NORTHAM

PLATINUM LIMITED

REVIEWED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER

2017

smart platinum mining

KEY FEATURES

NORTHAM PLATINUM LIMITED

KEY FEATURES

- Normalised headline earnings R189 million
- Execution of growth strategy on track
- Significant increase in inventory
- New 20MW furnace commissioned
- Capital expenditure up to R2.6bn
- Steady operational progress

ABOUT THE COVER

Platinum and palladium are used in electronic circuits. In addition to being resistant to corrosion and chemical attack, they are excellent conductors of electricity.

CONTENTS

DIRECTORS

KB Mosehla (non-executive chairman)

R Havenstein (lead independent director)

PA Dunne (chief executive officer)*

AZ Khumalo (chief financial officer)

DH Brown (independent non-executive director)

CK Chabedi (independent non-executive director)

HH Hickey (independent non-executive director)

Dr NY Jekwa (independent non-executive director)

TE Kgosi (independent non-executive director)

TI Mvusi (independent non-executive director)

JG Smithies (independent non-executive director)*

** British*

WHO WE ARE

Northam Platinum Limited (Northam) is a fully empowered platinum group metal (PGM) producer. Historically disadvantaged South African (HDSA) ownership levels in the company are pegged at 31.4% following the conclusion of a R6.6 billion black economic empowerment (BEE) transaction, which included the successful raising of R4.6 billion. The transaction was approved by shareholders in March 2015. In terms of the deal, Northam issued 22.0% of its issued share capital to a special purpose BEE vehicle known as Zambezi Platinum (RF) Limited (Zambezi Platinum). These shares were supplemented by additional shares, equivalent to 9.4% of Northam's issued share capital, being sold to Zambezi Platinum by the Public Investment Corporation (SOC) Limited (PIC), a long-standing Northam shareholder.

Zambezi Platinum comprises a range of HDSA stakeholders including an employee trust, two community trusts, a women's group and a core of strategic partners. Participants are bound to a 10-year lock-in period from May 2015. Zambezi Platinum financed the acquisition of shares in Northam through a preference share arrangement, with the shares being listed on the JSE Limited (JSE) in May 2015.

Northam's primary products are the three main PGMs: platinum, palladium and rhodium. The primary consumers of these PGMs are the motor-manufacturing and jewellery industries. Other industrial uses range from chemical and electrical applications to glass manufacture.

PGMs are traded on international markets where the metal prices are determined by global supply and demand, and are US dollar-denominated. This means that South African PGMs realise prices in US dollars, which are then converted and reported in South African rands. Northam has no influence on the sales price of its metal and is essentially a price taker. The metal is sold in sponge or ingot form to customers in the US, Europe and the Far East.

Northam's shares are listed on the JSE. Its equity share code is NHM and its debt instruments are listed under the symbol NHMI. The company has been admitted to participate in the JSE's Socially Responsible Investment Index.

THE GROUP AT A GLANCE

NORTHAM
PLATINUM LIMITED

Northam is an independent, fully empowered, mid-tier, integrated PGM producer with two primary operating assets, the **Zondereinde** and **Booysendal** mines in the South African Bushveld Complex.

The Zondereinde lease area is also the location for Northam's **metallurgical operations**, which include concentrators, a smelter and base metals recovery plant.

At 31 December 2017, Northam held a combined resource base of 216.6 million ounces (Moz) and 32.8Moz in the reserve category.

100%	Zondereinde mine and metallurgical processing	Resource: 102.6Moz
100%	Booysendal mine and project	Resource: 105.1Moz
50%	Dwaalkop	Attributable resource: 8.9Moz
51%	Kokerboom	FeO Cu Au prospect
30%	SSG Holdings Proprietary Limited	Security and facility services
100%	PGM recycling assets	Recovery services
100%	Eland*	Resource: 22.8Moz

NORTHAM
ZONDEREINDE

The **Zondereinde** mine is an established, conventional, long-life operation which mines UG2 and Merensky ore. The mine is located on the northern end of the western limb of the Bushveld Complex near the town of Thabazimbi.

During the period under review, Northam acquired the **Tumela resource** from Anglo American Platinum Limited on the north-western boundary of Zondereinde. The acquisition provides access to additional higher-grade Merensky and UG2 reef and extends the life of mine (LoM) to beyond 30 years.

NORTHAM
BOOYSENDAL

The shallower, mechanised, room and pillar **Booysendal UG2 North mine** is located near the town of Mashishing (formerly Lydenburg) on the eastern limb of the Bushveld Complex.

Booysendal North mine has a LoM of some 25 years.

The 105.1Moz orebody at Booysendal lends itself to brownfields expansion opportunities, which are currently being established on the property. These include a **deepening project at the existing UG2 North mine,** and the development of the **Booysendal Merensky North** mine and the new **Booysendal South** mine.

INTEGRATED ACTIVITIES

Northam's activities are integrated; from the underground mining function, through to the concentrating, smelting and base metal recovery processes.

During the period under review, Northam commissioned the new 20MW furnace, significantly expanding the Zondereinde smelter complex.

Key processes include drying and smelting the concentrate and converting the furnace matte.

By-product metals, copper and nickel sulphate, are extracted at the on-site base metals recovery plant and sold in the domestic market.

Chrome is produced at both Zondereinde and Booysendal from the UG2 reef.

Final precious metal concentrate is transported from the Zondereinde metallurgical complex for refining to the Heraeus facilities in Hanau, Germany and Port Elizabeth.

Heraeus is a registered member of the London Platinum and Palladium Market and has London-Zurich 'Good Delivery' status for metal production. The refinery in Hanau is subject to strict European Union and materials handling protocols. Product transportation is also strictly defined by international aviation regulations.

** The Eland transaction became unconditional subsequent to the period end*

OTHER INTERESTS

- 50% interest in the **Dwaalkop JV** (Limpopo)
- 51% initial participatory interest in the **Kokerboom JV exploration project** (Northern Cape)
- 30% interest in **SSG Holdings** Proprietary Limited, a company providing security and facility services to the group
- PGM recycling assets in Pennsylvania, United States, currently on care and maintenance

NORTHAM ELAND

Subsequent to the period end, Northam acquired **Eland Platinum**. Eland is located on the south-eastern limit of the western limb of the Bushveld Complex.

The acquisition includes two mining rights with a resource estimated at 22.8Moz 4E and a fully-developed, world-class surface infrastructure.

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 commissioned in 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 and on track

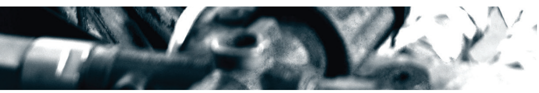
- Seeking appropriate acquisition opportunities
- Booysendal establishes firm presence on eastern limb
- Mining both UG2 and Merensky at all operations
- Expanding chrome operations
- New shallow mechanised shaft development at Booysendal South reducing operational risk
- Acquisition of Eland Platinum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

MESSAGE FROM THE CHIEF EXECUTIVE

THE NEXT SIX MONTHS WILL BE A PERIOD OF PROJECT EXECUTION AND BEDDING DOWN OUR RECENT ACQUISITIONS.



The first half of our current financial year has been a rewarding period as the Northam team further consolidated the company's strategy of optimisation and operational diversification. This approach has been fundamental to growing our business and developing a suite of sustainable and long-life mining assets that deliver benefits to all our stakeholders.

The platinum sector remained under pressure from low metal prices during the period under review. The platinum price, which is the largest contributor to our revenue basket was essentially flat, ending the period at USD925/oz while palladium continued its steady rise and rhodium rallied strongly towards the end of the period, resulting in a 8.5% higher US dollar basket price for the group. The strengthening South African currency however served to keep the rand basket price rise to 4.1%, only partially compensating for mining cost inflation. We remain confident however, that platinum will recover from its recent lacklustre performance. We expect demand for this important industrial metal to align with global economic growth.

Cost containment is key to the company's sustainability. We believe we have maintained, and continue to strive to maintain our relative position in the lower half of the industry cost curve.

OPERATIONAL PERFORMANCE

The past half year was a period of significant development at both Zondereinde and Booysendal.

Sadly, at the beginning of the period in July 2017 Mr Feliciano Sebastiao Massingue, a diamond drill operator, lost his life in an underground rail accident. The board and management express their sincere condolences to the family and colleagues of Mr Massingue.

Zondereinde delivered a sound operating performance while preparing to access the recently acquired Tumela ground on its western boundary.

At Booysendal a satisfactory operating performance was recorded. In the deeper section of the mine an exercise to optimise the stoping width by undercutting one of the leader chromitite seams was successfully completed. The dense media separation plant was commissioned and construction and development of the central complex and aerial rope conveyor at the south section proceeded apace.

FURNACE COMMISSIONING

Among the more-important surface developments that underpin our long-term production target was the commissioning of the new 20MW furnace in December. This development further reflects our long-term strategic partnership with Heraeus Deutschland GmbH & Co. KG (Heraeus). The first matte from the new furnace was tapped shortly after the end of the interim period. As the new furnace is steadily ramped up to its full capacity, it will allow the processing of excess concentrate stocks, thereby reducing inventory and providing a boost to revenue in the second half of the financial year.

LABOUR

It is pleasing that we continue to enjoy healthy and constructive relations with our workforce. Wage negotiations are set to take place in the middle of this calendar year, and I remain confident that they will be completed in an atmosphere of mutual understanding and respect.

ACQUISITIONS

We concluded the acquisition of the Tumela block that will add significant resources to Zondereinde. A two-year development programme to establish mining face in this area has commenced.

In September, we concluded the acquisition of platinum group metals recycling assets in the United States. We are in discussion with our customers and other participants and envisage developing this business segment steadily over a number of years.

We also concluded the sale of our 7.5% interest in the Pandora joint venture, a decision taken not because of any question of Pandora's fundamental worth but, rather, because such a small interest in an operation that we did not manage did not fit with our strategy.

Subsequent to the period under review, in late January of this year, our acquisition of the Eland platinum mine from Glencore Operations South Africa Proprietary Limited was finalised. The R175.0 million transaction secures full ownership of the mine and infrastructure. We are well advanced in developing the Eland plan and are looking forward to recommissioning the operation to unlock the potential of this large, shallow resource. We believe the acquisition of Eland further diversifies Northam's footprint and significantly enhances the long-term optionality and flexibility of the group's asset portfolio.

BOARD CHANGES AND THE FUTURE

In conclusion, I welcome the appointment of Brian Mosehla to succeed Lazarus Zim as Northam's chairman. Mr Zim, who headed our 31.4% empowerment partner Zambezi Platinum (RF) Limited, chaired Northam for 10 years and contributed to defining our strategic direction and its implementation. Brian will be supported by our competent and experienced board.

The next six months will be a period of project execution and bedding down our recent acquisitions. Northam's suite of sustainable, long-life assets will deliver benefits both to the shareholders who provide our capital and to our wider group of stakeholders into the future.

Paul Dunne
Chief executive

OPERATING RESULTS AND STATISTICS

	6 months ended 31 December 2017	6 months ended 31 December 2016	% variance	12 months ended 30 June 2017
	R000	R000		R000
Normalised headline earnings per share (headline earnings adjusted for the impact of the BEE transaction)				
Headline loss	(279 834)	(226 369)	(23.6)	(636 371)
Add back:				
Amortisation of liquidity fees paid on preference shares	8 195	8 195	–	16 390
Preference share dividends	460 762	482 753	4.6	1 017 396
Loss on derecognition of preference share liability	–	902	100.0	901
Normalised headline earnings	189 123	265 481	(28.8)	398 316
Normalised headline earnings per share (cents)	37.1	52.1	(28.8)	78.1
Number of shares in issue including treasury shares	509 781 212	509 781 212	–	509 781 212
Value created and distributed				
Value created and distributed to employees				
Salaries and wages, including payouts	988 772	858 861	15.1	1 682 144
Contributions to retirement benefit funds	72 666	63 959	13.6	128 675
Contributions to healthcare funds	41 714	34 516	20.9	73 112
	1 103 152	957 336	15.2	1 883 931
Value created and distributed to government				
Taxation	5 419	72 985	(92.6)	70 108
Mining royalties	15 554	32 132	(51.6)	45 041
Pay as you earn deducted from employees	222 963	162 783	37.0	315 077
	243 936	267 900	(9.0)	430 226
Total value created and distributed	1 347 088	1 225 236	10.0	2 314 157
Market information and share statistics				
Total number of shares in issue	509 781 212	509 781 212	–	509 781 212
Weighted average number of shares in issue	349 875 759	349 875 759	–	349 875 759
Treasury shares held	159 905 453	159 905 453	–	159 905 453
Market capitalisation	26 646 264	20 646 139	29.1	20 620 650
Closing share price (in cents)	5 227	4 050	29.1	4 045
Highest share price traded (in cents)	5 490	5 600	(2.0)	6 035
Lowest share price traded (in cents)	3 627	3 593	1.0	3 593
Number of shares traded	110 362 256	106 973 471	3.2	231 614 075
Value of transactions traded (R000)	5 149 007	5 115 570	0.7	11 221 478

GROUP OPERATING RESULTS

		6 months ended 31 December 2017	6 months ended 31 December 2016	% variance	12 months ended 30 June 2017
		R000	R000		R000
Sales revenue					
Platinum		1 588 452	1 932 003	(17.8)	3 692 945
Palladium		788 906	627 028	25.8	1 316 374
Rhodium		312 876	192 409	62.6	453 084
Gold		46 843	53 319	(12.1)	99 322
Iridium		90 970	60 645	50.0	126 340
Ruthenium		36 483	15 603	133.8	32 276
Silver		784	829	(5.4)	1 681
Nickel		91 314	96 500	(5.4)	171 766
Copper		24 526	8 050	204.7	42 303
Cobalt		3 942	1 355	190.9	3 800
Chrome		368 174	471 086	(21.8)	925 294
		3 353 270	3 458 827	(3.1)	6 865 185
Cost of sales					
Operating costs		(3 129 727)	(2 771 920)	(12.9)	(5 676 017)
Mining operations		(2 386 491)	(2 157 723)	(10.6)	(4 385 731)
Concentrator operations		(346 975)	(309 623)	(12.1)	(630 773)
Smelting and base metal removal plant costs		(178 227)	(160 560)	(11.0)	(318 807)
Chrome processing		(19 172)	(17 947)	(6.8)	(36 883)
Selling and administration overheads		(83 584)	(64 594)	(29.4)	(162 387)
Royalty charges		(15 554)	(32 132)	51.6	(45 041)
Share-based payment expenses and profit share scheme		(99 724)	(29 341)	(239.9)	(96 395)
Concentrates purchased		(430 052)	(178 221)	(141.3)	(404 093)
Refining including sampling and handling charges		(56 563)	(66 223)	14.6	(120 633)
Depreciation and write-offs		(218 117)	(226 835)	3.8	(452 584)
Change in metal inventories		819 962	136 328	501.5	402 127
		(3 014 497)	(3 106 871)	3.0	(6 251 200)
Operating profit		338 773	351 956	(3.8)	613 985
Operating margin	%	10.1	10.2	(1.0)	8.9
EBITDA*		532 795	539 354	(1.2)	967 228
EBITDA margin	%	15.9	15.6	1.9	14.1

* Earnings before interest, taxation, depreciation and amortisation

GROUP SEGMENTAL RESULTS

Segmental statement of profit or loss and other comprehensive income

6 months ended 31 December 2017	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Other R000	Total R000
Sales revenue	3 151 036	1 414 522	(1 212 288)	–	3 353 270
Cost of sales	(2 995 443)	(1 184 011)	1 164 957	–	(3 014 497)
Operating costs	(2 125 616)	(1 004 111)	–	–	(3 129 727)
Mining operations	(1 621 033)	(765 458)	–	–	(2 386 491)
Concentrator operations	(174 149)	(172 826)	–	–	(346 975)
Smelting and base metal removal plant costs	(178 227)	–	–	–	(178 227)
Chrome processing	(12 600)	(6 572)	–	–	(19 172)
Selling and administration	(56 792)	(26 792)	–	–	(83 584)
Royalty charges	(8 624)	(6 930)	–	–	(15 554)
Share-based payment expenses and profit share scheme	(74 191)	(25 533)	–	–	(99 724)
Concentrates purchased	(1 613 811)	(28 529)	1 212 288	–	(430 052)
Refining including sampling and handling charges	(56 563)	–	–	–	(56 563)
Depreciation and write-offs	(71 823)	(147 160)	866	–	(218 117)
Change in metal inventory	872 370	(4 211)	(48 197)	–	819 962
Operating profit	**155 593**	**230 511**	**(47 331)**	–	**338 773**
Operating profit margin	**4.9%**	**16.3%**	**–**	**–**	**10.1%**

6 months ended 31 December 2016	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Other R000	Total R000
Sales revenue	3 205 112	1 275 170	(1 021 455)	–	3 458 827
Cost of sales	(3 018 856)	(1 050 647)	1 021 455	(58 823)	(3 106 871)
Operating costs	(1 823 039)	(948 881)	–	–	(2 771 920)
Mining operations	(1 427 842)	(729 881)	–	–	(2 157 723)
Concentrator operations	(149 767)	(159 856)	–	–	(309 623)
Smelting and base metal removal plant costs	(160 560)	–	–	–	(160 560)
Chrome processing	(11 360)	(6 587)	–	–	(17 947)
Selling and administration	(32 297)	(32 297)	–	–	(64 594)
Royalty charges	(23 971)	(8 161)	–	–	(32 132)
Share-based payment expenses and profit share scheme	(17 242)	(12 099)	–	–	(29 341)
Concentrates purchased	(1 199 676)	–	1 021 455	–	(178 221)
Refining including sampling and handling charges	(66 223)	–	–	–	(66 223)
Depreciation and write-offs	(93 582)	(134 120)	–	867	(226 835)
Change in metal inventory	163 664	32 354	–	(59 690)	136 328
Operating profit	**186 256**	**224 523**	**–**	**(58 823)**	**351 956**
Operating profit margin	**5.8%**	**17.6%**	**–**	**–**	**10.2%**

GROUP SEGMENTAL RESULTS

Segmental statement of profit or loss and other comprehensive income

12 months ended 30 June 2017	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany 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%**

GROUP STATISTICS

		6 months ended 31 December 2017	6 months ended 31 December 2016	% variance	12 months ended 30 June 2017
		R000	R000		R000
Safety					
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.02	0.00	(100.0)	0.01
Total injury incidence rate (TIIR) per 200 000 hours worked		1.99	1.87	(6.4)	1.87
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		1.01	1.20	15.8	1.30
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.67	0.84	20.2	0.88
Headcount					
Directly employed		6 547	6 143	6.6	6 257
Total employed		13 058	11 614	12.4	12 405
Production and ore stockpiles					
Merensky					
Tonnes mined	t	617 942	646 608	(4.4)	1 244 325
Tonnes milled	t	516 330	464 182	11.2	975 773
Stockpile	t	160 743	126 825	26.7	142 152
UG2					
Tonnes mined	t	1 811 155	1 801 695	0.5	3 568 109
Tonnes milled		1 780 136	1 751 351	1.6	3 474 338
Stockpile	t	174 082	167 179	4.1	158 200
Combined					
Tonnes mined	t	2 429 097	2 448 303	(0.8)	4 812 434
Tonnes milled	t	2 296 466	2 215 533	3.7	4 450 111
Stockpile	t	334 825	294 004	13.9	300 352
Chrome tonnes produced	t	311 082	281 949	10.3	581 385
Equivalent refined metal from own operations					
Platinum	oz	148 851	141 855	4.9	286 078
Palladium	oz	72 225	68 660	5.2	138 081
Rhodium	oz	22 927	22 565	1.6	44 944
Gold	oz	2 470	2 295	7.6	4 904
4E	oz	246 473	235 375	4.7	474 007
Iridium	oz	8 400	7 319	14.8	13 904
Ruthenium	oz	36 534	31 184	17.2	59 073
6E	oz	291 407	273 878	6.4	546 984
Equivalent refined metal from external parties					
Platinum	oz	18 507	9 099	103.4	18 952
Palladium	oz	8 169	3 697	121.0	8 656
Rhodium	oz	2 522	1 061	137.7	2 582
Gold	oz	572	322	77.6	763
4E	oz	29 770	14 179	110.0	30 953
Iridium	oz	996	400	149.0	948
Ruthenium	oz	4 229	1 676	152.3	4 035
6E	oz	34 995	16 255	115.3	35 936

GROUP STATISTICS

continued

		6 months ended 31 December 2017	6 months ended 31 December 2016	% variance	12 months ended 30 June 2017
		R000	R000		R000
Total refined metal produced					
Platinum	oz	127 999	142 395	(10.1)	273 432
Palladium	oz	62 668	68 706	(8.8)	131 712
Rhodium	oz	18 694	20 094	(7.0)	41 604
Gold	oz	2 772	2 990	(7.3)	5 720
4E	oz	212 133	234 185	(9.4)	452 468
Iridium	oz	7 127	7 042	1.2	13 272
Ruthenium	oz	32 854	29 409	11.7	56 389
6E	oz	252 114	270 636	(6.8)	522 129
Total metal sold					
Platinum	oz	126 461	134 482	(6.0)	274 062
Palladium	oz	62 019	66 061	(6.1)	131 962
Rhodium	oz	18 640	20 165	(7.6)	41 742
Gold	oz	2 741	2 997	(8.5)	5 815
4E	oz	209 861	223 705	(6.2)	453 581
Iridium	oz	7 087	7 069	0.3	13 289
Ruthenium	oz	32 917	29 299	12.3	56 300
6E	oz	249 865	260 073	(3.9)	523 170
Nickel	t	655	640	2.3	1 260
Copper	t	276	119	131.9	637
Chrome	t	311 082	271 372	14.6	581 385
Average market prices achieved and sales statistics					
Platinum	USD/oz	937	1 027	(8.8)	988
Palladium	USD/oz	948	678	39.8	731
Rhodium	USD/oz	1 240	682	81.8	803
Gold	USD/oz	1 280	1 265	1.2	1 255
4E basket price	USD/oz	972	896	8.5	900
Iridium	USD/oz	956	612	56.2	698
Ruthenium	USD/oz	78	38	105.3	42
6E basket price	USD/oz	853	792	7.7	802
Average exchange rate	R/USD	13.43	13.99	(4.0)	13.63
Average nickel market price achieved	USD/t	10 381	10 759	(3.5)	9 962
Average copper market price achieved	USD/t	6 617	4 835	36.9	4 872
Average chrome price achieved	USD/t	89	125	(28.8)	118
Average chrome price achieved	R/t	1 184	1 736	(31.8)	1 586
Total revenue per platinum oz sold*	R/oz	26 516	25 720	3.1	25 050
Total revenue per 4E oz sold*	R/oz	15 979	15 462	3.3	15 136
Total revenue per 6E oz sold*	R/oz	13 420	13 299	0.9	13 122

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

GROUP STATISTICS

continued

		6 months ended 31 December 2017	6 months ended 31 December 2016	% variance	12 months ended 30 June 2017
		R000	R000		R000
Cash costs statistics					
On mine cash cost per tonne mined	R/t	1 125	1 008	(11.6)	1 042
On mine cash cost per tonne milled	R/t	1 190	1 114	(6.8)	1 127
Cash cost per equivalent refined platinum oz #	R/oz	20 851	19 440	(7.3)	19 736
Cash cost per equivalent refined 4E oz #	R/oz	12 591	11 727	(7.4)	11 913
Cash cost per equivalent refined 6E oz #	R/oz	10 643	10 086	(5.5)	10 324
Cash profit and margin					
Cash profit per equivalent refined platinum oz	R/oz	5 665	6 280	(9.8)	5 314
Cash margin per equivalent refined platinum oz	%	21.4	24.4	(12.3)	21.2
Cash profit per equivalent refined 4E	R/oz	3 388	3 735	(9.3)	3 223
Cash margin per equivalent refined 4E	%	21.2	24.2	(12.4)	21.3
Cash profit per equivalent refined 6E	R/oz	2 777	3 213	(13.6)	2 798
Cash margin per equivalent refined 6E	%	20.7	24.2	(14.5)	21.3
Capital incurred					
Expansionary capex	R000	2 432 716	642 147	278.8	1 346 018
Sustaining capex	R000	118 928	130 803	(9.1)	299 051
	R000	2 551 644	772 950	230.1	1 645 069
Sustaining capex per equivalent refined platinum oz from own operations	R/oz	799	922	(13.3)	1 045
Expansionary capex					
Zondereinde	R000	1 348 405	347 178	288.4	619 190
Contribution received for capital assets	R000	(303 106)	–	100.0	–
Booysendal North	R000	191 981	198 909	(3.5)	336 345
Booysendal South*	R000	940 010	78 618	1 095.7	325 625
Other	R000	255 426	17 442	1 364.4	64 858
	R000	2 432 716	642 147	278.8	1 346 018
Sustaining capex					
Zondereinde	R000	93 706	77 788	20.5	187 190
Booysendal North	R000	25 222	52 481	(51.9)	111 861
Booysendal South	R000	–	–	–	–
Other	R000	–	534	(100.0)	–
	R000	118 928	130 803	(9.1)	299 051

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

* Expansionary capex does not include prepayments relating to the rope conveyance for ore transportation, amounting to R140.2 million (31 December 2016: R157.9 million and 30 June 2017: R336.4 million)

ZONDEREINDE STATISTICS

		6 months ended 31 December 2017	6 months ended 31 December 2016	% variance	12 months ended 30 June 2017
		R000	R000		R000
Safety					
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.02	0.00	(100.0)	0.01
Total injury incidence rate (TIIR) per 200 000 hours worked		1.62	1.76	8.0	1.79
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		1.31	1.59	17.6	1.65
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.85	1.08	21.3	1.13
Headcount					
Directly employed		6 283	5 926	6.0	6 059
Total employed		8 753	8 587	1.9	8 726
Production and ore stockpiles					
Merensky					
Square metres mined	m²	76 311	84 620	(9.8)	155 894
Tonnes mined (including waste)	t	463 499	512 656	(9.6)	981 173
Total development tonnes reef and waste mined	t	99 438	87 515	13.6	172 042
Tonnes milled (includes fines from the thickeners)	t	378 930	432 174	(12.3)	814 639
Head grade (4E)	g/t	6.1	5.8	5.2	5.8
Head grade (6E)	g/t	6.6	6.3	4.8	6.3
Concentrator recoveries	%	89.8	90.4	(0.7)	90.2
Stockpile	t	3 711	370	903.0	2 154
UG2					
Square metres mined	m²	116 314	100 839	15.3	189 033
Tonnes mined	t	673 042	610 973	10.2	1 168 905
Tonnes milled	t	589 921	539 070	9.4	1 147 878
Head grade (4E)	g/t	4.2	4.2	–	4.2
Head grade (6E)	g/t	5.2	5.2	–	5.2
Concentrator recoveries	%	87.2	87.3	(0.1)	87.3
Stockpile	t	174 082	145 081	20.0	92 904
Combined					
Square metres mined	m²	192 625	185 459	3.9	344 927
Tonnes mined	t	1 136 541	1 123 629	1.1	2 150 078
Total development tonnes reef and wasted mined	t	99 438	87 515	13.6	172 042
Tonnes milled	t	968 851	971 244	(0.2)	1 962 517
Head grade (4E)	g/t	4.9	4.9	–	4.8
Head grade (6E)	g/t	5.7	5.7	–	5.6
Concentrator recoveries	%	88.5	89.1	(0.7)	88.7
Stockpile	t	177 793	145 451	22.2	95 058
Chrome tonnes produced	t	166 700	143 314	16.3	303 286
Equivalent refined metal from own Zondereinde operations					
Platinum	oz	92 073	86 871	6.0	168 568
Palladium	oz	44 723	42 310	5.7	82 201
Rhodium	oz	13 932	13 343	4.4	25 902
Gold	oz	1 759	1 768	(0.5)	3 501
4E	oz	152 487	144 292	5.7	280 172
Iridium	oz	4 758	4 487	6.0	8 994
Ruthenium	oz	20 510	19 117	7.3	36 815
6E	oz	177 755	167 896	5.9	325 981

ZONDEREINDE STATISTICS

continued

		6 months ended 31 December 2017	6 months ended 31 December 2016	% variance	12 months ended 30 June 2017
		R000	R000		R000
Equivalent refined metal from external parties					
Platinum	oz	17 325	9 099	90.4	18 952
Palladium	oz	7 461	3 697	101.8	8 656
Rhodium	oz	2 209	1 061	108.2	2 582
Gold	oz	566	322	75.8	763
4E	oz	27 561	14 179	94.4	30 953
Iridium	oz	809	400	102.3	948
Ruthenium	oz	3 449	1 676	105.8	4 035
6E	oz	31 819	16 255	95.7	35 936
Total refined metal produced					
Platinum	oz	127 999	142 395	(10.1)	273 432
Palladium	oz	62 668	68 706	(8.8)	131 712
Rhodium	oz	18 694	20 094	(7.0)	41 604
Gold	oz	2 772	2 990	(7.3)	5 720
4E	oz	212 133	234 185	(9.4)	452 468
Iridium	oz	7 127	7 042	1.2	13 272
Ruthenium	oz	32 854	29 409	11.7	56 389
6E	oz	252 114	270 636	(6.8)	522 129
Zondereinde calculated metal sold*					
Platinum	oz	53 469	70 149	(23.8)	143 607
Palladium	oz	27 593	36 100	(23.6)	70 306
Rhodium	oz	7 612	9 827	(22.5)	21 092
Gold	oz	1 477	2 167	(31.8)	3 728
4E	oz	90 151	118 243	(23.8)	238 733
Iridium	oz	2 710	3 041	(10.9)	5 097
Ruthenium	oz	14 016	12 174	15.1	22 297
6E	oz	106 877	133 458	(19.9)	266 127
Total metal sold					
Platinum	oz	126 461	134 482	(6.0)	274 062
Palladium	oz	62 019	66 061	(6.1)	131 962
Rhodium	oz	18 640	20 165	(7.6)	41 742
Gold	oz	2 741	2 997	(8.5)	5 815
4E	oz	209 861	223 705	(6.2)	453 581
Iridium	oz	7 087	7 069	0.3	13 289
Ruthenium	oz	32 917	29 299	12.3	56 300
6E	oz	249 865	260 073	(3.9)	523 170
Nickel	t	655	640	2.3	1 260
Copper	t	276	119	131.9	637
Chrome	t	166 700	132 737	25.6	303 286

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

ZONDEREINDE STATISTICS

continued

		6 months ended 31 December 2017	6 months ended 31 December 2016	% variance	12 months ended 30 June 2017
		R000	R000		R000
Average market prices achieved and sales statistics					
Platinum	USD/oz	937	1 027	(8.8)	988
Palladium	USD/oz	948	678	39.8	731
Rhodium	USD/oz	1 240	682	81.8	803
Gold	USD/oz	1 280	1 265	1.2	1 255
4E basket price	USD/oz	972	896	8.5	900
Iridium	USD/oz	956	612	56.2	698
Ruthenium	USD/oz	78	38	105.3	42
6E basket price	USD/oz	853	792	7.7	802
Average exchange rate	R/USD	13.43	13.99	(4.0)	13.63
Average nickel market price achieved	USD/t	10 381	10 759	(3.5)	9 962
Average copper market price achieved	USD/t	6 617	4 835	36.9	4 872
Average chrome price achieved	USD/t	75	117	(35.9)	112
Average chrome price achieved	R/t	995	1 638	(39.3)	1 490
Total revenue per platinum oz sold*	R/oz	24 917	23 833	4.5	23 334
Total revenue per 4E oz sold*	R/oz	15 015	14 327	4.8	14 099
Total revenue per 6E oz sold*	R/oz	12 611	12 324	2.3	12 224
Total calculated revenue per platinum oz sold for own Zondereinde operations*	R/oz	27 608	26 032	6.1	25 254
Total calculated revenue per 4E oz sold for own Zondereinde operations*	R/oz	16 375	15 444	6.0	15 192
Total calculated revenue per 6E oz sold for own Zondereinde operations*	R/oz	13 812	13 668	1.1	13 628

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

ZONDEREINDE STATISTICS

continued

		6 months ended 31 December 2017	6 months ended 31 December 2016	% variance	12 months ended 30 June 2017
		R000	R000		R000
Cash costs statistics					
On mine cash cost per tonne mined	R/t	1 580	1 404	(12.5)	1 488
On mine cash cost per tonne milled	R/t	1 853	1 624	(14.1)	1 631
Cash cost per equivalent refined platinum oz#	R/oz	21 775	19 980	(9.0)	20 890
Cash cost per equivalent refined 4E oz#	R/oz	13 147	12 040	(9.2)	12 574
Cash cost per equivalent refined 6E oz#	R/oz	11 256	10 354	(8.7)	10 815
Cash profit and margin for own Zondereinde operations					
Cash profit per equivalent refined platinum oz	R/oz	5 833	6 052	(3.6)	4 364
Cash margin per equivalent refined platinum oz	%	21.1	23.3	(9.4)	17.3
Cash profit per equivalent refined 4E	R/oz	3 228	3 404	(5.2)	2 618
Cash margin per equivalent refined 4E	%	19.7	22.0	(10.5)	17.2
Cash profit per equivalent refined 6E	R/oz	2 556	3 314	(22.9)	2 813
Cash margin per equivalent refined 6E	%	18.5	24.2	(23.6)	20.6
Capital incurred					
Expansionary capex	R000	1 348 405	347 178	288.4	619 190
Contribution received for capital assets	R000	(303 106)	–	100.0	–
Sustaining capex	R000	93 706	77 788	20.5	187 190
	R000	1 139 005	424 966	168.0	806 380
Sustaining capex per equivalent refined platinum oz from Zondereinde	R/oz	1 018	895	13.7	1 110

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

ZONDEREINDE STATISTICS
continued

		6 months ended 31 December 2017	6 months ended 31 December 2016	% variance	12 months ended 30 June 2017
		R000	R000		R000
Sales revenue					
Platinum		1 588 452	1 932 003	(17.8)	3 692 945
Palladium		788 906	627 028	25.8	1 316 374
Rhodium		312 876	192 409	62.6	453 084
Gold		46 843	53 319	(12.1)	99 322
Iridium		90 970	60 645	50.0	126 340
Ruthenium		36 483	15 603	133.8	32 276
Silver		784	829	(5.4)	1 681
Nickel		91 314	96 500	(5.4)	171 766
Copper		24 526	8 050	204.7	42 303
Cobalt		3 942	1 355	190.9	3 800
Chrome		165 940	217 371	(23.7)	455 145
		3 151 036	3 205 112	(1.7)	6 395 036
Cost of sales					
Operating costs		(2 125 616)	(1 823 039)	(16.6)	(3 717 601)
Mining operations		(1 621 033)	(1 427 842)	(13.5)	(2 909 091)
Concentrator operations		(174 149)	(149 767)	(16.3)	(290 863)
Smelting and base metal removal plant costs		(178 227)	(160 560)	(11.0)	(318 807)
Chrome processing		(12 600)	(11 360)	(10.9)	(20 468)
Selling and administration overheads		(56 792)	(32 297)	(75.8)	(82 082)
Royalty charges		(8 624)	(23 971)	64.0	(32 169)
Share-based payment expenses and profit share scheme		(74 191)	(17 242)	(330.3)	(64 121)
Concentrates purchased		(1 613 811)	(1 199 676)	(34.5)	(2 508 386)
Refining including sampling and handling charges		(56 563)	(66 223)	14.6	(120 633)
Depreciation and write-offs		(71 823)	(93 582)	23.3	(182 650)
Change in metal inventories		872 370	163 664	433.0	366 696
		(2 995 443)	(3 018 856)	0.8	(6 162 574)
Operating profit		155 593	186 256	(16.5)	232 462
Operating margin	%	4.9	5.8	(15.5)	3.6
EBITDA		225 710	265 472	(15.0)	386 194
EBITDA margin	%	7.2	8.3	(13.3)	6.0

BOOYSENDAL STATISTICS

		6 months ended 31 December 2017	6 months ended 31 December 2016	% variance	12 months ended 30 June 2017
		R000	R000		R000
Safety					
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.00	0.00	–	0.00
Total injury incidence rate (TIIR) per 200 000 hours worked		2.84	2.18	(30.3)	2.10
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.31	0.14	(121.4)	0.30
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.26	0.14	(85.7)	0.20
Headcount					
Directly employed		264	217	21.7	198
Total employed		4 305	3 027	42.2	3 679
Production and ore stockpiles					
Merensky					
Tonnes milled	t	137 400	32 008	329.3	161 134
Head grade (4E)	g/t	2.0	2.0	–	2.0
Head grade (6E)	g/t	2.2	2.2	–	2.2
Concentrator recoveries	%	88.2	86.1	2.4	85.5
Stockpile	t	157 032	126 455	24.2	139 998
UG2					
Tonnes milled	t	1 190 215	1 212 281	(1.8)	2 326 460
Head grade (4E)	g/t	2.7	2.7	–	2.8
Head grade (6E)	g/t	3.2	3.2	–	3.3
Concentrator recoveries	%	84.9	86.7	(2.1)	86.8
Stockpile	t	–	22 098	(100.0)	65 296
Combined					
Tonnes milled	t	1 327 615	1 244 289	6.7	2 487 594
Head grade (4E)	g/t	2.7	2.7	–	2.7
Head grade (6E)	g/t	3.2	3.2	–	3.2
Stockpile	t	157 032	148 553	5.7	205 284
Concentrator recoveries	%	85.2	86.7	(1.7)	86.8
Chrome tonnes produced	t	144 382	138 635	4.1	278 099
Metal in concentrate produced and purchased					
Platinum	oz	59 603	60 379	(1.3)	120 841
Palladium	oz	29 010	28 936	0.3	57 464
Rhodium	oz	9 572	10 127	(5.5)	19 582
Gold	oz	737	579	27.3	1 443
4E	oz	98 922	100 021	(1.1)	199 330
Iridium	oz	3 937	3 982	(1.1)	7 868
Ruthenium	oz	17 280	16 963	1.9	32 445
6E	oz	120 139	120 966	(0.7)	239 643

BOOYSENDAL STATISTICS

continued

		6 months ended 31 December 2017	6 months ended 31 December 2016	% variance	12 months ended 30 June 2017
		R000	R000		R000
Total metal sold					
Platinum	oz	57 247	56 704	1.0	114 668
Palladium	oz	27 730	26 985	2.8	54 504
Rhodium	oz	9 069	9 504	(4.6)	18 581
Gold	oz	718	520	38.1	1 362
4E	oz	94 764	93 713	1.1	189 115
Iridium	oz	3 669	3 731	(1.7)	7 450
Ruthenium	oz	15 891	15 887	–	30 819
6E	oz	114 324	113 331	0.9	227 384
Nickel	t	247	135	83.0	389
Copper	t	128	69	85.5	222
Chrome	t	144 382	138 635	4.1	278 099
Average market prices achieved and sales statistics					
Platinum	USD/oz	811	822	(1.3)	830
Palladium	USD/oz	895	614	45.8	683
Rhodium	USD/oz	1 346	634	112.3	760
Gold	USD/oz	1 119	1 013	10.5	1 056
4E basket price	USD/oz	889	744	19.5	783
Iridium	USD/oz	620	437	41.9	524
Ruthenium	USD/oz	117	29	303.4	38
6E basket price	USD/oz	773	634	21.9	673
Average exchange rate	R/USD	13.24	13.98	(5.3)	13.50
Average nickel market price achieved #	USD/t	8 728	7 434	17.4	6 815
Average copper market price achieved #	USD/t	3 267	2 311	41.4	2 494
Average chrome price achieved	USD/t	106	136	(22.1)	125
Average chrome price achieved	R/t	1 401	1 830	(23.4)	1 690
Total revenue per platinum oz sold*	R/oz	24 709	22 488	9.9	22 451
Total revenue per 4E oz sold*	R/oz	14 927	13 607	9.7	13 613
Total revenue per 6E oz sold*	R/oz	12 373	11 252	10.0	11 322

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

\# Based on a percentage of the open market price

BOOYSENDAL STATISTICS

continued

		6 months ended 31 December 2017	6 months ended 31 December 2016	% variance	12 months ended 30 June 2017
		R000	R000		R000
Cash costs statistics					
On mine cash cost per tonne milled	R/t	707	715	1.1	733
Cash cost per platinum oz in concentrate produced #	R/oz	16 459	15 271	(7.8)	15 747
Cash cost per 4E oz in concentrate produced #	R/oz	9 938	9 218	(7.8)	9 546
Cash cost per 6E oz in concentrate produced #	R/oz	8 211	7 622	(7.7)	7 940
Cash profit and margin					
Cash profit per platinum oz in concentrate produced	R/oz	8 250	7 217	14.3	6 704
Cash margin per platinum oz in concentrate produced	%	33.4	32.1	4.0	29.9
Cash profit per 4E in concentrate produced	R/oz	4 989	4 389	13.7	4 067
Cash margin per 4E in concentrate produced	%	33.4	32.3	3.4	29.9
Cash profit per 6E in concentrate produced	R/oz	4 162	3 630	14.7	3 382
Cash margin per 6E in concentrate produced	%	33.6	32.3	4.0	29.9
Capital incurred					
Expansionary capex	R000	191 981	198 909	(3.5)	336 345
Expansionary capex relating to Booysendal South*	R000	940 010	78 618	1 095.7	325 625
Sustaining capex	R000	25 222	52 481	(51.9)	111 861
	R000	1 157 213	330 008	250.7	773 831
Sustaining capex per platinum oz in concentrate produced	R/oz	432	869	(50.3)	926

Cash costs in concentrate are calculated using the mining costs divided by concentrate produced plus concentrator costs as well as selling and administration overhead costs divided by metal in concentrate produced including concentrate purchased

* Expansionary capex does not include prepayments relating to the rope conveyance for ore transportation, amounting to R140.2 million (31 December 2016: R157.9 million and 30 June 2017: R336.4 million)

BOOYSENDAL STATISTICS

continued

		6 months ended 31 December 2017	6 months ended 31 December 2016	% variance	12 months ended 30 June 2017
		R000	R000		R000
Sales revenue*					
Platinum		618 998	652 315	(5.1)	1 284 164
Palladium		330 641	232 065	42.5	500 433
Rhodium		162 738	84 122	93.5	189 076
Gold		10 710	7 364	45.4	19 328
Iridium		30 405	22 795	33.4	52 319
Ruthenium		24 717	6 534	278.3	15 709
Nickel		28 542	14 031	103.4	35 789
Copper		5 537	2 229	148.4	7 475
Chrome		202 234	253 715	(20.3)	470 149
		1 414 522	1 275 170	10.9	2 574 442
Cost of sales					
Operating costs		(1 004 111)	(948 881)	(5.8)	(1 964 416)
Mining operations		(765 458)	(729 881)	(4.9)	(1 482 640)
Concentrator operations		(172 826)	(159 856)	(8.1)	(339 910)
Chrome processing		(6 572)	(6 587)	0.2	(16 415)
Selling and administration overheads		(26 792)	(32 297)	17.0	(80 305)
Royalty charges		(6 930)	(8 161)	15.1	(12 872)
Share-based payment expenses		(25 533)	(12 099)	(111.0)	(32 274)
Concentrates purchased		(28 529)	–	(100.0)	–
Depreciation and write-offs		(147 160)	(134 120)	(9.7)	(271 666)
Change in metal inventories		(4 211)	32 354	(113.0)	99 051
Total cost of sales		(1 184 011)	(1 050 647)	(12.7)	(2 137 031)
Operating profit		230 511	224 523	2.7	437 411
Operating margin	%	16.3	17.6	(7.4)	17.0
EBITDA		362 698	337 448	7.5	669 325
EBITDA margin	%	25.6	26.5	(3.4)	26.0

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

RESULTS COMMENTARY

- *Group LTIIR per 200 000 hours improved by 15.8% to 1.01*
- *Equivalent 6E refined metal from own operations up 6.4% to 291 407oz (4.7% improvement in 4E to 246 473oz)*
- *Total revenue per platinum oz sold increased by 3.1% to R26 516/oz*
- *Group cash cost per equivalent refined platinum oz increased by 7.3% to R20 851/oz, resulting in a cash margin of 21.4%*
- *Group operating profit decreased slightly to R338.8 million and normalised headline earnings of R189.1 million*
- *Significant capital expenditure of R2.6 billion to deliver the group's growth strategy:*
  - *20MW furnace commissioned in December, which will result in the destocking of excess inventory of more than 140 000 4E oz*
  - *Booysendal South on track with R940.0 million spent during the period*
  - *Conclusion of Tumela transaction for a consideration of R1.0 billion*
- *Conclusion of the Eland transaction subsequent to the period end of R175.0 million*

Introduction

The Northam group continued to execute its growth strategy during this period by concluding the Tumela block acquisition, commissioning the new 20MW furnace at the Zondereinde smelter complex, continuing the development of the Booysendal South mine, acquiring a PGM recycling business in Pennsylvania, United States, and the disposal of the non-core 7.5% share of the Pandora joint venture.

In a further development after the end of the reporting period the Eland transaction was finalised.

The group's 6E equivalent refined metal production from own operations increased by 6.4% to 291 407oz (H1 F2017: 273 878oz) during the reporting period, (4E: 246 473oz (H1 F2017: 235 375oz)), reflecting a sound operational effort at the group's operations.

Financial overview

Sales volumes (6E) in the period were lower by 3.9% at 249 865oz (H1 F2017: 260 073oz), (4E: 209 861oz (H1 F2017: 223 705oz)), reflecting the continued build-up of inventory ahead of the commissioning of the new furnace. The lower volumes had a predictable effect on sales revenues, which dropped by 3.1% to R3.4 billion (H1 F2017: R3.5 billion). This was exacerbated by the stronger South African currency over the period at ZAR13.43/USD (H1 F2017: R13.99/USD).

Despite significant US dollar price increases for some of the PGMs, notably palladium and rhodium, revenue from platinum, which constitutes approximately 60% of the production basket, dropped by 17.8%, reflecting the lower average market price achieved and sales volumes for platinum compared to the previous period.

Cost of sales dropped by 3.0% to R3.0 billion (H1 F2017: R3.1 billion) owing primarily to the lower sales volumes. Mining and concentrator operational costs increased by 10.6% to R2.4 billion (H1 F2017: R2.2 billion) and 12.1% to R347.0 million (H1 F2017: R309.6 million) respectively, owing to labour and power cost increases and the expenditure associated with commissioning the dense media separation (DMS) plant at Booysendal mine.

The lower volumes and a stronger ZAR/EUR exchange rate had a positive impact on refining costs, which declined by 14.6%. However, costs associated with corporate activity, the implementation of SAP and other related group services required for more effective administration and management of the growing Northam group, rose by 29.4% to R83.6 million (H1 F2017: R64.6 million).

Lower group royalty rates had a positive impact on royalty charges, which were 51.6% lower at R15.6 million (H1 F2017: R32.1 million). The value of concentrate purchases increased by 141.3% to R430.1 million (H1 F2017: R178.2 million) owing to higher volumes delivered.

Share-based payments were up 239.9% to R99.7 million (H1 F2017: R29.3) as a result of Northam's higher prevailing share price compared to the previous period.

The higher metal inventories are largely a function of the group's mining capacity exceeding that of its processing capacity currently. This situation should normalise during the second half of F2018 as the new furnace ramps up to steady state production.

Depreciation costs were essentially unchanged on a group basis, reflecting the higher capex requirements at the newer Booysendal property on the one hand, and the lower spend at the more mature Zondereinde mine on the other, where a higher proportion of property, plant and equipment has relatively lower values being depreciated.

The group operating profit was down by 3.8% to R338.8 million (H1 F2017: R352.0 million). The operating margin is largely unchanged from the previous period at 10.1% (H1 F2017: 10.2%).

The share of earnings from associates and joint ventures increased to R6.4 million (H1 F2017: R1.9 million) reflecting the substantial increase in the profitability of SSG Holdings Proprietary Limited, an associate company of Northam which provides cleaning and security services. Investment income is down 73.1% to R28.9 million (H1 F2017: R107.4 million) reflecting lower cash balances as a result of the group's high capital expenditure.

Finance charges were lower at R25.5 million (H1 F2017: R50.1 million) due to the capitalisation of interest. Sundry income was higher due to a series of once-off credits from corporate activity during the period, whilst sundry expenditure comprises once-off costs incurred on assets that the group has acquired.

Taxation increased to R132.8 million (H1 F2017: R104.6 million) owing to a higher deferred tax liability arising from the group's capital expenditure programme.

Cash flows

Operating cash flows were negative to the value of R562.7 million (H1 F2017: positive R216.4 million) owing to the high inventory levels and prepayments resulting in higher working capital requirements. The high level of inventory is expected to normalise during H2 F2018 given the recent commissioning of the new furnace as concentrate is processed through the new furnace.

Cash utilised in investing activities rose by 181.6% to R2.2 billion (H1 F2017: R778.0 million) reflecting the intensity of the group's capital expenditure programme as production is expanded in line with the growth strategy. The major spend has been on the new 20MW furnace at Zondereinde, which is now complete and commissioned, the acquisition of the Tumela block and the development of Booysendal South mine.

Financing cash flows increased by R1.3 billion (H1 F2017: outflow of R285.6 million) owing to the drawdown of the revolving credit facility to finance the group's intensive capital expenditure programme.

RESULTS COMMENTARY

continued

Zondereinde operations

Management regrets to report that Mr Feliciano Sebastiao Massingue, a diamond drill operator, aged 59, was fatally injured on 17 July 2017 in an underground accident. The board and management express their sincere condolences to the family and colleagues of Mr Massingue.

It is encouraging that the lost time injury incident rate (LTIIR) improved to 1.31 injuries per 200 000 hours worked (H1 F2017: 1.59) during the reporting period. Management continues to devote considerable effort and resources to encouraging safe working practices.

Total tonnages mined increased marginally to 1 136 541 tonnes (H1 F2017: 1 123 629 tonnes), with the UG2's contribution 10.2% higher at 673 042 tonnes (H1 F2017: 610 973) tonnes, and the Merensky tonnages 9.6% lower at 463 499 tonnes (H1 F2017: 512 656 tonnes). The combined 6E head grade was 5.7g/t (4E: 5.7g/t).

Zondereinde continues to be impacted by the constrained availability of Merensky reef in the north-west quadrant of the mine. This will be relieved by the accessing of the Tumela block in due course. Nevertheless, tonnages from the pothole Merensky facies increased in this period, which had a positive impact on the Merensky 6E head grade at 6.6g/t (H1 F2017: 6.3g/t) (4E: 6.1g/t for the current period (H1 F2017: 5.8g/t)). The Tumela block is expected to improve the availability of Merensky mining face over the next two years as new reserves are established.

Total mine operating costs for the period were R2.1 billion (H1 F2017: R1.8 billion), a 16.6% increase on the previous period's costs. Labour costs represent a significant proportion of this rise given the hiring of new employees to replace those who had been discharged at the start of the current reporting period. The combination of higher costs and higher production translated into a 9.0% increase in unit cash costs per equivalent refined platinum ounce to R21 775/oz (H1: F2017 R19 980/oz).

The 6E production of equivalent refined metal from own operations increased by 5.9% to 177 755oz (H1: F2017 167 896oz), (4E up 5.7% to 152 487oz (H1 F2017: 144 292oz)). Third party concentrate added 6E equivalent metal of 31 819oz (H1 F2017: 16 255oz) (4E: 27 561oz (H1 F2017: 14 179oz)).

Capital expenditure during the period was R1.4 billion (H1 F2017: R425.0 million). Expansionary capital expenditure included the acquisition of the Tumela block from Anglo American Platinum Limited (R1.0 billion) and the completion of the new 20MW furnace at Zondereinde's smelter complex (R210.1 million). Net capital expenditure for the period was R1.1 billion after deducting the proceeds of the Heraeus contribution to the new furnace (R303.1 million). Sustaining expenditure was R93.7 million. Expansion and sustaining capital expenditure for the remainder of F2018 is estimated at R161.9 million and R205.8 million respectively.

Zondereinde's current total resource estimate increased to 102.59 million oz (Moz) (F2017: 83.98Moz), owing to the inclusion of the Tumela block resources acquired.

RESULTS COMMENTARY
continued

Booysendal operations

Booysendal North mine recorded three million fatality free shifts on 17 July 2017. Although the lost time injury incident rate per 200 000 hours worked increased to 0.31 for the period (H1 F2017: 0.14) Booysendal's safety performance is still commendable. The mechanised mining method remains a significant safety differentiator.

The Booysendal North Merensky mine milled 137 400 tonnes at a 6E head grade of 2.2g/t. The Merensky stockpile contains 157 032 tonnes.

Tonnages from the UG2 mine declined by 1.8% to 1 190 215 tonnes milled (H1 F2017: 1 212 281 tonnes) at a constant head grade of 2.7 g/t. The start-up of the DMS will enable the processing of higher mined tonnages with a marginal overall recovery sacrifice.

Chrome produced for the current period was 144 382 tonnes (H1 F2017: 138 635 tonnes), a 4.1% increase.

Metal in concentrate produced and purchased was 120 139oz 6E.

Total mine operating costs increased by 5.8% to R1.0 billion (H1 F2017: R948.8 million).

The cash cost per equivalent 6Eoz in concentrate is R8 211/oz (H1 F2017 R7 622/oz) (4E equivalent concentrate was R9 938/oz (H1 F2017: R9 218/oz)). This equates to a cash cost per platinum oz of R16 459/oz (H1 F2017: R15 271/oz)), an increase of 7.8%.

Capital expenditure was R1.2 billion for the period (H1 F2017: R330.0 million) with R1.1 billion on project expenditure and R25.2 million on sustaining expenditure. In addition, R140.2 million was prepaid for the construction of the aerial rope conveyor system. The estimated expansionary and sustaining capital expenditure for the remainder of F2018 is R690.7 million and R72.0 million respectively.

Market review *

Platinum

The average group platinum price received in the period was USD937/oz (H1 F2017: USD1 027/oz), an 8.8% price decline year on year.

Global platinum end-use dropped by 4.0% to 5.7Moz during 2017, which outpaced the 1.4% reduction in supply to 5.9Moz. Nonetheless, excess metal was absorbed by investment demand, which rose by 200 000oz, thereby leaving the platinum market balanced.

Platinum market fundamentals are set to improve in 2018. Industrial demand, which contracted by 8.4% (150 000oz) in 2017, is forecast to recover fully in 2018.

Jewellery demand, which amounted to an estimated 2.6Moz or 34% of the market, declined by just 1% in 2017, compared to a sharp fall in 2016 when the market contracted in China. This market has since improved and companies there are once again expanding. Outside of China, which accounts for 52% of the market, growth is expected to continue, mainly in India and the USA.

Autocatalyst demand, which made up 43% of end-use in 2017 (excluding investment), remains remarkably resilient. Passenger diesel car sales, which contain platinum-rich catalysts, are declining in Europe. However, tighter tailpipe emission standards, as well as growth elsewhere, helped to limit the reduction in global autocatalyst platinum demand to just 65 000oz, to a total of 3.2Moz in 2017.

A further drop in autocatalyst demand is in prospect in 2018, but at a similar level to 2017.

The resulting outlook for total end-use is growth of 2.5% to around 5.8Moz, excluding investment which is more difficult to forecast. ETF holdings got off to a positive start to the year, adding 25 000oz in January 2018.

Mine closures in 2017 and constrained growth in recycling should lead to a further contraction in supply, ultimately leaving the platinum market in a slight deficit for the year.

RESULTS COMMENTARY

continued

Palladium

The average price of palladium increased by 39.8% in the current period rising to USD948/oz (H1 F2017: USD678/oz). Palladium exhibited a tighter physical market as expressed by double-digit lease rates, driven by deficits over several years. Limited palladium ingot availability is likely to persist in calendar year 2018.

Automotive demand, which now accounts for 80% of the total market, has grown from just 4Moz in 2009 to 8.1Moz in 2017. The rapid rise in car sales in China and a full automotive market recovery in the USA drove palladium requirements to record levels. Weaker growth in China and an expected drop in sales in the USA should keep palladium requirements flat for 2018. Total demand is also forecast to remain flat year-on-year at just over 10Moz.

Nonetheless, as the industrial market for palladium was already in an estimated deficit of more than a million ounces, a similar shortfall is expected in 2018.

Rhodium

The average market price achieved for rhodium in this period was USD1 240/oz (H1 F2017: USD682/oz), an increase of 81.8%.

Tighter tailpipe emissions standards termed 'China 5' are being rolled out nationwide in China from January 2018 resulting in higher rhodium loadings on three-way gasoline catalysts.

The combination of stronger Chinese demand and a drop in South African mine supply tightened the market, leading to double-digit lease rates. Non-Chinese automotive buying and speculative interest have further exacerbated demand for rhodium, leading to a sharp rise in prices.

The market is forecast to be very closely balanced in 2018. Any sustained period of buying or additional reductions in supply from South Africa could further tighten the market.

Ruthenium

The average price achieved for the period was USD78/oz (H1 F2017: USD38/oz), a 105.3% hike. Prices were driven mainly by accelerating demand for chip resistors, with rising content in smartphones and vehicle electronics.

Demand is likely to be sustained in hard disk drives, with ruthenium used to keep them competitive on price and storage capacity.

Ruthenium is already used in some fuel cell and electrolysis applications, and there is extensive research and development activity in this field which is benefitting from intense global interest in renewable and sustainable energy.

Iridium

Iridium's average price was USD956/oz for the period (H1 F2017: USD612/oz), a 56.2% increase.

Iridium and ruthenium continue to be very effective as electrode coatings in the chloralkali industry, benefitting recently from environmental legislation favouring their use over other processes, and serving high-volume basic global chemical markets.

Iridium crucibles are widely used in the manufacture of crystal materials for the electronics industry.

RESULTS COMMENTARY

continued

Recycling

Autocatalyst recycling has had three years of lost growth. The collapse in scrap steel prices in the second half of 2014 led to a reduction in the number of vehicles collected and dismantled. Many salvage yards went out of business and scrapped vehicle stocks accumulated. This led to fewer autocatalysts reaching dealers and catalyst processors. Scrap steel prices bottomed out at the end of 2015 and have been steadily recovering along with the number of autocatalysts being recycled and therefore so are PGM volumes.

Platinum recycled from the processing of end of life autocatalysts only surpassed 2014 levels in 2017 at 1.3Moz. A steady increase in platinum recycling is expected in 2018, although some processing bottlenecks, particularly in respect of diesel particulate filters may present some constraints and could ultimately limit the amount of platinum recycled in 2018.

* *Statistics and projections stated in the Market review section above are based on research undertaken by SFA Oxford, consulting analysts in mining metals and commodities.*

South African regulatory environment

Northam is a member of the South African Chamber of Mines and supports all the initiatives of the Chamber to find ways to resolve the current Mining Charter III impasse and the declaratory order on the principles which apply to the assessment of the ownership element of the Mining Charter.

Both these matters have been subject to current court action until recently, when the new President of South Africa, Mr Cyril Ramaphosa, declared government's intention to resolve the Mining Charter III impasse outside the court process, directly with the Chamber and all other parties concerned. The declaratory order matter, however, remains subject to court action.

RESULTS COMMENTARY

continued

Mineral resources and reserves

The mineral resource and mineral reserve statements comply with the provisions of the South African Code for Reporting of Mineral Resources and Mineral Reserves of 2007, revised in 2016 (SAMREC 2016).

Mineral resources and reserves for the wholly owned Northam Platinum Limited assets have been prepared under the guidance of the group's competent persons who have reviewed and approved the information contained in this document, as it relates to mineral resources and mineral reserves.

Contact details for Northam's competent persons are available in the Northam Platinum Limited annual integrated report for the year ended 30 June 2017, which is available on the group's website www.northam.co.za. Eland competent persons may be contacted at; PO Box 412694, Craighall 2024, South Africa.

Mineral resources and reserves for Pandora and Dwaalkop are quoted as at the end of September 2017 and 2016. They are provided by Lonmin plc and the mineral reserves reflect Lonmin plc's reserve modifying factors. The various competent persons are:

Company	Operation	Function	Person
Northam Platinum Limited	Zondereinde (inclusive of Middeldrift and Tumela portions)	Resource and reserve estimation	Charl van Jaarsveld
	Booysendal	Resource estimation	Meshack Mqadi
		Reserve estimation	Willie Theron
	Eland	Resource estimation	Paula Preston
		Reserve estimation	Coenie Roux
	Northam Platinum Limited group	Resource and reserve review	Damian Smith
Lonmin plc	Pandora	Resource estimation	Nicole Wansbury
	Dwaalkop	Resource estimation	Snowden mining industry consultants
		Reserve estimation	AMC Consulting Proprietary Limited
	Lonmin plc group	Resource review	Dennis Hoffmann
		Reserve review	Leon Koorsse

RESULTS COMMENTARY

Continued

The following tables summarise the mineral resources and reserves attributable to the group for both the current period and previous year.

Mineral resources are reported inclusive of mineral reserves.

Northam group reserves estimate (combined proven and probable)

		As at 31 December 2017 4E			As at 30 June 2017 4E		
Reef	Mine	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booysendal North mine	19.21	2.88	1.78	19.34	2.87	1.78
	Booysendal South mine	9.84	2.58	0.82	9.84	2.58	0.82
	Dwaalkop[1]	0.00	0.00	0.00	0.00	0.00	0.00
	Pandora[2]	0.00	0.00	0.00	0.00	0.00	0.00
	Zondereinde[3]	47.76	5.07	7.79	21.86	5.53	3.89
	Total	76.81	4.21	10.39	51.04	3.95	6.49
UG2	Booysendal North mine	42.70	3.00	4.12	43.84	3.00	4.23
	Booysendal South mine	77.57	2.64	6.58	77.57	2.64	6.58
	Dwaalkop[1]	0.00	0.00	0.00	0.00	0.00	0.00
	Pandora[2]	0.00	0.00	0.00	1.12	4.20	0.15
	Zondereinde[3]	87.71	4.14	11.67	56.84	4.14	7.56
	Total	207.98	3.35	22.37	179.37	3.21	18.52
Combined	Booysendal North mine	61.91	2.96	5.90	63.18	2.96	6.01
	Booysendal South mine	87.41	2.63	7.40	87.41	2.63	7.40
	Dwaalkop[1]	0.00	0.00	0.00	0.00	0.00	0.00
	Pandora[2]	0.00	0.00	0.00	1.12	4.20	0.15
	Zondereinde[3]	135.47	4.47	19.46	78.70	4.53	11.45
	Total	284.79	3.58	32.76	230.41	3.38	25.01

[1] *Current resources and reserves of Pandora and Dwaalkop are quoted as at 30 September 2017 while those of the previous year are at 30 September 2016*

[2] *All regulatory approvals for the sale of the 7.5% participation interest in the Pandora joint venture were obtained on 30 November 2017*

[3] *A portion of Anglo American Platinum's Tumela mining right was added to the Zondereinde mining right on 6 December 2017, and therefore included in the above mentioned disclosure*

RESULTS COMMENTARY

continued

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

		As at 31 December 2017 4E			As at 30 June 2017 4E		
Reef	Mine	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booysendal North	86.12	5.06	14.01	86.12	5.06	14.00
	Booysendal South	187.55	3.55	21.41	187.55	3.55	21.41
	Booysendal North mine	21.95	3.18	2.24	22.12	3.17	2.25
	Booysendal South mine	11.98	2.77	1.07	11.98	2.77	1.07
	Dwaalkop[1]	38.05	2.98	3.65	38.05	2.98	3.64
	Pandora[2]	0.00	0.00	0.00	0.00	0.00	0.00
	Zondereinde[3]	209.10	7.15	48.07	165.27	7.38	39.20
	Total	554.75	5.07	90.45	511.09	4.96	81.57
UG2	Booysendal North	152.65	4.86	23.85	152.65	4.86	23.87
	Booysendal South	235.67	3.20	24.25	235.66	3.20	24.26
	Booysendal North mine	38.76	4.52	5.63	40.26	4.46	5.77
	Booysendal South mine	129.07	3.05	12.66	129.07	3.05	12.65
	Dwaalkop[1]	37.56	4.35	5.25	37.56	4.35	5.25
	Pandora[2]	0.00	0.00	0.00	14.18	4.65	2.12
	Zondereinde[3]	335.78	5.05	54.52	275.20	5.06	44.78
	Total	929.49	4.22	126.16	884.58	4.17	118.70
Combined	Booysendal North	238.77	4.93	37.86	238.77	4.93	37.87
	Booysendal South	423.22	3.36	45.66	423.22	3.36	45.67
	Booysendal North mine	60.71	4.03	7.87	62.38	4.00	8.02
	Booysendal South mine	141.05	3.03	13.73	141.05	3.02	13.72
	Dwaalkop[1]	75.61	3.66	8.90	75.61	3.66	8.89
	Pandora[2]	0.00	0.00	0.00	14.18	4.65	2.12
	Zondereinde[3]	544.88	5.86	102.59	440.47	5.93	83.98
	Total	1 484.24	4.54	216.61	1 395.68	4.46	200.27

[1] Current resources and reserves of Pandora and Dwaalkop are quoted as at 30 September 2017 while those of the previous year are at 30 September 2016

[2] All regulatory approvals for the sale of the 7.5% participation interest in the Pandora joint venture were obtained on 30 November 2017

[3] A portion of Anglo American Platinum's Tumela mining right was added to the Zondereinde mining right on 6 December 2017, and therefore included in the above mentioned disclosure

RESULTS COMMENTARY

continued

Subsequent to the period end, the purchase of the Eland mine from Glencore Operations South Africa Proprietary Limited became unconditional. The tables below summarise the mineral resources and reserves of the Eland mine.

Eland reserves estimate (combined proven and probable)

	Subsequent to 31 December 2017* 4E		
Reef	Mt	g/t	Moz
Merensky	5.09	0.71	0.12
UG2	10.07	3.33	1.08
Combined	15.16	2.46	1.20

**The information is based on the reserve estimate of Eland as at 31 December 2017*

Eland resources estimate (combined measured, indicated and inferred)

	Subsequent 31 December 2017* 4E		
Reef	Mt	g/t	Moz
Merensky	4.87	0.92	0.14
UG2	151.93	4.64	22.66
Combined	156.80	4.52	22.80

* *The information is based on the resource estimates of Eland as at 31 December 2017*

With the Eland transaction becoming unconditional the total reserves and resources for the group will be as follows:

Total Northam Platinum Limited reserves estimate (combined proven and probable) subsequent to the Eland transaction:

	Subsequent to 31 December 2017* 4E			As at 30 June 2017 4E		
Reef	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	81.90	3.99	10.51	51.04	3.95	6.49
UG2	218.05	3.35	23.45	179.37	3.21	18.52
Combined	299.95	3.52	33.96	230.41	3.38	25.01

* *The information is provided for illustrative purposes to show the effect of the Eland transaction on the group's reserve estimates following the implementation of the Eland transaction. The information is based on the reserve estimates of the group and Eland as at 31 December 2017*

Total Northam Platinum Limited resources estimate (combined measured, indicated and inferred) subsequent to the Eland transaction

	Subsequent to 31 December 2017* 4E			As at 30 June 2017 4E		
Reef	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	559.62	5.03	90.59	511.09	4.96	81.57
UG2	1 081.42	4.28	148.82	884.58	4.17	118.70
Combined	1 641.04	4.54	239.41	1 395.68	4.46	200.27

* *The information is provided for illustrative purposes to show the effect of the Eland transaction on the group's resource estimates following the implementation of the Eland transaction. The information is based on the resource estimates of the group and Eland as at 31 December 2017*

RESULTS COMMENTARY

continued

Changes to the board of directors

Mr KB (Brian) Mosehla, a non-executive director of the board was appointed as chairman on 7 November 2017, and as a member of the nomination committee, following the retirement of Mr PL Zim.

Mr DH (David) Brown was appointed as an independent non-executive director on 7 November 2017 and as a member of the audit and risk committee.

Dr NY (Yoza) Jekwa was appointed as an independent non-executive director on 8 November 2017 and as a member of the social, ethics and human resources committee.

Corporate governance

The group is in the process of adopting the King IV code which includes the update and design of certain documentation to support the application of the principles and outcomes of the code.

For further details regarding the group's governance structures and processes refer to the corporate governance section included in the annual integrated report for the year ended 30 June 2017, which may be found on the website at www.northam.co.za.

Going concern

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

The group manages its capital to ensure that it will be able to continue as a going concern, to maximise the return to stakeholders through the optimisation of the debt and equity balance, and to ensure that all externally imposed capital requirements are complied with. The capital structure of the group consists of debt, which includes borrowings disclosed in these reviewed interim results, issued capital, reserves and retained earnings.

The reviewed interim results have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The board of directors believes that the group will continue to have adequate financial resources and access to capital to continue operating for the foreseeable future and, accordingly, the interim results 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 for the development of the group's project pipeline and acquisition of platinum assets, the board has resolved not to declare an interim dividend for H1 F2018 (H1 F2017: R Nil cents per share).

On behalf of the board.

KB Mosehla
Chairman

PA Dunne
Chief executive

Johannesburg
20 February 2018

REVIEWED INTERIM FINANCIAL RESULTS

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

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

The interim results of the group will be published on the group's website on Friday, 23 February 2018.

Interim consolidated statement of profit and loss and other comprehensive income

		Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
		R000	R000	R000
Sales revenue	4	3 353 270	3 458 827	6 865 185
Cost of sales		(3 014 497)	(3 106 871)	(6 251 200)
Operating costs	5	(3 129 727)	(2 771 920)	(5 676 017)
Concentrates purchased		(430 052)	(178 221)	(404 093)
Refining and other costs		(56 563)	(66 223)	(120 633)
Depreciation and write-offs		(218 117)	(226 835)	(452 584)
Change in metal inventories		819 962	136 328	402 127
Operating profit		338 773	351 956	613 985
Share of earnings from associate and joint venture		6 428	1 851	4 870
Investment revenue	6	28 860	107 442	167 306
Finance charges excluding preference share dividends	7	(25 532)	(50 146)	(71 185)
Net foreign exchange transaction losses		(8 203)	(22 176)	(46 729)
Sundry income	8	161 421	40 821	73 361
Sundry expenditure	9	(183 741)	(59 933)	(130 843)
Profit before preference share dividends		318 006	369 815	610 765
Amortisation of liquidity fees paid on preference shares		(8 195)	(8 195)	(16 390)
Preference share dividends	19	(460 762)	(482 753)	(1 017 396)
Loss on derecognition of preference share liability		–	(902)	(901)
Loss before tax		(150 951)	(122 035)	(423 922)
Taxation	10	(132 822)	(104 569)	(212 021)
Loss for the period/year		(283 773)	(226 604)	(635 943)
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):				
Exchange differences on translation of foreign operations		(258)	–	–
Total comprehensive income for the period/year		(284 031)	(226 604)	(635 943)

REVIEWED INTERIM FINANCIAL RESULTS

continued

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Reconciliation of headline loss per share			
Loss for the period/year	(283 773)	(226 604)	(635 943)
Loss/(profit) on sale of property, plant and equipment	5 471	(841)	(1 762)
IFRS 5 adjustment to fair value less cost to sell	–	841	841
Tax effect on above	(1 532)	235	493
Headline loss	(279 834)	(226 369)	(636 371)
Loss per share – cents	(81.1)	(64.8)	(181.8)
Fully diluted loss per share – cents	(81.1)	(64.8)	(181.8)
Headline loss per share – cents	(80.0)	(64.7)	(181.9)
Fully diluted headline loss per share – cents	(80.0)	(64.7)	(181.9)
Dividends per share	–	–	–
Weighted average number of shares in issue	349 875 759	349 875 759	349 875 759
Fully diluted number of shares in issue	349 875 759	349 875 759	349 875 759
Number of shares in issue	509 781 212	509 781 212	509 781 212
Treasury shares in issue	159 905 453	159 905 453	159 905 453
Shares in issue adjusted for treasury shares	349 875 759	349 875 759	349 875 759

REVIEWED INTERIM FINANCIAL RESULTS
continued

Interim consolidated statement of financial position

	Notes	Reviewed 6 months ended 31 December 2017 R000	Reviewed 6 months ended 31 December 2016 R000	Audited 12 months ended 30 June 2017 R000
Assets				
Non-current assets		17 633 764	14 579 701	15 483 553
Property, plant and equipment	11	10 345 224	8 392 953	9 022 260
Mining properties and mineral resources	12	6 641 393	5 621 172	5 636 342
Interest in associates and joint ventures	13	173 642	164 195	167 214
Unlisted investment		–	649	–
Land and township development		57 638	46 154	48 529
Long-term receivables		79 405	87 011	83 745
Investments held by Northam Platinum Restoration Trust Fund		106 224	97 832	102 233
Environmental Guarantee investment		72 697	62 219	68 104
Buttonshope Conservancy Trust		11 857	10 545	11 126
Long-term prepayments	14	140 229	–	336 409
Other financial assets	22	–	8 450	7 591
Deferred tax asset		5 455	88 521	–
Current assets		3 686 960	4 376 131	4 103 337
Inventories	15	2 564 747	1 482 974	1 729 102
Trade and other receivables	16	742 131	617 792	548 997
Cash and cash equivalents	17	379 233	2 227 909	1 786 865
Tax receivables		849	47 456	38 373
Non-current assets held for sale	13	–	45 565	49 222
Total assets		21 320 724	19 001 397	19 636 112

REVIEWED INTERIM FINANCIAL RESULTS

continued

	Notes	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
		R000	R000	R000
Equity and liabilities				
Total equity		7 808 010	8 501 380	8 092 041
Stated capital		13 778 114	13 778 114	13 778 114
Treasury shares		(6 556 123)	(6 556 123)	(6 556 123)
(Accumulated loss)/retained earnings		(288 171)	404 941	(4 398)
Foreign currency translation reserve		(258)	–	–
Equity settled share-based payment reserve		874 448	874 448	874 448
Non-current liabilities		11 981 770	9 285 653	9 929 685
Deferred tax liability		718 741	566 410	585 883
Long-term provisions	18	320 607	272 205	304 829
Preference share liability	19	8 834 124	7 725 705	8 279 825
Long-term loans	20	132 915	248 717	249 428
Long-term share-based payment liability		63 061	52 432	88 639
Domestic medium term debt notes	21	421 978	420 184	421 081
Revolving credit facility	22	1 490 344	–	–
Current liabilities		1 530 944	1 214 364	1 614 386
Current portion of long-term loans	20	17 682	13 202	13 434
Short-term share-based payment liability		92 005	71 099	75 026
Tax payable		7 159	105 447	102 550
Trade and other payables	23	1 232 065	868 788	1 268 172
Other financial liabilities		–	10 508	–
Short-term provisions		182 033	145 320	155 204
Total equity and liabilities		21 320 724	19 001 397	19 636 112

REVIEWED INTERIM FINANCIAL RESULTS

continued

Interim consolidated statement of changes of equity

	Stated capital	Retained earnings/(Accumulated loss)	Equity settled share-based payment reserve	Foreign currency translation reserve*	Total
	R000	R000	R000	R000	R000
Opening balance as at 1 July 2016	7 221 991	631 545	874 448	–	8 727 984
Loss and total comprehensive income for the period	–	(226 604)	–	–	(226 604)
Balance as at 31 December 2016	7 221 991	404 941	874 448	–	8 501 380
Loss and total comprehensive income for the period	–	(409 339)	–	–	(409 339)
Balance as at 30 June 2017	7 221 991	(4 398)	874 448	–	8 092 041
Total comprehensive income for the period	–	(283 773)	–	(258)	(284 031)
Loss for the period	–	(283 773)	–	–	(288 773)
Other comprehensive income for the period	–	–	–	(258)	(258)
Balance as at 31 December 2017	7 221 991	(288 171)	874 448	(258)	7 808 010

* The foreign currency translation reserve has been created to account for the foreign exchange gain or loss on translation of a foreign operation

REVIEWED INTERIM FINANCIAL RESULTS

continued

Interim consolidated statement of cash flows

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Cash flows (utilised)/from operating activities	(562 729)	216 430	981 497
Loss before taxation	(150 951)	(122 035)	(423 922)
Adjusted for the following non-cash items as well as disclosable items			
Deprecation and write-offs	218 117	226 835	452 584
Changes in provisions	(75 071)	18 917	19 934
Changes in long-term receivables	4 340	2 706	5 972
Investment revenue	(28 860)	(107 442)	(167 306)
Finance charges excluding preference share dividends	25 532	50 146	71 185
Finance charges on preference shares	460 762	482 753	1 017 396
Loss on derecognition of preference share liability	–	–	901
Capitalised finance charges on the preference shares	–	17 442	–
Liquidity fees on the preference shares	8 195	8 195	16 390
Movement in share base payment liability	(8 599)	(17 546)	22 588
IFRS 5 adjustment to fair value less costs to sell	–	841	841
Share of earnings from associate	(6 428)	(1 851)	(4 870)
Loss/(profit) on sale of property, plant and equipment	5 471	(841)	(1 762)
Net foreign exchange difference	(8 458)	30 018	46 729
Other	(258)	2 173	(1 521)
Change in working capital	(1 064 886)	(404 439)	(182 388)
Movement relating to land and township development	(9 109)	5 187	2 812
Transaction fees paid	–	–	(8 594)
Movement in other financial assets and liabilities	–	2 058	–
Investment revenue	28 860	107 442	167 306
Taxation refund received/(paid)	38 614	(84 129)	(52 778)

	Notes	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
		R000	R000	R000
Cash flows utilised in investing activities		(2 190 721)	(777 978)	(1 990 754)
Property, plant, equipment, mining properties and mineral reserves				
Additions to maintain operations		(118 928)	(130 803)	(299 051)
Additions to expand operations		(2 307 921)	(624 705)	(1 321 757)
Disposal proceeds		41	918	3 732
Decrease/(increase) in long-term prepayment		196 180	–	(336 409)
Additional investment made in associate		(1 347)	(16 586)	(20 243)
Acquisition of unlisted investments		–	(643)	–
Increase in investment held by the Northam Platinum Restoration Trust Fund		(3 991)	(4 185)	(8 586)
Increase in the investments held by the Environmental Guarantee investment		(4 593)	(1 874)	(7 759)
Movement in investments held by the Buttonshope Conservancy Trust Fund		(731)	(100)	(681)
Proceeds received from the sale of the non-current asset held for sale		50 569	–	–
Cash flows generated/(utilised) from financing activities		1 337 360	(285 605)	(250 130)
Interest paid		(49 166)	(50 146)	(29 694)
Drawdown on revolving credit facility		1 497 935	–	–
Repayment of long-term loans		(111 368)	(26 795)	(50 756)
Issue of long-term loans		–	–	38 992
Acquisition of Zambezi Platinum (RF) Limited preference shares		(41)	(208 664)	(208 672)
Decrease in cash and cash equivalents		(1 416 090)	(847 153)	(1 259 387)
Net foreign exchange difference on cash and cash equivalents		8 458	(30 018)	(58 828)
Cash and cash equivalents at the beginning of the period/year		1 786 865	3 105 080	3 105 080
Cash and cash equivalents at the end of the period/year	17	379 233	2 227 909	1 786 865

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

1. Accounting policies and the basis of preparation

The financial statements have been prepared on the historical cost basis, except for the financial instruments to the extent required or permitted under International Financial Reporting Standards (IFRS) and as set out in the relevant accounting policies detailed in Northam's annual integrated report, which includes the annual financial statements for the year ended 30 June 2017. These interim financial statements incorporate the accounting policies which are in terms of IFRS and have been applied on a basis consistent with the previous year, with the exception of the policies adopted during the period as more fully set out below.

The group interim financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, its interpretations issued by the IFRS Interpretations Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, presentation and disclosures as required by IAS 34 Interim Financial Reporting, the JSE Listing Requirements and the requirements of the Companies Act No. 71 of 2008 (Companies Act) including the adoption of the following amendments, standards or interpretations with effect from 1 July 2017:

- IAS 7 Disclosure Initiative – Amendments to IAS 7
- IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12
- AIP IFRS 12 Disclosure of Interests in Other Entities – Clarification of the scope of the disclosure requirements in IFRS 12

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

The following new standards and amendments to standards are not effective and have not been early adopted, but will be adopted once these new standards become effective:

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is the International Accounting Standards Board (IASB)'s replacement of IAS 39 Financial Instruments: Recognition and Measurement. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting of financial instruments. The new standard contains substantial changes from the current financial instruments standard (IAS 39) with regards to the classification, measurement, impairment and hedge accounting requirements. These changes include:

Classification and measurement: The new classification requirements are based on both the entity's business model for managing the financial assets and the contractual cash flow characteristics of a financial asset. The more principles-based approach of IFRS 9 requires the careful use of judgment in its application.

Impairment: The IASB has sought to address a key concern that arose as a result of the financial crisis that the incurred loss model in IAS 39 contributed to the delayed recognition of credit losses. As such, it has introduced a forward-looking expected credit loss model.

Hedge accounting: The aim of the new hedge accounting model is to provide useful information about risk management activities that an entity undertakes using financial instruments, with the effect that financial reporting will reflect more accurately how an entity manages its risk and the extent to which hedging mitigates those risks.

IFRS 9 establishes a new model for recognition and measurement of impairments in loans and receivables that are measured at amortised cost or fair value though other comprehensive income (FVOCI), the so-called expected credit losses model. This is the only impairment model that applies in IFRS 9 because all other assets are classified and measured at fair value through profit or loss (FVPL) or, in the case of qualifying equity investments, FVOCI with no recycling to profit and loss.

Expected credit losses are calculated by: identifying scenarios in which a loan or receivable defaults; estimating the cash shortfall that would be incurred in each scenario if a default were to happen; multiplying that loss by the probability of the default happening; and summing the results of all such possible default events. Because every loan and receivable has at least some probability of defaulting in the future, every loan or receivable has an expected credit loss associated with it from the moment of its origination or acquisition.

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

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IFRS 9 does not require an entity to restate prior periods. Restatement is permitted, if and only if, it is possible without the use of hindsight and the restated financial statements reflect all of the requirements of IFRS 9. If the entity does not restate prior periods, any difference between previous carrying amounts and those determined under IFRS 9 at the date of initial application should be included in the current year opening retained earnings (or other equivalent component of equity).

The entity will apply the expected loss model when assessing for impairment of financial assets.

The standard is effective for year-ends beginning on or after 1 January 2018.

IFRS 15 Revenue from Contracts with Customers

The IASB has published IFRS 15 Revenue from Contracts with Customers. IFRS 15 outlines a single comprehensive model of accounting for revenue arising from contract with customers and supersedes current revenue recognition guidance. The core principle is that an entity recognises revenue to reflect the transfer to goods or services, measured at the amount to which the entity expects to be entitled in exchange for those goods or services.

IFRS 15 is effective for reporting periods beginning on or after 1 January 2018, with earlier application permitted. Entities can choose to apply the standard fully retrospectively or use a modified approach in the year of application.

Whereas previously IFRS allowed significant room for judgement in devising and applying revenue recognition policies and practices, IFRS 15 is more prescriptive in many areas relevant to the mining sector. It also introduces some new concepts for determining when revenue should be recognised.

Under IAS 18 the timing of revenue recognition from the sale of goods was based on the transfer of risk and rewards of ownership. IFRS 15 focuses on when control of those goods has transferred to the customer. Although the timing of transfer under the two models will often coincide, this different approach may result in a change of timing for revenue recognition for some entities.

IFRS 15 is more prescriptive than the current IFRS requirements for revenue recognition and provides more application guidance. The disclosure requirements are also more extensive.

Based on an assessment performed on the various sales contract the recognition of revenue will relatively be unchanged except for provisionally priced agreements. Sales contracts for certain commodities (e.g. copper, nickel and chrome) often include provisional pricing at the time of delivery of the metal concentrate, for which final pricing is based on a price at a future date.

Under current IFRS, if these price adjustment features meet the definition of an embedded derivative, they are separated from the contract and accounted for under IAS 39 starting at the date of delivery. Revenue is then initially recognised at the estimated fair value of the total consideration received or receivable when the mineral concentrate/product is delivered. This fair value is estimated by reference to forward market prices. Any changes in the fair value of the embedded derivative from the date of delivery to the end of the quotational period are recognised in profit or loss for the period. IAS 39 does not specify the presentation of such subsequent fair value movements. Consequently, this has led to some divergent practices for presenting fair value gains or losses in profit or loss. The majority of mining sector participants present these movements as part of revenue, which is consistent with Northam's approach.

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

IFRS 16 Leases

IFRS 16 requires lessees to recognise most leases on their balance sheets as lease liabilities with corresponding right-of-use assets. Lessees will apply a single model for most leases (with certain exemptions). Generally, the profit or loss recognition pattern will change as interest and depreciation expenses are recognised separately in profit or loss (similar to current finance lease accounting). However, lessees can make accounting policy elections to apply accounting similar to operating lease accounting under IAS 17 Leases to short-term leases and leases of low-value assets.

Lessor accounting is substantially unchanged from the current lease statement. As with IAS 17, IFRS 16 requires lessors to classify their leases into two types: finance leases and operating leases. Lease classification determines how and when a lessor recognises lease revenue and what assets a lessor records.

The new standard provides a comprehensive model to identify lease-arrangements and the treatment thereof in the financial statements of both lessees and lessors.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted provided that the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been, or is, applied at the same date as IFRS 16. Lessees must apply IFRS 16 using either a full retrospective or a modified retrospective approach.

The group has limited lease arrangements and the impact is therefore expected to be minimal.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration

The IFRS Interpretations Committee issued an Interpretation on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The Interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The date of the transaction determines the exchange rate to be used on initial recognition of the related asset, expense or income. The issue arises because IAS 21 requires an entity to use the exchange rate at the 'date of the transaction', which is defined as the date when the transaction first qualifies for recognition. The 'date of the transaction' for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. In case there are multiple payments or receipts in advance, the entity should determine a date of transaction for each payment or receipt of advance consideration.

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

IAS 21 The Effects of Changes in Foreign Exchange Rates requires an entity to record a foreign currency transaction, on initial recognition in its functional currency by applying to the foreign currency amount, the spot rate at the date of transaction. However, there are circumstances when an entity pays or receives consideration in advance in a foreign currency. This gives rise to a non-monetary asset or liability before recognition of the related asset, expense or income.

This Interpretation applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it).

The Interpretation provides guidance for when a single payment/receipt is made, as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice.

The amendment is effective for annual periods beginning on or after 1 January 2018.

The group already follows the principles included in IFRIC 22, relating to the non-current prepayments made and therefore believes that the impact will be minimal.

Amendments to IFRS 2 Share-based Payments

The IASB has issued amendments to IFRS 2 Share-based Payment in relation to the classification and measurement of share-based payment transactions. The amendments are intended to eliminate diversity in practice in three main areas. The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction. The classification of a share-based payment transaction with net settlement features for withholding tax obligations. The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.

The amendments to IFRS 2 are effective for accounting periods beginning on or after 1 January 2018, but earlier application is permitted provided it is disclosed. On adoption, prior periods will not be restated.

The amendment will have a minimal impact on the results of the group as the clarifications with regards to cash-settled share-based payment transactions have already been taken into account when valuing the share-based payment liability of the group.

IFRIC 23 Uncertainty over Income Tax Treatment

The IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments (the Interpretation). The Interpretation clarifies application of recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: whether an entity considers uncertain tax treatments separately, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and how an entity considers changes in facts and circumstances.

The interpretation is effective for periods beginning on or after 1 January 2019.

The Interpretation is not considered to have a material impact on the group but is still being assessed.

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 REVIEWED INTERIM 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. Neither are its operating results subject to regular review 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	Intercompany eliminations	Zambezi and the BEE transaction	Other	Total
6 months ended 31 December 2017	**R000**	**R000**	**R000**	**R000**	**R000**	**R000**
Sales revenue	3 151 036	1 414 522	(1 212 288)	–	–	3 353 270
Cost of sales	(2 995 443)	(1 184 011)	1 164 957	–	–	(3 014 497)
Operating costs	(2 125 616)	(1 004 111)	–	–	–	(3 129 727)
Mining operations	(1 621 033)	(765 458)	–	–	–	(2 386 491)
Concentrator operations	(174 149)	(172 826)	–	–	–	(346 975)
Smelting and base metal removal plant costs	(178 227)	–	–	–	–	(178 227)
Chrome processing	(12 600)	(6 572)	–	–	–	(19 172)
Selling and administration	(56 792)	(26 792)	–	–	–	(83 584)
Royalty charges	(8 624)	(6 930)	–	–	–	(15 554)
Share-based payment expenses and profit share scheme	(74 191)	(25 533)	–	–	–	(99 724)
Concentrates purchased	(1 613 811)	(28 529)	1 212 288	–	–	(430 052)
Refining including sampling and handling charges	(56 563)	–	–	–	–	(56 563)
Depreciation and write-offs	(71 823)	(147 160)	866	–	–	(218 117)
Change in metal inventory	872 370	(4 211)	(48 197)	–	–	819 962
Operating profit	155 593	230 511	(47 331)	–	–	338 773
Share of earnings from associate and joint venture	–	–	–	–	6 428	6 428
Investment revenue	30 877	4 821	–	(14 724)	7 886	28 860
Finance charges before preference shares	(43 164)	(9 009)	–	–	26 641	(25 532)
Net foreign exchange transition (losses)/gains	(8 477)	274	–	–	–	(8 203)
Sundry income	51 480	4 742	(450)	–	105 649	161 421
Sundry expenditure	(44 709)	(19 989)	450	(1)	(119 492)	(183 741)
Profit/(loss) before preference share dividends	141 600	211 350	(47 331)	(14 725)	27 112	318 006
Amortisation of liquidity fees paid on preference shares	–	–	–	(8 195)	–	(8 195)
Preference share dividends	–	–	–	(546 145)	85 383	(460 762)
Profit/(loss) before tax	141 600	211 350	(47 331)	(569 065)	112 495	(150 951)
Taxation	(78 910)	(63 126)	–	(5)	9 219	(132 822)
Profit/(loss) for the period	62 690	148 224	(47 331)	(569 070)	121 714	(283 773)

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

	Zondereinde operating segment	Booysendal operating segment	Intercompany eliminations	Zambezi and the BEE transaction	Other	Total
6 months ended 31 December 2016	**R000**	**R000**	**R000**	**R000**	**R000**	**R000**
Sales revenue	3 205 112	1 275 170	(1 021 455)	–	–	3 458 827
Cost of sales	(3 018 856)	(1 050 647)	1 021 455	–	(58 823)	(3 106 871)
Operating costs	(1 823 039)	(948 881)	–	–	–	(2 771 920)
Mining operations	(1 427 842)	(729 881)	–	–	–	(2 157 723)
Concentrator operations	(149 767)	(159 856)	–	–	–	(309 623)
Smelting and base metal removal plant costs	(160 560)	–	–	–	–	(160 560)
Chrome processing	(11 360)	(6 587)	–	–	–	(17 947)
Selling and administration	(32 297)	(32 297)	–	–	–	(64 594)
Royalty charges	(23 971)	(8 161)	–	–	–	(32 132)
Share-based payment expenses and profit share scheme	(17 242)	(12 099)	–	–	–	(29 341)
Concentrates purchased	(1 199 676)	–	1 021 455	–	–	(178 221)
Refining including sampling and handling charges	(66 223)	–	–	–	–	(66 223)
Depreciation and write-offs	(93 582)	(134 120)	–	–	867	(226 835)
Change in metal inventory	163 664	32 354	–	–	(59 690)	136 328
Operating profit	186 256	224 523	–	–	(58 823)	351 956
Share of earnings from associate and joint venture	–	–	–	–	1 851	1 851
Investment revenue	64 492	36 261	(1 670)	6	8 353	107 442
Finance charges before preference shares	(40 089)	(6 869)	1 670	–	(4 858)	(50 146)
Net foreign exchange transition (losses)/gains	(22 176)	–	–	–	–	(22 176)
Sundry income	32 895	2 299	–	–	5 627	40 821
Sundry expenditure	(25 084)	(23 494)	–	–	(11 355)	(59 933)
Profit/(loss) before preference share dividends	196 294	232 720	–	6	(59 205)	369 815
Amortisation of liquidity fees paid on preference shares	–	–	–	(8 195)	–	(8 195)
Preference share dividends	–	–	–	(482 753)	–	(482 753)
Loss on derecognition of preference share liability	–	–	–	(902)	–	(902)
Profit/(loss) before tax	196 294	232 720	–	(491 844)	(59 205)	(122 035)
Taxation	(56 301)	(64 444)	–	–	16 176	(104 569)
Profit/(loss) for the period	139 993	168 276	–	(491 844)	(43 029)	(226 604)

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

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
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 REVIEWED INTERIM FINANCIAL RESULTS

Segmental statement of financial position

6 months ended 31 December 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	16 843 462	13 379 262	(21 517 093)	8 358 258	569 875	17 633 764
Property, plant and equipment	3 367 918	6 694 778	–	–	282 528	10 345 224
Mining properties and mineral resources	1 131 720	6 462 415	(954 583)	–	1 841	6 641 393
Interest in associates and joint ventures	–	–	–	–	173 642	173 642
Investment in subsidiaries	11 936 089	–	(11 936 089)	–	–	–
Investments in Northam Platinum Limited	–	–	(8 358 258)	8 358 258	–	–
Other investment	268 163	–	(268 163)	–	–	–
Land and township development	33 811	12 085	–	–	11 742	57 638
Long-term receivables	–	–	–	–	79 405	79 405
Investments held by Northam Platinum Restoration Trust Fund	50 159	56 065	–	–	–	106 224
Environmental Guarantee Investment	55 602	13 690	–	–	3 405	72 697
Buttonshope Conservancy Trust	–	–	–	–	11 857	11 857
Long-term prepayments	–	140 229	–	–	–	140 229
Deferred tax asset	–	–	–	–	5 455	5 455
Current assets	4 588 197	1 216 235	(2 254 245)	462	136 311	3 686 960
Short-term subsidiary loan	1 211 030	889 117	(2 099 803)	–	(344)	–
Inventories	2 555 689	163 500	(154 442)	–	–	2 564 747
Trade and other receivables	564 391	147 634	–	25	30 081	742 131
Cash and cash equivalents	257 087	15 984	–	437	105 725	379 233
Tax receivable	–	–	–	–	849	849
Total assets	21 431 659	14 595 497	(23 771 338)	8 358 720	706 186	21 320 724
Equity and liabilities						
Total equity	9 117 379	11 346 049	(11 699 895)	(1 242 413)	286 890	7 808 010
Stated capital	13 778 114	8 675 932	(8 725 932)	–	50 000	13 778 114
Treasury shares	–	–	(6 556 123)	–	–	(6 556 123)
(Accumulated loss)/retained earnings	(5 854 282)	168 362	6 403 014	(1 242 413)	237 148	(288 171)
Non distributable reserves	–	2 501 755	(2 501 755)	–	–	–
Equity settled share-based payment reserve	1 173 756	–	(299 308)	–	–	874 448
Other comprehensive income	19 791	–	(19 791)	–	–	–
Foreign currency translation reserve	–	–	–	–	(258)	(258)
Non-current liabilities	10 418 044	1 967 436	(9 971 639)	9 601 122	(33 193)	11 981 770
Deferred tax liability	686 924	1 733 707	(2 072 375)	403 678	(33 193)	718 741
Long term provisions	148 597	172 010	–	–	–	320 607
Long term loan	98 225	34 690	–	–	–	132 915
Long term share-based payment liability	36 032	27 029	–	–	–	63 061
Financial guarantee liability	7 535 944	–	(7 535 944)	–	–	–
Domestic medium term debt notes	421 978	–	–	–	–	421 978
Preference share liability	–	–	(363 320)	9 197 444	–	8 834 124
Revolving credit facility	1 490 344	–	–	–	–	1 490 344
Current liabilities	1 896 236	1 282 012	(2 099 804)	11	452 489	1 530 944
Current portion of long term loans	13 434	4 248	–	–	–	17 682
Short-term share-based payment liability	56 388	35 618	(1)	–	–	92 005
Tax payable	6 186	924	–	11	38	7 159
Subsidiary loans	889 117	828 037	(2 099 803)	–	382 649	–
Trade and other payables	759 993	402 270	–	–	69 802	1 232 065
Short-term provisions	171 118	10 915	–	–	–	182 033
Total equity and liabilities	21 431 659	14 595 497	(23 771 338)	8 358 720	706 186	21 320 724

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

6 months ended 31 December 2016	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Zambezi and the BEE transaction R000	Other R000	Total R000
Assets						
Non-current assets	13 852 521	11 814 916	(22 422 497)	6 476 171	4 858 590	14 579 701
Property, plant and equipment	3 127 488	5 296 667	(32 888)	–	1 686	8 392 953
Mining properties and mineral resources	119 561	6 440 499	(954 583)	–	15 695	5 621 172
Interest in associates and joint ventures	36 844	–	–	–	127 351	164 195
Investment in subsidiaries	10 236 000	–	(14 836 000)	–	4 600 000	–
Investments in Northam Platinum Limited	–	–	(6 476 171)	6 476 171	–	–
Other investment	212 025	–	(211 376)	–	–	649
Land and township development	17 282	12 570	–	–	16 302	46 154
Long term receivables	–	–	–	–	87 011	87 011
Investments held by Northam Platinum Restoration Trust Fund	45 154	52 678	–	–	–	97 832
Environmental Guarantee Investment	49 717	12 502	–	–	–	62 219
Buttonshope Conservancy Trust	–	–	–	–	10 545	10 545
Other financial assets	8 450	–	–	–	–	8 450
Deferred tax asset	–	–	88 521	–	–	88 521
Current assets	4 822 072	1 575 171	(4 481 211)	428	2 459 671	4 376 131
Short-term subsidiary loan	1 468 088	554 965	(4 378 896)	–	2 355 843	–
Inventories	1 482 103	103 186	(102 315)	–	–	1 482 974
Trade and other receivables	335 356	275 056	–	–	7 380	617 792
Cash and cash equivalents	1 498 136	641 964	–	428	87 381	2 227 909
Tax receivable	38 389	–	–	–	9 067	47 456
Non-current assets held for sale	–	–	–	–	45 565	45 565
Total assets	18 674 593	13 390 087	(26 903 708)	6 476 599	7 363 826	19 001 397
Equity and liabilities						
Total equity	9 059 516	7 012 843	(13 048 979)	(1 599 293)	7 077 293	8 501 380
Stated capital	13 778 115	4 600 000	(11 706 125)	–	7 106 124	13 778 114
Treasury shares	–	–	(6 556 123)	–	–	(6 556 123)
Retained earnings	(5 890 989)	(88 912)	8 014 332	(1 599 293)	(30 197)	404 941
Non distributable reserves	–	2 501 755	(2 501 755)	–	–	–
Equity settled share-based payment reserve	1 173 756	–	(299 308)	–	–	874 448
Other comprehensive income	(1 366)	–	–	–	1 366	–
Non-current liabilities	8 924 161	1 745 875	(9 500 588)	8 075 891	40 314	9 285 653
Deferred tax liability	588 949	1 585 867	(1 614 458)	–	6 052	566 410
Long term provisions	132 629	139 576	–	–	–	272 205
Long term loan	214 455	–	–	–	34 262	248 717
Long term share-based payment liability	32 000	20 432	–	–	–	52 432
Financial guarantee liability	7 535 944	–	(7 535 944)	–	–	–
Domestic medium term debt notes	420 184	–	–	–	–	420 184
Preference share liability	–	–	(350 186)	8 075 891	–	7 725 705
Current liabilities	690 916	4 631 369	(4 354 141)	1	246 219	1 214 364
Current portion of long term loans	9 400	–	–	–	3 802	13 202
Short-term share-based payment liability	45 717	25 382	–	–	–	71 099
Tax payable	–	3 545	–	1	101 901	105 447
Subsidiary loans	–	4 276 707	(4 354 141)	–	77 434	–
Trade and other payables	499 476	306 230	–	–	63 082	868 788
Other financial liabilities	–	10 508	–	–	–	10 508
Short-term provisions	136 323	8 997	–	–	–	145 320
Total equity and liabilities	18 674 593	13 390 087	(26 903 708)	6 476 599	7 363 826	19 001 397

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

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 REVIEWED INTERIM FINANCIAL RESULTS

continued

4. Sales revenue

Revenue from external customers per segment

	Zondereinde operations Reviewed 6 months ended 31 December 2017	Booysendal operations Reviewed 6 months ended 31 December 2017	Intercompany eliminations Reviewed 6 months ended 31 December 2017	Total Reviewed 6 months ended 31 December 2017
	R000	R000	R000	R000
Platinum	1 588 452	618 998	(618 998)	1 588 452
Palladium	788 906	330 641	(330 641)	788 906
Rhodium	312 876	162 738	(162 738)	312 876
Gold	46 843	10 710	(10 710)	46 843
Iridium	90 970	30 405	(30 405)	90 970
Ruthenium	36 483	24 717	(24 717)	36 483
Silver	784	–	–	784
Nickel	91 314	28 542	(28 542)	91 314
Copper	24 526	5 537	(5 537)	24 526
Cobalt	3 942	–	–	3 942
Chrome	165 940	202 234	–	368 174
	3 151 036	1 414 522	(1 212 288)	3 353 270

Revenue per region per segment

Sales revenue emanates from the following principal regions:

	Zondereinde operations Reviewed 6 months ended 31 December 2017	Booysendal operations Reviewed 6 months ended 31 December 2017	Total Reviewed 6 months ended 31 December 2017
	R000	R000	R000
Europe	1 397 951	–	1 397 951
Japan	588 414	–	588 414
Asia	165 940	202 234	368 174
North America	580 994	–	580 994
South Africa	417 737	–	417 737
	3 151 036	202 234	3 353 270

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

Revenue from external customers per segment

	Zondereinde operations Reviewed 6 months ended 31 December 2016	Booysendal operations Reviewed 6 months ended 31 December 2016	Intercompany eliminations Reviewed 6 months ended 31 December 2016	Total Reviewed 6 months ended 31 December 2016
	R000	R000	R000	R000
Platinum	1 932 003	652 315	(652 315)	1 932 003
Palladium	627 028	232 065	(232 065)	627 028
Rhodium	192 409	84 122	(84 122)	192 409
Gold	53 319	7 364	(7 364)	53 319
Iridium	60 645	22 795	(22 795)	60 645
Ruthenium	15 603	6 534	(6 534)	15 603
Silver	829	–	–	829
Nickel	96 500	14 031	(14 031)	96 500
Copper	8 050	2 229	(2 229)	8 050
Cobalt	1 355	–	–	1 355
Chrome	217 371	253 715	–	471 086
	3 205 112	1 275 170	(1 021 455)	3 458 827

Revenue per region per segment

Sales revenue emanates from the following principal regions:

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

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

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
Iridium	126 340	52 319	(52 319)	126 340
Ruthenium	32 276	15 709	(15 709)	32 276
Silver	1 681	–	–	1 681
Nickel	171 766	35 789	(35 789)	171 766
Copper	42 303	7 475	(7 475)	42 303
Cobalt	3 800	–	–	3 800
Chrome	455 145	470 149	–	925 294
	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 REVIEWED INTERIM FINANCIAL RESULTS

continued

5. Operating costs

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Labour	1 094 552	914 216	1 906 518
Stores	636 027	523 417	1 072 836
Utilities	381 020	362 978	703 898
Sundries and contractors	1 018 128	971 309	1 992 765
	3 129 727	2 771 920	5 676 017

Operating costs per segment

	Zondereinde operations	Booysendal operations	Other	Total
	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2017
	R000	R000	R000	R000
Labour	1 024 071	70 481	–	1 094 552
Stores	557 139	78 888	–	636 027
Utilities	313 270	67 750	–	381 020
Sundries and contractors	231 136	786 992	–	1 018 128
	2 125 616	1 004 111	–	3 129 727

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

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

	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

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

6. Investment revenue

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Interest received on cash and cash equivalents	12 414	74 813	96 847
Dividend income received from short-term investments	5 434	14 435	47 942
Interest received from instalment sale agreements	4 623	5 296	9 768
Interest received relating to the Northam Platinum Restoration Trust Fund	3 991	4 185	8 586
Interest received by the Buttonshope Conservancy Trust	375	346	686
Deemed interest on the interest free home loans	400	178	456
Interest received from the South African Revenue Service	1 623	977	3 017
Accrued dividends from Zambezi Platinum (RF) Limited	–	4 471	–
Other	–	2 741	4
	28 860	107 442	167 306

7. Finance charges excluding preference share dividends

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Finance costs relating to the domestic medium term debt notes	(25 851)	(26 044)	(51 797)
Finance costs relating to the revolving credit facility	(13 561)	–	–
Amounts capitalised in terms of IAS 23 Borrowing costs	39 412	–	51 797
Commitment fees on borrowing facilities	(4 747)	(2 483)	(7 435)
Interest on the loan from the *Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV*	–	(2 248)	(3 402)
Amortisation of the transaction costs relating to the domestic medium term debt notes	(897)	(897)	(1 794)
Amortisation of the transaction costs relating to the revolving credit facility	(859)	(143)	(1 003)
Unwinding of rehabilitation liability	(15 778)	(13 396)	(41 491)
Unwinding of a research and development liability	–	–	(7 990)
Other financial instruments	(3 251)	(4 935)	(8 070)
	(25 532)	(50 146)	(71 185)

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

8. Sundry income

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Treatment charges in respect of concentrate purchased	15 285	19 099	18 846
Rent received	4 167	3 047	6 647
Sale of scrap	2 782	2 677	5 652
Profit on sale of property, plant and equipment	–	841	1 762
Accommodation and housing income	482	7 412	11 286
Business rescue proceeds from Valditime Proprietary Limited settlement	–	–	7 654
Environmental guarantee investment income	468	–	7 759
Management fees received from associate	1 080	–	2 644
Corporate action once-off income	134 816	–	–
Other	2 341	7 745	11 111
	161 421	40 821	73 361

9. Sundry expenditure

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Impairment of investments in associate	–	(841)	–
Corporate action and once-off project costs	(37 081)	(26 170)	(56 541)
Booysendal land management	(2 966)	(2 197)	(5 452)
Booysendal South care and maintenance costs	(12 449)	(10 177)	(23 983)
Eland care and maintenance costs and project cost	(86 667)	–	(11 982)
Accommodation and housing expenses	(4 356)	(8 726)	(14 551)
Black Economic Empowerment Trust operating costs	(2 309)	(4 874)	(8 546)
Administrative costs relating to Zambezi Platinum (RF) Limited	(976)	(519)	(552)
Loss on sale of property, plant and equipment	(5 471)	–	–
Recycling operation care and maintenance costs	(5 620)	–	–
Other	(25 846)	(6 429)	(9 236)
	(183 741)	(59 933)	(130 843)

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

10. Taxation

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	**R000**	**R000**
Income tax			
Current income tax charge	4 784	72 985	70 327
Adjustment in respect of current income tax of previous years	–	–	(219)
Dividend withholding tax			
Current year withholding tax	635	–	–
Deferred tax			
Current year deferred tax charge	127 403	31 584	141 913
	132 822	104 569	212 021

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

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	%	**%**	**%**
South African normal tax rate	28.0	28.0	28.0
Adjustment in respect of prior periods	–	–	(7.8)
Impairment of investment in joint venture	–	(0.2)	–
Exempt income received	2.4	3.3	5.2
Expenditure incurred which is non-deductible	(7.4)	(0.9)	(7.0)
Contribution received for capital assets	(26.4)	–	–
Corporate action income/(costs)	18.5	(3.5)	–
Amortisation of liquidity fees paid on preference shares	(1.5)	(1.9)	(1.2)
Deferred tax asset not raised	(16.1)	–	–
Preference share dividends disallowed	(85.5)	(110.8)	(67.2)
	(88.0)	(86.0)	(50.0)

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

11. Property, plant and equipment

	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	General infrastructure asset including other assets	Decommis-sioning asset	Assets under construction	Total
	R000	R000	R000	R000	R000	R000	R000
Cost							
Opening balance as at 1 July 2016	6 412 648	2 539 458	445 511	250 962	168 496	558 633	10 375 708
Additions	–	–	–	–	–	735 508	735 508
Transfer from assets under construction	423 856	–	–	–	–	(423 856)	–
Disposals and write-offs	(1 858)	–	–	(385)	–	–	(2 243)
Borrowing costs capitalised	–	–	–	–	–	17 442	17 442
Closing balance as at 31 December 2016	6 834 646	2 539 458	445 511	250 577	168 496	887 727	11 126 415
Transfer to mining properties and mineral resources	(19 038)	–	–	–	–	–	(19 038)
Additions	11 837	1 901	398	251	–	792 747	807 134
Transfer from assets under construction	230 302	49 813	72 331	39 047	–	(391 493)	–
Disposals and write-offs	(4 714)	–	(337)	(2 930)	–	–	(7 981)
Present value of decommissioning asset capitalised	–	–	–	–	4 530	–	4 530
Borrowing costs capitalised	–	–	–	–	–	58 616	58 616
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
Transfers between classes of assets	(147 562)	3 246	29 623	183 048	–	(68 355)	–
Amounts transferred from non-current prepayments	–	–	–	–	–	379 545	379 545
Additions	32 139	–	112 160	33 779	–	1 153 475	1 331 553
Contribution received for capital assets	–	–	–	–	–	(303 106)	(303 106)
Transfer from assets under construction	280 480	17 414	4 201	18 289	–	(320 384)	–
Disposals and write-offs	–	–	–	(80 145)	–	–	(80 145)
Borrowing costs capitalised	–	–	–	–	–	124 795	124 795
Closing cost as at 31 December 2017	7 218 090	2 611 832	663 887	441 916	173 026	2 313 567	13 422 318

	Shafts, mining development and infrastructure	Metallurgical and refining plants	Land and buildings	General infrastructure asset including other assets	Decommis-sioning asset	Assets under construction	Total
	R000	R000	R000	R000	R000	R000	R000
Accumulated depreciation							
Opening balance as at 1 July 2016	(1 653 419)	(560 922)	(153 008)	(125 563)	(28 803)	–	(2 521 715)
Depreciation	(158 953)	(46 124)	(4 897)	(1 701)	(2 238)	–	(213 913)
Disposals and write-offs	1 858	–	–	308	–	–	2 166
Accumulated balance as at 31 December 2016	(1 810 514)	(607 046)	(157 905)	(126 956)	(31 041)	–	(2 733 462)
Transfer to mining properties and mineral resources	(7 420)	–	–	–	–	–	(7 420)
Depreciation	(122 789)	(46 125)	(4 897)	(37 087)	(1 724)	–	(212 622)
Disposals and write-offs	3 035	–	236	2 817	–	–	6 088
Accumulated balance as at 30 June 2017	(1 937 688)	(653 171)	(162 566)	(161 226)	(32 765)	–	(2 947 416)
Transfer between classes of assets	84 917	9 190	(9 898)	(84 209)	–	–	–
Depreciation	(133 079)	(47 135)	(7 424)	(14 092)	(2 581)	–	(204 311)
Disposals and write-offs	–	–	–	74 633	–	–	74 633
Accumulated balance as at 31 December 2017	(1 985 850)	(691 116)	(179 888)	(184 894)	(35 346)	–	(3 077 094)
Net book value as at 31 December 2016	5 024 132	1 932 412	287 606	123 621	137 455	887 727	8 392 953
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
Net book value as at 31 December 2017	5 232 240	1 920 716	483 999	257 022	137 680	2 313 567	10 345 224

During the prior year, the group changed the presentation of this note, providing more useful information to the reader, with disclosure of six asset classes now being disclosed. Management believes this better represents the nature of the various classes of assets, including assets under construction.

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 2016	967 065	4 888 826	5 855 891
Additions	20 000	–	20 000
Closing balance as at 31 December 2016	987 065	4 888 826	5 875 891
Transfer from property, plant and equipment	19 038	–	19 038
Additions	1 839	–	1 839
Closing balance as at 30 June 2017	1 007 942	4 888 826	5 896 768
Additions	1 018 857	–	1 018 857
Closing balance as at 31 December 2017	2 026 799	4 888 826	6 915 625
Accumulated depreciation			
Opening balance as at 1 July 2016	(241 797)	–	(241 797)
Depreciation	(12 922)	–	(12 922)
Closing balance as at 31 December 2016	(254 719)	–	(254 719)
Transfer from property, plant and equipment	7 420	–	7 420
Depreciation	(13 127)	–	(13 127)
Closing balance as at 30 June 2017	(260 426)	–	(260 426)
Depreciation	(13 806)	–	(13 806)
Closing balance as at 31 December 2017	(274 232)	–	(274 232)
Net book value as at 31 December 2016	732 346	4 888 826	5 621 172
Net book value as at 30 June 2017	747 516	4 888 826	5 636 342
Net book value as at 31 December 2017	1 752 567	4 888 826	6 641 393

During the prior year, management changed the classification of the assets from mineral properties and mineral resources, to current production mineral reserves (mineral rights currently being mined) and project mineral reserves and resources (mineral rights currently not being mined). Management believes that the presentation between mineral rights currently being mined and those not being mined provides more useful information to the reader.

13. Interest in associates and joint ventures

Interest in associates and joint ventures comprise a 50% interest in the Dwaalkop platinum project and a 30% investment in a security company, SSG Holdings Proprietary Limited.

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Dwaalkop joint venture	136 230	136 230	136 230
Pandora joint venture: previously disclosed as a non-current asset held for sale	–	–	–
SSG Holdings Proprietary Limited	37 412	27 965	30 984
	173 642	164 195	167 214

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

	Interest in Dwaalkop joint venture	Interest in Pandora joint venture	SSG Holdings Proprietary Limited	Total
	R000	R000	R000	R000
Closing balance as at 1 July 2016	136 230	45 565	10 369	192 164
Additional investment	–	841	10 745	11 586
Conversion of loan to equity investment	–	–	5 000	5 000
Share of profits from associate and joint venture	–	–	1 851	1 851
Impairment	–	(841)	–	(841)
Transfer to non-current assets held for sale	–	(45 565)	–	(45 565)
Closing balance as at 31 December 2016	136 230	–	27 965	164 195
Share of profits from associate	–	–	3 019	3 019
Closing balance as at 30 June 2017	136 230	–	30 984	167 214
Share of profits from associate	–	–	6 428	6 428
Closing balance as at 31 December 2017	136 230	–	37 412	173 642

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

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Opening balance	49 222	–	–
Transfer from interest in associates and joint ventures	–	45 565	45 565
Cash calls	1 347	–	4 498
IFRS 5 adjustment to fair value less costs to sell	–	–	(841)
Amounts received at the transaction date	(50 569)	–	–
Total non-current assets held for sale	–	45 565	49 222

Northam Platinum Limited was still responsible for contributing to cash calls from the Pandora joint venture in terms of the sales agreement concluded. Contributions made from 1 January 2017 to the transaction date, being 30 November 2017, were refunded by Eastern Platinum Limited, a subsidiary of Lonmin plc. All other cash calls had to be written off during the prior year.

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.

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Opening balance	336 409	–	–
Amounts prepaid to Doppelmayr Transport Technology GmbH	183 365	–	336 409
Amounts transferred to property, plant and equipment	(379 545)	–	–
	140 229	–	336 409

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

15. Inventories

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Metals on hand and in transit			
Platinum	1 325 309	891 730	982 568
Palladium	708 858	303 243	424 903
Rhodium	384 993	150 518	197 320
Gold	33 756	21 663	28 163
Total metal inventories	2 452 916	1 367 154	1 632 954
Chrome finished product at cost	–	2 926	–
Consumables at cost	111 831	112 894	96 148
Total inventories at the lower of costs and net realisable value	2 564 747	1 482 974	1 729 102

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Stockpile inventory	342 400	234 081	240 506
Concentrate in process	132 997	32 385	91 853
Concentrate before the smelter	762 226	422 591	574 767
Smelter inventory	604 326	297 640	295 321
Base metal removal plant inventory	119 415	38 698	47 130
Precious metal refiner inventory	460 872	224 663	382 081
Finished product inventory on hand	30 680	117 096	1 296
	2 452 916	1 367 154	1 632 954

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

	oz	oz	oz
Metals on hand and in transit			
Platinum	130 466	80 397	92 646
Palladium	63 672	37 682	45 641
Rhodium	24 806	16 806	18 485
Gold	2 284	1 555	1 950
	221 228	136 440	158 722

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

	oz	oz	oz
Stockpile inventory	30 881	23 361	23 377
Concentrate in process	11 995	3 232	8 928
Concentrate before the smelter	68 745	42 174	55 867
Smelter inventory	54 504	29 704	28 705
Base metal removal plant inventory	10 770	3 862	4 581
Precious metal inventory	41 566	22 421	37 138
Finished product inventory on hand	2 767	11 686	126
	221 228	136 440	158 722

Included in the costs of sales are metals on hand that were written down by R92.7 million (31 December 2016: R268.8 million and 30 June 2017: R444.3 million) to net realisable value.

Inventory to the value of R985.0 million (31 December 2016: R799.0 million and 30 June 2017: R478.4 million) is disclosed at net realisable value.

Inventory in the pipeline is considered to be approximately 80 000 ounces at the current run rate.

All inventory over and above pipeline material is considered excess inventory. No inventories are encumbered.

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

16. Trade and other receivables

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Trade receivables	306 297	169 295	283 146
Accrued dividends and interest	2 982	26 016	11 989
Prepayments	28 599	178 121	44 797
Deposits	3 024	270	2 889
South African Revenue Service – Value Added Tax	320 566	121 061	143 775
South African Revenue Services - amounts receivable relating to the Mineral Royalty Act	17 927	16 396	17 258
Current portion of long-term receivables	8 608	6 140	7 334
Interest free home loans to employees	8 343	4 534	6 367
Other	45 785	95 959	31 442
	742 131	617 792	548 997

Trade receivables are unsecured, non-interest bearing and are generally on 30 to 60 day terms except for platinum group metal debtors who have payment terms of between 2 to 5 days. No balance was provided for or impaired during the current period (31 December 2016 and 30 June 2017: R Nil).

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

17. Cash and cash equivalents

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Cash at bank and on hand	67 018	446 996	478 974
Restricted cash	96 100	109 972	103 949
Short-term deposits	216 115	1 670 941	1 203 942
	379 233	2 227 909	1 786 865

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 6.0% (30 June 2017: 8.2%) and these deposits have a maximum maturity of 90 days (31 December 2016 and 30 June 2017: 90 days).

At 31 December 2017 the group had R500.0 million (30 June 2017 and 31 December 2016: R1.0 billion) of undrawn committed borrowing facilities, of which the full amount was drawn down at the date of this report.

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 ring-fenced 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.

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.

18. Long-term provisions

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Rehabilitation provision	320 607	272 205	304 829
	320 607	272 205	304 829
Below is a breakdown of the rehabilitation provision:			
Provision for decommissioning costs			
Balance at the beginning of the year	248 047	208 279	208 279
Change in estimate and capitalisation of decommissioning costs	–	–	4 530
Unwinding of discount	12 839	10 781	35 238
	260 886	219 060	248 047
Provision for restoration costs			
Balance at the beginning of the year	56 782	50 529	50 529
Unwinding of discount	2 939	2 616	6 253
	59 721	53 145	56 782
Total rehabilitation provision	320 607	272 205	304 829
The rehabilitation provision is made up of the provisions relating to:			
Zondereinde	148 597	132 629	141 284
Booysendal	172 010	139 576	163 545
	320 607	272 205	304 829

In terms of, *inter alia*, the Mineral and Petroleum Resources Development Act no 28, of 2002, the group 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 mines, or through other financial provision, insurance or financial products as approved by the Department of Mineral Resources in terms of 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 2017 and 31 December 2016: 10.62%) and a long-term inflation rate of 8.71% (30 June 2017 and 31 December 2016: 8.71%) over the remaining life of the mines.

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

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

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	**R000**	**R000**
Undiscounted decommissioning obligation based on the Department of Mineral Resources rates	188 979	177 329	181 083
Undiscounted restoration obligation based on the Department of Mineral Resources rates	92 103	84 720	88 255
Total rehabilitation obligation	281 082	262 049	269 338
Less funds held by the Northam Platinum Restoration Trust Fund	(106 224)	(97 832)	(102 233)
Environmental insurance guarantees	(273 615)	(157 900)	(244 808)
Total (overfunded)/underfunded rehabilitation obligation	(98 757)	6 317	(77 703)

The group has procured the issue of insurance guarantees in respect of the unfunded decommissioning and restoration costs. Below is a summary of the various guarantees issued:

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	**R000**	**R000**
Zondereinde			
GR/G/20396/0312/0031	31 000	31 000	31 000
GR/G/20396/0314/165	18 000	18 000	18 000
GR/G/20396/0315/0231	18 000	18 000	18 000
GR/G/20396/0617/0454	35 000	–	35 000
CQ/G/30381/1217/003	28 807	–	–
Booysendal			
GR/G/20396/0311/0011	65 900	65 900	65 900
GR/G/20396/0315/0232	25 000	25 000	25 000
GR/G/20396/0317/0433	50 000	–	50 000
GR/G/20396/0417/0434	1 908	–	1 908
	273 615	157 900	244 808

Subsequent to the period end, guarantees to the value of R160.6 million relating to the newly acquired Eland mine were obtained.

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

19. Preference share liability

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Opening balance	8 636 558	7 575 697	7 575 697
Accrued dividends	560 887	500 194	1 060 861
Preference shares liability relating to Zambezi Platinum (RF) Limited	9 197 445	8 075 891	8 636 558
Derecognition of Zambezi Platinum (RF) Limited preference shares through the investment in the preference shares together with the accrued dividends	(241 759)	(212 233)	(226 976)
Liquidity fees relating to the Black Economic Empowerment transaction	(129 757)	(146 148)	(146 148)
Amortisation of liquidity fee over the 10 year lock in period	8 195	8 195	16 391
	8 834 124	7 725 705	8 279 825

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 was classified as a transaction cost in terms of IAS 39. The preference share liability is measured at amortised cost and therefore transaction cost was included on initial measurement.

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

Below is a reconciliation of the accrued dividends as per the preference share liability relating to Zambezi Platinum (RF) Limited and the amounts recognised in profit or loss:

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Accrued dividends	560 887	500 194	1 060 861
Less interest capitalised	(85 383)	(17 441)	(24 261)
Less dividends received by Northam Platinum Limited with regards to the preference shares owned	(14 742)	–	(19 204)
	460 762	482 753	1 017 396

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

20. Long-term loans

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV	–	38 064	–
Security of supply contribution	75 913	–	38 992
Heraeus Deutschland GmbH & Co. KG	74 684	223 855	223 870
Total term loans	150 597	261 919	262 862
Current portion of *Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV*	–	(3 802)	–
Current portion of security of supply contribution	(8 282)	–	(4 034)
Current portion of Heraeus Deutschland GmbH & Co. KG	(9 400)	(9 400)	(9 400)
Long-term portion	132 915	248 717	249 428

A decision was taken to repay the loan from the *Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV* during the prior 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. 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 in the previous periods, as Northam was obligated to refund the amount to Heraeus Deutschland GmbH & Co. KG if, and only if the furnace was not commissioned on time. On commissioning the second €10.0 million was received, and the total €20.0 million was 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 was previously included in the balances 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 (31 December 2016: R76.1 million and 30 June 2017: R74.7 million) and is included in the table above.

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

21. Domestic medium term debt notes

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Domestic medium term debt notes	425 000	425 000	425 000
Transaction costs relating to the R175.0 million issue	(1 256)	(1 256)	(1 256)
Amortisation of transaction costs over 60 months	419	167	292
Transaction costs relating to the R250.0 million issue	(4 627)	(4 627)	(4 627)
Amortisation of transaction costs over 36 months	2 442	900	1 672
	421 978	420 184	421 081

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 note programme with 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 have been 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 September, December, March and June of every year for a three-year period. These funds have been 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 cost is included in the initial measurement of the financial liability and amortised over the period of the financial liability.

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

22. Revolving credit facility

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Opening balance	–	–	–
Amounts drawn down on the revolving credit facility	1 500 000	–	–
	1 500 000	–	–
Transaction costs incurred	(11 518)	(8 593)	(8 593)
Amortisation of transaction costs over 60 months	1 862	143	1 002
	1 490 344	(8 450)	(7 591)

The group has a revolving credit facility with Nedbank Limited. The facility, to the value of R1.5 billion, has been available from November 2016. Commitment fees are payable at 0.99% per annum on the unutilised portion of the facility.

Before the period end an additional facility of R500.0 million was arranged with Nedbank Limited, with the full amount drawn down subsequent to 31 December 2017.

Interest accrues at JIBAR plus 3.30% on any outstanding loan balance.

The facility will expire after a period of 60 months, which will be November 2021.

NOTES TO THE REVIEWED INTERIM FINANCIAL RESULTS

continued

23. Trade and other payables

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Trade payables	493 436	311 338	503 007
Accruals	438 641	310 816	367 363
South African Revenue Service – Value Added Tax	10 597	18 384	11 024
South African Revenue Service – Mineral royalties payable	–	648	–
Accrued interest and commitment fees	18 792	5 010	5 741
Interest payable – *Nederlandse Financierings Maatschappij voor Ontwikkelingslanden N.V.*	–	1 099	–
Employee related accruals	192 921	151 852	193 690
Provisional pricing payables	12 192	–	122 802
Other	65 486	69 641	64 545
	1 232 065	868 788	1 268 172

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

24. 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:

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Non-current asset held for sale			
Carrying value	–	45 565	49 222
Fair value	–	45 565	49 222

The non-current asset held for sale was classified within level 3 of the fair value hierarchy.

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Preference share liability			
Carrying value	(8 834 124)	(7 725 705)	(8 279 825)
Fair value	(9 933 805)	(7 831 868)	(8 770 814)

The preference share liability is classified as level 2. Previously it was classified as level 1 but due to the low level of activity in the South African debt market, the preference share liability has now been classified as a level 2 financial liability.

25. Commitments

	Reviewed 6 months ended 31 December 2017	Reviewed 6 months ended 31 December 2016	Audited 12 months ended 30 June 2017
	R000	R000	R000
Capital commitments			
Booysendal operations			
Authorised but not contracted	6 579	67 475	273 288
Contracted	756 190	753 897	1 076 712
	762 769	821 372	1 350 000
Zondereinde mine			
Authorised but not contracted	186 197	288 051	313 436
Contracted	181 550	1 034 837	1 385 807
	367 747	1 322 888	1 699 243
Other commitments			
Information technology an outsource service provided			
Due within one year	15 754	13 169	24 104
Due within two to five years	1 091	3 361	4 055
Operating lease rentals for office equipment			
Due within one year	3 725	735	2 615
Due within two to five years	4 840	112	2 657
Operating lease rentals for premises			
Due within one year	5 610	5 412	5 414
Due within two to five years	12 918	18 457	15 772
The lease rentals for the corporate office contains an option to renew the lease for an additional five years			
Bank guarantees issued (mainly relating to Eskom Holdings (SOC) Limited)	75 770	76 107	75 970

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

26. Events after the reporting period

Subsequent to the period end, the purchase of the Eland mine from Glencore Operations (South Africa) Proprietary Limited became unconditional. Apart from this item there has been no other events subsequent to the period end which require additional disclosure or adjustment to these interim financial results.

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ADMINISTRATION AND CONTACT INFORMATION

Northam Platinum Limited
Incorporated in the Republic of South Africa
Registration number 1977/003282/06
Share code: NHM ISIN: ZAE000030912
Debt issuer code: NHMI
Bond code: NHM002
Bond ISIN: ZAG000129024
Bond code: NHM003
Bond ISIN: ZAG000129032

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NORTHAM

PLATINUM LIMITED

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