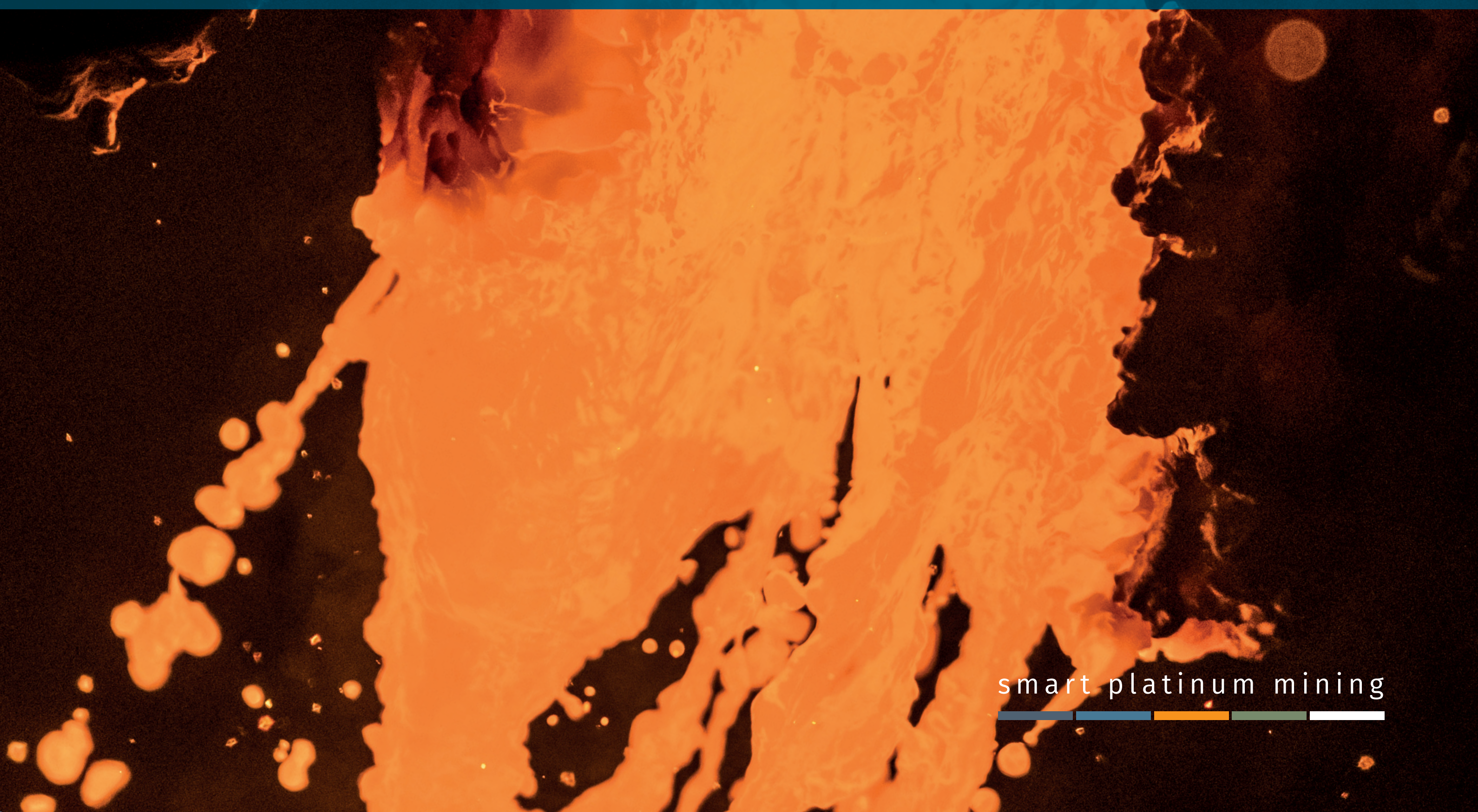
NORTHAM
PLATINUM HOLDINGS LIMITED

Northam Holdings: Mining that matters

Annual financial statements
30 June 2022



smart platinum mining

CONTENT

Defined terms

Unless otherwise defined, capitalised words and terms contained in these annual financial statements shall bear the same meaning ascribed thereto in the Glossary and the Composite Transaction Glossary included in the summarised financial results, available on our website at www.northam.co.za.

These annual financial statements have been prepared under the supervision of the chief financial officer, AH Coetzee CA(SA).

CHIEF EXECUTIVE OFFICER AND THE FINANCE DIRECTOR RESPONSIBILITY STATEMENT

Each of the directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 19 to 180, fairly present in all material respects the financial position, financial performance and cash flows of Northam Platinum Holdings Limited in terms of International Financial Reporting Standards (IFRS);
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to Northam Platinum Holdings Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Northam Platinum Holdings Limited;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit and risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- We are not aware of any fraud involving directors.

PA Dunne
Chief executive officer

AH Coetzee
Chief financial officer

Johannesburg
16 August 2022

DIRECTORS' RESPONSIBILITIES AND APPROVAL OF ANNUAL FINANCIAL STATEMENTS

In approving the annual financial statements, the directors hereby confirm:

- That they are responsible for the preparation, integrity and fair presentation of the annual financial statements of Northam Platinum Holdings Limited and its subsidiaries. The auditors are responsible for auditing and reporting on whether the annual financial statements are fairly presented.
- The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can only provide reasonable and not absolute, assurance against material misstatement or loss.
- The annual financial statements have been prepared in accordance with IFRS. They conform and adhere to applicable accounting standards and are presented after applying accounting policies supported by reasonable and prudent judgements and estimates made by management, which have been consistently applied.
- Adequate accounting records and an effective system of internal controls and risk management have been maintained during the entire financial year.
- They have reviewed the additional information included in the annual integrated report and are responsible for both the accuracy and consistency of the annual financial statements.
- The going concern basis has been adopted in preparing the annual financial statements. The directors have no reason to believe that the group will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the company and the group.
- The annual financial statements have been audited by the independent auditors, Ernst & Young Inc. who were given unrestricted access to all financial records and related data including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate. The unmodified audit report of Ernst & Young Inc. is included in these annual financial statements.

The annual financial statements were approved by the board of directors on 16 August 2022 and are signed on its behalf by:

TI Mvusi
Chairman

PA Dunne
Chief executive officer

HH Hickey
Chairperson – audit and risk committee

Johannesburg
16 August 2022

COMPANY SECRETARY'S CONFIRMATION

I, PB Beale, in my capacity as company secretary of Northam Platinum Holdings Limited, hereby certify in terms of section 88(2) of the Companies Act, No. 71 of 2008, as amended (Companies Act) that all returns and notices required of a public company in terms of the Companies Act, in respect of the year under review, have been lodged with the Companies and Intellectual Property Commission and that all such returns are true, correct and up to date.

PB Beale
Company secretary

Johannesburg
16 August 2022

AUDIT AND RISK COMMITTEE REPORT

This audit and risk committee report has been prepared in terms of section 94(7) of the Companies Act No. 71 of 2008, as amended (the Companies Act), the King IV™ Report on Governance for South Africa, 2016 (King IV™), the JSE Limited Listings Requirements and other applicable regulatory requirements.

This report sets out how the audit and risk committee (the committee) has satisfied its various statutory and regulatory obligations and corporate governance best practices during the year. This includes the key focus areas considered and how these have been addressed by the committee.

Associated capitals addressed by the committee

- Financial
- Manufactured
- Intellectual

Risks and opportunities addressed by the committee

- Exchange rate and commodity price volatility
- Operational performance
- Liquidity
- Fraud and theft
- Information Technology and cyber security
- Empowerment transaction
- Capital allocation

Related material issues

- Acquisition of strategic interest in RBPlat
- Maintaining our legislative and regulatory compliance
- Maintaining constructive communication channels with all our stakeholders
- Liquidity management to mitigate market volatility
- Ongoing impact of COVID-19

Role

The committee's main role is to assist the board in fulfilling its independent oversight responsibilities relating to the safeguarding of assets, the operation of adequate risk management and internal control processes, as well as the preparation of financial statements in compliance with all applicable legislation and regulations.

In addition, the committee has oversight of the external and internal audit appointments and is responsible for assessing the effectiveness of the internal audit function, the chief financial officer (CFO), as well as the independence and effectiveness of the group's external auditor and the designated individual audit partner.

The committee is also responsible for carrying out all other duties that the board has assigned to it.

Mandate

The committee has ultimate decision-making authority in terms of its statutory duties as contemplated in section 94(7) of the Companies Act, paragraph 3.84(g) of the JSE Limited Listings Requirement and paragraph 7.3(e) of the JSE Debt Listings Requirements, and is accountable for its performance in this regard. The chairperson of the committee reports to the board on the committee's activities and matters discussed.

The committee does not assume the functions of management as these functions remain the responsibility of the executive directors and senior management. The committee also does not provide relief to board members in terms of their collective and individual fiduciary duties.

Charter

A comprehensive gap analysis to reassess the committee charter was performed during the year under review. This analysis set out to ensure that the charter complies with best practice guidelines, includes the necessary updates associated with the changes within the organisation and stipulates the role and responsibilities of the committee.

Refer to the audit and risk committee charter on our website

The Institute of Directors in Southern Africa (IoDSA) was also appointed during the year to facilitate a self-appraisal review of the committee. This review, together with the board's annual evaluation of the performance of the committee has not been completed. The outcomes of both evaluations will be reported as part of the next financial years reporting suite.

Committee composition

The committee comprises three independent, non-executive directors of the board, elected by shareholders at the company's AGM on the recommendation of the nomination committee. The chairperson of the board is not eligible for election as member or chairperson of the committee.

The members of the committee all satisfy the requirements to serve as members of an audit committee, as defined by section 94(4) of the Companies Act.

Members of the committee have the necessary financial literacy, skills and experience to execute their duties effectively. This includes experience in audit, risk management, information technology, corporate governance, integrated reporting and legal.

Name	Date joined committee	Board status	Meeting attendance
HH Hickey (chairperson)	1 January 2016	Independent non-executive director	4/4
DH Brown*	7 November 2017	Independent non-executive director	1/1
JJ Nel**	1 June 2019	Independent non-executive director	2/2
Dr NY Jekwa	1 June 2019	Independent non-executive director	4/4
MH Jonas***	3 February 2022	Independent non-executive director	2/2

**Stepped down as member of the committee with effect from 27 September 2021 after being appointed as chairman of the board.*

***Resigned as director from the board on 17 December 2021.*

****Appointed as member of the committee from 3 February 2022.*

Invited attendees

The engagement partners of the external and internal auditors are standing invitees to the committee meetings, as is the chief executive officer (CEO) and chief financial officer (CFO).

The CEO and CFO attended all meetings of the committee during the year under review. Every board member has the right to attend the committee meetings as an observer. Invitations to attend the committee meetings are extended to senior executives and professional advisors as deemed appropriate. These parties have no voting power.

The committee meets, at least twice a year, with the external and internal auditors without the presence of management. For the year under review these meetings took place on 21 September 2021 and 23 March 2022.

The board is satisfied that the committee as a whole, have the appropriate mix of academic qualifications and experience, as required by King IV™ to fulfil its duties.

Our commitment to independence, transparency and collaboration

The independence of the committee is key to its effective functioning. The committee acts independently, with accountability to the board and the group's stakeholder's including shareholders and noteholders. The independence of committee members is a standing agenda item that is tabled at every committee meeting.

The committee has direct and unobstructed lines of communication to the board, the external and internal auditors and any external assurance providers and consultants appointed by the group to assist with the financial statement close process.

The committee encourages continuous and open communication with all assurance providers, including the external and internal auditors, risk and compliance functions, senior management and the executive directors, as well as the board.

Areas of focus during the year – significant audit matters

Audit matter	Response	Associated risks
Investment in RBPlat	The accounting for the investment in Royal Bafokeng Platinum Limited (RBPlat) required management to make a number of judgements and estimates with regards to the valuation and share of earnings accounted for in the consolidated results of Northam Holdings. The committee deliberated on this matter and reviewed the judgements and estimates made by management in respect of the accounting treatment of Northam Holding's investment in RBPlat. *The committee is satisfied that the disclosures in the annual financial statements are reasonable with regards to the investment in RBPlat.*	• Liquidity
Inventory valuation	The valuation of metal inventory was noted as a key audit matter set out in the independent auditor's report. The committee deliberated on this matter and reviewed a detailed report from management on the process implemented to verify the quantity and valuation of inventory. *The committee is satisfied that inventory is stated at the lower of cost and net realisable value*.	• Fraud and theft • Exchange rate and commodity price volatility
Significant accounting judgements and estimates	The committee considered the following accounting judgements, estimates and assumptions in relation to the annual financial statements for the year ended 30 June 2022: • Assessment of the recoverable values of the various assets in the group in terms of IAS 36 Impairment of assets. This was done to ensure that the recoverable values of cash generating units are higher than the carrying value. No impairments were required • Mineral Resources and Mineral Reserves estimates to determine life of mine • Evaluation of the capitalisation of borrowing costs in terms of IAS 23 Borrowing costs, relating to the qualifying assets of the group • Consolidation of Zambezi Platinum (RF) Limited • Evaluation of both the long-term and trade receivable balances for expected credit losses in terms of IFRS 9 Financial instruments • Evaluation of the tax deductibility of interest on certain borrowings • Evaluation of the restoration and decommissioning liabilities of the group • Assessment of the valuation of the Toro Employee Empowerment Trust in terms of IAS 19 Employee Benefits • Assessment of the utilisation of a deferred tax asset relating to Eland Platinum Proprietary Limited in terms of IAS 12 Income Taxes • Disclosure of related party transactions in terms of IAS 24 Related Party Disclosures • Assessment of contingent assets or liabilities disclosed in the notes to the annual financial statements in terms of IAS 37 Provisions, Contingent Liabilities and Contingent Assets *The committee is satisfied that these matters have been appropriately accounted for in terms of the requirements of IFRS and are fairly represented in the annual financial statements.*	• Liquidity • Exchange rate and commodity price volatility • Social licence to operate • Environment
New accounting standards	New accounting standards, interpretations and amendments to standards in issue that have not yet been adopted but are likely to affect the financial reporting in future years, including the disclosure thereof in the annual financial statements, were considered by the committee. Refer to the Annual financial statements 2022 for new accounting standards adopted and standards, interpretations and amendments issued, but not yet effective. *The committee is satisfied that the new accounting standards disclosed in the annual financial statements are appropriately disclosed.*	• Social licence to operate

AUDIT AND RISK COMMITTEE REPORT continued

Audit matter	Response	Associated risks
Free cash flow forecast	The cash generation profile in terms of the free cash flow forecast of the group was deliberated on and reviewed by the committee. This was done in the context of the group's intention to maintain prudent levels of standby credit, in light of its significantly enlarged operational footprint and working capital requirements. *The committee is satisfied with the assumptions made in assessing whether the group will have a prudent level of standby credit available in the foreseeable future.*	• Liquidity • Exchange rate and commodity price volatility
The Zambezi BEE Transaction	The committee reviewed the disclosures made in the annual financial statements with regards to the transaction to accelerate the maturity of the Zambezi BEE Transaction and the extension of HDP ownership for a further 15 years (Extended Empowerment Transaction). *The committee is satisfied that the disclosures in the annual financial statements are reasonable and takes into account the terms and conditions of the Composite Transaction*.	• Social licence to operate

Ongoing impact of COVID-19 on the current year audit

The specific considerations associated to the financial reporting of the group, as a result of the ongoing impact of COVID-19, have been set out below:

Consideration	Response	Associated risk
Going concern assessment	Management prepared impairment assessments for the various cash generating units (CGUs) in the group. These were extensively reviewed by the committee, with due consideration of the CGUs ability to respond to changing circumstances and the financial reserves required to sustain operations through adverse conditions, such as commodity price down-cycles and/or periods of reduced production or sales demand. The committee confirmed that the financial results have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. *Based on the latest available information, the committee assessed and confirmed the appropriateness of the going concern assumption used in the interim and annual financial statements. This includes confirmation that the group will continue to have adequate financial resources and access to capital to settle its liabilities, as and when they fall due, continuing to operate on a going concern basis for the foreseeable future.*	• Liquidity • Exchange rate and commodity price volatility
Impairment considerations and assessment	The group's impairment assessments for the interim and annual reporting periods were considered to be appropriate by the committee. These assessments were based on the requirements of IAS 36 Impairments of assets. The committee also considered the sensitivity assessments as appropriate, ensuring that the carrying value of all assets are lower than their recoverable value.	• Exchange rate and commodity price volatility
Available borrowing facilities	The committee reviewed all borrowing facilities available to the group. *The committee confirmed that the group has adequate borrowing facilities available*.	• Liquidity • Exchange rate and commodity price volatility

Financial statements and integrated reporting process

The committee reviewed, *inter alia*, as part of providing oversight of the group's integrated reporting, all accounting and financial reports and information for recommendation to the board for approval. Key considerations included the following:

- Trading statements issued
- Treatment of significant accounting and auditing matters including non-routine transactions
- Adjusted and unadjusted audit differences reported by the external auditors
- Key audit matters communicated by the external auditors in their audit report including the appropriateness of management actions in addressing these matters
- Representation letter signed by management
- The provision of financial assistance to subsidiaries
- The CEO and the financial director responsibility statement
- Financial information included in the interim and annual results announcements
- The audited annual financial statements, associated financial reporting processes and controls underpinning its compilation

The committee evaluated the consolidated and separate annual financial statements for the year ended 30 June 2022 and has concluded that these comply, in all material respects, with the requirements of the Companies Act, IFRS, and the JSE Limited Listings Requirements.

The committee therefore recommended to the board the approval of the annual financial statements, interim and annual results, as well as the financial information included in the F2022 annual integrated report.

Internal controls and risk management

During the year under review the committee reviewed the adequacy and effectiveness of the group's systems of internal control, financial reporting and risk management.

The committee considered the nature and extent of control issues identified from the various reports reviewed by the committee. This included, internal and external audit reports, as well as specific internal control reports from management relating to the internal attestation of financial and non-financial controls. Findings reported as part of the group's independent ethics and fraud hotline were also considered by the committee.

In addition, the committee reviewed and assessed how risks have been managed, in the context of the group's evolving risk profile.

The committee having considered the comprehensive review and analysis of information provided by management, as well as the external and internal auditors, is of the opinion that the internal controls of the group have been effective in all material respects, appropriate financial reporting procedures are in place, and that these procedures and controls operated effectively and efficiently throughout the year under review.

This included consideration of all entities within the group's consolidated IFRS financial statements, in order to ensure that the committee had access to all the financial information of the company to enable it to effectively prepare and report on the financial statements of the group.

Matters considered	Response	Associated risks
Corporate governance (including the maturity of the risk management process and continuous improvement of the internal control environment)	• Monitored management's progress of assessing the recommended practices underpinning the 16 Principles of King IV™ ensuring an ethical culture is being fostered that supports effective control at all levels • Reviewed and approved the group's risk management policy and standards, having considered the key strategic and operational risks affecting the group • Reviewed internal audit's written assurance statement which confirmed that nothing has come to the internal auditor's attention indicating that the group's system of internal financial controls is not effective and may not be relied upon for the preparation of the annual financial statements • Noted the work done by management to strengthen the internal control environment, taking into account the findings identified by both external and internal audit • Considered management's feedback regarding significant litigation matters, together with an assessment of any possible impact on the financial results	• Fraud and theft • Information Technology and cyber security
Compliance with laws and regulations	Considered the group's compliance with applicable laws and regulations, including those pertaining to the financial reporting. *No material regulatory penalties, sanctions or fines for contraventions of, or noncompliance with statutory obligations were noted during the year under review.*	• Social licence to operate
IT governance	• Performed extensive reviews of the group's technology and information systems. This included specific consideration of the IT risks impacting the group, in respect of the overall IT environment and the information security capabilities to address cyber crime threats • Monitored the progress of the adoption of the control objectives for information and related technology (COBIT) framework • Reviewed management reports setting out the King IV™ requirements for IT governance	• Information Technology and cyber security
Cyber security	Reviewed the findings of the independent cyber vulnerability and penetration assessments with due consideration of management's progress to mitigate the exposures identified	• Information Technology and cyber security

Internal audit

During the year the internal audit function of the group has been outsourced to KPMG Services Proprietary Limited (KPMG). The responsibilities associated with that of a chief audit executive (CAE) has been fulfilled by Thomas Gouws, a director of KPMG, and the partner in charge of the internal audit function.

The committee monitored the effectiveness of internal audit ensuring that the roles and functions of internal audit have been sufficiently clarified and coordinated, and that the function provides an objective overview of the operational effectiveness of the group's systems of internal control and reporting.

During the year under review the committee considered, as part of its review and assessment, the following:

- The competence, gravitas and objectivity of Thomas Gouws to fulfil the duties of CAE
- The independence, effectiveness and performance of the internal audit function, including compliance with its terms of reference
- The annual internal audit plan, ensuring that material risk areas were included and that the coverage of risks and business processes were acceptable
- The scope of work of the internal audit function, the issues identified as a result of its work, as well as management's responsiveness to issues raised and agreed action plans
- The coordination and cooperation between the internal audit, risk management and compliance functions
- The updated internal audit charter, setting out the roles and responsibilities of internal audit. This charter was approved by the committee subsequent to its review

The committee is satisfied with the appropriateness of the expertise, experience and resources of the internal audit function.

External audit

The committee fulfilled its various statutory responsibilities with regards to the external auditor. This included the appointment, compensation and oversight of the external auditor.

Key review considerations with regards to the external auditor included the following:

- Mandatory audit firm rotation requirements
- EY's tenure as the group's external auditor of more than 38 years
- Shareholder votes against the re-appointment of EY at the October 2021 AGM
- The designated individual audit partner's term which comes to an end at 30 June 2022
- The audit for the current financial year, which is the last year that EY performs the audit of the group
- PWC's appointment as the external auditor of the group for the financial year ending 30 June 2023 (F2023)

See audit firm rotation section on page 13 within this report for the detail considerations applied by the committee in this regard.

The committee assessed, *inter alia*, the following information received from EY in terms of section 3.84(g)(iii), as read with section 22.15(h) of the JSE Limited Listings Requirements, in response to auditor independence concerns that were raised:

- The most recent Independent Regulatory Board for Auditors (IRBA) inspection report for EY's International Statement on Quality Control (ISQC 1) review. This included the decision letter from the IRBA, the detailed findings and a copy of the remedial action plan sent to the IRBA by EY
- The most recent IRBA inspection report for the designated individual audit partner, Ebrahim Dhorat. Also included was the decision letter from the IRBA, the detailed findings report and a copy of the proposed remedial action to address the said findings
- The decision letter from the IRBA for all engagement file reviews on Ebrahim Dhorat for the past audit
- A summary document providing context and explanations of the findings for EY and engagement level reports of the IRBA
- A copy of the 2021 Transparency Report, prepared by EY South Africa in line with the European Union's 8th Company Law Directive. This included the ISQC 1 information the JSE requires EY to communicate to clients. The Transparency Report is published and available on EYs website
- A summary of the results of EYs monitoring of its system of quality control. This in terms of paragraph 53 of ISQC 1
- A summary of the outcome of any legal or disciplinary proceedings concluded within the past seven years, which were instituted in terms of any legislation or by any professional body of which EY and/or the designated individual audit partner are members, or a regulator to whom they are accountable. This includes where the matter has been settled by consent order or payment of a fine

During the year under review the committee also:

- Monitored the effectiveness of the external auditor in terms of their independence, audit quality and expertise, as well as the execution of the audit plan
- Approved the external auditor's annual audit plan and ensured that all statutory and financial reporting requirements were met and material risks were identified and appropriately addressed
- Reviewed the external auditor's findings and recommendations and ensured that matters raised were resolved appropriately
- Ensured coordination and cooperation between the external and internal auditors
- Convened with the external audit team, without management being present, and was assured that there were no unresolved areas of disagreement with management. Satisfaction was expressed by external audit with the skills and expertise in group finance and it was confirmed that throughout the audit there was good support from the management team
- Confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act, 26 of 2005

The committee is satisfied that the external auditor, EY, and the designated individual partner, Ebrahim Dhorat, are appropriately accredited and are suitable to perform the current year audit engagement.

The committee, pursuant to paragraph 3.84(g)(iv) of the JSE Limited Listings Requirements, has ensured that the appointment of the auditor, PwC, and the designated individual partner, AJ Rossouw, has been presented and included as a resolution at the upcoming 2022 AGM pursuant to section 61(8) of the Companies Act.

Audit and non-audit fees

For the year under review, the external auditors, EY, charged the following fees:

	30 June 2022	30 June 2021
	R000	R000
Audit services | Northam Platinum Holdings Limited and group companies including overruns	11 551	7 696
Audit services | Zambezi Platinum (RF) Limited	572	640
Assurance services | Sustainable development report	1 310	1 140
Audit services | ISRE 2410 review	1 640	985
Audit services | ISRE 2410 review | Zambezi Platinum (RF) Limited	120	84
Non-audit fees	276	160
Assurance services | Issue of commercial paper (Domestic Medium-Term Notes)	4 500	3 500
Reporting accountants report relating to the various circulars and prospectus issued as part of the transaction to accelerate the maturity of the Zambezi BEE Transaction and extension of HDP ownership for a further 15 years	–	6 830
	19 969	21 035

Non-audit services

The committee reviewed management's assessment of all non-audit services performed by EY and confirmed that no prohibited non-audit services have been performed by EY in terms of section 90 of the Companies Act. This included a detailed review against policy to ensure that fees for all non-audit services were within approved limits and that the external auditor's independence was not jeopardised as a result of the non-audit services provided.

The committee also received the necessary representation from the external auditor, confirming that:

- No other remuneration was received for work performed other than what has been disclosed
- EY's independence was not impaired by any consultancy, advisory or other work performed during the year under review
- The criteria specified for independence by the IRBA and international regulatory bodies have been met

The committee, based on their assessment of the independence and effectiveness of the external auditor, EY, did not note any significant findings or considerations to indicate that the external auditor is not independent or that the services provided by them have not been effective and robust.

Audit firm rotation

In June 2017 the Independent Regulatory Board for Auditors (IRBA) in South Africa issued the rule on Mandatory Audit Firm Rotation (MAFR) for auditors of all public interest entities. This rule requires that an audit firm (including a network firm) shall not serve as the appointed auditor of a public interest entity for more than ten consecutive years, and thereafter, the audit firm will only be eligible for re-appointment as the auditor after the expiry of at least five financial years. This requirement is effective for financial years commencing on or after 1 April 2023.

The committee noted the requirement for Northam Holdings, as a South African public interest entity listed on the Main Board of the JSE Limited (JSE), to comply with MAFR for its financial year ending 30 June 2024.

Accordingly, in support of the IRBA rule and consideration of public interest and auditor independence, the committee reviewed the following key matters that Northam, in part has done to ensure continuous auditor independence.

Commitment to MAFR

In line with Northam's adoption and implementation of MAFR, the audit for the year ended 30 June 2022 was the last year that EY performed the audit of the group.

Mandatory audit partner rotation

In terms of section 92 of the Companies Act, the same individual audit partner may not serve as the auditor or designated auditor of a company for more than five consecutive financial years. It is also noted that the IRBA requires the audit partner to be rotated every seven years.

The financial year-ended 30 June 2022 was the fifth and final consecutive year in which Ebrahim Dhorat served as the designated individual audit partner of the group, who was appointed from the financial year ended 30 June 2018. A new individual audit partner would have had to be appointed for the financial year ending 30 June 2023.

Prohibition of non-audit services

In terms of section 90 of the Companies Act, certain relationships with an audit firm and/or individual audit partner, and the provision of certain non-audit services by an audit firm and/or individual audit partner, is prohibited.

Management performs an assessment of all non-audit services performed by EY which is presented to the committee at every meeting. The assessment confirmed that no prohibited non-audit services have been performed by EY in terms of section 90 of the Companies Act, during the year under review.

Disclosure of audit tenure rule

With effect from December 2015, in terms of the IRBA Rule, all auditors' reports on annual financial statements of all public companies are required to disclose the number of years the audit firm/sole practitioner has been the auditor of the entity.

EY has disclosed in their independent auditors' report to the annual financial statements of the group, for the financial year ended 30 June 2022, that they have been the auditor of Northam and the group for 38 years.

Audit committee nominations and shareholder approvals

Pursuant to section 90 of the Companies Act and paragraph 3.84(g) of the JSE Limited Listings Requirements (and paragraph 7.3(e) of the JSE Debt Listings Requirements) an auditor is required to be appointed or re-appointed on an annual basis. In this regard, an audit committee is required to nominate an auditor for appointment. Shareholders are required to approve the appointment of such auditor.

Shareholders approved, at the group's AGM on 29 October 2021, the re-appointment of EY, with the designated external audit partner being Ebrahim Dhorat, as the independent external auditors of the group. Despite the approval, 28.1% of shareholder votes received were against the re-appointment of EY due to independence concerns raised by shareholders.

This, notwithstanding detailed feedback provided by management to shareholders ahead of the AGM, together with associated disclosures in the audit and risk committee report and the group's F2021 annual reporting suite.

The 'Big 4' audit firms

The South African auditing market is dominated by the 'Big 4' audit firms; Deloitte, EY, KPMG and PwC. More than 90% of the companies listed on the JSE are audited by one of these 'Big 4' audit firms.

As a listed entity, Northam Holdings believes that the auditing services of an international 'Big 4' audit firm is necessary and therefore was recommended. These firms have the necessary experience, resources and expertise to ensure that the group's financial results are reasonable and complies with IFRS. In addition, the group's growing business, coupled with everchanging accounting standards, make it imperative for an audit firm to have exposure to international best practice, industry intelligence and knowledge.

Three of the 'Big 4' firms, namely EY being the incumbent external auditor, KPMG the incumbent internal auditor and Deloitte a consulting service provider, have provided a range of services to the Northam group. As a result, and in terms of the cooling-off period prescribed by the IRBA, EY, KPMG and Deloitte were prohibited from being appointed as the group's external auditor for the upcoming financial year.

Accordingly, with due consideration to auditor independence, the requirements of Section 90 of the Companies Act, the group's requirement for a 'Big 4' audit firm, as well as the cooling-off period prescribed by the IRBA, only PwC qualified and could be appointed as the external auditor for Northam Holdings, effective 1 July 2022.

It is management's and the committee's view that PwC has the necessary skills, resources, experience and industry knowledge, with immediate and direct access to international best practice, to successfully perform the role of the group's external auditor.

Pursuant to paragraph 3.84(g)(iv) of the JSE Limited Listings Requirements, the committee has ensured that the appointment of the auditor, PwC, and the designated individual partner, Mr AJ Rossouw, has been presented and included as a resolution at the upcoming AGM pursuant to section 61(8) of the Companies Act.

Combined assurance

The group's combined assurance model establishes integrated and coordinated assurance activities across all levels of the group. It avoids duplication of efforts, promotes coverage and rationalises collaboration amongst assurance providers. In this regard, the committee provided oversight of the combined assurance activities, whilst ensuring that these have been adequate and effective in achieving its objectives.

The committee reviewed and approved the combined assurance model of the group, with consideration of the following:

Integration of key aspects comprising the combined assurance model:

- Financial statement captions - statement of profit or loss and comprehensive income and the statement of financial position
- Operational management activities - traditional practices
- Shared and centralised management activities - incorporating organisational changes and responsibilities
- Risk management - group strategic risks
- Internal control validation and assurance – encompassing financial and non-financial controls

Four lines of assurance constituting the nature and extent of assurance coverage:

- Operations - management reviews incorporating group services
- Corporate - mining executives, CFO and executive committee reviews
- Third party - independent providers of confirmation and/or assurance
- Board and committees

The committee is satisfied that the combined assurance model adequately addresses the risks and material matters through the aggregated efforts of the various assurance providers and results in an adequate, effective control environment and the integrity of reports relied upon for decision making.

Effectiveness of the CFO and the finance function

The committee performed an annual review of the effectiveness of the CFO and finance function. This included an internal assessment of the skills, expertise and resourcing of the finance function, as well as the expertise and experience of the CFO, Alet Coetzee.

The committee is satisfied with the appropriateness of the expertise and experience of the CFO, Alet Coetzee, the effectiveness of the finance function overall, as well as the adequacy of resources.

Future focus areas

- Internal control environment – monitor the continuous improvement of internal controls
- Enterprise risk management – oversee the maturity of the risk management process within the group
- Auditor rotation - oversee the process of changing the group's auditors

Conclusion

The committee is satisfied that it has considered and discharged its responsibilities in line with its terms of reference, statutory responsibilities, as set out in section 94(7) of the Companies Act, the JSE Limited Listings Requirements and King IV™ during the year under review.

On behalf of the committee.

HH Hickey
Chairperson

15 August 2022

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INDEPENDENT AUDITOR'S REPORT FOR NORTHAM PLATINUM HOLDINGS LIMITED

To the Shareholders of Northam Platinum Holdings Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate annual financial statements of Northam Platinum Holdings Limited and its subsidiaries ('the Group') and Company set out on pages 33 to 180, which comprise of the consolidated and separate statements of financial position as at 30 June 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate annual financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Company as at 30 June 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate annual financial statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements of the Group and Company and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate annual financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined that there are no key audit matters to communicate in our audit report with regard to the separate annual financial statements of the Company.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the consolidated and separate annual financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate annual financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate annual financial statements.

The Key Audit Matter applies equally to the audit of the consolidated and separate financial statements.

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">Valuation and Existence of Metal Inventories</td></tr>
<tr><td>The Group accounts for the primary Platinum Group Metals - being platinum, palladium, rhodium, and gold (“4E”) as joint products.
We have identified the existence and valuation of metal inventory as a Key Audit Matter due to significant estimation and judgement involved in determining quantities and valuation of metal inventory as at 30 June 2022.
Key factors that impact the determination of the physical quantities of metal inventory are:

• Sampling and assays of the material in process by management’s internal experts to determine the precious metal content;
• Surveying of metal quantities by management’s external experts;
• The historical head grade achieved per mine;
• Various recovery factors at different stages in the process;
• Determination of the split of 4E metals (prill splits); and
• Inventory quantity being recorded at the lower of theoretical or surveyed quantities.

Key factors impacting the valuation of metal inventory are:

• Allocation of mining cost based on a six-month average;
• Net realizable value; and
• Valuation of custom purchase materials.

The estimates and judgements with respect to metal inventories for the current financial year, are disclosed in note 21 of the consolidated annual financial statements.</td><td>Our work on metal inventories included the following procedures:

• Discussions with management to obtain an understanding of methods used to determine the quantity of metal inventories.
• Discussions with management to obtain an understanding of management’s approach to the various recovery factors impacting equivalent ounces on hand at the different stages of the beneficiation process.
• Involvement of internal specialists to assist in:

o Observing the physical inventory surveys performed by external management specialists (surveyors); and
o Observing measurements taken by the Group at concentrators, holding tanks and base metal refinery.

• Discussions with management’s experts to determine the process to assess head grades and prill splits during sampling and assaying.
• Evaluating the competence, capabilities, and objectivity of management’s internal and external experts with reference to their qualifications, relevant industry experience and scope of work.
• Obtaining reports from management’s specialists, including metallurgists and external surveyors, agreeing the quantities reported at 30 June 2022 to the accounting records and recalculating the amounts included in the reports.
• Evaluating reports obtained from metallurgists for reasonableness by comparing various recovery factors at different stages during sampling and assays as well as the determination of prill splits to historical head grade achieved per mine.
• Obtaining the theoretical inventory calculation from management and comparing inventory per the theoretical calculation to the measured inventory calculation to confirm that it is recorded at lower of theoretical or surveyed inventory volumes.
• To test unrefined metal inventory with third-party refiners as at 30 June 2022 we obtained confirmations from third-party refiners confirming in process metal inventory.
• Assessing that metal inventory is recorded at lower of cost and net realizable value at 30 June 2022 by comparing the cost of equivalent ounces in the different stages of the beneficiation process to their net realizable value.
• Reviewing disclosures in respect of metal inventories in the consolidated annual financial statements.

Based on the procedures performed, the estimates and judgements with respect to metal inventories, including the relevant disclosures in the consolidated annual financial statements are appropriate and reasonable.</td></tr>
</table>

<table>
<tr><th colspan="2">Accounting for the Composite Transaction</th></tr>
<tr>
<td>
On 23 August 2021 the Zambezi Scheme was implemented, the Zambezi Scheme entailed the early maturity of Northam Platinum Limited's (Northam) BEE Special Purpose Vehicle, Zambezi Platinum (RF) Limited (Zambezi). Further, the delisting of Northam Platinum Limited and listing of Northam Platinum Holdings Limited was enacted. This transaction is referred to as the composite transaction.
Northam acquired all the Zambezi Preference Shares in issue and distributed value to Zambezi's ordinary shareholders in the form of cash and dividends.
Key steps to the progression of the Zambezi scheme were as follows:

Northam acquired all of the Zambezi preference shares not already held.
Zambezi preference shares were delisted.
Zambezi settled all of the revised accumulated dividends through a transfer of 57.1 million Northam shares to Northam.
Northam repurchased an additional 34.2 million Northam shares from Zambezi.
Zambezi made a net value distribution to Ordinary Shareholders in cash and a dividend in specie.
Facilitated the first Zambezi tax payment.
Remaining capital value in Zambezi equivalent to 41.0 million Northam shares will be used to settle the Zambezi preference share liability.

The disclosures relating to the composite transaction are presented in notes 25 and 32 of the consolidated annual financial statements.
</td>
<td>
Our work on the composite transaction included:

Discussions with management to obtain an understanding of the composite transaction.
Obtaining and inspecting the underlying signed agreements to determine the appropriate application of the agreement terms.
Engaging EY technical accounting specialists to consider the appropriate application of accounting principles in accordance with IFRS.
Engaging EY taxation experts to consider correct application of tax principles in completing the transaction.
Reviewing disclosures in respect of the composite transaction in the consolidated annual financial statements.

Based on the procedures performed the accounting for the composite transaction and the relevant disclosure in the consolidated annual financial statements are appropriate and reasonable.
</td>
</tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 182-page document titled "Northam Platinum Holdings: Mining that matters Annual financial statements 30 June 2022", which includes the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Confirmation as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate annual financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated and separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated and separate annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate annual financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc., has been the auditor of Northam Platinum Holdings Limited for 38 years.

Ernst & Young Inc.

Ebrahim Dhorat

Director

Registered Auditor

Chartered Accountant (SA)

102 Rivonia Road, Sandton, 2146

16 August 2022

DIRECTORS' REPORT

The directors have the pleasure in presenting the annual financial statements of Northam Platinum Holdings Limited (Northam Holdings) and the group for the year ended 30 June 2022. In the context of the financial statements, the term group refers to the company, its subsidiaries, associates and joint arrangements.

Nature of business

Northam has embarked on a new phase in its development with the creation of Northam Holdings.

Northam Holdings is a primary producer of Platinum Group Metals (PGM). Northam Holdings' shares are listed on the main board of the Johannesburg Securities Exchange, operated by the JSE Limited (JSE) under equity code NPH. Northam Platinum's debt instruments are listed on the interest rate market of the JSE under the code NHMI.

Northam Holdings was established on 2 December 2020 in order to facilitate the early maturity of the Zambezi BEE Transaction and the subsequent Extended Empowerment Transaction, collectively referred to as the Composite Transaction. During the financial year, Northam Holdings acquired all of the issued Northam Platinum shares (previously listed under share code: NHM) (excluding Treasury Shares) in exchange for Northam Holdings shares (share code: NPH), on a one for one basis.

Consequently, Northam Platinum became a subsidiary of Northam Holdings, all Northam Platinum shares were delisted from the Main Board of the JSE and all Northam Holdings shares were listed on the Main Board of the JSE, thereby ensuring the continuation of the Northam group listing.

Financial results

The group and company (consolidated and separate) financial statements are included in this report. These annual financial statements have been prepared using appropriate accounting policies, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee, the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the Companies Act, No. 71 of 2008, as amended (the Companies Act) and the JSE Limited Listings Requirements and include amounts based on judgements and estimates made by management.

The consolidated and separate financial statements comprise the consolidated and separate statements of financial position, consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of cash flow, consolidated and separate statements of changes in equity and notes to the annual financial statements, including a summary of significant accounting policies which reflect the financial performance and position of the company and the group as at 30 June 2022.

These financial statements are available on the company's website, www.northam.co.za.

The Composite Transaction

As detailed in the combined circular to Shareholders of Northam, accompanied by the prospectus in respect of Northam Holdings, both dated Monday, 31 May 2021 (collectively, the Transaction Documents) and the announcement published on SENS on 20 September 2021, the Northam Scheme (as defined therein) was implemented on 20 September 2021, in terms of which, *inter alia*, Northam Holdings acquired all of the Northam Platinum Shares in issue (excluding Treasury Shares) by way of a share for share transaction and Northam Platinum became a subsidiary of Northam Holdings.

Users of the annual financial statements are referred to the Transaction Documents for additional information relating to the Composite Transaction in order to obtain full information of the nature and impact of the Composite Transaction.

Mining licences and Mineral Resources and Mineral Reserves

Various mining licenses are held by the group. Please refer to the Mineral Resources and Mineral Reserves statement which is included in our annual integrated reporting suite. This is available on the company's website, www.northam.co.za.

Mineral Resources and Mineral Reserves reflected include those of the Booysendal, Eland and Zondereinde mines, which are wholly-owned by Northam Holdings or its wholly-owned subsidiaries and the company has the legal entitlement to such minerals. In addition, they include the attributable content of the Dwaalkop joint venture prospect, in which Northam holds a 50% interest. The Dwaalkop joint venture is managed by Sibanye-Stillwater's subsidiary, Western Platinum Proprietary Limited. In addition, Northam acquired a 34.52% interest in Royal Bafokeng Platinum Limited and resultantly declares attributable Mineral Resources and Mineral Reserves for the RBPlat mines for the first time.

Northam holds, either directly or through its subsidiaries, new order mining rights over the Booysendal, Eland and Zondereinde mines. All mineral rights are held in good order and Northam perceives no risk to its rights to continue the prospecting for and the mining of minerals over any of its properties.

Mineral rights held and managed by Northam include:

Operation	Holder	DMRE Reference number	New Order Right	Status
Booysendal Mine	Booysendal Platinum Proprietary Limited	LP188MR	Mining Right	Valid until 12 July 2039
		MP127MR	Mining Right	Valid until 22 November 2021 Renewal application submitted and in process
Eland Mine	Eland Platinum Proprietary Limited	NW280MR	Mining Right	Valid until 20 December 2036 Mining Rights of NW341MR (Eland east) and NW78MR, NW151MR & NW363MR (Maroelabult mine) consolidated into NW280MR
Zondereinde Mine	Northam Platinum Limited	LP37MR	Mining Right	Valid until 12 July 2041
Dwaalkop joint venture	Dwaalkop JV, managed by Sibanye-Stillwater Limited	LP99MR	Mining Right	An application for a new order mining right was submitted in 2009 and was granted on 30 July 2021. Execution of the granted right is in process
Kokerboom Prospect	Mvelaphanda Resources Proprietary Limited	SNC848PR, SNC849PR, SNC850PR, SNC844PR, SNC845PR, NC1767PR, SNC847PR, NC1766PR,	Prospecting Right	Applications for closure of these rights have been submitted and are in process

Northam holds eight new order prospecting rights over the Kokerboom prospect, granted in 2009. Kokerboom is an iron oxide copper gold and massive sulphide copper zinc exploration prospect covering a million hectares in the Northern Cape Province. A prospecting work program was suspended in 2019 and applications for closure of these rights have been submitted to the Department of Mineral Resources and Energy (DMRE) and are currently in process.

Subsidiary companies, associates and joint operations

Details regarding the related parties are provided in the annual financial statements, refer to note 46 related parties, which includes subsidiary companies, associates and joint operations.

Stated capital

The authorised stated capital of Northam Holdings amount to 2 000 000 000 shares at no par value (30 June 2021: 2 000 000 000 shares at no par).

Subsequent to date of incorporation, before 30 June 2021, 1 share was issued for a cash consideration of R1 to Northam Platinum Limited (Northam Platinum).

Northam Holdings was introduced as the new holding company for the group by way of a share exchange implemented on a one for one basis in terms of which Northam Platinum Shareholders exchanged their Northam Platinum Shares for Northam Holdings Shares.

As part of the Composite Transaction, Northam Holdings acquired all of the Northam Platinum Shares in issue (excluding Treasury Shares) pursuant to the Northam Scheme.

Upon implementation of the Northam Scheme, Northam Holdings' issued stated capital amounted to 376 787 216.

Refer to note 25 for more detail on the stated capital.

Borrowing powers

The borrowing powers of the company, and the powers of the company to encumber its undertakings and properties or any part thereof and to issue debt instruments (whether secured or unsecured), whether outright or as security for any debt, liability or obligation of the company or of any third party, shall be unlimited (subject to the requirements of the Companies Act and shall be exercised by the directors.

In terms of the Memorandum of Incorporation (MOI), the directors may borrow for purposes of the company, such sums as they deem fit.

Details of all outstanding borrowings are included in the annual financial statements, refer to notes 31, 34 and 36.

There are however restrictions in terms of the revolving credit facility (RCF), in terms of permitted indebtedness and covenants requirements.

Financial assistance

Section 45 of the Companies Act applies to financial assistance provided by a company to any related or interrelated company or corporation, a member of a related or interrelated corporation, and to a person related to any such company, corporation or member. Furthermore, section 44 of the Companies Act may also apply to the financial assistance provided by a company to, *inter alia*, any related or inter-related company or corporation, a member of a related or inter-related corporation, or a person related to any such company, corporation or member, in the event that the financial assistance is provided for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company.

A special resolution is required in terms of sections 44 and 45 of the Companies Act in order to grant the board the authority to authorise the company to provide financial assistance by way of loans, guarantees, provision of security or otherwise, to any company which is related or inter-related to the company.

The provision of financial assistance is necessary for the sustainability of the company and the group, taking into account that the financial performance of the operations is dependent on numerous external factors, which include the prices of Platinum Group Metals, and the Rand/US Dollar exchange rate.

The company, in the ordinary course of business, will need to provide financial assistance to certain of its subsidiaries, associates and joint ventures in accordance with section 45 of the Companies Act. In addition, it may be necessary for the company to provide financial assistance in the circumstances contemplated in section 44 of the Companies Act.

Both sections 44 and 45 of the Companies Act provide, *inter alia*, that the particular financial assistance must be provided only pursuant to a special resolution of shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category and the board is satisfied that: (i) immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as contemplated in the Companies Act); and (ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

As part of the normal conduct of the business of Northam Holdings and its subsidiaries or associates, the company may, where necessary, provide guarantees and other support undertakings to third parties on behalf of its local and foreign subsidiaries in which the company or members of the group have an interest. In these circumstances, the company requires the ability to provide financial assistance, if necessary, in accordance with sections 44 and 45 of the Companies Act. Furthermore, it may be necessary for the company to provide financial assistance to any of its present or future subsidiaries.

It is difficult to foresee the exact details of financial assistance that the company may be required to provide in the future. It is essential, however, that the company is able to effectively organise its internal financial administration.

Financial assistance provided by Northam Platinum Holdings Limited to subsidiary companies

Northam Holdings has granted the following guarantee to its subsidiary, Northam Platinum, for the financial year ended 30 June 2022 (F2022) and envisages to be required to be provided for the financial year ending 30 June 2023 (F2023):

	Current guarantee	Estimated changes to amount to be guaranteed in the coming year	Total estimated guarantee
	F2022	F2023	F2023
	R000	R000	R000
Northam Platinum Limited	3 000 000	8 000 000	11 000 000
Total guarantee	3 000 000	8 000 000	11 000 000

Northam currently has finance facilities available in the form of a revolving credit facility of R4.0 billion (RCF), as well as a term loan (bridge facility) of R3.0 billion and a general banking facility of R1.0 billion (GBF) with Nedbank Limited.

Northam Holdings has guaranteed any amounts due but not paid by Northam in terms of the bridge facility.

The group is currently increasing and updating the terms and conditions relating to the various facilities with Nedbank Limited and will be requested to include Northam Holdings as a guarantor. It is therefore proposed to increase the guarantee to ensure sufficient available headroom.

Dematerialisation of shares

Pursuant to the implementation of the Northam Scheme, Northam Holdings shares were issued in dematerialised form only. Certificated Northam shareholders who did not complete and return the Application and Surrender Form (as defined in the Transaction Documents) and provide details of a CSDP or broker account into which their Northam Holdings shares were to be credited, had their Northam Holdings shares credited to an account of Computershare Nominees Proprietary Limited who held such Northam Holdings shares as the registered holder for the benefit of the relevant shareholder on the basis set out in paragraph 15.4 of the Northam circular.

JSE Investor Services Proprietary Limited (JSE Investor Services) have been appointed as the company's new transfer secretaries and the Northam Holdings shares are now held in the Pacific Custodian Nominee Northam Bulk Demat account as the registered holder for the benefit of the relevant Northam Holdings shareholder.

Debt Officer

In compliance with paragraph 6.39(a), read with paragraph 7.3(g) of the JSE Debt Listings Requirements, AH Coetzee, Northam Holding's CFO, has been appointed as Northam's debt officer. The board is satisfied with the competence, qualifications and experience of the Debt Officer, AH Coetzee.

Directorate

As at 30 June 2022, the board comprised the following directors:

Director	Position	Nationality	Date appointed to Northam Holdings	Date appointed to Northam Platinum	Standing for re-election or election	Elected or re-elected at the last AGM of Northam
TI Mvusi	Independent non-executive chairman	South African	15 September 2021	1 January 2016		
PA Dunne	Chief executive officer	British	2 December 2021	1 March 2014		
AH Coetzee	Chief financial officer	South African	2 December 2021	15 November 2018		
GT Lewis	Independent non-executive director	British	15 September 2021	1 December 2020		
HH Hickey	Independent non-executive director	South African	15 September 2021	1 January 2016	✓	
Dr NY Jekwa	Independent non-executive director	South African	15 September 2021	8 November 2017		✓
MH Jonas	Independent non-executive director	South African	15 September 2021	6 November 2018		✓
TE Kgosi	Non-executive director	South African	15 September 2021	1 November 2004	✓	
JG Smithies	Independent non-executive director	British	15 September 2021	1 January 2017	✓	

During the year under review, in anticipation of the implementation of the Northam Scheme, with effect from 15 September 2021, in addition to Mr DH Brown, Mr PA Dunne and Ms AH Coetzee, who were already members of the Northam Holdings board, the remaining members of the Northam Platinum board at the time, being Mr TI Mvusi, Mr JG Smithies, Mr GT Lewis, Mr JJ Nel, Ms HH Hickey, Ms TE Kgosi, Mr MH Jonas and Dr NY Jekwa, became directors of the Northam Holdings board.

With effect from the implementation date of the Northam Scheme, being 20 September 2021 (Implementation Date), all of the members of the Northam Platinum board, as constituted at such time, other than Mr DH Brown, Ms HH Hickey, Mr PA Dunne and Ms AH Coetzee, resigned as members of the Northam Platinum board.

Changes to the board and the committees of Northam Platinum and Northam Holdings

With effect from the Implementation Date, Northam Holdings appointed the same board committees and members that Northam Platinum had in place with substantially similar charters. The Northam Platinum board committees were subsequently dissolved on the basis that the relevant Northam Holdings board committees would perform the functions required by such committees in terms of the JSE Debt Listings Requirements and the Companies Act, No. 71 of 2008, on behalf of Northam Platinum.

With effect from Monday, 27 September 2021, the following changes to the Northam Holdings board and board committees were made:

- Mr TI Mvusi was appointed as the lead independent director.
- In accordance with the recommendations of the King IV Report on Corporate Governance for South Africa, 2016, Mr Brown, being the chairman of the Northam Holdings board, stepped down as a member of the audit and risk committee.
- Mr Nel was appointed, and Mr Dunne stepped down, as a member of the social, ethics, human resources and transformation (SEHR&T) committee.
- Ms Hickey and Mr Brown were appointed as members of a newly established remuneration committee, with Ms Hickey being appointed as its chairperson. The remuneration committee's role was formerly fulfilled by the SEHR&T committee and a separate committee to fulfil this function was established following engagement with Shareholders.
- Mr Brown, Mr Mvusi and Mr Smithies were appointed as members of the nomination committee, with Mr Brown being appointed as its chairperson and Ms Kgosi stepping down as a member of the nomination committee.
- Mr GT Lewis was appointed as a member of the health, safety and environmental committee.
- Mr Smithies and Mr Mvusi were appointed as members of the investment committee.

With effect from 3 November 2021, Mr Mvusi, the company's lead independent director, was appointed as a member of the remuneration committee.

With effect from 17 December 2021, Mr JJ Nel resigned as an independent non-executive director of the company and as a member of the audit and risk, the SEHR&T and the investment committees.

With effect from 3 February 2022, Mr Jonas was appointed as a member of the audit and risk committee and Mr Dunne, the CEO of Northam Holdings and Northam Platinum, was appointed as a member of the SEHR&T committee on an interim basis until a suitable non-executive director is appointed to replace him.

On 19 June 2022, Mr David Hugh Brown, the independent non-executive chairman of the Northam Holdings board and Northam Platinum board passed away.

Mr Brown joined Northam in November 2017 and served as a member of Northam Holdings' remuneration committee and chairperson of Northam Holdings' nomination committee and investment committee. Mr Brown contributed a wealth of knowledge, experience and expertise and Northam is appreciative of Mr Brown's invaluable leadership and wise counsel during his tenure. The directors of Northam Holdings and Northam Platinum wish to extend their deepest sympathies to Mr Brown's family and friends.

Following Mr Brown's untimely passing, Mr Mvusi, Northam Holdings' previous lead independent director, was appointed as the new chairman of the Northam Holdings board and, pursuant to the policy dealing with the nomination of directors, elected as a director of Northam Platinum and appointed as the new chairman of the Northam Platinum board with effect from 20 June 2022.

Furthermore, Ms Hickey, an independent non-executive director of Northam Holdings, was appointed as Northam Holdings' new lead independent director with effect from 20 June 2022.

Following the changes mentioned above, the Northam Holdings board committees currently comprise as follows:

- Health, safety and environmental committee: Mr Smithies (chairperson), Dr Jekwa, Mr Lewis and Mr Dunne.
- Investment committee: Mr Mvusi (chairperson) and Mr Smithies.
- SEHR&T committee: Ms Kgosi (chairperson), Dr Jekwa and Mr Dunne.
- Audit and risk committee: Ms Hickey (chairperson), Dr Jekwa and Mr Jonas.
- Nomination committee: Mr Mvusi (chairperson) and Mr Smithies.
- Remuneration committee: Ms Hickey (chairperson) and Mr Mvusi.

A further announcement regarding the necessary appointments to the affected Northam Holdings board committees, following the vacancies which have arisen as a result of the passing of Mr Brown, will be published in due course.

Remuneration of non-executive directors

During the current and previous financial years, PwC performed an independent benchmarking exercise of the non-executive director's remuneration against comparative companies in the South African mining sector. Based on the benchmarking, it was identified that Northam's non-executive directors' fees are generally positioned below the 25th percentile, and below the tolerance band even on a per meeting basis.

In terms of best practice, it is suggested to increase the non-executive director's fees on a staggered basis. This is in order to align fees to the market, subject to affordability and to ensure that an experienced Northam Holdings board is maintained. Accordingly, it was therefore previously discussed and agreed with shareholders to propose a 10.0% increase for all non-executive directors' fees, until such time as Northam Holdings non-executive directors' fees have been aligned with market norms. In addition, a benchmarking exercise will be conducted on an annual basis to assess Northam's position in comparison to its market peers.

In terms of sections 66(8) and (9) of the Companies Act and unless a company's MOI provides otherwise, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years. The MOI does not prohibit the payment of such remuneration.

The proposed fees, if approved by shareholders, will be paid to the non-executive directors only, as they are not remunerated as employees, as is the case in respect of the executive directors. All non-executive directors' remuneration will be payable quarterly in arrears. The annual fees are calculated on the assumption that (i) a certain number of board/committee meetings will be held in the financial year ending 30 June 2023, and (ii) such fees shall be payable notwithstanding the fact that fewer board/committee meetings may be held. Should a non-executive director cease to serve on a particular committee or as a non-executive director during the financial year, the annual fee payable to such director in respect of such office, will be pro-rated to the proportion of the financial year for which such director holds that office, calculated by rounding such period up to the nearest month, irrespective of the number of meetings held or attended by the director during such period. For the avoidance of doubt, any *ad hoc* or additional meeting fees payable to such directors pursuant to the approved fees will not be affected by the pro-rating of the annual fee.

Details of the proposed fees and the associated board/committee meetings, as described above are set out below:

	Proposed fees per annum	Approved financial year 2022 (F2022) fees per annum	% increase
	R	R	
Board			
Board chairperson	591 250	537 500	10.0%
Lead independent director	503 910	458 100	10.0%
Board members	442 420	402 200	10.0%
The above fees are fixed annual fees calculated on the assumption of 5 (five) board meetings per financial year and shall be payable notwithstanding that fewer board meetings may be held. Should more than 5 (five) board meetings be held, the following amount will be paid for each additional meeting attended by a director.	67 650	61 500	10.0%
Audit and risk committee			
Committee chairperson	272 250	247 500	10.0%
Committee members	213 840	194 400	10.0%
The above fees are fixed annual fees calculated on the assumption of 5 (five) audit and risk committee meetings per financial year and shall be payable notwithstanding that fewer audit and risk committee meetings may be held. Should more than 5 (five) audit and risk committee meetings be held, the following amount will be paid for each additional meeting attended by a director.	26 455	24 050	10.0%
Health, safety and environmental committee			
Committee chairperson	191 950	174 500	10.0%
Committee members	144 870	131 700	10.0%
The above fees are fixed annual fees calculated on the assumption of 4 (four) health, safety and environmental committee meetings per financial year and shall be payable notwithstanding that fewer health, safety and environmental committee meetings may be held. Should more than 4 (four) health, safety and environmental committee meetings be held, the following amount will be paid for each additional meeting attended by a director.	26 455	24 050	10.0%

	Proposed fees per annum	Approved financial year 2022 (F2022) fees per annum	% increase
	R	R	
Social, ethics, human resources and transformation committee			
Committee chairperson	194 150	176 500	10.0%
Committee members	144 870	131 700	10.0%
The above fees are fixed annual fees calculated on the assumption of 3 (three) social, ethics, human resources and transformation committee meetings per financial year and shall be payable notwithstanding that fewer social, ethics, human resources and transformation committee meetings may be held. Should more than 3 (three) social, ethics, human resources and transformation committee meetings be held, the following amount will be paid for each additional meeting attended by a director.	26 455	24 050	10.0%
Remuneration committee			
Committee chairperson	194 150	176 500	10.0%
Committee members	144 870	131 700	10.0%
The above fees are fixed annual fees calculated on the assumption of 3 (three) remuneration committee meetings per financial year and shall be payable notwithstanding that fewer remuneration committee meetings may be held. Should more than 3 (three) remuneration committee meetings be held, the following amount will be paid for each additional meeting attended by a director.	26 455	24 050	10.0%
Nomination committee			
Committee chairperson	111 540	101 400	10.0%
Committee members	68 530	62 300	10.0%
The above fees are fixed annual fees calculated on the assumption of 1 (one) nomination committee meeting per financial year and shall be payable notwithstanding that fewer nomination committee meetings may be held. Should more than 1 (one) nomination committee meeting be held, the following amount will be paid for each additional meeting attended by a director.	26 455	24 050	10.0%
Other board appointed committees			
Committee chairperson	161 810	147 100	10.0%
Committee members	118 800	108 000	10.0%
The above fees are fixed annual fees calculated on the assumption of 3 (three) other board appointed committee meetings per financial year and shall be payable notwithstanding that fewer other board appointed committee meetings may be held. Should more than 3 (three) other board appointed committee meetings be held, the following amount will be paid for each additional meeting attended by a director.	26 455	24 050	10.0%
Ad hoc fees - per hour	5 291	4 810	10.0%

Directors' remuneration

The directors' remuneration for the year ended 30 June 2022 is as follows:

	Fees	Re-muneration package	Performance bonus and retention payouts	Benefits and other	Gain on share-based payments	Total
	R000	R000	R000	R000	R000	R000
Executive						
PA Dunne	–	11 863	8 597	2	37 194	57 656
AH Coetzee	–	5 799	4 096	408	15 946	26 249
Non-executive						
DH Brown	1 141	–	–	–	–	1 141
HH Hickey	971	–	–	–	–	971
NY Jekwa	983	–	–	–	–	983
MH Jonas	606	–	–	–	–	606
TE Kgosi	779	–	–	–	–	779
TI Mvusi	918	–	–	–	–	918
JJ Nel	433	–	–	–	–	433
JG Smithies	926	–	–	–	–	926
GT Lewis	686	–	–	–	–	686
	7 443	17 662	12 693	410	53 140	91 348

Also see the remuneration report for further details on the remuneration accrued and paid to executive directors.

An analysis of the non-executive fees in respect of the board and board committee services for the financial year ended 30 June 2022 is as follows:

	Board	Audit and risk committee	Health, safety and environ-mental committee	Investment committee	Social, ethics, human resources and transfor-mation committee	Remunera-tion committee	Nomina-tion committee	*Ad hoc* fees	Total
	R000	R000	R000	R000	R000	R000	R000	R000	R000
DH Brown	722	49	–	195	–	99	76	–	1 141
HH Hickey*	591	248	–	–	–	132	–	–	971
NY Jekwa	525	194	132	–	132	–	–	–	983
MH Jonas	525	81	–	–	–	–	–	–	606
TE Kgosi	587	–	–	–	177	–	15	–	779
TI Mvusi**	635	–	–	105	–	88	71	19	918
JJ Nel***	201	97	–	102	33	–	–	–	433
JG Smithies	587	–	163	105	–	–	71	–	926
GT Lewis	587	–	99	–	–	–	–	–	686
	4 960	669	394	507	342	319	233	19	7 443

**Mrs HH Hickey was appointed as lead independent director with effect from 20 June 2022.*

***Mr TI Mvusi was appointed as lead independent director with effect from 27 September 2021 and was subsequently appointed as chairman of the board with effect from 20 June 2022.*

****Mr JJ Nel resigned as a director with effect from 17 December 2021.*

Directors' remuneration

The directors' remuneration for the year ended 30 June 2021 is as follows:

	Fees	Re-muneration package	Performance bonus and retention payouts	Benefits and other	Gain on share-based payments	Total
	R000	R000	R000	R000	R000	R000
Executive						
PA Dunne	–	9 326	9 439	–	24 953	43 718
AH Coetzee	–	4 896	5 532	–	5 625	16 053
Non-executive						
KB Mosehla	644	–	–	–	–	644
R Havenstein	319	–	–	–	–	319
DH Brown	837	–	–	–	–	837
CK Chabedi	293	–	–	–	–	293
HH Hickey	591	–	–	–	–	591
NY Jekwa	838	–	–	–	–	838
MH Jonas	421	–	–	–	–	421
TE Kgosi	675	–	–	–	–	675
TI Mvusi	421	–	–	–	–	421
JJ Nel	706	–	–	–	–	706
JG Smithies	541	–	–	–	–	541
GT Lewis	269	–	–	–	–	269
	6 555	14 222	14 971	–	30 578	66 326

Non-executive directors fees include the increases donated to the Northam Booysendal Community Trust and the Northam Zondereinde Community Trust to assist with COVID-19 relief efforts.

Also see the remuneration report for further details on the remuneration accrued and paid to executive directors.

Directors' remuneration

An analysis of the non-executive fees in respect of the board and board committee services for the financial year ended 30 June 2021 is as follows:

	Board	Audit and risk committee	Health, safety and environ-mental committee	Investment committee	Social, ethics, human resources and transfor-mation committee	Nomina-tion committee	*Ad hoc* fees	Total
	R000	R000	R000	R000	R000	R000	R000	R000
KB Mosehla*	489	–	–	98	–	57	–	644
R Havenstein**	174	–	66	41	–	38	–	319
DH Brown***	461	177	–	199	–	–	–	837
CK Chabedi****	152	–	50	41	50	–	–	293
HH Hickey	366	225	–	–	–	–	–	591
NY Jekwa	421	177	120	–	120	–	–	838
MH Jonas	421	–	–	–	–	–	–	421
TE Kgosi	366	–	–	–	160	57	92	675
TI Mvusi	421	–	–	–	–	–	–	421
JJ Nel	366	177	–	163	–	–	–	706
JG Smithies	421	–	120	–	–	–	–	541
GT Lewis*****	269	–	–	–	–	–	–	269
	4 327	756	356	542	330	152	92	6 555

**Mr KB Mosehla retired as the independent non-executive chairman of the board with effect from 22 June 2021 and as a director from 30 June 2021.*

***Mr R Havenstein retired as a director with effect from the conclusion of the 2020 AGM.*

****Mr DH Brown was designated lead independent director with effect from 1 November 2020 and subsequently appointed as the independent non-executive chairman of the board with effect from 22 June 2021.*

*****Mr CK Chabedi was not re-elected as a director by shareholders at the 2020 AGM.*

******Mr GT Lewis was appointed as an independent non-executive director with effect from 1 December 2020.*

Directors' interest

According to information available to Northam Holdings, after reasonable enquiry, the interests of the directors and their associates in the shares of Northam at 30 June 2022 were as follows. All direct beneficial holdings were acquired in the open market.

	Direct beneficial holding	Indirect beneficial holding	Total
	Number of shares	Number of shares	Number of shares
PA Dunne	41 050	–	41 050
TE Kgosi*	43 798	27 914	71 712
NY Jekwa	175	–	175
GT Lewis	122	–	122
	85 145	27 914	113 059

According to information available to Northam, after reasonable enquiry, the interests of the directors (including those which resigned during the financial reporting period) and their associates in the shares of Northam at 30 June 2021 were as follows. All direct beneficial holdings were acquired in the open market.

	Direct beneficial holding	Indirect beneficial holding	Total
	Number of shares	Number of shares	Number of shares
PA Dunne	41 050	–	41 050
KB Mosehla*	–	5 116 974	5 116 974
TE Kgosi*	–	635 000	635 000
NY Jekwa	175	–	175
GT Lewis	122	–	122
	41 347	5 751 974	5 793 321

**Pursuant to the Zambezi BEE Transaction, Ms Kgosi and Mr Mosehla acquired a beneficial interest in the ordinary stated capital of Zambezi Platinum (RF) Limited, through their shareholding in Atisa Platinum, the Zambezi Platinum Women's SPV and Malundi Resources, respectively. This resulted in them, through their associates holding an effective interest in Northam Shares.*

During the year as part of the early maturity and wind-up of the Zambezi BEE Transaction, the net unencumbered value remaining in Zambezi Platinum (RF) Limited was distributed to the Zambezi Ordinary Shareholders by way of the Net Value Distribution, whereby Northam Shares were distributed to *inter alia* the Zambezi Platinum Women's SPV and Malundi Resources.

Additionally, pursuant to the implementation of the Northam Scheme, the above-mentioned directors' interests in Northam were exchanged for shares in Northam Holdings, on a one for one basis.

There have been no changes in these holdings from 30 June 2022 to the date of approval of the annual financial statements.

The following directors held Zambezi Preferences Shares as at 30 June 2021, purchased in the open market.

	Direct beneficial holding	Indirect beneficial holding	Total
	Number of shares	Number of shares	Number of shares
AH Coetzee	15 800	–	15 800
	15 800	–	15 800

As part of the early maturity and wind-up of the Zambezi BEE Transaction, the Zambezi Preferences Shares held by AH Coetzee were acquired by Northam as part of the Zambezi Scheme (as defined in the Transaction Documents).

Corporate governance

The group has adopted the King IV Report on Corporate Governance for South Africa, 2016 (King IV™). The board has monitored the integration of the recommended practices in terms of the 16 Principles of King IV™ applicable to the group, ensuring that an ethical culture is in place that supports the effective control of the group at all levels. Ethics and integrity are fundamental to an effective governance framework and the foundation for a culture that supports employee, customer and investor confidence.

The board operates in terms of a board charter, which defines its functions and responsibilities. The responsibilities of the chairman and the CEO are clearly defined and separated, as set out in our board charter. Whilst the board may delegate authority to the CEO, the separation of responsibilities is designed to ensure that no single person or group has unrestricted powers and that appropriate balances of power and authority exist in relation to the board.

Each committee provides governance in terms of its specific charter, with all charters being available on the Northam website.

An internal review of the composition of the various board committees was undertaken and the committees were restructured. A full review of the various charters and mandates is being done gradually and in an orderly manner.

During the year under review, an independent remuneration committee was constituted to comply with best practice.

Annual independence evaluations are conducted for all directors. At least every 2 (two) years the board, its committees and individual board members, including the chairman undertake a formal external evaluation. The last external evaluation was done in October 2020 and the latest board evaluation is currently in process.

The group's application and explanation of the King IV™ principles are available on the Northam website at www.northam.co.za.

The group's corporate governance report for the financial year ended 30 June 2022 is available on the Northam website at www.northam.co.za.

Assessment of going concern

Mining operations have a finite life and their profitability is influenced by both internal and external factors. Internal factors include, *inter alia*, geological, technical and productivity aspects. External factors include economic factors such as commodity prices and exchange rates.

In addition, mining is a capital-intensive business with relatively long time horizons. Commodity prices follow shorter period cyclical patterns. Therefore, capital allocation planning requires consideration of both short and long-term technical planning as well as the global economic outlook and cyclical commodity price variances. This manifests in conservative long-term price estimates and the incorporation of sensitivity analysis to increase confidence in financial viability even during depressed market conditions, as well as to moderate increasing estimate uncertainty over time.

To this end, the individual group operations undergo techno-economic studies on an annual basis in the form of Competent Person Reports whilst new projects follow economic feasibility studies on both a standalone and integrated basis. These include consideration of the operations' ability to respond to changing circumstances, as well as the financial reserves required to sustain operations through adverse conditions, such as commodity price down-cycles or periods of reduced production or sales demand.

This assists the group in managing its capital to ensure that it has the necessary reserves to sustain operations through adverse conditions, to maximise the return to Shareholders through the optimisation of debt and equity balances and to ensure that all externally imposed capital requirements are complied with. This enables it to continue as a going concern.

The company derives revenue from sales to a limited number of large customers with whom we have long-standing relationships. In respect of PGMs, our buyers are predominantly industrial companies. This reduces our exposure to demand in the automotive sector. Our chrome product is sold through a single third-party via a guaranteed offtake and security of supply agreement. This lowers down-side risk to sales volumes and sales revenue, even during depressed market conditions.

The capital structure of the group consists of debt, which includes borrowings disclosed in annual financial statements, issued capital, reserves and retained earnings.

The annual financial statements have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. We continue to monitor factors impacting price forecasts, which inform detailed cash flow estimates.

Based on the latest available information, the board believes that the group will continue to have adequate financial resources and access to capital to settle its liabilities as and when they fall due, in order to continue operating for the foreseeable future. In addition, the current assets, taking into consideration the net realisable value of inventory, exceed the current liabilities.

Accordingly, the annual financial statements, have been prepared on a going concern basis.

Dividends

The company is currently at a critical juncture in our growth trajectory, with various potential alternative outcomes which remain to be determined. These outcomes will inform our approach to dividends in the future.

The board has therefore resolved not to declare a final dividend for the year ended 30 June 2022 (30 June 2021: R Nil per share).

Events after the reporting date

There have been no events, other than what has been disclosed, subsequent to the year-end which require additional disclosure or adjustment to these annual financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

		Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Note	R000	R000	R000	R000
Revenue	3	34 064 270	32 626 918	536 175	–
Cost of sales		(19 179 169)	(16 519 625)	–	–
Operating costs	4	(15 536 882)	(14 484 980)	–	–
Concentrates purchased		(2 611 596)	(2 883 816)	–	–
Refining and other costs		(280 411)	(216 629)	–	–
Depreciation and write-offs	11 & 12	(932 597)	(844 446)	–	–
Change in metal inventory	21	182 317	1 910 246	–	–
Gross profit		14 885 101	16 107 293	536 175	–
Share of earnings from associate	13	799 518	6 180	–	–
Investment income	5	106 350	90 485	4 725	–
Finance charges excluding Zambezi Preference Share dividends	6	(1 534 602)	(705 444)	(331 409)	–
Net foreign exchange transaction gains/(losses)		46 718	(104 804)	–	–
Sundry income	7	172 739	134 107	41 013	–
Sundry expenditure	8	(373 813)	(331 905)	(101 743)	–
Profit before Zambezi Preference Share dividends		14 102 011	15 195 912	148 761	–
Amortisation of liquidity fees paid on Zambezi Preference Shares	32	(64 197)	(16 390)	–	–
Zambezi Preference Share dividends	32	(25 604)	(378 678)	–	–
Loss on derecognition of Zambezi Preference Share liability	32	(286 632)	(1 068 558)	–	–
Profit before tax		13 725 578	13 732 286	148 761	–
Tax	9	(3 879 774)	(4 349 328)	(1 079)	–
Profit for the year		9 845 804	9 382 958	147 682	–
Other comprehensive income					
Items that will be subsequently reclassified to profit or loss in subsequent periods (net of tax):					
Exchange differences on translation of foreign operations		10 522	(17 954)	–	–
Total comprehensive income for the year		9 856 326	9 365 004	147 682	–

	Note	30 June 2022	30 June 2021
Earnings per share (cents)	10	2 614.9	2 681.8
Fully diluted earnings per share (cents)	10	2 614.9	2 523.5

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2022

		Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Note	R000	R000	R000	R000
Assets					
Non-current assets		49 107 516	27 387 827	25 645 960	–
Property, plant and equipment	11	22 886 847	19 116 143	–	–
Mining properties and Mineral Resources	12	6 525 030	6 579 506	–	–
Interest in associate	13	17 688 771	68 231	17 447 897	–
Investment in subsidiaries	14	–	–	8 198 063	–
Land and township development	15	90 198	69 032	–	–
Long-term receivables	16	85 793	83 161	–	–
Investments held by Northam Platinum Restoration Trust Fund	17	142 586	136 030	–	–
Environmental guarantee investment	18	93 214	60 707	–	–
Buttonshope Conservancy Trust	19	11 243	16 067	–	–
Other financial assets	34	–	23 182	–	–
Non-current inventories	21	1 441 035	1 195 863	–	–
Deferred tax asset	27	142 799	39 905	–	–
Current assets		8 153 531	10 563 033	44 786	–
Inventories	21	5 160 270	5 144 590	–	–
Trade and other receivables	22	1 776 377	1 414 930	2 818	–
Cash and cash equivalents	23	1 175 225	3 877 208	720	–
Other financial assets	24	41 013	–	41 013	–
Tax receivable		646	126 305	235	–
Non-current assets held for sale	13	90 094	–	–	–
Total assets		57 351 141	37 950 860	25 690 746	–
Equity and liabilities					
Total equity		29 734 082	19 015 319	13 624 004	–
Stated capital	25	13 476 322	*	13 476 322	*
Treasury Shares	25	(1 214 949)	–	–	–
Re-organisation reserve		(4 176 945)	7 221 991	–	–
Retained earnings		21 621 765	10 901 513	147 682	–
Foreign currency translation reserve		27 889	17 367	–	–
Equity-settled share-based payment reserve	26	–	874 448	–	–
Non-current liabilities		15 938 655	10 371 631	–	–
Deferred tax liability	27	4 022 057	3 181 562	–	–
Long-term provisions	28	961 391	812 747	–	–
Zambezi Preference Share liability	32	–	1 669 867	–	–
Long-term loans	29	77 301	114 195	–	–
Lease liabilities	30	64 184	68 019	–	–
Long-term share-based payment liability	33	563 303	644 717	–	–
Domestic Medium-Term Notes	31	8 816 280	3 880 524	–	–
Revolving credit facility	34	1 434 139	–	–	–
Current liabilities		11 678 404	8 563 910	12 066 742	–
Short-term subsidiary loan payable	20	–	–	10 334 718	–
Current portion of long-term loans	29	7 501	33 804	–	–
Current portion of lease liability	30	10 107	13 228	–	–
Current portion of Domestic Medium-Term Notes	31	2 265 672	3 713 711	–	–
Short-term share-based payment liability	33	174 619	498 010	–	–
Deferred Acquisition Consideration	35	1 704 790	–	1 704 790	–
Bridge facility	36	2 969 312	–	–	–
Tax payable		94 276	72 664	–	–
Trade and other payables	37	3 941 604	3 805 501	27 234	–
Provisional pricing derivatives	38	–	–	–	–
Short-term provisions	39	510 523	426 992	–	–
Total equity and liabilities		57 351 141	37 950 860	25 690 746	–

**The stated capital amounts to R1, therefore less than R1 000*

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2022

Group	Stated capital net of Treasury Shares R000	Re-organisation reserve: Northam Scheme of arrangement R000	Retained earnings R000	Foreign currency translation reserve R000	Equity-settled share-based payment reserve R000	Total R000
Opening balance as at 1 July 2020	–	7 221 991	1 518 555	35 321	874 448	9 650 315
Issue of 1 share with the incorporation of Northam Platinum Holdings Limited on 2 December 2020 to Northam Platinum Limited	*	–	–	–	–	–
Total comprehensive income for the year	–	–	9 382 958	(17 954)	–	9 365 004
Profit for the year	–	–	9 382 958	–	–	9 382 958
Other comprehensive income for the year	–	–	–	(17 954)	–	(17 954)
Balance as at 30 June 2021	*	7 221 991	10 901 513	17 367	874 448	19 015 319
Re-organisation as a result of the Composite Transaction	6 983 114	(6 983 114)	–	–	–	–
Taxes relating to the Composite Transaction accounted for directly in equity	–	(3 854 809)	–	–	–	(3 854 809)
Northam Holdings Shares repurchased from the Strategic Partners including Securities Transfer Taxes deducted from equity	(2 414 895)	–	–	–	–	(2 414 895)
Northam Holdings Shares issued pursuant to the purchase of 93 930 378 shares in Royal Bafokeng Platinum Limited (RBPlat)	7 693 154	–	–	–	–	7 693 154
Net Value Distribution	–	(561 013)	–	–	–	(561 013)
Transfer between equity settled share-based payment reserves and retained earnings due to the Composite Transaction	–	–	874 448	–	(874 448)	–
Total comprehensive income for the year	–	–	9 845 804	10 522	–	9 856 326
Profit for the year	–	–	9 845 804	–	–	9 845 804
Other comprehensive income for the year	–	–	–	10 522	–	10 522
Balance as at 30 June 2022	12 261 373	(4 176 945)	21 621 765	27 889	–	29 734 082

**The stated capital amounts to R1, therefore less than R1 000, refer to note 25 for further details.*

Re-organisation reserve: Northam Scheme of arrangement

The Northam Scheme was implemented on 20 September 2021.

Pursuant to the Northam Scheme, a share exchange was implemented on a one for one basis in terms of which Northam Platinum Shareholders exchanged their Northam Platinum Shares for Northam Holdings Shares. Subsequent to the implementation of the Northam Scheme, Northam Holdings Shareholders have the same commercial and economic interest as they had in Northam Platinum prior to the implementation of the Northam Scheme. Furthermore, no additional new Northam Holdings Shares were issued as part of the Northam Scheme. Accordingly, following the implementation of the Northam Scheme, the consolidated financial statements of Northam Holdings reflect an arrangement that is in substance a continuation of the existing group. Northam Platinum is the predecessor for financial reporting purposes and following the implementation of the Northam Scheme, Northam Platinum Holdings consolidated comparative information is presented as if the re-organisation had occurred before the start of the earliest period presented.

In order to effect the re-organisation of the group at the earliest period presented, a re-organisation reserve was recognised at 1 July 2020 to adjust the previously stated capital of Northam Platinum in an amount of R7.2 billion.

Since the consolidated financial results of Northam Holdings are in substance a continuation of the existing Northam group, the shares used in calculating the weighted average number of issued shares (refer to note 10) is based on the issued stated capital of the listed entity, being Northam Platinum as at 30 June 2021. As a result of the above, earnings per share measures are based on the issued shares for the comparative period.

Taxes relating to the Composite Transaction accounted for directly in equity

Taxes relating to the Composite Transaction accounted for directly in equity relates to the Northam Platinum Shares repurchased as part of the Composite Transaction that attracts Capital Gains Tax and Securities Transfer Tax.

Northam Holdings Shares repurchased from the Strategic Partners

Northam Platinum Holdings accepted an irrevocable, unconditional offer from the Relevant Zambezi Shareholders to acquire, in aggregate 14 571 063 Northam Holdings Shares (Share Sale Offer), for a purchase consideration of R165.29 per Northam Holdings Share (Purchase Price).

The Purchase Price represented a 16.1% discount to the 30-Day VWAP of a Northam Share as at 17 September 2021 (each Northam Share having been exchanged for a Northam Holdings Share pursuant to the implementation of the Northam Scheme). The aggregate Purchase Price in respect of these repurchases amounted to approximately R2.4 billion.

Shareholders of Northam Platinum granted approval at the general meeting held on Wednesday, 30 June 2021, for a repurchase by Northam Holdings of Northam Holdings Shares from the Relevant Zambezi Shareholders at a price not exceeding the prevailing 30-Day VWAP of a Northam Holdings Share/Northam Platinum Share at the relevant acquisition date. Northam accepted the Share Sale Offer pursuant to the group's continued efforts to execute on its strategy of returning meaningful value to Shareholders.

Securities Transfer Tax was also payable at the market value of the Northam Holdings Shares repurchased, amounting to R6.4 million.

Repurchased Northam Holdings Shares were cancelled subsequent to the repurchase.

Northam Holdings Shares issued pursuant to the purchase 93 930 378 shares in RBPlat

Northam Platinum Holdings Limited acquired an initial investment of 93 930 378 shares in RBPlat from a wholly-owned subsidiary of Royal Bafokeng Holdings Proprietary Limited (RBH).

The purchase consideration for the initial investment in RBPlat was settled by Northam Holdings issuing 34 399 725 Northam Holdings Shares to Royal Bafokeng Investment Holding Company Proprietary Limited (RBIH), with the balance of R8.6 billion settled in cash. R3.0 billion was paid upfront, R4.0 billion was deferred to, and settled on 29 April 2022 (R4.2 billion including escalation at the Escalation Rate) and the remaining R1.6 billion is payable by no later than 30 September 2022, refer to notes 13 and 35.

The Northam Holdings Share price on date of implementation, being 19 November 2021, amounted to R223.64 per Northam Holdings Share.

Net Value Distribution

The Net Value Distribution relates to a distribution made to the Zambezi Ordinary Shareholders amounting to R561.0 million calculated as 3 690 876 Northam Platinum Shares at a price of R152.00 per share.

Equity-settled share-based payment reserve: Transfer between equity settled share-based payment reserves and retained earnings due to the Composite Transaction

The Net Value Distribution results in the derecognition of the R874.4 million balance in equity settled share-based payment reserve, originally recognised pursuant to the Zambezi BEE Transaction, with the movement recognised in retained earnings.

Foreign currency translation reserve

The foreign currency translation reserve has been created to account for the foreign exchange gain or loss on translation of a foreign operation (US recycling operations).

STATEMENTS OF CHANGES IN EQUITY continued

For the year ended 30 June 2022

Company	Stated capital R000	Retained earnings R000	Total R000
Incorporation of Northam Platinum Holdings Limited on 2 December 2020	–	–	–
Issue of 1 share with the incorporation of Northam Platinum Holdings Limited on 2 December 2020 to Northam Platinum Limited	*	–	–
Total comprehensive income for the period	–	–	–
Profit for the period	–	–	–
Other comprehensive income for the period	–	–	–
Balance as at 30 June 2021	*	–	–
Implementation of the Northam Scheme whereby Northam Shares were acquired by way of a share for share transaction	8 198 063	–	8 198 063
Northam Holdings Shares repurchased from the Strategic Partners including Securities Transfer Taxes deducted from equity	(2 414 895)	–	(2 414 895)
Northam Holdings Shares issued pursuant to the purchase of 93 930 378 shares in Royal Bafokeng Platinum Limited (RBPlat)	7 693 154	–	7 693 154
Total comprehensive income for the period	–	147 682	147 682
Profit for the period	–	147 682	147 682
Other comprehensive income for the period	–	–	–
Balance as at 30 June 2022	13 476 322	147 682	13 624 004

**The stated capital amounts to R1, therefore less than R1 000, refer to note 25 for further details.*

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2022

		Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Note	R000	R000	R000	R000
Cash flows from operating activities		11 391 804	12 095 891	462 259	–
Cash generated from operations	41	15 213 865	17 414 496	434 432	–
Change in working capital	42	(918 939)	(1 748 930)	24 416	–
Movement relating to land and township development		(21 166)	6 935	–	–
Interest income received		110 361	82 182	4 725	–
Dividend income received		2 585	3 438	–	–
Tax paid	43	(2 994 902)	(3 662 230)	(1 314)	–
Cash flows utilised in investing activities		(12 457 169)	(3 221 828)	(8 381 362)	–
Property, plant and equipment, mining properties and Mineral Reserves					
Additions to maintain operations		(1 428 132)	(1 525 925)	–	–
Additions to expand operations		(3 187 251)	(1 693 123)	–	–
Disposal proceeds		36 957	2 489	–	–
Refunds received relating to the Environmental guarantee investment		–	2 246	–	–
Increase in investments held by Environmental guarantee investment		(32 507)	–	–	–
Increase in investments held by Northam Platinum Restoration Trust Fund	17	(6 556)	(7 298)	–	–
Utilisation of/(increase in) investment held in Buttonshope Conservancy Trust		4 901	(217)	–	–
Dividends received from SSG Holdings Proprietary Limited	13	606	–	–	–
Investment in RBPlat paid in cash	13	(8 381 362)	–	(8 381 362)	–
Dividends received from RBPlat	13	536 175	–	–	–
Cash flows from financing activities		(1 648 256)	(7 064 993)	7 919 823	–
Interest paid		(903 193)	(577 233)	–	–
Loan from Northam Platinum Limited		–	–	10 334 718	–
Northam Holdings Shares repurchased from the Strategic Partners		(2 414 895)	–	(2 414 895)	–
Drawdown on revolving credit facility	34	8 900 000	3 750 000	–	–
Repayment of revolving credit facility	34	(7 450 000)	(3 750 000)	–	–
Drawdown on the Bridge facility	36	3 000 000	–	–	–
Issue of Domestic Medium-Term Notes	31	8 305 370	4 646 367	–	–
Repayment of Domestic Medium-Term Notes	31	(407 886)	(132 693)	–	–
Domestic Medium-Term Notes settled as part of notes switched	31	(4 394 670)	(2 400 400)	–	–
Transaction costs paid on revolving credit facility, Bridge facility and Domestic Medium-Term Notes		(229 975)	(108 215)	–	–
Repayment of principal portion of lease liabilities	30	(14 369)	(16 421)	–	–
Strategic Partner Advances		–	(391 522)	–	–
Net Value Distribution paid in cash to the Strategic Partners		(59 415)	–	–	–
Payment of a portion of the Lock-in Fees to certain Strategic Partners	29	(78 114)	–	–	–
Taxes paid in cash relating to the Composite Transaction		(3 854 809)	–	–	–
Acquisition of Zambezi Preference Shares	32	(2 041 135)	(7 936 299)	–	–
Transaction fees paid on the acquisition of Zambezi Preference Shares	32	(5 165)	(148 577)	–	–
(Decrease)/increase in cash and cash equivalents		(2 713 621)	1 809 070	720	–
Effects of exchange rate movements on cash and cash equivalents		11 638	(92 818)	–	–
Cash and cash equivalents at the beginning of the year		3 877 208	2 160 956	–	–
Cash and cash equivalents at the end of the year	23	1 175 225	3 877 208	720	–

ACCOUNTING POLICIES

1. Basis of preparation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments and liabilities that are stated at fair value. Details of the accounting policies are set out below and are consistent with those applied in the previous financial year, except where otherwise indicated.

The financial statements are in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the JSE Limited (JSE) Listings Requirements and the Companies Act, No. 71 of 2008 (the Companies Act).

The annual financial statements are presented in South African Rand, which is the presentation currency.

The preparation of financial statements in conformity with IFRS requires that management and the board exercise their judgement in the process of applying the company and group's accounting policies. It also requires the use of certain critical economic and other estimates. The areas requiring a high degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements, are disclosed in the notes to the financial statements.

1.1 New accounting policies adopted

The adoption of all standards, amendments or interpretations with effect from 1 July 2021 had no impact on the financial statements.

1.2 Standards, interpretations and amendments issued, but not yet effective

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:

Classification of Liabilities as Current or Non-current – Amendments to IAS 1

On 23 January 2020, the IASB issued Classification of Liabilities as Current or Non-current, which amends IAS 1 Presentation of Financial Statements.

The amendments affect requirements in IAS 1 for the presentation of liabilities. Specifically, they clarify a criterion for classifying a liability as non-current.

The amendment must be applied retrospectively, effective for annual periods beginning on or after 1 January 2023.

This amendment is not expected to have a material impact on the group.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds for the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment must be applied retrospectively, effective for annual periods beginning on or after 1 January 2022 only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

There is no transition relief for first-time adopters.

This amendment is not expected to have a material impact on the group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g. the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g. depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments must be applied prospectively for annual periods beginning on or after 1 January 2022, to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the group will not be affected by these amendments on transition.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

In May 2021, the IASB issued amendments to IAS 12 Income Taxes which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a decommissioning asset and decommissioning liability (or lease asset or lease liability) give rise to taxable and deductible temporary differences that are not equal.

An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented and is effective for annual periods beginning on or after 1 January 2023.

This amendment is not expected to have a material impact on the group.

Northam notes the new standards, amendments and interpretations which have been issued but not yet effective and does not plan to early adopt any of the standards, amendments and interpretations. There are no other standards which are not yet effective that would be expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

1.3 Consolidation

The consolidated financial statements include the results and financial position of the company, its subsidiaries and associates. Subsidiaries are entities in respect of which the group has power over and is exposed, or has rights, to variable returns from its involvement with these entities and has the ability to affect those returns through its power over those entities.

Control would generally exist where the group owns more than 50% of the voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred. They are de-consolidated from the date on which control ceases. Control is reassessed if facts and circumstances indicated that there are changes to one or more of the elements of control.

The financial statements of the subsidiaries are prepared for the same reporting period as Northam Platinum Holdings Limited, using consistent accounting policies.

Investments in subsidiaries and associates are recognised at cost less accumulated impairment losses in the accounts of the company.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies, including any resulting tax effect, are eliminated.

Investment in subsidiaries are assessed for impairment at each reporting period as part of the group's impairment assessment, and detailed impairment testing is performed if there are any indications that an investment in a subsidiary or associate could potentially be impaired.

1.4 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the date of acquisition. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss. Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) that is expected to benefit from the combination. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Goodwill is tested for impairment annually or more frequently if events or circumstances indicate that it might be impaired.

Business combination of entities under common control

Business combinations between entities under common control are accounted for using the pooling of interests method. Under this method the assets, liabilities and reserves of the acquired entity are recorded by the purchasing entity at their existing carrying values as recorded in the consolidated financial statements. As required by the pooling of interests method, the transfer is accounted for as if it occurred at the beginning of the financial year. The comparative amounts are not restated.

1.5 Associates and joint arrangements

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for on consolidation using the equity method of accounting, after initially being recognised at cost.

Associates are accounted for at cost and are adjusted for impairments where appropriate in the company financial statements.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. On acquisition of the investment, any difference between the cost of the investment and the company's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as either goodwill as part of the investment or as an income as part of the share of earnings in associate in the period the investment is acquired. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities.

Investments in associates are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the associates carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an associates fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Dividends received from associates are included in investing activities in the consolidated statement of cash flow and as operating activities in the company statement of cash flow.

Where there is an additional investment in the associates, the purchase price paid for the additional interest is added to the existing carrying amount of the associate and the existing interest is not re-measured.

The financial statements of the associates are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the group.

After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on the group's investment in its associates. The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

Upon loss of significant influence over the associates, the group measures and recognises any remaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Joint Operation

A joint operation is a type of joint arrangement in which the parties with joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

In relation to its interests in joint operations, the financial statements of the group includes:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Expenses, including its share of any expenses incurred jointly

All such amounts are measured in accordance with the terms of each arrangement which are in proportion to the group's interest in each asset and liability, income and expense of the joint operation.

1.6 Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairments/reversal thereof. Cost includes pre-production expenditure incurred during the development of a mine and the present value of related future decommissioning costs.

Interest on borrowings relating to the financing of major capital projects under construction is capitalised during the construction phase as part of the cost of the project. Such borrowings costs are capitalised over the period during which the asset is being constructed and borrowings have been incurred. Capitalisation ceases when construction is interrupted for an extended period or when the asset is substantially complete. Other borrowing costs are expensed as incurred.

Shafts, mining development and general infrastructure assets including metallurgical and refining plants

Mine development and infrastructure costs are capitalised to assets under construction and transferred when the mining venture reaches commercial production.

Items that are withdrawn from use, or have no reasonable prospect of being recovered through use or sale, are regularly identified and written off.

Depreciation is first charged from the date on which the mining assets reaches commercial production levels. When a mine development project moves into the production phase, the capitalisation of certain mine development costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions, improvements or new developments, underground mine development or mineable reserve development.

Mining assets are depreciated on a units of production basis, based on reserves, which are revised annually.

Where items of plant and equipment comprise separate, identifiable components that have differing useful lives, such components are depreciated according to their individual useful lives.

Decommissioning asset

The decommissioning asset is depreciated on the units of production basis, based on reserves, which are revised annually.

The decommissioning asset is recognised and subsequent changes in the assumptions which impact the asset is reflected in the asset as set out in the decommissioning provision accounting policy. The decommissioning asset is included as part of the mining plant and equipment when considering depreciation, impairment and derecognition.

General infrastructure, other assets including buildings

Office equipment, furniture and vehicles are depreciated using varying rates, ranging between 10% and 20% on a straight-line basis over their expected useful lives.

Buildings are depreciated on a straight-line basis over the estimated useful life, which is generally the life of mine.

Land and assets under construction

Land and assets under construction are recorded at cost of acquisition less accumulated impairment losses and are not depreciated.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant, equipment and mining properties is added to the carrying value of the asset when it is probable that future economic benefits will flow to the group. All other subsequent expenditure is recognised as an expense and included in profit or loss.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Impairment

An impairment review of property, plant and equipment is carried out when there is an indication that these may be impaired by comparing the carrying amount thereof to its recoverable amount.

The group assesses, at each reporting date, whether there are indications that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The adjusted carrying amount is depreciated on a straight-line basis over the remaining useful life of property, plant and equipment.

Annual review of residual values, depreciation method and useful lives

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted prospectively, if appropriate, at each financial year-end.

Exploration expenditure

Exploration and evaluation expenditure on greenfields sites, being those where the group does not have any mineral deposits which are already being mined or developed, is expensed as incurred until a feasibility study has been completed, after which the expenditure is capitalised if the feasibility study demonstrates that future economic benefits are probable.

Exploration and evaluation expenditure on brownfields sites, being those adjacent to mineral deposits which are already being mined or developed, is expensed as incurred until management is able to demonstrate that future economic benefits are probable through the completion of a pre-feasibility study. Costs relating to development activities as well as mineral resources bought are capitalised to mine development asset.

Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the mineralisation of such mineral deposits, is capitalised as a mine development cost as and when incurred.

1.7 Mining properties and mineral resources

Mining properties and mineral resources comprising mineral rights are recorded at cost of acquisition. Depreciation is first charged on new mining properties from the date on which the mining in respect of the mining property reaches commercial production levels. Mining properties are depreciated on a units of production basis based on reserves which are revised annually.

Mining properties and mineral resources acquired separately are measured on initial recognition at cost. Following initial recognition, these mining properties and mineral resources are carried at cost less any accumulated amortisation and any accumulated impairment losses.

1.8 Land and township development

The assets are recognised on the statement of financial position in accordance with IAS 2: Inventories. We are comfortable that a buyer will always be found due to the housing requirements around our mines. Because these assets are normally held for a period of longer than 12 months, they are however deemed to be non-current assets. These assets are held at the lower of cost and net realisable value.

Net realisable value tests are performed at each reporting date and represent the current sales price of the houses, less estimated costs to complete production and bring the houses to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

Land and township development, which is an initiative in order to assist the group's employees to acquire their own affordable housing, is initially recognised at cost. Cost is determined on the basis of land acquisition, development and housing construction cost. Land and township development is derecognised when the risks and rewards of ownership of the property transfers to the employees.

Northam's main business is not the development of properties but is obligated under South African mining legislation to offer certain of its employees house ownership as part of their benefits. To that end, it constructs houses which are sold to employees. The houses are mainly for employees but third parties can also acquire these properties. Therefore, the main aim of the disclosure of the land and township development activities provided is qualitative by nature, i.e. social and community advancement and employee benefits. The main business of the group is mining Platinum Group Metals.

1.9 Financial instruments

Financial instruments recognised on the statement of financial position include investments (including investments held in trust funds), cash and cash equivalents, long-term receivables, trade and other receivables, trade and other payables, loans and borrowings, financial guarantee contracts and provisional pricing arrangements. These are recognised when the group becomes party to the contractual agreements. All financial instruments are initially recorded at fair value, plus in the case of financial assets not at fair value through profit and loss, transaction costs, except for trade receivables that do not contain a significant financing component which are recognised at the transaction price.

Fair value

Where financial instruments are recognised at fair value, the instruments are measured at the amount for which an asset could be sold, or an amount paid to transfer a liability, in an orderly transaction in the principal or most advantageous market, at the measurement date under current market conditions regardless of whether this price is directly observable or estimated using a valuation technique. Fair values have been determined as follows: (i) where market prices are available, these have been used, and (ii) where there are no market prices available, fair values have been determined using valuation techniques incorporating observable market inputs or discounting expected cash flows at market rates.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or expense over the period of the instrument.

Effectively, this method determines the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or, if appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

Financial assets

Financial assets are classified as either at amortised cost, fair value through profit or loss or fair value through other comprehensive income.

The classification of the financial asset is dependent on the purpose and characteristics of the particular financial asset and is determined at the date of initial recognition.

Investments classified as fair value through other comprehensive income

Preference Shares held are classified as fair value through other comprehensive income.

After initial recognition, investments, which are classified as fair value through other comprehensive income, are re-measured at fair value with all gains or losses recognised directly in other comprehensive income. Interest earned, impairment and gains and losses on disposal are recognised in profit or loss.

Investments classified as fair value through profit or loss

Investment held by Northam Platinum Restoration Trust Fund, Environmental guarantee investment and Buttonshope Conservancy Trust are classified as fair value through profit or loss.

After initial recognition, investments, which are classified as fair value through profit or loss, are re-measured at fair value with all gains or losses recognised directly in profit or loss.

Financial assets carried at amortised cost

Trade and other receivables, long-term receivables, subsidiary loans and cash and cash equivalents are classified as at amortised cost. After initial recognition, receivables (except for provisional pricing receivables) are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the receivables are derecognised or impaired as well as through the amortisation process.

Provisional pricing receivables/derivative

Financial assets with provisional pricing arrangements (provisional pricing receivables) are recognised as a separate category of trade and other receivables and are accounted for as fair value through profit or loss.

Provisional pricing receivables are recognised when the group has satisfied its performance obligation relating to delivery of the product and has an unconditional right to the consideration that is due. This will be recognised when only the passage of time is required before payment is made by the customer. All fair value adjustments relating to the movements in this balance are recognised within revenue from fair value adjustments.

A provisional pricing derivative (financial liability) is recognised when payment by the customer made on provisionally priced goods results in an effective overpayment due to fluctuations in market factors until final pricing is confirmed. All fair value adjustments relating to the movements in this balance are recognised within revenue from fair value adjustments.

Provisional pricing receivables are reallocated to trade and other receivables and provisional pricing derivatives are reallocated to trade and other payables at the end of the quotational period once the consideration relating to the sale is no longer variable. The finalised consideration receivable / refundable is therefore no longer subject to fair value fluctuations.

Impairment of financial instruments

The group assesses at each reporting date whether a financial asset or group of financial assets is impaired. Impairments are based on expected credit losses (ECL).

ECLs are an estimate of credit losses over the life of a financial instrument and are recognised as a loss allowance or provision. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. Impaired debts are derecognised when they are assessed as uncollectible.

For trade receivables due in less than 12 months, the group applies the simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The group considers historical credit loss experience, adjusted for forward-looking factors, that could indicate impairments taking into account the specific debtor and economic environment.

The general approach requires the assessment of financial assets to be split into 3 stages:

Stage 1: no significant deterioration in credit quality. This identifies financial assets as having a low credit risk, and the asset is considered to be performing as anticipated. At this stage, a 12 month expected credit loss assessment is required.

Stage 2: significant deterioration in credit quality of the financial asset but no indication of a credit loss event. This stage identifies assets as underperforming. Lifetime expected credit losses are required to be assessed.

Stage 3: clear and objective evidence of impairment is present. This stage identifies assets as non-performing financial instruments. Lifetime expected credit losses are required to be assessed.

Financial liabilities

Financial liabilities are recorded initially at the fair value of the consideration received, which is cost net of any issue costs associated with the borrowings.

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on issue.

Borrowings, trade and other payables and the Preference Share liability have been classified as financial liabilities.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Accrued dividends on Preference Shares are recognised as finance charges.

Derecognition of financial instruments

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when: the rights to receive cash flows from the asset have expired; the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either: (a) the group has transferred substantially all the risks and rewards of the asset or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

1.10 Inventories

Consumable stores

Consumable stores consist of consumable and maintenance stores and are valued at the lower of cost or net realisable value. Cost is determined on the weighted average cost basis. Consumable stores are under continual review and are written down in regard to age, condition and utility.

Metal on hand

Metal inventory is valued at the lower of the net realisable value and the purchase price or average cost of production less net revenue from sales of by-products in the ratio of the contribution of these metals to gross sales revenue. Production costs are allocated to platinum, palladium, rhodium and gold (joint products) by dividing the mine output into total mine production costs, determined on a six-month average basis except for concentrates and ore purchased which are recognised at the cost in the month in which they are purchased.

The average cost of normal production includes total costs incurred on mining and refining, including depreciation, less net revenue from the sale of by-products, including chrome, allocated to main products based on units produced under normal production.

Costs incurred in the production process, are appropriately accumulated as stockpiles, metal in process and final product inventories. Platinum, palladium, rhodium and gold (4E) are treated as main products and other platinum group and base metals produced as by-products, including chrome, which are not classified as inventory.

Stockpiles are measured by estimating the stockpiled tonnes, the number of contained 4E ounces based on assay data, and the estimated recovery percentage based on the expected processing method, but only if the stockpiles are considered material. Stockpile tonnages are also verified by periodic surveys.

Net realisable value tests are performed on a monthly basis and represent the expected sales price of the product based on prevailing spot metal prices at the reporting date, less estimated costs to complete production and bring the product to sale.

Non-current inventory is determined as inventory that will not be sold within the next 12 months.

1.11 Non-current assets held for sale

The group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding finance costs.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale and the sale is expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

1.12 Provisions

Provisions are recognised when the group has a present obligation, whether legal or constructive, because of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised only when the reimbursement is virtually certain. The amount to be reimbursed is recognised as a separate asset.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Decommissioning provision

Estimated long-term environmental obligations, comprising rehabilitation and mine closure, are based on an independent assessment of the future commercial closure costs in compliance with current technology, environmental and regulatory requirements.

Provision is made for the present value of the estimated future decommissioning costs at the end of the mine's life. A decommissioning asset is recognised as part of the underlying property, plant and equipment.

With regards to the provision, the estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the decommissioning provision due to the passage of time is recognised as a finance cost in profit or loss. Other changes in the carrying value of the provision subsequent to initial recognition are adjusted in the determination of the carrying value of the decommissioning asset as opposed to being recognised in profit or loss. If the adjustment results in an addition to the decommissioning asset, consideration is given as to whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the asset is tested for impairment by estimating its recoverable amount in accordance with the respective accounting policies.

Decommissioning liabilities are discounted over the period of the various mining rights.

Provision for restoration costs

Provision is made for the estimated cost to be incurred on long-term environmental obligations, comprising of expenditure on closure over the estimated life of the mine.

The estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money. The increase in the restoration provision due to the passage of time is recognised as a finance cost in profit or loss. In assessing the future liability, no account is taken of the potential proceeds from the sale of assets and metals from the plant clean-up.

The future liability is reviewed regularly and adjusted as appropriate for new facts and changes in legislation. The cost of ongoing programmes to prevent and control pollution and rehabilitate the environment is recognised as an expense when incurred.

Restoration liabilities are discounted over the period of the mining right, using an appropriate rate.

Environmental rehabilitation fund

The group may contribute to a dedicated trust fund, the Northam Platinum Restoration Trust Fund (the fund), to fund the expenditure on future decommissioning and restoration. Income earned by the fund is credited to the group's profit or loss in the period to which it relates.

The group controls the fund and therefore consolidates it.

The assets of the fund are separately administered and the group's right of access to these funds are restricted.

1.13 Foreign currencies

The South African Rand is the functional currency of all the operations, except for the US recycling operations which has a US dollar functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

US entities

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities included in the statement of financial position are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

1.14 Revenue recognition

Revenue from contracts with customers is recognised when control is transferred to the customer. Revenue is at the amount to which the entity expects to be entitled in exchange for those goods or services.

Precious metal sales

Revenue from Platinum Group Metal (PGM) sales are recognised based on contractual terms specific to each transaction. The contractual terms stipulate a fixed price relating to the commodity as well as exchange rates in the month in which the product is purchased. Platinum, palladium and gold sales are recorded at the daily London Metal Exchange: LBMA price. Rhodium, iridium and ruthenium sales are recorded at the weekly Platts New York Dealer price.

No adjustments are accounted for relating to volume of product or price on PGM sales as all these inputs are finalised on delivery date, which is the date on which revenue is recognised.

Base metal sales

Revenue is accounted for when control has transferred to the customer on delivery. Revenue accounted for is the estimation of the amount of consideration to which the group will be entitled at the date of sale. Revenue is estimated at contract inception (when control transfers) and is based on initial assays, prevailing metal prices and current exchange rates. Movement in assay amounts were assessed in detail and were found to be immaterial and are therefore included in the disclosure of all other movements relating to fair value adjustments which are separately disclosed in revenue.

Payment on base metal sales is only made once provisional pricing has been finalised. Adjustments to the provisional pricing value occurs at the reporting date and on finalisation of the sales transaction. A provisional pricing receivable is recognised to account for the fluctuations in market factors until final pricing is confirmed. All fair value movements after the date of sale relating to provisionally priced amounts are recognised separately within revenue as revenue from fair value adjustments.

Chrome sales

Revenue from chrome sales is recognised based on the initial assayed quantity of product; prevailing market prices and exchange rates. Revenue is accounted for when control has transferred to the customer on delivery and is based on the provisional pricing value which is the amount that reflects the best estimate of the consideration to which the group expects to be entitled in terms of the calculation of revenue to the end of the quotational period.

Payment on chrome sales is made based on the initial assayed quantity of product and related market inputs. Adjustments to the provisional pricing value occurs at the reporting date and on finalisation of the sales transaction. A provisional pricing derivative is recognised, when payment by the customer made on provisionally priced goods results in an effective overpayment due to fluctuations in market factors until final pricing is confirmed. A provisional pricing receivable is recognised when the initial payment by the customer on the provisionally priced goods resulted in an underpayment due to the fluctuations in market factors until final pricing is confirmed.

All fair value movements after the date of sale relating to provisionally priced amounts are recognised separately within revenue as revenue from fair value adjustments.

Sundry income (including treatment charges)

Sundry income is recognised when the right to receive payment has been established.

Investment income

Interest (including Preference Share dividends) is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the group.

Northam Holdings' main operating activity is that of an investment holding company.

Dividends are recognised when the right to receive payment is established.

1.15 Borrowing costs

Borrowing costs are charged to finance charges.

Borrowing costs that are directly attributable to the acquisition, construction or development of qualifying assets that require a substantial period of time to prepare for their intended use are capitalised. Capitalisation is suspended when the active development is interrupted and ceases when the activities necessary to prepare the asset for its intended use are complete. Other borrowing costs are recognised as an expense when incurred.

Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available for a short-term from funds borrowed specifically to finance a project, the income generated from the temporary investment of such amounts is deducted from the total capitalised borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of the borrowing costs applicable to the borrowings of the group that are outstanding during the period.

1.16 Employee benefits

Short-term employee benefits

Remuneration to employees in respect of services rendered during a reporting period is recognised as an expense in that reporting period. Accruals are made for accumulated leave and are measured at the amount that the group expects to pay when the leave is used.

Share incentive plan (including the lock-in mechanism shares)

Awards granted to employees in terms of the rules of the Northam share incentive plan (the plan) are measured at fair value based on market prices at the date of grant (measurement date).

The shares awarded in terms of the rules of the plan comprise: retention shares, which vest after three years with no performance criteria, and performance shares, which also vest after three years. The final number of performance shares that the relevant employee will receive will be subject to certain performance criteria being met.

The group initially measures the cost of cash-settled transactions with employees using a market value model to determine the fair value of the liability incurred.

For cash-settled share-based payment transactions, the liability needs to be re-measured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in the financial statements.

Retirement benefits

Eligible employees are members of various defined contribution schemes. Employer contributions are recognised as an expense during the period in which the employees' services are rendered.

Medical benefits

Employer contributions in respect of current medical benefits are recognised as an expense during the period in which the employees' services are rendered.

Post-retirement medical costs

Eligible employees are members of a defined contribution scheme established to assist those employees to meet post-retirement medical costs.

Employer contributions are recognised as an expense during the period in which the employees' services are rendered. These contributions cease when the employees' services terminate.

Toro Employee Empowerment Trust

The Toro Employee Empowerment Trust (the Trust) was established for the benefit of eligible Zondereinde employees. Northam Platinum contributes 4% of its Zondereinde mine after tax profits to the Trust where after eligible employees will receive payment at the end of each five-year cycle. The amount of this cash to be distributed is based on the valuation of the fund and Northam does not guarantee any values over and above what is included in the Trust and managed accordingly by the investment manager.

Since the cash distribution is payable to employees after the end of the period in which the related services are rendered and it is not a post-employment benefit or a termination benefit, the Trust is accounted for as an "Other Long-Term Employee Benefit" in terms of IAS 19. The benefits payable to employees are therefore measured using the Projected Unit Credit Method.

Independent actuarial valuations are conducted annually. Re-measurements, comprising actuarial gains and losses arising as a result of experience adjustments and/or the effects of changes in actuarial assumptions, the effect of changes to the asset ceiling and the return on plan assets (excluding interest) are recognised immediately in profit or loss when they occur. Any increase in the present value of plan liabilities expected to arise from employee service during the period is charged to operating profit. Net interest is determined by applying the discount rate at the beginning of the year to the net defined liability or asset.

Past-service cost is recognised immediately in profit or loss in the period to the extent that benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The asset or liability comprises the present value of the obligation less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets (cash) that are held by the Trust and are not available to the creditors of the group.

1.17 Leases

At the inception of the contract, the group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Group as lessee

The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The group recognises right-of-use liabilities for lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of right-of-use liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within Property, plant and equipment.

Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of right-of-use liabilities is increased to reflect the unwinding of interest and reduced for the lease payments made (amortised cost using the effective interest rate method). In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. A corresponding adjustment is made to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term and low-value leases

The group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Group as lessor

Leases in respect of which the group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Operating lease payments for rental income received relating to mining properties are recognised as other income in profit or loss on a straight-line basis over the period of the lease.

1.18 Taxation

Current tax

The charge for current tax is based on the results for the year, as adjusted for by items that are exempt or disallowed, and is calculated using the enacted tax rates at the reporting date.

Where items are credited or charged directly to equity or other comprehensive income the tax effect is also recognised within equity or other comprehensive income as appropriate.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences, except where the 'initial recognition exception' applies; and in respect of 'outside' temporary differences relating to subsidiaries and associates.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profits will be available, against which the deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilised in the foreseeable future except where the 'initial recognition exception' applies; and in respect of 'outside' temporary differences relating to subsidiaries and associates.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income as appropriate and not in profit or loss.

Deferred income tax assets and liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority and taxable entity.

Dividend Withholding Tax

The group withholds dividends tax on behalf of its shareholders on dividends declared at the enacted withholding tax rate. Amounts withheld are not recognised as part of the group's tax charge but rather as part of the dividend paid recognised directly in equity.

Uncertain tax positions

Judgements are required in respect of the application of existing tax laws in each jurisdiction and therefore the determination of the provision for income taxes.

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The various statutory entities within the group recognise liabilities for anticipated tax uncertainties based on the best estimate of whether additional taxes will be due.

Where the final tax outcome of any tax matters are different from the amounts that were initially reported, such differences will impact the income and deferred tax provisions in the period in which such determination is made.

In addition, future changes in tax laws in the jurisdictions in which the group operates could limit the ability of the group to obtain tax deductions in future periods.

2. Segmental analysis

The group now has five operating segments (previously four segments), Northam Holdings, Zondereinde mine, Booysendal mine, Eland mine and the US recycling operations. The group's executive committee considers the performance of Zondereinde mine, Booysendal mine, Eland mine and the US recycling operations when allocating resources and assessing the segmental performance.

Eland mine and the US recycling operations have also been separately disclosed even though these operating segments currently do not fulfil the quantitative thresholds of a reportable segment. Eland mine and the US recycling operations are subject to regular review by the executive committee and management believes that the information about these segments would be useful.

Zondereinde mine purchases all of PGM concentrates produced by Booysendal and Eland, for a percentage of the fair value. Chrome concentrates produced are sold directly to a third party customer.

With regards to the US recycling operations, metals in concentrate are sourced and purchased from third party customers and all sales are made to Northam Platinum (Zondereinde) at the original cost of the metal in concentrate purchased from third party customers plus all processing costs incurred at the US recycling operations.

Zambezi has been included in the segmental statements in order to reconcile all amounts to the Group's reported statement of financial position and statement of profit or loss and other comprehensive income. Zambezi is not a separate operating segment as it does not engage in business activities from which it earns revenue and/or incurs expenses. Zambezi's operating results are not subject to regular review by the chief operating decision makers in assessing the performance of the entity.

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

No segments were aggregated.

All assets of the Group are South African based assets, except for assets held by the US recycling operations amounting to R144.4 million (30 June 2021: R132.1 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

Segmental statement of profit or loss and other comprehensive income

30 June 2022	Northam Holdings R000	Zondereinde operating segment R000	Booysendal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercompany eliminations R000	Zambezi Platinum (RF) Limited R000	Other R000	Total R000
Revenue	536 175	31 768 128	18 964 038	2 670 102	127 673	(20 001 846)	–	–	34 064 270
Cost of sales	–	(27 782 816)	(8 419 761)	(2 924 947)	(133 905)	20 082 260	–	–	(19 179 169)
Operating costs	–	(7 625 181)	(6 355 381)	(1 530 442)	(25 878)	–	–	–	(15 536 882)
Mining operations	–	(5 480 170)	(4 454 801)	(1 016 481)	–	–	–	–	(10 951 452)
Concentrator operations	–	(535 210)	(938 708)	(417 189)	(25 878)	–	–	–	(1 916 985)
Smelting and base metal removal plant costs	–	(1 049 015)	–	–	–	–	–	–	(1 049 015)
Chrome processing	–	(13 834)	(31 671)	(19 033)	–	–	–	–	(64 538)
Selling and administration	–	(169 116)	(169 116)	–	–	–	–	–	(338 232)
Royalty charges	–	(227 926)	(666 689)	(238)	–	–	–	–	(894 853)
Carbon tax	–	(1 138)	–	–	–	–	–	–	(1 138)
Share-based payment expenses	–	(59 603)	(72 380)	(14 733)	–	–	–	–	(146 716)
Toro Employee Empowerment Trust	–	(84 027)	–	–	–	–	–	–	(84 027)
Employee profit share scheme	–	–	(18 994)	(5 494)	–	–	–	–	(24 488)
Rehabilitation	–	(5 142)	(3 022)	(57 274)	–	–	–	–	(65 438)
Concentrates purchased	–	(19 507 663)	(1 160 232)	(1 300 369)	(109 004)	19 465 672	–	–	(2 611 596)
Refining including sampling and handling charges	–	(280 411)	–	–	–	–	–	–	(280 411)
Depreciation and write-offs	–	(208 249)	(646 389)	(76 154)	(9 985)	8 180	–	–	(932 597)
Change in metal inventory	–	(161 312)	(257 759)	(17 982)	10 962	608 408	–	–	182 317
Operating profit/(loss)	536 175	3 985 312	10 544 277	(254 845)	(6 232)	80 414	–	–	14 885 101
Share of earnings from associate	–	–	–	–	–	–	–	799 518	799 518
Investment income	4 725	2 642 688	7 263	1 079	–	(3 557 606)	18	1 008 183	106 350
Finance charges excluding Zambezi Preference Share dividends	(331 409)	(1 204 852)	(25 726)	(132 972)	(3 436)	166 452	–	(2 659)	(1 534 602)
Net foreign exchange transaction gains	–	40 100	365	–	6 253	–	–	–	46 718
Sundry income	41 013	5 103 650	8 176	4 294	5 787	(4 992 295)	–	2 114	172 739
Sundry expenditure	(101 743)	(206 844)	(24 374)	(8 041)	(4 464)	8 680 217	(8 560 234)	(148 330)	(373 813)
Profit/(loss) before Zambezi Preference Share dividends	148 761	10 360 054	10 509 981	(390 485)	(2 092)	377 182	(8 560 216)	1 658 826	14 102 011
Amortisation of liquidity fees paid on Zambezi Preference Shares	–	–	–	–	–	(64 197)	–	–	(64 197)
Zambezi Preference Share dividends	–	–	–	–	–	2 395 985	(2 421 589)	–	(25 604)
Loss on derecognition of Zambezi Preference Share liability	–	–	–	–	–	(286 632)	–	–	(286 632)
Profit/(loss) before tax	148 761	10 360 054	10 509 981	(390 485)	(2 092)	2 422 338	(10 981 805)	1 658 826	13 725 578
Tax	(1 079)	(934 183)	(2 782 204)	102 912	–	(1 707 083)	1 587 020	(145 157)	(3 879 774)
Profit/(loss) for the year	147 682	9 425 871	7 727 777	(287 573)	(2 092)	715 255	(9 394 785)	1 513 669	9 845 804

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

Segmental statement of profit or loss and other comprehensive income

30 June 2021	Zondereinde operating segment R000	Booysendal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercompany eliminations R000	Zambezi Platinum (RF) Limited R000	Other R000	Total R000
Sales revenue	32 152 515	16 884 383	1 266 448	141 814	(17 818 242)	–	–	32 626 918
Cost of sales	(23 450 956)	(7 048 636)	(1 027 647)	(155 357)	15 198 193	–	(35 222)	(16 519 625)
Operating costs	(7 805 673)	(5 547 474)	(1 110 934)	(20 899)	–	–	–	(14 484 980)
Mining operations	(4 769 208)	(3 487 488)	(746 982)	–	–	–	–	(9 003 678)
Concentrator operations	(462 891)	(759 298)	(300 886)	(20 899)	–	–	–	(1 543 974)
Smelting and base metal removal plant costs	(817 281)	–	–	–	–	–	–	(817 281)
Chrome processing	(10 663)	(28 965)	(19 575)	–	–	–	–	(59 203)
Selling and administration	(144 977)	(144 977)	–	–	–	–	–	(289 954)
Royalty charges	(698 227)	(770 833)	(4 198)	–	–	–	–	(1 473 258)
Carbon tax	(1 391)	–	–	–	–	–	–	(1 391)
Share-based payment expenses	(592 638)	(347 188)	(30 072)	–	–	–	–	(969 898)
Toro Employee Empowerment Trust	(317 268)	–	–	–	–	–	–	(317 268)
Employee profit share scheme	–	(13 796)	(2 625)	–	–	–	–	(16 421)
Rehabilitation	8 871	5 071	(6 596)	–	–	–	–	7 346
Concentrates purchased	(18 923 546)	(1 193 386)	(459 789)	(125 337)	17 818 242	–	–	(2 883 816)
Refining including sampling and handling charges	(216 629)	–	–	–	–	–	–	(216 629)
Depreciation and write-offs	(194 137)	(566 072)	(40 450)	(10 298)	1 733	–	(35 222)	(844 446)
Change in metal inventory	3 689 029	258 296	583 526	1 177	(2 621 782)	–	–	1 910 246
Operating profit/(loss)	8 701 559	9 835 747	238 801	(13 543)	(2 620 049)	–	(35 222)	16 107 293
Share of earnings from associate	–	–	–	–	–	–	6 180	6 180
Investment income	1 092 763	5 052	606	–	(1 017 097)	16	9 145	90 485
Finance charges excluding Zambezi Preference Share dividends	(689 377)	(25 042)	(63 239)	(2 931)	77 127	–	(1 982)	(705 444)
Net foreign exchange transaction (losses)/gains	(94 046)	(1 532)	–	(9 226)	–	–	–	(104 804)
Sundry income	1 091 221	7 048	1 016	1 278	(17 113 105)	16 107 276	39 373	134 107
Sundry expenditure	(270 352)	(24 479)	(14 625)	–	68 445	(5)	(90 889)	(331 905)
Profit/(loss) before Zambezi Preference Share dividends	9 831 768	9 796 794	162 559	(24 422)	(20 604 679)	16 107 287	(73 395)	15 195 912
Amortisation of liquidity fees paid on Zambezi Preference Shares	–	–	–	–	(16 390)	–	–	(16 390)
Zambezi Preference Share dividends	–	–	–	–	940 050	(1 318 728)	–	(378 678)
Loss on derecognition of Zambezi Preference Share liability	–	–	–	–	(1 068 558)	–	–	(1 068 558)
Profit/(loss) before tax	9 831 768	9 796 794	162 559	(24 422)	(20 749 577)	14 788 559	(73 395)	13 732 286
Tax	(2 364 703)	(2 754 356)	39 916	–	4 329 973	(3 608 033)	7 875	(4 349 328)
Profit/(loss) for the year	7 467 065	7 042 438	202 475	(24 422)	(16 419 604)	11 180 526	(65 520)	9 382 958

Segmental statement of financial position

30 June 2022	Northam Holdings R000	Zondereinde operating segment R000	Booysendal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercom-pany eliminations R000	Zambezi Platinum (RF) Limited R000	Other R000	Total R000
Assets									
Non-current assets	25 645 960	25 645 997	17 835 704	3 575 009	116 328	(31 814 717)	6 556 124	1 547 111	49 107 516
Property, plant and equipment	–	7 702 933	11 390 850	3 090 675	116 328	563 839	–	22 222	22 886 847
Mining properties and Mineral Resources	–	1 005 228	6 293 484	3 000	–	(912 912)	–	136 230	6 525 030
Interest in associate	17 447 897	–	–	–	–	–	–	240 874	17 688 771
Investment in subsidiaries	8 198 063	12 353 207	–	–	–	(21 643 818)	–	1 092 548	–
Investments in Northam Platinum Limited	–	–	–	–	–	(6 556 124)	6 556 124	–	–
Other investments	–	647 705	–	–	–	(647 705)	–	–	–
Land and township development	–	42 728	41 151	–	–	–	–	6 319	90 198
Long-term receivables	–	27 235	13 257	7 626	–	–	–	37 675	85 793
Investments held by Northam Platinum Restoration Trust Fund	–	71 293	71 293	–	–	–	–	–	142 586
Environmental guarantee investment	–	42 029	25 669	25 516	–	–	–	–	93 214
Buttonshope Conservancy Trust	–	–	–	–	–	–	–	11 243	11 243
Long- term subsidiary loans	–	2 638 266	–	–	–	(2 638 266)	–	–	–
Non-current inventory	–	1 115 373	–	305 393	–	20 269	–	–	1 441 035
Deferred tax asset	–	–	–	142 799	–	–	–	–	142 799
Current assets	44 786	19 203 642	20 482 361	396 270	28 045	(33 337 228)	1 089 559	246 096	8 153 531
Short-term subsidiary loan	–	10 402 995	19 191 783	–	–	(30 690 411)	1 089 033	6 600	–
Inventories	–	7 106 417	365 635	320 320	14 715	(2 646 817)	–	–	5 160 270
Trade and other receivables	2 818	763 218	921 843	75 852	1 408	–	2	11 236	1 776 377
Cash and cash equivalents	720	931 012	3 100	79	11 922	–	524	227 868	1 175 225
Other financial assets	41 013	–	–	–	–	–	–	–	41 013
Tax receivable	235	–	–	19	–	–	–	392	646
Non-current assets held for sale	–	25 745	–	–	–	(1 213)	–	65 562	90 094
Total assets	25 690 746	44 875 384	38 318 065	3 971 279	144 373	(65 153 158)	7 645 683	1 858 769	57 351 141
Equity and liabilities									
Total equity	13 624 004	7 649 778	28 757 322	(62 767)	83 658	(21 461 161)	(611 390)	1 754 638	29 734 082
Stated capital	13 476 322	9 878 033	8 675 932	325 000	142 118	(19 358 609)	323 168	14 358	13 476 322
Treasury Shares	–	–	–	–	–	(1 214 949)	–	–	(1 214 949)
Re-organisation reserve	–	–	–	–	–	(4 176 945)	–	–	(4 176 945)
Northam Scheme of arrangement reserve	–	(10 925 555)	–	–	–	10 925 555	–	–	–
Retained earnings/(accumulated loss)	147 682	15 253 424	17 579 635	(387 767)	(86 349)	(11 690 582)	(934 558)	1 740 280	21 621 765
Foreign currency translation reserve	–	–	–	–	27 889	–	–	–	27 889
Other comprehensive income	–	–	–	–	–	–	–	–	–
Non-distributable reserves	–	–	2 501 755	–	–	(2 501 755)	–	–	–
Share entitlement	–	(6 556 124)	–	–	–	6 556 124	–	–	–
Non-current liabilities	–	12 566 282	4 957 770	518 280	–	(10 363 320)	8 257 070	2 573	15 938 655
Deferred tax liability	–	1 760 731	4 352 367	–	–	(3 146 855)	1 053 241	2 573	4 022 057
Long-term provisions	–	200 395	263 041	497 955	–	–	–	–	961 391
Zambezi Preference Share liability	–	–	–	–	–	(7 203 829)	7 203 829	–	–
Long-term loans	–	56 670	20 631	–	–	–	–	–	77 301
Lease liability	–	21 040	43 144	–	–	–	–	–	64 184
Long-term share-based payment liability	–	277 027	265 951	20 325	–	–	–	–	563 303
Financial guarantee liability	–	–	–	–	–	–	–	–	–
Domestic Medium-Term Notes	–	8 816 280	–	–	–	–	–	–	8 816 280
Revolving credit facility	–	1 434 139	–	–	–	–	–	–	1 434 139
Buttonshope contribution liability	–	–	12 636	–	–	(12 636)	–	–	–
Current liabilities	12 066 742	24 659 324	4 602 973	3 515 766	60 715	(33 328 677)	3	101 558	11 678 404
Current portion of long-term loans	–	2 000	5 501	–	–	–	–	–	7 501
Current portion of lease liability	–	2 153	7 954	–	–	–	–	–	10 107
Current portion of Domestic Medium-Term Notes	–	2 265 672	–	–	–	–	–	–	2 265 672
Short-term share-based payment liability	–	85 554	77 157	11 908	–	–	–	–	174 619
Deferred Acquisition Consideration	1 704 790	–	–	–	–	–	–	–	1 704 790
Bridge facility	–	2 969 312	–	–	–	–	–	–	2 969 312
Tax payable	–	66 250	27 860	–	–	–	3	163	94 276
Subsidiary loans	10 334 718	17 159 162	3 128 254	2 638 266	43 392	(33 328 676)	–	24 884	–
Trade and other payables	27 234	1 780 103	1 205 369	835 065	17 323	(1)	–	76 511	3 941 604
Provisional pricing derivatives	–	–	–	–	–	–	–	–	–
Short-term provisions	–	329 118	150 878	30 527	–	–	–	–	510 523
Total equity and liabilities	25 690 746	44 875 384	38 318 065	3 971 279	144 373	(65 153 158)	7 645 683	1 858 769	57 351 141

Segmental statement of financial position

30 June 2021	Zondereinde operating segment R000	Booysendal operating segment R000	Eland operating segment R000	US recycling operating segment R000	Intercom-pany eliminations R000	Zambezi Platinum (RF) Limited R000	Other R000	Total R000
Assets								
Non-current assets	32 657 286	17 059 040	2 104 417	112 011	(60 139 985)	34 688 290	906 768	27 387 827
Property, plant and equipment	5 892 106	10 562 674	1 934 693	112 011	(42 535)	–	657 194	19 116 143
Mining properties and Mineral Resources	1 042 404	6 352 452	3 000	–	(954 580)	–	136 230	6 579 506
Interest in associate	25 745	–	–	–	(606)	–	43 092	68 231
Investment in subsidiaries	12 353 207	–	–	–	(12 353 207)	–	–	–
Investments in Northam Platinum Limited	–	–	–	–	(34 688 290)	34 688 290	–	–
Other investments	10 545 057	–	–	–	(10 545 057)	–	–	–
Land and township development	10 411	51 702	–	–	–	–	6 919	69 032
Long-term receivables	23 755	9 388	2 752	–	–	–	47 266	83 161
Investments held by Northam Platinum Restoration Trust Fund	68 015	68 015	–	–	–	–	–	136 030
Environmental guarantee investment	32 288	14 809	13 610	–	–	–	–	60 707
Buttonshope Conservancy Trust	–	–	–	–	–	–	16 067	16 067
Long-term prepayments	–	–	–	–	–	–	–	–
Long- term subsidiary loans	1 478 450	–	–	–	(1 478 450)	–	–	–
Other financial assets	23 182	–	–	–	–	–	–	23 182
Non-current inventory	1 162 666	–	110 457	–	(77 260)	–	–	1 195 863
Deferred tax asset	–	–	39 905	–	–	–	–	39 905
Current assets	12 255 800	10 498 390	549 210	20 114	(12 864 706)	510	103 715	10 563 033
Short-term subsidiary loan	59 780	9 630 124	–	10 504	(9 707 008)	–	6 600	–
Inventories	7 203 299	599 624	498 091	1 274	(3 157 698)	–	–	5 144 590
Trade and other receivables	1 210 001	142 681	51 059	887	–	1	10 301	1 414 930
Cash and cash equivalents	3 782 720	344	60	7 449	–	509	86 126	3 877 208
Tax receivable	–	125 617	–	–	–	–	688	126 305
Total assets	44 913 086	27 557 430	2 653 627	132 125	(73 004 691)	34 688 800	1 010 483	37 950 860
Equity and liabilities								
Total equity	21 701 839	21 029 544	224 804	75 227	(39 207 263)	14 476 249	714 919	19 015 319
Stated capital	13 778 114	8 675 932	325 000	142 118	(9 153 050)	–	10 000	13 778 114
Treasury Shares	–	–	–	–	(6 556 123)	–	–	(6 556 123)
Retained earnings/(accumulated loss)	4 653 797	9 851 857	(100 196)	(84 258)	(18 600 855)	14 476 249	704 919	10 901 513
Foreign currency translation reserve	–	–	–	17 367	–	–	–	17 367
Other comprehensive income	2 096 172	–	–	–	(2 096 172)	–	–	–
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	7 290 082	4 883 993	428 046	–	(22 611 971)	20 212 551	168 930	10 371 631
Deferred tax liability	1 863 206	4 271 824	–	–	(9 424 003)	6 301 605	168 930	3 181 562
Long-term provisions	168 557	244 044	407 645	–	(7 499)	–	–	812 747
Zambezi Preference Share liability	–	–	–	–	(12 241 079)	13 910 946	–	1 669 867
Long-term loans	88 062	26 133	–	–	–	–	–	114 195
Lease liability	22 241	45 778	–	–	–	–	–	68 019
Long-term share-based payment liability	328 102	296 214	20 401	–	–	–	–	644 717
Financial guarantee liability	939 390	–	–	–	(939 390)	–	–	–
Domestic Medium-Term Notes	3 880 524	–	–	–	–	–	–	3 880 524
Revolving credit facility	–	–	–	–	–	–	–	–
Current liabilities	15 921 165	1 643 893	2 000 777	56 898	(11 185 457)	–	126 634	8 563 910
Current portion of long-term loans	24 970	8 834	–	–	–	–	–	33 804
Current portion of lease liability	2 012	11 216	–	–	–	–	–	13 228
Current portion of Domestic Medium-Term Notes	3 713 711	–	–	–	–	–	–	3 713 711
Short-term share-based payment liability	277 788	210 423	9 799	–	–	–	–	498 010
Tax payable	61 594	–	11 070	–	–	–	–	72 664
Subsidiary loans	9 647 176	–	1 478 450	10 497	(11 185 457)	–	49 334	–
Trade and other payables	1 902 789	1 292 756	486 255	46 401	–	–	77 300	3 805 501
Provisional pricing derivatives	–	–	–	–	–	–	–	–
Short-term provisions	291 125	120 664	15 203	–	–	–	–	426 992
Total equity and liabilities	44 913 086	27 557 430	2 653 627	132 125	(73 004 691)	34 688 800	1 010 483	37 950 860

3. Revenue

Revenue can be disaggregated into the following:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Sales revenue from contracts with customers	33 905 646	32 646 526	–	–
Sales revenue from fair value adjustments with regards to IFRS 9	158 624	(19 608)	–	–
Dividends received (refer to note 13)	–	–	536 175	–
Total revenue	34 064 270	32 626 918	536 175	–

Sales revenue comprises revenue from the following metals:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Platinum	7 012 543	6 260 523	–	–
Palladium	6 802 272	7 413 220	–	–
Rhodium	15 681 912	16 004 640	–	–
Gold	235 441	234 094	–	–
Iridium	1 399 974	1 024 305	–	–
Ruthenium	903 743	452 095	–	–
Silver	4 180	7 411	–	–
Nickel	611 499	380 445	–	–
Copper	157 092	118 232	–	–
Cobalt	8 814	5 161	–	–
Chrome	1 082 059	726 792	–	–
Toll treatment revenue	164 741	–	–	–
	34 064 270	32 626 918	–	–

Sales revenue comprises the ounce volumes sold from the following metals:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	oz	oz	oz	oz
Platinum	461 403	391 788	–	–
Palladium	204 593	199 357	–	–
Rhodium	63 592	54 644	–	–
Gold	8 335	8 268	–	–
4E	737 923	654 057	–	–
Iridium	21 953	18 109	–	–
Ruthenium	110 165	88 771	–	–
6E	870 041	760 937	–	–
Silver	11 712	18 727	–	–

Sales revenue comprises the volumes of tonnes sold from the following metals:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	tonnes	tonnes	tonnes	tonnes
Nickel	1 658	1 520	–	–
Copper	1 094	998	–	–
Cobalt	8	9	–	–
Chrome	960 335	1 017 304	–	–

Sales revenue from external customers per metal and per operating segment

	Zondereinde (Northam Platinum Limited) operations	Booysendal operations	Eland operations	US recycling operations	Intercompany elimination	Total
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	R000	R000	R000	R000	R000	R000
Platinum	6 723 817	3 253 117	541 508	49 454	(3 555 353)	7 012 543
Palladium	6 453 738	3 764 649	424 502	52 733	(3 893 350)	6 802 272
Rhodium	14 839 558	9 577 892	1 434 983	12 494	(10 183 015)	15 681 912
Gold	228 887	97 749	3 780	–	(94 975)	235 441
Iridium	1 351 897	782 909	140 998	–	(875 830)	1 399 974
Ruthenium	878 023	517 768	80 906	–	(572 954)	903 743
Silver	4 180	–	–	–	–	4 180
Nickel	592 827	254 186	12 672	–	(248 186)	611 499
Copper	153 808	43 553	1 739	–	(42 008)	157 092
Cobalt	8 814	–	–	–	–	8 814
Chrome	380 830	672 215	29 014	–	–	1 082 059
Toll treatment revenue	151 749	–	–	12 992	–	164 741
	31 768 128	18 964 038	2 670 102	127 673	(19 465 671)	34 064 270

Zondereinde, being Northam Platinum, purchases most of Booysendal's concentrate and all of Eland's concentrate, for a percentage of the fair value, except for chrome which is sold directly to a third party customer.

From F2022, concentrate from Booysendal is also sold to a third party customer to honour the Everest offtake agreement.

Zondereinde further purchased all of the US recycling operation's concentrate.

Sales revenue from external customers per region and per operating segment

Sales revenue emanates from the following principal regions:

	Zondereinde (Northam Platinum Limited) operations	Booysendal operations	Eland operations	US recycling operations	Total
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	R000	R000	R000	R000	R000
Europe	21 283 920	–	–	–	21 283 920
Japan	8 170 395	–	–	–	8 170 395
Asia	380 830	672 215	29 014	–	1 082 059
North America	1 090 750	–	–	12 992	1 103 742
South Africa	842 233	1 581 921	–	–	2 424 154
	31 768 128	2 254 136	29 014	12 992	34 064 270

Sales revenue from external customers per metal and per operating segment

	Zondereinde (Northam Platinum Limited) operations	Booysendal operations	Eland operations	US recycling operations	Intercompany elimination	Total
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
	R000	R000	R000	R000	R000	R000
Platinum	6 260 523	2 880 646	274 882	41 376	(3 196 904)	6 260 523
Palladium	7 413 220	3 449 859	204 244	75 700	(3 729 803)	7 413 220
Rhodium	16 004 640	9 134 862	691 236	24 738	(9 850 836)	16 004 640
Gold	234 094	65 031	2 343	–	(67 374)	234 094
Iridium	1 024 305	488 364	41 617	–	(529 981)	1 024 305
Ruthenium	452 095	272 926	16 757	–	(289 683)	452 095
Silver	7 411	–	–	–	–	7 411
Nickel	380 445	124 399	3 789	–	(128 188)	380 445
Copper	118 232	24 896	577	–	(25 473)	118 232
Cobalt	5 161	–	–	–	–	5 161
Chrome	252 389	443 400	31 003	–	–	726 792
Toll treatment revenue	–	–	–	–	–	–
	32 152 515	16 884 383	1 266 448	141 814	(17 818 242)	32 626 918

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

Zondereinde further purchased all of the US recycling operation's concentrate.

Sales revenue from external customers per region and per operating segment

Sales revenue emanates from the following principal regions:

	Zondereinde (Northam Platinum Limited) operations	Booysendal operations	Eland operations	US recycling operations	Total
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
	R000	R000	R000	R000	R000
Europe	19 350 809	–	–	–	19 350 809
Japan	6 442 953	–	–	–	6 442 953
Asia	252 389	443 400	31 003	–	726 792
North America	5 597 181	–	–	–	5 597 181
South Africa	509 183	–	–	–	509 183
	32 152 515	443 400	31 003	–	32 626 918

Sales revenue and sales volumes per customer

The following customers each account for a significant portion of the total sales revenue of the group, either in the current or prior year:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Customer 1	228 762	123 577	–	–
Customer 2	7 961 217	6 346 607	–	–
Customer 3	3 458 879	3 801 955	–	–
Customer 4	164 741	3 328 174	–	–
Customer 5	7 231 791	8 399 850	–	–
Customer 6	1 082 059	726 792	–	–
Customer 7	612 360	1 967 573	–	–
Customer 8	10 451 271	6 625 854	–	–
Customer 9	2 175 649	–	–	–
Other	697 541	1 306 536	–	–
Total sales revenue	34 064 270	32 626 918	–	–

The following customers each account for a significant portion of the total sales revenue of the group, below is a summary of the 4E volumes of ounces purchased by these customers, either in the current or prior year:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	oz	oz	oz	oz
Customer 1	12 243	4 007	–	–
Customer 2	163 990	108 904	–	–
Customer 3	95 373	86 035	–	–
Customer 4	–	91 875	–	–
Customer 5	168 309	169 817	–	–
Customer 6*	–	–	–	–
Customer 7	27 150	51 968	–	–
Customer 8	228 416	116 601	–	–
Customer 9	36 305	–	–	–
Other	6 137	24 850	–	–
4E oz sold	737 923	654 057	–	–

**This is a chrome customer and therefore no 4E volumes of ounces are sold to this customer.*

Revenue from customer 4 relates to toll treatment revenue and not the sale of metal.

Customers 3 to 8 were previously disclosed as customers 4 to 9 in previous reporting periods.

4. Operating costs

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Employee costs	5 849 719	4 679 000	–	–
Stores	–	3 323 861	–	–
Stores: Diesel and fuel	226 430	–	–	–
Stores: Other	4 160 013	–	–	–
Utilities: Electricity costs	1 660 827	1 380 197	–	–
Utilities: Water costs	59 092	48 281	–	–
Sundries	1 005 974	789 279	–	–
Royalty charges	894 853	1 473 258	–	–
Share-based payment expenses (refer to note 33)	146 716	969 898	–	–
Toro Employee Empowerment Trust contribution	84 027	317 268	–	–
Employee profit share scheme	24 488	16 421	–	–
Ore material purchased from surface sources	139 879	406 455	–	–
Contractors	1 827 818	1 382 348	–	–
Carbon tax	1 138	1 391	–	–
Rehabilitation (refer to note 28)	65 438	(7 346)	–	–
Development costs capitalised to property, plant and equipment	(609 530)	(295 331)	–	–
	15 536 882	14 484 980	–	–

Details of stores are provided for improved disclosure:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Diesel and fuel	226 430	120 168	–	–
Other	4 160 013	3 203 693	–	–
Stores	4 386 443	3 323 861	–	–

The corresponding litres of diesel consumed is as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	ℓ	ℓ	ℓ	ℓ
Zondereinde operations	1 798 427	1 261 544	–	–
Booysendal operations	7 912 497	6 673 269	–	–
Eland operations	2 730 112	942 174	–	–
Total diesel litres consumed	12 441 036	8 876 987	–	–

Operating costs per operating segment:

	Zondereinde operations 30 June 2022 R000	Booysendal operations 30 June 2022 R000	Eland operations 30 June 2022 R000	US recycling operations 30 June 2022 R000	Total 30 June 2022 R000
Employee costs	3 148 513	1 989 963	700 715	10 528	5 849 719
Stores: Diesel and fuel	29 557	146 408	50 465	–	226 430
Stores: Other	1 705 993	1 894 262	558 335	1 423	4 160 013
Utilities: Electricity cost	1 094 756	410 291	154 865	915	1 660 827
Utilities: Water cost	29 939	26 959	2 118	76	59 092
Sundries	437 098	477 451	81 237	10 188	1 005 974
Royalty charges	227 926	666 689	238	–	894 853
Share-based payment expenses	59 603	72 380	14 733	–	146 716
Toro Employee Empowerment Trust contribution	84 027	–	–	–	84 027
Employee profit share scheme	–	18 994	5 494	–	24 488
Ore material purchased from surface sources	15 000	–	124 879	–	139 879
Contractors	786 489	710 356	328 225	2 748	1 827 818
Carbon tax	1 138	–	–	–	1 138
Rehabilitation	5 142	3 022	57 274	–	65 438
Development costs capitalised to property, plant and equipment	–	(61 394)	(548 136)	–	(609 530)
	7 625 181	6 355 381	1 530 442	25 878	15 536 882

Details of stores are further provided for additional disclosure:

	Zondereinde operations 30 June 2022 R000	Booysendal operations 30 June 2022 R000	Eland operations 30 June 2022 R000	US recycling operations 30 June 2022 R000	Total 30 June 2022 R000
Chemicals	116 058	275 332	65 139	263	456 792
Equipment	634 165	909 622	276 730	72	1 820 589
Explosives	100 774	212 578	14 828	–	328 180
Steel	410 819	310 649	64 226	–	785 694
Support	233 065	97 920	63 242	–	394 227
Various	211 112	88 161	74 170	1 088	374 531
	1 705 993	1 894 262	558 335	1 423	4 160 013

Percentage breakdown of operating costs per operating segment:

	Zondereinde operations 30 June 2022 %	Booysendal operations 30 June 2022 %	Eland operations 30 June 2022 %	US recycling operations 30 June 2022 %	Total 30 June 2022 %
Employee costs	41.3	31.0	33.7	40.7	36.2
Stores: Diesel and fuel	0.4	2.3	2.4	–	1.4
Stores: Other	22.4	29.5	26.9	5.5	25.8
Utilities: Electricity cost	14.3	6.4	7.4	3.5	10.3
Utilities: Water cost	0.4	0.4	0.1	0.3	0.4
Sundries	5.7	7.4	3.9	39.4	6.2
Royalty charges	3.0	10.4	0.0	–	5.5
Share-based payment expenses	0.8	1.1	0.7	–	0.9
Toro Employee Empowerment Trust contribution	1.1	–	–	–	0.5
Employee profit share scheme	–	0.3	0.3	–	0.2
Ore material purchased from surface sources	0.2	–	6.0	–	0.9
Contractors	10.3	11.1	15.8	10.6	11.3
Carbon tax	0.0	–	–	–	0.0
Rehabilitation	0.1	0.1	2.8	–	0.4
	100.0	100.0	100.0	100.0	100.0

Key management compensation is disclosed in the related parties note (refer to note 46).

Operating costs per operating segment:

	Zondereinde operations 30 June 2021	Booysendal operations 30 June 2021	Eland operations 30 June 2021	US recycling operations 30 June 2021	Total 30 June 2021
	R000	R000	R000	R000	R000
Employee costs	2 734 331	1 611 642	323 832	9 195	4 679 000
Stores	1 488 474	1 578 535	256 074	778	3 323 861
Utilities: Electricity cost	929 922	324 598	125 066	611	1 380 197
Utilities: Water cost	26 529	20 175	1 520	57	48 281
Sundries	348 628	378 075	54 704	7 872	789 279
Royalty charges	698 227	770 833	4 198	–	1 473 258
Share-based payment expenses	592 638	347 188	30 072	–	969 898
Toro Employee Empowerment Trust contribution	317 268	–	–	–	317 268
Employee profit share scheme	–	13 796	2 625	–	16 421
Ore material purchased from surface sources	4 394	–	402 061	–	406 455
Contractors	672 742	542 766	164 454	2 386	1 382 348
Carbon tax	1 391	–	–	–	1 391
Rehabilitation	(8 871)	(5 071)	6 596	–	(7 346)
Development costs capitalised to property, plant and equipment	–	(35 063)	(260 268)	–	(295 331)
	7 805 673	5 547 474	1 110 934	20 899	14 484 980

Details of stores are provided for improved disclosure:

	Zondereinde operations 30 June 2021	Booysendal operations 30 June 2021	Eland operations 30 June 2021	US recycling operations 30 June 2021	Total 30 June 2021
	R000	R000	R000	R000	R000
Diesel and fuel	16 072	91 944	12 152	–	120 168
Other	1 472 402	1 486 591	243 922	778	3 203 693
Stores	1 488 474	1 578 535	256 074	778	3 323 861

Details of stores are further provided for additional disclosure:

	Zondereinde operations 30 June 2021	Booysendal operations 30 June 2021	Eland operations 30 June 2021	US recycling operations 30 June 2021	Total 30 June 2021
	R000	R000	R000	R000	R000
Chemicals	94 398	190 474	49 762	207	334 841
Equipment	527 328	748 585	112 381	68	1 388 362
Explosives	108 939	139 420	6 911	–	255 270
Steel	388 104	281 063	29 945	–	699 112
Support	194 033	60 537	19 840	–	274 410
Various	159 600	66 512	25 083	503	251 698
Stores: Other	1 472 402	1 486 591	243 922	778	3 203 693

Percentage breakdown of operating costs per operating segment:

	Zondereinde operations 30 June 2021	Booysendal operations 30 June 2021	Eland operations 30 June 2021	US recycling operations 30 June 2021	Total 30 June 2021
	%	%	%	%	%
Employee costs	35.0	28.9	23.6	44.0	31.7
Stores	19.1	28.3	18.7	3.7	22.5
Utilities: Electricity cost	11.9	5.8	9.1	2.9	9.3
Utilities: Water cost	0.3	0.4	0.1	0.3	0.3
Sundries	4.5	6.8	4.0	37.7	5.3
Royalty charges	8.9	13.8	0.3	–	10.0
Share-based payment expenses	7.6	6.2	2.2	–	6.6
Toro Employee Empowerment Trust contribution	4.1	–	–	–	2.1
Employee profit share scheme	–	0.2	0.2	–	0.1
Ore material purchased from surface sources	0.1	–	29.3	–	2.8
Contractors	8.6	9.7	12.0	11.4	9.3
Carbon tax	0.0	–	–	–	0.0
Rehabilitation	(0.1)	(0.1)	0.5	–	0.0
	100.0	100.0	100.0	100.0	100.0

Key management compensation is disclosed in the related parties note (refer to note 46).

5. Investment income

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Interest received on cash and cash equivalents	76 985	59 290	4 725	–
Dividend income received from short-term investments	2 585	3 438	–	–
Interest received from suspensive sales agreements	3 746	4 196	–	–
Interest received relating to the Northam Platinum Restoration Trust Fund (refer to note 17)	6 883	6 969	–	–
Interest received by the Buttonshope Conservancy Trust (refer to note 19)	672	740	–	–
Deemed interest on the interest free home loans	6 917	5 065	–	–
Interest received from the SARS	1 045	189	–	–
Interest received on advances paid to Zambezi Ordinary Shareholders	7 359	10 454	–	–
Other	158	144	–	–
	106 350	90 485	4 725	–

Below is a reconciliation of interest recognised on the effective interest rate method in comparison to investment income disclosed above:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Interest recognised on the effective interest rate method	103 765	87 047	4 725	–
Dividend income received from short-term investments	2 585	3 438	–	–
Total investment income	106 350	90 485	4 725	–

6. Finance charges excluding Zambezi Preference Share dividends

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Finance costs relating to the DMTNs (refer to note 31)	(733 809)	(473 638)	–	–
Finance costs relating to the RCF (refer to note 34)	(116 380)	(79 872)	–	–
Finance costs relating to the GBF (refer to note 23)	(4 012)	(3 361)	–	–
Finance costs relating to the Bridge facility (refer to note 36)	(80 057)	–	–	–
Amounts capitalised in terms of IAS 23 Borrowing costs (refer to note 11)	64 640	41 707	–	–
Commitment and utilisation fees on borrowing facilities (refer to note 34 and 36)	(30 992)	(24 593)	–	–
Amortisation of the transaction costs relating to the DMTNs (refer to note 31)	(151 628)	(75 120)	–	–
Amortisation of the transaction costs relating to the RCF (refer to note 34)	(7 321)	(5 546)	–	–
Finance costs relating to the Deferred Acquisition Consideration (refer to note 35)	(331 409)	–	(331 409)	–
Amortisation of the transaction costs relating to the Bridge facility (refer to note 36)	(32 562)	–	–	–
Unwinding of rehabilitation liability (refer to note 28)	(69 896)	(62 723)	–	–
Unwinding of the research and development liability with Heraeus Deutschland Gmbh & Co. KG (refer to note 29)	–	(12 766)	–	–
Finance costs relating to lease liabilities (refer to note 30)	(6 981)	(7 648)	–	–
Interest on Employee Labour Court judgement (refer to note 48)	(16 010)	–	–	–
Interest on outstanding balance payable to the Toro Employee Empowerment Trust	(15 935)	–	–	–
Other financial liabilities	(2 250)	(1 884)	–	–
	(1 534 602)	(705 444)	(331 409)	–

7. Sundry income

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Insurance proceeds relating to nickel theft	–	3 097	–	–
Rent received	2 590	1 915	–	–
Sale of scrap	20 682	10 610	–	–
Profit on sale of property, plant and equipment and mining properties and Mineral Resources	22 376	149	–	–
Accommodation and housing income	91	2 048	–	–
Environmental guarantee investment income (refer to note 18)	3 005	2 773	–	–
Profit on modification of the agreement terms relating to the research and development liability with Heraeus Deutschland Gmbh & Co. KG (refer to note 29)	43 493	–	–	–
COVID-19 Temporary Employee Relief Scheme refund (refer to note 50)	6 241	102 664	–	–
Revaluation of the call options relating to RBPlat Shares (refer to note 24)	41 013	–	41 013	–
Lock-in Fee forfeited due to Disposal Event (refer to note 29)	32 420	–	–	–
Other income	828	10 851	–	–
	172 739	134 107	41 013	–

8. Sundry expenditure

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Corporate action costs*	(286 614)	(184 911)	(90 004)	–
COVID-19 related cost	–	(30 050)	–	–
Booysendal land management, including depreciation relating to the Buttonshope Conservancy Trust	(10 777)	(8 186)	–	–
Accommodation and housing expenses	(3 143)	(5 500)	–	–
Black Economic Empowerment Trust operating costs	(18 410)	(12 752)	–	–
Administrative costs relating to Zambezi Platinum (RF) Limited	(1 570)	(874)	–	–
Standing time and transition costs	–	(6 412)	–	–
Environmental guarantee cost (refer to note 18)	(6 526)	(4 901)	–	–
Impairment of property, plant and equipment (refer to note 11)	–	(29 657)	–	–
Donations	(703)	(303)	–	–
Settlement of the VAT dispute with the South African Revenue Service (refer to note 49)	(16 784)	–	–	–
Other expenditure	(29 286)	(48 359)	(11 739)	–
	(373 813)	(331 905)	(101 743)	–

**Includes cost associated with the Composite Transaction, approved by Northam Platinum Shareholders on 30 June 2021, as well as cost associated with the investment in RBPlat.*

9. Tax

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Income tax				
Current mining income tax charge	3 050 099	3 347 390	–	–
Current non-mining income tax charge	101 319	38 977	1 079	–
Adjustment in respect of current income tax of previous years	(14 636)	(1 529)	–	–
	3 136 782	3 384 838	1 079	–
Dividend Withholding Tax				
Current year Dividend Withholding Tax	5 391	150	–	–
	5 391	150	–	–
Deferred tax				
Current and prior year deferred tax charge	881 277	964 340	–	–
Change in the South African company tax rate from 28% to 27%	(143 676)	–	–	–
	737 601	964 340	–	–
Income tax expense reported in profit or loss	3 879 774	4 349 328	1 079	–

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

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	%	%	%	%
South African normal tax rate	28.0	28.0	28.0	–
Adjustment in respect of current income tax and deferred tax of previous year	(0.1)	(0.1)	–	–
Exempt income received	(1.8)	0.0	(108.6)	–
Expenditure and contingencies incurred which are non-deductible, mainly relating to corporate action costs	0.8	0.1	81.3	–
Unproductive interest incurred which is not tax deductible	1.6	0.7	–	–
Amortisation of liquidity fees paid on Zambezi Preference Shares	0.1	0.0	–	–
Zambezi Preference Share dividends disallowed	0.1	0.8	–	–
Loss on derecognition of Zambezi Preference Share liability	0.6	2.2	–	–
Change in tax rate relating to the deferred tax balances	(1.0)	–	–	–
Effective tax rate	28.3	31.7	0.7	–

On 23 February 2022, the South African Minister of Finance confirmed that the corporate tax rate reductions announced in the 2021 budget speech would become effective for companies from the year of assessment ending on or after 31 March 2023. This would change the rate from 28.0% to 27.0%.

IAS 12.46 requires current tax liabilities and assets for the current and prior periods to be measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year. Likewise, IAS 12.47 states that deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax was therefore calculated at a tax rate of 27.0% as this is the expected rate to apply when the asset is realised or the liability is settled.

10. Earnings per share, headline earnings per share and fully diluted earnings per share

Below is a reconciliation of basic earnings, being the net profit attributable to ordinary equity holders, to headline earnings.

Headline earnings is calculated by starting with the basic earnings in terms of IAS 33 Earnings Per Share and then excluding all re-measurements that have been identified in the South African Institute of Chartered Accountants (SAICA) Circular 1/2021.

Headline earnings per share is based on the headline earnings and is reconciled to profit attributable to shareholders as per the reconciliation below:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Profit for the year	9 845 804	9 382 958		
Profit on sale of property, plant and equipment	(22 376)	(149)		
Tax effect on profit on sale of property, plant and equipment	6 265	42		
Impairment of property, plant and equipment	–	29 657		
Tax effect on impairment of property, plant and equipment	–	(8 304)		
Associate: Adjustment for profit on disposal of property, plant and equipment and housing assets net of tax	(2 244)	–		
Associate: Adjustment for impairment on non-current assets held for sale net of tax	4 142	–		
Headline earnings	9 831 591	9 404 204		

The weighted average number of shares in issue has been calculated as follows:

The weighted average number of Northam Holdings Shares/Northam Platinum Shares in issue outside the group for the purpose of calculating the earnings per share is calculated as the number of shares in issue less Treasury Shares held.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Weighted average number of shares	Weighted average number of shares	Weighted average number of shares	Weighted average number of shares
Opening weighted average number of shares in issue	349 875 759	349 875 759		
Net Value Share Distribution of 20 533 102 to the Zambezi Ordinary Shareholders	16 764 012	–		
14 571 063 Northam Holdings Shares repurchased from the Strategic Partners	(11 217 722)	–		
34 399 725 Northam Holdings Shares issued pursuant to the purchase of an initial investment of 93 930 378 RBPlat shares (refer to note 13)	21 111 064	–		
Weighted average number of shares in issue	376 533 113	349 875 759		

Since the consolidated financial results of Northam Holdings are in substance a continuation of the Northam group, the shares used in calculating the weighted average number of issued shares is based on the issued stated capital of the entity that is listed on the JSE at that stage. As a result of the above, earnings per share measures are based on issued shares for comparative periods.

Please also refer to the statement of changes in equity for a reconciliation of the movement in the stated capital of the group.

Below is a reconciliation of the fully diluted number of shares in issue:

Fully diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity shareholders by the weighted average number of Northam Holdings Shares/Northam Platinum Shares outstanding plus the weighted average number of Northam Holdings Shares/Northam Platinum Shares that would be issued on the conversion of all the dilutive potential Northam Holdings Shares/Northam Platinum Shares into Northam Holdings Shares/Northam Platinum Shares.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Number of shares	Number of shares	Number of shares	Number of shares
Weighted average number of shares in issue	376 533 113	349 875 759		
Adjusted for:				
Performance and retention share awards including the Lock-in and incentive mechanism share awards	–	–		
Potential share issue as a result of the residual asset value in Zambezi to the Strategic Partners	–	21 943 684		
Put and call options relating to the potential purchase of additional shares in RBPlat	–	–		
Fully diluted number of shares in issue	376 533 113	371 819 443		

Performance and retention share awards including the Lock-in and incentive mechanism share awards are not considered to have a dilutionary impact as all share awards will either be cash-settled or equity-settled through purchases in the open market, in order to avoid any dilution.

The potential share issue as a result of the residual asset value in Zambezi to the Strategic Partners, for F2021, was calculated as the Net Value Share Distribution made to the Strategic Partners, settled on the Net Value Distribution Date by Zambezi making a pro rata Distribution of the relevant portion of the Residual Northam Shares to the Strategic Partners respective Zambezi Shareholding.

Put and call options relating to the potential purchase of additional shares in RBPlat

Northam Holdings has been granted, for no consideration, a call option by Royal Bafokeng Investment Holding Company (RBIH), a wholly owned subsidiary of Royal Bafokeng Holdings Proprietary Limited (RBH) to acquire a further 1 673 695 RBPlat Shares (RBIH Call Option Shares) (RBIH Call Option). The RBIH Call Option is exercisable by Northam Holdings in respect of some or all of the RBIH Call Option Shares within 24 months of 19 November 2021 (Acquisition Implementation Date). Northam will be entitled to settle the aggregate purchase consideration in respect of the RBIH Call Option in cash, Northam Holdings Shares, or a combination thereof, at Northam Holdings' election.

RBIH has been granted, for no consideration, a put option to sell 1 673 695 RBPlat Shares (RBIH Put Option Shares) (RBIH Put Option). The RBIH Put Option is exercisable by RBIH, in respect of some or all of the RBIH Put Option Shares, no earlier than 6 months and 5 business days, and no later than 24 months, after the Acquisition Implementation Date. Northam Holdings will be entitled to settle the aggregate purchase consideration in respect of the RBIH Put Option in cash, Northam Holdings Shares, or a combination thereof, at Northam Holdings' election. The RBIH Put Option and RBIH Call Option are collectively referred to as the RBIH Options.

In addition, Emikaway (RF) Proprietary Limited (EMI) has been granted, for no consideration, a put option to sell 1 891 342 RBPlat Shares (EMI Put Option Shares) to Northam (EMI Put Option); and, Northam Holdings has been granted, for no consideration, a call option by EMI to acquire 4 472 103 RBPlat Shares (EMI Call Option Shares), from EMI (EMI Call Option); and Northam Holdings has been granted, for no consideration, a right of first refusal to acquire a further 3 367 673 RBPlat Shares (ROFR Shares), from EMI (ROFR). The EMI Put Option and EMI Call Option are collectively referred to as the EMI Options.

In terms of the ROFR, which remains in effect until 8 November 2024, if EMI wishes to dispose of all or a portion of the ROFR Shares (ROFR Offer Shares), it shall not be entitled to do so, nor shall it agree to do so, unless it first offers to sell the ROFR Offer Shares to Northam Holdings. The purchase consideration in respect of each ROFR Offer Share shall be determined with reference to the 5-Day volume weighted average price of an RBPlat Share on the date on which EMI offers the ROFR Offer Shares to Northam Holdings.

The purchase consideration in respect of each RBIH Call Option Share, RBIH Put Option Share, EMI Call Option Share or EMI Put Option Share, as the case may be (Option Share), amounts to R135.00 per Option Share (to be escalated at the Escalation Rate from the Acquisition Implementation Date until the relevant date of settlement of the RBIH Options or the EMI Options, as the case may be (Option Implementation Date)), (the aggregate purchase consideration in respect of all of the relevant Option Shares, the Option Consideration).

The Option Consideration may be settled in cash (Option Cash Consideration) or Northam Holdings Shares, or a combination thereof, at Northam Holdings' election. Should Northam Holdings elect to settle all or a portion of the Option Consideration in Northam Holdings Shares, the number of Northam Holdings Shares shall be determined by dividing the relevant portion of the Option Consideration by the 5-Day VWAP at which a Northam Holdings Share trades on the JSE as at the immediately preceding trading date to the date on which the Call Option or Put Option, as the case may be, is exercised, rounded up to the nearest whole number..

These options are not considered dilutive as it would not result in the issue of Northam Holdings Shares for less than the average market price at the date of settlement.

Fully diluted headline earnings per share are based on the headline earnings and the average number of potential diluted shares in issue:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Earnings per share (cents)	2 614.9	2 681.8		
Fully diluted earnings per share (cents)	2 614.9	2 523.5		
Headline earnings per share (cents)	2 611.1	2 687.9		
Fully diluted headline earnings per share (cents)	2 611.1	2 529.2		
Dividends per share (cents)	–	–		
Weighted average number of shares in issue	376 533 113	349 875 759		
Fully diluted number of shares in issue	376 533 113	371 819 443		
Number of shares in issue including Treasury Shares	396 615 878	509 781 212		
Treasury Shares in issue	(6 378 355)	(159 905 453)		
Shares in issue adjusted for Treasury Shares	390 237 523	349 875 759		

Earnings per share is calculated by dividing the profit for the year attributable to shareholders by the weighted average number of Northam Holdings Shares in issue during the year ended 30 June 2022 and Northam Platinum Shares in issue during the year ended 30 June 2021.

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11. Property, plant and equipment

Property, plant and equipment balances for the group are made up as follows:

Group	Shafts, mining development and infrastructure R000	Metallurgical and refining plants R000	Land and buildings R000	General infrastructure including other assets R000	Decommis-sioning asset R000	Right-of-use assets R000	Assets under construction R000	Total R000
Cost								
Opening balance as at 1 July 2020	12 239 275	4 443 377	814 689	634 023	343 894	88 961	2 150 138	20 714 357
Reassessment of IFRS 16 Leases	–	–	–	–	–	9 487	–	9 487
Foreign currency translation movements	–	(5 546)	(26 270)	–	–	–	–	(31 816)
Additions	–	–	1 637	60 401	–	–	3 270 166	3 332 204
Transfer from assets under construction	1 902 425	325 459	41	65 565	–	–	(2 293 490)	–
Disposals and write-offs	(3 513)	(224)	(2 372)	(3 641)	–	–	–	(9 750)
Impairments	–	(80 953)	–	–	–	–	–	(80 953)
Present value of decommissioning asset capitalised (refer to note 28)	–	–	–	–	28 043	–	–	28 043
Borrowing costs capitalised	–	–	–	–	–	–	41 707	41 707
Closing cost as at 30 June 2021	14 138 187	4 682 113	787 725	756 348	371 937	98 448	3 168 521	24 003 279
Reassessment of IFRS 16 Leases	–	–	–	–	–	432	–	432
Foreign currency translation movements	–	3 014	17 258	–	–	–	–	20 272
Additions	12 000	–	12 969	–	–	–	4 545 254	4 570 223
Transfer from assets under construction	1 761 268	1 040 956	4 373	62 133	–	–	(2 868 730)	–
Disposals and write-offs	–	(2 296)	(1 923)	(26 846)	–	–	–	(31 065)
Present value of decommissioning asset capitalised (refer to note 28)	–	–	–	–	13 310	–	–	13 310
Borrowing costs capitalised	–	–	–	–	–	–	64 640	64 640
Closing cost as at 30 June 2022	15 911 455	5 723 787	820 402	791 635	385 247	98 880	4 909 685	28 641 091

Group	Shafts, mining development and infrastructure R000	Metallurgical and refining plants R000	Land and buildings R000	General infrastructure including other assets R000	Decommis-sioning asset R000	Right-of-use assets R000	Assets under construction R000	Total R000
Accumulated depreciation								
Opening balance as at 1 July 2020	(2 766 295)	(922 765)	(240 999)	(233 360)	(14 119)	(14 286)	–	(4 191 824)
Foreign currency translation movements	–	1 927	4 622	–	–	–	–	6 549
Depreciation	(510 925)	(163 519)	(23 721)	(47 735)	(1 567)	(13 100)	–	(760 567)
Disposals and write-offs	3 513	77	183	3 637	–	–	–	7 410
Impairments	–	51 296	–	–	–	–	–	51 296
Accumulated depreciation balance as at 30 June 2021	(3 273 707)	(1 032 984)	(259 915)	(277 458)	(15 686)	(27 386)	–	(4 887 136)
Foreign currency translation movements	–	(1 260)	(4 134)	–	–	–	–	(5 394)
Depreciation	(630 252)	(164 953)	(23 873)	(54 568)	(2 339)	(10 457)	–	(886 442)
Disposals and write-offs	–	1 718	1 458	21 552	–	–	–	24 728
Accumulated depreciation balance as at 30 June 2022	(3 903 959)	(1 197 479)	(286 464)	(310 474)	(18 025)	(37 843)	–	(5 754 244)
Net book value as at 30 June 2021	10 864 480	3 649 129	527 810	478 890	356 251	71 062	3 168 521	19 116 143
Net book value as at 30 June 2022	12 007 496	4 526 308	533 938	481 161	367 222	61 037	4 909 685	22 886 847

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.

There are no balances relating to property, plant and equipment included in Northam Platinum Holdings Limited company.

Significant judgements: Capitalisation of borrowing costs in terms of IAS 23 Borrowing costs

IAS 23 Borrowing costs requires borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset (whether or not the funds have been borrowed specifically). These borrowing costs are included in the cost of the asset and all other borrowing costs are recognised as an expense in the period in which they occur.

IAS 23 defines a qualifying asset as an asset that necessarily takes a substantial period of time to get ready for its intended use. IAS 23 does not define a substantial period of time and this will therefore require the exercise of judgement after considering the specific facts and circumstances. Northam regards an asset that normally takes 12 months or more to be ready for its intended use to be a qualifying asset.

On 26 June 2019, it was announced that mining operations at the Kukama shaft situated at Eland mine will commence in the following financial year (F2020). The development came after the successful conclusion of a feasibility study for the Kukama project. Therefore, the Kukama shaft has been designated as a qualifying asset.

Borrowing cost on the Kukama shaft has been capitalised at the cost of borrowings.

Borrowing costs were capitalised at the weighted average cost of borrowing of 7.24% (30 June 2021: 7.00%).

An amount of R64.6 million was capitalised during the year under review both in the Eland Platinum Proprietary Limited statutory entity as well as on consolidation (30 June 2021: R41.7 million). Refer to note 6, finance charges excluding Zambezi Preference Share dividends.

12. Mining properties and Mineral Resources

Group	Current production Mineral Reserves and Mineral Resources R000	Project Mineral Reserves and Mineral Resources R000	Total R000
Cost			
Opening balance as at 1 July 2020	2 026 164	5 028 056	7 054 220
Additions	–	–	–
Closing balance as at 30 June 2021	2 026 164	5 028 056	7 054 220
Reallocation between current and project Mineral Reserves and Mineral Resources	608 722	(608 722)	–
Disposal	(23 620)	–	(23 620)
Closing balance as at 30 June 2022	2 611 266	4 419 334	7 030 600
Accumulated depreciation			
Opening balance as at 1 July 2020	(390 795)	–	(390 795)
Depreciation	(83 919)	–	(83 919)
Closing balance as at 30 June 2021	(474 714)	–	(474 714)
Depreciation	(46 232)	–	(46 232)
Disposal	15 376	–	15 376
Closing balance as at 30 June 2022	(505 570)	–	(505 570)
Net book value as at 30 June 2021	1 551 450	5 028 056	6 579 506
Net book value as at 30 June 2022	2 105 696	4 419 334	6 525 030

There are no balances relating to mining properties and Mineral Resources included in Northam Platinum Holdings Limited company.

Significant judgements and estimates: Impairment of assets and assessment of cash generating units

The group assesses, at each reporting date, whether there are indications that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets then the recoverable amount is determined for the CGU. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment testing requires management to make significant judgements concerning the existence of impairment indicators, identification of CGUs and estimates of projected cash flows. Management's judgement is also required when assessing whether a previously-recognised impairment loss should be reversed.

In assessing recoverable values, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining recoverable values, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly-traded companies or other available fair value indicators.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans, using assumptions that an independent market participant may take into account. Cash flows are discounted by an appropriate discount rate to determine the net present value.

The group bases its impairment calculation on approved budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year, over the life of the mine.

The determined recoverable value is most sensitive to commodity prices, the US dollar exchange rate and the discount rate. Other judgements made by management include: total capital expenditure, operating costs, production levels, inflation factors and extent of life of mine.

The following key assumptions were made by management, which are based on management's interpretation of market forecast for the future.

		Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
Long-term real platinum price	USD/oz	1 537	1 398	–	–
Long-term real palladium price	USD/oz	1 537	2 249	–	–
Long-term real rhodium price	USD/oz	18 079	17 991	–	–
Long-term real gold price	USD/oz	1 537	1 529	–	–
Long-term real ruthenium price	USD/oz	542	342	–	–
Long-term real iridium price	USD/oz	4 068	5 397	–	–
Long-term real nickel price	USD/t	18 079	16 192	–	–
Long-term real copper price	USD/t	9 040	7 646	–	–
Long-term real chrome price	USD/t	163	135	–	–
Long-term real USD exchange rate	R/USD	R14.52	R14.36	–	–
Long-term real discount rate	%	11.34	10.00	–	–

All the above estimates are subject to risks and uncertainties including the achievement of mine plans, future commodity prices and exchange rates.

The following specific impairments were recognised during the current and previous year:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Impairments of property, plant and equipment (refer to notes 8 and 11)	–	29 657	–	–

The prior year impairment relates to cost associated with furnace 1 at the Zondereinde metallurgical complex which was rebuilt during the year under review.

Management also estimated the recoverable amount of Mineral Resources (based on the *in situ* 4E available ounces) outside the approved mine plans.

For those assets, the recoverable amount is calculated on a fair value less cost of disposal basis taking into account earlier binding sales agreements between market participants as well as the market capitalisation of PGM exploration companies relative to their resources base. Below is the value that has been attributed to the recoverable value of Mineral Resources:

		Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
4E *in situ* available ounce value	USD/oz	10.15	11.93	–	–

Based on the impairment assessment performed by management, the recoverable values for all CGU's are higher than their respective carrying values and therefore no impairment required. The impairment assessment included sensitivities of both 10% as well as a 20% decrease in either commodity prices or the US dollar exchange rates with no impairment required.

Significant judgements and estimates: Mineral Reserve and Mineral Resource estimates (life of mine)

The estimation of Mineral Reserves impacts depreciation and the recoverable value of assets.

Mineral Reserves are estimates of the amount of ore that can be economically and legally extracted from the group's mining properties. The group estimates its Mineral Resources based on information compiled by appropriately-qualified persons, relating to the size, depth, shape and metal tenor of the ore body. This requires complex geological judgements in interpretation. Consideration of economic factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs are then incorporated in the estimation of recoverable Mineral Reserves. Changes in the Mineral Reserves estimates may impact the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, recognition of deferred tax assets (if any) and depreciation and amortisation charges. The group estimates and reports Mineral Reserves in line with the principles contained in the South African Code for Reporting of Mineral Resources and Mineral Reserves of 2007, revised in 2016 (the SAMREC Code 2016).

Factors that impact the estimation of Mineral Reserves and Mineral Resources which may lead to variances between planned and achieved outcomes include the grade of Mineral Reserves, which may vary between estimations made and actual grade achieved:

- the grade of Mineral Reserves – deviation from the planned mining cut may result in the achieved grade varying from the grade of Mineral Reserves
- commodity prices, discount rates and foreign exchange rate estimations – variance in which may lead to different revenue outcomes; and
- operating, mining, processing and refining costs.

Cognisance is also given to the tenure of mining licenses relating to the operations when life of mine calculations are performed.

Refer to the Northam website, www.northam.co.za, for the group's Mineral Resources and Mineral Reserves statement as at 30 June 2022.

13. Interest in associates

The interest in associates is made up of the following two investments:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Royal Bafokeng Platinum Limited	17 688 771	–	17 447 897	–
SSG Holdings Proprietary Limited	–	68 231	–	–
	17 688 771	68 231	17 447 897	–

Investment in Royal Bafokeng Platinum Limited

In November 2021, Northam Holdings acquired 93 930 378 shares (Acquisition Shares) in Royal Bafokeng Platinum Limited (RBPlat), from a wholly owned subsidiary, Royal Bafokeng Investment Holding Company Proprietary Limited (RBIH), of Royal Bafokeng Holdings Proprietary Limited. RBPlat is a mid-tier PGM producer registered in the republic of South Africa and listed on the JSE (under ticker code: RBP).

The purchase consideration for the Acquisition Shares in RBPlat was settled by Northam Holdings through the issue of 34 399 725 Northam Holdings Shares to RBIH, with the balance of R8.6 billion settled in cash. R3.0 billion was paid upfront, R4.0 billion was deferred to, and settled on, 29 April 2022 (R4.2 billion including escalation at the Escalation Rate) and the remaining R1.6 billion is payable by no later than 30 September 2022, refer to note 35 for details on the Deferred Acquisition Consideration.

As a result of the above transaction, RBIH obtained a strategic 8.7% shareholding in Northam Holdings.

The Deferred Acquisition Consideration escalates, from the Acquisition Implementation Date (being 19 November 2021) until the date of payment of the relevant Deferred Acquisition Consideration, at a nominal annual rate of 12.0% compounded quarterly in arrears (Escalation Rate). Please refer to note 6 for the finance cost relating to the Deferred Acquisition Consideration.

Northam Holdings will be entitled, at its election, to settle the Deferred Acquisition Consideration earlier than the agreed upon dates.

Any amounts received by Northam Holdings in respect of any cash distribution declared and paid by RBPlat pertaining to the Acquisition Shares will be utilised to settle all or a part of the Deferred Acquisition Consideration that remains outstanding.

During the financial year Northam Holdings received a dividend of R536.2 million of which R502.5 million was applied towards settlement of the Deferred Acquisition Consideration (refer to note 35) in terms of the purchase agreement. A dividend of R245.5 million was declared subsequent to year end.

Subsequent to the initial interest acquired in RBPlat, a further 6 289 174 RBPlat shares were acquired during December 2021, for R1.0 billion, representing an additional 2.18% interest at that point in time.

In addition, a call and put option arrangement has been entered into with RBIH whereby Northam Holdings may increase its interest in RBPlat by 1 673 695 RBPlat Shares. The initial exercise price in respect of the call and put options is R135.00 per RBPlat Share (subject to escalation at the Escalation Rate). Any distributions received in respect of the RBPlat Shares which are subject to the options, will be deducted from the exercise price of the options.

Furthermore, Northam Holdings has entered into a call option arrangement with Emikaway (RF) Proprietary Limited (EMI) to acquire an additional 4 472 103 RBPlat Shares as well as a put option arrangement with EMI in respect of 1 891 342 RBPlat Shares. The agreement with EMI also caters for a right of first refusal (ROFR) in favour of Northam Holdings in respect of all the remaining RBPlat Shares held by EMI, representing 3 367 673 RBPlat Shares (ROFR Shares).

The salient terms of all put and call options with both RBIH and EMI are the same.

In terms of the ROFR, which remains in effect until 8 November 2024, if EMI wishes to dispose of all or a portion of the ROFR Shares (ROFR Offer Shares), it shall not be entitled to do so, nor shall it agree to do so, unless it first offers to sell the ROFR Offer Shares to Northam Holdings. The purchase consideration in respect of each ROFR Offer Share shall be determined with reference to the 5-Day volume weighted average price of an RBPlat Share on the date on which EMI offers the ROFR Offer Shares to Northam Holdings.

On 5 April 2022 RBPlat increased their issued stated capital by 1 317 879 shares from 289 016 546 shares in issue to 290 334 425 shares in issue. Previously Northam Holdings shareholding amounted to an interest of 34.68% and now represents an interest of 34.52% in RBPlat.

The acquisition is aligned with Northam's operational diversification strategy and resulted in Northam Holdings acquiring a significant and strategically beneficial interest in RBPlat, providing direct exposure to RBPlat's proven mining operations and well-understood shallow ore bodies, of which a significant portion is mechanised. The transaction also introduced further diversification to Northam's metal mix interests, given RBPlat's higher relative platinum contribution.

Below is a summary of the put and call options outstanding to acquire additional RBPlat Shares at the reporting period:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Number of RBPlat Shares	Number of RBPlat Shares	Number of RBPlat Shares	Number of RBPlat Shares
Put and call options with RBIH	1 673 695	–	1 673 695	–
Call options with EMI which includes the 1 891 342 put option shares	4 472 103	–	4 472 103	–
Right of first refusal (ROFR) in respect of RBPlat Shares held by EMI	3 367 673	–	3 367 673	–
Total number of potential additional RBPlat Shares that could be acquired by Northam Platinum Holdings Limited	9 513 471	–	9 513 471	–

As at 30 June 2022, Northam Holdings held 100 219 552 RBPlat Shares, with options and ROFR over a further 9 513 471 RBPlat Shares. If Northam were to acquire the option and ROFR shares, it would increase its shareholding in RBPlat from 34.52% to 37.80%.

Impairment testing was performed on the investment held in RBPlat. Impairment testing requires management to make significant judgements concerning the existence of impairment indicators and estimates of projected cash flows.

In assessing recoverable values, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans, using assumptions that an independent market participant may take into account. Cash flows are discounted by an appropriate discount rate to determine the net present value.

The group bases its impairment calculations on reasonable estimates based on publicly available information and market participant information.

The determined recoverable value is most sensitive to commodity prices, the US dollar exchange rate and the discount rate. Other judgements made by management include: total capital expenditure, operating costs, production levels, inflation factors and extent of life of mine. Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed its recoverable amount.

Based on the impairment assessment, the carrying value of the investment in RBPlat is less than the recoverable value and therefore no impairment required.

Investment in SSG Holdings Proprietary Limited

Interest in associates further comprise a 33.7% interest (June 2021: 33.7% interest) in SSG Holdings Proprietary Limited (SSG), a company registered in the Republic of South Africa. Northam owns 3 000 shares of the total of 8 900 issued shares of SSG Holdings Proprietary Limited.

SSG provides security, cleaning and facility services to the group.

The proportion of ownership interest is the same as the proportion of voting rights held on both these investments and the investments are considered significant and accounted for as associates.

The investment in SSG Holdings Proprietary Limited has been classified as non-current assets held for sale:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Interest in Associates: SSG Holdings Proprietary Limited	90 094	68 231	–	–
Transfer to non-current assets held for sale	(90 094)	–	–	–
	–	68 231	–	–

Refer to note 46, related parties, detailing all transactions between the group and SSG Holdings Proprietary Limited.

Significant judgement: Classification of non-current assets (or disposal groups) as held for sale

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

- For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.
- For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group)

An entity shall measure a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

The investment remains at carrying value, being the lower of the fair value less cost to sell and its carrying value.

The investment in SSG Holdings Proprietary Limited has been classified as a non-current assets held for sale, as the investment is available for immediate sale in its present condition and management believes that the sale is highly probable and is committed to a plan to sell the investment in SSG Holdings Proprietary Limited.

Below is a reconciliation of the interest in associates:

	Investment in Royal Bafokeng Platinum Limited	Interest in SSG Holdings Proprietary Limited	Total
	R000	R000	R000
Opening balance as at 1 July 2020	–	62 657	62 657
Share of earnings from associate	–	6 180	6 180
Dividends received	–	(606)	(606)
Closing balance as at 30 June 2021	–	68 231	68 231
Acquisition of investment in RBPlat	16 421 620	–	16 421 620
Additional investment in RBPlat	1 026 277	–	1 026 277
Amounts recognised in profit or loss: share of earnings from associates	893 954	22 469	916 423
Amounts recognised in profit or loss: amortisation of the at acquisition fair value uplift	(116 905)	–	(116 905)
Dividends received	(536 175)	(606)	(536 781)
Transfer to non-current assets held for sale	–	(90 094)	(90 094)
Closing balance as at 30 June 2022	17 688 771	–	17 688 771

The acquisition of the investment in RBPlat paid in cash as disclosed in the statement of cash flows relates to the original upfront R3.0 billion cash consideration, the additional investment of R1.0 billion purchased in the open market including Securities Transfer Taxes and legal and other fees paid as well as the settlement of a portion of the Deferred Acquisition Consideration in an amount of R4.2 billion.

Significant judgements and estimates: Share of earnings from RBPlat

Northam's share of earnings was calculated on a pro rata basis from the acquisition date being, 19 November 2021, taking into account subsequent purchases in December 2021 and the increase in RBPlat's issued stated capital in April 2022, resulting in Northam Holdings shareholding decreasing from 34.68% to 34.52% as at 30 June 2022.

The calculation was based on the earnings for the six months ended 31 December 2021 based on the RBPlat audited financial results for the year ended 31 December 2021 and the reviewed interim results for the period ended 30 June 2021, which were pro rata applied based on the number of days, to Northam Holding's investment from the Acquisition Implementation Date to 31 December 2021 as well as the earnings from the reviewed interim results for the period 1 January 2022 to 30 June 2022, based on the shareholding held.

Below is a reconciliation of the value in the investment in Royal Bafokeng Platinum Limited based on the equity method to the net asset value of the investment:

	30 June 2022 R000	30 June 2021 R000
Net asset value of Royal Bafokeng Platinum Limited	24 194 300	–
Northam's 34.52% share of net asset value	8 351 548	–
At acquisition fair value adjustment including goodwill	9 161 616	–
Subsequent fair value adjustment with the decrease in shareholding from 34.68% to 34.52% due to an increase in the number of shares in issue	115 742	–
Items accounted directly through equity	176 770	–
Amortisation of at acquisition fair value adjustments	(116 905)	–
Value of investment in associate based on the equity method of accounting	17 688 771	–

Significant judgements and estimates: Determination of the provisional fair value for the investment held in RBPlat

The provisional estimation of the fair value of the identifiable net assets acquired were determined on the expected discounted cash flows based on the life of mine of the two mining operations, Styldrift and BRPM.

The fair value of the contract liability which forms part of the streaming arrangement was measured separately.

The determination of fair value attributable to the investment in RBPlat at acquisition, was based on a provisional and preliminary assessment of information publicly available, whilst Northam seeks additional detailed information to include in the valuation.

The final fair value determination had not been concluded by the date the annual financial statements were approved for issue.

Below is a summary of the various call and put options, as well as the ROFR relating to RBPlat Shares:

	Call options	Put options	ROFR
Number of RBPlat Shares subject to the options with Royal Bafokeng Investment Holding Company Proprietary Limited (RBIH), a wholly owned subsidiary of Royal Bafokeng Holdings Proprietary Limited (RBH)	1 673 695 RBPlat Shares	1 673 695 RBPlat Shares	N/A
Commencement date	Acquisition Implementation Date, which is the Sale Settlement Date being 19 November 2021	6 months and 5 business days after the Acquisition Implementation Date being 26 May 2022	N/A
Expiry date	24 months after the Acquisition Implementation Date, being 20 November 2023	24 months after the Acquisition Implementation Date, being 20 November 2023	N/A
Option Consideration	Equal to R135.00 to be escalated at the Escalation Rate from the Sale Settlement Date until the relevant Option Settlement Date The Option Consideration shall be reduced by an amount equal to the amount of any distribution declared and made by RBPlat in respect of the relevant Option Shares between the signature date (being 8 November 2021) and the relevant Option Trade Date	Equal to R135.00 to be escalated at the Escalation Rate from the Sale Settlement Date until the relevant Option Settlement Date The Option Consideration shall be reduced by an amount equal to the amount of any distribution declared and made by RBPlat in respect of the relevant Option Shares between the signature date (being 8 November 2021) and the relevant Option Trade Date	N/A
Settlement	Northam Holdings Shares or cash or a combination thereof (at Northam's election)	Northam Holdings Shares or cash or a combination thereof (at Northam's election)	N/A
Number of RBPlat Shares subject to the options / ROFR with Emikaway (RF) Proprietary Limited, a wholly owned subsidiary of Royal Bafokeng Holdings Proprietary Limited (RBH)	4 472 103 RBPlat Shares	1 891 342 RBPlat Shares	3 367 673 RBPlat Shares
Commencement date	The period commencing on the later of (i) the Sale Settlement Date and the (ii) the signature date being 3 December 2021, of the EMI Option and ROFR Agreement	6 months and 5 business days after the Sale Settlement Date	From the signature date of the EMI Option and ROFR Agreement being 3 December 2021
Expiry date	24 months after the Sale Settlement Date, being 20 November 2023	24 months after the Sale Settlement Date, being 20 November 2023	36 months after the signature date of the Sale Agreement, being 8 November 2024
Option Consideration	Equal to R135.00 to be escalated at the Escalation Rate from the Sale Settlement Date until the relevant Option Settlement Date The Option Consideration shall be reduced by an amount equal to the amount of any distribution declared and made by RBPlat in respect of the relevant Option Shares between the signature date, being 3 December 2021 and the relevant Option Trade Date	Equal to R135.00 to be escalated at the Escalation Rate from the Sale Settlement Date until the relevant Option Settlement Date The Option Consideration shall be reduced by an amount equal to the amount of any distribution declared and made by the company in respect of the relevant Option Shares between the signature date, being 3 December 2021 and the relevant Option Trade Date	N/A
ROFR Consideration	N/A	N/A	The 5-Day VWAP on the date of the ROFR Offer Notice
Settlement	Northam Holdings Shares or cash or a combination thereof (at Northam's election)	Northam Holdings Shares or cash or a combination thereof (at Northam's election)	Cash

Below is a summary of the statement of profit or loss and other comprehensive income, together with the statement of financial position of Royal Bafokeng Platinum Limited, as detailed in their financial results and therefore disclosed at 100%. It must be noted that the results disclosed for RBPlat are for their respective reporting periods, even though Northam Holdings only acquired the investment in RBPlat during November and December 2021.

Statement of profit or loss and other comprehensive income of RBPlat*:

	Royal Bafokeng Platinum Limited 6 months ended 30 June 2022	Royal Bafokeng Platinum Limited Calculated 6 months ended 31 December 2021	Royal Bafokeng Platinum Limited 12 months ended 31 December 2021	Royal Bafokeng Platinum Limited 6 months ended 30 June 2021
	R000	R000	R000	R000
Revenue	8 173 400	6 844 400	16 428 700	9 584 300
Cost of sales	(5 401 200)	(5 214 500)	(9 637 300)	(4 422 800)
Gross profit	2 772 200	1 629 900	6 791 400	5 161 500
Other income	210 400	618 400	1 062 300	443 900
Other expenses	(42 200)	291 500	–	(291 500)
Administrative expenses	(189 100)	(197 800)	(363 100)	(165 300)
Impairment of assets	(18 000)	–	–	–
Finance income	172 300	136 600	255 100	118 500
Finance cost	(159 200)	(166 600)	(694 700)	(528 100)
Profit before tax	2 746 400	2 312 000	7 051 000	4 739 000
Income tax	(533 900)	(695 000)	(541 100)	153 900
Profit for the period/year	2 212 500	1 617 000	6 509 900	4 892 900
Other comprehensive income for the period/year	–	–	–	–
Total comprehensive income for the period/year	2 212 500	1 617 000	6 509 900	4 892 900

**RBPlat financial results are disclosed in R million, rounded to 1 decimal and therefore adjusted for disclosure.*

Statement of financial position of RBPlat*:

	Royal Bafokeng Platinum Limited 30 June 2022
	R000
Assets	
Non-current assets	23 578 600
Property, plant and equipment	16 889 000
Mining rights	5 120 100
Right-of-use assets	34 100
Environmental trust deposits and guarantee investments	287 700
Employee housing loan receivable	931 800
Employee housing benefit	256 400
Housing insurance investment	59 500
Current assets	12 193 700
Employee housing loan receivable	7 900
Employee housing benefit	21 400
Employee housing asset	481 000
Inventories	703 300
Trade and other receivables	5 671 600
Current tax receivable	394 700
Non-current assets held for sale	30 000
Cash and cash equivalents	4 883 800
Total assets	35 772 300
Equity and liabilities	
Total equity	24 194 300
Stated capital	12 504 900
Retained earnings	11 662 100
Share-based payment reserve	27 300
Non-current liabilities	9 563 800
Deferred tax liability	5 623 800
PIC housing facility	1 462 700
Deferred revenue	1 897 800
Restoration, rehabilitation and other provisions	254 000
Share-based payment liability	299 500
Lease liabilities	26 000
Current liabilities	2 014 200
Trade and other payables	1 297 900
Current portion of PIC housing facility	50 000
Current portion of deferred revenue	220 200
Current portion of share-based payment liability	436 700
Current portion of lease liabilities	9 400
Total equity and liabilities	35 772 300

**RBPlat financial results are disclosed in R million, rounded to 1 decimal and therefore adjusted for disclosure.*

Below is a reconciliation of the value in the investment in SSG Holdings Proprietary Limited based on the equity method to the net asset value of the investment:

	30 June 2022 R000	30 June 2021 R000
Net asset value of SSG Holdings Proprietary Limited	166 824	101 963
Northam's 33.7% share of net asset value	56 233	34 370
Impact of the adoption of IFRS 9	451	451
At acquisition fair value adjustment	10 717	10 717
Subsequent fair value adjustment with the increase in shareholding from 20% to 30% and the conversion of a loan to an equity investment	10 549	10 549
Fair value adjustment with the cancellation of 11% of issued shares in SSG Holdings Proprietary Limited, increasing Northam's investment from 30% to 33.7%	12 144	12 144
Value of investment in associate based on the equity method of accounting	90 094	68 231

Below is a summary of the statement of profit or loss and other comprehensive income of the associate, as detailed in their respective accounting records and therefore disclosed at 100%.

Statement of profit or loss and other comprehensive income of SSG Holdings Proprietary Limited:

	SSG Holdings Proprietary Limited 30 June 2022 R000	SSG Holdings Proprietary Limited 30 June 2021 R000
Revenue	1 162 723	891 595
Cost of sales	(86 859)	(55 186)
Gross profit	1 075 864	836 409
Other income	15 271	4 331
Operating expense	(1 005 440)	(817 684)
Operating profit	85 695	23 056
Investment revenue	–	43
Finance costs	(5 502)	(6 774)
Profit before taxation	80 193	16 325
Taxation	(13 533)	2 009
Total comprehensive income for the year	66 660	18 334

Statement of financial position of SSG Holdings Proprietary Limited:

	SSG Holdings Proprietary Limited 30 June 2022 R000	SSG Holdings Proprietary Limited 30 June 2021 R000
Assets		
Non-current assets	116 156	88 552
Property, plant and equipment	97 683	70 763
Goodwill	2 000	2 500
Deferred tax asset	16 473	15 289
Current assets	234 931	210 252
Inventory	13 618	10 961
Trade and other receivables	194 095	186 531
Current tax receivable	3 919	4 382
Cash and cash equivalents	23 299	8 378
Total assets	351 087	298 804
Equity and liabilities		
Total equity	166 824	101 963
Non-current liabilities	45 499	41 345
Finance lease liabilities	18 829	22 026
Other financial liabilities	26 670	19 217
Deferred tax	–	102
Current liabilities	138 764	155 496
Trade and other payables	116 634	92 615
Finance lease liabilities	18 125	24 346
Current tax payable	687	118
Bank overdraft	3 318	38 417
Total equity and liabilities	351 087	298 804

14. Investment in subsidiaries

	Company	
	30 June 2022	30 June 2021
	R000	R000
Northam Platinum Limited	8 198 063	–
	8 198 063	–

Northam Holdings was introduced as the new holding company for the group by way of a share exchange implemented on a one for one basis in terms of which Northam Shareholders exchanged their Northam Shares for Northam Holdings Shares.

As detailed in the combined circular to Shareholders of Northam, accompanied by the prospectus in respect of Northam Holdings, both dated Monday, 31 May 2021 (collectively, the Transaction Documents) and the announcement published on SENS on 20 September 2021, the Northam Scheme (as defined therein) was implemented on 20 September 2021, in terms of which, *inter alia*, Northam Holdings acquired all of the Northam Shares in issue (excluding Treasury Shares) by way of a share for share transaction and Northam became a subsidiary of Northam Holdings.

Users of the annual financial statements are referred to the Transaction Documents for additional information relating to the Composite Transaction in order to obtain full information of the nature and impact of the Composite Transaction.

15. Land and township development

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Balance at the beginning of the year	69 032	75 967	–	–
Acquisitions				
Costs incurred with regards to Norplats Properties Proprietary Limited	484	–	–	–
Disposals				
Portion 22 of the farm Leeukopje, Northam extension 10	–	(501)	–	–
Phelobontle, Mogwase units	–	(488)	–	–
Norplats Properties Proprietary Limited units	(345)	(959)	–	–
Lydenburg units	(11 741)	(6 453)	–	–
Development				
Construction of 69 units on portion 22 of the farm Leeukopje, Northam extension 10	–	(141)	–	–
Town planning portion 4 & 9 of the farm Koedoesdoorns	32 317	711	–	–
Refurbishments of Phelobontle Mogwase	–	4	–	–
Construction at extension 78 & 79 Lydenburg	1 190	892	–	–
Write off of damaged units relating to Norplats Properties Proprietary Limited	(739)	–	–	–
Balance at the end of the year	90 198	69 032	–	–

These properties have been acquired in order to assist the group’s employees to acquire affordable housing.

16. Long-term receivables

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Long-term receivables with regards to suspensive sale agreements	43 732	53 027	–	–
Interest free home loans	58 738	45 461	–	–
Total long-term receivables	102 470	98 488	–	–
Current portion of suspensive sale agreements (refer to note 22)	(6 057)	(5 761)	–	–
Current portion of interest free home loans (refer to note 22)	(10 620)	(9 566)	–	–
Long-term portion of long-term receivables	85 793	83 161	–	–

Long-term receivables comprise balances due by employees in respect of Northam's employee home ownership scheme under suspensive sale agreements and interest free home loans provided to qualifying employees.

The suspensive sale agreement loans to the employees bear interest at South African prime interest rate and are repayable over 15 years. In terms of the agreements, employees enjoy the full benefits of home ownership, and at such time as the loan is paid off, the title to the house will be transferred to the employees.

Interest free home loans are non-interest bearing loans provided to qualifying employees. These loans provided to qualifying employees are based on a portion of the value of the property acquired by the employee and are repayable over a maximum of 20 years from grant date. The average remaining repayment period is approximately 14 years. Furthermore, these loans are secured by a second bond over the residential properties.

As at 30 June 2022 there was R4.1 million, R1.5 million relating to the suspensive sale agreements and R2.6 million relating to the interest-free home loans (30 June 2021: R3.5 million, R2.5 million relating to the suspensive sale agreements and R1.0 million relating to the interest-free home loans) worth of long-term receivables which were impaired and fully provided for.

The table below summarises the payment terms of the company and group's long-term receivables:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Current portion	16 677	15 327	–	–
Due within 1 – 5 years	47 181	47 109	–	–
Due within 5 – 10 years	20 480	22 797	–	–
More than 10 years	18 132	13 255	–	–
	102 470	98 488	–	–

The current interest free home loans are neither in default nor impaired. Monthly instalments relating to the interest free home loans are deducted from employees' salaries on a monthly basis. Should an employee resign, the interest free home loan needs to be settled in full and any amounts still be recovered from former employees have been provided for in full.

With regards to the suspensive sale agreements the table below summarises the age analysis of these suspensive sale agreements:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Neither in default nor impaired	43 732	53 027	–	–
	43 732	53 027	–	–

All amounts in default have been impaired and therefore fully provided for.

There are no balances relating to long-term receivables relating to Northam Platinum Holdings Limited, and all company balances are therefore zero.

Significant judgements and estimates – Long-term receivables and the Expected Credit Losses (ECL)

An assessment of the ECL relating to long-term receivables is undertaken in terms of the requirements of IFRS 9 Financial Instruments at every reporting period. The balance of outstanding long-term receivables relating to the suspensive sale agreements are examined and the expected amounts which are considered to be unrecoverable based on the impairment policy of the group is provided for in full.

For all suspensive sale agreements, legal title to the houses remain with the group until full and final payment has been made. The houses therefore serve as security for these loans. In most instances the value of the security is more than the value of the outstanding loan balance relating to the suspensive sale agreements.

The following specific judgements and estimates are applied by management in determining the potential impairment:

Suspensive sale agreements

- All overdue amounts as at the end of the reporting period are provided for in full. These are included in stage 2 of the impairment assessment model based on the general approach.
- The suspensive sale agreement balances are tested for impairment in accordance with IFRS 9 Financial Instruments, taking into account the security held in the form of the title to the houses.
- Any suspensive sale agreements which were handed over to the group's lawyers for legal processing, in stage 3, take into account the market value of the houses being higher than the outstanding balances of these defaulted loans, when calculating the ECL.

Interest free home loans

- No amounts relating to the current interest free home loans have been provided for as they are not in default nor impaired and with no historical impairment on these loans. There has been no significant deterioration in credit quality and the probability of default has been assessed as minimal.
- Should an employee resign, the interest free home loan needs to be settled in full. For these employees, the outstanding amounts are provided for in full until the payment arrangement has been completed. These loans are secured by a second bond over the property and the probability of default has been assessed as minimal.
- Interest-free home loan repayments are deducted from employees' salaries on a monthly basis and are secured with a second mortgage bond over the property.

The volatility of prevailing interest rates and the corresponding impact on the recoverability of long-term receivables should be considered as part of the determination of ECL.

Interest-free home loan repayments are deducted from employees' salaries on a monthly basis and are secured with a second mortgage bond over the property. In the event of an employee resigning, any outstanding balance is required to be settled in full.

All overdue amounts are provided for in terms of IFRS 9 Financial Instruments at the end of every reporting period and amounts recognised as receivables are those amounts still estimated to be recoverable.

17. Investments held by Northam Platinum Restoration Trust Fund

The group contributed to a dedicated environmental restoration trust fund to provide for the estimated decommissioning and environmental restoration cost at the end of the various operations' lives.

The balance of the fund comprises:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Balance at the beginning of the year	136 030	128 732	–	–
Income earned during the year	6 556	7 298	–	–
Balance at the end of the year	142 586	136 030	–	–

This investment, which mainly consist of cash, is separately administered and the group's right of access to these funds is restricted. The investment is managed by Stanlib Collective Investments (RF) Limited, and is made up of a fixed number of units which trades at specific values as noted below.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Stanlib Balanced Fund R	2 206	2 277	–	–
Stanlib Income Fund B2	99 156	92 529	–	–
Stanlib Institutional Money Market Fund B3	41 224	41 224	–	–
Balance at the end of the year	142 586	136 030	–	–

The Northam Platinum Restoration Trust Fund was established in 1996 to assist the group in making financial provision for the environmental rehabilitation in terms of the Minerals and Petroleum Resources Development Act, No. 28 of 2002, upon cessation of its mining operations.

Below is the accrued interest relating to the investment held by Northam Platinum Restoration Trust Fund which was included in Trade and other receivables (refer to note 22).

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Accrued interest relating to the Northam Platinum Restoration Trust Fund	1 621	1 294	–	–
	1 621	1 294	–	–

For details with regards to the rehabilitation and decommissioning liability provision, refer to note 28.

There are no balances relating to the Northam Platinum Restoration Trust Fund for Northam Platinum Holdings Limited, and all company balances are therefore zero.

18. Environmental guarantee investment

The investment held with regards to the environmental guarantee investment was issued in terms of guarantees relating to the group's environmental liability. The investment as noted below has been provided as security for guarantees issued.

The balance of the fund comprises:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Balance at the beginning of the year	60 707	62 953	–	–
Cancellation of previous policy	–	(32 482)	–	–
Contributions made during the year	36 670	32 482	–	–
Income earned during the year (net of fees) (refer to note 7)	3 005	2 773	–	–
Guarantee fees (refer to note 8)	(6 526)	(4 901)	–	–
Other	(642)	(118)	–	–
Balance at the end of the year	93 214	60 707	–	–

The annual contribution payable with regards to the environmental guarantee investment is calculated as 5% of the total environmental guarantees in issue, which amounted to R733.4 million as at 30 June 2022.

The assets, which mainly consist of cash, are separately administered and the group's right of access to these funds is restricted.

This investment is managed by Guardrisk Insurance Company Limited and Centriq Insurance Company Limited.

There are no environmental guarantees in issue relating to Northam Platinum Holdings Limited, and therefore no balance relating to company.

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 and Energy in terms of The South African National Environmental Management Act, No.107 of 1998 (NEMA).

The environmental obligation will be financed, other than the amounts already covered by the investment held through the Northam Platinum Restoration Trust Fund, 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 procures 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 environmental guarantees issued:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Northam Platinum Limited (Zondereinde)				
GR/G/20396/0312/0031	31 000	31 000	–	–
GR/G/20396/0314/0165	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	28 807	–	–
GR/G/20396/0618/0544	11 543	11 543	–	–
CQ/G/30381/0920/010	36 305	36 305	–	–
CQ/G/30381/1020/011	46 260	46 260	–	–
CQ/G/30381/0921/013	272	–	–	–
Total guarantees relating to Northam Platinum Limited (Zondereinde)	225 187	224 915	–	–
Booysendal Platinum Proprietary Limited				
GR/G/20396/0311/0011	65 900	65 900	–	–
GR/G/20396/0315/0232	25 000	25 000	–	–
GR/G/20396/0417/0434	1 908	1 908	–	–
GR/G/20396/0517/0459	2 085	2 085	–	–
GR/G/02396/0618/0535	2 267	2 267	–	–
GR/G/02396/0618/0536	1 267	1 267	–	–
CQ/G/30381/0621/012	64 044	64 044	–	–
GR/G/20396/0421/0791	61 065	61 065	–	–
GR/G/20396/0222/0865	24 439	–	–	–
Total guarantees relating to Booysendal Platinum Proprietary Limited	247 975	223 536	–	–
Eland Platinum Proprietary Limited				
CQ/G/30381/01181/004	129 545	129 545	–	–
CQ/G/30381/0118/005	31 096	31 096	–	–
CQ/G/30381/0919/006	2 200	2 200	–	–
CQ/G/30381/1119/007	5 359	5 359	–	–
CQ/G/30381/1119/008	1 559	1 559	–	–
CQ/G/30381/0120/009	302	302	–	–
CQ/G/30381/1021/014	90 179	–	–	–
Total guarantees relating to Eland Platinum Proprietary Limited	260 240	170 061	–	–
Total environmental guarantees in issue	733 402	618 512	–	–

19. Buttonshope Conservancy Trust

The balance of the fund comprises:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Balance at the beginning of the year	16 067	15 850	–	–
Contributions received from Booysendal Platinum Proprietary Limited	1 000	525	–	–
Interest received during the year	665	670	–	–
Accrued interest received	6	10	–	–
Fair value adjustments	7	70	–	–
Less expenditure paid during the year	(1 533)	(1 058)	–	–
Acquisition of land and buildings	(4 969)	–	–	–
Balance at the end of the year	11 243	16 067	–	–

The Buttonshope Conservancy Trust was established as a conservancy trust by Northam Platinum, with the principal objective of engaging in the conservation, rehabilitation and/or protection of the natural environment, including flora, fauna and the biosphere as well as promoting the establishment of, and education and training programmes relating to, environmental awareness, greening, clean-up and/or sustainable development projects in respect of Portion 1 of the Farm Buttonshope 51, Registration Division JT, Mpumalanga Province. The aforementioned property is owned by Booysendal Platinum Proprietary Limited, a subsidiary of Northam Platinum. An initial contribution of R10.0 million was made by Booysendal Platinum Proprietary Limited in terms of the trust agreement.

Funds of R1.0 million (30 June 2021: R0.4 million) are invested with Standard Bank Limited in a call account and R10.2 million (30 June 2021: R15.7 million) is held in an extra income fund with Stanlib Collective Investments (RF) Limited.

This investment is managed by Stanlib Collective Investments (RF) Limited, and is made up of a fixed number of units which trades at specific values. The assets of the trust which mainly consist of cash, are separately administered and the group's right of access to these funds is restricted.

Previously, Booysendal Platinum Proprietary Limited donated a fixed amount of R400 000 per annum, with effect from F2016, regardless of the operational performance with a fixed increase of R25 000 per annum. During the current financial year at the request of the Buttonshope trustees, management agreed to increase the annual contribution to an amount of R1.0 million per annum (30 June 2021: R525 000), which will increase by R50 000 annually.

All land management costs are carried by Booysendal Platinum Proprietary Limited, refer to sundry expenditure for costs incurred with regards to land management (refer to note 8).

20. Subsidiary loans

	Company	
	30 June 2022	30 June 2021
	R000	R000
Payable to Northam Platinum Limited	(10 334 718)	–
Total subsidiary loans	(10 334 718)	–

This is a loan from Northam Platinum. Northam Platinum currently funds all operating and investing activities of Northam Holdings. The loan is unsecured and no interest is charged on the outstanding balance. Northam Platinum reserves the right to charge interest at prevailing market rates on any loan balance.

The loan is repayable on demand.

21. Inventories

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Metals on hand and in transit				
Platinum	1 024 004	979 466	–	–
Palladium	1 364 556	1 346 094	–	–
Rhodium	3 868 988	3 756 999	–	–
Gold	37 425	27 618	–	–
Total metal inventory at the lower of cost and net realisable value	6 294 973	6 110 177	–	–
Less non-current metal inventories	(1 441 035)	(1 195 863)	–	–
Current metal inventory at the lower of cost and net realisable value	4 853 938	4 914 314	–	–
Consumable at the lower of cost and net realisable value	306 332	230 276	–	–
Total current inventory at the lower of cost and net realisable value	5 160 270	5 144 590	–	–

Below are the ounces available at the reporting date:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	oz	oz	oz	oz
Metal inventory quantities on hand and in transit				
Platinum	177 064	176 767	–	–
Palladium	115 335	91 509	–	–
Rhodium	55 420	40 224	–	–
Gold	5 318	4 111	–	–
4E	353 137	312 611	–	–

The metals above include ore stockpiles, in process metals as well as finished goods.

Below is a breakdown of inventory disclosed as own production, purchased material and classified as non-current inventory:

Group	Own production 30 June 2022 R000	Purchased material 30 June 2022 R000	Total metal inventories 30 June 2022 R000	Non-current metal inventories 30 June 2022 R000	Current metal inventories 30 June 2022 R000
Platinum	742 104	281 900	1 024 004	(246 644)	777 360
Palladium	824 985	539 571	1 364 556	(522 948)	841 608
Rhodium	3 098 504	770 484	3 868 988	(662 970)	3 206 018
Gold	35 257	2 168	37 425	(8 473)	28 952
Total metal inventory	4 700 850	1 594 123	6 294 973	(1 441 035)	4 853 938

Group	Own production 30 June 2021 R000	Purchased material 30 June 2021 R000	Total metal inventories 30 June 2021 R000	Non-current metal inventories 30 June 2021 R000	Current metal inventories 30 June 2021 R000
Platinum	754 273	225 193	979 466	(206 448)	773 018
Palladium	810 090	536 004	1 346 094	(476 799)	869 295
Rhodium	3 061 347	695 652	3 756 999	(506 875)	3 250 124
Gold	26 730	888	27 618	(5 741)	21 877
Total metal inventory	4 652 440	1 457 737	6 110 177	(1 195 863)	4 914 314

Group	Own production 30 June 2022 R000	Purchased material 30 June 2022 R000	Total metal inventories 30 June 2022 R000
Change in metal inventory for the year*	48 410	136 386	184 796

**The difference between the change in metal inventory for the year and what has been disclosed in the statement of profit or loss relates to foreign exchange movements for inventory held by the US recycling operations.*

Group	Own production 30 June 2021 R000	Purchased material 30 June 2021 R000	Total metal inventories 30 June 2021 R000
Change in metal inventory for the year*	1 293 413	614 806	1 908 219

**The difference between the change in metal inventory for the year and what has been disclosed in the statement of profit or loss relates to foreign exchange movements for inventory held by the US recycling operations.*

There are no balances relating to inventory included in Northam Platinum Holdings Limited company.

Below is a breakdown of inventory disclosed as own production, purchased material and classified as non-current inventory:

Group	Own production 30 June 2022 oz	Purchased material 30 June 2022 oz	Total metal inventories 30 June 2022 oz	Non-current metal inventories 30 June 2022 oz	Current metal inventories 30 June 2022 oz
Platinum	154 606	22 458	177 064	(39 500)	137 564
Palladium	97 343	17 992	115 335	(30 902)	84 433
Rhodium	50 956	4 464	55 420	(10 860)	44 560
Gold	5 237	81	5 318	(1 481)	3 837
4E	308 142	44 995	353 137	(82 743)	270 394

Group	Own production 30 June 2021 oz	Purchased material 30 June 2021 oz	Total metal inventories 30 June 2021 oz	Non-current metal inventories 30 June 2021 oz	Current metal inventories 30 June 2021 oz
Platinum	158 078	18 689	176 767	(23 201)	153 566
Palladium	74 125	17 384	91 509	(19 087)	72 422
Rhodium	36 471	3 753	40 224	(5 462)	34 762
Gold	4 068	43	4 111	(1 053)	3 058
4E	272 742	39 869	312 611	(48 803)	263 808

There are no balances relating to inventory disclosed as own production, purchased material and classified as non-current inventory included in Northam Platinum Holdings Limited company.

Metal inventory quantities on hand is allocated as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	oz	oz	oz	oz
Non-current inventory	82 743	48 803	–	–
Ore stockpile inventory	15 553	17 170	–	–
Concentrate in process	16 394	40 822	–	–
Concentrate and other surface sources before the smelter	35 873	70 303	–	–
Recycling material	1 581	3 943	–	–
Smelter inventory	96 684	60 033	–	–
Base metal removal plant inventory	6 001	9 585	–	–
Precious metal refinery inventory	96 006	60 151	–	–
Finished product inventory on hand	2 302	1 801	–	–
4E	353 137	312 611	–	–

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 cost of sales is an amount of R424.2 million (30 June 2021: R137.6 million) relating to the write down to net realisable value. Inventory to the value of R499.6 million (30 June 2021: R373.0 million) is disclosed at net realisable value.

No inventories are encumbered.

Significant estimates: Net realisable value and measurement of inventory

Work in progress metal inventory is valued at the lower of net realisable value and the average cost of production less net revenue from sales of by-products in the ratio of the contribution of these metals to gross sales revenue. Production costs are allocated to platinum, palladium, rhodium and gold (joint products) by dividing the mine output into total mine production costs, determined on a six-month average basis except for concentrates and ore purchased which are recognised at the cost at which it is purchased. The quantity of ounces of joint products in work in progress is calculated based on the following factors: Theoretical inventory is calculated by adding the inputs to the previous physical inventory and then deducting the outputs for the inventory period. The inputs and outputs include estimates due to the delay in finalising analytical values. The estimates are subsequently trued up to the final metal accounting quantities when available. The theoretical inventory is then converted to a refined equivalent inventory by applying appropriate recoveries depending on where the material is within the production pipeline. The recoveries are based on actual results as determined by the inventory count and are in line with industry standards.

The nature of the production process inherently limits the ability to precisely measure recoverability levels. As a result, the metallurgical balancing process is monitored on an ongoing basis and the variables used in the process are refined based on actual results over time.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained 4E ounces is based on assay data, and the estimated recovery percentage is based on the expected processing method. Stockpile tonnages are also verified by independent third-party surveyors.

Non-current inventory is determined as inventory that will not be sold within the next 12 months.

Below is a summary of the commodity prices and exchange rate used to determine the net realisable value of inventories:

		Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
Platinum price	USD/oz	926	1 077	–	–
Palladium price	USD/oz	1 890	2 623	–	–
Rhodium price	USD/oz	13 775	20 275	–	–
Gold price	USD/oz	1 831	1 776	–	–
Closing exchange rate at year-end	ZAR/USD	R16.28	R14.28	–	–

The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average over a number of periods or seasons under normal circumstances, taking into account the loss of capacity resulting from planned maintenance. The actual level of production may be used if it approximates normal capacity. The amount of fixed overheads allocated to each unit of production is not increased as a consequence of low production or an idle plant. Unallocated overheads are recognised as an expense in the period in which they are incurred.

Inventory is required to be assessed at each reporting period for possible write downs due to net realisable values being lower than the costs allocated to inventory.

Net realisable value tests represent the expected selling prices which are based on prevailing market prices, less estimated costs to complete production and to bring the product to sale.

All inventory is accounted for at the lower of cost and net realisable value.

All net realisable value adjustments have been disclosed.

22. Trade and other receivables

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Trade receivables	95 424	44 618	–	–
Provisional pricing receivables	896 582	166 111	–	–
Accrued dividends and interest on cash and cash equivalents	11 723	17 862	3	–
Prepayments	73 831	2 522	2 815	–
Deposits	5 395	9 195	–	–
South African Revenue Service – Value Added Tax	385 842	677 059	–	–
South African Revenue Service - amounts receivable relating to the Mineral and Petroleum Resources Royalty	263 267	71 326	–	–
Current portion of suspensive sale agreements (refer to note 16)	6 057	5 761	–	–
Current portion of interest free home loans to employees (refer to note 16)	10 620	9 566	–	–
Strategic Partner Advances (refer to related parties note 46)	–	391 522	–	–
Other	27 636	19 388	–	–
	1 776 377	1 414 930	2 818	–

Trade receivables are unsecured, non-interest bearing and are generally on 30 to 60-day terms except for most of the Platinum Group Metals debtors of refined metal who have payment terms of between 2 to 5 days. Other Platinum Group Metals debtors have a provisional quotation period payment terms of four months after month of delivery. Trade and other receivables to the value of R Nil was provided for or impaired during the current financial year (30 June 2021: R Nil).

Prepayments relate mainly to amounts prepaid on machinery and equipment.

Trade receivables and provisional pricing receivables are made up as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Platinum Group Metal receivables	24 929	12 701	–	–
Chrome receivables	70 495	31 917	–	–
Total trade receivables	95 424	44 618	–	–

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Platinum Group Metals provisional receivable	323 766	–	–	–
Nickel provisional receivable	153 940	65 945	–	–
Chrome provisional receivable	418 876	100 166	–	–
Total provisional pricing receivables	896 582	166 111	–	–

Provisional pricing Platinum Group Metals debtors have a provisional quotation period payment terms of four months after month of delivery. Chrome provisional receivables are settled within 45 days from date of delivery and nickel provisional receivables are settled within 60 days from date of delivery.

The exposure to foreign currency denominated balances included in trade receivables as at the reporting year was as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
US dollars (USD000)	26 605	952	–	–
USD closing exchange rate*	R16.28	R14.28	–	–
Trade and other receivables denominated in USD (R000)	433 124	13 588	–	–

**Rounded to the nearest cent.*

The table below summarises the maturity profile of the group's trade and other receivables:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Current portion	763 887	447 379	3	–
30 to 60 days	392 958	442 728	–	–
60 to 90 days	406 832	402 082	–	–
More than 90 days*	212 700	122 741	2 815	–
	1 776 377	1 414 930	2 818	–

**Management considers these amounts to be fully recoverable as they are within the agreed payment terms.*

The table below summarises the ageing of the group's South African Revenue Service – Value Added Tax receivable balance:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Current portion	328 038	315 149	–	–
30 to 60 days	18 367	315 669	–	–
60 to 90 days	15	2 873	–	–
More than 90 days*	39 422	43 368	–	–
	385 842	677 059	–	–

**Management considers these amounts to be fully recoverable.*

Trade and other receivables and advances by country are as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
South Africa	1 758 376	1 401 342	2 818	–
United Kingdom	–	–	–	–
Germany	3 906	12 701	–	–
France	–	–	–	–
Japan	–	–	–	–
United States of America	14 095	887	–	–
	1 776 377	1 414 930	2 818	–

Base metal and chrome provisional pricing receivables

Base metal and chrome sales allow for price adjustments based on the market price at the end of the relevant quotational period stipulated in the sales agreements. These are referred to as provisional pricing arrangements and are such that the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after delivery to the customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the quotational period. The period between provisional invoicing and the end of the quotational period can be between one and four months.

Provisional pricing receivables are non-interest bearing, but are exposed to future commodity price movements over the quotational period and are measured at fair value up until the date of settlement. Provisional pricing receivables are initially measured at the amount which the group expects to be entitled, being the estimate of the price expected to be received at the end of the quotational period.

The full value of the provisional invoice relating to chrome sales is received in cash a month after delivery. Any negative movement in the chrome price could therefore result in amounts required to be refunded to the customer (refer to note 37 and 38).

For all base metal sales, payment is only due after the end of the quotational period.

Platinum Group Metals provisional pricing receivables

As a result of an agreement entered into during the year under review, the group now sells Platinum Group Metal concentrate from the Booysendal mine under terms containing provisional pricing features.

The salient features of the agreement contains payment terms calculated with reference to a Price Index (PI) based on ruling market prices over the month in which concentrate is delivered to the counterparty. The calculated PI is applied against assayed 4E content from delivered concentrate, and with a contractually-agreed fixed percentage being applied in respect of assayed base metals content from delivered concentrate. Where assayed results are not yet available in respect of delivered concentrate, an estimate of 4E content and base metals included in concentrate delivered during a particular month is made. The calculated USD-denominated purchase price (receivable from the counterparty) is converted in applying the average exchange rate over the month prior to the month of payment.

The concentrate purchase price calculated (with reference to the above) is payable four months following the month during which concentrate for which payment is due was delivered.

Significant estimate: Trade receivables and Expected Credit Losses (ECL)

The group applies the simplified approach in calculating ECLs and therefore recognises a loss allowance based on the financial asset’s lifetime ECL at each reporting date. The group considered historical loss experiences, adjusted for forward looking factors that could indicate impairments taking into account the specific debtor and economic environment.

The bulk of Platinum Group Metal debtors have payment terms of between 2 to 5 days with no historical defaults on these debtors and all outstanding balances as at the reporting period have subsequently been received.

Base metal and chrome debtor balances are held with only a limited number of selected premium customers and are generally on 30 to 60-day terms with no historical defaults.

Trade receivables have been assessed for ECLs, and the effect is considered to be negligible due to the group's history of recovery of these balances; as well as the credit rating of the customers that these balances are held with.

The assessment of the correlation between historical observed recovery rates, forecast economic conditions and ECLs is an estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future.

Increased uncertainty in financial markets and the economy as a whole, has increased the risk of default on all financial assets, including trade and other receivables.

The group trades only with recognised, creditworthy third parties. It is the group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an ongoing basis with the result that the group’s exposure to bad debts is not significant.

Sales are only made to customers with an appropriate credit history. PGM, base metal and chrome debtors in total comprise a number of customers, dispersed across different geographical areas.

There is no material concentration of credit risk associated with trade and other receivables.

A detailed assessment was performed to confirm the recoverability of trade and other receivables at the reporting period and all balances are considered recoverable.

23. Cash and cash equivalents

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Cash at bank and on hand	847 295	1 418 859	720	–
Restricted cash	249 103	96 031	–	–
Short-term deposits	78 827	2 362 318	–	–
Cash and cash equivalents	1 175 225	3 877 208	720	–
Less amount utilised under the general banking facility	–	–	–	–
Cash and cash equivalents as per the statement of cash flows	1 175 225	3 877 208	720	–

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 cash and cash equivalents was 4.30% (30 June 2021: 4.23%).

For the purposes of the statement of cash flows, cash and cash equivalents comprise the cash and cash equivalents balance and amounts utilised under the general banking facility. All short-term deposits are immediately available.

Restricted cash is made up of the following amounts:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Deposit held relating to an electricity supply agreement with Eskom Holdings SOC Limited	23 000	23 000	–	–
Northam Employees' Trust	89 080	36 695	–	–
Northam Zondereinde Community Trust	67 991	20 915	–	–
Northam Booysendal Community Trust	68 508	14 912	–	–
Zambezi Platinum (RF) Limited	524	509	–	–
	249 103	96 031	–	–

Restricted cash includes a deposit held of R23.0 million (30 June 2021: R23.0 million) relating to an electricity supply agreement between Northam Platinum and Eskom Holdings SOC Limited. Restricted cash also includes money ring-fenced for the benefit of the Northam Employees' Trust, the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and Zambezi which may only be utilised in terms of the various Trust Deeds and the Zambezi Memorandum of Incorporation (MOI).

The exposure to foreign currency denominated balances included in cash and cash equivalents as at 30 June were as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
US dollars (USD000)	51 414	95 969	–	–
USD closing exchange rate*	R16.28	R14.28	–	–
Cash and cash equivalents denominated in USD (R000)	836 999	1 369 962	–	–

Rounded to the nearest cent.

Also refer to note 45 for the fair value and financial risk disclosure.

General banking facility

The group has secured a general banking facility (GBF), i.e. overdraft facility, of R1.0 billion (30 June 2021: R1.0 billion). The GBF accrues interest at the South African prime interest rate less 1.75% (30 June 2021: South African prime interest rate less 1.75%) and is payable on a 90-day notice period.

Commitment fees are payable on the GBF amounting to 0.55% per annum (30 June 2021: 0.55%) on the unutilised portion of the facility.

Below is a summary of the available GBF.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Total facility	1 000 000	1 000 000	–	–
Amount utilised at year-end	–	–	–	–
Available facility at year-end	1 000 000	1 000 000	–	–

The GBF is utilised as an overdraft facility as and when required for working capital requirements, and therefore, considered as part of cash and cash equivalents, as an overdraft facility.

The group's utilised and available facilities are listed below:

	Total facility	Utilised amount	Available facility	Interest rate	Repayment date
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	R000	R000	R000		
Domestic Medium-Term Notes* (refer to note 31)	15 000 000	(11 256 837)	3 743 163	Various	Various
Revolving credit facility (refer to note 34)	4 000 000	(1 450 000)	2 550 000	JIBAR plus 2.55% − 2.95%	September 2024
General banking facility	1 000 000	−	1 000 000	Prime less 1.75%	90-day notice
Bridge facility (refer to note 36)	3 000 000	(3 000 000)	−	JIBAR plus 2.00%	December 2022
	23 000 000	(15 706 837)	7 293 163		

**Uncommitted but approved by the board of directors.*

	Total facility	Utilised amount	Available facility	Interest rate	Repayment date
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
	R000	R000	R000		
Domestic Medium-Term Notes* (refer to note 31)	15 000 000	(7 754 023)	7 245 977	Various	Various
Revolving credit facility (refer to note 34)	4 000 000	–	4 000 000	JIBAR plus 2.55% - 2.95%	September 2024
General banking facility	1 000 000	–	1 000 000	Prime less 1.75%	90-day notice
	20 000 000	(7 754 023)	12 245 977		

**Uncommitted but approved by the board of directors.*

The group has the following secured loans at the financial reporting date:

Domestic Medium-Term Note Programme (DMTN Programme)

Northam Platinum established a DMTN Programme pursuant to a Programme Memorandum dated 3 August 2012 (the Previous Programme Memorandum), in terms of which Northam Platinum may, from time to time, issue Notes.

Northam Platinum updated the Previous Programme Memorandum to, *inter alia*, align with the latest regulations (including amendments to the Debt Listings Requirements), including more recent information pertaining to Northam Platinum and incorporating Booysendal Platinum Proprietary Limited as guarantor (Amended and Restated Programme Memorandum).

The Programme Amount in terms of the provisions of the DMTN Programme amounts to R15.0 billion.

The Amended and Restated Programme Memorandum applies to all Notes issued under the DMTN Programme on or after the Programme Date and will, in respect of such Notes, supersede and replace the Previous Programme Memorandum in its entirety.

For the avoidance of doubt, subject to all applicable laws, the Previous Programme Memorandum will remain applicable to all Notes in issue prior to 29 October 2020 (Programme Date).

Refer to note 31 for more details on the issued DMTNs.

Revolving credit facility (RCF)

Northam Platinum has a R4.0 billion (30 June 2021: R4.0 billion) 5-year RCF available with Nedbank Limited which matures on 5 September 2024.

The RCF is subject to financial covenant compliance which is monitored on an ongoing basis.

The Net Debt to Equity Ratio financial covenant, for the Measurement Periods ending 31 December 2021 and 30 June 2022 was waived by Nedbank, taking into account the impact of the Composite Transaction and the consequential reduction in equity through the share buybacks.

None of the various covenant requirements have been breached or are close to being breached. It is not believed that the group is currently at risk of breaching any of the covenant requirements.

Refer to note 34 for details on the RCF, together with all utilisations and repayments during the year under review.

General banking facility (GBF)

Northam Platinum also has a GBF, i.e. an overdraft facility, of R1.0 billion (30 June 2021: R1.0 billion). The GBF accrues interest at the South African prime interest rate less 1.75% and is payable on demand with a 90-day notice period.

Bridge facility

Northam Platinum has secured a R3.0 billion Bridge facility with Nedbank Limited with an initial term of six months, subject to two extension options, each for an extension period of 3 months which would extend the final maturity period to December 2022. The facility accrues interest at JIBAR plus 200 basis points.

Refer to note 36 for details on the Bridge facility.

24. Other financial assets

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Options relating to RBPlat Shares	41 013	–	41 013	–
	41 013	–	41 013	–

A call and put option arrangement has been entered into with RBIH whereby Northam may increase its interest in RBPlat by 1 673 695 RBPlat Shares. The exercise price in respect of the put and call options is R135.00 per RBPlat Share (subject to escalation at the Escalation Rate).

The exercise price in respect of the abovementioned put and call options will escalate, from the Acquisition Implementation Date (being 19 November 2021) until the Option Settlement Date at a nominal annual rate of 12.0% compounded quarterly in arrears (Escalation Rate). Any distributions received in respect of the RBPlat Shares which are subject to the options, will be deducted from the exercise price of the options.

At year-end the exercise price including the Escalation Rate amounted to R145.18 less dividends received to the value of R5.35, therefore resulting in a net exercise price of R139.83.

Furthermore, Northam Holdings has entered into a call option arrangement with EMI to acquire an additional 4 472 103 RBPlat Shares as well as a put option arrangement with EMI in respect of 1 891 342 RBPlat Shares. The terms pertaining to the call and put options with EMI are the same as those with RBIH.

Also refer to note 13 for details of the terms and conditions regarding the various call and put options.

25. Stated capital

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Number of shares	Number of shares	Number of shares	Number of shares
Authorised stated capital				
2 000 000 000 stated capital at no par value				
Issued stated capital				
Issued stated capital	396 615 878	509 781 212	396 615 878	1
Treasury Shares	(6 378 355)	(159 905 453)	–	–
	390 237 523	349 875 759	396 615 878	1

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Issued stated capital	13 476 322	13 778 114	13 476 322	*
Treasury Shares	(1 214 949)	(6 556 123)	–	–
	12 261 373	7 221 991	13 476 322	*

**The stated capital amounts to R1, therefore less than R1 000.*

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Reconciliation of both the number of shares in issue as well as the Rand value of stated capital net of Treasury Shares:

Below is a reconciliation of the movement in the number of Northam Shares that were in issue following completion of the early maturity of the Zambezi BEE Transaction and the Revised Accumulated Dividends Settlement, following which the Northam Scheme was implemented.

	Total number of Northam Platinum Shares in issue	Northam Treasury Shares	Northam Platinum Shares outstanding (net of Treasury Shares)
	Number of Northam Platinum Shares	Number of Northam Platinum Shares	Number of Northam Platinum Shares
Number of Northam Platinum Shares as at 1 July 2021	509 781 212	159 905 453	349 875 759
Revised Accumulated Dividends Settlement	(57 054 413)	(57 054 413)	–
Repurchase to facilitate Zambezi with the settlement of taxes, fees and Advances	(34 248 891)	(34 248 891)	–
Distribution to Zambezi Ordinary Shareholders	–	(27 561 210)	27 561 210
Repurchased from the ESOP to facilitate the settlement of taxes	(649 754)	–	(649 754)
Number of Northam Platinum Shares outstanding pre the Northam Scheme	417 828 154	41 040 939	376 787 215
Implementation of the Northam Scheme whereby Northam Platinum Shares were acquired by way of a share for share transaction	(376 787 215)	–	(376 787 215)
	41 040 939	41 040 939	–

Below is a reconciliation of the movement in the number of Northam Holdings Shares following the implementation of the Northam Scheme and the issue of additional shares to acquire 93 930 378 shares in RBPlat.

	Total number of Northam Holdings Shares in issue	Northam Holdings Treasury Shares	Northam Holdings Shares outstanding (net of Treasury Shares)
	Number of Northam Holdings Shares	Number of Northam Holdings Shares	Number of Northam Holdings Shares
Number of Northam Holdings Shares as at 1 July 2021	1	–	1
Implementation of the Northam Scheme whereby Northam Platinum Shares were acquired by way of a share for share transaction	376 787 215	–	376 787 215
Northam Holdings Share held by Northam Platinum Limited transferred to Treasury Shares	–	1	(1)
Net Value Share Distribution made to the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the ESOP recognised as Treasury Shares	–	6 378 354	(6 378 354)
Northam Holdings Shares repurchased from the Strategic Partners and cancelled	(14 571 063)	–	(14 571 063)
Northam Holdings Shares issued pursuant to the purchase of 93 930 378 shares in RBPlat (refer to note 13)	34 399 725	–	34 399 725
	396 615 878	6 378 355	390 237 523

Below is a reconciliation of the movement in the Northam Platinum stated capital and Treasury Shares that were in issue following completion of the early maturity of the Zambezi BEE Transaction and the Revised Accumulated Dividends Settlement, following which the Northam Scheme was implemented.

	Stated capital of Northam Platinum	Northam Treasury Shares	Northam Platinum stated capital (net of Treasury Shares)
	R000	R000	R000
Value of Northam Platinum stated capital and Treasury Shares as at 1 July 2021	13 778 114	(6 556 123)	7 221 991
Revised Accumulated Dividends Settlement	(2 339 231)	2 339 231	–
Repurchase to assist Zambezi with the settlement of taxes, fees and Advances	(1 404 204)	1 404 204	–
Securities Transfer Tax deducted from equity	(15 858)	–	(15 858)
Distribution to Zambezi Ordinary Shareholders	–	1 130 009	1 130 009
Repurchased from the ESOP to facilitate the settlement of taxes	(137 735)	–	(137 735)
Securities Transfer Tax deducted from equity	(344)	–	(344)
Value of stated capital and Treasury Shares pre the Northam Scheme	9 880 742	(1 682 679)	8 198 063
Implementation of the Northam Scheme whereby Northam Platinum Shares were acquired by way of a share for share transaction	(8 198 063)	–	(8 198 063)
	1 682 679	(1 682 679)	–

Below is a reconciliation of the movement in the Northam Holdings stated capital and Treasury Shares following the implementation of the Northam Scheme and the issue of additional shares to acquire an initial investment in RBPlat.

	Stated capital of Northam Holdings	Northam Holdings Treasury Shares	Northam Holdings stated capital (net of Treasury Shares)
	R000	R000	R000
Value of stated capital of Northam Holdings Shares as at 1 July 2021	*	–	*
Implementation of the Northam Scheme whereby Northam Platinum Shares were acquired by way of a share for share transaction	8 198 063	–	8 198 063
Northam Holdings Share held by Northam Platinum Limited transferred to Treasury Shares	–	*	*
Net Value Share Distribution made to the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the ESOP recognised as Treasury Shares	–	(1 214 949)	(1 214 949)
Reorganisation reserve net of Treasury Shares	8 198 063	(1 214 949)	6 983 114
Northam Holdings Shares repurchased from the Strategic Partners and cancelled	(2 408 451)	–	(2 408 451)
Securities Transfer Tax deducted from equity	(6 444)	–	(6 444)
Northam Holdings Shares issued pursuant to the purchase of 93 930 378 shares in RBPlat (refer to note 13)	7 693 154	–	7 693 154
	13 476 322	(1 214 949)	12 261 373

**The stated capital amounts to R1.00, therefore less than R1 000.*

Impact of the Composite Transaction on the number of shares in issue

As part of the Composite Transaction, Northam Platinum repurchased Northam Platinum Shares held by Zambezi in order to enable settlement of the Zambezi Preference Shares and to facilitate, amongst other things, the settlement of Zambezi's tax liability arising from the Composite Transaction. Additionally, Northam Platinum repurchased Northam Platinum Shares received by the ESOP pursuant to the Net Value Distribution.

	Number of shares
Number of Northam Platinum Shares held by Zambezi as at 1 July 2021	159 905 453
Zambezi settled the Revised Accumulated Dividends relating to the Zambezi Preference Shares through a repurchase by Northam Platinum of 57 054 413 Northam Platinum Shares held by Zambezi, valued at R160 per Northam Platinum Share	(57 054 413)
Northam Platinum repurchased 34 248 891 Northam Platinum Shares in aggregate from Zambezi valued at R152 per share in order to enable settlement of, amongst other things, the Zambezi tax liability arising from the Composite Transaction (29 294 695 Northam Platinum Shares) and various fees (4 954 196 Northam Platinum Shares) together with the settlement of the Strategic Partner Advances	(34 248 891)
Zambezi will settle the capital value of the 159 905 453 Zambezi Preference Shares through a repurchase by Northam Platinum of 40 975 772 Northam Platinum Shares held by Zambezi, valued at R160 per Northam Platinum Share	(40 975 772)
Remaining Northam Platinum Shares distributed to Zambezi Ordinary Shareholders pursuant to the Net Value Share Distribution	27 626 377
Northam Platinum repurchased 649 754 Northam Platinum Shares in aggregate from the ESOP valued at the 30-Day VWAP on the repurchase date per share (R211.98) in order to facilitate the tax liability associated with the Distribution of Northam Shares to the ESOP pursuant to the Net Value Distribution	(649 754)
Northam Platinum repurchases 65 167 Northam Platinum Shares in aggregate from Zambezi Ordinary Shareholders valued at the 30-Day VWAP on the Repurchase Date (R214.17) per share in order to facilitate the tax liability associated with the Distribution of Northam Platinum Shares pursuant to the Net Value Distribution	(65 167)
Residual Northam Platinum Shares distributed to Zambezi Ordinary Shareholders pursuant to the Net Value Share Distribution	26 911 456

Below is a reconciliation of the Northam Shares held by the Zambezi Ordinary Shareholders pursuant to the Net Value Share Distribution:

	Number of shares
Atisa Platinum (RF) Proprietary Limited	3 527 835
Malundi Resources (RF) Proprietary Limited	3 527 835
Mpilo Platinum (RF) Proprietary Limited	8 213 241
Zambezi Platinum Women's SPV (RF) Proprietary Limited	5 264 191
The Northam Employee Trust	1 996 122
The Northam Booysendal Community Trust	2 191 116
The Northam Zondereinde Community Trusts	2 191 116
Residual Northam Shares distributed to Zambezi Ordinary Shareholders pursuant to the Net Value Share Distribution	26 911 456

The Net Value Share Distribution made to the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the ESOP will continue to be treated as Treasury Shares.

26. Equity-settled share-based payment reserve

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Equity-settled share-based payment reserve	–	874 448	–	–
	–	874 448	–	–

The Zambezi BEE Transaction constituted a share-based payment as defined which was classified as an equity-settled share-based payment to be delivered after the 10-year Lock-in period. IFRS 2 requires equity-settled transactions to be accounted for at the fair value at grant date, defined as the date at which the entity and other party agree to a share-based payment arrangement, being the date when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement.

There were no vesting conditions attached to the BEE equity that were held by the BEE participants. This resulted in the full share-based payment in respect of the Zambezi BEE Transaction being incurred on day one of the Zambezi BEE Transaction.

There were no new equity-settled share-based payment transactions during the current or previous financial year.

As part of the Composite Transaction, the Net Value Distribution resulted in the derecognition of the R874.4 million balance in the equity settled share-based payment reserve, originally recognised pursuant to the Zambezi BEE Transaction, with the movement recognised in retained earnings.

27. Deferred tax asset and liability

The principal components of the deferred tax asset and liability are as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Deferred tax assets				
Employee benefits relating to leave pay and bonus	337 284	331 538	–	–
Decommissioning and environmental restoration provisions	259 575	227 569	–	–
Share-based payment liability	199 239	319 964	–	–
Metal inventory	709 168	905 788	–	–
Deferred income	9 621	15 494	–	–
Lease liability	20 059	22 749	–	–
Other	3 412	2 100	–	–
Calculated capital and tax losses	64 009	–	–	–
	1 602 367	1 825 202	–	–
Deferred tax liabilities				
Property, plant and equipment	(5 384 034)	(4 872 383)	–	–
Depreciation component included in metals on hand and in transit	(56 520)	(53 367)	–	–
Restoration Trust Fund	(38 498)	(38 088)	–	–
Section 24C allowances in respect of long-term receivables	(2 573)	(3 021)	–	–
	(5 481 625)	(4 966 859)	–	–
Net deferred tax liability	(3 879 258)	(3 141 657)	–	–

There are no deferred tax balances relating to Northam Platinum Holdings Limited.

The net deferred tax liability is made up as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Deferred tax asset	142 799	39 905	–	–
Deferred tax liability	(4 022 057)	(3 181 562)	–	–
Net deferred tax liability	(3 879 258)	(3 141 657)	–	–

The charge in the deferred tax balance is reconciled as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Net deferred tax liability at the beginning of the year	(3 141 657)	(2 177 317)	–	–
Charge for the year (refer to note 9)	(737 601)	(964 340)	–	–
Employee benefits	5 746	140 882	–	–
Decommissioning and environmental restoration provisions	32 006	126 038	–	–
Share-based payment liabilities	(120 725)	171 071	–	–
Metal inventory	(196 620)	734 099	–	–
Deferred income	(5 873)	(6 657)	–	–
Lease liability	(2 690)	175	–	–
Other	1 312	44	–	–
Calculated capital and tax losses	64 009	–	–	–
Property, plant and equipment	(511 651)	(2 100 287)	–	–
Depreciation component included in metals on hand and in transit	(3 153)	(28 228)	–	–
Restoration Trust Fund	(410)	(2 044)	–	–
Section 24C allowance in respect of long-term receivables	448	567	–	–
			–	–
Net deferred tax liability	(3 879 258)	(3 141 657)	–	–

On 23 February 2022, the South African Minister of Finance confirmed that the corporate tax rate reductions announced in the 2021 budget speech would become effective for companies from the year of assessment ending on or after 31 March 2023. This would change the corporate tax rate from 28.0% to 27.0%.

IAS 12.46 requires current tax liabilities and assets for the current and prior periods to be measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year. Likewise, IAS 12.47 states that deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year.

Significant judgements: Utilisation of a deferred tax asset

The group offsets deferred tax assets and liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, dividends and other capital management transactions). To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Estimation is required to determine whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require the assessment of the likelihood that sufficient taxable earnings will be generated in future periods, in order to utilise recognised deferred tax assets.

The utilisation of a deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences.

The updated approved mine plan and board approved budget, which takes into account the impact of Maroelabult on the mine development, has confirmed that Eland will generate sufficient taxable profit to utilise against a deferred tax asset.

An agreement to purchase Maroelabult mine from Barplats Mines Proprietary Limited, a subsidiary of Eastern Platinum Limited, was entered into during F2020. An application for transfer of the mining rights was granted in January of this year. Maroelabult lies immediately west of Kukama shaft and its inclusion in the Eland mining right will have several synergistic benefits generating sufficient taxable profits, justifying the deferred tax asset.

It is therefore believed based on the latest forecasts and budget that Eland Platinum Proprietary Limited will generate sufficient taxable profits to utilise the deferred tax asset in the foreseeable future.

Accordingly, a deferred tax asset of R142.8 million (30 June 2021: R39.9 million) was raised.

This position will be assessed continuously.

28. Long-term provisions

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Balance at the beginning of the year	812 747	729 327	–	–
Change in estimate relating to the decommissioning costs (refer to note 11)	13 310	28 043	–	–
Change in estimate relating to restoration costs (refer to note 4)	65 438	(7 346)	–	–
Unwinding of discount (refer to note 6)	69 896	62 723	–	–
Total rehabilitation and decommissioning liability provision	961 391	812 747	–	–

Below is a breakdown of the long-term provision:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Provision for decommissioning costs				
Balance at the beginning of the year	581 170	509 325	–	–
Change in estimate relating to the decommissioning costs (refer to note 11)	13 310	28 043	–	–
Unwinding of discount (refer to note 6)	49 981	43 802	–	–
Total provision for decommissioning costs	644 461	581 170	–	–
Provision for restoration costs				
Balance at the beginning of the year	231 577	220 002	–	–
Change in estimate relating to restoration costs (refer to note 4)	65 438	(7 346)	–	–
Unwinding of discount (refer to note 6)	19 915	18 921	–	–
Total provision for restoration costs	316 930	231 577	–	–
Total rehabilitation and decommissioning liability provision	961 391	812 747	–	–

The long-term provision is made up of the provision relating to the rehabilitation and decommissioning liability of:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Northam Platinum Limited (Zondereinde operation)	200 395	168 557	–	–
Booysendal Platinum Proprietary Limited (Booysendal operation)	263 041	236 545	–	–
Eland Platinum Proprietary Limited (Eland operation)	497 955	407 645	–	–
Total rehabilitation and decommissioning liability provision	961 391	812 747	–	–

On an annual basis, at year-end, a third party expert is engaged to determine the decommissioning and restoration liability for each of the operations within the group.

The significant increase in the total rehabilitation and decommissioning liability for Eland Platinum Proprietary Limited, relate to the rehabilitation liability raised for Maroelabult.

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

	Zondereinde (Northam Platinum Limited)	Booysendal Platinum Proprietary Limited	Eland Platinum Proprietary Limited	Total
	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	R000	R000	R000	R000
Provision for decommissioning costs				
Balance at the beginning of the year	117 090	141 129	322 951	581 170
Change in estimate relating to the decommissioning costs	12 200	3 131	(2 021)	13 310
Unwinding of discount	10 070	12 137	27 774	49 981
Total provision for decommissioning costs	139 360	156 397	348 704	644 461
Provision for restoration costs				
Balance at the beginning of the year	51 467	95 416	84 694	231 577
Change in estimate relating to restoration costs	5 142	3 022	57 274	65 438
Unwinding of discount	4 426	8 206	7 283	19 915
Total provision for restoration costs	61 035	106 644	149 251	316 930
Total rehabilitation and decommissioning liability provision	200 395	263 041	497 955	961 391

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

	Zondereinde (Northam Platinum Limited)	Booysendal Platinum Proprietary Limited	Eland Platinum Proprietary Limited	Total
	30 June 2021	30 June 2021	30 June 2021	30 June 2021
	R000	R000	R000	R000
Provision for decommissioning costs				
Balance at the beginning of the year	93 732	120 789	294 804	509 325
Change in estimate relating to the decommissioning costs	15 297	9 952	2 794	28 043
Unwinding of discount	8 061	10 388	25 353	43 802
Total provision for decommissioning costs	117 090	141 129	322 951	581 170
Provision for restoration costs				
Balance at the beginning of the year	55 560	92 529	71 913	220 002
Change in estimate relating to restoration costs	(8 871)	(5 071)	6 596	(7 346)
Unwinding of discount	4 778	7 958	6 185	18 921
Total provision for restoration costs	51 467	95 416	84 694	231 577
Total rehabilitation and decommissioning liability provision	168 557	236 545	407 645	812 747

At the reporting date the net (overfunded)/unfunded future obligations were as follows, based on the current Department of Mineral Resources and Energy (DMRE) requirements per operation:

	Zondereinde (Northam Platinum Limited)	Booysendal Platinum Proprietary Limited	Eland Platinum Proprietary Limited	Total
	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	R000	R000	R000	R000
Undiscounted obligation based on the Department of Mineral Resources and Energy, including Value Added Tax	269 079	262 219	297 342	828 640
Less funds held by Northam Platinum Restoration Trust Fund (refer to note 17)	(71 293)	(71 293)	–	(142 586)
Less environmental guarantees (refer to note 18)	(225 187)	(247 975)	(260 240)	(733 402)
Total (overfunded)/unfunded current rehabilitation obligation in terms of current legislation	(27 401)	(57 049)	37 102	(47 348)

	Zondereinde (Northam Platinum Limited)	Booysendal Platinum Proprietary Limited	Eland Platinum Proprietary Limited	Total
	30 June 2021	30 June 2021	30 June 2021	30 June 2021
	R000	R000	R000	R000
Undiscounted obligation based on the Department of Mineral Resources and Energy, including Value Added Tax	245 959	248 972	200 444	695 375
Less funds held by Northam Platinum Restoration Trust Fund (refer to note 17)	(68 015)	(68 015)	–	(136 030)
Less environmental guarantees (refer to note 18)	(224 915)	(223 536)	(170 061)	(618 512)
Total (overfunded)/unfunded current rehabilitation obligation in terms of current legislation	(46 971)	(42 579)	30 383	(59 167)

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 and Energy in terms of the South African National Environmental Management Act, No. 107 of 1998 (NEMA).

The environmental obligation will be financed, other than the amounts already covered by the investment held through the Northam Platinum Restoration Trust Fund, 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 procures 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.

Refer to note 17 and 18 for further details on the Northam Platinum Restoration Trust Fund as well as the various environmental guarantees issued.

Significant judgements and estimates: Determination of the rehabilitation and decommissioning liabilities of the group

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

NEMA, as well as the MPRDA, which apply to all prospecting and mining operations, require that operations are carried out in accordance with generally accepted principles of sustainable development. It is a NEMA requirement that an applicant for a mining right must make prescribed financial provisions for the rehabilitation or management of negative environmental impacts, which must be reviewed annually.

In terms of NEMA, mining operations are required to make financial provisions for decommissioning and restoration costs that will be incurred upon the cessation of mining activities.

The group makes full provision for the future commercial cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. The restoration and decommissioning provision represents the present value of rehabilitation and decommissioning costs relating to mine sites, which are expected to be incurred once mining seizes. These provisions are based on assessments prepared by an independent third-party expert, SRK Consulting (South Africa) Proprietary Limited, with the Principal Scientist being James Lake Pr Sci Nat, Msc (Geochemistry).

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 DMRE published rates. Management believes using commercial closure cost assessments more accurately reflects the potential future costs and therefore the liability. The commercial closure costs assessment is significantly more than what the liability would have been should the current published DMRE rates have been applied.

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

The present value of the environmental restoration obligation was determined by applying a pre-tax discount rate of 8.6% (30 June 2021: 8.6%) and a long-term inflation rate of 6.0% (30 June 2021: 6.0%) over the remaining life of the various mines.

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions which would affect future financial results. 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.

On 20 November 2015, NEMA Financial Provisioning (FP) Regulations, 2015 (2015 FP Regulations) were promulgated, resulting in significant changes from the requirements contained in the MPRDA.

The 2015 FP Regulations were immediately applicable to applicants for a prospecting right, mining permit, mining right, exploration right or production right (i.e. new applicants). In terms of the 2015 FP Regulations transitional provisions, holders of a right or permit were able to elect to comply either within three months of their financial year-end or 15 months from promulgation of the 2015 FP Regulations. Due to an outcry from the minerals industry around the practical implications of complying within such a limited timeframe, holders of a right or permit were initially granted an extended transitional period of 39 months from the 2015 FP Regulations date of promulgation to comply.

The Environmental Minister published her intention to repeal the 2015 FP Regulations and publish the proposed 2021 Draft FP Regulations, being the third set of draft FP Regulations published since the 2015 FP Regulations. The 2021 Draft FP Regulations have not been enacted into law. It is envisaged that the final FP Regulations, based largely on the 2021 Draft FP Regulations, will be published shortly. This will also require publication of the NEMLAA IV Act, to *inter alia* align NEMA with the FP Regulations.

The FP regulatory framework has been subject to severe criticism and significant resistance since the promulgation of the 2015 FP Regulations. Following *ad hoc* amendments, extensions of the prescribed transitional period and becoming the subject of judicial challenge, the Department of Forestry, Fisheries and the Environment proposed an overhaul of the FP regime with the publication of the 2017 Draft FP Regulations. The 2017 Draft FP Regulations were viewed as more reasonable, however were never enacted.

With a sector facing various extensive regulatory hurdles and uncertainty under the 2015 FP Regulations, promulgation of a final set of regulations was deemed as a priority at the time of publication of the 2017 Draft FP Regulations. Despite this, the 2019 Draft FP Regulations were only published for comment at the end of May 2019 and the 2021 Draft FP Regulations, the third attempt at overhauling the FP regime, were only published on 27 August 2021.

The fifth itineration of the draft NEMA FP Regulations were published by the Department of Forestry Fisheries and Environment on 11 July 2022 for a 45 days commenting period.

The group will comply with the relevant FP Regulations when required to do so.

29. Long-term loans

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Security of supply contribution	35 633	55 337	–	–
Heraeus Deutschland GmbH & Co. KG	49 169	92 662	–	–
Accrued interest on the Lock-in Fees payable	–	–	–	–
Total long-term loans	84 802	147 999	–	–
Current portion of security of supply contribution	(7 501)	(19 704)	–	–
Current portion of Heraeus Deutschland GmbH & Co. KG	–	(14 100)	–	–
Current portion of accrued interest on the Lock-in Fee payable	–	–	–	–
Long-term portion	77 301	114 195	–	–

The security of supply contribution relates to amounts received to guarantee the supply of future product. These amounts will be recognised over the guaranteed supply period, which commenced during the 2017 financial year.

No further amounts will be received with regards to the security of supply contributions. Amounts previously received were once-off arrangements between the group and the customer.

In terms of an agreement entered into with 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 smelter furnace, in the 2016 financial year.

During the current year, the development and research cost of R9.4 million was waived by Heraeus Deutschland GmbH & Co. KG. The amount was reduced to R4.7million for the previous financial year. The annual payment of R9.4 million as per the original agreement will only resume from 30 June 2026.

Also refer to note 6 and note 7 for the impact of the changes to the Heraeus Deutschland GmbH & Co. KG liability.

Below is a reconciliation of the Heraeus Deutschland GmbH & Co. KG liability:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Opening balance	92 662	79 896	–	–
Profit on modification of the agreement terms relating to the research and development liability with Heraeus Deutschland GmbH & Co. KG (refer to note 7)	(43 493)	–	–	–
Unwinding of the research and development liability (refer to note 6)	–	12 766	–	–
Payment made	–	–	–	–
Closing balance Heraeus Deutschland GmbH & Co. KG liability	49 169	92 662	–	–

No payments have been made during the current year or during the previous year.

There were no outstanding long-term loans relating to Northam Platinum Holdings Limited.

Lock-in Fees payable

Pursuant to the Relevant Zambezi Shareholder Transaction Agreements, each of the Relevant Zambezi Shareholders, *inter alia*, agreed that until 17 May 2025, provided that the Relevant Zambezi Shareholder has not disposed of or encumbered any or all of the Northam Platinum Shares received by it in terms of the Net Value Share Distribution (Relevant Northam Shares), or the Northam Holdings Shares received by it in terms of the Northam Scheme (Relevant Northam Holdings Shares) or any other Northam Holdings Shares acquired by it from any other Zambezi Ordinary Shareholder, to any person other than to Northam Platinum or Northam Holdings, or their respective nominees or another Zambezi Ordinary Shareholder (Permitted Persons), then a proportionate amount of the Proportionate Lock-in Fee Repayment Amount (as such term is defined in the Circular) pursuant to the Net Value Cash Distribution plus interest accrued thereon (Proportionate Lock-in Fee Release Amount) would be released and paid to the Relevant Zambezi Shareholder annually.

Alternatively, should the Relevant Zambezi Shareholder dispose of or encumber any or all of the Relevant Northam Shares or the Relevant Northam Holdings Shares or any other Northam Holdings Shares acquired by it from any other Zambezi Ordinary Shareholder, to a person which is not a Permitted Person, defined as a Disposal Event, including the transfer of all or any rights making up such a share to any other person for his/her benefit and/or for the benefit of others, whether such a transfer is effected pursuant to a sale, cession, assignment, alienation, amalgamation, merger, exchange, donation, renunciation, surrender, waiver, relinquishment, unbundling, vesting, collar structure, scrip lending, Distribution in specie or otherwise, then such Relevant Zambezi Shareholder shall be obliged to repay to Northam Platinum the Proportionate Lock-in Fee Repayment Amount (less the aggregate Proportionate Lock-in Fee Release Amount) and will forfeit any interest accrued thereon, and a corresponding portion of such Relevant Zambezi Shareholder's entitlement to the Proportionate Lock-in Fee Amount pursuant to the Net Value Cash Distribution will be utilised to settle such repayment obligation by the Relevant Zambezi Shareholder.

Lock-in Fees payable represents the Lock-in Fees payable to the remaining Strategic Partners. The Lock-in Fees payable resulted from the Composite Transaction implemented during the year under review, and represents the balance outstanding relating to the Strategic Partners at the year-end remaining for the Northam Platinum Shares repurchased as part of the Composite Transaction.

Subsequent to the Distribution of Northam Holdings Shares to the Zambezi Ordinary Shareholders, Northam Holdings accepted an irrevocable, unconditional offer from certain Zambezi Ordinary Shareholders to acquire, 14 571 063 Northam Holdings Shares for a purchase consideration of R165.29 per Northam Holdings Share.

Shareholders of Northam granted approval at the general meeting held on Wednesday, 30 June 2021, for a repurchase by Northam Holdings of Northam Holdings Shares from the Relevant Zambezi Shareholders at a price not exceeding the prevailing 30-Day VWAP of a Northam Holdings Share/Northam Platinum Share at the relevant acquisition date.

Following the implementation of the Composite Transaction, on 23 September 2021, all Northam Holdings Shares held by Atisa Platinum (RF) Proprietary Limited, being 3 527 835 Northam Holdings Shares and all of the shares held by Mpilo Platinum (RF) Proprietary Limited amounting to 8 213 241 Northam Holdings Shares were repurchased, with 1 014 995 Northam Holdings Shares purchased from Malundi Resources (RF) Proprietary Limited and 1 814 992 Northam Holdings Shares purchased from Zambezi Platinum Women's SPV (RF) Proprietary Limited. A total of 14 571 063 shares were repurchased from these Strategic Partners.

As a result of the repurchase of the Northam Holdings Shares, the Strategic Partners were entitled to a portion of the Proportionate Lock-in Fee Repayment Amount. A total value of R78.1 million plus interest amounting to R0.8 million of the Proportionate Lock-in Fee Repayment Amount was released to the Strategic Partners as a result of the share repurchase.

Both Malundi Resources (RF) Proprietary Limited and the Zambezi Platinum Women's SPV (RF) Proprietary Limited disposed of a portion of their Relevant Northam Holdings Shares which resulted in a Disposal Event per the agreement on the transaction date, and therefore forfeiting the remainder of their Lock-in Fees due, amounting to R32.4 million.

As at 30 June 2022, there were no amounts relating to the Lock-in Fees outstanding or payable to the Strategic Partners.

Below is a reconciliation of the shares acquired from Zambezi Ordinary Shareholders:

	Northam Holdings Shares held pursuant to the Northam Scheme	Number of Northam Holdings Shares repurchased	Number of Northam Holdings Shares held by Zambezi Ordinary Shareholders subsequent to the repurchase
	Number of Shares	Number of Shares	Number of Shares
Atisa Platinum (RF) Proprietary Limited	3 527 835	(3 527 835)	–
Malundi Resources (RF) Proprietary Limited	3 527 835	(1 014 995)	2 512 840
Mpilo Platinum (RF) Proprietary Limited	8 213 241	(8 213 241)	–
Zambezi Platinum Women's SPV (RF) Proprietary Limited	5 264 191	(1 814 992)	3 449 199
The Northam Employee Trust	1 996 122	–	1 996 122
The Northam Booysendal Community Trust	2 191 116	–	2 191 116
The Northam Zondereinde Community Trusts	2 191 116	–	2 191 116
Number of remaining Northam Holdings Shares held by Zambezi Ordinary Shareholders	26 911 456	(14 571 063)	12 340 393

Below is the Lock-in Fees allocated to the various Strategic Partners:

	Lock-in Fees pursuant to the Northam Scheme	Repurchase of Northam Holdings Shares (cash outflow)	Lock-in Fee forfeited due to a Disposal Event	Remaining Lock-in Fees
	R000	R000	R000	R000
Atisa Platinum (RF) Proprietary Limited	18 913	(18 913)	–	–
Malundi Resources (RF) Proprietary Limited	18 913	(5 441)	(13 472)	–
Mpilo Platinum (RF) Proprietary Limited	44 030	(44 030)	–	–
Zambezi Platinum Women's SPV (RF) Proprietary Limited	28 221	(9 730)	(18 491)	–
	110 077	(78 114)	(31 963)	–

The below reconciliation sets out the Lock-in Fee payable per Strategic Partner:

	Lock-in Fees pursuant to the Northam Scheme	Interest accrued and bank charges relating to the Lock-in Fees	Lock-in Fee distributed to the Strategic Partner as part of the repurchase of Northam Holdings Shares including accrued interest	Lock-in Fee forfeited due to a Disposal Event including accrued interest	Remaining Lock-in Fees
	R000	R000	R000	R000	R000
Atisa Platinum (RF) Proprietary Limited	18 913	215	(19 128)	–	–
Malundi Resources (RF) Proprietary Limited	18 913	244	(5 494)	(13 663)	–
Mpilo Platinum (RF) Proprietary Limited	44 030	502	(44 532)	–	–
Zambezi Platinum Women's SPV (RF) Proprietary Limited	28 221	361	(9 825)	(18 757)	–
Total Lock-in Fees payable	110 077	1 322	(78 979)	(32 420)	–

The Lock-in Fee payable to The Northam Employee Trust, The Northam Booysendal Community Trust and The Northam Zondereinde Community Trust were paid to these Trusts as part of the Net Value Distribution and therefore included in their cash and cash equivalent balances, classified as restricted cash as part of the consolidated results, refer to note 23 for all balances relating to cash and cash equivalents.

Also refer to note 46, related parties for details of amounts payable to these Trusts.

30. Lease liabilities

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Opening balance	81 247	80 622	–	–
Change in lease terms – reassessment of IFRS 16 Leases	432	9 398	–	–
Unwinding of interest (refer to note 6)	6 981	7 648	–	–
Payments made	(14 369)	(16 421)	–	–
Total lease liabilities	74 291	81 247	–	–
Current portion of lease liabilities	(10 107)	(13 228)	–	–
Non-current portion of lease liabilities	64 184	68 019	–	–

The following amounts relating to lease liabilities and associated right-of-use assets were recognised in profit or loss:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Depreciation expense for right-of-use assets (refer to note 11)	10 457	13 100	–	–
Finance costs relating to lease liabilities (refer to note 6)	6 981	7 648	–	–
Expenses relating to leases of low-value assets	22 723	17 551	–	–
	40 161	38 299	–	–

The lease liabilities relate to leases for offices, accommodation and a notarial agreement of lease of land for Booysendal Platinum Proprietary Limited (Booysendal).

The corporate office lease is for a period of five years ending 31 October 2025, with the option to renew the lease for an additional five years.

Leases relating to accommodation are generally between five and ten years, with options to renew for an additional five years.

The notarial agreement for lease of land relating to Booysendal is for the life of mine and is payable to the Bakoni Ba Phetla Communal Property Association.

The group also has certain leases of assets with low value, relating to leases for information technology and office equipment. The group has applied the lease of low value assets recognition exemptions for these assets under IFRS 16.

Refer to note 11, property, plant and equipment for a reconciliation on the right-of-use assets.

The maturity analysis of the lease liabilities are disclosed in note 45 Financial risk management objectives and policies.

Significant estimate: Estimating the incremental borrowing rate

The group cannot readily determine the interest rate implicit to its leases. Therefore the relevant incremental borrowing rate (IBR) is used to measure lease liabilities. The IBR is the rate of interest that the group would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment over a similar term, and with a similar security. The group estimates the IBR using observable inputs when available and considers certain contract and entity-specific judgements such as the lease term and the groups' credit rating.

There are no leases relating to Northam Platinum Holdings Limited, and therefore no balances outstanding as at 30 June 2022.

31. Domestic Medium-Term Notes

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Non-current Domestic Medium-Term Notes (DMTNs)				
DMTNs (NHM007)	–	141 186	–	–
DMTNs tap issue – Tranche 2	–	150 000	–	–
Transaction costs relating to the NHM007 issue	–	(4 430)	–	–
Amortisation of transaction costs over the period of the Notes issued	–	2 033	–	–
Transfer to current DMTNs	–	(288 789)	–	–
	–	–	–	–

On 16 April 2019, Northam Platinum issued NHM007. These Notes attracted a floating coupon rate of 3 month JIBAR plus 375 basis points, which was payable on a quarterly basis in April, July, October and January of each year from issue date for a three-year period. These Notes matured on 16 April 2022.

DMTNs (NHM009)	–	100 000	–	–
DMTNs tap issue – Tranche 2	–	300 000	–	–
Transaction costs relating to the NHM009 issue	–	(6 428)	–	–
Amortisation of transaction costs over the period of the Notes issued	–	2 130	–	–
Transfer to current DMTNs	–	(395 702)	–	–
	–	–	–	–

On 26 April 2019, Northam Platinum issued NHM009. These Notes attracted a floating coupon rate of 3 month JIBAR plus 375 basis points, which was payable on a quarterly basis in April, July, October and January of each year from issue date for a three-year period. These Notes matured on 26 April 2022.

DMTNs (NHM011)	–	173 000	–	–
DMTNs tap issue – Tranche 2	–	345 000	–	–
DMTNs tap issue – Tranche 3	–	100 000	–	–
Transaction costs relating to the NHM011 issue	–	(11 139)	–	–
Amortisation of transaction costs over the period of the Notes issued	–	5 435	–	–
Transfer to current DMTNs	–	(612 296)	–	–
	–	–	–	–

On 24 May 2019, Northam Platinum issued NHM011. These Notes attracted a floating coupon rate of 3-month JIBAR plus 375 basis points, which was payable on a quarterly basis in May, August, November and February of each year from issue date for a three-year period. These Notes matured on 24 May 2022.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
DMTNs (NHM012)	–	30 470	–	–
NHM017 switched to NHM012	–	492 100	–	–
NHM014 switched to NHM012	–	1 908 300	–	–
Transaction costs relating to the NHM012 issue	–	(42 944)	–	–
Amortisation of transaction costs over the period of the Notes issued	–	9 714	–	–
Transfer to current DMTNs	–	(2 397 640)	–	–
	–	–	–	–

On 13 June 2019, Northam Platinum issued NHM012. These Notes attracted a floating coupon rate of 3-month JIBAR plus 375 basis points, which was payable on a quarterly basis in June, September, December and March of each year from issue date for a three-year period. These Notes matured on 13 June 2022.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
DMTNs (NHM014)	–	1 920 000	–	–
NHM014 switched to NHM012	–	(1 908 300)	–	–
DMTNs tap issue – Tranche 3	–	10 000	–	–
Transaction costs relating to the NHM014 issue	–	(34 466)	–	–
Amortisation of transaction costs over the period of the Notes issued	–	32 050	–	–
Transfer to current DMTNs	–	(19 284)	–	–
	–	–	–	–

On 20 November 2019, Northam Platinum issued NHM014. These Notes attracted a floating coupon rate of 3-month JIBAR plus 250 basis points, which was payable on a quarterly basis in November, February, May and August of each year from issue date for a two-year period. These Notes matured on 20 November 2021.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
DMTNs (NHM015)	500 000	500 000	–	–
Transaction costs relating to the NHM015 issue	(8 070)	(8 070)	–	–
Amortisation of transaction costs over the period of the Notes issued	4 112	2 500	–	–
	496 042	494 430	–	–

On 13 December 2019, the Industrial Development Corporation of South Africa Limited (IDC) subscribed to NHM015, which is R500.0 million worth of five-year senior unsecured floating rate Notes. These Notes attract a floating coupon rate of 3-month JIBAR plus 330 basis points, which is payable on a quarterly basis in December, March, June and September of each year from issue date for a five-year period. These Notes mature on 13 December 2024.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
DMTNs (NHM016)	680 000	680 000	–	–
DMTNs tap issue - Tranche 3	165 967	165 967	–	–
DMTNs tap issue - Tranche 4	200 000	200 000	–	–
DMTNs tap issue - Tranche 5	100 000	100 000	–	–
DMTNs tap issue - Tranche 6	2 534 435	–	–	–
DMTNs tap issue - Tranche 7	15 000	–	–	–
Transaction costs relating to the NHM016 issue	(108 126)	(63 110)	–	–
Amortisation of transaction costs over the period of the Notes issued	34 313	13 300	–	–
	3 621 589	1 096 157	–	–

On 11 May 2020, Northam Platinum issued NHM016. On 11 November 2021 and 26 April 2022, R2.5 billion and R15.0 million additional Notes respectively were issued under the same terms and conditions. These Notes attract a floating coupon rate of 3-month JIBAR plus 425 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issue date for a five-year period. These Notes mature on 11 May 2025.

	Group		Company	
DMTNs (NHM018)	1 021 300	1 021 300	–	–
DMTNs tap issue - Tranche 3	253 000	253 000	–	–
DMTNs tap issue - Tranche 4	100 000	100 000	–	–
DMTNs tap issue - Tranche 5	150 000	–	–	–
NHM018 switched to NHM016 and NHM019	(665 800)	–	–	–
DMTNs tap issue - Tranche 6	535 000	–	–	–
DMTNs tap issue - Tranche 7	897 000	–	–	–
Transaction costs relating to the NHM018 issue	(89 154)	(43 072)	–	–
Amortisation of transaction costs over the period of the Notes issued	64 326	14 622	–	–
Transfer to current DMTNs	(2 265 672)	–	–	–
	–	1 345 850	–	–

On 25 May 2020, Northam Platinum issued NHM018. On 9 July 2021, R150.0 million worth of additional Notes were issued, on 19 April 2022, R535.0 million worth of additional Notes were issued and on 26 April 2022, R897.0 million worth of additional Notes were issued under the same terms and conditions. These Notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issue date for a three-year period. These Notes mature on 25 May 2023.

	Group		Company	
DMTNs (NHM019)	450 000	450 000	–	–
DMTNs tap issue - Tranche 2	390 000	390 000	–	–
DMTNs tap issue – Tranche 3	1 770 935	–	–	–
DMTNs tap issue – Tranche 4	630 000	–	–	–
DMTNs tap issue – Tranche 5	275 000	–	–	–
Transaction costs relating to the NHM019 issue	(80 620)	(33 400)	–	–
Amortisation of transaction costs over the period of the Notes issued	26 051	7 612	–	–
	3 461 366	814 212	–	–

On 25 May 2020, Northam Platinum issued NHM019. On 11 November 2021, R1.8 billion worth of additional Notes were issued, on 19 April 2022, R630.0 million worth of additional Notes were issued and on 26 April 2022, R275.0 million worth of additional Notes were issued under the same terms and conditions. The Notes attract a floating coupon rate of 3-month JIBAR plus 400 basis points, which is payable on a quarterly basis in May, August, November and February of each year from issue date for a four-year period. These Notes mature on 25 May 2024.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
DMTNs (NHM020)	132 000	132 000	–	–
DMTNs tap issue - Tranche 2	100 000	–	–	–
DMTNs tap issue - Tranche 3	450 000	–	–	–
Transaction costs relating to the NHM020 issue	(11 623)	(2 653)	–	–
Amortisation of transaction costs over the period of the Notes issued	2 849	528	–	–
	673 226	129 875	–	–

On 25 November 2020, Northam Platinum issued NHM020. On 5 October 2021 and 26 April 2022, R100.0 million and R450.0 million additional Notes respectively were issued under the same terms and conditions. These Notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which is payable on a quarterly basis in November, February, May and August of each year from issue date for a three-year period. These Notes mature on 25 November 2023.

	Group		Company	
DMTNs (NHM021)	245 000	–	–	–
DMTNs tap issue - Tranche 2	78 000	–	–	–
DMTNs tap issue - Tranche 3	250 000	–	–	–
Transaction costs relating to the NHM021 issue	(9 574)	–	–	–
Amortisation of transaction costs over the period of the Notes issued	631	–	–	–
	564 057	–	–	–

On 26 November 2021, Northam Platinum issued NHM021. On 19 April 2022 and 26 May 2022, R78.0 million and R250.0 million additional Notes respectively were issued under the same terms and conditions. These Notes attract a floating coupon rate of 3-month JIBAR plus 425 basis points, which is payable on a quarterly basis in November, February, May and August of each year from issue date for a five-year period. These Notes mature on 26 November 2026.

Total non-current Domestic Medium-Term Notes	8 816 280	3 880 524	–	–

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Current DMTNs				
DMTNs (NHM002)	–	1 400	–	–
Transaction costs relating to the NHM002 issue	–	(1 256)	–	–
Amortisation of transaction costs over the period of the Notes issued	–	1 256	–	–
DMTNs repaid	–	(1 400)	–	–
	–	–	–	–

On 13 May 2016, Northam Platinum issued NHM002. These Notes attracted a fixed coupon of 13.50% per annum, payable semi-annually in May and November of every year, and were redeemed on 12 May 2021.

DMTNs (NHM006)	–	123 393	–	–
Transaction costs relating to the NHM006 issue	–	(1 576)	–	–
Amortisation of transaction costs over the period of the Notes issued	–	1 576	–	–
DMTNs repaid	–	(123 393)	–	–
	–	–	–	–

On 16 April 2019, Northam Platinum issued NHM006. These Notes attracted a floating coupon rate of 3 month JIBAR plus 325 basis points, which was payable on a quarterly basis in April, July, October and January of each year from issue date for a two-year period and were redeemed on 16 April 2021.

DMTNs (NHM007)	141 186	141 186	–	–
DMTNs tap issue – Tranche 2	150 000	150 000	–	–
DMTNs tap issue – Tranche 3	100 000	–	–	–
DMTNs tap issue – Tranche 4	60 000	–	–	–
NHM007 switched to NHM016 and NHM019	(100 000)	–	–	–
NHM007 switched to NHM012	(100 000)	–	–	–
NHM007 switched to NHM018	(210 000)	–	–	–
Transaction costs relating to the NHM007 issue	(8 439)	(4 430)	–	–
Amortisation of transaction costs over the period of the Notes issued	8 439	2 033	–	–
DMTNs repaid	(41 186)	–	–	–
	–	288 789	–	–

On 16 April 2019, Northam Platinum issued NHM007. These Notes attracted a floating coupon rate of 3 month JIBAR plus 375 basis points, which was payable on a quarterly basis in April, July, October and January of each year from issue date for a three-year period. These Notes matured on 16 April 2022.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
DMTNs (NHM009)	100 000	100 000	–	–
DMTNs tap issue – Tranche 2	300 000	300 000	–	–
DMTNs tap issue – Tranche 3	100 000	–	–	–
DMTNs tap issue – Tranche 4	15 000	–	–	–
NHM009 switched to NHM016 and NHM019	(100 000)	–	–	–
NHM009 switched to NHM018	(115 000)	–	–	–
NHM009 switched to NHM020	(300 000)	–	–	–
Transaction costs relating to the NHM009 issue	(9 848)	(6 428)	–	–
Amortisation of transaction costs over the period of the Notes issued	9 848	2 130	–	–
	–	395 702	–	–

On 26 April 2019, Northam Platinum issued NHM009. These Notes attracted a floating coupon rate of 3 month JIBAR plus 375 basis points, which was payable on a quarterly basis in April, July, October and January of each year from issue date for a three-year period. These Notes matured on 26 April 2022.

DMTNs (NHM011)	173 000	173 000	–	–
DMTNs tap issue – Tranche 2	345 000	345 000	–	–
DMTNs tap issue – Tranche 3	100 000	100 000	–	–
NHM011 switched to NHM016 and NHM019	(50 000)	–	–	–
NHM011 switched to NHM018	(325 000)	–	–	–
Transaction costs relating to the NHM011 issue	(11 783)	(11 139)	–	–
Amortisation of transaction costs over the period of the Notes issued	11 783	5 435	–	–
DMTNs repaid	(243 000)	–	–	–
	–	612 296	–	–

On 24 May 2019, Northam Platinum issued NHM011. These Notes attracted a floating coupon rate of 3-month JIBAR plus 375 basis points, which was payable on a quarterly basis in May, August, November and February of each year from issue date for a three-year period. These Notes matured on 24 May 2022.

DMTNs (NHM012)	30 470	30 470	–	–
NHM017 switched to NHM012	492 100	492 100	–	–
NHM014 switched to NHM012	1 908 300	1 908 300	–	–
NHM012 switched to NHM016 and NHM019	(2 428 870)	–	–	–
DMTNs tap issue – Tranche 4	100 000	–	–	–
Transaction costs relating to the NHM012 issue	(44 734)	(42 944)	–	–
Amortisation of transaction costs over the period of the Notes issued	44 734	9 714	–	–
DMTNs repaid	(102 000)	–	–	–
	–	2 397 640	–	–

On 13 June 2019, Northam Platinum issued NHM012. These Notes attract a floating coupon rate of 3-month JIBAR plus 375 basis points, which was payable on a quarterly basis in June, September, December and March of each year from issue date for a three-year period. These Notes matured on 13 June 2022.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
DMTNs (NHM013)	–	5 100	–	–
Transaction costs relating to the NHM013 issue	–	(3 036)	–	–
Amortisation of transaction costs over the period of the Notes issued	–	3 036	–	–
DMTNs repaid (NHM013)	–	(5 100)	–	–
	–	–	–	–

On 9 September 2019, Northam Platinum issued NHM013. These Notes attracted a floating coupon rate of 3-month JIBAR plus 240 basis points, which was payable on a quarterly basis on September, December, March and June from issue date for a one-year period. These Notes matured on 9 September 2020.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
DMTNs (NHM014)	11 700	1 920 000	–	–
NHM014 switched to NHM012	–	(1 908 300)	–	–
DMTNs tap issue – Tranche 3	10 000	10 000	–	–
Transaction costs relating to the NHM014 issue	(34 466)	(34 466)	–	–
Amortisation of transaction costs over the period of the Notes issued	34 466	32 050	–	–
DMTNs repaid (NHM014)	(21 700)	–	–	–
	–	19 284	–	–

On 20 November 2019, Northam Platinum issued NHM014. These Notes attracted a floating coupon rate of 3-month JIBAR plus 250 basis points, which was payable on a quarterly basis in November, February, May and August of each year from issue date for a two-year period. These Notes matured on 20 November 2021.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
DMTNs (NHM017)	–	494 900	–	–
NHM017 switched to NHM012	–	(492 100)	–	–
Transaction costs relating to the NHM017 issue	–	(11 749)	–	–
Amortisation of transaction costs over the period of the Notes issued	–	11 749	–	–
DMTNs repaid (NHM017)	–	(2 800)	–	–
	–	–	–	–

On 13 May 2020, Northam Platinum issued NHM017. These Notes attracted a floating coupon rate of 3-month JIBAR plus 240 basis points, which was payable on a quarterly basis on August, November and February from issue date for a nine-month period. These Notes matured on 26 February 2021.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
NHM018 transferred from non-current to current	2 265 672	–	–	–
	2 265 672	–	–	–
Total current Domestic Medium-Term Notes	2 265 672	3 713 711	–	–
Total Domestic Medium-Term Notes	11 081 952	7 594 235	–	–

Northam Platinum established a Domestic Medium-Term Notes Programme pursuant to a Programme Memorandum dated 3 August 2012 (the Previous Programme Memorandum), in terms of which the company may, from time to time, issue Notes.

Northam Platinum has updated the Previous Programme Memorandum to, *inter alia*, align with the latest regulations (including amendments to the Debt Listings Requirements), including more recent information pertaining to Northam and incorporating Booysendal Platinum Proprietary Limited as guarantor. Refer to the related parties note (note 31) for details of the guarantee issued by Booysendal Platinum Proprietary Limited, with regards to the Notes issued (Amended and Restated Programme Memorandum).

The amendments are incorporated in an Amended and Restated Programme Memorandum dated 29 October 2020.

The DMTN Programme current Programme Amount amounts to R15.0 billion (30 June 2021: R15.0 billion).

The Amended and Restated Programme Memorandum applies to all Notes issued under the Programme on or after the Programme Date and will, in respect of such Notes, supersede and replace the Previous Programme Memorandum in its entirety. For the avoidance of doubt, subject to all applicable laws, the Previous Programme Memorandum will remain applicable to all Notes in issue prior to 29 October 2020.

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

The funds generated from the issue of the various Notes were used for general corporate purposes, except for NHM015. The IDC subscribed to NHM015 for R500.0 million, five-year senior unsecured floating rate Notes. Proceeds from NHM015 were applied towards the recommissioning and development of Eland mine, consequently creating new employment opportunities in the region.

Significant judgements and estimates: Tax deductibility of the interest on certain of the Notes issued

DMTNs were issued specifically to finance the purchase of Zambezi Preference Shares, refer to note 20 for more details on the acquisitions made. The interest and transaction cost relating to these specific Notes are therefore not deductible for tax, as the interest is deemed to be unproductive in nature. Interest paid is deemed unproductive when associated borrowings are utilised for non-operational purposes for example buying an investment that generates exempt dividend income.

Below is a summary of the Notes issued to purchase Zambezi Preference Shares:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
NHM011 – Tranche 2 – switched to NHM018	–	345 000	–	–
NHM012 – Tranche 3 – switched to NHM016 and NHM019	–	1 908 300	–	–
NHM014 – Tranche 2 – repaid in full	–	11 700	–	–
NHM014 – Tranche 3 – repaid in full	–	10 000	–	–
NHM016 – Tranche 3	165 967	165 967	–	–
NHM016 – Tranche 4	200 000	200 000	–	–
NHM016 – Tranche 6 – switched from NHM012	954 150	–	–	–
NHM018 – Tranche 2	300 000	300 000	–	–
NHM018 – Tranche 3	253 000	253 000	–	–
NHM018 – Tranche 6 – switched from NHM011	325 000	–	–	–
NHM019 – Tranche 1	400 000	400 000	–	–
NHM019 – Tranche 2	390 000	390 000	–	–
NHM019 – Tranche 3 – switched from NHM012	954 150	–	–	–
NHM020 – Tranche 1	132 000	132 000	–	–
	4 074 267	4 115 967	–	–

The interest associated with the DMTNs which was classified as unproductive amounted to the following balances:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Finance costs relating to the DMTNs (refer to note 6)	733 809	473 638	–	–
Unproductive finance costs relating to the DMTNs	(324 188)	(244 144)	–	–
Finance costs relating to the DMTNs deductible for tax purposes	409 621	229 494	–	–

The maturity profile of the group's DMTNs are set out below, into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date representing the undiscounted contractual cash flows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Maturing during F2022	N/A	3 761 756	–	–
NHM014 – 20 November 2021	N/A	21 700	–	–
NHM007 – 16 April 2022	N/A	291 186	–	–
NHM009 – 26 April 2022	N/A	400 000	–	–
NHM011 – 24 May 2022	N/A	618 000	–	–
NHM012 – 13 June 2022	N/A	2 430 870	–	–
Maturing during F2023	2 290 500	1 374 300	–	–
NHM018 – 25 May 2023	2 290 500	1 374 300	–	–
Maturing during F2024	4 197 935	972 000	–	–
NHM020 – 25 November 2023	682 000	132 000	–	–
NHM019 – 25 May 2024	3 515 935	840 000	–	–
Maturing during F2025	4 195 402	1 645 967	–	–
NHM015 – 13 December 2024	500 000	500 000	–	–
NHM016 – 11 May 2025	3 695 402	1 145 967	–	–
Maturing during F2027	573 000	–	–	–
NHM021 – 26 November 2026	573 000	–	–	–
Domestic Medium-Term Notes (excluding capitalised transaction costs)	11 256 837	7 754 023	–	–
Transaction costs incurred	(416 437)	(267 329)	–	–
Amortised transaction costs	241 552	107 541	–	–
Total Domestic Medium-Term Notes	11 081 952	7 594 235	–	–

During the year under review the following movements occurred relating to the DMTNs:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Opening balance	7 754 023	5 640 749	–	–
Notes issued	8 305 370	4 646 367	–	–
NHM007 – Tranche 2	–	150 000	–	–
NHM007 – Tranche 3	100 000	–	–	–
NHM007 – Tranche 4	60 000	–	–	–
NHM009 – Tranche 2	–	300 000	–	–
NHM009 – Tranche 3	100 000	–	–	–
NHM009 – Tranche 4	15 000	–	–	–
NHM011 – Tranche 2	–	345 000	–	–
NHM011 – Tranche 3	–	100 000	–	–
NHM012 – Tranche 2	–	492 100	–	–
NHM012 – Tranche 3	–	1 908 300	–	–
NHM012 – Tranche 4	100 000	–	–	–
NHM014 – Tranche 2	–	10 000	–	–
NHM016 – Tranche 3	–	165 967	–	–
NHM016 – Tranche 4	–	200 000	–	–
NHM016 – Tranche 5	–	100 000	–	–
NHM016 – Tranche 6	2 534 435	–	–	–
NHM016 – Tranche 7	15 000	–	–	–
NHM018 – Tranche 3	–	253 000	–	–
NHM018 – Tranche 4	–	100 000	–	–
NHM018 – Tranche 5	150 000	–	–	–
NHM018 – Tranche 6	535 000	–	–	–
NHM018 – Tranche 7	897 000	–	–	–
NHM019 – Tranche 2	–	390 000	–	–
NHM019 – Tranche 3	1 770 935	–	–	–
NHM019 – Tranche 4	630 000	–	–	–
NHM019 – Tranche 5	275 000	–	–	–
NHM020 – Tranche 1	–	132 000	–	–
NHM020 – Tranche 2	100 000	–	–	–
NHM020 – Tranche 3	450 000	–	–	–
NHM021 – Tranche 1	245 000	–	–	–
NHM021 – Tranche 2	78 000	–	–	–
NHM021 – Tranche 3	250 000	–	–	–
Notes repaid	(407 886)	(132 693)	–	–
NHM002	–	(1 400)	–	–
NHM006	–	(123 393)	–	–
NHM007	(41 186)	–	–	–
NHM011	(243 000)	–	–	–
NHM012	(102 000)	–	–	–
NHM013	–	(5 100)	–	–
NHM014	(21 700)	–	–	–
NHM017	–	(2 800)	–	–

During the year under review the following movements occurred relating to the DMTNs:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Notes switched	(4 394 670)	(2 400 400)	–	–
NHM007 switched to NHM016 and NHM019	(100 000)	–	–	–
NHM007 switched to NHM012	(100 000)	–	–	–
NHM007 switched to NHM018	(210 000)	–	–	–
NHM009 switched to NHM016 and NHM019	(100 000)	–	–	–
NHM009 switched to NHM018	(115 000)	–	–	–
NHM009 switched to NHM020	(300 000)	–	–	–
NHM011 switched to NHM016 and NHM019	(50 000)	–	–	–
NHM011 switched to NHM018	(325 000)	–	–	–
NHM012 switched to NHM016 and NHM019	(2 428 870)	–	–	–
NHM014 switched to NHM012	–	(1 908 300)	–	–
NHM017 switched to NHM012	–	(492 100)	–	–
NHM018 switched to NHM016 and NHM019	(665 800)	–	–	–
Domestic Medium-Term Notes (excluding capitalised transaction costs)	11 256 837	7 754 023	–	–
Transaction costs incurred	(416 437)	(267 329)	–	–
Amortised transaction costs	241 552	107 541	–	–
Total Domestic Medium-Term Notes	11 081 952	7 594 235	–	–

32. Zambezi Preference Share liability

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Opening balance	13 910 946	12 592 218	–	–
Accrued dividends for the year	–	1 318 728	–	–
Accrued dividends up to the Zambezi Scheme implementation date	205 401	–	–	–
Zambezi Preference Share liability as at the Zambezi Scheme implementation date	14 116 347	13 910 946	–	–
Premium Amount	1 568 483	–	–	–
Settlement of Revised Accumulated Dividends through the transfer of 57 054 413 Northam Platinum Shares to Northam Holdings	(9 128 706)	–	–	–
Remaining accrued dividends for the year	647 705	–	–	–
Derecognition of Zambezi Preference Shares held by Northam together with accrued dividends recognised	(7 203 829)	(12 176 882)	–	–
Liquidity fees paid on Zambezi Preference Shares relating to the Zambezi BEE Transaction net of accumulated amortisation	(64 197)	(80 587)	–	–
Current year amortisation of liquidity fees	64 197	16 390	–	–
Zambezi Preference Share liability	–	1 669 867	–	–

On 18 May 2015, 159 905 453 cumulative redeemable Preference Shares were issued by Zambezi at an issue price of R41.00 per share. The Preference Shares were redeemable in 10 years' time (from inception), which would have been 17 May 2025, at R41.00 per share plus the accumulated unpaid preference dividends. The Zambezi 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.

As per the terms and conditions of the Zambezi Preference Shares, if the Zambezi Preference Shares are settled using Northam Platinum Shares, a premium will apply to the settlement. Consequently, the Zambezi Preference Shares Accumulated Dividends were settled at an 11.11% premium (Premium Amount) to the Face Value of the Zambezi Preference Shares at the Zambezi Scheme Implementation Date, being 23 August 2021 (Revised Accumulated Dividends) through a repurchase by Northam Platinum of Northam Platinum Shares held by Zambezi, valued at R160.00 per Northam Platinum Share amounting to 57 054 413 Northam Platinum Shares, transferred on 3 September 2021.

No dividends were received from Northam Platinum during the year under review (30 June 2021: R Nil). 90% of all dividends received from Northam Platinum must be used to settle the Preference Share liability.

The preference rights, limitations and other terms associated with the Zambezi Preference Shares are set out in the Zambezi MOI.

Subject to certain exceptions, the redeemable Zambezi Preference Shares do not carry the right to vote.

Subscription undertakings for the full value of the Zambezi Preference Shares were secured at a 2.5% liquidity fee, amounting to R163.9 million.

The liquidity fees were previously amortised over the 10-year Lock-in period, with the balance being amortised in full during the current year as a result of the Composite Transaction.

The 159 905 453 cumulative redeemable Preference Shares issued by Zambezi were previously listed on the Main Board of the JSE and traded under preference share code ZPLP, but delisted from the Main Board of the JSE from commencement of trade on 24 August 2021 as part of the execution of the acceleration of maturity and wind-up of the Zambezi BEE Transaction.

The Zambezi Preference Shares are held by Northam Platinum Limited and therefore no balances relating to company.

Impact of the Composite Transaction: Zambezi Scheme, Zambezi Delisting and Zambezi MOI Amendments

On the Zambezi Scheme Implementation Date, being 23 August 2021, Northam Platinum acquired all of the Zambezi Preference Shares not already held by Northam Platinum for the Zambezi Offer Consideration, amounting to R2.0 billion. Simultaneously with the Zambezi Scheme, the Zambezi Preference Shares were delisted from the Main Board of the JSE and the Zambezi MOI Amendments, including the Zambezi Pref Share Term Amendments, became effective.

For the avoidance of doubt, the Zambezi Preference Shares acquired by Northam Platinum pursuant to the Zambezi Scheme will remain in issue and will be held by Northam Platinum following implementation of the Zambezi Scheme and the Zambezi Delisting until the Zambezi Preference Share Redemption is implemented.

Further details of the Zambezi Scheme, the Zambezi Delisting and the Zambezi Pref Share Term Amendments are contained in the Zambezi Scheme Circular.

Northam Platinum made the Zambezi Offer to Zambezi Preference Shareholders in terms of the Zambezi Scheme Circular. The Zambezi Offer was implemented by way of the Zambezi Scheme, proposed by the Zambezi board, between Zambezi and the Zambezi Preference Shareholders, in terms of section 114(1) as read with section 115 of the Companies Act.

Simultaneously with the Zambezi Scheme, the Zambezi board approved (i) the Zambezi Delisting; and (ii) various amendments to the Zambezi MOI to enable the implementation of certain components of the Transaction, including:

- amendments to the Zambezi Pref Share Terms to increase the Accumulated Dividends in respect of each Zambezi Preference Share by the Premium Amount; provide for the settlement by Zambezi of all the Revised Accumulated Dividends on the Repurchase Implementation Date, and to permit settlement thereof by way of a transfer by Zambezi of so many Northam Platinum Shares held by Zambezi, valued at R160.00, as equal in value to the amount of the Revised Accumulated Dividends; and permit the voluntary redemption of Zambezi Preference Shares by Zambezi from time to time, after the Net Value Distribution Date at Zambezi's election, provided that Zambezi shall be obliged to redeem all the Zambezi Preference Shares by no later than 17 May 2025 (being the scheduled redemption date, as contemplated in the Zambezi Pref Share Terms), in cash or by way of a transfer by Zambezi of Northam Platinum Shares held by Zambezi, together with other amendments necessary to give effect to and implement the Transaction (collectively, the Zambezi Pref Share Term Amendments), with effect from the Zambezi Scheme Implementation Date;

- amendments to the Zambezi N Share Terms with effect from the Net Value Distribution Date to provide the Zambezi N Shareholder, being Northam Platinum Limited, with the right to exercise 99% of all the votes exercisable by all the Zambezi Ordinary Shareholders and to receive 100% of the Distributions made by Zambezi (subject to the Zambezi Pref Share Terms and the settlement of the Net Value Distribution and the Zambezi Retention Release Amount), together with other amendments necessary to give effect to and implement the Transaction (the Zambezi N Share Term Amendments); and

- amendments to the Zambezi MOI to (i) enable Zambezi to implement the Transaction, with effect from the Zambezi Scheme Implementation Date and (ii) convert Zambezi into a private company, with effect from the date on which the Zambezi Delisting becomes effective, together with other amendments necessary to give effect to and implement the Transaction (Zambezi MOI Amendments).

In terms of the Zambezi Scheme, Northam Platinum acquired all the Zambezi Preference Shares not held by Northam Platinum on the Zambezi Scheme Implementation Date.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Total number of Zambezi Preference Shares	159 905 453	159 905 453	–	–
Number of Zambezi Preference Shares held by Northam Platinum	(159 905 453)	(139 972 496)	–	–
Number of Zambezi Preference Shares held in the open market	–	19 932 957	–	–
Percentage holding by Northam Platinum in the Zambezi Preference Shares	100.0%	87.5%	–	–
Value per Zambezi Preference Share*	R45.05	R86.99	–	–
Closing price of Zambezi Preference Shares	Traded until commencement of trade on 24 August 2021	R97.50	–	–
Fair value as per the closing price of Zambezi Preference Shares (R000)	N/A	1 943 463	–	–

**Rounded to the nearest cent.*

As per the original Zambezi Pref Share Terms, the Zambezi Preference Share liability was due at the end of the 10-year Lock-in period, which was 17 May 2025. Settlement of dividends in respect of the Zambezi Preference Shares would have occurred through a Distribution to Zambezi Preference Shareholders of 90% of any dividends received by Zambezi from Northam during the 10-year Lock-in period. At the end of the Lock-in period settlement of unpaid dividends and the redemption of the Zambezi Preference Shares would have taken place through a Distribution to Zambezi Preference Shareholders of Northam Platinum Shares and/or cash held by Zambezi (if any). In the event that this was not sufficient to settle the Zambezi Preference Share liability, the Northam Guarantee would be called upon.

With the implementation of the Zambezi Scheme, on the Repurchase Implementation Date, Zambezi settled the Revised Accumulated Dividends, by way of a repurchase by Northam Platinum (being the only Zambezi Preference Shareholder after implementation of the Zambezi Scheme) of 57 054 413 Northam Platinum Shares held by Zambezi (valued at a price of R160.00 per Northam Platinum Share), which was equal in value to the amount of the Revised Accumulated Dividends, in accordance with the Zambezi Pref Share Terms (as amended pursuant to the Zambezi Pref Share Term Amendments).

Below is a reconciliation of the accrued dividends as per the Zambezi Preference Share liability relating to Zambezi and the amounts recognised in profit or loss:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Accrued Zambezi Preference Share dividends relating to Zambezi	853 106	1 318 728	–	–
Premium Amount	1 568 483	–	–	–
Less the Zambezi Preference Share dividends and the Premium Amount accrued to Northam Platinum with regards to the Zambezi Preference Shares held by Northam Platinum	(2 395 985)	(940 050)	–	–
Zambezi Preference Share dividends per the statement of profit or loss and other comprehensive income	25 604	378 678	–	–

Below is a reconciliation of the loss on derecognition of the Zambezi Preference Share liability:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Opening balance of Zambezi Preference Shares held by Northam Platinum	12 176 882	4 220 514	–	–
Acquisition of Zambezi Preferences Shares, including transaction costs during the year	2 046 300	8 084 876	–	–
Zambezi Preference Share dividends and the Premium Amount accrued to Northam Platinum with regards to the Zambezi Preference Shares held by Northam Platinum	2 395 985	940 050	–	–
Settlement of Revised Accumulated Dividends through the transfer of 57 054 413 Northam Platinum Shares to Northam Platinum	(9 128 706)	–	–	–
Derecognition of Zambezi Preference Shares held by Northam Platinum together with accrued dividends recognised	(7 203 829)	(12 176 882)	–	–
Loss on derecognition of the Zambezi Preference Share liability	286 632	1 068 558	–	–

The loss on derecognition of Zambezi Preference Share liability relates to the difference between the Face Value per Zambezi Preference Share and the price paid together with transaction costs incurred on the purchases of those Zambezi Preference Shares.

In terms of the Zambezi Scheme, Northam Platinum acquired all of the Zambezi Preference Shares not already held by Northam Platinum, for the Zambezi Offer Consideration that was calculated as the Face Value plus a premium of 15.99% at the implementation date, being 23 August 2021, which represented an offer consideration of R102.40 per Zambezi Preference Share.

Significant judgements and estimates: Consolidation of Zambezi Platinum (RF) Limited

Previously, in terms of the Zambezi BEE Transaction, Zambezi held a combined 31.4% interest in Northam Platinum's issued stated capital.

The transaction was financed by way of 159 905 453 listed Zambezi Preference Shares, redeemable at the end of a 10-year Lock-in period. These Zambezi Preference Shares were guaranteed by Northam Platinum and as a result of the Northam Guarantee, Zambezi was consolidated into the Northam group results.

In terms of the Preference Share Terms, the Preference Shareholders are entitled to receive dividends equal to the South African prime interest rate plus 3.5% over the 10-year Lock-in period. Settlement of dividends in respect of the Zambezi Preference Shares would have occurred in part through 90% of the dividends received by Zambezi from Northam Platinum. There was however no obligation to settle the Zambezi Preference Share liability during the 10-year Lock-in period should no dividends be received from Northam Platinum. In terms of the Zambezi Preference Share Terms, the Zambezi Preference Share dividends would accumulate (compounded) at the rate mentioned above for the 10-year Lock-in period if not paid by Zambezi. The Zambezi Preference Shares are compulsorily redeemable on the day immediately succeeding the 10th anniversary of the implementation date. The Zambezi Preference Shares could only be redeemed before this date upon the occurrence of an early redemption event which was defined in the Preference Share Terms in Zambezi's MOI. On the redemption date, Zambezi is required to settle any accumulated unpaid dividends, together with the redemption price. The redemption price will be equal to the issue price of the Zambezi Preference Shares. Zambezi does not have any discretion to avoid the payment of accumulated unpaid dividends and the redemption price and was therefore obliged to settle this amount by Distributing to Preference Shareholders a variable number of Northam Platinum Shares and/or cash held by Zambezi (if any). In the event that this was not sufficient to settle the liability, the Preference Share liability is secured in terms of the Northam Guarantee. Should a liability have arisen under the Northam Guarantee, Northam Platinum may have settled this liability by capitalising Zambezi with cash and/or Northam Platinum Shares before the redemption amount became due or making payment directly to the Zambezi Preference Shareholders. The manner of settlement is a choice and was not contractually specified between the two ways mentioned above.

The redemption price of the Zambezi Preference Shares as well as any accumulated and unpaid preference dividends meet the definition of a financial liability and therefore accounted for as such in the statement of financial position of Zambezi and consolidated in the financial statements of Northam in terms of IFRS. This previously meant that the Northam group reflected the BEE equity issued shares (i.e. Northam Shares) as Treasury Shares (for accounting purposes. Zambezi Preference Shares were reflected as a liability).

Zambezi was created and designed for the sole purpose of providing Northam with BEE credentials as well as a structure to issue the listed Zambezi Preference Shares.

Northam Platinum assumed full responsibility for the administration of Zambezi as well as any costs incurred by Zambezi up to a certain limit in line with the agreement. Furthermore, Northam Platinum provided the Northam Guarantee for Zambezi's obligation in respect of the Zambezi Preference Shares.

In terms of the Zambezi BEE Transaction, an N share was issued to Northam Platinum, which gave it the right to implement mitigating action should Zambezi not comply with certain undertakings as per the Zambezi BEE Transaction agreements and in other limited instances aimed at maintaining the integrity of the Zambezi BEE Transaction at all times. Zambezi also could not dispose of the Northam Platinum Shares without the prior consent of Northam Platinum. Northam Platinum had significant exposure to the variable returns of Zambezi, through the creation and maintenance of the BEE credentials during the 10-year Lock-in period as well as through the Northam Guarantee. The decision-making power of Zambezi's board of directors was restricted in terms of the ring-fencing provisions contained in the Zambezi MOI.

All of these factors had been considered in determining that even though Northam Platinum did not have majority of the voting rights in Zambezi, it still had control over the entity, and therefore consolidated the results of Zambezi.

As part of the early maturity of the Zambezi BEE Transaction, certain amendments were made, including to the terms of the N Share. These amendments increased the number of authorised N Shares to 1 000 000 N Shares and provide the Zambezi N Shareholder with the right to exercise 99% of all the votes exercisable by all the Zambezi Ordinary Shareholders and to receive 100% of the Distributions made by Zambezi (subject to the Zambezi Pref Share Terms and the settlement of the Net Value Distribution and the Zambezi Retention Release Amount) with effect from the Net Value Distribution Date, being 6 September 2021.

With the Zambezi N Share Term Amendments, Northam Platinum has, in its capacity as the Zambezi N Shareholder, assumed voting and economic control of Zambezi and Zambezi has become a Subsidiary of Northam Platinum and was converted to a private company with effect from the date of the Zambezi Delisting.

33. Share-based payment liability

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Performance and retention share-based payment liability	293 319	711 706	–	–
Lock-in and incentive mechanism share-based payment liability	444 603	431 021	–	–
Total share-based payment liability	737 922	1 142 727	–	–
Short-term portion of share-based payment liability	(174 619)	(498 010)	–	–
Long-term share-based payment liability	563 303	644 717	–	–

The movement in the share-based payment liability is made up as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Opening balance	1 142 727	537 392	–	–
Share-based payment expense during the year (refer to note 4)	146 716	969 898	–	–
Performance and retention shares cash settled during the year	(551 521)	(364 563)	–	–
Total share-based payment liability	737 922	1 142 727	–	–

The short-term portion is based on the shares which will be settled or expire in the next 12 months. All other share-based payment liabilities are disclosed as non-current due to the contractual terms as per the share incentive plan (SIP).

There are no outstanding retention or performance shares relating to Northam Platinum Holdings Limited, and therefore no balances outstanding.

Share incentive plan (the SIP)

The SIP was approved in 2011 when shareholders approved that the Northam share option scheme be discontinued and replaced by the SIP, as the scheme no longer served the primary purpose of attracting and retaining employees.

In order to avoid any future dilution, all shares will either be cash-settled or equity-settled through purchases in the open market. Currently all shares are treated as cash-settled.

The remuneration committee shall be entitled to determine that a participant shall receive the settlement amount in lieu of receiving the conditional shares (including Zambezi BEE Transaction conditional shares) on settlement.

The remuneration committee, which is charged with overseeing the group's remuneration policy, reviews the performance criteria annually and revises them as economic and operational circumstances dictate.

Refer to the remuneration report for further details of the SIP and the various elements associated with the SIP.

Below is an analysis of share incentives held relating to performance and retention shares:

	30 June 2022 Retention shares Number of awards	30 June 2022 Performance shares Number of awards	30 June 2022 Total Number of awards
Balance 1 July 2021	1 344 915	3 938 833	5 283 748
Shares awarded during the year	–	1 286 850	1 286 850
Shares forfeited	(45 625)	(421 423)	(467 048)
Shares cash settled during the year	(683 905)	(2 083 670)	(2 767 575)
Balance at 30 June 2022	615 385	2 720 590	3 335 975

	30 June 2021 Retention shares Number of awards	30 June 2021 Performance shares Number of awards	30 June 2021 Total Number of awards
Balance 1 July 2020	1 752 230	5 251 525	7 003 755
Shares awarded during the year	267 900	804 130	1 072 030
Shares forfeited	(53 385)	(585 728)	(639 113)
Shares cash settled during the year	(621 830)	(1 531 094)	(2 152 924)
Balance at 30 June 2021	1 344 915	3 938 833	5 283 748

The shares awarded in terms of the rules of the SIP previously comprised: retention shares, which vested after three years from grant date with no performance conditions, and performance shares, which vest after three years from grant date. The final number of performance shares that an employee will receive will be subject to certain performance conditions being met, which includes safety, production, unit cash cost and share performance. During the current year no retention shares were awarded, therefore all shares awarded have performance conditions attached which will ultimately determine the number of performances that will vest.

The remuneration committee (the responsibilities of which were previously fulfilled by the SEHR&T committee) elects the settlement of all SIP awards of conditional shares in cash or with shares. Currently all awards are expected to be settled in cash and are therefore treated as cash settled. All awards will be subject to performance conditions.

All awards that had not yet vested but were cash-settled during the year relate to employees who retired or passed away.

The following table lists the inputs to the model used for the valuation of the share-based payment liability:

	30 June 2022 F2020 awards	30 June 2022 F2021 awards	30 June 2022 F2022 awards
Dividend yield (%)	–	–	–
Forfeiture rate (%)	10.0	10.0	10.0
Expected life of share awards (years)	0.34	1.34	2.34
30-Day VWAP (R/share)	R174.83	R174.83	R174.83
Model used*	Market value	Market value	Market value
Valuation per share award (R/share)	R169.31	R153.92	R139.89

**Given that the value of the shares will be paid out, and not just the growth in the price, an option valuation model is not appropriate, therefore the 30-Day VWAP at year-end adjusted for dividends forfeited during the vesting period was used.*

	30 June 2021 F2019 awards	30 June 2021 F2020 awards	30 June 2021 F2021 awards
Dividend yield (%)	–	–	–
Forfeiture rate (%)	10.0	10.0	10.0
Expected life of share awards (years)	0.35	1.34	2.34
30-Day VWAP (R/share)	R220.33	R220.33	R220.33
Model used*	Market value	Market value	Market value
Valuation per share award (R/share)	R212.96	R193.86	R176.23

**Given that the value of the shares will be paid out, and not just the growth in the price, an option valuation model is not appropriate, therefore the 30-Day VWAP at year-end adjusted for dividends forfeited during the vesting period was used.*

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the incentive shares is indicative of future trends, which may not necessarily be the actual outcome.

Lock-in and incentive mechanism (LIM)

Below is a summary of the LIM incentives held:

	30 June 2022	30 June 2021
	Number of awards	Number of awards
Opening balance	4 350 000	3 400 000
LIM shares awarded during the year	–	950 000
Total number of LIM shares awarded	4 350 000	4 350 000

The implementation of the Zambezi BEE Transaction resulted in a number of significant benefits for the group including compliance with the required empowerment criteria in terms of the MPRDA and the Mining Charter, as well as a significant cash injection to fund both acquisitions and organic growth.

However, the related Northam Guarantee to the holders of the Zambezi Preference Shares may have resulted in a dilution for Northam Platinum Shareholders, eroding shareholder value as a result.

Therefore, at the request of Shareholders, Northam Platinum introduced a management incentive plan on implementation of the Zambezi BEE Transaction in 2015.

Vesting was previously subject to the satisfaction of the performance condition that Zambezi fully settles the redemption amount and fully settles or makes adequate provision for all its tax liabilities arising from settlement of the redemption amount. This was on the basis that no Northam Guarantee liability would arise and no member of the group would have been required to give any direct or indirect financial assistance for the purpose of or in connection with, the settlement of the redemption amount.

In terms of the rules of the Northam SIP (Rules), a redemption by Zambezi of the Zambezi Preference Shares prior the original maturity date of the Zambezi Preference Shares, being 17 May 2025 (Original Maturity Date) would have resulted in the Zambezi BEE Transaction Conditional Shares awarded to the management team under the LIM (Participants) being subject to a proportionate vesting with the balance lapsing (Proportionate Vesting). The implementation of the Composite Transaction entailed the Zambezi Preference Shares being redeemed by Zambezi on or prior to the Original Maturity Date, at Zambezi's election. The Proportionate Vesting could therefore occur as a result of the implementation of the Transaction to the extent that Zambezi elects to redeem, and redeems, the Zambezi Preference Shares prior to the Original Maturity Date.

In order to maintain the retention of the management team and to continue to incentivise the management team until the Original Maturity Date being 17 May 2025, and to prevent the possible Proportionate Vesting upon implementation of the Transaction, the Rules were amended, with effect from the Zambezi Scheme Implementation Date, being 23 August 2021, to *inter alia* cater for: no Proportionate Vesting to occur if Zambezi elects to redeem, and redeems, the Zambezi Preference Shares prior to the Original Maturity Date; the Zambezi BEE Transaction Conditional Shares, subject to the vesting condition (as defined in the Rules) being fulfilled on such date, vesting on the Original Maturity Date and the performance condition (as defined in the Rules) relating thereto being deemed to have been fulfilled on such date; subject to certain provisions applicable in respect of no fault termination and early retirement (as defined in the Rules), dividends which are declared and paid in respect of Northam Shares from the Zambezi Scheme Implementation Date until the Original Maturity Date shall notionally accrue to the Zambezi BEE Transaction Conditional Shares and the aggregate amount of such notional dividends shall be paid in cash to the Participants within 30 days of the Original Maturity Date, provided that the vesting condition has been fulfilled on the Original Maturity Date.

This avoided a cliff vesting event and ensures continued alignment of the interests of the management team and Northam Holdings Shareholders.

In terms of the LIM share awards, a maximum aggregate of five million shares could be awarded.

The following table lists the inputs to the model used for the LIM share valuation:

	30 June 2022	30 June 2021
	LIM shares	LIM shares
Dividend yield (%)	–	–
Forfeiture rate (%)	–	–
Expected life of share awards (years)	2.88	3.88
Spot price (R/share)	R171.29	R216.93
Model used*	Market value	Market value
Valuation per share award (R/share)	R171.29	R216.93

**Given that the value of the shares will be paid out, and not just the growth in the price, an option valuation model is not appropriate, but the share price at year-end adjusted for dividends forfeited during the vesting period was used.*

All LIM share awards will vest on 17 May 2025, irrespective of the grant date.

34. Revolving credit facility

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Opening balance	–	–	–	–
Amounts drawn down on the revolving credit facility during the year	8 900 000	3 750 000	–	–
Amounts repaid during the year	(7 450 000)	(3 750 000)	–	–
Total facility utilised at year-end	1 450 000	–	–	–
Transaction costs incurred on the revolving credit facility	(33 345)	(33 345)	–	–
Amortisation of transaction costs on the revolving credit facility amortised over the period of the facility	17 484	10 163	–	–
	1 434 139	(23 182)	–	–

Northam Platinum has a R4.0 billion (30 June 2021: R4.0 billion) 5-year revolving credit facility available with Nedbank Limited which matures on 5 September 2024.

The Nedbank revolving credit facility has covenant requirements which is reported on at each reporting period.

The Net Debt to Equity Ratio financial covenant, for the Measurement Periods ending 31 December 2021 and 30 June 2022 were waived by Nedbank, taking into account the impact of the Composite Transaction.

None of the various covenant requirements have been breached or are close to being breached. It is not believed that the group is currently at risk of breaching any of the covenant requirements and the consequential reduction in Northam's equity through the share buybacks.

The interest rate relating to the revolving credit facility (RCF) is calculated at JIBAR plus 2.45%, plus a utilisation fee of between 0.1% per annum and 0.5% per annum, depending on the amount of the revolving credit facility drawdown. The effective interest rate on the revolving credit facility therefore ranged between JIBAR plus 2.55% and JIBAR plus 2.95%, depending on the amount of the drawdown.

Commitment fees are payable on the revolving credit facility amounting to 0.80% per annum (30 June 2021: 0.80% per annum) on the unutilised portion of the facility. No commitment fee shall accrue during periods where more than R2.5 billion of the facility has been utilised.

The utilised revolving credit facility is disclosed as non-current as Northam has the discretion to refinance or roll over the outstanding facility for at least 12 months after the reporting period under the existing loan facility.

Refer to the related parties note (note 46) for guarantees issued by group companies relating to the revolving credit facility. Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited have both signed a letter of guarantee for the RCF.

Below is a summary of the facility available:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Total revolving credit facility	4 000 000	4 000 000	–	–
Facility utilised at year-end	(1 450 000)	–	–	–
Available facility at year-end	2 550 000	4 000 000	–	–

The revolving credit facility has been issued to Northam Platinum Limited, and therefore no outstanding balances relating to company.

Significant judgements and estimates: Tax deductibility of the interest on the revolving credit facility during the year under review

During the year under review drawdowns were made to finance the share purchase from certain Strategic Partners during September 2021, whereby 14 571 063 Northam Holdings Shares were purchased at a price of R165.29 per share. As a result, an amount of R2.0 billion was drawn down to finance the share repurchases:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Drawdowns made to acquire Northam Platinum Holdings Limited Shares from the Strategic Partners	2 000 000	–	–	–
	2 000 000	–	–	–

During the year the R2.0 billion was repaid in full from cash generated from operations.

In addition, a drawdown to the value of R3.0 billion was made to finance the purchase of 93 930 378 RBPlat Shares.

Northam Platinum Holdings Limited acquired the 93 930 378 RBPlat Shares from a wholly owned subsidiary of RBH.

The purchase consideration was partially settled by issuing 34 399 725 Northam Holdings Shares to RBIH, with the balance of R8.6 billion settled in cash. R3.0 billion was paid upfront, R4.0 billion was deferred to, and settled on, 29 April 2022 (R4.2 billion including escalation at the Escalation Rate) and the remaining R1.6 billion is payable by no later than 30 September 2022. The R3.0 billion was drawn down on the revolving credit facility.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Drawdowns made to acquire RBPlat Shares	3 000 000	–	–	–
	3 000 000	–	–	–

The R3.0 billion drawdown to purchase RBPlat Shares were repaid in full during the year.

As at 29 April 2022 the first tranche of the Deferred Acquisition Consideration was settled in terms of the agreement entered into with RBH to acquire 93 930 378 RBPlat Shares. To settle the Deferred Acquisition Consideration R2.1 billion was drawn down on the revolving credit facility with R1.5 billion settled before year-end.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Drawdowns made to settle Deferred Acquisition Consideration	2 100 000	–	–	–
	2 100 000	–	–	–

Other drawdowns on the revolving credit facility were made to finance operational expenditure.

During previous years, drawdowns were made on the revolving credit facility to purchase Zambezi Preference Shares, refer to note 32 for more details on the acquisitions made.

Below is a summary of the drawdowns made to acquire Zambezi Preference Shares:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Drawdowns made to acquire Zambezi Preference Shares	–	3 250 000	–	–
	–	3 250 000	–	–

DMTNs were subsequently issued to refinance the revolving credit facility in previous periods. Refer to note 31 for details regarding the issue of DMTNs to replenish the revolving credit facility.

For these transactions the interest on the revolving credit facility is deemed to be unproductive in nature. Interest paid is deemed unproductive when associated borrowings are utilised for non-operational purposes for example buying an investment that generates exempt dividend income.

The interest associated with the revolving credit facility classified as unproductive amounted to the following balances:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Finance costs relating to the revolving credit facility	116 380	79 872	–	–
Unproductive finance costs relating to the revolving credit facility	(105 129)	(74 903)	–	–
Finance costs relating to the revolving credit facility deductible for tax purposes	11 251	4 969	–	–

35. Deferred Acquisition Consideration

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Acquisition of 93 930 378 RBPlat Shares (trading under ticker code: RBP)	16 278 441	–	16 278 441	–
Partially settled through the issue of 34 399 725 Northam Platinum Holdings Limited Shares (trading under ticker code: NPH) at R223.64 per share	(7 693 154)	–	(7 693 154)	–
Remaining cash consideration	8 585 287	–	8 585 287	–
Upfront cash settlement financed by way of a revolving credit facility draw down (refer to note 34)	(3 000 000)	–	(3 000 000)	–
Escalation of the R4.0 billion Deferred Acquisition Consideration at a nominal annual rate of 12.0% compounded quarterly in arrears (refer to note 6)	211 906		211 906	
Settlement of cash distributions declared and paid by RBPlat pertaining to the Acquisition Shares	(502 528)	–	(502 528)	–
Settlement of R4.0 billion Sale Consideration together with Escalation less cash distributions received	(3 709 378)	–	(3 709 378)	–
Escalation of the R1.6 billion Deferred Acquisition Consideration at a nominal annual rate of 12.0% compounded quarterly in arrears (refer to note 6)	119 503	–	119 503	–
Total Deferred Acquisition Consideration including Escalation	1 704 790	–	1 704 790	–

Northam Platinum Holdings Limited acquired an initial investment of 93 30 375 shares in RBPlat from a wholly owned subsidiary of RBH.

The purchase consideration for the interest in RBPlat was settled by Northam Holdings issuing 34 399 725 Northam Platinum Holdings Limited Shares to RBIH, with the balance of R8.6 billion settled in cash. R3.0 billion was paid upfront, R4.0 billion was deferred to, and settled on 29 April 2022 (R4.2 billion including escalation at the Escalation Rate) and the remaining R1.6 billion (excluding escalation at the Escalation Rate) is payable by no later than 30 September 2022.

The Deferred Acquisition Consideration escalates, from the Acquisition Implementation Date, being 19 November 2021, until the date of payment of the relevant Deferred Acquisition Consideration, at a nominal annual rate of 12.0% compounded quarterly in arrears (Escalation Rate).

Northam Holdings is entitled, at its election, to settle the Deferred Acquisition Consideration earlier than the dates specified above.

Any amounts received by Northam Holdings in respect of any cash distribution declared and paid by RBPlat pertaining to the Acquisition Shares will be utilised to settle all or a part of the Deferred Acquisition Consideration that remains outstanding.

Northam Holdings and RBIH have entered into a pledge and cession agreement in terms of which Northam Holdings has pledged and ceded in *securitatem debiti* the Acquisition Shares and the relevant option shares acquired by Northam Holdings for the Deferred Option Consideration (to the extent applicable), in favour of RBIH as security for the payment by Northam Holdings of the Deferred Acquisition Consideration and Deferred Option Consideration, to the extent applicable.

Furthermore, Northam Platinum, Booysendal Platinum Proprietary Limited and RBIH have entered into a guarantee, in terms of which Northam Platinum and Booysendal Platinum Proprietary Limited guarantee the payment obligations of Northam Holdings in respect of the Deferred Acquisition Consideration and Deferred Option Consideration.

Significant judgements and estimates: Tax deductibility of the interest on the Deferred Acquisition Consideration during the year under review

The interest associated with the Deferred Acquisition Consideration is not deductible for tax, as the interest is deemed to be unproductive in nature. Interest paid is deemed unproductive when the associated borrowings are utilised for non-operational purposes for example buying and investment that generates exempt dividend income.

The interest associated with the Deferred Acquisition Consideration classified as unproductive amounted to the following balances:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Finance costs relating to the Deferred Acquisition Consideration (refer to note 6)	331 409	–	331 409	–
Unproductive finance costs relating to the Deferred Acquisition Consideration	(331 409)	–	(331 409)	–
Finance costs relating to the Deferred Acquisition Consideration deductible for tax purposes	–	–	–	–

36. Bridge facility

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Opening balance	–	–	–	–
Amounts drawn down on the Bridge facility	3 000 000	–	–	–
Amounts repaid on the Bridge facility during the year	–	–	–	–
Total Bridge facility utilised at the year-end	3 000 000	–	–	–
Transaction costs including upfront utilisation costs incurred on the Bridge facility	(63 250)	–	–	–
Amortisation of transaction costs on the Bridge facility (refer to note 6)	32 562	–	–	–
	2 969 312	–	–	–

The group has secured a senior, unsecured term loan facility (Bridge facility) with Nedbank Limited, of R3.0 billion (30 June 2021: R Nil). The Bridge facility accrues interest at JIBAR plus 200 basis points, plus a utilisation fee of 0.2%, on a drawn down.

Commitment fees are payable on the Bridge facility amounting to 0.6% per annum on the unutilised portion of the facility.

The Bridge facility is available for a maximum period of 12 months, expiring on 14 December 2022 with an initial term of six months, subject to two extension options, each for an extension period of 3 months which would extend to the final maturity date to December 2022.

Refer to the related parties note (note 46) for guarantees issued by group companies relating to the Bridge facility. Northam Platinum Holdings Limited, Booysendal Proprietary Limited and Eland Platinum Proprietary Limited have all signed a letter of guarantee relating to this facility.

Below is a summary of the Bridge facility available:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Total Bridge facility	3 000 000	–	–	–
Bridge facility utilised at the year-end	(3 000 000)	–	–	–
Available Bridge facility at the year-end	–	–	–	–

The Bridge facility has been used to finance operational expenses, and therefore all interest relating to the Bridge facility is deductible for tax purposes.

The Bridge facility has been issued to Northam Platinum Limited, and therefore no outstanding balances relating to company.

37. Trade and other payables

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Trade payables	1 359 338	1 286 775	–	–
Provisional pricing payables	–	13 092	–	–
Accruals	508 327	340 584	27 234	–
Concentrate purchased accruals	646 215	934 688	–	–
Accrual relating to capital expenditure	97 416	142 576	–	–
South African Revenue Service – Value Added Tax	152 974	88 002	–	–
South African Revenue Service – amounts payable relating to the Mineral and Petroleum Resources Royalty	33 827	2 972	–	–
Accrued interest and commitment fees	122 488	58 181	–	–
Employee related accruals	946 973	802 980	–	–
Employee labour court judgement (refer to note 48)	–	55 000	–	–
Other	74 046	80 651	–	–
	3 941 604	3 805 501	27 234	–

Trade payable and accrual balances are unsecured, non-interest bearing and normally settled on 30-day terms.

The carrying value of trade and other payables approximate their fair value, due to their short-term nature.

Below are the uncovered foreign currency denominated balances as at reporting date included in trade and other payables above:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Euro (€000)	524	2 592	–	–
€ closing exchange rate*	R17.07	R16.93	–	–
Trade and other payables denominated in € (R000)	8 960	43 875	–	–
US dollars (USD000)	24 649	31 470	–	–
USD closing exchange rate*	R16.28	R14.28	–	–
Trade and other payables denominated in USD (R000)	401 292	449 244	–	–
Pound Sterling (£000)	116	28	–	–
£ closing exchange rate*	R19.82	R19.57	–	–
Trade and other payables denominated in £ (R000)	2 294	548	–	–

**Rounded to the nearest cent.*

Refer to note 45 for the fair value and financial risk disclosure.

38. Provisional pricing derivatives

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Provisional pricing derivatives	–	–	–	–
	–	–	–	–

Provisional pricing derivatives relate to amounts received in advance for chrome deliveries during the quotation period. Therefore any negative movement in the chrome price subsequent to payment being received will result in a payable to the customer as reflected above.

Subsequent to the quotational period, the selling price is finalised and any amount that is required to be refunded is accounted for as a provisional pricing payable (refer to note 37).

39. Short-term provisions

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Balance at the beginning of the year	426 992	365 119	–	–
Additional amounts raised	593 837	476 265	–	–
Leave pay utilised	(510 306)	(414 392)	–	–
	510 523	426 992	–	–

Short-term provisions are considered short-term employee benefits and are not measured in terms of IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Employee entitlements to annual leave are recognised when they accrue to employees. An estimated liability for annual leave as a result of services rendered by employees up to the reporting date based on the basic cost of employment and available leave entitlement at that date is recognised.

40. Other long-term employee benefits

The Toro Employee Empowerment Trust is an employee profit scheme at the Zondereinde mine for eligible employees (Paterson C band employees and below). 4% of after-tax profits of the Zondereinde mine is contributed to the Toro Employee Empowerment Trust. Eligible employees receive payment at the end of each five year cycle, the first and second of which were made in 2013 and 2018 respectively.

Contributions to the Toro Employee Empowerment Trust will be made for the life of mine and a minimum cycle pay out of R15 000 per eligible employee has been guaranteed by the company, with the next payment due in 2023.

Northam Platinum entered into an agreement with the representative unions at the Zondereinde mine in terms of which Northam Platinum has undertaken to contribute 4% of its after-tax profits to the Toro Employee Empowerment Trust, providing Northam's Zondereinde mine's unskilled and semi-skilled employees an opportunity to participate in the profits of the company. Eligible employees will receive payment at the end of each five-year cycle, starting from September 2013.

The asset or liability comprises the present value of the obligation less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets (cash) that are held by the Trust and are not available to the creditors of the group.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Assets as at 1 July	553 069	86 490	–	–
Interest income	27 135	9 530	–	–
Employer contributions	(55 984)	462 949	–	–
Benefits paid	(7 051)	(3 281)	–	–
Actuarial loss	(17 357)	(2 246)	–	–
Administration costs	(401)	(373)	–	–
Assets as at 30 June	499 411	553 069	–	–
Unrecognised due to asset ceiling limit*	246 854	232 031	–	–
Below is a breakdown of other long-term employee benefits:				
Other long-term employee benefit as at 1 July	321 038	67 359	–	–
Service costs	119 649	42 087	–	–
Interest cost	24 022	5 801	–	–
Actuarial (loss)/gain	(204 700)	209 445	–	–
Benefits paid	(7 051)	(3 281)	–	–
Administration costs	(401)	(373)	–	–
Other long-term employee benefit as at 30 June	252 557	321 038	–	–
Asset/(liability) recognised on the statement of financial position	–	–	–	–

**The 'asset ceiling limit' ensures the asset to be recognised on the company's statement of financial position is subject to the present value of any economic benefits available to Northam Platinum in the form of refunds or reductions in future contributions.*

Northam Platinum's contribution to the Toro Employee Empowerment Trust amounts to R84.0 million (30 June 2021: R317.3 million) (refer to note 4), and will be paid to the Toro Employee Empowerment Trust subsequent to year-end based on the audited results for the year ended 30 June 2022.

Significant judgements and estimates: Determining other long-term employee benefits

Since the cash distribution is payable to employees after the end of the period in which the related services are rendered and it is not a post-employment benefit or a termination benefit, the trust is accounted for as an ‘other long-term employee benefit’ in terms of IAS 19 Employee Benefits. The benefits payable to employees are therefore measured using the projected unit credit method.

In applying the projected unit credit method, the following estimates were used:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Discount rate	7.0%	5.5%	–	–
Expected rate of return on assets	11.4%	10.3%	–	–

The rate used to discount other long-term employee benefit obligations should be determined by reference to market yields at the reporting date on high-quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds should be used. There is however no deep market in corporate bonds in South Africa and as such reference to the nominal bond curve, as compiled by the JSE Limited has been used. In terms of the accounting standards, historical yields are less important and we consequently consider it appropriate to use the discount rate as noted above per annum.

41. Cash generated from operations

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Profit before taxation	13 725 578	13 732 286	148 761	–
Adjusted for non-cash items:				
Profit on sale of property, plant and equipment	(22 376)	(149)	–	–
Depreciation and write-offs	932 597	844 486	–	–
Changes in long-term provisions	212 155	(7 345)	–	–
Changes in long-term receivables	(2 632)	(929)	–	–
Changes in short-term provisions	83 531	61 873	–	–
Share of earnings from SSG Holdings Proprietary Limited	(22 469)	(6 180)	–	–
Dividends received from SSG Holdings Proprietary Limited	–	606	–	–
Share of earnings from RBPlat	(777 049)	–	–	–
Zambezi Preference Share dividends	25 604	378 678	–	–
Amortisation of liquidity fees paid on Zambezi Preference Shares	64 197	16 390	–	–
Loss on derecognition of Zambezi Preference Share liability	286 632	1 068 558	–	–
Impairments	–	29 657	–	–
Net foreign exchange difference	(15 994)	100 131	–	–
Amortisation of security of supply contribution	(19 704)	(23 772)	–	–
Other	–	(88)	–	–
Movement in share-based payment liability	(551 521)	605 335	–	–
Finance charges excluding Zambezi Preference Share dividends	1 534 602	705 444	331 409	–
Investment revenue	(106 350)	(90 485)	(4 725)	–
Revaluation of the call options relating to RBPlat Shares	(41 013)	–	(41 013)	–
Profit on modification of the agreement terms relating to the research and development liability with Heraeus Deutschland Gmbh & Co. KG	(43 493)	–	–	–
Lock-in Fee forfeited due to a Disposal Event	(32 420)	–	–	–
Interest on Employee Labour Court Judgement	(16 010)	–	–	–
	15 213 865	17 414 496	434 432	–

42. Change in working capital

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Inventories	(260 852)	(1 933 858)	–	–
Trade and other receivables	(759 108)	(562 049)	(2 818)	–
Trade and other payables	101 021	746 977	27 234	–
	(918 939)	(1 748 930)	24 416	–

43. Tax paid

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Balance owing at the beginning of the year	53 641	(223 601)	–	–
Amounts recognised in profit or loss	(3 142 173)	(3 384 988)	(1 079)	–
Balance owing at the end of the year	93 630	(53 641)	(235)	–
	(2 994 902)	(3 662 230)	(1 314)	–

44. Changes in liabilities arising from financing activities

Below is a reconciliation of the changes in liabilities arising from financing activities:

	Opening balance	Changes from financing cash inflows	Changes from financing cash outflows	Interest	Other	Closing balance
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
Group	R000	R000	R000	R000	R000	R000
Security of supply contribution (refer note 29)	55 337	–	–	–	(19 704)	35 633
Heraeus Deutschland GmbH & Co. KG (refer note 29)	92 662	–	–	–	(43 493)	49 169
Lease liability (refer note 30)	81 247	–	(14 369)	6 981	432	74 291
Domestic Medium-Term Notes (refer note 31)	7 594 235	8 305 370	(4 969 281)	–	151 628	11 081 952
Zambezi Preference Share liability (refer note 32)	1 669 867	–	(2 046 300)	853 106	(476 673)	–
Revolving credit facility (refer note 34)	(23 182)	8 900 000	(7 450 000)	–	7 321	1 434 139
Deferred Acquisition Consideration (refer note 35)	–	8 585 287	(7 211 906)	331 409	–	1 704 790
Bridge facility (refer note 36)	–	3 000 000	(63 250)	–	(32 562)	2 969 312

The only balance relating to Northam Platinum Holdings Limited, relate to the Deferred Acquisition Consideration.

	Opening balance	Changes from financing cash inflows	Changes from financing cash outflows	Interest	Other	Closing balance
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
Group	R000	R000	R000	R000	R000	R000
Security of supply contribution (refer note 29)	79 109	–	–	–	(23 772)	55 337
Heraeus Deutschland GmbH & Co. KG (refer note 29)	79 896	–	–	12 766	–	92 662
Lease liability (refer note 30)	80 622	–	(16 421)	7 648	9 398	81 247
Domestic Medium-Term Notes (refer note 31)	5 508 412	4 646 367	(2 635 664)	–	75 120	7 594 235
Zambezi Preference Share liability (refer note 32)	8 291 117	–	(8 084 876)	1 318 728	144 898	1 669 867
Revolving credit facility (refer note 34)	(23 084)	–	(5 644)	–	5 546	(23 182)

45. Financial risk management objectives and policies

The group's activities are exposed to a variety of financial risks, market risk (including foreign currency risk, interest rate risk and commodity price risks), credit risk and liquidity risks. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Financial risk management is carried out by the finance department. Policies are approved by the board of directors, which sets guidelines to identify, evaluate and manage financial risks in co-operation with the operating units. The board of directors reviews and agrees policies for managing each of these risks which are summarised below:

The group's principal financial liabilities comprise loans and borrowings, as well as trade and other payables. The main purpose of these financial liabilities is to finance the group's operations and to provide guarantees to support its operations. The group has various financial assets such as trade receivables, investments, other financial assets, long-term receivables and cash and cash equivalents, which arise directly from its operations.

Market risk

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise the following types of risk: foreign currency risk, interest rate risk, commodity price risk and other price risk, such as equity risk.

Foreign currency risk

The group operates on international commodity markets and is therefore exposed to foreign exchange risk primarily with respect to the US dollar. Foreign exchange risks arises from future commercial transactions and are recognised both in financial assets and liabilities. To manage foreign exchange risks arising from future commercial transactions, the group, from time to time, may use forward exchange contracts within board-approval limits.

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The group has transactional currency exposures. Such exposure arises from sales in currencies other than the functional currency. The majority of the group's sales are denominated in currencies other than functional currency of the operating unit making the sale, whilst most of the costs are denominated in the functional currency, the South African Rand.

Please refer to note 22, trade and other receivables, note 23, cash and cash equivalents as well as note 37, trade and other payable for all balances denominated in foreign currency values included in the statement of financial position.

The exposure to foreign currency denominated balances included in trade and other receivables as at 30 June was as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
US dollars (USD000)	26 605	952	–	–
USD closing exchange rate*	R16.28	R14.28	–	–
Trade and other receivables denominated in USD (R000)	433 124	13 588	–	–

**Rounded to the nearest cent.*

The exposure to foreign currency denominated balances included in cash and cash equivalents as at 30 June were as follows:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
US dollars (USD000)	51 414	95 969	–	–
USD closing exchange rate*	R16.28	R14.28	–	–
Cash and cash equivalents denominated in USD (R000)	836 999	1 369 962	–	–

**Rounded to the nearest cent.*

Below are the uncovered foreign currency denominated balances as at 30 June included in trade and other payables above:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Euro (€000)	524	2 592	–	–
€ closing exchange rate*	R17.07	R16.93	–	–
Trade and other payables denominated in € (R000)	8 960	43 875	–	–
US dollars (USD000)	24 649	31 470	–	–
USD closing exchange rate*	R16.28	R14.28	–	–
Trade and other payables denominated in USD (R000)	401 292	449 244	–	–
Pound Sterling (£000)	116	28	–	–
£ closing exchange rate*	R19.82	R19.57	–	–
Trade and other payables denominated in £ (R000)	2 294	548	–	–

**Rounded to the nearest cent.*

The following table demonstrates the sensitivity to a possible change in exchange rates with all other variables held constant, of the group's profit before tax due to changes in the fair value of monetary assets and liabilities, with a debit to profit or loss being disclosed in brackets. There is no direct impact on the group or company's equity.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
ZAR weakening by 10% to the USD	86 883	93 431	–	–
ZAR strengthening by 10% to the USD	(86 883)	(93 431)	–	–
ZAR weakening by 10% to the €	(896)	(4 388)	–	–
ZAR strengthening by 10% to the €	896	4 388	–	–
ZAR weakening by 10% to the £	(229)	(55)	–	–
ZAR strengthening by 10% to the £	229	55	–	–

The group did not enter into any foreign currency hedging contracts during the current or previous year.

The group has a policy of not hedging against foreign currency of commodity price fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rate. The group's exposure to risk of changes in market interest rates relates primarily to the group's cash balances, investments, revolving credit facility, general banking facility, Bridge facility and Domestic Medium-Term Notes with floating interest rates.

As part of the process of managing the group's interest rate risk, all borrowing and the refinancing of existing borrowings are positioned according to expected movements in interest rates.

Risk associated with interest rate risk regarding the Zambezi Preference Shares have been mitigated with the Zambezi Scheme and the early maturity of the Zambezi BEE Transaction.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the group's profit before tax (through the impact on floating rate borrowings and cash and cash equivalents). There is no direct impact on the group or company's equity.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Investments held by Northam Platinum Restoration Trust Fund				
Increase of 1%	1 426	1 360	–	–
Decrease of 1%	(1 426)	(1 360)	–	–
Cash and cash equivalents				
Increase of 1%	11 752	38 772	7	–
Decrease of 1%	(11 752)	(38 772)	(7)	–
Floating rate borrowings				
Increase of 1%	(157 068)	(77 540)	–	–
Decrease of 1%	157 068	77 540	–	–
Zambezi Preference Share liability				
(30 June 2021: Increase of 11.11%)	–	(192 655)	–	–
(30 June 2021: Decrease of 11.11%)	–	192 655	–	–

During the previous year a movement of 11.11% was used with regards to interest rate risk associated with the Zambezi Preference Share liability in accordance with the Zambezi Scheme.

The group monitors its exposure to fluctuating interest rates. Cash and cash equivalents are invested with short-term maturity dates, which exposes the group to cash flow interest rate risks.

Commodity price risk

The group is subject to commodity price risks as a result of the prices at which it sells its products being determined by reference to international commodity exchanges. PGMs are sold to third party clients, with prices being fixed based on contractual terms relating to the month in which the product was sold. Trade receivables relating to PGM debtors settle the outstanding receivable balance between 2 – 5 days.

At year-end the balances outstanding relating to provisional priced receivables and provisional pricing derivatives amounted to:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Platinum Group Metal provisional receivable	323 766	–		
Nickel receivable	153 940	65 945	–	–
Chrome receivable	418 876	100 166	–	–
Total provisional priced receivables (refer to note 22)	896 582	166 111	–	–
Chrome payable (refer to note 38)	–	–	–	–
Provisional pricing derivatives	–	–	–	–
Total provisional pricing exposure	896 582	166 111	–	–

Base metal and chrome provisional pricing receivables

Base metal and chrome sales allow for price adjustments based on the market price at the end of the relevant quotational period stipulated in the sales agreements. These are referred to as provisional pricing arrangements and are such that the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after delivery to the customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the quotational period. The period between provisional invoicing and the end of the quotational period can be between one and four months.

Provisional pricing receivables are non-interest bearing, but are exposed to future commodity price movements over the quotational period and are measured at fair value up until the date of settlement. Provisional pricing receivables are initially measured at the amount which the group expects to be entitled, being the estimate of the price expected to be received at the end of the quotational period.

The full value of the provisional invoice relating to chrome sales is received in cash a month after delivery. Any negative movement in the chrome price could therefore result in amounts required to be refunded to the customer (refer to note 37 and 38).

For all base metal sales, payment is only due after the end of the quotational period.

Platinum Group Metals provisional pricing receivables

As a result of an agreement entered into during the year under review, the group now sells Platinum Group Metals concentrate from the Booysendal mine under terms containing provisional pricing features.

The salient features of the agreement contains payment terms calculated with reference to a Price Index (PI) based on ruling market prices over the month in which concentrate is delivered to the counterparty. The calculated PI is applied against assayed 4E content from delivered concentrate, and with a contractually-agreed fixed percentage being applied in respect of assayed base metals content from delivered concentrate. Where assayed results are not yet available in respect of delivered concentrate, an estimate of 4E content and base metals included in concentrate delivered during a particular month is made. The calculated USD-denominated purchase price (receivable from the counterparty) is converted in applying the average exchange rate over the month prior to the month of payment.

The concentrate purchase price calculated (with reference to the above) is payable four months following the month during which concentrate for which payment is due was delivered.

The following is an indication of the effect that changes in provisionally priced receivables would have on profit before tax, should there be a change in commodity prices based on the outstanding accounts receivable balance at year-end. There is no direct impact on the group or company's equity.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Weakening by 10% of the respective commodity prices	(89 658)	(16 611)	–	–
Strengthening by 10% of the respective commodity prices	89 658	16 611	–	–

The group did not enter into any commodity hedging contracts during the year under review.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities with banks and financial institutions. The group trades only with recognised, creditworthy third parties. It is the group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant.

With respect to credit risk arising from other financial assets of the group, which comprise cash and cash equivalents, investments and loans, the group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

There is no material concentration of credit risk in cash and cash equivalents, trade and other receivables and loans. The group has policies that limit the amount of credit exposure related to cash and cash equivalents to any single financial institution by only dealing with well-established financial institutions of high credit quality standing. The credit exposure to any one of the counterparties is managed by setting exposure limits which are approved by the board.

With regard to trade and other receivables, the group has policies in place to ensure that sales are only made to customers with an appropriate credit history. Trade debtors comprise a number of customers, dispersed across different geographical areas. Credit evaluations are performed on the financial conditions of these and other receivables from time to time. Trade receivables are presented in the statement of financial position net of any provision for impairment.

Credit risk relating to loans mainly consists of employee housing loans (refer to note 16). These loans are secured by a second bond over residential properties. The maximum credit risk (before taking into account any collateral held) relating to the long-term receivables amount to the outstanding balance.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. The group has undrawn general banking facilities (which includes both the revolving credit facility and the general banking facility) of R3.6 billion (30 June 2021: R5.0 billion).

The group's treasury operations are managed by a reputable treasury management institution.

They assist the group in monitoring its risk to a shortage of funds by only depositing its surplus cash funds with major banks of high credit standing. They consider and monitor the maturity and returns of all financial investments. Management performs regular projected cash flow forecasts for the group.

Management regularly monitors rolling forecasts of the liquidity reserve comprising undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows. Cash and cash equivalents are immediately available.

Prudent liquidity management enables the ongoing viability of our business including our ongoing growth strategy. It involves the management of sufficient cash and cash equivalents, as well as available funding through committed credit facilities.

It further provides flexibility to return value to Shareholders and the ability to manage other stakeholder expectations and effective liquidity risk management improves our credit ratings which leads to reduced borrowing costs.

The maturity profile of the group and company's financial liabilities for the year ended 30 June 2022 is set out below, into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date representing the undiscounted contractual cash flows:

	Payable on demand	1 – 6 months	More than 6 months	More than a year	Total
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
Group	R000	R000	R000	R000	R000
Trade payables	–	1 359 338	–	–	1 359 338
Provisional pricing payables	–	–	–	–	–
Accruals	–	508 327	–	–	508 327
Concentrate purchased accruals	–	646 215	–	–	646 215
Capital accruals	–	97 416	–	–	97 416
Accrued interest and commitment fees	–	122 488	–	–	122 488
Employee-related accruals	–	946 973	–	–	946 973
Other	–	4 469	–	69 577	74 046
Long-term loans	–	–	9 400	112 800	122 200
Lease liability	1 237	6 215	3 676	133 726	144 854
Domestic Medium-Term Notes	–	–	2 290 500	8 966 337	11 256 837
Revolving credit facility	–	–	–	1 450 000	1 450 000
Deferred Acquisition Consideration	–	1 753 969	–	–	1 753 969
Bridge facility	–	3 000 000	–	–	3 000 000

	Payable on demand	1 – 6 months	More than 6 months	More than a year	Total
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
Company	R000	R000	R000	R000	R000
Trade and other payables	–	27 234	–	–	27 234
Deferred Acquisition Consideration	–	1 753 969	–	–	1 753 969
Short-term subsidiary loan payable	10 334 718	–	–	–	10 334 718

The maturity profile of the group and company's financial liabilities for the year ended 30 June 2021 is set out below, into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date representing the undiscounted contractual cash flows:

	Payable on demand	1 – 6 months	More than 6 months	More than a year	Total
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
Group	R000	R000	R000	R000	R000
Trade payables	–	1 286 775	–	–	1 286 775
Provisional pricing payables	–	13 092	–	–	13 092
Accruals	–	340 584	–	–	340 584
Concentrate purchased accruals	–	934 688	–	–	934 688
Capital accruals	–	142 576	–	–	142 576
Accrued interest and commitment fees	–	58 181	–	–	58 181
Employee-related accruals	–	802 980	–	–	802 980
Employee labour court judgement	55 000	–	–	–	55 000
Other	–	13 269	–	67 382	80 651
Long-term loans	–	4 700	9 400	122 200	136 300
Lease liability	1 164	5 846	7 445	143 504	157 959
Domestic Medium-Term Notes	–	21 700	3 740 056	3 992 267	7 754 023
Zambezi Preference Share liability*	–	–	–	2 046 304	2 046 304
Revolving credit facility	–	–	–	–	–

**The undiscounted cash flows relating to the Preference Share liability is also the maximum exposure to credit risk regarding the guarantee issued by Northam company.*

During F2022 Northam Platinum acquired all the Zambezi Preference Shares not already held by Northam Platinum as part of the Zambezi Scheme. This resulted in the extinguishing of the liability under the Northam Guarantee in full. However as at 30 June 2021, the assets of Zambezi were more than the liabilities and therefore at year-end, there was no risk for the Northam Guarantee to be called upon.

There were no financial liabilities for the year ended 30 June 2021 relating to company.

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

The carrying value of the investment in RBPlat:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Carrying value (refer to note 13)	17 688 771	–	17 447 897	–
Fair value as per the closing share price of RBPlat (trading under share code: RBP)	14 682 164	–	14 682 164	–

The group carrying value of the investment is based on the price paid together with our share of earnings as well as dividends received relating to our investment in RBPlat, which is believed to be reasonable based on a discounted cash flow valuation model calculated from information available in the public domain.

The fair value of the investment in RBPlat has been determined with reference to the closing share price of RBPlat Shares at the reporting year, therefore the fair value has been determined as level 1.

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Number of RBPlat Shares held by Northam Holdings	100 219 552	–	100 219 552	–
Closing share price of RBPlat (trading under share code: RBP)	R146.50	–	R146.50	–
Fair value as per the closing share price of RBPlat Shares (R000)	14 682 164	–	14 682 164	–

	Carrying amount	Fair value	Carrying amount	Fair value
	30 June 2022	30 June 2022	30 June 2021	30 June 2021
	R000	R000	R000	R000
Zambezi Preference Share liability (refer to note 32)	N/A	N/A	(1 669 867)	(1 943 463)

The Zambezi Preference Share liability is classified as level 2, due to the low level of activity in the South African debt market.

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:

	30 June 2022	30 June 2021
	Number of Zambezi Preference Shares	Number of Zambezi Preference Shares
Number of Zambezi Preference Shares issued	159 905 453	159 905 453
Number of Zambezi Preference Shares held by Northam Platinum	(159 905 453)	(139 972 496)
Number of Zambezi Preference Shares held in the open market	–	19 932 957
Percentage holding by Northam Platinum in the Zambezi Preference Shares	100.0%	87.5%
Value per Zambezi Preference Share*	R45.05	R86.99
Closing price of Zambezi Preference Shares	Traded until commencement of trade on 24 August 2021	R97.50
Fair value as per closing price of the Zambezi Preference Shares (R000)	N/A	(1 943 463)

**Rounded to the nearest cent.*

The provisional pricing derivatives and receivables are also classified as level 2 as the balances are underlined by quoted commodity prices. Call options relating to RBPlats Shares are also classified as level 2 as the balance is underlined by the quoted RBPlat share price.

Investments held in the Northam Platinum Restoration Trust Fund, Environmental guarantee investment and Buttonshope Conservancy Trust are classified as level 1 as these balances are underlined by quoted (unadjusted) prices in active markets for identical assets.

There were no transfers of financial instruments between the various fair value levels during the year.

Capital management (including equity risk)

The Composite Transaction has been a pivotal event in the company's history. Firstly, accelerating the maturity of the Zambezi BEE Transaction, and secondly, restoring and extending empowerment in Northam for a further 15 years. The extension will focus on our employees and communities.

Northam implemented a landmark empowerment transaction with Zambezi in May 2015. This was the catalyst for the group's growth, injecting R4.2 billion cash onto the balance sheet. It enabled a counter-cyclical investment strategy in acquisitions and organic growth projects. In addition, the transaction secured 31.4% ownership by a broad-based group of Historically Disadvantaged Persons (HDPs), through Zambezi. The transaction was funded by Northam Shareholders through an innovative structure, involving the offer of JSE listed Zambezi Preference Shares to them. In essence, Northam Shareholders funded Zambezi's acquisition of Northam Shares by way of a preference share structure.

An increase in the Northam share price, provided the opportunity, through accelerating the maturity of the Zambezi BEE Transaction, to crystallise value for the benefit of all Shareholders. This was further enabled by our Zambezi Preference Share acquisition strategy.

Northam's decision to propose the acceleration of the maturity of the Zambezi BEE Transaction was well considered, taking into account the risks associated with maturation on 17 May 2025. The objective of accelerating the maturity of the Zambezi BEE Transaction was to permanently secure, unlock and transfer unencumbered value created within Zambezi and in so doing, remove maturation risk for both Northam Shareholders and Zambezi Ordinary Shareholders.

Maturation risk included: Firstly, settlement of the Zambezi BEE Transaction was subject to singularity risk. As highlighted by the stark share price movements brought about at the onset of the COVID-19 pandemic, an adverse market event occurring on 17 May 2025 could have posed a risk to the value created for Northam Shareholders, including Zambezi and increased the risk of a claim under the Northam Guarantee. Secondly, a large number of Northam Shares could have flowed to the market on maturity. This would have placed sell-side pressure on the Northam Shares, eroding value for Northam Shareholders. Lastly, the unwinding of the Zambezi structure in the ordinary course would have left Northam with no certainty regarding compliance with the Mining Charter.

The objective of the Extended Empowerment Transaction is to restore and secure HDP ownership in Northam for a further 15 years, whilst optimising the group structure for compliance with the Mining Charter. Northam has already made a tremendous contribution towards empowerment through the Zambezi BEE Transaction and we now want to focus our empowerment initiatives on our employees and communities. The Extended Empowerment Transaction will be funded by Northam.

Northam Holdings acquired an initial 93 930 378 shares in RBPlat from a wholly-owned subsidiary of RBH.

In addition, a call and put option arrangement amounting to 1 673 695 RBPlat Shares was entered into with RBH. The initial exercise price in respect of the put and call options was R135.00 per RBPlat Share.

The purchase consideration for the initial 93 930 378 investment in RBPlat shares was settled by issuing 34 399 725 Northam Holdings Shares to RBIH, with the balance of R8.6 billion to be settled in cash. R3.0 billion was paid upfront, R4.0 billion settled during April 2022 and the remaining R1.6 billion (excluding escalation at the Escalation Rate) will be deferred to no later than 30 September 2022.

As a result of the transaction, Royal Bafokeng Investment Holdings (RBIH) now holds a strategic 8.7% shareholding in Northam Holdings.

Categories of financial instruments

The following table summarises the classification of financial instruments for the group and company for the year ended 30 June 2022:

	Fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Non-financial instruments	Total
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
Group	R000	R000	R000	R000	R000
Long-term receivables	–	85 793	–	–	85 793
Investment held by Northam Platinum Restoration Trust Fund	142 586	–	–	–	142 586
Environmental guarantee investment	93 214	–	–	–	93 214
Buttonshope Conservancy Trust	11 243	–	–	–	11 243
Trade and other receivables	896 582	230 686	–	649 109	1 776 377
Cash and cash equivalents	–	1 175 225	–	–	1 175 225
Other financial assets	41 013	–	–	–	41 013
Long-term loans	–	–	(84 802)	–	(84 802)
Domestic Medium-Term Notes	–	–	(11 081 952)	–	(11 081 952)
Revolving credit facility	–	–	(1 434 139)	–	(1 434 139)
Deferred Acquisition Consideration	–	–	(1 704 790)	–	(1 704 790)
Bridge facility	–	–	(2 969 312)	–	(2 969 312)
Trade and other payables	–	–	(3 754 803)	(186 801)	(3 941 604)
Provisional pricing derivatives	–	–	–	–	–

	Fair value through other comprehensive income	Fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Non-financial instruments	Total
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
Company	R000	R000	R000	R000	R000	R000
Trade and other receivables	–	–	2 818	–	–	2 818
Cash and cash equivalents	–	–	720	–	–	720
Other financial assets	–	41 013	–	–	–	41 013
Subsidiary loans payable	–	–	–	(10 334 718)	–	(10 334 718)
Deferred Acquisition Consideration	–	–	–	(1 704 790)	–	(1 704 790)
Trade and other payables	–	–	–	(27 234)	–	(27 234)

Categories of financial instruments

The following table summarises the classification of financial instruments for the group and company for the year ended 30 June 2021:

	Fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Non-financial instruments	Total
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
Group	R000	R000	R000	R000	R000
Long-term receivables	–	83 161	–	–	83 161
Investment held by Northam Platinum Restoration Trust Fund	136 030	–	–	–	136 030
Environmental guarantee investment	60 707	–	–	–	60 707
Buttonshope Conservancy Trust	16 067	–	–	–	16 067
Other financial assets	–	23 182	–	–	23 182
Trade and other receivables	166 111	500 434	–	748 385	1 414 930
Cash and cash equivalents	–	3 877 208	–	–	3 877 208
Long-term loans	–	–	(147 999)	–	(147 999)
Domestic Medium-Term Notes	–	–	(7 594 235)	–	(7 594 235)
Zambezi Preference Share liability	–	–	(1 669 867)	–	(1 669 867)
Revolving credit facility	–	–	–	–	–
Trade and other payables	–	–	(3 714 527)	(90 974)	(3 805 501)
Provisional pricing derivatives	–	–	–	–	–

There were no financial instruments for the year ended 30 June 2021 relating to company.

46. Related parties

Related party relationships exist between the company, subsidiaries and an associate within the Northam Platinum Holdings Limited group of companies.

Below is a summary of the directly held subsidiary of Northam Platinum Holdings Limited as well as interest in associates:

	Effective holding	Stated capital and premium	Investment	Indebtedness
	30 June 2022	30 June 2022	30 June 2022	30 June 2022
Company	%	R000	R000	R000
Northam Platinum Limited	100.00%	9 878 034	8 198 063	(10 334 718)
Investment in RBPlat	34.52%	–	17 447 897	–

For the financial year, the group's share of earnings from RBPlat amounted to R777.0 million, and a dividend of R536.2 million was declared and paid with a dividend of R245.5 million declared subsequent to the year-end.

Northam Platinum has the following investments in subsidiaries, associates and trusts:

	Effective holding	Stated capital and premium	Investment	Indebtedness
	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	%	R000	R000	R000
Northam Platinum Holdings Limited	0.0%		*	10 334 718
Booysendal Platinum Proprietary Limited	100.0	8 675 932	11 886 088	(16 063 529)
Eland Platinum Proprietary Limited	100.0	325 000	325 000	2 638 266
Mvelaphanda Resources Proprietary Limited	100.0	4 358	–	(6 600)
Norplats Properties Proprietary Limited	100.0	**	*	24 885
Northam Platinum Investments (US) Incorporated	100.0	–	142 119	466
Northam Recovery Services LLC	Indirect holding	–	–	32 891
Northam Property Company LLC	Indirect holding	–	–	10 035
Zambezi Platinum (RF) Limited	N/A	–	***	(1 089 033)
The Northam Zondereinde Community Trust	–	–	–	–
The Northam Booysendal Community Trust	–	–	–	–
The Northam Employees' Trust	–	–	–	–
Buttonshope Conservancy Trust	–	–	–	–
Northam Platinum Restoration Trust Fund	–	–	–	–
			12 353 207	(4 117 901)

****Investment held in Zambezi through the N share held.*

***Issued capital is less than R1 000.*

**Investment less than R1 000.*

There are no other balances outstanding from group companies other than the indebtedness noted above.

Below is a summary of the key related party transactions:

Guarantees

At year-end, Northam Platinum had finance facilities available in the form of an RCF to the value of R4.0 billion (30 June 2021: R4.0 billion) and a GBF to the value of R1.0 billion (30 June 2021: R1.0 billion) with Nedbank Limited. Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited have both signed a letter of guarantee concerning these facilities.

In addition, during December 2021 Northam Platinum obtained a Bridge facility from Nedbank Limited to the value of R3.0 billion. Northam Holdings, Booysendal Platinum Proprietary Limited and Eland Platinum Proprietary Limited have all signed a letter of guarantee relating to this facility.

Refer to note 23 for details on the GBF, note 34 for details relating to the RCF and note 36 for details relating to the Bridge facility.

Northam Holdings and RBIH have entered into a pledge and cession agreement in terms of which Northam Holdings has pledged and ceded in securitatem debiti the Acquisition Shares (93 930 378 RBPlat shares) and the relevant option shares acquired by Northam Holdings for the Deferred Option Consideration (to the extent applicable), in favour of RBIH as security for the payment by Northam Holdings of the Deferred Acquisition Consideration and Deferred Option Consideration, to the extent applicable.

Furthermore, Northam Platinum, Booysendal Platinum Proprietary Limited and RBIH have entered into a guarantee, in terms of which Northam Platinum and Booysendal Platinum Proprietary Limited guarantee the payment obligations of Northam Holdings in respect of the Deferred Acquisition Consideration and Deferred Option Consideration.

Refer to note 35 for details on the Deferred Acquisition Consideration.

Furthermore, as at 30 June 2022, Northam had DMTNs in an aggregate amount of R11.3 billion (30 June 2021: R7.8 billion) in issue on the debt capital market. These Notes were issued under the R15.0 billion DMTN Programme. Booysendal Platinum Proprietary Limited is a guarantor for Notes in issue.

Refer to note 31 for details on the Notes issued.

The Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the Northam Employees' Trust

The manner in which the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the Northam Employees' Trust were set up and the contracts governing the relationships between Northam Platinum and these trusts, direct the relevant activities determined when these trusts were created and will continue to be carried out until such time as empowerment credentials are no longer required by Northam. There is no scope for any other commercial activity outside of the maintenance of the empowerment credentials and the allocation of returns on the Northam Holdings Shares for the benefit of the beneficiaries of these trusts.

These trusts are therefore under the control of Northam Platinum and consolidated into the group.

In terms of the Trust Deed of the Northam Employees' Trust, Northam Platinum previously committed to contribute R1.0 million per annum for the duration of the Lock-in period. This payment ceased upon implementation of the early maturation of the Zambezi BEE Transaction, on the Net Value Distribution Date and the last contribution was paid during the current year by Northam Platinum.

Below is a summary of the net asset value of these trusts:

	30 June 2022	30 June 2021
	R000	R000
Investment in Northam Platinum Holdings Limited	1 092 548	–
Trade and other receivables	2 360	2 033
Cash and cash equivalents (refer to note 23)	225 579	72 523
Amounts receivable from South African Revenue Service	298	418
Trade and other payables	(955)	(6 306)
Amounts payable to South African Revenue Service	(162)	–
Net asset value of the Zambezi Trusts	1 319 668	68 668
Number of Northam Platinum Holdings Limited Shares held by the Zambezi Trusts	6 378 354	–
Closing share price of Northam Platinum Holdings Limited Shares (share code: NPH)	R171.29	–
Investment held in Northam Platinum Holdings Limited	1 092 548	–

Other related party transactions

SSG Holdings Proprietary Limited (SSG)

The group has a 33.7% (30 June 2021: 33.7%) interest in SSG Holdings Proprietary Limited, owning 3 000 shares out of 8 900 issued shares.

SSG Holdings Proprietary Limited provides security, cleaning and facility services to the Northam group.

Below is a summary of transactions between the group and SSG Holdings Proprietary Limited:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
SSG Facilities Proprietary Limited	68 571	47 786	–	–
SSG Cleaning Proprietary Limited	3	–		
SSG Securities Solutions Proprietary Limited	105 202	101 561	–	–
Security, cleaning and facilities services provided by SSG Holdings Proprietary Limited to the group during the year accounted for as part of operating costs	173 776	149 347	–	–
Dividends received (refer to note 13)	606	606	–	–
Amounts payable to SSG Holdings Proprietary Limited included as part of trade and other payables	19 313	17 204	–	–

Also refer to note 13 for details of the investment held in SSG Holdings Proprietary Limited. During the year under review, the investment in SSG Holdings Proprietary Limited was reclassified from an interest in associate to a non-current assets held for sale.

Dwaalkop

Dwaalkop is a joint operation between Mvelaphanda Resources Proprietary Limited (Mvelaphanda), a wholly-owned subsidiary of Northam Platinum owning 50% and Western Platinum Proprietary Limited, a subsidiary of Lonmin plc, now Sibanye-Stillwater Limited (Sibanye-Stillwater) owning the other 50%. The joint operation is managed by Sibanye-Stillwater. The Dwaalkop asset is not currently being mined.

Dwaalkop is accounted for as a Joint Arrangement. The Joint Arrangement meets the accounting requirements for recognition as a Joint Operation and as such, all its assets and liabilities relating to Dwaalkop are included in the consolidated financial statements.

The Dwaalkop Mineral Resource includes portions of the farms Dwaalkop, Rooibokbult and Turfpan. The mineral deposit has the potential to be developed into an open stope retreat mining operation.

Refer to the Mineral Resources and Mineral Reserves statement, for the group's attributable Mineral Resources relating to Dwaalkop.

Strategic Partner Advances

Pursuant to the Zambezi Ordinary Shareholder Loan Agreements, Northam Platinum agreed to advance to each Zambezi Ordinary Shareholder their proportionate amount (determined in accordance with their respective Zambezi Shareholdings) of R500.0 million together with certain Deemed Advances (as defined in the Zambezi Ordinary Shareholder Loan Agreements) in respect of the Zambezi Transaction Costs in an amount of (i) up to R18.0 million (plus VAT thereon) if the Transaction does not become unconditional, or (ii) R10.0 million (plus VAT thereon, to the extent applicable) if the Transaction becomes unconditional. The Zambezi Ordinary Shareholder Loans was:

- secured by way of each relevant Pledge and Cession Agreement entered into between each Zambezi Ordinary Shareholder and Northam Platinum on or about 2 February 2015 (as amended to cater for the Zambezi Ordinary Shareholders' obligations to Northam Platinum under the Zambezi Ordinary Shareholder Loan Agreements);
- accrued interest daily at a nominal rate equal to the aggregate of the Prime Rate and 3.5%, and compounded annually on 1 January; and
- fully repaid on (i) the Net Value Distribution Date if the Transaction becomes unconditional; or (ii) 25 May 2025 if the Transaction did not become unconditional, provided that, if Zambezi pays any Distribution in respect of the Zambezi Ordinary Shares prior to 25 May 2025, then 100% of such Distribution would have been utilised to settle the Zambezi Ordinary Shareholder Loan and unpaid accrued interest thereon.

The Deemed Advances were settled in full through the Net Value Distribution.

Key management remuneration

	Fees	Remuneration package	Performance bonus and retention bonus payments	Benefits and other	Gain on share-based payments	Total
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	R000	R000	R000	R000	R000	R000
Executive						
PA Dunne	–	11 863	8 597	2	37 194	57 656
AH Coetzee	–	5 799	4 096	408	15 946	26 249
Non-executive						
DH Brown	1 141	–	–	–	–	1 141
HH Hickey*	971	–	–	–	–	971
NY Jekwa	983	–	–	–	–	983
MH Jonas	606	–	–	–	–	606
TE Kgosi	779	–	–	–	–	779
TI Mvusi**	918	–	–	–	–	918
JJ Nel***	433	–	–	–	–	433
JG Smithies	926	–	–	–	–	926
GT Lewis	686	–	–	–	–	686
	7 443	17 662	12 693	410	53 140	91 348

**Mrs HH Hickey was appointed lead independent director with effect from 20 June 2022.*

***Mr TI Mvusi was appointed as lead independent director from 27 September 2021 and as chairman from 20 June 2022.*

****Mr JJ Nel resigned as a director with effect from 17 December 2021.*

Key management remuneration

	Fees 30 June 2021 R000	Remuneration package 30 June 2021 R000	Performance bonus and retention bonus payments 30 June 2021 R000	Benefits and other 30 June 2021 R000	Gain on share-based payments 30 June 2021 R000	Total 30 June 2021 R000
Executive						
PA Dunne	–	9 326	9 439	–	24 953	43 718
AH Coetzee	–	4 896	5 532	–	5 625	16 053
Non-executive						
KB Mosehla*	644	–	–	–	–	644
R Havenstein**	319	–	–	–	–	319
DH Brown***	837	–	–	–	–	837
CK Chabedi****	293	–	–	–	–	293
HH Hickey	591	–	–	–	–	591
NY Jekwa*	838	–	–	–	–	838
MH Jonas	421	–	–	–	–	421
TE Kgosi	675	–	–	–	–	675
TI Mvusi	421	–	–	–	–	421
JJ Nel**	706	–	–	–	–	706
JG Smithies	541	–	–	–	–	541
GT Lewis*****	269	–	–	–	–	269
	6 555	14 222	14 971	–	30 578	66 326

**Mr KB Mosehla retired as the independent non-executive chairman of the board with effect from 22 June 2021 and as a director from 30 June 2021.*

***Mr R Havenstein retired as director with effect from the conclusion of the November 2020 AGM.*

****Mr DH Brown was designated lead independent director with effect from 1 November 2020 and subsequently appointed as the independent non-executive chairman of the board with effect from 22 June 2021.*

*****Mr CK Chabedi was not re-elected as a director by shareholders at the November 2020 AGM.*

******Mr GT Lewis was appointed as an independent non-executive director with effect from 1 December 2020.*

Also see the remuneration report for further details on the remuneration accrued and paid to executive directors. No individuals other than executive directors are considered to be prescribed officers. Details of the non-executive fees are disclosed in the directors' report.

Details of share incentives granted to directors

Below is an analysis of share incentives held as at 30 June 2022:

	2 Nov 2017 Share award	6 Nov 2018 Share award	8 Nov 2019 Share award	31 Oct 2020 Share award	31 Oct 2021 Share award	Share award	Total
Retention shares and performance shares						LIM shares	
PA Dunne							
Balance at 1 July 2021	–	177 753	71 600	39 600	–	1 500 000	1 788 953
Performance shares awarded during the year	–	–	–	–	43 630	–	43 630
Shares adjusted for performance conditions met during the year	–	9 688	–	–	–	–	9 688
Shares cash settled during the year	–	(187 441)	–	–	–	–	(187 441)
Balance at 30 June 2022	–	–	71 600	39 600	43 630	1 500 000	1 654 830
Balance at 1 July 2020	142 100	184 500	71 600	–	–	1 500 000	1 898 200
Retention shares awarded during the year	–	–	–	9 900	–	–	9 900
Performance shares awarded during the year	–	–	–	29 700	–	–	29 700
Shares adjusted for performance conditions met during the year	5 052	(6 747)	–	–	–	–	(1 695)
Shares cash settled during the year	(147 152)	–	–	–	–	–	(147 152)
Balance at 30 June 2021	–	177 753	71 600	39 600	–	1 500 000	1 788 953

	2 Nov 2017 Share award	6 Nov 2018 Share award	8 Nov 2019 Share award	31 Oct 2020 Share award	31 Oct 2021 Share award	Share award	Total
Retention shares and performance shares						LIM shares	
AH Coetzee							
Balance at 1 July 2021	–	76 209	32 280	18 330	–	350 000	476 819
Performance shares awarded during the year	–	–	–	–	20 440	–	20 440
Shares adjusted for performance conditions met during the year	–	4 151	–	–	–	–	4 151
Shares cash settled during the year	–	(80 360)	–	–	–	–	(80 360)
Balance at 30 June 2022	–	–	32 280	18 330	20 440	350 000	421 050
Balance at 1 July 2020	32 030	79 100	32 280	–	–	–	143 410
Retention shares awarded during the year	–	–	–	4 580	–	–	4 580
Performance shares awarded during the year	–	–	–	13 750	–	–	13 750
Incentive mechanism shares awarded during the year	–	–	–	–	–	350 000	350 000
Shares adjusted for performance conditions met during the year	1 139	(2 891)	–	–	–	–	(1 752)
Shares cash settled during the year	(33 169)	–	–	–	–	–	(33 169)
Balance at 30 June 2021	–	76 209	32 280	18 330	–	350 000	476 819

Also refer to the remuneration report for further details on key management remuneration.

47. Capital and other commitments, including guarantees provided

At year-end, the group had the following commitments arising in the ordinary course of business:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Capital commitments – Booysendal mine				
Authorised but not contracted	1 232 900	964 797	–	–
Contracted	254 056	195 557	–	–
	1 486 956	1 160 354	–	–
Capital commitments – Zondereinde mine				
Authorised but not contracted	1 927 685	1 659 940	–	–
Contracted	317 268	265 758	–	–
	2 244 953	1 925 698	–	–
Capital commitments – Eland mine				
Authorised but not contracted	1 638 100	1 044 805	–	–
Contracted	58 631	144 577	–	–
	1 696 731	1 189 382	–	–
Total capital commitments	5 428 640	4 275 434	–	–

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

Below is a summary of the bank guarantees issued as well as guarantees issued to the Department of Mineral Resources and Energy:

	Group		Company	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	R000	R000	R000	R000
Bank guarantees				
Eskom Holdings SOC Limited	143 709	143 709	–	–
The Commission for Conciliation, Mediation and Arbitration (CCMA)	2 737	–	–	–
Other	298	298	–	–
	146 744	144 007	–	–
Other environmental guarantees				
Department of Mineral Resources and Energy (refer to note 18)	733 402	618 512	–	–
	733 402	618 512	–	–

Subsequent to 30 June 2022, additional guarantees relating to Northam Platinum amounting to R102.3 million and a guarantee relating to Eland Platinum Proprietary Limited for R31.8 million was issued to Eskom Holdings SOC Limited.

48. Employee Labour Court judgement

Northam received judgement in a Labour Court case in which employees claimed that they were unfairly dismissed when they did not return to work after an unprotected work stoppage in 2016.

According to the Labour Court, the employees' dismissal was substantively unfair. Northam had been ordered to pay compensation for each employee equivalent to 12 months' remuneration calculated at the rate of remuneration on dismissal, which amounted to R54.3 million and was provided for in full in previous financial years.

The employees sought reinstatement and were granted leave to appeal to the Labour Appeal Court. Northam Platinum opposed the appeal. The matter was heard in the Labour Appeal Court on 11 February 2020, and the appeal was dismissed by the Labour Appeal Court on 14 September 2021.

All amounts due and payable including interest of R16.0 million was paid into an attorneys' trust account and Northam believes that this matter has now been settled in full. Refer to note 6 for details on the finance charges relating to the Employee Labour Court Judgement.

49. South African Revenue Service VAT claim

In 2015 Northam Platinum concluded an R6.6 billion Broad Based Economic Empowerment (BEE) transaction which secured a sustainable 31.4% Historically Disadvantaged South African interest in Northam Platinum and at the same time secured funding for the group's expansion and growth plans. As part of the transaction, Northam Platinum acquired ordinary Northam Platinum Shares from existing shareholders, via a BEE special purpose vehicle (Zambezi Platinum (RF) Limited), referred to as the Zambezi BEE Transaction.

Northam Platinum claimed input VAT in relation to the Zambezi BEE Transaction.

The South African Revenue Services (SARS) disallowed this input VAT, alleging that the relevant costs were not incurred for the purpose of consumption, use or supply in the course of making taxable supplies. Additional assessments were raised by SARS to disallow the input VAT claimed by Northam Platinum and an understatement penalty was imposed in terms of section 223(1) of the Tax Administration Act, No. 28 of 2011.

The objection raised by Northam Platinum against the additional assessments and understatement penalties was disallowed, upon which Northam Platinum appealed to the Tax Court. SARS and Northam Platinum reached a settlement prior to the matter being heard in the Tax Court. In terms of the settlement agreement, Northam Platinum was liable for an amount of R16.8 million as full and final settlement of the dispute, which was equal to the capital amount assessed and recovered by SARS from the VAT refund that was due to Northam Platinum in respect of the August 2018 tax period. Refer to note 8 sundry expenditure for amounts relating to the settlement of the VAT dispute with SARS.

It was also agreed that all the other amounts that have been assessed, and recovered from Northam Platinum by SARS, be remitted and the difference between the capital amount and the total amount recovered by SARS through the reduction of the refund that was due in respect of the August 2018 tax period, being an amount of R15.9 million, with interest be refunded by SARS to Northam Platinum.

50. Contingent asset – COVID-19 Temporary Employee Relief Scheme (C-19 TERS)

Due to the COVID-19 pandemic affecting business, government introduced the COVID-19 Temporary Employee Relief Scheme (C-19 TERS) available to all businesses affected by the lockdown during the previous financial period.

Northam submitted C-19 TERS claims to the value of R121.3 million, of which an amount of R108.9 million (30 June 2021: R102.7 million) has been received to date, refer to note 7 sundry income for amounts received during the year.

No further claims have been applied for during the year under review.

51. Events after the reporting period

There have been no events, other than what has been disclosed, subsequent to year-end which require additional disclosure or adjustment to these annual financial statements.

ANALYSIS OF NORTHAM HOLDINGS SHAREHOLDERS

The analysis of shareholders as at 30 June 2022 was as follows:

Shareholding range	Number of shareholders	Total shareholding	Percentage holding (%)
	30 June 2022	30 June 2022	30 June 2022
1 – 5 000	18 169	10 110 223	2.54
5 001 – 10 000	408	2 920 328	0.74
10 001 – 50 000	670	15 732 704	3.97
50 001 – 100 000	214	14 836 080	3.74
100 001 – 1 000 000	296	85 591 437	21.58
1 000 001 and more	57	267 425 106	67.43
	19 814	396 615 878	100.00

Geographical analysis of shareholders	Total shareholding	Percentage holding (%)
	30 June 2022	30 June 2022
South Africa	295 990 657	74.63
Americas	44 539 463	11.23
Europe and United Kingdom	35 925 825	9.06
Far East	18 304 099	4.61
Africa (excluding South Africa)	949 921	0.24
Australasia	905 913	0.23
	396 615 878	100.00

Shareholders with a holding of more than 5% of the issued share capital	Total shareholding	Percentage holding (%)
	30 June 2022	30 June 2022
Public Investment Corporation SOC Limited	68 038 895	17.15
M&G plc	43 164 516	10.88
Royal Bafokeng Investment Holding Company Proprietary Limited	34 399 725	8.67
BlackRock Inc.	25 441 353	6.41
Fairtree Capital Proprietary Limited	23 082 976	5.82
Old Mutual Limited	21 574 812	5.44

Shareholder spread	Number of shareholders	Percentage holding (%)
	30 June 2022	30 June 2022
Public	19 807	99.43
Non-public		
Associates of Northam Platinum Holdings Limited	2	0.50
Directors of Northam Platinum Holdings Limited and major subsidiaries	4	0.02
Associates of directors of Northam Platinum Holdings Limited and major subsidiaries	1	0.05
	19 814	100.0

ADMINISTRATION AND CONTACT INFORMATION

Northam Platinum Holdings Limited
Incorporated in the Republic of South Africa
Registration number: 2020/905346/06
ISIN code: ZAE000298253
Share code: NPH

Northam Platinum Limited
Incorporated in the Republic of South Africa
Registration number 1977/003282/06
Debt issuer code: NHMI

Bond code: NHM015
Bond ISIN: ZAG000164922
Bond code: NHM016
Bond ISIN: ZAG000167750
Bond code: NHM018
Bond ISIN: ZAG000168097
Bond code: NHM019
Bond ISIN: ZAG000168105
Bond code: NHM020
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