

NORTHAM

PLATINUM LIMITED

smart platinum mining

REVIEWED PRELIMINARY RESULTS

**FOR THE YEAR ENDED
30 JUNE 2016**

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.

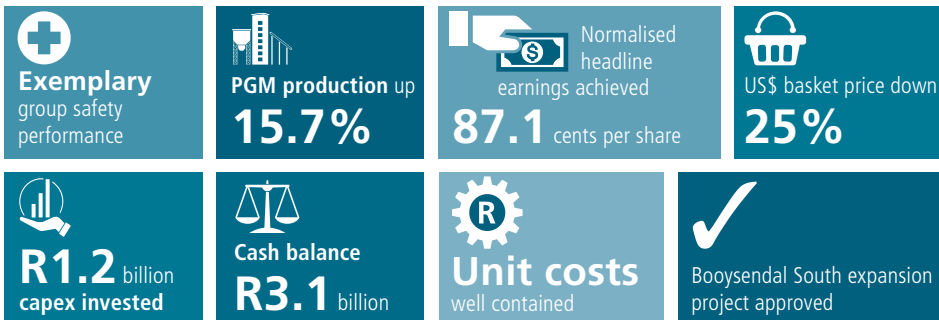
Northam has its own metallurgical operations, including a base metal removal plant and smelter, on the Zondereinde lease area and the group produces ~440 000 PGM oz annually. The group's final concentrate is refined by the Heraeus facilities in Port Elizabeth and in Hanau, Germany. Northam markets its 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 Zambezi 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 options, 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



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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)



Scan the QR barcode with your smart device to download the full PDF of the Northam Preliminary Results. Alternatively go to the Northam website at www.northam.co.za

A WORD FROM THE CHIEF EXECUTIVE

The past year was one of consolidation for the group as we completed the restructuring and strengthening of our balance sheet and as we progressed development of the physical assets on which our corporate future is being built. Northam is moving into a growth phase, funded by significant cash holdings and internally generated cash flows. Successful project execution will be critical, in the coming year.

HEALTH AND SAFETY

Our operations completed the past financial year with no fatal accidents. In terms of providing safe working environments, the mechanised Booyseindal operation continues to be a differentiator. However, Zondereinde's performance was exemplary and was rewarded with five million fatality-free shifts.

My congratulations go to all employees who worked hard to achieve these milestones.

PGM MARKETS

The past year has been one of the most challenging this industry has faced. Metal prices have languished at levels not seen since 2009, with platinum plummeting to USD814/oz in January this year. Some recovery has been discernible since, taking the metal to just over USD1 023/oz at the end of the financial year.

Palladium's trading followed a somewhat similar pattern, with spot metal opening the financial year at USD699/oz, touching a low of USD470/oz in January and ending the year at USD589/oz.

Recent research has indicated that the current 2016 calendar year will end with an overall platinum supply deficit of 455 000oz based on forecast demand of 8.26Moz and supply of 7.80Mz. Newly-refined production is projected to fall in each of the four principal platinum producing regions – as mining firms curtail output of unprofitable ounces and deliver just shy of 6Moz into the market. Nevertheless, Northam expects platinum demand to continue to grow at a rate similar to the growth in world gross domestic product.

THE OPERATING ENVIRONMENT

Challenges in the labour relations arena are likely to persist in the near term, even though labour relations at our two operating mines were largely stable in the wake of securing three-year wage agreements.

I believe that these agreements illustrate that competition between unions can be set aside for the overall benefit of employees. Longer-term agreements provide a platform for a stable operating environment, a fundamental tenet of our business strategy.

Civil unrest in the Steelpoort valley is not a new phenomenon, and occasionally resulted in production losses at Booyensdal when passage for employees was too dangerous. We are optimistic that the task team set up to deal with community issues will generate some fresh impetus and that these concerns will be resolved.

The situation at Zondereinde was potentially more serious in early June when a mine employee was killed in the neighbouring Northam town. This was followed by the death of another employee, raising tensions on the mine and resulting in eight days' underground production losses. This issue is still being actively managed by mine management.

My thanks, and those of the board, go to all the stakeholders who contributed to resolving the immediate situation at Zondereinde, in particular the SAPS and the Minister of Mineral Resources, Mr Mosebenzi Zwane.

PERFORMANCE

The introduction of Zambezi Platinum (RF) Proprietary Limited as a 31.4% shareholder in the company, along with the capital injection it brought, have been accounted for in our financials, contributing to the healthy cash position of R3.1 billion shown on the statement of financial position at the financial year's end.

The details of our financial results and operational delivery are discussed in detail further on in this report. Suffice it to say that the dollar-denominated PGM prices masked the solid performances at both operations.

In line with our focus on core business activities we disposed of our 20.3% stake in the Trans Hex Group Limited, further strengthened the statement of financial position by issuing medium-term notes to the value of R425 million, and welcomed the Industrial Development Corporation of South Africa Limited (IDC) as a strategic funding partner. This financial strength provides the basis for funding expansion projects that will take our annual PGM production profile to 800 000oz.

While our statement of financial position is particularly strong we shall continue with our conservative approach to growth and acquisition. The massive orebody at Booyensdal, along with the Everest infrastructure (now part of the Booyensdal South complex), secures contiguous, lease-bound brownfields growth in an area where the capital footprint has largely already been established.

A WORD FROM THE CHIEF EXECUTIVE continued

Each one of our mines has ore reserves sufficient for at least 20 years of production. We have completed the ramp-up of Booysendal UG2 North's operations to full capacity and are carrying out deepening projects at both Zondereinde and Booysendal North. The Merensky mine at Booysendal North and development of the Booysendal South mining complex have been approved and are progressing well. We are also extending and optimising our processing capacity. The smelter expansion at Zondereinde is in progress, and due for completion towards the end of calendar year 2017. An offtake agreement with Heraeus Deutschland GmbH & Co. KG (Heraeus) has secured an investment contribution of €20.0 million in this R750.0 million expansion programme.

LOOKING AHEAD

Looking ahead, Northam is confident that the fundamentals of the PGM markets will reassert, giving impetus to a stronger pricing environment. The perceived threats to demand are receding and South African primary supply is under pressure from underinvestment. Northam's investment in new production through the cycle is intended to deliver into a rising market.

Paul Dunne

Chief executive

OPERATING, PRODUCTION AND FINANCIAL STATISTICS

	30 June 2016 R000	30 June 2015 R000	% variance
NORMALISED HEADLINE EARNINGS PER SHARE			
Headline loss	(492 837)	(794 963)	(38.0)
<i>Add back:</i>			
Net lock in fee	–	242 429	(100.0)
IFRS 2 Black Economic Empowerment share based payment charge	–	874 448	(100.0)
Amortisation of liquidity fees paid on preference shares	18 088	–	100.0
Preference share dividends	918 806	100 767	811.8
Normalised headline earnings	444 057	422 681	5.1
Normalised headline earnings per issued share (cents)	87.1	82.9	5.1
Number of shares in issue including treasury shares	509 781 212	509 781 212	–

	30 June 2016 R000	30 June 2015 R000	% variance
VALUE CREATED AND DISTRIBUTED			
Value created and distributed to employees			
Salaries and wages	1 583 260	1 441 799	9.8
Contributions to retirement benefit funds	123 964	114 565	8.2
Contributions to healthcare funds	68 831	66 074	4.2
Share based payment payouts	56 222	74 386	(24.4)
	1 832 277	1 696 824	8.0
Value created and distributed to government			
Mining and non-mining tax	140 825	135 762	3.7
Dividend withholding tax	–	12 447	(100.0)
Capital gains tax	–	74 592	(100.0)
Royalty taxes	44 283	39 986	10.8
Pay as you earn deducted from employees	294 043	277 861	5.8
	479 151	540 648	(11.4)
Total value created and distributed	2 311 428	2 237 472	3.3

OPERATING, PRODUCTION AND FINANCIAL STATISTICS

continued

		30 June 2016	30 June 2015	% change
PRELIMINARY GROUP PERFORMANCE DATA				
Sales revenue				
Platinum	R'000	3 731 417	3 613 649	3.3
Palladium	R'000	1 122 284	1 138 875	(1.5)
Rhodium	R'000	442 998	513 582	(13.7)
Gold	R'000	92 151	81 556	13.0
Chrome	R'000	354 653	289 791	22.4
Other	R'000	353 567	398 082	(11.2)
	R'000	6 097 070	6 035 535	1.0
Total metal sold				
Platinum	kg	8 404	7 894	6.5
Palladium	kg	4 171	3 875	7.6
Rhodium	kg	1 326	1 195	11.0
Gold	kg	170	182	(6.6)
3PGE + Au	kg	14 071	13 146	7.0
Total metal sold				
Platinum	oz	270 194	253 798	6.5
Palladium	oz	134 101	124 584	7.6
Rhodium	oz	42 632	38 420	11.0
Gold	oz	5 466	5 851	(6.6)
3PGE + Au	oz	452 393	422 653	7.0
Average market prices achieved				
Platinum	USD/oz	964	1 248	(22.8)
Palladium	USD/oz	586	799	(26.7)
Rhodium	USD/oz	721	1 168	(38.3)
Gold	USD/oz	1 174	1 222	(3.9)
Basket price per 3PGE + Au oz sold	USD/oz	831	1 108	(25.0)
Basket price per 3PGE + Au oz sold	R/oz	11 912	12 686	(6.1)
Total revenue per platinum oz sold	R/oz	22 566	23 781	(5.1)
Total revenue per 3PGE + Au oz sold	R/oz	13 477	14 280	(5.6)
Total revenue per 3PGE + Au kg sold	R/kg	433 307	459 112	(5.6)
Exchange rates				
Average exchange rate achieved on sales	ZAR/USD	14.33	11.45	25.2
Exchange rate at end of the year	ZAR/USD	14.71	12.16	21.0

		30 June 2016	30 June 2015	% change
Financial statistics[^]				
Operating profit	R'000	383 348	595 813	(35.7)
Operating profit margin	%	6.3	9.9	(36.4)
EBITDA	R'000	843 446	(354 483)	337.9
EBITDA margin	%	13.8	5.9	133.9
Current ratio		4.1	2.2	86.4
Net asset value as a % of market capitalisation	%	39.8	44.9	(11.4)
Market information and share statistics				
Total shares in issue		509 781 212	509 781 212	–
Weighted average number of shares in issue		349 875 759	391 834 708	(10.7)
Treasury shares held		159 905 453	159 905 453	–
Market capitalisation	R'000	21 920 592	20 523 792	6.8
Closing share price	cents	4 300	4 026	6.8
Production				
Tonnes milled	t	4 186 028	3 646 759	14.8
Chrome tonnes produced	t	538 405	371 051	45.1
Equivalent refined metal from own operations				
Platinum	kg	8 192	7 108	15.3
Palladium	kg	3 963	3 445	15.0
Rhodium	kg	1 298	1 081	20.1
Gold	kg	138	116	19.0
3PGE + Au	kg	13 591	11 750	15.7
Equivalent refined metal from own operations				
Platinum	oz	263 379	228 527	15.3
Palladium	oz	127 413	110 759	15.0
Rhodium	oz	41 732	34 755	20.1
Gold	oz	4 436	3 729	19.0
3PGE + Au	oz	436 960	377 770	15.7

[^] Financial statistics relate to the consolidated results of Northam Platinum Limited.

OPERATING, PRODUCTION AND FINANCIAL STATISTICS

continued

		30 June 2016	30 June 2015	% change
Total refined metal produced				
Platinum	kg	8 426	7 883	6.9
Palladium	kg	4 166	3 872	7.6
Rhodium	kg	1 332	1 133	17.6
Gold	kg	173	240	(27.9)
3PGE + Au	kg	14 097	13 128	7.4
Total refined metal produced				
Platinum	oz	270 902	253 444	6.9
Palladium	oz	133 940	124 488	7.6
Rhodium	oz	42 825	36 426	17.6
Gold	oz	5 561	7 716	(27.9)
3PGE + Au	oz	453 228	422 074	7.4
On mine costs	R'000	4 426 264	3 931 973	12.6
On mine costs consists of:				
On mine operations	R'000	3 857 633	3 421 674	12.7
Concentrator operations	R'000	568 631	510 299	11.4
	R'000	4 426 264	3 931 973	12.6
On mine cash costs per tonne milled	R/t	1 057	1 078	(1.9)
Total cash costs*	R'000	4 987 446	4 408 909	13.1
Total cash costs consists of:				
On mine costs	R'000	4 426 264	3 931 973	12.6
Smelting and base metal removal plant costs	R'000	273 612	172 485	58.6
Selling and administration	R'000	154 384	104 981	47.1
Refining including sampling and handling charges	R'000	133 186	199 470	(33.2)
	R'000	4 987 446	4 408 909	13.1
Cash cost per equivalent refined platinum oz	R/oz	18 877	19 088	(1.1)
Cash cost per equivalent refined 3PGE + Au oz	R/oz	11 368	11 538	(1.5)
Cash cost per equivalent refined 3PGE + Au kg	R/kg	365 485	370 966	(1.5)
Total capital incurred	R'000	1 173 980	1 102 048	6.5
Expansionary capex	R'000	804 344	779 068	3.2
Sustaining capex	R'000	369 636	322 980	14.5
Headcount				
Directly employed		6 274	6 588	(4.8)
Total employed		11 312	10 843	4.3

* 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 operations plus smelting, refining and administration overhead costs divided by total refined metal quantities produced.

		30 June 2016	30 June 2015	% change
ZONDEREINDE MINE				
Safety				
Lost time injury incidence rate (LTIR)	per 200 000 hours worked	1.92	1.31	46.6
Production statistics				
Merensky				
Development metres	m	5 206	6 507	(20.0)
Tonnes milled	t	815 167	795 885	2.4
Head grade (3PGE + Au)	g/t	5.9	5.7	3.5
Available ore reserves	months	20	20	–
Concentrator recovery	%	89.7	88.8	1.0
UG2				
Development metres	m	3 552	1 461	143.1
Tonnes milled	t	1 205 258	1 064 499	13.2
Head grade (3PGE + Au)	g/t	4.2	4.3	(2.3)
Available ore reserves	months	24	24	–
Concentrator recovery	%	87.6	87.1	0.6
Combined				
Development metres	m	8 758	7 968	9.9
Tonnes milled	t	2 020 425	1 860 384	8.6
Head grade (3PGE + Au)	g/t	4.9	4.9	–
Chrome tonnes produced	t	327 510	229 177	42.9
Equivalent refined metal from own operations				
Platinum	kg	5 286	4 775	10.7
Palladium	kg	2 579	2 367	9.0
Rhodium	kg	823	708	16.2
Gold	kg	107	100	7.0
3PGE + Au	kg	8 795	7 950	10.6

OPERATING, PRODUCTION AND FINANCIAL STATISTICS

continued

		30 June 2016	30 June 2015	% change
Equivalent refined metal from own operations				
Platinum	oz	169 949	153 520	10.7
Palladium	oz	82 916	76 101	9.0
Rhodium	oz	26 460	22 763	16.2
Gold	oz	3 440	3 214	7.0
3PGE + Au	oz	282 765	255 598	10.6
Equivalent refined metal from third parties				
Platinum	kg	538	909	(40.8)
Palladium	kg	234	408	(42.6)
Rhodium	kg	70	143	(51.0)
Gold	kg	17	14	21.4
3PGE + Au	kg	859	1 474	(41.7)
Equivalent refined metal from third parties				
Platinum	oz	17 297	29 225	(40.8)
Palladium	oz	7 523	13 117	(42.6)
Rhodium	oz	2 251	4 598	(51.0)
Gold	oz	547	450	21.4
3PGE + Au	oz	27 618	47 390	(41.7)
Metal in concentrate purchased from Booyseidal				
Platinum	kg	3 105	566	448.6
Palladium	kg	1 475	253	483.0
Rhodium	kg	507	100	407.0
Gold	kg	32	3	966.7
3PGE + Au	kg	5 119	922	455.2

		30 June 2016	30 June 2015	% change
Metal in concentrate purchased from Booyssendal				
Platinum	oz	99 828	18 197	448.6
Palladium	oz	47 422	8 134	483.0
Rhodium	oz	16 300	3 215	407.0
Gold	oz	1 029	96	966.7
3PGE + Au	oz	164 579	29 642	455.2
Total refined metal produced				
Platinum	kg	8 426	7 883	6.9
Palladium	kg	4 166	3 872	7.6
Rhodium	kg	1 332	1 133	17.6
Gold	kg	173	240	(27.9)
3PGE + Au	kg	14 097	13 128	7.4
Total refined metal produced				
Platinum	oz	270 902	253 444	6.9
Palladium	oz	133 940	124 488	7.6
Rhodium	oz	42 824	36 426	17.6
Gold	oz	5 562	7 716	(27.9)
3PGE + Au	oz	453 228	422 074	7.4
On mine costs	R'000	2 976 450	2 813 018	5.8
On mine costs consists of:				
On mine operations	R'000	2 691 280	2 548 692	5.6
Concentrator operations	R'000	285 170	264 326	7.9
	R'000	2 976 450	2 813 018	5.8
On mine cash costs per tonne milled	R/t	1 473	1 512	(2.6)
Total cash costs	R'000	3 489 870	3 139 881	11.1
Total cash costs consists of:				
On mine costs	R'000	2 976 450	2 813 018	5.8
Smelting and base metal removal plant costs	R'000	273 612	172 485	58.6
Selling and administration	R'000	106 622	70 970	50.2
Refining including sampling and handling charges	R'000	133 186	83 408	59.7
	R'000	3 489 870	3 139 881	11.1
Cash cost per equivalent refined platinum oz*	R/oz	19 409	19 613	(1.0)
Cash cost per equivalent refined 3PGE + Au oz*	R/oz	11 659	11 780	(1.0)
Cash cost per equivalent refined 3PGE + Au kg*	R/kg	374 846	378 737	(1.0)

* 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 operations plus smelting, refining and administration overhead costs divided by total refined metal quantities produced.

OPERATING, PRODUCTION AND FINANCIAL STATISTICS

continued

		30 June 2016	30 June 2015	% change
Sales revenue				
Platinum	R'000	3 731 417	2 621 288	42.4
Palladium	R'000	1 122 284	852 309	31.7
Rhodium	R'000	442 998	356 804	24.2
Gold	R'000	92 151	74 793	23.2
Chrome	R'000	225 750	184 133	22.6
Other	R'000	351 617	324 927	8.2
	R'000	5 966 217	4 414 254	35.2
Total metal sold				
Platinum	kg	8 404	5 737	46.5
Palladium	kg	4 171	2 900	43.8
Rhodium	kg	1 326	832	59.4
Gold	kg	170	167	1.8
3PGE + Au	kg	14 071	9 636	46.0
Total metal sold				
Platinum	oz	270 194	184 449	46.5
Palladium	oz	134 101	93 237	43.8
Rhodium	oz	42 632	26 749	59.4
Gold	oz	5 466	5 369	1.8
3PGE + Au	oz	452 393	309 804	46.0
Average market prices achieved				
Platinum	USD/oz	964	1 246	(22.6)
Palladium	USD/oz	586	801	(26.8)
Rhodium	USD/oz	721	1 170	(38.4)
Gold	USD/oz	1 174	1 224	(4.1)
Nickel sold	t	1 268	1 322	(4.1)
Average market price achieved for nickel	USD/t	9 014	15 169	(40.6)
Nickel sales	R'000	162 947	203 913	(20.1)
Basket price per 3PGE + Au oz sold	USD/oz	831	1 108	(25.0)
Basket price per 3PGE + Au oz sold	R/oz	11 912	12 686	(6.1)
Total revenue per platinum oz sold	R/oz	22 081	23 932	(7.7)
Total revenue per 3PGE + Au oz sold	R/oz	13 188	14 249	(7.4)
Total revenue per 3PGE + Au kg sold	R/kg	424 008	458 100	(7.4)

		30 June 2016	30 June 2015	% change
Total capital incurred	R'000	554 115	303 221	82.7
Expansionary capex	R'000	294 297	34 516	752.6
Sustaining capex	R'000	259 818	268 705	(3.3)
Headcount				
Directly employed		6 083	6 365	(4.4)
Total employed		8 392	8 449	(0.7)
Operating income statement				
Operating profit	R'000	248 125	398 414	(37.7)
Operating profit margin	%	4.2	9.0	(53.3)
EBITDA	R'000	560 271	634 453	(11.7)
EBITDA margin	%	9.4	14.4	(34.7)

		30 June 2016	30 June 2015	% change
BOOYSENDAL MINE				
Safety				
Lost time injury incidence rate (LTIR)	per 200 000 hours worked	0.44	0.54	(18.5)
Production statistics				
Merensky				
Tonnes milled	t	92 645	–	100.0
Head grade (3PGE + Au)	g/t	1.9	–	100.0
UG2				
Tonnes milled	t	2 072 958	1 786 375	16.0
Head grade (3PGE + Au)	g/t	2.7	2.6	3.8

OPERATING, PRODUCTION AND FINANCIAL STATISTICS

continued

		30 June 2016	30 June 2015	% change
Combined				
Tonnes milled	t	2 165 603	1 786 375	21.2
Head grade (3PGE + Au)	g/t	2.7	2.6	3.8
Concentrator recovery rate	%	85.7	82.3	4.1
Chrome tonnes produced	t	210 895	141 874	48.6
Metal in concentrate produced				
Platinum	kg	3 045	2 327	30.9
Palladium	kg	1 443	1 079	33.7
Rhodium	kg	497	387	28.4
Gold	kg	32	16	100.0
3PGE + Au	kg	5 017	3 809	31.7
Metal in concentrate produced				
Platinum	oz	97 899	74 815	30.9
Palladium	oz	46 393	34 691	33.7
Rhodium	oz	15 979	12 442	28.4
Gold	oz	1 029	514	100.0
3PGE + Au	oz	161 300	122 462	31.7
On mine costs	R'000	1 449 814	1 118 955	29.6
On mine costs consists of:				
On mine operations	R'000	1 166 353	872 982	33.6
Concentrator operations	R'000	283 461	243 973	16.2
	R'000	1 449 814	1 118 955	29.6
On mine cash costs per tonne milled	R/t	669	626	6.9
Total cash costs*	R'000	1 497 576	1 152 966	29.9
Total cash costs consists of:				
On mine costs	R'000	1 449 814	1 118 955	29.6
Selling and administration	R'000	47 762	34 011	40.4
	R'000	1 497 576	1 152 966	29.9
Cash cost per platinum oz	R/oz	15 297	15 411	(0.7)
Cash cost per 3PGE + Au oz	R/oz	9 284	9 415	(1.4)
Cash cost per 3PGE + Au kg	R/kg	298 500	302 695	(1.4)

* 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.

		30 June 2016	30 June 2015	% change
Metal sold to third parties*				
Platinum	kg	–	2 157	(100.0)
Palladium	kg	–	975	(100.0)
Rhodium	kg	–	363	(100.0)
Gold	kg	–	14	(100.0)
3PGE + Au	kg	–	3 509	(100.0)
Metal sold to third parties*				
Platinum	oz	–	69 349	(100.0)
Palladium	oz	–	31 347	(100.0)
Rhodium	oz	–	11 671	(100.0)
Gold	oz	–	450	(100.0)
3PGE + Au	oz	–	112 817	(100.0)
Metal sold to Zondereinde				
Platinum	kg	3 105	566	448.6
Palladium	kg	1 475	253	483.0
Rhodium	kg	507	100	407.0
Gold	kg	32	3	966.7
3PGE + Au	kg	5 119	922	455.2
Metal sold to Zondereinde				
Platinum	oz	99 828	18 197	448.6
Palladium	oz	47 422	8 134	483.0
Rhodium	oz	16 300	3 215	407.0
Gold	oz	1 029	96	966.7
3PGE + Au	oz	164 579	29 642	455.2
Sales revenue				
Platinum	R'000	1 250 361	1 230 953	1.6
Palladium	R'000	355 758	353 819	0.6
Rhodium	R'000	146 098	190 895	(23.5)
Gold	R'000	16 976	7 924	114.2
Chrome	R'000	128 903	105 659	22.0
Other	R'000	74 787	88 831	(15.8)
	R'000	1 972 883	1 978 081	(0.3)

* From 1 June 2015 all metal (excluding chrome) has been sold to Zondereinde at 88% of the market value.

OPERATING, PRODUCTION AND FINANCIAL STATISTICS

continued

		30 June 2016	30 June 2015	% change
Average market prices achieved*				
Platinum	USD/oz	854	1 218	(29.9)
Palladium	USD/oz	515	776	(33.7)
Rhodium	USD/oz	624	1 108	(43.7)
Gold	USD/oz	1 085	1 211	(10.4)
Nickel sold	t	258	166	(55.4)
Average market price achieved for nickel	USD/t	6 530	14 695	(55.6)
Nickel sales	R'000	24 830	27 849	(10.8)
Basket price per 3PGE + Au sold*	USD/oz	735	1 084	(32.2)
Basket price per 3PGE + Au oz sold*	R/oz	10 533	12 411	(15.1)
Total revenue per platinum oz sold*	R/oz	19 763	22 595	(12.5)
Total revenue per 3PGE + Au oz sold*	R/oz	11 987	13 885	(13.7)
Total revenue per 3PGE + Au kg sold*	R/kg	385 405	446 418	(13.7)
Total capital incurred				
Expansionary capex	R'000	508 759	744 552	(31.7)
Sustaining capex	R'000	107 689	54 275	98.4
Headcount				
Directly employed		191	223	(14.3)
Total employed		2 920	2 394	22.0
Operating income statement				
Operating profit	R'000	175 979	195 231	(9.9)
Operating profit margin	%	8.9	9.9	(10.1)
EBITDA	R'000	360 583	356 574	1.1
EBITDA margin	%	18.3	18.0	1.7

* From 1 June 2015 all metal (excluding chrome) has been sold to Zondereinde at 88% of the market value.

RESULTS COMMENTARY

INTRODUCTION

Northam's production of equivalent refined metal from own operations increased by 15.7% to 13 591kg/436 960oz during the year under review. This followed a solid operating performance at Zondereinde and Booyensdal reaching steady-state production. The group's financial results, however, were negatively impacted by lower ZAR basket prices. In line with the group strategy to diversify into shallow mechanisable operations the Board approved the development of the initial phase of the Booyensdal South project in June 2016. This project includes the development of two UG2 mining modules and a Merensky mining module which will contribute an additional 240 000oz per annum of platinum group metals to the group's production profile.

The construction of the new 20MW furnace at the Zondereinde mining complex is progressing well. In addition to adding smelter capacity, it will also reduce operational risk. The total cost of the project is anticipated to be R750.0 million and is expected to be commissioned by the end of the 2017 calendar year. The 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 first €10.0 million was received in June 2016. The agreement also provides for the renewal of the current refining arrangements and guarantees a supply of refined metal to Heraeus.

FINANCIAL OVERVIEW

Revenue generated from sales increased by 1.0% to R6.1 billion (FY2015: R6.0 billion), reflecting the lower prices received offset by higher sales volumes. Metal sold increased by 7.0% to 452 393 ounces 3PGE+Au (FY2015: 422 653 ounces), with the ZAR basket price received decreasing by 6.1%.

The lower basket price achieved of R382 979/kg (FY2015: R407 864/kg) reflects a 25.0% decline in the USD basket price from USD1 108/oz to USD831/oz offset by a weaker ZAR against the USD, which fell from R11.45/USD the previous year to an average of R14.33/USD for the financial year.

From 1 June 2015, concentrate produced from Booyensdal has been sold to Zondereinde at 88% of the market value. On a group basis, revenue is generated by Zondereinde as all PGM sales between Booyensdal and Zondereinde are eliminated on consolidation. Previously, Booyensdal sold its final product directly to third party customers.

Cost of sales increased by 5.0% to R5.7 billion (FY2015: R5.4 billion). The higher cost of sales was as a result of a 7.0% increase in volumes sold. Group operating costs, were up 15.3% to R5.0 billion (FY2015: R4.3 billion) on the back of a 15.7% increase in metals produced from own operations. Depreciation and amortisation increased by 18.7% to R403.5 million (FY2015: R339.9 million) due to the increased production, as depreciation and amortisation is calculated on a unit of production basis. The value of concentrates purchased from external parties fell by 41.8% to R350.5 million (FY2015: R602.4 million) largely due to lower deliveries from the seller.

RESULTS COMMENTARY continued

Operating profit was negatively impacted by the lower basket price and decreased by 35.7% to R383.3 million (FY2015: R595.8 million). Zondereinde generated an operating profit of R248.1 million (FY2015: R398.4 million) and Booyensdal generated an operating profit of R176.0 million (FY2015: R195.2 million).

Share of earnings from associates and joint ventures decreased by 212.1% to a loss of R32.3 million (FY2015: profit of R28.8 million). In the current year, Northam's share in the Pandora joint venture's losses amounted to R12.6 million (FY2015: loss of R10.7 million) and its share of losses in Trans Hex Group Limited amounted to R20.0 million (FY2015: profit of R39.5 million). The Pandora joint venture also required a number of cash injections, with the group's share of cash calls amounting to R10.6 million (FY2015: R9.7 million) with further cash calls expected in the new financial year. Management is reviewing its options with regard to Northam's continued participation in the Pandora joint venture.

During the year, the 20.3% shareholding in Trans Hex Group Limited was sold for R81.8 million and a loss of R21.0 million was recognised on the sales transaction. In addition, Northam acquired a 20% share in SSG Holdings Proprietary Limited for R10.0 million effective 29 February 2016. This investment is recognised as an associate and has consequently been equity accounted for in the group results. SSG Holdings Proprietary Limited is a company providing security services to both the Zondereinde and Booyensdal mines. Northam's share of SSG Holdings Proprietary Limited's profits for the four months ended 30 June 2016 amounted to R0.4 million.

Investment revenue increased by 268.2% to R265.3 million (FY2015: R72.0 million) due to interest earned on higher cash balances as well as interest received on an insurance contingency policy which generated investment revenue of R50.0 million.

Finance charges decreased by 72.7% to R39.6 million (FY2015: R145.2 million). The Domestic Medium Term Debt Notes (DMTN) of R1.4 billion were repaid on 3 September 2015, resulting in a decrease in the finance costs in the current year. The new DMTN were issued during May and June 2016, resulting in an interest accrual of R4.8 million on these new notes plus R23.5 million worth of interest paid on the old DMTN repaid in September 2015, compared to R132.9 million accrued for in the prior year.

A 32.6% decrease to R180.9 million (FY2015: R268.3 million) was recorded in sundry income during the year. An amount of R59.6 million was received as a result of the cancellation of an insurance contingency policy and the refund of the original cash contribution plus interest. In the corresponding period, an insurance refund of R183.8 million was received relating to the No. 1 shaft incident which was then included in sundry income. Sundry income during the current year was also impacted by the volatility of the ZAR as currency translation variances increased from R6.2 million during 2015 to R26.2 million for the current year. Also included in sundry income is the write back of the Trans Hex Group Limited impairment of R34.1 million previously accounted for in sundry expenditure.

Sundry expenditure decreased by 94.2% from R1 587.3 million in the previous year to R92.1 million. Included in sundry expenditure in the prior year were once-off lock in fees paid to the BEE participants amounting to R242.4 million, a once-off equity settled share based payment charge of R874.4 million also relating to the Zambezi BEE transaction as well as corporate action costs of R172.6 million. Also included in sundry expenditure in the prior year were the write down of non-core assets of R261.5 million regarding the Pandora joint venture, Trans Hex Group Limited and the Dwaalkop investment. During the current year, sundry expenditure includes an impairment of R20.5 million relating to the Pandora Joint venture. Furthermore, in FY2016, care and maintenance costs of R25.1 million (FY2015: R9.7 million) were incurred on the Everest plant acquired from Aquarius Platinum (South Africa) Proprietary Limited as well as a R21.0 million loss made on the sale of the Trans Hex Group Limited shares.

In terms of the May 2015 BEE transaction, the Zambezi preference shares accrue a cumulative variable dividend at the South African prime interest rate plus 3.5% per annum. The accrued dividend is recognised as a finance charge in profit or loss. The finance costs associated with the preference shares for the current year amounted to R918.8 million (FY2015: R100.8 million) and are consolidated into the accounts of Northam in terms of IFRS, together with the amortisation fees paid over the 10 year lock in period.

The rise in the taxation charge compared to the previous year largely consists of non-mining tax of R140.8 million accrued mainly on interest earned from third parties. Deferred tax was raised on all temporary differences resulting in a tax charge of R96.1 million.

Cash flow movements

Cash flows generated from operating activities increased to R839.1 million (FY2015 R341.0 million), largely as a result of the improved production results in comparison to the previous year.

Cash flows utilised in investing activities increased from R1 101.5 million in FY2015 to R1 126.8 million during the current year. The movement relates primarily to the increase in expansionary capital, relating largely to the R291.6 million incurred on the new 20MW furnace at Zondereinde, R35.6 million spent on the furnace refractory lining for the existing furnace, R31.7 million spent on co-processing (converting the Merensky concentrator to accommodate UG2 ore at Zondereinde), R132.7 million spent on the deepening project at Zondereinde, R157.1 million on the Merensky project at Booyendal, R55.2 million on the acquisition of the Everest mineral resource and costs relating to Booyendal South and finally R178.0 million spent on the UG2 phase 1 mine and deepening project at Booyendal.

Cash flows utilised from financing expenditure amounted to R745.4 million compared to an inflow of R4 232.6 million in the prior year. The change relates to the repayment of the DMTN of R1.4 billion during September 2015 as well as R4.6 billion generated from the issue of shares relating to the BEE transaction in the prior year.

Excluding the repayment and issue of the new DMTN, the Northam group utilised cash to the value of R82.4 million for the year.

RESULTS COMMENTARY continued

OPERATIONS

Zondereinde

Zondereinde recorded five million fatality free shifts during the year, a commendable performance by both employees and management at any operation, and particularly at a deep-level mine. The lost time injury incidence rate (LTIIR) increased to 1.92 (FY2015: 1.31).

Merensky reef tonnes milled were 815 167 tonnes (FY2015: 795 884 tonnes) at a head grade of 5.9g/t, whilst the UG2 reef contributed 1 205 258 tonnes (FY2015: 1 064 499 tonnes) at a head grade of 4.2g/t. The combined head grade for the year was 4.9g/t (FY2015 4.9g/t) illustrating the impact of the higher UG2 contribution.

The overall operational performance of the Zondereinde mine was good. Mining flexibility on the Merensky reef remains constrained owing to challenging geological conditions. With the modifications to the processing plant, higher proportions of UG2 reef can be mined and processed and therefore the targeted UG2:Merensky mining ratio has been adjusted to 60:40.

Production of equivalent refined metal from own operations increased by 10.6% to 8 795kg/282 765oz (FY2015: 7 950kg/255 598oz). The quantities of purchased concentrates from external parties decreased by 41.7% from 1 474kg received during 2015 to only 859kg received in the current year.

Zondereinde's total operating costs were R3 464.4 million (FY2015: R3 147.0 million) representing an increase of 10.1% based on higher total production of equivalent refined metal from own operations. This resulted in an overall 1.0% decrease in the unit cash cost per equivalent refined 3PGE + Au/kg from R378 737/kg to R374 846/kg in the current year, demonstrating tight cost control.

During the year, capital expenditure to the value of R554.1 million (FY2015: R303.2 million) was incurred, relating mainly to the construction of the new 20MW furnace (R291.6 million), R132.7 million spent on the deepening project and R127.2 million spent on other sustaining capital expenditure. Management estimates that expansionary and sustaining capital expenditure will be R379.1 million and R303.6 million respectively in FY2017.

Zondereinde's total resource estimate has increased to 84.1Moz (FY2015: 81.1Moz) with 11.7Moz (FY2015: 10.6Moz) in the reserve category giving a life of mine of in excess of 20 years.

Booyesendal

The Booyesendal mine recorded two million fatality free shifts during the year. The LTIR was 0.44 (FY2015: 0.54).

The mechanised mining method continues to be a significant safety differentiator. This is one of the reasons why management believes the growth of the group should favour shallower, mechanisable operations.

During the year the Booyesendal North UG2 mine achieved its steady state run rate of 160 000oz per annum. A total of 2 072 958 tonnes were milled at a head grade of 2.7g/t compared to 1 786 375 tonnes at a head grade of 2.6g/t in 2015.

The development of the Merensky North mine produced 92 645 tonnes during the year at a head grade of 1.9g/t, with capital expenditure of R157.1 million spent during the current year on this project.

The total operating costs at Booyesendal increased from R1 192.2 million to R1 541.0 million. The increase of 29.3% can be attributable to the increase in metals in concentrate produced which increased by 31.7% to 5 017kg/161 300oz (FY2015: 3 809kg/122 462oz).

The cash cost per equivalent 3PGE + Au kg in concentrate was R298 500/kg, a 1.4% decrease from the prior year's unit cost of R302 695/kg.

Capital expenditure incurred amounted to R616.4 million (FY2015: R798.8 million) which related to R55.2 million on the acquisition of the Everest mineral resource, R178.0 million spent on the UG2 phase 1 mine and deepening project, employee accommodation of R14.3 million, R89.1 million on sustaining capital expenditure at the UG2 North mine and R63.5 million on the Booyesendal South feasibility study.

Management estimates that expansionary and sustaining capital expenditure will be R527.0 million and R86.9 million respectively in FY2017.

MINERAL RESOURCES AND RESERVES

Resources and reserves reflected below are reported on a Northam attributable basis.

Mineral resources are reported inclusive of mineral reserves.

RESULTS COMMENTARY continued

Northam group reserve estimate (combined proven and probable)

Reef	Mine	as at 30 June 2016			as at 30 June 2015		
		4E PGE			4E PGE		
		Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booyssendal North mine	14.51	2.92	1.36	14.57	2.92	1.37
	Booyssendal South mine	9.36	2.58	0.78	–	–	–
	Dwaalkop*	–	–	–	13.66	2.61	1.15
	Zondereinde	21.01	5.51	3.72	25.45	5.35	4.38
	Total	44.88	4.06	5.86	53.68	3.99	6.90
UG2	Booyssendal North mine	41.53	3.00	4.00	43.14	3.00	4.16
	Booyssendal South mine	75.86	2.65	6.48	–	–	–
	Dwaalkop*	–	–	–	16.10	3.30	1.71
	Pandora*	1.21	4.10	0.16	1.29	4.11	0.17
	Zondereinde	58.64	4.24	7.99	47.67	4.06	6.22
Total	177.24	3.27	18.63	108.20	3.52	12.26	
Combined	Booyssendal North mine	56.04	2.98	5.36	57.71	2.98	5.53
	Booyssendal South mine	85.22	2.65	7.25	–	–	–
	Dwaalkop*	–	–	–	29.76	2.98	2.85
	Pandora*	1.21	4.10	0.16	1.29	4.11	0.17
	Zondereinde	79.65	4.58	11.72	73.13	4.51	10.60
Total	222.12	3.43	24.49	161.89	3.68	19.15	

* Current resources and reserves of Pandora and Dwaalkop are quoted as at 30 September 2015 while those of the previous year are at 30 September 2014.

Northam group resource estimate (combined measured, indicated and inferred)

Reef	Mine	as at 30 June 2016			as at 30 June 2015		
		4E PGE			4E PGE		
		Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booysendal North	87.82	5.06	14.29	87.82	5.06	14.29
	Booysendal South	187.55	3.55	21.41	199.53	3.50	22.48
	Booysendal North mine	16.97	3.23	1.76	17.05	3.23	1.77
	Booysendal South mine	11.98	2.77	1.07	–	–	–
	Dwaalkop*	38.05	2.98	3.64	38.05	2.98	3.64
	Zondereinde	164.44	7.38	39.00	167.26	7.35	39.52
	Total	506.81	4.98	81.17	509.70	4.99	81.70
UG2	Booysendal North	152.65	4.86	23.87	152.65	4.86	23.87
	Booysendal South	235.67	3.20	24.26	320.41	3.27	33.65
	Booysendal North mine	41.41	4.52	6.02	43.12	4.52	6.27
	Booysendal South mine	126.76	3.07	12.51	–	–	–
	Dwaalkop*	37.56	4.35	5.25	37.56	4.35	5.25
	Pandora*	14.14	4.65	2.11	14.14	4.65	2.11
	Zondereinde	276.41	5.08	45.14	254.32	5.08	41.55
Total	884.60	4.19	119.16	822.20	4.26	112.70	
Combined	Booysendal North	240.47	4.94	38.16	240.47	4.94	38.16
	Booysendal South	423.22	3.36	45.67	519.94	3.36	56.13
	Booysendal North mine	58.38	4.15	7.78	60.16	4.16	8.04
	Booysendal South mine	138.74	3.04	13.57	–	–	–
	Dwaalkop*	75.61	3.66	8.90	75.61	3.66	8.90
	Pandora*	14.14	4.65	2.11	14.14	4.65	2.11
	Zondereinde	440.85	5.94	84.14	421.58	5.98	81.07
Total	1 391.41	4.48	200.33	1 331.89	4.54	194.41	

* Current resources and reserves of Pandora and Dwaalkop are quoted as at 30 September 2015 while those of the previous year are at 30 September 2014.

RESULTS COMMENTARY continued

Notes to the mineral resource and reserve statement

There has been a reassignment of UG2 and Merensky resources at the Booyensdal South mine. A Merensky and UG2 reserve has been estimated for the Booyensdal South mine. This follows the completion of a mining feasibility study of both UG2 and Merensky reefs in portions of the Booyensdal South area.

The UG2 resource and reserve contained within the Everest mining right has been incorporated, into the Booyensdal estimate. This follows the transfer of the Everest mining right to Booyensdal Platinum Proprietary Limited in October 2015.

The UG2 resource and reserve estimate at Zondereinde mine has increased. This is due to a decrease in geological loss ascribed to potholing, and follows an extensive re-assessment of historical pothole losses and exploration data.

CHANGES TO THE BOARD OF DIRECTORS

Mr R Havenstein replaced Mr AR Martin as lead independent director on 18 August 2015.

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

Mr ME Beckett retired as an independent director on 11 November 2015.

Ms HH Hickey and **Mr TI Mvusi's** appointments as independent 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 global economic outlook remains uncertain resulting in volatile metal markets and exchange rates. The group's financial performance will depend on achieving higher metal sales prices and a stable operating performance. Cost saving and productivity improvement initiatives are in place at both Zondereinde and Booyensdal. Management is confident that the group's strong financial position, prudent financial controls and the development of shallow, mechanisable operations at Booyensdal will place the group in a position to take advantage of improved market conditions going forward.

** Information in this section has not been reviewed by the group's auditors.*

DIVIDENDS

In view of the current challenging economic environment facing the platinum mining sector and taking into consideration the cash requirements for the development of the group's project pipeline, the board has resolved not to declare a dividend for FY2016.

On behalf of the board

PL Zim
Chairman

Johannesburg
26 August 2016

PA Dunne
Chief executive

REVIEWED PRELIMINARY RESULTS

These reviewed preliminary results have been prepared under the supervision of the chief financial officer, Mr AZ Khumalo CA(SA). The preliminary results of the group will be published on the company's website on Friday 26 August 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 review report is available for inspection at Northam's registered office.

	Notes	Reviewed	Audited	%
		30 June 2016 R'000	30 June 2015 R'000	
PRELIMINARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
Sales revenue	2	6 097 070	6 035 535	1.0
Cost of sales		(5 713 722)	(5 439 722)	5.0
Operating costs	3	(5 007 233)	(4 342 571)	15.3
Concentrates purchased		(350 514)	(602 395)	(41.8)
Refining and other costs		(133 186)	(199 470)	(33.2)
Depreciation and write-offs		(403 545)	(339 949)	18.7
Change in metal inventories		180 756	44 663	304.7
Operating profit		383 348	595 813	(35.7)
Share of (losses)/earnings from associate and joint venture	11	(32 253)	28 769	(212.1)
Investment revenue	4	265 258	72 043	268.2
Finance charges excluding preference share dividends	5	(39 634)	(145 170)	(72.7)
Sundry income	6	180 928	268 250	(32.6)
Sundry expenditure	7	(92 122)	(1 587 264)	(94.2)
Profit/(loss) before preference share dividends		665 525	(767 559)	186.7
Amortisation of liquidity fees paid on preference shares		(18 088)	–	100.0
Preference share dividends		(918 806)	(100 767)	811.8
Loss before tax		(271 369)	(868 326)	(68.7)
Taxation	8	(236 894)	(165 619)	43.0
Loss for the year		(508 263)	(1 033 945)	(50.8)

REVIEWED PRELIMINARY RESULTS continued

	Reviewed	Audited	% variance
	30 June 2016 R'000	30 June 2015 R'000	
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss	19 822	(4 482)	542.3
Share of associate's exchange differences on translating foreign operations and foreign currency translation	(3 947)	(4 482)	(11.9)
Reclassification of other comprehensive income from associate to profit or loss	23 769	–	100.0
Total comprehensive income for the year	(488 441)	(1 038 427)	(53.0)
Loss attributable to:			
Owners of the parent	(508 263)	(1 035 649)	(50.9)
Non-controlling interest	–	1 704	(100.0)
Loss for the year	(508 263)	(1 033 945)	(50.8)
Total comprehensive income attributable to:			
Owners of the parent	(488 441)	(1 040 131)	(53.0)
Non-controlling interest	–	1 704	(100.0)
Total comprehensive income for the year	(488 441)	(1 038 427)	(53.0)
Reconciliation of headline loss per share information			
Loss attributable to shareholders	(508 263)	(1 035 649)	(50.9)
Profit on sale of property, plant and equipment	(57)	(892)	(93.6)
Profit on sale of associate's investment	–	(7 105)	100.0
Impairment of associate's assets	11 185	17 493	(36.1)
Negative goodwill on assets acquired by associate's associate	–	(26 804)	100.0
Foreign currency differences on repayment of long-term receivables from associates foreign operations reclassified to profit or loss	–	(922)	100.0
Impairment of property, plant and equipment	–	2 525	(100.0)
Loss on sale of investment in associate (Reversal of impairment)/impairment of non-core assets	21 024	–	100.0
Tax effect on above	(3 116)	(5 097)	(38.9)
Headline loss	(492 837)	(794 963)	(38.0)

	Reviewed	Audited	% variance
	30 June 2016 R'000	30 June 2015 R'000	
Loss per share – cents	(145.3)	(264.3)	(45.0)
Fully diluted loss per share – cents	(145.3)	(264.3)	(45.0)
Headline loss per share – cents	(140.9)	(202.9)	(30.6)
Fully diluted headline loss per share – cents	(140.9)	(202.9)	(30.6)
Dividends per share	–	–	–
Weighted average number of shares in issue	349 875 759	391 834 708	(10.7)
Fully diluted number of shares in issue	349 875 759	391 834 708	(10.7)
Number of shares in issue	509 781 212	509 781 212	–
Treasury shares in issue	159 905 453	159 905 453	–
Shares in issue adjusted for treasury shares	349 875 759	349 875 759	–

Notes	Reviewed	Audited	% variance
	30 June 2016 R'000	30 June 2015 R'000	

PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

Non-current assets

		14 110 084	13 367 048	5.6
Property, plant and equipment	9	7 853 993	7 065 352	11.2
Mining properties and mineral resources	10	5 614 094	5 636 478	(0.4)
Interest in associates and joint ventures	11	192 164	275 847	(30.3)
Unlisted investment		6	6	–
Land and township development		51 341	10 000	413.4
Long-term receivables		89 717	94 503	(5.1)
Investments held by Northam Platinum Restoration Trust Fund		93 647	49 092	90.8
Environmental Conservancy Trust		60 345	52 122	15.8
Buttonshope Conservancy Trust		10 445	11 037	(5.4)
Deferred tax asset		144 332	172 611	(16.4)
Current assets		4 867 779	5 784 288	(15.8)
Inventories	12	1 330 270	1 126 550	18.1
Trade and other receivables	13	375 204	498 854	(24.8)
Cash and cash equivalents	14	3 105 080	4 138 189	(25.0)
Tax receivables		57 225	20 695	176.5
Total assets		18 977 863	19 151 336	(0.9)

REVIEWED PRELIMINARY RESULTS continued

	Notes	Reviewed	Audited	% variance
		30 June 2016 R'000	30 June 2015 R'000	
Equity and liabilities				
Total equity		8 727 984	9 216 425	(5.3)
Stated capital		13 778 114	13 778 114	–
Treasury shares		(6 556 123)	(6 556 123)	–
Retained earnings		631 545	1 139 808	(44.6)
Equity settled share based payment reserve		874 448	874 448	–
Share of other comprehensive income from associate		–	(19 822)	100.0
Non current liabilities		9 072 179	7 310 753	24.1
Deferred tax liability		590 637	521 452	13.3
Long-term provisions		272 820	187 217	45.7
Preference share liability	15	7 429 549	6 492 655	14.4
Long-term loans		275 513	39 963	589.4
Long-term share based payment liability		84 373	69 466	21.5
Domestic medium-term notes	16	419 287	–	100.0
Current liabilities		1 177 700	2 624 158	(55.1)
Current portion of long-term loans		13 201	3 801	247.3
Short-term share based payment liability		56 704	61 019	(7.1)
Domestic medium-term notes		–	1 370 000	(100.0)
Tax payable		104 072	102 072	2.0
Trade and other payables	17	877 935	959 996	(8.5)
Short-term provisions		125 788	127 270	(1.2)
Total equity and liabilities		18 977 863	19 151 336	(0.9)

	Stated capital	Retained earnings	Equity settled share based payment reserve	Other compre- hensive income from associates	Non- controlling interest	Total
	R'000	R'000	R'000	R'000	R'000	R'000
PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY						
Balance as at 30 June 2014	9 178 688	2 223 135	–	(15 340)	5 389	11 391 872
Acquisition of non controlling interest	–	(46 815)	–	–	(3 185)	(50 000)
Total comprehensive income for the year	–	(1 033 945)	–	(4 482)	1 704	(1 036 723)
Loss for the year	–	(1 033 945)	–	–	1 704	(1 032 241)
Other comprehensive income for the year	–	–	–	(4 482)	–	(4 482)
Dividends declared*	–	(2 567)	–	–	(3 908)	(6 475)
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
Balance at 30 June 2015	7 221 991	1 139 808	874 448	(19 822)	–	9 216 425
Total comprehensive income for the year	–	(508 263)	–	19 822	–	(488 441)
Loss for the year	–	(508 263)	–	–	–	(508 263)
Other comprehensive income for the year	–	–	–	19 822	–	19 822
Balance at 30 June 2016	7 221 991	631 545	874 448	–	–	8 727 984

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

REVIEWED PRELIMINARY RESULTS continued

	Reviewed 30 June 2016 R'000	Audited 30 June 2015 R'000	% variance
PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS			
Cash flows from operating activities	839 081	340 950	146.1
(Loss)/profit before taxation	(271 369)	(868 326)	(68.7)
Adjusted for the following non cash items as well as discloseable items			
Depreciation and write-offs	403 545	339 949	18.7
Changes in provisions	50 221	52 823	(4.9)
Changes in long-term receivables	4 786	(456)	1 149.6
Investment revenue	(265 258)	(72 043)	(268.2)
Finance charges excluding preference share dividends	39 634	145 170	(72.7)
Finance charges on preference shares	918 806	100 767	811.8
Liquidity fees on the preference shares	18 088	–	100.0
Equity settled share based payment expense	–	874 448	(100.0)
Movement in share based payment liability	10 592	(38 350)	127.6
(Reversal of impairment)/impairment of investment in associates	(13 610)	239 054	(105.7)
Share of losses/(profits) from associate	32 253	(28 769)	212.1
Loss on sale of investment in associate	21 024	–	100.0
Amortisation of participation interest in the Pandora joint venture	2 600	2 600	–
Profit on sale of property, plant and equipment	(57)	(892)	(93.6)
Other	1 395	(788)	277.0
Change in working capital	(162 131)	(221 248)	(26.7)
Additions to land and township development	(41 341)	–	(100.0)
Investment revenue	265 258	72 043	268.2
Taxation paid	(175 355)	(255 032)	(31.2)

	Reviewed	Audited	%
	30 June 2016	30 June 2015	variance
	R'000	R'000	
Cash flows utilised in investing activities	(1 126 793)	(1 101 462)	2.3
Property, plant, equipment , mining properties and mineral reserves			
Additions to maintain operations	(369 636)	(322 980)	14.5
Addition to expand operations	(804 344)	(779 068)	3.2
Disposal proceeds	4 235	1 551	173.0
Additions to land and township development	–	(203)	100.0
Investment in associate – cash distributed	24	12 918	(99.8)
Additional investment made in associate	(20 601)	(9 623)	114.1
Proceed on the sale of investment in Trans Hex Group Limited	81 815	–	100.0
Increase in investments held by Northam Platinum Restoration Trust Fund	(10 655)	(2 624)	306.1
Increase in investments held by Environmental Contingency Fund	(8 223)	(1 098)	648.9
Movement in investment held in Buttonshope Conservancy Trust Fund	592	(335)	276.7
Cash flows (utilised)/generated from financing activities	(745 397)	4 232 645	(117.6)
Proceeds from issue of shares	–	4 600 000	(100.0)
Transaction costs	–	(574)	100.0
Liquidity fees paid	–	(163 903)	100.0
Acquisition of non-controlling interest	–	(50 000)	100.0
Interest paid	(39 634)	(145 170)	(72.7)
Dividends paid	–	(3 908)	100.0
Movement in long-term loans	244 950	(3 800)	>100.0
Domestic medium-term notes issued	419 287	–	100.0
Domestic medium-term notes repaid	(1 370 000)	–	(100.0)
(Decrease)/increase in cash and cash equivalents	(1 033 109)	3 472 133	(129.8)
Cash and cash equivalents at the beginning of the year	4 138 189	666 056	521.3
Cash and cash equivalents at the end of the year	3 105 080	4 138 189	(25.0)

NOTES TO THE REVIEWED PRELIMINARY RESULTS

ACCOUNTING POLICIES AND THE BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, except for financial instruments to the extent required or permitted under International Financial Reporting Standards (IFRS) and as set out in the relevant accounting policies detailed in our annual financial statements.

The group preliminary financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, its interpretations issued by the IFRS Interpretations Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, presentation and disclosed as required by IAS34 Interim Financial Reporting, the JSE Listing Requirements and the requirements of the Companies Act No. 71 of 2008 (Companies Act).

There have been no amendments, standards or interpretations effective 1 July 2015 which affected these preliminary financial statements.

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 whom 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.

The ZAR/USD exchange rate however cushions the effects of lower metal prices. Management has implemented thorough cost-cutting initiatives. This effort, along with the group's strong statement of financial position and current operational cash flows has informed the opinion of management that the group remains a going concern.

	Zondereinde operating segment	Booyensdal operating segment	Inter- company	Zambezi and the BEE transaction	Other	Reviewed
	30 June 2016 R'000	30 June 2016 R'000	30 June 2016 R'000	30 June 2016 R'000	30 June 2016 R'000	30 June 2016 R'000

1. SEGMENTAL INFORMATION

Preliminary consolidated statement of comprehensive income

Sales revenue	5 966 217	1 972 883	(1 843 980)	–	1 950	6 097 070
Cost of sales	(5 718 092)	(1 796 904)	1 843 980	–	(42 706)	(5 713 722)
Operating costs	(3 464 378)	(1 541 040)	–	–	(1 815)	(5 007 233)
On mine operations	(2 691 280)	(1 166 353)	–	–	–	(3 857 633)
Concentrator operations	(285 170)	(283 461)	–	–	–	(568 631)
Smelting and base metal removal plant costs	(273 612)	–	–	–	–	(273 612)
Chrome processing	(18 175)	(11 921)	–	–	–	(30 096)
Selling and administration	(106 622)	(47 762)	–	–	–	(154 384)
Royalty charges	(34 419)	(9 864)	–	–	–	(44 283)
Share-based payment expenses	(35 628)	(28 547)	–	–	–	(64 175)
Toro employee profit share scheme	(10 904)	–	–	–	–	(10 904)
Rehabilitation	(8 568)	6 868	–	–	–	(1 700)
Other	–	–	–	–	(1 815)	(1 815)
Concentrates purchased	(2 194 494)	–	1 843 980	–	–	(350 514)
Refining including sampling and handling charges	(133 186)	–	–	–	–	(133 186)
Depreciation and write-offs	(191 797)	(213 481)	–	–	1 733	(403 545)
Change in metal inventory	265 763	(42 383)	–	–	(42 624)	180 756
Operating profit	248 125	175 979	–	–	(40 756)	383 348
Share of (losses)/earnings from associate and joint venture	–	–	–	–	(32 253)	(32 253)
Investment revenue	111 066	163 940	(27 223)	–	17 475	265 258
Finance charges before preference shares	(33 515)	(24 131)	27 223	–	(9 211)	(39 634)
Sundry income	157 437	3 233	–	–	20 258	180 928
Sundry expenditure	(37 088)	(32 110)	–	–	(22 924)	(92 122)
Profit/(loss) before preference share dividends	446 025	286 911	–	–	(67 411)	665 525
Amortisation of liquidity fees paid on preference shares	–	–	–	(18 088)	–	(18 088)
Preference share dividends	–	–	–	(918 806)	–	(918 806)
Profit/(loss) before tax	446 025	286 911	–	(936 894)	(67 411)	(271 369)
Taxation	(162 587)	(82 866)	–	–	8 559	(236 894)
Profit/(loss) for the year	283 438	204 045	–	(936 894)	(58 852)	(508 263)

NOTES TO THE REVIEWED PRELIMINARY RESULTS continued

	Zondereinde operating segment	Booyensdal operating segment	Inter- company	Zambezi and the BEE transaction	Other	Reviewed
	30 June 2016 R'000	30 June 2016 R'000	30 June 2016 R'000	30 June 2016 R'000	30 June 2016 R'000	30 June 2016 R'000
Preliminary consolidated statement of financial position						
Assets						
Non-current assets	13 298 934	11 614 864	(22 573 282)	6 875 935	4 893 633	14 110 084
Property, plant and equipment	2 813 957	5 089 844	(51 096)	–	1 288	7 853 993
Mining properties and mineral resources	101 518	6 451 464	(954 583)	–	15 695	5 614 094
Interest in associates and joint ventures	36 844	–	–	–	155 320	192 164
Unlisted investment	6	–	–	–	–	6
Investment in Northam Platinum Limited	–	–	(6 875 935)	6 875 935	–	–
Investment in subsidiaries	10 236 000	–	(14 836 000)	–	4 600 000	–
Land and township development	18 218	11 955	–	–	21 168	51 341
Long-term receivables	–	–	–	–	89 717	89 717
Investments held by Northam Platinum Restoration Trust Fund	43 204	50 443	–	–	–	93 647
Environmental Conservancy Trust	49 187	11 158	–	–	–	60 345
Buttonshope Conservancy Trust	–	–	–	–	10 445	10 445
Deferred tax asset	–	–	144 332	–	–	144 332
Current assets	5 665 592	1 856 514	(5 117 587)	424	2 462 836	4 867 779
Inventories	1 309 127	63 767	(42 624)	–	–	1 330 270
Subsidiary loans	2 354 985	363 618	(5 074 446)	–	2 355 843	–
Trade and other receivables	295 867	68 587	(517)	–	11 267	375 204
Cash and cash equivalents	1 657 140	1 360 542	–	424	86 974	3 105 080
Tax receivables	48 473	–	–	–	8 752	57 225
Total assets	18 964 526	13 471 378	(27 690 869)	6 876 359	7 356 469	18 977 863

	Zondereinde operating segment	Booyensdal operating segment	Inter- company	Zambezi and the BEE transaction	Other	Reviewed
	30 June 2016 R'000	30 June 2016 R'000	30 June 2016 R'000	30 June 2016 R'000	30 June 2016 R'000	30 June 2016 R'000

Preliminary consolidated statement of financial position continued

Equity and liabilities						
Total equity	8 920 888	6 844 567	(13 319 619)	(770 976)	7 053 124	8 727 984
Stated capital	13 778 114	4 600 000	(11 706 125)	–	7 106 125	13 778 114
Treasury shares	–	–	(6 556 123)	–	–	(6 556 123)
Retained earnings	(6 030 982)	(257 188)	7 743 692	(770 976)	(53 001)	631 545
Non-distributable reserves	–	2 501 755	(2 501 755)	–	–	–
Equity settled share based payment reserve	1 173 756	–	(299 308)	–	–	874 448
Non-current liabilities	8 983 689	1 695 422	(9 320 307)	7 647 335	66 040	9 072 179
Deferred tax liability	597 149	1 530 187	(1 613 759)	71 638	5 422	590 637
Long-term provisions	139 316	133 504	–	–	–	272 820
Preference share liability	–	–	(146 148)	7 575 697	–	7 429 549
Long-term loans	239 351	–	(24 456)	–	60 618	275 513
Long-term share based payment liability	52 642	31 731	–	–	–	84 373
Zambezi guarantee	7 535 944	–	(7 535 944)	–	–	–
Domestic medium-term notes	419 287	–	–	–	–	419 287
Current liabilities	1 059 949	4 931 389	(5 050 943)	–	237 305	1 177 700
Current portion of long-term loans	9 400	–	–	–	3 801	13 201
Short-term share based payment liability	44 197	12 507	–	–	–	56 704
Subsidiary loans	363 618	4 618 007	(5 049 990)	–	68 365	–
Tax payable	–	1 418	–	–	102 654	104 072
Trade and other payables	524 934	291 469	(953)	–	62 485	877 935
Short-term provisions	117 800	7 988	–	–	–	125 788
Total equity and liabilities	18 964 526	13 471 378	(27 690 869)	6 876 359	7 356 469	18 977 863

NOTES TO THE REVIEWED PRELIMINARY RESULTS continued

	Zondereinde operating segment	Booyensdal operating segment	Inter- company	Zambezi and the BEE transaction	Other	Reviewed
	30 June 2015 R'000	30 June 2015 R'000	30 June 2015 R'000	30 June 2015 R'000	30 June 2015 R'000	30 June 2015 R'000
Preliminary consolidated statement of comprehensive income						
Sales revenue	4 414 254	1 978 081	(360 616)	–	3 816	6 035 535
Cost of sales	(4 015 840)	(1 782 850)	360 616	–	(1 648)	(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)	(173 694)	–	–	1 733	(339 949)
Change in metal inventory	345 590	(300 927)	–	–	–	44 663
Operating profit	398 414	195 231	–	–	2 168	595 813
Share of (losses)/earnings from associate and joint venture	–	–	–	–	28 769	28 769
Investment revenue	232 598	29 929	(189 100)	588	(1 972)	72 043
Finance charges before preference shares	(140 342)	(186 410)	189 100	–	(7 518)	(145 170)
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 preference share dividends	558 721	26 399	–	(1 288 930)	(63 749)	(767 559)
Preference share dividends	–	–	–	(100 767)	–	(100 767)
Profit/(loss) before tax	558 721	26 399	–	(1 389 697)	(63 749)	(868 326)
Taxation	(153 604)	74 279	–	(87 350)	1 056	(165 619)
Profit/(loss) for the year	405 117	100 678	–	(1 477 047)	(62 693)	(1 033 945)

Zondereinde operating segment	Boysendal operating segment	Inter- company	Zambezi and the BEE transaction	Other	Reviewed
30 June 2015 R'000	30 June 2015 R'000	30 June 2015 R'000	30 June 2015 R'000	30 June 2015 R'000	30 June 2015 R'000

Preliminary consolidated statement of financial position

Assets

Non-current assets	12 991 278	11 156 650	(22 108 795)	6 437 794	4 890 121	13 367 048
Property, plant and equipment	2 445 944	4 672 337	(52 929)	–	–	7 065 352
Mining properties and mineral resources	109 362	6 466 104	(954 683)	–	15 695	5 636 478
Interest in associates and joint ventures	116 961	–	–	–	158 886	275 847
Unlisted investment	6	–	–	–	–	6
Investment in Northam Platinum Limited	–	–	(6 437 794)	6 437 794	–	–
Land and township development	–	–	–	–	10 000	10 000
Investment in subsidiaries	10 236 000	–	(14 836 000)	–	4 600 000	–
Long-term receivables	–	–	–	–	94 503	94 503
Investments held by Northam Platinum Restoration Trust Fund	38 868	10 224	–	–	–	49 092
Environmental Conservancy Trust	44 137	7 985	–	–	–	52 122
Buttonshope Conservancy Trust	–	–	–	–	11 037	11 037
Deferred tax asset	–	–	172 611	–	–	172 611
Current assets	6 115 420	3 798 624	(6 580 906)	425	2 450 725	5 784 288
Inventories	1 046 119	80 431	–	–	–	1 126 550
Subsidiary loans	4 226 019	–	(6 580 906)	–	2 354 887	–
Trade and other receivables	281 958	211 547	–	–	5 349	498 854
Cash and cash equivalents	548 522	3 506 646	–	425	82 596	4 138 189
Tax receivables	12 802	–	–	–	7 893	20 695
Total assets	19 106 698	14 955 274	(28 689 701)	6 438 219	7 340 846	19 151 336

NOTES TO THE REVIEWED PRELIMINARY RESULTS continued

	Zondereinde operating segment	Booyensdal operating segment	Inter- company	Zambezi and the BEE transaction	Other	Reviewed
	30 June 2015 R'000	30 June 2015 R'000	30 June 2015 R'000	30 June 2015 R'000	30 June 2015 R'000	30 June 2015 R'000
Preliminary consolidated statement of financial position <small>continued</small>						
Equity and liabilities						
Total equity	8 637 448	6 640 621	(12 905 166)	(218 673)	7 062 195	9 216 425
Stated capital	13 778 114	4 600 000	(11 706 125)	–	7 106 125	13 778 114
Treasury shares	–	–	(6 556 123)	–	–	(6 556 123)
Retained earnings	(6 314 422)	(461 134)	8 158 145	(218 673)	(24 108)	1 139 808
Non-distributable reserve		2 501 755	(2 501 755)	–	–	–
Equity settled share based payment reserve	1 173 756	–	(299 308)	–	–	874 448
Share of other comprehensive income from associate	–	–	–	–	(19 822)	(19 822)
Non-current liabilities	8 236 555	1 576 084	(9 228 424)	6 656 891	69 647	7 310 753
Deferred tax liability	527 866	1 492 146	(1 503 788)	–	5 228	521 452
Long-term provisions	114 509	72 708	–	–	–	187 217
Preference share liability	–	–	(164 236)	6 656 891	–	6 492 655
Long-term loans	–	–	(24 456)	–	64 419	39 963
Long-term share based payment liability	58 236	11 230	–	–	–	69 466
Zambezi guarantee	7 535 944	–	(7 535 944)	–	–	–
Current liabilities	2 232 695	6 738 569	(6 556 111)	1	209 004	2 624 158
Current portion of long-term loans	–	–	–	–	3 801	3 801
Short-term share based payment liability	49 974	11 045	–	–	–	61 019
Subsidiary loans	–	6 515 177	(6 556 451)	–	41 274	–
Domestic medium-term notes	1 370 000	–	–	–	–	1 370 000
Tax payable	–	169	–	1	101 902	102 072
Trade and other payables	691 859	205 770	340	–	62 027	959 996
Short-term provisions	120 862	6 408	–	–	–	127 270
Total equity and liabilities	19 106 698	14 955 274	(28 689 701)	6 438 219	7 340 846	19 151 336

	Zondereinde operations	Booyensdal operations	Other	Total
	Reviewed 30 June 2016	Reviewed 30 June 2016	Reviewed 30 June 2016	Reviewed 30 June 2016
	R'000	R'000	R'000	R'000

2. SALES REVENUE

Revenue from external customers per segment

Platinum	3 731 417	1 250 361	–	4 981 778
Palladium	1 122 284	355 758	–	1 478 042
Rhodium	442 998	146 098	–	589 096
Gold	92 151	16 976	–	109 127
Chrome	225 750	128 903	–	354 653
Other	351 617	74 787	1 950	428 354
Inter segment adjustments	–	(1 843 980)	–	(1 843 980)
	5 966 217	128 903	1 950	6 097 070

	Zondereinde operations	Booyensdal operations	Other	Total
	Audited 30 June 2015	Audited 30 June 2015	Audited 30 June 2015	Audited 30 June 2015
	R'000	R'000	R'000	R'000

Revenue from external customers 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	3 816	417 574
Inter segment adjustments	–	(360 616)	–	(360 616)
	4 414 254	1 617 465	3 816	6 035 535

NOTES TO THE REVIEWED PRELIMINARY RESULTS continued

	Zondereinde operations	Booyensdal operations	Other	Total
	Reviewed	Reviewed	Reviewed	Reviewed
	30 June 2016	30 June 2016	30 June 2016	30 June 2016

Revenue per region per segment

Sales revenue emanated from the following principal regions:

Europe	1 842 113	–	–	1 842 113
Japan	1 163 385	–	–	1 163 385
North America	1 361 323	–	–	1 361 323
Australia	6 139	–	–	6 139
South Africa	1 593 257	128 903	1 950	1 724 110
	5 966 217	128 903	1 950	6 097 070

	Zondereinde operations	Booyensdal operations	Other	Total
	Audited	Audited	Audited	Audited
	30 June 2015	30 June 2015	30 June 2015	30 June 2015
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	3 816	1 899 209
	4 414 254	1 617 465	3 816	6 035 535

	Reviewed	Audited
	30 June 2016	30 June 2015
	R'000	R'000
3. OPERATING COSTS		
Labour	1 776 055	1 622 438
Stores	941 567	984 392
Utilities	638 304	544 217
Sundries and contractors	1 649 607	1 183 835
Rehabilitation costs	1 700	7 689
	5 007 233	4 342 571

	Zondereinde operations	Booyensdal operations	Other	Total
	Reviewed 30 June 2016	Reviewed 30 June 2016	Reviewed 30 June 2016	Reviewed 30 June 2016
Operating costs per segment				
Labour	1 618 267	157 788	–	1 776 055
Stores	836 821	104 746	–	941 567
Utilities	515 223	123 081	–	638 304
Sundries and contractors	485 498	1 162 294	1 815	1 649 607
Rehabilitation costs	8 568	(6 868)	–	1 700
	3 464 377	1 541 041	1 815	5 007 233

	Zondereinde operations	Booyensdal operations	Other	Total
	Reviewed 30 June 2015	Reviewed 30 June 2015	Reviewed 30 June 2015	Reviewed 30 June 2015
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 and contractors	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 30 June 2016 R'000	Audited 30 June 2015 R'000
4. INVESTMENT REVENUE		
Cash and cash equivalents	196 312	55 595
Instalment sale agreements	10 201	9 848
Northam Platinum Restoration Trust Fund	6 087	2 624
Buttonshope Conservancy Trust	755	574
Other	51 903	3 402
	265 258	72 043

NOTES TO THE REVIEWED PRELIMINARY RESULTS continued

	Reviewed	Audited
	30 June 2016	30 June 2015
	R'000	R'000
5. FINANCE COSTS EXCLUDING PREFERENCE SHARE DIVIDENDS*		
Domestic medium-term debt notes	(28 283)	(132 869)
Finance costs and commitment fees	(5 014)	(7 473)
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	(4 447)	(4 658)
Amortisation of transaction costs relating to Domestic Medium Term Debt Notes	(170)	–
Other	(1 720)	(170)
	(39 634)	(145 170)
<p><i>* Included in finance costs in the prior year were the accrued dividends of R100.8 million relating to the Zambezi Platinum (RF) Limited preference shares consolidated into the Northam group. In the current year the accrued dividends have been disclosed separately which more transparently shows the effects of the BEE transaction.</i></p>		
6. SUNDRY INCOME		
Treatment charges in respect of concentrate purchased	42 313	66 040
Rent received	5 981	5 847
Sale of scrap	4 677	2 028
Insurance claim/refund	59 595	183 774
Currency translation gain	26 163	6 151
Profit on sale of property, plant and equipment	57	1 031
Write back of impairment of Trans Hex Group Limited shares	34 122	–
Other	8 020	3 379
	180 928	268 250
7. SUNDRY EXPENDITURE		
Loss on sale of property, plant and equipment	–	(139)
Amortisation of participation interest in the Pandora joint venture	(2 600)	(2 600)
Black Economic Empowerment lock in fee paid to the Zambezi Platinum (RF) Limited shareholders	–	(242 429)
Write down of investments in associate and accounts receivables	(20 512)	(261 488)
IFRS 2 share based payment expense relating to Black Economic Empowerment transaction	–	(874 448)
Corporate action costs	(7 756)	(172 640)
Booyensdal land management	(3 324)	(2 647)
Booyensdal South rent paid	(3 000)	–
Booyensdal South care and maintenance	(25 084)	(9 659)
Loss on sale of investment in Trans Hex Group Limited	(21 024)	–
Other expenditure	(8 822)	(21 214)
	(92 122)	(1 587 264)

	Reviewed	Audited
	30 June 2016	30 June 2015
	R'000	R'000
8. TAXATION		
Income tax		
Current income tax charge	148 505	210 884
Adjustments in respect of current income tax of previous years	(7 680)	(530)
Dividend withholding tax	–	12 447
Deferred tax	96 069	(57 182)
	236 894	165 619

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
Adjustments in respect of prior period	(2.8)	–
Tax on capital contributions from a third party	(5.8)	–
Impairment of investment in joint venture	(2.1)	–
Expenditure incurred which is non-deductible	(7.1)	–
Corporate action costs	(0.8)	(5.6)
IFRS2 share based payment expense relating to the BEE transaction	–	(28.2)
Amortisation of liquidity fees paid on preference shares	(1.9)	–
Preference share dividends disallowable	(94.8)	(3.3)
Dividend withholding tax	–	(1.4)
Capital gains tax	–	(8.6)
	(87.3)	(19.1)

	Mining plant, equipment and development costs	Decommis- sioning asset	Motor vehicles	Total
	R'000	R'000	R'000	R'000

9. PROPERTY, PLANT AND EQUIPMENT

Cost opening balance as at 1 July 2015	9 062 610	132 512	17 456	9 212 578
PV of decommissioning asset capitalised	–	35 984	–	35 984
Transfers from mining properties and mineral resources	54 202	–	(1 561)	52 641
Additions to maintain operations	333 652	–	–	333 652
Additions to expand operations	749 189	–	–	749 189
Disposals and write-offs	(7 742)	–	(594)	(8 336)
Cost closing balance as at 30 June 2016	10 191 911	168 496	15 301	10 375 708

NOTES TO THE REVIEWED PRELIMINARY RESULTS continued

	Mining plant, equipment and development costs	Decommis- sioning asset	Motor vehicles	Total
	R'000	R'000	R'000	R'000
Opening accumulated balance as at 1 July 2015	(2 116 741)	(24 795)	(5 690)	(2 147 226)
Transfers from mining properties and mineral resources	(1 312)	–	(1 541)	(2 853)
Depreciation	(369 622)	(4 008)	(2 164)	(375 794)
Accumulated depreciation on disposals	3 966	–	192	4 158
Accumulated depreciation balance as at 30 June 2016	(2 483 709)	(28 803)	(9 203)	(2 521 715)
Value of property plant and equipment as at 30 June 2016	7 708 202	139 693	6 098	7 853 993
Cost opening balance as at 1 July 2014	8 036 144	95 544	18 318	8 150 006
PV of decommissioning asset capitalised	–	36 968	–	36 968
Additions to maintain operations	281 805	–	4 207	286 012
Additions to expand operations	776 140	–	2 928	779 068
Disposals	(31 479)	–	(7 997)	(39 476)
Cost closing balance as at 30 June 2015	9 062 610	132 512	17 456	9 212 578
Opening accumulated balance as at 1 July 2014	(1 830 841)	(22 080)	(10 023)	(1 862 944)
Depreciation	(317 379)	(2 715)	(3 005)	(323 099)
Accumulated depreciation on disposals	31 479	–	7 338	38 817
Accumulated depreciation balance as at 30 June 2015	(2 116 741)	(24 795)	(5 690)	(2 147 226)
Value of property plant and equipment as at 30 June 2014	6 945 869	107 717	11 766	7 065 352

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

	Mining properties R'000	Mineral resources R'000	Total R'000
10. MINING PROPERTIES AND MINERAL RESOURCES			
Cost opening balance as at 1 July 2015	282 374	5 571 003	5 853 377
Additions	–	55 155	55 155
Transfer to property, plant and equipment	(2 789)	(49 852)	(52 641)
Cost closing balance as at 30 June 2016	279 585	5 576 306	5 855 891
Opening accumulated balance as at 1 July 2015	(156 952)	(59 947)	(216 899)
Transfers to property, plant and equipment	2 646	207	2 853
Depreciation	(3 375)	(24 376)	(27 751)
Accumulated depreciation balance as at 30 June 2016	(157 681)	(84 116)	(241 797)
Value of mining properties and mineral resources as at 30 June 2016	121 904	5 492 190	5 614 094
Cost opening balance as at 1 July 2014 and closing balance as at 30 June 2015	282 374	5 571 003	5 853 377
Opening accumulated balance as at 1 July 2014	(153 223)	(46 826)	(200 049)
Depreciation	(3 729)	(13 121)	(16 850)
Accumulated depreciation balance as at 30 June 2015	(156 952)	(59 947)	(216 899)
Value of mining properties and mineral resources as at 30 June 2015	125 422	5 511 056	5 636 478

11. 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 which was sold during the current year. During the year, a 20% investment was acquired in the share capital of SSG Holdings Proprietary Limited.

	Reviewed 30 June 2016 R'000	Audited 30 June 2015 R'000
Dwaalkop joint venture	136 230	136 230
Pandora joint venture	45 565	70 720
Trans Hex Group Limited	–	68 897
SSG Holdings Proprietary Limited	10 369	–
	192 164	275 847

NOTES TO THE REVIEWED PRELIMINARY RESULTS continued

	Interest in Dwaalkop joint venture	Interest in Pandora joint venture	Interest in Trans Hex Group Limited	SSG Holdings Proprietary Limited	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance as at 1 July 2015	136 230	70 720	68 897	–	275 847
Additional investment	–	10 601	–	10 000	20 601
Share of earnings from associate and joint venture	–	(12 620)	(20 002)	369	(32 253)
Other comprehensive income	–	–	(3 947)	–	(3 947)
Current year amortisation	–	(2 600)	–	–	(2 600)
Cash distributions received	–	(24)	–	–	(24)
(Impairment)/reversal of impairment	–	(20 512)	34 122	–	13 610
Sale of investment	–	–	(79 070)	–	(79 070)
Closing balance as at 30 June 2016	136 230	45 565	–	10 369	192 164
Opening balance as at 1 July 2014	300 679	114 927	80 903	–	496 509
Additional investment	–	9 657	–	–	9 657
Share of earnings from associate and joint venture	–	(10 747)	39 516	–	28 769
Other comprehensive income	–	–	(4 482)	–	(4 482)
Current year amortisation	–	(2 600)	–	–	(2 600)
Cash distributions received	–	(34)	(12 918)	–	(12 952)
Impairment	(164 449)	(40 483)	(34 122)	–	(239 054)
Closing balance as at 30 June 2015	136 230	70 720	68 897	–	275 847

	Reviewed	Audited
	30 June 2016	30 June 2015
	R'000	R'000
12. INVENTORIES		
Metals on hand and in transit		
Platinum	858 412	673 216
Palladium	226 298	220 905
Rhodium	122 846	142 401
Gold	25 808	16 252
Total metal inventories	1 233 364	1 052 774
Chrome finished product at costs	387	222
Consumables at costs	96 519	73 554
Total inventories at the lower of cost and net realisable value	1 330 270	1 126 550

Included in cost of sales are metals on hand that were written down by R360.8 million (30 June 2015: R273.0 million) to net realisable value.

Inventory to the value of R927.7 million (30 June 2015: R648.6 million) is disclosed at net realisable value.

	Reviewed	Audited
	30 June 2016	30 June 2015
	R'000	R'000
13. TRADE AND OTHER RECEIVABLES		
Trade receivables	159 603	160 064
Accrued interest	24 700	22 056
Prepayments	7 306	3 827
Deposits	250	359
South African Revenue Service – Value Added Tax	114 364	244 497
Amounts receivable relating to the Mineral Royalty Act	16 096	14 240
Current portion of long-term receivables	5 617	5 189
SSG Holdings Proprietary Limited	5 000	–
Other	42 268	48 622
	375 204	498 854

Trade receivables are unsecured, non-interest bearing and are generally on 30 – 60 day terms except for metal debtors who have payment terms of between 2 – 5 days. During the prior year a single receivable balance of R22.4 million was impaired, previously included in other receivables. No balance was provided for or impaired during the current year.

The carrying value of trade and other receivables approximates its fair value.

NOTES TO THE REVIEWED PRELIMINARY RESULTS continued

	Reviewed	Audited
	30 June 2016	30 June 2015
	R'000	R'000
14. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	543 197	3 779
Restricted cash	109 521	104 936
Short-term deposits	2 452 362	4 029 474
	3 105 080	4 138 189

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

At 30 June 2016 the group had R1.0 billion (2015: R1.0 billion) of undrawn committed borrowing facilities.

Included in restricted cash is R8.5 million (2015: R8.5 million) that has been pledged to the Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. by Norplats Properties Proprietary Limited as a debt service reserve account, as security for servicing of the loan from Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. In accordance with the agreement, Norplats Properties Proprietary Limited shall maintain at all times a balance in the account equal to not less than the sum of all payments of principal and interest on the loan which will be due and payable during the next relevant period. Norplats Properties Proprietary Limited may withdraw amounts from the account only for the purpose of paying any principal and interest under the agreement. Norplats Properties Proprietary Limited shall not withdraw funds from the account for any other purpose without the written consent of Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

Restricted cash includes a guarantee of R23.0 million relating to an electricity supply agreement between Northam Platinum Limited and Eskom Holdings SOC Limited.

Also included in restricted cash is money ring-fenced for the benefit of the Employee Trust, the Northam Zondereinde Community Trust and the Northam Booyensdal Community Trust, which may only be spent in terms of the various Trust deeds.

For the purposes of the statement of cash flows, cash and cash equivalents comprise the above balances as the group has no bank overdrafts.

	Reviewed	Audited
	30 June 2016 R'000	30 June 2015 R'000
15. PREFERENCE SHARE LIABILITY		
Opening balance	6 656 891	–
Zambezi Platinum (RF) Limited preference shares issued	–	6 556 124
Accrued dividends	918 806	100 767
	7 575 697	6 656 891
Liquidity fees relating to the Black Economic Empowerment transaction	(146 148)	(164 236)
	7 429 549	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 payable to the Public Investment Corporation SOC Limited and Coronation Asset Management Proprietary Limited, who have underwritten the Zambezi Platinum (RF) Limited preference share issue.

The liquidity fee was paid and calculated on the basis of 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	Audited
	30 June 2016 R'000	30 June 2015 R'000
16. DOMESTIC MEDIUM-TERM DEBT NOTES		
Opening balance	1 370 000	1 370 000
Domestic medium-term notes repaid	(1 370 000)	–
Domestic medium-term notes issued	175 000	–
Domestic medium-term notes issued	250 000	–
	425 000	1 370 000
Transaction costs relating to the R175.0 million issue	(1 256)	–
Amortisation of transaction costs over 60 months	41	–
Transaction costs relating to the R250.0 million issue	(4 627)	–
Amortisation of transaction costs over 36 months	129	–
	419 287	1 370 000

NOTES TO THE REVIEWED PRELIMINARY RESULTS continued

	Reviewed	Audited
	30 June 2016	30 June 2015
	R'000	R'000
17. TRADE AND OTHER PAYABLES		
Trade payables	362 996	206 830
Accruals	302 171	563 785
South African Revenue Service – Value Added Tax	13 278	15 186
Interest payable Domestic Medium-term Debt Notes	4 782	9 762
Interest payable Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	1 136	1 209
Mineral royalties payable	51	–
Employee related accruals	142 289	140 306
Other	51 232	22 918
	877 935	959 996

Trade payables are unsecured, non-interest bearing and generally settled on 30 day terms.

The carrying value of trade and other payables approximates its fair value.

	Reviewed	Audited
	30 June 2016	30 June 2015
	R'000	R'000
18. COMMITMENTS		
Capital commitments		
Booyseindal mine		
Authorised but not contracted	404 054	367 584
Contracted	209 849	74 506
	613 903	442 090
Zondereinde mine		
Authorised but not contracted	189 785	795 628
Contracted	660 939	42 376
	850 724	838 004

	Reviewed	Audited
	30 June 2016	30 June 2015
	R'000	R'000
Other commitments		
Information Technology – outsource service provider		
Due within one year	20 903	26 675
Due within two to five years	2 441	18 403
Operating lease rentals – office equipment		
Due within one year	1 359	2 136
Due within two to five years	314	1 684
Operating lease rentals – premises		
Due within one year	5 307	5 599
Due within two to five years	21 186	27 324
More than five years	–	–
The lease rental for the corporate office contains an option to renew the lease for an additional five years		
Employee housing development contracted for	207	4 800
Bank guarantees issued	50 717	73 266

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

19. EVENTS AFTER THE REPORTING PERIOD

Subsequent to year end, the group renegotiated a five year R1.5 billion revolving credit facility with Nedbank Limited to replace the existing R1.0 billion facility which will mature in November 2016. The group further increased its investment in SSG Holdings Proprietary Limited by 10% and now holds a total of 30%. Apart from these events there have been no other events subsequent to the year end which require additional disclosure or adjustment to the financial results.

ADMINISTRATIVE AND CONTACT INFORMATION

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(Incorporated in the Republic of South Africa)

(Registration number 1977/003282/06)

Share code: NHM

ISIN: ZAE000030912

Debt issuer code: NHMI

Bond code: NHM002

Bond ISIN: ZAG000129024

Bond code: NHM003

Bond ISIN: ZAG000129032

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