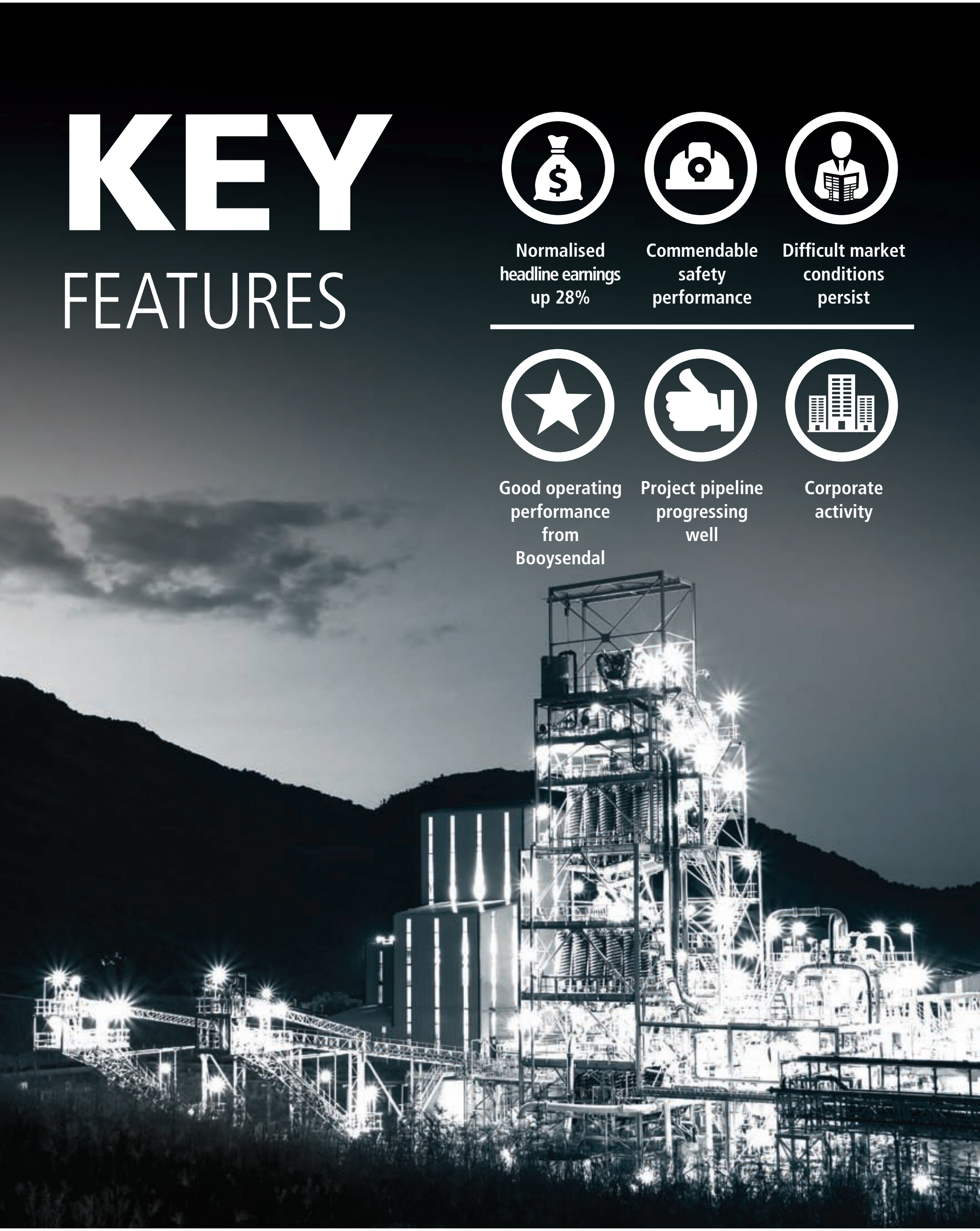
NORTHAM

PLATINUM LIMITED

smart platinum mining

REVIEWED INTERIM RESULTS

Report for the six months ended 31 December 2016



KEY FEATURES

- Normalised headline earnings up 28%
- Commendable safety performance
- Difficult market conditions persist
- Good operating performance from Booysendal
- Project pipeline progressing well
- Corporate activity

CONTENTS

DIRECTORS

PL Zim (non-executive chairman)

R Havenstein (lead independent director)

PA Dunne (chief executive officer)*

AZ Khumalo (chief financial officer)

CK Chabedi (independent non-executive director)

HH Hickey (independent non-executive director)

TE Kgosi (independent non-executive director)

KB Mosehla (non-executive director)

TI Mvusi (independent non-executive director)

JG Smithies (independent non-executive director)*

** British*

WHO WE ARE

Northam is an independent, fully empowered, mid-tier, integrated platinum group metal (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 mine. The group's total resource base amounts to some 200.1 million ounces and it produces ~440 000 PGM ounces annually.

Northam operates its own metallurgical operations, including a base metal recovery plant and smelter, on the Zondereinde lease area. The smelting facilities are currently being expanded, and are planned to be commissioned by the end of the 2017 calendar year. The group's final concentrate is refined by the Heraeus Deutschland GmbH & Co. KG (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, Japan and South Africa. By-products nickel sulphate and copper are sold in the domestic market.

Northam has continued to deliver on its strategic objectives of internal optimisation and diversified growth, while taking care to preserve a strong statement of financial position. The massive resource at Booysendal lends itself to considerable modular development, as already manifested in the deepening project and the small Merensky mine, providing both flexibility and optionality. The Booysendal South workings, currently in the project phase, will add a further 215 000 ounces to the group's production profile. The deepening project at Zondereinde mine, along with the recently-acquired Tumela resource from Anglo American Platinum, add further Merensky ore to the mix, and extend the Zondereinde operation's life of mine to beyond 30 years.

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

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

STRATEGIC INTENT AND DELIVERY

Our vision is to grow the business into a long-life, major producer of PGMs, doing this safely and efficiently while continuously moving down the cost curve.

OUR BUSINESS – INTEGRATED PGM PRODUCTION

Mining

- Zondereinde (ZE) – conventional, UG2 and Merensky ore
- Booysendal (BY) – shallow, fully mechanised, UG2 and Merensky ore

Processing

- PGM concentrator plants
- Chrome concentrator plants
- Smelter complex at ZE
- Base metal recovery plant at ZE
- Toll refining through long-term agreement with Heraeus (Hanau and Port Elizabeth)

Marketing and sales

- In-house function
- Major markets in Asia, Europe, North America and South Africa
- 35% of metal supplied to Heraeus (possible increase to 40%)

GROWTH STRATEGY

Empowerment

- 26% HDSA equity holding imperative

Internal optimisation

- Ensuring appropriate Merensky/UG2 ore mix at ZE
- Bringing available ore reserves to production
- Resolving smelter constraints
- Expanding smelter facilities
- Brownfields growth
- Strict cost control

Diversification

- Geographic expansion
- Moving towards shallower workings
- Mechanisable orebodies
- Reducing risk
- Moving down the cost curve

COMPLETING THE STEPS

- Empowerment shareholding level at 31.4%
- Toro Trust employee profit share scheme of 4% for ZE

31.4%

- Stabilised ratio of 45:55 (Merensky:UG2) at ZE
- Deepening project on track at ZE
- New additional R750.0 million smelter furnace to be commissioned by December 2017, with Heraeus contributing €20.0 million
- Acquisition of Tumela mining rights from Anglo American Platinum to support an increase in Merensky ratio at ZE
- BY South project approved at R4.2 billion

- Seeking acquisition opportunities
- BY establishes firm presence on the eastern limb
- Mining both UG2 and Merensky at all operations
- Expanding chrome operations
- New shallow mechanised shaft development at BY South decreasing operational risk

OUTLOOK

- Tumela resource will allow better leverage of ZE infrastructure and mining of additional higher grade Merensky ore for longer
- Maintenance/improvement on sector cost curve positioning
- Anticipation that growth projects will start delivering production into rising market
- Annual PGM production to 850 000oz by 2022
- BY South concentrator to be commissioned by 2019
- Annual chrome production in excess of 800 000 tonnes by 2022

A WORD FROM THE CHIEF EXECUTIVE

The standout feature of the first half of F2017 was the good operating performance at Booysendal, and the pace at which growth is being achieved. The production run rate of 100 000 platinum group metals (PGM) ounces (oz) in the first half significantly exceeded the mine's nameplate capacity. From the original mining footprint we believe we have created capital efficient, scalable growth opportunities with long-term benefits for all stakeholders.

Both the deepening project on the UG2 mine, and work on the Booysendal South mine continued apace. The first blast for the boxcut at Booysendal South was completed in early September 2016 and the mining contract has recently been awarded to begin underground operations in March 2017. The Merensky module at Booysendal North is now complete and producing at 25 000 tonnes per month.

Credit must also go to management and employees for another outstanding safety achievement.

The excellent fatality-free run at Zondereinde continued with 6 million fatality-free shifts recorded in November 2016. In early January though, with the start-up, Mr Alexandre Macave, a loco operator with many years' service, lost his life in an underground rail accident. The board and management express their sincere condolences to the family and colleagues of Mr Macave.

Both tonnages and production oz were affected at Zondereinde owing to operational reorganisation measures underground. The reorganisation of mining teams followed the discharge of 357 employees after labour disruptions in June 2016. This situation is being addressed and we expect to be back to full complement by March 2017. The drop in milled tonnages was exacerbated by an 18-day outage resulting from a mill bearing failure in the UG2 concentrator. More details regarding the group's operations are provided in the results commentary included in this booklet.

We remain optimistic that a rise in prices, although gradual, cannot be avoided, given the anticipated rise in demand, even in a conservative global growth climate, and the supply side constraints expected from South African producers in the next few years.

Our fully-funded growth projects at Booysendal, along with the acquisition of new ground to mine at Zondereinde, will add value through an increased production profile, and will allow us to deliver metal into a higher price environment in the years to come.

DELIVERING ON OUR STRATEGY

I am pleased to report that our strategy is unfolding steadily. Adding life to our existing operations has proved to be a cost-effective way of growing our production base, while increasing flexibility and lowering company risk.

- Over time, the acquisition of contiguous resources at Zondereinde mine from Anglo American Platinum, announced on 11 October 2016 will restore the balance of Merensky ore to the Zondereinde mining mix, driving high-margin production growth.
- The development of Booysendal South continues. With a relatively modest capital programme and small footprint, this brownfields expansion will deliver 250 000 PGM oz per annum at steady state.
- Expanding our metallurgical processing capacity is a critical feature of our growth strategy. Construction work on the dryer and furnace at Zondereinde continues.

Importantly, none of this work would have materialised without the black economic empowerment (BEE) transaction with Zambezi Platinum (RF) Limited (Zambezi) concluded in 2015. Our historically disadvantaged South African (HDSA) equity levels remain within the current Mining Charter guidelines, along with headroom to manoeuvre. On the social front, our reinvigorated housing strategy is delivering pleasing results. The hostel conversion programme is now complete, and in total, Zondereinde has built 433 houses in the neighbouring towns of Mogwase and Northam, along with a world-class new industrial change house for our living out employees.

In addition to our brownfields growth strategy, we continue to look for external opportunities.

In this regard, we have signed an agreement to purchase the Eland mine near Brits from Glencore Operations South Africa Proprietary Limited for R175.0 million.

We believe that the Eland orebody, together with the established infrastructure and mobile equipment, presents an attractive, low-cost opportunity and a medium-term option for growth.

Growth doesn't occur without spend. This has been a busy half-year for both the group and its operating divisions with prepayments made on the aerial rope conveyor infrastructure for Booysendal South of R157.9 million, capital expenditure amounting to R773.0 million and the acquisition of Zambezi preference shares for R208.7 million. Nevertheless, our cash balance stands at R2.2 billion, and our financial position remains robust. Northam is well positioned to benefit from an upswing in metal prices.

Paul Dunne
Chief executive

FINANCIAL, OPERATING AND PRODUCTION STATISTICS

NORMALISED HEADLINE EARNINGS PER SHARE (HEADLINE EARNINGS ADJUSTED FOR THE IMPACT OF THE BEE TRANSACTION)	6 months ended 31 December 2016	6 months ended 31 December 2015	12 months ended 30 June 2016
	R000	**R000**	**R000**
Headline loss	**(226 369)**	(231 921)	(492 837)
Add back:			
Amortisation of liquidity fees paid on preference shares	**8 195**	8 527	18 088
Preference share dividends	**482 753**	430 414	918 806
Loss on derecognition of preference share liability	**902**	–	–
Normalised headline earnings	**265 481**	207 020	444 057
Normalised earnings per issued share (cents)	**52.1**	40.6	87.1
Number of shares in issue including treasury shares	**509 781 212**	509 781 212	509 781 212

VALUE CREATED AND DISTRIBUTED			
Value created and distributed to employees:			
Salaries and wages	**815 741**	747 652	1 583 260
Contributions to retirement benefit funds	**63 959**	63 040	123 964
Contributions to healthcare funds	**34 516**	32 806	68 831
Share-based payment payouts	**43 120**	48 868	56 222
Total value created and distributed to employees	**957 336**	892 366	1 832 277
Value created and distributed to government:			
Mining and non-mining tax	**72 985**	89 604	140 825
Mining royalties	**32 132**	23 017	44 283
Pay-as-you-earn deducted from employees	**162 783**	157 976	294 043
Total value created and distributed to government	**267 900**	270 597	479 151

MARKET INFORMATION AND SHARE STATISTICS			
Total number of shares in issue	**509 781 212**	509 781 212	509 781 212
Weighted average number of shares in issue	**349 875 759**	349 875 759	349 875 759
Treasury shares held	**159 905 453**	159 905 453	159 905 453
Market capitalisation	**20 646 139**	13 453 126	21 920 592
Closing share price (in cents)	**4 050**	2 639	4 300

GROUP OPERATING RESULTS

		6 months ended 31 December 2016	6 months ended 31 December 2015	12 months ended 30 June 2016
		R000	**R000**	**R000**
Sales revenue				
Platinum		**1 932 003**	1 919 743	3 731 417
Palladium		**627 028**	611 793	1 122 284
Rhodium		**192 409**	238 674	442 998
Gold		**53 319**	47 112	92 151
Chrome		**471 086**	207 278	354 653
Other		**182 982**	180 758	353 567
Total sales revenue		**3 458 827**	3 205 358	6 097 070
Cost of sales				
Operating costs		**(2 771 920)**	(2 373 038)	(5 007 233)
Mining operations		**(2 157 723)**	(1 875 778)	(3 857 633)
Concentrator operations		**(309 623)**	(274 389)	(568 631)
Smelting and base metal removal plant costs		**(160 560)**	(136 232)	(273 612)
Chrome processing		**(17 947)**	(25 357)	(30 096)
Selling and administration overheads		**(64 594)**	(55 648)	(154 384)
Royalty charges		**(32 132)**	(23 017)	(44 283)
Share-based payment expenses		**(29 029)**	17 709	(64 175)
Toro Trust employee profit share scheme		**(312)**	(5 653)	(10 904)
Rehabilitation		**–**	6 904	(1 700)
Other		**–**	(1 577)	(1 815)
Concentrates purchased		**(178 221)**	(238 977)	(350 514)
Refining including sampling and handling charges		**(66 223)**	(69 954)	(133 186)
Depreciation and write-offs		**(226 835)**	(203 146)	(403 545)
Change in metal inventories		**136 328**	(226 838)	180 756
Total cost of sales		**(3 106 871)**	(3 111 953)	(5 713 722)
Operating profit		**351 956**	93 405	383 348
Operating margin	%	**10.2**	2.9	6.3
EBITDA		**539 354**	342 659	843 446
EBITDA margin	%	**15.6**	10.7	13.8

GROUP OPERATING RESULTS continued

SEGMENTAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

6 months ended 31 December 2016	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Other R000	Total R000
Sales revenue	3 205 112	1 275 170	(1 021 455)	–	**3 458 827**
Cost of sales	(3 018 856)	(1 050 647)	1 021 455	(58 823)	**(3 106 871)**
Operating costs	(1 823 039)	(948 881)	–	–	**(2 771 920)**
Mining operations	(1 427 842)	(729 881)	–	–	**(2 157 723)**
Concentrator operations	(149 767)	(159 856)	–	–	**(309 623)**
Smelting and base metal removal plant costs	(160 560)	–	–	–	**(160 560)**
Chrome processing	(11 360)	(6 587)	–	–	**(17 947)**
Selling and administration overheads	(32 297)	(32 297)	–	–	**(64 594)**
Royalty charges	(23 971)	(8 161)	–	–	**(32 132)**
Share-based payment expenses	(16 930)	(12 099)	–	–	**(29 029)**
Toro Trust employee profit share scheme	(312)	–	–	–	**(312)**
Concentrates purchased	(1 199 676)	–	1 021 455	–	**(178 221)**
Refining including sampling and handling charges	(66 223)	–	–	–	**(66 223)**
Depreciation and write-offs	(93 582)	(134 120)	–	867	**(226 835)**
Change in metal inventory	163 664	32 354	–	(59 690)	**136 328**
Operating profit	186 256	224 523	–	(58 823)	**351 956**
Operating profit margin	5.8%	17.6%	–	–	**10.2%**

6 months ended 31 December 2015	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Other R000	Total R000
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)**
Mining 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 overheads	(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 Trust 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**
Operating profit margin	1.6%	4.9%	–	–	**2.9%**

GROUP OPERATING RESULTS continued

12 months ended 30 June 2016	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Other R000	Total R000
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)**
Mining 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 overheads	(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 Trust 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**
Operating profit margin	4.2%	8.9%	–	–	**6.3%**

GROUP STATISTICS

		6 months ended 31 December 2016	6 months ended 31 December 2015	12 months ended 30 June 2016
Safety				
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		**1.20**	1.42	1.58
Headcount				
Directly employed		**6 143**	6 428	6 274
Total employed		**11 614**	11 096	11 312
Production and ore stockpiles				
Merensky				
Tonnes mined	t	**646 608**	567 020	1 082 885
Tonnes milled	t	**464 182**	433 572	907 812
Stockpile	t	**126 825**	47 001	26 693
UG2				
Tonnes mined	t	**1 801 695**	1 605 775	2 008 109
Tonnes milled	t	**1 751 351**	1 604 771	3 278 216
Stockpile	t	**167 179**	137 442	118 929
Combined				
Tonnes mined	t	**2 448 303**	2 172 795	3 090 994
Tonnes milled	t	**2 215 533**	2 038 343	4 186 028
Stockpile	t	**294 004**	184 443	145 622
Chrome tonnes produced	t	**281 949**	266 265	538 405
Equivalent refined metal from own operations				
Platinum	oz	**141 855**	134 486	263 379
Palladium	oz	**68 660**	67 677	127 413
Rhodium	oz	**22 565**	21 284	41 732
Gold	oz	**2 295**	2 283	4 436
3PGM + Au	oz	**235 375**	225 730	436 960

		6 months ended 31 December 2016	6 months ended 31 December 2015	12 months ended 30 June 2016
Equivalent refined metal from external parties				
Platinum	oz	**9 099**	11 799	17 297
Palladium	oz	**3 697**	5 080	7 523
Rhodium	oz	**1 061**	1 543	2 251
Gold	oz	**322**	354	547
3PGM + Au	oz	**14 179**	18 776	27 618
Total refined metal produced				
Platinum	oz	**142 395**	148 118	270 902
Palladium	oz	**68 706**	73 368	133 940
Rhodium	oz	**20 094**	22 827	42 825
Gold	oz	**2 990**	3 086	5 561
3PGM + Au	oz	**234 185**	247 399	453 228
Total metal sold				
Platinum	oz	**134 482**	148 440	270 194
Palladium	oz	**66 061**	73 689	134 101
Rhodium	oz	**20 165**	22 859	42 632
Gold	oz	**2 997**	3 087	5 466
3PGM + Au	oz	**223 705**	248 075	452 393
Average market prices achieved and sales statistics				
Platinum	USD/oz	**1 027**	952	964
Palladium	USD/oz	**678**	613	586
Rhodium	USD/oz	**682**	770	721
Gold	USD/oz	**1 265**	1 128	1 174
Average exchange rate	R/USD	**13.99**	13.55	14.33
Total revenue per platinum oz sold*	R/oz	**25 720**	21 594	22 566
Total revenue per 3PGM + Au oz sold*	R/oz	**15 462**	12 921	13 477
Nickel sales	R000	**96 500**	81 896	162 947
Nickel sold	t	**640**	659	1 268
Average nickel market price achieved	USD/t	**10 759**	9 333	9 014
Chrome sales	R000	**471 086**	207 278	354 653
Chrome sold	t	**271 372**	267 040	540 624
Average chrome price achieved	USD/t	**125**	56	45
Average chrome price achieved	R/t	**1 736**	776	656

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

		6 months ended 31 December 2016	6 months ended 31 December 2015	12 months ended 30 June 2016
Cash costs statistics				
On mine cash cost per tonne mined	R/t	**1 008**	990	1 432
On mine cash cost per tonne milled	R/t	**1 114**	1 055	1 057
Cash cost per equivalent refined platinum oz #	R/oz	**19 440**	17 756	18 877
Cash cost per equivalent refined 3PGM + Au oz #	R/oz	**11 727**	10 584	11 368
Cash profit and margin				
Cash profit per equivalent refined platinum oz	R/oz	**6 280**	3 838	3 689
Cash margin per equivalent refined platinum oz	%	**24.4**	17.8	16.4
Cash profit per equivalent refined 3PGM + Au	R/oz	**3 735**	2 337	2 109
Cash margin per equivalent refined 3PGM + Au	%	**24.2**	18.1	15.7
Capital incurred				
Expansionary capex	R000	**642 147**	299 760	804 344
Sustaining capex	R000	**130 803**	184 226	369 636
	R000	**772 950**	483 986	1 173 980
Sustaining capex per equivalent refined platinum oz from own operations	R/oz	**922**	1 370	1 403

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

ZONDEREINDE STATISTICS

		6 months ended 31 December 2016	6 months ended 31 December 2015	12 months ended 30 June 2016
		R000	**R000**	**R000**
Sales revenue				
Platinum		**1 932 003**	1 919 743	3 731 417
Palladium		**627 028**	611 793	1 122 284
Rhodium		**192 409**	238 674	442 998
Gold		**53 319**	47 112	92 151
Chrome		**217 371**	139 865	225 750
Other		**182 982**	179 053	351 617
Total sales revenue		**3 205 112**	3 136 240	5 966 217
Cost of sales				
Operating costs		**(1 823 039)**	(1 704 066)	(3 464 378)
Mining operations		**(1 427 842)**	(1 353 582)	(2 691 280)
Concentrator operations		**(149 767)**	(145 040)	(285 170)
Smelting and base metal removal plant costs		**(160 560)**	(136 232)	(273 612)
Chrome processing		**(11 360)**	(19 495)	(18 175)
Selling and administration overheads		**(32 297)**	(36 700)	(106 622)
Royalty charges		**(23 971)**	(18 577)	(34 419)
Share-based payment expenses		**(16 930)**	13 613	(35 628)
Toro Trust employee profit share scheme		**(312)**	(5 653)	(10 904)
Rehabilitation		**–**	(2 400)	(8 568)
Concentrates purchased		**(1 199 676)**	(1 059 637)	(2 194 494)
Refining including sampling and handling charges		**(66 223)**	(69 954)	(133 186)
Depreciation and write-offs		**(93 582)**	(85 255)	(191 797)
Change in metal inventories		**163 664**	(167 311)	265 763
Total cost of sales		**(3 018 856)**	(3 086 223)	(5 718 092)
Operating profit		**186 256**	50 017	248 125
Operating margin	%	**5.8**	1.6	4.2
EBITDA		**265 472**	217 639	560 271
EBITDA margin	%	**8.3**	6.9	9.4

		6 months ended 31 December 2016	6 months ended 31 December 2015	12 months ended 30 June 2016
Safety				
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		**1.59**	1.67	1.92
Headcount				
Directly employed		**5 926**	6 224	6 083
Total employed		**8 587**	8 386	8 392
Production and ore stockpiles				
Merensky				
Square metres mined	m^2	**84 620**	77 720	154 250
Tonnes mined*	t	**512 656**	524 211	990 240
Tonnes milled	t	**432 174**	433 572	815 167
Head grade (3PGM + Au)	g/t	**5.8**	5.8	5.9
Concentrator recoveries	%	**90.4**	89.0	89.7
Stockpile	t	**370**	–	–
UG2				
Square metres mined	m^2	**100 839**	107 388	192 260
Tonnes mined	t	**610 973**	699 775	1 235 483
Tonnes milled	t	**539 070**	619 044	1 205 258
Head grade (3PGM + Au)	g/t	**4.2**	4.2	4.2
Concentrator recoveries	%	**87.3**	87.8	87.6
Stockpile	t	**145 081**	128 707	75 386
Combined				
Square metres mined	m^2	**185 459**	185 108	346 510
Tonnes mined	t	**1 123 629**	1 223 986	2 225 723
Tonnes milled	t	**971 244**	1 052 616	2 020 425
Head grade (3PGM + Au)	g/t	**4.9**	4.9	4.9
Concentrator recoveries	%	**89.1**	88.7	88.8
Stockpile	t	**145 451**	128 707	75 386
Chrome tonnes produced	t	**143 314**	171 099	327 510

* *Including off reef development tonnage.*

ZONDEREINDE STATISTICS continued

		6 months ended 31 December 2016	6 months ended 31 December 2015	12 months ended 30 June 2016
Equivalent refined metal from own Zondereinde operations				
Platinum	oz	**86 871**	93 141	169 949
Palladium	oz	**42 310**	46 168	82 916
Rhodium	oz	**13 343**	13 793	26 460
Gold	oz	**1 768**	1 961	3 440
3PGM + Au	oz	**144 292**	155 063	282 765
Equivalent refined metal from external parties				
Platinum	oz	**9 099**	11 799	17 297
Palladium	oz	**3 697**	5 080	7 523
Rhodium	oz	**1 061**	1 543	2 251
Gold	oz	**322**	354	547
3PGM + Au	oz	**14 179**	18 776	27 618
Total refined metal produced				
Platinum	oz	**142 395**	148 118	270 902
Palladium	oz	**68 706**	73 368	133 940
Rhodium	oz	**20 094**	22 827	42 824
Gold	oz	**2 990**	3 086	5 562
3PGM + Au	oz	**234 185**	247 399	453 228
Zondereinde calculated metal sold*				
Platinum	oz	**70 149**	91 015	155 665
Palladium	oz	**36 100**	46 939	80 389
Rhodium	oz	**9 827**	13 675	24 505
Gold	oz	**2 167**	2 387	3 917
3PGM + Au	oz	**118 243**	154 016	264 476

** Zondereinde metal sold has been calculated by assuming that all third party and Booysendal product is sold first.*

		6 months ended 31 December 2016	6 months ended 31 December 2015	12 months ended 30 June 2016
Total group metal sold				
Platinum	oz	**134 482**	148 440	270 194
Palladium	oz	**66 061**	73 689	134 101
Rhodium	oz	**20 165**	22 859	42 632
Gold	oz	**2 997**	3 087	5 466
3PGM + Au	oz	**223 705**	248 075	452 393
Average market prices achieved and sales statistics				
Platinum	USD/oz	**1 027**	952	964
Palladium	USD/oz	**678**	613	586
Rhodium	USD/oz	**682**	770	721
Gold	USD/oz	**1 265**	1 128	1 174
Average exchange rate	R/USD	**13.99**	13.55	14.33

ZONDEREINDE STATISTICS continued

		6 months ended 31 December 2016	6 months ended 31 December 2015	12 months ended 30 June 2016
Total revenue per platinum oz sold*	R/oz	**23 833**	21 128	22 081
Total revenue per 3PGM + Au oz sold*	R/oz	**14 327**	12 642	13 188
Total calculated revenue per platinum oz sold for own Zondereinde operations*	R/oz	**26 032**	22 204	23 278
Total calculated revenue per 3PGM + Au oz sold for own Zondereinde operations*	R/oz	**15 444**	13 121	13 701
Nickel sales	R000	**96 500**	81 896	162 947
Nickel sold	t	**640**	659	1 268
Average market nickel price achieved	USD/t	**10 759**	9 333	9 014
Chrome sales	R000	**217 371**	139 865	225 750
Chrome sold	t	**132 737**	171 874	329 729
Average chrome price achieved	USD/t	**117**	58	47
Average chrome price achieved	R/t	**1 638**	814	685
Cash costs statistics				
On mine cash cost per tonne mined	R/t	**1 404**	1 224	1 337
On mine cash cost per tonne milled	R/t	**1 624**	1 424	1 473
Cash cost per equivalent refined platinum oz#	R/oz	**19 980**	17 730	19 409
Cash cost per equivalent refined 3PGM + Au oz#	R/oz	**12 040**	10 646	11 659
Cash profit and margin for own Zondereinde operations				
Cash profit per equivalent refined platinum oz	R/oz	**6 052**	4 474	3 869
Cash margin per equivalent refined platinum oz	%	**23.3**	20.2	16.6
Cash profit per equivalent refined 3PGM + Au	R/oz	**3 404**	2 475	2 042
Cash margin per equivalent refined 3PGM + Au	%	**22.0**	18.9	14.9
Capital incurred				
Expansionary capex	R000	**347 178**	33 154	294 297
Sustaining capex	R000	**77 788**	128 705	259 818
	R000	**424 966**	161 859	554 115
Sustaining capex per equivalent refined metal from Zondereinde platinum oz	R/oz	**895**	1 382	1 529

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

Cash cost per unit is calculated using the mining 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.

BOOYSENDAL STATISTICS

		6 months ended 31 December 2016	6 months ended 31 December 2015	12 months ended 30 June 2016
		R000	**R000**	**R000**
Sales revenue*				
Platinum		**652 315**	545 399	1 250 361
Palladium		**232 065**	167 802	355 758
Rhodium		**84 122**	70 610	146 098
Gold		**7 364**	4 763	16 976
Chrome		**253 715**	67 413	128 903
Other		**45 589**	32 086	74 787
Total sales revenue		**1 275 170**	888 073	1 972 883
Cost of sales				
Operating costs		**(948 881)**	(667 395)	(1 541 040)
Mining operations		**(729 881)**	(522 196)	(1 166 353)
Concentrator operations		**(159 856)**	(129 349)	(283 461)
Chrome processing		**(6 587)**	(5 862)	(11 921)
Selling and administration overheads		**(32 297)**	(18 948)	(47 762)
Royalty charges		**(8 161)**	(4 440)	(9 864)
Share-based payment expenses		**(12 099)**	4 096	(28 547)
Rehabilitation		**–**	9 304	6 868
Depreciation and write-offs		**(134 120)**	(117 891)	(213 481)
Change in metal inventories		**32 354**	(59 527)	(42 383)
Total cost of sales		**(1 050 647)**	(844 813)	(1 796 904)
Operating profit		**224 523**	43 260	175 979
Operating margin	%	**17.6**	4.9	8.9
EBITDA		**337 448**	146 379	360 583
EBITDA margin	%	**26.5**	16.5	18.3

* *Zondereinde purchases all of Booysendal's concentrate, except for chrome which is sold directly to a third party customer.*

BOOYSENDAL STATISTICS continued

		6 months ended 31 December 2016	6 months ended 31 December 2015	12 months ended 30 June 2016
Safety				
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		**0.14**	0.52	0.44
Headcount				
Directly employed		**217**	204	191
Total employed		**3 027**	2 710	2 920
Production and ore stockpiles				
Merensky				
Tonnes mined	t	**133 952**	42 809	129 407
Tonnes milled	t	**32 008**	–	92 645
Head grade (3PGM + Au)*	g/t	**2.0**	–	1.9
Stockpile	t	**126 455**	47 001	26 693
UG2				
Tonnes mined	t	**1 190 722**	906 000	2 008 109
Tonnes milled	t	**1 212 281**	985 727	2 072 958
Head grade (3PGM + Au)	g/t	**2.7**	2.7	2.7
Stockpile	t	**22 098**	8 735	43 543
Combined				
Tonnes mined	t	**1 324 674**	948 809	2 137 516
Tonnes milled	t	**1 244 289**	985 727	2 165 603
Head grade (3PGM + Au)	g/t	**2.7**	2.7	2.7
Stockpile	t	**148 553**	55 736	70 236
Concentrator recoveries	%	**89.1**	84.8	85.7
Chrome tonnes produced	t	**138 635**	95 166	210 895

* *Steady state headgrade will be 2.5g/t.*

		6 months ended 31 December 2016	6 months ended 31 December 2015	12 months ended 30 June 2016
Metal in concentrate produced and ore stockpiles				
Platinum	oz	**60 379**	45 140	97 899
Palladium	oz	**28 936**	20 930	46 393
Rhodium	oz	**10 127**	7 491	15 979
Gold	oz	**579**	321	1 029
3PGM + Au	oz	**100 021**	73 882	161 300
Total metal sold				
Platinum	oz	**56 704**	46 844	99 828
Palladium	oz	**26 985**	22 248	47 422
Rhodium	oz	**9 504**	7 845	16 300
Gold	oz	**520**	354	1 029
3PGM + Au	oz	**93 713**	77 291	164 579
Average market prices achieved and sales statistics				
Platinum	USD/oz	**822**	838	854
Palladium	USD/oz	**614**	544	515
Rhodium	USD/oz	**634**	650	624
Gold	USD/oz	**1 013**	973	1 085
Average exchange rate	R/USD	**13.98**	13.85	14.62
Total revenue per platinum oz sold*	R/oz	**22 488**	18 958	19 763
Total revenue per 3PGM + Au oz sold*	R/oz	**13 607**	11 490	11 987
Chrome sales	R000	**253 716**	67 413	128 903
Chrome sold	t	**138 635**	95 166	210 895
Average chrome price achieved	USD/t	**136**	52	43
Average chrome price achieved	R/t	**1 830**	708	611

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

BOOYSENDAL STATISTICS continued

		6 months ended 31 December 2016	6 months ended 31 December 2015	12 months ended 30 June 2016
Cash costs statistics				
On mine cash cost per tonne mined	R/t	**672**	687	678
On mine cash cost per tonne milled	R/t	**715**	661	669
Cash cost per equivalent refined platinum oz in concentrate #	R/oz	**15 271**	14 854	15 297
Cash cost per equivalent refined 3PGM + Au oz in concentrate #	R/oz	**9 218**	9 075	9 284
Cash profit and margin				
Cash profit per equivalent refined platinum oz in concentrate	R/oz	**7 217**	4 104	4 466
Cash margin per equivalent refined platinum oz in concentrate	%	**32.1**	21.7	22.6
Cash profit per equivalent refined 3PGM + Au in concentrate	R/oz	**4 389**	2 415	2 703
Cash margin per equivalent refined 3PGM + Au in concentrate	%	**32.3**	21.0	22.6
Capital incurred				
Expansionary capex*	R000	**277 527**	266 606	508 759
Sustaining capex	R000	**52 481**	55 521	107 689
	R000	**330 008**	322 127	616 448
Sustaining capex per platinum oz in concentrate	R/oz	**869**	1 230	1 100

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

* *Expansionary capex does not include prepayments relating to the rope conveyance for ore transportation.*

RESULTS COMMENTARY

FINANCIAL OVERVIEW

Statement of comprehensive income

Sales revenue generated by the group increased 7.9% to R3.5 billion (H1 F2016: R3.2 billion) compared to the previous period despite lower sales volumes. The higher revenue reflected a 19.1% increase in the total revenue per platinum oz sold of R25 720/oz (H1 F2016 R21 594/oz) aided by a 3.2% weaker average ZAR/USD exchange rate of R13.99/USD (H1 F2016: R13.55/USD).

Sales volumes declined by 9.8% to 223 705 oz for the current period (H1 F2016: 248 075 oz) reflecting metallurgical constraints and an 18-day outage resulting from a mill bearing failure on the UG2 concentrator at Zondereinde.

Cost of sales were unchanged at R3.1 billion despite higher operating costs. Operating costs increased by 16.8% to R2.8 billion (H1 F2016: R2.4 billion). This reflected the impact of higher labour and power costs as well as greater production volumes from the Booysendal North mine. Depreciation and associated write-offs were higher and the cost of purchased concentrate dropped in line with lower third party deliveries. Higher depreciation costs are driven by the higher units of production at the Booysendal North mine which increased metal production volumes by 35.4%.

The positive change in metal inventories reflects the increase in stockpiles within the group as ore production exceeds current milling and smelting capacity. The higher group revenue with an unchanged cost of sales resulted in an operating profit of R352.0 million (H1 F2016: R93.4 million), at an operating margin of 10.2% (H1 F2016: 2.9%).

Investment revenues dropped by 34.3% to R107.4 million (H1 F2016: R163.6 million), reflecting the lower average cash balances during the current period as cash has been deployed for expansion of current production capacity. Sundry income was down 67.9% largely as a result of the once off receipt from a cancelled insurance contingency policy and an insurance refund in the comparable period.

The increase in finance charges reflects the costs associated with the two domestic medium-term notes of R175.0 million and R250.0 million reported at the end of F2016. Included in sundry expenditure, which is up 18.5%, is a net foreign currency loss compared to a net gain in the previous period. The cumulative non-cash preference share dividends increased by 12.2% to R482.8 million (H1 F2016: R430.4 million), net of capitalised interest of R17.4 million, due to the compounding nature of the preference share liability.

Although group operating profits were higher at R352.0 million (H1 F2016: R93.4 million), the tax charge was similar owing to the utilisation of unredeemed capital expenditure against increased mining income and the reduction of taxable non-mining income.

Cash flows

Abnormally high inventory levels and prepayments drove working capital requirements, which in turn led to a decline of 68.4% in operating cash flows to R216.4 million (H1 F2016: R684.4 million). The high inventory levels accounted for in working capital reflect the higher mining production of the group relative to its current metallurgical capacity, which will be released once the new furnace is commissioned. Working capital movement includes the prepayment of R157.9 million relating to the construction of the aerial rope conveyor for ore transportation at the Booysendal South mine.

The cash utilised in investing activities is 51.1% up at R777.9 million (H1 F2016: R515.1 million) owing to the group's current intensive capital expenditure programme.

Cash flows utilised in financing activities amounting to R285.6 million, decreased 79.6% from the previous period's R1.4 billion, due to the relatively lower levels of financing-related repayments in the current period. In the previous period, the repayment of the R1.4 billion domestic medium-term note was recorded. In the current period, Northam acquired Zambezi preference shares to the value of R208.7 million.

OPERATIONS

Zondereinde

Management and employees of Zondereinde are commended for achieving the milestone of 6 million fatality-free shifts during the current period. The lost time injury incident rate (LTIIR) improved to 1.59 injuries per 200 000 hours worked (F2016: 1.92)

Management however regrets to report that soon after the end of this reporting period, Mr Alexandre Macave, a locomotive operator, was fatally injured in an underground rail accident on Friday, 6 January 2017. Mr Macave, was a Mozambican citizen aged 54, with 25 years' experience. The board and management express their sincere condolences to the family and colleagues of Mr Macave.

Zondereinde's production was adversely affected by measures taken to reorganise the workforce, along with an 18-day outage of the UG2 milling circuit owing to a mill bearing failure. The workforce reorganisation was a result of the discharge of 357 employees following labour disruptions in June 2016. In spite of the fewer mining crews, centare mining targets were met, but tonnage volumes hoisted were lower, as resources were moved from vamping to stoping teams. UG2 tonnages mined were lower by 12.7% at 610 973 tonnes (H1 F2016: 699 775 tonnes). The Merensky tonnage mined decreased by 2.2% to 512 656 tonnes (H1 F2016: 524 211 tonnes) at a head grade of 5.8g/t. The decline in total tonnages was 8.2% at 1 123 629 tonnes (H1 F2016: 1 223 986 tonnes) with a combined head grade of 4.9g/t.

The mining teams are expected to be back at full complement by the end of March 2017. Merensky ore remains constrained for now, but the ore mix will gradually be modified to accommodate the more dominant Merensky reef in the additional ground acquired from Anglo Platinum, moving to a Merensky:UG2 ratio of 55:45. This should be achievable within a 24 month period, post the section 102 approvals.

Total operating costs at Zondereinde for the period were R1.8 billion (H1 F2016: R1.7 billion), a 7.0% increase. The combination of higher costs and lower production translated into a 12.7% increase in unit cash costs per equivalent refined platinum ounce to R19 980 (H1 F2016: R17 730 per platinum ounce).

The production of equivalent refined metal declined by 7.0% to 144 292 oz (H1 F2016: 155 063 oz) owing to the disruptions mentioned above. Third party concentrate added 14 179 oz to on-mine production.

Capital expenditure during the current period was R425.0 million (H1 F2016: R161.9 million). Expansionary project expenditure accounted for R347.2 million while sustaining expenditure was R77.8 million. The project expenditure pertained primarily to the construction of the new 20MW furnace and drying plant. Expansion and sustaining capital expenditure for the remainder of F2017 is estimated at R160.7 million and R137.3 million respectively.

Zondereinde's current total resource estimate is 84.0 million oz (Moz) (F2016: 84.1Moz) excluding the recent purchase of resources. Mineral resources purchased from the neighbouring Tumela mine are expected to increase this resource base by 16.7Moz on completion of the transaction.

Booysendal

Booysendal's outstanding safety run continued, with an improvement in the lost time injury rate per 200 000 hours worked to 0.14 (F 2016: 0.44). The mechanised mining method remains a significant safety differentiator.

The Merensky North mine at Booysendal has been brought into production and is producing at a rate of 25 000 tonnes per month. Production has been stockpiled and 133 952 tonnes (H1 F2016: 42 809 tonnes), at a head grade of 2.0g/t was mined during the period. The head grade at steady state will be around 2.5g/t. Production from the UG2 mine increased by 31.4% with 1 190 722 tonnes mined (H1 F2016: 906 000 tonnes) at a head grade of 2.7g/t. The combined tonnage mined was 1 324 674 tonnes (H1 F2016: 948 809 tonnes) at a head grade of 2.7g/t.

Chrome concentrate produced for the current period was 138 635 tonnes (H1 F2016: 95 166 tonnes), a 45.7% increase, in line with the higher volume of UG2 ore mined.

Booysendal's total operating costs rose 42.2% to R948.8 million (H1 F2016: R667.4 million). This is in direct correlation with the higher production volumes from Booysendal, at 100 021 oz (H1 F 2016: 73 882 oz).

The cash cost per equivalent 3PGM+Au ounce in concentrate was R9 218 (H1 F2016: R9 075) a 1.6% increase compared to the previous period. This equates to a cash cost per platinum ounce of R15 271/oz (H1 F2016: R14 854/oz).

Capital expenditure was R330.0 million for the period (H1 F2016: R322.1 million) of which R277.5 million was project expenditure and R52.5 million sustaining expenditure. In addition, R157.9 million was prepaid for the construction of the aerial rope conveyor system at Booysendal South. The Booysendal estimated expansionary and sustaining capital expenditure for the rest of F2017 will be R568.5 million and R34.7 million respectively.

MINERAL RESOURCES AND RESERVES

The following tables summarise the mineral resources and reserves attributable to Northam for both the current period and previous year. Notes on the reporting criteria are pertinent, together with specific notes which can be found in the Northam annual integrated report for the year ended 30 June 2016, which is available on the group's website.

Mineral resources are reported inclusive of mineral reserves.

Northam group reserves estimate (combined proven and probable)

		as at 31 December 2016 3PGM + Au			As at 30 June 2016 3PGM + Au		
Reef	**Mine**	**Mt**	**g/t**	**Moz**	**Mt**	**g/t**	**Moz**
Merensky	Booysendal North mine	**14.37**	**2.95**	**1.36**	14.51	2.92	1.36
	Booysendal South mine	**9.36**	**2.58**	**0.78**	9.36	2.58	0.78
	Dwaalkop*	**–**	**–**	**–**	–	–	–
	Zondereinde	**20.65**	**5.51**	**3.66**	21.01	5.51	3.72
	Total	**44.38**	**4.06**	**5.80**	44.88	4.06	5.86
UG2	Booysendal North mine	**40.34**	**3.09**	**4.00**	41.53	3.00	4.00
	Booysendal South mine	**75.86**	**2.65**	**6.48**	75.86	2.65	6.48
	Dwaalkop*	**–**	**–**	**–**	–	–	–
	Pandora*	**1.12**	**4.20**	**0.15**	1.21	4.10	0.16
	Zondereinde	**58.21**	**4.24**	**7.93**	58.64	4.24	7.99
	Total	**175.53**	**3.29**	**18.56**	177.24	3.27	18.63
Combined	Booysendal North mine	**54.71**	**3.05**	**5.36**	56.04	2.98	5.36
	Booysendal South mine	**85.22**	**2.65**	**7.26**	85.22	2.65	7.26
	Dwaalkop*	**–**	**–**	**–**	–	–	–
	Pandora*	**1.12**	**4.20**	**0.15**	1.21	4.10	0.16
	Zondereinde	**78.86**	**4.57**	**11.59**	79.65	4.58	11.71
	Total	**219.91**	**3.45**	**24.36**	222.12	3.43	24.49

* *Current resources and reserves of Pandora and Dwaalkop are quoted as at 30 September 2016 while those of the previous year are at 30 September 2015. The above table excludes any reserves and resources from ground recently acquired from Anglo American Platinum Limited's Tumela mine.*

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

		as at 31 December 2016 3PGM + Au			As at 30 June 2016 3PGM + Au		
Reef	**Mine**	**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**	187.55	3.55	21.41
	Booysendal North mine	**16.84**	**3.23**	**1.75**	16.97	3.23	1.76
	Booysendal South mine	**11.98**	**2.77**	**1.07**	11.98	2.77	1.07
	Dwaalkop*	**38.05**	**2.98**	**3.64**	38.05	2.98	3.64
	Zondereinde	**164.14**	**7.38**	**38.93**	164.44	7.38	39.00
	Total	**506.38**	**4.98**	**81.09**	506.81	4.98	81.17
UG2	Booysendal North	**152.65**	**4.86**	**23.87**	152.65	4.86	23.87
	Booysendal South	**235.67**	**3.20**	**24.26**	235.67	3.20	24.26
	Booysendal North mine	**41.41**	**4.52**	**5.88**	41.41	4.52	6.02
	Booysendal South mine	**126.76**	**3.07**	**12.51**	126.76	3.07	12.51
	Dwaalkop*	**37.56**	**4.35**	**5.25**	37.56	4.35	5.25
	Pandora*	**14.18**	**4.65**	**2.12**	14.14	4.65	2.11
	Zondereinde	**276.01**	**5.08**	**45.07**	276.41	5.08	45.14
	Total	**884.24**	**4.19**	**118.96**	884.6	4.19	119.16
Combined	Booysendal North	**240.47**	**4.94**	**38.16**	240.47	4.94	38.16
	Booysendal South	**423.22**	**3.36**	**45.67**	423.22	3.36	45.67
	Booysendal North mine	**58.25**	**4.14**	**7.62**	58.38	4.15	7.78
	Booysendal South mine	**138.74**	**3.04**	**13.57**	138.74	3.04	13.58
	Dwaalkop*	**75.61**	**3.66**	**8.90**	75.61	3.66	8.89
	Pandora*	**14.18**	**4.65**	**2.12**	14.14	4.65	2.11
	Zondereinde	**440.15**	**5.94**	**84.01**	440.85	5.94	84.14
	Total	**1 390.62**	**4.48**	**200.05**	1 391.41	4.48	200.33

* *Current resources and reserves of Pandora and Dwaalkop are quoted as at 30 September 2016 while those of the previous year are at 30 September 2015. The above table excludes any reserves and resources from ground recently acquired from Anglo American Platinum Limited's Tumela mine.*

CHANGES TO THE BOARD OF DIRECTORS

Mr JG (John) Smithies was appointed as an independent non-executive director, effective 1 January 2017 as announced on 10 November 2016.

Mr AR (Alwyn) Martin retired from the board of directors, at the conclusion of the annual general meeting, held on 9 November 2016. **Ms HH (Hester) Hickey** has replaced Mr Martin as chairman of the audit and risk committee.

GOING CONCERN AND PROSPECTS

Mining operations have a finite life and are 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 the group 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 board believes that the group has adequate financial resources to continue operating for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis.

CORPORATE GOVERNANCE

The group is in the process of evaluating compliance in terms of King IV and will update the checklist available on the Northam website www.northam.co.za in due course.

DIVIDENDS

Given the continuing difficult conditions in the mining industry, and taking into consideration the cash requirements for the development of the group's project pipeline and acquisition of platinum assets, the board has resolved not to declare an interim dividend for H1 F2017 (H1 F2016: Rnil cents per share).

On behalf of the board

PL Zim
Chairman

PA Dunne
Chief executive

Johannesburg
21 February 2017

INTERIM FINANCIAL RESULTS

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

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 the company's registered office.

The interim results of the group will be published on the group's website on Friday, 24 February 2017.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
		R000	**R000**	**R000**
Sales revenue	4	**3 458 827**	3 205 358	6 097 070
Cost of sales		**(3 106 871)**	(3 111 953)	(5 713 722)
Operating costs	5	**(2 771 920)**	(2 373 038)	(5 007 233)
Concentrates purchased		**(178 221)**	(238 977)	(350 514)
Refining and other costs		**(66 223)**	(69 954)	(133 186)
Depreciation and write-offs		**(226 835)**	(203 146)	(403 545)
Change in metal inventories		**136 328**	(226 838)	180 756
Operating profit		**351 956**	93 405	383 348
Share of earnings/(losses) from associate and joint venture		**1 851**	(11 615)	(32 253)
Investment revenue	6	**107 442**	163 564	265 258
Finance charges excluding preference share dividends	7	**(50 146)**	(29 258)	(39 634)
Sundry income	8	**40 821**	127 001	180 928
Sundry expenditure	9	**(82 109)**	(69 278)	(92 122)
Profit before preference share dividends		**369 815**	273 819	665 525
Amortisation of liquidity fees paid on preference shares		**(8 195)**	(8 527)	(18 088)
Preference share dividends		**(482 753)**	(430 414)	(918 806)
Loss on derecognition of preference share liability		**(902)**	–	–
Loss before tax		**(122 035)**	(165 122)	(271 369)
Taxation	10	**(104 569)**	(107 847)	(236 894)
Loss for the period		**(226 604)**	(272 969)	(508 263)

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	R000	R000	R000
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss	**–**	–	19 822
Share of associate's exchange differences on translating foreign operations and foreign currency translation	**–**	–	(3 947)
Reclassification of other comprehensive income from associate to profit or loss	**–**	–	23 769
Loss and total comprehensive income for the period	**(226 604)**	(272 969)	(488 441)
Reconciliation of headline loss per share			
Loss for the period	**(226 604)**	(272 969)	(508 263)
(Profit)/loss on sale of property, plant and equipment	**(841)**	1 523	(57)
Impairment of associate's assets	**–**	–	11 185
Loss on sale of investment in associate	**–**	–	21 024
Impairment/(reversal of impairment) of non-core assets	**841**	39 951	(13 610)
Tax effect on above	**235**	(426)	(3 116)
Headline loss	**(226 369)**	(231 921)	(492 837)
Loss per share – cents	**(64.8)**	(78.0)	(145.3)
Fully diluted loss – cents	**(64.8)**	(78.0)	(145.3)
Headline loss per share – cents	**(64.7)**	(66.3)	(140.9)
Fully diluted headline loss per share – cents	**(64.7)**	(66.3)	(140.9)
Dividends per share	**–**	–	–
Weighted average number of shares in issue	**349 875 759**	349 875 759	349 875 759
Fully diluted number of shares in issue	**349 875 759**	349 875 759	349 875 759
Number of shares in issue	**509 781 212**	509 781 212	509 781 212
Treasury shares in issue	**159 905 453**	159 905 453	159 905 453
Shares in issue adjusted for treasury shares	**349 875 759**	349 875 759	349 875 759

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Reviewed 6 months ended 31 December 2016 R000	Reviewed 6 months ended 31 December 2015 R000	Audited 12 months ended 30 June 2016 R000
ASSETS				
Non-current assets		**14 579 701**	13 660 222	14 110 084
Property, plant and equipment	11	**8 392 953**	7 317 097	7 853 993
Mining properties and mineral resources	12	**5 621 172**	5 664 180	5 614 094
Interest in associates and joint ventures	13	**164 195**	231 138	192 164
Unlisted investment		**649**	6	6
Land and township development		**46 154**	18 400	51 341
Long-term receivables		**87 011**	92 557	89 717
Investments held by Northam Platinum Restoration Trust Fund		**97 832**	89 990	93 647
Environmental Guarantee investment		**62 219**	59 522	60 345
Buttonshope Conservancy Trust		**10 545**	11 018	10 445
Other financial assets		**8 450**	–	–
Deferred tax asset		**88 521**	176 314	144 332
Current assets		**4 376 131**	4 153 965	4 867 779
Inventories	14	**1 482 974**	905 379	1 330 270
Trade and other receivables	15	**617 792**	341 416	375 204
Cash and cash equivalents	16	**2 227 909**	2 906 354	3 105 080
Tax receivables		**47 456**	816	57 225
Non-current assets held for sale		**45 565**	–	–
Total assets		**19 001 397**	17 814 187	18 977 863

		Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
		R000	R000	R000
EQUITY AND LIABILITIES				
Total equity		**8 501 380**	8 943 456	8 727 984
Stated capital		**13 778 114**	13 778 114	13 778 114
Treasury shares		**(6 556 123)**	(6 556 123)	(6 556 123)
Retained earnings		**404 941**	866 839	631 545
Equity settled share-based payment reserve		**874 448**	874 448	874 448
Share of other comprehensive income from associate		**–**	(19 822)	–
Non-current liabilities		**9 285 653**	7 772 836	9 072 179
Deferred tax liability		**566 410**	543 398	590 637
Long-term provisions		**272 205**	215 920	272 820
Preference share liability	17	**7 725 705**	6 931 596	7 429 549
Long-term loans		**248 717**	38 063	275 513
Long-term share-based payment liability		**52 432**	43 859	84 373
Domestic medium-term notes		**420 184**	–	419 287
Current liabilities		**1 214 364**	1 097 895	1 177 700
Current portion of long-term loans		**13 202**	3 801	13 201
Short-term share-based payment liability		**71 099**	20 049	56 704
Tax payable		**105 447**	117 497	104 072
Trade and other payables	18	**868 788**	817 886	877 935
Other financial liabilities		**10 508**	–	–
Short-term provisions		**145 320**	138 662	125 788
Total equity and liabilities		**19 001 397**	17 814 187	18 977 863

INTERIM CONSOLIDATED STATEMENT OF CHANGES OF EQUITY

	Stated capital	Retained earnings	Equity settled share-based payment reserve	Other comprehensive income from associate	Total
	R000	R000	R000	R000	R000
Opening balance as at 1 July 2015	7 221 991	1 139 808	874 448	(19 822)	9 216 425
Total comprehensive income for the period	–	(272 969)	–	–	(272 969)
Balance as at 31 December 2015	7 221 991	866 839	874 448	(19 822)	8 943 456
Total comprehensive income for the period	–	(235 294)	–	19 822	(215 472)
Loss for the period	–	(235 294)	–	–	(235 294)
Other comprehensive income for the period	–	–	–	19 822	19 822
Balance as at 30 June 2016	7 221 991	631 545	874 448	–	8 727 984
Loss and total comprehensive income for the period	–	(226 604)	–	–	(226 604)
Balance as at 31 December 2016	**7 221 991**	**404 941**	**874 448**	**–**	**8 501 380**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	R000	R000	R000
Cash flows from operating activities	**216 430**	684 374	839 081
Loss before taxation	**(122 035)**	(165 122)	(271 369)
Adjusted for the following non-cash items as well as discloseable items			
Deprecation and write-offs	**226 835**	203 146	403 545
Changes in provisions	**18 917**	6 195	50 221
Changes in long-term receivables	**2 706**	1 946	4 786
Investment revenue	**(107 442)**	(163 564)	(265 258)
Finance charges excluding preference share dividends	**50 146**	29 258	39 634
Finance charges on preference shares	**482 753**	430 414	918 806
Capitalised finance charges on the preference shares	**17 442**	–	–
Liquidity fees on the preference shares	**8 195**	8 527	18 088
Movement in share-based payment liability	**(17 546)**	(66 577)	10 592
Impairment/(reversal of impairment) of investment in associates	**841**	39 951	(13 610)
Share of (earnings)/losses from associate	**(1 851)**	11 615	32 253
Loss on sale of investment in associate	**–**	–	21 024
Amortisation of participation interest in the Pandora joint venture	**–**	–	2 600
Profit on sale of property, plant and equipment	**(841)**	–	(57)
Net foreign exchange difference	**30 018**	–	–
Other	**2 173**	2 822	1 395
Change in working capital	**(404 439)**	236 499	(162 131)
Movement relating to land and township development	**5 187**	–	(41 341)
Movement in other financial assets and liabilities	**2 058**	–	–
Investment revenue	**107 442**	163 564	265 258
Taxation paid	**(84 129)**	(54 300)	(175 355)

	Notes	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
		R000	**R000**	**R000**
Cash flows utilised in investing activities		**(777 978)**	(515 051)	(1 126 793)
Property, plant, equipment, mining properties and mineral reserves				
Additions to maintain operations		**(130 803)**	(184 746)	(369 636)
Additions to expand operations		**(624 705)**	(299 760)	(804 344)
Disposal proceeds		**918**	391	4 235
Movement in land and township development		**–**	(8 400)	–
Investment in associate – cash distributed		**–**	–	24
Additional investment made in associate		**(16 586)**	(8 157)	(20 601)
Proceeds received on the sale of investment in Trans Hex Group Limited		**–**	–	81 815
Acquisition of unlisted investments		**(643)**	–	–
Increase in investment held by the Northam Platinum Restoration Trust Fund		**(4 185)**	(6 998)	(10 655)
Increase in the investments held by the Environmental Guarantee investment		**(1 874)**	(7 400)	(8 223)
Movement in investments held by the Buttonshope Conservancy Trust Fund		**(100)**	19	592
Cash flows utilised from financing activities		**(285 605)**	(1 401 158)	(745 397)
Interest paid		**(50 146)**	(29 258)	(39 634)
Repayment of long-term loans		**(26 795)**	(1 900)	244 950
Acquisition of Zambezi Platinum (RF) Limited preference shares		**(208 664)**	–	–
Domestic medium-term debt notes issued		**–**	–	419 287
Domestic medium-term debt notes repaid		**–**	(1 370 000)	(1 370 000)
Decrease in cash and cash equivalent		**(847 153)**	(1 231 835)	(1 033 109)
Net foreign exchange difference on cash and cash equivalents		**(30 018)**	–	–
Cash and cash equivalents at the beginning of the period		**3 105 080**	4 138 189	4 138 189
Cash and cash equivalents at the end of the period	16	**2 227 909**	2 906 354	3 105 080

NOTES TO THE REVIEWED INTERIM RESULTS

1. ACCOUNTING POLICIES AND THE BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, except for the 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 Northam's annual integrated report, which includes the annual financial statements for the year ended 30 June 2016. These interim financial statements incorporate the accounting policies which have been applied on a basis consistent with the previous year, with the exception of the policies adopted during the period as more fully set out below.

The group interim 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) with the exception of the adoption of the following amendments, standards or interpretations with effect from 1 July 2016:

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

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

2. RELATED PARTIES

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

3. SEGMENTAL ANALYSIS

The group has two business segments, the Zondereinde mine and the Booysendal North mine. The group's executive committee considers the performance of the Zondereinde and Booysendal North mines when allocating resources and assessing the segmental performance. The Zondereinde segment includes the results of Northam Chrome Proprietary Limited.

Segmental statement of profit or loss and other comprehensive income

6 months ended 31 December 2016	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Zambezi and the BEE transaction R000	Other R000	Total R000
Sales revenue	3 205 112	1 275 170	(1 021 455)	–	–	**3 458 827**
Cost of sales	(3 018 856)	(1 050 647)	1 021 455	–	(58 823)	**(3 106 871)**
Operating costs	(1 823 039)	(948 881)	–	–	–	**(2 771 920)**
Mining operations	(1 427 842)	(729 881)	–	–	–	**(2 157 723)**
Concentrator operations	(149 767)	(159 856)	–	–	–	**(309 623)**
Smelting and base metal removal plant costs	(160 560)	–	–	–	–	**(160 560)**
Chrome processing	(11 360)	(6 587)	–	–	–	**(17 947)**
Selling and administration overheads	(32 297)	(32 297)	–	–	–	**(64 594)**
Royalty charges	(23 971)	(8 161)	–	–	–	**(32 132)**
Share-based payment expenses	(16 930)	(12 099)	–	–	–	**(29 029)**
Toro Trust employee profit share scheme	(312)	–	–	–	–	**(312)**
Concentrates purchased	(1 199 676)	–	1 021 455	–	–	**(178 221)**
Refining including sampling and handling charges	(66 223)	–	–	–	–	**(66 223)**
Depreciation and write-offs	(93 582)	(134 120)	–	–	867	**(226 835)**
Change in metal inventory	163 664	32 354	–	–	(59 690)	**136 328**
Operating profit	186 256	224 523	–	–	(58 823)	**351 956**
Share of earnings from associate and joint venture	–	–	–	–	1 851	**1 851**
Investment revenue	64 492	36 261	(1 670)	6	8 353	**107 442**
Finance charges before preference shares	(40 089)	(6 869)	1 670	–	(4 858)	**(50 146)**
Sundry income	32 895	2 299	–	–	5 627	**40 821**
Sundry expenditure	(47 260)	(23 494)	–	–	(11 355)	**(82 109)**
Profit/(loss) before preference share dividends	196 294	232 720	–	6	(59 205)	**369 815**
Amortisation of liquidity fees paid on preference shares	–	–	–	(8 195)	–	**(8 195)**
Preference share dividends	–	–	–	(482 753)	–	**(482 753)**
Loss on derecognition of preference share liability	–	–	–	(902)	–	**(902)**
Profit/(loss) before tax	196 294	232 720	–	(491 844)	(59 205)	**(122 035)**
Taxation	(56 301)	(64 444)	–	–	16 176	**(104 569)**
Profit/(loss) for the period	139 993	168 276	–	(491 844)	(43 029)	**(226 604)**

NOTES TO THE REVIEWED INTERIM RESULTS continued

6 months ended 31 December 2015	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Zambezi and the BEE transaction R000	Other R000	Total R000
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)**
Mining 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 overheads	(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 Trust 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 from associate and joint venture	–	–	–	–	(11 615)	**(11 615)**
Investment revenue	91 074	90 085	(25 602)	–	8 007	**163 564**
Finance charges before preference shares	(26 063)	(24 125)	25 602	–	(4 672)	**(29 258)**
Sundry income	124 319	2 538	–	–	144	**127 001**
Sundry expenditure	(38 952)	(17 310)	–	–	(13 016)	**(69 278)**
Profit/(loss) before preference share dividends	200 395	94 448	–	–	(21 024)	**273 819**
Amortisation of liquidity fees paid on preference shares	–	–	–	(8 527)	–	**(8 527)**
Preference shares	–	–	–	(430 414)	–	**(430 414)**
Profit/(loss) before tax	200 395	94 448	–	(438 941)	(21 024)	**(165 122)**
Taxation	(67 628)	(31 394)	–	–	(8 825)	**(107 847)**
Profit/(loss) for the period	132 767	63 054	–	(438 941)	(29 849)	**(272 969)**

12 months ended 30 June 2016	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Zambezi and the BEE transaction R000	Other R000	Total R000
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)**
Mining 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 overheads	(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 Trust 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 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 shares	–	–	–	(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 period	283 438	204 045	–	(936 894)	(58 852)	**(508 263)**

Segmental statement of financial position

6 months ended 31 December 2016	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Zambezi and the BEE transaction R000	Other R000	Total R000
ASSETS						
Non-current assets	13 852 521	11 814 916	(22 422 497)	6 476 171	4 858 590	**14 579 701**
Property, plant and equipment	3 127 488	5 296 667	(32 888)	–	1 686	**8 392 953**
Mining properties and mineral resources	119 561	6 440 499	(954 583)	–	15 695	**5 621 172**
Interest in associates and joint ventures	36 844	–	–	–	127 351	**164 195**
Investment in subsidiaries	10 236 000	–	(14 836 000)	–	4 600 000	**–**
Investments in Northam Platinum Limited	–	–	(6 476 171)	6 476 171	–	**–**
Other investment	212 025	–	(211 376)	–	–	**649**
Land and township development	17 282	12 570	–	–	16 302	**46 154**
Long-term receivables	–	–	–	–	87 011	**87 011**
Investments held by Northam Platinum Restoration						
Trust Fund	45 154	52 678	–	–	–	**97 832**
Environmental Guarantee Investment	49 717	12 502	–	–	–	**62 219**
Buttonshope Conservancy Trust	–	–	–	–	10 545	**10 545**
Other financial assets	8 450	–	–	–	–	**8 450**
Deferred tax asset	–	–	88 521	–	–	**88 521**
Current assets	4 822 072	1 575 171	(4 481 211)	428	2 459 671	**4 376 131**
Short-term						
subsidiary loan	1 468 088	554 965	(4 378 896)	–	2 355 843	**–**
Inventories	1 482 103	103 186	(102 315)	–	–	**1 482 974**
Trade and other receivables	335 356	275 056	–	–	7 380	**617 792**
Cash and cash equivalents	1 498 136	641 964	–	428	87 381	**2 227 909**
Tax receivable	38 389	–	–	–	9 067	**47 456**
Non-current assets held for sale	–	–	–	–	45 565	**45 565**
Total assets	18 674 593	13 390 087	(26 903 708)	6 476 599	7 363 826	**19 001 397**

6 months ended 31 December 2016	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Zambezi and the BEE transaction R000	Other R000	Total R000
EQUITY AND LIABILITIES						
Total equity	9 059 516	7 012 843	(13 048 979)	(1 599 293)	7 077 293	**8 501 380**
Stated capital	13 778 115	4 600 000	(11 706 125)	–	7 106 124	**13 778 114**
Treasury shares	–	–	(6 556 123)	–	–	**(6 556 123)**
Retained earnings	(5 890 989)	(88 912)	8 014 332	(1 599 293)	(30 197)	**404 941**
Non-distributable reserves	–	2 501 755	(2 501 755)	–	–	**–**
Equity settled share-based payment reserve	1 173 756	–	(299 308)	–	–	**874 448**
Other comprehensive income	(1 366)	–	–	–	1 366	**–**
Non-current liabilities	8 924 161	1 745 875	(9 500 588)	8 075 891	40 314	**9 285 653**
Deferred tax liability	588 949	1 585 867	(1 614 458)	–	6 052	**566 410**
Long-term provisions	132 629	139 576	–	–	–	**272 205**
Long-term loan	214 455	–	–	–	34 262	**248 717**
Long-term share-based payment liability	32 000	20 432	–	–	–	**52 432**
Financial guarantee liability	7 535 944	–	(7 535 944)	–	–	**–**
Domestic medium-term debt notes	420 184	–	–	–	–	**420 184**
Preference share liability	–	–	(350 186)	8 075 891	–	**7 725 705**
Current liabilities	690 916	4 631 369	(4 354 141)	1	246 219	**1 214 364**
Current portion of long-term loans	9 400	–	–	–	3 802	**13 202**
Short-term share-based payment liability	45 717	25 382	–	–	–	**71 099**
Tax payable	–	3 545	–	1	101 901	**105 447**
Subsidiary loans	–	4 276 707	(4 354 141)	–	77 434	**–**
Trade and other payables	499 476	306 230	–	–	63 082	**868 788**
Other financial liabilities	–	10 508	–	–	–	**10 508**
Short-term provisions	136 323	8 997	–	–	–	**145 320**
Total equity and liabilities	18 674 593	13 390 087	(26 903 708)	6 476 599	7 363 826	**19 001 397**

NOTES TO THE REVIEWED INTERIM RESULTS continued

6 months ended 31 December 2015	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Zambezi and the BEE transaction R000	Other R000	Total R000
ASSETS						
Non-current assets	13 092 702	11 399 951	(19 927 524)	4 219 905	4 875 188	**13 660 222**
Property, plant and equipment	2 562 915	4 846 244	(93 350)	–	1 288	**7 317 097**
Mining properties and mineral resources	107 601	6 495 467	(954 583)	–	15 695	**5 664 180**
Interest in associates and joint ventures	94 908	–	–	–	136 230	**231 138**
Investment in subsidiaries	10 236 000	–	(14 836 000)	–	4 600 000	**–**
Investment in Northam Platinum Limited	–	–	(4 219 905)	4 219 905	–	**–**
Unlisted investment	6	–	–	–	–	**6**
Land and township development	–	–	–	–	18 400	**18 400**
Long-term receivables	–	–	–	–	92 557	**92 557**
Investments held by Northam Platinum Restoration Trust Fund	43 029	46 961	–	–	–	**89 990**
Environmental Guarantee Investment	48 243	11 279	–	–	–	**59 522**
Buttonshope Conservancy Trust	–	–	–	–	11 018	**11 018**
Deferred tax asset	–	–	176 314	–	–	**176 314**
Current assets	5 030 070	2 553 446	(5 877 259)	424	2 447 284	**4 153 965**
Short-term subsidiary loan	2 832 652	–	(5 188 495)	–	2 355 843	**–**
Inventories	894 613	24 028	(13 262)	–	–	**905 379**
Trade and other receivables	448 043	562 435	(675 502)	–	6 440	**341 416**
Cash and cash equivalents	853 956	1 966 983	–	424	84 991	**2 906 354**
Tax receivable	806	–	–	–	10	**816**
Total assets	18 122 772	13 953 397	(25 804 783)	4 220 329	7 322 472	**17 814 187**

6 months ended 31 December 2015	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Zambezi and the BEE transaction R000	Other R000	Total R000
EQUITY AND LIABILITIES						
Total equity	8 779 762	6 703 133	(10 731 427)	(2 866 976)	7 058 964	**8 943 456**
Stated capital	13 778 115	4 600 000	(11 706 125)	–	7 106 124	**13 778 114**
Treasury shares	–	–	(6 556 123)	–	–	**(6 556 123)**
Retained earnings	(6 172 109)	(398 622)	10 331 884	(2 866 976)	(27 338)	**866 839**
Non-distributable reserves	–	2 501 755	(2 501 755)	–	–	**–**
Share of other comprehensive income from associates	1 173 756	–	(299 308)	–	–	**874 448**
Equity settled share-based payment reserve	–	–	–	–	(19 822)	**(19 822)**
Non-current liabilities	8 231 225	1 605 025	(9 193 812)	7 087 304	43 094	**7 772 836**
Deferred tax liability	542 080	1 498 447	(1 502 160)	–	5 031	**543 398**
Long-term provisions	116 933	98 987	–	–	–	**215 920**
Long-term loan	–	–	–	–	38 063	**38 063**
Long-term share-based payment liability	36 268	7 591	–	–	–	**43 859**
Financial guarantee liability	7 535 944	–	(7 535 944)	–	–	**–**
Preference share liability	–	–	(155 708)	7 087 304	–	**6 931 596**
Current liabilities	1 111 785	5 645 239	(5 879 544)	1	220 414	**1 097 895**
Current portion of long-term loans	–	–	–	–	3 801	**3 801**
Short-term share-based payment liability	15 947	4 102	–	–	–	**20 049**
Tax payable	5 984	8 503	–	1	103 009	**117 497**
Subsidiary loans	–	5 113 263	(5 164 009)	–	50 746	**–**
Trade and other payables	958 648	511 915	(715 535)	–	62 858	**817 886**
Short-term provisions	131 206	7 456	–	–	–	**138 662**
Total equity and liabilities	18 122 772	13 953 397	(25 804 783)	4 220 329	7 322 472	**17 814 187**

	Zondereinde operating segment	Booysendal operating segment	Intercompany eliminations	Zambezi and the BEE transaction	Other	Total
12 months ended 30 June 2016	**R000**	**R000**	**R000**	**R000**	**R000**	**R000**
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**
Investment in subsidiaries	10 236 000	–	(14 836 000)	–	4 600 000	**–**
Investment in Northam Platinum Limited	–	–	(6 875 935)	6 875 935	–	**–**
Unlisted investment	6	–	–	–	–	**6**
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 Guarantee Investment	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**
Short-term subsidiary loan	2 354 985	363 618	(5 074 446)	–	2 355 843	**–**
Inventories	1 309 127	63 767	(42 624)	–	–	**1 330 270**
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 receivable	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**

12 months ended 30 June 2016	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Zambezi and the BEE transaction R000	Other R000	Total R000
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**
Long-term loan	239 351	–	(24 456)	–	60 618	**275 513**
Long-term share-based payment liability	52 642	31 731	–	–	–	**84 373**
Financial guarantee liability	7 535 944	–	(7 535 944)	–	–	**–**
Domestic medium-term debt notes	419 287	–	–	–	–	**419 287**
Preference share liability	–	–	(146 148)	7 575 697	–	**7 429 549**
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**
Tax payable	–	1 418	–	–	102 654	**104 072**
Subsidiary loans	363 618	4 618 007	(5 049 990)	–	68 365	**–**
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)	6 875 359	7 356 469	**18 977 863**

4. SALES REVENUE

Revenue from external customers per segment

	Reviewed 6 months ended 31 December 2016 Zondereinde operations	Reviewed 6 months ended 31 December 2016 Booysendal operations	Reviewed 6 months ended 31 December 2016 Total
	R000	R000	R000
Platinum	1 932 003	652 315	2 584 318
Palladium	627 028	232 065	859 093
Rhodium	192 409	84 122	276 531
Gold	53 319	7 364	60 683
Chrome	217 371	253 715	471 086
Other	182 982	45 589	228 571
Inter-segment adjustment	–	(1 021 455)	(1 021 455)
Total revenue from external customers	3 205 112	253 715	3 458 827

Revenue per region per segment

Sales revenue emanates from the following principal regions:

	Reviewed 6 months ended 31 December 2016 Zondereinde operations	Reviewed 6 months ended 31 December 2016 Booysendal operations	Reviewed 6 months ended 31 December 2016 Total
	R000	R000	R000
Europe	1 469 756	–	1 469 756
Japan	568 371	–	568 371
North America	548 917	–	548 917
Australia	8 050	–	8 050
South Africa	610 018	253 715	863 733
Total revenue per region	3 205 112	253 715	3 458 827

Revenue from external customers per segment

	Reviewed 6 months ended 31 December 2015 Zondereinde operations	Reviewed 6 months ended 31 December 2015 Booysendal operations	Reviewed 6 months ended 31 December 2015 Other	Reviewed 6 months ended 31 December 2015 Total
	R000	R000	R000	R000
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-segment adjustment	–	(820 660)	–	(820 660)
Total revenue from external customers	3 136 240	67 413	1 705	3 205 358

Revenue per region per segment

Sales revenue emanates from the following principal regions:

	Reviewed 6 months ended 31 December 2015 Zondereinde operations	Reviewed 6 months ended 31 December 2015 Booysendal operations	Reviewed 6 months ended 31 December 2015 Other	Reviewed 6 months ended 31 December 2015 Total
	R000	R000	R000	R000
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	1 705	1 011 455
Total revenue per region	3 136 240	67 413	1 705	3 205 358

Revenue from external customers per segment

	Audited 12 months ended 30 June 2016 Zondereinde operations	Audited 12 months ended 30 June 2016 Booysendal operations	Audited 12 months ended 30 June 2016 Other	Audited 12 months ended 30 June 2016 Total
	R000	R000	R000	R000
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	–	426 404
Housing revenue	–	–	1 950	1 950
Inter segment adjustment	–	(1 843 980)	–	(1 843 980)
Total revenue from external customers	5 966 217	128 903	1 950	6 097 070

Revenue per region per segment

Sales revenue emanates from the following principal regions:

	Audited 12 months ended 30 June 2016 Zondereinde operations	Audited 12 months ended 30 June 2016 Booysendal operations	Audited 12 months ended 30 June 2016 Other	Audited 12 months ended 30 June 2016 Total
	R000	R000	R000	R000
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
Total revenue per region	5 966 217	128 903	1 950	6 097 070

5. OPERATING COSTS

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	R000	R000	R000
Labour	**914 216**	843 498	1 776 055
Stores	**523 417**	452 596	941 567
Utilities	**362 978**	325 584	638 304
Sundries and contractors	**971 309**	758 264	1 649 607
Rehabilitation	**–**	(6 904)	1 700
Total operating costs	**2 771 920**	2 373 038	5 007 233

Operating costs per segment

	Reviewed 6 months ended 31 December 2016 Zondereinde operations	Reviewed 6 months ended 31 December 2016 Booysendal operations	Reviewed 6 months ended 31 December 2016 Other	Reviewed 6 months ended 31 December 2016 Total
	R000	R000	R000	R000
Labour	**831 219**	**82 997**	**–**	**914 216**
Stores	**449 837**	**73 580**	**–**	**523 417**
Utilities	**291 559**	**71 419**	**–**	**362 978**
Sundries and contractors	**250 424**	**720 885**	**–**	**971 309**
Total operating costs per segment	**1 823 039**	**948 881**	**–**	**2 771 920**

Operating costs per segment

	Reviewed 6 months ended 31 December 2015 Zondereinde operations	Reviewed 6 months ended 31 December 2015 Booysendal operations	Reviewed 6 months ended 31 December 2015 Other	Reviewed 6 months ended 31 December 2015 Total
	R000	R000	R000	R000
Labour	787 364	56 134	–	843 498
Stores	411 650	40 946	–	452 596
Utilities	266 786	58 798	–	325 584
Sundries and contractors	235 866	520 821	1 577	758 264
Rehabilitation	2 400	(9 304)	–	(6 904)
Total operating costs per segment	1 704 066	667 395	1 577	2 373 038

Operating costs per segment

	Audited 12 months ended 30 June 2016 Zondereinde operations	Audited 12 months ended 30 June 2016 Booysendal operations	Audited 12 months ended 30 June 2016 Other	Audited 12 months ended 30 June 2016 Total
	R000	R000	R000	R000
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	8 568	(6 868)	–	1 700
Total operating costs per segment	3 464 377	1 541 041	1 815	5 007 233

6. INVESTMENT REVENUE

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	R000	**R000**	**R000**
Cash and cash equivalents	**74 813**	105 610	193 663
Dividends received	**14 435**	–	2 649
Instalment sale agreements	**5 296**	4 984	10 201
Northam Platinum Restoration Trust Fund	**4 185**	2 431	6 087
Buttonshope Conservancy Trust	**346**	487	755
Interest from insurance contingency fund	**–**	47 808	47 808
Accrued dividends from Zambezi Platinum (RF) Limited	**4 471**	–	–
Other	**3 896**	2 244	4 095
	107 442	163 564	265 258

7. FINANCE CHARGES EXCLUDING PREFERENCE SHARE DIVIDENDS*

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	R000	**R000**	**R000**
Finance costs relating to the domestic medium-term debt notes	**(26 044)**	(23 502)	(28 283)
Finance costs and commitment fees	**(2 483)**	(2 521)	(5 014)
Interest on the loan from the *Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV*	**(2 248)**	(2 401)	(4 447)
Amortisation of the transaction costs relating to the domestic medium-term debt notes	**(897)**	–	(170)
Amortisation of the transaction costs relating to the revolving credit facility	**(143)**	–	–
Unwinding of rehabilitation liability	**(13 396)**	–	–
Other financial instruments	**(4 935)**	(834)	(1 720)
	(50 146)	(29 258)	(39 634)

* *Included in finance costs in 31 December 2015 were accrued dividends of R430.4 million relating to the Zambezi Platinum (RF) Limited preference shares consolidated into the Northam group. For the previous year-end and in the current period the accrued dividends have been disclosed separately which seeks to illustrate the effects of the BEE transaction more transparently.*

8. SUNDRY INCOME

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	R000	R000	R000
Treatment charges in respect of concentrate purchased	**19 099**	28 522	42 313
Rent received	**3 047**	2 997	5 981
Sale of scrap	**2 677**	2 063	4 677
Insurance claim/refund	**–**	59 591	59 595
Currency translation gain	**–**	28 767	26 163
Profit on sale of property, plant and equipment	**841**	721	57
Write back of impairment of Trans Hex Group Limited shares	**–**	–	34 122
Accommodation and housing income	**7 412**	–	–
Other	**7 745**	4 340	8 020
	40 821	127 001	180 928

9. SUNDRY EXPENDITURE

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	R000	R000	R000
Loss on sale of property, plant and equipment	**–**	(2 244)	–
Amortisation of the investment in the Pandora joint venture	**–**	(1 300)	(2 600)
Write-down of investments in associate	**(841)**	(39 951)	(20 512)
Corporate action and once-off project costs	**(26 170)**	(4 070)	(7 756)
Booysendal land management	**(2 197)**	(1 907)	(3 324)
Booysendal South care and maintenance	**(10 177)**	(14 446)	(28 084)
Currency translation loss	**(22 176)**	–	–
Loss on sale of investment in Trans Hex Group Limited	**–**	–	(21 024)
Accommodation and housing expenses	**(8 726)**	–	–
Black Economic Empowerment Trust costs	**(4 874)**	–	–
Other	**(6 948)**	(5 360)	(8 822)
	(82 109)	(69 278)	(92 122)

10. TAXATION

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	R000	**R000**	**R000**
Income tax			
Current income tax charge	**72 985**	81 676	148 505
Adjustment in respect of current income tax of previous years	**–**	7 928	(7 680)
Deferred tax			
Current period/year deferred tax charge	**31 584**	18 243	96 069
Income tax expense reported in profit or loss	**104 569**	107 847	236 894

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

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	%	**%**	**%**
South African normal tax	**28.0**	28.0	28.0
Adjustment in respect of prior period	**–**	(4.8)	(2.8)
Tax on capital contributions from a third party	**–**	–	(5.8)
Impairment of investment in joint venture	**(0.2)**	(6.8)	(2.1)
Expenditure incurred which is non-deductible	**(0.9)**	(6.6)	(7.1)
Corporate action costs	**(3.5)**	(0.7)	(0.8)
Amortisation of liquidity fees paid on preference shares	**(1.9)**	(1.4)	(1.9)
Preference share dividends disallowed	**(110.8)**	(73.0)	(94.8)
Income accrued which is not taxable	**3.3**	–	–
Effective tax rate	**(86.0)**	(65.3)	(87.3)

11. PROPERTY, PLANT AND EQUIPMENT

	Mining plant, equipment and development costs	Decommis-sioning asset	Motor vehicles	Capitalised interest from preference shares	Total
	R000	R000	R000	R000	R000
Cost					
Opening balance as at 1 July 2015	9 062 610	132 512	17 456	–	9 212 578
Transfer from mining properties and mineral resources	13 577	–	–	–	13 577
Additions to maintain operations	143 921	–	–	–	143 921
Additions to expand operations	299 760	–	–	–	299 760
Disposals and write-offs	(4 542)	–	–	–	(4 542)
Closing cost as at 31 December 2015	9 515 326	132 512	17 456	–	9 665 294
Present value of decommissioning assets capitalised	–	35 984	–	–	35 984
Transfer from mining properties and mineral resources	40 625	–	(1 561)	–	39 064
Additions to maintain operations	189 731	–	–	–	189 731
Additions to expand operations	449 429	–	–	–	449 429
Disposals and write-offs	(3 200)	–	(594)	–	(3 794)
Closing cost as at 30 June 2016	10 191 911	168 496	15 301	–	10 375 708
Additions to maintain operations	130 803	–	–	–	130 803
Additions to expand operations	604 705	–	–	17 442	622 147
Disposals and write-offs	(1 858)	–	(385)	–	(2 243)
Closing cost as at 31 December 2016	10 925 561	168 496	14 916	17 442	11 126 415

	Mining plant, equipment and development costs	Decommis-sioning asset	Motor vehicles	Capitalised interest from preference shares	Total
	R000	R000	R000	R000	R000
Accumulated depreciation					
Opening balance as at 1 July 2015	(2 116 741)	(24 795)	(5 690)	–	(2 147 226)
Depreciation	(200 060)	(2 004)	(1 082)	–	(203 146)
Accumulated depreciation on disposals	1 983	–	192	–	2 175
Closing accumulated depreciation as at 31 December 2015	(2 314 818)	(26 799)	(6 580)	–	(2 348 197)
Transfer from mining properties and mineral resources	(1 312)	–	(1 541)	–	(2 853)
Depreciation	(169 562)	(2 004)	(1 082)	–	(172 648)
Accumulated depreciation on disposals	1 983	–	–	–	1 983
Closing accumulated depreciation as at 30 June 2016	(2 483 709)	(28 803)	(9 203)	–	(2 521 715)
Depreciation	(209 974)	(2 238)	(1 701)	–	(213 913)
Accumulated depreciation on disposals	1 858	–	308	–	2 166
Closing accumulated depreciation as at 31 December 2016	(2 691 825)	(31 041)	(10 596)	–	(2 733 462)
Net book value as at 31 December 2015	7 200 508	105 713	10 876	–	7 317 097
Net book value as at 30 June 2016	7 708 202	139 693	6 098	–	7 853 993
Net book value as at 31 December 2016	8 233 736	137 455	4 320	17 442	8 392 953

12. MINING PROPERTIES AND MINERAL RESOURCES

	Mining properties	Mineral resources	Total
	R000	R000	R000
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	–	(13 577)	(13 577)
Closing balance as at 31 December 2015	282 374	5 612 581	5 894 955
Transfer to property, plant and equipment	(2 789)	(36 275)	(39 064)
Closing balance as at 30 June 2016	279 585	5 576 306	5 855 891
Additions	–	20 000	20 000
Closing balance as at 31 December 2016	279 585	5 596 306	5 875 891
Accumulated depreciation			
Opening balance as at 1 July 2015	(156 952)	(59 947)	(216 899)
Depreciation	(1 688)	(12 188)	(13 876)
Closing balance as at 31 December 2015	(158 640)	(72 135)	(230 775)
Depreciation	(1 687)	(12 188)	(13 875)
Transfer to property, plant and equipment	2 646	207	2 853
Closing balance as at 30 June 2016	(157 681)	(84 116)	(241 797)
Depreciation	(2 009)	(10 913)	(12 922)
Closing balance as at 31 December 2016	(159 690)	(95 029)	(254 719)
Net book value as at 31 December 2015	123 734	5 540 446	5 664 180
Net book value as at 30 June 2016	121 904	5 492 190	5 614 094
Net book value as at 31 December 2016	119 895	5 501 277	5 621 172

13. INTEREST IN ASSOCIATES AND JOINT VENTURES

Interest in associates and joint ventures comprise a 7.5% interest in the Pandora joint venture, a 50% interest in the Dwaalkop platinum project and an investment in a security company, SSG Holdings Proprietary Limited. During the period under review the investment in SSG Holdings Proprietary Limited increased from 20% to 30%.

The 20.3% interest in the issued share capital of Trans Hex Group Limited was sold during the 30 June 2016 financial year.

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	R000	**R000**	**R000**
Dwaalkop joint venture	**136 230**	136 230	136 230
Pandora joint venture*	**–**	35 700	45 565
Trans Hex Group Limited	**–**	59 208	–
SSG Holdings Proprietary Limited	**27 965**	–	10 369
	164 195	231 138	192 164

* *The investment in the Pandora joint venture is now disclosed as a non-current asset held for sale*

NOTES TO THE REVIEWED INTERIM RESULTS continued

Below is a reconciliation of the interest in associates and joint ventures:

	Interest in Dwaalkop joint venture	Interest in Pandora joint venture	Interest in Trans Hex Group Limited	SSG Holdings Proprietary Limited	Total
	R000	**R000**	**R000**	**R000**	**R000**
Opening balance as at 1 July 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 period 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
Additional investment	–	2 444	–	10 000	12 444
Share of (losses)/earnings from associate and joint venture	–	(5 424)	(15 583)	369	(20 638)
Other comprehensive income	–	–	(3 947)	–	(3 947)
Current period amortisation	–	(1 300)	–	–	(1 300)
Cash distributions received	–	(24)	–	–	(24)
Reversal of impairment	–	14 169	39 392	–	53 561
Sale of investment		–	(79 070)	–	(79 070)
Closing balance as at 30 June 2016	136 230	45 565	–	10 369	192 164
Additional investment	–	841	–	10 745	11 586
Conversion of loan to equity investment	–	–	–	5 000	5 000
Share of profits from associate and joint venture	–	–	–	1 851	1 851
Impairment	–	(841)	–	–	(841)
Transfer to non-current assets held for sale	–	(45 565)	–	–	(45 565)
Closing balance as at 31 December 2016	136 230	–	–	27 965	164 195

14. INVENTORIES

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	R000	**R000**	**R000**
Metals on hand and in transit			
Platinum	**891 730**	522 589	858 412
Palladium	**303 243**	167 108	226 298
Rhodium	**150 518**	122 806	122 846
Gold	**21 663**	13 332	25 808
Total metal inventories	**1 367 154**	825 835	1 233 364
Chrome finished product at costs	**2 926**	323	387
Consumables at costs	**112 894**	79 221	96 519
Total inventories at the lower of costs and net realisable value	**1 482 974**	905 379	1 330 270

	oz	**oz**	**oz**
Metals on hand and in transit			
Platinum	**80 397**	48 330	62 169
Palladium	**37 682**	24 171	28 943
Rhodium	**16 806**	13 264	13 358
Gold	**1 555**	991	1 467
Total ounces on hand	**136 440**	86 756	105 937

Included in the costs of sales are metals on hand that were written down by R268.8 million (31 December 2015: R186.5 million and 30 June 2016: R360.8 million) to net realisable value.

Inventory to the value of R799.0 million (31 December 2015: R Nil million and 30 June 2016: R927.7 million) is disclosed at net realisable value.

15. TRADE AND OTHER RECEIVABLES

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	R000	R000	R000
Trade receivables	**169 295**	112 798	159 603
Accrued interest	**26 016**	16 648	24 700
Prepayments	**178 121**	61 944	7 306
Deposits	**270**	–	250
South African Revenue Service – Value Added Tax	**121 061**	97 095	114 364
Amounts receivable relating to the Mineral Royalty Act	**16 396**	14 008	16 096
Current portion of long-term receivables	**6 140**	5 476	5 617
SSG Holdings Proprietary Limited	**–**	–	5 000
Interest-free home loans to employees	**4 534**	–	4 449
Other	**95 959**	33 447	37 819
	617 792	341 416	375 204

Trade receivables are unsecured, non-interest bearing and are generally on 30 to 60 day terms except for metal debtors who have payment terms of between 2 to 5 days. No balance was provided for or impaired during the current period. The carrying value of trade and other receivables approximates their fair value.

16. CASH AND CASH EQUIVALENTS

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	R000	R000	R000
Cash at bank and on hand	**446 996**	35 845	543 197
Restricted cash	**109 972**	107 469	109 521
Short-term deposits	**1 670 941**	2 763 040	2 452 362
	2 227 909	2 906 354	3 105 080

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 31 December 2016 the group had R1.0 billion (31 December 2015 and 30 June 2016: R1.0 billion) of undrawn committed borrowing facilities.

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

Included in restricted cash is R8.5 million (31 December 2015 and 30 June 2016: R8.5 million) that has been pledged to the *Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV* by Norplats Properties Proprietary Limited as a debt service reserve account, as security for servicing of the loan from *Nederlandse Financierings Maatschappij voor Ontwikkeingslanden NV*. 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 the principal debt 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 repaying any principal debt 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 NV*.

Also included in restricted cash is money ringfenced for the benefit of the Employee Trust, the Northam Zondereinde Community Trust and the Northam Booysendal Community Trust, which may only be spent in terms of the various trust deeds.

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

17. PREFERENCE SHARE LIABILITY

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	R000	**R000**	**R000**
Opening balance	**7 575 697**	6 656 891	6 656 891
Accrued dividends	**500 194**	430 414	918 806
Preference shares liability relating to Zambezi Platinum (RF) Limited	**8 075 891**	7 087 305	7 575 697
Derecognition of Zambezi Platinum (RF) Limited preference shares through the investment in the preference shares together with the accrued dividends	**(212 233)**	–	–
Liquidity fees relating to the black economic empowerment transaction	**(146 148)**	(164 236)	(164 236)
Amortisation of liquidity fee over the 10 year lock-in period	**8 195**	8 527	18 088
	7 725 705	6 931 596	7 429 549

On 18 May 2015, 159 905 453 cumulative redeemable preference shares were issued by Zambezi Platinum (RF) Limited at an issue price of R41. 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 the prime interest plus 3.5% calculated on a daily basis based on a 365-day year compounded annually and capitalised at the end of December of every year.

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

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

Subscription undertakings for the full value of the preference shares were secured at a 2.5% liquidity fee. The liquidity fee is classified as a transaction cost in terms of IAS 39. In terms of IAS 39.43, transaction costs will be included in the initial measurement of the financial liability, except when it is classified as a financial liability held at fair value through profit or loss. The BEE preference share liability will be measured at amortised cost and therefore the transaction cost should be included in initial measurement.

The liquidity fee payable was of a capital nature and therefore not deductible for tax purposes resulting in a permanent difference. This amount will be amortised over the 10-year lock-in period.

18. TRADE AND OTHER PAYABLES

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	R000	**R000**	**R000**
Trade payables	**311 338**	309 455	362 996
Accruals	**310 816**	295 098	302 171
South African Revenue Service – Value Added Tax	**18 384**	14 669	13 278
Interest payable – domestic medium-term debt notes	**5 010**	–	4 782
Interest payable – *Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV*	**1 099**	1 178	1 136
Mineral royalties payable	**648**	306	51
Employee related accruals	**151 852**	130 645	142 289
Other	**69 641**	66 535	51 232
	868 788	817 886	877 935

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

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

19. FAIR VALUE

The fair value of financial instruments is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using other valuation techniques.

Management is of the opinion that the book value of financial instruments approximates fair value. The fair value is based on the net present value of the expected resources attributable to the realisation of the asset or the extinguishing of the liability.

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

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

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 – a technique where all inputs that have an impact on the value are observable, either directly or indirectly

Level 3 – a technique where all inputs that have an impact on the value are not observable.

The fair value hierarchy of all the financial instruments are determined as level 2.

20. COMMITMENTS

	Reviewed 6 months ended 31 December 2016	Reviewed 6 months ended 31 December 2015	Audited 12 months ended 30 June 2016
	R000	R000	R000
Capital commitments			
Booysendal operations:			
Authorised but not contracted	**67 475**	26 291	404 054
Contracted	**753 897**	179 282	209 849
	821 372	205 573	613 903
Zondereinde mine:			
Authorised but not contracted	**288 051**	220 790	189 785
Contracted	**1 034 837**	349 162	660 939
	1 322 888	569 952	850 724
Other commitments			
Information technology an outsource service provided			
Due within one year	**13 169**	20 212	20 903
Due within two to five year	**3 361**	10 604	2 441
Operating lease rentals for office equipment			
Due within one year	**735**	1 717	1 359
Due within two to five year	**112**	746	314
Operating lease rentals for premises			
Due within one year	**5 412**	6 430	5 307
Due within two to five year	**18 457**	23 586	21 186
The lease rentals for the corporate office contains an option to renew the lease for an additional five years			
Employee housing development contracted for	**–**	3 321	207
Bank guarantees issued	**76 107**	50 717	50 717

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

21. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, an agreement was entered into with Glencore Operations South Africa Proprietary Limited to purchase the Eland mine near Brits in the North West province for R175.0 million.

There have been no other events subsequent to the period end which require additional disclosure or adjustment to these interim financial results.

ADMINISTRATIVE AND CONTACT INFORMATION

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Share code: NHM ISIN: ZAE000030912
Debt issuer code: NHMI
Bond code: NHM002
Bond ISIN: ZAG000129024
Bond code: NHM003
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