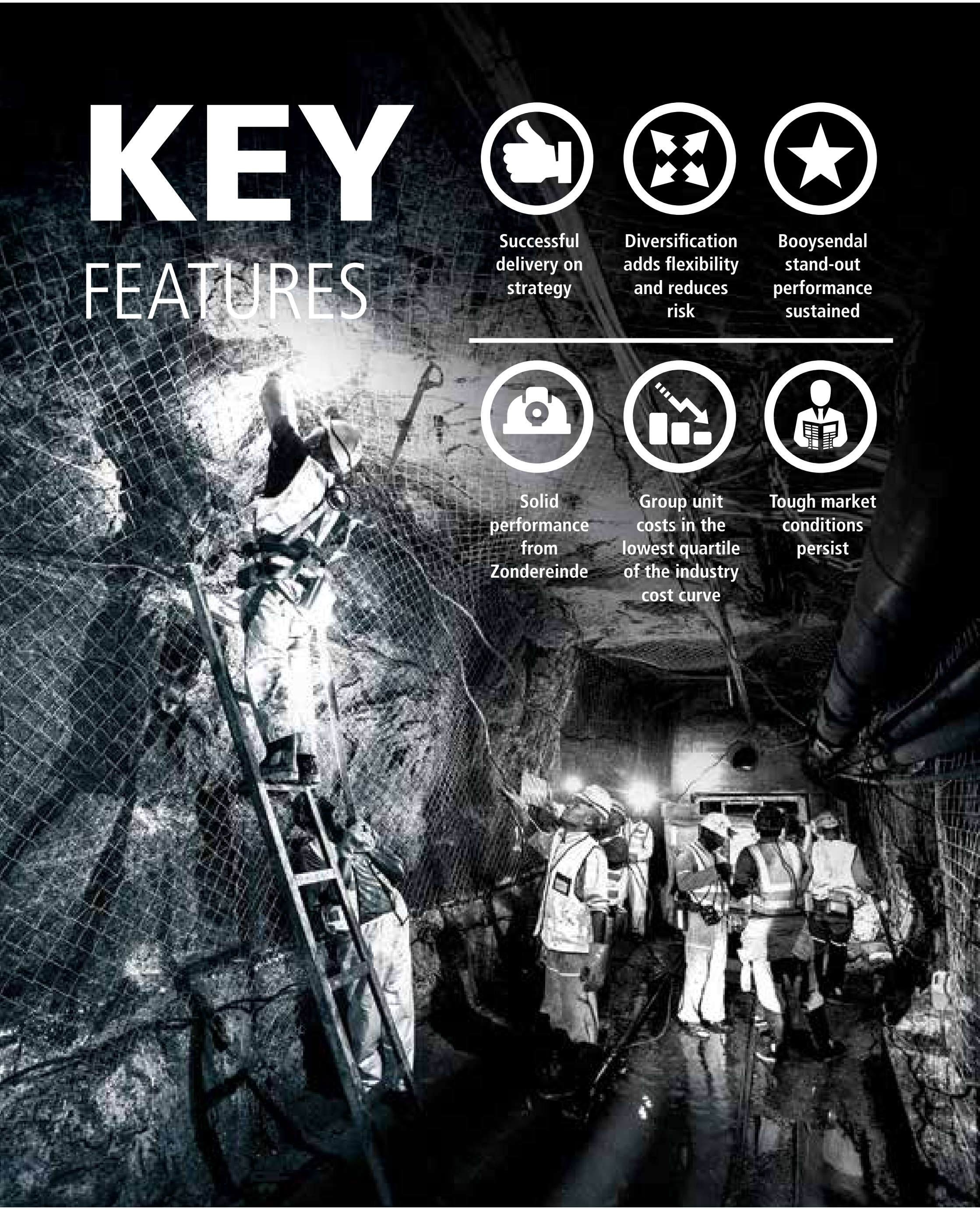
NORTHAM

PLATINUM LIMITED

smart platinum mining

SUMMARISED ABRIDGED FINANCIAL RESULTS

FOR THE YEAR ENDED 30 JUNE 2017



KEY FEATURES

- Successful delivery on strategy
- Diversification adds flexibility and reduces risk
- Booysendal stand-out performance sustained
- Solid performance from Zondereinde
- Group unit costs in the lowest quartile of the industry cost curve
- Tough market conditions persist

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 million ounces. Current annual production is pegged at 474 000oz (4E).

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, copper and chrome are sold in both domestic and foreign markets.

Northam has continued to deliver on its strategic objectives of internal optimisation and diversified growth, while taking care to preserve a strong financial position. The massive resource at Booysendal lends itself to considerable modular development, as already manifested in the deepening project at the existing UG2 North mine and the small Booysendal Merensky North 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 Tumela resource acquired 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 also signed an agreement to acquire Eland Platinum from Glencore Operations South Africa. Eland represents a low-cost option for the future and is to be re-established as a 150 000oz PGM production unit.

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.

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 – conventional, UG2 and Merensky ore
- Booysendal – shallow, fully mechanised, UG2 and Merensky ore

PROCESSING

- PGM concentrator plants
- Chrome concentrator plants
- Smelter complex at Zondereinde
- Base metal recovery plant at Zondereinde
- 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

GROWTH STRATEGY

EMPOWERMENT

- 26% HDSA equity holding imperative

INTERNAL OPTIMISATION

- Ensuring appropriate Merensky/UG2 ore mix at Zondereinde
- Bringing available ore reserves to production
- 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 31.4%
- Toro Trust employee profit share scheme of 4% for Zondereinde

- Mining ratio currently stabilised at 45:55 (Merensky:UG2) at Zondereinde
- Deepening project on track at Zondereinde
- Additional new 20MW furnace to be commissioned by December 2017, with Heraeus contributing €20.0 million
- Acquisition of Tumela mining rights to support an increase in Merensky ratio at Zondereinde
- Booysendal South project in progress

- Seeking appropriate acquisition opportunities
- Booysendal establishes firm presence on eastern limb
- Mining both UG2 and Merensky at all operations
- Expanding chrome operations
- New shallow mechanised shaft development at Booysendal South reducing operational risk
- Acquisition of Eland Platinum in progress
- Acquisition of PGM recycling assets in US

OUTLOOK

- Tumela resource will allow better leverage of Zondereinde 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 a rising market
- Annual PGM production increase to 1 000 000oz by 2022 (including Eland Platinum)
- Booysendal South concentrator to be commissioned by 2019
- Annual chrome concentrate production in excess of 1 000 000 tonnes by 2022 (including Eland Platinum)
- US recycling asset of strategic future importance

A WORD FROM THE CHIEF EXECUTIVE

The year under review was a period in which the people of Northam rose to the challenge of a difficult platinum market and contributed positively to the strategic positioning of the group, ensuring sustainability into the future.

While I am confident that platinum group metals (PGMs) will emerge from their current trough, there is no doubt that the platinum mining sector is in a precarious position. Following a promising start for PGMs in F2017, the situation grew progressively more difficult as the year continued.

At the start of our financial year, spot platinum traded at USD1 039/oz and rose to reach a peak of USD1 182 in early August. This was followed by a steady decline to USD898/oz on the last trading day of December. A subsequent recovery was not sustained, with the result that the metal's price was struggling at USD922/oz by the end of June.

Palladium, which makes a lesser contribution to Northam's product mix and revenue, performed well, with the price of spot metal opening the financial year at USD598/oz before reaching an interim high of USD770/oz at the end of November. The final six months of our financial year resulted in a steady advance to USD898/oz in mid-June, followed by a few weeks of price consolidation.

It is unclear what the immediate future holds: over the longer term though, demand for both metals for use in auto catalysts and for catalysts in many oil and chemicals processes will increase. The fact remains, however, that Northam and its PGM-mining counterparts are price takers, and their future sustainability remains dependent on an ability to contain the costs of production. Northam has succeeded in moving unit costs into the lowest quartile of the industry cost curve at a group level.

Our success depends on our continuing ability to contain costs at levels that ensure operations remain profitable throughout the market cycle. We are positioning our operations to take advantage of rising prices when platinum enters its next upward cycle. We aim to be "first to market" and capable of delivering up to an annual one million ounces of PGMs when demand for newly-mined metal recovers, as we believe it will.

HEALTH AND SAFETY

It is regrettable that, shortly after Zondereinde had achieved six million fatality free shifts in November 2016, we lost our colleague, Mr Alexandre Macave, a locomotive operator with many years' service, in an underground rail accident on 6 January 2017. I offer my personal condolences and those of my executives to Mr Macave's family, his friends and colleagues.

Soon after the end of the financial year in July 2017, Booysendal achieved three million fatality free shifts.

Mechanised technology enhances not only our people's safety but also contributes to the cost effectiveness of mining. Mechanised systems will continue to be judiciously applied across group operations where appropriate.

DELIVERING ON OUR STRATEGY

Our strategy is based on growth, operational diversification and optimisation. Our growth strategy is to target large, shallow, mechanisable assets contiguous to existing operations. Any deviation from this approach would have to be motivated by a compelling value proposition for our shareholders.

Recently we have purchased a recycling asset which will complement Northam's primary production in future.

Our growth and diversification from a single operating asset – Zondereinde – to one that now includes Booysendal North and South and the newly-acquired Eland mine means less operational risk for the group and all our stakeholders.

Highlights for F2017 include the continued success of Booysendal North, which has now been producing at steady state for more than two years. Booysendal North performed particularly well producing 199 000oz of PGMs, well above its 160 000oz nameplate capacity. The deepening project is progressing, and remains on schedule for completion by F2019. The recently-developed Booysendal North Merensky mine is currently producing at 25 000oz per annum.

Philosophically we believe mine first, metallurgy second. We have responded to this natural progression by developing and constructing the mining operations which produce the ore ahead of processing. This has been followed by a significant capital investment in our smelting capacity at Zondereinde, where an additional new furnace will serve to absorb the steadily growing output from our expanding mining footprint.

Zondereinde produced a solid operational performance, under testing circumstances, brought about by the necessity for operational reorganisation measures in the workplace, following the discharge of 357 employees after labour disruptions in June 2016.

Details of our operations and production during the year under review are provided in the following pages.

ACQUISITIONS

In F2017 we made two important acquisitions. In October 2016, we concluded an agreement to acquire the high-quality resources of the Tumela block from Anglo American Platinum's Amandelbult mine adjacent to our Zondereinde mine. Not only will the incorporation of Tumela increase Zondereinde's life expectancy to beyond 30 years, it provides significant operating synergies for Zondereinde, delivering flexibility and optionality and allows the mine to continue mining higher-grade Merensky reef at little incremental

IMAGE
Underground at Booysendal

cost. This transaction will transform Zondereinde, providing it with similar long-term potential and flexibility enjoyed by the Booysendal mine.

We followed this up in February 2017 with the R175 million purchase of Eland Platinum mine from Glencore Operations South Africa Proprietary Limited. We regard Eland as a low-cost option for the future. Eland's resource is shallow and located on the south-eastern limit of the western limb of the Bushveld Igneous Complex. Its two mining rights contain a resource estimated at 21.3Moz 4E (platinum, palladium, rhodium and gold) with an average in situ 4E grade of 4.4 g/t.

In terms of the Eland transaction, Northam acquires all Eland's assets: its two mining rights, surface and underground infrastructure including a concentrator with a nameplate capacity of 250 000tpm, two decline systems equipped to 1.3km, surface support infrastructure designed for a 250 000tpm operation and a mining fleet of more than 100 vehicles which includes low-profile mechanised mining equipment. In addition, we entered into a long-term marketing agreement with Glencore for the group's chrome ore sales.

Subsequent to year-end, Northam reached an agreement to purchase a suite of PGM recycling equipment and the associated premises from A-1 Specialized Services Inc., a recycler of PGMs. The business is located in the state of Pennsylvania, United States of America. The total value of the transaction amounts to USD10.7 million in cash. The transaction gives Northam a low-cost entry into a key segment of the PGM market. The recyclable material market from auto catalysts in the US is well-established, large and continues to expand.

Northam has secured an excellent asset base of strategic future importance; which is an easily scalable business to meet growing demand; and provides exposure to the broader PGM market.

THE FUTURE

Booysendal North and South are evolving to produce an annual 500 000oz: within three years Zondereinde will be delivering 350 000oz and Eland should produce at 150 000oz over a 30-year life. With these numbers we believe we will have successfully transformed Northam into a major producer with low unit costs and lower operational risk. I should emphasise, however, that we are not driven by size for size's sake. Our production will be tailored to meet market demand, while ensuring that we have the mining and processing capacity to respond promptly to changes in market conditions. It is not our policy to cross-subsidise, and each operation needs to be profitable through the cycle.

EMPOWERMENT

It is inconceivable that our country's mining industry could remain sustainable without empowerment and transformation. Northam's continued development has been made possible by our black economic empowerment (BEE) transaction with a consortium representing a broad selection of historically disadvantaged South African (HDSA) individuals and groupings, who, together hold a 31.4% BEE interest in Northam through Zambezi Platinum (RF) Limited.

Northam's response to the many other aspects of the DMR's revised charter is aligned with that of the South African Chamber of Mines, of which Northam is a member. It is critical to bring government back to the negotiating table and to work towards a solution which will ultimately grow and strengthen our sector.

APPRECIATION

Northam's progress during F2017 has been a team effort. I want to thank all the people of Northam Platinum, including the board and our management team, for their contributions during what has been a year of considerable change.

Paul Dunne
Chief executive

FINANCIAL, OPERATING AND PRODUCTION STATISTICS

NORMALISED HEADLINE EARNINGS PER SHARE (HEADLINE EARNINGS ADJUSTED FOR THE IMPACT OF THE BEE TRANSACTION)	12 months ended 30 June 2017	12 months ended 30 June 2016
	R000	R000
Headline loss	(636 371)	(492 837)
Add back:		
Amortisation of liquidity fees paid on preference shares	16 390	18 088
Non-cash preference share dividends	1 017 396	918 806
Loss on derecognition of preference share liability	901	–
Normalised headline earnings	**398 316**	**444 057**
Normalised headline earnings per share (cents)	78.1	87.1
Number of shares in issue including treasury shares	509 781 212	509 781 212

VALUE CREATED AND DISTRIBUTED

Value created and distributed to employees		
Salaries and wages	1 608 649	1 583 260
Contributions to retirement benefit funds	128 675	123 964
Contributions to healthcare funds	73 112	68 831
Share based payment settlements	73 495	56 222
Total value created and distributed to employees	1 883 931	1 832 277
Value created and distributed to government		
Mining and non-mining tax	70 108	140 825
Mining royalties	45 041	44 283
Pay as you earn deducted from employees	315 077	294 043
Total value created and distributed to tax authorities	430 226	479 151
Total value created and distributed	**2 314 157**	**2 311 428**

MARKET INFORMATION AND SHARE STATISTICS

Total number of shares in issue	509 781 212	509 781 212
Weighted average number of shares in issue	349 875 759	349 875 759
Treasury shares held	159 905 453	159 905 453
Market capitalisation	**20 620 650**	**21 920 592**
Closing share price (in cents)	4 045	4 300

GROUP OPERATING RESULTS

		12 months ended 30 June 2017	12 months ended 30 June 2016	Variance
		R000	R000	%
Sales revenue				
Platinum		3 692 945	3 731 417	(1.0)
Palladium		1 316 374	1 122 284	17.3
Rhodium		453 084	442 998	2.3
Gold		99 322	92 151	7.8
Chrome		925 294	354 653	160.9
Other		378 166	353 567	7.0
Total sales revenue		6 865 185	6 097 070	12.6
Cost of sales				
Operating costs		(5 676 017)	(5 007 233)	(13.4)
Mining operations		(4 385 731)	(3 857 633)	(13.7)
Concentrator operations		(630 773)	(568 631)	(10.9)
Smelting and base metal removal plant costs		(318 807)	(273 612)	(16.5)
Chrome processing		(36 883)	(30 096)	(22.6)
Selling and administration overheads		(162 387)	(154 384)	(5.2)
Royalty charges		(45 041)	(44 283)	(1.7)
Share based payment expenses and profit share scheme		(96 395)	(75 079)	(28.4)
Rehabilitation		–	(1 700)	100.0
Other		–	(1 815)	100.0
Concentrates purchased		(404 093)	(350 514)	(15.3)
Refining including sampling and handling charges		(120 633)	(133 186)	9.4
Depreciation and write-offs		(452 584)	(403 545)	(12.2)
Change in metal inventories		402 127	180 756	(122.5)
Total cost of sales		(6 251 200)	(5 713 722)	(9.4)
Operating profit		613 985	383 348	60.2
Operating margin	%	8.9	6.3	41.3
EBITDA		967 228	843 446	14.7
EBITDA margin	%	14.1	13.8	2.2

GROUP OPERATING RESULTS

Summarised segmental statement of profit or loss and other comprehensive income

12 months ended 30 June 2017	Zondereinde operating segment R000	Booysendal operating segment R000	Inter-company eliminations R000	Other R000	Total R000
Sales revenue	6 395 036	2 574 442	(2 104 293)	–	6 865 185
Cost of sales	(6 162 574)	(2 137 031)	2 048 405	–	(6 251 200)
Operating costs	(3 717 601)	(1 964 416)	6 000	–	(5 676 017)
Mining operations	(2 909 091)	(1 482 640)	6 000	–	(4 385 731)
Concentrator operations	(290 863)	(339 910)	–	–	(630 773)
Smelting and base metal removal plant costs	(318 807)	–	–	–	(318 807)
Chrome processing	(20 468)	(16 415)	–	–	(36 883)
Selling and administration	(82 082)	(80 305)	–	–	(162 387)
Royalty charges	(32 169)	(12 872)	–	–	(45 041)
Share based payment expenses and profit share scheme	(64 121)	(32 274)	–	–	(96 395)
Concentrates purchased	(2 508 386)	–	2 104 293	–	(404 093)
Refining including sampling and handling charges	(120 633)	–	–	–	(120 633)
Depreciation and write-offs	(182 650)	(271 666)	1 732	–	(452 584)
Change in metal inventory	366 696	99 051	(63 620)	–	402 127
Operating profit	**232 462**	**437 411**	**(55 888)**	**–**	**613 985**
Operating profit margin	**3.6%**	**17.0%**	**–**	**–**	**8.9%**

12 months ended 30 June 2016	Zondereinde operating segment R000	Booysendal operating segment R000	Inter-company 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	(106 622)	(47 762)	–	–	(154 384)
Royalty charges	(34 419)	(9 864)	–	–	(44 283)
Share based payment expenses and profit share scheme	(46 532)	(28 547)	–	–	(75 079)
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

		12 months ended 30 June 2017	12 months ended 30 June 2016	% Variance
Safety				
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		1.30	1.58	17.7
Headcount				
Directly employed		6 257	6 274	(0.3)
Total employed		12 405	11 312	9.7
Production and ore stockpiles				
Merensky				
Tonnes mined	t	1 244 325	1 082 885	14.9
Tonnes milled	t	975 773	907 812	7.5
Stockpile	t	142 152	26 693	432.5
UG2				
Tonnes mined	t	3 568 109	3 213 222	11.0
Tonnes milled	t	3 474 338	3 278 216	6.0
Stockpile	t	158 200	118 929	33.0
Combined				
Tonnes mined	t	4 812 434	4 332 869	11.1
Tonnes milled	t	4 450 111	4 186 028	6.3
Stockpile	t	300 352	145 622	106.3
Chrome tonnes produced	t	581 385	538 405	8.0
Equivalent refined metal from own operations				
Platinum	oz	286 078	263 379	8.6
Palladium	oz	138 081	127 413	8.4
Rhodium	oz	44 944	41 732	7.7
Gold	oz	4 904	4 436	10.6
4E	oz	474 007	436 960	8.5
Equivalent refined metal from external parties				
Platinum	oz	18 952	17 297	9.6
Palladium	oz	8 656	7 523	15.1
Rhodium	oz	2 582	2 251	14.7
Gold	oz	763	547	39.5
4E	oz	30 953	27 618	12.1

GROUP STATISTICS

continued

		12 months ended 30 June 2017	12 months ended 30 June 2016	% Variance
Total refined metal produced				
Platinum	oz	273 432	270 902	0.9
Palladium	oz	131 712	133 940	(1.7)
Rhodium	oz	41 604	42 825	(2.9)
Gold	oz	5 720	5 561	2.9
4E	oz	452 468	453 228	(0.2)
Total metal sold				
Platinum	oz	274 062	270 194	1 4
Palladium	oz	131 962	134 101	(1.6)
Rhodium	oz	41 742	42 632	(2.1)
Gold	oz	5 815	5 466	6.4
4E	oz	453 581	452 393	0.3
Average market prices achieved and sales statistics				
Platinum	USD/oz	988	964	2.5
Palladium	USD/oz	731	586	24.7
Rhodium	USD/oz	803	721	11.4
Gold	USD/oz	1 255	1 174	6.9
4E basket price	USD/oz	900	831	8.3
Average exchange rate	R/USD	13.63	14.33	(4.9)
Nickel sales	R000	171 766	162 947	5.4
Nickel sold	t	1 260	1 268	(0.6)
Average nickel market price achieved	USD/t	9 962	9 014	10.5
Chrome sales	R000	925 294	354 653	160.9
Chrome sold	t	581 385	540 624	7.5
Average chrome price achieved	USD/t	118	45	162.2
Average chrome price achieved	R/t	1 586	656	141.8
Total revenue per platinum oz sold*	R/oz	25 050	22 566	11.0
Total revenue per 4E oz sold*	R/oz	15 136	13 477	12.3

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

GROUP STATISTICS

continued

		12 months ended 30 June 2017	12 months ended 30 June 2016	% Variance
Cash costs statistics				
On mine cash cost per tonne mined	R/t	1 042	1 022	(2.0)
On mine cash cost per tonne milled	R/t	1 127	1 057	(6.6)
Cash cost per equivalent refined platinum oz#	R/oz	19 736	18 877	(4.6)
Cash cost per equivalent refined 4E oz#	R/oz	11 913	11 368	(4.8)
Cash profit and margin				
Cash profit per equivalent refined platinum oz	R/oz	5 314	3 689	44.0
Cash margin per equivalent refined platinum oz	%	21.2	16.3	30.1
Cash profit per equivalent refined 4E	R/oz	3 223	2 109	52.8
Cash margin per equivalent refined 4E	%	21.3	15.7	35.7
Capital incurred				
Expansionary capex	R000	1 346 018	804 344	67.3
Sustaining capex	R000	299 051	369 636	(19.1)
	R000	1 645 069	1 173 980	40.1
Sustaining capex per equivalent refined platinum oz from own operations	R/oz	1 045	1 403	(25.2)

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

		12 months ended 30 June 2017	12 months ended 30 June 2016	Variance
		R000	R000	%
Sales revenue				
Platinum		3 692 945	3 731 417	(1.0)
Palladium		1 316 374	1 122 284	17.3
Rhodium		453 084	442 998	2.3
Gold		99 322	92 151	7.8
Chrome		455 145	225 750	101.6
Other		378 166	351 617	7.6
Total sales revenue		6 395 036	5 966 217	7.2
Cost of sales				
Operating costs		(3 717 601)	(3 464 378)	(7.3)
Mining operations		(2 909 091)	(2 691 280)	(8.1)
Concentrator operations		(290 863)	(285 170)	(2.0)
Smelting and base metal removal plant costs		(318 807)	(273 612)	(16.5)
Chrome processing		(20 468)	(18 175)	(12.6)
Selling and administration overheads		(82 082)	(106 622)	23.0
Royalty charges		(32 169)	(34 419)	6.5
Share based payment expenses and profit share scheme		(64 121)	(46 532)	(37.8)
Rehabilitation		–	(8 568)	100.0
Concentrates purchased		(2 508 386)	(2 194 494)	(14.3)
Refining including sampling and handling charges		(120 633)	(133 186)	9.4
Depreciation and write-offs		(182 650)	(191 797)	4.8
Change in metal inventories		366 696	265 763	(38.0)
Total cost of sales		(6 162 574)	(5 718 092)	(7.8)
Operating profit		232 462	248 125	(6.3)
Operating margin	%	3.6	4.2	(14.3)
EBITDA		386 194	560 271	(31.1)
EBITDA margin	%	6.0	9.4	(36.2)

ZONDEREINDE STATISTICS

continued

		12 months ended 30 June 2017	12 months ended 30 June 2016	% Variance
Safety				
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		1.65	1.92	14.1
Headcount				
Directly employed		6 059	6 083	(0.4)
Total employed		8 726	8 392	4.0
Production and ore stockpiles				
Merensky				
Square metres mined	m²	155 894	154 250	1.1
Tonnes mined*	t	981 173	990 240	(0.9)
Total development tonnes reef and waste mined	t	172 042	185 508	(7.3)
Tonnes milled#	t	814 639	815 167	(0.1)
Head grade (4E)	g/t	5.8	5.9	(1.7)
Concentrator recoveries	%	90.2	89.7	0.6
Stockpile	t	2 154	2 371	(9.2)
UG2				
Square metres mined	m²	189 033	192 260	(1.7)
Tonnes mined	t	1 168 905	1 235 483	(5.4)
Tonnes milled	t	1 147 878	1 205 258	(4.8)
Head grade (4E)	g/t	4.2	4.2	–
Concentrator recoveries	%	87.3	87.6	(0.3)
Stockpile	t	92 904	75 386	23.2
Combined				
Square metres mined	m²	344 927	346 510	(0.5)
Tonnes mined	t	2 150 078	2 225 723	(3.4)
Total development tonnes reef and waste mined	t	172 042	185 508	(7.3)
Tonnes milled	t	1 962 517	2 020 425	(2.9)
Head grade (4E)	g/t	4.8	4.9	(2.0)
Concentrator recoveries	%	88.7	88.8	(0.1)
Stockpile	t	95 058	77 757	22.3
Chrome tonnes produced	t	303 286	327 510	(7.4)

* *Including waste.*

\# *Includes fines from the thickener.*

ZONDEREINDE STATISTICS

continued

		12 months ended 30 June 2017	12 months ended 30 June 2016	% Variance
Equivalent refined metal from own Zondereinde operations				
Platinum	oz	168 568	169 949	(0.8)
Palladium	oz	82 201	82 916	(0.9)
Rhodium	oz	25 902	26 460	(2.1)
Gold	oz	3 501	3 440	1.8
4E	oz	280 172	282 765	(0.9)
Equivalent refined metal from external parties				
Platinum	oz	18 952	17 297	9.6
Palladium	oz	8 656	7 523	15.1
Rhodium	oz	2 582	2 251	14.7
Gold	oz	763	547	39.5
4E	oz	30 953	27 618	12.1
Total refined metal produced				
Platinum	oz	273 432	270 902	0.9
Palladium	oz	131 712	133 940	(1.7)
Rhodium	oz	41 604	42 824	(2.8)
Gold	oz	5 720	5 562	2.8
4E	oz	452 468	453 228	(0.2)
Zondereinde calculated metal sold*				
Platinum	oz	143 607	155 665	(7.7)
Palladium	oz	70 306	80 389	(12.5)
Rhodium	oz	21 092	24 505	(13.9)
Gold	oz	3 728	3 917	(4.8)
4E	oz	238 733	264 476	(9.7)
Total group metal sold				
Platinum	oz	274 062	270 194	1.4
Palladium	oz	131 962	134 101	(1.6)
Rhodium	oz	41 742	42 632	(2.1)
Gold	oz	5 815	5 466	6.4
4E	oz	453 581	452 393	0.3
Average market prices achieved and sales statistics				
Platinum	USD/oz	988	964	2.5
Palladium	USD/oz	731	586	24.7
Rhodium	USD/oz	803	721	11.4
Gold	USD/oz	1 255	1 174	6.9
4E basket price	USD/oz	900	831	8.3
Average exchange rate	R/USD	13.63	14.33	(4.9)

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

ZONDEREINDE STATISTICS

continued

		12 months ended 30 June 2017	12 months ended 30 June 2016	% Variance
Nickel sales	R000	171 766	162 947	5.4
Nickel sold	t	1 260	1 268	(0.6)
Average market nickel price achieved	USD/t	9 962	9 014	10.5
Chrome sales	R000	455 145	225 750	101.6
Chrome sold	t	303 286	329 729	(8.0)
Average chrome price achieved	USD/t	112	47	138.3
Average chrome price achieved	R/t	1 490	685	117.5
Total revenue per platinum oz sold*	R/oz	23 334	22 081	5.7
Total revenue per 4E oz sold*	R/oz	14 099	13 188	6.9
Total calculated revenue per platinum oz sold for own Zondereinde operations	R/oz	25 254	23 278	8.5
Total calculated revenue per 4E oz sold for own Zondereinde operations	R/oz	15 192	13 701	10.9
Cash costs statistics				
On mine cash cost per tonne mined	R/t	1 488	1 337	(11.3)
On mine cash cost per tonne milled	R/t	1 631	1 473	(10.7)
Cash cost per equivalent refined platinum oz#	R/oz	20 890	19 409	(7.6)
Cash cost per equivalent refined 4E oz#	R/oz	12 574	11 659	(7.8)
Cash profit and margin for own Zondereinde operations				
Cash profit per equivalent refined platinum oz	R/oz	4 364	3 869	12.8
Cash margin per equivalent refined platinum oz	%	17.3	16.6	4.2
Cash profit per equivalent refined 4E	R/oz	2 618	2 042	28.2
Cash margin per equivalent refined 4E	%	17.2	14.9	15.4
Capital incurred				
Expansionary capex	R000	619 190	294 297	110.4
Sustaining capex	R000	187 190	259 818	(28.0)
	R000	806 380	554 115	45.5
Sustaining capex per equivalent refined metal from Zondereinde platinum oz	R/oz	1 110	1 529	(27.4)

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.

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

BOOYSENDAL STATISTICS

		12 months ended 30 June 2017	12 months ended 30 June 2016	Variance
		R000	R000	%
Sales revenue				
Platinum		1 284 164	1 250 361	2.7
Palladium		500 433	355 758	40.7
Rhodium		189 076	146 098	29.4
Gold		19 328	16 976	13.9
Chrome		470 149	128 903	264.7
Other		111 292	74 787	48.8
Total sales revenue*		2 574 442	1 972 883	30.5
Cost of sales				
Operating costs		(1 964 416)	(1 541 040)	(27.5)
Mining operations		(1 482 640)	(1 166 353)	(27.1)
Concentrator operations		(339 910)	(283 461)	(19.9)
Chrome processing		(16 415)	(11 921)	(37.7)
Selling and administration overheads		(80 305)	(47 762)	(68.1)
Royalty charges		(12 872)	(9 864)	(30.5)
Share based payment expenses		(32 274)	(28 547)	(13.1)
Rehabilitation		–	6 868	100.0
Depreciation and write-offs		(271 666)	(213 481)	(27.3)
Change in metal inventories		99 051	(42 383)	333.7
Total cost of sales		(2 137 031)	(1 796 904)	(18.9)
Operating profit		437 411	175 979	148.6
Operating margin	%	17.0	8.9	91.0
EBITDA		669 325	360 583	85.6
EBITDA margin	%	26.0	18.3	42.1

* *Zondereinde purchases all of Booysendal's concentrate, for 88% of the fair value, except for chrome, which is sold directly to a third party customer.*

BOOYSENDAL STATISTICS

continued

		12 months ended 30 June 2017	12 months ended 30 June 2016	% Variance
Safety				
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.30	0.44	31.8
Headcount				
Directly employed		198	191	3.7
Total employed		3 679	2 920	26.0
Production and ore stockpiles				
Merensky				
Tonnes mined	t	263 152	129 407	103.4
Tonnes milled	t	161 134	92 645	73.9
Head grade (4E)*	g/t	2.0	1.9	5.3
Stockpile	t	139 998	26 693	424.5
UG2				
Tonnes mined	t	2 399 204	2 008 109	19.5
Tonnes milled	t	2 326 460	2 072 958	12.2
Head grade (4E)	g/t	2.8	2.7	3.7
Stockpile	t	65 296	43 543	50.0
Combined				
Tonnes mined	t	2 662 356	2 137 516	24.6
Tonnes milled	t	2 487 594	2 165 603	14.9
Head grade (4E)	g/t	2.7	2.7	–
Stockpile	t	205 284	70 236	192.3
Concentrator recovery	%	86.8	85.7	1.3
Chrome tonnes produced	t	278 099	210 895	31.9

* *Steady state headgrade target is 2.5g/t.*

BOOYSENDAL STATISTICS

continued

		12 months ended 30 June 2017	12 months ended 30 June 2016	% Variance
Metal in concentrate produced and ore stockpiles				
Platinum	oz	120 841	97 899	23.4
Palladium	oz	57 464	46 393	23.9
Rhodium	oz	19 582	15 979	22.5
Gold	oz	1 443	1 029	40.2
4E	oz	199 330	161 300	23.6
Total metal sold				
Platinum	oz	114 668	99 828	14.9
Palladium	oz	54 504	47 422	14.9
Rhodium	oz	18 581	16 300	14.0
Gold	oz	1 362	1 029	32.4
4E	oz	189 115	164 579	14.9
Average market prices achieved and sales statistics				
Platinum	USD/oz	830	854	(2.8)
Palladium	USD/oz	683	515	32.6
Rhodium	USD/oz	760	624	21.8
Gold	USD/oz	1 056	1 085	(2.7)
4E basket price	USD/oz	783	735	6.5
Average exchange rate	R/USD	13.50	14.62	(7.7)
Chrome sales	R000	470 149	128 903	264.7
Chrome sold	t	278 099	210 895	31.9
Average chrome price achieved	USD/t	125	43	190.7
Average chrome price achieved	R/t	1 690	611	176.6
Total revenue per platinum oz sold*	R/oz	22 451	19 763	13.6
Total revenue per 4E oz sold*	R/oz	13 613	11 987	13.6

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

BOOYSENDAL STATISTICS

continued

		12 months ended 30 June 2017	12 months ended 30 June 2016	% Variance
Cash costs statistics				
On mine cash cost per tonne mined	R/t	685	678	(1.0)
On mine cash cost per tonne milled	R/t	733	669	(9.6)
Cash cost per equivalent refined platinum oz in concentrate#	R/oz	15 747	15 297	(2.9)
Cash cost per equivalent refined 4E oz in concentrate#	R/oz	9 546	9 284	(2.8)
Cash profit and margin				
Cash profit per equivalent refined platinum oz in concentrate	R/oz	6 704	4 466	50.1
Cash margin per equivalent refined platinum oz in concentrate	%	29.9	22.6	32.3
Cash profit per equivalent refined 4E in concentrate	R/oz	4 067	2 703	50.5
Cash margin per equivalent refined 4E in concentrate	%	29.9	22.6	32.3
Capital incurred				
Expansionary capex*	R000	661 970	508 759	30.1
Sustaining capex	R000	111 861	107 689	3.9
	R000	773 831	616 448	25.5
Sustaining capex per platinum oz in concentrate	R/oz	926	1 100	(15.8)

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

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

COMMENTARY ON RESULTS

- ✓ *Execution of group strategy – both organic and acquisition driven growth*
- ✓ *Group sales revenues increased 12.6% to a record R6.9 billion*
- ✓ *Group operating profit up 60.2% to R614.0 million*
- ✓ *Group unit cash costs – cash cost per equivalent refined platinum oz well contained at R19 736/oz*
- ✓ *Group cash profit per equivalent refined platinum oz up 44.0% to R5 314/oz*
- ✓ *Improved Booysendal operational performance – metal in concentrate production increased 23.6% to 199 330 oz*
- ✓ *Group capital expenditure rose 40.1% to R1.6 billion. In addition R336.4 million spent to date on the Booysendal aerial ropeway conveyor system*
- ✓ *Positive cash balance of R1.8 billion at year end*
- ✓ *Non-cash preference share dividend charge increase from R918.8 million to R1.0 billion*
- ✓ *Normalised headline earnings of R398.3 million*

INTRODUCTION

The Northam group's equivalent refined metal production from own operations increased 8.5% to 474 007oz (F2016: 436 960oz) (4E) during the reporting period. This was due to a commendable operational performance at both Booysendal North and Zondereinde. Booysendal North recorded a 23.6% increase in production, while Zondereinde's year-end output was only marginally lower year on year, as it largely overcame the effects of a workforce reorganisation and an 18-day outage of the UG2 milling circuit during the first half of the financial year.

Capital expenditure increased 40.1% as the group continued with the development of its expansion projects at both Booysendal and Zondereinde mines. These include the development of Booysendal South, deepening projects at both mines as well as an additional new furnace and dryer at the Zondereinde smelter complex. A total of R1.6 billion has been spent (F2016: R1.2 billion).

The group continues to execute its expansion strategy of growing production down the cost curve, both organically and through acquisitions. In line with our external growth ambitions, we have acquired the Tumela block's mineral resources from Anglo American Platinum Limited for R1.0 billion and are in the process of acquiring the Eland Platinum mine from Glencore Operations South Africa Proprietary Limited for R175.0 million. The cash payment of these amounts will be made once all conditions precedent have been met. Subsequent to year-end, the group acquired PGM recycling assets in Pennsylvania, United States, from A-1 Specialized Services Inc. for USD10.7 million.

COMMENTARY ON RESULTS

continued

FINANCIAL OVERVIEW

Statement of profit or loss and other comprehensive income

Group sales revenue rose 12.6% to R6.9 billion (F2016: R6.1 billion) on the back of higher US dollar PGM and base metal prices. The average PGM basket price increased by 8.3% to USD900/oz (F2016 USD831/oz).This translated to total revenue per platinum oz sold increasing by 11.0% to R25 050 (F2016: R22 566). However, the stronger average exchange rate of R13.63/USD (F2016: R14.33/USD) tempered the increase in the total revenue.

Sales volumes increased marginally to 453 581oz (F2016: 452 393oz) reflecting the current metallurgical processing capacity constraints of the group.

Cost of sales increased 9.4% to R6.3 billion (F2016: R5.7 billion) following a 13.4% rise in operating costs to R5.7 billion (F2016: R5.0 billion). The increase in operating costs is mainly the result of higher on-mine operational costs, which were up 13.7%, reflecting production volume increases at Booysendal as well as labour and power increases. The value of purchased concentrate from third parties rose 15.3% to R404.1 million (F2016: R350.5 million) reflecting the 12.1% growth in volumes delivered. The 12.2% increase in the depreciation charge is attributable to the higher volumes of production as the charge is calculated on the units of production method and the higher values of property, plant and equipment in line with increasing group capital expenditure.

The change in metal inventory value of R402.1 million (F2016: R180.8 million), reflects the increase in inventories owing to the group’s current constrained metallurgical capacity. Group unit cash costs per equivalent refined platinum oz were well contained, increasing 4.6% to R19 736 (F2016: R18 877), with the group cash profit per equivalent refined platinum oz increasing 44.0% to R5 314 (F2016: R3 689).

With the increased capital expenditure in support of our production growth strategy, cash balances were lower, thereby impacting revenues from investment which fell 36.9% to R167.3 million (F2016: R265.3 million). Sundry income is down 52.6% at R73.4 million (F2016: R154.8 million) mainly due to the once off receipt from a cancelled insurance contingency policy and a related insurance refund in the comparative period.

Included in finance costs, which are up 79.6% to R71.2 million, is the unwinding of the rehabilitation liability charge of R41.5 million. The interest charges of R51.8 million (F2016: R28.3 million) associated with the two domestic medium-term notes of R175.0 million and R250.0 million have been fully capitalised in the current period.

Sundry expenditure is up 42.0%, due to the higher care and maintenance costs, which now also include Eland mine, and higher corporate action costs reflecting the increased corporate activity of the group.

Operating profit increased 60.2% to R614.0 million (F2016: R383.3 million). The group’s operating profit percentage improved to 8.9% (F2016: 6.3%) reflecting higher PGM prices, strong cost control and economies of scale as group production increases.

The 10.7% increase in the cumulative non-cash preference share dividend to R1.0 billion, net of capitalised interest of R24.3 million, is due to the compounding nature of the preference share liability, and is the main reason for the group’s net loss.

COMMENTARY ON RESULTS

continued

Cash flows

Cash flows from operating activities increased to R981.5 million (F2016: R839.1 million) largely as a function of lower tax paid and the higher working capital requirements which reflect unusually high levels of inventory. The high inventory levels should normalise soon after the new furnace is commissioned at the beginning of H2 F2018.

The R2.0 billion (F2016: R1.1 billion) of cash utilised in investing activities, which includes a prepayment of R336.4 million (F2016: RNil), is higher than in the comparative period, reflecting the group's growing capital expenditure programme. With the prepayment, we have secured cheaper financing from the offshore supplier of the aerial rope conveyor for Booysendal South. The major project spend is on the 20MW furnace at Zondereinde and the Booysendal South mine development.

Cash flows utilised from financing activities are lower at R250.1 million (F2016: R745.4 million) as there were no fund raising activities in F2017 compared to the previous period. In F2016 the R1.4 billion domestic medium term note was repaid whilst in the current period Northam acquired Zambezi Platinum (RF) Limited preference shares to the value of R208.7 million (F2016: RNil).

OPERATIONS

Zondereinde

Management regrets the loss of life, during the F2017 reporting period, of Mr Alexandre Macave. Mr 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 his family and colleagues.

Management and employees are however commended for achieving the six million fatality-free shifts milestone in November 2016. The lost time injury incident rate (LTIIR) improved to 1.65 injuries per 200 000 hours worked (F2016: 1.92).

Despite the disruptions to production resulting from measures taken to reorganise the workforce, after the discharge of 357 employees, as well as an 18-day outage of the UG2 milling circuit owing to a mill bearing failure, Zondereinde's equivalent metal production from own operations was down by only 0.9%, to 280 172oz (F2016: 282 765oz). This is a commendable performance by both management and employees, who took the necessary measures to meet production targets despite the above mentioned challenges.

Merensky ore remains constrained currently but the Merensky:UG2 ore mix will gradually be modified back to a 55:45 ratio. This should happen within 24 months of the section 102 approval for the transfer of the recently-acquired Tumela block from Anglo Platinum to Northam, resulting in the immediate access to new Merensky ore.

Equivalent refined metal processed from third parties was up 12.1% to 30 953oz (F2016: 27 618oz) due to improved availability from third parties.

The total operating costs at Zondereinde were R3.7 billion (F2016: R3.5 billion), an increase of 7.3%. The increase in the unit cash cost equivalent per refined platinum oz was contained to 7.6% from R19 409 to R20 890, a notable achievement given the production challenges outlined above.

Expansionary capital expenditure for the period of R619.2 million (F2016: R294.3 million), combined with sustaining capital expenditure of R187.2 million (F2016: R259.8 million), resulted in total capital spend of R806.4 million (F2016: R554.1 million). The F2018 expansionary and sustaining capital expenditure is estimated at R325.7 million and R198.6 million respectively.

Zondereinde's current resource estimate is 84.0 million oz (Moz) (F2016: 84.1Moz) excluding the recently purchased Tumela block which is expected to increase the mine's resource base by an additional 16.7Moz on the section 102 transfer.

COMMENTARY ON RESULTS

continued

Booysendal

Booysendal North mine recorded three million fatality free shifts. The lost time injury incident rate (LTIIR) improved to 0.30 (F2016: 0.44) per 200 000 hours worked. The mechanised mining method continues to be a significant safety differentiator.

Production from the UG2 mine increased 12.2% to 2 326 460 tonnes (F2016: 2 072 958 tonnes) milled at a head grade of 2.8g/t (F2016: 2.7g/t). The Merensky North mine produced 161 134 tonnes (F2016: 92 645 tonnes) during the year at a head grade of 2.0g/t (F2016: 1.9g/t).

The total operating costs at Booysendal North increased by 27.5% from R1.5 billion to R2.0 billion. The higher costs are largely attributable to the higher production volumes from underground. Metal in concentrate produced, plus ore stockpiles increased by 23.6% to 199 330oz (F2016: 161 300oz).

On a unit basis, the cash cost equivalent per refined platinum oz achieved was R15 747 (F2016: R15 297) representing a 2.9% increase.

Capital expenditure incurred amounted to R773.8 million (F2016: R616.4 million). The key elements of this spend were R120.8 million spent on the UG2 deepening project, R325.6 million on the Booysendal South project, R202.3 million on the Merensky North decline and R111.9 million on sustaining capital expenditure.

Management estimates that expansionary and sustaining capital expenditure will amount to R1.2 billion and R108.9 million respectively in F2018, a total capital spend of R1.3 billion.

COMMENTARY ON RESULTS

continued

MINERAL RESOURCES AND RESERVES

Key points and significant revisions from the previous year

The UG2 and Merensky reserves within the Booysendal North and South mines increased following amendments to the underground pillar design.

During the 2017 financial year, Northam entered into agreements with Rustenburg Platinum Mines Limited and Glencore Operations South Africa Proprietary Limited regarding the purchase of a portion of the Amandelbult mine and the Eland mine respectively. These purchases are still subject to regulatory approval and therefore are not yet finalised. Consequently no formal resource or reserve estimates for these properties have been included in this statement. Indicative estimates of resource content within these properties were summarised in Northam's interim results presentation for the period ending 31 December 2016. This presentation is available on the company's website.

In addition, Northam has entered into an agreement to dispose of its participatory interest in the Pandora joint venture with Lonmin's Eastern Platinum Proprietary Limited. This transaction is subject to regulatory approval before finalisation, hence the resource and reserve estimates for this property will be removed from this statement, once all conditions precedent have been met.

Mineral resources are reported inclusive of mineral reserves.

The tables on the following pages summarise the mineral resources and reserves attributable to Northam for both the current and the previous year.

COMMENTARY ON RESULTS

continued

Northam group reserves estimate (combined proven and probable)

		as at 30 June 2017 4E			As at 30 June 2016 4E		
Reef	Mine	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booysendal North mine	19.34	2.87	1.78	14.51	2.92	1.36
	Booysendal South mine	9.84	2.58	0.82	9.36	2.58	0.78
	Dwaalkop*	0.00	0.00	0.00	0.00	0.00	0.00
	Pandora*	0.00	0.00	0.00	0.00	0.00	0.00
	Zondereinde	21.86	5.53	3.89	21.01	5.51	3.72
	Total	51.04	3.95	6.49	44.88	4.06	5.86
UG2	Booysendal North mine	43.84	3.00	4.23	41.53	3.00	4.00
	Booysendal South mine	77.57	2.64	6.58	75.86	2.65	6.48
	Dwaalkop*	0.00	0.00	0.00	0.00	0.00	0.00
	Pandora*	1.12	4.20	0.15	1.21	4.10	0.16
	Zondereinde	56.84	4.14	7.56	58.64	4.24	7.99
	Total	179.37	3.21	18.52	177.24	3.27	18.63
Combined	Booysendal North mine	63.18	2.96	6.01	56.04	2.98	5.36
	Booysendal South mine	87.41	2.63	7.40	85.22	2.65	7.26
	Dwaalkop*	0.00	0.00	0.00	0.00	0.00	0.00
	Pandora*	1.12	4.20	0.15	1.21	4.10	0.16
	Zondereinde	78.70	4.53	11.45	79.65	4.58	11.71
	Total	230.41	3.38	25.01	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.*

COMMENTARY ON RESULTS

continued

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

		as at 30 June 2017 4E			As at 30 June 2016 4E		
Reef	**Mine**	**Mt**	**g/t**	**Moz**	**Mt**	**g/t**	**Moz**
Merensky	Booysendal North	86.12	5.06	14.00	87.82	5.06	14.29
	Booysendal South	187.55	3.55	21.41	187.55	3.55	21.41
	Booysendal North mine	22.12	3.17	2.25	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
	Pandora*	0.00	0.00	0.00	0.00	0.00	0.00
	Zondereinde	165.27	7.38	39.20	164.44	7.38	39.00
	Total	511.09	4.96	81.57	506.81	4.98	81.17
UG2	Booysendal North	152.65	4.86	23.87	152.65	4.86	23.87
	Booysendal South	235.66	3.20	24.26	235.67	3.20	24.26
	Booysendal North mine	40.26	4.46	5.77	41.41	4.52	6.02
	Booysendal South mine	129.07	3.05	12.65	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	275.20	5.06	44.78	276.41	5.08	45.14
	Total	884.58	4.17	118.70	884.60	4.19	119.16
Combined	Booysendal North	238.77	4.93	37.87	240.47	4.94	38.16
	Booysendal South	423.22	3.36	45.67	423.22	3.36	45.67
	Booysendal North mine	62.38	4.00	8.02	58.38	4.15	7.78
	Booysendal South mine	141.05	3.02	13.72	138.74	3.04	13.58
	Dwaalkop*	75.61	3.66	8.89	75.61	3.66	8.89
	Pandora*	14.18	4.65	2.12	14.14	4.65	2.11
	Zondereinde	440.47	5.93	83.98	440.85	5.94	84.14
	Total	1 395.68	4.46	200.27	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.*

COMMENTARY ON RESULTS

continued

CHANGES TO THE BOARD OF DIRECTORS

Mr JG (John) Smithies was appointed as an independent non-executive director on 1 January 2017.

Mr AR (Alwyn) Martin retired from the board at the conclusion of the annual general meeting on 9 November 2016.

Ms HH (Hester) Hickey replaced Mr Martin as chairman of the audit and risk committee on 9 November 2016.

GOING CONCERN AND PROSPECTS

Mining operations have a finite life and are also dependent amongst other things on geological, technical as well as economic factors such as commodity prices and exchange rates. The global economic outlook and low USD 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. Management is focused on cost control and moving the operations down the cost curve in order to remain profitable.

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.

DIVIDENDS

Given the continuing difficult conditions in the mining industry, and taking into consideration the cash requirements to fund the development of the group's project pipeline and growth strategy, the board has resolved not to declare a final dividend for the 2017 financial year (30 June 2016: RNil cents per share).

On behalf of the board

PL Zim
Chairman

PA Dunne
Chief executive

Johannesburg
22 August 2017

SUMMARISED ABRIDGED FINANCIAL RESULTS

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

This summarised report is extracted from the audited financial statements, but is not itself audited. The directors take full responsibility for the preparation of the abridged report and the financial information has been correctly extracted from the underlying annual financial statements. The audited financial statements are available on our website on Friday, 25 August 2017.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
		R000	R000
Sales revenue	4	6 865 185	6 097 070
Cost of sales		(6 251 200)	(5 713 722)
Operating costs	5	(5 676 017)	(5 007 233)
Concentrates purchased		(404 093)	(350 514)
Refining and other costs		(120 633)	(133 186)
Depreciation and write-offs		(452 584)	(403 545)
Change in metal inventories		402 127	180 756
Operating profit		613 985	383 348
Share of earnings/(losses) from associate and joint venture		4 870	(32 253)
Investment revenue	6	167 306	265 258
Finance costs excluding preference share dividends	7	(71 185)	(39 634)
Net foreign exchange transaction (losses)/gains		(46 729)	26 163
Sundry income	8	73 361	154 765
Sundry expenditure	9	(130 843)	(92 122)
Profit before preference share dividends		610 765	665 525
Amortisation of liquidity fees paid on preference shares		(16 390)	(18 088)
Preference share dividends net of amounts capitalised		(1 017 396)	(918 806)
Loss on derecognition of preference share liability		(901)	–
Loss before tax		(423 922)	(271 369)
Taxation	10	(212 021)	(236 894)
Loss for the year		(635 943)	(508 263)

SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	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
Total comprehensive income for the year	**(635 943)**	**(488 441)**
Reconciliation of headline loss per share		
Loss for the year	(635 943)	(508 263)
Profit on sale of property, plant and equipment	(1 762)	(57)
Impairment of associate's assets	–	11 185
Loss on sale of investment in associate	–	21 024
IFRS 5 adjustment to fair value less cost to sell	841	–
Impairment/(reversal of impairment) of non-core assets	–	(13 610)
Tax effect on above	493	(3 116)
Headline loss	**(636 371)**	**(492 837)**
Loss per share – cents	(181.8)	(145.3)
Fully diluted loss – cents	(181.8)	(145.3)
Headline loss per share – cents	(181.9)	(140.9)
Fully diluted headline loss per share – cents	(181.9)	(140.9)
Dividends per share	–	–
Weighted average number of shares in issue	349 875 759	349 875 759
Fully diluted number of shares in issue	349 875 759	349 875 759
Number of shares in issue	509 781 212	509 781 212
Treasury shares in issue	159 905 453	159 905 453
Shares in issue adjusted for treasury shares	349 875 759	349 875 759

SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
		R000	R000
Assets			
Non-current assets		15 483 553	14 110 084
Property, plant and equipment	11	9 022 260	7 853 993
Mining properties and mineral resources	12	5 636 342	5 614 094
Interest in associates and joint ventures	13	167 214	192 164
Unlisted investment		–	6
Land and township development		48 529	51 341
Long-term receivables		83 745	89 717
Investments held by Northam Platinum Restoration Trust Fund		102 233	93 647
Environmental Guarantee Investment		68 104	60 345
Buttonshope Conservancy Trust		11 126	10 445
Long-term prepayments	14	336 409	–
Other financial assets		7 591	–
Deferred tax assets		–	144 332
Current asset		4 103 337	4 867 779
Inventories	15	1 729 102	1 330 270
Trade and other receivables	16	548 997	375 204
Cash and cash equivalents	17	1 786 865	3 105 080
Tax receivables		38 373	57 225
Non-current assets held for sale	13	49 222	–
Total assets		19 636 112	18 977 863

SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

	Notes	Audited 12 months ended 30 June 2017 R000	Audited 12 months ended 30 June 2016 R000
Equity and liabilities			
Total equity		8 092 041	8 727 984
Stated capital		13 778 114	13 778 114
Treasury shares		(6 556 123)	(6 556 123)
(Accumulated loss)/retained earnings		(4 398)	631 545
Equity settled share based payment reserve		874 448	874 448
Non-current liabilities		9 929 685	9 072 179
Deferred tax liability		585 883	590 637
Long-term provisions	18	304 829	272 820
Preference share liability	19	8 279 825	7 429 549
Long-term loans	20	249 428	275 513
Long-term share based payment liability		88 639	84 373
Domestic medium term notes	21	421 081	419 287
Current liabilities		1 614 386	1 177 700
Current portion of long-term loans	20	13 434	13 201
Short-term share based payment liability		75 026	56 704
Tax payable		102 550	104 072
Trade and other payables	22	1 268 172	877 935
Short-term provisions		155 204	125 788
Total equity and liabilities		19 636 112	18 977 863

SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital	(Accumulated loss)/retained earnings	Equity settled share based payment reserve	Other comprehensive income from associate	Total
	R000	R000	R000	R000	R000
Balance as at 30 June 2015	7 221 991	1 139 808	874 448	(19 822)	9 216 425
Total comprehensive income for the year	–	(508 263)	–	19 822	(488 441)
Loss for the year	–	(508 263)	–	–	(508 263)
Other comprehensive income for the year	–	–	–	19 822	19 822
Balance as at 30 June 2016	7 221 991	631 545	874 448	–	8 727 984
Loss and total comprehensive income for the year	–	(635 943)	–	–	(635 943)
Balance as at 30 June 2017	7 221 991	(4 398)	874 448	–	8 092 041

SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	R000
Cash flows from operating activities	981 497	839 081
Loss before taxation	(423 922)	(271 369)
Adjusted for the following non-cash items as well as discloseable items		
Depreciation and write-offs	452 584	403 545
Changes in provisions	19 934	50 221
Changes in long-term receivables	5 972	4 786
Investment revenue	(167 306)	(265 258)
Finance charges excluding preference share dividends	71 185	39 634
Finance charges on preference shares	1 017 396	918 806
Loss on derecognition of preference share liability	901	–
Liquidity fees on the preference shares	16 390	18 088
Movement in share based payment liability	22 588	10 592
Reversal of impairment of investment in associates	–	(13 610)
IFRS 5 adjustment to fair value less costs to sell	841	–
Share of (earnings)/losses from associate	(4 870)	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	(1 762)	(57)
Net foreign exchange movement	46 729	–
Other	(1 521)	1 395
Change in working capital	(182 388)	(162 131)
Movement relating to land and township development	2 812	(41 341)
Transaction fees paid	(8 594)	–
Investment revenue	167 306	265 258
Taxation paid	(52 778)	(175 355)

SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	R000
Cash flows utilised in investing activities	(1 990 754)	(1 126 793)
Property, plant, equipment, mining properties and mineral reserves		
Additions to maintain operations	(299 051)	(369 636)
Additions to expand operations	(1 321 757)	(804 344)
Disposal proceeds	3 732	4 235
Increase in long-term prepayment	(336 409)	–
Investment in associate – cash distributed	–	24
Additional investment made in associate	(20 243)	(20 601)
Proceeds received on the sale of investment in Trans Hex Group Limited	–	81 815
Increase in investment held by the Northam Platinum Restoration Trust Fund	(8 586)	(10 655)
Increase in the investments held by the Environmental Guarantee investment	(7 759)	(8 223)
Increase in investments held by the Buttonshope Conservancy Trust Fund	(681)	592
Cash flows utilised from financing activities	(250 130)	(745 397)
Interest paid	(29 694)	(39 634)
Repayment of long-term loans	(50 756)	–
Issue of long-term loans	38 992	244 950
Acquisition of Zambezi Platinum (RF) Limited preference shares	(208 672)	–
Issue of domestic medium term debt notes	–	419 287
Domestic medium term debt notes repaid	–	(1 370 000)
Decrease in cash and cash equivalent	(1 259 387)	(1 033 109)
Net foreign exchange difference on cash and cash equivalents	(58 828)	–
Cash and cash equivalents at the beginning of the year	3 105 080	4 138 189
Cash and cash equivalents at the end of the year	1 786 865	3 105 080

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

1. ACCOUNTING POLICIES AND THE BASIS OF PREPARATION

These abridged 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 the audited financial statements, available on the group's website, for the year ended 30 June 2017. These abridged 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 year as more fully set out below.

The abridged 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 disclosures 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 abridged financial results statements are presented, as well as additional disclosures in the annual financial statements. They did not impact any amounts recognised in the consolidated statement of comprehensive income or 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.

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

3. SEGMENTAL ANALYSIS

The group has two business segments, the Zondereinde mine and the Booysendal mine. The group's executive committee considers the performance of the Zondereinde and Booysendal mines when allocating resources and assessing the segmental performance.

Zambezi Platinum (RF) Limited has been included in the table below in order to reconcile the amounts to the reported statement of financial position and statement of profit or loss and other comprehensive income. Zambezi Platinum (RF) Limited is not a separate operating segment as it does not engage in business activities from which it earns revenue and/or incurs expenses. In addition to this its operating results are not regularly reviewed by the chief operating decision makers in assessing the performance of the entity.

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

Segmental statement of profit or loss and other comprehensive income

	Zondereinde operating segment	Booysendal operating segment	Inter-company eliminations	Zambezi and the BEE transaction	Other	Total
12 months ended 30 June 2017	**R000**	**R000**	**R000**	**R000**	**R000**	**R000**
Sales revenue	6 395 036	2 574 442	(2 104 293)	–	–	6 865 185
Cost of sales	(6 162 574)	(2 137 031)	2 048 405	–	–	(6 251 200)
Operating costs	(3 717 601)	(1 964 416)	6 000	–	–	(5 676 017)
Mining operations	(2 909 091)	(1 482 640)	6 000	–	–	(4 385 731)
Concentrator operations	(290 863)	(339 910)	–	–	–	(630 773)
Smelting and base metal removal plant costs	(318 807)	–	–	–	–	(318 807)
Chrome processing	(20 468)	(16 415)	–	–	–	(36 883)
Selling and administration	(82 082)	(80 305)	–	–	–	(162 387)
Royalty charges	(32 169)	(12 872)	–	–	–	(45 041)
Share based payment expenses and profit share scheme	(64 121)	(32 274)	–	–	–	(96 395)
Concentrates purchased	(2 508 386)	–	2 104 293	–	–	(404 093)
Refining including sampling and handling charges	(120 633)	–	–	–	–	(120 633)
Depreciation and write-offs	(182 650)	(271 666)	1 732	–	–	(452 584)
Change in metal inventory	366 696	99 051	(63 620)	–	–	402 127
Operating profit	232 462	437 411	(55 888)	–	–	613 985
Share of earnings from associate and joint venture	–	–	–	–	4 870	4 870
Investment revenue	126 043	48 196	(2 689)	(19 204)	14 960	167 306
Finance charges before preference shares	(72 512)	(21 542)	2 689	–	20 180	(71 185)
Net foreign exchange transaction losses	(32 564)	(14 165)	–	–	–	(46 729)
Sundry income	64 233	6 815	(7 000)	–	9 313	73 361
Sundry expenditure	(60 587)	(32 402)	1 000	–	(38 854)	(130 843)
Profit/(loss) before preference share dividends	257 075	424 313	(61 888)	(19 204)	10 469	610 765
Amortisation of liquidity fees paid on preference shares	–	–	–	(16 390)	–	(16 390)
Preference share dividends	–	–	–	(1 017 396)	–	(1 017 396)
Loss on derecognition of preference share liability	–	–	–	(901)	–	(901)
Profit/(loss) before tax	257 075	424 313	(61 888)	(1 053 891)	10 469	(423 922)
Taxation	(73 065)	(146 986)	–	–	8 030	(212 021)
Profit/(loss) for the year	184 010	277 327	(61 888)	(1 053 891)	18 499	(635 943)

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

12 months ended 30 June 2016	Zondereinde operating segment R000	Booysendal operating segment R000	Inter-company 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	(106 622)	(47 762)	–	–	–	(154 384)
Royalty charges	(34 419)	(9 864)	–	–	–	(44 283)
Share based payment expenses and profit share scheme	(46 532)	(28 547)	–	–	–	(75 079)
Rehabilitation	(8 568)	6 868	–	–	–	(1 700)
Other	–	–	–	–	(1 815)	(1 815)
Concentrates purchased	(2 194 494)	–	1 843 980	–	–	(350 514)
Refining including sampling and handling charges	(133 186)	–	–	–	–	(133 186)
Depreciation and write-offs	(191 797)	(213 481)	–	–	1 733	(403 545)
Change in metal inventory	265 763	(42 383)	–	–	(42 624)	180 756
Operating profit	248 125	175 979	–	–	(40 756)	383 348
Share of (losses)/earnings from associate and joint venture	–	–	–	–	(32 253)	(32 253)
Investment revenue	111 066	163 940	(27 223)	–	17 475	265 258
Finance charges before preference shares	(33 515)	(24 131)	27 223	–	(9 211)	(39 634)
Net foreign exchange transaction profits	26 163	–	–	–	–	26 163
Sundry income	131 274	3 233	–	–	20 258	154 765
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 year	283 438	204 045	–	(936 894)	(58 852)	(508 263)

Segmental statement of financial position

12 months ended 30 June 2017	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	14 019 436	12 563 189	(17 869 263)	6 468 175	302 016	15 483 553
Property, plant and equipment	3 323 250	5 672 774	-	–	26 236	9 022 260
Mining properties and mineral resources	116 560	6 474 365	(954 583)	–	–	5 636 342
Interest in associates and joint ventures	–	–	–	–	167 214	167 214
Investment in subsidiaries	10 216 000	–	(10 216 000)	–	–	–
Investments in Northam Platinum Limited	–	–	(6 468 175)	6 468 175	–	–
Other investment	230 505	–	(230 505)	–	–	–
Land and township development	22 749	12 085	–	–	13 695	48 529
Long-term receivables	–	–	–	–	83 745	83 745
Investments held by Northam Platinum Restoration Trust Fund	48 274	53 959	–	–	–	102 233
Environmental Guarantee Investment	54 507	13 597	–	–	–	68 104
Buttonshope Conservancy Trust	–	–	–	–	11 126	11 126
Long-term prepayments	–	336 409	–	–	–	336 409
Other financial assets	7 591	–	–	–	–	7 591
Current assets	5 433 769	969 737	(2 442 183)	445	141 569	4 103 337
Short-term subsidiary loan	1 838 213	476 691	(2 314 904)	–	–	–
Inventories	1 673 000	162 345	(106 243)	–	–	1 729 102
Trade and other receivables	487 956	70 140	(21 036)	7	11 930	548 997
Cash and cash equivalents	1 396 677	260 561	–	438	129 189	1 786 865
Tax receivable	37 923	–	–	–	450	38 373
Non-current assets held for sale	49 222	–	–	–	–	49 222
Total assets	19 502 427	13 532 926	(20 311 446)	6 468 620	443 585	19 636 112
Equity and liabilities						
Total equity	9 036 935	9 477 739	(8 386 346)	(2 167 943)	131 656	8 092 041
Stated capital	13 778 114	6 955 843	(14 061 967)	–	7 106 124	13 778 114
Treasury shares	–	–	(6 556 123)	–	–	(6 556 123)
(Accumulated loss)/retained earnings	(5 916 974)	20 141	15 034 846	(2 167 943)	(6 974 468)	(4 398)
Non-distributable reserves	–	2 501 755	(2 501 755)	–	–	–
Other comprehensive income	2 039	–	(2 039)	–	–	–
Equity settled share based payment reserve	1 173 756	–	(299 308)	–	–	874 448
Non-current liabilities	9 005 235	1 871 467	(9 589 159)	8 636 557	5 585	9 929 685
Deferred tax liability	605 265	1 671 516	(1 696 483)	–	5 585	585 883
Long-term provisions	141 284	163 545	–	–	–	304 829
Long-term loan	249 428	–	–	–	–	249 428
Long-term share based payment liability	52 233	36 406	–	–	–	88 639
Financial guarantee liability	7 535 944	–	(7 535 944)	–	–	-
Domestic medium term debt notes	421 081	–	–	–	–	421 081
Preference share liability	–	–	(356 732)	8 636 557	-	8 279 825
Current liabilities	1 460 257	2 183 720	(2 335 941)	6	306 344	1 614 386
Current portion of long-term loans	13 434	–	–	–	–	13 434
Short-term share based payment liability	45 988	29 038	–	–	–	75 026
Tax payable	–	438	–	6	102 106	102 550
Subsidiary loans	476 547	1 720 088	(2 335 941)	–	139 306	–
Trade and other payables	778 316	424 924	–	–	64 932	1 268 172
Short-term provisions	145 972	9 232	–	–	–	155 204
Total equity and liabilities	19 502 427	13 532 926	(20 311 446)	6 468 620	443 585	19 636 112

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

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
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
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)	6 876 359	7 356 469	18 977 863

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

4. SALES REVENUE

Revenue from external customers per metal and per segment

	Zondereinde operations Audited 12 months ended 30 June 2017	Booysendal operations Audited 12 months ended 30 June 2017	Intercompany eliminations Audited 12 months ended 30 June 2017	Total Audited 12 months ended 30 June 2017
	R000	R000	R000	R000
Platinum	3 692 945	1 284 164	(1 284 164)	3 692 945
Palladium	1 316 374	500 433	(500 433)	1 316 374
Rhodium	453 084	189 076	(189 076)	453 084
Gold	99 322	19 328	(19 328)	99 322
Chrome	455 145	470 149	–	925 294
Other	378 166	111 292	(111 292)	378 166
	6 395 036	2 574 442	(2 104 293)	6 865 185

Revenue per region per segment

Sales revenue emanates from the following principal regions:

	Zondereinde operations Audited 12 months ended 30 June 2017	Booysendal operations Audited 12 months ended 30 June 2017	Total Audited 12 months ended 30 June 2017
	R000	R000	R000
Europe	2 896 100	–	2 896 100
Japan	1 079 020	–	1 079 020
North America	1 088 496	–	1 088 496
Australia	42 303	–	42 303
South Africa	1 289 117	470 149	1 759 266
	6 395 036	470 149	6 865 185

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

Revenue from external customers per metal and per segment

	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	Intercompany eliminations Audited 12 months ended 30 June 2016	Total Audited 12 months ended 30 June 2016
	R000	R000	R000	R000	R000
Platinum	3 731 417	1 250 361	–	(1 250 361)	3 731 417
Palladium	1 122 284	355 758	–	(355 758)	1 122 284
Rhodium	442 998	146 098	–	(146 098)	442 998
Gold	92 151	16 976	–	(16 976)	92 151
Chrome	225 750	128 903	–	–	354 653
Other	351 617	74 787	–	(74 787)	351 617
Housing revenue	–	–	1 950	–	1 950
	5 966 217	1 972 883	1 950	(1 843 980)	6 097 070

Revenue per region per segment

Sales revenue emanates from the following principal regions:

	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 Audited 12 months ended 30 June 2016
	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
	5 966 217	128 903	1 950	6 097 070

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

5. OPERATING COSTS

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	R000
Labour	1 906 518	1 776 055
Stores	1 072 836	941 567
Utilities	703 898	638 304
Sundries and contractors	1 992 765	1 649 607
Rehabilitation	–	1 700
	5 676 017	5 007 233

Operating costs per segment

	Zondereinde operations	Booysendal operations	Intercompany	Total
	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2017
	R000	R000	R000	R000
Labour	1 733 561	172 957	–	1 906 518
Stores	923 642	149 194	–	1 072 836
Utilities	564 702	139 196	–	703 898
Sundries and contractors	495 696	1 503 069	(6 000)	1 992 765
	3 717 601	1 964 416	(6 000)	5 676 017

Operating costs per segment

	Zondereinde operations	Booysendal operations	Other	Total
	Audited 12 months ended 30 June 2016	Audited 12 months ended 30 June 2016	Audited 12 months ended 30 June 2016	Audited 12 months ended 30 June 2016
	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
	3 464 377	1 541 041	1 815	5 007 233

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

6. INVESTMENT REVENUE

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	**R000**
Interest received on cash and cash equivalents	96 847	193 663
Dividend income received from short-term investments	47 942	2 649
Interest received from instalment sale agreements	9 768	10 201
Interest received relating to the Northam Platinum Restoration Trust Fund	8 586	6 087
Interest received by the Buttonshope Conservancy Trust	686	755
Interest from insurance contingency fund	–	47 808
Deemed interest on the interest free home loans	456	–
Interest received from the South African Revenue Service	3 017	3 104
Other	4	991
	167 306	265 258

7. FINANCE COSTS EXCLUDING PREFERENCE SHARE DIVIDENDS

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	**R000**
Finance costs relating to the domestic medium term debt notes	(51 797)	(28 283)
Amounts capitalised in terms of IAS23 Borrowing costs	51 797	–
Commitment fees on borrowing facilities	(7 435)	(5 014)
Interest on the loan from the *Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV*	(3 402)	(4 447)
Amortisation of the transaction costs relating to the domestic medium term debt notes	(1 794)	(170)
Amortisation of the transaction costs relating to the revolving credit facility	(1 003)	–
Unwinding of rehabilitation liability	(41 491)	–
Unwinding of a research and development liability	(7 990)	–
Other financial instruments	(8 070)	(1 720)
	(71 185)	(39 634)

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

8. SUNDRY INCOME

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	R000
Treatment charges in respect of concentrate purchased	18 846	42 313
Rent received	6 647	5 981
Sale of scrap	5 652	4 677
Insurance claim/refund	–	59 595
Profit on sale of property, plant and equipment	1 762	57
Write back of impairment of Trans Hex Group Limited shares	–	34 122
Accommodation and housing income	11 286	–
Business rescue proceeds from Valditime Proprietary Limited settlement	7 654	–
Environmental guarantee investment income	7 759	2 224
Management fees received from associate	2 644	–
Other	11 111	5 796
	73 361	154 765

9. SUNDRY EXPENDITURE

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	R000
Amortisation of the investment in the Pandora joint venture	–	(2 600)
Impairment of investments in associate	–	(20 512)
Corporate action and once-off project costs	(56 541)	(7 756)
Booysendal land management	(5 452)	(3 324)
Booysendal South care and maintenance	(23 983)	(28 084)
Eland care and maintenance	(11 982)	–
Loss on sale of investment in Trans Hex Group Limited	–	(21 024)
Accommodation and housing expenses	(14 551)	–
Black Economic Empowerment Trust operating costs	(8 546)	–
Administrative costs relating to Zambezi Platinum (RF) Limited	(552)	(3 076)
Other	(9 236)	(5 746)
	(130 843)	(92 122)

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

10. TAXATION

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	R000
Income tax		
Current income tax charge	70 327	148 505
Adjustment in respect of current income tax of previous years	(219)	(7 680)
Deferred tax		
Current year deferred tax charge	141 913	96 069
	212 021	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:

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	%	%
South African normal tax	28.0	28.0
Adjustment in respect of prior period	(7.8)	(2.8)
Tax on capital contributions from a third party	–	(5.8)
Impairment of investment in joint venture	–	(2.1)
Exempt income received	5.2	(3.1)
Expenditure incurred which is non-deductible	(7.0)	(4.0)
Corporate action costs	–	(0.8)
Amortisation of liquidity fees paid on preference shares and loss on derecognition	(1.2)	(1.9)
Preference share dividends disallowed	(67.2)	(94.8)
	(50.0)	(87.3)

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

11. PROPERTY, PLANT AND EQUIPMENT

	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	Other assets	Decommis-sioning asset	Assets under construction	Total
	R000	R000	R000	R000	R000	R000	R000
Cost							
Opening balance as at 1 July 2015	5 888 409	2 431 091	443 534	249 434	132 512	67 598	9 212 578
Transfer from mining properties and mineral resources	–	52 641	–	–	–	–	52 641
Additions	284 564	15 529	1 288	636	–	780 824	1 082 841
Transfer from assets under construction	239 675	40 412	7 960	1 742	–	(289 789)	–
Disposals and write-offs	–	(215)	(7 271)	(850)	–	–	(8 336)
Present value of decommissioning asset capitalised	–	–	–	–	35 984	–	35 984
Closing cost as at 30 June 2016	6 412 648	2 539 458	445 511	250 962	168 496	558 633	10 375 708
Transfer to mining properties and mineral resources	(19 038)	–	–	–	–	–	(19 038)
Additions	11 837	1 901	398	251	–	1 528 255	1 542 642
Transfer from assets under construction	654 158	49 813	72 331	39 047	–	(815 349)	–
Disposals and write-offs	(6 572)	–	(337)	(3 315)	–	–	(10 224)
Present value of decommissioning asset capitalised	–	–	–	–	4 530	–	4 530
Borrowing costs capitalised	–	–	–	–	–	76 058	76 058
Closing cost as at 30 June 2017	7 053 033	2 591 172	517 903	286 945	173 026	1 347 597	11 969 676

	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	Other assets	Decommis-sioning asset	Assets under construction	Total
	R000	R000	R000	R000	R000	R000	R000
Accumulated depreciation							
Opening balance as at 1 July 2015	(1 432 770)	(453 257)	(146 813)	(89 591)	(24 795)	–	(2 147 226)
Transfer from mining properties and mineral resources	–	–	(2 853)	–	–	–	(2 853)
Depreciation	(220 649)	(107 665)	(7 093)	(36 379)	(4 008)	–	(375 794)
Disposals and write-offs	–	–	3 751	407	–	–	4 158
Accumulated balance as at 30 June 2016	(1 653 419)	(560 922)	(153 008)	(125 563)	(28 803)	–	(2 521 715)
Transfer to mining properties and mineral resources	(7 420)	–	–	–	–	–	(7 420)
Depreciation	(281 742)	(92 249)	(9 794)	(38 788)	(3 962)	–	(426 535)
Disposals and write-offs	4 893	–	236	3 125	–	–	8 254
Accumulated balance as at 30 June 2017	(1 937 688)	(653 171)	(162 566)	(161 226)	(32 765)	–	(2 947 416)
Net book value as at 30 June 2016	4 759 229	1 978 536	292 503	125 399	139 693	558 633	7 853 993
Net book value as at 30 June 2017	5 115 345	1 938 001	355 337	125 719	140 261	1 347 597	9 022 260

During the current year, the group changed the presentation of this note, to give more useful information to the reader. In the prior year only four classes of assets were disclosed, but in the current year six classes are disclosed which we believe better represents the nature of the different classes of assets, including assets under construction.

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

12. MINING PROPERTIES AND MINERAL RESOURCES

	Current production mineral reserves and resources	Project mineral reserves and resources	Total
	R000	R000	R000
Cost			
Opening balance as at 1 July 2015	1 019 706	4 833 671	5 853 377
Transfer to property, plant and equipment	(52 641)	–	(52 641)
Additions	–	55 155	55 155
Closing balance as at 30 June 2016	967 065	4 888 826	5 855 891
Transfer from property, plant and equipment	19 038	–	19 038
Additions	21 839	–	21 839
Closing balance as at 30 June 2017	1 007 942	4 888 826	5 896 768
Accumulated depreciation			
Opening balance as at 1 July 2015	(216 899)	–	(216 899)
Transfer to property, plant and equipment	2 853	–	2 853
Depreciation	(27 751)	–	(27 751)
Closing balance as at 30 June 2016	(241 797)	–	(241 797)
Transfer from property, plant and equipment	7 420	–	7 420
Depreciation	(26 049)	–	(26 049)
Closing balance as at 30 June 2017	(260 426)	–	(260 426)
Net book value as at 30 June 2016	725 268	4 888 826	5 614 094
Net book value as at 30 June 2017	747 516	4 888 826	5 636 342

During the year the classification of assets from Mining properties and Mineral resources (reported previously) was changed to current production mineral reserves and resources (currently being mined) and project mineral reserves and resources (still subject to development) respectively for more accurate disclosure.

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

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 year 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.

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	R000
Dwaalkop joint venture	136 230	136 230
Pandora joint venture*	–	45 565
SSG Holdings Proprietary Limited	30 984	10 369
	167 214	192 164

* *The investment in the Pandora joint venture is disclosed as a non-current asset held for sale from 1 July 2016.*

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL 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	–	10 601	–	10 000	20 601
Share of (losses)/earnings from associate and joint venture	–	(12 620)	(20 002)	369	(32 253)
Other comprehensive income	–	–	(3 947)	–	(3 947)
Current period amortisation	–	(2 600)	–	–	(2 600)
Cash distributions received	–	(24)	–	–	(24)
Reversal of impairment	–	–	34 122	–	34 122
Impairment	–	(20 512)	–	–	(20 512)
Sale of investment	–	–	(79 070)	–	(79 070)
Closing balance as at 30 June 2016	136 230	45 565	–	10 369	192 164
Additional investment	–	–	–	10 745	10 745
Conversion of loan to equity investment	–	–	–	5 000	5 000
Share of profits from associate	–	–	–	4 870	4 870
Transfer to non-current assets held for sale	–	(45 565)	–	–	(45 565)
Closing balance as at 30 June 2017	136 230	–	–	30 984	167 214

Below is a summary of the amounts classified as non-current assets held for sale:

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	**R000**
Transfer from interest in associates and joint ventures	45 565	–
Cash calls	4 498	–
IFRS 5 adjustment to fair value less costs to sell	(841)	–
Total non-current assets held for sale	49 222	–

Northam Platinum Limited is still responsible for contributing to cash calls from the Pandora joint venture; contributions made from 1 January 2017 to the transaction date, however, will be refunded by Eastern Platinum Limited, a subsidiary of Lonmin plc. All other cash calls had to be written off during the year under review.

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

14. LONG-TERM PREPAYMENTS

In terms of the aerial ropeway manufacturer agreement with Doppelmayr Transport Technology GmbH, a prepayment had to be made in terms of the manufacturing costs. These amounts will be transferred to property, plant and equipment as and when construction has been signed over by the contractor.

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	R000
Amounts prepaid to Doppelmayr Transport Technology GmbH	336 409	–
	336 409	–

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

15. INVENTORIES

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	**R000**
Metals on hand and in transit		
Platinum	982 568	858 412
Palladium	424 903	226 298
Rhodium	197 320	122 846
Gold	28 163	25 808
Total metal inventories	1 632 954	1 233 364
Chrome finished product at costs	–	387
Consumables at costs	96 148	96 519
Total inventories at the lower of costs and net realisable value	1 729 102	1 330 270

	oz	**oz**
Metals on hand and in transit		
Platinum	92 646	62 169
Palladium	45 641	28 943
Rhodium	18 485	13 358
Gold	1 950	1 467
	158 722	105 937

The metals above include stockpiles, in process metal as well as finished goods. Metal inventory is allocated as follows in the process:

	oz	**oz**
Stockpile inventory	23 377	8 149
Concentrate in process	8 928	1 506
Concentrate before the smelter	55 867	28 967
Smelter inventory	28 705	15 657
Base metal removal plant inventory	4 581	8 689
Precious metal refiner inventory	37 138	41 729
Finished product inventory on hand	126	1 240
	158 722	105 937

Included in the costs of sales are metals on hand that were written down by R444.3 million (30 June 2016: R360.8 million) to net realisable value. Inventory to the value of R478.4 million (30 June 2016: R927.7 million) is disclosed at net realisable value.

Metal inventory amounting to between 60 000 and 70 000 ounces in the pipeline is considered to be normal at any given time. All inventory over and above pipeline material is considered excess inventory. No inventories are encumbered.

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

16. TRADE AND OTHER RECEIVABLES

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	**R000**
Trade receivables	283 146	159 603
Accrued dividends and interest	11 989	24 700
Prepayments	44 797	7 306
Deposits	2 889	250
South African Revenue Service – Value Added Tax	143 775	114 364
South African Revenue Service – amounts receivable relating to the Mineral Royalty Act	17 258	16 096
Current portion of long-term receivables	7 334	5 617
SSG Holdings Proprietary Limited	–	5 000
Interest free home loans to employees	6 367	4 449
Other	31 442	37 819
	548 997	375 204

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

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

17. CASH AND CASH EQUIVALENTS

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	**R000**
Cash at bank and on hand	478 974	543 197
Restricted cash	103 949	109 521
Short-term deposits	1 203 942	2 452 362
	1 786 865	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.

The weighted average effective interest rate on short-term deposits was 8.2% (30 June 2016: 8.2%) and these deposits have a maximum maturity of 90 days (30 June 2016: 90 days).

At 30 June 2017 the group had R1.0 billion (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. Restricted cash also includes money ringfenced for the benefit of the Northam Employee Trust, the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and Zambezi Platinum (RF) Limited which may only be spent in terms of the various Trust deeds and Memorandum of Incorporation.

Previously included in restricted cash was an amount of R8.5 million that was 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*. During the year the loan was repaid in full and the pledged amount is therefore no longer required. Management is currently exploring various options with regards to Norplats Properties Proprietary Limited.

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

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

18. LONG-TERM PROVISIONS

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	R000
Rehabilitation provision	304 829	258 808
Long-term portion of short-term provisions	–	14 012
	304 829	272 820

Below is a breakdown of the rehabilitation provision:

Provision for decommissioning costs		
Balance at the beginning of the year	208 279	149 968
Additional provision required with the acquisition of the Everest mineral reserves which was fully funded	–	22 327
Change in estimate and capitalisation of decommissioning costs	4 530	35 984
Unwinding of discount	35 238	–
	248 047	208 279
Provision for restoration costs		
Balance at the beginning of the year	50 529	37 249
Additional provision required with the acquisition of the Everest mineral reserves which was fully funded	–	11 580
Unwinding of discount	6 253	1 700
	56 782	50 529
Total rehabilitation provision	304 829	258 808

In terms of, *inter alia*, the Mineral and Petroleum Resources Development Act no 28, of 2002, the company is required to make financial provision for its decommissioning and restoration costs that will be incurred upon the cessation of mining activities. The future value of the environmental obligation could either be paid over to Northam Platinum Restoration Trust fund over the remaining life of the Zondereinde mine and over the remaining life of the Booysendal mine. The group may also make use of any approved financial vehicles in terms of regulations and legislation. Financial provision is not, however, required to be made for the decommissioning of certain structures, such as housing, which may have alternative use.

The present value of the environmental restoration obligation is determined by applying a pre-tax discount rate of 10.62% (30 June 2016: 10.62%) and a long-term inflation rate of 8.71% (30 June 2016: 8.71%) over the remaining life of the mines.

The decommissioning and restoration costs are reviewed on an annual basis, and at the reporting date, the net unfunded future obligations were as follows:

Undiscounted decommissioning obligation based on the Department of Mineral Resources rates	181 083	166 574
Undiscounted restoration obligation based on the Department of Mineral Resources rates	88 255	81 184
Total rehabilitation obligation	269 338	247 758
Less funds held by the Northam Platinum Restoration Trust Fund	(102 233)	(93 647)
Environmental insurance guarantees	(244 808)	(157 900)
Total overfunded rehabilitation obligation	(77 703)	(3 789)

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

19. PREFERENCE SHARE LIABILITY

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	R000
Opening balance	7 575 697	6 656 891
Accrued dividends	1 060 861	918 806
Preference shares liability relating to Zambezi Platinum (RF) Limited	8 636 558	7 575 697
Derecognition of Zambezi Platinum (RF) Limited preference shares through the investment in the preference shares together with the accrued dividends	(226 976)	–
Liquidity fees amortised over the 10 year lock-in period relating to the Black Economic Empowerment transaction	(129 757)	(146 148)
	8 279 825	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 per share. The preference shares are redeemable in 10 years' time at R41 plus the cumulative preference dividends. The preference shareholders are entitled to receive a dividend equal to the issue price multiplied by the dividend rate of 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. 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 preference share liability is measured at amortised cost and therefore the transaction cost should be included in initial measurement.

The liquidity fees will be amortised over the 10-year lock-in period.

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

20. LONG-TERM LOANS

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	**R000**
Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV	–	39 964
Security of supply contribution	38 992	–
Heraeus Deutschland GmbH & Co. KG	223 870	248 750
Total long-term loans	262 862	288 714
Current portion of *Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV*	–	(3 801)
Current portion of security of supply contribution	(4 034)	–
Current portion of Heraeus Deutschland GmbH & Co. KG	(9 400)	(9 400)
	249 428	275 513

A decision was taken to repay the loan from the *Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV* during the current year. The loan was repayable in equal bi-annual instalments over 15 years, bore interest at 3.5% above JIBAR, with the last payment due 30 September 2026. The group previously pledged the instalment sales agreement as security for the loan as referred to in the long-term receivable note. The loan was repaid due to the restrictive requirements, which was not conducive to achieving the housing strategy of the group.

The security of supply contribution relates to amounts received in advance for the supply of future product.

Heraeus Deutschland GmbH & Co. KG contributed €10.0 million to the new 20MW furnace. The contribution received was recognised as a liability, as the company is obligated to refund the amount to Heraeus Deutschland GmbH & Co. KG if, and only if the company does not commission the furnace on time. Once the furnace is commissioned and the second €10.0 million is received, the €20.0 million will be deducted from the cost of the smelter as the value contributed is effectively considered a rebate in terms of IAS 16.16(a). The contribution is included in the balance above. In terms of an agreement entered into by the company and Heraeus Deutschland GmbH & Co. KG an annual payment of R9.4 million will be made for development and research costs for a period of 20 years. A liability was recognised at contract inception, being 16 April 2016. The liability is measured at the present value of the R9.4 million payments over 20 years using the prevailing prime interest rate. The contra side of the entry was included as cost to the furnace.

The present value of these annual payments amounted to R74.7 million and is included in the table above.

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

21. DOMESTIC MEDIUM TERM DEBT NOTES

	Audited 12 months ended 30 June 2017 R000	Audited 12 months ended 30 June 2016 R000
Domestic medium term debt notes	425 000	425 000
Transaction costs relating to the R175.0 million issue	(1 256)	(1 256)
Amortisation of transaction costs over 60 months	292	41
Transaction costs relating to the R250.0 million issue	(4 627)	(4 627)
Amortisation of transaction costs over 36 months	1 672	129
	421 081	419 287

The following term debt has been raised under the R2.0 billion domestic medium term note programme dated 3 August 2012:

On 11 May 2016, five year notes to the value of R175.0 million were issued under the notes programme. A fixed coupon rate of 13.5%. Interest will be payable on a bi-annual basis in May and November of every year. The funds are used for general corporate purposes.

In addition, on 9 June 2016 a further R250.0 million worth of notes were issued at a floating rate of the 3 month JIBAR plus 390 basis points. Interest is payable on a quarterly basis in August, November, February and May of every year for a three-year period. These funds are used towards partially financing existing and future developments at Booysendal.

The transaction costs and fees are classified as a transaction cost in terms of IAS 39. Transaction costs will be included in the initial measurement of the financial liability and amortised over the period of the financial liability.

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

22. TRADE AND OTHER PAYABLES

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	**R000**
Trade payables	503 007	362 996
Accruals	367 363	302 171
South African Revenue Service – Value Added Tax	11 024	13 278
South African Revenue service – Mineral royalties payable	–	51
Accrued interest and commitment fees	5 741	4 782
Interest payable – *Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV* loan	–	1 136
Employee related accruals	193 690	142 289
Provisional pricing payables	122 802	–
Other	64 545	51 232
	1 268 172	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.

23. FAIR VALUE

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

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

Management applies the established fair value hierarchy that categorises the inputs into valuation techniques used to measure fair value into three levels:

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

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

Level 3 – a technique where all inputs that have an impact on the value are no observable.

The following assets and liabilities are measured at fair value:

	Carrying amount 2017	Fair value 2017	Carrying amount 2016	Fair value 2016
	R000	R000	R000	R000
Non-current assets held for sale	49 222	49 222	–	–

The non-current asset held for sale is classified within level 3 of the fair value hierarchy. For further information on this classification, refer to note 13.

With regards to financial instruments the carrying amount of financial assets and financial liabilities approximate their fair value with the exception of the following:

	Carrying amount 2017	Fair value 2017	Carrying amount 2016	Fair value 2016
	R000	R000	R000	R000
Interest free home loans to employees	6 367	6 367	4 449	4 449
Preference share liability	(8 279 825)	(8 770 814)	(7 429 549)	(7 035 839)

The preference share liability is classified as level 1, whereas the listed amounts at amortised costs are determined as level 2 using a discounted cash flow approach applying market interest rates.

NOTES TO THE SUMMARISED ABRIDGED FINANCIAL RESULTS

continued

24. COMMITMENTS

	Audited 12 months ended 30 June 2017	Audited 12 months ended 30 June 2016
	R000	R000
Capital commitments		
Booysendal operations		
Authorised but not contracted	273 288	404 054
Contracted	1 076 712	209 849
	1 350 000	613 903
Zondereinde mine		
Authorised but not contracted	313 436	189 785
Contracted	1 385 807	660 939
	1 699 243	850 724
Other commitments		
Information technology an outsource service provided		
Due within one year	24 104	20 903
Due within two to five years	4 055	2 441
Operating lease rentals for office equipment		
Due within one year	2 615	1 359
Due within two to five years	2 657	314
Operating lease rentals for premises leased		
Due within one year	5 414	5 307
Due within two to five years	15 772	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	–	207
Bank guarantees issued	75 970	50 717

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

25. EVENTS AFTER THE REPORTING PERIOD

Subsequent to year-end, an agreement was entered into to purchase a suite of PGM recycling equipment and the associated premises from A-1 Specialized Services Inc., a recycler of PGMs. The business is located in the state of Pennsylvania, United States of America. The total value of the transaction amounts to USD10.7 million in cash.

In addition to the above, the Section 102 Ministerial Consent relating to the approval for the purchase of the Tumela block mineral resources from Anglo American Platinum Limited for R1.0 billion was obtained.

Apart from these transactions, there have been no other events subsequent to the year-end, which require additional disclosure or adjustment to these abridged financial results.

NOTES

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ADMINISTRATION AND CONTACT INFORMATION

NORTHAM PLATINUM LIMITED
(Registration number 1977/003282/06)
Share code: NHM ISIN: ZAE000030912
Debt issuer code: NHMI
Bond code: NHM002
Bond ISIN: ZAG000129024
Bond code: NHM003
Bond ISIN: ZAG000129032

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