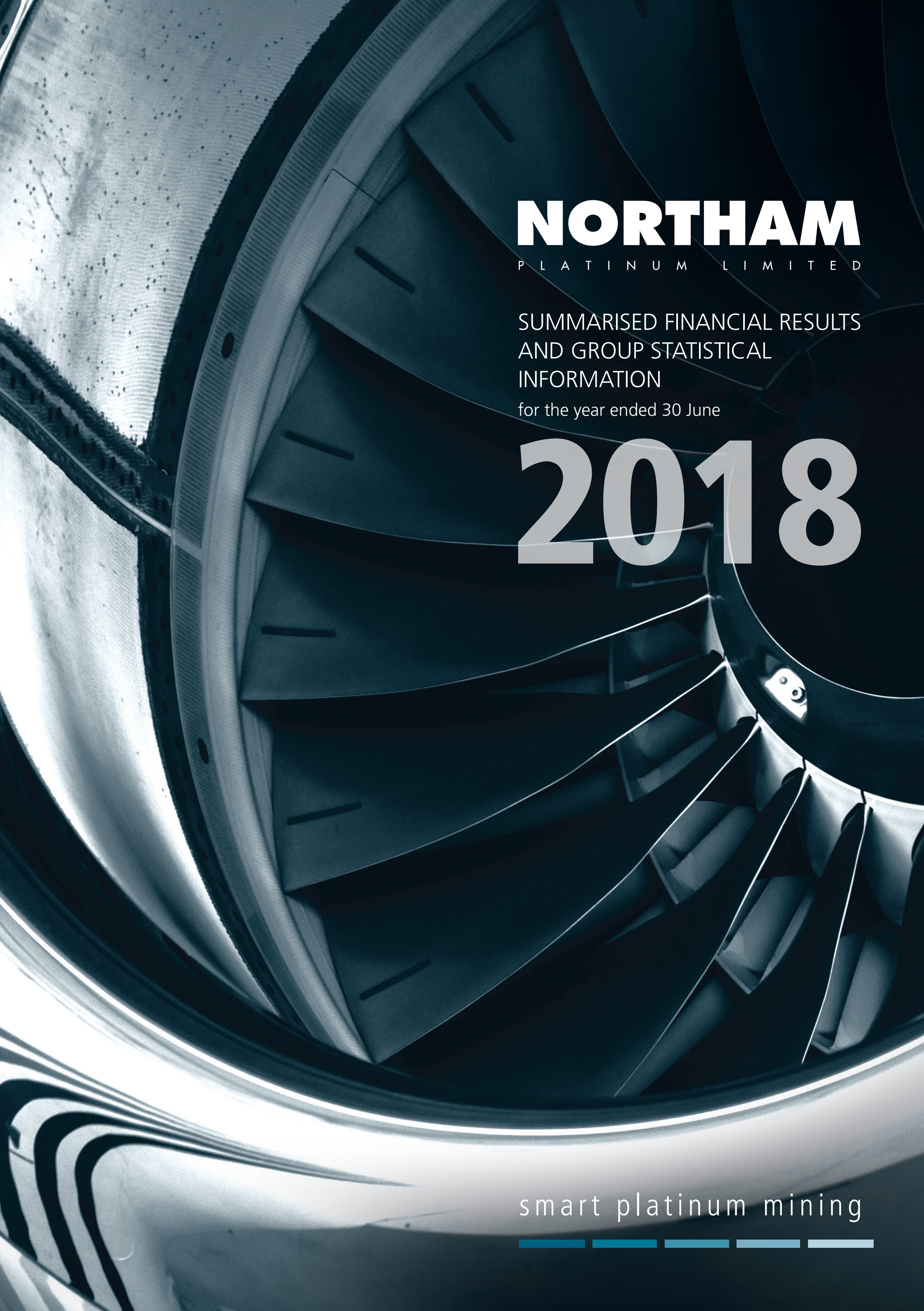


NORTHAM

PLATINUM LIMITED

SUMMARISED FINANCIAL RESULTS AND GROUP STATISTICAL INFORMATION

for the year ended 30 June

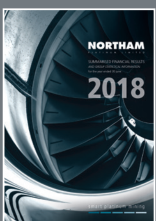
2018

smart platinum mining

KEY FEATURES

- Normalised headline earnings of R421.5 million
- Execution of growth strategy on track
- Tough market conditiions persist
- New 20MW furnace commissioned
- Record group capital expenditure at R3.8 billion
- Good operating performance

NORTHAM
PLATINUM LIMITED
KEY FEATURES



ABOUT THE COVER

Platinum coatings are used on turbine blades in aerospace engines and gas turbines to protect against corrosion and oxidation.

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 stand 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 manufacturing.

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 is a constituent of the FTSE/JSE 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 30 June 2018, Northam held a combined resource base of 238.5 million ounces (Moz) 4E of which 28.5Moz 4E was in the reserve category.

- **100%** Zondereinde mine and metallurgical processing — Resource: **105.2Moz**
- **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: **19.3Moz**

NORTHAM
ZONDEREINDE

The **Zondereinde** mine is an established, conventional, long-life operation which mines UG2 and Merensky ore and produces approximately 300 000oz 4E of refined PGMs annually. The mine is located on the northern end of the western limb of the Bushveld Complex near the town of Thabazimbi.

In December 2017, Northam acquired ground adjacent to Zondereinde's western boundary from Anglo American Platinum Limited. The Western extension 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,** 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.

Smelting

In December 2017, Northam commissioned a 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.

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 of America, currently on care and maintenance

NORTHAM ELAND

In January 2018 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 19.3Moz 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, mining UG2 and Merensky ore
- Booysendal – shallow, fully mechanised UG2 and Merensky ore mining

PROCESSING

- PGM concentrator plants
- Chrome concentrator plants
- Smelter complex at Zondereinde
- Base metal recovery plant at Zondereinde
- Toll refining through a 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
- 40% 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 one mine and one furnace risk
- Moving down the cost curve

Completing the steps

- Empowerment shareholding level 31.4%
- Toro Employee Empowerment Trust is an employee profit share scheme of 4% for Zondereinde employees

- 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 Western extension mining rights to support an increase in Merensky ratio at Zondereinde
- Booysendal South project 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

- Western extension resource will allow better leverage of Zondereinde infrastructure and mining of additional higher grade Merensky ore for longer
- Improvement of our position on industry cost curve
- 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 during 2019
- Eland processing plant to treat platinum-rich material from Jubilee Metals Group's PlatCro project during 2019
- Annual chrome concentrate production in excess of 1 000 000 tonnes by 2020 (including Eland Platinum)
- US recycling asset of strategic future importance

MESSAGE FROM THE CHIEF EXECUTIVE

PA Dunne
Chief executive

"The best defence for Northam in this difficult market remains our relative position on the cost curve."

The year under review has been among the busiest in the company's history as we have progressed our strategy of growing and diversifying our operations. This has been achieved during a period with significant challenges for South Africa's PGM-mining sector. A period of consolidation will follow in F2019 characterised by project execution, operational delivery and stock reduction. Post the commissioning and ramp up of the Booysendal expansion project, the company is expected to become a strong cash generator, enabling Northam to purchase further Zambezi preference shares. The best defence for Northam in this difficult market remains in our relative position on the cost curve, ensuring that all production is cash generative.

PGM MARKETS

In nominal terms, the rand basket price for PGMs is unchanged from its level of a decade ago, a decade in which inflationary cost pressures have continued to erode operating margins. However, while our confidence in the markets for PGMs in the medium to long term remains undiminished, the past 12 months have underscored the fact that short-term challenges persist and that our strategy of managing the business to ensure that Northam is positioned in the bottom half of the industry cost curve is correct.

Immediate challenges were highlighted by the soft price of platinum, the principal contributor to our basket of metals. For most of the financial year, the platinum price fluctuated between USD850/oz and USD1,020/oz. Post year-end the price has fallen below USD800/oz. It is fair to say that the 'dieselgate' issue at certain major auto manufacturers combined with the potential future penetration of battery electric vehicles created significant negative sentiment towards platinum during the course of this year.

Average annual prices (USD/oz)

	F2018	F2017	
Platinum	934	988	5.5%
Palladium	976	731	33.5%
Rhodium	1 618	803	101.5%

In contrast, the spot price of palladium rose steadily from USD838/oz in July to a high of USD1,139/oz in January 2018. That was followed by a period of price consolidation even as there were concerns over the possible effects of US sanctions on Russian deliveries into the global supply chain. The palladium price, which exceeded that of platinum, ended the year at $954/oz, having declined in tandem with the platinum price.

Palladium's relative price strength, together with that of rhodium which rose 128% over the year, provided Northam with some relief from platinum's weakness. Palladium's principal use is as a catalyst for petrol-driven motor vehicles where demand growth is likely to persist for several decades even with the advent of battery-driven vehicles. Platinum, on the other hand, finds its automotive use as a catalyst for diesel-powered vehicles whose sales have been affected by negative sentiment following the 'dieselgate' scandal.

Northam and other PGM producers remain price takers to a large extent, and our continuing success is determined by our ability to contain the cost of production.

HEALTH AND SAFETY

Our commitment to ensuring that our employees enjoy safe and healthy working conditions remains our primary concern.

Sadly, there were two fatal accidents at Zondereinde this year. Mr Feliciano Sebastiao Massingue, a diamond drill operator, lost his life in an underground rail accident in July 2017. Mr Daniel du Plessis, an underground fitter, was fatally injured in an engineering-related accident in June 2018. Management's thoughts remain with the families and friends of Mr Massingue and Mr du Plessis.

Despite this safety setback, Zondereinde achieved a 22% improvement in its lost time injury incidence rate (LTIIR).

The Booysendal mine continues with its world class safety record, achieving an LTIIR of 0.31 per 200 000 hours worked and 3 000 000 fatality free shifts.

STRATEGIC PROGRESS

While our aspirational target of producing 1Moz or more of PGMs remains, we will not chase production for the sake of size alone. All our ounces are and must remain profitable.

During the year's first half we acquired the ground adjacent to Zondereinde's western boundary from Anglo American Platinum. This western block, acquired for a cash consideration of R1 billion, provides Zondereinde with additional Merensky and UG2 resources that can be developed cost-effectively by leveraging Zondereinde's existing underground and surface infrastructure. As a consequence, Zondereinde's life expectancy has been extended to more than 30 years.

A further strategic development was the acquisition of the mothballed Eland mining assets from Glencore at a price of R175 million. It is not envisaged that full-scale mining will be resumed at Eland until the global PGM market recovers or until we anticipate a sustainable recovery. However, in a move to take advantage of the synergy that our new acquisition makes possible, we have initiated the restoration of concentrator operations following an agreement to process PGM-bearing material from Jubilee Metals, beginning February 2019. The concentrator's production will be processed further at Zondereinde's smelter, where a second furnace was brought into operation in February this year. The Eland tailings dam will be reprocessed for chrome and PGMs and Kukama shaft will be recommissioned for trial mining on 1 level west.

The commissioning of the second furnace was a vital development in our longer-term strategy of positioning Northam as a major integrated mine-to-market player. The R1.0 billion smelter expansion and furnace were built with the help of a €20 million contribution by our long-term refining partner, Heraeus Deutschland GmbH & Co. KG (Heraeus), a partnership that has successfully endured for the past 30 years. Significant de-stocking of excess concentrate is expected during the course of F2019.

Full technical details of our operations at our Zondereinde and Booysendal mines are provided elsewhere in this report. In summary, however, Zondereinde has had a very solid year. Merensky grades of over 6g/t were instrumental in boosting production to 349 000 6E oz.

At Booysendal, a few teething problems with the start-up of the dense media separation plant were mastered and overcome in the second half of the year. Work was completed on deepening the existing UG2 North mine while, simultaneously, developing the Booysendal Merensky North and Booysendal South operations. The aerial rope conveyor system which will link Booysendal Central mine to the Booysendal South Concentrator is scheduled to be commissioned by April 2019 and may come in ahead of schedule.

In addition, Booysendal has successfully transitioned to full owner-operator status. Since its inception in 2013, Booysendal's mining operations were carried out on a contract basis by Murray & Roberts Cementation (MRC). As that contract approached its conclusion, however, it was decided that the mine's management and operation should revert to Northam. The process included the permanent employment of the contractor workforce by Northam, no jobs were lost and our new employees now enjoy the full benefits of permanent employment. Our contractual arrangement with Minopex South Africa also ended in December, and the concentrator moved to an owner-operator model.

While maintaining our focus on mining, we recognised and acted upon a low-risk opportunity to diversify into recycling. In July, we entered into an agreement with the liquidators of A-1 Specialised Services to acquire that company's mothballed autocatalyst recycling assets and property in Pennsylvania, USA for a cash purchase price of USD10.8 million. The acquisition has given us a low-cost entrée into the recycling sector and is underpinned to a high degree by the value of the building and land. The first trial shipments of recycled material landed in South Africa in April this year for processing at our Zondereinde smelter. Development of this segment within Northam will be done slowly and carefully over time.

During the course of the year we disposed of our 7.5% participation interest in the Pandora joint venture on 1 December 2017, which we considered to be non-core.

INDUSTRIAL RELATIONS

We are conducting wage negotiations at our Zondereinde mine after the financial year end. We expect negotiations to be tough but to be completed with mutual understanding and respect.

Negotiations at Booysendal are scheduled for June 2019. Despite the unprotected work stoppage that was carried out by the former MRC employees in late March to early April, which did impact production somewhat, Booysendal has had a satisfactory year.

THE FUTURE

With regard to the draft Mining Charter of 2018, Northam's position remains aligned with that of the Minerals Council South Africa, of which Northam is a member. The Mining Charter 2018 is a material improvement on the 2017 Mining Charter draft. However, more work needs to be done to create a Charter that promotes competitiveness, investment, growth and transformation in South Africa. Northam remains well positioned with respect to ownership credentials through the Zambezi Platinum participation.

In the second half of the year, management concluded that it would be prudent to increase available funding going forward mainly as insurance against cash flow requirements for Northam's business during this period of low rand basket prices. And so, with effect from 17 May, the domestic medium-term note programme was increased by R1 billion. Northam also secured a new R1 billion two-year revolving credit facility, increasing total revolving credit facilities to R3 billion until April 2020. The additional R2 billion funding flexibility strengthens Northam's balance sheet capability in support of the group's key strategic initiatives, including the development of the Booysendal expansion. Together with existing cash reserves, the new facility provides Northam with increased financial flexibility, ensuring that the group's growth initiatives remain fully funded in the medium-term.

Our focus remains to keep our operations lean and well positioned to take full advantage of a recovery in metal prices, while ensuring we are profitable and cash-flow positive after sustaining capital expenditure.

APPRECIATION

It would be remiss of me not to mention the role which our former chairman Lazarus Zim played in Northam's development. His wise counsel was invaluable over his 10-year tenure. Lazarus retired in November and was succeeded by Brian Mosehla, the chairman of our BEE partner Zambezi Platinum.

The proposed appointments of Mr Mcebisi Jonas and Mr Jean Nel at our AGM in November will further strengthen an already diverse and very experienced board.

The past year has been a period in which unstinting teamwork was essential, and I must commend my colleagues throughout the company for their efforts, which are so essential to our success. My thanks and appreciation go to all of them.

Paul Dunne
Chief executive

30 August 2018

PERFORMANCE HIGHLIGHTS

	12 months ended 30 June 2018	12 months ended 30 June 2017
	R000	R000
Normalised headline earnings per share (headline earnings adjusted for the impact of the BEE transaction)		
Headline loss	(701 610)	(636 371)
Add back:		
Amortisation of liquidity fees paid on preference shares	16 390	16 390
Preference share dividends	1 106 684	1 017 396
Loss on derecognition of preference share liability	8	901
Normalised headline earnings	421 472	398 316
Normalised headline earnings per share (cents)	82.7	78.1
Number of shares in issue including treasury shares	509 781 212	509 781 212
Value created and distributed		
Value created and distributed to employees		
Salaries and wages	2 059 414	1 682 144
Contributions to retirement benefit funds	155 700	128 675
Contributions to healthcare funds	91 445	73 112
	2 306 559	1 883 931
Value created and distributed to government		
Taxation	10 235	70 108
Mining royalties	26 914	45 041
Employee taxes	426 640	315 077
	463 789	430 226
Total value created and distributed	2 770 348	2 314 157
Market information and share statistics		
Total number of shares in issue	509 781 212	509 781 212
Weighted average number of shares in issue	349 875 759	349 875 759
Treasury shares held	159 905 453	159 905 453
Market capitalisation	18 698 775	20 620 650
Closing share price (in cents)	3 668	4 045
Highest share price traded (in cents)	6 020	6 035
Lowest share price traded (in cents)	3 165	3 593
Number of shares traded	220 331 693	231 614 075
Value of transactions traded (R000)	9 517 061	11 221 478

GROUP OPERATING RESULTS

	12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
	R000	R000	
Sales revenue			
Platinum	3 466 598	3 692 945	(6.1)
Palladium	1 723 269	1 316 374	30.9
Rhodium	814 506	453 084	79.8
Gold	110 050	99 322	10.8
Iridium	182 978	126 340	44.8
Ruthenium	116 580	32 276	261.2
Silver	1 650	1 681	(1.8)
Nickel	257 760	171 766	50.1
Copper	65 547	42 303	54.9
Cobalt	10 691	3 800	181.3
Chrome	802 552	925 294	(13.3)
	7 552 181	6 865 185	10.0
Cost of sales			
Operating costs	(6 318 000)	(5 676 017)	(11.3)
Mining operations	(4 792 698)	(4 385 731)	(9.3)
Concentrator operations	(707 322)	(630 773)	(12.1)
Smelting and base metal removal plant costs	(417 828)	(318 807)	(31.1)
Chrome processing	(75 065)	(36 883)	(103.5)
Selling and administration overheads	(188 742)	(162 387)	(16.2)
Royalty charges	(26 914)	(45 041)	40.2
Share-based payment expenses and profit share scheme	(107 344)	(96 395)	(11.4)
Rehabilitation	(2 087)	–	(100.0)
Concentrates purchased	(1 410 506)	(404 093)	(249.1)
Refining including sampling and handling charges	(123 840)	(120 633)	(2.7)
Depreciation and write-offs	(441 865)	(452 584)	2.4
Change in metal inventories	1 565 344	402 127	(289.3)
	(6 728 867)	(6 251 200)	(7.6)
Operating profit	823 314	613 985	34.1
Operating margin	10.9%	8.9%	22.5
EBITDA*	1 107 770	967 228	14.5
EBITDA margin*	14.7%	14.1%	4.3

* Earnings before interest, taxation, depreciation and amortisation

GROUP SEGMENTAL RESULTS

Segmental statement of profit or loss and other comprehensive income

30 June 2018	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations R000	Total R000
Sales revenue	7 142 893	3 034 874	(2 625 586)	7 552 181
Cost of sales	(6 787 469)	(2 509 516)	2 568 118	(6 728 867)
Operating costs	(4 240 251)	(2 077 749)	–	(6 318 000)
Mining operations	(3 254 293)	(1 538 405)	–	(4 792 698)
Concentrator operations	(353 861)	(353 461)	–	(707 322)
Smelting and base metal removal plant costs	(417 828)	–	–	(417 828)
Chrome processing	(21 344)	(53 721)	–	(75 065)
Selling and administration	(106 331)	(82 411)	–	(188 742)
Royalty charges	(12 119)	(14 795)	–	(26 914)
Share-based payment expenses and profit share scheme	(76 980)	(30 364)	–	(107 344)
Rehabilitation	2 505	(4 592)	–	(2 087)
Concentrates purchased	(3 963 939)	(72 153)	2 625 586	(1 410 506)
Refining including sampling and handling charges	(123 840)	–	–	(123 840)
Depreciation and write-offs	(152 041)	(291 556)	1 732	(441 865)
Change in metal inventory	1 692 602	(68 058)	(59 200)	1 565 344
Operating profit	**355 424**	**525 358**	**(57 468)**	**823 314**
Operating profit margin	**5.0%**	**17.3%**	**–**	**10.9%**

30 June 2017	Zondereinde operating segment R000	Booysendal operating segment R000	Intercompany eliminations 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

		12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.02	0.01	(100.0)
Total injury incidence rate (TIIR) per 200 000 hours worked		1.98	1.87	(5.9)
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		1.00	1.30	23.1
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.66	0.88	25.0
Number of fatalities		2	1	(100.0)
Health				
New cases of noise induced hearing loss		68	47	(44.7)
New cases of tuberculosis		61	56	(8.9)
Voluntary counselling and testing encounters		3 342	5 304	(37.0)
Employment and human rights				
Average number of employees		13 151	12 579	(4.5)
Directly employed		8 260	6 257	(32.0)
Total employed		13 258	12 405	(6.9)
Turnover rate	%	6	7	14.3
HDSAs in management	%	56	62	(9.7)
Women in mining	%	13	13	–
Water usage (000m³)				
Potable water from external sources		3 448	3 456	0.2
Fissure water used		273	218	(25.2)
Borehole water used		40	31	(29.0)
Water recycled in process		28 577	29 483	(3.1)
% water recycled		88	89	(1.1)
Electricity consumption (MWh)				
Energy from electricity purchased by shafts		592 488	563 700	(5.1)
Energy from electricity purchased by plant		298 958	241 739	(23.7)
Total electricity purchased		891 446	805 439	(10.7)
Greenhouse gas emissions (CO_2e tonnes)				
Scope 1 (direct) emissions		41 242	52 111	20.9
Scope 2 (indirect) emissions		882 531	829 601	(6.4)
Scope 3 (indirect) emissions		228	980	76.7
Total emissions		924 001	882 692	(4.7)
Land use (hectares)				
Land disturbed by mining-related activities		1 118	1 118	–
Land leased for farming purposes		1 441	273	427.8
Land protected for conservation		3 514	3 514	–
Total land under management (freehold)		14 391	15 570	(7.6)

GROUP STATISTICS CONTINUED

		12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
Production and ore stockpiles				
Merensky				
Square metres mined	m^2	190 764	189 366	0.7
Tonnes mined	t	1 285 094	1 244 325	3.3
Tonnes milled	t	1 197 466	975 773	22.7
Stockpile	t	34 762	142 152	75.5
UG2				
Square metres mined	m^2	447 000	425 446	5.1
Tonnes mined	t	3 497 974	3 568 109	(2.0)
Tonnes milled	t	3 404 410	3 474 338	(2.0)
Stockpile	t	230 631	158 200	(45.8)
Combined				
Square metres mined	m^2	637 764	614 812	3.7
Tonnes mined	t	4 783 068	4 812 434	(0.6)
Tonnes milled	t	4 601 876	4 450 111	3.4
Stockpile	t	265 393	300 352	11.6
Chrome tonnes produced	t	650 091	581 385	11.8
Equivalent refined metal from own operations				
Platinum	oz	293 323	286 078	2.5
Palladium	oz	140 499	138 081	1.8
Rhodium	oz	43 361	44 944	(3.5)
Gold	oz	6 758	4 904	37.8
4E	oz	483 941	474 007	2.1
Iridium	oz	15 753	13 904	13.3
Ruthenium	oz	72 149	59 073	22.1
6E	oz	571 843	546 984	4.5
Equivalent refined metal from external parties				
Platinum	oz	58 074	18 952	206.4
Palladium	oz	23 955	8 656	176.7
Rhodium	oz	7 138	2 582	176.5
Gold	oz	1 944	763	154.8
4E	oz	91 111	30 953	194.4
Iridium	oz	2 821	948	197.6
Ruthenium	oz	11 630	4 035	188.2
6E	oz	105 562	35 936	193.8

		12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
Total refined metal produced				
Platinum	oz	289 962	273 432	6.0
Palladium	oz	137 882	131 712	4.7
Rhodium	oz	38 609	41 604	(7.2)
Gold	oz	6 633	5 720	16.0
4E	oz	473 086	452 468	4.6
Iridium	oz	13 956	13 272	5.2
Ruthenium	oz	62 458	56 389	10.8
6E	oz	549 500	522 129	5.2
Total metal sold				
Platinum	oz	289 327	274 062	5.6
Palladium	oz	137 584	131 962	4.3
Rhodium	oz	39 335	41 742	(5.8)
Gold	oz	6 638	5 815	14.2
4E	oz	472 884	453 581	4.3
Iridium	oz	13 929	13 289	4.8
Ruthenium	oz	62 695	56 300	11.4
6E	oz	549 508	523 170	5.0
Nickel	t	1 569	1 260	24.5
Copper	t	757	637	18.8
Chrome	t	650 091	581 385	11.8
Average market prices achieved and sales statistics				
Platinum	USD/oz	934	988	(5.5)
Palladium	USD/oz	976	731	33.5
Rhodium	USD/oz	1 618	803	101.5
Gold	USD/oz	1 296	1 255	3.3
4E basket price	USD/oz	1 008	900	12.0
Iridium	USD/oz	1 014	698	45.3
Ruthenium	USD/oz	144	42	242.9
6E basket price	USD/oz	910	802	13.5
Average exchange rate	R/USD	12.82	13.63	(5.9)
Closing exchange rate	R/USD	13.73	13.06	5.1
Average nickel market price achieved	USD/t	12 811	9 962	28.6
Average copper market price achieved	USD/t	6 756	4 872	38.7
Average chrome price achieved	USD/t	96	118	(18.6)
Average chrome price achieved	R/t	1 235	1 586	(22.1)
Total revenue per platinum oz sold*	R/oz	26 103	25 050	4.2
Total revenue per 4E oz sold*	R/oz	15 970	15 136	5.5
Total revenue per 6E oz sold*	R/oz	13 744	13 122	4.7

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

GROUP STATISTICS CONTINUED

		12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
Cash costs statistics				
On mine cash cost per tonne mined	R/t	1 150	1 042	(10.4)
On mine cash cost per tonne milled	R/t	1 195	1 127	(6.0)
Cash cost per equivalent refined platinum oz#	R/oz	21 270	19 736	(7.8)
Cash cost per equivalent refined 4E oz#	R/oz	12 909	11 913	(8.4)
Cash cost per equivalent refined 6E oz#	R/oz	10 947	10 324	(6.0)
Cash profit and margin				
Cash profit per equivalent refined platinum oz	R/oz	4 833	5 314	(9.1)
Cash margin per equivalent refined platinum oz	%	18.5	21.2	(12.7)
Cash profit per equivalent refined 4E	R/oz	3 061	3 223	(5.0)
Cash margin per equivalent refined 4E	%	19.2	21.3	(9.9)
Cash profit per equivalent refined 6E	R/oz	2 797	2 798	(0.0)
Cash margin per equivalent refined 6E	%	20.4	21.3	(4.2)
Capital incurred				
Expansionary capex	R000	3 392 035	1 346 018	152.0
Sustaining capex	R000	385 609	299 051	28.9
	R000	3 777 644	1 645 069	129.6
Sustaining capex per equivalent refined platinum oz from own operations	R/oz	1 315	1 045	25.8
Expansionary capex				
Zondereinde	R000	1 583 771	619 190	155.8
Contribution received for capital assets	R000	(303 106)	–	(100.0)
Booysendal North	R000	326 145	336 345	(3.0)
Booysendal South*	R000	1 490 948	325 625	357.9
Other	R000	294 277	64 858	353.7
	R000	3 392 035	1 346 018	152.0
Sustaining capex				
Zondereinde	R000	249 467	187 190	33.3
Booysendal North	R000	136 142	111 861	21.7
	R000	385 609	299 051	28.9

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 R89.6 million (2017: R336.4 million)

ZONDEREINDE STATISTICS

	12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
	R000	R000	
Sales revenue			
Platinum	3 466 598	3 692 945	(6.1)
Palladium	1 723 269	1 316 374	30.9
Rhodium	814 506	453 084	79.8
Gold	110 050	99 322	10.8
Iridium	182 978	126 340	44.8
Ruthenium	116 580	32 276	261.2
Silver	1 650	1 681	(1.8)
Nickel	257 760	171 766	50.1
Copper	65 547	42 303	54.9
Cobalt	10 691	3 800	181.3
Chrome	393 264	455 145	(13.6)
	7 142 893	6 395 036	11.7
Cost of sales			
Operating costs	(4 240 251)	(3 717 601)	(14.1)
Mining operations	(3 254 293)	(2 909 091)	(11.9)
Concentrator operations	(353 861)	(290 863)	(21.7)
Smelting and base metal removal plant costs	(417 828)	(318 807)	(31.1)
Chrome processing	(21 344)	(20 468)	(4.3)
Selling and administration overheads	(106 331)	(82 082)	(29.5)
Royalty charges	(12 119)	(32 169)	62.3
Share-based payment expenses and profit share scheme	(76 980)	(64 121)	(20.1)
Rehabilitation	2 505	–	100.0
Concentrates purchased	(3 963 939)	(2 508 386)	(58.0)
Refining including sampling and handling charges	(123 840)	(120 633)	(2.7)
Depreciation and write-offs	(152 041)	(182 650)	16.8
Change in metal inventories	1 692 602	366 696	(361.6)
	(6 787 469)	(6 162 574)	(10.1)
Operating profit	355 424	232 462	52.9
Operating margin	5.0%	3.6%	38.9
EBITDA	527 944	386 194	36.7
EBITDA margin	7.4%	6.0%	23.3

ZONDEREINDE STATISTICS CONTINUED

		12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.02	0.01	(100.0)
Total injury incidence rate (TIIR) per 200 000 hours worked		1.64	1.79	8.4
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		1.29	1.65	21.8
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.87	1.13	23.0
Number of fatalities		2	1	(100.0)
Health				
New cases of noise induced hearing loss		61	46	(32.6)
New cases of tuberculosis		48	46	(4.3)
Voluntary counselling and testing encounters		2 502	4 571	(45.3)
Employment and human rights				
Average number of employees		8 950	8 799	(1.7)
Directly employed		6 323	6 059	(4.4)
Total employed		9 107	8 726	(4.4)
Turnover rate	%	7	12	41.7
HDSAs in management	%	57	53	7.6
Women in mining	%	12	10	20.0
Water usage (000m³)				
Potable water from external sources		2 765	2 836	2.5
Fissure water used		211	126	(67.5)
Borehole water used		20	–	(100.0)
Water recycled in process		26 703	27 126	(1.6)
% water recycled		90	90	–
Electricity consumption (MWh)				
Energy from electricity purchased by shafts		532 101	512 190	(3.9)
Energy from electricity purchased by plant		197 551	150 552	(31.2)
Total electricity purchased		729 652	662 742	(10.1)
Greenhouse gas emissions (CO_2e tonnes)				
Scope 1 (direct) emissions		32 425	45 361	28.5
Scope 2 (indirect) emissions		722 355	682 624	(5.8)
Scope 3 (indirect) emissions		228	942	75.8
Total emissions		755 008	782 927	3.6
Land use (hectares)				
Land disturbed by mining related activities		137	137	–
Land leased for farming purposes		1 441	273	427.8
Land protected for conservation		800	800	–
Total land under management (freehold)		3 271	4 450	(26.5)

		12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
Production and ore stockpiles				
Merensky				
Square metres mined	m²	148 552	155 894	(4.7)
Tonnes mined (including waste)	t	958 424	981 173	(2.3)
Total development tonnes reef and waste mined	t	218 985	172 042	27.3
Tonnes milled (includes fines from the thickeners)	t	739 439	814 639	(9.2)
Head grade (4E)	g/t	6.04	5.78	4.5
Head grade (6E)	g/t	6.53	6.25	4.5
Concentrator recoveries	%	90.0	90.2	(0.2)
Stockpile	t	1 780	2 154	17.4
UG2				
Square metres mined	m²	221 228	189 033	17.0
Tonnes mined	t	1 315 382	1 168 905	12.5
Tonnes milled	t	1 193 365	1 147 878	4.0
Head grade (4E)	g/t	4.27	4.19	1.9
Head grade (6E)	g/t	5.24	5.15	1.7
Concentrator recoveries	%	87.4	87.3	0.1
Stockpile	t	210 379	92 904	(126.4)
Combined				
Square metres mined	m²	369 780	344 927	7.2
Tonnes mined	t	2 273 806	2 150 078	5.8
Total development tonnes reef and wasted mined	t	218 985	172 042	27.3
Tonnes milled	t	1 932 804	1 962 517	(1.5)
Head grade (4E)	g/t	4.95	4.84	2.3
Head grade (6E)	g/t	5.73	5.60	2.3
Concentrator recoveries	%	88.6	88.7	(0.1)
Stockpile	t	212 159	95 058	(123.2)
Chrome tonnes produced	t	341 412	303 286	12.6
Equivalent refined metal from own Zondereinde operations				
Platinum	oz	181 624	168 568	7.7
Palladium	oz	86 940	82 201	5.8
Rhodium	oz	26 310	25 902	1.6
Gold	oz	4 421	3 501	26.3
4E	oz	299 295	280 172	6.8
Iridium	oz	9 338	8 994	3.8
Ruthenium	oz	40 255	36 815	9.3
6E	oz	348 888	325 981	7.0

		12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
Equivalent refined metal from external parties				
Platinum	oz	55 123	18 952	190.9
Palladium	oz	22 265	8 656	157.2
Rhodium	oz	6 375	2 582	146.9
Gold	oz	1 933	763	153.3
4E	oz	85 696	30 953	176.9
Iridium	oz	2 304	948	143.0
Ruthenium	oz	9 974	4 035	147.2
6E	oz	97 974	35 936	172.6
Total refined metal produced				
Platinum	oz	289 962	273 432	6.0
Palladium	oz	137 882	131 712	4.7
Rhodium	oz	38 609	41 604	(7.2)
Gold	oz	6 633	5 720	16.0
4E	oz	473 086	452 468	4.6
Iridium	oz	13 956	13 272	5.2
Ruthenium	oz	62 458	56 389	10.8
6E	oz	549 500	522 129	5.2
Zondereinde calculated metal sold*				
Platinum	oz	115 503	143 607	(19.6)
Palladium	oz	58 402	70 306	(16.9)
Rhodium	oz	14 840	21 092	(29.6)
Gold	oz	2 221	3 728	(40.4)
4E	oz	190 966	238 733	(20.0)
Iridium	oz	4 931	5 097	(3.3)
Ruthenium	oz	19 878	22 297	(10.8)
6E	oz	215 775	266 127	(18.9)
Total metal sold				
Platinum	oz	289 327	274 062	5.6
Palladium	oz	137 584	131 962	4.3
Rhodium	oz	39 335	41 742	(5.8)
Gold	oz	6 638	5 815	14.2
4E	oz	472 884	453 581	4.3
Iridium	oz	13 929	13 289	4.8
Ruthenium	oz	62 695	56 300	11.4
6E	oz	549 508	523 170	5.0
Nickel	t	1 569	1 260	24.5
Copper	t	757	637	18.8
Chrome	t	341 412	303 286	12.6

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

		12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
Average market prices achieved and sales statistics				
Platinum	USD/oz	934	988	(5.5)
Palladium	USD/oz	976	731	33.5
Rhodium	USD/oz	1 618	803	101.5
Gold	USD/oz	1 296	1 255	3.3
4E basket price	USD/oz	1 008	900	12.0
Iridium	USD/oz	1 014	698	45.3
Ruthenium	USD/oz	144	42	242.9
6E basket price	USD/oz	910	802	13.5
Average exchange rate	R/USD	12.82	13.63	(5.9)
Closing exchange rate	R/USD	13.73	13.06	5.1
Average nickel market price achieved	USD/t	12 811	9 962	28.6
Average copper market price achieved	USD/t	6 756	4 872	38.7
Average chrome price achieved	USD/t	90	112	(19.6)
Average chrome price achieved	R/t	1 152	1 490	(22.7)
Zondereinde calculated sales				
Revenue from intercompany purchased material	R000	2 807 101	2 331 145	20.4
Revenue from the sales of third party material	R000	1 350 236	437 177	208.9
Zondereinde calculated sales revenue	R000	2 985 556	3 626 714	(17.7)
	R000	7 142 893	6 395 036	11.7
Total calculated revenue per platinum oz sold for own Zondereinde operations*	R/oz	25 848	25 254	2.4
Total calculated revenue per 4E oz sold for own Zondereinde operations*	R/oz	15 634	15 192	2.9
Total calculated revenue per 6E oz sold for own Zondereinde operations*	R/oz	13 836	13 628	1.5

* Total calculated revenue takes into account Zondereinde calculated sales revenue divided by calculated Zondereinde metal sold

ZONDEREINDE STATISTICS CONTINUED

		12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
Cash costs statistics				
On mine cash cost per tonne mined	R/t	1 587	1 488	(6.7)
On mine cash cost per tonne milled	R/t	1 867	1 631	(14.5)
Cash cost per equivalent refined platinum oz#	R/oz	22 101	20 890	(5.8)
Cash cost per equivalent refined 4E oz#	R/oz	13 425	12 574	(6.8)
Cash cost per equivalent refined 6E oz#	R/oz	11 521	10 815	(6.5)
Cash profit and margin for own Zondereinde operations				
Cash profit per equivalent refined platinum oz	R/oz	3 747	4 364	(14.1)
Cash margin per equivalent refined platinum oz	%	14.5	17.3	(16.2)
Cash profit per equivalent refined 4E	R/oz	2 209	2 618	(15.6)
Cash margin per equivalent refined 4E	%	14.1	17.2	(18.0)
Cash profit per equivalent refined 6E	R/oz	2 315	2 813	(17.7)
Cash margin per equivalent refined 6E	%	16.7	20.6	(18.9)
Capital incurred				
Expansionary capex	R000	1 583 771	619 190	155.8
Contribution received for capital assets	R000	(303 106)	–	(100.0)
Sustaining capex	R000	249 467	187 190	33.3
	R000	1 530 132	806 380	89.8
Sustaining capex per equivalent refined platinum oz from Zondereinde	R/oz	1 374	1 110	(23.8)

Cash cost per equivalent refined 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 sales and administration overhead costs divided by total refined metal quantities produced

BOOYSENDAL STATISTICS

	12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
	R000	R000	
Sales revenue*			
Platinum	1 286 051	1 284 164	0.1
Palladium	666 754	500 433	33.2
Rhodium	399 885	189 076	111.5
Gold	37 821	19 328	95.7
Iridium	66 740	52 319	27.6
Ruthenium	69 374	15 709	341.6
Nickel	83 664	35 789	133.8
Copper	15 297	7 475	104.6
Chrome	409 288	470 149	(12.9)
	3 034 874	2 574 442	17.9
Cost of sales			
Operating costs	(2 077 749)	(1 964 416)	(5.8)
Mining operations	(1 538 405)	(1 482 640)	(3.8)
Concentrator operations	(353 461)	(339 910)	(4.0)
Chrome processing	(53 721)	(16 415)	(227.3)
Selling and administration overheads	(82 411)	(80 305)	(2.6)
Royalty charges	(14 795)	(12 872)	(14.9)
Share-based payment expenses	(30 364)	(32 274)	5.9
Rehabilitation	(4 592)	–	(100.0)
Concentrates purchased	(72 153)	–	(100.0)
Depreciation and write-offs	(291 556)	(271 666)	(7.3)
Change in metal inventories	(68 058)	99 051	168.7
Total cost of sales	(2 509 516)	(2 137 031)	(17.4)
Operating profit	525 358	437 411	20.1
Operating margin	17.3%	17.0%	1.8
EBITDA	692 382	669 325	3.4
EBITDA margin	22.8%	26.0%	(12.3)

* 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

BOOYSENDAL STATISTICS CONTINUED

		12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
Safety				
Fatal injury incidence rate (FIIR) per 200 000 hours worked		0.00	0.00	–
Total injury incidence rate (TIIR) per 200 000 hours worked		2.78	2.10	(32.4)
Lost time injury incidence rate (LTIIR) per 200 000 hours worked		0.31	0.30	(3.3)
Reportable injury incidence rate (RIIR) per 200 000 hours worked		0.18	0.20	10.0
Number of fatalities		–	–	–
Health				
New cases of noise induced hearing loss		7	1	(600.0)
New cases of tuberculosis		13	10	(30.0)
Voluntary counselling and testing encounters		840	733	14.6
Employment and human rights				
Average number of employees (including indirect employees)		4 201	3 780	(11.1)
Directly employed		1 937	198	(878.3)
Total employed		4 151	3 679	(12.8)
Turnover rate	%	1	5	80.0
HDSAs in management	%	52	66	(21.2)
Women in mining	%	15	20	(25.0)
Water usage (000m^3)				
Potable water from external sources		683	620	(10.2)
Fissure water used		62	92	32.6
Borehole water used		20	31	35.5
Water recycled in process		1 874	2 357	(20.5)
% water recycled		71	76	(6.6)
Electricity consumption (MWh)				
Energy from electricity purchased by shafts		60 387	45 270	(33.4)
Energy from electricity purchased by plant		101 407	91 187	(11.2)
Total electricity purchased		161 794	142 697	(13.4)
Greenhouse gas emissions (CO_2e tonnes)				
Scope 1 (direct) emissions		8 817	6 750	(30.6)
Scope 2 (indirect) emissions		160 176	146 977	(9.0)
Scope 3 (indirect) emissions		–	38	100.0
Total emissions		168 993	153 765	(9.9)
Land use (hectares)				
Land disturbed by mining-related activities		982	982	–
Land leased for farming purposes		–	–	–
Land protected for conservation		2 714	2 714	–
Total land under management (freehold)		11 120	11 120	–

		12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
Production and ore stockpiles				
Merensky				
Square metres	m^2	42 212	33 472	26.1
Tonnes mined	t	326 670	263 152	24.1
Tonnes milled	t	458 027	161 134	184.3
Head grade (4E)	g/t	2.06	2.01	2.5
Head grade (6E)	g/t	2.27	2.21	2.7
Concentrator recoveries	%	87.4	85.5	2.2
Stockpile	t	32 982	139 998	76.4
UG2				
Square metres	m^2	225 772	236 413	(4.5)
Tonnes mined	t	2 182 592	2 399 204	(9.0)
Tonnes milled	t	2 211 045	2 326 460	(5.0)
Head grade (4E)	g/t	2.78	2.79	(0.4)
Head grade (6E)	g/t	3.31	3.33	(0.6)
Concentrator recoveries	%	85.8	86.8	(1.2)
Stockpile	t	20 252	65 296	69.0
Combined				
Square metres	m^2	267 984	269 885	(0.7)
Tonnes mined	t	2 509 262	2 662 356	(5.8)
Tonnes milled	t	2 669 072	2 487 594	7.3
Head grade (4E)	g/t	2.71	2.74	(1.1)
Head grade (6E)	g/t	3.19	3.22	(0.9)
Concentrator recoveries	%	86.0	86.8	(0.9)
Stockpile	t	53 234	205 284	74.1
Chrome tonnes produced	t	308 679	278 099	11.0
Metal in concentrate produced and ore stockpiles				
Platinum	oz	114 865	120 841	(4.9)
Palladium	oz	55 077	57 464	(4.2)
Rhodium	oz	17 534	19 582	(10.5)
Gold	oz	2 404	1 443	66.6
4E	oz	189 880	199 330	(4.7)
Iridium	oz	6 597	7 868	(16.2)
Ruthenium	oz	32 798	32 445	1.1
6E	oz	229 275	239 643	(4.3)
Metal in concentrate purchased from third parties				
Platinum	oz	3 035	–	100.0
Palladium	oz	1 738	–	100.0
Rhodium	oz	785	–	100.0
Gold	oz	10	–	100.0
4E	oz	5 568	–	100.0
Iridium	oz	532	–	100.0
Ruthenium	oz	1 703	–	100.0
6E	oz	7 803	–	100.0

BOOYSENDAL STATISTICS CONTINUED

		12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
Total metal sold				
Platinum	oz	122 070	114 668	6.5
Palladium	oz	58 532	54 504	7.4
Rhodium	oz	18 634	18 581	0.3
Gold	oz	2 555	1 362	87.6
4E	oz	201 791	189 115	6.7
Iridium	oz	6 884	7 450	(7.6)
Ruthenium	oz	33 776	30 819	9.6
6E	oz	242 451	227 384	6.6
Nickel	t	656	389	68.6
Copper	t	377	222	69.8
Chrome	t	308 679	278 099	11.0
Average market prices achieved and sales statistics				
Platinum	USD/oz	820	830	(1.2)
Palladium	USD/oz	884	683	29.4
Rhodium	USD/oz	1 671	760	119.9
Gold	USD/oz	1 168	1 056	10.6
4E basket price	USD/oz	921	783	17.6
Iridium	USD/oz	745	524	42.2
Ruthenium	USD/oz	160	38	321.1
6E basket price	USD/oz	810	673	20.4
Average exchange rate	R/USD	12.86	13.50	(4.7)
Closing exchange rate	R/USD	13.73	13.06	5.1
Average nickel market price achieved#	USD/t	9 917	6 815	45.5
Average copper market price achieved#	USD/t	3 153	2 494	26.4
Average chrome price achieved	USD/t	103	125	(17.6)
Average chrome price achieved	R/t	1 326	1 690	(21.5)
Booysendal calculated sales				
Booysendal calculated sales	R000	2 958 973	2 574 442	14.9
Revenue from the sales of third party material	R000	75 901	–	100.0
	R000	3 034 874	2 574 442	17.9
Total revenue per platinum oz sold*	R/oz	24 862	22 451	10.7
Total revenue per 4E oz sold*	R/oz	15 040	13 613	10.5
Total revenue per 6E oz sold*	R/oz	12 517	11 322	10.6

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

\# Based on a percentage of the open market price

		12 months ended 30 June 2018	12 months ended 30 June 2017	% variance
Cash costs statistics				
On mine cash cost per tonne mined	R/t	754	685	(10.1)
On mine cash cost per tonne milled	R/t	709	733	3.3
Cash cost per platinum oz in concentrate produced#	R/oz	17 090	15 747	(8.5)
Cash cost per 4E oz in concentrate produced#	R/oz	10 332	9 546	(8.2)
Cash cost per 6E oz in concentrate produced#	R/oz	8 548	7 940	(7.7)
Cash profit and margin				
Cash profit per platinum oz in concentrate produced	R/oz	7 772	6 704	15.9
Cash margin per platinum oz in concentrate produced	%	31.3	29.9	4.7
Cash profit per 4E in concentrate produced	R/oz	4 708	4 067	15.8
Cash margin per 4E in concentrate produced	%	31.3	29.9	4.7
Cash profit per 6E in concentrate produced	R/oz	3 969	3 382	17.4
Cash margin per 6E in concentrate produced	%	31.7	29.9	6.0
Capital incurred				
Expansionary capex	R000	326 146	336 345	(3.0)
Expansionary capex relating to Booysendal South*	R000	1 490 948	325 625	357.9
Sustaining capex	R000	136 142	111 861	21.7
	R000	1 953 236	773 831	152.4
Sustaining capex per platinum oz in concentrate	R/oz	1 185	926	(28.0)

Cash costs in concentrate are calculated using the mining costs divided by concentrate produced plus concentrator costs plus sales 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 R89.6 million (2017: R336.4 million)

RESULTS COMMENTARY

KEY FEATURES

- **Improvement of 23.1% in group LTIIR**
- **Equivalent refined metal from own operations up 4.5% to 571 843oz 6E**
- **Revenue per Pt oz sold up 4.2% to R26 103/oz.**
- **Group cash cost per equivalent refined Pt oz rose 7.8% to R21 270/oz**
- **Cash margin of 18.5% achieved per equivalent refined Pt oz**
- **Group operating profit rose 34.1% to R823.3 million**
- **Normalised headline earnings 5.8% higher at R421.5 million**
- **Record capital expenditure at R3.8 billion to deliver on the group strategy**
- **New 20 MW furnace commissioned as part of smelter expansion at Zondereinde**
- **Significant increase in inventory volumes**

INTRODUCTION

Northam's equivalent refined metal production from its own operations rose 4.5% to 571 843oz 6E (F2017: 546 984oz) for the year. This reflects a commendable operational performance at Zondereinde mine where production volume was up 7.0% year on year. Booysendal's output was affected by a work stoppage associated with the change-over from contract mining to an owner operator-model in May 2018.

During the year, the group paid R1.0 billion for the Tumela Block (now called the Western extension) and R175.0 million for Eland Platinum mine. The assets of a PGM recycling business were acquired in Pennsylvania, United States for USD10.8 million and the non-core 7.5% share in the Pandora joint venture was disposed of for R45.6 million.

The group continued to increase both its mining and processing capacity through the continued development of Booysendal South and the completion of the second furnace at the Zondereinde smelter complex respectively. Capital expenditure on these projects has contributed to a record spend of R3.8 billion in the current year.

The acquisitions and development mentioned above have been in line with Northam's growth strategy.

FINANCIAL PERFORMANCE

Normalised headline earnings

Normalised headline earnings (the group's headline earnings adjusted for the impact of the BEE transaction) is the main measure of business performance used by Northam's management. In a continuously tough trading environment, marked by low metal prices and higher costs, the group increased normalised headline earnings by 5.8% to R421.5 million (F2017: R398.3 million), equivalent to 82.7 cents per share (F2017: 78.1 cents per share).

Statement of profit or loss and other comprehensive income

Group sales revenue rose 10.0% to R7.6 billion (F2017: R6.9 billion) on the back of improved production and sales volumes combined with the effects of a 13.5% higher US dollar basket price to USD910/oz 6E (F2017: USD802/oz 6E).

Sales volumes for the group were up 5.0% to 549 508 oz 6E (F2017: 523 170oz). The average value of the ZAR strengthened 5.9% to ZAR 12.82/USD from ZAR 13.63/USD in F2017. Average US dollar PGM prices were up significantly year on year with the exception of platinum which is currently trading around 10 year lows. Copper and nickel prices were also substantially higher year on year.

Cost of sales increased to R6.7 billion (F2017: R6.3 billion) on the back of higher operating costs and higher volumes of concentrate purchased from third parties. Operating costs, which include mining, concentrating and metallurgical processing rose 11.3% to R6.3 billion (F2017: R5.7 billion) owing to a combination of higher production volumes and higher labour and power costs. In addition, administrative overheads which include the implementation of SAP and related group services for the more effective management of a larger Northam group were up 16.2% to R188.7 million (F2017: R162.4 million).

The value of concentrates purchased from third parties increased to R1.4 billion (F2017: R404.1 million), up 249.1% owing to the availability of additional material. This increase reflects a higher volume of purchased material, which was up 193.8%.

Share-based payment expenses increased by 11.4% from R96.4 million in F2017 to R107.3 million reflecting a higher share price at the time of payment in November 2017 compared to the previous year.

Refining and related costs were marginally higher at R123.8 million (F2017: R120.6 million) in line with the additional volumes processed following the completion of the second furnace. These cost increases were largely tempered by the stronger average ZAR/EUR exchange rate. The change in metal inventories reflects the increase in stock levels over the year owing to the group's mining capacity exceeding its processing capacity. Since the new furnace at the smelter complex is now complete, inventory levels should reduce to normal levels in the next 12 months.

Depreciation is calculated by the group on a unit of production basis relative to the resource base. This expense is marginally lower than the previous year at R441.9 million (F2017: R452.6 million) as a result of an increase in the resource base following the acquisition of the Western extension block at Zondereinde.

The net result of the above-mentioned sales revenues and costs is an operating profit of R823.3 million (F2017: R614.0 million) with an operating margin of 10.9% (F2017: 8.9%).

Share of earnings from associate declined to R4.2 million (F2017: R4.9 million) on lower earnings from the associate company, SSG Holdings Proprietary Limited. Investment revenues fell on the back of lower cash balances during the year owing to the group's intensive capital expenditure programme. Finance charges are marginally lower after capitalisation of interest as the group continues to develop Booysendal South and the second furnace was completed.

Sundry income is considerably higher at R217.0 million (F2017: R73.4 million) owing to a series of once-off credits from corporate activity and higher toll treatment revenues earned from the processing of higher volumes of third party concentrate in F2018. The increase in sundry expenditure to R380.9 million (F2017: R130.8 million) is a result of higher corporate action and once-off project costs of R96.5 million (F2017: R56.5 million), Eland mine care and maintenance costs of R106.6 million (F2017: R12.0 million) and transition costs of R86.4 million incurred when Booysendal mine changed its mining model from contracting to owner-operator in May 2018.

The non-cash preference share dividend charge is 8.8% higher owing to the compounding nature of the Zambezi Platinum (RF) Limited preference shares. Northam's 31.4% BEE shareholder's results are consolidated with Northam in terms of International Financial Reporting Standards. At R232.0 million (F2017: R212.0 million), taxation is in line with the higher profit before preference share charges.

Cash flows

The group's F2018 cash flows were largely impacted by an intensive capital expenditure programme and a build-up of inventory. Operating cash flow was offset by a R1.5 billion increase in working capital, resulting in a negative cash flow from operating activities of R342.2 million compared to a positive R981.5 million cash flow in F2017, a R1.3 billion swing. Revolving credit facility (RCF) funding was utilised to support the activities of the business as explained below under financing activities. Cash flows were utilised on the back of a build-up of inventory, hence the R1.5 billion (F2017: R182.4 million) net change in working capital.

Cash flows utilised in investing activities increased to R3.6 billion (F2017: R2.0 billion) owing to the development of Booysendal South, the construction and completion of the second furnace at the Zondereinde smelter complex and payments for the acquisitions of the Western extension, Eland mine and the recycling assets in the United States.

Cash flows generated from financing activities amounted to R2.4 billion (F2017: R250.1 million utilised) owing to a R1.5 billion drawdown of the RCF and the issue of R1.0 billion in domestic medium term notes (DMTNs) during the year.

OPERATIONS

Zondereinde

The management and employees of Zondereinde are commended for achieving the milestone of 1 000 000 fatality free shifts on 6 February 2018. The lost time injury incident rate (LTIIR) improved to 1.29 injuries per 200 000 hours worked (F2017: 1.65).

This achievement was overshadowed however by two tragic accidents in the period under review, and management takes this opportunity to mark the loss of life of Messrs Sebastio Massingue, a diamond drill operator aged 59, and Mr DJ Du Plessis, an underground fitter, aged 49. Mr Massingue lost his life in a rail incident and Mr Du Plessis in an engineering related incident.

UG2 tonnages milled increased 4.0% to 1 193 365 tonnes at a head grade of 5.24g/t 6E (F2017: 1 147 878 tonnes at 5.15g/t 6E). Merensky tonnages milled dropped 9.2% to 739 439 tonnes at a head grade of 6.53g/t 6E (F2017: 814 639 tonnes 6.25g/t 6E). Total tonnage milled fell 1.5% to 1 932 804 tonnes with a combined 6E head grade of 5.73g/t 6E (F2017: 1 962 517 tonnes at 5.60g/t 6E).

The Merensky head grade increase from F2017 reflects a reduction in the normal reef contribution and an increase in the potholed reef contribution during the financial year.

Development into the Western extension block is in progress on 3 to 12 levels. Each footwall drive has reached the first reef crosscut position with most levels expected to have intersected reef by the end of the calendar year and stoping expected to commence in mid 2019.

Total operating costs at Zondereinde for the period were R4.21 billion (F2017: R3.7 billion), a 14.1% increase. Labour costs represent a significant portion of this increase, partly owing to the hiring of new employees required to exploit the Western extension. The combination of higher costs and higher production translated into a 5.8% increase in unit cash costs per equivalent refined platinum ounce to R22 101/oz (F2017: R20 890/oz).

Production of equivalent refined metal from own operations was up 7.0% to 348 888oz 6E (F2017: 325 981oz). Concentrate purchased from third parties was 97 974oz 6E (F2017: 35 936oz 6E).

Capital expenditure during the current period reached R1.5 billion (F2017: R806.4 million). Expansionary project expenditure accounted for R1.3 billion while sustaining expenditure was R249.5 million. The project expenditure pertained primarily to the acquisition of the Western extension resource and the completion of the new 20MW furnace at Zondereinde's smelter complex. Expansion and sustaining capital expenditure for F2019 is estimated at R453.5 million and R96.5 million respectively.

Zondereinde's current total resource estimate increased to 105.2 million oz 4E (Moz) (F2017: 84.0Moz), due to the inclusion of the Western extension resource acquired from Anglo American Platinum Limited during the year.

Booysendal

The good safety performance at the Booysendal operations has been sustained over the year, with the mine recording 3 000 000 fatality free shifts on 17 July 2017. This has been achieved in seven years. The lost time injury incident rate (LTIIR) remained constant at 0.31 for the year (F2017: 0.30) with an improvement in the reportable injury incident rate to 0.18 (RIIR) (F2017: 0.20).

Total operating costs at Booysendal were R2.1 billion (F2017: R2.0 billion), an increase of 5.8%. The increase in the unit cash cost per platinum oz was contained to 8.5% from R15 747/oz to R17 090/oz for the current period, in the face of lower production volumes. Post the transition to an owner operating model good mining results are anticipated.

Capital expenditure was R2.0 billion for the period (F2017: R773.8 million), with R1.8 billion on expansion expenditure and R136.1 million on sustaining expenditure. In addition, R89.6 million was prepaid for the aerial rope conveyor system.

Booysendal North

Production from the UG2 North mine dropped by 5.0% to 2 211 045 tonnes (F2017: 2 326 460 tonnes) primarily as a result of the work stoppage during the Booysendal mine transition to an owner operator model in May 2018. The UG2 head grade was maintained at 3.31g/t 6E (F2017: 3.33g/t 6E) pre dense media separation. The North Merensky mine produced 458 027 tonnes during the year at a head grade of 2.27g/t 6E (F2017: 161 134 tonnes at 2.21 g/t 6E). Total metal production declined by 4.3% to 229 275oz 6E (F2017: 239 643oz).

The North mine capital expenditure of R462.2 million for the year (F2017: R448.2 million), included R326.1 million spent on projects and R136.1 million spent on sustaining capital. The North mine capital projects comprise the Merensky North project, the UG2 North deepening project.

During the financial year an agreement was signed with Doppelmayr to start construction on a second aerial conveyor system which will connect the North mine with the Central mine, allowing ore to be transferred from the North mine to the South mine concentrator for processing. The construction of the North aerial conveyor system is expected to start early in F2019, after environmental approval is obtained. Capital expenditure for this was R80.4 million (F2018: RNil) currently accounted for as a prepayment.

The F2019 capital expenditure is estimated at R364.8 million, R169.0 million for sustaining capital expenditure and R195.8 million expansion capital.

Booysendal South

At Booysendal South, capital expenditure grew to R1.5 billion for the year (F2017: R325.6 million). Most of this capital expenditure relates to infrastructure expenditure including the South aerial rope conveyor system, the South/North connection road, the Central mine boxcut and decline development and the refurbishment and start-up of the South mine concentrator. In addition, R9.2 million was prepaid to Doppelmayr for other items being manufactured in Austria related to the aerial rope conveyor system.

The installation of the South aerial conveyor system, linking the central UG2 decline with the South stockpile area, is progressing well. By the end of F2018 all the towers had been erected and all the ropes installed and tensioned. Commissioning is expected in December 2018, ahead of schedule.

During the financial year under review the design of two additional Merensky declines was finalised and it is envisaged that development of these two declines will commence in F2019 and F2020 respectively. The ore from these two declines will be transported via the aerial conveyor system to the South mine concentrator for processing.

The F2019 capital expenditure is estimated at R935.2 million.

MARKET REVIEW*

Platinum

The average platinum price for the financial year declined by 5.5% year on year to USD934/oz. A surplus of platinum supply is projected for calendar year 2018 (C2018). This underperformance of the platinum price, compared to the other PGMs, is largely attributable to the drop in demand for platinum from two of the traditional pillars of demand, Western Europe's light-duty diesel autocatalysts and the Chinese jewellery industry.

Platinum recycling is expected to continue to grow to 1 955 000oz in 2018 as autocatalyst recycling increases in Europe and North America.

Platinum demand remains well diversified, with autocatalysts comprising 42% of end-use, while jewellery contributes 33% and a range of industrial end-uses, including petroleum and chemical catalysts, medical devices, glass fabrication and electrical components make up the rest.

Gross autocatalyst demand is projected to decline marginally to 3 090 000oz in 2018, as diesel's share of Western European car sales continues to shrink. Although consumers are wary of buying into a powertrain when risks abound that diesel cars may be banned from some cities, the reality is that many new diesel cars are able to meet the latest Euro 6d standards for NO_x and particulates emissions, even under forthcoming more stringent real driving emissions testing. Automakers and consumers also face challenging CO_2 emission standards needed to avert global warming. Diesel powertrains are highly competitive compared to gasoline and gasoline hybrids, thus supporting on-going demand.

Demand for platinum from the jewellery sector is expected to fall marginally to 2 420 000oz in C2018. It is likely to take another year at least before demand starts to pick up once again. The Platinum Guild International is working closely with retailers to develop platinum jewellery sales in target markets.

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

Palladium

The palladium market remains in meaningful deficit by some 805 000oz in C2018, though slightly softer than the 850 000oz deficit seen in C2017. The average price gained 33.5% to USD976/oz over the reporting period (F2017: USD731/oz).

Global palladium supply is forecast to be 6 980 000oz in C2018. Output is projected to drop in most regions except North America (+7% to 1 055 000oz), where new production is ramping up, while South African production is expected to contract by 2.6% to 2 477 000oz owing to mine closures. Russian output may also decline as Nornickel's processing reconfiguration work continues.

North American palladium recycling has increased over the last 12 months due to a recovery in the scrap steel and palladium prices, which are expected to grow again in C2018. However, a slight slowdown in US car sales which is expected this year may limit the rate of growth. Overall secondary supply is expected to reach 2.5Moz in the 2018 calendar year.

Palladium is becoming increasingly exposed to autocatalysts as it is gradually substituted out of industrial end-uses, mainly electrical and dental. Autocatalysts, mostly three-way catalysts for gasoline and gasoline hybrid light vehicles, now comprise 80% of total palladium demand. The United States and China each make up a quarter of autocatalyst palladium demand, closely followed by Western Europe. Hybridisation of gasoline powertrains, from 48V mild hybrids to full hybrids, is taking place rapidly in order to cut CO_2 emissions as standards tighten and diesel cars' share of the market contracts.

Rhodium

The rhodium market is projected to have a small surplus of some 30 000oz in C2018, compared to 60 000oz in C2017. However, it is a small market (just over 1 Moz), and close to balance, making it more susceptible to price volatility than its larger sibling metals.

Rhodium remains a key component to remove NO_x in three-way catalysts for gasoline vehicles and diesel vehicles. Tightening emissions legislation for gasoline cars in China supports demand.

The F2018 price averaged USD1 618/oz (F2017: USD803/oz).

Ruthenium

The average ruthenium price jumped 242.9% to USD144/oz for the year (F2017: USD42/oz), aided by growth in electrical and chemical demand.

Electrical demand (some 40% of the market) continues to grow, as chip resistor use increases and demand for hard disk drives based on ruthenium alloys grows with global data storage needs. Ruthenium requirements for chemical catalysis have grown as China builds polyamide capacity. Electrode coatings for electrochemical processes remain robust, while novel applications in fuel cell catalysts show promise.

The ruthenium market is now projected to move into a structural deficit.

Iridium

Iridium achieved an average price of USD1 014/oz over the period (F2017: USD698/oz), a 45.3% increase year-on-year.

Iridium crucibles (around a third of the market) continue to be favoured for the production of electronic materials for use in smartphones and many other devices. Demand is robust. Iridium and ruthenium coatings on electrodes enable more environmentally-friendly production of commodity chemicals worldwide and iridium-tipped spark plugs help to improve the fuel efficiency of gasoline combustion engines.

MINERAL RESOURCES AND RESERVES

The mineral resources and mineral reserves 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 assets have been prepared under the guidance of the company'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 2018, which is available on the group's website www.northam.co.za/investors-and-media/publications/annual-reports

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

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)

		30 June 2018 4E			As at 30 June 2017 4E		
Reef	Mine	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booysendal North mine	18.99	2.87	1.75	19.34	2.87	1.78
	Booysendal South mine	9.84	2.59	0.82	9.84	2.58	0.82
	Dwaalkop[1]	0.00	0.00	0.00	0.00	0.00	0.00
	Pandora[1,2]	0.00	0.00	0.00	0.00	0.00	0.00
	Eland	5.04	0.86	0.14	0.00	0.00	0.00
	Zondereinde[3]	28.38	5.57	5.08	21.86	5.53	3.89
	Total	62.25	3.89	7.79	51.04	3.95	6.49
UG2	Booysendal North mine	51.85	2.95	4.92	43.84	3.00	4.23
	Booysendal South mine	77.54	2.64	6.57	77.57	2.64	6.58
	Dwaalkop[1]	0.00	0.00	0.00	0.00	0.00	0.00
	Pandora[1,2]	0.00	0.00	0.00	1.12	4.20	0.15
	Eland	3.77	3.14	0.38	0.00	0.00	0.00
	Zondereinde[3]	64.54	4.26	8.83	56.84	4.14	7.56
	Total	197.70	3.26	20.70	179.37	3.21	18.52
Combined	Booysendal North mine	70.84	2.93	6.67	63.18	2.96	6.01
	Booysendal South mine	87.38	2.63	7.39	87.41	2.63	7.40
	Dwaalkop[1]	0.00	0.00	0.00	0.00	0.00	0.00
	Pandora[1,2]	0.00	0.00	0.00	1.12	4.20	0.15
	Eland	8.81	1.84	0.52	0.00	0.00	0.00
	Zondereinde[3]	92.92	4.66	13.91	78.70	4.53	11.45
	Total	259.95	3.41	28.49	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 is therefore included in the above disclosure*

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

		As at 30 June 2018 4E			As at 30 June 2017 4E		
Reef	Mine	Mt	g/t	Moz	Mt	g/t	Moz
Merensky	Booysendal North	86.12	5.06	14.00	86.12	5.06	14.00
	Booysendal South	187.55	3.55	21.41	187.55	3.55	21.41
	Booysendal North mine	21.71	3.19	2.23	22.12	3.17	2.25
	Booysendal South mine	11.98	2.78	1.07	11.98	2.77	1.07
	Dwaalkop[1]	38.05	2.98	3.64	38.05	2.98	3.64
	Pandora[1,2]	0.00	0.00	0.00	0.00	0.00	0.00
	Eland	4.82	1.03	0.16	0.00	0.00	0.00
	Zondereinde[3]	208.88	7.45	50.05	165.27	7.38	39.20
	Total	559.11	5.15	92.56	511.09	4.96	81.57
UG2	Booysendal North	145.43	4.86	22.73	152.65	4.86	23.87
	Booysendal South	235.67	3.20	24.26	235.66	3.20	24.26
	Booysendal North mine	46.12	4.53	6.72	40.26	4.46	5.77
	Booysendal South mine	129.05	3.05	12.65	129.07	3.05	12.65
	Dwaalkop[1]	37.56	4.35	5.25	37.56	4.35	5.25
	Pandora[1,2]	0.00	0.00	0.00	14.18	4.65	2.12
	Eland	147.43	4.04	19.16	0.00	0.00	0.00
	Zondereinde[3]	340.00	5.05	55.16	275.20	5.06	44.78
	Total	1 081.26	4.20	145.92	884.58	4.17	118.70
Combined	Booysendal North	231.55	4.93	36.73	238.77	4.93	37.87
	Booysendal South	423.22	3.36	45.67	423.22	3.36	45.67
	Booysendal North mine	67.83	4.10	8.95	62.38	4.00	8.02
	Booysendal South mine	141.03	3.02	13.71	141.05	3.02	13.72
	Dwaalkop[1]	75.61	3.66	8.89	75.61	3.66	8.89
	Pandora[1,2]	0.00	0.00	0.00	14.18	4.65	2.12
	Eland	152.25	3.95	19.32	0.00	0.00	0.00
	Zondereinde[3]	548.88	5.96	105.21	440.47	5.93	83.98
	Total	1 640.37	4.52	238.48	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 disclosure*

Changes to the board of directors

Mr PL (Lazarus) Zim, chairman of the board, retired at the conclusion of the AGM on 7 November 2017 and as a member of the nomination committee.

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 Mosehla also resigned as a member of the social, ethics and human resources (SE&HR) committee on 8 November 2017.

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

Mr R Havenstein resigned as chairman of the investment committee but remained as a member.

Mr JG Smithies was appointed as a member of the health, safety & environmental (HS&E) committee on 7 November 2018.

Dr NY (Yoza) Jekwa was appointed as an independent non-executive director on 8 November 2017 and as a member of the SE&HR committee.

Corporate governance

The board and management are committed to good corporate governance, underpinned by transparency and accountability. We believe that this approach is fundamental to the management of our business risks, to the way we communicate with our stakeholders, to the delivery of our strategy, and ultimately to the long-term sustainability of the group.

With the introduction of the King IV Report on Corporate Governance for South Africa, 2016 (King IV), released in November 2016, the board set about assessing the effectiveness of the company's current processes, practices and structures which are in place to assist with the direction and management of the company's business and operations.

In February 2017 an independent third party was appointed to conduct a gap analysis on Northam's governance structures and processes. A number of documentation gaps were identified. These have since been addressed through the group governance framework, in accordance with the Memorandum of Incorporation, which serves as evidence of Northam's commitment to proper governance and governance best practice in terms of King IV.

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 PGM's to global markets. Operations continue to be under pressure due to increasing input costs and low 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 results, issued capital, reserves and retained earnings.

The results have been prepared using appropriate accounting policies, supported by reasonable and prudent judgments 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 results have been prepared on a going concern basis.

Dividends

Given the continuing difficult conditions in the PGM 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 a dividend for F2018 (2017: RNil cents per share).

On behalf of the board.

KB Mosehla Chairman	PA Dunne Chief executive

Johannesburg
30 August 2018

SUMMARISED FINANCIAL RESULTS

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

This summarised report is extracted from the audited annual financial statements, but is itself not audited. The directors take full responsibility for the preparation of this summarised report and that the financial information has been correctly extracted from the underlying audited annual financial statements.

The audited annual financial statements are available on the company's website at www.northam.co.za/investors-and-media/publications/annual-reports

Consolidated statement of profit or loss and other comprehensive income

		Audited 12 months ended 30 June 2018	**Audited 12 months ended 30 June 2017**
		R000	R000
Sales revenue	4	7 552 181	6 865 185
Cost of sales		(6 728 867)	(6 251 200)
Operating costs	5	(6 318 000)	(5 676 017)
Concentrates purchased		(1 410 506)	(404 093)
Refining and other costs		(123 840)	(120 633)
Depreciation and write-offs	11,12	(441 865)	(452 584)
Change in metal inventories	15	1 565 344	402 127
Gross profit		823 314	613 985
Share of earnings from associates and joint ventures	13	4 162	4 870
Investment revenue	6	52 633	167 306
Finance charges excluding preference share dividends	7	(68 481)	(71 185)
Net foreign exchange transaction gains/(losses)		2 368	(46 729)
Sundry income	8	217 005	73 361
Sundry expenditure	9	(380 944)	(130 843)
Profit before preference share dividends		650 057	610 765
Amortisation of liquidity fees paid on preference shares	19	(16 390)	(16 390)
Preference share dividends	19	(1 106 684)	(1 017 396)
Loss on derecognition of preference share liability		(8)	(901)
Loss before tax		(473 025)	(423 922)
Taxation	10	(231 973)	(212 021)
Loss for the year		(704 998)	(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		(364)	–
Total comprehensive income for the year		(705 362)	(635 943)

SUMMARISED FINANCIAL RESULTS CONTINUED

Reconciliation of headline loss per share

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Loss for the year	(704 998)	(635 943)
Loss/(profit) on sale of property, plant and equipment	4 706	(1 762)
IFRS 5 adjustment to fair value less cost to sell	–	841
Tax effect on above	(1 318)	493
Headline loss	(701 610)	(636 371)
Loss per share – cents	(201.5)	(181.8)
Fully diluted loss per share – cents	(201.5)	(181.8)
Headline loss per share – cents	(200.5)	(181.9)
Fully diluted headline loss per share – cents	(200.5)	(181.9)
Dividends per share	–	–
Weighted average number of shares in issue	349 875 759	349 875 759
Fully diluted number of shares in issue	349 875 759	349 875 759
Number of shares in issue	509 781 212	509 781 212
Treasury shares in issue	159 905 453	159 905 453
Shares in issue adjusted for treasury shares	349 875 759	349 875 759

Consolidated statement of financial position

		Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
		R000	R000
Assets			
Non-current assets		19 108 944	15 483 553
Property, plant and equipment	11	11 874 146	9 022 260
Mining properties and mineral resources	12	6 629 160	5 636 342
Interest in associates and joint ventures	13	171 376	167 214
Land and township development		65 680	48 529
Long-term receivables		86 897	83 745
Investments held by Northam Platinum Restoration Trust Fund	18	110 626	102 233
Environmental Guarantee investment		68 899	68 104
Buttonshope Conservancy Trust		12 203	11 126
Long-term prepayments	14	89 608	336 409
Other financial assets	22	–	7 591
Deferred tax asset		349	–
Current assets		4 715 090	4 103 337
Inventories	15	3 386 795	1 729 102
Trade and other receivables	16	924 085	548 997
Cash and cash equivalents	17	388 702	1 786 865
Tax receivables		15 508	38 373
Non-current assets held for sale	13	–	49 222
Total assets		23 824 034	19 636 112

		Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
		R000	R000
Equity and liabilities			
Total equity		7 386 679	8 092 041
Stated capital		13 778 114	13 778 114
Treasury shares		(6 556 123)	(6 556 123)
Accumulated loss		(709 396)	(4 398)
Foreign currency translation reserve		(364)	–
Equity settled share-based payment reserve		874 448	874 448
Non-current liabilities		12 832 267	9 929 685
Deferred tax liability		824 794	585 883
Long-term provisions	18	640 128	304 829
Preference share liability	19	9 445 500	8 279 825
Long-term loans	20	182 063	249 428
Long-term share-based payment liability		78 999	88 639
Domestic medium term notes	21	174 288	421 081
Revolving credit facility	22	1 486 495	–
Current liabilities		3 605 088	1 614 386
Current portion of long-term loans	20	24 540	13 434
Current portion of domestic medium term notes	21	1 243 440	–
Short-term share-based payment liability		78 340	75 026
Tax payable		117	102 550
Trade and other payables	23	1 965 975	1 268 172
Bank overdraft	17	95 535	–
Short-term provisions		197 141	155 204
Total equity and liabilities		23 824 034	19 636 112

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 year	–	(635 943)	–	–	(635 943)
Balance as at 30 June 2017	7 221 991	(4 398)	874 448	–	8 092 041
Total comprehensive income for the year	–	(704 998)	–	(364)	(705 362)
Loss for the year	–	(704 998)	–	–	(704 998)
Other comprehensive income for the year	–	–	–	(364)	(364)
Balance as at 30 June 2018	7 221 991	(709 396)	874 448	(364)	7 386 679

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

SUMMARISED FINANCIAL RESULTS CONTINUED

Consolidated statement of cash flows

	Audited 12 months ended 30 June 2018 R000	Audited 12 months ended 30 June 2017 R000
Cash flows (utilised)/from operating activities	(342 232)	981 497
Loss before taxation	(473 025)	(423 922)
Adjusted for the following non-cash items as well as disclosable items		
Depreciation and write-offs	441 865	452 584
Changes in provisions	49 493	19 934
Changes in long-term receivables	(3 152)	5 972
Investment revenue	(52 633)	(167 306)
Finance charges excluding preference share dividends	68 481	71 185
Finance charges on preference shares	1 106 684	1 017 396
Loss on derecognition of preference share liability	8	901
Liquidity fees on the preference shares	16 390	16 390
Movement in share-based payment liability	(6 326)	22 588
IFRS 5 adjustment to fair value less costs to sell	–	841
Share of earnings from associate	(4 162)	(4 870)
Loss/(profit) on sale of property, plant and equipment	4 706	(1 762)
Net foreign exchange difference	(2 368)	46 729
Other	(13 774)	(1 521)
Change in working capital	(1 547 247)	(182 388)
Movement relating to land and township development	(17 151)	2 812
Transaction fees paid	–	(8 594)
Investment revenue received	61 058	167 306
Taxation refund received/(paid)	28 921	(52 778)

	Notes	Audited 12 months ended 30 June 2018 R000	Audited 12 months ended 30 June 2017 R000
Cash flows utilised in investing activities		(3 580 937)	(1 990 754)
Property, plant, equipment, mining properties and mineral reserves			
Additions to maintain operations		(385 609)	(299 051)
Additions to expand operations		(3 036 727)	(1 321 757)
Disposal proceeds		5 133	3 732
Amounts paid relating to long-term prepayment		(202 691)	(336 409)
Additional investment made in associate/cash calls	13	(1 347)	(20 243)
Increase in investment held by the Northam Platinum Restoration Trust Fund		(8 393)	(8 586)
Increase in the investments held by the Environmental Guarantee investment		(795)	(7 759)
Movement in investments held by the Buttonshope Conservancy Trust Fund		(1 077)	(681)
Proceeds received from the sale of the non-current asset held for sale	13	50 569	–
Cash flows generated/(utilised) from financing activities		2 421 486	(250 130)
Interest paid		(158 170)	(29 694)
Draw down on revolving credit facility	22	2 000 000	–
Repayment of revolving credit facility	22	(500 000)	–
Issue of domestic medium term notes	21	1 000 000	–
Issue of long-term loans		100 000	38 992
Repayment of long-term loans		(9 400)	(50 756)
Transaction fees paid		(9 267)	–
Acquisition of Zambezi Platinum (RF) Limited preference shares		(1 677)	(208 672)
Decrease in cash and cash equivalents		(1 501 683)	(1 259 387)
Net foreign exchange difference on cash and cash equivalents		7 985	(58 828)
Cash and cash equivalents at the beginning of the year		1 786 865	3 105 080
Cash and cash equivalents at the end of the year	17	293 167	1 786 865

NOTES TO THE SUMMARISED 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 2018. These 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 summarised 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 and Financial Pronouncements as issued by the Financial Reporting Standards Council, presentation and disclosures as required by IAS 34 Interim Financial Reporting, the JSE Limited Listings Requirements and the requirements of the Companies Act No. 71 of 2008 (Companies Act) including the adoption of the following standards, amendments 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
- Annual Improvements Project (AIP) IFRS 12 Disclosure of Interests in Other Entities – Clarification of the scope of the disclosure requirements in IFRS 12

The adoption of these standards, amendments or interpretation resulted in changes only in additional disclosures in the annual financial statements. They did not impact any amounts recognised in the consolidated statement of profit or loss and other comprehensive income or consolidated statement of financial position.

The following new standards, interpretations and amendments to standards are not effective and have not been early adopted, but will be adopted once these new standards, interpretations and amendments 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 principle 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 through other comprehensive income (FVOCI), the so-called expected credit loss 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 or 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.

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). IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

IFRS 9 will be adopted on the required effective date and comparatives will not be restated. An impact assessment has been performed on the aspects of IFRS 9. The assessment is based on currently available information and may be subject to changes arising from further reasonable and supporting information being made available during the F2019 financial year when IFRS 9 will be adopted. Below is a brief summary of the expected impact that IFRS 9 will have on the statement of financial position:

Classification and measurement

Northam does not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of IFRS 9.

Loans as well as trade receivables, excluding receivables with provisional pricing arrangements, are held to collect contractual cash flows and are expected to give rise to cash flows representing payments of principal and interest. The contractual cash flow characteristics of these instruments were analysed and it was concluded that they meet the criteria for amortised cost measurement under IFRS 9. Therefore, reclassification for these instruments will not be required.

Impairment

IFRS 9 requires an entity to record expected credit losses on all of its loans and trade receivables. The group will apply the simplified approach and record lifetime expected losses on all trade receivables, excluding receivables with provisional pricing arrangements. There are no expected impairment losses that will arise due to the short-term nature of the group`s trade receivables cycle and history of recovery.

There could however be expected impairment losses that arises from long-term receivables and loans to employees that comprise balances due in respect of Northam’s home ownership scheme. The group will apply the general approach on these balances. The general approach involves determining whether the credit risk of a loan or receivable has increased significantly relative to the credit risk at the date of initial recognition.

Hedge accounting

The group currently does not apply hedge accounting and these changes are therefore not expected to impact the group.

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 contracts with customers and supersedes current revenue recognition guidance. The core principle is that an entity recognises revenue based on a five-step model 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 retrospecitve approach in the year of application. Northam plans to adopt the new standard on the required effective date using the full retrospective method making use of some of the practical expedients.

An assessment was performed with regards to the impact which IFRS 15 will have on the results of the group. The key issues identified, are set out below. These are based on the current interpretation of IFRS 15 and may be subject to changes as interpretations evolve. Furthermore, the group is considering and will continue to monitor any further developments.

Contract terms for the group's sale of base metals allow for a price adjustment based on final assay results to determine the final metal content. These are referred to as provisional pricing arrangements, and are such that the selling price is based on prevailing spot prices on a specified future date after shipment to the customer (the quotational period (QP)). Adjustments to the sales price occur based on movements in quoted market prices up to the date of final settlement. The period between provisional invoicing and final settlement can be between one to four months.

Under IAS 18, sales contracts that have provisional pricing features are considered to contain an embedded derivative, which is required to be separated from the contract for accounting purposes. The contract is the sale of base metals and the embedded derivative is the forward contract for which the provisional sale is subsequently adjusted. Recognition of sales revenue for these commodities is based on the most recently determined estimate of metal in concentrate (based on initial assay results) and the spot price at the date of shipment. The embedded derivative is initially recognised at fair value, with subsequent changes in the fair value recognised in profit or loss each period until final settlement, and presented as part of revenue.

Revenue is recognised at the estimated fair value of the total consideration received or receivable when the concentrate is delivered, which is either when it passes to the buyers trucks or delivered to the customers premises.

The initial estimate of the fair value of the embedded derivative and subsequent changes in fair value over, and to the end of, the QP, are also estimated by reference to forward market prices. The subsequent changes in fair value are recognised in the statement of profit or loss and other comprehensive income each period until final settlement and presented as part of revenue. Any subsequent changes arising due to differences between the initial and final assay results are not considered part of the embedded derivative and are adjusted against revenue.

IFRS 15 states that if a contract is partially within scope of this standard and partially in the scope of another standard, an entity will first apply the separation and measurement requirements of the other standard(s). Therefore, to the extent that provisional pricing features are considered to be in the scope of another standard, they will be outside the scope of IFRS 15 and entities will be required to account for these in accordance with IFRS 9. Any subsequent changes that arise due to differences between initial and final assay will still be considered within the scope of IFRS 15 and since it constitutes variable consideration, it will be subject to the constraint on estimates of variable consideration.

Revenue in respect of the contract will be recognised when control passes to the customer (which has been determined to be the same point in time) and will be measured at the amount the entity expects to be entitled – being the estimate of the price expected to be received at the end of the QP, i.e., using the most recently determined estimate of the metal content (based on initial assay results) and the estimated forward price (which is consistent with current practice).

When considering the initial assay estimate, the group has considered the requirements of IFRS 15 in relation to the constraint on estimates of variable consideration. It will only include amounts in the calculation of revenue where it is highly probable that a significant revenue reversal will not occur when the uncertainty relating to final assay/quality is subsequently resolved, i.e., at the end of the QP.

As disclosed above, the assay differences are not usually material, hence, no change is expected when compared to the current approach. Consequently, at the time the concentrate passes the buyer's trucks or delivered to the buyer, the group will recognise a receivable because from that time it considers it has an unconditional right to consideration. This receivable will then be accounted for in accordance with IFRS 9.

The embedded derivative will no longer be separated from the contract, i.e., the concentrate receivable. This is because the existence of the provisional pricing features will mean the concentrate receivable will fail to meet the requirements to be measured at amortised cost. Instead, the entire receivable will be measured at fair value, with subsequent movements being recognised in profit or loss. The requirement to measure the entire receivable at fair value is different from current practice in that the current embedded derivative represents changes in the commodity price, whereas under IFRS 9 the fair value of the receivable will include the impact of changes in the commodity price, interest rate risk and credit risk. Given the nature of the group's provisionally priced sales in that they are no more than four months long and are with customers who have a strong credit rating, the group does not expect this change to have a material impact.

With respect to the presentation of amounts arising from such provisionally priced contracts, IFRS 15 requires "revenue from contracts with customers" to be disclosed separately from other types of revenue. This means that revenue recognised from the initial sale must be separately disclosed in the financial statements from any subsequent movements in the fair value of the related receivable.

This requirement will have an impact on disclosure as the group currently recognises fair value movements in revenue. However, the quantum of the fair value movement may be different as a result of the adoption of IFRS 9. Consistent with current practice, any subsequent changes that arise due to differences between initial and final assay related to volume/quantity and quality will be recognised as an adjustment to revenue from contracts with customers.

In addition to the presentation and disclosure requirements for provisionally priced sales discussed above, IFRS 15 contains other presentation and disclosure requirements which are more detailed than the current IFRS. The presentation requirements represent a significant change from current practice and will increase the volume of disclosures required in the group's financial statements. Many of the disclosure requirements in IFRS 15 are new.

IFRS 16 Leases

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 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.

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, but is still in the process of being assessed.

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.

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 non-current prepayments made and therefore believes that the impact will be minimal.

Amendments to IFRS 2 Share-based Payment

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 is believed to have a minimal impact on the results of the group as the clarifications is consistent with current practices applied by 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.

This interpretation is not considered to have a material impact on the group results, but is still being assessed.

Amendments to IAS 23 Borrowing costs

The amendments clarify that an entity treats, as part of general borrowings, any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted.

This amendment will be taken into account when determining general borrowing costs which can be capitalised to qualifying assets, in accordance with the transitional provisions.

Conceptual Framework

The IASB has revised its Conceptual Framework. The primary purpose of the Framework is to assist the IASB (and the Interpretations Committee) by identifying concepts that it will use when setting standards. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting, which is to provide information that is useful in making resource allocation decisions
- reinstating prudence, defined as the exercise of caution when making judgments under conditions of uncertainty, as a component of neutrality
- defining a reporting entity, which might be a legal entity or a portion of a legal entity
- revising the definition of an asset as a present economic resource controlled by the entity as a result of past events
- revising the definition of a liability as a present obligation of the entity to transfer an economic resource as a result of past events
- removing the probability threshold for recognition, and adding guidance on derecognition
- adding guidance on the information provided by different measurement bases, and explaining factors to consider when selecting a measurement basis
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where the relevance or faithful representation of the financial statements would be enhanced.

The Board and Interpretations Committee will immediately begin using the revised Framework, and the group will consider it when needed in terms of the IAS 8 hierarchy dealing with selecting accounting policies not covered by an IFRS standard.

The Conceptual Framework is effective for period beginning on or after 1 January 2020.

2. Related parties

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

3. Segmental analysis

The group has two business segments, the Zondereinde mine and the Booysendal 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.

Eland Platinum Proprietary Limited and the US recycling operations have been included in other as none of these operations currently fulfil the criteria to be separately disclosed as an operating segment. No segments were aggregated.

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

All assets of the group are South African based assets, except for the land and buildings as well as equipment held by the US subsidiaries amounting to R137.5 million.

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
30 June 2018	R000	R000	R000	R000	R000	R000
Sales revenue	7 142 893	3 034 874	(2 625 586)	–	–	7 552 181
Cost of sales	(6 787 469)	(2 509 516)	2 568 118	–	–	(6 728 867)
Operating costs	(4 240 251)	(2 077 749)	–	–	–	(6 318 000)
Mining operations	(3 254 293)	(1 538 405)	–	–	–	(4 792 698)
Concentrator operations	(353 861)	(353 461)	–	–	–	(707 322)
Smelting and base metal removal plant costs	(417 828)	–	–	–	–	(417 828)
Chrome processing	(21 344)	(53 721)	–	–	–	(75 065)
Selling and administration	(106 331)	(82 411)	–	–	–	(188 742)
Royalty charges	(12 119)	(14 795)	–	–	–	(26 914)
Share-based payment expenses and profit share scheme	(76 980)	(30 364)	–	–	–	(107 344)
Rehabilitation	2 505	(4 592)	–	–	–	(2 087)
Concentrates purchased	(3 963 939)	(72 153)	2 625 586	–	–	(1 410 506)
Refining including sampling and handling charges	(123 840)	–	–	–	–	(123 840)
Depreciation and write-offs	(152 041)	(291 556)	1 732	–	–	(441 865)
Change in metal inventory	1 692 602	(68 058)	(59 200)	–	–	1 565 344
Operating profit	355 424	525 358	(57 468)	–	–	823 314
Share of earnings from associate and joint venture	–	–	–	–	4 162	4 162
Investment revenue	63 761	4 550	–	35	(15 713)	52 633
Finance charges before preference shares	(210 428)	(18 603)	–	–	160 550	(68 481)
Net foreign exchange transaction gains/(losses)	4 135	(1 767)	–	–	–	2 368
Sundry income	86 685	9 096	–	–	121 224	217 005
Sundry expenditure	(70 341)	(131 861)	11 074	(1)	(189 815)	(380 944)
Profit/(loss) before preference share dividends	229 236	386 773	(46 394)	34	80 408	650 057
Amortisation of liquidity fees paid on preference shares	–	–	–	(16 390)	–	(16 390)
Preference share dividends	–	–	–	(1 106 684)	–	(1 106 684)
Loss on derecognition of preference share liability	–	–	–	(8)	–	(8)
Profit/(loss) before tax	229 236	386 773	(46 394)	(1 123 048)	80 408	(473 025)
Taxation	(86 624)	(109 287)	13 611	(10)	(49 663)	(231 973)
Profit/(loss) for the year	142 612	277 486	(32 783)	(1 123 058)	30 745	(704 998)

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)

Segmental statement of financial position

30 June 2018	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	17 554 936	13 944 299	(19 421 368)	5 865 332	1 165 745	19 108 944
Property, plant and equipment	3 658 338	7 325 181	–	–	890 627	11 874 146
Mining properties and mineral resources	1 130 284	6 450 459	(954 583)	–	3 000	6 629 160
Interest in associates and joint ventures	–	–	–	–	171 376	171 376
Investment in subsidiaries	12 351 835	–	(12 351 835)	–	–	–
Investments in Northam Platinum Limited	–	–	(5 865 332)	5 865 332	–	–
Other investment	249 618	–	(249 618)	–	–	–
Land and township development	45 444	12 085	–	–	8 151	65 680
Long-term receivables	8 451	2 581	–	–	75 865	86 897
Investments held by Northam Platinum Restoration Trust Fund	55 333	55 293	–	–	–	110 626
Environmental Guarantee Investment	55 633	9 092	–	–	4 174	68 899
Buttonshope Conservancy Trust	–	–	–	–	12 203	12 203
Long-term prepayments	–	89 608	–	–	–	89 608
Deferred tax asset	–	–	–	–	349	349
Current assets	4 765 438	334 314	(511 596)	474	126 460	4 715 090
Short-term subsidiary loan	99 225	–	(99 225)	–	–	–
Inventories	3 381 744	170 494	(165 443)	–	–	3 386 795
Trade and other receivables	993 403	160 088	(246 928)	6	17 516	924 085
Cash and cash equivalents	280 916	372	–	468	106 946	388 702
Tax receivable	10 150	3 360	–	–	1 998	15 508
Total assets	22 320 374	14 278 613	(19 932 964)	5 865 806	1 292 205	23 824 034
Equity and liabilities						
Total equity	9 177 508	11 475 312	(9 970 890)	(3 952 855)	657 604	7 386 679
Stated capital	13 778 114	8 675 932	(9 141 679)	–	465 747	13 778 114
Treasury shares	–	–	(6 556 123)	–	–	(6 556 123)
(Accumulated loss)/retained earnings	(5 774 362)	297 625	8 527 975	(3 952 855)	192 221	(709 396)
Foreign currency translation reserve	–	–	–	–	(364)	(364)
Non distributable reserves	–	2 501 755	(2 501 755)	–	–	–
Equity settled share-based payment reserve	1 173 756	–	(299 308)	–	–	874 448
Non-current liabilities	10 197 831	2 041 603	(9 615 921)	9 818 650	390 104	12 832 267
Deferred tax liability	700 878	1 781 431	(1 706 827)	–	49 312	824 794
Long-term provisions	131 793	167 543	–	–	340 792	640 128
Long-term loan	123 176	58 887	–	–	–	182 063
Long-term share-based payment liability	45 257	33 742	–	–	–	78 999
Financial guarantee liability	7 535 944	–	(7 535 944)	–	–	–
Domestic medium term notes	174 288	–	–	–	–	174 288
Preference share liability	–	–	(373 150)	9 818 650	–	9 445 500
Revolving credit facility	1 486 495	–	–	–	–	1 486 495
Current liabilities	2 945 035	761 698	(346 153)	11	244 497	3 605 088
Current portion of long-term loans	16 896	7 644	–	–	–	24 540
Current portion of domestic medium term notes	1 243 440	–	–	–	–	1 243 440
Short-term share-based payment liability	44 604	33 736	–	–	–	78 340
Tax payable	–	–	–	11	106	117
Subsidiary loans	–	198 978	(346 153)	–	147 175	–
Trade and other payables	1 368 964	500 573	–	–	96 438	1 965 975
Bank overdraft	95 228	–	–	–	307	95 535
Short-term provisions	175 903	20 767	–	–	471	197 141
Total equity and liabilities	22 320 374	14 278 613	(19 932 964)	5 865 806	1 292 205	23 824 034

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 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 longterm 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

4. Sales revenue

Revenue from external customers per segment

	Zondereinde operations Audited 12 months ended 30 June 2018	Booysendal operations Audited 12 months ended 30 June 2018	Intercompany eliminations Audited 12 months ended 30 June 2018	Total Audited 12 months ended 30 June 2018
	R000	R000	R000	R000
Platinum	3 466 598	1 286 051	(1 286 051)	3 466 598
Palladium	1 723 269	666 754	(666 754)	1 723 269
Rhodium	814 506	399 885	(399 885)	814 506
Gold	110 050	37 821	(37 821)	110 050
Iridium	182 978	66 740	(66 740)	182 978
Ruthenium	116 580	69 374	(69 374)	116 580
Silver	1 650	–	–	1 650
Nickel	257 760	83 664	(83 664)	257 760
Copper	65 547	15 297	(15 297)	65 547
Cobalt	10 691	–	–	10 691
Chrome	393 264	409 288	–	802 552
	7 142 893	3 034 874	(2 625 586)	7 552 181

Revenue per region per segment

Sales revenue emanates from the following principal regions:

	Zondereinde operations Audited 12 months ended 30 June 2018	Booysendal operations Audited 12 months ended 30 June 2018	Total Audited 12 months ended 30 June 2018
	R000	R000	R000
Europe	2 967 616	–	2 967 616
Japan	1 306 910	–	1 306 910
Asia	393 264	409 288	802 552
North America	1 584 056	–	1 584 056
South Africa	891 047	–	891 047
	7 142 893	409 288	7 552 181

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

5. Operating costs

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Labour	2 306 559	1 906 518
Stores	1 355 946	1 072 836
Utilities	785 861	703 898
Sundries and contractors	1 869 634	1 992 765
	6 318 000	5 676 017

Operating costs per segment

	Zondereinde operations	Booysendal operations	Other	Total
	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2018
	R000	R000	R000	R000
Labour	2 034 063	272 496	–	2 306 559
Stores	1 122 180	233 766	–	1 355 946
Utilities	642 276	143 585	–	785 861
Sundries and contractors	441 732	1 427 902	–	1 869 634
	4 240 251	2 077 749	–	6 318 000

	Zondereinde operations	Booysendal operations	Other	Total
	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2018
	%	%	%	%
Labour	48.0	13.1	–	36.5
Stores	26.5	11.3	–	21.5
Utilities	15.1	6.9	–	12.4
Sundries and contractors	10.4	68.7	–	29.6
	100.0	100.0	–	100.0

Labour costs in terms of the contractor mining at the Booysendal operations were included in sundries and contractors costs and not in labour costs. With the changeover to owner operator mining, all labour costs will be disclosed as such in future years.

	Zondereinde operations Audited 12 months ended 30 June 2017	Booysendal operations Audited 12 months ended 30 June 2017	Intercompany Audited 12 months ended 30 June 2017	Total 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

	Zondereinde operations Audited 12 months ended 30 June 2017	Booysendal operations Audited 12 months ended 30 June 2017	Intercompany Audited 12 months ended 30 June 2017	Total Audited 12 months ended 30 June 2017
	%	%	%	%
Labour	46.6	8.8	–	33.6
Stores	24.9	7.6	–	18.9
Utilities	15.2	7.1	–	12.4
Sundries and contractors	13.3	76.5	100.0	35.1
	100.0	100.0	100.0	100.0

6. Investment revenue

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Interest received on cash and cash equivalents	21 536	96 847
Dividend income received from short-term investments	7 450	47 942
Interest received from instalment sale agreements	8 940	9 768
Interest received relating to the Northam Platinum Restoration Trust Fund	8 393	8 586
Interest received by the Buttonshope Conservancy Trust	822	686
Deemed interest on the interest free home loans	943	456
Interest received from the South African Revenue Service	4 549	3 017
Other financial assets	–	4
	52 633	167 306

7. Finance charges excluding preference share dividends

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Finance costs relating to the domestic medium term notes	(68 264)	(51 797)
Finance costs relating to the revolving credit facility	(110 868)	–
Amounts capitalised in terms of IAS 23 Borrowing costs	179 132	51 797
Commitment fees on borrowing facilities	(7 535)	(7 435)
Interest on the loan from *the Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV*	–	(3 402)
Amortisation of the transaction costs relating to the domestic medium term notes (refer note 21)	(2 729)	(1 794)
Amortisation of the transaction costs relating to the revolving credit facility (refer note 22)	(2 548)	(1 003)
Unwinding of rehabilitation liability (refer note 18)	(32 381)	(41 491)
Unwinding of a research and development liability (refer note 20)	(10 118)	(7 990)
Other financial liabilities	(13 170)	(8 070)
	(68 481)	(71 185)

8. Sundry income

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Treatment charges in respect of concentrate purchased	45 174	18 846
Rent received	8 093	6 647
Sale of scrap	14 751	5 652
Profit on sale of property, plant and equipment	–	1 762
Accommodation and housing income	8 794	11 286
Business rescue proceeds from Valditime Proprietary Limited settlement	–	7 654
Environmental guarantee investment income	189	7 759
Management fees received from associate	4 698	2 644
Corporate action once-off income	134 816	–
Other	490	11 111
	217 005	73 361

9. Sundry expenditure

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Corporate action and once-off project costs	(96 474)	(56 541)
Booysendal land management	(5 218)	(5 452)
Booysendal South care and maintenance costs	(31 139)	(23 983)
Eland care and maintenance costs and project cost	(106 565)	(11 982)
Accommodation and housing expenses	(13 467)	(14 551)
Black Economic Empowerment Trust operating costs	(3 222)	(8 546)
Administrative costs relating to Zambezi Platinum (RF) Limited	(1 655)	(552)
Loss on sale of property, plant and equipment	(4 706)	–
Recycling operation care and maintenance	(12 176)	–
Transition costs	(86 405)	–
Environmental guarantee cost	(5 536)	–
Other	(14 381)	(9 236)
	(380 944)	(130 843)

10. Taxation

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Income tax		
Current income tax charge	10 235	70 327
Adjustment in respect of current income tax of previous years	(17 679)	(219)
Dividend withholding tax		
Current year withholding tax	855	–
Deferred tax		
Current and prior year deferred tax charge	238 562	141 913
	231 973	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:

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	%	%
South African normal tax rate	28.0	28.0
Adjustment in respect of prior periods deferred tax	–	(7.8)
Adjustment in respect of current income tax of previous years	(3.7)	–
Exempt income received	0.4	5.2
Expenditure and contingencies incurred which is non-deductible	(8.3)	(7.0)
Contribution received for capital assets	(8.4)	–
Amortisation of liquidity fees paid on preference shares	(1.0)	(1.2)
Deferred tax asset not raised	9.5	–
Preference share dividends disallowed	(65.5)	(67.2)
	(49.0)	(50.0)

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
Transfer to mining properties and mineral resources	(19 038)	–	–	–	–	–	(19 038)
Additions	11 837	1 901	398	251	–	1 528 255	1 542 642
Transfer from assets under construction	654 158	49 813	72 331	39 047	–	(815 349)	–
Disposals and write-offs	(6 572)	–	(337)	(3 315)	–	–	(10 224)
Present value of decommissioning asset capitalised	–	–	–	–	4 530	–	4 530
Borrowing costs capitalised	–	–	–	–	–	76 058	76 058
Closing cost as at 30 June 2017	7 053 033	2 591 172	517 903	286 945	173 026	1 347 597	11 969 676
Transfer between asset classes	(20 803)	26 465	15 385	(21 047)	–	–	–
Amounts transferred from non-current prepayments (note 14)	–	–	–	–	–	449 492	449 492
Additions	3 938	167 657	166 145	20 745	–	2 251 906	2 610 391
Contribution received for capital assets	–	–	–	–	–	(303 106)	(303 106)
Transfer from assets under construction	481 909	789 493	46 777	224 645	–	(1 542 824)	–
Disposals and write-offs	–	(47 682)	(453)	(114 823)	–	–	(162 958)
Present value of decommissioning asset capitalised	–	–	–	–	295 362	–	295 362
Borrowing costs capitalised	–	–	–	–	–	223 402	223 402
Closing cost as at 30 June 2018	7 518 077	3 527 105	745 757	396 465	468 388	2 426 467	15 082 259

	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)
Transfer to mining properties and mineral resources	(7 420)	–	–	–	–	–	(7 420)
Depreciation	(281 742)	(92 249)	(9 794)	(38 788)	(3 962)	–	(426 535)
Disposals and write-offs	4 893	–	236	3 125	–	–	8 254
Accumulated balance as at 30 June 2017	(1 937 688)	(653 171)	(162 566)	(161 226)	(32 765)	–	(2 947 416)
Transfer between asset classes	84 455	9 190	(9 898)	(83 747)	–	–	–
Depreciation	(270 548)	(93 982)	(15 141)	(29 351)	(4 794)	–	(413 816)
Disposals and write-offs	–	43 942	454	108 723	–	–	153 119
Accumulated balance as at 30 June 2018	(2 123 781)	(694 021)	(187 151)	(165 601)	(37 559)	–	(3 208 113)
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 30 June 2018	5 394 296	2 833 084	558 606	230 864	430 829	2 426 467	11 874 146

Borrowing costs were capitalised at the weighted average cost of borrowings of 13.3% (2017: 14.0%).

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

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
Transfer from property, plant and equipment	19 038	–	19 038
Additions	21 839	–	21 839
Closing balance as at 30 June 2017	1 007 942	4 888 826	5 896 768
Additions	1 017 867	3 000	1 020 867
Closing balance as at 30 June 2018	2 025 809	4 891 826	6 917 635
Accumulated depreciation			
Opening balance as at 1 July 2016	(241 797)	–	(241 797)
Transfer from property, plant and equipment	7 420	–	7 420
Depreciation	(26 049)	–	(26 049)
Closing balance as at 30 June 2017	(260 426)	–	(260 426)
Depreciation	(28 049)	–	(28 049)
Closing balance as at 30 June 2018	(288 475)	–	(288 475)
Net book value as at 30 June 2017	747 516	4 888 826	5 636 342
Net book value as at 30 June 2018	1 737 334	4 891 826	6 629 160

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13. Interest in associates and joint ventures

Interest in associates and joint ventures comprises a 50% interest in the Dwaalkop platinum project (joint venture) and a 30% interest in SSG Holdings Proprietary Limited. The interest in the Dwaalkop joint venture is accounted for as a joint operation. The investment in SSG Holdings Proprietary Limited is accounted for as an associate.

The investment in the Pandora joint venture was classified as a non-current asset held for sale held for sale effective 1 July 2016, after conclusion of a sales agreement with Lonmin plc. The transaction was concluded during the current year.

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Dwaalkop joint venture	136 230	136 230
Pandora joint venture: previously disclosed as a non-current asset held for sale	–	–
SSG Holdings Proprietary Limited	35 146	30 984
	171 376	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	–	–	10 745	10 745
Conversion of loan to equity investment	–	–	5 000	5 000
Share of earnings from associate	–	–	4 870	4 870
Transfer to non-current assets held for sale	–	(45 565)	–	(45 565)
Closing balance as at 30 June 2017	136 230	–	30 984	167 214
Share of earnings from associate	–	–	4 162	4 162
Closing balance as at 30 June 2018	136 230	–	35 146	171 376

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

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Opening balance	49 222	–
Transfer from interest in associates and joint ventures	–	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	–	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, in terms of the sales agreement. All other cash calls had to be written off during the prior year.

All investments in associates and joint ventures are considered significant.

14. Long-term prepayments

In terms of the aerial ropeway manufacturer agreement with Doppelmayr Transport Technology GmbH, prepayments for both the North and South aerial ropeway conveyor system had to be made in terms of the manufacturing costs.

	Audited 12 months ended 30 June 2018	**Audited 12 months ended 30 June 2017**
	R000	R000
Opening balance	336 409	–
Amounts paid to Doppelmayr Transport Technology GmbH	202 691	336 409
Amounts transferred to property, plant and equipment (refer note 11)	(449 492)	–
	89 608	336 409

15. Inventories

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Metals on hand and in transit		
Platinum	1 611 709	982 568
Palladium	851 336	424 903
Rhodium	674 197	197 320
Gold	61 056	28 163
Total metal inventories	3 198 298	1 632 954
Consumables at cost	188 497	96 148
Total inventories at the lower of cost and net realisable value	3 386 795	1 729 102

Below is a breakdown of metal inventories:

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Ore stockpile inventory	348 930	240 506
Concentrate in process	295 487	91 853
Concentrate before the smelter	919 639	574 767
Smelter inventory (including reverts)	1 021 334	295 321
Base metal removal plant inventory	112 669	47 130
Precious metal refiner inventory	496 287	382 081
Finished product inventory on hand	3 952	1 296
	3 198 298	1 632 954

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	oz	oz
Metals on hand and in transit		
Platinum	152 590	92 646
Palladium	74 768	45 641
Rhodium	29 171	18 485
Gold	4 033	1 950
	260 562	158 722

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

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	oz	oz
Ore stockpile inventory	28 427	23 377
Concentrate in process	24 073	8 928
Concentrate before the smelter	74 922	55 867
Smelter inventory (including reverts)	83 207	28 705
Base metal removal plant inventory	9 179	4 581
Precious metal inventory	40 432	37 138
Finished product inventory on hand	322	126
	260 562	158 722

The cost of sales figure disclosed in the statement of profit or loss and other comprehensive income approximates the cost of inventory expensed.

Included in the cost of sales are metals on hand that were written down by R156.5 million (2017: R444.3 million) to net realisable value.

Inventory to the value of R535.8 million (2017: R478.4 million) is disclosed at net realisable value.

Inventory in the pipeline is considered to be approximately 80 000 – 90 000 ounces at the current run rate.

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

16. Trade and other receivables

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Trade receivables	539 133	283 146
Accrued dividends and interest	3 564	11 989
Prepayments	47 022	44 797
Deposits	4 233	2 889
South African Revenue Service – Value Added Tax	234 270	143 775
South African Revenue Service – amounts receivable relating to the Mineral Royalty Act	1 174	17 258
Current portion of long-term receivables	8 022	7 334
Current portion of interest free home loans to employees	1 482	6 367
Other	85 185	31 442
	924 085	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 year (2017: R Nil).

17. Cash and cash equivalents

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Cash at bank and on hand	9 310	478 974
Restricted cash	97 708	103 949
Short-term deposits	281 684	1 203 942
Cash and cash equivalents	388 702	1 786 865
Less bank overdraft	(95 535)	–
Cash and cash equivalents as per the statement of cash flows	293 167	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 6.9% (2017: 8.2%) and these deposits are all immediately available (2017: have a maximum maturity of 90 days).

At 30 June 2018 the group had R1.5 billion (2017: R1.0 billion) of undrawn committed borrowing facilities, of which R250.0 million was drawn down on at the date of this report.

Restricted cash includes a guarantee of R23.0 million (2017: 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 both the cash and cash equivalents balance as well as the overdraft.

18. Long-term provisions

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Rehabilitation provision opening balance	304 829	258 808
Recognition of a decommissioning liability	335 323	12 937
Change in estimate relating to the decommissioning costs	(39 961)	(8 407)
Change in estimate relating to the restoration costs	2 087	–
Recognition of a restoration liability	5 469	–
Unwinding of discount (note 7)	32 381	41 491
	640 128	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
Recognition of a decommissioning liability	335 323	12 937
Change in estimate relating to the decommissioning costs	(39 961)	(8 407)
Unwinding of discount (note 7)	26 352	35 238
	569 761	248 047
Provision for restoration costs		
Balance at the beginning of the year	56 782	50 529
Recognition of a restoration liability	5 469	–
Change in estimate	2 087	–
Unwinding of discount (note 7)	6 029	6 253
	70 367	56 782
Total rehabilitation provision	640 128	304 829
The rehabilitation provision is made up of the provisions relating to:		
Northam Platinum Limited (Zondereinde)	131 793	141 284
Booysendal Platinum Proprietary Limited	167 543	163 545
Eland Platinum Proprietary Limited	340 792	–
	640 128	304 829

The South African National Environmental Management Act 107 of 1998, as well as the Mineral and Petroleum Resources Development Act no 28 of 2002 (MPRDA), which applies to all prospecting and mining operations, requires that operations are carried out in accordance with generally accepted principles of sustainable development. It is a MPRDA requirement that an applicant for a mining right must make prescribed financial provision for the rehabilitation or management of negative environmental impacts, which must be reviewed annually.

In terms of, *inter alia*, the MPRDA, mining operations are required to make financial provision for its decommissioning and restoration costs that will be incurred upon the cessation of mining activities.

Northam Platinum Limited makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis. The provision is based on the current best estimate for rehabilitation and decommissioning costs and is determined using commercial closure cost assessments and not the Department of Mineral Resources published rates. Management believes using commercial closure cost assessments more accurately reflect the potential future liability. The commercial closure costs assessment is significantly more than what the liability would have been should the current published Department of Mineral Resources rates have been used.

Financial provision is not however required to be made for the decommissioning of certain structures, such as housing, which may have an alternative use.

Below is a breakdown of the rehabilitation and decommissioning liabilities of the various operations:

	Zondereinde operations	Booysendal operations	Eland operations	Total
	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2018
	R000	R000	R000	R000
Provision for decommissioning cost				
Balance at the beginning of the year	110 385	137 662	–	248 047
Recognition of a decommissioning liability	–	–	335 323	335 323
Change in estimate relating to the decommissioning costs	(21 991)	(17 970)	–	(39 961)
Unwinding of discount	11 725	14 627	–	26 352
	100 119	134 319	335 323	569 761
Provision for restoration costs				
Balance at the beginning of the year	30 899	25 883	–	56 782
Recognition of a restoration liability	–	–	5 469	5 469
Change in estimate	(2 505)	4 592	–	2 087
Unwinding of discount	3 280	2 749	–	6 029
	31 674	33 224	5 469	70 367
Total rehabilitation and decommissioning liability provision	131 793	167 543	340 792	640 128

	Zondereinde operations	Booysendal operations	Eland operations	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
Provision for decommissioning cost				
Balance at the beginning of the year	98 169	110 110	–	208 279
Recognition of a decommissioning liability	1 791	11 146	–	12 937
Change in estimate relating to the decommissioning costs	(7 612)	(795)	–	(8 407)
Unwinding of discount	18 037	17 201	–	35 238
	110 385	137 662	–	248 047
Provision for restoration costs				
Balance at the beginning of the year	27 932	22 597	–	50 529
Unwinding of discount	2 967	3 286	–	6 253
	30 899	25 883	–	56 782
Total rehabilitation and decommissioning liability provision	141 284	163 545	–	304 829

The rehabilitation provision represents the present value of rehabilitation and decommissioning costs relating to mine sites, which is expected to be incurred in subsequent years. These provisions have been based on assessments prepared by a third party independent expert, SRK Consulting (South Africa) Proprietary Limited.

The present value of the environmental restoration obligation was determined by applying a pre-tax discount rate of 9.8% (2017: 10.62%) and a long-term inflation rate of 7.2% (2017: 8.71%) over the remaining life of the various mines.

However, actual rehabilitation and decommissioning costs will ultimately depend upon future market prices for necessary rehabilitation works which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation will likely depend on when the various operations cease to produce at economically-viable rates which will, in turn, depend on future commodity prices and exchange rates, which are inherently uncertain.

Northam Platinum Limited's mining activities are subject to extensive environmental laws and regulations. These laws and regulations are continually changing and are generally becoming more restrictive. Northam has incurred, and expects to incur in future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such expenditures. Estimated future rehabilitation costs are based on current legal and regulatory requirements.

On 20 November 2015, the National Environmental Management Act No. 107 of 1998 (NEMA) Financial Provisioning Regulations, 2015 were promulgated, resulting in significant changes from the requirements contained in the MPRDA.

The 2015 Regulations were immediately applicable to applicants for a prospecting right, mining permit, mining right, exploration right or production right (i.e. new applicants). Holders and holders of a right and permit were allowed to choose the transitional period, being either within three months of their financial year end or 15 months from promulgation of the 2015 Regulations. Due to an outcry from the minerals industry around the practical implications of complying within such a limited time frame, holders and holders of a right and permit were granted an extended transitional period of 39 months from date of promulgation and now have until 19 February 2019 to comply.

The group is evaluating the implications of the release of the financial provision regulations under NEMA and intends to comply with the new financial provision regulations.

At the reporting date the net unfunded future obligations were as follows, based on the current Department of Mineral Resources requirements:

	Audited 12 months ended 30 June 2018	**Audited 12 months ended 30 June 2017**
	R000	R000
Undiscounted obligation based on the Department of Mineral Resources	475 211	269 338
Less funds held by the Northam Platinum Restoration Trust Fund	(110 626)	(102 233)
Less environmental guarantees	(401 418)	(244 808)
Total overfunded rehabilitation obligation	(36 833)	(77 703)

The future value of the environmental obligation could either be paid over to the Northam Platinum Restoration Trust Fund over the remaining life of the various operations, or through other financial provisions, insurance or financial products as approved by the Department of Mineral Resources in terms of legislation.

Going forward the environmental obligation will be financed, either by way of guarantees or other insurance products, and not through cash contributions to the Northam Platinum Restoration Trust Fund, due to the uncertainty created by changes in legislation.

The group has procured the issue of guarantees in respect of the unfunded decommissioning and restoration costs, not covered by the investment held through the Northam Platinum Restoration Trust Fund. Below is a summary of the various guarantees issued:

	Audited 12 months ended 30 June 2018	**Audited 12 months ended 30 June 2017**
	R000	R000
Northam Platinum Limited (Zondereinde)		
GR/G/20396/0312/0031	31 000	31 000
GR/G/20396/0314/165	18 000	18 000
GR/G/20396/0315/0231	18 000	18 000
GR/G/20396/0617/0454	35 000	35 000
CQ/G/30381/1217/003	28 807	–
GR/G/20396/0618/0544	11 543	–
Booysendal Platinum Proprietary Limited		
GR/G/20396/0311/0011	65 900	65 900
GR/G/20396/0315/0232	25 000	25 000
GR/G/20396/0317/0433	–	50 000
GR/G/20396/0417/0434	1 908	1 908
GR/G/20396/0517/0459	2 085	–
GR/G/02396/0618/0535	2 267	–
GR/G/02396/0618/0536	1 267	–
Eland Platinum Proprietary Limited		
CQ/G/30381/0118/004	129 545	–
CQ/G/30381/0118/004	31 096	–
	401 418	244 808

19. Preference share liability

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Opening balance	8 636 558	7 575 697
Accrued dividends	1 182 093	1 060 861
Preference shares liability relating to Zambezi Platinum (RF) Limited	9 818 651	8 636 558
Derecognition of Zambezi Platinum (RF) Limited preference shares through the investment in the preference shares together with the accrued dividends	(259 784)	(226 976)
Liquidity fees relating to the Black Economic Empowerment transaction	(129 757)	(146 147)
Amortisation of liquidity fee over the 10 year lock in period	16 390	16 390
	9 445 500	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. The preference shares are redeemable in 10 years' time (from inception) 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 South African prime interest rate 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 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:

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Accrued dividends	1 182 093	1 060 861
Less interest capitalised to property, plant and equipment in terms of IAS 23 Borrowing costs	(44 270)	(24 261)
Less dividends accrued to Northam Platinum Limited with regards to the preference shares owned	(31 139)	(19 204)
Preference share dividends	1 106 684	1 017 396

20. Long-term loans

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Security of supply contribution	131 200	38 992
Heraeus Deutschland GmbH & Co. KG	75 403	223 870
Total term loans	206 603	262 862
Current portion of security of supply contribution	(15 140)	(4 034)
Current portion of Heraeus Deutschland GmbH & Co. KG	(9 400)	(9 400)
Long-term portion	182 063	249 428

The security of supply contribution relates to advances for the supply of future product for a period of 10 years. These advances will be recognised over the 10-year supply period.

Heraeus Deutschland GmbH & Co. KG initially contributed €10.0 million to the new 20MW furnace. The contribution received was recognised as a liability in the previous periods, as the company 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 €20.0 million (R303.1 million) was deducted from the cost of the smelter as the value contributed is effectively considered a rebate in terms of IAS 16. 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 is 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 South African prime interest rate. The contra side of the entry was included as a cost to the furnace.

The present value of these annual payments amounted to R75.4 million (2017: R74.7 million) and is included in the table above.

21. Domestic medium term notes

	Audited 12 months ended 30 June 2018 R000	Audited 12 months ended 30 June 2017 R000
Non-current domestic medium term notes		
Domestic medium term notes (NHM002)	175 000	175 000
Transaction costs relating to the NHM002 issue	(1 256)	(1 256)
Amortisation of transaction costs over 60 months	544	292
	174 288	174 036
Domestic medium term notes (NHM003)	250 000	250 000
Transaction costs relating to the NHM003 issue	(4 627)	(4 627)
Amortisation of transaction costs over 36 months	3 213	1 672
Transfer to current domestic medium term notes	(248 586)	–
	–	247 045
Total non-current domestic medium term notes	174 288	421 081
Current domestic medium term notes		
Domestic medium term notes (NHM003)	248 586	–
Domestic medium term notes issued (NHM004)	450 000	–
Transaction costs relating to the NHM004 issue	(2 778)	–
Amortisation of transaction costs over 12 months	538	–
	447 760	–
Domestic medium term notes issued (NHM005)	550 000	–
Transaction costs relating to the NHM005 issue	(3 304)	–
Amortisation of transaction costs over 12 months	398	–
	547 094	–
Total current domestic medium term notes	1 243 440	–
Total domestic medium term notes	1 417 728	421 081

On 13 May 2016, Northam issued NHM002, which is R175.0 million's worth of five-year senior unsecured fixed rate notes under the domestic medium term note (DMTN) programme. The notes bear a fixed coupon of 13.50% per annum, payable semi-annually in May and November of every year, and will be redeemed on 12 May 2021 and are therefore disclosed as non-current. These funds were used for general corporate purposes.

The Industrial Development Corporation of South Africa Limited subscribed to NHM003 for R250.0 million, three-year senior unsecured floating rate notes under the DMTN programme on 10 June 2016. The notes attract a floating coupon rate of 3-month JIBAR plus 390 basis points, payable on a quarterly basis in August, November, February and May of every year for a three-year period and will mature on 9 June 2019. These notes are therefore stated as current. The proceeds were applied for the development of the Booysendal expansion project.

During the current year, Northam issued NHM004 (20 April 2018) and NHM005 (18 May 2018), one-year senior unsecured fixed rate notes. The notes bear a fixed coupon of 11.0% per annum, payable on the redemption date. These notes are therefore stated as current.

Transaction costs are amortised over the period of the financial liability.

These notes were issued under the R2.0 billion DMTN programme dated 3 August 2012.

22. Revolving credit facility

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Opening balance	–	–
Amounts drawn down on the revolving credit facility	2 000 000	–
Amounts repaid during the year	(500 000)	–
Total facility utilised at year end	1 500 000	–
Transaction costs incurred	(17 055)	(8 593)
Amortisation of transaction costs over the period of the various facilities	3 550	1 002
	1 486 495	(7 591)

The group has a revolving credit facility with Nedbank Limited. The initial R2.0 billion facility was effective from November 2016 for a period of 60 months. Commitment fees are payable on the revolving credit facility amounting to 0.99% per annum on the unutilised portion of the facility.

During the year, an additional R1.0 billion facility was negotiated for a period of 24 months effective 18 April 2018 with all other terms and conditions remaining the same as the original facility.

Subsequent to year end an additional amount of R250.0 million was drawn down.

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

The revolving credit facility is disclosed as non-current as Northam Platinum Limited has the discretion, to refinance or roll over the outstanding facility for at least 12 months after the year end under the existing loan facility.

23. Trade and other payables

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Trade payables	590 045	503 007
Accruals	875 656	337 386
Capital accruals	84 978	29 977
South African Revenue Service – Value Added Tax	15 920	11 024
Accrued interest and commitment fees	52 684	5 741
Employee related accruals	248 645	193 690
Provisional pricing payables	30 740	122 802
Other	67 307	64 545
	1 965 975	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 not observable.

The following assets and liabilities are measured at fair value:

	Audited 12 months ended 30 June 2018	**Audited 12 months ended 30 June 2017**
	R000	R000
Non-current asset held for sale		
Carrying value	–	49 222
Fair value	–	49 222

The non-current asset held for sale was classified within level 3 of the fair value hierarchy. For further information on this classification, refer to note 13. The fair value was determined based on the sales value as per the signed agreement plus the arrangement to reimburse all cash calls.

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Preference share liability		
Carrying value	(9 445 500)	(8 279 825)
Fair value	(9 184 803)	(8 540 309)

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.

The fair value of the preference share liability has been determined by reference to the closing price of the preference shares on the debt market at year-end:

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
Zambezi Platinum (RF) Limited (preference share code ZPLP) closing preference share price	R59.00	R54.85
Number of preference shares outstanding	155 674 634	155 702 999

25. Commitments

	Audited 12 months ended 30 June 2018	Audited 12 months ended 30 June 2017
	R000	R000
Capital expenditure – Booysendal mine		
Authorised but not contracted	981 666	273 288
Contracted	318 334	1 076 712
	1 300 000	1 350 000
Capital expenditure - Zondereinde mine		
Authorised but not contracted	430 424	313 436
Contracted	119 576	1 385 807
	550 000	1 699 243
Capital expenditure - Eland mine		
Authorised but not contracted	200 000	–
Contracted	–	–
	200 000	–
Information Technology - outsource service provided		
Due within one year	18 370	24 104
Due within two to five years	–	4 055
	18 370	28 159
Operating lease rentals - office equipment		
Due within one year	3 884	2 615
Due within two to five years	3 939	2 657
	7 823	5 272
Operating lease rentals – premises as lessee		
Due within one year	12 790	5 414
Due within two to five years	39 505	15 772
	52 295	21 186
The lease rentals for the corporate office contains an option to renew the lease for an additional five years		
Bank guarantees		
Eskom Holdings SOC Limited	73 895	73 895
Department of Mineral Resources (relating to the Pandora joint venture)	–	1 477
Other	398	598
	74 293	75 970
Guarantees – Department of Mineral Resources (refer note 18)	401 418	244 808

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

26. Events after the reporting period

There have been no other events subsequent to the year-end which require additional disclosure or adjustment to these summarised financial results, other than what has been disclosed in note 22.

NOTES

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
Bond code: NHM004
Bond ISIN: ZAG000150764
Bond code: NHM005
Bond ISIN: ZAG000151242

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