessary has engaged external experts to assist. Based on the said interventions, management is of the opinion that the group remains a going concern despite the current difficult operating conditions.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

	Zondereinde 6 months ending 31 December 2015	Booysendal 6 months ending 31 December 2015	Intercompany eliminations 6 months ending 31 December 2015	Zambezi Platinum 6 months ending 31 December 2015	Other 6 months ending 31 December 2015	Reviewed 6 months ending 31 December 2015
	R'000	R'000	R'000	R'000	R'000	R'000
1. Segmental information						
Sales revenue	3 136 240	888 073	(820 660)	–	1 705	3 205 358
Cost of sales	(3 086 223)	(844 813)	820 660	–	(1 577)	(3 111 953)
Operating costs	(1 704 066)	(667 395)	–	–	(1 577)	(2 373 038)
On mine operations	(1 353 582)	(522 196)	–	–	–	(1 875 778)
Concentrator operations	(145 040)	(129 349)	–	–	–	(274 389)
Smelting and base metal removal plant costs	(136 232)	–	–	–	–	(136 232)
Chrome processing	(19 495)	(5 862)	–	–	–	(25 357)
Selling and administration	(36 700)	(18 948)			–	(55 648)
Royalty charges	(18 577)	(4 440)	–	–		(23 017)
Share based payment expenses	13 613	4 096	–	–	–	17 709
Toro employee profit share scheme	(5 653)	–	–	–	–	(5 653)
Rehabilitation	(2 400)	9 304	–	–	–	6 904
Other	–	–	–	–	(1 577)	(1 577)
Concentrates purchased	(1 059 637)	–	820 660	–	–	(238 977)
Refining including sampling and handling charges	(69 954)	–	–	–	–	(69 954)
Depreciation and write offs	(85 255)	(117 891)	–	–	–	(203 146)
Change in metal inventory	(167 311)	(59 527)	–	–	–	(226 838)
Operating profit	50 017	43 260	–	–	128	93 405
Share of (losses)/earnings from associate and joint venture	–	–	–	–	(11 615)	(11 615)
Investment revenue	65 472	90 085	–	–	8 007	163 564
Finance charges	(26 063)	(12)	–	(430 414)	(3 183)	(459 672)
Sundry income	124 319	2 538	–	–	144	127 001
Sundry expenditure	(38 952)	(17 130)	–	–	(21 723)	(77 805)
Profit/(loss) before tax	174 793	118 741	–	(430 414)	(28 242)	(165 122)
Taxation	(67 628)	(31 394)	–	–	(8 825)	(107 847)
Profit/(loss) for the period	107 165	87 347	–	(430 414)	(37 067)	(272 969)

1. Segmental information continued

	Zondereinde 6 months ending 31 December 2014 R'000	Booysendal 6 months ending 31 December 2014 R'000	Intercompany eliminations 6 months ending 31 December 2014 R'000	Zambezi Platinum 6 months ending 31 December 2014 R'000	Other 6 months ending 31 December 2014 R'000	Reviewed 6 months ending 31 December 2014 R'000
Sales revenue	2 191 381	846 898	–	–	2 260	3 040 539
Cost of sales	(1 911 968)	(727 462)	–	–	(2 089)	(2 641 519)
Operating costs	(1 547 964)	(531 588)	–	–	(2 089)	(2 081 641)
On mine operations	(1 258 439)	(382 921)	–	–	–	(1 641 360)
Concentrator operations	(134 640)	(114 464)	–	–	–	(249 104)
Smelting and base metal removal plant costs	(85 309)	–	–	–	–	(85 309)
Chrome processing	(17 173)	(3 362)	–	–	–	(20 535)
Selling and administration	(31 079)	(16 771)			–	(47 850)
Royalty charges	(40 715)	(4 234)	–	–	–	(44 949)
Share based payment expenses	31 611	(2 611)	–	–	–	29 000
Toro employee profit share scheme	(13 397)	–	–	–	–	(13 397)
Rehabilitation	1 177	(7 225)	–	–	–	(6 048)
Other	–	–	–	–	(2 089)	(2 089)
Concentrates purchased	(265 783)	–	–	–	–	(265 783)
Refining including sampling and handling charges	(48 460)	(52 460)	–	–	–	(100 920)
Depreciation and write offs	(107 638)	(102 390)	–	–	–	(210 028)
Change in metal inventory	57 877	(41 024)	–	–	–	16 853
Operating profit	279 413	119 436	–	–	171	399 020
Share of (losses)/ earnings from associate and joint venture	–	–	–	–	13 459	13 459
Investment revenue	12 903	194	–	–	5 238	18 335
Finance charges	(75 181)	(164)	–	–	(2 378)	(77 723)
Sundry income	201 011	1 137	–	–	(10 630)	191 518
Sundry expenditure	(33 942)	(1 099)	–	–	(9 448)	(44 489)
Profit/(loss) before tax	384 204	119 504	–	–	(3 588)	500 120
Taxation	(150 308)	6 695	–	–	(195)	(143 808)
Profit/(loss) for the period	233 896	126 199	–	–	(3 783)	356 312

	Zondereinde 12 months ending 30 June 2015	Booysendal 12 months ending 30 June 2015	Intercompany eliminations 12 months ending 30 June 2015	Zambezi Platinum and the BEE transaction 12 months ending 30 June 2015	Other 12 months ending 30 June 2015	Audited 12 months ending 30 June 2015
	R'000	R'000	R'000	R'000	R'000	R'000
1. Segmental information continued						
Sales revenue	4 414 254	1 978 081	(360 616)	–	3 816	6 035 535
Cost of sales	(4 015 840)	(1 781 117)	360 616	–	(3 381)	(5 439 722)
Operating costs	(3 147 023)	(1 192 167)	–	–	(3 381)	(4 342 571)
On mine operations	(2 548 692)	(872 982)	–	–	–	(3 421 674)
Concentrator operations	(264 326)	(245 973)		–	–	(510 299)
Smelting and base metal removal plant costs	(172 485)	–	–	–	–	(172 485)
Chrome processing	(34 686)	(11 329)	–	–	–	(46 015)
Selling and administration	(70 970)	(34 011)	–	–	–	(104 981)
Royalty charges	(29 912)	(10 074)	–	–		(39 986)
Share based payment expenses	(22 994)	(13 042)	–	–	–	(36 036)
Toro employee profit share scheme	(25)	–	–	–	–	(25)
Rehabilitation	(2 933)	(4 756)	–	–	–	(7 689)
Other	–	–	–		(3 381)	(3 381)
Concentrates purchased	(963 011)	–	360 616	–	–	(602 395)
Refining including sampling and handling charges	(83 408)	(116 062)	–	–	–	(199 470)
Depreciation and write offs	(167 988)	(171 961)	–	–	–	(339 949)
Change in metal inventory	345 590	(300 927)	–	–	–	44 663
Operating profit	398 414	196 964	–	–	435	595 813
Share of (losses)/ earnings from associate and joint venture	–	–	–	–	28 769	28 769
Investment revenue	30 580	29 929	–	588	10 946	72 043
Finance charges	(140 342)	(163)	–	(100 767)	(4 665)	(245 937)
Sundry income	265 336	1 147	–	–	1 767	268 250
Sundry expenditure	(197 285)	(13 498)	–	(1 289 518)	(86 963)	(1 587 264)
Profit/(loss) before tax	356 703	214 379	–	(1 389 697)	(49 711)	(868 326)
Taxation	(153 604)	74 279	–	(87 350)	1 056	(165 619)
Profit/(loss) for the period	203 099	288 658	–	(1 477 047)	(48 655)	(1 033 945)

	Reviewed 6 months ending 31 December 2015	Reviewed 6 months ending 31 December 2014	Reviewed 12 months ending 30 June 2015
	R'000	**R'000**	**R'000**
1. Segmental information continued			
Segmental assets			
Zondereinde operations	**4 814 533**	4 096 451	4 644 679
Booysendal operations	**12 634 813**	10 175 520	14 120 273
Other	**364 841**	535 869	386 384
	17 814 187	14 807 840	19 151 336
Segmental liabilities			
Zondereinde operations	**1 315 069**	2 787 415	2 933 305
Booysendal operations	**412 060**	126 189	307 256
Zambezi Platinum	**6 931 596**	–	6 492 655
Other	**212 006**	202 128	201 695
	8 870 731	3 115 732	9 934 911

	Zondereinde operations reviewed 6 months ending 31 December 2015	Booysendal operations reviewed 6 months ending 31 December 2015	Other reviewed 6 months ending 31 December 2015	Total reviewed 6 months ending 31 December 2015
	R'000	**R'000**	**R'000**	**R'000**
2. Sales revenue				
Revenue per metal and per segment				
Platinum	**1 919 743**	**545 399**	**–**	**2 465 142**
Palladium	**611 793**	**167 802**	**–**	**779 595**
Rhodium	**238 674**	**70 610**	**–**	**309 284**
Gold	**47 112**	**4 763**	**–**	**51 875**
Chrome	**139 865**	**67 413**	**–**	**207 278**
Other	**179 053**	**32 086**	**–**	**211 139**
Housing revenue*	**–**	**–**	**1 705**	**1 705**
Inter company eliminations	**–**	**(820 660)**	**–**	**(820 660)**
	3 136 240	**67 413***	**1 705**	**3 205 358**

* *Relates to chrome sales.*

	Zondereinde operations reviewed 6 months ending 31 December 2015	Booysendal operations reviewed 6 months ending 31 December 2015	Total reviewed 6 months ending 31 December 2015
	R'000	**R'000**	**R'000**

2. Sales revenue continued

Revenue per region and per segment			
Europe	**947 401**	**–**	**947 401**
Japan	**589 840**	**–**	**589 840**
North America	**650 523**	**–**	**650 523**
Australia	**6 139**	**–**	**6 139**
South Africa	**942 337**	**67 413***	**1 009 750**
	3 136 240	**67 413***	**3 203 653**

* *Relates to chrome sales.*

	Zondereinde operations reviewed 6 months ending 31 December 2014	Booysendal operations reviewed 6 months ending 31 December 2014	Other reviewed 6 months ending 31 December 2014	Total reviewed 6 months ending 31 December 2014
	R'000	**R'000**	**R'000**	**R'000**
Revenue per metal and per segment				
Platinum	1 317 995	530 913	–	1 848 908
Palladium	389 376	149 784	–	539 160
Rhodium	180 626	79 601	–	260 227
Gold	37 666	3 227	–	40 893
Chrome	88 248	48 837	–	137 085
Other	177 470	34 536	–	212 006
Housing revenue*	–	–	2 260	2 260
	2 191 381	846 898	2 260	3 040 539

* *All housing revenue was generated in South Africa.*

	Zondereinde operations reviewed 6 months ending 31 December 2014	Booysendal operations reviewed 6 months ending 31 December 2014	Total reviewed 6 months ending 31 December 2014
	R'000	R'000	R'000
2. Sales revenue continued			
Revenue per region and per segment			
Europe	603 602	227 095	830 697
Japan and Asia	434 531	177 779	612 310
North America	567 177	223 904	791 081
South Africa	586 071	218 120	804 191
	2 191 381	846 898	3 038 279

	Zondereinde operations audited 12 months ending 30 June 2015	Booysendal operations audited 12 months ending 30 June 2015	Other audited 12 months ending 30 June 2015	Total audited 12 months ending 30 June 2015
	R'000	R'000	R'000	R'000
Revenue per metal and per segment				
Platinum	2 621 288	1 230 953	–	3 852 241
Palladium	852 309	353 819	–	1 206 128
Rhodium	356 804	190 895	–	547 699
Gold	74 793	7 924	–	82 717
Chrome	184 133	105 659	–	289 792
Other	324 927	88 831	–	413 758
Housing revenue*	–	–	3 816	3 816
Inter company eliminations	–	(360 616)	–	(360 616)
	4 414 254	1 617 465	3 816	6 035 535

* *All housing revenue was generated in South Africa.*

	Zondereinde operations audited 12 months ending 30 June 2015	Booysendal operations audited 12 months ending 30 June 2015	Total audited 12 months ending 30 June 2015
	R'000	R'000	R'000

2. Sales revenue continued

Revenue per region and per segment			
Europe	1 270 346	455 607	1 725 953
Japan	754 109	298 645	1 052 754
North America	981 886	370 734	1 352 620
Australia	4 616	383	4 999
South Africa	1 403 297	492 096	1 895 393
	4 414 254	1 617 465	6 031 719

	Reviewed 6 months ending 31 December 2015	Reviewed 6 months ending 31 December 2014	Audited 12 months ending 30 June 2015
	R'000	R'000	R'000

3. Operating costs

Labour	**843 498**	778 268	1 622 438
Stores	**452 596**	443 197	984 392
Utilities	**325 584**	272 932	544 217
Sundries	**758 264**	581 196	1 183 835
Rehabilitation costs	**(6 904)**	6 048	7 689
	2 373 038	2 081 641	4 342 571

	Zondereinde operations reviewed 6 months ending 31 December 2015	Booysendal operations reviewed 6 months ending 31 December 2015	Other reviewed 6 months ending 31 December 2015	Total reviewed 6 months ending 31 December 2015
	R'000	R'000	R'000	R'000
Operating costs per segment				
Labour	**787 364**	**56 134**	**–**	**843 498**
Stores	**411 650**	**40 946**	**–**	**452 596**
Utilities	**266 786**	**58 798**	**–**	**325 584**
Sundries	**235 866**	**520 821**	**1 577**	**758 264**
Rehabilitation costs	**2 400**	**(9 304)**	**–**	**(6 904)**
	1 704 066	**667 395**	**1 577**	**2 373 038**

	Zondereinde operations reviewed 6 months ending 31 December 2014	Booysendal operations reviewed 6 months ending 31 December 2014	Other reviewed 6 months ending 31 December 2014	Total reviewed 6 months ending 31 December 2014
	R'000	R'000	R'000	R'000
3. Operating costs continued				
Operating costs per segment				
Labour	724 167	54 101	–	778 268
Stores	401 711	41 486	–	443 197
Utilities	223 460	49 472	–	272 932
Sundries	199 803	379 304	2 089	581 196
Rehabilitation costs	(1 177)	7 225	–	6 048
	1 547 964	531 588	2 089	2 081 641

	Zondereinde operations audited 12 months ending 30 June 2015	Booysendal operations audited 12 months ending 30 June 2015	Other audited 12 months ending 30 June 2015	Total audited 12 months ending 30 June 2015
	R'000	R'000	R'000	R'000
Operating costs per segment				
Labour	1 499 013	123 425	–	1 622 438
Stores	833 180	151 212	–	984 392
Utilities	449 478	94 739	–	544 217
Sundries	362 419	818 035	3 381	1 183 835
Rehabilitation costs	2 933	4 756	–	7 689
	3 147 023	1 192 167	3 381	4 342 571

	Reviewed 6 months ending 31 December 2015	Reviewed 6 months ending 31 December 2014	Audited 12 months ending 30 June 2015
	R'000	**R'000**	**R'000**
4. Investment revenue			
Interest earned on cash balances	**105 610**	11 986	55 595
Instalment sale agreements	**4 984**	4 956	9 848
Northam Platinum Restoration Trust Fund	**2 431**	929	2 624
Environmental Guarantee Investment	**–**	–	3 402
Buttonshope Conservancy Trust	**487**	283	574
Interest from insurance contingency fund	**47 808**	–	–
Other	**2 244**	181	–
	163 564	18 335	72 043

	Reviewed 6 months ending 31 December 2015	Reviewed 6 months ending 31 December 2014	Audited 12 months ending 30 June 2015
	R'000	**R'000**	**R'000**
5. Finance costs			
Domestic medium-term debt notes	**23 502**	65 663	132 869
Finance costs and commitment fees	**2 521**	8 260	7 473
Zambezi Platinum (RF) Limited preference share dividend	**430 414**	–	100 767
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden NV (FMO)	**2 401**	2 376	4 658
Other	**834**	1 424	170
	459 672	77 723	245 937
6. Sundry income			
Treatment charges in respect of concentrate purchased	**28 522**	26 417	66 040
Rent received	**2 997**	2 837	5 847
Sale of scrap	**2 063**	989	2 028
Insurance claim/refund	**59 591**	150 022	183 774
Currency translation gain	**28 767**	7 775	6 151
Profit on sale of property, plant and equipment	**721**	786	1 031
Other	**4 340**	2 692	3 379
	127 001	191 518	268 250

	Reviewed 6 months ending 31 December 2015 R'000	Reviewed 6 months ending 31 December 2014 R'000	Audited 6 months ending 30 June 2015 R'000
7. Sundry expenditure			
Loss on sale of property, plant and equipment	**(2 244)**	(143)	(139)
Amortisation of participation interest in the Pandora joint venture	**(1 300)**	(1 300)	(2 600)
Black Economic Empowerment lock in fee paid to the Zambezi Platinum (RF) Limited shareholders	**–**	–	(242 429)
Write down of investments and accounts receivables	**(39 951)**	(9 764)	(261 488)
IFRS 2 share based payment expense relating to Black Economic Empowerment transaction	**–**	–	(874 448)
Corporate action costs	**(4 070)**	(29 244)	(172 640)
Booysendal land management	**(1 907)**	(887)	(2 647)
Booysendal South rent paid	**(1 500)**	–	–
Booysendal South care and maintenance	**(12 946)**	–	(9 659)
Amortisation of liquidity fees paid on the preference shares	**(8 527)**	–	–
Other expenditure	**(5 360)**	(3 151)	(21 214)
	(77 805)	(44 489)	(1 587 264)
8. Taxation			
Income tax			
Current income tax charge	**(81 676)**	(123 464)	(136 292)
Adjustments in respect of current income tax of previous years	**(7 928)**	–	530
Dividend withholding tax	**–**	–	(12 447)
Capital gains tax	**–**	–	(74 592)
Deferred tax	**(18 243)**	(20 344)	57 182
	(107 847)	(143 808)	(165 619)

	Reviewed 6 months ending 31 December 2015	Reviewed 6 months ending 31 December 2014	Audited 12 months ending 30 June 2015
	%	**%**	**%**

8. Taxation continued

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

South African normal tax	**28.0**	28.0	28.0
Adjustment in respect of prior year/period	**(4.8)**	–	–
Expenditure disallowed and exempt income	**(15.5)**	0.8	(33.8)
Preference shares	**(73.0)**	–	(3.3)
Divided withholding tax	**–**	–	(1.4)
Capital gains tax	**–**	–	(8.6)
	(65.3)	28.8	(19.1)

	Reviewed 6 months ending 31 December 2015	Reviewed 6 months ending 31 December 2014	Audited 12 months ending 30 June 2015
	R'000	**R'000**	**R'000**

9. Interest in associates and joint ventures

Interest in associates and joint ventures comprise of a 7.5% interest in the Pandora joint venture, a 50% interest in the Dwaalkop platinum project and a 20.3% interest in the issued share capital of Trans Hex Group Limited. The percentage holdings remained unchanged from the prior year.

Dwaalkop joint venture	**136 230**	300 679	136 230
Pandora joint venture	**35 700**	115 630	70 720
Trans Hex Group Limited	**59 208**	78 966	68 897
	231 138	495 275	275 847

	Interest in Dwaalkop joint venture	Interest in Pandora joint venture	Interest in Trans Hex Group Limited	Total
	R'000	R'000	R'000	R'000
9. Interest in associates and joint ventures continued				
Opening balance as at 1 July 2014	300 679	114 927	80 903	496 509
Additional investment	–	7 136	–	7 136
Share of (losses)/earnings from associate and joint venture	–	(5 133)	18 592	13 459
Current year amortisation	–	(1 300)	–	(1 300)
Cash distributions received	–	–	(10 765)	(10 765)
Impairment	–	–	(9 764)	(9 764)
Closing balance as at 31 December 2014	300 679	115 630	78 966	495 275
Additional investment	–	2 487	–	2 487
Share of (losses)/earnings from associate and joint venture	–	(5 614)	20 924	15 310
Other comprehensive income	–	–	(4 482)	(4 482)
Current year amortisation	–	(1 300)	–	(1 300)
Cash distributions received	–	–	(2 153)	(2 153)
Impairment	(164 449)	(40 483)	(24 358)	(229 290)
Closing balance as at 30 June 2015	136 230	70 720	68 897	275 847
Additional investment	**–**	**8 157**	**–**	**8 157**
Share of losses from associate and joint venture	**–**	**(7 196)**	**(4 419)**	**(11 615)**
Current year amortisation	**–**	**(1 300)**	**–**	**(1 300)**
Impairment	**–**	**(34 681)**	**(5 270)**	**(39 951)**
Closing balance as at 31 December 2015	**136 230**	**35 700**	**59 208**	**231 138**

	Reviewed 6 months ending 31 December 2015	Reviewed 6 months ending 31 December 2014	Audited 12 months ending 30 June 2015
	R'000	**R'000**	**R'000**

10. Inventories

Metals on hand and in transit at net realisable value			
Platinum	**522 589**	646 813	673 216
Palladium	**167 108**	215 342	220 905
Rhodium	**122 806**	150 174	142 401
Gold	**13 332**	12 536	16 252
Total metal inventories	**825 835**	1 024 865	1 052 774
Chrome finished product at costs	**323**	94	222
Consumables at costs	**79 221**	82 574	73 554
Total inventories at the lower of cost and net realisable value	**905 379**	1 107 533	1 126 550

Included in cost of sales are metals on hand that were written down by R186.5 million, (30 June 2015: R273.0 million and 31 December 2014: R63.3 million) to net realisable value.

	Reviewed 6 months ending 31 December 2015	Reviewed 6 months ending 31 December 2014	Audited 12 months ending 30 June 2015
	R'000	**R'000**	**R'000**

11. Preference share liability

Opening balance	**6 656 891**	–	–
Zambezi Platinum (RF) Limited preference shares issued	**–**	–	6 556 124
Accrued dividends	**430 414**	–	100 767
	7 087 305	–	6 656 891
Liquidity fees relating to the Black Economic Empowerment transaction	**(155 709)**		(164 236)
	6 931 596	–	6 492 655

In May 2015, 159.9 million 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 time 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. The redeemable preference shares do not carry the right to vote.

The preference share liability will be settled by delivering cash through the sale of the Northam shares owned by Zambezi Platinum (RF) Limited, the issue of a variable number of Northam shares to the preference shareholders or a combination of the two.

A liquidity fee was paid to the Public Investment Corporation SOC Limited and Coronation Asset Management Proprietary Limited, who underwrote the Zambezi Platinum preference share issue.

The liquidity fee was equal to 2.5% of the value of the preference shares issued on the implementation date which was 18 May 2015 and will be amortised over the 10-year period of the preference shares.

	Reviewed 31 December 2015	Reviewed 31 December 2014	Audited 30 June 2015
	R'000	R'000	R'000
12. Capital commitments			
Booysendal mine			
Authorised but not contracted	**26 291**	135 935	**367 584**
Contracted	**179 282**	83 749	**74 506**
	205 573	219 684	**442 090**
Zondereinde mine			
Authorised but not contracted	**220 790**	90 822	**795 628**
Contracted	**349 162**	64 608	**42 376**
	569 952	155 430	**838 004**
Other commitments			
Information technology – outsource service provider			
Due within one year	**20 212**	16 588	**26 675**
Due within two to five years	**10 604**	25 087	**18 403**
Operating lease rentals – office equipment			
Due within one year	**1 717**	2 321	**2 136**
Due within two to five years	**746**	2 244	**1 684**
Operating lease rentals – premises			
Due within one year	**6 430**	4 303	**5 599**
Due within two to five years	**23 586**	13 310	**27 324**
More than five years	**–**	4 293	**–**
The lease rental for the corporate office contains an option to renew the lease for an additional five years.			
Housing development	**3 321**	9 762	**4 800**
Bank guarantees issued	**50 717**	73 266	**73 266**

These commitments will be funded from a combination of internal retentions and debt.

13. Events after the reporting period

On 5 February 2016 shareholders were advised by way of a SENS announcement that Northam had entered into a subscription agreement with the Industrial Development Corporation of South Africa Limited (IDC) in terms of which the IDC has agreed to subscribe for new domestic medium-term notes amounting to R250.0 million at a rate of the three month Jibar plus 390 basis points. Apart from this matter, there have been no other events subsequent to the period end which require additional disclosure or adjustment to these interim financial results.

ADMINISTRATION AND CONTACT INFORMATION

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(Registration number 1977/003282/06)
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